CITY OF COVINGTON, LOUISIANA

Annual Comprehensive Financial Report

December 31, 2024

LAPORTE
CPAs & BUSINESS ADVISORS

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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*
JIMMY INMAN | *Councilman, 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. 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, 2024.

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, 2024. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's 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.

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 8.23 square miles. Covington is the Parish seat and houses the 22nd Judicial District Court, also known as the St. Tammany Parish Courthouse.

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phone 985.892.1811 | fax 985.898.4723 | www.covla.com

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 - 94. For the A3 Sales Tax Fund, this comparison is presented on page 95.

Factors Affecting Financial Condition

Local Economy

Although Covington has a residential population of approximately 11,636 people, the population swells to approximately 20,000 during the day due to the Courthouse and St. Tammany Parish Hospital. In 2024, the City experienced a 1.4% growth in sales tax over 2023, bouncing back from 2.0% decrease in 2023 over 2022. Year 2022 experienced an increase of 7.7% over prior year. In 2025 the City anticipates sales tax to remain close to 2024’s activity.

Long-Term Financial Planning

The five (5) year Capital Improvement Plan is consistently monitored and updated during the annual budget process. The City Administration and Council have put much emphasis in recent years on funding and completing pivotal infrastructure projects, specifically related to roads, drainage, and utility upgrades. Throughout the development and implementation of this infrastructure improvement program, the City has sought and obtained millions in grant funds from state and federal programs which are leveraged by local funds. It is the City's intent to continue this program.

Major Initiatives

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

- Wastewater Collection System Repair Program
- Subdivision Ponds Maintenance Program
- Roadway Overlay and Improvement Program
- Sidewalk Construction and Repair Program

Among the Capital Infrastructure Projects funded in the ***2024 Budget*** which are in varying stages of design, engineering, permitting, and/or construction are the following which are scheduled for completion in 2025:

- Bollfield Water Well Building Rehab
- Wastewater Treatment Plant Master Plan
- Downtown Drainage and Overlays
- Menetre Boat Launch Improvements
- 2024 Sidewalk Rehabilitation
- Taylor Street Sewer Pipe Bursting
- River Forest Sewer Repairs
- U.S. 190 Lift Station Upgrades

Respectfully submitted,

Erin Stair
Chief Administrative Officer

Nina Sweeney
Director of Finance

CITY OF COVINGTON, LOUISIANA
Principal Elected and Appointed Officials
December 31, 2024

MAYOR

Mark Johnson - Mayor

COUNCIL MEMBERS

Peter Lewis Sr. - Councilman District A

Blaine Stanga - Councilman District B

Joey Roberts - Councilman District C

James Inman - Councilman District D

Todd Burrall - Councilman District E

Mark Verret - Councilman at Large

John Botsford - Councilman at Large

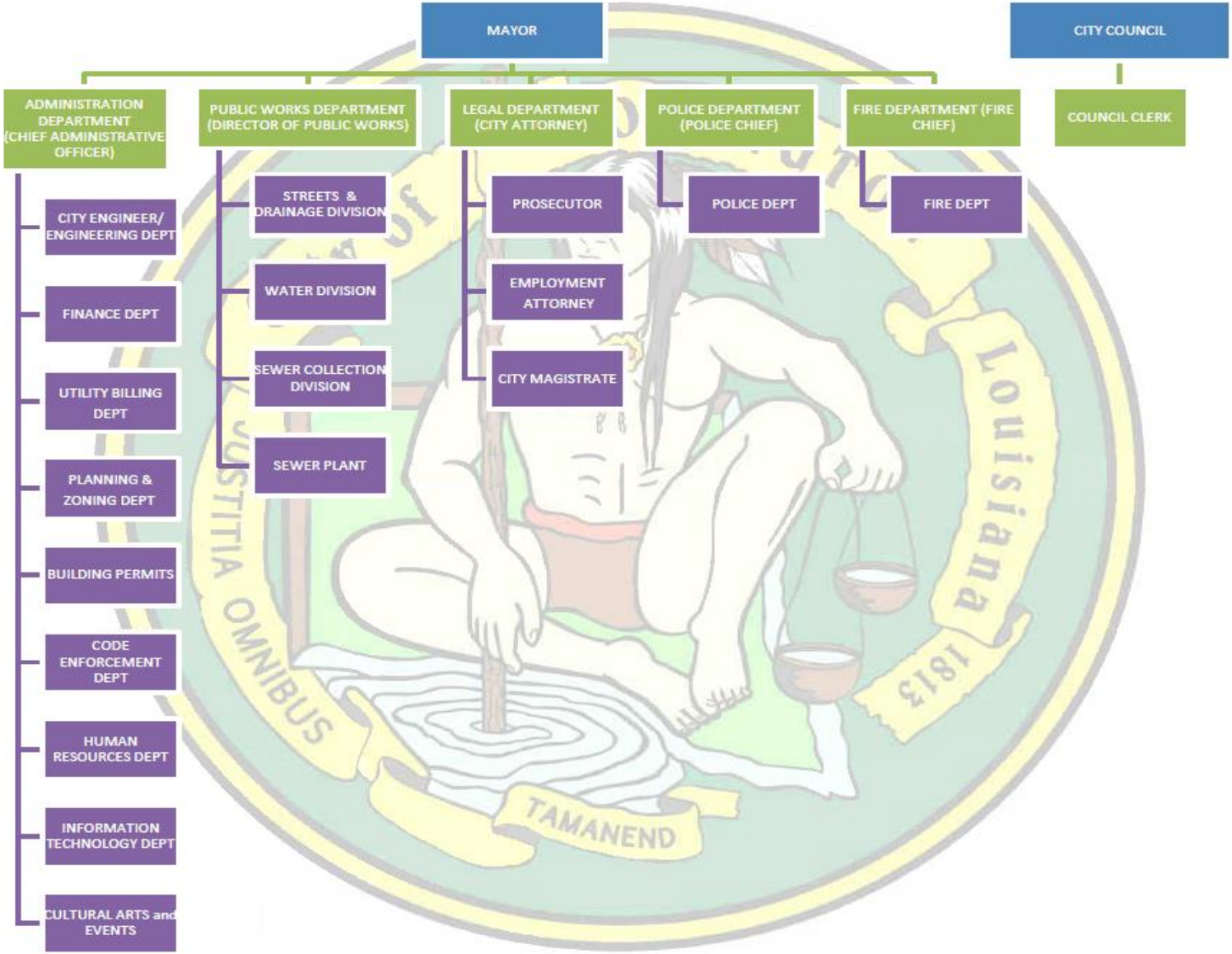
CHIEF OF POLICE

Michael Ferrell - Chief of Police

FIRE CHIEF

Gary S. Blocker Jr. - Fire Chief

CITY OF COVINGTON, LOUISIANA
Organization Chart
December 31, 2024



FINANCIAL SECTION

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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 the City of Covington, Louisiana (the City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2024, 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 (U.S. GAAP).

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.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, 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 judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 non-major 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 GAAS. In our opinion, the combining and individual non-major 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 June 12, 2025, 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, LA
June 12, 2025

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, 2024. 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 17-19) 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 it. 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, 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 it receives. 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 pages 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 83 to 92 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 94 and 95 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 $47,840,795 and the net position of business-type activities was $34,555,792.

- The current year's expense total was $23,164,002 as compared to the $27,461,121 generated in fees and charges, grants, general revenues, and taxes for governmental programs (before transfers). In the previous year, expenditures were $21,975,025 as compared to the $26,717,372 generated in tax and other revenues for governmental programs (before transfers).
- For business-type activities, city revenues (before transfers) were $6,544,038. Expenses were $6,901,929.
- The annual cost of all city programs was $30,065,931. The previous year's cost was $28,125,943.
- During the current year, City adopted the provisions of GASB Statement No. 101, *Compensated Absences*. The Statement updates the recognition and measurement guidance for compensated absences. The City recorded a cumulative change in accounting principle of $143,222 as a result of the implementation, which decreased net position at December 31, 2023.

Government-Wide Financial Analysis

The City's combined net position from the previous year was $78,457,359, as restated, compared to $82,396,587 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 $47,840,795 this year as compared to $45,289,669, as restated, last year. Unrestricted net position for governmental activities was $13,086,184 this year as compared to $13,472,326 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 $34,555,792 this year as compared to the balance of $33,167,690 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.

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 for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Table 1
Net Position (in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	**2024**	2023	**2024**	2023
Assets						
Current and Other Assets	**$ 38,073**	$ 37,567	**$ 8,260**	$ 8,959	**$ 46,333**	$ 46,526
Capital Assets, Net	**40,247**	37,439	**30,415**	28,538	**70,662**	65,977
Total Assets	**78,320**	75,006	**38,675**	37,497	**116,995**	112,503
Deferred Outflows of Resources						
Deferred Loss on Refunding	**68**	68	**-**	-	**68**	68
Deferred Outflows - Pension	**3,748**	5,449	**296**	439	**4,044**	5,888
Deferred Outflows - Other Postemployment Benefits	**2,620**	3,296	**458**	577	**3,078**	3,873
Total Deferred Outflows of Resources	**6,436**	8,813	**754**	1,016	**7,190**	9,829
Liabilities						
Current Liabilities	**2,761**	2,270	**1,348**	1,714	**4,109**	3,984
Long-Term Liabilities	**27,315**	29,556	**2,771**	2,951	**30,086**	32,507
Total Liabilities	**30,076**	31,826	**4,119**	4,665	**34,195**	36,491
Deferred Inflows of Resources						
Unavailable Revenues	**2,419**	2,525	**-**	-	**2,419**	2,525
Deferred Inflows - Pension	**472**	239	**62**	16	**534**	255
Deferred Inflows - Other Postemployment Benefits	**3,949**	3,796	**691**	664	**4,640**	4,460
Total Deferred Inflows of Resources	**6,840**	6,560	**753**	680	**7,593**	7,240
Net Position						
Net Investment in Capital Assets	**32,784**	29,988	**30,415**	28,538	**63,199**	58,526
Restricted	**1,970**	1,973	**-**	-	**1,970**	1,973
Unrestricted	**13,086**	13,472	**4,142**	4,630	**17,228**	18,102
Total Net Position	**$ 47,840**	$ 45,433	**$ 34,557**	$ 33,168	**$ 82,397**	$ 78,601

Table 2
Changes in Net Position (in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	**2024**	2023	**2024**	2023
Revenues						
Program Revenues						
Charges for Services	**$ 3,014**	$ 2,591	**$ 6,267**	$ 6,165	**$ 9,281**	$ 8,756
Restricted Operating Grants	**262**	26	**-**	-	**262**	26
Restricted Capital Grants	**215**	843	**-**	-	**215**	843
General Revenues						
Property Taxes	**3,738**	3,390	**-**	-	**3,738**	3,390
Sales Taxes	**17,257**	17,020	**-**	-	**17,257**	17,020
Other Taxes	**810**	852	**-**	-	**810**	852
Interest and Investment Income	**1,360**	1,253	**231**	279	**1,591**	1,532
Other General Revenues	**806**	742	**46**	35	**852**	777
Total Revenues	**27,462**	26,717	**6,544**	6,479	**34,006**	33,196
Program Expenditures						
General Government	**6,478**	6,848	**-**	-	**6,478**	6,848
Public Safety	**10,326**	9,517	**-**	-	**10,326**	9,517
Public Works	**4,896**	4,430	**-**	-	**4,896**	4,430
Culture and Recreation	**1,155**	1,046	**-**	-	**1,155**	1,046
Interest on Long-Term Debt	**311**	134	**-**	-	**311**	134
Water and Sewer	**-**	-	**5,793**	5,100	**5,793**	5,100
Other Utilities	**-**	-	**1,108**	1,051	**1,108**	1,051
Total Expenditures	**23,166**	21,975	**6,901**	6,151	**30,067**	28,126
Excess (Deficit) before Transfers	**4,296**	4,742	**(357)**	328	**3,939**	5,070
Transfers	**(1,746)**	(1,917)	**1,746**	1,917	**-**	-
Change in Net Position	**2,550**	2,825	**1,389**	2,245	**3,939**	5,070
Net Position, Beginning of Year	**45,433**	42,608	**33,168**	30,923	**78,601**	73,531
Cumulative Effect of Change in Accounting Principle	**(143)**	-	**-**	-	**(143)**	-
Net Position, Beginning of Year (Restated)	**45,290**	42,608	**33,168**	30,923	**78,458**	73,531
Net Position, End of Year	**$ 47,840**	$ 45,433	**$ 34,557**	$ 33,168	**$ 82,397**	$ 78,601

Governmental Activities

This year's governmental activities revenues were $27,461,121 as compared to $26,717,372 last year. Total revenues increased by $743,749, or 2.8%. This increase is driven mainly by increases in charges for service. This year's governmental activities expenditures were $23,164,002 as compared to $21,975,025 in the previous year. Total expenditures increased by $1,188,977, or 5.4%. This is primarily due to increases in payroll and related benefits.

Business-Type Activities

This year's business-type activities charges for services revenues were $6,544,038 as compared to $6,478,763 last year. Charges for services increased by $65,275, or 1.0%. This increase is primarily due to growth of the community.

This year's business-type activities charges for services expenses were $6,901,929 as compared to $6,150,918 in the previous year. Total expenses increased by $751,011, or 12.2%.

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 the 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 $34,394,487, an increase of $269,850 in comparison with the prior year.

Approximately 22.2% of the ending fund balance, or $7,692,050, constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of the fund balance is as follows: approximately 21.2% is assigned, 50.9% is committed, 5.3% is restricted, and 0.4% is non-spendable.

The fund balance of the General Fund decreased by $1,136,314 in the current year and decreased by $557,366 in the prior year. The decrease is primarily due to an increase in capital outlay and payroll and related benefits.

Total revenue in the General Fund increased by $1,081,275, or 5.4%.

Expenditures in the General Fund increased by $1,056,801, or 5.0%, primarily due to an increase in capital outlay and payroll and related benefits.

The A3 Sales Tax Fund accounts for the special annexation sales tax. Total revenues decreased by $5,313, or 0.1%, due to a decrease in A3 sales tax collections for the current year.

Budgetary Statements

The City Council revised the 2024 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 14, 2023, and the amended budgets were voted and approved on April 9, 2024, May 7, 2024, July 16, 2024, August 6, 2024, October 8, 2024, and December 10, 2024.

By budgetary policy, revenue estimates are conservative. Overall general fund revenue in 2024 experienced a favorable variance of $786,367 from the amount in the final adopted budget. A3 sales tax fund revenue in 2024 experienced a favorable variance of $3,165 from the amount in the final adopted budget.

The final budget for general fund expenditures increased $6,025,727, or 26.3%, from the original budget for 2024. Actual expenditures for the General Fund were $522,963 less than the original adopted budget and $6,548,690 less than the final adopted budget. The final budget for A3 sales tax fund expenditures increased $4,271,186 from the original budget for 2024 due to additional capital outlay projects. Actual expenditures for the A3 Sales Tax Fund were $1,017,770 more than the original adopted budget and $3,253,416 less than the final adopted budget.

Capital Assets

Table 3
Capital Assets, Net of Depreciation (in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	**2024**	2023	**2024**	2023
Land	**$ 2,379**	$ 847	**$ -**	$ -	**$ 2,379**	$ 847
Building and Improvements	**12,493**	12,174	**-**	-	**12,493**	12,174
Equipment	**4,919**	4,592	**5,370**	5,206	**10,289**	9,798
Infrastructure	**17,851**	16,128	**19,996**	18,246	**37,847**	34,374
Construction in Progress	**2,605**	3,698	**5,049**	5,086	**7,654**	8,784
Capital Assets, Net	**$ 40,247**	$ 37,439	**$ 30,415**	$ 28,538	**$ 70,662**	$ 65,977

The current year's significant capital asset additions included:

- Governmental Activities: River Forest Drainage - Lurline Drive Phase II, 2023 Sidewalks Rehab, Oak Alley Pond 2 Mucking, 2024 Striping, and Kathleen Drive Repaving

- Business-Type Activities: WWTP Pond Dredging, Magee Waterline Replacement, and Bogue Falaya Park Lift Station

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 $6,814,653 in outstanding bonds and notes as compared to $7,268,101 in the previous year (see Table 4). This decrease in debt of $453,448 is due to the current year payments on the outstanding balances.

Table 4
Outstanding Debt (in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	**2024**	2023	**2024**	2023
General Obligation Bonds (Backed by the City)	**$ 6,447**	$ 6,870	**$ -**	$ -	**$ 6,447**	$ 6,870
Note Payable	**368**	398	**-**	-	**368**	398
Finance Lease Liability	**649**	183	**-**	-	**649**	183
Total Debt	**$ 7,464**	$ 7,451	**$ -**	$ -	**$ 7,464**	$ 7,451

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 2025, we anticipate 69% of the City's general fund revenues will be derived from sales taxes. We budgeted $17,788,319 in net sales tax collections for 2025, which is in line with the 2024 budget.

From A3 sales tax fund revenue, $2,592,722 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 $1,804,660 of revenue in the A3 Sales Tax Fund 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 $2,615,142 in revenue for the General Fund. This is based upon an assessed valuation of $164,848,373. It should be noted that property taxes represent 11.5% of the 2025 General Fund Budget. The City of Covington currently has the following ad valorem tax assessments: millage comprised of 3.5 mills for retiring General Obligation Bonds, 6.56 mills to general fund revenues, and 9.43 mills 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 2025 budget is $3,606,960. This includes $3,153,264 in one-time capital expenditures. This budget, while balanced, provides for an estimated $5,119,722 unassigned General Fund Balance at the end of 2024. An additional $3,695,894 is in Assigned Fund Balance for the GFOA recommended two months of operating expenditures or revenue range to cover emergencies and unexpected expenditures.

2024 - A Year in Review

The current administration and council have placed significant focus on funding and completing necessary infrastructure improvements citywide. Great strides were made in 2024 to initiate, continue, or complete key projects. Some of the notable infrastructure projects that were initiated in 2024 include the design of three roundabouts within city limits, design of a $4M sewer repair project in the Ozone, mucking out several subdivision retention/detention ponds to maintain capacity. Multi-phase projects such as River Forest road improvements, downtown road overlays, sidewalk rehab projects continued, meanwhile several projects were completed, such as the WWTP Pond Dredging project Bogue Park Lift Station replacement. Additionally, the mayor and council continued looking for opportunities to increase parking in downtown and implement more effective traffic control measures on residential streets. Finally, significant improvements were made to the city's recreational facilities: A splash pad was constructed at Peter Atkins Park, reconstruction of the Menetre Boat Launch started in the Fall of 2024, additional amenities were added to Ozone Park to create a functional neighborhood baseball field, and the mayor and Council worked with residents on their vision for Hubie Gallagher Park and the tennis court.

Every year the annual budget includes funding for the replacement of old, outdated equipment. In 2024 the Council budgeted for new patrol vehicles for the Covington Police Department, a new Fire Protection unit for the Fire Department, new pool vehicles for Public Works as well as a new excavator and sewer vacuum truck.

Several new administrative initiatives were initiated or completed in 2024, including kicking off a project to rewrite the City's development code, a comprehensive update to the City's personnel handbook was adopted by council, an assessment of the current and projected capacity of the City's wastewater treatment plan was updated to reflect anticipated growth and usage. The City fully activated for Hurricane Francine based on anticipated impacts. Fortunately, there was very little damage within city limits. City government incurred approximately $75,000 in expenses to be prepared to respond to the storm (75% reimbursed by FEMA) and utilized the experience to review and update the City's hurricane preparedness manual.

2024 was a productive year for Covington, both in terms of moving key city initiatives forward but also in terms of economic development. Multiple new restaurants and businesses have decided to make Covington their home. Housing stock is in high demand, particularly near downtown. This private growth combined with the City's efforts to provide a safe and healthy environment contribute positively to the overall quality of life for residents, businesses, and the surrounding community.

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

BASIC FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF COVINGTON, LOUISIANA **Statement A**
Statement of Net Position
December 31, 2024

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	$ 35,013,887	$ 400	$ 35,014,287
Investments - LAMP	4,805,322	-	4,805,322
Restricted Cash and Cash Equivalents	252,835	-	252,835
Certificates of Deposit	302,455	-	302,455
Receivables, Net	4,786,782	1,044,930	5,831,712
Internal Balances	(7,206,653)	7,206,653	-
Prepaid Expenses	118,310	7,745	126,055
Capital Assets Not Being Depreciated	4,983,974	5,049,325	10,033,299
Capital Assets Being Depreciated, Net of Accumulated Depreciation	35,264,397	25,365,822	60,630,219
Total Assets	78,321,309	38,674,875	116,996,184
Deferred Outflows of Resources			
Deferred Loss on Refunding	67,909	-	67,909
Deferred Outflows - Pension Plans	3,747,889	296,129	4,044,018
Deferred Outflows - Other Postemployment Benefits	2,619,736	458,459	3,078,195
Total Deferred Outflows of Resources	6,435,534	754,588	7,190,122

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

CITY OF COVINGTON, LOUISIANA **Statement A**
Statement of Net Position (Continued)
December 31, 2024

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Accounts Payable	752,436	828,472	1,580,908
Accrued Payroll Expenses	351,385	53,663	405,048
Customer Deposits	-	467,992	467,992
Accrued Interest	223,934	-	223,934
Unearned Revenue	-	86	86
Compensated Absences			
Due Within One Year	478,623	-	478,623
Due in More than One Year	319,082	-	319,082
Notes Payable			
Due Within One Year	31,504	-	31,504
Due in More than One Year	336,594	-	336,594
Finance Lease Liability			
Due Within One Year	174,912	-	174,912
Due in More than One Year	474,405	-	474,405
General Obligations Bonds Payable			
Due Within One Year	410,000	-	410,000
Due in More than One Year	6,036,555	-	6,036,555
Net Pension Liability			
Due in More than One Year	13,676,463	1,579,145	15,255,608
Net Other Postemployment Benefit Liability			
Due in More than One Year	6,808,887	1,191,572	8,000,459
Total Liabilities	30,074,780	4,120,930	34,195,710
Deferred Inflows of Resources			
Unavailable Revenues	2,419,491	-	2,419,491
Deferred Inflows - Pension Obligation	472,428	61,597	534,025
Deferred Inflows - Other Postemployment Benefits	3,949,349	691,144	4,640,493
Total Deferred Inflows of Resources	6,841,268	752,741	7,594,009
Net Position			
Net Investment in Capital Assets	32,784,401	30,415,147	63,199,548
Restricted for:			
Expendable			
Perpetual Care	5,720	-	5,720
Debt Service	1,371,813	-	1,371,813
FHA Loan Program	252,835	-	252,835
Drug Forfeiture	32,276	-	32,276
Tree Mitigation	14,825	-	14,825
State and Federal Grants	149,476	-	149,476
Nonexpendable			
Prepaid Expenditures	118,310	-	118,310
Permanent Fund	24,955	-	24,955
Unrestricted	13,086,184	4,140,645	17,226,829
Total Net Position	$ 47,840,795	$ 34,555,792	$ 82,396,587

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, 2024

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	Total
Governmental Activities							
General Government	$ 6,475,945	$ 2,286,029	$ 40,356	$ -	$ (4,149,560)	$ -	$ (4,149,560)
Public Safety - Police	6,924,305	295,687	221,151	-	(6,407,467)	-	(6,407,467)
Public Safety - Fire	3,401,215	-	-	-	(3,401,215)	-	(3,401,215)
Public Works	4,896,222	135,514	-	150,493	(4,610,215)	-	(4,610,215)
Culture and Recreation	1,155,226	297,244	-	64,758	(793,224)	-	(793,224)
Interest on Long-Term Debt	311,089	-	-	-	(311,089)	-	(311,089)
Total Governmental Activities	23,164,002	3,014,474	261,507	215,251	(19,672,770)	-	(19,672,770)
Business-Type Activities							
Water	2,142,526	2,532,690	-	-	-	390,164	390,164
Sewer	3,651,812	2,640,032	-	-	-	(1,011,780)	(1,011,780)
Garbage	1,107,591	1,094,144	-	-	-	(13,447)	(13,447)
Total Business-Type Activities	6,901,929	6,266,866	-	-	-	(635,063)	(635,063)
Total	$ 30,065,931	$ 9,281,340	$ 261,507	$ 215,251	(19,672,770)	(635,063)	(20,307,833)
			General Revenues				
			Taxes				
			Sales Taxes		17,256,745	-	17,256,745
			Property Taxes		3,737,520	-	3,737,520
			Franchise Taxes		809,599	-	809,599
			Other General Revenues		336,828	-	336,828
			Other Revenues				
			Interest and Penalties		1,360,267	231,244	1,591,511
			Non-Employer Contribution Revenue		468,930	45,928	514,858
			Transfers		(1,745,993)	1,745,993	-
			Total General Revenues, Other Revenues, and Transfers		22,223,896	2,023,165	24,247,061
			Change in Net Position		2,551,126	1,388,102	3,939,228
			Net Position, Beginning of Year, as Previously Reported		45,432,891	33,167,690	78,600,581
			Cumulative Effect of Change in Accounting Principle		(143,222)	-	(143,222)
			Net Position, Beginning of Year, Restated		45,289,669	33,167,690	78,457,359
			Net Position, End of Year		$ 47,840,795	$ 34,555,792	$ 82,396,587

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, 2024

	General Fund	A3 Sales Tax Fund	State and Federal Grants Fund	2023 Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets						
Cash and Cash Equivalents	$ 29,113,841	$ -	$ -	$ 5,292,313	$ 607,733	$ 35,013,887
Equity in Pooled Cash	-	10,828,138	2,345,181	-	1,062,328	14,235,647
Investments - LAMP	4,805,322	-	-	-	-	4,805,322
Restricted Cash and Cash Equivalents	252,835	-	-	-	-	252,835
Certificates of Deposit	-	-	-	-	302,455	302,455
Receivables						
Property Tax	2,269,868	-	-	-	529,287	2,799,155
Sales Tax	1,230,854	406,685	-	-	-	1,637,539
Grants Receivable	-	-	334,387	-	-	334,387
Other	15,701	-	-	-	-	15,701
Prepaid Expenses	118,310	-	-	-	-	118,310
Due from Other Funds	51,044	-	-	66,208	-	117,252
Total Assets	$ 37,857,775	$ 11,234,823	$ 2,679,568	$ 5,358,521	$ 2,501,803	$ 59,632,490
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Liabilities						
Accounts Payable	$ 493,967	$ 47,338	$ 144,923	$ 66,208	$ -	$ 752,436
Deficit in Pooled Cash	21,430,339	-	-	-	-	21,430,339
Accrued Payroll Expenditures	495,421	-	-	-	-	495,421
Due to Other Funds	88,208	2,652	1,366	-	36,987	129,213
Total Liabilities	22,507,935	49,990	146,289	66,208	36,987	22,807,409
Deferred Inflows of Resources						
Unavailable Revenues	46,791	-	2,383,803	-	-	2,430,594
Total Deferred Inflows of Resources	46,791	-	2,383,803	-	-	2,430,594
Fund Balances						
Nonspendable						
Prepaid Expenditures	118,310	-	-	-	-	118,310
Permanent Fund	-	-	-	-	24,955	24,955
Restricted for:						
Perpetual Care	-	-	-	-	5,720	5,720
Debt Services	-	-	-	-	1,371,813	1,371,813
FHA Loan Program	252,835	-	-	-	-	252,835
Drug Forfeiture	-	-	-	-	32,276	32,276
Tree Mitigation	-	-	-	-	14,825	14,825
State and Federal Grants	-	-	149,476	-	-	149,476
Committed						
Capital Outlay	-	11,184,833	-	5,292,313	1,015,227	17,492,373
Assigned						
2024 Operating Budget	3,606,960	-	-	-	-	3,606,960
Contingency	3,695,894	-	-	-	-	3,695,894
Unassigned	7,629,050	-	-	-	-	7,629,050
Total Fund Balances	15,303,049	11,184,833	149,476	5,292,313	2,464,816	34,394,487
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 37,857,775	$ 11,234,823	$ 2,679,568	$ 5,358,521	$ 2,501,803	$ 59,632,490

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, 2024

Fund Balances - Total Governmental Funds		$ 34,394,487
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	$ 71,873,586	
Less: Accumulated Depreciation	(31,625,215)	40,248,371
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.		3,747,889
Deferred inflows of resources - pension used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		(472,428)
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.		2,619,736
Deferred inflows of resources - OPEB used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		(3,949,349)
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 absences, are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Accrued Interest on Bonds	(79,898)	
Compensated Absences	(797,705)	
Notes Payable	(368,098)	
Capital Lease Obligation	(649,317)	
General Obligation Bonds	(6,446,555)	
Net Pension Liability	(13,676,463)	
Net Other Postemployment Benefit Liability	(6,808,887)	(28,826,923)
Net Position of Governmental Activities		$ 47,840,795

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, 2024

	General Fund	A3 Sales Tax Fund	State and Federal Grants Fund	2023 Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues						
Taxes						
Sales Taxes	$ 13,010,218	$ 4,246,527	$ -	$ -	$ -	$ 17,256,745
Property Taxes	3,068,554	-	-	-	668,966	3,737,520
Franchise Taxes	809,599	-	-	-	-	809,599
Licenses and Permits	1,535,801	-	-	-	-	1,535,801
Other Revenues	336,828	-	-	-	-	336,828
Fines and Forfeitures	286,270	-	-	-	9,417	295,687
Charges for Services	297,244	-	-	-	135,514	432,758
Intergovernmental Revenues	915,968	-	-	-	-	915,968
Interest and Penalties	656,957	450,202	-	205,641	47,467	1,360,267
State and Federal Grants	40,356	-	270,662	-	-	311,018
Total Revenues	20,957,795	4,696,729	270,662	205,641	861,364	26,992,191
Expenditures						
Current						
General Government	4,931,640	61,005	-	700	1,998	4,995,343
Public Safety - Police	6,613,174	-	15,319	-	15,874	6,644,367
Public Safety - Fire	3,118,729	-	-	-	-	3,118,729
Public Works	2,783,582	-	-	-	-	2,783,582
Culture and Recreation	993,149	-	-	-	-	993,149
Capital Outlay	3,738,524	1,564,729	2,425	191,955	-	5,497,633
Debt Service						
Principal	171,146	-	-	-	400,000	571,146
Interest	53,492	-	-	-	318,907	372,399
Total Expenditures	22,403,436	1,625,734	17,744	192,655	736,779	24,976,348
Excess (Deficiency) of Revenues Over Expenditures	(1,445,641)	3,070,995	252,918	12,986	124,585	2,015,843
Other Financing Sources (Uses)						
Transfers In	1,809,327	-	-	-	-	1,809,327
Transfers Out	(1,500,000)	(1,809,327)	(245,993)	-	-	(3,555,320)
Total Other Financing Sources (Uses)	309,327	(1,809,327)	(245,993)	-	-	(1,745,993)
Net Change in Fund Balances	(1,136,314)	1,261,668	6,925	12,986	124,585	269,850
Fund Balances, Beginning of Year	16,439,363	9,923,165	142,551	5,279,327	2,340,231	34,124,637
Fund Balances, End of Year	$ 15,303,049	$ 11,184,833	$ 149,476	$ 5,292,313	$ 2,464,816	$ 34,394,487

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, 2024

Net Change in Fund Balances - Total Governmental Funds	$	269,850
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 capital outlay exceeded depreciation expense in the current period.		2,201,290
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		468,930
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.		429,527
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.		141,619
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.		(6,353)
Other postemployment benefit liability 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.		(508,845)
Cash pension contributions reported in the funds were less than the calculated pension expense on the statement of activities and, therefore, decrease net position.		(506,202)
Amortization of Bond Premium		(23,921)
Difference in interest cost on the modified accrual basis as reported in the fund statements versus interest expense on the full accrual basis.		85,231
Change in Net Position of Governmental Activities	$	2,551,126

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, 2024

Assets	
Current Assets	
Cash and Cash Equivalents	$ 400
Equity in Pooled Cash	7,194,692
Accounts Receivable, Net of Uncollectible	1,044,930
Prepaid Expenses	7,745
Due from Other Funds	22,000
Total Current Assets	8,269,767
Non-Current Assets	
Capital Assets, Net of Accumulated Depreciation	30,415,147
Total Non-Current Assets	30,415,147
Total Assets	38,684,914
Deferred Outflows of Resources	
Deferred Outflows - Pension Plans	296,129
Deferred Outflows - Other Postemployment Benefits	458,459
Total Deferred Outflows of Resources	754,588
Liabilities	
Current Liabilities	
Accounts Payable	828,472
Accrued Payroll Expenses	53,663
Customer Deposits	467,992
Due to Other Funds	10,039
Total Current Liabilities	1,360,166
Non-Current Liabilities	
Unearned Revenues	86
Net Pension Liability	1,579,145
Net Other Postemployment Benefit Liability	1,191,572
Total Non-Current Liabilities	2,770,803
Total Liabilities	4,130,969
Deferred Inflows of Resources	
Deferred Inflows - Pension Plans	61,597
Deferred Inflows - Other Postemployment Benefits	691,144
Total Deferred Inflows of Resources	752,741
Net Position	
Net Investment in Capital Assets	30,415,147
Unrestricted Net Position	4,140,645
Total Net Position	$ 34,555,792

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, 2024

Operating Revenues	
Sewer Maintenance Fees	$ 2,630,032
Water Revenues	2,225,153
Garbage Collection Fees	1,092,584
Water Installations	113,398
Miscellaneous	75,849
DHH Fee	66,056
Connection Fees	53,794
Non-Employer Contribution Revenue	45,928
Sewer Installations	10,000
Total Operating Revenues	6,312,794
Operating Expenses	
Sewer Department Expenses	2,144,646
Water Department Expenses	1,699,732
Garbage Department Expenses	1,107,591
Depreciation	1,949,960
Total Operating Expenses	6,901,929
Operating Income (Loss)	(589,135)
Nonoperating Revenues (Expenses)	
Interest Income	231,244
Total Nonoperating Revenues (Expenses)	231,244
Income (Loss) Before Transfers	(357,891)
Transfers	
Transfers In	1,745,993
Change in Net Position	1,388,102
Net Position, Beginning of Year	33,167,690
Net Position, End of Year	$ 34,555,792

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, 2024

Cash Flows from Operating Activities	
Receipts from Customers and Users	$ 6,252,728
Other Receipts	45,928
Payments to Suppliers	(3,463,124)
Payments to Employees	(1,710,971)
Net Cash Provided by Operating Activities	1,124,561
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	(3,831,968)
Transfers In	1,745,993
Net Cash Used in Capital and Related Financing Activities	(2,085,975)
Cash Flows from Investing Activities	
Interest Earned on Investments	231,244
Net Cash Provided by Investing Activities	231,244
Net Decrease in Cash and Cash Equivalents	(730,170)
Cash and Cash Equivalents, Beginning of Year	7,925,262
Cash and Cash Equivalents, End of Year	$ 7,195,092
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income (Loss)	$ (589,135)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities	
Depreciation	1,949,960
Loss on Disposal of Capital Assets	5,066
Provision for Bad Debts	53,193
(Increase) Decrease in:	
Accounts Receivable	(83,962)
Deferred Outflows - Pension Plans	142,479
Deferred Outflows - Other Postemployment Benefits	118,334
Due to/from Other Funds	(578)
Increase (Decrease) in:	
Accounts Payable	(392,054)
Accrued Payroll Expenses	11,692
Customer Deposits	16,631
Net Pension Liability	(123,805)
Net Other Postemployment Benefit Liability	(56,069)
Deferred Inflows - Pension Plans	46,025
Deferred Inflows - Other Postemployment Benefits	26,784
Net Cash Provided by Operating Activities	$ 1,124,561

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, 2024

Assets		
Current Assets		
Cash and Cash Equivalents	$	8,260
Accrued Interest		9,636
Investments		1,158,458
Total Assets	$	1,176,354
Net Position		
Restricted for Other Postemployment Benefits	$	1,176,354
Total Net Position	$	1,176,354

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, 2024

Additions		
Investment Income		
Interest and Dividends	$	31,143
Net Appreciation in Fair Value of Investments		56,706
Investment Expense		(3,665)
Total Additions		84,184
Deductions		
Bank Charges		4,741
Total Deductions		4,741
Change in Net Position		79,443
Net Position, Beginning of Year		1,096,911
Net Position, End of Year	$	1,176,354

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 accounting principles generally accepted in the United States of America (U.S. 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. The council members are elected by majority vote. The City covers an approximately eight square-mile area and has approximately 11,686 residents. The City has approximately 165 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 the governmental funds, proprietary fund, and fiduciary fund, 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.

As a general rule, the effect of interfund 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 interfund 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 non-major 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, 2024, there was a minimum fund balance of $3,695,894 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.

The *2023 Capital Projects Fund* is used to account for all resources and expenditures in connection with the City’s capital improvements.

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 U.S. GAAP for the General Fund, A3 Sales Tax Fund, Debt Service Funds, Special Revenue Funds, and Capital Projects 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 its 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, grantors, 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 is 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 interfund 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 $5,000 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)

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

Right-to-Use Assets

The City has recorded right-to-use lease assets as a result of implementing GASB Statement No. 87. The right-to-use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-to-use lease assets are amortized on a straight-line basis over the life of the related lease.

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 exceeds 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.

Note 1. Summary of Significant Accounting Policies (Continued)

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

Deferred Outflows/Inflows of Resources (Continued)

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 revenue. The deferred inflows related to pension and OPEB deferrals will be recognized as a reduction to expense in future reporting years.

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

Effective for the fiscal year ended December 31, 2024, the City implemented GASB Statement No. 101, *Compensated Absences*. In accordance with the statement, a liability should be recognized for leave that has not been used if the following are true: 1) the leave is attributable to services already rendered, 2) the leave accumulates, and 3) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

Non-civil service employees earn vacation and sick benefits on an escalating scale based on years of service at the beginning of each fiscal year. Non-civil service employees are allowed to carry over up to 300 vacation hours 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. The City estimates the portion of sick leave that is expected to be used by averaging the annual usage in recent years.

Civil service employees earn vacation benefits on an escalating scale based on years of service at their anniversary date and are allowed to carry over 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 retirement, only accumulated unused sick benefits up to 500 hours are paid.

The liability for such leave is reported 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, 2024 is $797,705.

Note 1. Summary of Significant Accounting Policies (Continued)

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

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.

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 systems' 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, and 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.

Note 1. Summary of Significant Accounting Policies (Continued)

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

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 its use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments or by law through constitutional provisions or enabling legislation.

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

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.

Note 1. Summary of Significant Accounting Policies (Continued)

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

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 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.

Unassigned Fund Balance - Unassigned fund balance is the residual classification for the General Fund and Non-Major 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).

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)

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, 2024 was $3,737,520 and is recorded in the funds as follows: General Fund - $3,068,554 and General Obligation Debt Service Fund - $668,966.

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 the 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.

Note 1. Summary of Significant Accounting Policies (Continued)

Revenues and Expenditures/Expenses (Continued)

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.

Use of Estimates

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

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, 2024 were as follows:

	Amount
General Fund	$ 3,800,603
Special Revenue Fund	
A3 Sales Tax Fund	2,984,161
State and Federal Grants Fund	14,110,396
Capital Projects Funds	
2023 Capital Projects Fund	4,808,045
Waste-Water Capacity Treatment Fund	150,000
Enterprise Fund	1,814,022
Total	$ 27,667,227

Note 1. Summary of Significant Accounting Policies (Continued)

Recently Issued Accounting Pronouncements - Adopted

The City adopted the provisions of GASB Statement No. 100*, Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*. The primary objective of the Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections. The adoption of the pronouncement did not have a material effect on the City's financial statements.

The City adopted the provisions of GASB Statement No. 101, *Compensated Absences*. The Statement updates the recognition and measurement guidance for compensated absences. The City recorded a cumulative change in accounting principle of $143,222 as a result of the implementation, which decreased net position at December 31, 2023.

Recently Issued Accounting Pronouncements - Not Yet Adopted

The GASB issued Statement No. 102*, Certain Risk Disclosures*. This Statement requires new disclosure requirements about concentrations and constraints to state and local governmental entities that could affect their programs and services or a government's ability to meet its obligations. The Statement is effective for fiscal years beginning after June 15, 2024.

The GASB issued Statement No. 103, *Financial Reporting Model Improvements.* The objective of the Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The Statement is effective for fiscal years beginning after June 15, 2025.

The GASB issued Statement No. 104, *Disclosure of Certain Capital Assets.* The objective of the Statement is to provide users of government financial statements with essential information about certain types of capital assets. The Statement is effective for fiscal years beginning after June 15, 2025.

Management is currently determining the expected impact of implementation of the above standards on the financial statements and notes to the financial statements.

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 the United States.

Note 2. Detailed Notes on All Funds (Continued)

Deposits and Investments (Continued)

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.

The City's deposits are stated at cost, which approximates fair value. The deposits are categorized as follows at December 31, 2024:

	Carrying Amount	Bank Balance
Demand Deposits	$ 35,267,122	$ 35,247,056
Certificates of Deposit	302,455	302,455
Total	$ 35,569,577	$ 35,549,511

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be recovered. As of December 31, 2024, the City's bank balance was not exposed to custodial credit risk. As of December 31, 2024, all of the City's deposits were secured by the pledge of securities owned by the fiscal agent bank or insurance provided by the Federal Deposit Insurance Corporation (FDIC).

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, 2024.

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, 2024, the City's OPEB investments are held in the form of U.S. government bonds, equity securities 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.

Note 2. Detailed Notes on All Funds (Continued)

Deposits and Investments (Continued)

Credit Risk - Section 150 - *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.

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 OPEB Trust investments at fair value as of December 31, 2024:

		Maturities (in years)			
Fiduciary Fund	Fair Value	Less than 1	1 - 5	More than 5	Level
Cash and Cash Equivalents					
Money Market Funds	$ 8,260	$ 8,260	$ -	$ -	1
Investments					
Marketable Equity Securities					
Mutual Funds	234,433	234,433	-	-	1
Marketable Debt Securities					
Corporate Bonds	508,057	34,546	276,810	196,701	1
Corporate Bonds	34,233	34,233	-	-	2
U.S. Treasury Securities	95,832	95,832	-	-	1
U.S. Government Agency Bonds	46,565	-	46,565	-	1
U.S. Government Agency Bonds	239,338	146,076	50,105	43,157	2
Total	$ 1,158,458	$ 545,120	$ 373,480	$ 239,858	

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, 2024.

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.

Accounts Receivable

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, 2024 (unbilled receivable), is estimated and accrued at year-end. The allowance for uncollectible accounts at December 31, 2024 was $153,167. If payments are not received from customers, services are shut off and deposits are applied against negative balances.

Note 2. Detailed Notes on All Funds (Continued)

Accounts Receivable (Continued)

All accounts receivable 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, 2024. There are no other reserves for receivables recorded by the City as of December 31, 2024.

The accounts receivable and allowance for uncollectible accounts at December 31, 2024, were as follows:

Governmental Funds	
Property Tax	$ 2,799,155
Sales Tax	1,637,539
Grants Receivable	334,387
Other Receivables	15,701
Total Governmental Funds	4,786,782
Proprietary Fund	
Under 30 Days	478,264
31 to 60 Days	25,884
61 to 90 Days	15,088
Over 91 Days	120,696
Less Allowance	(153,167)
	486,765
Unbilled Receivables	558,165
Total Proprietary Fund	1,044,930
Total Accounts Receivable, Net	$ 5,831,712

Note 2. Detailed Notes on All Funds (Continued)

Investments - LAMP

Investments - LAMP of $4,805,322, which are stated at fair value using published market quotes for those securities at December 31, 2024, 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.

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 29 as of December 31, 2024.
- *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.

Note 2. Detailed Notes on All Funds (Continued)

Investments - LAMP (Continued)

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.

Capital Assets

The following is a summary of the changes in capital assets for governmental activities for the year ended December 31, 2024:

Governmental Activities	Balance 12/31/2023	Increases	Decreases	Balance 12/31/2024
Capital Assets Not Depreciated				
Land	$ 847,452	$ 1,531,535	$ -	$ 2,378,987
Construction in Progress	3,698,456	2,589,070	(3,682,539)	2,604,987
Total Capital Assets Not Depreciated	4,545,908	4,120,605	(3,682,539)	4,983,974
Capital Assets Being Depreciated				
Building	10,166,022	-	(5,316)	10,160,706
Improvements	10,863,493	1,044,837	(614,087)	11,294,243
Vehicles	5,620,600	1,164,396	(354,369)	6,430,627
Tools and Equipment	5,788,808	81,025	(434,438)	5,435,395
Infrastructure	30,521,044	3,435,150	(387,552)	33,568,642
Total Capital Assets Being Depreciated	62,959,967	5,725,408	(1,795,762)	66,889,613
Less Accumulated Depreciation for:				
Building	(3,919,333)	(189,388)	5,316	(4,103,405)
Improvements	(4,936,168)	(533,605)	611,077	(4,858,696)
Vehicles	(3,537,766)	(461,603)	354,369	(3,645,000)
Tools and Equipment	(3,280,129)	(451,670)	431,506	(3,300,293)
Infrastructure	(14,393,348)	(1,712,026)	387,552	(15,717,822)
Total Accumulated Depreciation	(30,066,744)	(3,348,292)	1,789,820	(31,625,216)
Total Capital Assets Being Depreciated, Net	32,893,223	2,377,116	(5,942)	35,264,397
Total	$ 37,439,131	$ 6,497,721	$ (3,688,481)	$ 40,248,371

Note 2. Detailed Notes on All Funds (Continued)

Capital Assets (Continued)

The following is a summary of the changes in capital assets for business-type activities for the year ended December 31, 2024:

Business-Type Activities	Balance 12/31/2023	Increases	Decreases	Balance 12/31/2024
Capital Assets Not Depreciated				
Construction in Progress	$ 5,086,436	$ 2,099,749	$ (2,136,860)	$ 5,049,325
Total Capital Assets Not Depreciated	5,086,436	2,099,749	(2,136,860)	5,049,325
Capital Assets Being Depreciated				
Sewer Plant Buildings and Lines	38,322,738	3,258,071	(881,733)	40,699,076
Water Wells, Tanks, and Lines	12,141,124	611,008	(821,054)	11,931,078
Total Capital Assets Being Depreciated	50,463,862	3,869,079	(1,702,787)	52,630,154
Less Accumulated Depreciation for:				
Sewer Plant and Lines	(20,077,356)	(1,507,166)	881,032	(20,703,490)
Water Wells, Tanks, and Lines	(6,934,737)	(442,794)	816,689	(6,560,842)
Total Accumulated Depreciation	(27,012,093)	(1,949,960)	1,697,721	(27,264,332)
Total Capital Assets Being Depreciated, Net	23,451,769	1,919,119	(5,066)	25,365,822
Total	$ 28,538,205	$ 4,018,868	$ (2,141,926)	$ 30,415,147

For the year ended December 31, 2024, depreciation was charged to functions/programs of the City as follows:

Governmental Activities	Amount
General Government	$ 511,150
Public Safety - Police	279,938
Public Safety - Fire	282,486
Public Works	2,112,641
Culture and Recreation	162,077
Total Depreciation - Governmental Activities	$ 3,348,292

Business-Type Activities	Amount
Sewer Department	$ 1,507,166
Water Department	442,794
Total Depreciation - Business-Type Activities	$ 1,949,960

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.

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, 2024:

	Balance 12/31/2023	Additions	Retirements	Balance 12/31/2024	Due Within One Year
Governmental Activities					
General Obligation Bonds	$ 6,410,000	$ -	$ (400,000)	$ 6,010,000	$ 410,000
Bond Premium	460,476	-	(23,921)	436,555	-
Note Payable	397,625	-	(29,527)	368,098	31,504
Finance Lease Liability	182,985	607,950	(141,618)	649,317	174,912
Compensated Absences	648,130	149,575	-	797,705	478,623
Total Long-Term Liabilities	$ 8,099,216	$ 757,525	$ (595,066)	$ 8,261,675	$ 1,095,039

Series 2016 General Obligation Refunding Bonds

In September 2016, the City issued $3,890,000 of general obligation refunding bonds, Series 2016. The bonds were issued for the purpose of refunding a portion of the City's outstanding general obligation bonds. The refunding bonds bear interest at a rate of 1.69%. Interest is payable semi-annually on March 1st and September 1st each year. The bonds mature in annual installments on March 1st of each year until 2027. The bonds are callable for early redemption

Series 2023 General Obligation Revenue Bonds

In April 2023, the City issued $4,750,000 of general obligation bonds, Series 2023. The bonds were issued for the purpose of making capital improvements in the City. The refunding bonds bear interest at a rate of 3.73%. Interest is payable semi-annually on March 1st and September 1st each year. The bonds mature in annual installments on March 1st of each year until 2043. The bonds are callable for early redemption.

As of December 31, 2024, there is $1,371,813 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, 2024, 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 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.

Promissory Note - CID Building

In December 2023, the City entered into a promissory note for $400,000 to finance the purchase of a building to be used for public purpose. The note bears interest at a rate of 6.50% and is payable in monthly installments of $4,542 through November 6, 2033.

Combined Existing Debt Service Commitments

Principal and interest payments due on general obligation bonds and notes payable outstanding as of December 31, 2024 are as follows:

Year Ending	General Obligation Bonds		Note Payable		Total	
December 31,	Principal	Interest	Principal	Interest	Principal	Interest
2025	$ 410,000	$ 236,230	$ 31,504	$ 22,999	$ 441,504	$ 259,229
2026	425,000	229,091	33,614	20,889	458,614	249,980
2027	440,000	221,534	35,865	18,638	475,865	240,172
2028	10,000	217,400	38,267	16,236	48,267	233,636
2029	225,000	211,525	40,830	13,673	265,830	225,198
2030 - 2034	1,020,000	872,500	188,018	25,453	1,208,018	897,953
2035 - 2039	1,570,000	506,150	-	-	1,570,000	506,150
2040 - 2044	1,910,000	127,700	-	-	1,910,000	127,700
Total	$ 6,010,000	$ 2,622,130	$ 368,098	$ 117,888	$ 6,378,098	$ 2,740,018

Leases

During April 2024, the City entered into a five-year lease agreement as lessee for financing a fire truck. The lease agreement qualifies as a finance lease and has been recorded at the present value of the future minimum lease payments as of the date of inception. At December 31, 2024, the cost of the vehicle is $607,950 and accumulated amortization totaled $30,397 For the year ended December 31, 2024, amortization expense related to the leased fire truck totaled $30,397.

Note 2. Detailed Notes on All Funds (Continued)

Long-Term Debt and Liabilities (Continued)

Leases (Continued)

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 finance lease and has been recorded at the present value of the future minimum lease payments as of the date of inception. At December 31, 2024, the cost of the excavator is $300,895 and accumulated amortization totaled $195,582. For the year ended December 31, 2024, amortization expense related to the excavator totaled $60,179.

The future lease payments under the lease agreements are as follows:

Year Ending December 31,	Governmental Activities	
	Principal	Interest
2025	$ 174,912	$ 30,475
2026	182,458	22,929
2027	125,968	15,035
2028	132,456	8,548
2029	33,523	1,727
Total	$ 649,317	$ 78,714

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 of Louisiana 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.

Note 3. Retirement Plans (Continued)

General Information about the Pension Plans (Continued)

Plan Descriptions/Benefits Provided (Continued)

The Municipal System (Continued)

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 and unused annual and sick leave, 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 or she meets the statutory criteria. Benefit provisions are authorized within Act 189 of 1973 and amended by R.S. 11:2211-2233.

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 service, 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, 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.

Note 3. Retirement Plans (Continued)

General Information about the Pension Plans (Continued)

Plan Descriptions/Benefits Provided (Continued)

The Police System (Continued)

For 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 defined benefit pension plan. The system provides retirement benefits for its members. The projections of benefit payments in the calculation of the total pension liability include all benefits to be provided to current active and inactive employees through the system in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Benefit provisions are authorized within Act 434 of 1979 and amended by 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.

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 50 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 50. No person who has not attained the age of eighteen years shall become a member of the system.

Note 3. Retirement Plans (Continued)

General Information about the Pension Plans (Continued)

Plan Descriptions/Benefits Provided (Continued)

The Firefighters' System (Continued)

Any person who has retired from service under any retirement system or pension fund maintained basically for public officers and employees of the State of Louisiana, 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.

The Firefighters' System

A member who acquires a disability, and who files for disability benefits while in service, and who upon medical examination and certification as provided for in Title 11, is found to have total disability solely as the result of injuries sustained in the performance of his official duties, or for any cause, provided the member has at least 5 years of creditable service and provided that the disability was incurred while the member was an active contributing member in active service, shall be entitled to disability benefits under the provisions of R.S. 11:2256(B) and (C).

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 credit-able 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 percentage 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.

Initial Benefit Option

The Police System

In 1999, the State Legislature authorized the Police System to establish an Initial Benefit Option (IBO). 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.

Note 3. Retirement Plans (Continued)

General Information about the Pension Plans (Continued)

Initial Benefit Option (Continued)

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 years 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.

The Firefighters' System

Under the provisions of R.S. 11:246 and 11:2260(A)(7), the board of trustees is authorized to grant retired members and widows of members who have retired an annual cost of living increase of up to 3% of their current benefit, and all retired members and widows who are 65 years of age and older a 2% increase in their original benefit. In order for the board to grant either of these increases, the System must meet certain criteria detailed in the statute related to funding status and interest earnings (R.S. 11:243). In lieu of these COLAs, pursuant to R.S. 11:241, the board may also grant an increase based on a formula equal to up to $1 times the total number of years of credited service accrued at retirement or at death of the member or retiree plus the number of years since retirement or since death of the member or retiree to the system’s fiscal year end preceding the payment of the benefit increase. If there are not sufficient funds to fund the benefit at the rate of one dollar per year for such total number of years, then the rate shall be reduced in proportion to the amount of funds that are available to fund the cost-of-living adjustment.

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, 2024. 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, 2024 and 2023, the actuarially determined contribution rate was 29.50% of member's compensation for Plan A. Contributions to the pension plan from the City were $1,162,893 for the year ended December 31, 2024.

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 were recognized as revenue by the system for the year ended December 31, 2024, and were excluded from pension expense.

The Police System

Contributions for all members are actuarially determined as required by state statutes but cannot be less than 9.0% of the employee's earnable compensation excluding overtime but including state supplemental pay for the year ended June 30, 2024. 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, 2024 and 2023, the actuarially determined contribution rates are as follows:

Year Ended		Hazardous	Hazardous	Poverty
June 30, 2024	**Employer**	**33.93%**	**33.93%**	**36.43%**
	Employee	**10.00%**	**8.00%**	**7.50%**
June 30, 2023	Employer	31.25%	31.25%	33.75%
	Employee	10.00%	8.00%	7.50%

Contributions to the pension plan from the City were $924,576 for the year ended December 31, 2024.

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 were recognized as revenue for the year ended December 31, 2024, and were excluded from pension expense.

The Firefighters' System

Contributions for all members are established by state statute at 10.0% for wages above poverty for the years ended June 30, 2024 and 2023. 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, 2024 and 2023, the actuarially determined contribution rates were 33.25% and 35.25%, respectively, of member's compensation. Contributions to the pension plan from the City were $476,152 for the year ended December 31, 2024.

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, 2024, 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, 2024, the City reported a combined liability of $15,255,608 for its proportionate share of the Net Pension Liabilities (NPL) of the Municipal System, the Police System, and the Firefighters' System. The amounts for each plan were $5,445,327, $7,004,354, and $2,805,927, respectively. The NPL for each system was measured as of June 30, 2024, 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, 2024, the most recent measurement date, the City's proportionate share for each system was:

	Municipal System	Police System	Firefighters' System
City's Proportionate Share	1.935085%	0.773111%	0.498338%
Increase from Prior Year	0.143005%	0.108947%	0.024976%

For the year ended December 31, 2024, the City recognized a total pension expense of $3,655,801.

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	$ -	$ 180,263
Changes of Assumptions	-	32,143
Net Difference between Projected and Actual Earnings on Pension Plan Investments	73,330	-
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	369,163	-
Employer Contributions Subsequent to the Measurement Date	580,460	-
Total	$ 1,022,953	$ 212,406

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	$ 379,234	$ 211,884
Changes of Assumptions	-	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	194,716	-
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	775,355	-
Employer Contributions Subsequent to the Measurement Date	629,027	-
Total	$ 1,978,332	$ 211,884

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	$ 210,661	$ 66,731
Changes of Assumptions	120,038	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	28,383	-
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	373,652	43,004
Employer Contributions Subsequent to the Measurement Date	309,999	-
Total	$ 1,042,733	$ 109,735

Deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date (June 30, 2024) totaled $1,519,486 ($580,460 for the Municipal System, $629,027 for the Police System, and $309,999 for the Firefighters' System). These amounts will be recognized as a reduction of the NPL in the year ending December 31, 2024.

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

Year Ending December 31,	Municipal System	Police System	Firefighters' System
2025	$ 32,164	$ 477,918	$ 60,826
2026	520,035	912,508	443,526
2027	(186,922)	(130,262)	14,756
2028	(135,190)	(122,743)	4,975
2029	-	-	58,883
2030	-	-	40,033
Total	$ 230,087	$ 1,137,421	$ 622,999

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, 2024 are as follows:

The Municipal System

Valuation Date:	June 30, 2024
Actuarial Cost Method:	Entry Age Normal
Investment Rate of Return:	6.85% (Net of Investment Expense)
Expected Remaining Service Lives:	3 Years
Inflation:	2.50% per Annum
Projected Salary Increases:	1 to 4 Years of Service - 9.0% More than 4 Years of Service - 4.4%
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, 2018 through June 30, 2023.

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% and adjusting for the effect of rebalancing/diversification. The resulting expected long-term rate of return was 6.85% as of June 30, 2024.

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, 2024 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Public Equity	56.00%	2.44%
Public Fixed Income	29.00%	1.26%
Alternatives	15.00%	0.65%
Total	100.00%	4.35%
Inflation		2.50%
Expected Arithmetic Nominal Return		6.85%

The Police System

Valuation Date:	June 30, 2024
Actuarial Cost Method:	Entry Age Normal
Investment Rate of Return:	6.75% (Net of Investment Expense)
Expected Remaining Service Lives:	4 Years
Inflation:	2.50% 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 7.86% as of June 30, 2024.

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, 2024 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Equity	52.00%	3.14%
Fixed Income	34.00%	1.07%
Alternative	14.00%	1.03%
Total	100.00%	5.24%
Inflation		2.62%
Expected Arithmetic Nominal Return		7.86%

The Firefighters' System

Valuation Date:	June 30, 2024
Actuarial Cost Method:	Entry Age Normal
Investment Rate of Return:	6.90% (Net of Investment Expense)
Expected Remaining Service Lives:	7 Years
Inflation:	2.50% 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, 2024.

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, 2024 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Equity		
U.S. Equity	28.50%	6.24%
Non-U.S. Equity	11.00%	6.36%
Global Equity	10.00%	6.42%
Emerging Market Equity	4.50%	8.26%
Fixed Income		
U.S. Core Fixed Income	22.00%	2.09%
U.S. TIPS	2.00%	2.00%
Emerging Market Debt	2.00%	4.05%
Global Multisector Fixed Income	4.00%	2.34%
Alternative		
Private Equity/Private Debt	9.00%	9.77%
Real Estate	4.00%	4.85%
Real Assets	3.00%	5.93%
Total	100.00%	

Note 3. Retirement Plans (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.85% for the Municipal System, 6.75% for the Police System, and 6.90% for Firefighters' System. 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.

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	$ 8,199,858	$ 5,445,327	$ 3,120,025
The Police System			
Discount Rate	5.75%	6.75%	7.75%
City's Proportionate Share of the Net Pension Liability	$ 10,404,795	$ 7,004,354	$ 4,165,646
The Firefighters' System			
Discount Rate	5.90%	6.90%	7.90%
City's Proportionate Share of the Net Pension Liability	$ 4,658,427	$ 2,805,927	$ 1,260,764

Support of Non-Employer Contributing Entities

Contributions received from non-employer contributing entities are recognized as revenue during the year ended December 31, 2024 and excluded from pension expense. During the year ended December 31, 2024, the City recognized revenue as a result of support received from non-employer contributing entities of $514,858. The Municipal System, Police System, and Firefighters' System received $158,371, $201,098, and $155,389, respectively, for their participation in the City's Pension and Relief Fund.

Note 3. Retirement Plans (Continued)

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, 2024, 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, 2024, the Plan's membership consisted of the following:

Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	24
Active Plan Members	173
Total	197

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 Firefighters' Retirement System of Louisiana; and, third, the Municipal Police Employees' Retirement System of Louisiana. Both the Fire and Police systems have retirement eligibility (DROP entry) provisions as follows: 25 years of service at any age; age 50 and 20 years of service; or, age 55 and 12 years of service. For MERS and MPERS members, employees hired on and after January 1, 2013 must meet the following retirement (DROP entry) requirements: age 55 and 30 years of service; age 62 and 10 years of service; or, age 67 and 7 years of service (MERS) or 25 years or service or age 55 and 12 years of service (MPERS). Retirees who are eligible can enroll in the City's medical plan. The City pays 75% of the retiree's monthly premium.

Note 4. Postemployment Benefits other than Pensions (Continued)

Plan Description (Continued)

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 postemployment benefits costs.

Investments

Investment Policy - The Board's management meets with the Trust's investment advisor on an annual basis to review the asset allocation and make any changes deemed necessary. The following was the asset allocation policy as of December 31, 2024:

Asset Class	Target Asset Allocation
Fixed Income	90%
Equity	10%

Concentrations - The OPEB Trust has over 5% invested in the following funds; U.S. Treasury Bonds, 8.18%, Federal National Mortgage Association, 12.44%, Federal Farm Credit Bank, 7.65%, and SPDR S&P 500, 19.93%.

Asset Class	Actual Asset Allocation
Agency Bonds	24.4%
Corporate Bonds	46.8%
Stock Funds	19.9%
Cash/Reserves	0.7%
U.S. Treasury Bonds	8.2%

Rate of Return - For the year ended December 31, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 7.27%. 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, 2024, were as follows:

Total OPEB Liability	$ 9,176,813
Plan Fiduciary Net Position	1,176,354
Net OPEB Liability	$ 8,000,459
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	12.82%

Note 4. Postemployment Benefits other than Pensions (Continued)

Investments (Continued)

Actuarial Assumptions - The total OPEB liability was determined by an actuarial valuation as of January 1, 2024, using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Inflation:	2.50%
Projected Salary Increases:	Rates include the inflation assumption

Years of Service	MERS	MPERS	FRS
1 - 2	6.40%	12.30%	14.10%
3 - 4	6.40%	4.70%	14.10%
5 - 14	4.50%	4.70%	5.20%
15 - 24	4.50%	4.70%	5.20%
25+	4.50%	4.70%	5.20%

Discount Rate:	3.26% annually (Beginning of Year) 4.08% annually (Measurement Date)
Healthcare Cost Trend Rates:	5.50% annually

Mortality rates used are the PubG.H-2010 or the PubS.H-2010(B) tables, adjusted, and projected with the MP-2021 projection scale.

The actuarial assumptions used in the January 1, 2024 valuation were based on the results of ongoing evaluations of the assumptions from the MERS, MPERS and FRS 2023 actuarial valuations.

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, 2024. However, a trust was established during 2018 and an initial contribution was made during that year but funding and investment policies have not yet been fully implemented. We have therefore used the discount rates which would be applicable to an unfunded plan; namely, 4.08%, which is the value of the Bond Buyers' 20 Year General Obligation Municipal Bond Index as of December 31, 2024, the measurement date at the end of the applicable measurement period, and 3.26% as of, December 31 2023, the measurement date at the end of the immediately preceding 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, 2023	$ 9,473,826	$ 1,096,911	$ 8,376,915
Service Cost	842,049	-	842,049
Interest Cost at 3.26%	333,279	-	333,279
Difference between Expected and Actual Experience	-	-	-
Employer Contributions Trust	-	-	-
Net Investment Income (Loss)	-	79,443	(79,443)
Changes of Assumptions	(1,285,664)	-	(1,285,664)
Benefit Payments			
(a) From Trust	-	-	-
(b) Direct	(186,677)	-	(186,677)
Administrative Expense			
(a) From Trust	-	-	-
(b) Direct	-	-	-
Net Change	(297,013)	79,443	(376,456)
Balances at December 31, 2024	$ 9,176,813	$ 1,176,354	$ 8,000,459

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 (3.08%) or one percentage point higher (5.08%) than the current discount rate:

	1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
Net OPEB Liability	$ 9,603,202	$ 8,000,459	$ 6,724,588

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	$ 6,487,457	$ 8,000,459	$ 9,962,433

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

For the year ended December 31, 2024, the City recognized OPEB expense of $597,894. At December 31, 2024, 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	$ 523,235	$ (1,924,727)
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	-	(19,899)
Changes in Assumptions/Inputs	2,554,960	(2,695,867)
Total	$ 3,078,195	$ (4,640,493)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan for the year ended December 31, 2024 will be recognized in OPEB expense as follows:

Year Ending December 31,	Amount
2025	$ (358,683)
2026	(360,306)
2027	(655,999)
2028	(323,310)
2029	(16,702)
Thereafter	152,702
Total	$ (1,562,298)

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 no annual aggregate maximum. At December 31, 2024, 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 the tax abatement agreement shown below, as of December 31, 2024:

- A printing and related support activities company, through an agreement negotiated with the Industrial Tax Exemption (ITE) program, has property assessed at approximately $1.4 million with exempt taxes of approximately $26,000. The ITE program may be granted to companies located within the Parish. The ITE program abates, up to ten years, local property taxes on new investment and annual capitalized additions related to the business.

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.

The City’s outstanding general obligation bonds, Series 2016 and Series 2023, 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.

Note 8. Restricted Assets

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	$ 1,809,327	$ 1,500,000
Special Revenue Funds		
A3 Sales Tax Fund	-	1,809,327
State and Federal Grants Fund	-	245,993
	1,809,327	3,555,320
Business-Type Activities		
Utility Fund	1,745,993	-
Total	$ 3,555,320	$ 3,555,320

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, 2024 was as follows:

	Amount
Governmental Activities	
General Fund	$ (21,430,339)
Special Revenue Funds	
A3 Sales Tax Fund	10,828,138
State and Federal Grants Fund	2,345,181
Drug Forfeiture Fund	32,276
Tree Mitigation Fund	14,825
Capital Projects Funds	
Water Capacity Treatment Fund	220,446
Waste-Water Capacity Treatment Fund	794,781
	(7,194,692)
Business-Type Activities	
Utility Fund	7,194,692
Total	$ -

Note 11. Due to/from Other Funds

The primary purpose of interfund 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 to/from other funds at December 31, 2024 are as follows:

	Interfund Receivables	Interfund Payables
Governmental Activities		
General Fund	$ 51,044	$ 88,208
Special Revenue Funds		
A3 Sales Tax Fund	-	2,652
State and Federal Grants Fund	-	1,366
Debt Service Funds		
General Obligation Debt Service Fund	-	4,600
Capital Projects Funds		
2023 Capital Projects Fund	66,208	-
Permanent Fund		
Garden of Pines Permanent Fund	-	32,387
	117,252	129,213
Business-Type Activities		
Utility Fund	22,000	10,039
Total	$ 139,252	$ 139,252

Note 12. Internal Balances

In the government-wide statement of net position, the balances of the due to/from other funds (Note 11) and the equity in pooled cash (Note 10) 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 balances at December 31, 2024:

	Governmental Activities	Business-Type Activities
Due from Other Funds	$ 117,252	$ 22,000
Due to Other Funds	(129,213)	(10,039)
(Deficit) Equity in Pooled Cash	(7,194,692)	7,194,692
Total	$ (7,206,653)	$ 7,206,653

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, 2023	$	252,709
Deletions		
New Loans Issued		-
Additions		
Principal Payments on Notes		-
Interest Payments on Notes		-
Interest on Cash Account		126
Restricted Cash and Cash Equivalents - December 31, 2024	$	252,835
Notes Receivable - December 31, 2024	$	-

Note 14. Subsequent Events

Management has evaluated subsequent events through the date the financial statements were available to be issued, June 12, 2025 and determined that no events occurred that requires disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION (PART II)

CITY OF COVINGTON, LOUISIANA
Required Other Postemployment Benefits Supplementary Information
For the Year Ended December 31, 2024

Schedule of Investment Returns

	2024	2023	2022	2021	2020	2019	2018
Annual Money Weighted Rate of Return, Net of Investment Expense	**7.27%**	7.19%	-5.51%	-1.01%	3.11%	1.36%	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

	2024	2023	2022	2021	2020	2019	2018
Actuarially Determined Contribution	**$1,467,868**	$1,091,682	$1,002,040	$ 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	**186,677**	176,945	235,488	223,211	213,894	210,381	116,941
Total Contributions	**186,677**	176,945	235,488	223,211	213,894	210,381	1,166,941
Contribution Deficiency (Excess)	**$1,281,191**	$ 914,737	$ 766,552	$ 616,667	$ 568,981	$ 350,723	$ (525,169)
Covered-Employee Payroll	**$8,760,758**	$8,383,500	$6,053,756	$5,877,433	$5,468,435	$5,258,110	$5,376,452
Contributions as a Percentage of Covered-Employee Payroll	**2.13%**	2.11%	3.89%	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.

CITY OF COVINGTON, LOUISIANA
Schedule of City's Contributions to Pension Plans
For the Year Ended December 31, 2024

The Municipal System	**2024**	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	**$ 1,162,893**	$ 1,062,550	$ 984,645	$ 923,465	$ 899,612	$ 835,171	$ 771,786	$ 717,787	$ 625,486	$ 557,105
Contributions in Relation to the Contractually Required Contribution	**1,162,893**	1,062,550	984,645	923,465	899,612	835,171	771,786	717,787	625,486	557,105
Contribution Deficiency (Excess)	**$ -**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's Covered Payroll	**$ 4,419,674**	$ 3,494,467	$ 3,262,633	$ 3,245,402	$ 3,143,685	$ 3,009,624	$ 3,039,066	$ 3,024,599	$ 2,940,646	$ 2,820,787
Contributions as a Percentage of Covered Payroll	**26.31%**	30.41%	30.18%	28.45%	28.62%	27.75%	25.40%	23.73%	21.27%	19.75%

The Police System	**2024**	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	**$ 924,576**	$ 765,224	$ 609,983	$ 566,304	$ 502,108	$ 501,345	$ 552,967	$ 526,234	$ 540,210	$ 490,167
Contributions in Relation to the Contractually Required Contribution	**924,576**	765,224	609,983	566,304	502,108	501,345	552,967	526,234	540,210	490,167
Contribution Deficiency (Excess)	**$ -**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's Covered Payroll	**$ 2,778,273**	$ 2,004,827	$ 1,863,216	$ 1,588,391	$ 1,515,453	$ 1,548,049	$ 1,755,544	$ 1,681,942	$ 1,561,694	$ 1,419,730
Contributions as a Percentage of Covered Payroll	**33.28%**	38.17%	32.74%	35.65%	33.13%	32.39%	31.50%	31.29%	34.59%	34.53%

The Firefighters' System	**2024**	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	**$ 476,152**	$ 422,511	$ 406,024	$ 338,994	$ 295,717	$ 250,782	$ 262,537	$ 251,289	$ 258,903	$ 272,059
Contributions in Relation to the Contractually Required Contribution	**476,152**	422,511	406,024	338,994	295,717	250,782	262,537	251,289	258,903	272,059
Contribution Deficiency (Excess)	**$ -**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's Covered Payroll	**$ 1,216,672**	$ 1,043,354	$ 963,127	$ 963,848	$ 982,734	$ 923,122	$ 990,706	$ 1,042,519	$ 986,254	$ 963,150
Contributions as a Percentage of Covered Payroll	**39.14%**	40.50%	42.16%	35.17%	30.09%	27.17%	26.50%	24.10%	26.25%	28.25%

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

CITY OF COVINGTON, LOUISIANA
Schedule of Proportionate Share of Net Position Liability
For the Year Ended December 31, 2024

The Municipal System	**2024**	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's Portion of the Net Pension Liability	**1.935085%**	1.792080%	1.741562%	1.580874%	1.700005%	1.577123%	1.638340%	1.685030%	1.602460%	1.643521%
City's Proportionate Share of the Net Pension Liability	**$ 5,445,327**	$ 6,549,808	$ 7,233,115	$ 4,397,206	$ 7,349,817	$ 6,590,263	$ 6,783,826	$ 7,049,195	$ 6,568,003	$ 5,870,914
City's Covered Payroll	**$ 4,419,674**	$ 3,494,467	$ 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	**123.21%**	187.43%	221.70%	135.49%	252.25%	222.55%	223.86%	246.26%	234.15%	218.30%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**79.05%**	72.46%	67.87%	77.82%	64.52%	64.68%	63.90%	62.50%	62.11%	66.18%

The Police System	**2024**	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's Portion of the Net Pension Liability	**0.773111%**	0.722839%	0.664164%	0.549996%	0.514037%	0.507229%	0.577690%	0.578550%	0.560620%	0.568431%
City's Proportionate Share of the Net Pension Liability	**$ 7,004,354**	$ 7,636,772	$ 6,788,935	$ 2,931,779	$ 4,750,900	$ 4,606,489	$ 4,883,784	$ 5,050,978	$ 5,254,579	$ 4,453,063
City's Covered Payroll	**$ 2,778,273**	$ 2,004,827	$ 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	**252.11%**	380.92%	364.37%	184.58%	299.93%	270.21%	300.20%	335.95%	389.96%	344.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**75.84%**	71.30%	70.80%	84.09%	70.94%	71.00%	70.10%	70.10%	66.04%	70.73%

The Firefighters' System	**2024**	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's Portion of the Net Pension Liability	**0.498338%**	0.473362%	0.466954%	0.419069%	0.387149%	0.378677%	0.434260%	0.426240%	0.433230%	0.459625%
City's Proportionate Share of the Net Pension Liability	**$ 2,805,927**	$ 3,089,542	$ 3,292,629	$ 1,485,119	$ 2,683,542	$ 2,371,241	$ 2,497,915	$ 2,443,120	$ 2,833,709	$ 2,480,648
City's Covered Payroll	**$ 1,216,672**	$ 1,043,354	$ 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	**230.62%**	296.12%	341.87%	154.08%	293.83%	226.05%	251.00%	250.11%	290.10%	261.72%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**81.68%**	77.69%	74.68%	86.78%	72.61%	74.00%	74.80%	73.50%	68.16%	62.70%

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.

CITY OF COVINGTON, LOUISIANA
Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended December 31, 2024

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service Cost	**$ 842,049**	$ 562,628	$ 391,704	$ 345,877	$ 360,161	$ 211,866	$ 239,287
Interest Cost	**333,279**	309,041	209,687	257,608	261,077	283,358	254,560
Difference between Expected and Actual Experience	**-**	(257,949)	375,352	(3,465,904)	605,657	284,397	(14,113)
Changes in Assumptions	**(1,285,664)**	641,842	(2,329,169)	1,090,383	1,330,103	2,049,743	(804,905)
Benefit Payments	**(186,677)**	(176,945)	(235,488)	(223,211)	(213,984)	(210,381)	(116,941)
Net Change in OPEB Liability	**(297,013)**	1,078,617	(1,587,914)	(1,995,247)	2,343,014	2,618,983	(442,112)
Total OPEB Liability - Beginning	**9,473,826**	8,395,209	9,983,123	11,978,370	9,635,356	7,016,373	7,458,485
Total OPEB Liability - Ending (a)	**9,176,813**	9,473,826	8,395,209	9,983,123	11,978,370	9,635,356	7,016,373
Plan Fiduciary Net Position							
Contributions - Employer	**-**	-	-	-	-	-	1,050,000
Net Investment Income	**84,184**	77,766	(55,540)	(6,660)	34,004	14,467	-
Administrative Expense	**(4,741)**	(4,439)	(4,480)	(4,643)	(3,543)	(21)	-
Net Change in Plan Fiduciary Net Position	**79,443**	73,327	(60,020)	(11,303)	30,461	14,446	1,050,000
Plan Fiduciary Net Position - Beginning	**1,096,911**	1,023,584	1,083,604	1,094,907	1,064,446	1,050,000	-
Plan Fiduciary Net Position - Ending (b)	**1,176,354**	1,096,911	1,023,584	1,083,604	1,094,907	1,064,446	1,050,000
Total OPEB Liability - Ending (a) - (b)	**$ 8,000,459**	$ 8,376,915	$ 7,371,625	$ 8,899,519	$ 10,883,463	$ 8,570,910	$ 5,966,373
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	**12.82%**	11.58%	12.19%	10.85%	9.14%	11.05%	14.96%
Covered-Employee Payroll	**$ 8,760,758**	$ 8,383,500	$ 6,053,756	$ 5,877,433	$ 5,468,435	$ 5,258,110	$ 5,376,452
Net OPEB Liability as a Percentage of Covered-Employee Payroll	**91.32%**	99.92%	121.77%	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, 2024.

Changes in Assumptions.

The following discount rate was used in each period:	**4.08%**	3.26%	3.72%	2.06%	2.12%	2.74%	4.10%

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

CITY OF COVINGTON, LOUISIANA
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable/ (Unfavorable)
Revenues				
Taxes				
Sales Taxes	$ 13,402,440	$ 13,402,440	$ 13,010,218	$ (392,222)
Property Taxes	2,640,292	2,640,292	3,068,554	428,262
Franchise Taxes	801,523	801,523	809,599	8,076
Licenses and Permits	1,512,000	1,512,000	1,535,801	23,801
Other Revenues	182,537	182,537	336,828	154,291
Fines and Forfeitures	123,425	123,425	286,270	162,845
Charges for Services	209,478	209,478	297,244	87,766
Intergovernmental Revenues	640,663	640,663	915,968	275,305
Interest and Penalties	659,070	659,070	656,957	(2,113)
State and Federal Grants	-	-	40,356	40,356
Total Revenues	20,171,428	20,171,428	20,957,795	786,367
Expenditures				
Current				
General Government	6,059,100	6,172,299	4,931,640	1,240,659
Public Safety - Police	6,943,847	6,915,167	6,613,174	301,993
Public Safety - Fire	3,213,640	3,265,107	3,118,729	146,378
Public Works	3,294,783	3,657,456	2,783,582	873,874
Culture and Recreation	1,151,560	1,167,999	993,149	174,850
Capital Outlay	1,974,583	7,320,052	3,738,524	3,581,528
Debt Service				
Principal	264,070	429,070	171,146	257,924
Interest	24,816	24,976	53,492	(28,516)
Total Expenditures	22,926,399	28,952,126	22,403,436	6,548,690
Excess (Deficiency) of Revenues Over Expenditures	(2,754,971)	(8,780,698)	(1,445,641)	7,335,057
Other Financing Sources (Uses)				
Transfers In	2,141,609	2,141,609	1,809,327	(332,282)
Transfers Out	(2,059,723)	(2,059,723)	(1,500,000)	559,723
Total Other Financing Sources (Uses)	81,886	81,886	309,327	227,441
Net Change in Fund Balances	$ (2,673,085)	$ (8,698,812)	(1,136,314)	$ 7,562,498
Fund Balances, Beginning of Year			16,439,363	
Fund Balances, End of Year			$ 15,303,049	

See independent auditor's report.

CITY OF COVINGTON, LOUISIANA
Budgetary Comparison Schedule
Annexation Area (A3) Sales Tax Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable/ (Unfavorable)
Revenues				
Taxes				
Sales Taxes	$ 4,358,778	$ 4,358,778	$ 4,246,527	$ (112,251)
Interest and Penalties	334,786	334,786	450,202	115,416
Total Revenues	4,693,564	4,693,564	4,696,729	3,165
Expenditures				
General Government	57,964	57,964	61,005	(3,041)
Capital Outlay	550,000	4,821,186	1,564,729	3,256,457
Total Expenditures	607,964	4,879,150	1,625,734	3,253,416
Excess (Deficiency) of Revenues Over Expenditures	4,085,600	(185,586)	3,070,995	3,256,581
Other Financing Sources (Uses)				
Transfers Out	(2,141,609)	(2,141,609)	(1,809,327)	332,282
Total Other Financing Sources (Uses)	(2,141,609)	(2,141,609)	(1,809,327)	332,282
Net Change in Fund Balance	$ 1,943,991	$ (2,327,195)	1,261,668	$ 3,588,863
Fund Balance, Beginning of Year			9,923,165	
Fund Balance, End of Year			$ 11,184,833	

See independent auditor's report.

CITY OF COVINGTON, LOUISIANA
Budgetary Comparison Schedule
State and Federal Grants Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable/ (Unfavorable)
Revenues				
State and Federal Grants	$ -	$ 500,000	$ 270,662	$ (229,338)
Total Revenues	-	500,000	270,662	(229,338)
Expenditures				
Public Safety - Police	-	-	15,319	(15,319)
Capital Outlay	-	14,892,947	2,425	14,890,522
Total Expenditures	-	14,892,947	17,744	14,875,203
Excess (Deficiency) of Revenues Over Expenditures	-	(14,392,947)	252,918	14,645,865
Other Financing Sources (Uses)				
Transfers Out	-	-	(245,993)	(245,993)
Total Other Financing Sources (Uses)	-	-	(245,993)	(245,993)
Net Change in Fund Balance	$ -	$ (14,392,947)	6,925	$ 14,399,872
Fund Balance, Beginning of Year			142,551	
Fund Balance, End of Year			$ 149,476	

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 U.S. GAAP except for transfers and debt service.

g) The budgetary comparison schedules shown in the accompanying required supplementary information present comparisons of the legally adopted budgets, as amended, with actual results. The originally adopted budgets are presented for purposes of comparison to the final, amended budgets.

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

The Municipal System

For the Municipal Employees' Retirement System for the valuation year ended June 30, 2024, the rate for projected salary increases increased from 6.4% to 9.0% for 1 to 4 years of service. For the valuation year ended June 30, 2021, the investment rate of return decreased from 6.95% to 6.85%. For the valuation year ended June 30, 2020, the investment rate of return decreased from 7% to 6.95%. 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%.

The Police System

For the 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 the valuation year ended June 30, 2020, the investment rate of return decreased from 7.125% to 6.95%. 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%.

The Firefighters' System

For the Firefighters' Retirement System for the valuation year ended June 30, 2020, the investment rate of return decreased from 7.00% to 6.90%. For the valuation year ended June 30, 2020, the investment rate of return decreased from 7.15% to 7.00%. 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, 2024

	Debt Service Funds		Permanent	Special Revenue Funds		Capital Projects Funds		
	General Obligation Debt Service Fund	Sales Tax Bond Debt Service Fund	Garden of Pines Permanent Fund	Drug Forfeiture Fund	Tree Mitigation Fund	Water Capacity Treatment Fund	Waste-Water Capacity Treatment Fund	Total Non-Major Governmental
Assets								
Cash and Cash Equivalents	$ 504,958	$ 64,668	$ 38,107	$ -	$ -	$ -	$ -	$ 607,733
Equity in Pooled Cash	-	-	-	32,276	14,825	220,446	794,781	1,062,328
Certificates of Deposit	-	277,500	24,955	-	-	-	-	302,455
Receivables								
Property Taxes	529,287	-	-	-	-	-	-	529,287
Total Assets	$ 1,034,245	$ 342,168	$ 63,062	$ 32,276	$ 14,825	$ 220,446	$ 794,781	$ 2,501,803
Liabilities and Fund Balances								
Liabilities								
Due to Other Funds	$ 4,600	$ -	$ 32,387	$ -	$ -	$ -	$ -	$ 36,987
Total Liabilities	4,600	-	32,387	-	-	-	-	36,987
Fund Balances								
Nonspendable								
Permanent Fund	-	-	24,955	-	-	-	-	24,955
Restricted for:								
Perpetual Care	-	-	5,720	-	-	-	-	5,720
Debt Services	1,029,645	342,168	-	-	-	-	-	1,371,813
Drug Forfeiture	-	-	-	32,276	-	-	-	32,276
Tree Mitigation	-	-	-	-	14,825	-	-	14,825
Committed								
Capital Outlay	-	-	-	-	-	220,446	794,781	1,015,227
Total Fund Balances	1,029,645	342,168	30,675	32,276	14,825	220,446	794,781	2,464,816
Total Liabilities and Fund Balances	$ 1,034,245	$ 342,168	$ 63,062	$ 32,276	$ 14,825	$ 220,446	$ 794,781	$ 2,501,803

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, 2024

	Debt Service Funds		Permanent	Special Revenue Funds		Capital Projects Funds		
	General Obligation Debt Service Fund	Sales Tax Bond Debt Service Fund	Garden of Pines Permanent Fund	Drug Forfeiture Fund	Tree Mitigation Fund	Water Capacity Treatment Fund	Waste-Water Capacity Treatment Fund	Total Non-Major Governmental
Revenues								
Taxes								
Property Taxes	$ 668,966	$ -	$ -	$ -	$ -	$ -	$ -	$ 668,966
Fines and Forfeitures	-	-	-	4,017	5,400	-	-	9,417
Charges for Services	-	-	-	-	-	41,582	93,932	135,514
Interest and Penalties	180	8,826	1,275	1,264	398	7,521	28,003	47,467
Total Revenues	669,146	8,826	1,275	5,281	5,798	49,103	121,935	861,364
Expenditures								
Current								
General Government	881	-	-	38	12	226	841	1,998
Public Safety - Police	-	-	-	15,874	-	-	-	15,874
Debt Service								
Principal	400,000	-	-	-	-	-	-	400,000
Interest	318,907	-	-	-	-	-	-	318,907
Total Expenditures	719,788	-	-	15,912	12	226	841	736,779
Excess (Deficiency) of Revenues Over Expenditures	(50,642)	8,826	1,275	(10,631)	5,786	48,877	121,094	124,585
Net Change in Fund Balances	(50,642)	8,826	1,275	(10,631)	5,786	48,877	121,094	124,585
Fund Balances, Beginning of Year	1,080,287	333,342	29,400	42,907	9,039	171,569	673,687	2,340,231
Fund Balances, End of Year	$ 1,029,645	$ 342,168	$ 30,675	$ 32,276	$ 14,825	$ 220,446	$ 794,781	$ 2,464,816

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 FUNDS

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 waste-water system improvements.

CITY OF COVINGTON, LOUISIANA
Budgetary Comparison Schedule
2023 Capital Projects Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable/ (Unfavorable)
Revenues				
Interest and Penalties	$ 176,211	$ 176,211	$ 205,641	$ 29,430
Total Revenues	176,211	176,211	205,641	29,430
Expenditures				
Current				
General Government	-	-	700	(700)
Capital Outlay	-	5,000,000	191,955	4,808,045
Total Expenditures	-	5,000,000	192,655	4,807,345
Excess (Deficiency) of Revenues Over Expenditures	176,211	(4,823,789)	12,986	4,836,775
Net Change in Fund Balance	$ 176,211	$ (4,823,789)	12,986	$ 4,836,775
Fund Balance, Beginning of Year			5,279,327	
Fund Balance, End of Year			$ 5,292,313	

CITY OF COVINGTON, LOUISIANA
Budgetary Comparison Schedule
General Obligation Debt Service Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable/ (Unfavorable)
Revenues				
Taxes				
Property Taxes	$ 559,723	$ 559,723	$ 668,966	$ 109,243
Interest and Penalties	177	177	180	3
Total Revenues	559,900	559,900	669,146	109,246
Expenditures				
Current				
General Government	440	440	881	(441)
Debt Service				
Principal	400,000	400,000	400,000	-
Interest	318,907	318,907	318,907	-
Total Expenditures	719,347	719,347	719,788	(441)
Excess (Deficiency) of Revenues Over Expenditures	(159,447)	(159,447)	(50,642)	108,805
Net Change in Fund Balance	$ (159,447)	$ (159,447)	(50,642)	$ 108,805
Fund Balance, Beginning of Year			1,080,287	
Fund Balance, End of Year			$ 1,029,645	

See independent auditor's report.

CITY OF COVINGTON, LOUISIANA
Budgetary Comparison Schedule
Sales Tax Bond Debt Service Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable/ (Unfavorable)
Revenues				
Taxes				
Interest and Penalties	$ 5,350	$ 5,350	$ 8,826	$ 3,476
Total Revenues	5,350	5,350	8,826	3,476
Excess (Deficiency) of Revenues Over Expenditures	5,350	5,350	8,826	3,476
Net Change in Fund Balance	$ 5,350	$ 5,350	8,826	$ 3,476
Fund Balance, Beginning of Year			333,342	
Fund Balance, End of Year			$ 342,168	

See independent auditor's report.

CITY OF COVINGTON, LOUISIANA
Budgetary Comparison Schedule
Garden of Pines Permanent Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable/ (Unfavorable)
Revenues				
Taxes				
Interest and Penalties	$ 187	$ 187	$ 1,275	$ 1,088
Total Revenues	187	187	1,275	1,088
Excess (Deficiency) of Revenues Over Expenditures	187	187	1,275	1,088
Net Change in Fund Balance	$ 187	$ 187	1,275	$ 1,088
Fund Balance, Beginning of Year			29,400	
Fund Balance, End of Year			$ 30,675	

See independent auditor's report.

CITY OF COVINGTON, LOUISIANA
Budgetary Comparison Schedule
Drug Forfeiture Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable/ (Unfavorable)
Revenues				
Fines and Forfeitures	$ -	$ -	$ 4,017	$ 4,017
Interest and Penalties	1,725	1,725	1,264	(461)
Total Revenues	1,725	1,725	5,281	3,556
Expenditures				
Current				
General Government	28,049	28,282	38	28,244
Public Safety - Police	-	-	15,874	(15,874)
Total Expenditures	28,049	28,282	15,912	12,370
Excess (Deficiency) of Revenues Over Expenditures	(26,324)	(26,557)	(10,631)	(8,814)
Net Change in Fund Balance	$ (26,324)	$ (26,557)	(10,631)	$ (8,814)
Fund Balance, Beginning of Year			42,907	
Fund Balance, End of Year			$ 32,276	

See independent auditor's report.

CITY OF COVINGTON, LOUISIANA
Budgetary Comparison Schedule
Tree Mitigation Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable/ (Unfavorable)
Revenues				
Fines and Forfeitures	$ -	$ -	$ 5,400	$ 5,400
Interest and Penalties	311	311	398	87
Total Revenues	311	311	5,798	5,487
Expenditures				
Current				
General Government	8	8	12	(4)
Total Expenditures	8	8	12	(4)
Excess (Deficiency) of Revenues Over Expenditures	303	303	5,786	5,483
Net Change in Fund Balance	$ 303	$ 303	5,786	$ 5,483
Fund Balance, Beginning of Year			9,039	
Fund Balance, End of Year			$ 14,825	

See independent auditor's report.

CITY OF COVINGTON, LOUISIANA
Budgetary Comparison Schedule
Water Capacity Treatment Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable/ (Unfavorable)
Revenues				
Charges for Services	$ 20,000	$ 20,000	$ 41,582	$ 21,582
Interest and Penalties	5,381	5,381	7,521	2,140
Total Revenues	25,381	25,381	49,103	23,722
Expenditures				
Current				
General Government	130	130	226	(96)
Total Expenditures	130	130	226	(96)
Excess (Deficiency) of Revenues Over Expenditures	25,251	25,251	48,877	23,626
Net Change in Fund Balance	$ 25,251	$ 25,251	48,877	$ 23,626
Fund Balance, Beginning of Year			171,569	
Fund Balance, End of Year			$ 220,446	

See independent auditor's report.

CITY OF COVINGTON, LOUISIANA
Budgetary Comparison Schedule
Waste-Water Capacity Treatment Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable/ (Unfavorable)
Revenues				
Charges for Services	$ 66,000	$ 66,000	$ 93,932	$ 27,932
Interest and Penalties	22,165	22,165	28,003	5,838
Total Revenues	88,165	88,165	121,935	33,770
Expenditures				
Current				
General Government	536	536	841	(305)
Capital Outlay	-	150,000	-	150,000
Total Expenditures	536	150,536	841	149,695
Excess (Deficiency) of Revenues Over Expenditures	87,629	(62,371)	121,094	183,465
Net Change in Fund Balance	$ 87,629	$ (62,371)	121,094	$ 183,465
Fund Balance, Beginning of Year			673,687	
Fund Balance, End of Year			$ 794,781	

See independent auditor's report.

CITY OF COVINGTON, LOUISIANA
Schedule of Council Compensation
For the Year Ended December 31, 2024

Council Members	Term of Office	Compensation
Joey Roberts	May 2018 - current	$ 10,800
Dianne Weiss	February 2024 - August 2024	6,300
William Burrall	August 2024 - current	4,500
Peter Lewis	July 2019 - current	10,800
Mark Verret	July 2019 - current	10,800
John Botsford	July 2019 - current	10,800
Blaine Stanga	September 2024 - March 2025	3,600
James Inman	July 2023 - current	10,800
Total Council Compensation		$ 68,400

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, 2024

Agency Head
Mark R. Johnson, Mayor

Purpose	**Amount**
Salary	$95,203
Benefits - Insurance	$8,871
Benefits - Retirement	$27,371
Benefits - Other	$4,640
Car Allowance	$9,000
Cell Phone	$600
Other	$0

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, 2024 and December 31, 2024

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)	12/31/2024

Cash Basis Presentation	**First 6 months ended 06/30/2024**	**Second 6 months ended 12/31/2024**
Beginning Balance of Amounts Collected (i.e. cash on hand)	$ -	$ -
Add: Collections		
Traffic Ticket Fees	222,582	208,645
Subtotal Collections	**222,582**	**208,645**
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	1,918	1,858
Indigent Defender Board - Court Fees	43,155	41,805
Florida Parishes Juvenile Justice Commission - Court Fees	4,785	4,645
Trial Court Case Management Information System - Court Fees	2,877	2,787
Louisiana Traumatic Head and Spinal Cord Injury Trust Fund - Court Fees	3,440	2,670
State Treasurer - Disability Affairs Trust Fund - Court Fees	-	25
Crimestoppers, Inc - Court Fees	1,914	1,858
St. Tammany Sheriff - Court Fees	9,530	9,240
Louisiana Supreme Court - Court Fees	476	463
Crime Victim Rep Fund	30	38
Officer Witness Fee	1,100	500
Witness Protection	957	929
Less: Amounts Retained by Collecting Agency		
Court Fines	116,320	107,809
Police Report Fees	7,454	6,131
City Court Fee	28,710	27,870
NSF Fee	(84)	-
Over/Short	-	7
Restitution	-	10
Subtotal Disbursements/Retainage	222,582	208,645
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 above.*	$ -	$ -
Other Information:		
Ending Balance of Total Amounts Assessed but not yet Collected (*i.e. receivable balance*)	$ -	$ -
Total Waivers During the Fiscal Period (*i.e. non-cash reduction of receivable balances, such as time served or community service*)	$ -	$ -

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 **Table 1**
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental Activities										
Net Investment in Capital Assets	**$ 32,784,401**	$ 29,988,045	$ 32,803,778	$ 31,320,016	$ 30,292,215	$ 28,310,163	$ 25,477,548	$ 23,051,733	$ 21,362,467	$ 18,519,019
Restricted	**1,970,210**	1,972,520	1,951,783	1,816,660	1,692,222	1,449,985	1,804,406	1,595,170	1,266,366	5,218,131
Unrestricted	**13,086,184**	13,472,326	7,852,073	(5,367,347)	(1,993,150)	(2,084,725)	(2,506,238)	62,767	385,497	(1,132,977)
Total Governmental Activities Net Position	**$ 47,840,795**	$ 45,432,891	$ 42,607,634	$ 27,769,329	$ 29,991,287	$ 27,675,423	$ 24,775,716	$ 24,709,670	$ 23,014,330	$ 22,604,173
Business-Type Activities										
Net Investment in Capital Assets	**$ 30,415,147**	$ 28,538,205	$ 26,233,917	$ 24,579,024	$ 24,608,548	$ 24,405,436	$ 22,917,753	$ 22,689,820	$ 22,870,664	$ 22,311,124
Restricted	**-**	-	-	-	-	-	-	-	-	-
Unrestricted	**4,140,645**	4,629,485	4,688,838	3,390,977	3,148,548	2,878,968	3,136,403	3,253,676	2,083,644	1,980,260
Total Business-Type Activities Net Position	**$ 34,555,792**	$ 33,167,690	$ 30,922,755	$ 27,970,001	$ 27,757,096	$ 27,284,404	$ 26,054,156	$ 25,943,496	$ 24,954,308	$ 24,291,384
Primary Government										
Net Investment in Capital Assets	**$ 63,199,548**	$ 58,526,250	$ 59,037,695	$ 55,899,040	$ 54,900,763	$ 52,715,599	$ 48,395,301	$ 45,741,553	$ 44,233,131	$ 40,830,143
Restricted	**1,970,210**	1,972,520	1,951,783	1,816,660	1,692,222	1,449,985	1,804,406	1,595,170	1,266,366	5,218,131
Unrestricted	**17,226,829**	18,101,811	12,540,911	(1,976,370)	1,155,398	794,243	630,165	3,316,443	2,469,141	847,283
Total Primary Government Net Position	**$ 82,396,587**	$ 78,600,581	$ 73,530,389	$ 55,739,330	$ 57,748,383	$ 54,959,827	$ 50,829,872	$ 50,653,166	$ 47,968,638	$ 46,895,557

Source: Annual Comprehensive Financial Reports

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

Table 2

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenses										
Governmental Activities										
General Government	**$ 6,475,945**	$ 6,848,186	$ 5,800,360	$ 5,526,762	$ 4,219,873	$ 4,034,415	$ 3,352,924	$ 4,038,234	$ 4,769,296	$ 4,668,943
Public Safety - Police	**6,924,305**	6,416,791	5,306,532	4,814,817	4,534,911	4,773,793	4,663,107	4,563,093	5,006,714	3,882,644
Public Safety - Fire	**3,401,215**	3,100,332	2,879,337	2,506,187	2,525,136	2,367,913	2,147,667	2,305,524	2,526,229	1,879,036
Public Works	**4,896,222**	4,429,678	4,337,837	6,671,569	3,810,148	3,619,009	3,468,910	3,295,665	3,082,316	2,539,709
Culture and Recreation	**1,155,226**	1,045,610	884,378	628,483	747,883	844,901	900,389	1,095,418	541,513	458,504
Interest on Long-Term Debt	**311,089**	134,428	51,594	82,407	78,486	123,555	106,937	123,302	117,453	229,043
Total Governmental Activities Expense	**23,164,002**	21,975,025	19,260,038	20,230,225	15,916,437	15,763,586	14,639,934	15,421,236	16,043,521	13,657,879
Business-Type Activities										
Water	**2,142,526**	3,313,256	3,032,858	1,438,531	2,524,833	1,560,160	1,741,357	1,612,340	1,486,619	1,932,925
Sewer	**3,651,812**	1,786,787	1,491,862	2,591,764	2,826,649	2,459,697	2,396,349	2,399,537	2,280,164	1,565,892
Garbage	**1,107,591**	1,050,875	1,052,934	1,010,495	992,160	942,259	822,539	790,005	767,388	684,886
Total Business-Type Activities Expense	**6,901,929**	6,150,918	5,577,654	5,040,790	6,343,642	4,962,116	4,960,245	4,801,882	4,534,171	4,183,703
Total Primary Government Expenses	**30,065,931**	28,125,943	24,837,692	25,271,015	22,260,079	20,725,702	19,600,179	20,223,118	20,577,692	17,841,582
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	**2,286,029**	2,099,402	1,742,350	1,783,302	1,467,832	1,331,387	1,658,114	1,320,913	1,501,344	-
Public Safety - Police	**295,687**	160,513	78,727	75,653	62,823	60,838	61,740	78,493	103,222	-
Public Works	**135,514**	68,833	83,311	83,311	104,446	101,817	-	21,907	19,329	26,468
Culture and Recreation	**297,244**	262,471	234,001	142,477	69,535	103,255	272,055	229,464	85,431	105,114
Operating Grants and Contributions										
General Government	**40,356**	4,875	-	4,959,226	-	33	51,414	4,711	21,128	13,724
Public Safety - Police	**221,151**	19,037	-	-	87,004	4,003	24,263	25,135	44,875	28,221
Public Safety - Fire	**-**	2,519	-	-	87,004	-	5,262	-	10,424	-
Public Works	**-**	-	-	-	-	13,455	56,451	18,410	173,124	-
Culture and Recreation	**-**	-	-	-	1,366	5,000	1,000	5,750	-	-
Capital Grants and Contributions		-								
General Government	**-**	-	-	-	-	230,992	-	-	75,005	25,000
Public Safety - Police	**-**	-	100,000	-	116,884	-	-	-	44,795	-
Public Safety - Fire	**-**	-	-	-	-	198,096	-	2,130	71,979	-
Public Works	**150,493**	843,490	633,297	500,000	14,000	8,541	3,097	590,078	81,883	472,944
Culture and Recreation	**64,758**	-	-	246,866	-	250,000	-	-	2,436	139,791
Total Governmental Activities Program Revenues	**3,491,232**	3,461,140	2,871,686	7,790,835	2,010,894	2,307,417	2,133,396	2,296,991	2,234,975	811,262

CITY OF COVINGTON, LOUISIANA **Table 2**

Changes in Net Position (Continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Business-Type Activities										
Charges for Services										
Water	**2,532,690**	2,390,688	2,216,801	2,064,623	1,750,857	1,751,694	1,568,834	1,462,483	1,438,457	1,406,118
Sewer	**2,640,032**	2,742,094	2,500,311	2,415,401	2,112,508	1,945,078	1,902,523	1,793,771	1,725,651	1,706,001
Garbage	**1,094,144**	1,032,278	1,059,743	1,028,268	976,460	953,630	884,599	836,508	799,028	774,651
Total Business-Type Activities Program Revenues	**6,266,866**	6,165,060	5,776,855	5,508,292	4,839,825	4,650,402	4,355,956	4,092,762	3,963,136	3,886,770
Total Primary Government Program Revenues	**9,758,098**	9,626,200	8,648,541	13,299,127	6,850,719	6,957,819	6,489,352	6,389,753	6,198,111	4,698,032
Net (Expense) Revenue										
Governmental Activities	**(19,672,770)**	(18,513,885)	(16,388,352)	(12,439,390)	(13,905,543)	(13,456,169)	(12,506,538)	(13,124,245)	(13,808,546)	(12,846,617)
Business-Type Activities	**(635,063)**	14,142	199,201	467,502	(1,503,817)	(311,714)	(604,289)	(709,120)	(571,035)	(296,933)
Total Primary Government Net Expense	**(20,307,833)**	(18,499,743)	(16,189,151)	(11,971,888)	(15,409,360)	(13,767,883)	(13,110,827)	(13,833,365)	(14,379,581)	(13,143,550)
General Revenues and Other Changes in Net Position:										
Governmental Activities										
Taxes										
Sales Taxes	**17,256,745**	17,019,581	17,373,758	16,131,917	13,664,106	12,862,905	12,429,707	11,973,167	10,874,639	10,750,947
Property Taxes	**3,737,520**	3,390,163	3,303,400	3,189,895	3,184,627	2,979,826	2,866,280	2,852,243	2,774,300	2,638,760
Franchise Taxes	**809,599**	851,906	943,484	768,835	672,277	788,684	825,019	763,357	774,406	786,218
Licenses and Permits	**-**	-	-	-	-	-	-	-	-	1,433,599
Fines and Forfeitures	**-**	-	-	-	-	-	-	-	-	86,020
Interest	**1,360,267**	1,252,576	361,522	69,590	74,683	368,914	197,327	88,099	57,007	32,197
Other General Revenues	**336,828**	336,916	284,304	291,241	399,764	581,834	761,177	518,983	805,950	475,066
Special Item - Loss/Gain on Disposed Assets	**-**	-	-	-	-	8,531	48,042	-	(142,591)	-
Special Item - Law Suit Settlement	**-**	-	-	-	-	-	-	-	-	1,469,800
Non-Employer Contribution Revenue	**468,930**	405,090	373,687	251,876	304,460	279,032	299,191	292,756	280,471	278,908
Benefit Payments	**-**	-	-	-	-	-	100,135	-	-	-
Transfers	**(1,745,993)**	(1,917,090)	(2,208,658)	288,769	(2,118,510)	(1,513,850)	(2,350,837)	(1,669,020)	(1,205,479)	(1,275,484)
Total Governmental Activities	**22,223,896**	21,339,142	20,431,497	20,992,123	16,181,407	16,355,876	15,176,041	14,819,585	14,218,703	16,676,031
Business-Type Activities										
Interest	**231,244**	278,651	65,668	1,141	-	-	-	-	-	-
Transfers	**1,745,993**	1,917,090	2,208,658	(288,769)	2,116,735	-	-	1,669,020	1,205,479	1,275,484
Non-Employer Contribution Revenue	**45,928**	35,052	31,006	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	**2,023,165**	2,230,793	2,305,332	(254,597)	1,976,509	1,541,962	1,347,355	1,698,308	1,233,959	1,304,760
Total Primary Government	**24,247,061**	23,569,935	22,736,829	20,737,526	18,157,916	17,897,838	16,523,396	16,517,893	15,452,662	17,980,791
Change in Net Position										
Governmental Activities	**2,551,126**	2,825,257	4,043,145	8,552,733	2,275,864	2,899,707	2,669,503	1,695,340	410,157	3,829,414
Business-Type Activities	**1,388,102**	2,244,935	2,504,533	212,905	472,692	1,230,248	743,066	989,188	662,924	1,007,827
Total Primary Government	**$ 3,939,228**	$ 5,070,192	$ 6,547,678	$ 8,765,638	$ 2,748,556	$ 4,129,955	$ 3,412,569	$ 2,684,528	$ 1,073,081	$ 4,837,241

Source: Annual Comprehensive Financial Reports

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
2024	**$ 17,256,745**	**$ 3,737,520**	**$ 20,994,265**
2023	17,019,581	3,390,163	20,409,743
2022	17,373,758	3,303,400	20,677,158
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

Source: Annual Comprehensive Financial Reports

CITY OF COVINGTON, LOUISIANA **Table 4**
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Fund										
Nonspendable	**$ 118,310**	$ 82,265	$ 82,265	$ 82,260	$ 80,260	$ 87,549	$ 102,447	$ 79,509	$ -	$ -
Restricted	**252,835**	252,709	255,362	252,529	284,522	254,243	253,254	255,515	253,853	287,655
Committed	**-**	-	-	-	-	-	-	-	-	1,209,809
Assigned	**7,302,854**	5,531,876	5,568,305	5,568,305	4,820,741	4,649,413	3,590,934	6,347,449	5,594,298	2,102,610
Unassigned	**7,629,050**	10,572,493	11,090,797	9,747,018	5,969,184	5,782,918	7,874,558	4,841,225	3,319,642	5,351,571
Total General Fund	**$ 15,303,049**	$ 16,439,343	$ 16,996,729	$ 15,650,112	$ 11,154,707	$ 10,774,123	$ 11,821,193	$ 11,523,698	$ 9,167,793	$ 8,951,645
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	**1,574,110**	6,891,898	1,589,201	1,456,916	1,262,485	1,083,238	1,423,750	1,235,191	1,012,513	4,930,476
Committed	**17,492,373**	10,768,421	8,946,169	7,185,259	5,385,040	5,252,822	3,149,972	2,619,805	1,536,553	2,332,731
Unreserved, Reported in:										
Special Revenue	**-**	-	-	-	-	-	-	-	3,757,786	-
Other	**-**	-	-	-	-	-	-	1,245,844	-	-
Total All Other Governmental Funds	**$ 19,091,438**	$ 17,685,274	$ 10,560,325	$ 8,667,130	$ 6,672,480	$ 6,361,015	$ 4,598,677	$ 5,125,795	$ 6,331,807	$ 7,288,162

Source: Annual Comprehensive Financial Reports

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									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues										
Sales Tax	**$ 17,256,745**	$ 17,019,581	$ 17,373,758	$ 16,131,917	$ 13,664,106	$ 12,862,905	$ 12,429,707	$ 11,973,167	$ 10,874,639	$ 10,750,947
Property Taxes	**3,737,520**	3,390,163	3,303,400	3,189,895	3,184,627	2,979,826	2,866,280	2,852,243	2,774,300	2,638,760
Franchise Tax	**809,599**	851,906	943,484	768,834	672,277	788,684	825,019	763,357	774,406	786,218
Licenses and Permits	**1,535,801**	1,559,220	1,430,081	1,585,952	1,450,972	1,315,026	1,658,114	1,320,913	1,501,344	1,433,599
Other Revenues	**336,828**	336,916	277,746	291,241	212,726	398,369	459,132	251,211	544,009	258,747
Fines and Forfeitures	**295,687**	160,513	85,285	75,653	62,823	60,838	61,740	78,493	103,222	86,020
Charges for Service	**432,758**	331,304	317,312	225,788	190,841	221,433	272,055	251,371	104,760	131,582
Intergovernmental Revenue	**915,968**	540,182	312,269	197,350	187,038	183,456	250,160	243,152	247,058	216,097
Interest and Penalties	**1,360,267**	1,252,576	361,522	69,590	99,499	368,914	197,327	88,099	57,007	32,197
State and Federal Grants	**311,018**	869,921	733,297	5,706,092	306,258	479,137	142,007	722,116	525,649	654,680
Capital Contributions	**-**	-	-	-	-	-	-	-	-	25,000
Refunding Bonds Issued	**-**	-	-	-	-	-	-	-	3,890,000	-
Total Revenues	**26,992,191**	26,312,282	25,138,154	28,242,313	20,031,167	19,658,588	19,161,541	18,544,122	21,396,394	17,013,847
Expenditures										
Current										
General Government	**4,995,343**	5,067,787	4,236,374	3,602,014	3,492,483	3,330,355	3,303,834	3,055,652	3,539,055	3,687,722
Public Safety - Police	**6,644,367**	6,135,974	5,048,737	4,814,817	4,085,820	4,147,875	4,221,709	3,979,187	4,129,928	3,708,863
Public Safety - Fire	**3,118,729**	2,845,614	2,619,735	2,506,187	2,113,584	2,062,857	1,988,244	1,993,993	1,916,090	1,810,928
Public Works	**2,783,582**	2,479,802	2,503,279	6,671,569	2,170,629	2,104,898	2,006,127	2,034,887	1,849,987	1,819,738
Culture and recreation	**993,149**	904,025	766,222	628,483	605,145	698,334	751,614	860,503	301,743	361,491
Sewer Department	**-**	-	-	-	-	-	44,327	18,785	17,245	-
Water Department	**-**	-	-	-	-	-	18,100	-	1,463	-
Garbage Department	**-**	-	-	-	-	-	-	-	178,958	-
Capital Outlay	**5,497,633**	5,329,437	3,825,034	2,840,588	3,703,972	5,015,166	3,911,767	2,967,045	4,323,372	2,486,317
Capital Lease										
Principal	**-**	-	-	189,248	208,155	177,608	-	-	-	-
Interest	**-**	-	-	18,907	-	30,547	-	-	-	-
Debt Service										
Principal	**571,146**	646,785	635,502	797,000	774,000	746,000	722,000	693,000	693,673	600,000
Interest	**372,399**	46,602	54,807	70,875	66,820	81,180	94,974	116,777	139,109	231,739
Payments on Claims and Judgements	**-**	-	-	-	-	-	30,000	30,000	30,000	30,000
Payment to Escrow Account	**-**	-	-	-	-	-	-	-	3,825,382	-
Total Expenditures	**24,976,348**	23,456,026	19,689,690	22,139,688	17,220,608	18,394,820	17,092,696	15,749,829	20,946,005	14,736,798
Excess (Deficiency) of Revenues Over Expenditures	**2,015,843**	2,856,256	5,448,464	6,102,625	2,810,559	1,263,768	2,068,845	2,794,293	450,389	2,277,049

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									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Other Financing Sources (Uses)										
Transfers In	**1,809,327**	17,020,761	17,335,973	21,810,672	1,735,063	1,956,664	11,552,430	12,060,133	7,269,605	7,101,607
Transfers Out	**(3,555,320)**	(18,937,851)	(19,544,631)	(21,521,903)	(3,853,573)	(3,470,514)	(13,903,266)	(13,729,153)	(8,475,084)	(8,377,091)
Proceeds from the Sale of Capital Assets	**-**	-	-	-	-	18,156	52,368	24,620	14,883	31,529
Proceeds on Debt Issuance	**-**	5,628,417	-	-	-	-	-	-	-	-
Lawsuit Settlement	**-**	-	-	-	-	-	-	-	-	1,469,800
Proceeds from Capital Lease	**-**	-	-	-	-	947,194	-	-	-	-
Total Other Financing Sources (Uses)	**(1,745,993)**	3,711,327	(2,208,658)	288,769	(2,118,510)	(548,500)	(2,298,468)	(1,644,400)	(1,190,596)	225,845
Net Change in Fund Balances	**$ 269,850**	$ 6,567,583	$ 3,239,806	$ 6,391,394	$ 692,049	$ 715,268	$ (229,623)	$ 1,149,893	$ (740,207)	$ 2,502,894
Debt Service as a Percentage of Non-Capital Expenditures	**4.84%**	3.83%	4.35%	4.50%	6.22%	6.18%	6.20%	6.33%	5.01%	6.79%

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
2024	**$ 177,091,887**	**$ 21,979,210**	**$ 199,071,097**	**19.49**
2023	152,637,382	22,338,974	174,976,356	20.01
2022	144,085,098	27,615,415	171,700,513	20.01
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

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
2024	**15.99**	**3.50**	**19.49**	**30.78**	**30.78**	**41.99**	**16.45**	**58.44**	**0.00**	**108.71**
2023	16.51	3.50	20.01	34.91	34.91	45.35	16.65	62.00	0.00	116.92
2022	16.51	3.50	20.01	34.91	34.91	45.35	16.65	62.00	0.00	116.92
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

Source: St. Tammany Parish Assessor's Office

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

Table 8

		December 31, 2024			December 31, 2015		
Taxpayer	**Type of Business**	**Assessed Valuation**	**Rank**	**Percentage of Total Assessed Valuation**	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Central LA Electric Co	Utility	**$ 3,594,910**	**1**	**1.82%**	$ 4,166,420	1	3.29%
CX Regan Crossing LLC	Apartments	**2,835,837**	**2**	**1.43%**		N/A	
Hancock Whitney Bank # 1116	Banking	**2,235,271**	**3**	**1.13%**	677,200	8	0.53%
Capital One NA.	Banking	**1,896,374**	**4**	**0.96%**	859,000	3	0.68%
Atmos Energy Corporation	Natural Gas	**1,657,003**	**5**	**0.84%**		N/A	
Mele Printing	Printing	**1,610,441**	**6**	**0.81%**		N/A	
United Rentals North America	Rentals	**1,469,454**	**7**	**0.74%**		N/A	
Bell South Communications	Telecommunications	**1,267,297**	**8**	**0.64%**		N/A	
Testiga Properties LLC	Real Estate	**1,125,449**	**9**	**0.57%**	727,610	5	0.57%
Louisiana Machinery Co LLC	Rentals	**1,018,430**	**10**	**0.52%**		N/A	
AT&T Southeast Tax Dept.	Telecommunications		**N/A**		2,533,338	2	2.00%
Delta Supply Chain Operations	Supply Chain		**N/A**		839,120	4	0.66%
Medstate, LLC	Medical		**N/A**		691,669	6	0.55%
WHS LLC			**N/A**		685,224	7	0.54%
RobCo LLC	Real Estate		**N/A**		655,480	9	0.52%
Covington Commons	Apartments		**N/A**		556,955	10	0.44%
Total		**$ 18,710,466**		**9.46%**	$ 12,392,016		9.78%

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	(1) Ratio of Total Collections to Tax Levy
2024	**$ 3,853,113**	**$ 3,733,418**	**96.9**	**$ 4,102**	**$ 3,737,520**	**97.0**
2023	3,495,013	3,384,432	96.8	5,731	3,390,163	97.0
2022	3,405,566	3,301,974	97.0	1,426	3,303,400	97.0
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

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, 2024			December 31, 2015		
Taxpayer	**Sales Tax Collections**	**Rank**	**Percentage of Total Sales Tax Collections**	Sales Tax Collections	Rank	Percentage of Total Sales Tax Collections
Internet/Retailer	**$ 927,862**	**1**	**5.42%**		N/A	
Grocery/Discount Retailer 1	**701,888**	**2**	**4.10%**	420,362	1	3.91%
Motor Vehicles	**659,090**	**3**	**3.85%**	404,236	2	3.76%
Grocery/Discount Retailer 2	**606,021**	**4**	**3.54%**	401,010	3	3.73%
Grocery/Discount Retailer 3	**508,441**	**5**	**2.97%**	360,157	4	3.35%
Grocery/Discount Retailer 4	**506,729**	**6**	**2.96%**	324,679	5	3.02%
Grocery/Discount Retailer 5	**342,385**	**7**	**2.00%**	293,501	6	2.73%
Retail Pharmacies and Drug Stores 1	**328,689**	**8**	**1.92%**	230,070	7	2.14%
Grocery/Discount Retailer 6	**222,550**	**9**	**1.30%**	205,343	8	1.91%
Grocery/Discount Retailer 7	**219,126**	**10**	**1.28%**		N/A	
Full-Service Restraurants		**N/A**		159,114	9	1.48%
Retail Pharmacies and Drug Stores 2		**N/A**		156,964	10	1.46%
Total	**$5,022,781**		**29.34%**	$2,955,436		27.49%

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	CID Building Note	Total Primary Government Debt	(1) Percentage of Total Personal Income	(1) Total Debt Per Capita
2024	$ 6,010,000	$ -	$ 368,098	$ 6,378,098	*	23.14
2023	6,410,000	-	397,625	6,807,625	*	24.70
2022	2,045,000	-	-	2,045,000	*	7.48
2021	2,425,000	-	-	2,425,000	*	9.06
2020	2,897,000	325,000	-	3,222,000	*	16.85
2019	3,356,000	640,000	-	3,996,000	*	15.34
2018	3,797,000	945,000	-	4,742,000	*	18.28
2017	4,229,000	1,235,000	-	5,464,000	*	21.47
2016	4,637,000	1,520,000	-	6,157,000	1.14%	24.30
2015	4,856,000	1,790,000	-	6,646,000	1.23%	27.04

Source: Annual Comprehensive Financial Reports

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

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

* Information not available.

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
2024	**$ 6,010,000**	**$ 1,029,645**	**$ 4,980,355**	**417.77**	**2.50%**
2023	6,410,000	1,080,287	5,329,713	551.73	3.15%
2022	2,045,000	906,225	1,138,775	109.59	0.75%
2021	2,425,000	751,835	1,673,165	145.16	1.04%
2020	2,897,000	712,078	2,184,922	188.72	1.33%
2019	3,356,000	714,677	2,641,323	253.14	1.81%
2018	3,797,000	707,122	3,089,878	292.25	2.17%
2017	4,229,000	715,560	3,513,440	351.94	2.57%
2016	4,637,000	677,950	3,959,050	404.15	2.97%
2015	4,856,000	637,097	4,218,903	443.93	3.33%

Source: Annual Comprehensive Financial Reports

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, 2024
(Unaudited)

Governmental Unit	(2) Gross Debt Outstanding	(1) Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes			
St. Tammany Parish	$ 2,230,000	5%	$ 111,500
St. Tammany Parish School Board	305,053,757	5%	15,252,688
Subtotal Overlapping Debt			15,364,188
City of Covington Direct Debt	6,010,000	100%	6,010,000
Total Direct and Overlapping Debt			$ 21,374,188

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, 2024 for St. Tammany Parish and June 30, 2024 for St. Tammany Parish School Board.

CITY OF COVINGTON, LOUISIANA **Table 14**
Computation of Legal Debt Margin Information
December 31, 2024
(Unaudited)

Fiscal Year	(1) Assessed Value	(2) Debt Limit of Thirty-Five Percent (35%) of Assessed Value	(3) Less: Total Bonded Debt	Legal Debt Margin	Legal Debt Margin as a % of the Debt Limit
2024	**$ 199,071,097**	**$ 69,674,884**	**$ 6,010,000**	**$ 63,664,884**	**91.37%**
2023	174,976,356	61,241,725	6,410,000	54,831,725	89.53%
2022	171,700,513	60,095,180	1,293,165	58,802,015	97.85%
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%

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
2024	**$ 17,256,745**	**$ -**	**$ -**	**$ -**	**-**
2023	17,019,581	-	-	-	-
2022	17,373,758	-	-	-	-
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

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	(1) City of Covington Population	(1) St. Tammany Parish Population	(1) City of Covington Total Personal Income	(1) City of Covington per Capita Personal Income	(3) Unemployment Rate	(4) St. Tammany Parish School Enrollment	(2) Median Age
2024	**$ 11,686**	**$ 277,615**	*****	*****	**3.8%**	**$ 36,555**	*****
2023	11,618	275,583	*	*	3.3%	37,212	*
2022	11,636	273,263	*	*	2.8%	37,212	*
2021	11,800	267,653	*	*	5.1%	37,374	*
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	*

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)

		2024			2015		
Employer	**Location**	**Employees**	**Rank**	**% of Total St. Tammany Parish Employment**	Employees	Rank	% of Total St. Tammany Parish Employment
St. Tammany Parish School Board	Parish Wide	**5,922**	**1**	**5.12%**	5,400	1	5.00%
St. Tammany Health System	Covington	**2,700**	**2**	**2.34%**	1,855	2	1.72%
Slidell Memorial Hospital	Slidell	**1,330**	**3**	**1.15%**	889	4	0.82%
St. Tammany Parish Sheriff's Office	Parish Wide	**703**	**4**	**0.61%**	747	5	0.69%
St. Tammany Parish Government	Parish Wide	**656**	**5**	**0.57%**	693	6	0.64%
Rotolo Consultants	Slidell	**500**	**6**	**0.43%**		N/A	
Slidell Memorial Hospital East	Slidell	**325**	**7**	**0.28%**		N/A	
City of Slidell	Slidell	**318**	**8**	**0.28%**	355	9	0.33%
Christwood Retirement Community	Covington	**284**	**9**	**0.25%**		N/A	
AVALA Hospital	Covington	**244**	**10**	**0.21%**		N/A	
Ochsner Health System	Parish Wide		**N/A**		1,100	3	1.02%
Lakeview Regional Medical Center	Mandeville		**N/A**		562	7	0.52%
Textron Systems Marine & Land	Slidell		**N/A**		494	8	0.46%
Louisiana Heart Hospital	Lacombe		**N/A**		274	10	0.25%
TOTAL - 10 LARGEST EMPLOYERS		**12,982**		**11.23%**	12,369		11.45%
TOTAL - ALL OTHER EMPLOYERS		**102,605**		**88.77%**	95,693		88.55%
TOTAL - ALL EMPLOYERS		**115,587**		**100.00%**	108,062		100.00%

Note: Information listed is for St. Tammany Parish.

Sources:
2024 information: Book of Lists 2023, New Orleans City Business
2015 information: Book of Lists 2014, 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,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Government										
Council	**8**	8	8	8	8	8	8	8	8	8
Administrative (1)	**11**	11	11	14	20	16	13	12	11	11
Facilities	**3**	4	4	4	3	1	5	4	*	*
Permits	**3**	3	3	2	2	1	2	2	2	2
Planning	**2**	2	2	2	1	1	2	2	2	2
Economic Development	**-**	-	-	-	-	-	-	-	7	9
Engineer	**5**	5	4	2	2	1	2	2	2	2
Code Enforcement	**2**	2	1	1	2	1	1	1	1	1
Public Safety - Police										
Police Employees	**51**	49	46	44	44	41	46	46	46	44
Public Safety - Fire										
Firefighters	**23**	23	22	29	21	28	16	16	16	16
Dispatchers	**-**	-	-	-	3	-	5	5	5	5
Public Works										
Public Operations (2)	**27**	24	24	24	24	24	24	24	24	22
Public Utility (3)	**24**	25	24	20	16	22	26	26	26	26
Recreation and Culture	**6**	6	5	4	5	4	4	4	1	1
Total	**165**	162	154	154	151	148	154	152	151	149

Source: Adopted 2015 - 2024 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	**2024**	2023	2022	2021	2020	2019	2018	2017	2016	2015
Public Safety - Police										
Total Arrests	**530**	644	396	543	346	462	557	492	647	577
Parking Tickets	**18**	74	70	13	39	77	102	91	83	108
Traffic Violations	**2,538**	1,522	788	915	756	603	383	409	569	860
Public Safety - Fire										
Number of Calls	**2,498**	2,605	2,274	2,250	1,956	1,909	1,746	1,758	1,639	1,703
Average Response Times	**3.45**	3.88	3.54	3.57	3.57	3.48	3.48	3.32	3.21	3.05
Public Works										
Potholes Repaired	**56**	62	51	42	49	68	71	68	88	83
Trees Cut	**119**	125	112	134	78	63	76	69	75	75
Public Utility										
Water and Sewer										
Number of Billed Accounts	**5,528**	5,504	5,470	5,476	5,407	5,347	5,329	5,278	5,175	5,076
New Meter Connections	**115**	69	124	1,156	53	44	32	112	114	134
Building Permits										
New Residential	**30**	63	39	61	39	42	42	76	128	142
Residential Additions	**18**	18	18	19	18	12	23	31	31	11
Residential Renovations	**29**	33	47	54	32	25	41	47	160	32
New Commercial	**9**	10	14	6	92	11	13	11	26	12
Commercial Additions	**6**	1	1	5	7	2	5	2	4	2
Commercial Renovations	**32**	23	36	36	20	25	32	22	32	26
Recreation and Culture										
Number of Teams in Softball League	**1**	-	-	-	-	-	-	-	-	2
Number of Teams in Baseball League	**11**	11	5	3	6	5	8	12	9	12
Number of Teams in Basketball League	**10**	11	4	1	4	5	8	12	15	16
Number of Teams in Football League	**5**	4	4	-	-	3	3	3	4	4
Number of Teams in Cheer League	**1**	1	*	*	*	*	*	*	*	*

Source: Various City of Covington departments.

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

* Information not available.

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

	Fiscal Year									
Function	**2024**	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Government										
Vehicles	**16**	16	16	14	15	14	12	12	10	8
Office Furniture and Equipment	**72**	72	71	66	62	60	37	45	43	47
Tools and Equipment	**25**	28	26	26	25	23	20	19	18	16
Improvements	**9**	6	5	3	2	*	*	*	*	*
Cemetery	**2**	2	2	2	2	2	2	2	2	2
Public Safety - Police										
Vehicles	**67**	65	61	58	56	51	41	49	47	48
Office Furniture and Equipment	**45**	45	45	43	40	39	26	26	26	27
Tools and Equipment	**95**	96	94	88	88	88	51	48	49	48
Stations	**2**	2	1	1	1	1	1	1	1	1
Public Safety - Fire										
Vehicles	**12**	11	14	13	14	11	14	15	14	12
Office Furniture and Equipment	**5**	5	7	5	5	5	2	2	2	2
Tools and Equipment	**83**	83	89	87	86	78	34	38	38	35
Improvements	**14**	13	10	1	6	*	*	*	*	*
Fire Houses	**2**	2	2	2	2	2	2	2	2	2
Public Works										
Vehicles	**32**	32	32	32	35	34	39	38	36	33
Office Furniture and Equipment	**2**	2	2	2	2	2	2	3	2	2
Improvements	**19**	12	12	1	2	*	*	*	*	*
Infrastructure	**53**	48	41	30	22	*	*	*	*	*
Tools and Equipment	**77**	81	74	73	73	71	68	73	66	62
Public Utility										
Water										
Vehicles	**16**	15	17	12	13	13	13	14	13	14
Machinery, Equipment, and Improvements	**171**	169	164	157	154	154	153	150	140	133
Water Tower	**1**	1	1	1	1	1	1	1	1	1
Infrastructure	**5**	5	4	4	4	*	*	*	*	*
Pumping Stations	**10**	10	10	10	10	10	10	10	10	10
Sewer										
Vehicles	**14**	14	14	14	14	14	12	16	16	16
Building	**2**	2	2	2	2	*	*	*	*	*
Machinery, Equipment, and Improvements	**258**	280	272	258	250	239	228	213	200	187
Recreation and Cultural Arts										
Vehicles	**4**	2	2	2	2	2	-	-	-	3
Tools and Equipment	**31**	32	30	28	28	28	25	19	16	21
Improvements	**7**	4	3	1	1	*	*	*	*	*
Number of Parks	**10**	10	10	10	10	10	10	10	10	10

Source: Various city departments

* Information not available.

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

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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 12, 2025.

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

Report on 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 City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. 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
June 12, 2025

CITY OF COVINGTON, LOUISIANA
Schedule of Findings and Responses
For the Year Ended December 31, 2024

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

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, 2024

None.