CITY OF COVINGTON, LOUISIANA

Annual Comprehensive Financial Report

December 31, 2021

LAPORTE
CPAs & BUSINESS ADVISORS

Contents	Statement	Page
INTRODOCTURY SECTION		
Letter of Transmittal		i - iii
Principal Elected and Appointed Officials		iv
Organization Chart		v
FINANCIAL SECTION		
Independent Auditor's Report		1 - 4
Required Supplementary Information (Part I)		
Management's Discussion and Analysis		6 - 15
Basic Financial Statements		
Government-Wide Financial Statements		
Statement of Net Position	A	17 - 18
Statement of Activities	B	19
Fund Financial Statements		
Governmental Funds		
Balance Sheet	C	21
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position	D	22
Statement of Revenues, Expenditures, and Changes in Fund Balances	E	23
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	F	24
Proprietary Funds		
Statement of Net Position - Proprietary Fund	G	26
Statement of Revenues, Expenses, and Changes in Net Position `- Proprietary Fund	H	27
Statement of Cash Flows - Proprietary Fund	I	28
Fiduciary Fund		
Statement of Fiduciary Net Position - Fiduciary Fund	J	30
Statement of Changes in Fiduciary Net Position - Fiduciary Fund	K	31
Notes to Financial Statements		33 - 82

Contents (Continued) **Page**

Required Supplementary Information (Part II)

Required Other Postemployment Benefits Supplementary Information 84
Schedule of City's Contributions to Pension Plans 85
Schedule of Proportionate Share of Net Pension Liability 86
Schedule of Changes in Net OPEB Liability and Related Ratios 87
Budgetary Comparison Schedule - General Fund 88 - 93
Budgetary Comparison Schedule - Annexation Area (A3) Sales Tax Fund 94
Budgetary Comparison Schedule - State and Federal Grants Fund 95
Notes to Required Supplementary Information 96 - 97

Other Supplementary Information

Combining Financial Statements
Combining Balance Sheet - Non-Major Governmental Funds 99
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds 100
Fund Descriptions - Non-Major Governmental Funds 101
Budgetary Comparison Schedule - General Obligation Debt Service Fund 102
Budgetary Comparison Schedule - Sales Tax Bond Debt Service Fund 103
Budgetary Comparison Schedule - Garden of Pines Permanent Fund 104
Budgetary Comparison Schedule - Drug Forfeiture Fund 105
Budgetary Comparison Schedule - Tree Mitigation Fund 106
Budgetary Comparison Schedule - Water Capacity Treatment Fund 107
Budgetary Comparison Schedule - Waste-Water Capacity Treatment Fund 108
Schedule of Council Compensation 109
Schedule of Compensation, Benefits, and Other Payments to Agency Head 110
Schedule as Required by Act 87 of the 2020 Regular Legislative Session
Justice System Funding Schedule - Collecting/Disbursing Entity General Fund - Cash Basis Presentation 111

STATISTICAL SECTION

Table of Contents 113
Table 1- Net Position by Component 114
Table 2 - Changes in Net Position 115 - 116
Table 3 - General Governmental Tax Revenues by Source 117
Table 4 - Fund Balances of Governmental Funds 118
Table 5 - Changes in Fund Balances of Governmental Funds 119 - 120
Table 6 - Assessed Value and Estimated Actual Value of Taxable Property 121
Table 7 - Property Tax Rates - Direct and Overlapping Governments 122
Table 8 - Principal Property Taxpayers 123
Table 9 - Property Tax Levies and Collections 124
Table 10 - Principal Sales Taxpayers 125

Contents (Continued) **Page**

Table 11 - Ratios of Outstanding Debt by Type 126
Table 12 - Ratios of General Bonded Debt Outstanding 127
Table 13 - Computation of Direct and Overlapping Governmental Activities Debt 128
Table 14 - Computation of Legal Debt Margin Information 129
Table 15 - Pledged-Revenue Coverage 130
Table 16 - Demographic and Economic Statistics 131
Table 17 - Principal Employers 132
Table 18 - Full-Time Equivalent City Government Employees by Function 133
Table 19 - Operating Indicators by Function 134
Table 20 - Capital Assets Statistics by Function 135

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* 136 - 137

Schedule of Findings and Responses 138

Summary Schedule of Prior Audit Findings 139

INTRODUCTORY SECTION

MARK R. JOHNSON
Mayor

CITY OF COVINGTON

LARRY ROLLING | *Councilman-at-Large*
RICK SMITH | *Councilman-at-Large*
PETER LEWIS SR. | *Councilman, District A*
JOHN BOTSFORD | *Councilman, District B*
JOEY ROBERTS | *Councilman, District C*
CODY LUDWIG | *Councilwoman, District D*
MARK W. VERRET | *Councilman, District E*

To the Honorable Mayor Mark R. Johnson, Members of the Covington City Council and Citizens of the City of Covington:

State law requires that all general-purpose local governments publish, within six (6) 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. In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the City. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report of the City of Covington, Louisiana (the City) for the year ended December 31, 2021.

This report consists of the administration's representations concerning the finances of the City. Administration, hereinafter referred to as "Management", assumes full responsibility for the completeness and reliability of the information contained in this report based upon a comprehensive framework of internal control that it has established to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the financial statements in conformity with GAAP. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. As Management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

LaPorte, a firm of licensed certified public accountants, has audited the City's financial statements and has issued an unmodified ("clean") opinion on the City of Covington's financial statements for the year ended December 31, 2021. The independent auditors' report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

317 North Jefferson Avenue | Post Office Box 778 | Covington, Louisiana 70434
phone 985.892.1811 | fax 985.898.4723 | www.covla.com

Profile of the Government

The City was founded by John Wharton Collins, a New Orleans merchant by way of New York, on July 4, 1813 as the Town of Wharton. The City was formally incorporated in 1816 by the state legislature and renamed Covington much to the chagrin of John Wharton Collins. The City of Covington is located in St. Tammany Parish in southeast Louisiana and encompasses approximately 7.98 square miles. Covington is the Parish seat and houses the 22nd Judicial District Court, also known as the St. Tammany Parish Courthouse.

Covington is a political subdivision of the State of Louisiana located in St. Tammany Parish. The citizens of Covington approved and adopted the Home-Rule Charter on November 7, 1978. The City operates a Mayor-Council form of government. Both the Mayor and the Council are elected by the voters to serve a four-year term with a limit of two (2) consecutive terms. The Mayor is the head of the executive branch. The Mayor's responsibilities include, but are not limited to, administering policies that facilitate the adherence to ordinances created by the Council, effectuating the smooth daily operations of government, and appointing the department heads. The Council is the legislative branch of the City. The Council's responsibilities include, but are not limited to, passing ordinances and resolutions, as well as adopting an annual budget. The Council consists of seven (7) members - five (5) of which are district members and two (2) of which are at-large members.

The City provides a full range of services, including police and fire protection, construction and maintenance of roads, bridges, drainage and other infrastructure, water, and sewer services, permitting and inspections, code enforcement, planning and zoning, recreational activities, cultural events and other general governmental functions and administrative services. The financial reporting entity consists of the primary government and has no component units. A more detailed discussion of the reporting entity is included in Note 1 in the Notes to the Financial Statements.

The annual budget, both operating and capital, serves as the foundation for the City's financial planning and control. All departments of the City are required to submit requests for appropriation to the Mayor on or before mid-July of each year. The Mayor uses these requests as a starting point for developing the Proposed Budget. The Mayor also prepares a five (5) year Capital Improvement Plan. The Mayor then presents the Proposed Budget and Capital Improvement Plan to the City Council at the first council meeting in September. The Council is required to hold public hearings and publish the Proposed Budget in the official journal at least ten (10) days prior to the hearing.

Department heads may make transfers of appropriations within a department. The transfer of appropriations between departments requires the approval of the governing City Council.

Budget-to-actual comparisons are provided in this report for each individual government fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented on pages 88-93. For the A3 Sales tax fund, this comparison is presented on page 94.

Factors Affecting Financial Condition

Local Economy

Although Covington has a residential population of approximately 11,564 people, the population swells to approximately 20,000 during the day due to the Courthouse and St. Tammany Parish Hospital. In 2021, 2020, and 2019, the City experienced a sales tax growth rate of 16.6%, 6.0%, and 3.6%, respectively. The City anticipates an increase in sales tax during 2022.

Long-Term Financial Planning

The five (5) year Capital Improvement Plan is continuing to be monitored and updated accordingly. With the assistance of the new Geographical Information Systems (GIS) Specialist, the City Engineer is working to complete the process of developing an Infrastructure Master Plan which is intended to guide us for the next twenty (20) years.

Major Initiatives

Over the next year we will be concentrating on the following major projects:

- Wastewater Treatment Plant Improvements
- Wastewater Collection System Repair Program
- Sewer line and lift station improvements and repairs
- Waterline Extensions and Upgrades to provide increased water supply and the addition of fire hydrants where needed for enhanced fire protection in our established neighborhoods
- Improvements to our municipal water wells
- Roadway Overlay and Improvement Program
- Sidewalk Construction and Repair Program
- Drainage and street repairs in River Forest Subdivision, including Willow Drive Phase 2
- Investment in conversion to new Water Meter System

Among the Capital Infrastructure Projects funded in the ***2021 Budget*** which are in varying stages of design, engineering, permitting, and/or construction are the following which are scheduled for completion in 2022:

- Downtown Sidewalks
- Beth Dr. Waterline Replacement
- 2020 Guardrail Replacement
- Wastewater Treatment Plant Generator Replacement
- River Forest Drainage Improvements
- Downtown Asphalt Patching
- Concrete Panel Replacement
- Downtown Striping

Respectfully submitted,

Erin Bivona
Chief Administrative Officer

Nina Sweeney
Director of Finance

CITY OF COVINGTON, LOUISIANA
Principal Elected and Appointed Officials
December 31, 2021

MAYOR

Mark Johnson - Mayor

COUNCIL MEMBERS

Larry Rolling - Councilman at Large

Rick Smith - Councilman at Large

Peter Lewis Sr. - Councilman District A

John Botsford - Councilman District B

Joey Roberts - Councilman District C

Cody Ludwig - Councilwoman District D

Mark Verret - Councilman District E

CHIEF OF POLICE

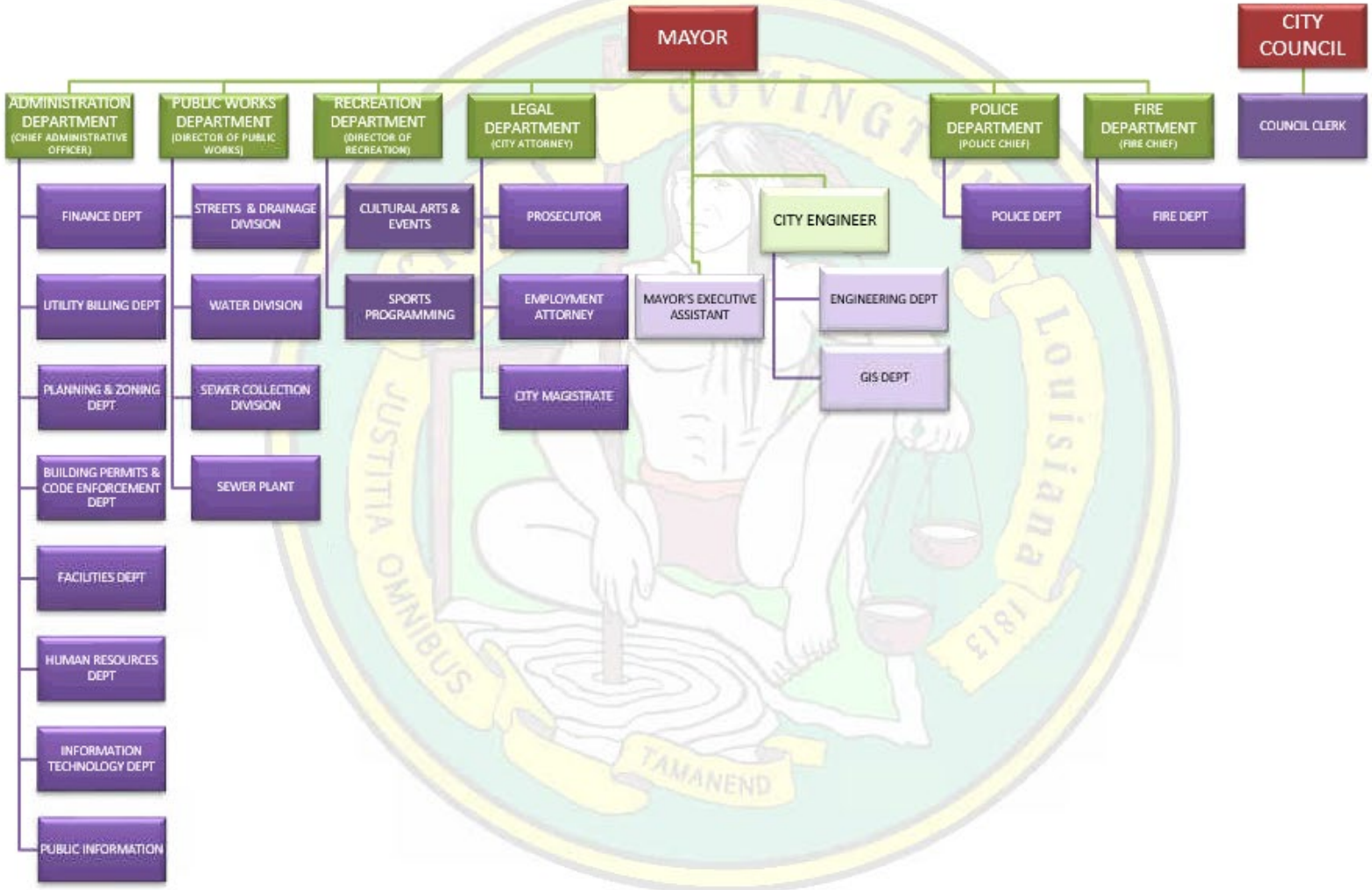
Stephen Culotta - Chief of Police (January 1, 2021 - May 17, 2021)

Michael Ferrell - Chief of Police (May 17, 2021 to present)

FIRE CHIEF

Gary S. Blocker Jr. - Fire Chief

CITY OF COVINGTON, LOUISIANA
Organization Chart
December 31, 2021



FINANCIAL SECTION

LaPorte
CPAs & BUSINESS ADVISORS

LaPorte, APAC
5100 Village Walk | Suite 300
Covington, LA 70433
985.892.5850 | Fax 985.892.5956
LaPorte.com

Independent Auditor's Report

Honorable Mark R. Johnson, Mayor
and Members of the City Council
City of Covington, 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 Covington, Louisiana, (the City) as of and for the year ended December 31, 2021, 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, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Correction of Error

As described in Note 1 to the financial statements, unearned revenue of the business-type activities was overstated by $448,221 requiring an adjustment to beginning net position. Our opinion is not modified with respect to this matter.

LOUISIANA • TEXAS
An Independently Owned Member, RSM US Alliance
RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each is separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.

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

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

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 judgement 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 the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

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

Supplementary Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and the schedules in the other supplementary information section as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedules in the other supplementary information section as listed in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A Professional Accounting Corporation

Covington, Louisiana
October 25, 2022

REQUIRED SUPPLEMENTARY INFORMATION (PART I)
MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Covington's (the City) financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2021. Please review in conjunction with the Letter of Transmittal on Page i and the City's Basic Financial Statements, which begin on page 17.

Reviewing the Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 17 and 19) provide information about the activities of the City as a whole and present a long-term view of the City's finances.

Fund financial statements start on page 21. For governmental activities, these statements report how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as an agent for the benefit of those outside of the government.

The Statement of Net Position and the Statement of Activities

Our analysis of the City as a whole begins on page 8. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's financial activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. As such, all of the current year's revenues and expenditures are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and changes in them. You can think of the City's net position-the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources-as one way to measure the City's financial health or financial position. Over time, increases or decreases in the City's net position is one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the overall financial health of the City.

In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

- Governmental activities-Most of the City's basic services are reported here, including the police, fire, public works, and recreation and culture departments, and general administration. Sales and use taxes, property taxes, franchise taxes, and license and permit fees finance most of these activities.
- Business-type activities-The City charges a fee to customers using the City's water and sewer systems to help it cover all or most of the cost of the services it provides.

Fund Financial Statements

Our analysis of the City's major funds begins on page 11. The fund financial statements provide detailed information about the most significant funds-not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, the City establishes other funds to help it control and manage money for particular purposes or to account for it to meet legal responsibilities for using certain taxes, grants, and other money. The City's two kinds of funds- governmental and proprietary-use different accounting approaches.

- Governmental Funds - Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year- end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliations on page 22 and 24 of the Basic Financial Statements.

- Proprietary Funds - When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information such as cash flows for the proprietary funds.

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. The notes to the financial statements can be found beginning on page 33.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *Required Supplementary Information* concerning budgetary basis reporting for the General Fund, A3 Sales Tax Fund, and State and Federal Grants Fund, as well as other information detailed in the table of contents surrounding OPEB and pension liabilities. Required supplementary information can be found on pages 84 to 97 of this report.

The combining and individual statements of non-major governmental funds are presented immediately following the *Required Supplementary Information*. Combining statements can be found on pages 99 and 100 of this report.

Financial Highlights

After this year's operations, the City's ending net position is as follows: the net position of governmental activities was $38,564,489 and the net position of business-type activities was $28,418,222.

- The current year's expense total was $20,344,100 as compared to the $28,668,533 generated in fees and charges, grants, general revenues, and taxes for governmental programs (before transfers). In the previous year, expenditures were $15,916,437 as compared to the $20,310,811 generated in tax and other revenues for governmental programs (before transfers).
- For business-type activities, City revenues (before transfers) were $5,542,464. Expenses were $5,040,790.
- The annual cost of all City programs was $25,384,890. The previous year's cost was $22,260,079.

Government-Wide Financial Analysis

The City's combined restated net position from the previous year was $58,156,604 as compared to $66,982,711 this year. However, net position and expenditures from governmental and business-type activities must be reviewed separately. Table 1 focuses on the net position and Table 2 focuses on changes in the net position of the City's governmental and business-type activities.

The City 's net position for governmental activities was $38,564,489 this year as compared to $29,951,287 last year. Unrestricted net position for governmental activities was $5,506,004 this year as compared to $(1,993,150) last year. Unrestricted net position are those funds that can be used to finance everyday operations without restrictions set by legislation, debt covenants, or other legal regulations.

The net position of the City's business-type activities was $28,418,222 this year as compared to the restated balance of $28,205,317 last year.

By far the largest portion of the City's net position reflects its investment in capital assets (e.g., infrastructure, land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City of Covington uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City'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.

Table 1
Net Position (in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	**2021**	2020	**2021**	2020
Assets						
Current and Other Assets	**$ 29,950**	$ 19,701	**$ 7,302**	$ 7,197	**$ 37,252**	$ 26,898
Capital Assets, Net	**34,365**	34,016	**24,579**	24,608	**58,944**	58,624
Total Assets	**64,315**	53,717	**31,881**	31,805	**96,196**	85,522
Deferred Outflows of Resources						
Deferred Loss on Refunding	**68**	84	**-**	-	**68**	84
Deferred Outflows - Pension	**2,357**	2,942	**213**	868	**2,570**	3,810
Deferred Outflows - Other Postemployment Benefit	**3,568**	3,132	**624**	147	**4,192**	3,279
Total Deferred Outflows of Resources	**5,993**	6,158	**837**	1,015	**6,830**	7,173
Liabilities						
Current Liabilities	**6,627**	3,223	**755**	1,186	**7,382**	4,409
Long-Term Liabilities	**17,935**	24,994	**2,557**	3,746	**20,492**	28,740
Total Liabilities	**24,562**	28,217	**3,312**	4,932	**27,874**	33,149
Deferred Inflows of Resources						
Unavailable Revenues	**20**	20	**-**	-	**20**	20
Deferred Inflows - Pension	**4,066**	1,129	**446**	40	**4,512**	1,169
Deferred Inflows - Other Postemployment Benefit	**3,095**	558	**542**	91	**3,637**	649
Total Deferred Inflows of Resources	**7,181**	1,707	**988**	131	**8,169**	1,838
Net Position						
Net Investment in Capital Assets	**31,242**	30,292	**24,579**	24,608	**55,821**	54,900
Restricted	**1,817**	1,652	**-**	-	**1,817**	1,652
Unrestricted	**5,506**	(1,993)	**3,839**	3,149	**9,345**	1,156
Total Net Position	**$ 38,565**	$ 29,951	**$ 28,418**	$ 27,757	**$ 66,983**	$ 57,708

At the end of the current fiscal year, the City is able to report overall positive net position, both for the government as a whole, as well as a for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

City revenues (excluding special items) for the current year were $34,210,997 as compared to $25,008,635 in the previous year. The total yearly cost of all programs and services was $25,384,890 as compared to $22,260,079 in the previous year.

Table 2
Changes in Net Position (in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	**2021**	2020	**2021**	2020
Revenues						
Program Revenues						
Charges for Services	**$ 2,085**	$ 1,705	**$ 5,509**	$ 4,840	**$ 7,594**	$ 6,545
Restricted Operating Grants	**4,959**	175	**-**	-	**4,959**	175
Restricted Capital Grants	**747**	131	**-**	-	**747**	131
General Revenues						
Property Taxes	**3,289**	3,185	**-**	-	**3,289**	3,185
Sales Taxes	**16,132**	13,664	**-**	-	**16,132**	13,664
Other Taxes	**769**	672	**-**	-	**769**	672
Interest and Investment Income	**70**	75	**1**	-	**71**	75
Other General Revenues	**618**	704	**33**	(140)	**651**	564
Total Revenues	**28,669**	20,311	**5,543**	4,700	**34,212**	25,011
Program Expenditures						
General Government	**3,260**	4,220	**-**	-	**3,260**	4,220
Public Safety	**7,810**	7,060	**-**	-	**7,810**	7,060
Public Works	**8,421**	3,810	**-**	-	**8,421**	3,810
Culture and Recreation	**771**	748	**-**	-	**771**	748
Interest on Long-Term Debt	**82**	78	**-**	-	**82**	78
Water and Sewer	**-**	-	**4,030**	5,351	**4,030**	5,351
Other Utilities	**-**	-	**1,011**	992	**1,011**	992
Total Expenditures	**20,344**	15,916	**5,041**	6,343	**25,385**	22,259
Excess (Deficit) before Special Items and Transfers	**8,325**	4,395	**502**	(1,643)	**8,827**	2,752
Transfers	**289**	(2,119)	**(289)**	2,116	**-**	(3)
Change in Net Position	**8,614**	2,276	**213**	473	**8,827**	2,749
Net Position, Beginning of Year, Restated	**29,951**	27,675	**28,205**	27,284	**58,156**	54,959
Net Position, End of Year	**$ 38,565**	$ 29,951	**$ 28,418**	$ 27,757	**$ 66,983**	$ 57,708

Governmental Activities

This year's governmental activities revenues were $28,668,533 as compared to $20,310,811 last year. Total revenues increased by $8,357,722 or 41%. This increase is driven by three revenue components including approximately $4.9 million revenue receivable as a result of Hurricane Ida, $747,000 in grant revenue, and $2.5 million increase in sales tax.

This year's governmental activities cost was $20,344,100 as compared to $15,916,437 in the previous year. Total expenditures increased by $4,427,663 or 28%. This is primarily due to debris removal, clean up, and repair after Hurricane Ida.

Business-Type Activities

This year's business-type activities charges for services revenues were $5,508,292 as compared to $4,839,825 last year. Charge for services increased by $668,467 or 13.8%. This increase is primarily due to growth of the community.

This year's expenses were $5,040,790 as compared to $6,343,642 in the previous year. Total expenses decreased by $1,302,852 or 20.5%. The decrease is largely due to purchase of new water meters in 2020.

Table 3 details the cost of the City's major programs as well as each program's net cost (total cost less revenues generated by the program). The net cost indicates the financial burden that was shifted to the City's taxpayers by each of these programs:

Table 3
Governmental Activities (in thousands)

	Total Cost of Services		Net Cost of Services	
	2021	2020	**2021**	2020
Police Department	**$ 5,041**	$ 4,535	**$ (4,965)**	$ (4,268)
Fire Department	**2,769**	2,525	**(2,769)**	(2,422)
Public Works	**8,421**	3,810	**(7,837)**	(3,692)
Culture and Recreation	**771**	748	**(382)**	(677)
All Others	**3,342**	4,298	**3,400**	(2,815)
Total	**$ 20,344**	$ 15,916	**$ (12,553)**	$ (13,874)

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of 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's governmental funds reported combined ending fund balances of $24,317,242, an increase of $6,490,055 in comparison with the prior year.

Approximately 40% of the ending fund balance, or $9,747,018, constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance is as follows: approximately 23% is assigned, 30% is committed, 7% is restricted and 0.4% is non-spendable.

The fund balance of the general fund increased by $4,495,405 in the current year and increased by $380,584 in the prior year. The increase is primarily increase in sales tax revenue.

Total revenue in the general fund increased by $2,411,738 or 15.3%.

Expenditures in the general fund increased $6,280,861 or 42%, due to Hurricane Ida debris removal, clean up, and repairs. Expenditures in general government increased by $84,566 or 2.4%. Public safety expenditures increased by $1,101,677 or 17.8%. Public Works expenditures increased by $4,526,404 or 208.8%. Culture and recreation expenditures increased $23,335 or 3.9% Capital outlay expenditures increased $544,879 or 15%.

The A3 Sales Tax Fund accounts for the special annexation sales tax. Total revenues increased by $448,116 or 14.7% due to an increase in sales tax collections for the current year.

Budgetary Statements

The City Council revised the 2021 original adopted budgets for the General Fund and the A3 Sales Tax Fund during the year as revenues and expenditures changed. The original budgets were voted and approved on November 10, 2020 and the amended budgets were voted and approved on August 3, 2021

By budgetary policy, revenue estimates are prepared with a conservative bias. Overall, general fund revenue in 2021 experienced a positive variance of $1,841,651 from the amount in the final adopted budget. A3 Sales tax fund revenue in 2021 experienced a positive variance of $564,540 from the amount in the final adopted budget.

The final budget for general fund expenditures increased $3,529,104 or 21.5% from the original budget for 2021. Actual expenditures for the general fund were $3,979,976 more than the original adopted budget and $450,782 more than the final adopted budget. The final budget for A3 Sales tax fund expenditures increased $36,764 from the original budget for 2021 due to additional capital outlay projects. Actual expenditures for the A3 Sales tax fund were $558,378 less than the original adopted budget and $595,142 less than the final adopted budget.

Capital Assets

Table 4
Capital Assets, Net of Depreciation (in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	**2021**	2020	**2021**	2020
Land	**$ 807**	$ 807	**$ -**	$ -	**$ 807**	$ 807
Building and Improvements	**11,968**	11,570	**1,076**	1,076	**13,044**	12,646
Equipment	**3,186**	3,215	**4,659**	4,616	**7,845**	7,831
Infrastructure	**16,823**	16,354	**17,178**	17,738	**34,001**	34,092
Construction in Progress	**1,581**	2,070	**1,667**	1,179	**3,248**	3,249
Capital Assets, Net	**$ 34,365**	$ 34,016	**$ 24,579**	$ 24,609	**$ 58,945**	$ 58,625

The current year's significant capital asset additions included:

- Governmental Activities: W 11th Ave Bridge Replacement, Jefferson Ave Traffic Circle Utility, Ox Lot Improvements, Bogue Falaya Park ADA Improvement, E. Lock Wood Street Drainage Improvements, 2020 Bridge Load Ratings, CFD Station 1 Bathroom Renovation, ADA Playground Improvements

- Business-Type Activities: 2019 SSES Program, 2019 Gravity Sewer Repairs, 2019 Miscellaneous Water Improvements, Lurline Dr Gravity Sewer Repairs, Wastewater Treatment Plant Improvements Phase 1, 2020 Waterline Extension Down 14th, Mentere Dr Sewer Line Extension, Lake Pontchartrain Storm Filtration

More detailed information about the City's capital assets is presented in Note 2 to the financial statements.

Debt Management

At the close of the year, the City had $2,425,000 in outstanding bonds and notes as compared to $3,222,000 in the previous year (see Table 5). This decrease in debt of $797,000 is due to regularly scheduled principal payment.

Table 5
Outstanding Debt (in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	**2021**	2020	**2021**	2020
General Obligation Bonds (Backed by the City)	**$ 2,425**	$ 2,897	**$ -**	$ -	**$ 2,425**	$ 2,897
Revenue bonds and notes (Backed by Specific Tax and Fee Revenues)	**-**	325	**-**	-	**-**	325
Capital Lease	**698**	586	**-**	-	**698**	586
Capital Assets, Net	**$ 3,123**	$ 3,808	**$ -**	$ -	**$ 3,123**	$ 3,808

More detailed information about the City's long-term liabilities is presented in Note 2 to the financial statements.

Economic Issues/Upcoming Yearly Budgets

City public officials considered many issues when establishing the upcoming year's budget, tax rates, and fees.

In 2022 we anticipate over 72% of the City's general fund revenues will be derived from sales taxes. We budgeted $15,344,611 in net sales tax collections for 2022, which is an increase of 17% over 2021 budget.

From A3 Sales Tax Fund revenue $1,977,850 will be transferred to the General Fund for the purpose of maintaining roads, bridges, and drainage in areas where it benefits residents of St. Tammany Parish Sales Tax District 3. An additional $1,742,544 of revenue in the A3 Sales Tax is dedicated to the construction and maintenance of roads, bridges, and drainage projects in St. Tammany Parish Sales Tax District 3.

Ad Valorem Tax is anticipated to generate approximately $2,688,275 in revenue for the General Fund. This represents a 4.9% increase over 2021 projected amounts and is based upon an assessed valuation of $142,302,320. It should be noted that property taxes represent 14.3% of the 2022 General Fund Budget. The City of Covington currently has the following ad valorem tax assessments: millage comprised of 3.5 millage for retiring general obligation bonds, 7.08 millage to general fund revenues, and 9.43 millage for operation and maintenance of the Fire Department.

The administration recognizes that the amount of revenues generated does not cover the amount of expenditures proposed in the general fund budget. In order to subsidize this difference, funds are taken from the General Fund Balance. The projected difference between revenues and expenditures in the 2022 budget is $2,860,670. This includes $3,075,741 in one-time capital expenditures. This budget, while balanced, provides for an estimated $4,697,787 unassigned General Fund Balance at the end of 2022. An additional $2,707,635 is in Assigned Fund Balance for the GFOA recommended 2 months of operating expenditures or revenue range to cover emergencies and unexpected expenditures.

2021 - A Year in Review

At the beginning of 2021, the City of Covington was striving to keep governmental operations and capital projects on track despite staffing, supply, and contractor shortages associated with COVID-19. The pandemic led to a restructuring of personnel policies in accordance with CDC guidelines, resulting in new payroll practices and reporting that evolved with each variant and new CDC guideline. Emergency response plans were revisited, including remote-work capabilities and equipment.

In March 2021, City government experienced a cyber-attack that shut down all city operations except for first responder dispatch, which is directed through the St. Tammany Parish Sheriff's Office. All computer systems and phone systems were disconnected, limiting the City's ability to provide essential services. The City contacted the State of Louisiana Cyber Investigator's Alliance, which immediately deployed members of the Secret Service, State Police, GOHSEP, and FBI to initiate the criminal investigation. The following day the National Guard was activated to City Hall for the next several weeks to assist with the replacement of the City's servers and re-establishment of essential city services. Recovery of normal operations took approximately 6 months, during which Tyler Technologies held the City in a stand-alone disaster mode environment with limited capabilities. This limited environment affected the City's ability to provide full services in Finance, Utility Billing, Purchasing, and Payroll until September 2021.

At the end of August 2021, the City was impacted by Hurricane Ida, which resulted in over $5 million in disaster recovery expenditures. Regular governmental operations ceased in the days immediately after the storm. Essential personnel focused on recovery efforts and documentation for FEMA reimbursements, all while many employees were sheltering in place or living in homes with no electricity. The City Council issued an emergency ordinance allowing the Mayor to utilize resources necessary to respond to the storm and outlining storm-damage permitting protocols. Prior to the storm, the City was preparing the 2022 Capital and Operating Budget. The storm delayed the process by one month, putting introduction in October 2021 and adoption in December 2021. By mid-December, regular operations had resumed with the addition of weekly, if not daily, coordination with FEMA and GOHSEP to submit the City's $5 million in expenditures for reimbursement. As of the 1-year anniversary of Hurricane Ida on August 29th, the City had received just over $100,000 of the $5,000,000 in reimbursements.

Contact Information

The financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact:

Erin Bivona
Chief Administrative Officer
317 N. Jefferson Avenue
Covington, LA 70433
Phone: 985-898-4714
Fax: 985-898-4723
ebivona@covla.com

BASIC FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF COVINGTON, LOUISIANA **Statement A**
Statement of Net Position
December 31, 2021

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	$ 21,796,698	$ 400	$ 21,797,098
Investments - LAMP	4,267,030	-	4,267,030
Restricted Cash and Cash Equivalents	252,529	-	252,529
Certificates of Deposit	302,455	-	302,455
Receivables, Net	9,628,595	913,996	10,542,591
Internal Balances	(6,379,756)	6,379,756	-
Prepaid Expense	82,260	7,745	90,005
Capital Assets Not Being Depreciated	2,388,225	1,667,001	4,055,226
Capital Assets Being Depreciated, Net of Accumulated Depreciation	31,976,498	22,912,023	54,888,521
Total Assets	64,314,534	31,880,921	96,195,455
Deferred Outflows of Resources			
Deferred Loss on Refunding	67,909	-	67,909
Deferred Outflows - Pension Plans	2,356,611	212,509	2,569,120
Deferred Outflows - Other Postemployment Benefits	3,567,890	624,389	4,192,279
Total Deferred Outflows of Resources	5,992,410	836,898	6,829,308
Liabilities			
Accounts Payable	3,576,259	313,363	3,889,622
Accrued Payroll Expenses	68,063	30,262	98,325
Customer Deposits	-	411,216	411,216
Accrued Interest	13,662	-	13,662
Unearned Revenue	1,956,743	86	1,956,829
Compensated Absences			
Due Within One Year	376,869	-	376,869
Due in More than One Year	290,445	-	290,445
Revenue Bonds Payable			
Due Within One Year	-	-	-
Due in More than One Year	-	-	-
Capital Lease Payable			
Due Within One Year	255,503	-	255,503
Due in More than One Year	442,395	-	442,395
General Obligations Bond Payable			
Due Within One Year	380,000	-	380,000
Due in More than One Year	2,045,000	-	2,045,000
Net Pension Liability			
Due in More than One Year	7,582,887	1,231,218	8,814,105
Net Other Postemployment Benefit Liability			
Due in More than One Year	7,574,044	1,325,476	8,899,520
Total Liabilities	24,561,870	3,311,621	27,873,491

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

	Governmental Activities	Business-Type Activities	Total
Deferred Inflows of Resources			
Unavailable Revenues	20,401	-	20,401
Deferred Inflows - Pension Obligation	4,065,541	446,408	4,511,949
Deferred Inflows - Other Postemployment Benefits	3,094,643	541,568	3,636,211
Total Deferred Inflows of Resources	7,180,585	987,976	8,168,561
Net Position			
Net Investment in Capital Assets	31,241,825	24,579,024	55,820,849
Restricted for:			
Expendable			
Perpetual Care	3,137	-	3,137
Debt Service	1,078,208	-	1,078,208
FHA Loan Program	252,529	-	252,529
Drug Forfeiture	34,187	-	34,187
Tree Mitigation	8,611	-	8,611
State and Federal Grants	332,773	-	332,773
Nonexpendable			
Prepaid Expenditures	82,260	-	82,260
Permanent Fund	24,955	-	24,955
Unrestricted	5,506,004	3,839,198	9,345,202
Total Net Position	$ 38,564,489	$ 28,418,222	$ 66,982,711

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

CITY OF COVINGTON, LOUISIANA **Statement B**
Statement of Activities
For the Year Ended December 31, 2021

Functions / Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Revenue (Expense) and Change in Net Position: Governmental Activities	Net Revenue (Expense) and Change in Net Position: Business-Type Activities	Net Revenue (Expense) and Change in Net Position: Total
Governmental Activities							
General Government	$ 3,259,607	$ 1,783,302	$ 4,959,226	$ -	$ 3,482,921	$ -	$ 3,482,921
Public Safety - Police	5,041,075	75,653	-	-	(4,965,422)	-	(4,965,422)
Public Safety - Fire	2,768,922	-	-	-	(2,768,922)	-	(2,768,922)
Public Works	8,420,816	83,311	-	500,000	(7,837,505)	-	(7,837,505)
Culture and Recreation	771,273	142,477	-	246,866	(381,930)	-	(381,930)
Interest on Long-Term Debt	82,407	-	-	-	(82,407)	-	(82,407)
Total Governmental Activities	20,344,100	2,084,743	4,959,226	746,866	(12,553,265)	-	(12,553,265)
Business-Type Activities							
Water	1,438,531	2,064,623	-	-	-	626,092	626,092
Sewer	2,591,764	2,415,401	-	-	-	(176,363)	(176,363)
Garbage	1,010,495	1,028,268	-	-	-	17,773	17,773
Total Business-Type Activities	5,040,790	5,508,292	-	-	-	467,502	467,502
Total	$ 25,384,890	$ 7,593,035	$ 4,959,226	$ 746,866	(12,553,265)	467,502	(12,085,763)
General Revenues							
Taxes							
SalesTaxes					16,131,917	-	16,131,917
Property Taxes					3,288,553	-	3,288,553
Franchise Taxes					768,835	-	768,835
Other General Revenues					291,241	-	291,241
Other Revenues							
Interest and Penalties					69,590	1,141	70,731
Non-Employer Contribution Revenue					327,562	33,031	360,593
Transfers					288,769	(288,769)	-
Total General Revenues, Other Revenues, and Transfers					21,166,467	(254,597)	20,911,870
Change in Net Position					8,613,202	212,905	8,826,107
Net Position, Beginning of Year, Restated					29,951,287	28,205,317	58,156,604
Net Position, End of Year					$ 38,564,489	$ 28,418,222	$ 66,982,711

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

BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS
GOVERNMENTAL FUNDS

CITY OF COVINGTON, LOUISIANA **Statement C**
Balance Sheet
Governmental Funds
December 31, 2021

	General Fund	A3 Sales Tax Fund	State and Federal Grants Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets					
Cash and Cash Equivalents	$ 21,434,064	$ -	$ -	$ 362,634	$ 21,796,698
Equity in Pooled Cash	-	6,296,615	-	678,293	6,974,908
Investments - LAMP	4,267,030	-	-	-	4,267,030
Restricted Cash and Cash Equivalents	252,529	-	-	-	252,529
Certificates of Deposits	-	-	-	302,455	302,455
Receivables					
Property Tax	2,017,603	-	-	476,614	2,494,217
Sales Tax	1,544,542	401,227	-	-	1,945,769
Franchise Tax	189,463	-	-	-	189,463
Grants Receivable	-	-	4,932,831	-	4,932,831
Other	66,315	-	-	-	66,315
Prepaid Expenditures	82,260	-	-	-	82,260
Due from Other Funds	50,038	-	-	-	50,038
Total Assets	$ 29,903,844	$ 6,697,842	$ 4,932,831	$ 1,819,996	$ 43,354,513
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Accounts Payable	$ 3,411,098	$ 134,551	$ 19,735	$ 10,875	$ 3,576,259
Deficit in Pooled Cash	10,721,367	-	2,621,914	-	13,343,281
Accrued Payroll Expenditures	68,063	-	-	-	68,063
Unearned Revenue	-	-	1,956,743	-	1,956,743
Due to Other Funds	22,000	2,652	1,366	35,403	61,421
Total Liabilities	14,222,528	137,203	4,599,758	46,278	19,005,767
Deferred Inflows of Resources					
Unavailable Revenues	31,204	-	300	-	31,504
Total Deferred Inflows of Resources	31,204	-	300	-	31,504
Fund Balances					
Nonspendable					
Prepaid Expenditures	82,260	-	-	-	82,260
Permanent Fund	-	-	-	24,955	24,955
Restricted for:					
Perpetual Care	-	-	-	3,137	3,137
Debt Services	-	-	-	1,078,208	1,078,208
FHA Loan Program	252,529	-	-	-	252,529
Drug Forfeiture	-	-	-	34,187	34,187
Tree Mitigation	-	-	-	8,611	8,611
State and Federal Grants	-	-	332,773	-	332,773
Committed					
Capital Outlay	-	6,560,639	-	624,620	7,185,259
Assigned					
2022 Operating Budget	2,860,670	-	-	-	2,860,670
Contingency	2,707,635	-	-	-	2,707,635
Unassigned	9,747,018	-	-	-	9,747,018
Total Fund Balances	15,650,112	6,560,639	332,773	1,773,718	24,317,242
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 29,903,844	$ 6,697,842	$ 4,932,831	$ 1,819,996	$ 43,354,513

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

CITY OF COVINGTON, LOUISIANA **Statement D**
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
December 31, 2021

Fund Balances - Total Governmental Funds		$ 24,317,242
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:		
Governmental Capital Assets	$ 59,873,233	
Less: Accumulated Depreciation	(25,508,510)	34,364,723
Deferred outflows of resources - pension used in governmental activities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		2,356,611
Deferred inflows of resources - pension used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		(4,065,541)
Deferred outflows of resources - OPEB used in governmental activities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		3,567,890
Deferred inflows of resources - OPEB used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		(3,094,643)
Some of the City's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the governmental funds balance sheet.		11,103
Deferred inflows of resources - debt refunding are currently expended in the governmental fund; whereas they are capitalized and amortized over the life of the respective debt in the statement of net position.		67,909
Long-term liabilities, including bonds payable, net OPEB liability, net pension liability, and compensated absenses, are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Accrued Interest on Bonds	(13,662)	
Compensated Absences	(667,314)	
Revenue Bonds	-	
Capital Lease Obligation	(697,898)	
General Obligations Bonds	(2,425,000)	
Net Pension Liability	(7,582,887)	
Net Other Postemployment Benefit Liability	(7,574,044)	(18,960,805)
Net Position of Governmental Activities		$ 38,564,489

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

CITY OF COVINGTON, LOUISIANA **Statement E**

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2021

	General Fund	A3 Sales Tax Fund	State and Federal Grants Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues					
Taxes					
Sales Taxes	$ 12,336,113	$ 3,795,804	$ -	$ -	$ 16,131,917
Property Taxes	2,731,200	-	-	557,353	3,288,553
Franchise Taxes	768,835	-	-	-	768,835
Licenses and Permits	1,585,952	-	-	-	1,585,952
Other Revenues	291,241	-	-	-	291,241
Fines and Forfeitures	75,653	-	-	-	75,653
Charges for Services	142,477	-	-	83,311	225,788
Intergovernmental Revenues	197,350	-	-	-	197,350
Interest and Penalties	48,554	20,625	-	411	69,590
State and Federal Grants	-	-	5,706,092	-	5,706,092
Total Revenues	18,177,375	3,816,429	5,706,092	641,075	28,340,971
Expenditures					
Current					
General Government	3,576,589	43,871	-	461	3,620,921
Public Safety - Police	4,791,874	-	-	-	4,791,874
Public Safety - Fire	2,506,187	-	-	-	2,506,187
Public Works	6,694,512	-	-	-	6,694,512
Culture and Recreation	628,480	-	-	-	628,480
Capital Outlay	2,225,080	660,585	255,818	-	3,141,483
Capital Lease					
Principal	189,248	-	-	-	189,248
Interest	18,907	-	-	-	18,907
Debt Service					
Principal	-	-	-	797,000	797,000
Interest	-	-	-	51,968	51,968
Total Expenditures	20,630,877	704,456	255,818	849,429	22,440,580
Deficiency of Revenues Over Expenditures	(2,453,502)	3,111,973	5,450,274	(208,354)	5,900,391
Other Financing Sources					
Proceeds from Capital Lease	300,895	-	-	-	300,895
Transfers In	21,583,535	-	-	325,795	21,909,330
Transfers Out	(14,935,523)	(1,395,184)	(5,289,854)	-	(21,620,561)
Total Other Financing Sources (Uses)	6,948,907	(1,395,184)	(5,289,854)	325,795	589,664
Net Change in Fund Balances	4,495,405	1,716,789	160,420	117,441	6,490,055
Fund Balances, Beginning of Year	11,154,707	4,843,850	172,353	1,656,277	17,827,187
Fund Balances, End of Year	$ 15,650,112	$ 6,560,639	$ 332,773	$ 1,773,718	$ 24,317,242

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

CITY OF COVINGTON, LOUISIANA **Statement F**
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2021

Change in Fund Balances - Total Governmental Funds	$ 6,490,055
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives through depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period.	346,621
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	327,562
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	496,105
Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.	189,248
Compensated absences are reported in the statement of activities when earned. As they do not require the use of current financial resources, they are not reported as expenditures on governmental funds until they have matured. This is the amount of compensated absences reported in the statement of activities in the prior year that has matured in the current year.	(39,988)
Other postemployment benefit obligation reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds.	(412,895)
Cash pension contributions reported in the funds were less than the calculated pension expense on the statement of activities and, therefore, decrease net position.	1,228,026
Amortization of Loss on Refunding	(16,025)
Difference in interest cost on the modified accrual basis as reported in the fund statements versus interest expense on the full accrual basis.	4,493
Change in Net Position of Governmental Activities	$ 8,613,202

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

BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS
PROPRIETARY FUNDS

CITY OF COVINGTON, LOUISIANA **Statement G**
Statement of Net Position
Proprietary Fund
December 31, 2021

Assets	
Current Assets	
Cash and Cash Equivalents	$ 400
Equity in Pooled Cash	6,368,373
Accounts Receivable, Net of Uncollectible	913,996
Prepaid Expenses	7,745
Due from Other Funds	22,000
Total Current Assets	7,312,514
Non-Current Assets	
Capital Assets, Net of Accumulated Depreciation	24,579,024
Total Non-Current Assets	24,579,024
Total Assets	31,891,538
Deferred Outflows of Resources	
Deferred Outflows - Pension Plans	212,509
Deferred Outflows - Other Postemployment Benefits	624,389
Total Deferred Outflows of Resources	836,898
Liabilities	
Current Liabilities	
Accounts Payable	313,363
Accrued Payroll Expense	30,262
Lease Payable	-
Customer Deposits	411,216
Due to Other Funds	10,617
Total Current Liabilities	765,458
Non-Current Liabilities	
Unearned Revenues	86
Net Pension Liability	1,231,218
Net Other Postemployment Benefit Liability	1,325,476
Total Non-Current Liabilities	2,556,780
Total Liabilities	3,322,238
Deferred Inflows of Resources	
Deferred Inflows - Pension Plans	446,408
Deferred Inflows - Other Postemployment Benefits	541,568
Total Deferred Inflows of Resources	987,976
Net Position	
Net Investment in Capital Assets	24,579,024
Unrestricted Net Position	3,839,198
Total Net Position	$ 28,418,222

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

CITY OF COVINGTON, LOUISIANA **Statement H**
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
For the Year Ended December 31, 2021

Operating Revenues		
Sewer Maintenance Fees	$	2,332,537
Water Revenues		1,951,030
Garbage Collection Fees		1,028,268
DHH Fee		70,764
Water Installations		41,514
Miscellaneous		36,264
Connection Fees		35,815
Non-Employer Contribution Revenue		33,031
Sewer Installations		12,100
Total Operating Revenues		5,541,323
Operating Expenses		
Sewer Department Expenses		1,242,597
Water Department Expenses		1,096,506
Garbage Department Expenses		1,010,495
Depreciation		1,691,192
Total Operating Expenses		5,040,790
Operating Income (Loss)		500,533
Nonoperating Revenues (Expenses)		
Interest Income		1,141
Total Nonoperating Revenues (Expenses)		1,141
Income (Loss) Before Transfers		501,674
Transfers		
Transfers In (Out)		(288,769)
Change in Net Position		212,905
Net Position, Beginning of Year, Restated		28,205,317
Net Position, End of Year	$	28,418,222

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

CITY OF COVINGTON, LOUISIANA **Statement I**
Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2021

Cash Flows from Operating Activities		
Receipts from Customers and Users	$	5,225,065
Other Receipts		36,264
Payments to Suppliers		(2,233,284)
Payments to Employees		(1,249,905)
Net Cash Provided by Operating Activities		1,778,140
Cash Flows from Capital and Related Financing Activities		
Purchase of Capital Assets		(1,661,668)
Transfers In (Out)		(288,769)
Net Cash Used in Capital and Related Financing Activities		(1,950,437)
Cash Flows from Investing Activities		
Interest Earned on Investments		1,141
Net Cash Provided by Investing Activities		1,141
Net Decrease in Cash and Cash Equivalents		(171,156)
Cash and Cash Equivalents, Beginning of Year		6,539,929
Cash and Cash Equivalents, End of Year	$	6,368,773
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities		
Operating Income (Loss)	$	500,533
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities		
Depreciation		1,691,192
(Increase) Decrease in:		
Accounts Receivable		(278,002)
Deferred Outflows - Pension Plans		655,841
Deferred Outflows - Other Postemployment Benefits		(476,995)
Increase (Decrease) in:		
Accounts Payable		13,127
Accrued Payroll Expenses		5,041
Customer Deposits		(1,992)
Due to Other Funds		1,960
Net Pension Liability		(893,945)
Net Other Postemployment Benefit Liability		(295,484)
Deferred Inflows - Pension Plans		406,084
Deferred Inflows - Other Postemployment Benefits		450,780
Net Cash Provided by Operating Activities	$	1,778,140

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

BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS
FIDUCIARY FUND

CITY OF COVINGTON, LOUISIANA **Statement J**
Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2021

Assets	
Current Assets	
Cash and Cash Equivalents	$ 29,240
Accrued Interest	5,769
Investments	1,048,595
Total Assets	$ 1,083,604
Net Position	
Restricted for Other Postemployment Benefits	1,083,604
Total Net Position	$ 1,083,604

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

CITY OF COVINGTON, LOUISIANA **Statement K**
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended December 31, 2021

Additions	
Investment Income	
Interest and Dividends	$ 23,980
Net Appreciation (Depreciation) in Fair Value of Investments	(21,559)
Investment Expense	(9,080)
Total Additions	(6,659)
Deductions	
Bank Charges	4,644
Total Deductions	4,644
Change in Net Position	(11,303)
Net Position, Beginning of Year	1,094,907
Net Position, End of Year	$ 1,083,604

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

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The City of Covington, Louisiana (the City), was incorporated in 1813. The current City Code, as adopted in 2002, authorizes the following services: public safety - fire, public safety - police, public works, recreation, and general administrative services. Education, health, and welfare are administered by other governmental entities.

Reporting Entity

The City is a municipal corporation governed by an elected mayor and seven-member governing council (the Council). The accompanying financial statements present the City as the primary government. The accounting policies of the City conform to generally accepted accounting principles (GAAP) as applied to governmental units. The more significant accounting policies used by the City are described below.

In evaluating the City as a reporting entity, management has considered all potential component units in accordance with Section 2100: Defining the Financial Reporting Entity of the Governmental Accounting Standards Board (GASB) Codification. As such, the City has no component units.

The City of Covington, Louisiana adopted the Home Rule Charter on November 7, 1978, under the provisions of Article VI, Section 5, of the Louisiana Constitution of 1974. The City operates under a Mayor-Council form of government and provides the following services as authorized by its charter: public safety, highways and streets, sanitation and utilities, health and social services, culture and recreation, public improvements, planning and zoning, and general administrative services.

The City has seven council members which serve four year terms. Three of the council members were elected for an additional term in 2019. The council members are elected by majority vote. The City covers an approximately eight square mile area and has approximately 10,464 residents. The City has approximately 200 employees who encompass police, fire, public works, recreation, and general administration employees. The City operates a water department and a sewerage department.

Government-Wide Financial 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 non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Note 1. Summary of Significant Accounting Policies (Continued)

Government-Wide Financial and Fund Financial Statements (Continued)
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, proprietary fund, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized 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.

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

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Property taxes, sales 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. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the City.

The proprietary fund and other postemployment benefit trust are reported using the economic resources measurement focus and the accrual basis of accounting.

Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the City's enterprise fund. Separate financial statements are provided for governmental funds, proprietary fund, and fiduciary fund, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the inter-fund services provided and other charges between the City's wastewater and sanitation services 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.

Fund Financial Statements

The fund financial statements provide information about the City's funds, including its fiduciary fund. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Fund Financial Statements (Continued)

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund. Revenues are derived primarily from property and sales taxes, licenses and permits, interest and penalties, and other revenues. At December 31, 2021, there was a minimum fund balance of $2,860,670 which consists of approximately two months of expenditures.

The *A3 Sales Tax Fund* is used to account for tax revenues derived from sales tax received within the geographic boundaries of the annexation area to finance development within that area. The A3 Sales Tax Fund revenues are committed to fund capital outlay projects of the City.

The *State and Federal Grants Fund* is used to account for state and federal grants that are restricted to expenditures for specified purposes.

Additionally, the City reports the following fund types:

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes other than capital projects.

The Debt Service Funds are used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

Capital Projects Funds account for the acquisition and construction of the City's major capital facilities, other than those financed by proprietary funds.

The Perpetual Care Permanent Fund is used to account for resources legally held in trust to finance maintenance for the City's municipal cemeteries. The revenues designated for perpetual care are placed in trust and the interest earned is transferred to the General Fund.

The Proprietary Fund accounts for the water, sewer, and garbage services it provides to the residents and businesses of the City.

The OPEB Trust Fund accounts for the activities of the General Employees' OPEB trust investments, which accumulate resources for OPEB benefit payments to qualified employees.

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Fund Financial Statements (Continued)

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Budgetary Information

Budgetary basis of accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, A3 Sales tax fund, debt service funds, Special Revenue Funds, and Capital Project Funds. The Capital Projects Funds are appropriated on a project-length basis. Certain Special Revenue Funds and the Permanent Fund do not have appropriated budgets since other means control the use of these resources (e.g., grant awards and endowment requirements) and sometimes span a period of more than one fiscal year.

The appropriated budget is prepared by fund, function, and department. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

Note 1. Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position

Cash and Cash Equivalents
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.

Investments - LAMP
Investments for the City are reported at fair value (generally based on quoted market prices) except for the position in the Louisiana Asset Management Pool (LAMP). The Louisiana Asset Management Pool meets all of the specified criteria in Section 150: Investments to qualify to elect to measure their investments at amortized cost. Accordingly, the fair value of the City's position in the pool is equal to the value of the pooled shares.

Louisiana Revised Statute (R.S.) 33:2955 allows the investment in direct United States Treasury obligations; bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies or U.S. government instrumentalities, which are federally sponsored; direct security repurchase agreements of any federal book-entry-only securities guaranteed by the U.S. government; time certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana; savings accounts or shares of certain savings and loan associations and savings banks; certain accounts of federally- or state-chartered credit unions, and certain mutual or trust fund institutions.

Restricted Cash and Cash Equivalents
Certain assets of the City are classified as restricted assets on the statement of net position because their use is limited by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors, granters, contributors, or laws or regulations of other governments. Restricted cash and cash equivalents are for funds generated from the FHA loans for the purpose of making loans to area businesses at low interest rates to promote economic development.

Receivables
Unbilled receivables - An amount for unbilled revenue is recorded in the Utility Fund for services rendered, but not yet billed as of the end of the fiscal year. The receivable is derived from the cycle billings generated subsequent to fiscal year end and prorated for usage in December.

Allowance for doubtful accounts - Accounts receivable have been reported net of the allowance for doubtful accounts. Accounts receivable in excess of 90 days are subject to being considered as uncollectible.

Unavailable revenue - Unavailable revenue recorded on the governmental fund balance sheet represents amounts received before eligibility requirements are met.

Note 1. Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)

Interfund Activities and Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" within the fund financial statements. Long-term borrowings between funds are classified as "advances to other funds" or "advances from other funds" in the fund financial statements. These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any residual balance outstanding between the governmental and business-type activities at the end of the fiscal year, which are reported in the government-wide financial statements as internal balances.

Interfund transactions are reflected as services provided, reimbursements, or transfers. Services provided, deemed to be at or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when a fund incurs a cost, charges the appropriate benefitting fund, and reduces its related cost as a reimbursement. All other inter-fund transactions are treated as transfers. Transfers between governmental or business-type funds are netted as part of the reconciliation to the government-wide presentation.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

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 column in the government-wide financial statements. Capital assets, except for infrastructure assets, are defined by the City as assets with an initial, individual cost of more than $2,500 and an estimated useful life in excess of two years.

In accordance with GASB Codification, the City has elected to not capitalize infrastructure retroactively. As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Note 1. Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)

Capital Assets (Continued)

Interest incurred during the construction phase of capital assets of the Enterprise Fund is included as part of the capitalized value of the assets constructed. The amount of interest capitalized depends on the specific circumstances. Interest attributable to capitalized assets as of December 31, 2021 was immaterial to the financial statements.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight line method over the following estimated useful lives:

Description	Estimated Useful Lives
Building	10 - 40 Years
Improvements	5 - 40 Years
Vehicles	5 - 10 Years
Tools and Equipment	5 - 25 Years
Infrastructure	10 - 40 Years
Sewer Plant and Lines	5 - 40 Years
Water Wells, Tanks, and Lines	5 - 40 Years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

The City has three (3) items that qualify for reporting as deferred outflows of resources - pension deferrals, OPEB deferrals, and deferred loss on refunding - which are reported in the government-wide and proprietary fund statements of net position. The deferred amount on refunding results from debt refinancing, whereby the reacquisition price of the funding debt instruments exceed their net carrying amount. The deferred amount on refunding is amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows related to pension and OPEB deferrals will be recognized as an expense in future reporting years.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three (3) items that qualify for reporting as deferred inflows of resources - pension deferrals, OPEB deferrals, and unavailable revenues. The deferred inflows related to pension and OPEB deferrals will be recognized as a reduction to expense in future reporting years.

Note 1. Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)

Deferred Outflows/Inflows of Resources (Continued)

Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues related to grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Compensated Absences

City employees earn vacation and sick benefits on an escalating scale based on years of service at the beginning of each fiscal year. City employees are not allowed to carry over vacation benefits but are allowed to carry over sick benefits up to a maximum of 720 hours. At the time of termination, city employees are paid for any accumulated unused vacation benefits; however, sick benefits are not paid at termination.

Civil service employees earn vacation benefits on an escalating scale based on years of service at the beginning of each fiscal year and are allowed to carry up to 500 hours. Police employees earn sick benefits on a monthly basis, while fire employees must adhere to R.S. 33:1995, which allows up to 52 weeks of sick benefits. All civil service employees are allowed to roll over unlimited sick benefits; however, at termination, only accumulated unused sick benefits up to 500 hours are paid.

The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. As a result, the amount of accumulated annual leave payable in the government-wide financial statements at December 31, 2021 is $667,314.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds and are recorded as adjustments to interest expense. Bonds payable are reported net of the applicable bond premium or discount. In accordance with GASB Codification Section 130: *Interest Costs - Imputation*, bond issuance costs are expensed in the period incurred except for prepaid insurance costs.

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.

Note 1. Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees' Retirement System, Municipal Police Employees' Retirement System, and the Firefighters' Retirement System and additions to/deductions from these retirement system's fiduciary net positions have been determined on the same basis as they are reported by the retirement systems. 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.

Other Postemployment Benefits (OPEB) Liability

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position, and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. 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.

Categories and Classification of Net Position

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

Net Investment in Capital Assets - The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflow of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflow of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.

Restricted Net Position - Consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments or law through constitutional provisions or enabling legislation.

Unrestricted Net Position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets".

Note 1. Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)

Categories and Classification of Net Position (Continued)

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

Categories and Classification of Fund Equity

The provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, specifies the following classifications:

Non-Spendable Fund Balance - Non-spendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance - Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

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

Assigned Fund Balance - Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The Council has by resolution authorized the Mayor or the Council's designee established in the City's Fund Balance Policy 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 the removal of an assignment. Conversely, as discussed above, no additional action is essential to either remove or revise a commitment.

Note 1. Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)

Categories and Classification of Fund Equity (Continued)

Unassigned Fund Balance - Unassigned fund balance is the residual classification for the General Fund and Nonmajor Funds. The General Fund is the only fund which may report a positive unassigned fund balance.

Fund Balance Policies - Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Fund Balance Flow Assumptions - Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Revenues and Expenditures/Expenses

Program Revenues - Amounts reported as 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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Taxes - Property taxes are due on December 31st and become delinquent if not paid by January 1st. Ad Valorem taxes are recorded as revenues when levied. Tax liens are filed on all unpaid bills. The City bills property taxes using the assessed values determined by the tax assessor of St. Tammany Parish. The St. Tammany Parish Sheriff collects property taxes and remits taxes to the City, as collected.

Total property tax revenue for the year ended December 31, 2021, was $3,288,553 and is recorded in the funds as follows: General Fund - $2,731,200 and General Obligation Debt Service Fund - $557,353.

Note 1. Summary of Significant Accounting Policies (Continued)

Revenues and Expenditures/Expenses (Continued)

Proprietary Fund Operating and Non-Operating Revenues and Expenses - The Proprietary Fund distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a Proprietary Fund's principal ongoing operations. Principal operating revenues for the City's proprietary fund consist of charges to customers and users of its water, sewer and garbage services. Operating expenses for Enterprise Funds and internal service funds 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 non-operating revenues and expenses.

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the City's own programs. The fiduciary fund categories within this ACFR include one Other Postemployment Benefits Fund. This type of fund is used to report resources required to be held in trust for the members and beneficiaries of the City, which was established in 2018 for the purpose of providing postemployment retiree medical benefits for the City's eligible retirees.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditure of monies are recorded as reservations of budget, is employed as an extension of the statutory required budgetary process. At year-end, outstanding encumbrances represent material purchase commitments for goods and services which were ordered, budgeted, and appropriated, but had not been received or completed as of that date. Although encumbrances lapse at year-end, it is the intention to substantially honor these encumbrances under authority provided in the subsequent year's budget. Total encumbrances as of December 31, 2021 were as follows:

	Amount
General Fund	$ 2,236,512
Special Revenue Fund	
A3 Sales Tax Fund	2,278,766
Total	$ 4,515,278

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, October 25, 2022. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Note 1. Summary of Significant Accounting Policies (Continued)

Prior Period Adjustment

The government-wide and proprietary fund financial statements include the following prior period adjustment: a prior period adjustment to the proprietary fund increasing net position by $448,221, which corrects an error in the December 31, 2020 financial statements related to an unearned revenue balance which was earned at December 31, 2020. Accordingly, change in net position for the year ended December 31, 2020 is increased by $448,221.

Recently Issued Accounting Pronouncements

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

The City is evaluating the requirements of the above statements and the impact on reporting.

Note 2. Detailed Notes on All Funds

Deposits and Investments

The City is authorized under state law to deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the United States, or laws of the United States. Under state laws, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. State Law R.S. 39:1225 provides that the amount of the security shall at all times be equal to 100% of the amount on deposit to the credit of each depositing authority, except that portion of the deposits insured by United States.

Under state law, deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. 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.

Note 2. Detailed Notes on All Funds

The City's deposits are stated at cost, which approximates fair value. The deposits are categorized as follows at December 31, 2021:

	Carrying Amount	Bank Balance
Demand Deposits	$ 22,049,627	$ 22,232,761
Certificates of Deposit	302,455	302,455
Total	$ 22,352,082	$ 22,535,216

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to the City. As of December 31, 2021, the City's bank balance was not exposed to custodial credit risk. As of December 31, 2021, $21,760,261 of deposits were secured by the pledge of securities owned by the fiscal agent bank

In accordance with state law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral valued at the lower of market or par. The City was in compliance with the deposit and investment laws and regulations as of December 31, 2021.

Deposits available within various funds, except the OPEB trust fund, were consolidated for investment purposes. Interest earned was allocated to the various funds based on their average cash and investment balances. The OPEB trust fund is authorized to invest in corporate bonds and stocks, money markets funds, and mortgages and notes.

As of December 31, 2021, the City's OPEB investments are held in the form of U.S. government bonds and corporate bonds through a financial brokerage firm.

Interest Rate Risk - Interest rate risk is the possibility that interest rates will rise and reduce the fair value of an investment. The City's investment policy limits interest rate risk by requiring that an attempt be made to match investment maturities with known cash needs and anticipated cash flow requirements.

Credit Risk - Section ISO - Investments of the GASB Codification requires that governments provide information about credit risk associated with their investments by disclosing the credit rating of investments in debt securities as described by nationally recognized statistical rating organizations. The City's investment policy and the investment policy for the City's OPEB Trust limits investment to securities with specific ranking criteria.

Note 2. Detailed Notes on All Funds (Continued)

Deposits and Investments (Continued)

Concentration Risk - Section 150 - Investments of the GASB Codification requires disclosures of investments in any one issuer that represents five percent or more of total investments, excluding investments issued or explicitly guaranteed by the U.S. government, investments in mutual funds, external investment pools and other pooled investments. The City's investment policy does not address concentration risk. The OPEB Trust restricts the percentage of assets that may be held in the stock of any one company and the bonds issued by any one issuer.

Fair Value - GASB Codification Section 3100 - *Fair Value Measurements* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under the codification are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset’s or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Note 2. Detailed Notes on All Funds (Continued)

Deposits and Investments (Continued)

The following table sets forth by level, within the fair value hierarchy, the City's assets at fair value as of December 31, 2021:

		Maturities (in years)			
Fiduciary Fund	Fair Value	Less than 1	1 - 5	More than 5	Level
Debt Securities - U.S. Government Obligations	$ 348,775	$ 152,116	$ 147,158	$ 49,501	2
Debt Securities - Corporate Bonds	458,278	89,980	216,626	151,672	1
Debt Securities - Corporate Bonds	241,542	70,675	134,745	36,122	2
Total	$ 1,048,595	$ 312,771	$ 498,529	$ 237,295	

The following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodology used at December 31, 2021.

Debt and Equity Securities - Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using quoted market prices for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique based on the price or yield of similar debt securities.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the City believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

For the Utility Fund, operating revenues are generally recognized on the basis of cycle billings rendered monthly. The amount of services delivered for the period from the last billing date to December 31, 2021 (unbilled receivable), is estimated and accrued at year end. The allowance for uncollectible accounts at December 31, 2021 was $116,735. If payments are not received from customers, services are shut off and deposits are applied against negative balances.

All account receivables are shown net of allowances for uncollectable accounts for governmental funds. Property taxes are considered fully collected (97% of the levy) during and prior to the end of the fiscal year. Therefore, no material amounts of property taxes are uncollectable as of December 31, 2021. There are no other reserves for receivables recorded by the City as of December 31, 2021.

Note 2. Detailed Notes on All Funds (Continued)

Accounts Receivable (Continued)

The accounts receivable and allowance for uncollectible accounts at December 31, 2021, were as follows:

Governmental Funds	
Property Tax	$ 2,494,217
Sales Tax	1,945,769
Franchise Tax	189,463
Grants Receivable	4,932,831
Other Receivables	66,315
Total Governmental Funds	9,628,595
Proprietary Fund	
Under 30 Days	417,404
Over 31 under 60 Days	26,461
Over 61 under 90 Days	10,545
Over 91 Days	71,963
Less Allowance	(116,735)
	409,638
Unbilled Receivables	504,358
Total Proprietary Fund	913,996
Total Accounts Receivable, Net	$ 10,542,591

Investments - LAMP

Investments - LAMP of $4,267,030, which are stated at fair value using published market quotes for those securities at December 31, 2021, consist of shares in the Louisiana Asset Management Pool, Inc. (LAMP), a local government investment pool.

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

GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments.

Note 2. Detailed Notes on All Funds (Continued)

Investments - LAMP (Continued)
LAMP is an investment pool that, to the extent practical, invests in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

- *Credit Risk:* LAMP is rated AAAm by Standard & Poor's.
- *Custodial Credit Risk:* LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- *Concentration of Credit Risk:* Pooled investments are excluded from the 5 percent disclosure requirement.
- *Interest Rate Risk:* LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments was 45 as of December 31, 2021.
- *Foreign Currency Risk:* Not applicable.

Investments in LAMP are stated at amortized cost based on quoted market rates. The fair value is determined on a weekly basis by LAMP, and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

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

If you have any questions, please feel free to contact the LAMP administrative office at 800-249-5267.

Note 2. Detailed Notes on All Funds (Continued)

Capital Assets

The following is a summary of the changes in capital assets for governmental activities for the year ended December 31, 2021:

Governmental Activities	Balance 12/31/2020	Increases	Decreases	Balance 12/31/2021
Capital Assets Not Depreciated				
Land	$ 807,452	$ -	$ -	$ 807,452
Construction in Progress	2,069,638	1,806,059	(2,294,924)	1,580,773
Total Capital Assets Not Depreciated	2,877,090	1,806,059	(2,294,924)	2,388,225
Capital Assets Being Depreciated				
Building	9,638,316	64,260	-	9,702,576
Improvements	8,790,338	943,118	-	9,733,456
Vehicles	5,353,585	217,742	-	5,571,327
Tools and Equipment	4,258,520	390,101	(3,990)	4,644,631
Infrastructure	25,812,331	2,020,687	-	27,833,018
Total Capital Assets Being Depreciated	53,853,090	3,635,908	(3,990)	57,485,008
Less Accumulated Depreciation for:				
Building	(3,371,606)	(167,065)	-	(3,538,671)
Improvements	(3,487,061)	(442,320)	-	(3,929,381)
Vehicles	(3,088,495)	(392,958)	-	(3,481,453)
Tools and Equipment	(3,308,387)	(240,830)	-	(3,549,217)
Infrastructure	(9,458,099)	(1,551,689)	-	(11,009,788)
Total Accumulated Depreciation	(22,713,648)	(2,794,862)	-	(25,508,510)
Total Capital Assets Being Depreciated, Net	31,139,442	841,046	(3,990)	31,976,498
Total	$ 34,016,532	$ 2,647,105	$ (2,298,914)	$ 34,364,723

Note 2. Detailed Notes on All Funds (Continued)

Capital Assets (Continued)

As of December 31, 2021, construction in progress for governmental activities consisted of the following:

Governmental Activities Project	Expended as of 12/31/21	Amount Authorized	Committed Financing
Boston Street Overlay	$ 369,693	$ 439,933	$ 70,240
Blue Swamp Creek Drainage	120,635	457,690	337,055
Mile Branch Drainage	69,969	219,518	149,549
Jefferson Ave. Shared Path	88,113	239,560	151,447
River Forest Drainage - Patricia Dr.	465,381	692,825	227,444
Guardrail Replacement	23,390	101,365	77,975
Downtown Drainage Repairs	24,698	37,933	13,235
Seeling Drive Improvements	3,950	40,000	36,050
Ozone Park	22,500	22,500	-
Columbia Street Bridge	102,304	234,670	132,366
Evidence Room Renovation	57,765	57,804	39
Lurline P&D	92,755	935,109	842,354
Transportation Consulting	42,373	50,000	7,627
Harrison Street Drainage	17,500	120,000	102,500
U.S. 190 Bridge Utility Relocations	79,747	150,000	70,253
Total	$ 1,580,773	$ 3,798,907	$ 2,218,134

The following is a summary of the changes in capital assets for business-type activities for the year ended December 31, 2021:

Business-Type Activities	Balance 12/31/2020	Increases	Decreases	Balance 12/31/2021
Capital Assets Not Depreciated				
Construction in Progress	$ 1,179,014	$ 1,664,049	$ (1,176,062)	$ 1,667,001
Total Capital Assets Not Depreciated	1,179,014	1,664,049	(1,176,062)	1,667,001
Capital Assets Being Depreciated				
Buildings	1,075,552	-	-	1,075,552
Sewer Plant and Lines	33,741,542	789,309	-	34,530,851
Water Wells, Tanks, and Lines	10,517,338	388,373	(21,822)	10,883,889
Total Capital Assets Being Depreciated	45,334,432	1,177,682	(21,822)	46,490,292
Less Accumulated Depreciation for:				
Sewer Plant and Lines	(16,003,912)	(1,349,167)	-	(17,353,079)
Water Wells, Tanks, and Lines	(5,900,986)	(342,025)	17,821	(6,225,190)
Total Accumulated Depreciation	(21,904,898)	(1,691,192)	17,821	(23,578,269)
Total Capital Assets Being Depreciated, Net	23,429,534	(513,510)	(4,001)	22,912,023
Total	$ 24,608,548	$ 1,150,539	$ (1,180,063)	$ 24,579,024

Note 2. Detailed Notes on All Funds (Continued)

Capital Assets (Continued)

As of December 31, 2021, construction in progress for business-type activities consisted of the following:

Business-Type Activities Project	Expended as of 12/31/21	Amount Authorized	Committed Financing
Water Meters	$ 670,910	$ 670,910	$ -
2020 Gravity Sewer Repairs	130,488	1,160,406	1,029,918
U.S. 190 Project	40,000	40,000	-
River Forest Sewer Repair	4,000	1,336,000	1,332,000
St. Paul's LS Wet Well Cleaning	40,563	45,000	4,437
U.S. 190 LS Improvements	73,724	420,000	346,276
W 16th Ave Water Production	85,168	405,000	319,832
WWTP Belt Press	13,440	1,200,000	1,186,560
WWTP Generator	435,695	472,012	36,317
WWTP Improvements Phase 2	37,176	90,000	52,824
WWTP Improvements Phase 3	135,837	141,425	5,588
Total	$ 1,667,001	$ 5,980,753	$ 4,313,752

For the year ended December 31, 2021, depreciation was charged to functions/programs of the City as follows:

Governmental Activities	Amount
General Government	$ 413,829
Public Safety - Police	249,201
Public Safety - Fire	262,735
Public Works	1,726,304
Culture and Recreation	142,793
Total Depreciation - Governmental Activities	$ 2,794,862

Business-Type Activities	Amount
Sewer Department	$ 1,349,167
Water Department	342,025
Total Depreciation - Business-Type Activities	$ 1,691,192

Note 2. Detailed Notes on All Funds (Continued)

Long-Term Debt and Liabilities

Long-term liabilities other than debt are normally liquidated by the General Fund. These include net OPEB liability, net pension liability, and compensated absences.

General obligation bonds and sales tax bonds are all direct placement and are comprised of the following individual issues:

Governmental Activities	Date of Issuance	Authorized and Issued	Interest Rate	Maturity Date	Principal Outstanding
General Obligation Bonds					
Series 2011 - Refunding	09/20/2011	$ 777,000	2.09%	09/01/2021	$ -
Series 2016 - Refunding	08/02/2016	3,890,000	1.69%	03/01/2027	2,425,000
Sales Tax Revenue Bond					
Series 2011 - Sales Tax Refunding	11/02/2011	2,775,000	2.09%	11/01/2021	-
Total		$ 7,442,000			$ 2,425,000

Total future principal and interest payments are as follows:

Year Ending December 31,	General Obligation Bonds		Total	
	Principal	Interest	Principal	Interest
2022	$ 380,000	$ 37,772	$ 380,000	$ 37,772
2023	385,000	31,307	385,000	31,307
2024	400,000	24,674	400,000	24,674
2025	410,000	17,830	410,000	17,830
2026	420,000	10,816	420,000	10,816
Thereafter	430,000	3,634	430,000	3,634
Total	$ 2,425,000	$ 126,033	$ 2,425,000	$ 126,033

As of December 31, 2021, there is $1,078,208 in restricted fund balance available in the Debt Service Funds to service the governmental activity bonds.

General obligation bonds are secured by an annual ad valorem tax levy. In accordance with R.S. 39:562, the City is legally restricted from incurring long-term bonded debt in excess of 35% of the assessed value of taxable property in the City. At December 31, 2021, the City had not exceeded this statutory limit.

There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions, including federal arbitrage regulations.

Note 2. Detailed Notes on All Funds (Continued)

Long-Term Debt and Liabilities (Continued)

Defeasance of Debts

In 2011, the Council defeased $745,000 of General Obligation Bonds by issuing $777,000 in General Obligation Refunding Bonds, Series 2011. This advance refunding was undertaken to reduce total debt service payment by $35,713 and resulted in an economic gain of $85,092. The Council placed the proceeds of the new bonds in an irrevocable trust to provide for complete payment of the outstanding balance of the defeased bonds on March 1, 2012.

In 2016, the Council defeased $3,755,000 of General Obligation Bonds by issuing $3,890,000 in General Obligation Refunding Bonds, Series 2016. This advance refunding was undertaken to reduce total debt service payment by $129,995 and resulted in an economic gain of $162,319. The Council placed the proceeds of the new bonds in an irrevocable trust to provide for complete payment of the outstanding balance of the defeased bonds on March 1, 2017.

Accordingly, the trust account assets and the liabilities for the defeased bonds are not included in the City's financial statements.

Capital Leases

During March 2019, the City entered into a five-year lease agreement as lessee for financing a fire truck. The lease agreement qualifies as a capital lease and has been recorded at the present value of the future minimum lease payments as of the date of inception. At December 31, 2021, the cost of the vehicle is $947,195 and accumulated amortization totaled $115,768. For the year ended December 31, 2021, amortization expense related to the leased fire truck totaled $63,146.

During July 2021, the City entered into a five-year lease agreement as lessee for financing a walking excavator. The lease agreement qualifies as a capital lease and has been recorded at the present value of the future minimum lease payments as of the date of inception. At December 31, 2021, the cost of the excavator is $300,895 and accumulated amortization totaled $15,045. For the year ended December 31, 2021, amortization expense related to the excavator totaled $15,045.

Note 2. Detailed Notes on All Funds (Continued)

Long-Term Debt and Liabilities (Continued)

Capital Leases

The following is a schedule of future minimum lease payments under the capital lease, and the present value of the net minimum lease payments at December 31, 2021:

Year Ending December 31,	Governmental Activities
2022	$ 272,538
2023	272,538
2024	64,383
2025	64,383
2026	64,383
Total Minimum Lease Payments	738,225
Less: Amount Representing Interest	(40,327)
Present Value of Minimum Lease Payments	$ 697,898

Changes in Long-Term Liabilities

The following is a summary of long-term liability transactions and total long-term liabilities of the City for the year ended December 31, 2021:

	Balance 12/31/2020	Additions	Retirements	Balance 12/31/2021	Due Within One Year
Governmental Activities					
General Obligation Bonds	$ 2,897,000	$ -	$ (472,000)	$ 2,425,000	$ 380,000
Sales Tax Revenue Bonds	325,000	-	(325,000)	-	-
Capital Lease	586,251	300,895	(189,248)	697,898	255,503
Compensated Absences	627,326	485,218	(445,230)	667,314	376,869
Total Long-Term Liabilities	$ 4,435,577	$ 786,113	$ (1,431,478)	$ 3,790,212	$ 1,012,372

Note 3. Retirement Plans

Substantially all employees of the City are members of one of the following statewide retirement systems: Municipal Employees' Retirement System of Louisiana (the Municipal System), Municipal Police Employees' Retirement System of Louisiana (the Police System), or the Firefighters' Retirement System of Louisiana (the Firefighters' System). These systems are cost-sharing multiple employer, defined benefit pension plans administered by separate boards of trustees.

Pertinent information relative to each plan follows:

General Information about the Pension Plans

Plan Descriptions/Benefits Provided

The Municipal System

The Municipal System administers a plan to provide retirement benefits to employees of all incorporated villages, towns, and cities within the State which do not have their own retirement system and which elect to become members of the Municipal System. The age and years of creditable service required in order for a member to receive retirement benefits are established by the plan and vary depending on the member's hire date, employer and job classification.

Membership is mandatory as a condition of employment beginning on the date employed if the employee is permanent and works at least 35 hours per week. Plan A members who were hired prior to January 1, 2013 may retire - 1) at any age with 25 years or more of creditable service, 2) at age 60 with at least 10 years of creditable service, or 3) at any age with 20 years of creditable service, exclusive of military service with an actuarially reduced early benefit.

For Plan A, in general, the monthly amount of the retirement allowance shall consist of an amount equal to 3.0 percent of the member's monthly average final compensation multiplied by his years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specific amounts.

The Police System

The Police System administers a plan to provide retirement benefits to employees of all full-time police officers employed by a municipality in 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 meets the statutory criteria. Benefits provisions are authorized within Act 189 of 1973 and amended by R.S. 11:2211-2233.

Note 3. Retirement Plans (Continued)

General Information about the Pension Plans (Continued)

Plan Descriptions/Benefits Provided (Continued)

The Police System (Continued)

Membership is mandatory as a condition of employment beginning on the date employed if the employee is a full-time police officer employed by a municipality. Members who were hired prior to January 1, 2013 may retire - 1) at any age with 25 years or more of creditable service, 2) at age 50 with at least 20 years of creditable service, 3) at age 55 with at least 12 years of creditable service, or 4) at any age with 20 years of creditable serv ice, with an actuarially reduced benefit. For members hired after January 1, 2013, eligibility for retirement benefits is based on Hazardous Duty and Non-Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for retirement 1) at any age with at least 25 years of creditable service, or 2) at age 55 with at least 12 years of creditable service. Under the Non-Hazardous Duty sub plan, a member is eligible for retirement - 1) at any age with at least 30 years of creditable service, or 2) at age 55 with at least 25 years of creditable service or 3) at age 60 with at least 10 years of service. Under both sub plans, a member is eligible for retirement at any age with at least 20 years of creditable service, with an actuarially reduced benefit from age 55.

Members hired prior to January 1, 2013, the benefit rates are 3⅓ percent of the average final compensation (average monthly earnings during the highest 36 consecutive months or joined months, if service was interrupted) times the number of years of creditable service, not to exceed 100 percent of final salary. For members hired after January 1, 2013, the benefit rates are 3 percent for the Hazardous Duty sub plan and 2½ percent for the Non-Hazardous Duty sub plan of the average final compensation (average monthly earnings during the highest 60 consecutive months or joined months, if service was interrupted) times the number of years of creditable service, not to exceed 100 percent of final salary.

The Firefighters' System

The Firefighters' System is the administrator of a cost-sharing multiple-employer plan. Membership in the system is a condition of employment for any full-time firefighters who earn at least $375 per month and are employed by any municipality, parish, or fire protection district of the State of Louisiana in addition to employees of the Firefighters' System. The system provides retirement benefits for their members. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the system in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

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

Note 3. Retirement Plans (Continued)

General Information about the Pension Plans (Continued)

Plan Descriptions/Benefits Provided (Continued)

The Firefighters' System (Continued)

Any person who becomes an employee as defined in R.S. 11:2252 on and after January 1, 1980, shall become a member as a condition of employment. Members in the System consist of fulltime firefighters, eligible employees of the retirement system, or any person in a position as defined in the municipal fire and police civil service system that earns at least $375 per month, excluding state supplemental pay, and is employed by a fire department of any municipality, parish, or fire district of the State of Louisiana, except for Orleans Parish and the City of Baton Rouge.

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

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

Disability Benefits

The Municipal System

For Plan A, a member shall be eligible to receive a disability benefit if he has at least 5 years of creditable service, is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. A disabled member of Plan A shall be paid a disability benefit equal to the lesser of 45 percent of his final average compensation or 3 percent of his final average compensation multiplied by his years of creditable service, whichever is greater or an amount equal to 3 percent of the member's final average compensation multiplied by his years of creditable service projected to his earliest normal retirement age.

Survivor Benefits

The Municipal System

Survivor benefits are available to the surviving spouse and/or minor children as outlined in the statutes, upon the death of any member of Plan A with 5 years or more of creditable service, who is not eligible for retirement. For any member of Plan A 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.

Note 3. Retirement Plans (Continued)

General Information about the Pension Plans (Continued)

Survivor Benefits (Continued)

The Police System

Upon the death of the active contributing member, or disability retiree, the plan provides for benefits for the surviving spouse and minor children. Prior to January 1, 2013, under certain conditions outlined in the statutes, the benefits range from 40 to 60 percent of the member's average final compensation for the surviving spouse. In addition, each child under age 18 receives benefits equal to 10 percent of the member's average final compensation or $200/month, whichever is greater. For members hired after January 1, 2013, under certain conditions outlined in the statutes, the benefits range from 25 to 55 percent of the member's average final compensation for the surviving spouse. In addition, each child under age 18 receives benefits equal to 10 percent of the member's average final compensation or $200/ month, whichever is greater. If the deceased member had less than 10 years of service, the beneficiary will receive a refund of employee contributions only.

The Firefighters' System

Benefits shall be payable to the surviving eligible spouse or designated beneficiary of a deceased member as specified in R.S. 11:2256(B) and (C).

Deferred Retirement Option Plan Benefits (DROP)

The Municipal System

In lieu of terminating employment and accepting a service retirement allowance, any member of Plan A who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to 3 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. 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, or any other method of payment if approved by the board of trustees. If employment is not terminated at the end of 3 years, payments into the DROP fund cease and the person resumes active contributing membership in the Municipal System.

Note 3. Retirement Plans (Continued)

General Information about the Pension Plans (Continued)

Deferred Retirement Option Plan Benefits (DROP) (Continued)

The Police System

In lieu of terminating employment and accepting a service retirement allowance, any member who is eligible to retire may elect to participate in the DROP for up to 36 months and defer the receipt of benefits. During participation in DROP, both the employee and employer contributions to the Police System 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 or a true annuity. If employment is not terminated at the end of 3 years, payments into the DROP fund cease and the person resumes active contribution membership in the Police System. 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 percent age point below the percentage return of the system's investment portfolio. For those eligible to enter DROP subsequent to January 1, 2004, an irrevocable election is made to earn interest based on the system's investment portfolio return or a money market investment return, which could result in a negative earnings rate being applied to the account.

The Firefighters' System

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

Upon commencement of participation in the DROP, employer and employee contributions to the system cease. Upon filing the application for the program, the employee's active membership in the System is terminated. The monthly retirement benefit that would have been payable is paid into the deferred retirement option plan account. 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. Upon termination of employment, a participant in the program shall receive, at his option, a lump-sum payment from the account or an annuity based on the deferred retirement option plan account balance in addition to his regular monthly benefit. If employment is not terminated at the end of the 36 months, the participant resumes regular contributions to the system. No payments may be made from the deferred retirement option plan account until the participant retires.

Note 3. Retirement Plans (Continued)

General Information about the Pension Plans (Continued)

Initial Benefit Option Plan

The Police System

In 1999, the State Legislature authorized the Police System to establish an Initial Benefit Option (IBO) Program. Members eligible to retire and who do not choose to participate in DROP may elect to receive, at the time of retirement, 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 the same criteria as DROP.

The Firefighters' System

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 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.

Cost-of-Living Adjustments

The Municipal System

The system is authorized under state statutes to grant a cost of living increase to members who have been retired for at least one year. The increase cannot exceed 2.0% of the eligible 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 statutes allow the Municipal System to grant an additional cost of living increase to all retirees and beneficiaries who are age 65 and above equal to 2.0% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.

The Police System

The board of trustees is authorized to provide annual cost-of-living adjustments (COLA) computed on the amount of the current regular retirement, disability, beneficiary, or survivor's benefit, not to exceed 3.0% in any given year. The board is authorized to provide an additional 2.0% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 year 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.

Note 3. Retirement Plans (Continued)

General Information about the Pension Plans (Continued)

Contributions

The Municipal System

Contributions for all members are established by statute at 10.0% for Plan A of wages for the year ended June 30, 2021. The contributions are deducted from the member's salary and remitted by the City.

According to state statute, employer contributions are actuarially determined each year. For the years ended June 30, 2021 and 2020, the actuarially determined contribution rates were 29.50% and 29.28%, of member's compensation for Plan A. Contributions to the pension plan from the City were $923,465 for the year ended December 31, 2021.

In accordance with state statutes, the system also receives ad valorem taxes and state revenue sharing funds. The 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. Non-employer contributions are recognized by the system and are excluded from pension expense for the year ended December 31, 2021.

The Police System

Contributions for all members are actuarially determined as required by state statutes but cannot be less than 10.0% of the employee's earnable compensation excluding overtime but including state supplemental pay for the year ended June 30, 2021. The contributions are deducted from the member's salary and remitted by the City.

According to state statute, employer contributions are actuarially determined each year. For the years ended June 30, 2021 and 2020, the actuarially determined contribution rates are as follows:

Year Ended		Hazardous	Non Hazardous	Below Poverty
June 30, 2021	**Employer**	**33.75%**	**33.75%**	**36.25%**
	Employee	**10.00%**	**8.00%**	**7.50%**
June 30, 2020	Employer	32.50%	32.50%	35.00%
	Employee	10.00%	8.00%	7.50%

Contributions to the pension plan from the City were $566,304 for the year ended December 31, 2021.

Note 3. Retirement Plans (Continued)

General Information about the Pension Plans (Continued)

Contributions (Continued)

The Police System (Continued)

In accordance with state statutes, the system also receives insurance premium taxes 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 additional sources are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue during the year ended December 31, 2021, and were excluded from pension expense.

The Firefighters' System

Contributions for all members are established by statute at 10.0% for wages above poverty for the year ended June 30, 2021 and 2020. The contributions are deducted from the member's salary and remitted by the City.

According to state statute, employer contributions are actuarially determined each year. For the years ended June 30, 2021 and 2020 the actuarially determined contribution rates were 32.25% and 29.75%, respectively, of member's compensation. Contributions to the pension plan from the City were $338,994 for the year ended December 31, 2021.

The System 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. Non-employer contributions were recognized as revenue during the year ended December 31, 2021, and were excluded from pension expense.

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

At December 31, 2021, the City reported a combined liability of $8,814,104 for its proportionate share of the Net Pension Liabilities (NPL) of the Municipal System, the Police System, and the Firefighters' System. The amount for each plan was $4,397,206, $2,931,779, and $1,485,119, respectively. The NPL for each system was measured as of June 30, 2021, and the total pension liability used to calculate the NPL was determined based on an actuarial valuation as of that date. The City's proportion of the NPL was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contribution of all participating employers, actuarially determined.

Note 3. Retirement Plans (Continued)

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

As of June 30, 2021, the most recent measurement date, the City's proportionate share for each system was:

	Municipal System	Police System	Firefighters' System
City's Proportionate Share	1.580874%	0.549996%	0.419069%
Increase from Prior Year	-0.119131%	0.035959%	0.031920%

For the year ended December 31, 2021, the City recognized a total pension expense of $1,379,403.

At year end, the City reported deferred outflows of resources and deferred inflows of resources related to the Municipal System from the following sources:

The Municipal System	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ 1,585	$ 50,283
Changes of Assumptions	160,690	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	1,238,919
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	154,036	305,114
Employer Contributions Subsequent to the Measurement Date	459,607	-
Total	$ 775,918	$ 1,594,316

At year end, the City reported deferred outflows of resources and deferred inflows of resources related to the Police System from the following sources:

The Police System	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ -	$ 90,290
Changes of Assumptions	324,679	83,631
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	1,368,910
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	257,461	138,977
Employer Contributions Subsequent to the Measurement Date	406,644	-
Total	$ 988,784	$ 1,681,808

Note 3. Retirement Plans (Continued)

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

At year end, the City reported deferred outflows of resources and deferred inflows of resources related to the Firefighters' System from the following sources:

The Firefighters' System	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ 21,194	$ 133,367
Changes of Assumptions	321,814	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	901,257
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	215,497	201,201
Employer Contributions Subsequent to the Measurement Date	245,913	-
Total	$ 804,418	$ 1,235,825

Deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date (June 30, 2021) totaled $1,112,164 ($459,607 for the Municipal System, $406,644 for the Police System, and $245,913 for the Firefighters' System). These amounts will be recognized as a reduction of the NPL in the year ending December 31, 2022.

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

Year Ending December 31,	Municipal System	Police System	Firefighters' System
2022	$ (160,729)	$ (270,704)	$ (167,389)
2023	(378,495)	(172,531)	(156,032)
2024	(319,403)	(184,813)	(198,519)
2025	(419,378)	(471,620)	(266,183)
2026	-	-	62,480
2027	-	-	48,323
Total	$ (1,278,005)	$ (1,099,668)	$ (677,320)

Note 3. Retirement Plans (Continued)

Actuarial Assumptions

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

The Municipal System

Valuation Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.85% (Net of Investment Expense)
Expected Remaining Service Lives	3 Years
Inflation	2.5% per Annum
Projected Salary Increases	1 to 4 Years of Service - 6.4% Plan A More than 4 Years of Service - 4.5% Plan A
Cost-of-Living Adjustments	Only those previously granted

The mortality rate assumption used was verified by combining data from this plan with three other statewide plans which have similar workforce composition in order to produce a credible experience. The aggregated data was collected over the period July 1, 2013 through June 30, 2018.

The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the Municipal System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a set-back of standard tables. The result of the procedure indicated that the tables would produce liability values approximating the appropriate generational mortality tables.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5% an adjustment for the effect of rebalancing/diversification. The resulting expected long term rate of return was 6.95% as of June 30, 2021.

Note 3. Retirement Plans (Continued)

Actuarial Assumptions (Continued)

The Municipal System (Continued)

Best estimates of real rates of return for each major asset class included in the Municipal System's target asset allocation as of June 30, 2021 are summarized in the following table:

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

The Police System

Valuation Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.75% (Net of Investment Expense)
Expected Remaining Service Lives	4 Years
Inflation	2.5% per Annum
Projected Salary Increases	Vary from 12.3% in the first two years of service, to 4.7% for years after
Cost-of-Living Adjustments	Only those previously granted

The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period July 1, 2014 through June 30, 2019 and review of similar law enforcement mortality. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the Police System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a set-back of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

Note 3. Retirement Plans (Continued)

Actuarial Assumptions (Continued)

The Police System (Continued)

The estimated 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. The long term expected nominal rate of return was 7.29% as of June 30, 2021.

Best estimates of real rates of return for each major asset class included in the Police System's target asset allocation as of June 30, 2021 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Equity	55.50%	3.47%
Fixed Income	30.50%	0.59%
Alternative	14.00%	1.01%
Total	100.00%	5.07%
Inflation		2.22%
Expected Arithmetic Nominal Return		7.29%

The Firefighters' System

Valuation Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.90% (Net of Investment Expense)
Expected Remaining Service Lives	7 Years
Inflation	2.5% per Annum
Projected Salary Increases	Vary from 14.1% in the first two years of service, to 5.2% with 3 or more
Cost-of-Living Adjustments	Only those previously granted

Note 3. Retirement Plans (Continued)

Actuarial Assumptions (Continued)

The Firefighters' System (Continued)

The mortality rate assumption used was set based upon an experience study performed on plan data for the period July 1, 2014 through June 30, 2019. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the Firefighter System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a set-back of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

The estimated 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. The long term expected nominal rate of return was 6.90% as of June 30, 2021.

Best estimates of real rates of return for each major asset class included in the Firefighters' System's target asset allocation as of June 30, 2021 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Equity	56.00%	6.42%
Fixed Income	26.00%	1.25%
Alternative	18.00%	7.80%
Other	0.00%	4.17%
Total	100.00%	

Discount Rate

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

Note 3. Retirement Plans (Continued)

Sensitivity of the Proportionate Share of the NPL to Changes in the Discount Rate
The following presents the City's proportionate share of the Net Pension Liability using the 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:

	1% Decrease	Current Discount Rate	1% Increase
The Municipal System			
Discount Rate	5.85%	6.85%	7.85%
City's Proportionate Share of the Net Pension Liability	$ 6,512,488	$ 4,397,206	$ 2,610,559
The Police System			
Discount Rate	5.75%	6.75%	7.75%
City's Proportionate Share of the Net Pension Liability	$ 5,109,628	$ 2,931,779	$ 1,114,011
The Firefighters' System			
Discount Rate	5.90%	6.90%	7.90%
City's Proportionate Share of the Net Pension Liability	$ 2,849,090	$ 1,485,119	$ 347,581

Support of Non-Employer Contributing Entities
Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The City recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended December 31, 2021, the City recognized revenue as a result of support received from non-employer contributing entities of $360,592. The Municipal System, Police System, and Firefighters' System received $117,964, $122,909, and $119,719, respectively, for their participation in the City's Pension and Relief Fund.

Pension Plan Fiduciary Net Position
The Municipal System, the Police System, and the Firefighters' System issue publicly available financial reports that include financial statements and required supplementary information for the systems. Detailed information about each system's fiduciary net position is available in these separately issued financial reports. These reports may be obtained by visiting the Louisiana Legislative Auditor's website at www.lla.la.gov and searching under the Reports section. The Police System's report may also be found at www.lampers.org. The Municipal System's report may also be found at www.mersla.com.

Payables to the Pension Plan
At December 31, 2021, the City had no payables to the pension plans.

Note 4. Postemployment Benefits other than Pensions

Plan Description

Plan Administration - The City of Covington's medical benefits are provided through a fully insured medical plan and are made available to employees upon actual retirement.

Management of the Plan is vested in the Plan's Board of Trustees (the Board), which consists of the Mayor, Chief Administrative Officer, Finance Director, and the members of the Finance Committee of the City Council for the City of Covington. The plan is a single -employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for all permanent full-time employees of the City.

Plan Membership - At December 31, 2021, the Plan's membership consisted of the following:

Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	30
Active Plan Members	131
Total	161

Benefits Provided - The employees are covered by one of three retirement systems: first, the Municipal Employees' Retirement System of Louisiana, whose retirement eligibility provisions are as follows: 25 years of service at any age; or, age 60 and 10 years of service; second, the Municipal Police Retirement System of Louisiana, whose retirement eligibility provisions are as follows: 25 years of service at any age; age 50 and 20 years of service; or, age 55 and 12 years of service; and, third, the Firefighters' Retirement System of Louisiana, whose retirement eligibility provisions are as follows: 25 years of service at any age; age 50 and 20 years of service; or, age 55 and 12 years of service.

Contributions - The City of Covington has the authority to establish and amend the contribution requirements of the City of Covington and the plan members. Plan members are not required to contribute to their post-employment benefits costs.

Investments

Investment Policy - The OPEB Trust was funded on December 7, 2020. As of December 31, 2021 the funds were invested as seen below. The board has selected Reliant Trust as an OEPB investment advisor. An investment policy has been established; however, the asset allocation policy will be determined once the investment advisor has been selected:

Asset Class	Target Asset Allocation
Equity	55%
Bonds	45%

Note 4. Postemployment Benefits other than Pensions (Continued)

Investments (Continued)

Concentrations - The Trust has over 5% invested in the following funds, U.S. Treasury Bonds, 10%, and FNMA, 18%.

Asset Class	Actual Asset Allocation
Agency Bonds	22.8%
Corporate Bonds	65.0%
Cash/Reserves	2.7%
U.S. Treasury Bonds	9.5%

Rate of Return - For the year ended December 31, 2021, the annual money-weighted rate of return on investments, net of investment expense, was -1.01%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The components of the net OPEB liability of the City of Covington at December 31, 2021, were as follows:

Total OPEB Liability	$ 9,983,123
Plan Fiduciary Net Position	1,083,604
Net OPEB Liability	$ 8,899,519
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	10.85%

Actuarial Assumptions - The total OPEB liability was determined by an actuarial valuation as of January 1, 2021, using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.0%
Projected Salary Increases	3.0%, including inflation
Discount Rate	2.12% annually
Healthcare Cost Trend Rates	5.5% annually

Note 4. Postemployment Benefits other than Pensions (Continued)

Investments (Continued)
The RP-2000 Table without projection with 50/50 percent unisex blend has been used. Projected future mortality improvement has not been used since it is our opinion that this table contains a substantial conservative margin for the population involved in this valuation.

The actuarial assumptions used in the January 1, 2021 valuation were based on the results of ongoing evaluations of the assumptions from October 1, 2006 to December 31, 2021 in addition to the Office of Group Benefits (OGB) assumptions.

The long-term expected rate of return on OPEB 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 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. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of December 31, 2021 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Domestic Equity	6.0%
Corporate Bonds	5.0%
Certificates of Deposit	1.0%
Cash	0.0%

This plan is a defined benefit OPEB plan which meets the requirements of paragraph 4 of GASB Statement No. 75 as of the beginning of the fiscal year ended December 31, 2021. However, a trust was established during 2018 and an initial contribution was made during that year funding and investment policies had not yet been fully implemented. Therefore, the discount rate was 2.06%, which is the value of the Bond Buyers' 20 year General obligation municipal bond index as of December 31, 2021, the measurement date at the end of the applicable measurement period.

Note 4. Postemployment Benefits other than Pensions (Continued)

Changes in the Net OPEB Liability

	Increases (Decreases)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Total OPEB Liability (a)-(b)
Balances at December 31, 2020	$ 11,978,370	$ 1,094,907	$ 10,883,463
Service Cost	345,877	-	345,877
Interest Cost at 2.06%	257,608	-	257,608
Difference between Expected and Actual Experience	(3,465,904)	-	(3,465,904)
Employer Contributions Trust	-	-	-
Net Investment Income (Loss)	-	(6,660)	6,660
Changes of Assumptions	1,090,383	-	1,090,383
Benefit Payments			
(a) From Trust	-	-	-
(b) Direct	(223,211)	-	(223,211)
Administrative Expense			
(a) From Trust	-	(4,643)	4,643
(b) Direct	-	-	-
Net Change	(1,995,247)	(11,303)	(1,983,944)
Balances at December 31, 2021	$ 9,983,123	$ 1,083,604	$ 8,899,519

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following represents the net OPEB liability of the City of Covington, as well as what the City of Covington's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.06%) or one percentage point higher (3.06%) than the current discount rate:

	1% Decrease (1.06%)	Current Discount Rate (2.06%)	1% Increase (3.06%)
Net OPEB Liability	$ 12,084,874	$ 8,889,519	$ 5,372,694

Note 4. Postemployment Benefits other than Pensions (Continued)

Changes in the Net OPEB Liability (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following represents the net OPEB liability of the City of Covington, as well as what the City of Covington's net OPEB liability would be if it were calculated using health care cost trend rates that are one percentage point lower (4.5%) or one percentage point higher (6.5%) than the current healthcare trend rates:

	1% Decrease (4.5%)	Ultimate Trend (5.5%)	1% Increase (6.5%)
Net OPEB Liability	$ 5,377,396	$ 8,889,519	$ 12,048,978

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

For the year ended December 31, 2021, the City recognized OPEB expense of $485,152. At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ 656,067	$ 3,043,015
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	21,541	2,932
Changes in Assumptions/Inputs	3,514,671	590,264
Total	$ 4,192,279	$ 3,636,211

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan for the year ended December 31, 2021 will be recognized in the expense as follows:

Year Ending December 31,	Amount
2022	$ 101,695
2023	98,083
2024	92,367
2025	93,344
2026	91,720
Thereafter	78,859
Total	$ 556,068

Note 5. Risk Management

The City has contracted with a commercial insurance company to provide liability coverage for general acts, law enforcement, and public officials' errors and omissions. The policy requires the City to pay for claims and costs up to $25,000 with maximum aggregate payments limited to $200,000. At December 31, 2021, no significant claims were owed and no liability has been recorded.

Note 6. Claims and Judgements

The City is a defendant in several lawsuits, which are currently pending. The City persists in its vigorous defense of these lawsuits and maintains that the defenses available should shield the City from liability or, at a minimum, preclude the amount of damages sought by the plaintiffs. The majority of the cases are covered by insurance and, in the opinion of legal counsel for the City the ultimate resolution of this litigation will not result in a significant liability to the City.

Note 7. Tax Abatement

St. Tammany Parish (the Parish) negotiates property tax abatement agreements on the City's behalf on an individual basis. Each agreement was negotiated for a variety of economic development purposes, including business relocation, retention, and expansion. The City has tax abatement agreements with four entities as of December 31, 2021:

- A manufacturing company, through an agreement negotiated with the Industrial Tax Exemption (ITE) program, has property assessed at $319,480 with exempt taxes of approximately $38,000. The ITE program may be granted to manufacturers located within the Parish. The ITE program abates, up to ten years, local property taxes on a manufacturer's new investment and annual capitalized additions related to the manufacturing sale.
- A hotel, through a Restoration Tax Abatement program, has property assessed at $450,000 with exempt taxes of approximately $54,000. The Restoration Tax Abatement may be grant ed to any commercial property owners or homeowners located within the Parish who expand, restore, improve or develop an existing structure in an economic development or historic district.
- A manufacturing company, through an agreement negotiated with the ITE program, has property assessed at $58,170 with exempt taxes of approximately $7,000. The ITE program may be granted to manufacturers located within the Parish. The ITE program abates, up to ten years, local property taxes on a manufacturer's new investment and annual capitalized additions related to the manufacturing sale.

The City is not subject to any tax abatement agreements entered into by other governmental entities other than the Parish. The Parish has not made any commitments as part of the agreements other than to reduce taxes.

Note 8. Restricted Assets

General Obligation Bond Restricted Assets (Debt Service)
An ordinance authorizing the issuance of $1,240,000 General Obligation Bonds dated February 1, 2002, which were defeased on November 2, 2011 for the issuance of $777,000 General Obligation Bonds, along with $5,285,000 General Obligation Bonds dated January 1, 2007, which were defeased on August 2, 2016 for the issuance of $3,890,000 General Obligation Refunding Bonds, together provide for certain restrictions on assets of the General Fund. The bond funding requirements provide that upon receipt of the proceeds of the ad valorem tax, the issuer has the responsibility for the deposit of such receipts in a debt service fund and such proceeds will be used to pay the principal and interest of the bonds' payments.

Garden of Pines (Perpetual Care)
An ordinance requires the establishment of a trust responsible for the general maintenance and care of the mausoleum. The original deposit of $24,955 must be kept intact in an income earning trust and the income can be used to make disbursements of $100 per month to the City for the care and maintenance of the mausoleum.

Note 9. Interfund Transfers

Transfers between funds consist primarily of sales tax revenues transferred out of the General Fund to the particular funds for which the sales tax revenue is to be used for debt service and capital outlay expenditures:

	Transfers In	Transfers Out
Governmental Activities		
General Fund	$ 21,583,535	$ 14,935,523
Special Revenue Funds		
A3 Sales Tax Fund	-	1,395,184
State and Federal Grants Fund	-	5,289,854
Debt Service Funds		
Sales Tax Bond Debt Service Fund	325,795	-
	21,909,330	21,620,561
Business-Type Activities		
Utility Fund	-	288,769
Total	$ 21,909,330	$ 21,909,330

Note 10. Equity in Pooled Cash

To the extent possible, cash is pooled into common pooled accounts in order to maximize investment opportunities. Each fund whose funds are deposited in the pooled cash accounts has equity therein. Pooled cash at December 31, 2021 is as follows:

	Amount
Governmental Activities	
General Fund	$ (10,721,367)
Special Revenue Funds	
A3 Sales Tax Fund	6,296,615
State and Federal Grants Fund	(2,621,914)
Drug Forfeiture	34,187
Tree Mitigation Fund	8,611
Capital Projects Funds	
Water Capacity	112,249
Waste Water Capacity	523,246
	(6,368,373)
Business-Type Activities	
Utility Fund	6,368,373
Total	$ -

Note 11. Due to/from Other Funds

The primary purpose of inter-fund receivables/payables is to loan funds from the General Fund to individual funds to cover current expenditures. The due to/from other funds are short-term receivables or payables resulting from the normal course of the City's operations. Individual fund balances due from/to other funds at December 31, 2021, are as follows:

	Interfund Receivables	Interfund Payables
Governmental Activities		
General Fund	$ 50,038	$ 22,000
Special Revenue Funds		
A3 Sales Tax Fund	-	2,652
State and Federal Grants Fund	-	1,366
Debt Service Funds		
General Obligation Debt Service Fund	-	3,000
Permanent Fund		
Garden of Pines Permanent Fund	-	32,403
	50,038	61,421
Business-Type Activities		
Utility Fund	22,000	10,617
Total	$ 72,038	$ 72,038

Note 12. Internal Balances

In the Government-wide statement of net position, the balances of the due to/from other funds (Note 12) and the equity in pooled cash (Note 11) are combined into a single line, internal balances. The following is the reconciliation for the amount shown on the statement of net position for internal balance at December 31, 2021:

	Governmental Activities	Business-Type Activities
Due from Other Funds	$ 50,038	$ 22,000
Due to Other Funds	(61,421)	(10,617)
(Deficit) Equity in Pooled Cash	(6,368,373)	6,368,373
Total	$ (6,379,756)	$ 6,379,756

Note 13. FHA Revolving Loan Fund

In prior years, the City was awarded grant funds under the Rural Business Enterprise Grant (CFDA #10.769) for the purpose of making loans to area businesses at low interest rates to promote economic development. The grant funds were to form a revolving loan fund where notes would be collected and new loans would be made.

The following is a recap of the cash flows of the revolving loan fund which is accounted for in the City's General Fund:

Restricted Cash and Cash Equivalents - December 31, 2020	$	248,297
Deletions		
New Loans Issued		-
Additions		
Principal Payments on Notes		4,116
Interest Payments on Notes		54
Interest on Cash Account		62
Restricted Cash and Cash Equivalents - December 31, 2021	$	252,529
Notes Receivable - December 31, 2021	$	-

Note 14. Operating Leases

The City leases copiers, equipment, and storage space from multiple parties. Future minimum lease payments due under these leases are $18,352 for the year ending December 31, 2022. The City also leases parking lots for public use on a month-to-month and yearly basis. There are no future minimum payments noted.

REQUIRED SUPPLEMENTARY INFORMATION (PART II)

CITY OF COVINGTON, LOUISIANA
Required Other Postemployment Benefits Supplementary Information
For the Year Ended December 31, 2021

Schedule of Investment Returns

	2021	2020	2019	2018
Annual Money Weighted Rate of Return, Net of Investment Expense	-1.01%	2.79%	0.61%	0.00%

Source: Regions Wealth Platform (RWP)

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

Schedule of City's Contributions

	2021	2020	2019	2018
Actuarially Determined Contribution	$ 839,878	$ 782,875	$ 561,104	$ 641,772
Contributions in Relation to the Actuarially Determined Contribution				
Employer Contributions to Trust	-	-	-	1,050,000
Employer-Paid Retiree Premiums	223,211	213,894	210,381	116,941
Total Contributions	223,211	213,894	210,381	1,166,941
Contribution Deficiency (Excess)	$ 616,667	$ 568,981	$ 350,723	$ (525,169)
Covered-Employee Payroll	$ 5,877,433	$ 5,468,435	$ 5,258,110	$ 5,376,452
Contributions as a Percentage of Covered-Employee Payroll	3.80%	3.91%	4.00%	21.70%

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

See independent auditor's report.

CITY OF COVINGTON, LOUISIANA
Schedule of City's Contributions to Pension Plans
For the Year Ended December 31, 2021

The Municipal System	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Contractually Required Contribution	$ 923,465	$ 899,612	$ 835,171	$ 771,786	$ 717,787	$ 625,486	$ 557,105	$ 539,797
Contributions in Relation to the Contractually Required Contribution	923,465	899,612	835,171	771,786	717,787	625,486	557,105	539,797
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's Covered Payroll	$ 3,245,402	$ 3,143,685	$ 3,009,624	$ 3,039,066	$ 3,024,599	$ 2,940,646	$ 2,820,787	$ 2,804,436
Contributions as a Percentage of Covered Payroll	28.45%	28.62%	27.75%	25.40%	23.73%	21.27%	19.75%	19.25%

The Police System	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Contractually Required Contribution	$ 566,304	$ 502,108	$ 501,345	$ 552,967	$ 526,234	$ 540,210	$ 490,167	$ 445,036
Contributions in Relation to the Contractually Required Contribution	566,304	502,108	501,345	552,967	526,234	540,210	490,167	445,036
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's Covered Payroll	$ 1,588,391	$ 1,515,453	$ 1,548,049	$ 1,755,544	$ 1,681,942	$ 1,561,694	$ 1,419,730	$ 1,275,014
Contributions as a Percentage of Covered Payroll	35.65%	33.13%	32.39%	31.50%	31.29%	34.59%	34.53%	34.90%

The Firefighters' System	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Contractually Required Contribution	$ 338,994	$ 295,717	$ 250,782	$ 262,537	$ 251,289	$ 258,903	$ 272,059	$ 280,598
Contributions in Relation to the Contractually Required Contribution	338,994	295,717	250,782	262,537	251,289	258,903	272,059	280,598
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's Covered Payroll	$ 963,848	$ 982,734	$ 923,122	$ 990,706	$ 1,042,519	$ 986,254	$ 963,150	$ 975,685
Contributions as a Percentage of Covered Payroll	35.17%	30.09%	27.17%	26.50%	24.10%	26.25%	28.25%	28.76%

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

See independent auditor's report.

CITY OF COVINGTON, LOUISIANA
Schedule of Proportionate Share of Net Position Liability
For the Year Ended December 31, 2021

The Municipal System	2021	2020	2019	2018	2017	2016	2015	2014
City's Portion of the Net Pension Liability	1.580874%	1.700005%	1.577123%	1.638340%	1.685030%	1.602460%	1.643521%	1.668320%
City's Proportionate Share of the Net Pension Liability	$ 4,397,206	$ 7,349,817	$ 6,590,263	$ 6,783,826	$ 7,049,195	$ 6,568,003	$ 5,870,914	$ 4,281,651
City's Covered Payroll	$ 3,262,633	$ 3,245,402	$ 2,913,696	$ 2,961,267	$ 3,030,352	$ 2,862,540	$ 2,805,094	$ 2,689,407
City's Proportionate Share of the Net Pension Liability as a Percentage of its of Covered Payroll	134.77%	226.47%	226.18%	229.09%	232.62%	229.45%	209.29%	159.20%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.82%	64.52%	64.68%	63.90%	62.50%	62.11%	66.18%	76.94%

The Police System	2021	2020	2019	2018	2017	2016	2015	2014
City's Portion of the Net Pension Liability	0.549996%	0.514037%	0.507229%	0.577690%	0.578550%	0.560620%	0.568431%	0.536795%
City's Proportionate Share of the Net Pension Liability	$ 2,931,779	$ 4,750,900	$ 4,606,489	$ 4,883,784	$ 5,050,978	$ 5,254,579	$ 4,453,063	$ 3,358,234
City's Covered Payroll	$ 1,863,216	$ 1,588,391	$ 1,584,018	$ 1,704,795	$ 1,626,838	$ 1,503,506	$ 1,347,463	$ 1,292,945
City's Proportionate Share of the Net Pension Liability as a Percentage of its of Covered Payroll	157.35%	299.10%	290.81%	286.47%	310.48%	349.49%	330.48%	259.74%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.09%	70.94%	71.00%	70.10%	70.10%	66.04%	70.73%	75.10%

The Firefighters' System	2021	2020	2019	2018	2017	2016	2015	2014
City's Portion of the Net Pension Liability	0.419069%	0.387149%	0.378677%	0.434260%	0.426240%	0.433230%	0.459625%	0.484880%
City's Proportionate Share of the Net Pension Liability	$ 1,485,119	$ 2,683,542	$ 2,371,241	$ 2,497,915	$ 2,443,120	$ 2,833,709	$ 2,480,648	$ 2,157,674
City's Covered Payroll	$ 963,127	$ 963,848	$ 913,291	$ 1,048,998	$ 995,201	$ 976,837	$ 976,788	$ 947,814
City's Proportionate Share of the Net Pension Liability as a Percentage of its of Covered Payroll	154.20%	278.42%	259.64%	238.12%	245.49%	290.09%	253.96%	227.65%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.78%	72.61%	74.00%	74.80%	73.50%	68.16%	62.70%	65.00%

The amounts presented for each fiscal year were determined as of the prior fiscal year ended.

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

See independent auditor's report.

CITY OF COVINGTON, LOUISIANA
Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended December 31, 2021

	2021	2020	2019	2018
Total OPEB Liability				
Service Cost	$ 345,877	$ 360,161	$ 211,866	$ 239,287
Interest Cost	257,608	261,077	283,358	254,560
Difference between Expected and Actual Experience	(3,465,904)	605,657	284,397	(14,113)
Changes in Assumptions	1,090,383	1,330,103	2,049,743	(804,905)
Benefit Payments	(223,211)	(213,984)	(210,381)	(116,941)
Net Change in OPEB Liability	(1,995,247)	2,343,014	2,618,983	(442,112)
Total OPEB Liability - Beginning	11,978,370	9,635,356	7,016,373	7,458,485
Total OPEB Liability - Ending (a)	9,983,123	11,978,370	9,635,356	7,016,373
Plan Fiduciary Net Position				
Contributions - Employer	-	-	-	1,050,000
Net Investment Income	(6,660)	34,004	14,467	-
Administrative Expense	(4,643)	(3,543)	(21)	-
Net Change in Plan Fiduciary Net Position	(11,303)	30,461	14,446	1,050,000
Plan Fiduciary Net Position - Beginning	1,094,907	1,064,446	1,050,000	-
Plan Fiduciary Net Position - Ending (b)	1,083,604	1,094,907	1,064,446	1,050,000
Total OPEB Liability - Ending (a) - (b)	$ 8,899,519	$ 10,883,463	$ 8,570,910	$ 5,966,373
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	10.85%	9.14%	11.05%	14.96%
Covered Employee Payroll	$ 5,877,433	$ 5,468,435	$ 5,258,110	$ 5,376,452
Net OPEB Liability as a Percentage of Covered-Employee Payroll	151.42%	199.02%	163.00%	110.97%

Notes to Schedule:
Benefit Changes. There were no changes of benefit terms for the year ended December 31, 2021.

Changes in Assumptions. The following discount rate was used in each period:

12/31/2018 - 4.10%
12/31/2019 - 2.74%
12/31/2020 - 2.12%
12/31/2021 - 2.06%

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

See independent auditor's report.

CITY OF COVINGTON, LOUISIANA
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable/ (Unfavorable)
Revenues				
Taxes				
Sales Taxes	$ 11,055,667	$ 11,055,667	$ 12,336,113	$ 1,280,446
Property Taxes	2,562,472	2,562,472	2,731,200	168,728
Franchise Taxes	794,500	794,500	768,835	(25,665)
Total Taxes	14,412,639	14,412,639	15,836,148	1,423,509
Licenses and Permits				
Insurance	680,000	680,000	708,543	28,543
Occupational	430,000	430,000	444,578	14,578
Building	150,000	150,000	409,666	259,666
Liquor and Beer	20,000	20,000	20,565	565
Filming	-	-	2,600	2,600
Total Licenses and Permits	1,280,000	1,280,000	1,585,952	305,952
Other Revenues				
Other Revenues	15,000	15,000	116,589	101,589
Legal Claims	-	-	5,509	5,509
LWCC	120,000	120,000	116,876	(3,124)
Donations	16,000	16,000	8,000	(8,000)
Accident Reports	7,000	7,000	9,874	2,874
Sale of Surplus	20,000	20,000	33,393	13,393
NSF Fees	75	75	25	(50)
Code Enforcement Liens	5,000	5,000	975	(4,025)
Total Other Revenues	183,075	183,075	291,241	108,166
Fines and Forfeitures				
Court Fines	1,000	1,000	1,537	537
DWI Fines	25,300	25,300	57,555	32,255
City Court Fee	9,000	9,000	16,561	7,561
Total Fines and Forfeitures	35,300	35,300	75,653	40,353
Charges for Services				
Greater Covington Center Rentals	65,000	65,000	59,025	(5,975)
Greater Covington Center Leases	4,800	4,800	4,800	-
Basketball Registration	2,000	2,000	245	(1,755)
Baseball Registration	2,000	2,000	525	(1,475)
Football Registration	2,000	2,000	550	(1,450)
Zoning Revenue	15,000	15,000	19,034	4,034
Park Rental	5,000	5,000	14,725	9,725
Rent Income	8,300	8,300	16,998	8,698
Cemetery Plot Sale	1,200	1,200	1,600	400
Event Ticket Sales	20,000	20,000	1,675	18,177
Old Firehouse Rent	10,000	10,000	23,300	36,354
Total Charges for Services	135,300	135,300	142,477	66,733
Intergovernmental Revenues				
Fire Insurance Premium Tax	39,000	39,000	38,996	(4)
School Resource Officer	91,100	91,100	96,700	5,600
District Court Witness Fees	1,000	1,000	-	(1,000)
Beer Tax	50,000	50,000	57,431	4,596
Crossing Guard	8,000	8,000	4,223	9,192
Total Intergovernmental Revenues	189,100	189,100	197,350	18,384
Interest and Penalties				
Interest on CDs	62,000	62,000	14,690	(47,310)
Interest on LAMP	50,000	50,000	1,968	(48,032)
Penalties	58,000	58,000	31,896	(26,104)
Total Interest and Penalties	170,000	170,000	48,554	(121,446)
Total Revenues	16,405,414	16,405,414	18,177,375	1,841,651

See independent auditor's report.

CITY OF COVINGTON, LOUISIANA
Budgetary Comparison Schedule
General Fund (Continued)
For the Year Ended December 31, 2021

Expenditures				
General Government Administration - Council				
Salaries	134,000	135,185	122,765	12,420
Payroll Related Benefits and Taxes	60,335	60,715	67,128	(6,413)
Advertising	8,000	8,000	14,319	(6,319)
Contract Services	13,500	13,500	5,802	7,698
Dues and Subscriptions	500	500	415	85
Meetings, Trainings, and Conventions	13,000	13,000	3,868	9,132
Office Supplies, General, and Uniforms	4,300	4,300	1,562	2,738
Small Office Furnishings and Equipment	500	1,000	-	1,000
Repairs and Maintenance	7,700	7,700	6,516	1,184
Operating Lease	2,520	2,520	1,856	664
Service Charge and Fees	500	500	-	500
Telephone - Cellular/Communication	2,880	2,880	3,060	(180)
Small Computer Equipment	1,250	1,250	20	1,230
Total Administration Council	248,985	251,050	227,311	23,739
General Government Administration - Mayor				
Salaries	90,669	90,669	90,990	(321)
Payroll Related Benefits and Taxes	40,590	40,590	37,640	2,950
Contract SVC	1,000	1,000	240	760
Dues and Subscriptions	-	-	428	(428)
Meetings and Conventions	8,000	8,000	4,696	3,304
Vehicle Allowance	9,000	9,000	9,000	-
Small Office Furnishings and Equipment	500	500	-	500
Office Supplies	3,000	3,000	-	3,000
Cell Phone	1,200	1,200	1,196	4
Total Administration Mayor	153,959	153,959	144,190	9,769
General Government Administration - Legal				
Professional Services	144,800	144,800	88,589	56,211
General Government - Administration				
Salaries	695,200	650,651	666,659	(16,008)
Payroll Related Benefits and Taxes	341,930	318,760	302,904	15,856
Professional Services	179,950	215,039	203,228	11,811
Repairs and Maintenance	68,700	52,067	47,633	4,434
Insurance	75,300	94,300	91,356	2,944
Office Supplies	66,500	34,500	20,501	13,999
Contract Services	49,100	154,969	106,735	48,234
Service Charges and Fees	4,500	4,500	-	4,500
Advertising	12,000	12,000	9,071	2,929
Dues and Subscriptions	6,200	6,200	2,323	3,877
Small Office Furnishings and Equipment	9,600	14,929	4,956	9,973
Computer Equipment	12,200	9,936	-	9,936
Election Expense	15,000	-	-	-
Gasoline	300	300	219	81
Rent	9,000	9,000	15,701	(6,701)
Operating Leases	22,520	22,520	19,866	2,654
Small Computer Equipment	17,150	17,150	6,903	10,247
Meetings and Conventions	20,000	16,500	8,960	7,540
Telephone	29,000	25,000	20,684	4,316
Land Improvements	-	40,033	-	40,033
Sheriff's Fees	138,040	138,040	164,397	(26,357)
Government Fees - Assessor	6,100	6,100	12,025	(5,925)
Bank Charges	34,500	34,500	32,469	2,031
Total Administration	1,812,790	1,876,994	1,736,590	140,404

See independent auditor's report.

CITY OF COVINGTON, LOUISIANA
Budgetary Comparison Schedule
General Fund (Continued)
For the Year Ended December 31, 2021

General Government - Engineering				
Salary	161,600	164,715	153,367	11,348
Payroll Related Benefits and Taxes	58,300	59,464	73,695	(14,231)
Professional Services	14,700	14,192	15,096	(904)
Office Supplies	6,475	6,475	2,200	4,275
Meetings, Trainings, and Conventions	2,000	2,000	150	1,850
Dues and Subscriptions	650	650	-	650
Insurance	2,200	2,200	1,520	680
Repairs and Maintenance	4,900	4,900	784	4,116
Small Office Furnishings and Equipment	230	230	225	5
Small Computer Equipment	3,840	3,840	-	3,840
Telephone	1,000	1,000	726	274
Gasoline	2,000	2,000	791	1,209
Operating Leases	3,840	3,840	3,676	164
Total Engineering	261,735	265,506	252,230	13,276
General Government - Planning and Zoning				
Salaries	116,900	143,999	114,956	29,043
Payroll Related Benefits and Taxes	54,690	66,584	52,782	13,802
Professional Services	9,500	9,128	4,264	4,864
Office Supplies	6,500	6,500	1,324	5,176
Contract Services	8,000	16,004	10,254	5,750
Advertising	10,000	10,000	6,488	3,512
Training and Education	4,000	4,000	119	3,881
Repairs and Maintenance	2,000	2,000	128	1,872
Operating Lease	2,700	2,700	2,146	554
Small Office Furnishings and Equipment	1,350	1,350	151	1,199
Small Computer Equipment	2,710	2,710	-	2,710
Telephone	2,800	2,800	2,763	37
Dues and Subscriptions	2,000	2,000	838	1,162
Total Planning and Zoning	223,150	269,775	196,213	73,562
General Government - Code Enforcement				
Salaries	70,450	71,488	38,808	32,680
Payroll Related Benefits and Taxes	23,050	23,415	21,369	2,046
Professional Services	2,500	2,464	982	1,482
Meetings, Trainings, and Conventions	750	750	-	750
Contract Services	30,000	30,000	6,835	23,165
Gasoline	700	700	461	239
Insurance	1,200	1,200	1,079	121
Telephone	1,100	1,100	528	572
Office Supplies	500	500	181	319
Repairs and Maintenance	1,500	1,500	158	1,342
Computer Equipment	420	420	-	420
Small Office Furnishings and Equipment	150	150	76	74
Operating Leases	2,100	2,100	1,815	285
Materials and Supplies	750	750	-	750
Total Code Enforcement	135,170	136,537	72,292	64,245
General Government - Building Permits				
Salaries	104,800	106,891	115,677	(8,786)
Payroll Related Benefits and Taxes	58,160	58,858	58,923	(65)
Professional Services	66,500	66,128	63,184	2,944
Repairs and Maintenance	3,250	3,250	916	2,334
Insurance	1,200	1,200	1,079	121
Office Supplies	8,000	8,000	5,330	2,670
Operating Leases	2,700	2,700	1,916	784
Telephone	900	900	840	60
Small Office Furnishings and Equipment	1,150	1,150	151	999
Small Computer Equipment	940	940	-	940
Meetings, Trainings, and Conventions	2,000	2,000	-	2,000
Dues and Subscriptions	1,000	1,000	450	550
Gasoline	1,200	1,200	495	705
Total Building Permits	251,800	254,217	248,961	5,256

See independent auditor's report.

CITY OF COVINGTON, LOUISIANA
Budgetary Comparison Schedule
General Fund (Continued)
For the Year Ended December 31, 2021

General Government - Trailhead				
Salaries	60,040	62,179	58,085	4,094
Payroll Related Benefits and Taxes	28,090	28,465	26,929	1,536
Contract Services	2,930	3,392	1,511	1,881
Gasoline	200	200	-	200
Insurance	9,840	9,840	10,585	(745)
Office Supplies	4,000	5,280	6,250	(970)
Repairs and Maintenance	21,500	12,575	12,492	83
Utilities	9,000	9,000	7,410	1,590
Small Office Furnishings and Equipment	1,500	1,500	1,494	6
Building	-	18,945	-	18,945
Small Tools and Equipment	2,930	2,930	1,990	940
Total Trailhead	140,030	154,306	126,746	27,560
General Government - Bogue Falaya Park				
Salaries	33,700	34,738	35,044	(306)
Payroll Related Benefits and Taxes	21,380	21,755	20,917	838
Professional Services	240	64	32	32
Gasoline	1,000	1,000	1,225	(225)
Insurance	4,000	4,000	3,431	569
Office Supplies	3,000	3,000	4,660	(1,660)
Utilities	3,400	3,400	6,291	(2,891)
Repairs and Maintenance	17,000	35,915	29,217	6,698
Telephone	1,200	1,200	1,040	160
Small Tools and Equipment	2,000	3,500	3,492	8
Materials and Supplies	5,000	5,000	5,012	(12)
Computer Equipment	210	210	-	210
Contract Services	1,200	1,200	1,030	170
Land Improvements	-	-	-	-
Equipment	28,000	32,000	-	32,000
Total Bogue Falaya Park	121,330	146,982	111,391	35,591
General Government - Firehouse Event Center				
Insurance	8,072	8,072	8,650	(578)
Office Supplies	1,000	-	-	-
Utilities	2,500	2,500	1,566	934
Repairs and Maintenance	13,000	2,170	2,985	(815)
Small Office Furnishings and Equipment	1,500	-	-	-
Contract Services	5,000	5,000	2,764	2,236
Materials and Supplies	1,000	1,000	886	114
Total Firehouse Event Center	32,072	18,742	16,851	1,891
General Government - Greater Covington Center				
Salaries	131,120	133,375	108,250	25,125
Payroll Related Benefits and Taxes	69,050	69,758	59,528	10,230
Contract Labor	32,000	23,700	19,963	3,737
Contract Services	8,930	8,192	6,866	1,326
Insurance	47,220	47,220	40,752	6,468
Bank Charges and Fees	-	-	10	(10)
Office Supplies	12,000	12,415	13,703	(1,288)
Office Furnishings and Equipment	1,000	1,000	-	1,000
Gasoline	600	600	877	(277)
Repairs and Maintenance	56,700	29,936	29,097	839
Small Tools and Equipment	3,000	5,300	5,468	(168)
Materials and Supplies	4,000	4,080	4,538	(458)
Telephone	2,000	2,000	1,808	192
Small Computer Equipment	3,490	3,490	300	3,190
Small Office Furnishings and Equipment	3,000	5,300	4,533	767
Meetings, Trainings, and Conventions	-	-	42	(42)
Utilities	55,900	55,900	58,991	(3,091)
Operating Leases	900	900	499	401
Building	-	10,000	-	10,000
Total Greater Covington Center	430,910	413,166	355,225	57,941
Total General Government	3,956,731	4,086,034	3,576,589	509,445

See independent auditor's report.

CITY OF COVINGTON, LOUISIANA
Budgetary Comparison Schedule
General Fund (Continued)
For the Year Ended December 31, 2021

Public Safety - Police				
Salaries	2,106,482	2,158,685	2,316,174	(157,489)
Payroll Related Benefits and Taxes	1,439,465	1,456,070	1,351,947	104,123
Materials and Supplies	10,000	5,500	4,762	738
Gasoline	55,000	71,666	87,790	(16,124)
Insurance	204,500	224,940	225,791	(851)
Repairs and Maintenance	69,000	73,700	57,556	16,144
Utilities	31,800	28,400	28,213	187
Office Supplies	58,300	57,175	50,981	6,194
Meetings, Trainings, and Conventions	80,000	45,200	40,342	4,858
Small Office Furnishings and Equipment	5,000	581	580	1
Small Computer Equipment	30,350	37,050	32,706	4,344
Professional Services	108,416	101,946	97,640	4,306
Small Tools and Equipment	188,727	157,582	112,566	45,016
Rent	-	25,200	21,000	4,200
Contract Services	267,658	275,628	302,135	(26,507)
Dues and Subscriptions	3,000	3,000	2,264	736
Advertising	1,000	1,000	-	1,000
Computer Equipment	-	47,315	-	47,315
Operating Leases	6,360	6,360	7,213	(853)
Vehicle Allowance	7,200	7,200	7,200	-
Telephone	46,000	46,000	45,014	986
Building	-	10,000	-	10,000
Vehicles	-	125,144	-	125,144
Total Public Safety - Police	4,718,258	4,965,342	4,791,874	173,468
Public Safety - Fire				
Salaries	1,175,300	1,198,952	1,259,425	(60,473)
Payroll Related Benefits and Taxes	836,980	845,294	803,868	41,426
Bank Charges and Fees	-	-	22	(22)
Utilities	18,800	18,800	16,687	2,113
Small Tools and Equipment	49,400	56,400	53,169	3,231
Small Computer Equipment	6,300	6,300	474	5,826
Small Office Furnishings and Equipment	2,000	1,769	1,769	-
Insurance	70,000	70,000	59,258	10,742
Repairs and Maintenance	84,700	82,568	65,661	16,907
Gasoline	25,000	22,500	17,822	4,678
Office Supplies	23,000	19,415	19,282	133
Operating Leases	1,500	1,500	1,558	(58)
Materials and Supplies	12,000	12,000	12,775	(775)
Garbage Collection	500	-	-	-
Vehicles	125,000	125,000	-	125,000
Telephone	14,800	14,800	12,567	2,233
Contract Services	82,804	81,387	70,700	10,687
Meetings, Trainings, and Conventions	35,600	39,003	37,792	1,211
Radios and Pagers	16,014	15,976	14,536	1,440
Equipment	8,500	8,500	-	8,500
Dues and Subscriptions	3,800	3,800	3,271	529
Vehicle Allowance	7,200	7,200	7,200	-
Building	15,000	15,000	-	15,000
Professional Services	47,350	47,350	48,351	(1,001)
Total Public Safety - Fire	2,661,548	2,693,514	2,506,187	187,327
Public Works				
Salaries	1,003,942	972,078	866,154	105,924
Payroll Related Benefits and Taxes	632,430	643,330	516,380	126,950
Professional Services	215,660	209,668	175,847	33,821
Bank Charges and Fees	-	-	34	(34)
Telephone	21,200	22,700	20,228	2,472
Utilities	260,800	260,800	256,892	3,908
Repairs and Maintenance	173,000	118,000	69,713	48,287
Materials and Supplies	150,000	240,000	161,673	78,327
Rent	1,500	1,500	-	1,500
Gasoline	70,000	70,000	72,136	(2,136)
Small Office Furnishings and Equipment	4,600	4,600	2,129	2,471
Small Computer Equipment	10,000	10,000	875	9,125

See independent auditor's report.

CITY OF COVINGTON, LOUISIANA
Budgetary Comparison Schedule
General Fund (Continued)
For the Year Ended December 31, 2021

Insurance	63,900	88,900	93,685	(4,785)
Office Supplies	49,048	47,548	30,675	16,873
Contract Services	40,000	40,000	5,191	34,809
Small Tools and Equipment	11,500	11,500	6,181	5,319
Contract Labor	52,800	1,360,014	4,410,694	(3,050,680)
Garbage Collection	-	-	336	(336)
Dues and Subscriptions	1,200	1,200	540	660
Meetings, Trainings, and Conventions	5,000	5,000	659	4,341
Operating Leases	5,000	5,000	4,490	510
Drainage	200,000	285,000	-	285,000
Ditch Grading	-	200,000	-	200,000
Engineering Fees	265,000	170,000	-	170,000
Equipment	40,000	40,000	-	40,000
Streets	555,000	505,000	-	505,000
Sidewalks	-	8,532	-	8,532
Bridges	-	30,000	-	30,000
Computer Equipment	5,700	5,700	-	5,700
Total Public Works	3,837,280	5,356,070	6,694,512	(1,338,442)
Culture and Recreation				
Salaries	339,991	352,926	240,881	112,045
Payroll Related Benefits and Taxes	127,580	128,993	97,116	31,877
Materials and Supplies	50,000	47,695	44,590	3,105
Utilities	34.800	34.800	35.139	(339)
Contract Labor	26,000	22,000	6,792	15,208
Professional Services	9,575	5,783	5,426	357
Repairs and Maintenance	35.000	35.000	15.053	19.947
Insurance	15,250	15,250	15,198	52
Office Supplies	17,500	17,500	7,959	9,541
Contract Services	114,900	107,205	94,123	13,082
Service Charges and Fees	3,000	3,000	-	3,000
Pool Operations	8,500	8,500	5,727	2,773
Small Tools and Equipment	8,300	8,300	1,672	6,628
Small Computer Equipment	5,950	5,950	-	5,950
Telephone	5.810	5.810	8.520	(2.710)
Meetings, Trainings, and Conventions	8,000	8,000	2,342	5,658
Advertising	22.550	22.550	22.961	(411)
Dues and Subscriptions	2,320	2,320	1,010	1,310
Small Office Furnishings and Equipment	2.500	2.500	2.819	(319)
Gasoline	1,850	1,850	2,642	(792)
Operating Leases	3,300	3,300	5,249	(1,949)
Farmer's Market	13,008	13,008	13,008	-
Computer Equipment	850	850	-	850
Building	-	13,000	-	13,000
Land Improvements	110,000	141,180	-	141,180
Rent	1,500	1,500	253	1,247
Total Culture and Recreation	968,034	1,008,770	628,480	380,290
Capital Outlay				
Capital Outlay	-	1,561,225	2,225,080	(663,855)
Capital Lease				
Payment	208,155	208,155	189,248	18,907
Interest	-	-	18,907	(18,907)
Total Capital Lease	208,155	208,155	208,155	-
Total Expenditures	16,350,006	19,879,110	20,630,877	(751,767)
Excess (Deficiency) of Revenues Over Expenditures	55,408	(3,473,696)	(2,453,502)	2,593,418
Other Financing Sources				
Proceeds from Capital Lease	-	-	300,895	(300,895)
Transfers In	11,535,817	11,535,817	21,583,535	(10,047,718)
Transfers Out	(12,153,403)	(12,153,403)	(14,935,523)	2,782,120
Total Other Financing Sources (Uses)	(617,586)	(617,586)	6,948,907	(7,566,493)
Net Change in Fund Balance	$ (562,178)	$ (4,091,282)	4,495,405	$ (4,973,075)
Fund Balance, Beginning of Year			11,154,707	
Fund Balance, End of Year			$ 15,650,112	

See independent auditor's report.

CITY OF COVINGTON, LOUISIANA
Budgetary Comparison Schedule
Annexation Area (A3) Sales Tax Fund
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable/ (Unfavorable)
Revenues				
Taxes				
Sales Taxes	$ 3,196,889	$ 3,196,889	$ 3,795,804	$ 598,915
Interest and Penalties	55,000	55,000	20,625	(34,375)
Total Revenues	3,251,889	3,251,889	3,816,429	564,540
Expenditures				
General Government	36,764	36,764	43,871	(7,107)
Capital Outlay	1,226,070	1,262,834	660,585	602,249
Total Expenditures	1,262,834	1,299,598	704,456	595,142
Excess (Deficiency) of Revenues Over Expenditures	1,989,055	1,952,291	3,111,973	1,159,682
Other Financing Sources (Uses)				
Transfers Out	(1,500,000)	(1,500,000)	(1,395,184)	104,816
Total Other Financing Sources (Uses)	(1,500,000)	(1,500,000)	(1,395,184)	104,816
Net Change in Fund Balance	$ 489,055	$ 452,291	1,716,789	$ 1,264,498
Fund Balance, Beginning of Year			4,843,850	
Fund Balance, End of Year			$ 6,560,639	

See independent auditor's report.

CITY OF COVINGTON, LOUISIANA
Budgetary Comparison Schedule
State and Federal Grants Fund
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable/ (Unfavorable)
Revenues				
State and Federal Grants	$ 2,295,070	$ 2,295,070	$ 5,706,092	$ 3,411,022
Total Revenues	2,295,070	2,295,070	5,706,092	3,411,022
Expenditures				
Capital Outlay	3,332,632	3,332,632	255,818	3,076,814
Total Expenditures	3,332,632	3,332,632	255,818	3,076,814
Excess (Deficiency) of Revenues Over Expenditures	(1,037,562)	(1,037,562)	5,450,274	6,487,836
Other Financing Sources (Uses)				
Transfers Out	1,037,562	1,037,562	(5,289,854)	(6,327,416)
Total Other Financing Sources (Uses)	1,037,562	1,037,562	(5,289,854)	(6,327,416)
Net Change in Fund Balance	$ -	$ -	160,420	$ 160,420
Fund Balance, Beginning of Year			172,353	
Fund Balance, End of Year			$ 332,773	

See independent auditor's report.

Note 1. Budgetary Information

The City adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

a) Prior to September of each year, the City prepares a proposed budget for the next succeeding fiscal year and submits it to the Council. The recommended budget includes proposed expenditures and the sources of receipts to finance them.

b) Public hearings are conducted at City Hall.

c) Prior to the last meeting of the current fiscal year, the budget is enacted through passage of an ordinance and becomes the basis for the millage levied by the Council.

d) The Mayor is authorized to transfer budgeted amounts between line items within a department; however, any revisions that alter the total expenditures of any department must be approved by the Council. Expenditures may not exceed legal appropriations at the department level. All appropriations lapse at year end.

e) Formal budgetary integration is employed as a management control device during the year for the General Fund, the Special Revenue Funds, Debt Service Funds, and Capital Outlay Funds. Formal budgetary integration is not employed for the Garden of Pines Permanent Fund and the Tree Mitigation Fund because projects are approved individually.

f) Budgets are legally adopted on a basis consistent with GAAP except for transfers and debt service.

g) The budgetary comparison schedule shown in the accompanying required supplementary information presents comparisons of the legally adopted budget, as amended, with actual results. The originally adopted budget is presented for purposes of comparison to the final, amended budget.

Note 2. Pension Schedules

Plan Changes in Benefit Terms

There have been no changes in benefits since the prior valuation of all three pension plans.

Note 2. Pension Schedules (Continued)

Changes of Assumptions

For Municipal Employees' Retirement System for the valuation year ended June 30, 2021, the investment rate of return decreased from 6.95% to 6.85%. For Municipal Employees' Retirement System for the valuation year ended June 30, 2020, the investment rate of return decreased from 7% to 6.95%. For Municipal Employees' Retirement System for the valuation year ended June 30, 2019, the investment rate of return decreased from 7.275% to 7% and the rate of inflation decreased from 2.6% to 2.5%. For the valuation year ended June 30, 2018, the investment rate of return decreased from 7.4% to 7.275% and the rate of inflation decreased from 2.775% to 2.6%. For the valuation year ended June 30, 2017, the investment rate of return decreased from 7.5% to 7.4% and the rate of inflation decreased from 2.875% to 2.775%. For the valuation year ended June 30, 2015, the investment rate of return decreased from 7.75% to 7.5%, the rate for projected salary increases decreased from 5.75% to 5.0%, and the rate of inflation decreased from 3.0% to 2.875%.

For Municipal Police Employees' Retirement System for the valuation year ended June 30, 2021, the investment rate of return decreased from 6.95% to 6.75%. For Municipal Police Employees' Retirement System for the valuation year ended June 30, 2020, the investment rate of return decreased from 7.125% to 6.95%. For Municipal Police Employees' Retirement System for the valuation year ended June 30, 2019, the investment rate of return decreased from 7.2% to 7.125% and the inflation rate decreased from 2.6%to 2.5%. For the valuation year ended June 30, 2018, the investment rate of return decreased from 7.33% to 7.20% and the inflation rate decreased from 2.70% to 2.60%. For the valuation year ended June 30, 2017, the investment rate of return decreased from 7.5% to 7.33% and the inflation rate decreased from 2.875% to 2.70%. For the valuation year ended June 30, 2015, the inflation rate decreased from 3% to 2.875%.

For Firefighters' Retirement System for the valuation year ended June 30, 2020, the investment rate of return decreased from 7.00% to 6.90%. For Firefighters' Retirement System for the valuation year ended June 30, 2020, the investment rate of return decreased from 7.15% to 7.00%. For Firefighters' Retirement System for the valuation year ended June 30, 2019, the investment rate of return decreased from 7.3% to 7.15% and the inflation rate decreased from 2.7% to 2.5%. For the valuation year ended June 30, 2018, the investment rate of return decreased from 7.40% to 7.30% and the inflation rate decreased from 2.775% to 2.70%. For the valuation year ended June 30, 2017, the investment rate of return decreased from 7.50% to 7.40% and the inflation rate decreased from 2.875% to 2.775%. For the valuation year ended June 30, 2015, the inflation rate decreased from 3% to 2.875%.

OTHER SUPPLEMENTARY INFORMATION

CITY OF COVINGTON, LOUISIANA
Combining Balance Sheet
Non-Major Governmental Funds
December 31, 2021

	Debt Service Funds		Permanent	Special Revenue Funds		Capital Project Funds		
	General Obligation Debt Service Fund	Sales Tax Bond Debt Service Fund	Garden of Pines Permanent Fund	Drug Forteiture Fund	Tree Mitigation Fund	Water Capacity Treatment Fund	Waste-Water Capacity Treatment Fund	Total Non-Major Governmental
Assets								
Cash and Cash Equivalents	$ 278,221	$ 48,873	$ 35,540	$ -	$ -	$ -	$ -	$ 362,634
Equity in Pooled Cash	-	-	-	34,187	8,611	112,249	523,246	678,293
Certificates of Deposit	-	277,500	24,955	-	-	-	-	302,455
Receivables								
Property Taxes	476,614	-	-	-	-	-	-	476,614
Total Assets	$ 754,835	$ 326,373	$ 60,495	$ 34,187	$ 8,611	$ 112,249	$ 523,246	$ 1,819,996
Liabilities and Fund Balances								
Liabilities								
Accounts Payable	$ -	$ -	$ -	$ -	$ -	$ 1,736	$ 9,139	$ 10,875
Due to Other Funds	3,000	-	32,403	-	-	-	-	35,403
Total Liabilities	3,000	-	32,403	-	-	1,736	9,139	46,278
Fund Balances								
Nonspendable								
Permanent Fund	-	-	24,955	-	-	-	-	24,955
Restricted for:								
Perpetual Care	-	-	3,137	-	-	-	-	3,137
Debt Services	751,835	326,373	-	-	-	-	-	1,078,208
Drug Forfeiture	-	-	-	34,187	-	-	-	34,187
Tree Mitigation	-	-	-	-	8,611	-	-	8,611
Committed								
Capital Outlay	-	-	-	-	-	110,513	514,107	624,620
Unrestricted	-	-	-	-	-	-	-	-
Total Fund Balances	751,835	326,373	28,092	34,187	8,611	110,513	514,107	1,773,718
Total Liabilities and Fund Balances	$ 754,835	$ 326,373	$ 60,495	$ 34,187	$ 8,611	$ 112,249	$ 523,246	$ 1,819,996

See independent auditor's report.

CITY OF COVINGTON, LOUISIANA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended December 31, 2021

	Debt Service Funds		Permanent	Special Revenue Funds		Capital Project Funds		
	General Obligation Debt Service Fund	Sales Tax Bond Debt Service Fund	Garden of Pines Permanent Fund	Drug Forteiture Fund	Tree Mitigation Fund	Water Capacity Treatment Fund	Waste-Water Capacity Treatment Fund	Total Non-Major Governmental
Revenues								
Property Taxes	$ 557,353	$ -	$ -	$ -	$ -	$ -	$ -	$ 557,353
Charges for Services	-	-	-	-	-	13,312	69,999	83,311
Interest and Penalties	20	256	-	10	6	18	101	411
Total Revenues	557,373	256	-	10	6	13,330	70,100	641,075
Expenditures								
Current								
General Government	440	21	-	-	-	-	-	461
Debt Service								
Principal	472,000	325,000	-	-	-	-	-	797,000
Interest	45,175	6,793	-	-	-	-	-	51,968
Total Expenditures	517,615	331,814	-	-	-	-	-	849,429
Excess (Deficiency of Revenues Over Expenditures	39,758	(331,558)	-	10	6	13,330	70,100	(208,354)
Other Financing Sources (Uses)								
Transfers In	-	325,795	-	-	-	-	-	325,795
Net Other Financing Sources (Uses)	-	325,795	-	-	-	-	-	325,795
Net Change in Fund Balances	39,758	(5,763)	-	10	6	13,330	70,100	117,441
Fund Balances, Beginning of Year	712,077	332,136	28,092	34,177	8,605	97,183	444,007	1,656,277
Fund Balances, End of Year	$ 751,835	$ 326,373	$ 28,092	$ 34,187	$ 8,611	$ 110,513	$ 514,107	$ 1,773,718

See independent auditor's report.

DEBT SERVICE FUNDS

Debt Service Funds are used to accumulate monies for the payment of principal, interest, and fiscal charges for the City's outstanding bonded debt.

General Obligation Debt Service Fund - This fund was created to account for the annual principal and interest of the general obligation bonded debt.

Sales Tax Bond Debt Service Fund - This fund was created to account for the annual principal and interest of the sales tax secured debt.

PERMANENT FUND

Permanent Funds are used to account for funds that are required to be kept in perpetual trust.

Garden of Pines Permanent Fund - This fund was created to account for the trust responsible for the general maintenance and care of the mausoleum. The original deposit must be kept intact.

SPECIAL REVENUE FUNDS

Drug Forfeiture Fund - This fund was created in 2017 to account for all expenditures in connection with drug forfeiture revenues.

Tree Mitigation Fund - This fund was created in 2017 to account for all expenditures in connection with fees collected for tree mitigation.

CAPITAL PROJECTS FUNDS

Water Capacity Treatment Fund - This fund was created in 2016 to account for all resources and expenditures in connection with the City's water system improvements.

Waste-Water Capacity Treatment Fund - This fund was created in 2016 to account for all resources and expenditures in connection with the City's wastewater system improvements.

CITY OF COVINGTON, LOUISIANA
Budgetary Comparison Schedule
General Obligation Debt Service Fund
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable/ (Unfavorable)
Revenues				
Taxes				
Property Taxes	$ 480,150	$ 480,150	$ 557,353	$ 77,203
Interest and Penalties	50	50	20	(30)
Total Revenues	480,200	480,200	557,373	77,173
Expenditures				
Current				
General Government	400	400	440	(40)
Debt Service				
Principal	472,000	472,000	472,000	-
Interest	45,175	45,175	45,175	-
Total Expenditures	517,575	517,575	517,615	(40)
Excess (Deficiency) of Revenues Over Expenditures	(37,375)	(37,375)	39,758	77,133
Net Change in Fund Balance	$ (37,375)	$ (37,375)	39,758	$ 77,133
Fund Balance, Beginning of Year			712,077	
Fund Balance, End of Year			$ 751,835	

See independent auditor's report.

CITY OF COVINGTON, LOUISIANA
Budgetary Comparison Schedule
Sales Tax Bond Debt Service Fund
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable/ (Unfavorable)
Revenues				
Taxes				
Interest and Penalties	$ 2,100	$ 2,100	$ 256	$ (1,844)
Total Revenues	2,100	2,100	256	(1,844)
Expenditures				
Current				
General Government	-	-	21	(21)
Debt Service				
Principal	325,000	325,000	325,000	-
Interest	6,793	6,793	6,793	-
Total Expenditures	331,793	331,793	331,814	(21)
Excess (Deficiency) of Revenues Over Expenditures	(329,693)	(329,693)	(331,558)	(1,865)
Other Financing Sources (Uses)				
Transfers In	332,799	332,799	325,795	(7,004)
Net Change in Fund Balance	$ 3,106	$ 3,106	(5,763)	$ (8,869)
Fund Balance, Beginning of Year			332,136	
Fund Balance, End of Year			$ 326,373	

See independent auditor's report.

CITY OF COVINGTON, LOUISIANA
Budgetary Comparison Schedule
Garden of Pines Permanent Fund
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable/ (Unfavorable)
Revenues				
Taxes				
Interest and Penalties	$ -	$ -	$ -	$ -
Total Revenues	-	-	-	-
Expenditures				
Current				
Public Works	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
Net Change in Fund Balance	$ -	$ -	-	$ -
Fund Balance, Beginning of Year			28,092	
Fund Balance, End of Year			$ 28,092	

See independent auditor's report.

CITY OF COVINGTON, LOUISIANA
Budgetary Comparison Schedule
Drug Forfeiture Fund
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable/ (Unfavorable)
Revenues				
Fines and Forfeitures				
Interest and Penalties	$ -	$ -	$ 10	$ 10
Total Revenues	-	-	10	10
Excess (Deficiency) of Revenues Over Expenditures	-	-	10	10
Net Change in Fund Balance	$ -	$ -	10	$ 10
Fund Balance, Beginning of Year			34,177	
Fund Balance, End of Year			$ 34,187	

See independent auditor's report.

CITY OF COVINGTON, LOUISIANA
Budgetary Comparison Schedule
Tree Mitigation Fund
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable/ (Unfavorable)
Revenues				
Interest and Penalties	$ -	$ -	$ 6	$ 6
Total Revenues	-	-	6	6
Excess (Deficiency) of Revenues Over Expenditures	-	-	6	6
Net Change in Fund Balance	$ -	$ -	6	$ 6
Fund Balance, Beginning of Year			8,605	
Fund Balance, End of Year			$ 8,611	

See independent auditor's report.

CITY OF COVINGTON, LOUISIANA
Budgetary Comparison Schedule
Water Capacity Treatment Fund
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable/ (Unfavorable)
Revenues				
Charges for Services	$ 20,000	$ 20,000	$ 13,312	$ (6,688)
Interest and Penalties	500	500	18	(482)
Total Revenues	20,500	20,500	13,330	(7,170)
Excess (Deficiency) of Revenues Over Expenditures	20,500	20,500	13,330	(7,170)
Net Change in Fund Balance	$ 20,500	$ 20,500	13,330	$ (7,170)
Fund Balance, Beginning of Year			97,183	
Fund Balance, End of Year			$ 110,513	

See independent auditor's report.

CITY OF COVINGTON, LOUISIANA
Budgetary Comparison Schedule
Waste-Water Capacity Treatment Fund
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable/ (Unfavorable)
Revenues				
Charges for Services	$ 80,000	$ 80,000	$ 69,999	$ (10,001)
Interest and Penalties	1,500	1,500	101	(1,399)
Total Revenues	81,500	81,500	70,100	(11,400)
Excess (Deficiency) of Revenues Over Expenditures	81,500	81,500	70,100	(11,400)
Net Change in Fund Balance	$ 81,500	$ 81,500	70,100	$ (11,400)
Fund Balance, Beginning of Year			444,007	
Fund Balance, End of Year			$ 514,107	

See independent auditor's report.

CITY OF COVINGTON, LOUISIANA
Schedule of Council Compensation
For the Year Ended December 31, 2021

Council Members	Term of Office	Compensation
Joey Roberts	May 2018 - current	$ 10,800
Larry Rolling	July 2015 - current	10,800
Cody Ludwig	July 2019 - current	10,800
Peter Lewis	July 2019 - current	10,800
Mark Verret	July 2019 - current	10,800
John Botsford	July 2019 - current	10,800
Rick Smith	July 2015 - current	10,800
Total Council Compensation		$ 75,600

See independent auditor's report.

CITY OF COVINGTON, LOUISIANA
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended December 31, 2021

Agency Head
Mark R. Johnson, Mayor

Purpose	Amount
Salary	$90,669
Benefits - Insurance	$9,035
Benefits - Retirement	$26,747
Benefits - Other	$4,616
Car Allowance	$9,000
Cell Phone	$600
Other	$558

See independent auditor's report.

CITY OF COVINGTON, LOUISIANA
Justice System Funding Schedule - Collecting/Disbursing Entity
As Required by Act 87 of the 2020 Regular Legislative Session - Cash Basis Presentation
For the Six-Month Periods Ended June 30, 2021 and December 31, 2021

Entity Name	City of Covington
LLA Entity ID # (This is the ID number assigned to the entity by the Legislative Auditor for identification purposes.)	2165
Date that reporting period ended (mm/dd/yyyy)	Friday, December 31, 2021

Cash Basis Presentation	**First 6 months ended 06/30/2021**	**Second 6 months ended 12/31/2021**
Beginning Balance of Amounts Collected (i.e. cash on hand)	-	-
Add: Collections		
Traffic Ticket Fees	44,146	74,428
Criminal Court Costs/Fees	-	-
Criminal Fines - Contempt	-	-
Criminal Fines - Other	-	-
Subtotal Collections	**44,146**	**74,428**
Less: Disbursements To Governments & Nonprofits: (*Must include one agency name and one collection type on each line and may require multiple lines for the same agency if more than one collection type is applicable. Additional rows may be added as necessary.*)		
LA Commission on Law Enforcement - Court Fees	386	665
Indigent Defender Board - Court Fees	8,505	14,490
Florida Parishes Juvenile Justice Commission - Court Fees	945	1,605
Trial Court Case Management Information System - Court Fees	567	963
Louisiana Traumatic Head and Sprinal Cord Injury Trust Fund - Court Fees	280	600
Crimestoppers, Inc - Court Fees	378	642
St. Tammany Sherrif - Court Fees	1,890	3,180
Louisiana Supreme Court - Court Fees	85	155
Less: Amounts Retained by Collecting Agency		
Court Fines	20,573	36,207
Police Report Fees	4,177	5,695
City Court Fee	6,360	10,201
NSF Fee	-	25
Subtotal Disbursements/Retainage	44,146	74,428
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	-	-
Ending Balance of "Partial Payments" Collected but not Disbursed (*only applies if collecting agency does not disburse partial payments until fully collected*) - *This balance is included in the Ending Balance of Amounts Collected but not Disbursed/Retained*	-	-

See independent auditor's report.

STATISTICAL SECTION

CITY OF COVINGTON, LOUISIANA
Statistical Section
Table of Contents

This part of the City of Covington's 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 City's overall financial health.

Contents	**Tables**
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	1 - 5
Revenue Capacity These schedules contain information to help the reader assess the City's property tax.	6 - 10
Debt Capacity 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.	11 - 15
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	16 - 17
Operating Information 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.	18 - 20

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

CITY OF COVINGTON, LOUISIANA
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

Table 1

	Fiscal Year									
	2021	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**
Governmental Activities										
Net Investment in Capital Assets	$ 31,241,825	$ 30,292,215	$ 28,310,163	$ 25,477,548	$ 23,051,733	$ 21,362,467	$ 18,519,019	$ 17,029,735	$ 14,051,675	$ 10,963,044
Restricted	1,816,660	1,692,222	1,449,985	1,804,406	1,595,170	1,266,366	5,218,131	5,121,612	5,492,166	5,878,390
Unrestricted	5,506,004	(1,993,150)	(2,084,725)	(2,506,238)	62,767	385,497	(1,132,977)	4,953,099	4,984,304	2,955,180
Total Governmental Activities Net Position	$ 38,564,489	$ 29,991,287	$ 27,675,423	$ 24,775,716	$ 24,709,670	$ 23,014,330	$ 22,604,173	$ 27,104,446	$ 24,528,145	$ 19,796,614
Business-Type Activities										
Net Investment in Capital Assets	$ 24,579,024	$ 24,608,548	$ 24,405,436	$ 22,917,753	$ 22,689,820	$ 22,870,664	$ 22,311,124	$ 22,109,454	$ 22,033,851	$ 22,599,871
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	3,839,198	3,148,548	2,878,968	3,136,403	3,253,676	2,083,644	1,980,260	2,429,351	1,793,519	1,189,702
Total Business-Type Activities Net Position	$ 28,418,222	$ 27,757,096	$ 27,284,404	$ 26,054,156	$ 25,943,496	$ 24,954,308	$ 24,291,384	$ 24,538,805	$ 23,827,370	$ 23,789,573
Primary Government										
Net Investment in Capital Assets	$ 55,820,849	$ 54,900,763	$ 52,715,599	$ 48,395,301	$ 45,741,553	$ 44,233,131	$ 40,830,143	$ 39,139,189	$ 36,085,526	$ 33,562,915
Restricted	1,816,660	1,692,222	1,449,985	1,804,406	1,595,170	1,266,366	5,218,131	5,121,612	5,492,166	5,878,390
Unrestricted	9,345,202	1,155,398	794,243	630,165	3,316,443	2,469,141	847,283	7,382,450	6,777,823	4,144,882
Total Primary Government Net Position	$ 66,982,711	$ 57,748,383	$ 54,959,827	$ 50,829,872	$ 50,653,166	$ 47,968,638	$ 46,895,557	$ 51,643,251	$ 48,355,515	$ 43,586,187

Source: Comprehensive Annual Financial Reports

CITY OF COVINGTON, LOUISIANA
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

Table 2

	Fiscal Year									
	2021	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**
Expenses										
Governmental Activities										
General Government	$ 3,259,607	$ 4,219,873	$ 4,034,415	$ 3,352,924	$ 4,038,234	$ 4,769,296	$ 4,668,943	$ 3,486,965	$ 3,794,356	$ 4,000,021
Public Safety - Police	5,041,075	4,534,911	4,773,793	4,663,107	4,563,093	5,006,714	3,882,644	4,040,778	3,886,455	3,946,313
Public Safety - Fire	2,768,922	2,525,136	2,367,913	2,147,667	2,305,524	2,526,229	1,879,036	1,889,585	1,747,521	1,770,518
Public Works	8,420,816	3,810,148	3,619,009	3,468,910	3,295,665	3,082,316	2,539,709	2,512,339	2,312,901	2,180,001
Culture and Recreation	771,273	747,883	844,901	900,389	1,095,418	541,513	458,504	547,055	757,640	803,635
Interest on Long-Term Debt	82,407	78,486	123,555	106,937	123,302	117,453	229,043	246,632	442,827	319,774
Total Governmental Activities Expense	20,344,100	15,916,437	15,763,586	14,639,934	15,421,236	16,043,521	13,657,879	12,723,354	12,941,700	13,020,262
Business-Type Activities										
Water	1,438,531	2,524,833	1,560,160	1,741,357	1,612,340	1,486,619	1,932,925	1,921,567	1,857,583	1,823,929
Sewer	2,591,764	2,826,649	2,459,697	2,396,349	2,399,537	2,280,164	1,565,892	1,582,093	1,690,685	1,719,964
Garbage	1,010,495	992,160	942,259	822,539	790,005	767,388	684,886	649,894	659,800	727,783
Total Business-Type Activities Expense	5,040,790	6,343,642	4,962,116	4,960,245	4,801,882	4,534,171	4,183,703	4,153,554	4,208,068	4,271,676
Total Primary Government Expenses	25,384,890	22,260,079	20,725,702	19,600,179	20,223,118	20,577,692	17,841,582	16,876,908	17,149,768	17,291,938
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	1,783,302	1,467,832	1,331,387	1,658,114	1,320,913	1,501,344	-	-	-	-
Public Safety - Police	75,653	62,823	60,838	61,740	78,493	103,222	-	-	-	-
Public Works	83,311	104,446	101,817	-	21,907	19,329	26,468	27,349	17,402	172,124
Culture and Recreation	142,477	69,535	103,255	272,055	229,464	85,431	105,114	104,647	86,529	-
Operating Grants and Contributions										
General Government	4,959,226	-	33	51,414	4,711	21,128	13,724	-	2,293,734	204,253
Public Safety - Police	-	87,004	4,003	24,263	25,135	44,875	28,221	46,059	146,840	168,375
Public Safety - Fire	-	87,004	-	5,262	-	10,424	-	4,324	51,854	63,850
Public Works	-	-	13,455	56,451	18,410	173,124	-	-	-	-
Culture and Recreation	-	1,366	5,000	1,000	5,750	-	-	-	-	2,753
Capital Grants and Contributions										
General Government	-	-	230,992	-	-	75,005	25,000	142,207	1,364	20,048
Public Safety - Police	-	116,884	-	-	-	44,795	-	-	29,877	1,070
Public Safety - Fire	-	-	198,096	-	2,130	71,979	-	-	-	285,532
Public Works	500,000	14,000	8,541	3,097	590,078	81,883	472,944	50,853	239,070	7,795
Culture and Recreation	246,866	-	250,000	-	-	2,436	139,791	15,209	-	-
Total Governmental Activities Program Revenues	7,790,835	2,010,894	2,307,417	2,133,396	2,296,991	2,234,975	811,262	390,648	2,866,670	925,800
Business-Type Activities										
Charges for Services										
Water	2,064,623	1,750,857	1,751,694	1,568,834	1,462,483	1,438,457	1,406,118	1,329,090	1,328,553	1,262,419
Sewer	2,415,401	2,112,508	1,945,078	1,902,523	1,793,771	1,725,651	1,706,001	1,611,462	1,591,966	1,375,189
Garbage	1,028,268	976,460	953,630	884,599	836,508	799,028	774,651	734,984	736,864	683,106
Total Business-Type Activities Program Revenues	5,508,292	4,839,825	4,650,402	4,355,956	4,092,762	3,963,136	3,886,770	3,675,536	3,657,383	3,320,714
Total Primary Government Program Revenues	13,299,127	6,850,719	6,957,819	6,489,352	6,389,753	6,198,111	4,698,032	4,066,184	6,524,053	4,246,514

CITY OF COVINGTON, LOUISIANA
Changes in Net Position (Continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

Table 2

	Fiscal Year Ended December 31,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Net (Expense) Revenue										
Governmental Activities	(12,553,265)	(13,905,543)	(13,456,169)	(12,506,538)	(13,124,245)	(13,808,546)	(12,846,617)	(12,332,706)	(10,075,030)	(12,094,462)
Business-Type Activities	467,502	(1,503,817)	(311,714)	(604,289)	(709,120)	(571,035)	(296,933)	(478,018)	(550,685)	(950,962)
Total Primary Government Net Expense	(12,085,763)	(15,409,360)	(13,767,883)	(13,110,827)	(13,833,365)	(14,379,581)	(13,143,550)	(12,810,724)	(10,625,715)	(13,045,424)
General Revenues and Other Changes in Net Position:										
Governmental Activities										
Taxes										
Sales Taxes	16,131,917	13,664,106	12,862,905	12,429,707	11,973,167	10,874,639	10,750,947	10,796,315	10,356,610	10,277,805
Property Taxes	3,288,553	3,184,627	2,979,826	2,866,280	2,852,243	2,774,300	2,638,760	2,619,670	2,496,702	2,433,574
Franchise Taxes	768,835	672,277	788,684	825,019	763,357	774,406	786,218	775,089	748,346	655,994
Licenses and Permits	-	-	-	-	-	-	1,433,599	1,311,592	1,451,406	1,248,790
Fines and Forfeitures	-	-	-	-	-	-	86,020	481,808	90,881	105,856
Interest	69,590	74,683	368,914	197,327	88,099	57,007	32,197	82,585	38,408	44,530
Other General Revenues	291,241	399,764	581,834	761,177	518,983	805,950	475,066	31,401	212,690	269,047
Special Item - Loss/Gain on Disposed Assets	-	-	8,531	48,042	-	(142,591)	-	-	-	24,207
Special Item - Law Suit Settlement	-	-	-	-	-	-	1,469,800	-	-	-
Non-Employer Contribution Revenue	327,562	304,460	279,032	299,191	292,756	280,471	278,908	-	-	-
Benefit Payments	-	-	-	100,135	-	-	-	-	-	-
Transfers	288,769	(2,118,510)	(1,513,850)	(2,350,837)	(1,669,020)	(1,205,479)	(1,275,484)	(1,189,453)	(588,482)	(633,824)
Capital Contributions	-	-	-	-	-	-	-	-	-	1,500,000
Total Governmental Activities	21,166,467	16,181,407	16,355,876	15,176,041	14,819,585	14,218,703	16,676,031	14,909,007	14,806,561	15,925,979
Business-Type Activities										
Other General Revenues	1,141	-	-	-	-	-	-	-	-	-
Transfers	(288,769)	2,116,735	-	-	1,669,020	1,205,479	1,275,484	1,189,453	588,482	633,824
Non-Employer Contribution Revenue	33,031	31,385	28,112	29,711	29,288	28,480	29,276	-	-	-
Benefit Payments	-	-	-	16,807	-	-	-	-	-	-
Capital Contributions	-	(171,611)	1,513,850	1,300,837	-	-	-	-	-	-
Total Business-Type Activities	(254,597)	1,976,509	1,541,962	1,347,355	1,698,308	1,233,959	1,304,760	1,189,453	588,482	633,824
Total Primary Government	20,911,870	18,157,916	17,897,838	16,523,396	16,517,893	15,452,662	17,980,791	16,098,460	15,395,043	16,559,803
Change in Net Position										
Governmental Activities	8,613,202	2,275,864	2,899,707	2,669,503	1,695,340	410,157	3,829,414	2,576,301	4,731,531	3,831,517
Business-Type Activities	212,905	472,692	1,230,248	743,066	989,188	662,924	1,007,827	711,435	37,797	(317,138)
Total Primary Government	$ 8,826,107	$ 2,748,556	$ 4,129,955	$ 3,412,569	$ 2,684,528	$ 1,073,081	$ 4,837,241	$ 3,287,736	$ 4,769,328	$ 3,514,379

CITY OF COVINGTON, LOUISIANA **Table 3**
General Governmental Tax Revenues by Source
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

Fiscal Year	Sales Tax	Property Tax	Total
2021	$ 16,131,917	$ 3,288,553	$ 19,420,470
2020	13,664,106	3,184,627	16,848,733
2019	12,862,905	2,979,826	15,842,731
2018	12,429,707	2,866,280	15,295,987
2017	11,973,167	2,852,243	14,825,410
2016	10,874,639	2,774,300	13,648,939
2015	10,750,947	2,638,760	13,389,707
2014	10,796,315	2,619,670	13,415,985
2013	10,356,610	2,496,702	12,853,312
2012	10,277,805	2,433,574	12,711,379

Source: Annual Comprehensive Financial Reports

CITY OF COVINGTON, LOUISIANA
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

Table 4

	Fiscal Year									
	2021	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**
General Fund										
Nonspendable	$ 82,260	$ 80,260	$ 87,549	$ 102,447	$ 79,509	$ -	$ -	$ -	$ -	$ 365
Restricted	252,529	284,522	254,243	253,254	255,515	253,853	287,655	521,987	253,219	250,540
Committed	-	-	-	-	-	-	1,209,809	176,089	440,795	2,004,594
Assigned	5,568,305	4,820,741	4,649,413	3,590,934	6,347,449	5,594,298	2,102,610	2,036,859	1,972,837	2,090,993
Unassigned	9,747,018	5,969,184	5,782,918	7,874,558	4,841,225	3,319,642	5,351,571	4,379,657	3,695,549	1,125,879
Total General Fund	$ 15,650,112	$ 11,154,707	$ 10,774,123	$ 11,821,193	$ 11,523,698	$ 9,167,793	$ 8,951,645	$ 7,114,592	$ 6,362,400	$ 5,472,371
All Other Governmental Funds										
Nonspendable	$ 24,955	$ 24,955	$ 24,955	$ 24,955	$ 24,955	$ 24,955	$ 24,955	$ 24,955	$ 24,955	$ 24,955
Restricted	1,456,916	1,262,485	1,083,238	1,423,750	1,235,191	1,012,513	4,930,476	4,845,653	5,238,947	5,627,850
Committed	7,185,259	5,385,040	5,252,822	3,149,972	2,619,805	1,536,553	2,332,731	1,751,713	2,496,138	1,302,560
Unreserved, Reported in:										
Special Revenue	-	-	-	-	-	3,757,786	-	-	-	-
Other	-	-	-	-	1,245,844	-	-	-	-	-
Total All Other Governmental Funds	$ 8,667,130	$ 6,672,480	$ 6,361,015	$ 4,598,677	$ 5,125,795	$ 6,331,807	$ 7,288,162	$ 6,622,321	$ 7,760,040	$ 6,955,365

CITY OF COVINGTON, LOUISIANA **Table 5**

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year									
	2021	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**
Revenues										
Sales Tax	$ 16,131,917	$ 13,664,106	$ 12,862,905	$ 12,429,707	$ 11,973,167	$ 10,874,639	$ 10,750,947	$ 10,796,315	$ 10,356,610	$ 9,211,667
Property Taxes	3,288,553	3,184,627	2,979,826	2,866,280	2,852,243	2,774,300	2,638,760	2,619,670	2,496,702	2,433,574
Franchise Tax	768,835	672,277	788,684	825,019	763,357	774,406	786,218	775,089	748,346	655,994
Licenses and Permits	1,585,952	1,450,972	1,315,026	1,658,114	1,320,913	1,501,344	1,433,599	1,311,592	1,451,406	1,248,790
Other Revenues	291,241	212,726	398,369	459,132	251,211	544,009	258,747	288,327	210,698	260,018
Fines and Forfeitures	75,653	62,823	60,838	61,740	78,493	103,222	86,020	82,585	90,881	105,856
Charges for Service	225,788	190,841	221,433	272,055	251,371	104,760	131,582	131,996	103,931	172,124
Intergovernmental Revenue	197,350	187,038	183,456	250,160	243,152	247,058	216,097	192,061	175,782	184,718
Interest and Penalties	69,590	99,499	368,914	197,327	88,099	57,007	32,197	31,401	38,408	44,530
Assessments	-	-	-	-	-	-	-	1,420	1,992	10,099
State and Federal Grants	5,706,092	306,258	479,137	142,007	722,116	525,649	654,680	117,652	339,298	480,663
Capital Contributions	-	-	-	-	-	-	25,000	141,000	-	1,500,000
Refunding Bonds Issued	-	-	-	-	-	3,890,000	-	-	-	-
Total Revenues	28,340,971	20,031,167	19,658,588	19,161,541	18,544,122	21,396,394	17,013,847	16,489,108	16,014,054	16,308,033
Expenditures										
Current										
General Government	3,620,921	3,492,483	3,330,355	3,303,834	3,055,652	3,539,055	3,687,722	3,154,400	3,029,758	2,864,072
Public Safety - Police	4,791,874	4,085,820	4,147,875	4,221,709	3,979,187	4,129,928	3,708,863	3,833,969	3,663,528	3,691,879
Public Safety - Fire	2,506,187	2,113,584	2,062,857	1,988,244	1,993,993	1,916,090	1,810,928	1,791,226	1,653,723	1,675,284
Public Works	6,694,512	2,170,629	2,104,898	2,006,127	2,034,887	1,849,987	1,819,738	1,872,988	1,713,165	1,756,179
Culture and recreation	628,480	605,145	698,334	751,614	860,503	301,743	361,491	329,695	536,379	583,569
Sewer Department	-	-	-	44,327	18,785	17,245	-	-	-	-
Water Department	-	-	-	18,100	-	1,463	-	-	-	-
Garbage Department	-	-	-	-	-	178,958	-	-	-	-
Capital Outlay	3,141,483	3,703,972	5,015,166	3,911,767	2,967,045	4,323,372	2,486,317	3,829,821	2,206,866	3,129,789
Capital Outlay - Utility	-	-	-	-	-	-	-	-	-	-
Capital Lease										
Principal	189,248	208,155	177,608	-	-	-	-	-	-	-
Interest	18,907	-	30,547	-	-	-	-	-	-	-
Debt Service										
Principal	797,000	774,000	746,000	722,000	693,000	693,673	600,000	575,000	551,000	525,000
Interest	51,968	66,820	81,180	94,974	116,777	139,109	231,739	249,103	266,781	282,220
Refunding Bond Issuance Costs	-	-	-	-	-	-	-	-	-	-
Payments on Claims and Judgements	-	-	-	30,000	30,000	30,000	30,000	137,410	137,410	137,410
Payment to Escrow Account	-	-	-	-	-	3,825,382	-	-	-	-
Total Expenditures	22,440,580	17,220,608	18,394,820	17,092,696	15,749,829	20,946,005	14,736,798	15,773,612	13,758,610	14,645,402
Excess (Deficiency) of Revenues Over Expenditures	5,900,391	2,810,559	1,263,768	2,068,845	2,794,293	450,389	2,277,049	715,496	2,255,444	1,662,631

CITY OF COVINGTON, LOUISIANA **Table 5**

Changes in Fund Balances of Governmental Funds (Continued)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year									
	2021	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**
Other Financing Sources (Uses)										
Transfers In	21,909,330	1,735,063	1,956,664	11,552,430	12,060,133	7,269,605	7,101,607	7,022,566	6,945,422	9,068,749
Transfers Out	(21,620,561)	(3,853,573)	(3,470,514)	(13,903,266)	(13,729,153)	(8,475,084)	(8,377,091)	(8,212,019)	(7,533,904)	(9,702,573)
Proceeds from the Sale of Capital Assets	-	-	18,156	52,368	24,620	14,883	31,529.00	88,430	27,742	24,207
Proceeds on Debt Issuance	-	-	-	-	-	-	-	-	-	-
Debt Service - Principal	-	-	-	-	-	-	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	-	-	-	-	-
Lawsuit Settlement	-	-	-	-	-	-	1,469,800	-	-	-
Proceeds from Capital Lease	300,895.00	-	947,194	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	589,664	(2,118,510)	(548,500)	(2,298,468)	(1,644,400)	(1,190,596)	225,845	(1,101,023)	(560,740)	(609,617)
Net Change in Fund Balances	$ 6,490,055	$ 692,049	$ 715,268	$ (229,623)	$ 1,149,893	$ (740,207)	$ 2,502,894	$ (385,527)	$ 1,694,704	$ 1,053,014
Debt Service as a Percentage of Noncapital Expenditures	4.40%	6.22%	6.18%	6.20%	6.33%	5.01%	6.79%	6.90%	7.08%	7.01%

Source: Annual Comprehensive Financial Reports

CITY OF COVINGTON, LOUISIANA **Table 6**
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Real Estate Assessed Value	Commercial and Other Property Assessed Value	Total Assessed Value	Total Direct Tax Rate
2021	$ 141,040,183	$ 23,448,124	$ 164,488,307	20.01
2020	140,264,673	23,809,294	164,073,967	20.01
2019	121,388,186	25,103,346	146,491,532	21.00
2018	118,824,868	22,972,415	141,797,283	21.00
2017	114,948,380	23,491,262	138,439,642	21.24
2016	110,701,663	23,954,850	134,656,513	21.24
2015	103,511,814	23,143,457	126,655,271	21.50
2014	100,278,064	23,606,777	123,884,841	21.80
2013	95,946,008	22,123,667	118,069,675	21.80
2012	93,846,399	20,591,617	114,438,016	22.00

Source: Information obtained from St. Tammany Parish Assessor's Office.

CITY OF COVINGTON, LOUISIANA **Table 7**

Property Tax Rates - Direct And Overlapping Governments

Last Ten Fiscal Years

(Unaudited)

				Overlapping Rates						
	City of Covington			Parish		Service District				Total
Fiscal Year	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Total Parish Millage	Operating Millage	Debt Service Millage	Total School Millage	Special Districts	Direct and Overlapping Rates
2021	16.51	3.50	20.01	34.80	34.80	45.35	16.65	62.00	0.00	116.81
2020	16.51	3.50	20.01	35.13	35.13	45.35	16.65	62.00	0.00	117.14
2019	17.50	3.50	21.00	37.72	37.72	45.62	16.79	62.41	0.00	121.13
2018	17.50	3.50	21.00	36.69	36.69	45.62	18.79	64.41	0.00	122.10
2017	17.24	4.00	21.24	36.67	36.67	45.62	19.79	65.41	1.44	124.76
2016	17.24	4.00	21.24	36.26	36.26	45.62	20.79	66.41	1.44	125.35
2015	17.50	4.00	21.50	37.47	37.47	47.28	20.9	68.18	1.50	128.65
2014	17.50	4.30	21.80	35.91	35.91	47.28	20.9	68.18	1.50	127.39
2013	17.50	4.30	21.80	34.87	34.87	47.28	20.9	68.18	1.50	126.35
2012	17.50	4.50	22.00	34.87	34.87	47.28	20.9	68.18	1.50	126.55

Source: St. Tammany Parish Assessor's Office

CITY OF COVINGTON, LOUISIANA
Principal Property Taxpayers
Current Year and Nine Years Ago
(Unaudited)

Table 8

Taxpayer	Type of Business	December 31, 2021 Assessed Valuation	Rank	Percentage of Total Assessed Valuation	December 31, 2012 Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Central LA Electric Co	Utility	$ 3,243,310	1	22.74%	$ 3,058,810	2	25.57%
Reagan Crossing LLC	Apartments	2,820,520	2	19.77%			
Bell South Communications	Telecommunications	1,642,234	3	11.52%			
Atmos Energy Corporation	Natural Gas	1,385,845	4	9.72%	673,048	7	5.63%
Testiga Properties, LLC	Real Estate	1,095,777	5	7.68%			
Hancock Whitney Bank #1116	Banking	940,180	6	6.59%			
Capital One NA.	Banking	936,860	7	6.57%	949,890	4	7.94%
RobCo LLC	Real Estate	747,719	8	5.24%			
Medstate, LLC	Software	731,954	9	5.13%	691,669	6	5.78%
WHS LLC	Accounting Firm	719,097	10	5.04%			
AT&T Southeast Tax Dept.					3,067,537	1	25.65%
Delta Supply Chain Operations					1,023,700	3	8.56%
Forest Manor Corp					593,168	9	4.96%
Covington Commons, LLC					737,416	5	6.16%
Testiga Properties, LLC					611,752	8	5.11%
Rouses Land Co					554,609	10	4.64%
Total		$ 14,263,496		100.00%	$ 11,961,599		100.00%

Source: St. Tammany Parish Assessor's Office

CITY OF COVINGTON, LOUISIANA **Table 9**
Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Collections for Prior Years	Total Collections	Ratio of Total Collections to Tax Levy (1)
2021	$ 3,288,553	$ 3,188,893	97.0	$ 1,002	$ 3,189,895	97.0
2020	3,277,430	3,181,380	97.1	3,247	3,184,627	97.2
2019	3,075,275	2,978,602	96.9	1,224	2,979,826	96.9
2018	2,977,749	2,863,883	96.2	2,397	2,866,280	96.3
2017	2,940,457	2,850,044	96.9	2,199	2,852,243	97.0
2016	2,860,103	2,766,649	96.7	7,651	2,774,300	97.0
2015	2,720,372	2,631,109	96.7	7,651	2,638,760	97.0
2014	2,700,691	2,612,608	96.7	7,062	2,619,670	97.0
2013	2,573,920	2,488,725	96.7	7,977	2,496,702	97.0
2012	2,508,839	2,428,858	96.8	4,716	2,433,574	97.0

Sources: St. Tammany Parish Sheriff's Office and the City of Covington Finance Department

(1) Total collections include redemptions.

CITY OF COVINGTON, LOUISIANA **Table 10**
Principal Sales Tax Payers
Current Year and Nine Years Ago
(Unaudited)

	December 31, 2021			December 31, 2012		
Taxpayer	**Sales Tax Collections**	**Rank**	**Percentage of Total Sales Tax Collections**	**Sales Tax Collections**	**Rank**	**Percentage of Total Sales Tax Collections**
Motor Vehicles	$ 712,470	1	4.24%	$ 357,413	2	3.88%
Grocery/Discount Retailer 1	566,279	2	3.37%	418,210	1	4.54%
Grocery/Discount Retailer 2	537,713	3	3.20%	338,068	3	3.67%
Internet/Retailer	477,220	4	2.84%			
Grocery/Discount Retailer 3	468,818	5	2.79%	329,778	4	3.58%
Grocery/Discount Retailer 4	463,777	6	2.76%	203,578	5	2.21%
Pharmaceutical Wholesale	448,654	7	2.67%			
Grocery/Discount Retailer 5	341,111	8	2.03%	121,594	9	1.32%
Retail Pharmacies and Drug Stores 1	314,226	9	1.87%	194,366	6	2.11%
Retail Computer Software	299,103	10	1.78%			
Grocery/Discount Retailer 6						
Retail Pharmacies and Drug Stores 2				122,515	8	1.33%
Full Service Restaurants 1				138,175	7	1.50%
Retail Pharmacies and Drugstores 3				120,673	10	1.31%
Total	$ 4,629,376		27.55%	$ 2,344,370		25.45%

Source: Based on Sales Tax Collections, compiled by St. Tammany Parish Sheriff's Office

CITY OF COVINGTON, LOUISIANA **Table 11**
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	General Obligation Bonds	Sales Tax Revenue Bonds	Community Disaster Loan	Total Primary Government Debt	(1) Percentage of Total Personal Income	(1) Total Debt Per Capita
2021	$ 2,425,000	$ -	$ -	$ 2,425,000	(2)	$ 9.06
2020	2,897,000	325,000	-	3,222,000	(2)	16.85
2019	3,356,000	640,000	-	3,996,000	(2)	15.34
2018	3,797,000	945,000	-	4,742,000	(2)	18.28
2017	4,229,000	1,235,000	-	5,464,000	(2)	21.47
2016	4,637,000	1,520,000	-	6,157,000	(2)	24.30
2015	4,856,000	1,790,000	-	6,646,000	(2)	27.04
2014	5,196,000	2,050,000	-	7,246,000	(2)	29.90
2013	5,521,000	2,278,106	-	7,799,106	(2)	32.57
2012	5,817,925	2,492,458	1,800,900	10,111,283	0.09%	42.40

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

(1) See the Schedule of Demographic Statistics, Table 16, for personal income and population data.

CITY OF COVINGTON, LOUISIANA **Table 12**
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	(2) General Obligation Bonds	(3) Resources Restricted for Repayment of Debt	Net Debt	Net Debt Per Capital	(1) Percentage of Net Debt to Estimated Actual Value
2021	$ 2,425,000	$ 712,078	$ 1,712,922	$ 145.16	1.04%
2020	2,897,000	714,677	2,182,323	188.72	1.33%
2019	3,356,000	707,122	2,648,878	253.14	1.81%
2018	3,797,000	715,560	3,081,440	292.25	2.17%
2017	4,229,000	677,950	3,551,050	351.94	2.57%
2016	4,637,000	637,097	3,999,903	404.15	2.97%
2015	4,856,000	632,874	4,223,126	443.93	3.33%
2014	5,196,000	646,607	4,549,393	511.40	3.67%
2013	5,521,000	664,689	4,856,311	554.06	4.11%
2012	5,817,925	698,510	5,119,415	619.33	4.47%

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

(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property, Table 6, for assessed value data and actual value.

(2) Amount does not include special assessment, sales tax, or revenue bonds.

(3) Amount available for repayment of general obligation bonds.

CITY OF COVINGTON, LOUISIANA **Table 13**
Computation of Direct and Overlapping
Governmental Activities Debt
December 31, 2021
(Unaudited)

Governmental Unit	Gross Debt Outstanding (2)	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes			
St. Tammany Parish	$ 88,325,834	5%	$ 4,416,292
St. Tammany Parish School Board	253,848,167	5%	12,692,408
Subtotal Overlapping Debt			17,108,700
City of Covington Direct Debt		100%	3,122,898
Total Direct and Overlapping Debt			$ 20,231,598

Source: St. Tammany Parish Annual Comprehensive Financial Report

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 Covington. This process recognizes that, when considering the government'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.

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

(2) Amounts available as of December 31, 2021 for St. Tammany Parish and June 30, 2021 for St. Tammany Parish School Board.

CITY OF COVINGTON, LOUISIANA **Table 14**
Computation of Legal Debt Margin Information
December 31, 2021
(Unaudited)

Fiscal Year	Assessed Value (1)	Debt Limit of Thirty-Five Percent (35%) of Assessed Value (2)	Less: Total Bonded Debt (3)	Legal Debt Margin	Legal Debt Margin as a % of the Debt Limit
2021	$ 164,488,307	$ 57,570,907	$ 1,712,922	$ 55,857,985	97.02%
2020	164,073,967	57,425,888	2,182,323	55,243,565	96.20%
2019	146,491,532	51,272,036	2,648,878	48,623,158	94.83%
2018	141,797,283	49,629,049	3,081,440	46,547,609	93.79%
2017	138,439,642	48,453,875	3,551,050	44,902,825	92.67%
2016	134,656,513	47,129,780	3,999,903	43,129,877	91.51%
2015	126,655,271	44,329,345	4,223,126	40,106,219	90.47%
2014	123,884,841	43,359,694	4,549,393	38,810,301	89.51%
2013	118,069,675	41,324,386	4,856,311	36,468,075	88.25%
2012	114,438,016	40,053,306	5,119,415	34,933,891	87.22%

Sources:

(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property, Table 6, for assessed value data.

(2) Legal debt limit of 35% is established by Louisiana Revised Statute Title 39, Section 562.

(3) Annual Comprehensive Financial Reports

CITY OF COVINGTON, LOUISIANA **Table 15**
Pledged-Revenue Coverage
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Sales Tax Bonds				
	Sales Tax Revenue	Debt Service			
		Principal	Interest	Total	Coverage
2021	$ 16,131,917	$ 325,000	$ 6,793	$ 331,793	48.62
2020	13,664,106	315,000	13,376	328,376	41.61
2019	12,862,905	305,000	19,751	324,751	39.61
2018	12,429,707	290,000	25,812	315,812	39.36
2017	11,973,167	285,000	31,768	316,768	37.80
2016	10,874,639	270,000	37,412	307,412	35.37
2015	10,750,947	260,000	42,845	302,845	35.50
2014	10,796,315	250,000	48,070	298,070	36.22
2013	10,356,610	245,000	53,191	298,191	34.73
2012	10,277,805	230,000	57,836	287,836	35.71

Source: Annual Comprehensive Financial Reports

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

CITY OF COVINGTON, LOUISIANA **Table 16**
Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	City of Covington Population (1)	St. Tammany Parish Population (1)	City of Covington Total Personal Income (1)	City of Covington per Capita Personal Income (1)	Unemployment Rate (3)	St. Tammany Parish School Enrollment (4)	Median Age (2)
2021	$ 11,800	$ 267,653	*	*	5.1%	$ 36,820	*
2020	11,564	191,268	*	*	5.7%	37,213	*
2019	10,464	260,419	*	*	2.6%	38,542	*
2018	10,544	259,414	*	*	4.9%	38,549	*
2017	10,090	254,508	*	*	4.3%	38,681	*
2016	9,897	253,364	516,207,511	52,158	5.1%	38,439	*
2015	9,513	245,829	539,053,515	56,665	5.7%	38,193	*
2014	8,896	242,333	489,120,092	54,982	5.1%	38,044	*
2013	8,765	239,453	436,911,785	49,847	5.2%	37,857	*
2012	8,266	238,478	389,878,608	47,167	5.2%	37,508	*

Note: The City of Covington is located within St. Tammany Parish.

* Information not available.

Sources:
(1) St. Tammany Parish Economic Development Foundation
(2) Estimates - Louisiana Tech University for the U.S. Bureau of Census
(3) Louisiana Department of Labor
(4) St. Tammany Parish School Board - October 1 enrollment

CITY OF COVINGTON, LOUISIANA **Table 17**
Principal Employers
Current Year and Nine Years Ago
(Unaudited)

	2021			2012		
Employer	**Employees**	**Rank**	**% of Total St. Tammany Parish Employment**	**Employees**	**Rank**	**% of Total St. Tammany Parish Employment**
St. Tammany Parish School Board	5,823	1	5.18%	4,063	1	3.82%
St. Tammany Health System	2,500	2	2.23%	1,324	2	1.25%
Slidell Memorial Hospital	994	3	0.88%	1,150	3	1.08%
St. Tammany Parish Sheriff's Office	691	4	0.62%	715	5	0.67%
St. Tammany Parish Government	589	5	0.52%	697	6	0.66%
AVALA Hospital	336	6	0.30%		N/A	
City of Slidell	328	7	0.29%	332	10	0.31%
Gilsbard, LLC	309	8	0.28%		N/A	
Marc Jones Construction, LLC	276	9	0.25%		N/A	
Christwood Retirement Community	215	10	0.19%		N/A	
Ochsner Health System				816	4	0.77%
Textron Systems Marine & Land				619	7	0.58%
Southeast Louisiana Hospital				558	8	0.52%
Lakeview Regional Medical Center				498	9	0.47%
TOTAL - 10 LARGEST EMPLOYERS	12,061		10.74%	10,772		10.13%
TOTAL - ALL OTHER EMPLOYERS	100,261		89.26%	95,552		89.87%
TOTAL - ALL EMPLOYERS	112,322		100%	106,324		100%

Note: Information listed is for St. Tammany Parish.

Sources:
2021 information: Book of Lists 2021-2022, New Orleans City Business
2012 information: Book of Lists 2012-2012, New Orleans City Business

CITY OF COVINGTON, LOUISIANA **Table 18**
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years
(Unaudited)

	December 31,									
	2021	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**
General Government										
Council	8	8	8	8	8	8	8	8	8	8
Administrative (1)	14	20	16	13	12	11	11	10	9	9
Facilities	4	3	1	5	4	*	*	*	*	*
Permits	2	2	1	2	2	2	2	2	2	2
Planning	2	1	1	2	2	2	2	2	2	2
Economic Development	-	0	0	0	0	7	9	8	7	7
Engineer	2	2	1	2	2	2	2	2	1	1
Code Enforcement	1	2	1	1	1	1	1	1	1	1
Public Safety - Police										
Police Employees	44	44	41	46	46	46	44	45	49	49
Public Safety - Fire										
Firefighters	29	21	28	16	16	16	16	16	16	16
Dispatchers	-	3	0	5	5	5	5	4	4	4
Public Works										
Public Operations (2)	24	24	24	24	24	24	22	22	22	20
Public Utility (3)	20	16	22	26	26	26	26	26	26	27
Recreation and Culture	4	5	4	4	4	1	1	2	4	4
Total	154	151	148	154	152	151	149	148	151	150

Source: Adopted 2011- 2020 Budgets City of Covington

Note: Includes Elected, Unclassified, and Classified full-time employees.

(1) Includes Mayor, Finance Administration, Accounts Payable, Purchasing, and Payroll.
(2) Includes Streets, Bridges, Drainage, and General Maintenance.
(3) Includes Public Utility Administration, Waste-Water Treatment Plant, Waste-Water Collection, and Water Maintenance.

* Information not available.

CITY OF COVINGTON, LOUISIANA **Table 19**

Operating Indicators by Function
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year									
Function	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**
Public Safety - Police										
Total Arrests	543	346	462	557	492	647	577	537	552	682
Parking Tickets	13	39	77	102	91	83	108	194	218	103
Traffic Violations	915	756	603	383	409	569	860	851	1199	797
Public Safety - Fire										
Number of Calls	2250	1956	1909	1746	1758	1639	1703	1528	1355	1444
Average Response Times	3:57	3:57	3:48	3:48	3:32	3:21	3:05	3:27	3:31	3:36
Public Works										
Potholes Repaired	42	49	68	71	68	88	83	134	107	300
Trees Cut	134	78	63	76	69	75	75	77	63	125
Public Utility										
Water and Sewer										
Number of Billed Accounts	5476	5407	5347	5329	5278	5175	5076	4940	4719	4648
New Meter Connections	1156	53	44	32	112	114	134	152	143	111
Building Permits										
New Residential	61	39	42	42	76	128	142	111	156	122
Residential Additions	19	18	12	23	31	31	11	6	11	7
Residential Renovations	54	32	25	41	47	160	32	14	17	21
New Commercial	6	92	11	13	11	26	12	6	13	7
Commercial Additions	5	7	2	5	2	4	2	4	-	1
Commercial Renovations	36	20	25	32	22	32	26	23	18	18
Recreation and Culture										
Number of Teams in Softball League							2	2	4	5
Number of Teams in Baseball League	3	6	5	8	12	9	12	14	13	13
Number of Teams in Basketball League	1	4	5	8	12	15	16	14	20	14
Number of Teams in Football League			3	3	3	4	4	4	4	5

Source: Various City of Covington departments.

Note: Indicators are not available for the general government function.

CITY OF COVINGTON, LOUISIANA **Table 20**
Capital Assets Statistics by Function
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year									
Function	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**
General Government										
Vehicles	14	15	14	12	12	10	8	7	6	6
Office Furniture and Equipment	66	62	60	37	45	43	47	36	30	30
Tools and Equipment	26	25	23	20	19	18	16	18	18	14
Improvements	3	2	*	*	*	*	*	*	*	*
Cemetery	2	2	2	2	2	2	2	1	1	1
Public Safety - Police										
Vehicles	58	56	51	41	49	47	48	45	48	51
Office Furniture and Equipment	43	40	39	26	26	26	27	30	28	25
Tools and Equipment	88	88	88	51	48	49	48	47	36	35
Stations	1	1	1	1	1	1	1	1	1	1
Public Safety - Fire										
Vehicles	13	14	11	14	15	14	12	12	12	12
Office Furniture and Equipment	5	5	5	2	2	2	2	1	1	1
Tools and Equipment	87	86	78	34	38	38	35	33	33	30
Improvements	1	6	*	*	*	*	*	*	*	*
Fire Houses	2	2	2	2	2	2	2	2	2	2
Public Works										
Vehicles	32	35	34	39	38	36	33	36	32	30
Office Furniture and Equipment	2	2	2	2	3	2	2	2	2	2
Improvements	1	2	*	*	*	*	*	*	*	*
Infrastructure	30	22	*	*	*	*	*	*	*	*
Tools and Equipment	73	73	71	68	73	66	62	55	53	52
Public Utility										
Water										
Vehicles	12	13	13	13	14	13	14	15	16	13
Machinery, Equipment, and Improvements	157	154	154	153	150	140	133	124	112	96
Water Tower	1	1	1	1	1	1	1	1	1	1
Infrastructure	4	4	*	*	*	*	*	*	*	*
Pumping Stations	10	10	10	10	10	10	10	10	10	10
Sewer										
Vehicles	14	14	14	12	16	16	16	17	17	7
Building	2	2	*	*	*	*	*	*	*	*
Machinery, Equipment, and Improvements	258	250	239	228	213	200	187	163	163	152
Recreation and Cultural Arts										
Vehicles	2	2	2	-	-	-	3	2	4	4
Office Furniture and Equipment	-	-	-	-	-	-	-	-	-	-
Tools and Equipment	28	28	28	25	19	16	21	19	21	21
Improvements	1	1	*	*	*	*	*	*	*	*
Number of Parks	10	10	10	10	10	10	10	10	10	10

Source: Various city departments

LAPORTE
CPAs & BUSINESS ADVISORS

LaPorte, APAC
5100 Village Walk | Suite 300
Covington, LA 70433
985.892.5850 | Fax 985.892.5956
LaPorte.com

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

Independent Auditor's Report

To the Honorable Mark R. Johnson, Mayor
and Members of the City Council
City of Covington, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the City of Covington, Louisiana (the City,) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 25, 2022.

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

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

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

RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each is separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.

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

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town'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. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

A Professional Accounting Corporation

Covington, LA
October 25, 2022

CITY OF COVINGTON, LOUISIANA
Schedule of Findings and Responses
For the Year Ended December 31, 2021

A. Summary of Auditor's Results

Financial Results

1. Type of auditor's report	Unmodified
2. Internal control over financial reporting	
a) Material weaknesses identified?	No
b) Significant deficiencies identified not considered to be material weaknesses?	None reported
c) Noncompliance material to the financial statements noted?	No

Federal Awards

Not applicable.

B. Financial Statement Findings

None.

C. Compliance and Other Matters

None.

CITY OF COVINGTON, LOUISIANA
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2021

Findings - Compliance and Other Matters

None.