

City of Denham Springs, State of Louisiana



***ANNUAL  
COMPREHENSIVE  
FINANCIAL  
REPORT***

For The Year Ended June 30, 2025

**Annual Comprehensive  
Financial Report  
of the**

**CITY OF DENHAM SPRINGS**

**Denham Springs, Louisiana**

**For the Fiscal Year Ended  
June 30, 2025**

**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, 2025

**TABLE OF CONTENTS**

	<u>Exhibit/ Schedule/ Table</u>	<u>Page Number</u>
<b><u>INTRODUCTORY SECTION</u></b>		
Table of Contents		i
Letter of Transmittal		iv
Principal Elected Officials		ix
Organizational Chart		x
Certificate of Achievement for Excellence in Financial Reporting		xi
<b><u>FINANCIAL SECTION</u></b>		
Independent Auditor’s Report		1 - 4
Required Supplementary Information: Management’s Discussion and Analysis		6 - 19
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Position	Exhibit A-1	21
Statement of Activities	Exhibit A-2	22
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	Exhibit B-1	23
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	Exhibit B-2	24
Statement of Revenues, Expenditures, and Changes in Fund Balances	Exhibit B-3	25
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	Exhibit B-4	26
General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual	Exhibit B-5	27- 36
Proprietary Funds:		
Statement of Net Position	Exhibit C-1	37 - 38
Statement of Revenues, Expenses, and Changes in Net Position	Exhibit C-2	39
Statement of Cash Flows	Exhibit C-3	40 - 41

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

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2025

**TABLE OF CONTENTS (CONTINUED)**

	<u>Exhibit/ Schedule/ Table</u>	<u>Page Number</u>
<b><u>FINANCIAL SECTION (CONTINUED)</u></b>		
Notes to Financial Statements		42 - 110
Required Supplementary Information:		
Schedule of Proportionate Share of Net Pension Liability by Plan	Schedule 1	112 - 113
Schedule of Contributions by Plan	Schedule 2	114 - 115
Notes to Required Supplementary Information		116 - 118
Combining and Individual Fund Statements and Schedules:		
Nonmajor Governmental Funds:		
Combining Balance Sheet	Exhibit D-1	120
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	Exhibit D-2	121
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Capital Projects Fund	Exhibit D-3	122
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Witness Fee Fund - Special Revenue Fund	Exhibit D-4	123
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Hotel Occupancy Tax Fund – Special Revenue Fund	Exhibit D-5	124
Supplementary Exhibits:		
Capital Assets Used in the Operation of Governmental Funds:		
Capital Assets Used in the Operation of Governmental Funds Schedule by Source	Exhibit E-1	126
Capital Assets Used in the Operation of Governmental Funds Schedule by Function and Activity	Exhibit E-2	127
Capital Assets Used in the Operation of Governmental Funds Schedule of Changes by Function and Activity	Exhibit E-3	128
Supplementary Schedules:		
Schedule of Insurance Coverage in Force	Schedule 3	129 - 134
Schedule Required by State Law (R.S. 24:515.2 Act 87):		
Schedule of Justice System Funding – Receiving Entity	Schedule 4	135

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

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

FOR THE YEAR ENDED JUNE 30, 2025

**TABLE OF CONTENTS (CONTINUED)**

	<u>Exhibit/ Schedule/ Table</u>	<u>Page Number</u>
<b><u>STATISTICAL SECTION (UNAUDITED)</u></b>		
Net Position by Components	Schedule 5	137
Change in Net Position	Schedule 6	138 - 139
Fund Balances of Governmental Funds	Schedule 7	140
Changes in Fund Balances of Governmental Funds	Schedule 8	141
General Governmental Tax Revenues by Source	Schedule 9	142
Assessed and Estimated Actual Value of Taxable Property	Schedule 10	143
Property Tax Rates and Tax Levies Direct and Overlapping Governments	Schedule 11	144
Principal Property Taxpayers	Schedule 12	145
Property Tax Levies and Collections	Schedule 13	146
Municipal Sales Taxes by Category - General Sales and Use Tax	Schedule 14	147
Ratios of Outstanding Debt by Type	Schedule 15	148
Ratios of General Bonded Debt Outstanding	Schedule 16	149
Direct and Overlapping Governmental Activities Debt	Schedule 17	150
Legal Debt Margin Information	Schedule 18	151
Pledged Revenue Coverage	Schedule 19	152
Demographics and Economic Statistics	Schedule 20	153
Principal Employers	Schedule 21	154
Full Time Equivalent City of Denham Springs Employees by Function	Schedule 22	155
Operating Indicators by Function	Schedule 23	156 - 161
Capital Asset Statistics by Function	Schedule 24	162

MAYOR  
GERARD LANDRY

MAYOR PRO-TEMPORE  
JEFF WESLEY

CITY CLERK  
BUFFY ANDERSON



# *City of Denham Springs*

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

December 30, 2025

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, 2025.

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, 2025, are free of material misstatement. The independent audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected were based on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. The audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. The independent auditor's opinion on the primary government was unmodified in that the financial statements of the primary government of the City of Denham Springs present fairly, in all material respects, the respective financial position included in each of the components of the financial statements. During the current fiscal year, the City was required to undergo a single audit in conformance with the provisions of the revised Single Audit Act of 1996 and

Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Information related to this single audit, including the Schedule of Expenditures of Federal Awards, Findings and Questioned Cost, and the Auditor's Report on Compliance and on Internal Control over Financial Reporting is included in a separately issued report and is available upon request.

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

## **Profile of the Government**

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

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

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

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

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

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

The financial statements included in this ACFR are as follows:

➤ The City of Denham Springs	Primary Government
➤ Denham Springs Sewerage District No. 1	Blended Component Unit
➤ City Court of Denham Springs - Ward II	Discrete Component Unit
➤ Marshal of City Court of Denham Springs - Ward II	Discrete Component Unit
➤ 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, the Witness Fee Special Revenue Fund, and the Hotel Occupancy Tax Special Revenue Fund. These funds are considered nonmajor funds. The budget comparisons are presented in Exhibit D-3, D-4, and D-5 as part of the financial statements of the governmental funds.

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

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

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

## **Factors Affecting Financial Condition**

### **Economic Condition and Outlook**

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

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

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

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

The region (which includes the City of Denham Springs and the surrounding unincorporated area within Livingston Parish) has an employed labor force of approximately 68,739. This is according to the Louisiana Department of Labor June 2025 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 2025**

#### **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, 2025, the City has utilized \$545,224 of the road transfer credits with \$311,094 remaining for use on eligible projects.
- **Centerville Street sidewalk project.** The City has been awarded funding for the construction of sidewalks on the north side of Centerville Street from Summers Street to Denham Springs Junior High through the Transportations Alternatives Project program. This project was combined with a separate project for the overlay of the Centerville Street, NW. In addition to the overlay, the project will add paved shoulders to both sides of the roadway for bicycle lanes and will upgrade the sidewalks on the north side of the roadway. The City will have a cost share for construction costs

of 20% and will also be responsible for costs related to design and construction administration. As of June 30, 2025, the City has spent \$377,324 on engineering costs for this project. Construction is expected to begin in the spring of 2026.

- Bass Pro Boulevard. This project will add a roundabout on Bass Pro Boulevard and overlay the road. The City will be responsible for the engineering cost for this project, along with 20% of the construction costs. This project is in the design phase. As of June 30, 2025, the City has incurred \$200,711 in costs related to this project.
- Demco Drive/Rushing connector. This project will construct a road that will connect Pete’s Highway to Range Avenue to help relieve congestion on the surface streets and is the first phase of a larger project to improve congestion on Range Avenue and I-12. The City has applied for Capital Outlay funds from the State to help finance this roadwork. This project is in the planning stage. As of June 30, 2025, the City has incurred \$207,638 in costs related to this project.
- Home Depot Drive improvements. This project will improve Home Depot Road from a 2-lane roadway to a 3-lane roadway. This project is part of the first phase of a larger project to improve congestion on Range Avenue and I-12. The City has applied for Capital Outlay funds from the State to help finance this roadwork. This project is in the planning stage. As of June 30, 2025, the City has incurred \$68,398 in expenses related to this project.
- Cook Road Extension. This 4-lane curb and gutter roadway with a grass median is a State and Parish Project and will provide access between Pete’s Highway and Juban Road (LA 1026) that is expected to be an economic catalyst in the immediately surrounding area. Construction on this project began in the spring of 2022 and is expected to be open to traffic in the spring of 2026.

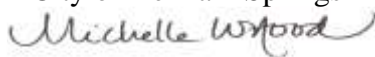
### **Acknowledgements**

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, 2025

Mayor:

H. Gerard Landry

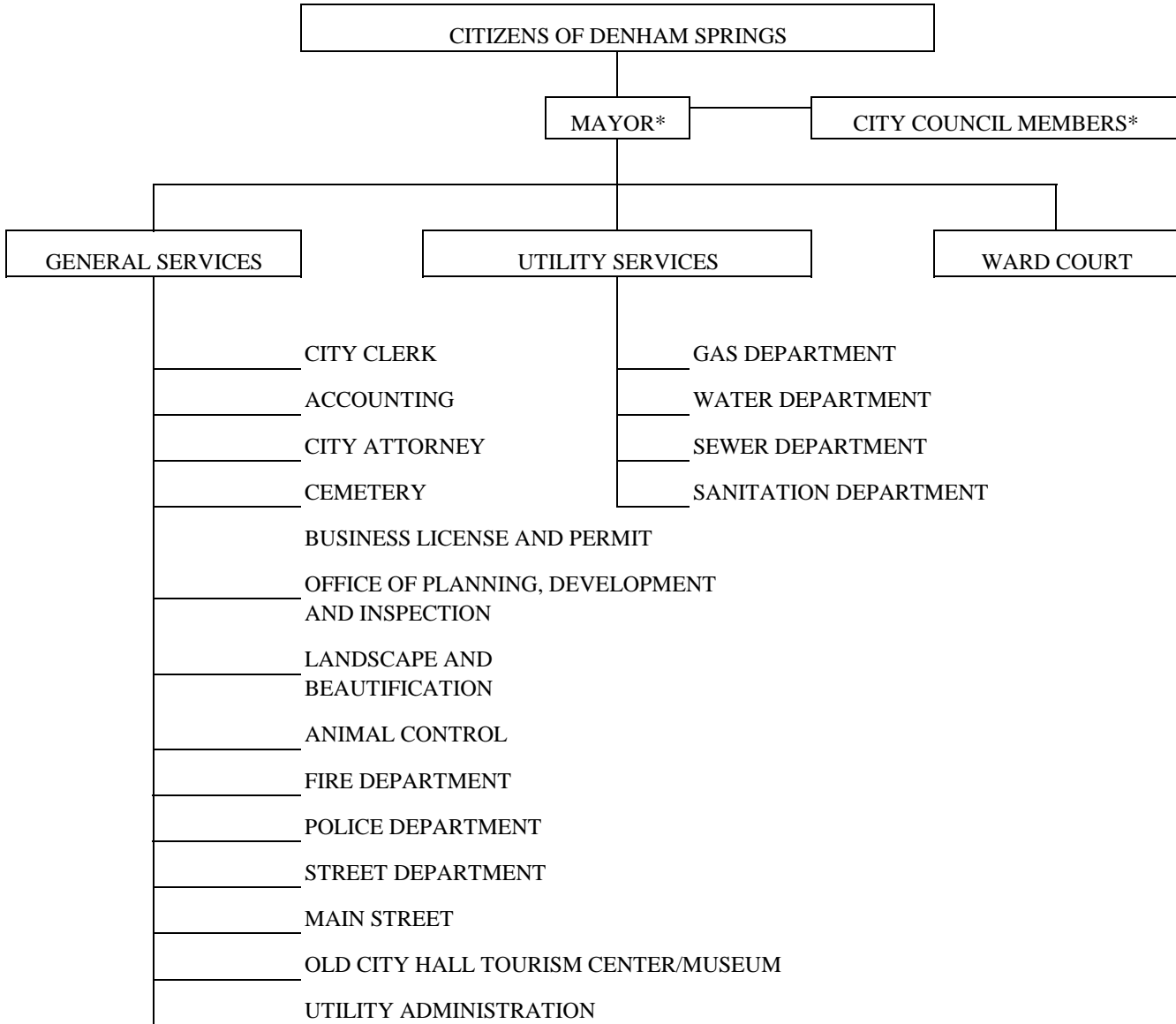
City Council Members:  
Current Terms Expire December 31, 2026:

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

**CITY OF DENHAM SPRINGS**

ORGANIZATIONAL CHART

JUNE 30, 2025



\* 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, 2024

*Christopher P. Morill*

Executive Director/CEO



FINANCIAL SECTION



**HANNIS T.  
BOURGOIS**

CPAs + BUSINESS ADVISORS

1254 DEL ESTES AVE., SUITE 1101

DENHAM SPRINGS, LA 70726

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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Denham Springs, Louisiana as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Denham Springs, as of June 30, 2025, 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.

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 100 percent of the assets, net position, and revenues of the discretely presented component units. Those statements were audited by another auditor whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Marshal of City Court of Denham Springs – Ward Two and the City Court of Denham Springs – Ward II, are based solely on the reports of the other auditor.

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

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

### ***Emphasis of Matter - Change in Accounting Principle***

As discussed in Note 22 to the financial statements, in 2025 the City adopted a new accounting standard, GASB Statement No. 101, *Compensated Absences*. The cumulative effect of the change to the newly adopted accounting principle on prior periods is reported by restating beginning net position of the governmental activities and business-type activities in these financial statements. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 111 through 118 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

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

The combining and individual fund financial statements and exhibits for nonmajor governmental funds (Exhibits D-1 through D-5), the capital assets schedules (Exhibits E-1 through E-3), the supplementary schedule of insurance coverage in force (Schedule 3), and the schedule of justice system funding – receiving entity (Schedule 4) are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and exhibits for nonmajor governmental funds (Exhibits D-1 through D-5), the capital assets schedules (Exhibits E-1 through E-3), the supplementary schedule of insurance coverage in force (Schedule 3), and the schedule of justice system funding – receiving entity (Schedule 4), are fairly stated in all material respects in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory section on pages iv through xi and the statistical section (Schedules 5 through 24) but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material

inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2025, 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, 2025

**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, 2025. 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 \$74,330,113 (*net position*).
- The primary government's total net position compared to prior year of \$59,805,483 increased by \$14,730,807.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$26,440,131, an increase of \$6,932,739 in comparison with the prior year combined ending fund balances of \$19,507,392. Approximately eighty-seven percent of this total amount, \$22,990,417, 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 \$22,990,417 or 156 percent of total general fund expenditures.
- The City's total liabilities decreased by \$8,029,257 during the current fiscal year. Governmental Activities liabilities decreased \$5,324,248 while liabilities for Business-Type activities decreased \$2,705,009. Significant to these changes were decreases in accounts payable and accrued expenses of \$4,142,541 and \$337,249, for Governmental activities and Business type activities, respectively; as well as decreases in net pension liabilities in the amounts of \$1,389,922 for Governmental activities and \$383,332 for Business type activities. For Governmental activities, amounts due in one year increased by \$52,055, while these amounts increased for Business type activities by \$83,882. Amounts due in more than one year increased for Governmental activities by \$156,160 and decreased for Business type activities by \$2,068,310.
- The City's total deferred outflows of resources decreased by \$1,474,719 during the current fiscal year. Governmental Activities saw a decrease in Deferred Outflows-Related to Pensions of \$1,082,330. Business-Type Activities also saw a decrease in Deferred Outflows-Related to Pensions in the amount of \$185,911. Additionally, Business-Type Activities saw a decrease in Deferred Amount on refunding of \$206,478.
- Governmental Activities related to deferred inflows of resources related to pension increased by \$88,666 while Business-Type activities increased by \$62,375, for a citywide increase of \$151,041.

### **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 an Economic Development Districts under Louisiana Statute, 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 six 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 five governmental funds (capital projects, debt service, permanent, and two special revenue funds) 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, the capital projects fund, witness fee special revenue fund, and hotel occupancy tax special revenue fund. Budgetary comparison statements have been provided for the general fund, the capital projects fund, witness fee special revenue fund, and hotel occupancy tax special revenue fund to demonstrate compliance with its budget.

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

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

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

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

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

Cash management policies and practices of the City of Denham Springs conservatively invested idle funds in public funds interest bearing checking accounts and certificates of deposit 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 certificates of deposit was 4.27% for the fiscal year ended June 30, 2025.

During the fiscal year ended June 30, 2025, 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, 2025.

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-5 of this report.

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

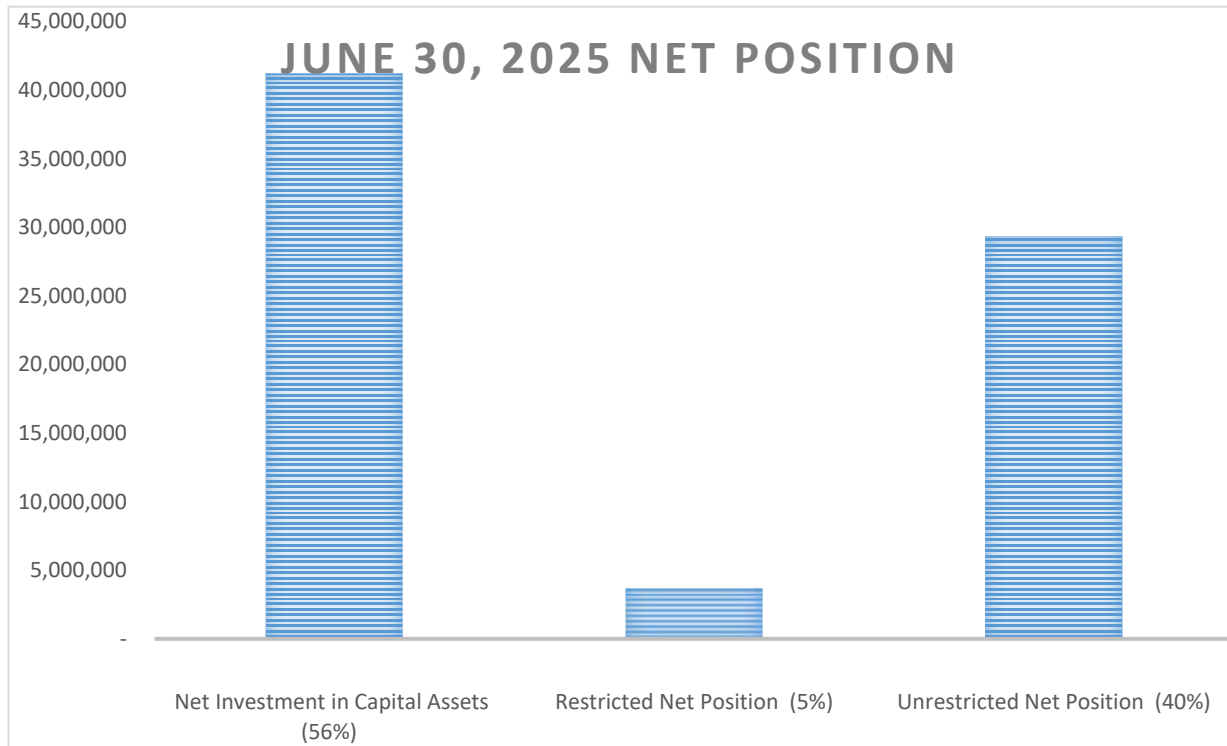
As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Denham Springs, assets exceeded liabilities by \$74,330,113 at the close of the most recent fiscal year.

The following table reflects the Condensed Statement of Net Position for June 30, 2025 with comparative figures from 2024.

City of Denham Springs  
Condensed Statement of Net Position  
June 30, 2025 and 2024

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
<b>Assets:</b>						
Current and Other Assets	\$ 28,080,538	\$ 25,269,583	\$ 14,839,123	\$ 11,775,126	\$ 42,919,661	\$ 37,044,709
Restricted Assets	-	-	3,384,431	3,377,662	3,384,431	3,377,662
Capital Assets	17,780,769	17,263,716	60,931,577	59,209,218	78,712,346	76,472,934
<b>Total Assets</b>	<b>45,861,307</b>	<b>42,533,299</b>	<b>79,155,131</b>	<b>74,362,006</b>	<b>125,016,438</b>	<b>116,895,305</b>
<b>Deferred Outflows of Resources:</b>						
Deferred Amount on Refunding	-	-	4,189,284	4,395,762	4,189,284	4,395,762
Deferred Outflows - Related to Pensions	2,705,790	3,788,120	450,509	636,420	3,156,299	4,424,540
<b>Total Deferred Outflows of Resources</b>	<b>2,705,790</b>	<b>3,788,120</b>	<b>4,639,793</b>	<b>5,032,182</b>	<b>7,345,583</b>	<b>8,820,302</b>
<b>Liabilities:</b>						
Current Liabilities	1,713,178	5,803,664	5,037,471	5,290,838	6,750,649	11,094,502
Long-Term Liabilities	9,905,994	11,139,756	40,847,603	43,299,245	50,753,597	54,439,001
<b>Total Liabilities</b>	<b>11,619,172</b>	<b>16,943,420</b>	<b>45,885,074</b>	<b>48,590,083</b>	<b>57,504,246</b>	<b>65,533,503</b>
<b>Deferred Inflows of Resources:</b>						
Deferred Inflows - Related to Pensions	416,527	327,861	111,135	48,760	527,662	376,621
<b>Net Position:</b>						
Net Investment in Capital Assets	17,780,769	17,263,716	23,405,875	19,763,653	41,186,644	37,027,369
Restricted	1,964,268	1,702,688	1,856,919	1,779,487	3,821,187	3,482,175
Unrestricted	16,786,361	10,083,734	12,535,921	9,212,205	29,322,282	19,295,939
<b>Total Net Position</b>	<b>\$ 36,531,398</b>	<b>\$ 29,050,138</b>	<b>\$ 37,798,715</b>	<b>\$ 30,755,345</b>	<b>\$ 74,330,113</b>	<b>\$ 59,805,483</b>

For more detailed information see Exhibit A-1, the Statement of Net Position. The above information presented above for 2024 has not been restated for the adoption of GASB Statement No. 101, *Compensated Absences*, and is therefore not consistent with the 2025 presentation. See Note 22 to the financial statements for further details on the adoption of GASB Statement No. 101.



By far the largest portion of the City of Denham Springs’s net position, \$41,186,644, 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, five percent or \$3,821,187, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$29,322,282 represents unrestricted net position.

The City’s net position increased by \$14,730,807, or 24% during the current fiscal year as compared to 2024’s increase of \$9,441,691. Attributable to this increase is an increase in net investment in capital assets of \$4,159,275, restricted net position of \$339,012, and an increase in unrestricted net position of \$10,232,520.

The condensed statement below provides a summary of the changes in net position for the year ended June 30, 2025, with comparative figures from 2024.

	Governmental		Business-Type		Total	
	Activities		Activities			
	2025	2024	2025	2024	2025	2024
Revenues:						
Program Revenues:						
Charges for Services	\$ 321,597	\$ 395,954	\$ 16,021,265	\$ 15,789,471	\$ 16,342,862	\$ 16,185,425
Operating Grants and Contributions	3,767,680	1,806,038	1,163,689	101,031	4,931,369	1,907,069
Capital Grants and Contributions	1,167,200	237,887	2,828,783	1,933,399	3,995,983	2,171,286
General Revenues:						
Sales Taxes	13,085,284	12,959,347	-	-	13,085,284	12,959,347
Other Taxes	2,543,126	2,492,202	-	-	2,543,126	2,492,202
Insurance Proceeds	18,038	-	-	-	18,038	-
Net Gain (Loss) on Disposition of Capital Assets	26,458	15,732	32,481	11,852	58,939	27,584
Miscellaneous	708,497	868,860	31,894	38,170	740,391	907,030
Other	827,051	578,650	432,309	345,872	1,259,360	924,522
Total Revenues and Transfers	22,464,931	19,354,670	20,510,421	18,219,795	42,975,352	37,574,465
Expenses:						
General Government	3,072,222	2,885,786	-	-	3,072,222	2,885,786
Public Safety	8,973,741	8,727,165	-	-	8,973,741	8,727,165
Highways and Streets	2,478,441	2,536,135	-	-	2,478,441	2,536,135
Health	36,890	31,599	-	-	36,890	31,599
Culture and Recreation	282,319	184,506	-	-	282,319	184,506
Gas	-	-	3,350,867	3,490,956	3,350,867	3,490,956
Water	-	-	2,695,908	2,627,975	2,695,908	2,627,975
Sewer	-	-	6,210,004	6,568,602	6,210,004	6,568,602
Sanitation	-	-	1,144,153	1,080,050	1,144,153	1,080,050
Total Expenses	14,843,613	14,365,191	13,400,932	13,767,583	28,244,545	28,132,774
Increase in Net Position	7,621,318	4,989,479	7,109,489	4,452,212	14,730,807	9,441,691
Net Position - Beginning of Year, As Restated	28,910,080	24,060,659	30,689,226	26,303,133	59,599,306	50,363,792
Net Position - End of Year	\$ 36,531,398	\$ 29,050,138	\$ 37,798,715	\$ 30,755,345	\$ 74,330,113	\$ 59,805,483

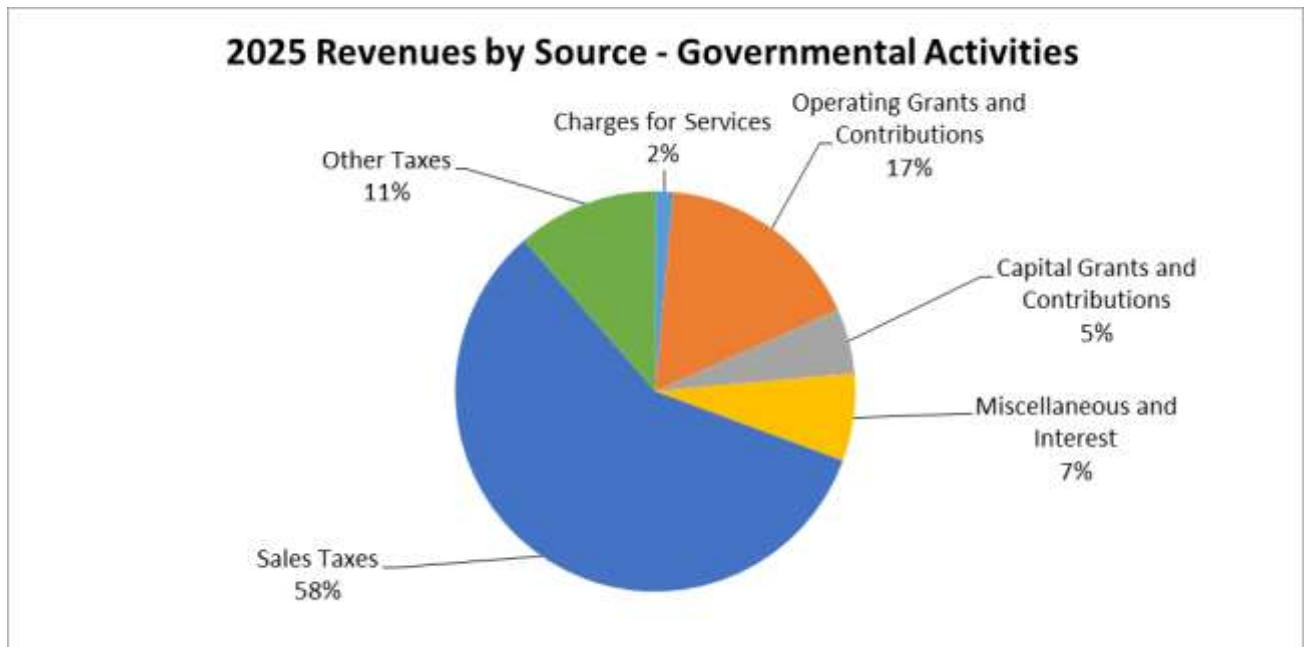
The above information presented above for 2024 has not been restated for the adoption of GASB Statement No. 101, *Compensated Absences*, and is therefore not consistent with the 2025 presentation. See Note 22 to the financial statements for further details on the adoption of GASB Statement No. 101.

**Governmental activities.** Governmental activities increased the City of Denham Springs's net position by \$7,6213,18. Key elements of this net increase are documented below.

Total revenues and transfers from Governmental activities increased by \$3,110,261 over the prior year caused mainly by the following:

- Sales taxes increased by \$125,937 during the fiscal year.
- Charges for services decreased \$74,357 during the fiscal year.
- Operating grants and contributions increased \$1,961,642 during the fiscal year. This increase is primarily attributable to recognition of grant funds received under the American Rescue Plan.

- Capital Grants and Contributions increased by \$929,313. This is mainly attributable to funds received from OCD-DRU for flood recovery cost and funding from the state through ACT776.

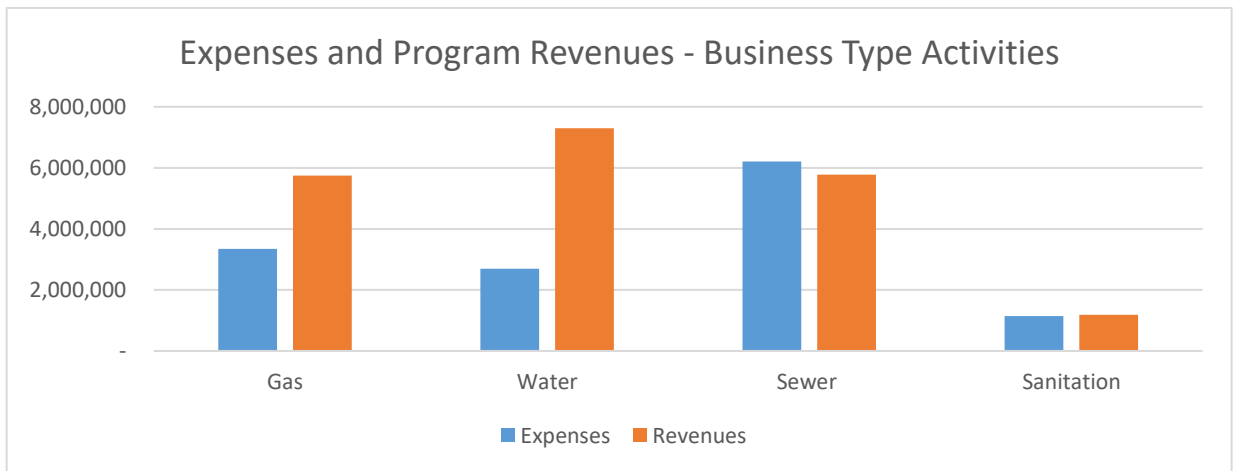


Total expenses from Governmental Activities increased by \$478,422, or 3%, primarily due to the following reasons:

- Total salaries charged to governmental activities increased from \$5,835,850 to \$6,239,619, for a net increase of \$254,513 or 6.9%. This was due to a 3% cost of living increase given to all employees as well as hiring for positions that were previously unfilled.
- Related payroll taxes and employee benefits charged to governmental activities increased from \$3,078,370 to \$3,160,039 for a net increase of \$81,669.
- General Government, other than salaries and benefits, increased a net of approximately \$128,991. This increase is primarily comprised of increases in professional fees of \$69,853, demolition expense of \$24,741, and office supplies of \$23,526.
- Public Safety activities other than salaries and benefits decreased approximately \$144,000. Making up this decrease were decreases in police training in the amount of \$36,000, insurance of \$50,000, police uniforms of \$11,000, animal care expense of \$12,000 and fire equipment expense of \$40,000.
- Highways and Streets activities not related to payroll and benefits decreased approximately \$106,119. The decrease is comprised of decreases in street maintenance and materials of \$63,000 related to drainage maintenance for various drainage projects in the previous year and decreases in equipment expense of \$24,000.
- Culture and Recreation activities not related to payroll and benefits decreased approximately \$28,000, related to a decrease in repairs and maintenance of \$30,000.

**Business-type activities.** Business-type activities increased the City of Denham Springs’s net position by \$7,109,489. Key elements to this net increase are documented below.

- Overall charges for services for business-type activities increased \$232,000 compared to the prior fiscal year. Gas charges for services increased \$231,000, water charges for services decreased \$61,600, sewer charges for services decreased \$3,700 and sanitation charges for services increased by \$66,500. These changes are primarily due to a 3.39% CPI increase in rates.
- Business-type activities expenses decreased \$367,000.
  - Gas Department expenses decreased \$140,000 compared to the prior fiscal year. This decrease was primarily attributable to decreases of \$264,000 in maintenance costs and \$22,000 in equipment expenses, partially offset by increases in natural gas purchased of \$83,000 and professional fees of \$58,000.
  - Water Department expenses increased by \$68,000 compared to the prior fiscal year. The increase was caused by increases in chlorination expense of \$40,000, direct labor of \$16,000, and professional fees of \$19,000. These increases are partially offset by decreases in maintenance costs of \$25,000.
  - Sewer Department expenses decreased by \$359,000 compared to the prior fiscal year. This decrease is mostly related to decreases of approximately \$190,000 in infrastructure maintenance costs, \$54,000 in flood recovery costs, \$15,000 in equipment costs and \$230,000 in professional fees, offset by increases in direct labor of \$100,000 and utilities of \$44,000.
  - Sanitation Department expenses increased \$64,000 compared to the prior fiscal year. This was related to an increase in contractor charges.



**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 \$26,440,131, an increase of \$6,932,739 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 87% of this total amount, \$22,990,417, constitutes unassigned fund balance, which is available for spending at the government's discretion. Nonspendable fund balance is \$1,670,816 or 6%. 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 and hotel occupancy tax restricted to salary and related benefits for fire and police employees). Restricted fund balances are \$347,026 or approximately 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 \$263,829 or approximately 1%. Governmental Fund "Committed To" fund balances for this fiscal year are \$1,168,043 or 4%. These represent commitments made to various construction projects, including upgrading fire and police buildings to make them hurricane resistant and the Centerville Street and East Railroad Avenue road projects. Committed To amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. Committed to amounts are established by authorization specifying the purposes of which the amount can be used (for example legislation, resolution, ordinance). The authorization specifying the purposes for which amounts can be used should have the consent of both the City Council and Mayor.

The general fund is the chief operating fund of the City of Denham Springs. At the end of the current fiscal year total general fund balance is \$24,212,034. General fund balance has three classifications in accordance with GASB #54. Nonspendable - prepaid insurance fund balance of \$53,574 or less than 1%, Committed for Construction contracts of \$1,168,043 or 5%, and Unassigned fund balance of \$22,990,417 or 95%. 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 156 percent of total general fund expenditures. Total fund balance represents 165 percent of total general fund expenditures.

During the current fiscal year, the fund balance of the City of Denham Springs' general fund increased by \$6,561,090, as compared to the prior fiscal year net increase in fund balance of \$3,752,795. Key factors in this increase are as follows:

- General fund revenue resulted in a net increase of \$3,254,666 compared to the prior fiscal year. Key factors to this net increase are:
  - Increase in interest income of \$238,147. This is due to increases in interest rates on interest bearing accounts and an increase in funds invested in certificates of deposit.
  - Increase in intergovernmental revenue of \$3,185,730. This increase is due to funding received as part of the American Rescue Plan in the amount of \$2,797,614 and funding from OCD-DRU related to flood recovery costs of \$404,611.
  - Decrease in miscellaneous revenue of \$113,543 from decreases in the insurance premium rebate received from LWCC and properties donated to the city by the state as part of the Louisiana Watershed program to buy out flood prone properties in the area around Spring Park.
- Key to future revenue growth will be economic stability of Livingston Parish and the southeastern portion of the State of Louisiana.

- General fund expenditures resulted in a net increase of \$551,262 compared to the prior fiscal year. Key factors in this net increase are:
  - General government expenditures increased by \$704,000 or 25%. This increase is primarily related to capital outlays of \$284,000 for retaining wall repairs and fencing around First Baptist Church cemetery and new pavilion at Spring Park, \$241,000 for land acquired through the LWI Spring Park buyout program, and \$66,000 for home elevations through the federal HMA grant.
  - Public Safety expenditures increased \$142,000 or 1.6%. This increase was primarily related to the increase in Police, Fire and Animal Control salary and benefits. The increased salaries for these departments are a result of open positions that went unfilled for a portion of the year in the prior year, along with a cost of living increase given city-wide in the current year. This increase was partially offset by decreases of \$219,000 related to reductions in fire equipment purchased, \$29,000 in police equipment purchased and \$30,000 in police training. Additionally, the police department also saw decreases in insurance expenses of \$67,000 and uniforms of \$11,000.
  - Highways and Street expenditures decreased \$172,000 or 7%. The decrease is primarily related to reduced amounts spent on drainage projects in the current year and fewer purchases of equipment.
  - Culture and Recreation activities decreased \$128,000 or 37%, as enhancements made to pedestrian lighting in the antique district were completed in the prior year.
- Pension and other postemployment benefits – Substantially all employees of the City of Denham Springs are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana (MERS), Municipal Police Employees Retirement System of Louisiana (MPERS), or Firefighters Retirement System (FFRS) of Louisiana. These systems are multiple employer (cost-sharing), public employee retirement systems (PERS), controlled and administered by separate State appointed board of trustees.
- Additional information on the City of Denham Springs’ pension arrangements and post-employment benefits can be found in Notes 11 and 12 in the notes to the financial statements.
- Of concern is the related retirement benefit enjoyed by City employees. The City continues to monitor the State administered retirement system employer rates. For this fiscal period the rate for all plans the City participates in are as follows:

	Prior Employer <u>Rate</u>	Current Employer <u>Rate</u>	Rate Increase/ <u>(Decrease)</u>
Municipal Employees’ Retirement System of Louisiana	15.500%	14.000%	(1.500%)
Municipal Police Employees’ Retirement System of Louisiana	33.925%	35.600%	1.675%
Firefighters’ Retirement System of Louisiana	33.250%	33.250%	0.0%

Overall retirement contributions increased \$51,228 for the fiscal year ended June 30, 2025. The net increase breaks down as follows:

	FY <u>23-24</u>	FY <u>24-25</u>	Increase <u>(Decrease)</u>
Municipal Employees' Retirement System of Louisiana	\$ 568,863	\$ 548,854	\$ (20,009)
Municipal Police Employees' Retirement System	628,776	689,547	60,771
Firefighters' Retirement System of Louisiana	<u>523,674</u>	<u>534,140</u>	<u>10,466</u>
Total	<u>\$1,721,313</u>	<u>\$1,772,541</u>	<u>\$ 51,228</u>

Permanent Fund has a total nonspendable – permanent fund principal fund balance of \$1,617,242 compared to the prior year nonspendable – permanent fund principal balance of \$1,513,699. 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 \$194,727, compared to a prior year restricted fund balance of \$185,720. 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. Special revenue fund – hotel occupancy tax fund has a restricted fund balance of \$149,030. The fund is used to account for a new hotel occupancy tax that went to affect during the current year. Taxes collected are restricted for use for salary and related benefits of the police and fire employees.

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

In the Utility Enterprise fund, charges for services increased approximately \$241,800. Attributable to this net increase are increases in charges for gas services of \$234,700, and increases in charges for sanitation services of \$67,200. Offsetting these increases was a decrease in water charges of \$55,800. Charges for sewer services remained at relatively the same level as prior year.

Operating expenses decreased approximately \$282,287. This decrease is primarily attributable to decreases in infrastructure repairs and maintenance of \$578,000, supplies expense of \$125,000, and contractual services of \$47,000. These were offset in part by increases in natural gas purchased of \$83,000, personnel costs of \$136,000, utilities of \$43,000, insurance of \$53,000 and depreciation of \$149,000.

Unrestricted Net Position of the Utility Enterprise Fund at the end of the year amounted to \$25,219,017. The factors concerning the enterprise fund have already been addressed in the discussion of the City of Denham Springs' business-type activities.

The Denham Springs Sewerage District No. 1 (DSSD #1) unrestricted net position - (deficit) at the end of the year amounted to (\$12,683,096), compared to unrestricted net position - (deficit) for the prior fiscal year of (\$12,669,089). Net investment in capital assets is \$5,483,774. The Denham Springs Sewerage District No.1 owed \$13,242,839 to the City of Denham Springs Utility Fund as of June 30, 2025. This amount represents cash transfers in support of DSSD #1 debt sinking payments and operational costs.

**General Fund Budgetary Highlights**

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

## Revenues:

Total final budgeted revenues increased by \$4,553,000 over the original budget. Key to this increase is:

- An increase in other grants of \$2,454,000 related to ARPA funding received.
- An increase in Other State Grant revenue of \$423,000 related funding for projects at Spring Park and Old City Hall.
- Sales tax revenue increased by \$200,000.
- An increase in miscellaneous income of \$1,287,000 related to the acquisition of properties in the Spring Park area received through the LWI buyout program.
- An increase in interest income of \$240,000 due to increases in interest rates and increased amounts invested in certificates of deposit.
- A decrease in police fines of \$100,000.

## Expenditures:

Total budgeted appropriations were increased by approximately \$45,000.

### Other Financing (Uses):

The budget was decreased for transfers out to Capital Projects Fund by \$382,000 for general fund infrastructure improvements.

## Capital Asset and Debt Administration

**Capital assets.** The City of Denham Springs' investment in capital assets for its governmental and business-type activities as of June 30, 2025, amounts to \$78,712,346 (net of accumulated depreciation). This investment in capital assets includes land, servitudes acquisition cost, buildings and systems, improvements, machinery and equipment, roads, highways, and drainage.

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

- Purchase of three pursuit vehicles by the police department along with 3 motorcycles, 27 body worn cameras and 6 sitespotter cameras. The Street department purchased a grapple truck, and Old City Hall completed repairs and upgrades to the roof, cabinetry, and flooring.
- Planning continued on the Centerville overlay and sidewalk project, Demco Drive and Home Depot Road projects.

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

- The City had Gas system expansion costs of \$41,000 placed in service during the year and spent \$676,000 on gas upgrades from Hillon Hood Road to Juban Road.
- The City completed construction of a water well on Brignac Street at a total cost of \$4,108,000. The water department also put in service 28 insertion valves at a cost of \$472,140 and placed in service \$35,000 of water line expansion.
- Two new trucks were purchased for the sewer department and one was purchased for the water department.
- Equipment purchased included a skid steer for the gas department and a vacuum trailer for the water department.

City of Denham Springs

(Net of Accumulated Depreciation)

June 30, 2025 and 2024

	Governmental		Business-Type		Total	
	Activities		Activities			
	2025	2024	2025	2024	2025	2024
Land and Right-of-Ways	\$ 2,168,212	\$ 1,883,003	\$ 4,286,843	\$ 4,286,843	\$ 6,455,055	\$ 6,169,846
Buildings and Improvements	4,904,512	4,617,933	809,498	708,333	5,714,010	5,326,266
Gas System	-	-	3,188,976	2,652,648	3,188,976	2,652,648
Water System	-	-	12,851,585	8,723,778	12,851,585	8,723,778
Sewer System	-	-	37,920,843	39,632,888	37,920,843	39,632,888
Machinery and Equipment	3,937,527	3,908,359	1,376,042	1,284,715	5,313,569	5,193,074
Infrastructure	5,890,633	6,312,550	-	-	5,890,633	6,312,550
Construction in Progress	879,885	541,871	497,790	1,920,013	1,377,675	2,461,884
Total	\$ 17,780,769	\$ 17,263,716	\$ 60,931,577	\$ 59,209,218	\$ 78,712,346	\$ 76,472,934

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 \$41,479,411. 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, 2025.

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

### Next Year's Budgets and Rates

Current fiscal year end June 30, 2025 unassigned fund balance in the general fund is \$22,990,417. The City adopted a 2026 fiscal year general fund budget setting anticipated revenue of \$18,141,928 and anticipated appropriation expenditures of \$17,520,653 thereby anticipating a net surplus of \$621,275.

Budgeted general fund revenues anticipate a net decrease of \$3,932,796 compared to the FYE 2025 amended adopted budget. The decrease is primarily related to a decrease in grant funding.

Budgeted general fund expenditures anticipate a net increase of \$1,393,137 compared to the FYE 2025 amended adopted budget. The variance in the expenditures is related primarily to the anticipated purchase of a new fire truck.

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

**CITY OF DENHAM SPRINGS**  
**STATEMENT OF NET POSITION**  
 JUNE 30, 2025

	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
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 25,628,034	\$ 10,782,011	\$ 36,410,045	\$ 230,288	\$ 52,194
Receivables, Net	597,038	1,445,409	2,042,447	-	5,506
Due from Other Governments	2,818,209	878,304	3,696,513	-	-
Internal Balances	(1,032,620)	1,032,620	-	-	-
Inventories	16,303	629,122	645,425	-	-
Prepaid Items	53,574	71,657	125,231	-	-
Restricted Assets:					
Cash	-	3,361,160	3,361,160	-	-
Receivable	-	23,271	23,271	-	-
Capital Assets:					
Land and Construction in Progress	3,048,097	4,784,633	7,832,730	-	-
Other Capital Assets, Net of Depreciation	14,732,672	56,146,944	70,879,616	47,375	43,882
Net Pension Asset	-	-	-	37,953	-
Total Assets	<u>45,861,307</u>	<u>79,155,131</u>	<u>125,016,438</u>	<u>315,616</u>	<u>101,582</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred Amount on Refunding	-	4,189,284	4,189,284	-	-
Deferred Outflows - Related to Pensions	2,705,790	450,509	3,156,299	129,240	83,975
Total Deferred Outflows of Resources	<u>2,705,790</u>	<u>4,639,793</u>	<u>7,345,583</u>	<u>129,240</u>	<u>83,975</u>
<b>LIABILITIES</b>					
Accounts Payable, Retainage Payable, Accrued Expenses, and Unearned Revenue	1,521,856	2,827,441	4,349,297	17,400	29,832
Due to Primary Government	-	-	-	-	-
Non-Current Liabilities:					
Due Within One Year	191,322	2,210,030	2,401,352	-	-
Due in More Than One Year:					
Other Amounts Due in More Than One Year	573,964	39,568,248	40,142,212	-	-
Net Pension Liability	9,332,030	1,279,355	10,611,385	220,629	271,799
Total Liabilities	<u>11,619,172</u>	<u>45,885,074</u>	<u>57,504,246</u>	<u>238,029</u>	<u>301,631</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Inflows - Related to Pensions	416,527	111,135	527,662	55,023	12,341
<b>NET POSITION</b>					
Net Investment in Capital Assets	17,780,769	23,405,875	41,186,644	47,375	43,882
Restricted for:					
Cemetery Care:					
Nonexpendable	1,617,242	-	1,617,242	-	-
Civil Fees	-	-	-	178,653	-
Debt Service	-	1,856,919	1,856,919	-	-
Witness Fees	194,727	-	194,727	-	-
Other	152,299	-	152,299	-	-
Unrestricted (Deficit)	16,786,361	12,535,921	29,322,282	(74,224)	(172,297)
Total Net Position	<u>\$ 36,531,398</u>	<u>\$ 37,798,715</u>	<u>\$ 74,330,113</u>	<u>\$ 151,804</u>	<u>\$ (128,415)</u>

The accompanying notes are an integral part of this statement.

**CITY OF DENHAM SPRINGS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2025**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position							Component Units	
	Expenses	Program Revenues			Primary Government			City Court of Denham Springs - Ward II	Marshal of City Court of Denham Springs - Ward II
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total		
<b>Primary Government:</b>									
Governmental Activities:									
General Government	\$ 3,072,222	\$ -	\$ 285,233	\$ 712,320	\$ (2,074,669)	\$ -	\$ (2,074,669)	\$ -	\$ -
Public Safety	8,973,741	310,777	2,987,628	173,095	(5,502,241)	-	(5,502,241)	-	-
Highways and Streets	2,478,441	10,820	475,433	11,359	(1,980,829)	-	(1,980,829)	-	-
Health	36,890	-	-	-	(36,890)	-	(36,890)	-	-
Culture and Recreation	282,319	-	19,386	270,426	7,493	-	7,493	-	-
Total Governmental Activities	14,843,613	321,597	3,767,680	1,167,200	(9,587,136)	-	(9,587,136)	-	-
Business-Type Activities:									
Gas	3,350,867	5,369,032	382,724	-	-	2,400,889	2,400,889	-	-
Water	2,695,908	4,638,780	318,231	2,341,243	-	4,602,346	4,602,346	-	-
Sewer	6,210,004	4,827,016	462,734	487,540	-	(432,714)	(432,714)	-	-
Sanitation	1,144,153	1,186,437	-	-	-	42,284	42,284	-	-
Total Business-Type Activities	13,400,932	16,021,265	1,163,689	2,828,783	-	6,612,805	6,612,805	-	-
Total Primary Government	\$ 28,244,545	\$ 16,342,862	\$ 4,931,369	\$ 3,995,983	(9,587,136)	6,612,805	(2,974,331)	-	-
<b>Component Units:</b>									
City Court of Denham Springs - Ward II	\$ 812,330	\$ 565,425	\$ 43,913	\$ -	-	-	-	(202,992)	-
Marshal of City Court of Denham Springs - Ward II	846,240	299,944	92,326	-	-	-	-	-	(453,970)
Total Component Units	\$ 1,658,570	\$ 865,369	\$ 136,239	\$ -	-	-	-	(202,992)	(453,970)
<b>General Revenues:</b>									
Taxes:									
Property					370,742	-	370,742	-	-
Sales					13,085,284	-	13,085,284	-	-
Occupational and Permits					1,302,121	-	1,302,121	-	-
Franchise					870,263	-	870,263	-	-
Miscellaneous					708,497	31,894	740,391	607	624
Interest Income					827,051	432,309	1,259,360	9,223	2,436
Insurance Proceeds					18,038	-	18,038	-	-
Net Gain on Disposition of Capital Assets					26,458	32,481	58,939	-	-
Payments from the City of Denham Springs					-	-	-	46,859	244,775
Total General Revenues					17,208,454	496,684	17,705,138	56,689	247,835
Change in Net Position					7,621,318	7,109,489	14,730,807	(146,303)	(206,135)
Net Position - Beginning of Year, As Restated					28,910,080	30,689,226	59,599,306	298,107	77,720
Net Position - End of Year					\$ 36,531,398	\$ 37,798,715	\$ 74,330,113	\$ 151,804	\$ (128,415)

The accompanying notes are an integral part of this statement.

## CITY OF DENHAM SPRINGS

BALANCE SHEET  
GOVERNMENTAL FUNDS

JUNE 30, 2025

	General	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 23,762,468	\$ 1,857,055	\$ 25,619,523
Receivables:			
Ad Valorem Taxes, Net	4,639	-	4,639
Other	582,774	9,625	592,399
Due from Other Funds	-	709,050	709,050
Due from Other Governments	2,644,738	173,471	2,818,209
Prepaid Insurance	53,574	-	53,574
Total Assets	<u>\$ 27,048,193</u>	<u>\$ 2,749,201</u>	<u>\$ 29,797,394</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 458,962	\$ 208,984	\$ 667,946
Unearned Revenue	-	311,094	311,094
Other Accrued Liabilities	-	1,026	1,026
Payroll Taxes Payable	11,433	-	11,433
Retirement and Group Insurance Payable	174,288	-	174,288
Accrued Salaries and Wages	239,860	-	239,860
Due to Other Funds	1,851,670	-	1,851,670
Other Liabilities	99,946	-	99,946
Total Liabilities	2,836,159	521,104	3,357,263
<b>FUND BALANCES</b>			
Fund Balances:			
Nonspendable:			
Prepaid Insurance	53,574	-	53,574
Permanent Fund Principal	-	1,617,242	1,617,242
Restricted For:			
Witness Fees	-	194,727	194,727
Other Purposes	-	152,299	152,299
Committed For:			
Construction Contracts	1,168,043	-	1,168,043
Assigned To:			
Capital Projects	-	263,829	263,829
Unassigned	22,990,417	-	22,990,417
Total Fund Balances	<u>24,212,034</u>	<u>2,228,097</u>	<u>26,440,131</u>
Total Liabilities and Fund Balances	<u>\$ 27,048,193</u>	<u>\$ 2,749,201</u>	<u>\$ 29,797,394</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, 2025

Fund Balances-Total Governmental Funds		\$ 26,440,131
<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	33,645,720	
Less Accumulated Depreciation	<u>(15,899,892)</u>	17,745,828
<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		(704,278)
Net Pension Liability		(9,295,040)
Deferred Outflows of Resources Related to Pensions are not Reported in Governmental Funds		2,684,956
Deferred Inflows of Resources Related to Pensions are not Reported in Governmental Funds		(412,661)
<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>72,462</u>
Net Position of Governmental Activities		<u><u>\$ 36,531,398</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, 2025

	General	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
Taxes	\$ 14,491,570	\$ 153,640	\$ 14,645,210
Licenses and Permits	1,302,121	-	1,302,121
Fines and Forfeits	280,775	-	280,775
Interest	767,884	58,426	826,310
Fees	20,260	5,697	25,957
Intergovernmental	4,610,494	-	4,610,494
Miscellaneous	296,418	55,310	351,728
Total Revenues	21,769,522	273,073	22,042,595
<b>Expenditures:</b>			
Current:			
General Government	3,478,109	11,140	3,489,249
Public Safety	8,759,641	-	8,759,641
Highways and Streets	2,201,374	-	2,201,374
Health	36,890	-	36,890
Culture and Recreation	216,118	-	216,118
Capital Outlay:			
Highways and Streets	-	365,284	365,284
Total Expenditures	14,692,132	376,424	15,068,556
Excess (Deficiency) of Revenues over Expenditures	7,077,390	(103,351)	6,974,039
<b>Other Financing Sources (Uses):</b>			
Transfers In	-	475,000	475,000
Transfers Out	(585,000)	-	(585,000)
Insurance Proceeds	18,038	-	18,038
Proceeds from Disposition of Assets	50,662	-	50,662
Total Other Financing Sources (Uses)	(516,300)	475,000	(41,300)
Net Change in Fund Balances	6,561,090	371,649	6,932,739
<b>Fund Balances at Beginning of Year</b>	17,650,944	1,856,448	19,507,392
<b>Fund Balances at End of Year</b>	\$ 24,212,034	\$ 2,228,097	\$ 26,440,131

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, 2025

Net Change in Fund Balances - Total Governmental Funds		\$ 6,932,739
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	1,910,236	
Depreciation Expense	<u>(1,358,977)</u>	551,259
<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		223,297
Less Cost Basis of Capital Assets Retired During the Year		(247,501)
<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		(67,269)
(Increase) Decrease in Pension Expense		(165,957)
<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>		
		377,100
<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>17,650</u>
Change in Net Position of Governmental Activities		<u><u>\$ 7,621,318</u></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, 2025

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues</b>				
<b>Taxes:</b>				
Ad Valorem Taxes	\$ 375,000	\$ 375,000	\$ 370,742	\$ (4,258)
Alcoholic Beverage Tax	60,000	54,000	52,444	(1,556)
Cable TV Franchise Tax	105,000	90,000	91,592	1,592
Chain Store Tax	22,000	22,000	25,789	3,789
Charitable Gaming Tax	240,000	240,000	240,688	688
Electrical Franchise Taxes	730,000	800,000	777,621	(22,379)
Sales Taxes	12,600,000	12,800,000	12,931,644	131,644
Wrecker Franchise Tax	1,400	1,050	1,050	-
	14,133,400	14,382,050	14,491,570	109,520
<b>Licenses and Permits:</b>				
Occupational Licenses	1,065,000	1,115,000	1,148,536	33,536
Other Permits and Licenses	125,500	130,150	153,585	23,435
	1,190,500	1,245,150	1,302,121	56,971
<b>Fines and Forfeits:</b>				
Ward II Court	360,000	260,000	280,775	20,775
<b>Interest Income</b>	450,000	690,000	767,884	77,884
<b>Fees:</b>				
Animal Adoption Fees	11,000	11,000	9,440	(1,560)
Road Maintenance Fees	10,820	10,820	10,820	-
	21,820	21,820	20,260	(1,560)

(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, 2025

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>Intergovernmental:</b>				
Federal Government:				
Law Enforcement Grants	-	-	4,560	4,560
Office of Community Development DRU Grant	500,000	404,612	484,042	79,430
FEMA Disaster Grants	-	42,506	42,506	-
Other Grant Revenue	-	2,453,833	2,797,614	343,781
State Government:				
Fire Insurance Commissions	50,000	50,000	97,172	47,172
Law Enforcement Grants	10,000	21,931	15,000	(6,931)
On Behalf Payments for Salaries	421,000	378,680	381,080	2,400
Other Grant Revenue	-	422,687	706,786	284,099
Livingston Parish School Board School Resource Officer	81,732	81,732	81,734	2
	1,062,732	3,855,981	4,610,494	754,513
<b>Miscellaneous:</b>				
Insurance Premium Rebate	125,000	153,649	153,649	-
Wreck Reports	17,500	17,500	14,865	(2,635)
Rent Income	1,000	1,975	1,975	-
Miscellaneous	142,749	1,429,599	125,929	(1,303,670)
	286,249	1,602,723	296,418	(1,306,305)
<b>Total Revenues</b>	17,504,701	22,057,724	21,769,522	(288,202)

(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, 2025

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>Expenditures</b>				
<b>General Government:</b>				
General Provisions:				
Salaries	610,063	616,779	620,133	(3,354)
Council Per Diems	60,000	60,000	60,000	-
Payroll Taxes, Retirement, and Group Insurance	217,357	216,706	221,009	(4,303)
Buildings	-	216,000	234,474	(18,474)
Equipment Purchased	20,000	6,776	11,564	(4,788)
Insurance	77,740	60,560	69,229	(8,669)
Land Purchase	100,000	1,310,000	285,209	1,024,791
Legal and Professional Membership Fees and Educational Training	42,000	63,638	230,640	(167,002)
Miscellaneous	37,000	37,000	37,636	(636)
Printing, Postage and Office Supplies	108,900	88,552	87,916	636
Rental Equipment	73,000	75,000	75,185	(185)
Repairs and Maintenance	14,000	7,000	7,030	(30)
Small Tools and Supplies	91,500	93,715	99,811	(6,096)
Telephone	2,500	2,500	2,169	331
Travel	30,300	28,450	27,246	1,204
Utilities	13,500	9,000	7,329	1,671
	87,100	96,100	102,484	(6,384)
Total General Provisions	1,584,960	2,987,776	2,179,064	808,712
Cemetery:				
Contracted Services	52,839	83,215	51,300	31,915
Buildings	30,000	36,221	68,156	(31,935)
Insurance	1,500	1,500	2,164	(664)
Legal	-	17,500	17,238	262
Miscellaneous	-	250	163	87
Repairs and Maintenance	1,500	500	1,670	(1,170)
Small Tools and Supplies	250	-	-	-
Total Cemetery	86,089	139,186	140,691	(1,505)

(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, 2025

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>General Government (Continued):</b>				
Tax:				
Salaries	51,568	51,568	51,825	(257)
Payroll Taxes, Retirement, and Group Insurance	23,993	23,266	22,717	549
Collection Fees	211,000	213,000	214,589	(1,589)
Equipment Expense	3,300	3,300	3,229	71
Insurance	3,882	2,825	2,675	150
Miscellaneous	775	625	345	280
Printing, Postage and Office Supplies	4,800	3,300	2,087	1,213
Small Tools and Supplies	2,500	1,500	965	535
Tax Roll	5,050	5,064	5,064	-
Total Tax	<u>306,868</u>	<u>304,448</u>	<u>303,496</u>	<u>952</u>
Ward Court:				
Salaries	51,550	51,550	51,550	-
Payroll Taxes, Retirement, and Group Insurance	12,970	12,970	12,925	45
Additional Court Costs	11,000	11,000	8,565	2,435
Building Maintenance	1,000	-	-	-
Insurance	6,733	4,559	3,168	1,391
Payments to Component Units	283,071	283,071	283,070	1
Total Ward Court	<u>366,324</u>	<u>363,150</u>	<u>359,278</u>	<u>3,872</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, 2025

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>General Government (Continued):</b>				
Planning and Zoning:				
Salaries	239,506	235,160	231,382	3,778
Payroll Taxes, Retirement, and Group Insurance	94,128	93,415	92,861	554
Demolition Expense	50,000	70,000	54,661	15,339
Equipment Purchased	-	1,500	1,349	151
Insurance	11,870	12,670	10,953	1,717
Legal and Professional	28,000	25,500	20,493	5,007
Membership Fees and Educational Training	12,000	12,000	9,374	2,626
Miscellaneous	9,800	10,000	10,168	(168)
Printing, Postage and Office Supplies	4,700	4,100	3,896	204
Small Tools and Supplies	3,500	3,000	2,032	968
Vehicle Expense	8,500	6,000	4,291	1,709
	<u>462,004</u>	<u>473,345</u>	<u>441,460</u>	<u>31,885</u>
Total Planning and Zoning				
	<u>462,004</u>	<u>473,345</u>	<u>441,460</u>	<u>31,885</u>
Landscaping:				
Contracted Services	50,700	50,700	50,700	-
Insurance	3,273	2,870	3,420	(550)
	<u>53,973</u>	<u>53,570</u>	<u>54,120</u>	<u>(550)</u>
Total Landscaping	<u>53,973</u>	<u>53,570</u>	<u>54,120</u>	<u>(550)</u>
Total General Government	<u>2,860,218</u>	<u>4,321,475</u>	<u>3,478,109</u>	<u>843,366</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, 2025

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>Public Safety:</b>				
Animal Control:				
Salaries	307,262	363,000	378,236	(15,236)
Payroll Taxes, Retirement, and Group Insurance	71,984	75,070	74,954	116
Animal Care Expense	98,000	98,000	102,400	(4,400)
Buildings	-	23,700	23,700	-
Equipment Purchased	-	949	949	-
Equipment Expense	3,000	5,965	5,805	160
Insurance	19,130	18,565	18,448	117
Miscellaneous	53,010	42,205	37,014	5,191
Small Tools and Supplies	2,000	3,500	3,158	342
Telephone	4,000	4,000	4,237	(237)
Utilities	18,000	18,000	15,978	2,022
Total Animal Control	<u>576,386</u>	<u>652,954</u>	<u>664,879</u>	<u>(11,925)</u>
Fire:				
Salaries	1,806,686	1,694,540	1,774,100	(79,560)
Payroll Taxes, Retirement, and Group Insurance	984,254	996,229	998,830	(2,601)
Legal and Professional	3,000	6,625	3,517	3,108
Equipment Purchased	1,012,139	23,247	31,446	(8,199)
Equipment Expense	117,500	114,500	108,881	5,619
Insurance	228,809	212,750	229,945	(17,195)
Membership Fees and Educational Training	43,500	33,500	36,394	(2,894)
Miscellaneous	18,800	11,400	9,110	2,290
Printing, Postage and Office Supplies	13,525	14,950	10,486	4,464
Repairs and Maintenance	45,000	36,294	22,102	14,192
Small Tools and Supplies	58,300	50,500	44,428	6,072
Telephone	28,500	14,000	12,761	1,239
Uniforms	24,000	24,000	23,591	409
Utilities	34,000	31,000	26,775	4,225
Total Fire	<u>4,418,013</u>	<u>3,263,535</u>	<u>3,332,366</u>	<u>(68,831)</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, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Public Safety (Continued):</b>				
Police:				
Salaries	2,279,059	2,244,690	2,247,923	(3,233)
Payroll Taxes, Retirement, and Group Insurance	1,253,768	1,238,780	1,231,851	6,929
Equipment Purchased	524,600	498,123	529,835	(31,712)
Equipment Expense	225,000	263,000	248,516	14,484
Equipment Rental	18,700	9,000	8,018	982
Insurance	277,066	279,325	233,571	45,754
Membership Fees and Educational Training	42,000	38,000	37,456	544
Miscellaneous	27,999	27,255	20,530	6,725
Printing, Postage and Office Supplies	16,450	13,000	10,136	2,864
Professional Fees	11,000	11,220	15,338	(4,118)
Repairs and Maintenance	84,000	44,515	40,271	4,244
Small Tools and Supplies	9,000	10,000	11,895	(1,895)
Telephone	47,800	47,800	50,403	(2,603)
Uniforms	42,000	40,000	35,055	4,945
Utilities	44,000	41,000	41,598	(598)
Total Police	<u>4,902,442</u>	<u>4,805,708</u>	<u>4,762,396</u>	<u>43,312</u>
Total Public Safety	<u>9,896,841</u>	<u>8,722,197</u>	<u>8,759,641</u>	<u>(37,444)</u>
<b>Highway and Streets:</b>				
Streets:				
Salaries	832,993	790,679	785,149	5,530
Payroll Taxes, Retirement, and Group Insurance	355,631	334,151	336,387	(2,236)
Contract Services	59,400	50,000	43,925	6,075
Equipment Purchased	273,000	277,366	277,366	-
Equipment Expense	161,500	142,500	124,438	18,062

(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, 2025

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>Highway and Streets (Continued):</b>				
Streets:				
Equipment Rental	1,000	1,000	1,031	(31)
Insurance	116,759	118,595	119,580	(985)
Uniforms	13,000	11,000	10,904	96
Streets Maintenance and Materials	473,000	318,000	302,537	15,463
Membership Fees and Educational Training	400	400	-	400
Miscellaneous	29,650	23,376	20,148	3,228
Small Tools and Supplies	9,000	9,000	7,233	1,767
Telephone	10,500	5,000	4,521	479
Utilities	10,100	8,600	6,967	1,633
Total Streets	2,345,933	2,089,667	2,040,186	49,481
Lighting:				
Utilities	175,000	175,000	161,188	13,812
Total Lighting	175,000	175,000	161,188	13,812
Total Highways and Streets	2,520,933	2,264,667	2,201,374	63,293
<b>Health:</b>				
Council on Aging	25,845	21,080	22,070	(990)
Pest Control	10,000	10,000	14,820	(4,820)
Total Health	35,845	31,080	36,890	(5,810)

(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, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Culture and Recreation:</b>				
Culture:				
Salaries	30,050	32,000	32,052	(52)
Payroll Taxes, Retirement, and Group Insurance	2,380	2,560	2,548	12
Committee Expenses	-	-	1,200	(1,200)
Equipment Purchased	-	-	81,210	(81,210)
Insurance	12,275	9,575	9,593	(18)
Legal and Professional	500	500	-	500
Membership Fees and Repairs and Maintenance	60,288	88,038	30,386	57,652
Printing, Postage and Office Supplies	1,500	1,000	1,087	(87)
Telephone	3,300	3,300	2,802	498
Utilities	7,525	7,525	6,497	1,028
Total Culture	<u>117,818</u>	<u>144,498</u>	<u>167,375</u>	<u>(22,877)</u>
Parks:				
Buildings/Structures	-	-	28,314	(28,314)
Insurance	1,204	800	496	304
Land	500	500	-	500
Maintenance	64,850	57,600	19,933	37,667
Total Parks	<u>66,554</u>	<u>58,900</u>	<u>48,743</u>	<u>10,157</u>
Total Culture and Recreation	<u>184,372</u>	<u>203,398</u>	<u>216,118</u>	<u>(12,720)</u>
Total Expenditures	<u>15,498,209</u>	<u>15,542,817</u>	<u>14,692,132</u>	<u>850,685</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, 2025

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	2,006,492	6,514,907	7,077,390	562,483
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(950,000)	(585,000)	(585,000)	-
Insurance Proceeds	-	-	18,038	18,038
Proceeds from Disposition of Assets	-	17,000	50,662	33,662
<b>Total Other Financing     Sources (Uses)</b>	<u>(950,000)</u>	<u>(568,000)</u>	<u>(516,300)</u>	<u>51,700</u>
<b>Net Change in Fund Balance</b>	1,056,492	5,946,907	6,561,090	614,183
<b>Fund Balance at Beginning of Year</b>	<u>17,650,944</u>	<u>17,650,944</u>	<u>17,650,944</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u>\$ 18,707,436</u>	<u>\$ 23,597,851</u>	<u>\$ 24,212,034</u>	<u>\$ 614,183</u>

The accompanying notes are an integral part of this statement.

**CITY OF DENHAM SPRINGS  
PROPRIETARY FUNDS**

**STATEMENT OF NET POSITION**

JUNE 30, 2025

	<u>Business-Type Activities -</u>			Governmental Activities - Motor Pool Internal Service Fund
	Utility Enterprise Fund	Denham Springs Sewer District Number 1	Total Business-Type Activities	
<b>Current Assets:</b>				
Cash and Cash Equivalents	\$ 10,431,552	\$ 350,459	\$ 10,782,011	\$ 8,511
<b>Restricted Assets:</b>				
Cash for Customer Deposits	1,500,136	-	1,500,136	-
Revenue Bond Covenant Accounts	1,270,440	590,584	1,861,024	-
Accrued Interest Receivable	23,271	-	23,271	-
	<u>2,793,847</u>	<u>590,584</u>	<u>3,384,431</u>	<u>-</u>
<b>Receivables:</b>				
Accounts (Net of Allowance for Uncollectible Accounts of \$126,000)	915,619	-	915,619	-
Due from Other Governments	857,574	20,730	878,304	-
Accounts Receivable - Other	16,972	-	16,972	-
Unbilled Utility Sales	512,818	-	512,818	-
	<u>2,302,983</u>	<u>20,730</u>	<u>2,323,713</u>	<u>-</u>
<b>Inventory, at Cost</b>	629,122	-	629,122	16,303
<b>Due from Other Funds</b>	14,275,459	200,646	14,476,105	110,000
<b>Prepaid Expenses</b>	9,308	-	9,308	-
Total Current Assets	<u>30,442,271</u>	<u>1,162,419</u>	<u>31,604,690</u>	<u>134,814</u>
<b>Noncurrent Assets:</b>				
Prepaid Items	62,349	-	62,349	-
Capital Assets:				
Land and Construction in Progress	1,028,098	3,756,535	4,784,633	-
Other Capital Assets (Net of Accumulated Depreciation)	37,793,330	18,353,614	56,146,944	34,941
Total Noncurrent Assets	<u>38,883,777</u>	<u>22,110,149</u>	<u>60,993,926</u>	<u>34,941</u>
Total Assets	<u>69,326,048</u>	<u>23,272,568</u>	<u>92,598,616</u>	<u>169,755</u>
<b>Deferred Outflows of Resources:</b>				
Deferred Amount on Refunding of Debt	1,676,037	2,513,247	4,189,284	-
Deferred Outflows - Related to Pensions	450,509	-	450,509	20,834
Total Deferred Outflows of Resources	<u>2,126,546</u>	<u>2,513,247</u>	<u>4,639,793</u>	<u>20,834</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 71,452,594</u>	<u>\$ 25,785,815</u>	<u>\$ 97,238,409</u>	<u>\$ 190,589</u>

(CONTINUED)

**CITY OF DENHAM SPRINGS  
PROPRIETARY FUNDS**

STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2025

	Business-Type Activities -			Governmental Activities - Motor Pool Internal Service Fund
	Utility Enterprise Fund	Denham Springs Sewer District Number 1	Total Business-Type Activities	
<b>Current Liabilities</b>				
<b>(Payable from Current Assets):</b>				
Accounts Payable	\$ 787,793	\$ 12,092	\$ 799,885	\$ 10,698
Retainage Payable	249,236	-	249,236	-
Accrued Salaries and Wages	96,992	-	96,992	-
Accumulated Unpaid Vacation	78,132	-	78,132	15,252
Customers' Deposits	1,386,913	-	1,386,913	-
Current Portion of Debt	1,352,520	779,378	2,131,898	-
Other Current Liabilities	177,087	-	177,087	5,565
Due To Other Funds	200,646	13,242,839	13,443,485	-
Accrued Bond Interest	63,260	54,068	117,328	-
<b>Total Current Liabilities</b>	<b>4,392,579</b>	<b>14,088,377</b>	<b>18,480,956</b>	<b>31,515</b>
<b>Noncurrent Liabilities:</b>				
Accumulated Unpaid Vacation	234,396	-	234,396	45,756
Debt Payable after One Year (Net of Unamortized Bond Premium or Discount)	20,973,608	18,360,244	39,333,852	-
Net Pension Liability	1,279,355	-	1,279,355	36,990
<b>Total Noncurrent Liabilities</b>	<b>22,487,359</b>	<b>18,360,244</b>	<b>40,847,603</b>	<b>82,746</b>
<b>Total Liabilities</b>	<b>26,879,938</b>	<b>32,448,621</b>	<b>59,328,559</b>	<b>114,261</b>
<b>Deferred Inflows of Resources:</b>				
Deferred Inflows - Related to Pensions	111,135	-	111,135	3,866
<b>Net Position:</b>				
Net Investment in Capital Assets	17,922,101	5,483,774	23,405,875	34,941
Restricted for Debt Service	1,320,403	536,516	1,856,919	-
Unrestricted (Deficit)	25,219,017	(12,683,096)	12,535,921	37,521
<b>Total Net Position (Deficit)</b>	<b>44,461,521</b>	<b>(6,662,806)</b>	<b>37,798,715</b>	<b>72,462</b>
<b>Total Liabilities, Deferred Inflow of Resources, and Net Position</b>	<b>\$ 71,452,594</b>	<b>\$ 25,785,815</b>	<b>\$ 97,238,409</b>	<b>\$ 190,589</b>

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, 2025

	Business-Type Activities -			Governmental
	Utility Enterprise Fund	Denham Springs Sewer District Number 1	Total Business-Type Activities	Activities - Motor Pool Internal Service Fund
<b>Operating Revenues:</b>				
Charges for Services	\$ 14,326,134	\$ 1,695,132	\$ 16,021,266	\$ 440,600
Total Operating Revenues	14,326,134	1,695,132	16,021,266	440,600
<b>Operating Expenses:</b>				
Personal Services and Benefits	3,325,311	58,704	3,384,015	175,044
Contractual Services	1,600,879	45,196	1,646,075	-
Cost of Materials	1,048,595	-	1,048,595	323,478
Utilities	583,975	174,832	758,807	3,931
Repairs and Maintenance	1,234,938	223,909	1,458,847	8,091
Supplies	368,500	42,717	411,217	9,094
Insurance	325,897	9,893	335,790	8,974
Depreciation	2,171,336	539,003	2,710,339	10,003
Overhead Allocation	(250,694)	250,694	-	-
Total Operating Expenses	10,408,737	1,344,948	11,753,685	538,615
Operating Income (Loss)	3,917,397	350,184	4,267,581	(98,015)
<b>Nonoperating Revenues:</b>				
Intergovernmental	1,163,689	-	1,163,689	4,924
Interest	359,559	41,429	400,988	741
Amortization of Bond Premium	31,321	-	31,321	-
Gain on Disposition of Assets	32,481	-	32,481	-
Miscellaneous	31,893	-	31,893	-
Total Nonoperating Revenues	1,618,943	41,429	1,660,372	5,665
<b>Nonoperating Expenses:</b>				
Interest	884,192	759,206	1,643,398	-
Amortization of Bond Insurance	3,849	-	3,849	-
Total Nonoperating Expenses	888,041	759,206	1,647,247	-
Income (Loss) Before Contributions and Transfers	4,648,299	(367,593)	4,280,706	(92,350)
<b>Contributions And Transfers:</b>				
Capital Contributions	2,561,749	267,034	2,828,783	-
Transfers In From Other Funds	-	-	-	110,000
Change in Net Position	7,210,048	(100,559)	7,109,489	17,650
<b>Total Net Position (Deficit) at Beginning of Year, As Restated</b>	37,251,473	(6,562,247)	30,689,226	54,812
<b>Total Net Position (Deficit) at End of Year</b>	<u>\$ 44,461,521</u>	<u>\$ (6,662,806)</u>	<u>\$ 37,798,715</u>	<u>\$ 72,462</u>

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, 2025

	Business-Type Activities -			Governmental Activities - Motor Pool Internal Service Fund
	Utility Enterprise Fund	Denham Springs Sewer District Number 1	Total Business-Type Activities	
<b>Cash Flows From Operating Activities:</b>				
Cash Received from Customers	\$ 14,785,625	\$ 1,683,064	\$ 16,468,689	\$ 440,600
Cash Payments to Suppliers for Goods and Services	(5,266,755)	(759,558)	(6,026,313)	(343,588)
Cash Payments to Employees for Services and Benefits	(3,347,597)	(58,704)	(3,406,301)	(176,253)
Other Receipts (Payments)	(127,450)	207,832	80,382	(110,000)
Net Cash Provided by (Used in) Operating Activities	6,043,823	1,072,634	7,116,457	(189,241)
<b>Cash Flows From Noncapital and Related Financing Activities:</b>				
Transfer From General Fund	-	-	-	110,000
Net Cash Provided by Noncapital and Related Financing Activities	-	-	-	110,000
<b>Cash Flows From Capital and Related Financing Activities:</b>				
Acquisition and Construction of Capital Assets	(4,488,514)	-	(4,488,514)	-
Proceeds from Disposition of Assets	32,481	-	32,481	-
Interest Expense Paid on Long Term Debt	(779,308)	(662,101)	(1,441,409)	-
Principal Paid on Long Term Debt	(1,284,240)	(755,760)	(2,040,000)	-
Capital Contributions	2,561,749	267,034	2,828,783	-
Net Cash Used in Capital and and Related Financing Activities	(3,957,832)	(1,150,827)	(5,108,659)	-
<b>Cash Flows From Investing Activities:</b>				
Interest Income Received	364,636	41,429	406,065	741
Net Cash Provided by Investing Activities	364,636	41,429	406,065	741
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	2,450,627	(36,764)	2,413,863	(78,500)
<b>Cash and Cash Equivalents - Beginning of Year</b>	10,751,501	977,807	11,729,308	87,011
<b>Cash and Cash Equivalents - End of Year</b>	\$ 13,202,128	\$ 941,043	\$ 14,143,171	\$ 8,511
<b>Schedule of Noncash Investing, Capital and Financing Activities:</b>				
Amortization of Bond Insurance	\$ 3,849	\$ -	\$ 3,849	\$ -
Amortization of Bond Premium and Discount (Net)	\$ (31,321)	\$ -	\$ (31,321)	\$ -
(Gain) Loss on Disposal of Capital Assets	\$ (32,481)	\$ -	\$ (32,481)	\$ -
Non-employer Contributions to the Pension Plans	\$ 82,580	\$ -	\$ 82,580	\$ 4,924
<b>Reconciliation of Cash and Cash Equivalents to the Balance Sheet:</b>				
Cash and Cash Equivalents	\$ 10,431,552	\$ 350,459	\$ 10,782,011	\$ 8,511
Cash for Customer Deposits	1,500,136	-	1,500,136	-
Revenue Bond Covenant Accounts	1,270,440	590,584	1,861,024	-
Total Cash and Cash Equivalent	\$ 13,202,128	\$ 941,043	\$ 14,143,171	\$ 8,511

(CONTINUED)

**CITY OF DENHAM SPRINGS  
PROPRIETARY FUNDS**

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2025

	Business-Type Activities -			Governmental Activities - Motor Pool Internal Service Fund
	Utility Enterprise Fund	Denham Springs Sewer District Number 1	Total Business-Type Activities	
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>				
Operating Income (Loss)	\$ 3,917,397	\$ 350,184	\$ 4,267,581	\$ (98,015)
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:				
Depreciation	2,171,336	539,003	2,710,339	10,003
Intergovernmental Revenues	1,081,109	-	1,081,109	-
Miscellaneous Revenues	31,893	-	31,893	-
Pension Expense Adjustment	(52,466)	-	(52,466)	(2,859)
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	(44,327)	-	(44,327)	-
(Increase) Decrease in Other Receivables	431,390	(12,068)	419,322	-
(Increase) Decrease in Unbilled Utility Sales	43,479	-	43,479	-
(Increase) Decrease in Due from Other Funds	(1,246,898)	356,242	(890,656)	(110,000)
(Increase) Decrease in Inventory	(46,344)	-	(46,344)	3,662
(Increase) Decrease in Prepaid Expenses	(5,339)	-	(5,339)	-
Increase (Decrease) in Accounts Payable - Trade	(239,613)	(12,317)	(251,930)	6,318
Increase (Decrease) in Retainage Payable	(55,816)	-	(55,816)	-
Increase (Decrease) in Accrued Salaries and Wages	10,202	-	10,202	-
Increase (Decrease) in Other Current Liabilities	(63,369)	-	(63,369)	762
Increase (Decrease) in Due To Other Funds	6,446	(148,410)	(141,964)	-
Increase (Decrease) in Customers' Deposits	28,949	-	28,949	-
Increase (Decrease) in Accumulated Unpaid Vacation	19,978	-	19,978	888
Net Cash Provided by (Used in) Operating Activities	\$ 5,988,007	\$ 1,072,634	\$ 7,060,641	\$ (189,241)

The accompanying notes are an integral part of this statement.



NOTES TO THE FINANCIAL STATEMENTS

# CITY OF DENHAM SPRINGS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

### (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, 2025 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, 2025

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, 2025

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, 2025.

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, 2025.

In addition to the state constitutionally defined agencies included above, the City created 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.

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.

## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

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, 2025, 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.

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.

## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

#### 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.

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

## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

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.

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.

## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

*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, 2025

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, except non participating investment contracts which are reported at cost, if any.

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

##### 2. Receivables and Payables -

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

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance classification in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. At June 30, 2025, 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, 2025.

## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

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

3. Inventories and Prepaid Items -

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

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

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

4. Restricted Assets -

*Primary Government -*

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

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

5. Capital Assets -

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

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

**CITY OF DENHAM SPRINGS**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

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

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

7. Compensated Absences -

The cost of leave privileges is computed in accordance with GASB Codification Section C60. It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. During the year ending June 30, 2025, the City

## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

adopted GASB Statement No. 101, *Compensated Absences*. In accordance with GASB 101 and the City's compensated absences policies, the City's compensated absences liabilities in the government-wide (governmental activities and business-type activities) financial statements are recognized as earned and determined more likely than not to be settled at a future date as paid time off or paid in cash. In the governmental fund financial statements compensated absences are recognized as current year expenditures when leave is taken. The City uses the last-in first-out (LIFO) method flows assumption which assumes that employees use the leave hours they earn in the current reporting period first before they use any accumulated balance from previous years. As of June 30, 2025, the accrued liability for unpaid vacation and sick benefits amounted to \$1,077,815 (Business-type Activities \$312,529 and Governmental Activities \$765,286) reflected on the Statement of Net Position.

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, 2025

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, 2025

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

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

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

#### 12. Post-Employment Health Care Benefits -

##### Retiree Benefits -

In addition to the pension benefits described in Note 11, the City provides postretirement healthcare benefits to all employees who retire from the City, as per the requirements of a local ordinance. The group insurance is paid by the City and reimbursed by the retired employee. There is no associated cost to the City under this program, and there are only two (2) participants in the program as of June 30, 2025. 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.

## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

#### COBRA Benefits -

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City provides healthcare benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premiums are paid by the City and reimbursed by the insured. This program is offered for a duration of eighteen (18) months after the termination date. There is no associated cost to the City under this program, and at June 30, 2025, there are no participants in the program.

#### 13. Use of Estimates -

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

#### 14. Current Year Adoption of New Accounting Standards -

The following statements of the Governmental Accounting Standards Board (GASB) are effective for the City's 2025 fiscal year. The City has adopted and implemented these statements in the preparation of the financial statements for the year ended June 30, 2025:

During the year, the City adopted GASB Statement No. 101, *Compensated Absences*. The objective of GASB Statement No. 101 is to better meet the information needs for financial statement users by updating the recognition and measurement guidance for compensated absences. Under this statement, a liability should be recognized for leave that has not been used if the leave is attributable to services already rendered, the leave is accumulated, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. See Note 22 for the effects of the adoption of this accounting standard. Additionally, the City adopted GASB Statement No. 102 – *Certain Risk Disclosures*. This statement had no material effect on the City's financial statements.

#### 15. Current Accounting Pronouncements -

The following statements of the Governmental Accounting Standards Board will be effective for years subsequent to the City's fiscal year 2025.

1. Statement No. 103 – *Financial Reporting Model Improvements (2026)*.
2. Statement No. 104 – *Disclosure of Certain Capital Assets (2026)*.

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

## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

#### (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.

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.

## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

Budgeted amounts are as originally adopted, or as amended from time to time by the City Council. For the fiscal year ended June 30, 2025, the City Council approved the decrease in the original expenditures and transfers out of the General Fund from \$16,448,209 to \$16,127,817.

The total General Fund decrease amounted to \$320,392. The General Fund budget as amended was increased approximately \$19,000 for equipment expenses, decreased approximately \$1,022,000 for equipment purchases, decreased approximately \$129,000 for salaries, decreased approximately \$155,000 for street maintenance and materials, decreased approximately \$59,000 for payroll taxes, retirement, and group insurance, decreased approximately \$20,000 in utilities & phone expenses, decreased approximately \$365,000 in transfers out, decreased approximately \$50,000 in miscellaneous expenses, increased approximately \$245,000 in buildings & improvements, increased approximately \$1,210,000 for land purchases, decreased approximately \$26,000 for repairs and maintenance expense, increased approximately \$20,000 for demolition expenses, increased approximately \$21,000 for contract services, increased approximately \$41,000 for legal & professional expense, and decreased approximately \$51,000 in other expenses. 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, 2025, all of the City's certificates of deposit had initial maturities of 90 days or less and thus were included as part of cash equivalents.

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

##### **A. Deposits - Primary Government**

As reflected in Exhibit A-1, the City of Denham Springs, Louisiana has cash and equivalents totaling \$39,771,205. This balance includes \$27,090,000 of short-term certificates of deposit with an initial term of 90 days or less. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the bank.

**CITY OF DENHAM SPRINGS**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

These pledged securities are held by and are in the name of the fiscal agent bank but pledged to the City. The following is a summary of cash and cash equivalents at June 30, 2025.

	Governmental Activities	Business-Type Activities	Total
Deposits in Bank Accounts per Balance Sheet:			
Cash and Cash Equivalents	\$25,628,034	\$14,143,171	\$39,771,205

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

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

At June 30, 2025, the City has \$39,901,988 in demand deposits (collected bank balances) and CDs with an original maturity of 90 days or less for cash and cash equivalents, in two banks. The City has \$38,042,655 in one bank. Of the \$38,042,655, \$500,000 of the demand deposits (\$250,000 for DSSD#1 demand deposits and \$250,000 for CODS demand deposits) and \$250,000 of CDs with an initial maturity of 90 days or less are secured from risk by federal deposit insurance and \$10,436,459 is in ICS (Insured Cash Sweep) accounts. ICS accounts transfer the daily balance of all held deposits to FDIC-insured institutions across the country, thereby ensuring that all the City’s deposits in the ICS accounts are federally insured. The remaining \$26,856,196 is secured by pledged securities. The \$26,856,196 is exposed to custodial credit risk because while the amount is secured by pledged securities, such securities are held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). In the second bank, the City has \$1,859,333 in trust accounts and are secured from risk by the Trust Department of the bank; therefore, none of the \$1,859,333 is exposed to custodial credit risk.

**CITY OF DENHAM SPRINGS**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

**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, 2025, are summarized below.

	City Court of Denham Springs- Ward II	Marshall of City Court of Denham Springs- Ward II
Deposits in Bank Accounts		
Per Balance Sheet:		
Cash and Cash Equivalents	\$ 230,288	\$ 52,194
Fiduciary Amounts - Not Included in Statement of Net Position	<u>601,675</u>	<u>-</u>
	<u>\$ 831,963</u>	<u>\$ 52,194</u>

*Custodial Credit Risk - Deposits*

In the case of deposits, this is the risk that in the event of a bank failure, the component units' deposits may not be returned to them. To mitigate this risk, state law requires for these deposits (or the resulting bank balances) to be secured by federal deposit insurance or the pledge of securities by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Even though the pledged securities may be considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the entities that the fiscal agent has failed to pay deposited funds on demand. As of June 30, 2025, \$410,293 of the City Court of Denham Springs - Ward II's bank balance of \$863,343 was exposed to custodial credit risk. As of June 30, 2025, none of the Marshall of City Court of Denham Springs – Ward II's bank balance of \$62,349 was exposed to custodial credit risk because they were completely insured by the Federal Deposit Insurance Corporation (FDIC).

**(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.

**CITY OF DENHAM SPRINGS**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

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, 2025, taxes of 2.898 mills were levied on property with assessed valuations totaling \$128,624,356 and were dedicated to general purposes.

Total taxes levied were \$372,759. Taxes receivable at June 30, 2025, consisted of the following:

Taxes Receivable - Current Roll	\$ 7,440
Taxes Receivable - Prior Years	<u>59,928</u>
	67,368
Allowance for Uncollectible Taxes	<u>(62,729)</u>
	<u>\$ 4,639</u>

**(5) Receivables -**

Receivables as of June 30, 2025, 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	\$104,431	\$ 67,368	\$193,922	\$ 284,421	\$ -	\$ (62,729)	\$ 587,413
Nonmajor Governmental Funds	<u>9,625</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,625</u>
Total Governmental Activities	114,056	67,368	193,922	284,421	-	(62,729)	597,038
<u>Business Type-Activities:</u>							
Utility Fund	-	-	-	1,058,591	512,818	(126,000)	1,445,409
<u>Component Units:</u>							
Marshal of City Court of Denham Springs - Ward II	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,506</u>	<u>-</u>	<u>-</u>	<u>5,506</u>
Total Component Units	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,506</u>	<u>-</u>	<u>-</u>	<u>5,506</u>
	<u>\$114,056</u>	<u>\$ 67,368</u>	<u>\$193,922</u>	<u>\$1,348,518</u>	<u>\$512,818</u>	<u>\$(188,729)</u>	<u>\$2,047,953</u>

**CITY OF DENHAM SPRINGS**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

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

Due from Other Governments as of June 30, 2025, 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	\$ 2,031,898	\$ 514,285	\$ 97,172	\$ 1,383	\$ -	\$2,644,738
Hotel Occupancy Tax Fund	97,838	-	-	-	-	97,838
Capital Projects Fund	<u>-</u>	<u>75,633</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,633</u>
Total Governmental Activities	2,129,736	589,918	97,172	1,383	-	2,818,209
<u>Business-Type Activities:</u>						
Utility Fund	-	786,723	-	43,050	27,801	857,574
Sewer District #1 Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,730</u>	<u>20,730</u>
Total Business-Type Activities	<u>-</u>	<u>786,723</u>	<u>-</u>	<u>43,050</u>	<u>48,531</u>	<u>878,304</u>
	<u>\$2,129,736</u>	<u>\$1,376,641</u>	<u>\$ 97,172</u>	<u>\$ 44,433</u>	<u>\$ 48,531</u>	<u>\$3,696,513</u>

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Due To</u>	<u>Due From</u>
<u>Business Type-Activities:</u>			
Denham Springs Sewer District Number 1	Utility Fund	\$ 13,242,839	\$ -
	Utility Fund	-	200,646
Utility Fund	General Fund	-	1,032,620
	Sewer District Number 1	-	13,242,839
	Sewer District Number 1	<u>200,646</u>	<u>-</u>
		13,443,485	14,476,105
<u>Governmental Activities:</u>			
General Fund	Utility Fund	\$ 1,032,620	\$ -
	Capital Projects Fund	709,050	-
	Motor Pool Internal Service Fund	110,000	-
Motor Pool Fund Internal Service Fund	General Fund	-	110,000
Capital Projects Fund	General Fund	<u>-</u>	<u>709,050</u>
		<u>1,851,670</u>	<u>819,050</u>
		<u>\$ 15,295,155</u>	<u>\$ 15,295,155</u>

**CITY OF DENHAM SPRINGS**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The Denham Springs Sewer District Number 1 owes the Utility Fund \$13,242,839 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 \$200,646 for impact fees collected and billed and unbilled sales for the month of June 2025. These balances due to and from funds are expected to be repaid in the subsequent year. The remaining balances between the general fund and the utility fund, capital projects fund, and motor pool fund are typical operational transfers that will be made in the subsequent year.

	<u>Transfer In</u>	<u>Transfers Out</u>
Governmental Activities:		
General Fund:		
Capital Project Fund	\$ -	\$ 475,000
Motor Pool Internal Service Fund	-	110,000
Total General Fund	-	585,000
Capital Project Fund	475,000	-
Motor Pool Internal Service Fund	110,000	-
Total	\$ 585,000	\$ 585,000

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

**CITY OF DENHAM SPRINGS**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

**(8) Changes in Capital Assets -**

Primary government capital asset activity for the year ended June 30, 2025 was as follows:

	<u>Balance June 30, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2025</u>
<u>Governmental Activities:</u>				
Capital Assets not being Depreciated:				
Land and Right-of-Ways	\$ 1,883,003	\$ 285,209	\$ -	\$ 2,168,212
Construction in Progress	<u>541,871</u>	<u>598,553</u>	<u>(260,539)</u>	<u>879,885</u>
Total Capital Assets not being Depreciated	2,424,874	883,762	(260,539)	3,048,097
Capital Assets being Depreciated:				
Buildings and Improvements	8,078,279	487,920	-	8,566,199
Infrastructure	11,911,636	-	-	11,911,636
Equipment	<u>9,827,701</u>	<u>799,094</u>	<u>(247,501)</u>	<u>10,379,294</u>
Total Capital Assets being Depreciated	29,817,616	1,287,014	(247,501)	30,857,129
Less: Accumulated Depreciation for:				
Buildings and Improvements	3,460,346	201,341	-	3,661,687
Infrastructure	5,599,086	421,917	-	6,021,003
Equipment	<u>5,919,342</u>	<u>745,722</u>	<u>(223,297)</u>	<u>6,441,767</u>
Total Accumulated Depreciation	14,978,774	1,368,980	(223,297)	16,124,457
Total Capital Assets being Depreciated, Net	<u>14,838,842</u>	<u>(81,966)</u>	<u>(24,204)</u>	<u>14,732,672</u>
Total Governmental Activities Capital Assets, Net	<u><u>\$ 17,263,716</u></u>	<u><u>\$ 801,796</u></u>	<u><u>\$ (284,743)</u></u>	<u><u>\$ 17,780,769</u></u>

(CONTINUED)

**CITY OF DENHAM SPRINGS**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025
<u>Business-Type Activities:</u>				
Capital Assets not being Depreciated:				
Land and Right-of-Ways	\$ 4,286,843	\$ -	\$ -	\$ 4,286,843
Construction in Progress	1,920,013	3,362,441	(4,784,664)	497,790
Total Capital Assets not being Depreciated	6,206,856	3,362,441	(4,784,664)	4,784,633
Capital Assets being Depreciated:				
Buildings and Improvements	1,126,430	142,783	-	1,269,213
Gas System	7,167,522	717,325	-	7,884,847
Water System	20,247,194	4,615,464	-	24,862,658
Sewer System	64,027,619	5,010	-	64,032,629
Equipment	3,934,569	374,338	(121,155)	4,187,752
Total Capital Assets being Depreciated	96,503,334	5,854,920	(121,155)	102,237,099
Less: Accumulated Depreciation for:				
Buildings and Improvements	418,097	41,618	-	459,715
Gas System	4,514,874	180,997	-	4,695,871
Water System	11,523,416	487,657	-	12,011,073
Sewer System	24,394,731	1,717,055	-	26,111,786
Equipment	2,649,854	283,011	(121,155)	2,811,710
Total Accumulated Depreciation	43,500,972	2,710,338	(121,155)	46,090,155
Total Capital Assets being Depreciated, Net	53,002,362	3,144,582	-	56,146,944
Total Business-Type Activities Capital Assets, Net	\$ 59,209,218	\$ 6,507,023	\$ (4,784,664)	\$ 60,931,577

(CONTINUED)

**CITY OF DENHAM SPRINGS**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

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

<u>Governmental Activities:</u>		<u>Business-Type Activities:</u>	
General Government	\$ 181,992	Water	\$ 611,588
Public Safety	497,561	Gas	269,305
Highways and Streets	610,787	Sewer	1,823,238
Parks and Recreation	68,637	Sanitation	6,207
	<u>1,358,977</u>	Total Depreciation Expense -	
Capital Assets Held by Internal		Business-Type Activities	<u>\$ 2,710,338</u>
Service Funds are Charged to the			
Various Functions Based on their			
Usage of the Assets	<u>10,003</u>		
Total Depreciation Expense -			
Governmental Activities	<u>\$ 1,368,980</u>		

Commitments

*Governmental Activities:*

The City has seven active uncompleted projects as of June 30, 2025 in the governmental activities. The projects include the Fire Station 1 Retrofit Project, Fire Station 2 Retrofit Project, Fire Station 3 Retrofit Project, Home Depot Drive Project, Centerville Overlay Project, Demco Drive and Rushing Connector Project, and the Bass Pro Blvd Improvements Project. All of these projects are city owned projects.

The following schedule represents commitments in the governmental funds at June 30, 2025:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Fire Station 1 Retrofit Project	\$ 7,737	\$ 1,673
Fire Station 2 Retrofit Project	9,123	1,049
Fire Station 3 Retrofit Project	8,954	1,937
Home Depot Drive	68,398	67,837
Centerville Overlay	377,324	180,546
Demco Drive and Rushing Connector	207,638	163,052
Bass Pro Blvd Improvements	<u>200,711</u>	<u>751,949</u>
	<u>\$ 879,885</u>	<u>\$1,168,043</u>

**CITY OF DENHAM SPRINGS**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

*Business-Type Activities:*

The City has five active construction projects as of June 30, 2025 in the business-type activities. The projects include the Traveling Bridge Sand Filter Rehab Project, Vortex Grit Removal System Rehab Project, Water Sampling Stations Project, Water System Model Project, and the Old Hammond Highway Gas Expansion Project. These five projects are owned by the City. At June 30, 2025, there is retainage payable of \$249,236 due on construction projects completed during the year and on projects still open at yearend.

The following schedule represents commitments in the proprietary funds at June 30, 2025:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Traveling Bridge Sand Filter Rehab	\$108,422	\$ 547,148
Vortex Grit Removal System Rehab	-	389,396
Water Sampling Stations	12,177	-
Water System Model	17,500	27,500
Old Hammond Highway Gas Expansion Project	<u>359,691</u>	<u>484,172</u>
	<u>\$497,790</u>	<u>\$1,448,216</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, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2025</u>
<u>Governmental Activities:</u>				
Capital Assets Being Depreciated				
Furniture and Fixtures	\$ 14,916	\$ 1,747	\$ -	\$ 16,663
Software	120,145	10,710	-	130,855
Vehicles	28,500	-	-	28,500
Computer Equipment	<u>72,184</u>	<u>-</u>	<u>-</u>	<u>72,184</u>
Total	235,745	12,457	-	248,202
Less: Accumulated				
Depreciation	<u>179,342</u>	<u>21,485</u>	<u>-</u>	<u>200,827</u>
Capital Assets, Net	<u>\$ 56,403</u>	<u>\$ (9,028)</u>	<u>\$ -</u>	<u>\$ 47,375</u>

**CITY OF DENHAM SPRINGS**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

Marshal of City Court of Denham Springs - Ward II:

	<u>Balance</u>			<u>Balance</u>
	<u>June 30, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2025</u>
<u>Governmental Activities:</u>				
Capital Assets Being Depreciated				
Office Equipment	\$ 9,676	\$ -	\$ (6,669)	\$ 3,007
Machinery and Equipment	23,654	1,000	(4,848)	19,806
Vehicles	235,020	15,033	(110,780)	139,273
Total	<u>268,350</u>	<u>16,033</u>	<u>(122,297)</u>	<u>162,086</u>
Less: Accumulated				
Depreciation	206,031	17,592	(105,419)	118,204
Capital Assets, Net	<u>\$ 62,319</u>	<u>\$ (1,559)</u>	<u>\$ (16,878)</u>	<u>\$ 43,882</u>

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

<u>Governmental Activities:</u>	
City Court of Denham Springs – Ward II	\$ 21,485
Marshal of City Court of Denham Springs - Ward II	<u>17,592</u>
	<u>\$ 39,077</u>

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

**Primary Government -**

Revenue Bonds

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

## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

#### Prior Years Advance Refundings

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

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

The advance refunding of the Series 2006 bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,322,115, \$710,452 on the Series 2014 bonds and \$611,663 on the Series 2015 bonds, which was deferred and is being amortized over the life of the new bonds. The difference is reported in the accompanying financial statements as a deferred outflow of resources and is being charged to operations as a component of interest expense. At June 30, 2025, the unamortized balance is \$943,407.

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

## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

interest expense. At June 30, 2025, the unamortized balance is \$704,843. 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 the City's utility revenues.

The advance refunding of the Series 2006 and 2009 bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$3,252,171, which was deferred and is being amortized over the life of the new bonds. The difference is reported in the accompanying financial statements as a deferred outflow of resources and is being charged to operations as a component of interest expense. At June 30, 2025, the unamortized balance is \$2,541,034. As a result of the issuance of the Sewer Revenue Refunding Bonds Series 2016, \$1,255,000 of the 2006 Series Bonds and \$21,425,000 of the 2009 Series Bonds were considered in-substance defeased and the liability for those bonds was removed from the City's books. The 2009 Series bonds were paid off during fiscal year 2020. The 2006 Series Bonds were paid off during fiscal year 2017.

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

**CITY OF DENHAM SPRINGS**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

The revenue bonds outstanding at June 30, 2025, are as follows:

<u>Description/Purpose</u>	<u>Original Issue Amount</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Balance June 30, 2025</u>
Business-Type Activities:				
Utility Enterprise Fund:				
2014 Utility Revenue Refunding Bonds	\$ 9,145,000	1.00 to 4.88%	12-01-2031	\$ 6,910,000
2015 Utility Revenue Refunding Bonds	\$ 9,440,000	2.00 to 4.00%	12-01-2036	6,275,000
2016 Utility Revenue Refunding Bonds	\$ 7,885,000	1.20 to 4.00%	12-01-2038	5,910,000
2016 Sewer Revenue Refunding Bonds	\$ 1,433,929	3.39%	12-01-2039	1,120,378
2021 Combined Utility Revenue Bonds	\$ 1,610,000	1.15% to 2.50%	12-01-2050	1,460,000
Denham Springs Sewer District Number 1:				
2016 Sewer Revenue Refunding Bonds	\$24,496,071	3.39%	12-01-2039	19,139,622
Total Revenue Bonds				\$40,815,000

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

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 2,100,001	\$ 1,375,281	\$ 3,475,282
2027	2,170,000	1,307,154	3,477,154
2028	2,240,001	1,234,811	3,474,812
2029	2,305,000	1,159,986	3,464,986
2030	2,385,001	1,082,738	3,467,739
2031-2035	13,155,000	4,075,624	17,230,624
2036-2040	15,739,997	1,480,542	17,220,539
2041-2045	305,000	71,038	376,038
2046-2050	340,000	31,000	371,000
2051-2052	75,000	938	75,938
Total Revenue Bonds	<u>\$40,815,000</u>	<u>\$ 11,819,112</u>	<u>\$ 52,634,112</u>

## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

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, 2025, the Debt Service Fund requirements for the interest and principal accounts were fully funded with an actual balance of \$601,086.

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

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

The City is required to pay monthly one-sixth (1/6) of the interest due on the next interest payment date due on the bonds into an interest account of the Debt Service Fund. In addition, the City is required to pay monthly one-twelfth (1/12) of the principal due on the next principal payment date due on the bonds into a principal account of the Debt Service Fund. At June 30, 2025, the Debt Service Fund requirements for the interest and principal accounts were fully funded with an actual balance of \$37,575.

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, 2025, the Debt Service Fund requirements for the interest and principal accounts were fully funded with an actual balance of \$239,513.

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, 2025, the Debt Service Fund requirements for the interest and principal accounts were fully funded with an actual balance of \$616,034.

## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

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, 2025, the Debt Service Fund requirements for the interest and principal accounts were fully funded with an actual balance of \$365,115.

For fiscal year end 2025, the City met the bond covenant that requires the Utility Enterprise Fund net revenues combined with the Denham Springs Sewer District Number 1 net revenues in each fiscal year equal to a least one hundred twenty-five percent of the required deposits to the debt service funds.

Changes in Long-Term Liabilities. Long-term liability activity for the year ended June 30, 2025 is as follows:

	Restated Balance June 30, 2024	Additions	Reductions	Balance June 30, 2025	Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 697,129	\$ 705,913	\$ 637,756	\$ 765,286	\$ 191,322
Net Pension Liability	10,721,952	1,832,639	3,222,561	9,332,030	-
Governmental Activities Long-Term Liabilities	<u>\$ 11,419,081</u>	<u>\$ 2,538,552</u>	<u>\$ 3,860,317</u>	<u>\$ 10,097,316</u>	<u>\$ 191,322</u>
Business-Type Activities:					
Revenue Bonds:					
2014 Utility Revenue Refunding Bond	\$ 7,785,000	\$ -	\$ 875,000	\$ 6,910,000	\$ 900,000
2015 Utility Revenue Refunding Bond	6,275,000	-	-	6,275,000	-
2016 Utility Revenue Refunding Bond	6,230,000	-	320,000	5,910,000	330,000
2016 Sewer Revenue Refunding Bond	21,060,000	-	800,000	20,260,000	825,000
2021 Combined Utility Revenue Bonds	1,505,000	-	45,000	1,460,000	45,000
Adjust for Unamortized Amount:					
For Issuance Premiums	695,392	-	30,981	664,411	32,352
For Issuance Discounts	(14,117)	-	(455)	(13,662)	(455)
Total Bond Payable	<u>43,536,275</u>	<u>-</u>	<u>2,070,526</u>	<u>41,465,749</u>	<u>2,131,897</u>
Compensated Absences	292,552	270,552	250,575	312,529	78,133
Net Pension Liability	<u>1,662,687</u>	<u>505,431</u>	<u>888,763</u>	<u>1,279,355</u>	<u>-</u>
Business-Type Activities Long-Term Liabilities	<u>\$ 45,491,514</u>	<u>\$ 775,983</u>	<u>\$ 3,209,864</u>	<u>\$ 43,057,633</u>	<u>\$ 2,210,030</u>

## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

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 \$61,008 of compensated absences for the internal service fund is included in the above amounts. Also, compensated absences and net pension liability attributable to governmental activities have been generally liquidated by the General Fund and the Motor Pool Internal Service Fund in prior years.

See Note 11 for details on the Net Pension Liability.

**(10) Customers' Deposits -**

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

The City has a demand deposit account which is designated specifically for Customers' Deposits. At June 30, 2025, customers' deposits amounted to \$1,386,913 and the balance of the demand deposit account for Customers' Deposits amounted to \$1,500,136 and are included as Restricted Assets on the Statement of Net Position.

**(11) Pension Plans -**

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

**General Information about the Pension Plans**

***Plan Descriptions:***

**Municipal Employees' Retirement System of Louisiana**

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

## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

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

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

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

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

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

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

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

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

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

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

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

## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

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

#### **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

## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

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.

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, 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 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.

## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

#### **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.

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.

## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

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.

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.

Under Act 170 of the 2013 Regular Session of the Legislature, the Board of Trustees may not take action to authorize a COLA during any calendar year prior to the end of the legislative session for that year, during the first six months of any year, or in any calendar year in which the legislature has granted a COLA unless the legislation granting such COLA specifically allows the Board to also take COLA action.

Pursuant to R.S. 11:225.5, the Board of Trustees may provide a nonrecurring lump-sum payment (subject to frequency limitations) or permanent benefit increase only from funds set aside in the System's funding deposit account. The funding deposit account may be credited with up to 0.85% of plan payroll in any year in which the Board of Trustees elects to require that employers contribute an amount in excess of the rate determined under R.S. 11:103. In such years as the Board sets the employer contribution rate above the rate determined under R.S. 11:103 (the minimum net direct actuarially determined employer contribution rate) for the purpose of funding additional benefits for retirees, survivors, and beneficiaries, a contribution to the funding deposit account will be determined within the system's actuarial valuation. The funds in the account shall earn interest annually at the board approved valuation interest rate.

## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

#### **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. 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 36 months or less. For those employees who enter DROP after June 30, 2024, participation in the DROP is 60 months or less. If employment is terminated after the DROP period, the participant may receive his benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership into the System 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 the System'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 but before July 1, 2019, an irrevocable election is made to earn interest based on the System'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 and earn interest at the money market rate. If the member elects a money market investment account the funds are transferred to a government money market account. Pursuant to Act 78 of the 2019 Regular Session of the Louisiana Legislature, DROP members can self-direct their DROP funds. For those members who elected to self-direct their DROP funds the System transferred lump sum distributions to the stable value fund of Empower Retirement. Empower Retirement acts as an agent of the System to allow participants to self-direct the investment of their lump sum balances. Participants can irrevocably elect to participate in the self-directed portion of the program. If they do so, they can invest in Vanguard Lifestrategy Funds through Empower Retirement.

#### **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, 2025

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

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

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

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

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

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

## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

#### **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  $\frac{2}{3}$  of the employee's average final compensation. If death is not in the line of duty, the spouse will receive monthly, an annual benefit equal to 3.0% of the member's average final compensation multiplied by his total years of service; however, the benefit shall not be less than 40.0%, or more than 60.0% of the employee's average final compensation.
2. Unmarried children of deceased employees will receive the greater of \$200 or 10.0% of the member's final average compensation per month until reaching the age of 18 or until the age of 22, if enrolled full time in an institution of higher education. Any unmarried surviving child of a deceased member that has a total physical disability or an intellectual disability, regardless of age, shall receive the benefits as long as they are dependent on the surviving spouse or other legal guardian. The sum shall not exceed 100% of the member's AFC.
3. If a member, who is eligible to retire, dies before retiring, the designated beneficiary shall be paid under option 2, survivor benefit equal to member's benefit.

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

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

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

## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

4. Should a member who is on disability retirement die and leave a surviving spouse, the surviving spouse shall receive a benefit of \$200 per month. When the member takes disability retirement, he may, in addition, take an actuarially reduced benefit in which case the member's surviving spouse shall receive 50% of the disability benefit being paid immediately prior to the death of the disabled retiree.

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

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

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 has several options to receive their DROP benefit. A member may (1) elect to roll over all or a portion of their DROP balance into another eligible qualified plan, (2) receive a lump-sum payment from the account, (3) receive single withdrawals at the discretion of the member, (4) receive monthly or annual withdrawals, or (5) receive an annuity based on the DROP account balance. These withdrawals are in addition to his regular monthly benefit.

If employment is not terminated at the end of the 36 months, the participant resumes regular contributions to FRS. No withdrawals 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 or 62 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.

## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

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

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

## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

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

#### **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 hired before January 1, 2011, 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.

The deceased member hired on or after January 1, 2011, must have a minimum of five years of service credit regardless of when earned in order for a benefit to be paid to a minor child. The aforementioned minimum service credit requirements for a surviving spouse are ten years, two years being earned immediately prior to death, and in active state service at the time of death, or a minimum of 20 years of service credit regardless of when earned. A deceased member's spouse must have been married for at least one year before death.

## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

#### **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, 2025, the employer contribution rate was 14.0% and the employee rate was 5% for Plan B. Contributions to MERS from the City were \$548,854 for the year ended June 30, 2025.

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 \$157,777 for the year ended June 30, 2025.

##### **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, 2025, the employer contribution rate was 35.60% and the employee rate was 10% for hazardous duty members. The employer contribution rate was 35.60% and the employee rate was 8% for non-hazardous duty members. Contributions to MPERS from the City were \$689,547 for the year ended June 30, 2025.

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 \$136,760 for the year ended June 30, 2025.

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

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2025, the employer contribution rate was 33.25% and the employee rate was 10%. Contributions to FRS from the City were \$534,140 for the year ended June 30, 2025.

# CITY OF DENHAM SPRINGS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

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 \$170,066 for the year ended June 30, 2025.

### **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, 2025 for the plan were 11.5% for the employee and 40.17% for the employer.

The City's contractually required composite contribution rate for the year ended June 30, 2025 was 40.17% 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 \$10,364 for the year ended June 30, 2025.

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

At June 30, 2025, the City reported a liability of \$10,611,385 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, 2024 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, 2024 and change in proportion measured as of June 30, 2023 is as follows:

<u>Plan</u>	<u>Proportion at June 30, 2024</u>	<u>Change in Proportion</u>
MERS	4.46562%	0.22388%
MPERS	0.52577%	0.00934%
FRS	0.54541%	0.01791%
LASERS	0.00124%	(0.00002%)

## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

For the year ended June 30, 2025, the City recognized pension expense as follows:

<u>Plan</u>	<u>Pension Expense (Benefit)</u>
MERS	\$ 484,805
MPERS	827,506
FRS	563,971
LASERS	17,253
	<u>\$ 1,893,535</u>

At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	MERS	MPERS	FRS	LASERS	Total
Deferred Outflows of Resources:					
Differences between expected and actual					
Experience	\$ 25,729	\$ 257,904	\$ 230,560	\$ -	\$ 514,193
Changes in Assumptions	-	-	131,376	471	131,847
Net difference between projected and actual					
earnings on pension plan investments	97,527	132,420	31,063	-	261,010
Changes in proportion and differences between					
Employer contributions and proportionate share of contributions	168,783	70,166	227,395	-	466,344
Employer contributions subsequent to the measurement date	548,854	689,547	534,140	10,364	1,782,905
Total Deferred Outflows of Resources	<u>\$ 840,893</u>	<u>\$ 1,150,037</u>	<u>\$ 1,154,534</u>	<u>\$ 10,835</u>	<u>\$ 3,156,299</u>
Deferred Inflows of Resources:					
Differences between expected and actual					
Experience	\$ 22,162	\$ 144,095	\$ 73,035	\$ 298	\$ 239,590
Changes in Assumptions	100,865	-	-	-	100,865
Net difference between projected and actual					
earnings on pension plan investments	-	-	-	8,040	8,040
Changes in proportion and differences between					
Employer contributions and proportionate share of contributions	52,070	50,720	84,116	(7,739)	179,167
Total Deferred Inflows of Resources	<u>\$ 175,097</u>	<u>\$ 194,815</u>	<u>\$ 157,151</u>	<u>\$ 599</u>	<u>\$ 527,662</u>

\$1,782,905 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**CITY OF DENHAM SPRINGS**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

<u>Year ended June 30:</u>	<u>MERS</u>	<u>MPERS</u>	<u>FRS</u>	<u>LASERS</u>	<u>Total</u>
2026	\$ 47,596	\$ 29,681	\$ 28,497	\$ 2,904	\$ 108,678
2027	211,314	461,261	388,096	2,077	1,062,748
2028	(80,825)	(141,793)	(48,441)	(3,099)	(274,158)
2029	(61,143)	(83,474)	(18,895)	(2,010)	(165,522)
2030	-	-	77,054	-	77,054
Thereafter	-	-	36,932	-	36,932
	<u>\$ 116,942</u>	<u>\$ 265,675</u>	<u>\$ 463,243</u>	<u>\$ (128)</u>	<u>\$ 845,732</u>

***Actuarial Assumptions:***

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2024 for all plans are as follows:

	<u>MERS</u>	<u>MPERS</u>	<u>FRS</u>	<u>LASERS</u>
Inflation	2.50%	2.50%	2.50%	2.40%
Investment rate of return	6.85%	6.750%	6.90%	7.25%
	Vary from 9.5% in first 4 years of service to 4.6% after 2 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	2.4% to 4.8%
Salary increases				

For MERS, the annuitant and beneficiary mortality rates were based on the PubG-2010(B) Healthy Retiree Table (set equal to 115% for males and females, each adjusted using their respective male and female MP2021 scales), the PubG-2010(B) Employee Table (set equal to 115% for males and 120% for females, adjusted using their respective male and female MP2021 scales), and the PubNS-2010(B) Disabled Retiree Table (set equal to 115% for males and 120% for females with the full generational MP2021 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).

**CITY OF DENHAM SPRINGS**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

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 PubG-2010 Healthy Retiree on a fully generational basis by Mortality Improvement Scale MP-2021 for non-disabled members; and RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement was selected for disabled members.

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, 2024 are summarized in the following table:

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

For MPERS, the forecasted long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for

**CITY OF DENHAM SPRINGS**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

the effect of rebalancing/diversification. The resulting forecasted long-term rates of return is 7.86% for the year ended June 30, 2024. 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, 2024 are summarized in the following table:

<b>Asset Class</b>	<b>Target Asset Allocation</b>	<b>Long-Term Expected Portfolio Real Rate of Return</b>
Equity	52%	3.14%
Fixed Income	34%	1.07%
Alternative	14%	1.03%
Total	100%	5.24%
Inflation		2.62%
Expected Arithmetic Nominal Return		7.86%

For FRS, the forecasted long-term expected rate of return on pension plan investments was determined by the System’s actuary using the System’s target asset allocation as of January 2024 and the Curran Actuarial Consulting average study for 2024. The consultant’s average study included projected nominal rates of return, standard deviations of returns, and correlations of returns for a list of common asset classes collected from several investment consultants and investment management firms. Each consultant’s response included nominal expected long term rates of return. In order to arrive at long-term expected arithmetic real rates of return, the actuary normalized the data received from responses in the following ways. Where nominal returns received were arithmetic, the actuary simply reduced the return assumption by the long-term inflation assumption. Where nominal returns were geometric, the actuary converted the return to arithmetic by adjusting for the long-term standard deviation and then reduced the assumption by the long-term inflation assumption. Using the target asset allocation for the System and the average values for expected real rates of return, standard deviation of returns, and correlation of returns, an arithmetic expected nominal rate of return and standard deviation for the portfolio was determined. The target asset allocation changed slightly from June 30, 2023 to June 30, 2024. These changes included a decrease to target weight in U.S. public equity, a decrease to emerging market equity, a decrease to U.S. Core fixed income, and an increase to multisector fixed income. The System’s long-term assumed rate of inflation of 2.50% was used in this process for the year ended June 30, 2024 . 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, 2024 are summarized in the following table:

**CITY OF DENHAM SPRINGS**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Fixed Income:		
U.S. Core Fixed Income	22%	2.09%
U.S. TIPS	2%	2.00%
Emerging Market Debt	2%	4.05%
Global Multisector Fixed Income	4%	2.34%
Equity:		
U.S. Equity	28.50%	6.24%
Non-U.S. Equity	11.00%	6.36%
Global Equity	10%	6.42%
Emerging Market Equity	4.50%	8.26%
Alternative:		
Real Estate	4%	4.85%
Private Equity/Debt	9%	9.77%
Real Assets	3%	5.93%
Total	<u>100%</u>	

For LASERS the long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The target allocation and best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Expected Portfolio Real Rate of Return</u>
Cash	0%	0.76%
Domestic Equity	34%	4.29%
International Equity	17%	5.22%
Domestic Fixed Income	3%	2.04%
International Fixed Income	19%	5.24%
Alternative Investments	27%	8.19%
Total	<u>100%</u>	5.61%

## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

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

For MERS, the discount rate used to measure the total pension liability was 6.85% which was consistent with the prior measurement date of June 30, 2023. For MPERS, the discount rate used to measure the total pension liability was 6.75% which was consistent with the prior measurement date of June 30, 2023. For FRS, the discount rate used to measure the total pension liability was 6.90% which was consistent with the prior measurement date of June 30, 2023. The discount rate used to measure the total pension liability was 7.25% for LASERS which was consistent with the prior measurement date of June 30, 2023. 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 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, 2024 for MERS, MPERS, FRS, and LASERS:

**CITY OF DENHAM SPRINGS**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

	<b>Changes in Discount Rate</b>		
<b>MERS:</b>	<b>Plan B:</b>		
	<b>Current</b>		
	1% Decrease	Discount	1% Increase
	<u>5.850%</u>	<u>6.850%</u>	<u>7.850%</u>
Net pension liability (asset)	\$ 4,207,418	\$ 2,709,620	\$ 1,443,735
<b>MPERS:</b>	<b>Changes in Discount Rate</b>		
	<b>Current</b>		
	1% Decrease	Discount	1% Increase
	<u>5.750%</u>	<u>6.750%</u>	<u>7.750%</u>
Net pension liability (asset)	\$ 7,075,940	\$ 4,763,418	\$ 2,832,912
<b>FRS:</b>	<b>Changes in Discount Rate</b>		
	<b>Current</b>		
	1% Decrease	Discount	1% Increase
	<u>5.90%</u>	<u>6.90%</u>	<u>7.90%</u>
Net pension liability (asset)	\$ 5,098,449	\$ 3,070,967	\$ 1,379,852
<b>LASERS:</b>	<b>Changes in Discount Rate</b>		
	<b>Current</b>		
	1% Decrease	Discount	1% Increase
	<u>6.25%</u>	<u>7.25%</u>	<u>8.25%</u>
Net pension liability (asset)	\$ 93,049	\$ 67,380	\$ 45,566

***Pension Plans Fiduciary Net Position***

MERS issued a stand-alone audit report on its financial statements for the year ended June 30, 2024. Access to the audit report can be found on the System’s website: [www.mersla.com](http://www.mersla.com) or on the Office of Louisiana Legislative Auditor’s official website: [www.la.state.la.us](http://www.la.state.la.us).

MPERS issued a stand-alone audit report on its financial statements for the year ended June 30, 2024. Access to the audit report can be found on the System’s website: [www.lampers.org](http://www.lampers.org) or on the Office of Louisiana Legislative Auditor’s official website: [www.la.state.la.us](http://www.la.state.la.us).

FRS issued a stand-alone audit report on its financial statements for the year ended June 30, 2024. Access to the audit report can be found on the System’s website: [lafrs.org](http://lafrs.org) or on the Office of Louisiana Legislative Auditor’s official website: [www.la.state.la.us](http://www.la.state.la.us).

## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

Detailed information about LASERS' pension plan's fiduciary net position is available in the separately issued LASERS 2024 Annual Comprehensive Financial Report at [www.lasersonline.org](http://www.lasersonline.org) or on the Office of Louisiana Legislative Auditor's official website: [www.la.state.la.us](http://www.la.state.la.us).

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

At June 30, 2025 included in liabilities are payables to the pension plans as follows: MERS \$57,517, MPERS \$65,748, FRS \$51,820, and LASERS \$1,111. These payables are normal legally required contributions to the pension plans.

#### **Component Units**

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

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

##### *Plan Descriptions:*

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

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

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

The judge of the City Court of Denham Springs – Ward Two is a member of the Louisiana State Employees' Retirement System (LASERS). See pages 82 to 84 for plan description and benefits provided by LASERS.

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

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

## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

#### ***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, 2025

#### **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

## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older. (RS 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

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

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

According to state statute, contributions for all employers are actuarially determined each year. The required contribution rate for the period July 1, 2024 to June 31, 2025 was 7.5%. Employees were required to contribute 3% of their annual salary for both periods. Contributions to PERS from the Court were \$21,591 for the year ended June 30, 2025.

According to state statute, PERS also receives ¼ 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 \$4,021 for the year ended June 30, 2025. For the Marshal, the amount of non-employer contributions recognized in the government-wide governmental activities statement of activities was \$-0- for the year ended June 30, 2025.

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

Contribution requirements of active employees are governed by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) and may be amended by the Louisiana Legislature. Employee and employer contributions are deducted from a member's salary and remitted to LASERS by participating employers. Contributions to the pension plan from the Court were \$37,963 for the year ended June 30, 2025.

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

According to state statute, contribution requirements for all employees are actuarially determined each year. Contributions to the plan are required and are expressed as a percentage of covered payroll. The employer contribution rates in effect for the year ended June 30, 2025 for the Municipal Employees' Retirement System Plan B is 14.0%.

**CITY OF DENHAM SPRINGS**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

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

At June 30, 2025, the Court reported a net pension asset of \$37,953 for its proportionate share of PERS and a net pension liability of \$220,629 for its proportionate share of LASERS. At June 30, 2025, the Marshal reported a net pension liability of \$0 for its proportionate share of the net pension asset of PERS and a net pension liability of \$271,799 for its proportionate share of the Municipal Employees Retirement System. For PERS, the net pension asset/liability was measured as of December 31, 2024 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, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. For MERS, the new pension asset/liability was measured as of June 30, 2024, and was determined by actuarial valuation as of that date. The Court and the Marshal’s proportion of the net pension asset/liability was based on a projection of the Court and the Marshal’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2024, the Court’s proportion was .222344% for PERS which was an increase of .0880% from its proportion measured as of December 31, 2023. At June 30, 2024, the Court’s proportion was .00406% for LASERS which was an increase of .00054% from its proportion measured as of June 30, 2023. At December 31, 2024, the Marshal’s proportion was 0% for PERS and 0.4479% for MERS.

For the year ended June 30, 2025, the Court recognized pension expense of \$19,880 for PERS and pension expense of \$2,666 for LASERS. For the year ended June 30, 2025, the Marshal recognized pension expense of \$0 for PERS and pension expense of \$51,831 for MERS.

At June 30, 2025, 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	MERS	Total
<b>Deferred Outflows of Resources:</b>					
Differences between expected and actual Experience	\$ 12,101	\$ -	\$ 12,101	\$ 2,581	\$ 2,581
Changes in Assumptions	2,596	1,542	4,138	-	-
Net difference between projected and actual earnings on pension plan investments	-	-	-	9,783	9,783
Changes in proportion and differences between Employer contributions and proportionate share of contributions	1,750	62,452	64,202	16,930	16,930
Employer contributions subsequent to the measurement date	10,836	37,963	48,799	54,681	54,681
<b>Total Deferred Outflows of Resources</b>	<b>\$ 27,283</b>	<b>\$ 101,957</b>	<b>\$ 129,240</b>	<b>\$ 83,975</b>	<b>\$ 83,975</b>

(CONTINUED)

**CITY OF DENHAM SPRINGS**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

	<u>City Court of Denham Springs - Ward Two</u>			<u>Marshal City Court of Denham Springs - Ward Two</u>	
	<u>PERS</u>	<u>LASERS</u>	<u>Total</u>	<u>MERS</u>	<u>Total</u>
<b>Deferred Inflows of Resources:</b>					
Differences between expected and actual Experience	\$ 606	\$ 976	\$ 1,582	\$ 2,223	\$ 2,223
Changes in Assumptions	-	-	-	10,118	10,118
Net difference between projected and actual earnings on pension plan investments	16,388	26,305	42,693	-	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	10,733	15	10,748	-	-
<b>Total Deferred Inflows of Resources</b>	<u>\$ 27,727</u>	<u>\$ 27,296</u>	<u>\$ 55,023</u>	<u>\$ 12,341</u>	<u>\$ 12,341</u>

\$48,799 and \$54,681 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, 2026. 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>City Court of Denham Springs - Ward Two</u>			<u>Marshal City Court of Denham Springs - Ward Two</u>	
	<u>PERS</u>	<u>LASERS</u>	<u>Total</u>	<u>MERS</u>	<u>Total</u>
2026	\$ 6,851	\$ 50,572	\$ 57,423	\$ 7,891	\$ 7,891
2027	16,929	6,797	23,726	23,303	23,303
2028	(24,404)	(10,138)	(34,542)	(8,107)	(8,107)
2029	(10,656)	(10,533)	(21,189)	(6,134)	(6,134)
	<u>\$ (11,280)</u>	<u>\$ 36,698</u>	<u>\$ 25,418</u>	<u>\$ 16,953</u>	<u>\$ 16,953</u>

***Actuarial Assumptions:***

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2024 for PERS and as of June 30, 2024 for LASERS and MERS are as follows:

	<u>PERS</u>	<u>LASERS</u>	<u>MERS</u>
Inflation	2.30%	2.40%	2.50%
Investment rate of return	6.40% (net of investment expense)	7.25% (net of investment expense)	6.85% (net of investment expense)
Salary increases	4.25% (2.30% Inflation, 1.95% Merit)	2.4% to 4.73%	4.6% to 9.5%

**CITY OF DENHAM SPRINGS**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

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 2.40% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.50% for the year ended December 31, 2024. 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, 2024 are summarized in the following table:

<b>Asset Class</b>	<b>Target Asset Allocation</b>	<b>Expected Portfolio Real Rate of Return</b>
Fixed Income	37%	1.08%
Equity	47%	2.82%
Alternative	15%	0.76%
Real Assets	1%	0.07%
Total	100%	4.73%
Inflation		2.40%
Expected Arithmetic Nominal Return		7.13%

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

**CITY OF DENHAM SPRINGS**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

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, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	0%	0.76%
Domestic Equity	34%	4.29%
International Equity	18%	5.22%
Domestic Fixed Income	3%	2.04%
International Fixed Income	17%	5.24%
Alternative Investments	28%	8.19%
Total	<u>100%</u>	<u>25.74%</u>

For MERS, the long-term expected rate of return on pension plan investment was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The resulting forecasted long-term rate of return is 6.85%, for the year ended June 30, 2024. The target allocation and best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2024 are summarized in the following table:

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

**CITY OF DENHAM SPRINGS**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

***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, 2023. For LASERS, the discount rate used to measure the total pension liability was 7.25% which was the same as the prior measurement date of June 30, 2023. 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, 2024 for PERS and as of June 30, 2024 for LASERS and MERS:

City Court of Denham Springs - Ward Two

	Changes in Discount Rate		
<b>PERS:</b>	Plan B:		
	1% Decrease	Current Discount Rate	1% Increase
	5.40%	6.40%	7.40%
Net pension liability (asset)	\$ 94,601	\$ (37,953)	\$ (148,947)
	Changes in Discount Rate		
<b>LASERS:</b>	Current Discount		
	1% Decrease	Rate	1% Increase
	6.25%	7.25%	8.25%
Net pension liability (asset)	\$ 304,682	\$ 220,669	\$ 149,202

**CITY OF DENHAM SPRINGS**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

Marshal of City Court of Denham Springs - Ward Two

**MERS:**

	Changes in Discount Rate		
	Current Discount		
	1% Decrease 5.85%	Rate 6.85%	1% Increase 7.85%
Net pension liability (asset)	\$ 422,041	\$ 271,799	\$ 144,819

***Pension Plans Fiduciary Net Position***

PERS issued a stand-alone audit report on its financial statements for the year ended December 31, 2024. Access to the audit report can be found on the System’s [website: www.persla.org](http://www.persla.org) or on the Office of Louisiana Legislative Auditor’s official website: [www.la.state.la.us](http://www.la.state.la.us).

Detailed information about LASERS’ pension plan’s fiduciary net position is available in the separately issued LASERS 2024 Annual Comprehensive Financial Report at [www.lasersonline.org](http://www.lasersonline.org) or on the Office of Louisiana Legislative Auditor’s official website: [www.la.state.la.us](http://www.la.state.la.us).

**Payables to the Pension Plans**

For the City Court of Denham Springs - Ward Two, included in liabilities at June 30, 2025 is a payable in the amount of \$7,297 to PERS and \$3,638 to LASERS. These payables are normal legally required contributions to the pension plan .

For the Marshal of City Court for Denham Springs – Ward Two, there is no payable to MERS at June 30, 2025.

**(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, 2025, assets totaling \$1,102,687 are held by Empower, a deferred compensation center.

Compensation deferred under this plan for the fiscal year ended June 30, 2025, amounted to \$86,177.

**CITY OF DENHAM SPRINGS**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

**(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, 2025, the State paid supplemental salaries to the City's fire and law enforcement employees in the amount of \$381,080.

**(15) Risk Management -**

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

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

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

The following list includes the compensation paid to the Mayor and Council Members for the year ended June 30, 2025. The current terms of the Mayor and Council Members expire on December 31, 2026.

H. Gerard Landry, Mayor 516 Cedar Street Denham Springs, Louisiana 70726 Telephone: 665-8121 - Term Began: January 1, 2023	\$ 97,758
Lori Lamm-Williams, Council Member 1565 River Run Drive Denham Springs, Louisiana 70726 Telephone: 445-0273 - Term Began: January 1, 2023	\$ 12,000
Jeffery Wesley, Council Member 340 Pine Street Denham Springs, Louisiana 70726 Telephone: 921-4306 - Term Began: January 1, 2023	\$ 12,000

**CITY OF DENHAM SPRINGS**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

Robert Poole, Council Member 1403 Weeping Willow Drive Denham Springs, Louisiana 70726 Telephone: 939-3526 - Term Began: January 1, 2023	\$ 12,000
Jim Gilbert, Council Member 238 N. College St. Denham Springs, Louisiana 70726 Telephone: 278-3366 - Term Began: January 1, 2023	\$ 12,000
Amber Dugas, Council Member 120 Springs Street Denham Springs, Louisiana 70726 Telephone: 933-5762 - Term Began: January 1, 2023	\$ 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, 2025:

Purpose	H. Gerard Landry
Salary	\$ 97,758
Benefits-insurance	220
Benefits-retirement	13,686
Vehicle provided by government	750
	\$ 112,414

**CITY OF DENHAM SPRINGS**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

**(18) Schedule of Business-Type Activities Net Income (Loss) from Operations by Department  
for the Fiscal Year Ended June 30, 2025 -**

	<u>Gas</u>	<u>Water</u>	<u>Sewer</u>	<u>Sanitation</u>	<u>Total Utility</u>	<u>Denham</u>
	<u>Department</u>	<u>Department</u>	<u>Department</u>	<u>Department</u>	<u>Enterprise</u>	<u>Springs</u>
					<u>Fund</u>	<u>Sewer District</u>
						<u>Number 1</u>
<b>Operating Revenues:</b>						
Charges for Services	\$ 5,299,615	\$ 4,483,010	\$ 3,091,312	\$ 1,171,097	\$ 14,045,034	\$ 1,695,132
Delinquent Charges	69,418	58,722	40,492	15,340	183,972	-
Miscellaneous	-	97,048	80	-	97,128	-
Total Operating Revenues	<u>5,369,033</u>	<u>4,638,780</u>	<u>3,131,884</u>	<u>1,186,437</u>	<u>14,326,134</u>	<u>1,695,132</u>
<b>Operating Expenses:</b>						
Direct	2,589,014	1,857,038	2,717,714	1,047,077	8,210,843	1,203,816
General and Administrative	729,297	621,075	750,446	97,076	2,197,894	141,132
Total Operating Expenses	<u>3,318,311</u>	<u>2,478,113</u>	<u>3,468,160</u>	<u>1,144,153</u>	<u>10,408,737</u>	<u>1,344,948</u>
Operating Income (Loss) by Department	2,050,722	2,160,667	(336,276)	42,284	3,917,397	350,184
Nonoperating Revenues	491,274	478,552	649,117	-	1,618,943	41,429
Nonoperating Expenses	(32,556)	(217,795)	(637,690)	-	(888,041)	(759,206)
Capital Contributions	-	2,341,243	220,506	-	2,561,749	267,034
Change in Net Position					<u>7,210,048</u>	<u>(100,559)</u>
Business-Type Activities						
Departmental Net Income (Loss)	<u>\$ 2,509,440</u>	<u>\$ 4,762,667</u>	<u>\$ (104,343)</u>	<u>\$ 42,284</u>		
Change in Net Position						
Business-Type Activities					<u>\$ 7,210,048</u>	<u>\$ (100,559)</u>

**CITY OF DENHAM SPRINGS**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

**(19) Schedule of Business-Type Activities Operating Expenses by Department  
for the Fiscal Year Ended June 30, 2025 -**

	Gas Department	Water Department	Sewer Department	Sanitation Department	Total Utility Enterprise Fund	Denham Springs Sewer District Number 1
<b>Direct Expenses:</b>						
Natural Gas Purchases	\$ 1,048,595	\$ -	\$ -	\$ -	\$ 1,048,595	\$ -
Direct Labor	710,360	556,239	794,294	-	2,060,893	-
Chlorinator Expense	-	76,536	-	-	76,536	-
Depreciation	269,305	611,588	1,284,235	6,208	2,171,336	539,003
Utilities	9,032	179,313	305,351	-	493,696	174,483
Equipment Expenses	57,465	40,089	88,144	-	185,698	-
Equipment Rental	4,287	17,696	2,282	-	24,265	203
Lab Fees	-	-	40,935	-	40,935	15,524
Maintenance	365,197	211,433	435,537	-	1,012,167	223,909
Meter Reading	109,092	150,651	-	-	259,743	-
Meter Repairs	2,960	-	-	-	2,960	-
Overhead Allocation	-	-	(250,694)	-	(250,694)	250,694
Small Tools and Supplies	12,721	13,493	17,630	-	43,844	-
Subcontract Disposal Service	-	-	-	1,040,869	1,040,869	-
	<u>2,589,014</u>	<u>1,857,038</u>	<u>2,717,714</u>	<u>1,047,077</u>	<u>8,210,843</u>	<u>1,203,816</u>
<b>General and Administrative Expenses:</b>						
Office Salaries	103,309	144,993	81,689	53,842	383,833	42,534
Payroll Taxes, Retirement and Group Insurance	313,401	259,304	287,414	20,466	880,585	16,170
Utilities	18,476	570	-	-	19,046	-
Flood Expenses	-	998	12,206	-	13,204	-
Maintenance and Repairs	12,639	-	8,270	-	20,909	-
Insurance	59,674	78,199	178,465	9,559	325,897	9,893
Miscellaneous	76,497	22,854	123,184	5,700	228,235	40,889
Office Expense	39,454	35,535	20,751	681	96,421	1,828
Professional Fees	75,646	60,189	16,310	6,386	158,531	29,469
Telephone	30,201	18,433	22,157	442	71,233	349
	<u>729,297</u>	<u>621,075</u>	<u>750,446</u>	<u>97,076</u>	<u>2,197,894</u>	<u>141,132</u>
<b>Total Operating Expenses</b>	<u>\$ 3,318,311</u>	<u>\$ 2,478,113</u>	<u>\$ 3,468,160</u>	<u>\$ 1,144,153</u>	<u>\$ 10,408,737</u>	<u>\$ 1,344,948</u>

**CITY OF DENHAM SPRINGS**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

**(20) Schedule of Business-Type Activities Operating Expenses by  
Function for the Fiscal Year Ended June 30, 2025 -**

	Total Utility Enterprise Fund	Denham Springs Sewer District Number 1
	<hr/>	<hr/>
<b>Personal Services and Benefits:</b>		
Direct Labor	\$ 2,060,893	\$ -
Office Salaries	383,833	42,534
Payroll Taxes, Retirement and Group Insurance	880,585	16,170
	<hr/>	<hr/>
	3,325,311	58,704
 <b>Contractual Services:</b>		
Chlorinator Expense	76,536	-
Equipment Rental	24,265	203
Lab Fees	40,935	15,524
Meter Reading	259,743	-
Subcontract Disposal Service	1,040,869	-
Professional Fees	158,531	29,469
	<hr/>	<hr/>
	1,600,879	45,196
 <b>Cost of Materials:</b>		
Natural Gas Purchases	1,048,595	-
 <b>Utilities:</b>		
Utilities (Direct)	493,696	174,483
Utilities (General)	19,046	-
Telephone	71,233	349
	<hr/>	<hr/>
	583,975	174,832
 <b>Repair and Maintenance:</b>		
Equipment Expenses	185,698	-
Flood Expenses	13,204	-
Maintenance	1,012,167	223,909
Meter Repairs	2,960	-
Maintenance and Repairs	20,909	-
	<hr/>	<hr/>
	1,234,938	223,909
 <b>Supplies:</b>		
Small Tools and Supplies	43,844	-
Office Expense	96,421	1,828
Miscellaneous	228,235	40,889
	<hr/>	<hr/>
	368,500	42,717
 <b>Insurance</b>	325,897	9,893
 <b>Depreciation</b>	2,171,336	539,003
 <b>Overhead Allocation</b>	(250,694)	250,694
	<hr/>	<hr/>
Total Operating Expenses	\$ 10,408,737	\$ 1,344,948
	<hr/>	<hr/>

**CITY OF DENHAM SPRINGS**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

**(21) Restricted Net Position -**

Primary Government:

*Governmental Activities:*

At June 30, 2025, the City has \$1,617,242 in Restricted Net Position for cemetery care for the perpetual care of the municipal cemetery. At June 30, 2025, the City also has Restricted Net Position that are restricted to specific purposes (witness fees of \$194,727, Lakeland Acres Subdivision 1994 paving certificates debt service of \$3,269, and \$149,030 of hotel occupancy tax collections).

*Business-Type Activities:*

At June 30, 2025, the City has \$1,856,919 in Restricted Net Position, restricted for debt service. This represents the City’s funds restricted by revenue bond debt covenants and contracts with customers for deposits less liabilities related to these restricted funds. A liability relates to restricted assets if the asset results from incurring the liability or if the liability will be liquidated with the restricted assets.

Component Units:

City Court of Denham Springs – Ward II

At June 30, 2025, the City Court of Denham Spring – Ward II has \$178,653 in Restricted Net Position, restricted for civil fees.

**(22) Change in Accounting Principle -**

During the year ending June 30, 2025, the City adopted GASB Statement 101, Compensated Absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Governmental Activities, Business-Type Activities, and Fund restatements in the June 30, 2025, financial statements are as follows:

	<b>Government-Wide</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Beginning Net Position, Before Prior Period Adjustment	\$ 29,050,138	\$ 30,755,345	\$ 59,805,483
Cumulative Effect of Adopting GASB 101-			
Compensated Absences	(140,058)	(66,119)	(206,177)
Beginning Net Position, After Prior Period Adjustment	\$ 28,910,080	\$ 30,689,226	\$ 59,599,306

**CITY OF DENHAM SPRINGS**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2025

	<b>Funds</b>	
	<b>Utility Enterprise Fund</b>	<b>Governmental Activities - Motor Pool Internal Service Fund</b>
Beginning Net Position, Before Prior Period Adjustment	\$ 37,317,592	\$ 86,738
Cumulative Effect of Adopting GASB 101- Compensated Absences	(66,119)	(31,926)
Beginning Net Position, After Prior Period Adjustment	\$ 37,251,473	\$ 54,812

**(23) Subsequent Events -**

On November 24, 2025 the Denham Springs City Council adopted an ordinance to create the City of Denham Springs Conference Center Economic Development District, State of Louisiana. This ordinance defines the boundaries from which area local sales tax increments will be determined and used to finance certain economic development projects, as authorized by Parts II & III of Chapter 27 of Title 33 of the Louisiana Revised Statutes of 1950, as amended.

City management has evaluated subsequent events through December 30, 2025, the date which the financial statements were available to be issued.



REQUIRED SUPPLEMENTARY INFORMATION

## CITY OF DENHAM SPRINGS

## SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY BY PLAN

FOR THE YEAR ENDED JUNE 30, 2025\*

Fiscal Year	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
<b>Primary Government</b>					
<b>Municipal Employees' Retirement System of Louisiana:</b>					
2016	5.24720%	\$ 3,566,246	\$ 3,640,848	97.95%	68.71%
2017	4.76559%	3,950,241	3,504,307	112.73%	63.34%
2018	4.34626%	3,760,529	3,226,030	116.57%	62.49%
2019	4.27112%	3,612,648	3,165,219	114.14%	65.60%
2020	4.19798%	3,672,448	3,209,205	114.43%	66.14%
2021	4.14999%	3,760,826	3,216,120	116.94%	66.26%
2022	4.10229%	2,376,501	3,155,466	75.31%	79.14%
2023	3.96482%	3,481,046	3,187,571	109.21%	69.56%
2024	4.24174%	3,401,281	3,447,112	98.67%	73.25%
2025	4.46562%	2,709,620	3,920,389	69.12%	80.10%
<b>Municipal Police Employees' Retirement System:</b>					
2016	0.63557%	\$ 4,979,059	\$ 1,698,319	293.18%	70.73%
2017	0.60684%	5,687,838	1,696,936	335.18%	66.04%
2018	0.52585%	4,590,865	1,565,808	293.19%	70.08%
2019	0.55681%	4,707,297	1,643,294	286.45%	71.89%
2020	0.53519%	4,860,385	1,671,338	290.81%	71.01%
2021	0.51718%	4,779,939	1,594,737	299.73%	70.94%
2022	0.52282%	2,786,895	1,594,848	174.74%	84.09%
2023	0.52843%	5,401,462	1,631,515	331.07%	70.80%
2024	0.51643%	5,456,056	1,748,434	312.05%	71.30%
2025	0.52577%	4,763,418	1,852,423	257.15%	75.84%
<b>Firefighters' Retirement System:</b>					
2016	0.63720%	\$ 3,439,056	\$ 1,354,171	253.96%	72.45%
2017	0.57365%	3,752,164	1,293,446	290.09%	68.16%
2018	0.54858%	3,144,395	1,280,871	245.49%	73.55%
2019	0.51802%	2,979,713	1,233,341	241.60%	74.76%
2020	0.53389%	3,343,196	1,290,354	259.09%	73.96%
2021	0.50326%	3,488,337	1,252,903	278.42%	72.61%
2022	0.49089%	1,739,656	1,231,302	141.29%	86.78%
2023	0.49365%	3,480,892	1,271,820	273.69%	74.68%
2024	0.52750%	3,442,897	1,416,041	243.14%	77.69%
2025	0.54541%	3,070,967	1,574,959	194.99%	81.68%
<b>Louisiana State Employees' Retirement System:</b>					
2016	0.00139%	\$ 94,692	\$ 25,800	367.02%	62.66%
2017	0.00146%	114,400	25,800	443.41%	57.73%
2018	0.00146%	103,039	25,800	399.38%	62.50%
2019	0.00141%	96,226	25,800	372.97%	71.02%
2020	0.00135%	97,875	25,800	379.36%	62.90%
2021	0.00130%	107,850	25,800	418.02%	58.00%
2022	0.00406%	74,304	25,800	288.00%	72.80%
2023	0.00000%	-	19,923	0.00%	63.65%
2024	0.00126%	84,405	23,095	365.47%	68.42%
2025	0.00124%	67,380	25,800	261.16%	74.59%

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

(CONTINUED)

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

Fiscal Year	Employer's Proportion of the Net Pension (Asset) Liability	Employer's Proportionate Share of the Net Pension (Asset) Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension (Asset) Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
<b>Component Units</b>					
<b>City Court of Denham Springs - Ward Two</b>					
<b>Parochial Employees' Retirement System of Louisiana:</b>					
2016	0.29465%	52,461	283,195	18.52%	93.48%
2017	0.29392%	38,182	292,795	13.04%	95.50%
2018	0.27963%	(35,183)	195,825	(17.97%)	101.97%
2019	0.19338%	52,245	176,875	29.54%	91.93%
2020	0.20249%	(14,650)	224,997	(6.51%)	102.04%
2021	0.18544%	(47,607)	187,245	(25.42%)	106.75%
2022	0.14912%	(83,329)	148,405	(56.15%)	114.20%
2023	0.16779%	39,948	190,789	20.94%	94.26%
2024	0.13439%	1,348	228,081	0.59%	99.77%
2025	0.22234%	(37,953)	258,603	-14.68%	99.77%
<b>Louisiana State Employees' Retirement System:</b>					
2016	0.00348%	236,827	64,800	365.47%	62.66%
2017	0.00376%	295,256	66,600	443.33%	57.73%
2018	0.00382%	268,883	68,000	395.42%	62.54%
2019	0.00381%	259,839	69,600	373.33%	64.30%
2020	0.00382%	276,793	70,008	395.37%	62.90%
2021	0.00353%	292,120	73,000	400.16%	58.00%
2022	0.00406%	223,241	73,160	305.14%	72.80%
2023	0.00202%	152,486	77,490	196.78%	63.65%
2024	0.00300%	235,545	80,400	292.97%	68.40%
2025	0.00406%	220,629	87,326	252.65%	-31.60%
<b>Marshal of City Court of Denham Springs - Ward Two</b>					
<b>Parochial Employees' Retirement System of Louisiana:</b>					
2016	0.22881%	40,739	272,908	14.93%	93.48%
2017	0.18856%	24,469	155,960	15.69%	95.50%
2018	0.14494%	(18,036)	146,976	(12.27%)	101.97%
2019	0.22533%	60,877	235,737	25.82%	91.93%
2020	0.19871%	(14,376)	220,780	(6.51%)	102.04%
2021	0.14609%	(37,505)	167,317	(22.42%)	106.75%
2022	0.16899%	(94,432)	193,016	(48.92%)	114.20%
2023	0.17188%	40,924	257,951	15.87%	94.26%
2024	0.04632%	465	94,100	0.49%	99.77%
2025	-	-	-	-	-
<b>Municipal Employees Retirement System of Louisiana:</b>					
2024	0.22550%	\$ 180,817	\$ 101,691	177.81%	73.25%
2025	0.44794%	\$ 271,799	\$ 397,872	68.31%	80.10%

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

**CITY OF DENHAM SPRINGS**  
**SCHEDULE OF CONTRIBUTIONS BY PLAN**  
 FOR THE YEAR ENDED JUNE 30, 2025

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
<b><u>Primary Government</u></b>						
<b><u>Municipal Employees' Retirement System of Louisiana:</u></b>						
2016	\$ 332,625	\$	332,625	\$ -	\$ 3,501,307	9.50%
2017	354,864		354,864	-	3,226,030	11.00%
2018	419,393		419,393	-	3,165,219	13.25%
2019	449,289		449,289	-	3,209,205	14.00%
2020	450,257		450,257	-	3,216,120	14.00%
2021	489,098		489,098	-	3,155,466	15.50%
2022	494,074		494,074	-	3,187,571	15.50%
2023	534,302		534,302	-	3,447,112	15.50%
2024	568,862		568,862	-	3,670,078	15.50%
2025	548,854		548,854	-	3,920,389	14.00%
<b><u>Municipal Police Employees' Retirement System:</u></b>						
2016	\$ 501,470	\$	501,470	\$ -	\$ 1,696,936	29.55%
2017	498,418		498,418	-	1,565,808	31.83%
2018	505,310		505,310	-	1,643,294	30.75%
2019	539,004		539,004	-	1,671,338	32.25%
2020	519,163		519,163	-	1,594,737	32.55%
2021	538,261		538,261	-	1,594,848	33.75%
2022	485,376		485,376	-	1,631,515	29.75%
2023	546,386		546,386	-	1,748,434	31.25%
2024	628,434		628,434	-	1,852,423	33.92%
2025	689,547		689,547	-	1,936,932	35.60%
<b><u>Firefighters' Retirement System:</u></b>						
2016	\$ 352,464	\$	352,464	\$ -	\$ 1,293,446	27.25%
2017	323,419		323,419	-	1,280,871	25.25%
2018	326,833		326,833	-	1,233,341	26.50%
2019	341,944		341,944	-	1,290,354	26.50%
2020	347,681		347,681	-	1,252,903	27.75%
2021	397,095		397,095	-	1,231,302	32.25%
2022	429,240		429,240	-	1,271,820	33.75%
2023	470,834		470,834	-	1,416,041	33.25%
2024	523,674		523,674	-	1,574,959	33.25%
2025	534,140		534,140	-	1,606,435	33.25%
<b><u>Louisiana State Employees' Retirement System:</u></b>						
2016	\$ 9,830	\$	9,830	\$ -	\$ 25,800	38.10%
2017	9,804		9,804	-	25,800	38.00%
2018	10,346		10,346	-	25,800	40.10%
2019	10,346		10,346	-	25,800	40.10%
2020	10,939		10,939	-	25,800	42.40%
2021	10,965		10,965	-	25,800	42.50%
2022	8,707		8,707	-	19,923	43.70%
2023	10,347		10,347	-	23,095	44.80%
2024	11,816		11,816	-	25,800	45.80%
2025	10,364		10,364	-	25,800	40.17%

(CONTINUED)

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

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
<b><u>Component Units</u></b>					
<b><u>City Court of Denham Springs - Ward Two</u></b>					
<b><u>Parochial Employees' Retirement System of Louisiana:</u></b>					
2016	25,258	25,258	-	297,295	8.50%
2017	20,871	20,871	-	260,877	8.00%
2018	14,676	14,676	-	188,654	7.79%
2019	16,725	16,725	-	223,000	7.50%
2020	17,008	17,008	-	226,773	7.50%
2021	13,362	13,362	-	154,782	8.63%
2022	14,378	14,378	-	171,451	8.39%
2023	15,758	15,758	-	190,789	8.26%
2024	18,303	18,303	-	222,911	8.21%
2025	21,982	21,982	-	274,323	8.01%
<b><u>Louisiana State Employees' Retirement System:</u></b>					
2016	25,375	25,375	-	66,600	38.10%
2017	25,840	25,840	-	68,000	38.00%
2018	27,909	27,909	-	69,600	40.10%
2019	28,035	28,035	-	70,008	40.10%
2020	30,698	30,698	-	73,000	42.05%
2021	31,093	31,093	-	73,160	42.50%
2022	26,808	26,808	-	77,490	34.60%
2023	32,267	32,267	-	80,400	40.13%
2024	38,715	38,715	-	87,326	44.33%
2025	37,963	37,963	-	94,656	40.11%
<b><u>Marshal of City Court of Denham Springs - Ward Two</u></b>					
<b><u>Parochial Employees' Retirement System of Louisiana:</u></b>					
2016	16,695	16,695	-	185,800	9.00%
2017	12,557	12,557	-	156,960	8.01%
2018	14,869	14,869	-	192,836	7.71%
2019	17,502	17,502	-	233,360	7.50%
2020	14,217	14,217	-	189,567	7.50%
2021	14,025	14,025	-	187,006	7.50%
2022	15,105	15,105	-	201,395	7.50%
2023	7,057	7,057	-	94,100	7.50%
2024	-	-	-	-	
2025	-	-	-	-	
<b><u>Municipal Employees' Retirement System of Louisiana:</u></b>					
2023	\$ 29,999	\$ 29,999	\$ -	\$ 101,691	29.50%
2024	\$ 63,248	\$ 63,248	\$ -	\$ 397,872	15.90%
2025	\$ 54,681	\$ 54,681	\$ -	\$ 390,576	14.00%

See independent auditor's report.

# CITY OF DENHAM SPRINGS

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2025

### **Primary Government**

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

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

There were no changes of benefit assumptions for the valuation year ended June 30, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, and 2024.

Other changes are as follows:

Valuation Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Discount Rate	6.850%	6.850%	6.850%	6.850%	6.950%	7.000%	7.275%	7.40%	7.50%	7.50%
Inflation Rate	2.500%	2.500%	2.500%	2.500%	2.500%	2.500%	2.600%	2.775%	2.875%	2.875%
Projected Salary Increase	Vary from 9.5% in the first 4 years of service to 4.6% after 2 years	Vary from 7.4% in the first 4 years of service to 4.9% after 4 years	Vary from 7.4% in the first 4 years of service to 4.9% after 4 years	Vary from 7.4% in 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)

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

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

There were no changes of benefit assumptions for the valuation year ended June 30, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, and 2023, and 2024.

Other changes are as follows:

Valuation Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Discount Rate	6.750%	6.750%	6.750%	6.750%	6.950%	7.125%	7.20%	7.325%	7.50%	7.50%
Inflation Rate	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.60%	2.70%	2.875%	2.875%
Projected Salary Increase	Vary from 12.3% in the first 2 years of service to 4.7% after 2 years	Vary from 12.3% in the first 2 years of service to 4.7% after 2 years	Vary from 12.3% in the first 2 years of service to 4.7% after 2 years	Vary from 12.3% in 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

See independent auditor's report .

**CITY OF DENHAM SPRINGS**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2025

**Firefighters’ Retirement System:**

***Changes in Actuarial Assumptions***

There were no changes of benefit assumptions for the valuation year ended June 30, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, and 2024.

Other changes are as follows:

Valuation Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Discount Rate	6.90%	6.90%	6.90%	6.90%	7.00%	7.15%	7.30%	7.40%	7.50%	7.50%
Inflation Rate	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.70%	2.775%	2.875%	2.875%
Projected Salary Increase	Vary from 14.10% in first 2 years of service to 5.2% with 3 or more years of service	Vary from 14.10% in first 2 years of service to 5.2% with 3 or more years of service	Vary from 14.10% in first 2 years of service to 5.2% with 3 or more years of service	Vary from 14.10% in first 2 years of service to 5.2% with 3 or more years of service	Vary from 14.10% 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

**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 valuation year ended June 30, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, and 2024.

***Changes in Actuarial Assumptions***

Valuation Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Discount Rate	7.25%	7.25%	7.25%	7.40%	7.55%	7.60%	7.65%	7.70%	7.75%	7.75%
Inflation Rate	2.40%	2.30%	2.30%	2.30%	2.30%	2.50%	2.75%	2.75%	3.000%	3.000%
Projected Salary Increase	2.4% to 4.8%	2.6% to 5.1%	2.6% to 5.1%	2.6% to 5.1%	2.6% to 5.1%	2.8% to 5.3%	2.8% to 5.3%	2.8% to 5.3%	3% to 5.5%	3% to 5.5%

See independent auditor’s report .

**CITY OF DENHAM SPRINGS**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2025

**Component Units**

**Parochial Employees’ Retirement System of Louisiana:**

*Changes in Actuarial Assumptions*

There were no changes of benefit assumptions for the valuation year ended June 30, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, and 2024.

Other changes are as follows:

Valuation Date	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
Discount Rate	6.40%	6.40%	6.40%	6.40%	6.40%	6.50%	6.50%	6.75%	7.00%	7.00%
Inflation Rate	2.30%	2.30%	2.30%	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% (2.30% Inflation, 1.95% Merit)	4.25% (2.30% Inflation, 1.95% Merit)	4.25% (2.30% Inflation, 1.95% Merit)	4.25% (2.40% Inflation, 1.85% Merit)	5.25% (1.85% Inflation, 3.40% Merit)	4.25% (2.40% Inflation, 1.85% Merit)	5.25% (2.50% Inflation, 2.75% Merit)	5.75% (3.00% Inflation, 2.75% Merit)	5.25% (2.50% Inflation, 2.75% Merit)

See independent auditor’s report .



NONMAJOR GOVERNMENTAL FUNDS

## **NONMAJOR GOVERNMENTAL FUNDS**

### **CAPITAL PROJECTS FUND**

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

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

### **DEBT SERVICE FUND**

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

1994 Paving Certificates Debt Service Fund - This fund was used to account for the collection of a special assessment on the property owners of the Lakeland Acres Subdivision. The proceeds of such collections to be used to make annual payments on the 1994 Paving Certificates of Indebtedness incurred for the benefit of the property owners of the Lakeland Acres Subdivision. The special assessment debt has been paid and at June 30, 2025, 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.

Hotel Occupancy Tax Fund - This fund is used to account for a hotel occupancy tax that went to affect during the 2025. Taxes collected are dedicated for use for salary and related benefits of the police and fire employees.

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

JUNE 30, 2025

	Capital Projects Fund	1994 Paving Certificates Debt Service Fund	Cemetery Care Permanent Fund	Witness Fee - Special Revenue Fund	Hotel Occupancy Tax - Special Revenue Fund	Total Nonmajor Governmental Funds
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ -	\$ 3,269	\$ 1,608,746	\$ 193,848	\$ 51,192	\$ 1,857,055
Receivables (Net of Allowance for Uncollectibles):						
Other	-	-	8,746	879	-	9,625
Due from Other Funds	709,050	-	-	-	-	709,050
Due from Other Governments	75,633	-	-	-	97,838	173,471
<b>Total Assets</b>	<b>\$ 784,683</b>	<b>\$ 3,269</b>	<b>\$ 1,617,492</b>	<b>\$ 194,727</b>	<b>\$ 149,030</b>	<b>\$ 2,749,201</b>
<b>LIABILITIES AND FUND BALANCES</b>						
Accounts Payable	\$ 208,734	\$ -	\$ 250	\$ -	\$ -	\$ 208,984
Deferred Revenue	311,094	-	-	-	-	311,094
Other Accrued Liabilities	1,026	-	-	-	-	1,026
<b>Total Liabilities</b>	<b>520,854</b>	<b>-</b>	<b>250</b>	<b>-</b>	<b>-</b>	<b>521,104</b>
Fund Balances:						
Nonspendable:						
Permanent Fund Princip	-	-	1,617,242	-	-	1,617,242
Restricted For:						
Witness Fees	-	-	-	194,727	-	194,727
Other Purposes	-	3,269	-	-	149,030	152,299
Assigned To:						
Capital Projects	263,829	-	-	-	-	263,829
<b>Total Fund Balances</b>	<b>263,829</b>	<b>3,269</b>	<b>1,617,242</b>	<b>194,727</b>	<b>149,030</b>	<b>2,228,097</b>
<b>Total Liabilities and     Fund Balances</b>	<b>\$ 784,683</b>	<b>\$ 3,269</b>	<b>\$ 1,617,492</b>	<b>\$ 194,727</b>	<b>\$ 149,030</b>	<b>\$ 2,749,201</b>

See independent auditor's report.

## CITY OF DENHAM SPRINGS

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

FOR THE YEAR ENDED JUNE 30, 2025

	Capital Projects Fund	1994 Paving Certificates Debt Service Fund	Cemetery Care Permanent Fund	Witness Fee - Special Revenue Fund	Hotel Occupancy Tax - Special Revenue Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>						
Fees	\$ -	\$ -	\$ -	\$ 5,697	\$ -	\$ 5,697
Interest	353	-	52,488	5,585	-	58,426
Taxes	-	-	-	-	153,640	153,640
Miscellaneous	-	-	55,310	-	-	55,310
Total Revenues	353	-	107,798	11,282	153,640	273,073
<b>Expenditures:</b>						
Current:						
General Government	-	-	4,255	2,275	4,610	11,140
Capital Outlay:						
Highways and Streets	365,284	-	-	-	-	365,284
Total Expenditures	365,284	-	4,255	2,275	4,610	376,424
Excess (Deficiency) of Revenues over (under) Expenditures	(364,931)	-	103,543	9,007	149,030	(103,351)
<b>Other Financing Sources:</b>						
Transfers In	475,000	-	-	-	-	475,000
Total Other Financing Sources	475,000	-	-	-	-	475,000
Net Change in Fund Balances	110,069	-	103,543	9,007	149,030	371,649
<b>Fund Balances at Beginning of Year</b>	153,760	3,269	1,513,699	185,720	-	1,856,448
<b>Fund Balances at End of Year</b>	\$ 263,829	\$ 3,269	\$ 1,617,242	\$ 194,727	\$ 149,030	\$ 2,228,097

See independent auditor's report.

**CITY OF DENHAM SPRINGS**  
**CAPITAL PROJECTS FUND**

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

FOR THE YEAR ENDED JUNE 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Interest	\$ -	\$ -	\$ 353	\$ 353
Intergovernmental:				
Federal Grants	1,824,022	-	-	-
Total Revenues	1,824,022	-	353	353
<b>Expenditures:</b>				
Construction Costs and Related Expenditures	2,618,042	455,076	365,284	89,792
Total Expenditures	2,618,042	455,076	365,284	89,792
Excess (Deficiency) of Revenues Over Expenditures	(794,020)	(455,076)	(364,931)	90,145
<b>Other Financing Sources:</b>				
Transfers In	850,000	475,000	475,000	-
Total Other Financing Sources	850,000	475,000	475,000	-
Net Change in Fund Balance	55,980	19,924	110,069	90,145
<b>Fund Balance at Beginning of Year</b>	153,760	153,760	153,760	-
<b>Fund Balance at End of Year</b>	<u>\$ 209,740</u>	<u>\$ 173,684</u>	<u>\$ 263,829</u>	<u>\$ 90,145</u>

See independent auditor's report.

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

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

FOR THE YEAR ENDED JUNE 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fees	\$ 7,000	\$ 5,000	\$ 5,697	\$ 697
Interest	3,000	4,500	5,585	1,085
 Total Revenues	 10,000	 9,500	 11,282	 1,782
<b>Expenditures:</b>				
General Government	1,755	2,210	2,275	(65)
 Total Expenditures	 1,755	 2,210	 2,275	 (65)
 Net Change in Fund Balance	 8,245	 7,290	 9,007	 1,717
 <b>Fund Balance at Beginning of Year</b>	 185,720	 185,720	 185,720	 -
<b>Fund Balance at End of Year</b>	<u>\$ 193,965</u>	<u>\$ 193,010</u>	<u>\$ 194,727</u>	<u>\$ 1,717</u>

See independent auditor's report.

**CITY OF DENHAM SPRINGS**  
**HOTEL OCCUPANCY TAX FUND -**  
**SPECIAL REVENUE FUND**

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

FOR THE YEAR ENDED JUNE 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Hotel Occupancy Tax	\$ -	\$ 125,000	\$ 153,640	\$ 28,640
Total Revenues	-	125,000	153,640	28,640
<b>Expenditures:</b>				
Collection Fees	-	3,750	4,610	(860)
Total Expenditures	-	3,750	4,610	(860)
Net Change in Fund Balance	-	121,250	149,030	27,780
<b>Fund Balance at Beginning of Year</b>	-	-	-	-
<b>Fund Balance at End of Year</b>	<u>\$ -</u>	<u>\$ 121,250</u>	<u>\$ 149,030</u>	<u>\$ 27,780</u>

See independent auditor's report.



SUPPLEMENTARY EXHIBITS -  
CAPITAL ASSETS

**CITY OF DENHAM SPRINGS**

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

AS OF JUNE 30, 2025

**Governmental Funds Capital Assets:**

Land and Right-of-Ways	\$ 2,168,212
Land Improvements	156,660
Buildings	8,280,276
Equipment	10,249,051
Infrastructure	11,911,636
Construction in Progress	879,885
	<hr/>
Total Capital Assets	\$ 33,645,720
	<hr/> <hr/>

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

General Fund Revenues	\$ 6,589,586
Federal Revenues and Federal Grants	5,970,476
Donated Infrastructure	649,138
Capital Improvement Funds:	
City's Share of Cost:	
General Fund	14,459,349
Federal Revenue Sharing	201,482
Federal Grants	2,929,563
State Grants	2,846,126
	<hr/>
Total Investment in Capital Assets	\$ 33,645,720
	<hr/> <hr/>

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

See independent auditor's report.

## CITY OF DENHAM SPRINGS

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

AS OF JUNE 30, 2025

Function and Activity:	Land and Right- of-Ways	Improvements Other Than Buildings	Buildings	Machinery and Equipment	Infrastructure	Total
General Government:						
General Government Buildings	\$ 1,269,191	\$ 32,650	\$ 3,021,930	\$ -	\$ -	\$ 4,323,771
Administration	593,355	-	-	711,843	-	1,305,198
Cemetery	2,000	42,937	46,534	-	-	91,471
Tax	-	-	-	18,163	-	18,163
Planning and Development	-	-	-	91,782	-	91,782
Public Service Workers	-	-	10,647	-	-	10,647
Total General Government	1,864,546	75,587	3,079,111	821,788	-	5,841,032
Public Safety:						
Animal Control	1,500	34,031	1,015,572	97,918	-	1,149,021
Fire	8,250	-	765,887	3,352,558	-	4,126,695
Police	201,482	8,953	1,505,296	2,983,690	-	4,699,421
Total Public Safety	211,232	42,984	3,286,755	6,434,166	-	9,975,137
Highways and Streets:						
Streets	2,748	-	143,317	2,777,116	11,367,300	14,290,481
Health:						
Council on Aging	-	-	370,890	-	-	370,890
Culture and Recreation:						
Tourism	-	-	1,031,301	213,112	168,253	1,412,666
Parks	89,686	38,089	368,902	2,869	376,083	875,629
Total Culture and Recreation	89,686	38,089	1,400,203	215,981	544,336	2,288,295
Total Governmental Funds Capital Assets Allocated to Functions	<u>\$ 2,168,212</u>	<u>\$ 156,660</u>	<u>\$ 8,280,276</u>	<u>\$ 10,249,051</u>	<u>\$ 11,911,636</u>	32,765,835
				Construction in Progress		879,885
						<u>\$ 33,645,720</u>

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

See independent auditor's report.

## CITY OF DENHAM SPRINGS

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

FOR THE YEAR ENDED JUNE 30, 2025

Function and Activity:	Governmental	Transfers	Additions	Deductions	Governmental
	Funds Capital				Funds Capital
	Assets				Assets
	6/30/24				6/30/25
<b>General Government:</b>					
General Government Buildings	\$ 3,804,088	\$ -	\$ 519,683	\$ -	\$ 4,323,771
Administration	1,293,634	-	11,564	-	1,305,198
Cemetery	23,315	-	68,156	-	91,471
Tax	18,163	-	-	-	18,163
Planning and Development	92,182	-	-	400	91,782
Public Service Workers	10,647	-	-	-	10,647
<b>Total General Government</b>	<b>5,242,029</b>	<b>-</b>	<b>599,403</b>	<b>400</b>	<b>5,841,032</b>
<b>Public Safety:</b>					
Animal Control	1,125,032	-	24,649	660	1,149,021
Fire	4,138,447	-	31,446	43,198	4,126,695
Police	4,217,096	-	529,835	47,510	4,699,421
<b>Total Public Safety</b>	<b>9,480,575</b>	<b>-</b>	<b>585,930</b>	<b>91,368</b>	<b>9,975,137</b>
<b>Highways and Streets:</b>					
Streets	14,168,163	-	277,366	155,048	14,290,481
<b>Health:</b>					
Council on Aging	370,890	-	-	-	370,890
<b>Culture and Recreation:</b>					
Tourism	1,331,456	-	81,210	-	1,412,666
Parks	848,000	-	28,314	685	875,629
<b>Total Culture and Recreation</b>	<b>2,179,456</b>	<b>-</b>	<b>109,524</b>	<b>685</b>	<b>2,288,295</b>
Construction in Progress	541,871	-	598,553	260,539	879,885
<b>Total Governmental Funds</b>					
Capital Assets	<u>\$ 31,982,984</u>	<u>\$ -</u>	<u>\$ 2,170,776</u>	<u>\$ 508,040</u>	<u>\$ 33,645,720</u>

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

See independent auditor's report.



SUPPLEMENTARY SCHEDULES

## CITY OF DENHAM SPRINGS

SCHEDULE OF INSURANCE COVERAGE IN FORCE

JUNE 30, 2025

<u>Insurance</u>	<u>Coverage</u>	<u>Amount</u>	<u>Expiration Date</u>
CNA Surety	Public Official Bonds		
	Mayor; Gerard Landry	\$ 50,000	1/01/26
	Council Members:		
	Amber Dugas	\$ 10,000	1/01/26
	Jeffrey Wesley	\$ 10,000	1/01/26
	Jim Gilbert	\$ 10,000	1/01/26
	Robert Poole	\$ 10,000	1/01/26
	Lori Lamm-Williams	\$ 10,000	1/01/26
	Public Employees Blanket Bond:		
	City Treasurer:		
	Michelle Hood	\$ 50,000	12/11/2025
	City Clerk:		
Buffy Anderson	\$ 50,000	2/06/26	
Public Employees Bond	\$ 25,000	2/18/26	
Hanover Insurance Company	Property and Casualty Coverage -		
	90% Co-Insurance:		
	Blanket Building	\$ 16,895,751	7/01/25
	Blanket Contents	\$ 738,837	7/01/25
	Pavilion	\$ 323,000	7/01/25
	<u>941 Government Street</u>		
	Steel Water Tank and Tower	\$ 700,000	7/01/25
	<u>110 Brignac Street</u>		
	Council on Aging Buildings	\$ 1,474,580	7/01/25
	<u>949 Government Street</u>		
	Police Station and Jail Facility	\$ 3,650,000	
	Contents	\$ 206,109	7/01/25
	<u>447 Lamm Street</u>		
Sewer Building	\$ 300,000		
Contents	\$ 19,947	7/01/25	
<u>9300 Forest Delatte Road</u>			
Sewer Lab Building	\$ 11,971		
Storage Building (for equipment)	\$ 24,801	7/01/25	
<u>9300 Forest Delatte Road</u>			

(CONTINUED)

**CITY OF DENHAM SPRINGS**

SCHEDULE OF INSURANCE COVERAGE IN FORCE (CONTINUED)

JUNE 30, 2025

<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>	\$ 873,329 \$ 26,500	7/01/25
	SADD Office Building <u>115 Hummell St.</u>	\$ 103,611	7/01/25
	Bronze Statue Contents <u>140 Centerville St</u>	\$ 16,000	7/01/25
	Street Department Contents <u>940 Government Street</u>	\$ 560,000 \$ 26,500	7/01/25
	Utility Warehouse Building Contents <u>112 Brignac Street</u>	\$ 134,915 \$ 41,223	7/01/25
	Motor Pool and Warehouse Building Gas Metal Building Contents <u>401 N. Railroad Ave.</u>	\$ 530,000 \$ 74,000 \$ 102,391	7/01/25
	Arts Council/Red Cross Building <u>133 Hummel St.</u>	\$ 400,000	7/01/25
	City Hall Building Contents LED Signage <u>116 N Range Ave</u>	\$ 3,031,600 \$ 289,573 \$ 85,000	7/01/25 7/01/25
	Old City Hall Building Contents <u>115 Mattie St.</u>	\$ 985,837 \$ 26,594	7/01/25

(CONTINUED)

**CITY OF DENHAM SPRINGS**

SCHEDULE OF INSURANCE COVERAGE IN FORCE (CONTINUED)

JUNE 30, 2025

<u>Insurance</u>	<u>Coverage</u>	<u>Amount</u>	<u>Expiration Date</u>
	Steel Water Tank and Tower <u>23322 Springhill Drive</u>	\$ 2,876,270	7/01/25
	Contractor Equipment	\$ 2,373,934	7/01/25
Liberty Mutual	Sewer Treatment Plant Scheduled Equipment <u>9300 Forest Delatte Road</u>	\$ 4,216,672	7/01/25
Louisiana Workers' Compensation Corporation	Workmen's Compensation Statutory	\$ 500,000	7/01/25
Lloyds	Cyber Policy	\$ 1,000,000	7/01/25
Travelers	Crime Policy	\$ 250,000	7/01/25
Indian Harbor	Public Officials & Employee's Liability Law Enforcement Professional Liability	\$ 1,000,000	7/01/25
		\$ 1,000,000	7/01/25
Hudson	General Liability	\$ 1,000,000	7/01/25
	Sexual Abuse & Molestation	\$ 500,000	7/01/25
	Business Auto Liability	\$ 500,000	7/01/25
	Vehicle Physical Damage - Except Fire	\$ 3,521,652	7/01/25
VFIS, Inc.	Property and Casualty Coverage - Fire Station Building Contents <u>1100 Hatchell Lane</u>	\$ 435,975	7/01/25
		\$ 168,288	7/01/25
	Fire Station/ Water Department Office Building	\$ 1,078,560	7/01/25
	Contents <u>27135 LA Hwy 16</u>	\$ 168,288	7/01/25
	Fire Station Building	\$ 575,117	7/01/25
	Additional Structure (Shed)	\$ 16,741	7/01/25
	Contents	\$ 164,491	7/01/25

(CONTINUED)

**CITY OF DENHAM SPRINGS**

SCHEDULE OF INSURANCE COVERAGE IN FORCE (CONTINUED)

JUNE 30, 2025

<u>Insurance</u>	<u>Coverage</u>	<u>Amount</u>	<u>Expiration Date</u>
	Vehicle Liability & Physical Damage – Fire <u>930 Government Street</u>	\$ 1,000,000	7/01/25
Hartford Ins.	Flood Insurance:		
	Street Dept Contents <u>940 Government Street</u>	\$ 120,000 \$ 50,000	7/01/25
	Council on Aging Building 1 Council on Aging Building 2 Contents <u>949 Government Street</u>	\$ 500,000 \$ 225,000 \$ -0-	7/01/25
	Police Station and Jail Facility Contents <u>447 Lamm Street</u>	\$ 500,000 \$ 300,000	7/01/25
	Animal Control Center Building Contents <u>600-C Bowman Street</u>	\$ 500,000 \$ 100,000	7/01/25 7/01/25
	Gas Department Building Contents <u>401 E. Railroad Avenue</u>	\$ 500,000 \$ 100,000	7/01/25
	Old City Hall Building Contents <u>115 Mattie Street</u>	\$ 500,000 \$ 100,000	7/01/25
	Sewer Lab Building Sewer Office Building Contents <u>9300 Forrest Delatte Road</u>	\$ 50,000 \$ 50,000 \$ 25,000	7/01/25
	Arts Council Building Contents <u>133 Hummel Street</u>	\$ 100,000 \$ 50,000	7/01/25

(CONTINUED)

CITY OF DENHAM SPRINGS

SCHEDULE OF INSURANCE COVERAGE IN FORCE (CONTINUED)

JUNE 30, 2025

<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	7/01/25
	<u>116 N. Range Ave.</u>		
Excess Flood Coverage-Aon	City Hall (Building Only)	\$ 1,500,000	7/01/25
	<u>116 N. Range Ave.</u>		

See independent auditor's report.

## CITY OF DENHAM SPRINGS

SCHEDULE OF JUSTICE SYSTEM FUNDING - RECEIVING ENTITY

FOR THE YEAR ENDED JUNE 30, 2025

<b>Cash Basis Presentation</b>		<b>Amount for 07/01/2024 - 12/31/2024</b>	<b>Amount for 01/01/2025 - 06/30/2025</b>
<b>1. Ending Balance of Amounts Assessed but Not Received</b>		<b>\$ -</b>	<b>\$ -</b>
<b>2. Details of Receipts from Collecting/Disbursing Agency:</b>			
<b>Agency Remitting Money</b>	<b>Remittance Type</b>	<b>Amount for 07/01/2024 - 12/31/2024</b>	<b>Amount for 01/01/2025 - 06/30/2025</b>
Denham Springs City Court Ward 2	e. Pre-Trial Diversion Program Fees	\$ 55,211	\$ 54,297
Denham Springs City Court Ward 2	f. Criminal Court Costs/Fees	89,280	81,937
Denham Springs City Court Ward 2	n. Other	2,588	2,709
Fund	n. Other	50	-
<b>Total Receipts</b>		<b>\$ 147,129</b>	<b>\$ 138,943</b>

See independent auditor's report.



STATISTICAL SECTION

## STATISTICAL SECTION

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

Contents	Page
Financial Trends	137
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	142
These schedules contain information to help the reader assess the City's most significant local revenue source, the sales tax.	
Debt Capacity	148
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	153
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	155
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

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

## CITY OF DENHAM SPRINGS

## NET POSITION BY COMPONENTS

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities:										
Net Investment in										
Capital Assets	\$ 7,578,587	\$ 7,894,411	\$ 8,852,195	\$ 9,414,293	\$ 11,073,059	\$ 13,338,114	\$ 13,229,604	\$ 16,162,336	\$ 17,263,716	\$ 17,780,769
Restricted	1,076,407	1,110,623	1,161,182	1,226,795	1,303,809	1,346,577	1,466,494	1,584,440	1,702,688	1,964,268
Unrestricted (Deficit)	<u>(6,361,194)</u>	<u>(4,551,104)</u>	<u>(4,360,533)</u>	<u>(5,203,819)</u>	<u>(4,058,003)</u>	<u>(3,230,493)</u>	<u>3,059,059</u>	<u>6,313,883</u>	<u>10,083,734</u>	<u>16,786,361</u>
Total Governmental Activities - Net Position	<u>\$ 2,293,800</u>	<u>\$ 4,453,930</u>	<u>\$ 5,652,844</u>	<u>\$ 5,437,269</u>	<u>\$ 8,318,865</u>	<u>\$ 11,454,198</u>	<u>\$ 17,755,157</u>	<u>\$ 24,060,659</u>	<u>\$ 29,050,138</u>	<u>\$ 36,531,398</u>
Business-Type Activities:										
Net Investment in										
Capital Assets	\$ 11,092,592	\$ 10,709,842	\$ 10,489,376	\$ 10,804,788	\$ 12,520,637	\$ 13,948,155	\$ 13,173,742	\$ 17,893,828	\$ 19,763,653	\$ 23,405,875
Restricted	-	-	-	-	-	-	-	2,179,612	1,779,487	1,856,919
Unrestricted (Deficit)	<u>2,865,893</u>	<u>2,571,962</u>	<u>2,767,491</u>	<u>3,202,427</u>	<u>3,356,446</u>	<u>4,535,835</u>	<u>8,593,496</u>	<u>6,229,693</u>	<u>9,212,205</u>	<u>12,535,921</u>
Total Business-Type Activities - Net Position	<u>\$ 13,958,485</u>	<u>\$ 13,281,804</u>	<u>\$ 13,256,867</u>	<u>\$ 14,007,215</u>	<u>\$ 15,877,083</u>	<u>\$ 18,483,990</u>	<u>\$ 21,767,238</u>	<u>\$ 26,303,133</u>	<u>\$ 30,755,345</u>	<u>\$ 37,798,715</u>
Primary Government:										
Net Investment in										
Capital Assets	\$ 18,671,179	\$ 18,604,253	\$ 19,341,571	\$ 20,219,081	\$ 23,593,696	\$ 27,286,269	\$ 26,403,346	\$ 34,056,164	\$ 37,027,369	\$ 41,186,644
Restricted	1,076,407	1,110,623	1,161,182	1,226,795	1,303,809	1,346,577	1,466,494	3,764,052	3,482,175	3,821,187
Unrestricted (Deficit)	<u>(3,495,301)</u>	<u>(1,979,142)</u>	<u>(1,593,042)</u>	<u>(2,001,392)</u>	<u>(701,557)</u>	<u>1,305,342</u>	<u>11,652,555</u>	<u>12,543,576</u>	<u>19,295,939</u>	<u>29,322,282</u>
Total Primary Government - Net Position	<u>\$ 16,252,285</u>	<u>\$ 17,735,734</u>	<u>\$ 18,909,711</u>	<u>\$ 19,444,484</u>	<u>\$ 24,195,948</u>	<u>\$ 29,938,188</u>	<u>\$ 39,522,395</u>	<u>\$ 50,363,792</u>	<u>\$ 59,805,483</u>	<u>\$ 74,330,113</u>

## CITY OF DENHAM SPRINGS

## CHANGE IN NET POSITION

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

	Fiscal Year				Fiscal Year					
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Expenses</b>										
Governmental Activities:										
General Government	\$ 2,152,354	\$ 2,639,792	\$ 2,437,965	\$ 2,412,412	\$ 2,639,104	\$ 3,016,726	\$ 2,620,747	\$ 3,494,477	\$ 2,885,786	\$ 3,072,222
Public Safety	6,805,088	7,144,277	6,846,372	7,390,688	7,292,904	7,458,341	6,683,595	8,256,634	8,727,165	8,973,741
Highways and Streets	1,971,847	8,776,069	2,875,109	13,338,114	1,961,810	1,656,236	3,044,298	2,261,915	2,536,135	2,478,441
Health	51,650	30,273	29,310	1,346,577	35,587	44,183	50,175	33,798	31,599	36,890
Culture and Recreation	161,147	133,933	171,936	(3,279,086)	178,390	170,057	198,101	154,557	184,506	282,319
Interest on Long-Term Indebtedness	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	11,142,086	18,724,344	12,360,692	21,208,705	12,107,795	12,345,543	12,596,916	14,201,381	14,365,191	14,843,613
Business-Type Activities:										
Gas	2,282,747	2,304,551	2,774,190	13,948,155	2,724,211	2,984,418	3,465,088	3,571,400	3,490,956	3,350,867
Water	2,394,908	2,406,037	2,362,879	2,358,904	2,230,902	2,205,944	2,160,155	2,421,427	2,627,975	2,695,908
Sewer	5,879,536	6,192,531	5,594,398	4,535,835	5,507,610	5,884,985	5,726,433	5,941,582	6,568,602	6,210,004
Sanitation	896,356	913,077	838,303	826,622	840,490	843,406	955,264	1,122,183	1,080,050	1,144,153
Total Business-Type Activities	11,453,547	11,816,196	11,569,770	21,669,516	11,303,213	11,918,753	12,306,940	13,056,592	13,767,583	13,400,932
Total Primary Government Expenses	\$ 22,595,633	\$ 30,540,540	\$ 23,930,462	\$ 42,878,221	\$ 23,411,008	\$ 24,264,296	\$ 24,903,856	\$ 27,257,973	\$ 28,132,774	\$ 28,244,545
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
Public Safety	\$ 543,245	\$ 355,745	\$ 465,411	\$ 496,175	\$ 394,851	\$ 393,028	\$ 340,986	\$ 354,136	\$ 382,429	\$ 310,777
Highways and Streets	12,850	12,850	11,835	11,835	10,820	10,820	10,820	10,820	13,525	10,820
Operating Grants and Contributions	763,052	7,288,463	1,570,173	1,050,857	1,741,444	1,555,812	2,376,218	1,120,399	1,806,038	3,767,680
Capital Grants and Contributions	-	691,742	1,157,290	344,415	2,287,877	1,700,139	252,452	567,133	237,887	1,167,200
Total Governmental Activities Program Revenues	1,319,147	8,348,800	3,204,709	1,903,282	4,434,992	3,659,799	2,980,476	2,052,488	2,439,879	5,256,477
Business-Type Activities:										
Charges for Services:										
Natural Gas	3,655,028	2,948,060	4,027,218	4,148,175	3,672,678	4,815,070	5,548,140	5,603,506	5,138,445	5,369,032
Water	3,446,017	3,015,738	3,187,169	3,291,115	3,427,674	3,675,291	3,870,379	4,274,945	4,700,358	4,638,780
Sewer	3,458,451	3,033,149	3,194,199	3,319,161	3,495,222	3,740,708	3,945,857	4,394,053	4,830,730	4,827,016
Sanitation	802,098	722,786	722,807	760,465	767,718	882,298	1,058,086	1,110,322	1,119,938	1,186,437
Operating Grants and Contributions	170,101	528,014	64,036	169,950	240,603	140,282	648,917	221,734	101,031	1,163,689
Capital Grants and Contributions	385,893	466,531	320,451	715,543	1,369,021	1,157,738	417,360	1,698,420	1,933,399	2,828,783
Total Business-Type Activities Program Revenues	11,917,588	10,714,278	11,515,880	12,404,409	12,972,916	14,411,387	15,488,739	17,302,980	17,823,901	20,013,737
Total Primary Government Programs Revenues	\$ 13,236,735	\$ 19,063,078	\$ 14,720,589	\$ 14,307,691	\$ 17,407,908	\$ 18,071,186	\$ 18,469,215	\$ 19,355,468	\$ 20,263,780	\$ 25,270,214
Net Expense/Revenue										
Governmental Activities	\$ (9,822,939)	\$ (10,375,544)	\$ (9,155,983)	\$ (19,305,423)	\$ (7,672,803)	\$ (8,685,744)	\$ (9,616,440)	\$ (12,148,893)	\$ (11,925,312)	\$ (9,587,136)
Business-Type Activities	464,041	(1,101,918)	(53,890)	(9,265,107)	1,669,703	2,492,634	3,181,799	4,246,388	4,056,318	6,612,805
Total Primary Government Net Expense	\$ (9,358,898)	\$ (11,477,462)	\$ (9,209,873)	\$ (28,570,530)	\$ (6,003,100)	\$ (6,193,110)	\$ (6,434,641)	\$ (7,902,505)	\$ (7,868,994)	\$ (2,974,331)

(CONTINUED)

CITY OF DENHAM SPRINGS

CHANGE IN NET POSITION

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

	Fiscal Year					Fiscal Year				
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Taxes:										
Property	\$ 319,365	\$ 275,364	\$ 289,607	\$ 291,577	\$ 326,552	\$ 340,831	\$ 360,576	\$ 349,151	\$ 377,103	\$ 370,742
Sales	7,281,993	8,389,648	7,823,526	7,399,855	7,687,752	9,039,502	12,828,637	12,467,115	12,959,347	13,085,284
Occupational and permits	1,070,043	1,041,368	1,055,098	1,044,131	1,043,182	1,139,734	1,154,801	1,234,864	1,292,827	1,302,121
Franchise	786,427	648,653	679,479	691,187	680,415	729,953	817,536	905,159	822,272	870,263
Miscellaneous	636,518	1,179,183	486,758	453,842	771,851	531,881	667,235	698,596	868,860	708,497
Interest Income	10,797	12,542	20,429	58,048	44,647	11,231	16,474	252,243	578,650	827,051
Transfer from Component Unit	-	-	-	-	-	-	-	2,541,060	-	-
Insurance Proceeds	-	988,916	-	-	-	-	72,140	-	-	18,038
Gain on Sale of Asset	-	-	-	-	-	27,945	-	6,207	15,732	26,458
<b>Total Governmental Activities</b>	<b>10,105,143</b>	<b>12,535,674</b>	<b>10,354,897</b>	<b>9,938,640</b>	<b>10,554,399</b>	<b>11,821,077</b>	<b>15,917,399</b>	<b>18,454,395</b>	<b>16,914,791</b>	<b>17,208,454</b>
Business-Type Activities:										
Miscellaneous	30,134	128,700	14,300	23,965	22,095	44,298	20,495	23,635	38,170	31,894
Interest Income	9,828	17,328	14,653	21,296	65,328	57,318	58,949	249,951	345,872	432,309
Insurance Proceeds	-	279,209	-	-	79,987	-	-	-	-	-
Gain on Sale of Assets	-	-	-	-	32,755	12,657	22,005	15,921	11,852	32,481
<b>Total Business-Type Activities</b>	<b>39,962</b>	<b>425,237</b>	<b>28,953</b>	<b>45,261</b>	<b>200,165</b>	<b>114,273</b>	<b>101,449</b>	<b>289,507</b>	<b>395,894</b>	<b>496,684</b>
<b>Total Primary Government</b>	<b>\$ 10,145,105</b>	<b>\$ 12,960,911</b>	<b>\$ 10,383,850</b>	<b>\$ 9,983,901</b>	<b>\$ 10,754,564</b>	<b>\$ 11,935,350</b>	<b>\$ 16,018,848</b>	<b>\$ 18,743,902</b>	<b>\$ 17,310,685</b>	<b>\$ 17,705,138</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ 282,204	\$ 2,160,130	\$ 1,198,914	\$ (9,366,783)	\$ 2,881,596	\$ 3,135,333	\$ 6,300,959	\$ 6,305,502	\$ 4,989,479	\$ 7,621,318
Business-Type Activities	504,003	(676,681)	(24,937)	(9,219,846)	1,869,868	2,606,907	3,283,248	4,535,895	4,452,212	7,109,489
<b>Total Primary Government</b>	<b>\$ 786,207</b>	<b>\$ 1,483,449</b>	<b>\$ 1,173,977</b>	<b>\$ (18,586,629)</b>	<b>\$ 4,751,464</b>	<b>\$ 5,742,240</b>	<b>\$ 9,584,207</b>	<b>\$ 10,841,397</b>	<b>\$ 9,441,691</b>	<b>\$ 14,730,807</b>

CITY OF DENHAM SPRINGS

FUND BALANCES OF GOVERNMENTAL FUNDS

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

	Fiscal Year					Fiscal Year				
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable:										
Prepaid Insurance	\$ 88,670	\$ 50,376	\$ 200,313	\$ 65,222	\$ 189,032	\$ 192,886	\$ 20,375	\$ 205,591	\$ 60,309	\$ 53,574
Committed For:										
Construction Contracts								841,833	978,042	1,168,043
Unassigned	2,355,986	4,422,595	4,341,799	3,771,290	5,111,739	5,947,687	11,175,219	12,850,725	16,612,593	22,990,417
<b>Total General Fund</b>	<b>\$ 2,444,656</b>	<b>\$ 4,472,971</b>	<b>\$ 4,542,112</b>	<b>\$ 3,836,512</b>	<b>\$ 5,300,771</b>	<b>\$ 6,140,573</b>	<b>\$ 11,195,594</b>	<b>\$ 13,898,149</b>	<b>\$ 17,650,944</b>	<b>\$ 24,212,034</b>
All Other Governmental Funds										
Nonspendable:										
Permanent Fund Principal	\$ 923,037	\$ 948,401	\$ 995,098	\$ 1,059,668	\$ 1,137,248	\$ 1,177,368	\$ 1,294,358	\$ 1,406,134	\$ 1,513,699	\$ 1,617,242
Restricted For:										
Witness Fees	150,101	158,953	162,815	163,858	163,292	165,940	168,867	175,037	185,720	194,727
Other Purposes	3,269	3,269	3,269	3,269	3,269	3,269	3,269	3,269	3,269	152,299
Assigned To:										
Capital Projects	167,583	161,357	161,147	152,412	72,993	9,110	35,991	92,245	153,760	263,829
<b>Total All Other Governmental Funds</b>	<b>\$ 1,243,990</b>	<b>\$ 1,271,980</b>	<b>\$ 1,322,329</b>	<b>\$ 1,379,207</b>	<b>\$ 1,376,802</b>	<b>\$ 1,355,687</b>	<b>\$ 1,502,485</b>	<b>\$ 1,676,685</b>	<b>\$ 1,856,448</b>	<b>\$ 2,228,097</b>

## 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				
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Revenues:</b>										
Taxes	\$ 8,625,408	\$ 9,478,989	\$ 8,958,286	\$ 8,567,949	\$ 8,857,987	\$ 10,336,281	\$ 14,243,923	\$ 14,003,933	\$ 14,485,091	\$ 14,645,210
Licenses and Permits	1,070,043	1,041,368	1,055,098	1,044,131	1,043,182	1,139,734	1,154,801	1,234,864	1,292,827	1,302,121
Fines and Forfeits	493,339	325,256	422,245	457,777	360,880	363,630	307,675	319,129	348,367	280,775
Interest	10,797	11,634	20,429	58,048	44,647	11,231	16,474	252,050	577,737	826,310
Fees	45,480	32,756	40,846	35,498	27,895	28,557	25,902	26,508	31,025	25,957
Intergovernmental	477,845	7,284,326	2,465,064	1,099,675	3,753,843	2,923,986	2,408,663	1,447,192	1,792,356	4,610,494
Miscellaneous	389,994	717,434	310,228	286,774	598,234	345,245	370,715	368,709	480,051	351,728
Total Revenues	11,112,906	18,891,763	13,272,196	11,549,852	14,686,668	15,148,664	18,528,153	17,652,385	19,007,454	22,042,595
<b>Expenditures:</b>										
Current:										
General Government	2,087,443	2,569,637	2,324,424	2,572,660	4,141,389	3,918,573	2,562,912	3,559,536	2,779,532	3,489,249
Public Safety	6,480,187	7,249,558	7,090,880	7,632,306	6,692,899	7,545,021	7,629,478	8,404,043	8,617,883	8,759,641
Highways and Streets	1,708,065	8,360,867	2,155,051	1,641,684	2,181,365	1,426,819	2,792,637	1,948,120	2,373,646	2,201,374
Health	51,650	30,273	29,310	34,409	35,587	44,183	50,175	33,798	31,599	36,890
Culture and Recreation	108,028	76,281	113,224	82,924	119,023	441,046	148,690	116,123	344,116	216,118
Capital Outlay:										
Highways and Streets	242,557	620,286	1,456,010	234,591	79,651	806,436	134,582	659,960	856,929	365,284
Total Expenditures	10,677,930	18,906,902	13,168,899	12,198,574	13,249,914	14,182,078	13,318,474	14,721,580	15,003,705	15,068,556
<b>Excess of Revenues Over (Under)</b>										
<b>Expenditures</b>	434,976	(15,139)	103,297	(648,722)	1,436,754	966,586	5,209,679	2,930,805	4,003,749	6,974,039
<b>Other Financing Sources (Uses)</b>										
Insurance Proceeds	-	988,916	-	-	-	-	72,140	-	-	18,038
Proceeds from Disposition of Assets	-	1,082,528	16,193	-	25,100	37,101	-	30,950	28,809	50,662
Transfers In	316,680	-	131,930	80,000	-	218,327	124,462	350,000	550,000	475,000
Transfers Out	(316,680)	-	(131,930)	(80,000)	-	(403,327)	(204,462)	(435,000)	(650,000)	(585,000)
Total Other Financing Sources (Uses)	-	2,071,444	16,193	-	25,100	(147,899)	(7,860)	(54,050)	(71,191)	(41,300)
<b>Net Change in Fund Balances</b>	<b>\$ 434,976</b>	<b>\$ 2,056,305</b>	<b>\$ 119,490</b>	<b>\$ (648,722)</b>	<b>\$ 1,461,854</b>	<b>\$ 818,687</b>	<b>\$ 5,201,819</b>	<b>\$ 2,876,755</b>	<b>\$ 3,932,558</b>	<b>\$ 6,932,739</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

## CITY OF DENHAM SPRINGS

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE

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

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Occupational Licenses and Permits	Charitable Gaming Tax	Total
2016	\$ 319,365	\$ 7,281,993	\$ 786,427	\$ 1,070,043	\$ 181,399	\$ 9,639,227
2017	275,364	8,389,648	648,653	1,041,368	111,326	10,466,359
2018	289,607	7,823,526	679,479	1,055,098	101,497	9,949,207
2019	291,577	7,399,855	691,187	1,044,131	112,000	9,538,750
2020	326,552	7,687,752	680,415	1,043,182	84,643	9,822,544
2021	340,831	9,039,502	729,953	1,139,734	144,536	11,394,556
2022	360,576	12,828,637	817,536	1,154,801	149,743	15,311,293
2023	349,151	12,467,115	905,159	1,234,864	201,261	15,157,550
2024	377,103	12,959,347	822,272	1,292,827	245,563	15,697,112
2025	370,742	12,931,644	870,263	1,302,121	240,688	15,715,458

## CITY OF DENHAM SPRINGS

ASSESSED AND ESTIMATED ACTUAL VALUE  
OF TAXABLE PROPERTY

Last Ten Years  
(Unaudited)

Year	Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Ratio of Total Assessed Value to Total Estimated Actual Value*
2015	\$ 85,650,350	3.73	\$ 778,639,545	11%
2016	85,660,850	3.73	778,735,000	11
2017	81,148,660	3.48	737,715,091	11
2018	84,082,230	3.48	764,383,909	11
2019	85,189,780	3.48	774,452,545	11
2020	88,109,420	3.72	800,994,727	11
2021	97,234,290	3.58	883,948,091	11
2022	101,487,560	3.58	922,614,182	11
2023	101,608,910	3.58	923,717,364	11
2024	104,724,010	3.58	952,036,455	11
2025	128,624,356	2.90	1,169,312,327	11

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

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

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

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

**CITY OF DENHAM SPRINGS**

PROPERTY TAX RATES AND TAX LEVIES  
DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Years  
(Unaudited)

Fiscal Year	City of Denham Springs			Parish Special Districts				Total Parish Millage	Livingston Parish School Board					Total School Millages	Total Direct and Overlapping Rates
	Operating Millage	Total City Millage	Parishwide <sup>1</sup>	Drainage District #1	Recreation District #3	Law Enforcement District	Juvenile Detention Center		Operational Millage	Additional Support Millage	Maintenance Millage	Construction Millage	Debt Service Millage		
2015	3.73	3.73	45.67	4.85	16.00	10.55	2.75	79.82	3.29	7.18	7.00	5.00	11.22	33.69	117.24
2016	3.73	3.73	43.61	5.00	15.35	10.55	2.75	77.26	3.29	7.18	7.00	5.00	10.97	33.44	114.43
2017	3.48	3.48	43.11	4.43	15.35	10.55	2.75	76.19	3.29	7.18	7.00	5.00	9.64	32.11	111.78
2018	3.48	3.48	41.29	4.43	15.10	10.55	2.75	74.12	3.29	7.18	7.00	5.00	11.64	34.11	111.71
2019	3.48	3.48	41.29	4.43	15.10	10.55	2.75	74.12	3.29	7.18	7.00	5.00	11.64	34.11	111.71
2020	3.72	3.72	41.79	4.43	15.00	10.55	2.75	74.52	3.29	7.18	7.00	5.00	10.14	32.61	110.85
2021	3.58	3.58	40.90	4.17	14.13	10.55	2.75	72.50	3.29	7.18	7.00	5.00	8.64	31.11	107.19
2022	3.58	3.58	41.46	5.00	14.13	10.55	2.75	73.89	3.29	7.18	7.00	5.00	8.64	31.11	108.58
2023	3.58	3.58	41.09	5.00	14.13	10.55	2.75	73.52	3.29	7.18	7.00	5.00	8.64	31.11	108.21
2024	3.58	3.58	40.25	5.00	14.13	10.55	2.75	72.68	3.29	7.18	7.00	5.00	8.64	31.11	107.37
2025	2.90	2.90	35.06	3.79	10.72	10.45	2.49	62.51	3.29	7.18	7.00	5.00	8.64	31.11	96.52

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

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

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

## CITY OF DENHAM SPRINGS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago  
(Unaudited)

Name of Taxpayer	Type of Business	2025			2016 *		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
All Star Dealership Properties	Auto Dealership	\$ 3,680,261	1	2.83	\$ -		-
Bass Pro Outdoor World	Retail	3,534,541	2	2.72	-		-
Walmart Louisiana, LLC	Retail	2,574,349	3	1.98	-		-
Sam's East, Inc./Real Estate Business Trust	Retail	2,390,335	4	1.84	-		-
Entergy Gulf States, LLC	Public Utility	2,197,094	5	1.69	-		-
Cox Communications Inc.	Telecommunications	2,159,094	6	1.66	-		-
First Guaranty Bank	Bank	2,050,980	7	1.58	-		-
Home Depot #0375	Retail	2,047,120	8	1.57	-		-
Hancock Whitney Bank	Bank	1,761,340	9	1.35	-		-
Brookwood-Rushing, LLC d.b.a Life Storage	Storage Facility	1,577,850	10	1.21	-		-
		<u>\$ 23,972,964</u>		<u>18.43%</u>	<u>\$ -</u>		<u>-</u>

\* Information for 2016 was not available due the 2016 flood disaster.

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
2016	\$ 319,087	\$ 315,134	98.76 %	\$ 2,750	\$ 317,884	99.62 %
2017	282,235	272,614	96.59	3,794	276,408	97.94
2018	292,438	286,190	97.86	2,859	289,049	98.84
2019	296,290	288,765	97.46	3,549	292,314	98.66
2020	328,120	316,248	96.38	7,150	323,398	98.56
2021	348,391	337,417	96.85	8,363	345,780	99.25
2022	363,631	345,198	94.93	3,618	348,816	95.93
2023	364,065	359,102	98.64	4,119	363,221	99.77
2024	375,227	372,526	99.28	2,457	374,983	99.94
2025	372,759	366,142	98.22	-	366,142	98.22

## 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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</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	22,165	53,211	19,640	17,655	21,875	27,856	24,819	26,301	24,867	21,827
Food Stores	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Finance, Insurance, and Real Estate	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Services	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Public Administration	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

## CITY OF DENHAM SPRINGS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years  
(Unaudited)

Fiscal Year Ended June 30	<u>Governmental Activities</u>			<u>Business - Type Activities</u>		Total Primary Government	Percentage of Personal Income	Population <sup>1</sup>	Per Capita
	General Obligation Bonds	Certificates of Indebtedness	Capital Lease	Revenue Bonds	Capital Lease				
2016	\$ -	\$ -	\$ 7,343	\$ 53,001,589	\$ 79,309	\$ 53,088,241	N/A	10,215	\$ 5,197.09
2017	-	-	1,552	54,782,954	16,754	54,801,260	N/A	10,314	5,313.29
2018	-	-	-	53,169,292	-	53,169,292	N/A	10,332	5,146.08
2019	-	-	-	51,477,555	-	51,477,555	N/A	10,327	4,984.75
2020	-	-	-	49,682,805	-	49,682,805	N/A	10,295	4,825.92
2021	-	-	-	49,436,012	-	49,436,012	N/A	10,343	4,779.66
2022	-	-	-	47,518,949	-	47,518,949	N/A	9,410	5,049.84
2023	-	-	-	45,536,180	-	45,536,180	N/A	10,132	4,494.29
2024	-	-	-	43,536,275	-	43,536,275	N/A	10,149	4,289.71
2025	-	-	-	41,465,749	-	41,465,749	N/A	10,198	4,066.07

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

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

## CITY OF DENHAM SPRINGS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years  
(Unaudited)

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Per Capita</u>
2016	-	-	-	N/A	N/A
2017	-	-	-	N/A	N/A
2018	-	-	-	N/A	N/A
2019	-	-	-	N/A	N/A
2020	-	-	-	N/A	N/A
2021	-	-	-	N/A	N/A
2022	-	-	-	N/A	N/A
2023	-	-	-	N/A	N/A
2024	-	-	-	N/A	N/A
2025	-	-	-	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, 2025  
(Unaudited)

	Gross Debt Outstanding	Amounts In Debt Service Fund For Principal	Net Debt Outstanding	City of Denham Springs	
				Estimated Percentage Applicable <sup>1</sup>	Share of Debt
<u>GOVERNMENTAL UNIT - Direct Debt</u>					
City of Denham Springs	\$ -	\$ -	\$ -	100%	\$ -
<u>OTHER GOVERNMENTAL AGENCIES - Overlapping Debt</u>					
School District #1	34,840,000	355,075	34,484,925	28%	9,655,779
Library Bonds	-	38,668	(38,668)	11%	(4,253)
Livingston Parish -					
Recreation District No. 3	6,810,000	719,235	6,090,765	36%	2,192,675
Recreation District No. 3	-	16,665	(16,665)	36%	(5,999)
Total Other Governmental Agencies	<u>41,650,000</u>	<u>1,129,643</u>	<u>40,520,357</u>		<u>11,838,202</u>
Total Direct and Overlapping Debt	<u>\$ 41,650,000</u>	<u>\$ 1,129,643</u>	<u>\$ 40,520,357</u>		<u>\$ 11,838,202</u>
2025 Population					<u>10,149</u>
Per Capita					<u>\$ 1,166</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.

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

CITY OF DENHAM SPRINGS

LEGAL DEBT MARGIN INFORMATION

Last Ten Years  
(Unaudited)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt Limit	\$ 8,566,085	\$ 8,114,856	\$ 8,408,223	\$ 8,518,978	\$ 8,810,942	\$ 9,723,429	\$ 10,148,756	\$ 10,160,891	\$ 10,472,401	\$ 12,862,436
Legal Debt Margin	<u>\$ 8,566,085</u>	<u>\$ 8,114,856</u>	<u>\$ 8,408,223</u>	<u>\$ 8,518,978</u>	<u>\$ 8,810,942</u>	<u>\$ 9,723,429</u>	<u>\$ 10,148,756</u>	<u>\$ 10,160,891</u>	<u>\$ 10,472,401</u>	<u>\$ 12,862,436</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

Legal Debt Margin Calculation for Fiscal Year 2025

Total Assessed Value	<u>\$ 128,624,356</u>
Debt Limit (10% of Total Assessed Value)	\$ 12,862,436
Less: Debt Applicable to Limit: General Obligation Bonds	<u>-</u>
Legal Debt Margin	<u>\$ 12,862,436</u>

CITY OF DENHAM SPRINGS

PLEDGED REVENUE COVERAGE

Last Ten Years  
(Unaudited)

Year	Utility Revenue Bonds								Special Assessment Certificates			
	Gross Revenue <sup>1</sup>	Other Financial Sources <sup>3</sup>	Expenses <sup>2</sup>	Available for Debt Service	Debt Service		Total	Coverage	Special Assessment Collections	Debt Service		Coverage
					Principal	Interest				Principal	Interest	
2016	\$ 11,571,657	-	\$ 7,107,991	\$ 4,463,666	\$ 1,331,224	\$ 2,104,449	\$ 3,435,673	1.30	-	-	-	N/A
2017	10,672,984	-	7,909,948	2,763,036	1,662,555	1,682,839	3,345,394	0.83	-	-	-	N/A
2018	11,224,382	-	7,487,609	3,736,773	1,615,000	1,875,240	3,490,240	1.07	-	-	-	N/A
2019	11,868,000	-	7,712,714	4,155,286	1,690,000	1,820,436	3,510,436	1.18	-	-	-	N/A
2020	11,804,060	-	7,418,124	4,385,936	1,740,000	1,756,919	3,496,919	1.25	-	-	-	N/A
2021	13,367,922	-	7,980,271	5,387,651	1,785,000	1,790,773	3,575,773	1.51	-	-	-	N/A
2022	15,172,828	-	8,274,356	6,898,472	1,860,000	1,790,573	3,650,573	1.89	-	-	-	N/A
2023	15,894,067	-	9,028,418	6,865,649	1,925,000	1,558,502	3,483,502	1.97	-	-	-	N/A
2024	16,286,396	-	9,567,020	6,719,376	1,970,000	1,502,010	3,472,010	1.94	-	-	-	N/A
2025	17,681,638	-	9,043,346	8,638,292	2,040,000	1,439,649	3,479,649	2.48	-	-	-	N/A

<sup>1</sup>Total Operating Revenues plus Non-Operating Revenues plus Capitalized Interest Income

<sup>2</sup>Total Operating Expenses plus Non-Operating Expenses less Depreciation and Debt Service Interest on Revenue Bonds not capitalized

<sup>3</sup>Transfers In

<sup>4</sup>Interest capitalized during construction plus Debt Service Interest on Revenue Bonds not capitalized

## CITY OF DENHAM SPRINGS

DEMOGRAPHIC AND ECONOMIC STATISTICSLast Ten Years  
(Unaudited)

<u>Year</u>	<u>Population<sup>1</sup></u>	<u>Personal Income (amounts expressed in thousands)</u>	<u>Per Capita Income<sup>2</sup></u>	<u>Median Age<sup>5</sup></u>	<u>Public School Enrollment<sup>4</sup></u>	<u>Unemployment Livingston Parish<sup>3</sup></u>	<u>Unemployment Labor Market Area<sup>3</sup></u>
2016	10,215	\$ 345,798	\$ 33,852	N/A	25,714	5.6	6.0
2017	10,314	282,965	27,435	N/A	25,295	4.9	5.2
2018	10,332	285,917	27,673	N/A	25,460	5.0	5.4
2019	10,327	292,853	28,358	N/A	25,712	4.6	5.0
2020	10,295	276,163	26,825	N/A	26,111	7.8	9.4
2021	10,343	302,160	29,214	36.3	25,900	4.2	6.0
2022	9,410	282,658	30,038	N/A	26,433	3.2	4.3
2023	10,132	313,818	30,973	N/A	26,163	2.6	3.2
2024	10,149	316,314	31,167	N/A	27,731	3.4	3.9
2025	10,198	N/A	N/A	N/A	27,843	3.8	4.3

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

N/A - Not readily available at this time.

## CITY OF DENHAM SPRINGS

Principal EmployersCurrent Year and Nine Years Ago  
(Unaudited)

Employer	2025			2016		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Livingston Parish School Board	514	1	5.17%	635	1	8.62%
Walmart	277	2	2.79%	375	2	5.09%
City of Denham Springs	177	3	1.78%	170	5	2.31%
Harvest Manor	176	4	1.77%			
Facilities Maintenance (FMM)	170	5	1.71%			
Home Depot	154	6	1.55%	300	6	4.07%
Keller Williams	128	7	1.29%			
Bass Pro Shops	122	9	1.23%	250	3	3.39%
Traffic Control Products	125	8	1.26%			
Sam's Club	112	10	1.13%	125	7	1.70%
Lard Oil of Denham Springs						
Albertsons				82	8	1.11%
Golden Age Nursing Home				141	4	1.91%
Whitney Bank				128	10	1.74%
B&C Sheet Metal				63	9	0.86%
	<u>1,955</u>		<u>19.68%</u>	<u>2,269</u>		<u>30.80%</u>

Source: Livingston Economic Development Council

## CITY OF DENHAM SPRINGS

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

Last Ten Fiscal Years  
(Unaudited)

Function	Full-time Equivalent Employees as of June 30									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government:										
General Provisions	10	15	16	16	16	16	11	11	12	12
Cemetery	-	-	-	-	-	-	-	-	-	-
Business License and Permit	1	1	1	1	1	1	1	1	1	1
Ward II Court	2	2	1	1	1	1	1	1	1	1
Planning and Zoning	4	5	4	4	4	4	4	4	4	4
Landscaping	-	-	-	-	-	-	-	-	-	-
Public Safety:										
Animal Control	8	7	8	10	12	9	9	10	11	11
Firemen	26	27	27	27	27	27	27	27	27	27
Firemen Administrative Staff	2	2	2	2	3	3	3	3	3	3
Policemen	26	26	31	27	22	29	27	29	29	28
Police Evidence Officer	1	1	1	1	1	1	1	1	1	1
Police Communications	4	5	5	5	4	4	4	4	4	4
Police Administrative Staff	4	6	5	5	5	5	5	5	5	5
Police Crossing Guards	3	3	3	3	3	3	3	3	3	3
Litter Control	-	-	-	-	-	-	-	-	-	-
Public Works:										
Street	18	20	16	15	14	13	16	16	17	17
Culture and Recreation:										
Main Street Director	-	-	1	1	1	1	1	1	1	1
Old City Hall Secretary	1	1	1	1	1	1	1	1	1	1
Public Utilities:										
Natural Gas, Water and Sewer	42	33	33	33	34	34	37	39	40	40
Motor Pool:										
Mechanics	2	2	2	2	2	2	2	2	2	2
Total Full-time Equivalent	<u>154</u>	<u>156</u>	<u>157</u>	<u>154</u>	<u>151</u>	<u>154</u>	<u>153</u>	<u>158</u>	<u>162</u>	<u>161</u>
Total Full-time and Part-time Employees	<u>174</u>	<u>162</u>	<u>163</u>	<u>164</u>	<u>154</u>	<u>166</u>	<u>169</u>	<u>169</u>	<u>169</u>	<u>177</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)									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>General Government</b>										
<b>Election Data</b>										
Registered Voters	5,877	6,445	5,883	5,805	5,720	5,985	5,692	5,649	5,232	5,716
Voters at polls	1,668	2,933	1,075	1,977	2,686	1,602	454	1,531	1,012	1,702
Absentee ballots	297	1,137	212	388	1,190	851	205	573	507	871
Percent Voting	33.43%	63.15%	21.86%	40.73%	67.77%	41.61%	11.58%	37.25%	39.76%	29.77%
<b>Ward II Court</b>										
<b>Court Cases</b>										
Civil	1,953	1,207	1,641	1,880	1,782	1,876	1,711	2,007	1,852	1,742
Criminal	N/A	415	473	1,470	1,561	1,370	1,236	1,045	968	638
Landlord and tenant (Included in Civil)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Small Claims	1,103	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Traffic	10,975	3,577	6,357	5,629	4,872	5,701	6,236	6,054	6,380	5,834
<b>Public Safety</b>										
<b>Police Protection</b>										
Adult arrests	885	683	1,049	866	577	416	738	787	822	871
Civil infractions	N/A	719	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Group A Offenses	826	711	970	813	920	961	1,005	1,015	1,427	1,437
Group B Offenses	898	742	996	908	986	1,086	2,001	1,784	2,106	2,150
Accidents w/injury	119	111	125	261	198	250	175	145	136	77
Juvenile arrest	42	35	53	86	35	26	32	64	112	144
DWI	70	76	81	97	48	44	30	38	42	38
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	120	101	106	102	92	104	112	102	98	71
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	9,147	8,025	9,967	6,352	4,736	6,116	6,362	6,410	6,841	5,481
<b>Fire Protection</b>										
Fire	56	53	56	45	56	64	56	60	87	47
Estimated Loss Due to Fire Incidents Reported	\$ 167,800	\$ 665,800	\$ 455,900	\$ 520,550	\$ 102,300	\$ 196,000	\$ 333,915	\$ 194,050	\$211,200	\$202,610
Overpressure rupture, explosion, overhear (no fire)	4	2	-	3	6	5	3	1	1	1
Rescue & Emergency Medical Service Incident	1,045	908	1,074	1,046	992	1,285	1,570	1,420	1,443	1,440
Hazardous Condition (No Fire)	39	38	23	29	19	43	24	35	33	38
Service Call	163	131	180	136	120	167	272	239	236	357
Good Intent Call	219	213	232	216	205	311	292	182	223	210
False Alarm & False Call	107	150	128	111	95	151	175	125	147	156
Severe Weather & Natural Disaster	2	2	1	1	2	2	-	-	-	-
Special Incident Type	1	-	2	1	4	1	-	-	1	-

(CONTINUED)

CITY OF DENHAM SPRINGS

OPERATING INDICATORS BY FUNCTION

	Last Ten Fiscal Years (Unaudited)									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Natural Gas Services</b>										
<b>Customers</b>	6,410	5,816	5,991	6,140	6,252	6,369	6,509	6,565	6,642	6,622
Inside - Residential	2,144	1,762	1,800	1,856	1,886	1,885	1,901	1,908	1,908	1,901
Inside - Commercial/Industrial	259	228	233	227	233	233	240	244	242	235
Outside - Residential	3,923	3,745	3,878	3,979	4,053	4,166	4,269	4,310	4,389	4,386
Outside - Commercial/Industrial	84	81	80	78	80	85	99	103	103	100
<b>Natural Gas (in million cubic feet (MCF))</b>										
Purchased from LA Municipal Gas Authority (LMGA)	242,638	183,224	258,735	252,373	229,570	265,268	258,408	241,784	257,935	257,859
Sold to customers	266,666	182,691	257,962	270,904	231,953	270,463	288,388	248,706	257,481	248,558
<b>Rates</b>										
<b>All customers inside and outside the city</b>										
Minimum monthly charge	\$ 8.41	\$ 8.48	\$ 8.66	\$ 8.86	\$ 9.05	\$ -	\$ -	\$ -	\$ -	\$ -
Monthly gas rate - cost of gas plus .99 cents per CCF (hundred cubic feet)	eff. 7-1-15	eff. 7-1-16	eff. 7-1-17	eff. 7-1-18	eff. 7-1-19	\$ -	\$ -	\$ -	\$ -	\$ -
<b>New Rate Structure (effective 1-1-21)</b>										
<b>Residential inside city limits</b>										
Minimum monthly charge	-	-	-	-	-	\$ 10.50	\$ 10.99	\$ 11.97	\$ 12.52	\$ 13.21
Amount above cost of gas (per CCF)	-	-	-	-	-	\$ 0.99	\$ 1.04	\$ 1.13	\$ 1.18	\$ 1.25
<b>Residential outside city limits</b>										
Minimum monthly charge	-	-	-	-	-	\$ 11.50	\$ 12.04	\$ 13.12	\$ 13.73	\$ 14.49
Amount above cost of gas (per CCF)	-	-	-	-	-	\$ 1.09	\$ 1.14	\$ 1.24	\$ 1.30	\$ 1.37
<b>Commercial inside city limits</b>										
Minimum monthly charge	-	-	-	-	-	\$ 15.00	\$ 15.70	\$ 17.10	\$ 17.89	\$ 18.89
Amount above cost of gas (per CCF)	-	-	-	-	-	\$ 0.89	\$ 0.93	\$ 1.01	\$ 1.06	\$ 1.12
<b>Commercial outside city limits</b>										
Minimum monthly charge	-	-	-	-	-	\$ 16.00	\$ 16.75	\$ 18.25	\$ 19.09	\$ 20.15
Amount above cost of gas (per CCF)	-	-	-	-	-	\$ 0.99	\$ 1.04	\$ 1.13	\$ 1.18	\$ 1.25
<b>Hotels</b>										
Minimum monthly charge	-	-	-	-	-	\$ 25.00	\$ 26.17	\$ 28.51	\$ 29.83	\$ 31.48
Amount above cost of gas (per CCF)	-	-	-	-	-	\$ 0.88	\$ 0.92	\$ 1.00	\$ 1.05	\$ 1.11
<b>Water Services</b>										
<b>Customers</b>	8,645	8,095	8,305	8,556	8,754	8,961	9,174	9,190	9,267	9,310
Inside - Residential	3,914	3,535	3,605	3,668	3,731	3,766	3,777	3,786	3,790	3,794
Inside - Commercial/Industrial	290	285	291	296	300	301	312	317	316	320
Outside - Residential	4,184	4,004	4,121	4,303	4,426	4,584	4,765	4,764	4,836	4,869
Outside - Commercial/Industrial	257	271	288	289	297	310	320	323	325	327
Contracted Service - Shadow Springs Utility System, Inc.	-	-	-	-	-	-	-	-	-	-

(CONTINUED)

CITY OF DENHAM SPRINGS

OPERATING INDICATORS BY FUNCTION

	Last Ten Fiscal Years (Unaudited)									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Water (per hundred gallons)</b>										
Sold to customers	7,693,095	8,750,638	7,070,081	6,871,623	7,139,045	7,336,816	7,471,142	7,558,447	8,081,870	7,430,088
<b>Rates (amount billed customers)</b>										
<b>Inside the corporate limits</b>										
For the first 2,500 gallons monthly minimum charge based on meter size - Refer to meter chart (A)										
For every 1,000 gallons or part thereof next 5,500 gallons	\$ 2.29	\$ 2.31	\$ 2.36	\$ 2.41	\$ 2.46	\$ 2.46	\$ 2.58	\$ 2.81	\$ 2.94	\$ 3.10
For every 1,000 gallons or part thereof next 17,000 gallons	\$ 2.14	\$ 2.16	\$ 2.21	\$ 2.26	\$ 2.31	\$ 2.31	\$ 2.42	\$ 2.64	\$ 2.76	\$ 2.91
For every 1,000 gallons or part thereof all over 25,000 gallons	\$ 1.99	\$ 2.01	\$ 2.05	\$ 2.10	\$ 2.15	\$ 2.15	\$ 2.25	\$ 2.45	\$ 2.56	\$ 2.71
Flat fee for filling of swimming pool or tank truck from fire hydrant by authorized personnel	\$ 76.48	\$ 77.11	\$ 78.76	\$ 80.61	\$ 82.37	\$ 82.43	\$ 86.30	\$ 94.01	\$ 98.36	\$ 103.81
<b>Chart (A) - Monthly minimum charge</b>										
5/8 inch	\$ 11.98	\$ 12.08	\$ 12.34	\$ 12.63	\$ 12.91	\$ 12.92	\$ 13.53	\$ 14.74	\$ 15.42	\$ 16.27
3/4 inch	\$ 14.38	\$ 14.50	\$ 14.81	\$ 15.16	\$ 15.49	\$ 15.50	\$ 16.23	\$ 17.68	\$ 18.50	\$ 19.53
1 inch	\$ 20.55	\$ 20.72	\$ 21.16	\$ 21.66	\$ 22.13	\$ 22.15	\$ 23.19	\$ 25.26	\$ 26.43	\$ 27.89
1 1/2 inch	\$ 35.85	\$ 36.15	\$ 36.92	\$ 37.79	\$ 38.61	\$ 38.64	\$ 40.46	\$ 44.07	\$ 46.11	\$ 48.67
2 inch	\$ 54.36	\$ 54.81	\$ 55.98	\$ 57.29	\$ 58.54	\$ 58.58	\$ 61.63	\$ 66.81	\$ 69.90	\$ 73.78
3 inch	\$ 98.16	\$ 98.97	\$ 101.09	\$ 103.46	\$ 105.71	\$ 105.79	\$ 110.76	\$ 120.65	\$ 126.23	\$ 133.23
4 inch	\$ 160.32	\$ 161.65	\$ 165.11	\$ 168.97	\$ 172.65	\$ 172.78	\$ 180.90	\$ 197.06	\$ 206.17	\$ 217.60
6 inch	\$ 314.93	\$ 317.54	\$ 324.33	\$ 331.93	\$ 339.16	\$ 339.41	\$ 355.36	\$ 387.11	\$ 405.00	\$ 427.46
8 inch	\$ 624.40	\$ 629.57	\$ 643.04	\$ 658.10	\$ 672.43	\$ 672.92	\$ 704.53	\$ 767.47	\$ 802.95	\$ 847.49
<b>Outside the corporate limits</b>										
For the first 2,500 gallons monthly minimum charge based on meter size - Refer to meter chart (B)										
For every 1,000 gallons or part thereof next 5,500 gallons	\$ 2.29	\$ 2.31	\$ 2.36	\$ 2.41	\$ 2.46	\$ 2.46	\$ 2.58	\$ 2.81	\$ 2.94	\$ 3.10
For every 1,000 gallons or part thereof next 17,000 gallons	\$ 2.14	\$ 2.16	\$ 2.21	\$ 2.26	\$ 2.31	\$ 2.31	\$ 2.42	\$ 2.64	\$ 2.76	\$ 2.91
For every 1,000 gallons or part thereof all over 25,000 gallons	\$ 1.99	\$ 2.01	\$ 2.05	\$ 2.10	\$ 2.15	\$ 2.15	\$ 2.25	\$ 2.45	\$ 2.56	\$ 2.71
Flat fee for filling of swimming pool or tank truck from fire hydrant by authorized personnel	\$ 76.48	\$ 77.11	\$ 78.76	\$ 80.61	\$ 82.37	\$ 82.43	\$ 86.30	\$ 94.01	\$ 98.36	\$ 103.81

CITY OF DENHAM SPRINGS

OPERATING INDICATORS BY FUNCTION

	Last Ten Fiscal Years (Unaudited)									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Chart (B) - Monthly minimum charge</b>										
5/8 inch	\$ 12.50	\$ 12.60	\$ 12.87	\$ 13.17	\$ 13.46	\$ 13.47	\$ 14.10	\$ 15.36	\$ 16.07	\$ 16.96
3/4 inch	\$ 16.22	\$ 16.35	\$ 16.70	\$ 17.10	\$ 17.47	\$ 17.48	\$ 18.30	\$ 19.93	\$ 20.85	\$ 22.01
1 inch	\$ 23.61	\$ 23.81	\$ 24.32	\$ 24.89	\$ 25.43	\$ 25.45	\$ 26.65	\$ 29.03	\$ 30.37	\$ 32.06
1 1/2 inch	\$ 42.02	\$ 42.37	\$ 43.28	\$ 44.29	\$ 45.25	\$ 45.28	\$ 47.41	\$ 51.65	\$ 54.04	\$ 57.04
2 inch	\$ 64.20	\$ 64.73	\$ 66.11	\$ 67.66	\$ 69.13	\$ 69.18	\$ 72.43	\$ 78.90	\$ 82.55	\$ 87.13
3 inch	\$ 116.77	\$ 117.74	\$ 120.26	\$ 123.07	\$ 125.75	\$ 125.84	\$ 131.75	\$ 143.52	\$ 150.15	\$ 158.47
4 inch	\$ 191.32	\$ 192.90	\$ 197.03	\$ 201.65	\$ 206.04	\$ 206.19	\$ 215.88	\$ 235.17	\$ 246.04	\$ 259.69
6 inch	\$ 376.84	\$ 379.96	\$ 388.09	\$ 397.18	\$ 405.83	\$ 406.13	\$ 425.21	\$ 463.20	\$ 484.61	\$ 511.49
8 inch	\$ 748.26	\$ 754.46	\$ 770.60	\$ 788.65	\$ 805.83	\$ 806.42	\$ 844.30	\$ 919.73	\$ 962.25	\$ 1,015.62
<b>Sewer Services</b>										
<b>Customers</b>	5,258	4,832	4,947	5,025	5,085	5,127	5,172	5,168	5,193	5,201
Inside - Residential	3,252	2,951	3,014	3,069	3,121	3,141	3,159	3,157	3,172	3,169
Inside - Commercial/Industrial	657	614	629	628	632	634	648	660	660	659
Outside - Residential	1,325	1,245	1,280	1,305	1,309	1,329	1,342	1,329	1,338	1,349
Outside - Commercial/Industrial	24	22	24	23	23	23	23	22	23	24
Contracted Services-LP Sewer District #1 and #2	470	456	463	507	563	600	663	664	660	665
Denham Springs Sewerage District #1	2,332	2,234	2,307	2,411	2,472	2,593	2,679	2,685	2,753	2,749
<b>Rates (amount billed customers)</b>										
<b>The City of Denham Springs Sewer Rates</b>										
<b>Residential customers inside the city</b>										
Monthly flat fee and	\$ 10.20	\$ 10.28	\$ 10.50	\$ 10.75	\$ 10.98	\$ 10.99	\$ 11.51	\$ 12.54	\$ 13.12	\$ 13.84
% of water consumption per 100 gallons	26.00%	26%	26%	27%	27%	27%	29%	31%	33%	35%
<b>Residential customers outside the city</b>										
Monthly flat fee and	\$ 12.24	\$ 12.37	\$ 12.60	\$ 12.90	\$ 13.18	\$ 13.19	\$ 13.81	\$ 15.04	\$ 15.74	\$ 16.61
% of water consumption per 100 gallons	26.00%	26%	26%	27%	27%	27%	29%	31%	33%	35%
<b>Commercial customers inside the city</b>										
<b>Hotels/Motels</b>										
Number of rooms	513 Rooms	513 Rooms	513 Rooms	513 Rooms	513 Rooms	513 Rooms	513 Rooms	513 Rooms	513 Rooms	513 Rooms
Monthly flat fee based on number of	\$ 10.75	\$ 10.75	\$ 10.75	\$ 10.75	\$ 10.98	\$ 10.99	\$ 10.99	\$ 12.54	\$ 13.12	\$ 13.84
rooms and % of water consumption per 100 gal.	25.71%	26%	26%	26%	27%	27%	29%	31%	33%	35%
<b>Commercial customers outside the city</b>										
<b>Hotels/Motels</b>										
Number of Rooms	None	None	None	None	None	None	None	None	None	None
Monthly flat fee based on number of	\$ 12.34	\$ 12.34	\$ 12.34	\$ 12.34	\$ 13.18	\$ 13.18	\$ 13.18	\$ 15.04	\$ 15.74	\$ 16.61
rooms and % of water consumption per 100 gal.	26.00%	26%	26%	27%	27%	27%	29%	31%	33%	35%

(CONTINUED)

CITY OF DENHAM SPRINGS

OPERATING INDICATORS BY FUNCTION

	Last Ten Fiscal Years (Unaudited)									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>All other commercial customers inside the city</b>										
Monthly flat fee based on commercial business zone and % of water consumption per 100 gallons	26%	26%	26%	27%	27%	27%	29%	31%	33%	35%
Zone C-1	\$ 20.57	\$ 20.57	\$ 20.57	\$ 21.50	\$ 21.50	\$ 21.99	\$ 23.02	\$ 25.08	\$ 26.24	\$ 27.70
number of customers	28	25	25	25	24	24	23	23	24	24
Zone C-2	\$ 25.71	\$ 25.71	\$ 25.71	\$ 26.88	\$ 26.88	\$ 27.49	\$ 28.78	\$ 31.35	\$ 32.80	\$ 34.62
number of customers	37	34	37	36	36	36	36	36	35	35
Zone C-3	\$ 30.85	\$ 30.85	\$ 30.85	\$ 32.25	\$ 32.25	\$ 32.97	\$ 34.52	\$ 37.60	\$ 39.34	\$ 41.52
number of customers	404	378	387	395	396	397	406	415	417	416
Zone C-4	\$ 35.99	\$ 35.99	\$ 35.99	\$ 37.62	\$ 37.62	\$ 38.47	\$ 40.28	\$ 43.88	\$ 45.91	\$ 48.75
number of customers	40	37	41	37	37	36	39	41	39	40
Zone I-1 and I-2	\$ 41.43	\$ 41.43	\$ 42.99	\$ 42.99	\$ 42.99	\$ 43.96	\$ 46.03	\$ 50.14	\$ 52.46	\$ 55.37
number of customers	35	35	32	32	32	32	34	34	36	34
Zone R-1 and R-2	\$ 15.42	\$ 15.42	\$ 15.42	\$ 16.12	\$ 16.12	\$ 16.48	\$ 17.25	\$ 18.79	\$ 19.66	\$ 20.75
number of customers	24	21	21	22	24	24	25	25	25	26
<b>Governmental Business</b>	Included w/ inside City	Included w/ inside City	Included w/ inside City	Included w/ inside City	Included w/ inside City	\$ 32.97	\$ 34.52	\$ 37.60	\$ 39.34	\$ 41.52
<b>All other commercial customers outside the city</b>										
Monthly flat fee and % of water consumption per 100 gallons	Included w/ inside City	Included w/ inside City	Included w/ inside City	Included w/ inside City	Included w/ inside City	\$ 32.97 27%	\$ 34.52 29%	\$ 37.60 31%	\$ 39.34 33%	\$ 41.52 35%
<b>Denham Springs Sewer District #1 Rates</b>										
<b>Residential customers outside the city</b>										
Monthly flat fee and % of water consumption per 100 gallons	Included w/ inside City	Included w/ inside City	Included w/ inside City	Included w/ inside City	Included w/ inside City	Included w/ inside City	Included w/ inside City	\$ 25.08 31%	\$ 26.24 33%	\$ 27.70 35%
<b>Commercial customers outside the city</b>										
<b>Hotels/Motels</b>										
Number of Rooms									None	
Monthly flat fee and % of water consumption per 100 gallons	Included w/ inside City	Included w/ inside City	Included w/ inside City	Included w/ inside City	Included w/ inside City	Included w/ inside City	Included w/ inside City	\$ 25.08 31%	\$ 26.24 33%	\$ 27.70 35%
<b>All other commercial customers outside the city</b>										
% of water consumption per 100 gallons	Included w/ inside City	Included w/ inside City	Included w/ inside City	Included w/ inside City	Included w/ inside City	Included w/ inside City	Included w/ inside City	\$ 47.64 31%	\$ 49.84 33%	\$ 52.61 35%

(CONTINUED)

**CITY OF DENHAM SPRINGS**

OPERATING INDICATORS BY FUNCTION

	Last Ten Fiscal Years (Unaudited)									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Sanitation Services</b>										
<b>Customers</b>	3,573	3,180	3,238	3,306	3,361	3,384	3,402	3,417	3,419	3,425
Inside - Residential	3,413	3,032	3,087	3,154	3,210	3,232	3,235	3,231	3,234	3,233
Inside - Commercial/Industrial	160	148	151	152	151	152	167	186	185	192
Sanitation Service Contracted Rates -										
Monthly per Customer										
Twice Weekly Pickup and Weekly										
Pickup of Recycling	\$ 18.20	\$ 18.20	\$ 18.20	\$ 19.12	\$ 19.30	\$ 22.20	\$ 25.82	\$ 26.37	\$ 26.37	\$ 29.83
<b>Rates (amount billed customers)</b>										
Inside - Residential	\$ 18.20	\$ 18.20	\$ 18.20	\$ 19.12	\$ 19.30	\$ 22.20	\$ 25.82	\$ 26.37	\$ 26.37	\$ 29.83
Inside - Commercial/Industrial	\$ 18.20	\$ 18.20	\$ 18.20	\$ 19.12	\$ 19.30	\$ 22.20	\$ 25.82	\$ 26.37	\$ 26.37	\$ 29.83
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)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>General Government</b>										
<b>Buildings</b>										
Municipal (City Hall, Ward II Court and Ward II Marshall)	1	1	1	1	1	1	1	1	1	1
<b>Public Safety</b>										
<b>Police Protection</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles - Marked	30	32	37	35	34	32	32	26	28	32
Vehicles - Unmarked	7	6	8	10	10	12	10	14	13	9
Motorcycles - Marked	5	5	5	5	5	4	4	4	4	7
<b>Fire Protection</b>										
Administrative Office	1	1	-	-	-	-	-	-	1	1
Stations	3	3	3	3	3	3	3	3	3	3
Vehicles - Extinguishment	6	5	7	6	5	5	5	6	6	5
Vehicles - Emergency Medical	1	1	-	-	-	-	-	-	-	-
<b>Public Works</b>										
<b>Streets and Sidewalks</b>										
Miles of City:										
Primary streets (State and Federal)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Secondary streets (City)	45.3	45.3	45.3	45.3	45.3	45.3	45.3	45.3	45.3	45.3
Sidewalks	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bridges	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Buildings	2	2	3	1	1	1	1	1	1	1
Street Lights:										
Residential	613	613	613	613	613	613	613	613	613	613
Street and Highway	343	343	343	343	343	343	343	343	343	343
Security Light	11	11	11	11	11	11	11	14	14	14
Vehicles	19	20	21	21	22	23	23	23	23	21
<b>Natural Gas, Water and Sewer Services</b>										
Fire Hydrants	1,415	1,418	1,420	1,434	1,432	1,432	1,434	1,438	1,439	1,438
Miles of natural gas mains	189	191	191	191	193	193	195	195	195	201
Miles of water mains	150	150	150	153	153	153	156	158	164	164
Miles of sanitary sewer:										
City of Denham Springs	68	69	69	69	69	69	69	69	69	69
Denham Springs Sewerage District #1	38	39	40	43	43	44	44	44	44	44
Number of sewer pumping stations:										
City of Denham Springs	39	36	36	36	36	37	37	37	37	37
Denham Springs Sewerage District #1	44	48	49	52	52	52	52	52	52	52
Type of sewer treatment system	Mechanica l System	Mechanica l System	Mechanica l System	Mechanical System	Mechanical System	Mechanical System	Mechanical System	Mechanical System	Mechanical System	Mechanical System
<b>Recreation and Culture</b>										
<b>Parks and Recreation</b>										
Acres	4	4	4	4	4	4	4	4	4	4
Developed Parks (Spring, Train Station, Willow & Old City Hall)	6	6	6	6	6	7	7	7	7	7
Buildings (Spring, Train Station, and Old City Hall)	4	4	4	4	4	5	5	5	5	5

Sources:

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

**CITY OF DENHAM SPRINGS, LOUISIANA**

**REPORTS AND SCHEDULES**

**JUNE 30, 2025**

## CITY OF DENHAM SPRINGS, LOUISIANA

### TABLE OF CONTENTS

	<u>Page</u>
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 <i>Government Auditing Standards</i>	1 - 2
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	3 - 5
Schedule of Expenditures of Federal Awards	6
Notes to Schedule of Expenditures of Federal Awards	7
Schedule of Findings and Questioned Costs	8 - 9
Summary Schedule of Prior Year Findings	10
Independent Accountant's Report on Applying Agreed-Upon Procedures	11 - 15
Management's Response/Corrective Action to Finding and Exceptions	16 - 18

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



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## INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, 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, 2025, 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, 2025. Our report includes a reference to another auditor who audited the financial statements of certain discretely presented component units, as described in our report on the City of Denham Springs, Louisiana's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by that auditor.

### **Report on Internal Control Over Financial Reporting**

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

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

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

### **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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

Respectfully submitted,

*Hannis T. Bargeois, LLP*

Denham Springs, Louisiana  
December 30, 2025

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, 2025. The City's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City of Denham Springs complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

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

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

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

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

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

## ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

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

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

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, 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, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. 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, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Respectfully submitted,

*Hannis T. Bourgeois, LLP*

Denham Springs, Louisiana  
December 30, 2025

**CITY OF DENHAM SPRINGS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

FOR THE YEAR ENDED JUNE 30, 2025

<u>Federal Grantor/Pass-Through Grantor/Program Title/Project</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Passed-through to Subrecipients</u>	<u>Federal Expenditures</u>
<u>United States Department of Housing and Urban Development</u>				
<i>Passed Through Louisiana Office of Community Development:</i>				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	PA 2016-0065	\$ -	\$ 545,096
Total United States Department of the Housing and Urban Development			-	545,096
<u>United States Department of Transportation</u>				
<i>Passed Through Louisiana Department of Transportation and Development</i>				
Nation Priority Safety Programs (1)	20.616	N/A	-	4,560
Total United States Department of Transportation			-	4,560
<u>United States Department of the Treasury</u>				
<i>Passed Through Louisiana Office of Community Development:</i>				
COVID19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	3,613,047
COVID19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	LAWSP10719	-	2,220,694
Total United States Department of the Treasury			-	5,833,741
<u>United States Department of Homeland Security</u>				
<i>Passed Through Louisiana Governor's Office of Homeland Security &amp; Emergency Preparedness:</i>				
Disaster Grants - Public Assistance - Debris Removal, Emergency Protective Measures, and Public Buildings and Contents Program	97.036	N/A	-	79,236
Disaster Grants - Public Assistance - Permanent Utility Repair Projects Program	97.036	N/A	-	212,740
Total Disaster Grants - Public Assistance ALN 97.036			-	291,976
Hazard Mitigation Grant	97.039	N/A	-	217,188
Total United States Department of Homeland Security			-	509,164
Total Expenditures of Federal Awards			\$ -	\$ 6,892,561

(1) Highway Safety Cluster \$4,560

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, 2025**

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 modified 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, 2025.

Note C - Sub-Recipients -

The City did not pass thru any federal awards to any sub-recipients during the year ended June 30, 2025.

**CITY OF DENHAM SPRINGS**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2025

A. Summary of Auditor’s Results

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

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- Material weaknesses identified? \_\_\_\_\_ Yes     x     No
- Significant deficiencies identified? \_\_\_\_\_ Yes     x     None Reported

Noncompliance material to financial statements \_\_\_\_\_ Yes     x     No

Other matter reported? \_\_\_\_\_ Yes     x     No

Federal Awards

Internal control over major federal programs:

- Material weaknesses identified? \_\_\_\_\_ Yes     x     No
- Significant deficiencies identified? \_\_\_\_\_ Yes     x     None Reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ Yes     x     No

Identification of major federal programs:

Federal Grantor/ Pass - Through Grantor/ Program Name	Assistance Listing Number
---	---------------------------------

United States Department of Treasury

Passed Through Louisiana Office of Community Development: COVID19 - Coronavirus State and Local Fiscal Recovery Funds	21.027
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- 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 COSTS (CONTINUED)**

FOR THE YEAR ENDED JUNE 30, 2025

B. Findings - Financial Reporting

1. Internal Control Over Financial Reporting

None.

2. Compliance and Other Matters

None.

C. Findings - Federal Awards

1. Internal Control Over Compliance of Federal Awards

None.

2. Compliance

None.

**CITY OF DENHAM SPRINGS**

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**

FOR THE YEAR ENDED JUNE 30, 2025

A. Findings - Internal Control Over Financial Reporting

None.

B. Findings - Compliance and Other Matters

None.

C. Findings - Federal Awards

1. Internal Control Over Compliance of Federal Awards

None.

2. Compliance

None.

Independent Accountant’s Report  
on Applying Agreed-Upon Procedures  
For the Year Ended June 30, 2025

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

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the LLA’s Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2024 through June 30, 2025. The City’s management is responsible for those C/C areas identified in the SAUPs.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA’s SAUPs for the fiscal period July 1, 2024 through June 30, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

***1) Written Policies and Procedures***

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- A. Obtain and inspect the entity’s written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity’s operations:
- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.  
**Finding** – The City’s written policies and procedures do not specifically address budgeting.
  - ii. ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes. – **No exceptions noted.**
  - iii. ***Disbursements***, including processing, reviewing, and approving. – **No exceptions noted.**
  - iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management’s actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation). – **No exceptions noted.**

- v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules. – **No exceptions noted.**
- vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.  
**Finding** – The City does have written policies and procedures for purchasing and disbursements but the policies do not specifically address contracting.
- vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers. – **No exceptions noted.**
- viii. ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).  
**Finding** – The City does have written policies and procedures for purchasing and disbursements but the policies do not specifically address credit cards. Although the written procedures do not specifically address credit cards, purchases are required to go through approval processes for disbursements and checks require two signatures.
- ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity’s ethics policy.  
**Finding** – The City does have written policies and procedures for Ethics, but the written policies do not address item (4).
- x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.  
**Finding** – The City does have written policies and procedures for purchasing and disbursements, but policies do not specifically address debt service.
- xi. ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.  
**Finding** – The City does not have written policies and procedures that specifically items (1) through (6). Although the City does not have formal written policies and procedures for the above items, informal procedures are present and active.
- xii. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.  
**Finding** – The City does have written policies and procedures on sexual harassment, but the policies do not specifically address (2) annual employee training and (3) annual reporting.

#### 4) Collections (excluding electronic funds transfers)

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- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5). – **No exceptions noted.**
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
- i. Employees responsible for cash collections do not share cash drawers/registers. – **No exceptions noted.**
  - ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit. – **No exceptions noted.**
  - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and – **No exceptions noted.**
  - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation. – **No exceptions noted.**
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was in force during the fiscal period. – **No exceptions noted.**
- D. 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 and obtain the corresponding bank statement for each selected account. Randomly select two deposit dates for each of the 5 bank accounts selected (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- i. Observe that receipts are sequentially pre-numbered. – **No exceptions noted.**
  - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip. – **No exceptions noted.**
  - iii. Trace the deposit slip total to the actual deposit per the bank statement. – **No exceptions noted.**
  - iv. Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

**Finding** – For one selected deposit, HTB noted that check receipt dates were not documented and therefore, HTB could not determine if the checks were deposited within one business day of receipt.

- v. Trace the actual deposit per the bank statement to the general ledger. – **No exceptions noted.**

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

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- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management’s representation that the listing is complete. – **No exceptions noted.**
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
  - i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and. – **No exceptions noted.**
  - ii. Observe that finance charges and late fees were not assessed on the selected statements.

**Finding** – Finance charges or late fees were noted on 1 of the 5 credit cards tested.

- C. Using the monthly statements or combined statements selected under #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny. – **No exceptions noted.**

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, 2025

MAYOR  
GERARD LANDRY

MAYOR PRO-TEMPORE  
JEFF WESLEY

CITY CLERK  
BUFFY ANDERSON



# City of Denham Springs

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

December 22, 2025

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

## Agreed-Upon Procedures Findings Management Response:

### Written Policies and Procedures

1.A(i) Budgeting – including preparing, adoption, monitoring, and amending the budget.

Finding – The City’s written policies and procedures do not specifically address budgeting.

Response – The City will consider adopting a written policy that includes budgeting procedures.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Response – The City is in the process of drafting a disaster recovery policy.

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

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

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

Collections (excluding electronic funds transfers)

4.D(iv) Observe the deposit was made within one business day of receipt at the collection location within one week of the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

Finding – For one selected deposit, HTB noted that check receipt dates were not documented and therefore HTB could not determine if the checks were deposited within one business day of receipt.

Response – The City has updated it's procedures to require documentation of receipt date of incoming funds and timelines with which the funds must be deposited.

Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

6.B(ii) Observe that finance charges and late fees were not assessed on the selected statements.

Finding – Finance charges or late fees were noted on 1 of the 5 credit cards tested.

Response – The City will look at it's procedures for all bill payments to eliminate late fees and service charges.

Sincerely,

A handwritten signature in blue ink that reads "Michelle W. Hood". The signature is written in a cursive style with a large, looping "M" and "H".

Michelle W. Hood  
City Treasurer