

CAPITAL PROJECTS FUND

NARRATIVE EXPLANATION

1993 SEWER EXTENSION CONSTRUCTION FUND

The 1993 Sewer Extension Construction Fund is used to account for the cost of the 1993 Sewer Extension Construction Fund. Financing was provided by the issuance of Sewer Certificates, which are payable solely with monies provided by payments on the assessments. All monies remaining in this fund upon completion of the construction phase are to be used only for the purpose of maintaining the systems improved under this program.

SEWER PLANT CONSTRUCTION FUND

The Sewer Plant Construction Fund is used to account for the cost of purchasing or constructing sewer and sewage disposal works and the necessary equipment, furnishings and fixtures. Financing was provided by the issuance of \$2,500,000 of General Obligations Sewer Bonds which are secured solely from a pledge of revenues to be derived from ad valorem taxes. Funds of \$2,554,883 were also received from the issuance of 1990 Public Improvement Sales Tax Bonds which are secured solely by sales tax revenues.

CITY OF COVINGTON, LOUISIANA

FINANCIAL STATEMENTS

COMBINED BALANCE SHEET

December 31, 2008

	Total Fund Balances	Assets					Liabilities		Total
		Due from Other Funds	Due from Other Funds	Due from Other Funds	Due from Other Funds	Due from Other Funds	Accounts Payable	Accrued Liabilities	
ASSETS									
Cash	13,119	2,000	5,419	1,721	14	36,028	60,000		
Continental Bank	34,865		8,000			20,000	24,865		
City of New Orleans		1,149		3,088		5,000	18,000		
Other receivables						1,246	1,246		
Due from other funds		207,332	47,472	2,114		3,000	3,000		
Total assets	205,279	217,332	60,901	7,923	14	66,034	107,114	107,114	

LIABILITIES AND FUND BALANCE

LIABILITIES									
Due to other funds		24,100	4,000	8,114		38,214	48,000		
Due to other funds						40,000	48,000		
Due to others		12,147				13,000	13,000		
Total liabilities		36,247	4,000	8,114		54,214	109,000		
FUND BALANCES									
Assigned for maintenance	20,000						20,000		
Total liabilities and fund balances	20,000	36,247	4,000	8,114		54,214	129,000	129,000	

FIDUCIARY FUNDS

NARRATIVE EXPLANATION

EDITHMERE TRUST FUND

GARDEN OF PINES MAUSOLEUM PERPETUAL CARE FUND

The Garden of Pines Mausoleum Perpetual Care Fund is used to account for the accumulation of resources to be used for the administration and maintenance of the Garden of Pines Mausoleum. Resources are obtained from the sale of mausoleum crypts and interest income earned on investments.

AGENCY FUND

AD VALOREM TAX COLLECTION FUND

The Ad Valorem Tax Collection Fund is used to account for the collection of ad valorem taxes. These monies are transferred to Debt Service and General Fund according to City ordinance.

1987 STREET PAVING PROGRAM

The 1987 Street Paving Program is used to account for the collection of special assessments from property owners and the payment of principal and interest to the special assessment certificate holders.

1990 SEWER EXTENSION FUND

The 1990 Sewer Extension Fund is used to account for the collection of special assessments from property owners and the payment of principal and interest to the special assessment sewer certificate holders.

CENTINGTON MERCHANT COMMITTEE FUND

The Centington Merchant Committee Fund accounts for funds of local businesses pooled together to be used for advertising to benefit downtown merchants.

CITY OF CONROCK, LOUISIANA

FUNDING FUND
STATEMENT OF CASH FLOWS

For the Year Ended December 31, 1996

	1996	1995
CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating loss	\$ (1,500,000)	\$ (2,000,000)
Adjustments to reconcile net operating loss to net cash used by operating activities:		
Depreciation	200,000	200,000
Decrease (increase) in accounts receivable	20,000	(50,000)
Increase in other receivables	(2,000)	10,000
Increase in 119B1 grant receivable	(240,000)	-
Increase in accounts payable and accrued expenses	480,000	84,000
Increase in payroll taxes and vacation payable	5,000	000
Increase (decrease) in other liabilities	20	(500)
Expenses for landfill closure	(220,000)	(270,000)
Total adjustments	383,000	(205,000)
Net cash provided (used) by operating activities	117,000	(200,000)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Payments from (to) other funds, net	(20,000)	100,000
Increase in customer deposits	3,000	0,000
Funds received from FEMA	-	20,000
Net cash provided (used) by non-capital financing activities	(17,000)	120,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
119B1 grant received	850,000	-
1995 license extension funded by special assessments and users local proceeds	920,000	-
Payments on state contract	(10,000)	(10,000)
Transfers from other funds	200,000	200,000
Payments for capital acquisitions	(2,750,000)	(1,750,000)
Principal payments on bonds	(400,000)	(60,000)
Interest paid	(80,000)	(20,000)
Proceeds from 1996 refunding bond	250,000	-
Payments on capital lease	(10,000)	(0,000)
Net cash provided by capital and related financing activities	70,000	460,000
CASH FLOWS FROM INVESTING ACTIVITIES:		
Receipts of interest	20,000	10,000
Net cash provided by investing activities	20,000	10,000
NET INCREASE IN CASH AND CASH EQUIVALENTS		
	100,000	170,000
Cash and cash equivalents, beginning of year	200,000	200,000
Cash and cash equivalents, end of year	\$ 300,000	\$ 370,000

The accompanying notes are an integral part of this statement.

City of Council Bluffs

BOND FUND

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES - Continued

For the Year Ended December 31, 1999

	Actual	Budget	Variance	Total
Interest and bonding	\$ 1,148	\$ 1,147	\$	\$ 1,148
State lottery	84,118	83,878	240	84,118
State match fee	1,762	1,762		1,762
Excess	47,491	47,491		47,491
Intergovernmental contributions	6,648	17,212	(1,469)	6,648
Grants	323	323		323
Interagency contributions	28,782	27,718	1,064	28,782
Other	1,190	1,190		1,190
Transfer from other funds	1,190	1,190		1,190
Total revenues	187,128	187,128	\$0.00	187,128
Operating expenses (fixed)	\$ 195,495	\$ 205,125	\$ 9,630	\$ 195,495
NON-REVENUE REVENUE (EXPENSES)				
Fund bank	27,993	27,993		27,993
Interest income	1,148	1,148		1,148
Transfer income	8,124	8,124		8,124
Total non-revenue revenue, net	37,265	37,265		37,265
Less: other fund transfers	(18,627)	(18,627)		(18,627)
Net revenue (expense)	19,638	19,638		19,638
Change in fund bank	28,642	28,642		28,642
Total change in fund bank	48,280	48,280		48,280
Net income	219,391	219,391		219,391
Net expenditure on fixed assets (capital)				
Net expenditure on capital fund assets				
Net income	219,391	219,391		219,391
Net income (expense)	219,391	219,391		219,391
Net income	219,391	219,391		219,391
Net expenditure on fixed assets (capital)				
Net expenditure on capital fund assets				
Net income	219,391	219,391		219,391
Net income (expense)	219,391	219,391		219,391
Net income	219,391	219,391		219,391

*Actual figures for 1999 may differ slightly from those reported.

City of Memphis, Louisiana

FOUNDRY FUND

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE

For the Year Ended December 31, 2000

	2000	2000	2000	2000	2000
REVENUES					
Interest					
Investment	15,000	10,000	0	1,000,000	1,000,000
Miscellaneous	2,000	2,000		2,000	2,000
Total	17,000	12,000		1,002,000	1,002,000
Expenses					
Interest	10,000	10,000	100,000	100,000	100,000
Miscellaneous	7,000	2,000		7,000	7,000
Total	17,000	12,000	100,000	107,000	107,000
Change in Fund Balance					
Increase	0	0		895,000	895,000
Total	0	0		895,000	895,000
EXPENSES					
Salaries					
Employment	10,000	10,000		10,000	10,000
Miscellaneous	7,000	2,000		7,000	7,000
Total	17,000	12,000		17,000	17,000
Interest					
Investment	1,000,000	1,000,000		1,000,000	1,000,000
Miscellaneous	2,000	2,000		2,000	2,000
Total	1,002,000	1,002,000		1,002,000	1,002,000
Change in Fund Balance					
Decrease					
Total					
NET ASSETS					
Beginning					
Total	1,000,000	1,000,000		1,000,000	1,000,000
Ending					
Total	1,000,000	1,000,000		1,000,000	1,000,000

CITY OF COVINGTON, LOUISIANA

ENTERPRISE FUND
BALANCE SHEET

December 31, 1996

LIABILITIES AND FUND EQUITY

	1996	1995
CURRENT LIABILITIES	<u>1996</u>	<u>1995</u>
(Payable from current assets)		
Accounts payable and accrued expenses	\$ 647,243	\$ 66,813
Payroll taxes and retirement payable	13,583	6,491
Customer deposits	148,988	143,877
Due to other funds	20,864	3,231
Financed liability for landfill		
Post closure care costs	26,933	16,580
Other liabilities	268	-
Contract payable - current	14,385	11,411
Capital lease payable - current	7,631	17,789
Total current liabilities	<u>885,833</u>	<u>246,802</u>
(Payable from current assets)	<u>885,833</u>	<u>246,802</u>
CURRENT LIABILITIES		
(Payable from restricted assets)		
Revenue bonds	65,695	65,719
Accrued interest	43,268	66,809
Total current liabilities	<u>108,963</u>	<u>132,528</u>
(Payable from restricted assets)	<u>108,963</u>	<u>132,528</u>
LONG-TERM LIABILITIES		
Revenue bonds	829,832	850,812
Contract payable	85,838	82,898
Capitalized payable	-	5,118
Financed liability for landfill		
closure and post closure care costs	-	37,000
Total long-term liabilities	<u>915,670</u>	<u>975,828</u>
Total liabilities	<u>1,801,503</u>	<u>1,455,158</u>
FUND EQUITY		
Contributed capital		
Other funds	5,440,798	6,136,611
State grant	216,026	214,026
Developer	2,793	2,384
Federal grant	527,088	527,088
SLFRF grant	656,188	-
50 Percent advances	595,222	-
Total contributed capital	<u>7,534,325</u>	<u>7,880,119</u>
Retained earnings		
Reserve for revenue bond retirement	753,575	760,574
Unexpended	1,096,523	1,111,588
Total retained earnings	<u>1,850,098</u>	<u>1,872,162</u>
Total fund equity	<u>9,384,423</u>	<u>9,752,281</u>
	<u>\$ 9,384,423</u>	<u>\$ 9,752,281</u>

The accompanying notes are an integral part of this statement.

CITY OF COVINGTON, LOUISIANA

SPECIAL REVENUE FUNDS

FIRE SALES TAX FUND

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - FISCAL YEAR (GAAP BASIS) AND RETAIL

For the Year Ended December 31, 1995

REVENUES	1995		Variance- Favorable Unfavorable	1994 Actual
	Budget	Actual		
REVENUES				
Taxes				
Sales and use	\$2,111,400	\$2,065,634	\$ 44,766	\$1,733,277
Interest income	4,000	17,483	13,483	10,801
Penalties	7,500	6,892	6,608	4,623
Total revenues	2,122,900	2,089,999	33,449	1,748,699
EXPENDITURES				
General government				
Board/Commission	25,000	19,206	5,794	19,216
Salaries	8,325	8,325	0	7,990
Hospitalization	1,275	1,291	16	1,274
Retirement	275	241	34	488
Workers' Comp.	150	121	29	115
Workers' compensation	100	65	35	67
Unemployment	50	17	33	40
Bank charges	-	350	(350)	275
Computer supplies	450	450	-	-
Office supplies	200	206	66	180
Other	175	53	122	110
Deprec.				112
Total expenditures	21,725	20,538	1,187	26,511
Transfers of revenues over expenditures	1,231,000	1,622,450	391,450	1,226,477
OTHER FINANCING SOURCES				
Operating transfers over				
Edm. services	711,200	388,281	322,919	270,801
General bond	1,480,200	1,480,200	0	1,237,270
Total other financing over	1,561,400	1,868,481	302,541	1,508,071
Excess/deficiency of revenues over expenditures and other financing over	\$ 10,475	(16,039)	\$ (26,514)	(16,770)
FUND BALANCE - BEGINNING OF YEAR		206,021		145,286
FUND BALANCE - END OF YEAR		\$ 189,982		\$ 128,516

The accompanying notes are an integral part of this statement.

CITY OF COVINGTON, LOUISIANA

INTERFUND FUND

BALANCE SHEET

December 31, 1999

	ASSETS	
	1999	1998
CURRENT ASSETS		
Cash	\$ 481,308	\$ 357,136
Receivables		
Accounts receivable net of uncollectible of \$14,718 for 1999 (\$12,584 for 1998)	71,865	93,344
LCTRRI grant receivable	348,383	
Other receivables	22,264	15,818
Due from other funds	50,000	
	<u>923,820</u>	<u>466,508</u>
RESTRICTED ASSETS		
Cash	<u>338,778</u>	<u>340,352</u>
PROPERTY, PLANT AND EQUIPMENT		
Sewer equipment	8,808,890	7,773,776
Water equipment	1,762,803	1,747,699
Garbage equipment	46,345	46,315
Construction in progress - sewer improvements	<u>665,721</u>	<u>83,074</u>
Total plant and equipment	11,283,759	9,650,874
Less: Accumulated depreciation	<u>1,858,591</u>	<u>1,436,873</u>
Net property, plant and equip cost	<u>9,425,168</u>	<u>8,213,901</u>
	<u>\$10,687,666</u>	<u>\$9,990,861</u>

The accompanying notes are an integral part of this statement.

INTERPRESE FUND

PARAGRAPHIC EXPLANATION

The Interpretive Fund is used to account for the provision of water, sewer and sanitation services to residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

CITY OF BOSTON, LOUISIANA

BUDGET REVENUE

COMPARING BUDGET 2017

December 31, 2016

	2017		2016		Change Original Budget 2017	2016
	Actual	Revenue	Actual	Revenue		
ASSETS						
Year	0	47,275	0	22,296	44,980	47,275
Contributions of deposit				409,440		409,440
Reserves						
Other				10,687		10,687
Other				14,170		14,170
Due to various funds				43,436		43,436
Total assets	0	47,275	0	489,953	449,673	489,953

LIABILITIES AND FUND BALANCES

LIABILITIES						
Accounts payable	0	0	0	0	0	0
Due to various funds				4,000		4,000
Due to various funds				4,000		4,000
FUND BALANCES						
Restricted for Debt Service		43,436		479,453	436,017	436,017
Total liabilities and fund balances	0	43,436	0	487,453	440,017	487,453

The accuracy of this report is subject to the accuracy

SPRIGG DEVELOPMENT, INC. (SPADA)

CAPITAL PROJECT FUND

COMBINED BALANCE SHEET

December 31, 1999

	1999 Balance Forward	1999 Contributions From	1999 Total
ASSETS			
Cash	\$ 17,422	\$ 18,222	\$ 35,644
Surplus of assets		282,147	282,147
Accrual interest receivable		3,897	3,897
Total assets	\$ 17,422	\$ 204,266	\$ 221,688

LIABILITIES AND FUND BALANCE

LIABILITIES			
Accounts payable			\$ 27,952
Deferred funds			28
Total liabilities			\$ 27,980
FUND BALANCE			
Compared to More operations	\$ 1,392	\$82,127	\$83,519
Total fund balance	\$ 1,392	\$82,127	\$83,519
Total liabilities and fund balance	\$ 1,392	\$204,266	\$205,658

The accompanying notes are an integral part of this statement.

The Honorable Mayor and Members of the City Council
City of Covington, Louisiana

structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of (or respect to) the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in accounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above. However, we have provided some recent translations to the management of the City of Covington, Louisiana in a separate letter dated May 21, 1997.

This report is intended for the information of management and others within the organization as well as the Louisiana Legislative Auditor and the U.S. Department of Agriculture's Rural Economic and Community Development's office. However, this report is a matter of public record and its distribution is not limited.

Smith, Havel & Associates, L.L.C.

May 21, 1997

OFFICE OF MANAGEMENT SERVICES
 STATE OF TEXAS FUNDS

CONTROLLING INTERESTS OF MEMBERS, DIRECTORS, OFFICERS
 AND EMPLOYEES OF FUND-BALANCES

BY THE FUND BOARD (September 30, 1998)

	Fund for Year		General Operating Fund	1998	1997
	1998	1997			
915,070,133					
Total - all members	0	0	18,000	28,000	0
Interest			30,000	0	0
1998 interest	0	0	22,000	0	0
915,070,133					
State of Texas	10,000	0	10,000	0	0
915,080,133					
Interest and Fees/charges	20,000	0	30,000	0	0
Total expenditures	30,000	0	40,000	0	0
Excess (deficiency) of revenue over expenditures	(30,000)	0	0	(40,000)	0
915,050,133					
Change in carrying amount (2000)					
Proceeds of including sale			1,000,000		
Payments to include debt			(1,000,000)		
Including bond issuance cost			(10,000)		
Operating transfers in	800,000		800,000		
Operating transfers out				10,000	
Total 2000	800,000		800,000		
Total 2000	800,000		800,000		
Excess (deficiency) of revenues and other financing sources (2000)	400,000		400,000		
FUND BALANCE - BEGINNING OF YEAR	200,000		100,000		
FUND BALANCE - END OF YEAR	600,000		500,000		

WASTEWATER FUND

NARRATIVE EXPLANATION

GENERAL OBLIGATION BOND REDEMPTION FUND

The General Obligation Bond Redemption Fund is used to accumulate monies for the payment of the principal and interest of the 1988 General Obligation Sewer Bonds, the 1995 General Obligation Fire Department Bonds, and the 1996 Refunding Bonds which refunded the 1999 - 2008 maturities of the 1998 Sewer Bonds. Financing is to be provided by ad valorem taxes.

SALES TAX BOND - 1990 PUBLIC IMPROVEMENT BONDS

SALES TAX BOND SINKING FUND - 1990 PUBLIC IMPROVEMENT BONDS

The Sales Tax Bond Sinking Fund is used to accumulate monies for payment of principal and interest of the 1990 Public Improvement Sales Tax Bonds. These are serial bonds due in varying annual installments plus interest until maturity in 2009. Percentages of sales and use tax equal to one-sixth of the interest falling due on the next interest payment date plus one-twelfth of the principal falling due on the next principal payment date are required to be deposited monthly in this fund according to the bond agreement.

SALES TAX BOND RESERVE FUND - 1990 PUBLIC IMPROVEMENT BONDS

The Sales Tax Bond Reserve Fund is retained solely for the purpose of paying the principal and interest on bonds payable which would otherwise be in default. Reserve fund requirements are the highest combined principal and interest in any succeeding bond year. Highest combined principal and interest is in the year 2009 and requires a reserve of \$400,000.

CITY OF COVINGTON, LOUISIANA

EXPENDABLE TRUST FUND

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

For the Year Ended December 31, 1998

	Garden of Fines Miscellaneous Expended Care Fund	
	1998	1995
OPERATING REVENUES		
Interest	\$ 1,317	\$ 1,635
Total operating revenues	<u>1,317</u>	<u>1,635</u>
EXPENDITURES		
Gardening	-	380
Bank fees	<u>80</u>	<u>80</u>
Total expenditures	<u>80</u>	<u>380</u>
Net income	1,638	1,255
FUND BALANCE - BEGINNING OF YEAR	<u>36,846</u>	<u>35,150</u>
FUND BALANCE - END OF YEAR	<u>\$ 38,074</u>	<u>\$ 36,405</u>

The accompanying notes are an integral part of this statement.

Smith, Havel & Associates, L.L.C.

AN EQUAL OPPORTUNITY FIRM

Chartered Public Accountants

P.O. Box 1640

Covington, Louisiana 70456-1640

James H. Smith, L.L.C.
Equal Opportunity Firm

1997 991-9977
1994 991-9977

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO NON-MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS

The Honorable Mayor and Members of the City Council
City of Covington, Louisiana

We have audited the general purpose financial statements of the City of Covington, Louisiana, for the year ended December 31, 1996, and have issued our report thereon dated May 28, 1997.

In connection with our audit of the general purpose financial statements of the City of Covington, Louisiana, and with our consideration of the City of Covington, Louisiana's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget (OMB) Circular A-128, (Audit of State and Local Governments), we selected certain transactions applicable to certain non-major federal financial assistance programs for the year ended December 31, 1996. As required by OMB Circular A-128, we performed auditing procedures to test compliance with the requirements governing allowances, reporting, claims for advances and reimbursements, matching and special requirements that are applicable to these transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the City of Covington, Louisiana's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of our procedures disclosed no material instances of non-compliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the City of Covington, Louisiana had not complied, in all material respects, with these requirements.

This report is intended for the information of management and others within the organization as well as the Louisiana Legislative Auditor and the U.S. Department of Agriculture's Rural Economic and Community Development's Office. However, this report is a matter of public record and its distribution is not limited.

Smith, Havel & Associates, L.L.C.

May 28, 1997

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Investments

Comment:

During our audit testing relating to investments, we noted the City had not recorded the current year activity in those account balances. We adjusted the investment account balances to actual during the audit process, via amendment of the City's implement procedures to record investment activity periodically during the year in order to facilitate proper management of funds.

Response:

The City has implemented procedures to record investment activity as investments mature.

Reserve Requirements

Comment:

According to the bond ordinance issuing the 1990 Public Improvement Sales Tax Bonds, the reserve requirement of December 31, 1996, is \$486,608, which is the highest combined principal and interest requirements in any succeeding bond year. The 1990 Reserve Fund has available as of December 31, 1996, a total of \$457,479 in reserves. This represents an over funding of \$29,129. To efficiently utilize all funds available, we suggest the City review the funding requirements of this reserve to determine if this excess could be utilized for other purposes.

Also, according to the bond ordinance issuing the 1990 Public Improvement Sales Tax Bonds, the sinking fund requirement of December 31, 1996, is \$85,146, which is the equivalent of one-twelfth of the subsequent year's principal and one-sixth of the subsequent year's interest. The 1990 Sinking Fund has available at December 31, 1996, \$40,811. This represents an under funding of \$44,335. We recommend the City deposit the funds necessary to return the sinking fund to the required level.

Response:

The City is going to reflect the under funding in the Sinking Fund account with the excess in the Reserve Fund, then determine how the remaining excess in the Reserve Fund should be utilized.

STATISTICAL 1995 SUGGESTIONS

The following is a summary of the 1995 recommendations and the status of implementation thereof:

	Implemented	Periodically Implemented	Not Implemented
Investments		X	
Utility System	X		
1993 Street Assessment's	X		
Reserve Requirements			X

CITY OF LYNDEN, TEXAS

SPECIAL REVENUE FUNDS

TIRE SALES TAX FUND

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

For the Year Ended December 31, 1995

REVENUES	1995		Balance- Forward	1995- Actual
	Budget	Actual		
Taxes				
Sales and use	\$1,550,000	\$1,660,815	\$ 114,649	\$1,775,464
Interest income	4,000	14,880	18,058	5,980
Fines and interest	7,000	4,661	(2,858)	4,873
Total revenues	1,561,000	1,680,356	129,859	1,786,317
EXPENDITURES				
Local government				
Share commissions	28,000	18,200	790	18,490
Rates	8,225	8,225	100	7,900
Inspection	1,375	1,191	104	1,714
Retirement	375	481	34	484
Medical W/A	150	121	29	145
Workers compensation	400	40	37	47
Unemployment	50	17	33	40
Bank charges	-	52	(520)	467
Computer supplies	450	450	-	410
Office supplies	300	300	(81)	140
Other	175	57	123	140
Postage	-	-	-	117
Total expenditures	21,000	30,687	801	29,740
Excess of revenues over expenditures	1,540,000	1,649,669	329,058	1,756,577
OTHER FINANCING(S)				
Operating transfers out				
General fund	1,340,000	1,440,000	(100,000)	1,340,000
Internal service fund	-	-	-	-
Total other financing uses	1,340,000	1,440,000	(100,000)	1,340,000
Excess (deficiency) of revenues over expenditures and other financing uses	\$ 200,000	209,669	\$ 229,058	416,577
FUND BALANCE - BEGINNING OF YEAR		108,000		41,700
FUND BALANCE - END OF YEAR		\$ 317,669		\$ 458,277

The accompanying notes are an integral part of this statement.

To the Honorable Mayor and
Members of the City Council
Page 4

Federal Police Grants - Cash Management

Comment

The City receives funding from the U.S. Department of Justice for community policing activities on a cost reimbursement basis. During the year ended December 31, 1986, the City requested reimbursement 15- to 30- days after the end of the period for which funds were requested. The decision maker cash management and the City should make requests for funds as soon as practical.

This letter is furnished for the information of management and others within the organization as well as the Louisiana Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record. We wish to express our appreciation for the cooperation and courtesies extended to us by the management and employees of the City of Covington, Louisiana, and look forward to working with you in the future.

Sincerely,

Smith, Hovell & Associates, L.L.C.

Smith, Hovell & Associates, L.L.C.

Recommendations
for Improvements in the
Internal Control Structure of
CITY OF COVINGTON, LOUISIANA
December 31, 1986

Smith, Hurst & Associates, L.L.C.

AN EQUAL OPPORTUNITY FIRM

Certified Public Accountants

P.O. Box 1880

Covington, Louisiana 70433-0880

Phone: (504) 835-1100
Fax: (504) 835-1100

CPA No. 00000000000000000000
CPA No. 00000000000000000000

May 21, 1997

To the Honorable Mayor and
Members of the City Council
City of Covington, Louisiana

In planning and performing our audit of the general purpose financial statements of the City of Covington, Louisiana for the year ended December 31, 1996, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure. Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the City's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. We noted no matters involving the internal control structure and its operations that we consider to be a material weakness as defined above during our audit. However, we did note certain matters involving the internal control structure and its operation that we consider to be non-reportable conditions under standards established by the American Institute of Certified Public Accountants. We feel the following recommendations would improve the City's present internal control structure.

Smith, Hurval & Associates, L.L.C.

A LIMITED LIABILITY COMPANY

Certified Public Accountants

P.O. Box 3592

Covington, Louisiana 70004-1892

Successor to Smith, CPA,
French Street Third, CPA

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INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROL STRUCTURE (USED IN ADMINISTERING FEDERAL FINANCIAL ASSISTANCE) PROGRAMS

The Honorable Mayor and Members of the City Council
City of Covington, Louisiana

We have audited the general purpose financial statements of the City of Covington, Louisiana, as of and for the year ended December 31, 1996, and have issued our report thereon dated May 21, 1997.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget Circular A-128, *Audit of State and Local Governments*. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and about whether the City of Covington, Louisiana, complied with laws and regulations, noncompliance with which would be material to a federal financial assistance program.

In planning and performing our audit for the year ended December 31, 1996, we considered the internal control structure of the City of Covington in order to determine our auditing procedures for the purpose of expressing our opinion on the City of Covington's financial statements and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the financial statements in a separate report dated May 21, 1997.

The management of the City of Covington is responsible for establishing and maintaining an internal control structure. In fulfilling that responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that financial data are recorded in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate. For the purpose of this report, we have classified

GENERAL FIXED ASSETS ACCOUNT GROUP

NARRATIVE EXPLANATION

The General Fixed Assets Account Group is for fixed assets not used in proprietary fund operations. General Fixed Assets do not represent financial resources available for expenditures but are items for which financial resources have been used and for which accountability is maintained.

Smith, Hurst & Associates, L.L.C.

INCORPORATED UNDER THE LAWS OF MISSISSIPPI

Certified Public Accountants

P.O. Box 1660

Covington, Louisiana 70434-1660

Robert E. Smith, CPA
Frank "Buck" Hurst, CPA

MS04424601 1-1-1999
MS04424601 1-1-99

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH GENERAL REQUIREMENTS APPLICABLE TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS

The Honorable Mayor and Members of the City Council
City of Covington, Louisiana

We have audited the general purpose financial statements and the combining individual fund and major group financial statements of the City of Covington, Louisiana as of and for the year ended December 31, 1998, and have issued our report thereon dated May 21, 1997.

We have applied procedures to test the City of Covington's compliance with the following general requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended December 31, 1998. For the purposes of this report, we have classified the general requirements applicable to the City of Covington's federal financial assistance programs as political activity, Davis-Bacon Act, civil rights, cash management, relocation assistance, levels of financial reports, allowable costs, Drug-Free Workplace Act, and administrative requirements.

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's *Compliance Supplement for Single Agencies of State and Local Governments*. Our procedures are substantially less in scope than an audit, the objective of which is the expression of an opinion on the City of Covington's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of our procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the City of Covington had not complied in all material respects with those requirements.

This report is intended for the information of the management and others within the organization as well as the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Smith, Hurst & Associates, L.L.C.

May 21, 1997

Smith, Hoyal & Associates, L.L.C.

an Equal Opportunity Employer

Certified Public Accountants

1711 Blue 1460

Covington, Louisiana 70411-0602

James C. Smith, CPA
David "Drew" Hoyal, CPA

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Mayor and Members of the City Council
City of Covington, Louisiana

We have audited the general purpose financial statements and the combining individual fund and account group financial statements of the City of Covington, Louisiana for the year ended December 31, 1986 and have issued our report thereon dated May 21, 1987.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States; the provisions of the Comptroller Supplement for Single Audits of State and Local Governments; and Circular A-128, Auditing of State and Local Governments, published by the Office of Management and Budget. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the City of Covington, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are recorded in accordance with management's authorizations and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the City of Covington, Louisiana, for the year ended December 31, 1986, we obtained an understanding of its internal control

Smith, Havel & Associates, L.L.C.

AN EQUAL OPPORTUNITY FIRM

Accepted Public Accountant

PCO No. 1887

Covington, Louisiana 70441-3662

Scott E. Smith, CPA
David "Drew" Havel, CPA

PHONE 888-4676
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Mayor and Members of the City Council
City of Covington, Louisiana

We have audited the general purpose financial statements and the combining individual fund and account group financial statements of the City of Covington, Louisiana as of and for the year ended December 31, 1998, and have issued our report thereon dated May 21, 1999.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan to perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the City of Covington is the responsibility of management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion. The results of our tests disclosed the following instance of noncompliance that is required to be reported herein under Government Auditing Standards:

In accordance with Louisiana Revised Statutes 78:1309 and 78:1310, the City did not amend the budget and publicly adopt the amended budget when actual revenues and expenditures of the Special Revenue Fund failed to meet budgeted revenues and expenditures by two percent or more. We have advised the City officials of the provisions of this statute and the importance of their compliance.

This report is intended for the information of management and others within the organization as well as the Louisiana Legislative Auditor and the U.S. Department of Agriculture's Rural Economic and Community Development's office. However, this report is a matter of public record and its distribution is not limited.

Smith, Havel & Associates, L.L.C.

May 21, 1999

CITY OF COVINGTON, LOUISIANA
 SCHEDULE OF COUNCIL MEMBERS

December 31, 1995

Council Member	Term of Office	Compensation
Laurie Hoykins 1323 N. Buchanan St. Covington, LA 70433	June 30, 1999	7,806
Jerry Lee Conar P. O. Box 27088 Covington, LA 70434	June 30, 1999	7,806
John M. Dean P. O. Box 2799 Covington, LA 70434	June 30, 1999	7,806
Matthew Paine 504 E. 4th Ave. Covington, LA 70433	June 30, 1999	7,806
Lee Ray Jenkins, Jr., President 37 Spruce St. Covington, LA 70433	June 30, 1999	7,806
Sam O'Keefe P. O. Box 1141 Covington, LA 70434	June 30, 1999	7,806
Carolyn Franco 300 W. 14th Ave. Covington, LA 70433	June 30, 1999	7,806

CITY OF COVINGTON, LOUISIANA
 SUPPLEMENTAL SCHEDULE OF FEDERAL
 FINANCIAL ASSISTANCE

For the Year Ended December 31, 1996

Federal Grant/Pass-Through Account Program Title	Federal CFDA Number	Expenses
U. S. Department of Agriculture - Rural Economic and Community Development COMMUNITY DEVELOPMENT BLOCK GRANT - Major Program	14.219	\$656,188
U. S. Department of Justice COMMUNITY ORIENTED POLICE SERVICES	16.710	281,091
TOTAL FEDERAL FINANCIAL ASSISTANCE		\$937,279

SUPPLEMENTAL INFORMATION

CITY OF CUMINGTON, LOUISIANA
STATEMENT OF GENERAL FIXED ASSETS

December 31, 1996

	<u>1996</u>	<u>1995</u>
GENERAL FIXED ASSETS		
Land	\$ 478,560	\$ 478,560
Buildings	1,708,740	1,708,740
Equipment	1,944,992	1,438,451
Transportation equipment	440,774	337,644
Office furniture and equipment	319,513	286,960
Improvements other than buildings	579,336	579,336
Capital leases	358,439	358,079
Construction in progress	<u>89,921</u>	<u> </u>
Total general fixed assets	\$3,780,225	\$5,187,670
INVESTMENT IN GENERAL FUND ASSETS FROM		
General fund	\$2,853,080	\$3,180,234
Capital projects	1,714,282	1,714,282
Special revenue fund	<u>212,863</u>	<u>293,154</u>
Total investment in general fixed assets	\$2,780,225	\$5,187,670

The accompanying notes are an integral part of this statement.

The Honorable Mayor and Members of the City Council
Covington, Louisiana

the significant internal control structure policies and procedures used in administering Federal financial assistance programs into the following categories: Accounting controls - cash receipts, cash disbursements, budgeting, payroll, property and equipment, and electronic data processing; Administrative controls - political activities, civil rights, cash management, federal financial reporting, allowable costs, drug free workplace, administrative requirements, types of services allowed or disallowed, matching, and claims for advances and reimbursements.

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended December 31, 1996, the City of Covington expended 100 percent of its total Federal financial assistance under the federal financial assistance programs which are identified in the Schedule of Federal Financial Assistance.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we have considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the aforementioned management programs. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above. However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of the City of Covington, Louisiana, in a separate letter dated May 21, 1997.

This report is intended for the information of management and others within the organization as well as the Louisiana Legislative Auditor and the U.S. Department of Agriculture's Rural Economic and Community Development's Office. However, this report is a matter of public record and its distribution is not limited.

Smith, Harold B. Assistant, L.L.C.

May 21, 1997

STATE OF CONNECTICUT
 COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
 ALL GOVERNMENTAL FUNDS (FUND TYPE DEPENDENT) - FISCAL YEAR
 As of Year-End December 31, 1988

	General Fund		Special		Debt		Total		Assets		Liabilities		Fund Balance		
	Balance	Change	Balance	Change	Balance	Change	Balance	Change	Current	Capital	Debt	Other	Current	Capital	Debt
Total	1,007,884	0	1,207,203	0	288,000	0	0	0	1,447,083	0	0	0	1,447,083	0	0
Assets and Liabilities	799,947								799,947				799,947		
Investments	348,824								348,824				348,824		
Prepaid expenses	37,543								37,543				37,543		
Prepaid salaries	58,200								58,200				58,200		
Other	116,220								116,220				116,220		
Total	580,807								580,807				580,807		
Debt	1,170,000								1,170,000				1,170,000		
Total	1,170,000								1,170,000				1,170,000		
Fund Balance	207,937								207,937				207,937		
Total	2,079,371								2,079,371				2,079,371		
Liabilities	1,971,688								1,971,688				1,971,688		
Accounts payable	1,488,882								1,488,882				1,488,882		
Other	482,806								482,806				482,806		
Total	1,971,688								1,971,688				1,971,688		
Fund Balance	1,007,884								1,007,884				1,007,884		
Total	2,007,884								2,007,884				2,007,884		
Fund Balance	1,007,884								1,007,884				1,007,884		
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Total	2,007,884								2,007,884				2,007,884		
Fund Balance	1,007,884								1,007,884				1,007,884		
Total	2,007,884								2,007,884				2,007,884		
Fund Balance	1														

CITY OF CHICAGO, ILLINOIS
 OFFICE OF COMPTROLLER AND CLERK OF THE BOARD
 December 31, 1995

NOTE 8 - COMBINED SCHEDULE OF BOND INTERESTS

GENERAL OBLIGATION BONDS

1995 General Obligation Bonds Issued December 1, 1995 for \$2,500,000 plus 100 basis points per annum interest included. Maturity for \$2,500,000 1998.

1995 General Obligation Bonds Issued March 1, 1995 for \$200,000. Maturity for \$200,000 1998.

Fiscal Year	Interest		Amount	
	1995	1996	1995	1996
March 1 and June 1	1995	1996	7,500	6,000
	1995	1996	6,000	4,500
March 1 and June 1	1995-98	1996-99	15,000	15,000
	1995	1996	1,500	1,500
	1997	1998	1,500	1,500
	1998	1999	1,500	1,500
	1999	2000	1,500	1,500
	2000	2001	1,500	1,500
	2001	2002	1,500	1,500
	2002	2003	1,500	1,500
	2003	2004	1,500	1,500
	2004	2005	1,500	1,500
	2005	2006	1,500	1,500
	2006	2007	1,500	1,500
	2007	2008	1,500	1,500
	2008	2009	1,500	1,500
	2009	2010	1,500	1,500
	2010	2011	1,500	1,500
	2011	2012	1,500	1,500
	2012	2013	1,500	1,500
	2013	2014	1,500	1,500
	2014	2015	1,500	1,500
	2015	2016	1,500	1,500
	2016	2017	1,500	1,500
	2017	2018	1,500	1,500
	2018	2019	1,500	1,500
	2019	2020	1,500	1,500
	2020	2021	1,500	1,500
	2021	2022	1,500	1,500
	2022	2023	1,500	1,500
	2023	2024	1,500	1,500
	2024	2025	1,500	1,500
	2025	2026	1,500	1,500
	2026	2027	1,500	1,500
	2027	2028	1,500	1,500
	2028	2029	1,500	1,500
	2029	2030	1,500	1,500
	2030	2031	1,500	1,500
	2031	2032	1,500	1,500
	2032	2033	1,500	1,500
	2033	2034	1,500	1,500
	2034	2035	1,500	1,500
	2035	2036	1,500	1,500
	2036	2037	1,500	1,500
	2037	2038	1,500	1,500
	2038	2039	1,500	1,500
	2039	2040	1,500	1,500
	2040	2041	1,500	1,500
	2041	2042	1,500	1,500
	2042	2043	1,500	1,500
	2043	2044	1,500	1,500
	2044	2045	1,500	1,500
	2045	2046	1,500	1,500
	2046	2047	1,500	1,500
	2047	2048	1,500	1,500
	2048	2049	1,500	1,500
	2049	2050	1,500	1,500
	2050	2051	1,500	1,500
	2051	2052	1,500	1,500
	2052	2053	1,500	1,500
	2053	2054	1,500	1,500
	2054	2055	1,500	1,500
	2055	2056	1,500	1,500
	2056	2057	1,500	1,500
	2057	2058	1,500	1,500
	2058	2059	1,500	1,500
	2059	2060	1,500	1,500
	2060	2061	1,500	1,500
	2061	2062	1,500	1,500
	2062	2063	1,500	1,500
	2063	2064	1,500	1,500
	2064	2065	1,500	1,500
	2065	2066	1,500	1,500
	2066	2067	1,500	1,500
	2067	2068	1,500	1,500
	2068	2069	1,500	1,500
	2069	2070	1,500	1,500
	2070	2071	1,500	1,500
	2071	2072	1,500	1,500
	2072	2073	1,500	1,500
	2073	2074	1,500	1,500
	2074	2075	1,500	1,500
	2075	2076	1,500	1,500
	2076	2077	1,500	1,500
	2077	2078	1,500	1,500
	2078	2079	1,500	1,500
	2079	2080	1,500	1,500
	2080	2081	1,500	1,500
	2081	2082	1,500	1,500
	2082	2083	1,500	1,500
	2083	2084	1,500	1,500
	2084	2085	1,500	1,500
	2085	2086	1,500	1,500
	2086	2087	1,500	1,500
	2087	2088	1,500	1,500
	2088	2089	1,500	1,500
	2089	2090	1,500	1,500
	2090	2091	1,500	1,500
	2091	2092	1,500	1,500
	2092	2093	1,500	1,500
	2093	2094	1,500	1,500
	2094	2095	1,500	1,500
	2095	2096	1,500	1,500
	2096	2097	1,500	1,500
	2097	2098	1,500	1,500
	2098	2099	1,500	1,500
	2099	2100	1,500	1,500
	2100	2101	1,500	1,500
	2101	2102	1,500	1,500
	2102	2103	1,500	1,500
	2103	2104	1,500	1,500
	2104	2105	1,500	1,500
	2105	2106	1,500	1,500
	2106	2107	1,500	1,500
	2107	2108	1,500	1,500
	2108	2109	1,500	1,500
	2109	2110	1,500	1,500
	2110	2111	1,500	1,500
	2111	2112	1,500	1,500
	2112	2113	1,500	1,500
	2113	2114	1,500	1,500
	2114	2115	1,500	1,500
	2115	2116	1,500	1,500
	2116	2117	1,500	1,500
	2117	2118	1,500	1,500
	2118	2119	1,500	1,500
	2119	2120	1,500	1,500
	2120	2121	1,500	1,500
	2121	2122	1,500	1,500
	2122	2123	1,500	1,500
	2123	2124	1,500	1,500
	2124	2125	1,500	1,500
	2125	2126	1,500	1,500
	2126	2127	1,500	1,500
	2127	2128	1,500	1,500
	2128	2129	1,500	1,500
	2129	2130	1,500	1,500
	2130	2131	1,500	1,500
	2131	2132	1,500	1,500
	2132	2133	1,500	1,500
	2133	2134	1,500	1,500
	2134	2135	1,500	1,500
	2135	2136	1,500	1,500
	2136	2137	1,500	1,500
	2137	2138	1,500	1,500
	2138	2139	1,500	1,500
	2139	2140	1,500	1,500
	2140	2141	1,500	1,500
	2141	2142	1,500	1,500
	2142	2143	1,500	1,500
	2143	2144	1,500	1,500
	2144	2145	1,500	1,500
	2145	2146	1,500	1,500
	2146	2147	1,500	1,500
	2147	2148	1,500	1,500
	2148	2149	1,500	1,500
	2149	2150	1,500	1,500
	2150	2151	1,500	1,500
	2151	2152	1,500	1,500
	2152	2153	1,500	1,500
	2153	2154	1,500	1,500
	2154	2155	1,500	1,500
	2155	2156	1,500	1,500
	2156	2157	1,500	1,500
	2157	2158	1,500	1,500
	2158	2159	1,500	1,500
	2159	2160	1,500	1,500
	2160	2161	1,500	1,500
	2161	2162	1,500	1,500
	2162	2163	1,500	1,500
	2163	2164	1,500	1,500
	2164	2165	1,500	1,500
	2165	2166	1,500	1,500
	2166	2167	1,500	1,500
	2167	2168	1,500	1,500
	2168	2169	1,500	1,500
	2169	2170	1,500	1,500
	2170	2171	1,500	1,500
	2171	2172	1,500	1,500
	2172	2173	1,500	1,500
	2173	2174	1,500	1,500
	2174	2175	1,500	1,500
	2175	2176	1,500	1,500
	2176	2177	1,500	1,500
	2177	2178	1,500	1,500
	2178	2179	1,500	1,500
	2179	2180	1,500	1,500
	2180	2181	1,500	1,500
	2181	2182	1,500	1,500
	2182	2183	1,500	1,500
	2183	2184	1,500	1,500
	2184	2185	1,500	1,500
	2185	2186	1,500	1,500
	2186	2187	1,500	1,500
	2187	2188	1,500	1,500
	2188	2189	1,500	1,500
	2189	2190	1,500	1,500
	2190	2191	1,500	1,500
	2191	2192	1,500	1,500
	2192	2193	1,500	1,500
	2193	2194	1,500	1,500
	2194	2195	1,500	1,500
	2195	2196	1,500	1,500
	2196	2197	1,500	1,500
	2197	2198	1,500	1,500
	2198	2199	1,500	1,500
	2199	2200	1,500	1,500
	2200	2201	1,500	1,500
	2201	2202	1,500	1,500
	2202	2203	1,500	1,500
	2203	2204	1,500	1,500
	2204	2205	1,500	1,500
	2205	2206	1,500	1,500
	2206	2207	1,500	1,500
	2207	2208	1,500	1,500
	2208	2209	1,500	1,500
	2209	2210	1,500	1,500
	2210	2211	1,500	1,500
	2211	2212	1,500	1,500
	2			

CITY OF COVINGTON, LOUISIANA
 NOTES TO CONDENSED FINANCIAL STATEMENTS
 December 31, 1996

NOTE 10 - LONG-TERM DEBT

The following is a summary of bond transactions of the City for the year ended December 31, 1996:

	<u>General</u> <u>Sales and</u> <u>Use Tax</u>	<u>Obligations</u> <u>At Valorem</u> <u>Tax</u>	<u>Revenue</u> <u>Bonds</u>	<u>Total</u>
Bonds Payable at January 1, 1996	\$3,499,000	\$2,485,000	\$1,059,247	\$7,043,247
Bonds Issued	-	1,550,000	568,000	2,108,000
Bonds Retired	(150,000)	(1,550,000)	(453,626)	(3,153,626)
Bonds Payable at December 31, 1996	\$3,349,000	\$2,485,000	\$1,173,621	\$7,007,621

As explained in Note 8, the City issued \$1,550,000 of 1996 Refunding Bonds to advance refund the 1990 to 2008 maturities of the 1988 General Obligation Bonds.

On June 20, 1996, the City issued \$568,000 of 1996 refunding bonds used to currently refund the 1985 Water Revenue Bonds. The 1985 revenue bondholder was paid the remaining principal balance of \$368,319 and accrued interest of \$13,716.

CITY OF COVINGTON, LOUISIANA

UNIFIED COMBINED FINANCIAL STATEMENTS

December 31, 1996

NOTE C - RESTRICTED ASSETS

The ordinance authorizing the issuance of a \$1,200,000 Water Revenue Bond dated November 4, 1983, the ordinance authorizing the issuance of a \$450,000 Water Revenue Bond, dated July 2, 1985 and the ordinance authorizing the issuance of a \$368,000 Water Revenue Bond dated June 20, 1996 which was used to retire the outstanding balance on the 1985 bond, together provide for certain restrictions on the assets of the Enterprise Fund.

1. Revenue Bond Sinking Fund

The 1983 and 1985 ordinances called for the establishment and maintenance of a Revenue Bond Sinking Fund sufficient in amount to pay promptly and in full the principal and interest on the bonds and to fund as they become due and payable. This requirement has been met as of December 31, 1996.

2. Revenue Bond Reserve Fund

The ordinance called for the establishment of a Revenue Bond Reserve Fund by depositing with the regularly designated fiscal agent bank of the City 5% of the amount to be deposited into the Sinking Fund until such time as there has been accumulated an amount equal to the highest combined debt service payable. The 1996 refunding ordinance calls for an initial deposit of \$20,996 which was paid from the 1980 reserve funds and thereafter, monthly payments of \$198 until an amount still available to the 1996 issue of \$30,000 is on hand in the Revenue Bond Reserve Fund. The sole purpose of the fund is to pay the principal of and the interest on the bonds payable from the Revenue Bond Sinking Fund in the event there would otherwise be in default. This requirement has been met as of December 31, 1996.

3. Capital Additions and Contingency Fund

The ordinance called for establishment and maintenance of a Capital Additions and Contingency Fund to care for extensions, additions, improvements, renewals, and replacements necessary to properly operate the system. Monthly deposits of \$571 are to be made, provided such care is available after certain other provisions. This requirement has been met as of December 31, 1996.

CITY OF COVINGTON, LOUISIANA

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. PROPERTY TAXES

Property taxes are due on January 1 and delinquent if not paid by February 1. Property taxes are recorded as revenues when levied. Tax items are filed on all unpaid bills. The City bills and collects its own property taxes using the assessed values determined by the tax assessor of St. Tammany Parish. Total property tax revenue for the year ended December 31, 1996, was \$825,886 and is recorded in the books as follows:

General Fund	\$ 689,986
Debt Service Fund	<u>135,899</u>
	<u>\$ 825,886</u>

11. SPECIAL ASSESSMENTS

Special assessments have been levied to provide for the financing of public improvements designed to benefit the properties against which the assessments are levied. The City of Covington is in no manner obligated to repay the special assessment debt, except that portion to be paid from the sewer plant construction fund; therefore, the debt is not reported in the financial statements. The City functions as an agent for the property owners by collecting assessments, forwarding collections to special assessment certificate holders and, if appropriate, beginning foreclosure. The balance of special assessment debt at December 31, 1996, was \$696,116 of which \$418,815 will be paid from special assessment and general fee collections and \$277,301 will be paid from the Sewer Plant Construction Fund.

12. ACCOUNTS RECEIVABLE

Uncollectible amounts due for customers' utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the noncollectibility of the particular receivable. The allowance is \$34,718 at December 31, 1996. An aging of receivables is as follows:

Current	\$ 43,517
30 days	19,628
60 days	11,714
90 & over	<u>31,714</u>
	<u>\$ 106,573</u>

CITY OF COVINGTON, LOUISIANA

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. FIXED ASSETS AND LONG-TERM LIABILITIES

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds and the expendable trust fund are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present the gross-revenues and other financing sources and decreases (expenditures and other financing uses) in fund balance (net current assets). Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group rather than in governmental funds. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are not capitalized by the City. No depreciation has been provided on general fixed assets.

Fixed asset values are based on historical cost (if available) or estimated historical cost if historical cost was not available.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

Because of their spending measurement focus, expenditure recognition for governmental fund type is limited to exclude amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are listed as liabilities in the General Long-Term Debt Account Group.

The two account groups are not "Bonds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

CITY OF COMMISSION, LOUISIANA

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - The Special Revenue Funds are used to account for the proceeds of specific revenue sources other than expendable trusts or major capital projects that are legally restricted to expenditures for specified purposes.

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Project Funds - Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

PROPRIETARY FUNDS

Enterprise Fund - The Enterprise Fund is used to account for operations that (a) are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a cost basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

FIDUCIARY FUNDS

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for other funds. These include *Responsibility Trust and Agency Funds*. *Responsibility Trust Funds* are accounted for essentially the same manner as governmental funds. *Agency Funds* are established to assure assets equal liabilities) and do not involve a measurement of period of operations.

CITY OF COVINGTON, LOUISIANA

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Covington, Louisiana, adopted the Home Rule Charter on November 7, 1938 under the provisions of Article VI, Section 5, of the Louisiana Constitution of 1934. 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 financial statements of the City of Covington, Louisiana conform to generally accepted accounting principles (GAAP) as applicable to governments except for the valuation of fixed assets as further discussed in this note. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body in establishing governmental accounting and financial reporting principles. The following is a summary of certain significant accounting policies:

1. BUDGETARY UNIT

For financial reporting purposes, the City of Covington includes all funds, account groups, agencies, boards, commissions and authorities that are controlled by or depend on the City's executive or legislative branches. Control by or dependency on the City is determined on the basis of the budget adoption, voting authority, outstanding debt incurred by revenues or general obligations of the City, obligations of the City to finance any deficits that may occur, or receipt of significant subsidies from the City.

2. FUND ACCOUNTING

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operation of each fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the manner by which spending activities are controlled. The various funds are grouped in the financial statements in this report into six general fund types and three broad fund categories as follows:

CITY OF MONROE, LOUISIANA

COMBINED STATEMENT OF CASH FLOWS
(PROPRIETARY FUND TYPE)

For the Year Ended December 31, 1996

	1996	1995
CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating loss	\$ (113,888)	\$ (20,879)
Adjustments to reconcile net operating loss to net cash provided (used) by operating activities:		
Depreciation	251,688	176,176
Decrease(s) increase in accounts receivable - net	21,667	(6,172)
Increase in other receivables	(2,146)	(6,176)
Increase in LCBOB grant receivable	(344,183)	-
Increase in accounts payable and accrued expenses	481,208	14,793
Increase in prepaid taxes and advances payable	1,008	136
Increase (decrease) in other liabilities	24	(1,000)
Expense for landfill closure	(22,333)	(1,083,151)
Total adjustments	384,661	(1,068,196)
Net cash provided (used) by operating activities	270,773	(1,089,075)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Payments from and other funds, net	(21,078)	(18,162)
Increase in contract deposits	1,481	6,778
FEMA funds received	-	21,167
Net cash provided by NON-CAPITAL financing activities	(20,597)	(10,217)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
LCBOB grant received	636,188	-
1990 Sewer extension funded by special revenue contractual award bond proceeds	821,881	-
Payments on note contract	(24,309)	(14,728)
Transfer from City other funds, net	399,870	768,338
Payments for capital acquisitions	(1,754,114)	(1,281,117)
Principal payments on bonds	(422,614)	(161,154)
Interest paid	(81,695)	(123,627)
Proceeds from 1996 refunding bonds	368,008	-
Payments on capital lease	(24,848)	-
Net cash provided (used) by capital and related financing activities	381,528	(613,218)
CASH FLOWS FROM INVESTMENT ACTIVITIES:		
Receipts of interest	21,120	11,193
Net cash provided by investing activities	21,120	11,193
NET INCREASE IN CASH AND CASH EQUIVALENTS	652,324	(1,791,000)
Cash and cash equivalents, beginning of year	202,888	993,888
Cash and cash equivalents, end of year	\$ 855,212	\$ 202,888

The accompanying notes are an integral part of this statement.

CITY OF COVINGTON, LOUISIANA

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 1996

NOTE D - ANNUAL REQUIREMENTS TO AMORTIZE LONG-TERM DEBT

The following is a schedule of principal and interest debt requirements to maturity:

Year Ending December 31,	General Obligation		
	Revenue Bonds	Bonds	Total
1997	\$ 116,353	\$ 799,179	\$ 915,532
1998	125,159	802,704	927,863
1999	125,695	673,807	800,502
2000	125,945	673,776	799,721
2001	125,789	679,809	805,598
2002-2041	794,438	4,608,216	5,402,654
	<u>\$1,417,379</u>	<u>\$8,238,381</u>	<u>\$9,655,760</u>

As of December 31, 1996 there is \$1,551,369 available in the Debt Service Fund to service the principal and interest on the debt obligations.

NOTE G - OTHER INTERFUND, PAYABLE AND RECEIVABLES

Individual fund interfund receivable and payable balances are not eliminated in the accompanying financial statements. Each balance at December 31, 1996 were:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 633,683	\$ 52,133
Special Revenue Fund	183,618	362,693
General Obligation Bond Redemption Fund	47,039	
1990 Sales Tax Bond Sinking Fund	13,615	
1990 Sales Tax Bond Reserve Fund		4,000
Ad Valorem Tax Collection Fund		231,915
Enterprise Fund	58,800	28,864
Sewer Plant Capital Projects Fund		
1993 Sewer Extension Capital Projects Fund		
1993 Sewer Extension Agency Fund	5,000	
1987 Street Paving Agency Fund		3,114
	<u>\$ 853,002</u>	<u>\$ 853,002</u>

CITY OF CONCORD, CALIFORNIA

FINANCIAL STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
- BUDGET (OPER BUDGET) ACTUAL - CONTINUING, ANNUAL, FISCAL YEAR 1988

For the Year Ended December 31, 1988

	OPERATING		NON-OPERATING		TOTAL		BUDGET		ACTUAL	
	REVENUE	EXPENSE	REVENUE	EXPENSE	REVENUE	EXPENSE	REVENUE	EXPENSE	REVENUE	EXPENSE
REVENUES										
Taxes	889,000		1,471,854		490,854		3,152,000		3,152,000	
Grants and awards	287,500		284,887		33,287					
1% (gross) and	200,000		200,000		0					
Change in amount	87,500		84,887		0					
Transfers in	85,000		85,000		0					
Transfers out	(85,000)		(85,000)		0					
Investment	17,500		18,000		8,000				18,000	
Interest	10,000		10,000		0				0	
Other	10,000		10,000		0				0	
Total revenues	2,099,000		2,441,490		642,141		3,152,000		3,170,000	
EXPENSES										
General	1,407,000		1,371,000		66,070		66,000		66,000	
Services purchased	1,000,000		1,000,000		0				0	
Public safety	1,000,000		1,000,000		0				0	
Police	400,000		400,000		0				0	
Fire	600,000		600,000		0				0	
Public works - DPWS	1,200,000		1,199,000		0				0	
Culture and recreation	400,000		400,000		0				0	
Highway maintenance	1,000,000		1,000,000		0				0	
Public operations of facilities	2,000,000		2,179,000		299,000		3,000,000		3,000,000	
Other operations										
Public housing (Housing Element)										
Public health (Housing Element)										
Public loan fund										
Citywide programs	2,000,000		2,000,000		0				0	
Community development	100,000		100,000		0				0	
Community services and	1,900,000		1,900,000		0				0	
Public other operating services (SAS)										
Public operations of facilities (SAS)										
Public operations and other operating										
services (SAS)										
FUND BALANCES - BEGINNING OF YEAR			3,680,000						3,680,000	
FUND BALANCES - END OF YEAR			3,680,000						3,680,000	

CITY OF COVINGTON, LOUISIANA

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 1996

NOTE 11 - CHANGES IN FIXED ASSETS

The City established a detailed fixed asset listing using historical cost and estimated historical cost. In preparing this listing, the City decided not to capitalize infrastructure assets thereby excluding these assets. Presented below is a summary of changes in general fixed assets. It is the City's policy to capitalize only those additions greater than \$200. Also, some expenditures made out of the 50% capital early account are operational in nature and are not capitalized below. The total capital outlay reflected in the accompanying financial statements for the General Fund totaled \$1,153,853.

	Balance December 31, 1994	Additions	Retirements	Balance December 31, 1996
Land	\$ 478,560	\$ -	\$ -	\$ 478,560
Buildings	5,798,789	-	-	5,798,789
Equipment	1,858,451	486,501	-	2,344,952
Improvements other than buildings	579,536	-	-	579,536
Transportation equipment	237,041	148,609	44,906	340,744
Office furniture and equipment	286,968	22,642	-	309,610
Construction in progress	-	58,921	-	58,921
Capital leases	258,429	-	-	258,429
	<u>\$ 8,112,459</u>	<u>\$ 1,127,673</u>	<u>\$ 44,906</u>	<u>\$ 9,290,229</u>

A summary of proprietary fund type property, plant and equipment at December 31, 1996, follows:

Street equipment	\$ 8,806,090
Water equipment	1,357,889
Garbage equipment	46,345
Construction in progress - sewer improvements	665,731
Total	11,276,055
Less: Accumulated depreciation	1,088,961
	<u>\$ 10,187,094</u>

COMPARISON OF THE 2007 AND 2006 FINANCIAL STATEMENTS OF THE COMPANY

	2007		2006		2007	2006		2007	2006
	Revenue	Expenses	Revenue	Expenses		Revenue	Expenses		
OPERATING									
Accounts receivable	100,000		100,000		100,000		100,000		100,000
Inventory	50,000		50,000		50,000		50,000		50,000
Prepaid expenses	10,000		10,000		10,000		10,000		10,000
Property, plant and equipment	200,000		200,000		200,000		200,000		200,000
Accumulated depreciation	(100,000)		(100,000)		(100,000)		(100,000)		(100,000)
Accounts payable		100,000		100,000		100,000		100,000	
Notes payable		50,000		50,000		50,000		50,000	
Long-term debt		150,000		150,000		150,000		150,000	
Common stock									
Retained earnings									
Total	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000
FINANCIAL STATEMENTS									
Income Statement	Revenue	Expenses	Revenue	Expenses	Revenue	Expenses	Revenue	Expenses	Revenue
Balance Sheet	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets
Statement of Cash Flows	Operating	Investing	Operating	Investing	Operating	Investing	Operating	Investing	Operating

GENERAL LEDGER
GENERAL ACCOUNTS
ASSETS

ACCOUNT	Balance		Debit		Credit		Total	Balance			Total	
	Dr	Cr	Dr	Cr	Dr	Cr		Dr	Cr	Dr		
ASSETS												
Current Assets												
Cash	100.00						100.00					100.00
Accounts Receivable		50.00					50.00					50.00
Inventory		20.00					20.00					20.00
Prepaid Expenses		10.00					10.00					10.00
Other Current Assets												
Fixed Assets												
Land												
Buildings												
Equipment												
Other Fixed Assets												
Intangible Assets												
Patents												
Copyrights												
Other Intangible Assets												
Liabilities												
Current Liabilities												
Accounts Payable												
Notes Payable												
Other Current Liabilities												
Long-Term Liabilities												
Mortgages												
Other Long-Term Liabilities												
Equity												
Common Stock												
Retained Earnings												
Other Equity												
Total	100.00	80.00	100.00	80.00	100.00	80.00	200.00	100.00	80.00	100.00	80.00	200.00

The Honorable Mayor and Members of the City Council
City of Covington, Louisiana

In accordance with Government Auditing Standards, we have also issued a report on our consideration of the City of Covington's internal control structure, a report on its compliance with laws and regulations, a report on its compliance with general and specific requirements applicable to federal programs, and a report on the internal control structure used in administering federal programs.

Smith, Hovell & Associates, L.L.C.

May 21, 1999

Smith, Hurst & Associates, L.L.C.

AN EQUAL OPPORTUNITY FIRM

Chartered Public Accountants

1743 Box 1882

Covington, Louisiana 70444-1882

Shirley R. Smith, CPA
David "Pete" Hurst, CPA

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members of the City Council
City of Covington, Louisiana

We have audited the accompanying general purpose financial statements of the City of Covington, Louisiana, and the combining, individual fund and account group financial statements of the City as of and for the year ended December 31, 1996, as listed in the table of contents. These financial statements are the responsibility of the City of Covington, Louisiana's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Covington, Louisiana, at December 31, 1996, and the results of its operations and cash flows of its proprietary fund type for the year then ended, in conformity with generally accepted accounting principles. Also, in our opinion, the combining, individual fund, and account group financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds and account groups of the City of Covington, Louisiana, as of December 31, 1996, and the results of operations of each fund and the cash flows of its proprietary fund for the year then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the combining, individual fund and account group financial statements. The accompanying financial information listed in a supporting schedule in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the City of Covington, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose, combining, individual fund and account group financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements of each of the respective individual funds and account groups taken as a whole.

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STATE ARCHIVES
11/11/93

Report on
The Audit of
The Financial Statements of
CITY OF COVINGTON, LOUISIANA
December 31, 1990

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or clerk, or entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Prepared Date: 09/01/93

CITY OF CHAMBERLAIN, LOUISIANA

SPECIAL FINANCE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

For the Year Ended December 31, 1996

	Sales Tax		Totals	
	1997 Tax	1992 Tax	1996	1995
REVENUES				
Taxes				
Sales and use	\$1,665,615	\$1,665,614	\$3,331,229	\$3,311,434
Interest income	14,856	12,683	27,539	16,007
Fees and interest	4,661	4,692	9,353	9,746
Total revenues	1,684,932	1,682,989	3,367,913	3,337,187
EXPENDITURES				
Contract government	30,000	30,538	61,231	58,730
Total expenditures	30,000	30,538	61,231	58,730
Excess of revenues over expenditures	1,654,932	1,652,451	3,306,682	3,278,457
OTHER FINANCING USES				
Operating transfers out				
Debt service	-	388,200	388,200	379,884
General fund	1,665,858	1,689,308	3,355,166	3,679,883
Total other financing uses	1,665,858	1,689,310	3,515,366	3,879,687
Excess (deficiency) of revenues over expenditures and other financing uses	6,772	(236,859)	(280,284)	39,770
FUND BALANCE - BEGINNING OF YEAR	186,128	298,072	484,200	375,444
FUND BALANCE - END OF YEAR	\$ 192,900	\$ 61,213	\$ 203,916	\$ 415,214

The accompanying notes are an integral part of this statement.

Smith, Havel & Associates, L.L.C.

AN ORGANIZATION OF PROFESSIONALS

INDEPENDENT ACCOUNTANTS

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Covington, Louisiana 70456-1660

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS

The Honorable Mayor and Members of the City Council
City of Covington, Louisiana

We have audited the general purpose financial statements and the combining individual fund and account group financial statements of City of Covington, Louisiana of and for the year ended December 31, 1996, and have issued our report thereon dated May 21, 1997.

We have also audited City of Covington, Louisiana's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching; level of effort, or cost-sharing; reporting; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major Federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance, for the year ended December 31, 1996. The management of City of Covington, Louisiana is responsible for the City's compliance with these requirements. Our responsibility is to express an opinion on compliance with these requirements based on our audit.

We conducted our audit of compliance with these requirements in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget Circular A-128, Audits of State and Local Governments. These standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence from City's compliance with these requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, City of Covington, Louisiana, complied, in all material aspects, with the requirements governing types of services allowed or unallowed; eligibility; matching; level of effort, or cost-sharing; reporting; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major Federal financial assistance programs for the year ended December 31, 1996.

This report is intended for the information of the audit committee, management, and the U.S. Department of Agriculture's Rural Economic and Community Development's Office. However, this report is a matter of public record and its distribution is not limited.

Smith, Havel & Associates, L.L.C.

May 21, 1997

CITY OF COVINGTON, LOUISIANA

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. BASIS OF ACCOUNTING (Continued)

All proprietary funds are accounted for using the accrual basis of accounting whereby revenues are recognized when they are earned and expenses are recognized when incurred.

5. BUDGETS AND BUDGETARY ACCOUNTING

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

- A. Prior to October 1, the Mayor submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes projected expenditures and the means of financing them.
- B. Public hearings are conducted at City Hall.
- C. Prior to the last meeting of the current fiscal year, the budget is legally enacted through passage of an ordinance.
- D. The Mayor may transfer part or all of any unencumbered appropriation balance among projects within a department, office or agency. An unencumbered appropriation balance may be transferred from one department, office, or agency to another only upon action of the City Council by ordinance.
- E. Formal budgetary integration is employed as a measurement control device during the year for the General Fund, Special Revenue Fund and the Enterprise Fund. Formal budgetary integration is not employed for Debt Service Funds because effective budgetary control is almost solely achieved through general obligation bond indenture provisions.
- F. Budgets for the General Fund, Special Revenue Fund and the Enterprise Fund are adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts are as originally adopted, or as amended by the City Council.
- G. All appropriations, except for capital outlay appropriations, lapse at year end.

**COMBINED STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS
- PROPRIETARY FUND TYPE**

For the Year Ended December 31, 1996

	<u>1996</u>	<u>1995</u>
OPERATING REVENUES		
Water revenues	\$ 374,695	\$ 310,186
Water installations	24,315	23,197
Sewer maintenance fees	453,899	479,718
Sewer installations	23,308	38,118
Clas-on fees	13,800	14,798
Garbage collection fees	386,200	338,107
Miscellaneous	<u>25,266</u>	<u>171</u>
Total operating revenues	<u>1,654,873</u>	<u>1,594,717</u>
OPERATING EXPENSES		
Water department	581,016	563,318
Sewer department	888,348	751,815
Sanitation department	<u>387,332</u>	<u>384,568</u>
Total operating expenses	<u>1,856,702</u>	<u>1,700,701</u>
Operating flow	(201,829)	(105,984)
NON-OPERATING REVENUES (EXPENSES)		
FISMA funds	-	21,267
Interest income	23,255	14,893
Interest expense	<u>(32,358)</u>	<u>(68,479)</u>
Total non-operating revenues (expenses)	<u>(8,853)</u>	<u>(32,319)</u>
Flow before operating transfers	(210,682)	(238,963)
OPERATING TRANSFERS		
Transfers in	<u>399,803</u>	<u>368,319</u>
Total operating transfers	<u>399,803</u>	<u>368,319</u>
Net income	211,868	497,327
Add depreciation on fixed assets acquired with contributed capital	<u>127,833</u>	<u>-</u>
Net increase in retained earnings	339,701	497,327
Retained earnings (deficit) - beginning	462,881	(68,412)
Prior period adjustment - Change in accounting for depreciation of assets acquired with contributed capital	<u>(256,781)</u>	<u>-</u>
Retained earnings - ending	<u>\$ 645,801</u>	<u>\$ 428,915</u>

The accompanying notes are an integral part of this statement.

CITY OF COVINGTON, LOUISIANA

GENERAL FUNDS

STATEMENT OF EXPENDITURES COMPARED TO BUDGET - (GAAP BASED)

Fiscal Year (ended December 31, 1996)

	1996			1995 Actual
	Budget	Actual	Variance- Favorable (Unfavorable)	
GENERAL GOVERNMENT				
Administration (Continued)				
Personnel improvements	\$ 2,600	\$ 2,554	\$ 46	\$ -
Printing supplies	7,500	-	7,500	-
Comprehensive plan	90,000	63,106	26,894	-
Video police equipment	-	50,100	(50,100)	-
Maintenance fees	7,500	4,700	2,794	6,600
Construction contract	-	-	-	2,100
Quantity fines	-	2,980	(2,980)	2,700
Gasoline	1,500	1,200	1	1,100
Travel expenses	3,200	3,141	59	2,500
Postage	10,000	9,821	179	11,700
Service charges and fees	1,200	3,670	(2,470)	2,500
Claims	10,000	9,921	79	9,000
Infractions	2,200	3,400	(1,200)	5,000
Medical expense	-	-	-	2,900
Association	1,000	2,520	1,000	8,100
Lease payments	21,410	21,410	-	60,700
Home grant	-	-	-	20,000
Senior local program	-	-	-	10,000
Youth Service House	3,000	-	3,000	3,000
Family Service Center	3,000	-	3,000	3,000
Capital outlay	91,700	29,604	70,000	4,511
Capital outlay - contract	9,000	1,200	8,200	2,100
Total Administration	1,082,700	1,052,202	70,100	8,100,000
Domestic Development Program				
Salary and benefits	20,000	60,000	40,000	60,000
Retirement	4,100	2,700	500	1,100
Unemployment compensation	300	100	100	100
Disability	8,000	8,000	(200)	2,000
Workers' compensation	5,000	5,000	(200)	100
Urban Facility improvements	-	-	-	12,000
Marketing and promotion	42,500	42,201	299	39,000
Vendor grants	10,500	10,500	-	20,000
Parking loans	2,000	1,700	200	2,100
Utilities	4,500	4,000	100	1,100

The accompanying notes are an integral part of this statement.

CITY OF COVINGTON, LOUISIANA

SPECIAL FUND BALANCES

COMBINED BALANCE SHEET

December 31, 1996

	Sales Tax		Totals	
	1997 Tax	1992 Tax	1996	1995
ASSETS				
Cash	\$ 340,882	\$ 310,489	\$ 654,291	\$ 402,217
Receivables - other	16	-	16	16
Due from other funds	3,058	399,689	402,747	47,985
Total assets	\$ 343,956	\$ 710,178	\$ 1,057,045	\$ 450,218
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 318	\$ -	\$ 318	\$ 296
Due to other funds	333,621	329,876	663,497	45,113
Total liabilities	333,939	329,876	663,415	45,409
FUND BALANCES				
Unreserved and undesignated	112,825	-	112,825	186,158
Designated for future expenditures	-	82,813	82,813	298,673
Total fund balances	112,825	82,813	195,638	484,831
Total liabilities and fund balances	\$ 446,764	\$ 412,689	\$ 859,053	\$ 530,240

The accompanying notes are an integral part of this statement.

SPECIAL BUDGETARY FUNDS

NARRATIVE EXPLANATION

SALES TAX FUND

The Sales Tax Fund is used to account for the collection and distribution of sales and use tax. The City is authorized in its Code of Ordinances, imposes a 2% sales and use tax.

The one percent 1987 sales tax is dedicated for the purpose of constructing, improving, extending and maintaining playgrounds and recreational facilities, public roads, streets, bridges and crossings, sewers, garbage disposal, and water works, and other works of permanent public improvement in the City, title to which shall be in the public's name.

The one percent 1982 sales tax is used to retire the 1990 Public Improvement Sales Tax Bonds issued May 1, 1990 for \$4,350,000. Any of these 1% proceeds remaining in the Sales Tax Fund on the last day of each month after satisfying all Sinking Fund and Reserve Fund requirements are then dedicated as follows:

Capital Improvements	60%
Recreation Facilities and Equipment	15%
Street and Drainage Maintenance	10%
Central Business District Municipal Services and Capital Improvements	10%
Police Facilities and Equipment	5%
Total	100%

CITY OF COMBUSTON, LOUISIANA

GENERAL FUND

STATEMENT OF EXPENDITURES COMPARED TO BUDGET - (GAAP BASIS)

For the Year Ended December 31, 1996

	1996		Variance- Favorable (Unfavorable)	1995
	Budget	Actual		Actual
CULTURE & RECREATION (Continued)				
Transporter	3,000	3,327	(327)	1,720
Repairs	1,000	993	7	1,010
Capital outlay	28,833	28,833		2,350
Total Hogen Toluca Park	42,793	42,771	1,024	25,290
TOTAL CULTURE & RECREATION	42,793	42,771	(22)	28,660
TOTAL EXPENDITURES	\$5,083,200	\$5,216,383	\$133,183	\$4,298,670

The accompanying notes are an integral part of this statement.

CITY OF CHIVINGTON, LOUISIANA

(GENERAL FUND)

STATEMENT OF EXPENDITURES COMPARED TO BUDGET - (GAAP BASIS)

For the Year Ended December 31, 1986

CULTURE & RECREATION (continued)	1986		Variance- Favorable (Unfavorable)	1985 Actual
	Budget	Actual		
Taxes	\$ 780	\$ 780	\$ -	\$ 490
Maintenance agreements	1,700	1,613	87	487
Field maintenance	19,000	28,282	(9,282)	21,065
Miscellaneous	2,500	2,411	89	1,413
Swimming pool operation	12,700	12,628	72	12,617
Baseball and softball	52,624	52,452	172	38,973
Basketball	29,400	28,647	753	23,098
All-Stars basketball	-	-	-	2,947
Football	15,900	19,165	(3,265)	15,695
Volunteer coordinator	-	-	-	5,000
Capital lease payments	4,441	4,441	-	(4,441)
Capital outlay	83,825	108,332	(24,507)	83,944
	345,336	380,804	(35,468)	305,675
Community Center				
Utilities	18,500	18,415	85	18,507
Cleaning and janitorial	2,300	2,535	167	5,105
Supplies	2,000	2,015	(15)	2,507
Maintenance	4,200	4,190	10	3,474
Miscellaneous	1,100	1,124	(24)	655
Insurance	1,400	1,360	40	1,345
Capital outlay	13,800	13,884	(84)	12,800
	36,700	36,481	219	37,193
Bayou Folsom Park				
Utilities	5,000	5,125	(125)	3,895
Janitorial supplies	1,200	1,202	(2)	1,209
Tools	500	500	-	412
Miscellaneous	1,000	1,108	(108)	1,122
Park cleanup	4,700	4,760	(60)	4,500
Supplies	1,000	1,260	(260)	743
Insurance	2,500	661	1,839	638

The accompanying notes are an integral part of this statement.

CITY OF COVINGTON, LOUISIANA

GENERAL FUND

STATEMENT OF EXPENDITURES (COMPARED TO BUDGET) - QUARTER BASIS

For the Year Ended December 31, 1990

PUBLIC WORKS - STREET (Continued)	1990		Variance Favorable (Unfavorable)	1990 Actual
	Budget	Actual		
	\$ 48,000	\$ 54,507	\$ (6,507)	\$ 79,508
Expenses	20,000	28,633	883	14,789
Tire and stamp removal	3,700	3,662	38	3,780
Trampoles	15,400	31,377	23	72,150
Supplies and small tools	43,000	62,944	56	48,807
Equipment repairs	19,000	18,627	75	13,566
Insurance	23,000	22,763	237	13,683
Gasoline	22,200	37,556	(304)	78,918
Coatings	33,500	33,478	22	34,844
Shells and gravel	14,000	13,851	149	15,268
Hot mix	11,000	10,980	40	9,426
Signs	-	-	-	10,740
Contract courtesy driver	72,000	-	72,000	-
FFDA grant match	-	450	(450)	-
Lines moving	-	20,780	(20,780)	-
Note payments	407,117	390,967	56,150	491,736
Capital outlay	21,183	21,182	-	26,688
Capital lease payments	1,269,365	1,168,625	100,740	1,199,877
TOTAL PUBLIC WORKS - STREET				
PERSONNEL AND RECREATION	60,570	69,908	(9,338)	62,513
Salaries and benefits	11,200	11,140	60	9,983
Clerical aide	4,900	4,818	(118)	3,407
Retirement	9,470	9,381	79	6,099
Hospitalization	300	231	69	269
Unemployment compensation	3,400	3,264	(1,064)	3,035
Workman's compensation	4,600	4,577	23	3,375
Telephone	3,000	3,710	60	4,157
Utilities	5,200	-	5,200	3,389
Supplies	2,500	2,447	53	3,927
Equipment repairs	11,200	13,149	21	12,150
Insurance	3,800	3,734	66	3,832
Gasoline	1,000	964	36	620
Chemicals	-	-	-	-

The accompanying notes are an integral part of this statement.

CITY OF BOYKINTON, LOUISIANA

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturity of 90 days or less. Under state law, the municipality may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the municipality may invest in United States bonds, treasury notes, or certificates. Those are classified as investments if their original maturities exceed 90 days; however, if the original term is less than 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

7. COMPENSATED ABSENCES

The City's liability for accrued and unpaid vacation, sick leave and vested sick pay for civil employees has been recorded in the general long-term debt group of accounts.

8. SUPPLEMENTAL COLUMNS ON COMBINED FINANCIAL STATEMENTS

Total columns on the Combined Financial Statements are prepared Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the preparation of this data.

9. COMPARATIVE DATA - 1995 Actual

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements overly complex and difficult to read.

Also, minor reclassifications of amounts previously reported in the financial statements for the year ended December 31, 1995, have been made in the accompanying financial statements to facilitate comparability.

CITY OF COVINGTON, LOUISIANA

GENERAL FUND

STATEMENT OF EXPENDITURES COMPARED TO BUDGET - (GAAP BASED)

For the Year Ended December 31, 1998

GENERAL GOVERNMENT	1998		Variance- Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Domestic Development Program (Continued)				
Christmas decorations	\$ -	\$ 3,109	\$ (3,109)	\$ 3,109
Program expenses	14,500	14,500	000	14,500
Travel	1,000	827	173	827
Miscellaneous	1,000	1,000	000	1,000
RFI	5,000	5,000	-	-
Planning	18,000	18,888	(888)	-
Insurance	500	132	368	-
Covington/Gadsden Partnership	2,000	2,000	-	-
Supplies	9,500	9,846	346	-
Training and education	1,500	888	612	-
Postage	4,000	3,900	100	-
Decorative lighting	6,200	6,154	46	-
Hours and subscriptions	800	788	12	788
Recruitment	10,000	9,800	200	9,800
Steel recycling	1,800	1,800	000	1,800
Cemetery maintenance	20,500	20,450	50	20,450
Capital outlay	161,500	20,602	140,898	20,602
Business incubator	-	2,836	(2,836)	2,836
Total Domestic Development Program	380,800	361,426	19,374	361,426
TOTAL GENERAL GOVERNMENT	3,870,800	3,220,612	650,188	3,220,612
PUBLIC SAFETY - POLICE				
Salaries and benefits	797,300	798,262	(962)	798,262
Justice salaries	15,000	15,100	100	15,100
Police clerical	1,300	1,104	196	1,104
Police deputies	19,500	19,270	230	19,270
Compensated absences	4,100	19,062	(14,962)	19,062
Retirees	75,300	75,349	49	75,349
Hospitalization	99,100	98,700	400	98,700
Unemployment compensation	1,700	1,072	628	1,072
Workers compensation	66,500	70,409	(3,909)	70,409
Cost expense	2,000	3,925	1,925	3,925
Convoy fee	-	-	-	81,000
School - training	16,700	16,625	75	16,625

The accompanying notes are an integral part of this statement.

CITY OF COVINGTON, LOUISIANA
NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. FIXED ASSETS AND LONG-TERM LIABILITIES (Continued)

The proprietary fund is accounted for on a cost of services or "capital maintenance" measurement basis. This means that all assets and all liabilities (whether current or non-current) associated with its activity are included on its balance sheet. Its reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustible fixed assets used by the proprietary fund is charged as an expense against its operations or against contributed capital for assets acquired with contributed funds. Accumulated depreciation is reported on the proprietary fund balance sheet. Depreciation has been provided over the estimated useful lives using the straight line method. Depreciation for December 31, 1996, is \$757,000. The estimated lives are as follows:

- Water and Sewerage Systems 10 - 50 Years
- Equipment 3 - 5 Years

4. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement theory applied.

All governmental funds and the Responsible Trust Fund are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available. All sales tax, sales, and other taxes and fees are considered measurable when in the hands of intermediary collecting governments and are recognized as revenue at that time. Grants from other governments are recognized when qualifying expenditures are incurred. Trust authority and all other revenues are recognized when received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Except for the general rule include: (1) accumulated unvested sick pay which is not accrued, and (2) principal and interest on general long-term debt which is recognized when due.

CITY OF COVINGTON, LOUISIANA

GENERAL FUND

STATEMENT OF EXPENDITURES COMPARED TO BUDGET - (GAAP BASIS)

For the Year Ended December 31, 1996

GENERAL GOVERNMENT	1996		Variance- Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
Administration				
Salaries and benefits	\$ 364,250	\$ 359,338	\$ (5,108)	\$ 374,848
Hospitalization	48,270	48,383	687	49,598
Retirement	34,330	34,383	67	34,748
Unemployment compensation	500	490	10	3,118
Workmen's compensation	1,300	1,066	164	5,411
Medical expense	26,600	19,470	530	15,874
Payroll tax	10,600	10,338	62	3,951
Attorneys' fees	125,000	87,865	37,135	54,488
Engineering fees	25,480	23,341	39	19,650
Audit fees	20,880	20,775	65	25,477
Computer programming	8,380	8,240	69	1,438
Clerk of Court cost	3,380	3,229	71	7,157
Publication and notices	33,580	33,836	64	31,496
Printing charges	4,480	4,311	89	5,157
Property tax preparation	-	-	-	7,917
Gardening	3,480	3,336	64	8,790
Employee education	3,600	3,599	1	7,796
Meetings & conventions	2,080	3,087	(1,037)	7,700
Meetings & conventions - council	3,100	3,087	43	4,495
Human Society	17,168	15,518	1,650	18,478
Drug testing	1,000	794	256	805
Utilities	4,300	4,300	-	3,078
Telephone	14,100	14,097	3	11,495
Fees and subscriptions	3,900	3,752	148	5,780
Fees and subscriptions - council	2,100	2,068	32	1,713
Insurance	23,600	23,572	28	18,679
Code of ordinances	1,800	1,840	10	2,072
Office supplies	18,800	17,072	1,278	15,889
Antitotal supplies	800	756	44	1,113
Computer supplies and maintenance	4,200	4,250	80	3,388
Equipment repairs	1,200	1,259	61	1,571
Maintenance	8,500	8,896	4	8,746
Traffic program	200	431	69	

The accompanying notes are an integral part of this statement.

CITY OF COVINGTON, LOUISIANA

GENERAL FUND

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

For the Year Ended December 31, 1996

	1996		Variance Favorable (Unfavorable)	1995
	Budget	Actual		Actual
Excess of revenues and other sources (less) over expenditures	\$1,175,299	\$ 50,317	\$1,225,616	\$ 177,679
FUND BALANCE - BEGINNING OF YEAR		3,958,658		3,780,979
FUND BALANCE - END OF YEAR		\$4,008,975		\$3,958,658

The accompanying notes are an integral part of this statement.

CITY OF COVINGTON, LOUISIANA

GENERAL FUNDS

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

For the Year Ended December 31, 1996

	1996		Variance- Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
Other Revenues (continued)				
Donations	-	-	-	17,000
CLICCO	-	-	-	146,714
Total other revenues	131,500	138,572	7,072	
Total revenues	2,029,500	2,018,466	(11,034)	2,401,694
EXPENDITURES				
General government	1,076,000	1,076,600	600	1,041,256
Public safety	-	-	-	1,200,140
Police	1,460,200	1,448,880	11,320	944,947
Fire	448,820	660,665	(211,845)	
Public works	-	-	-	1,250,007
Streets	1,269,945	1,068,029	201,916	388,005
Culture and Recreation	450,025	468,126	(17,241)	
Total expenditures	3,880,265	3,215,285	664,980	4,254,351
Excess (deficiency) of revenues over expenditures	(1,850,765)	(1,197,812)	(652,953)	
OTHER FINANCING SOURCES (USES)				
Loan proceeds	-	121,500	121,500	600,000
Operating transfer in	2,529,268	3,127,167	597,899	2,967,188
Operating transfer out	(660,000)	(599,023)	(60,977)	(597,987)
Total other financing sources (uses)	1,869,268	2,649,644	780,565	2,969,201

The accompanying notes are an integral part of this statement.

CITY OF COVINGTON, LOUISIANA

GENERAL FUND

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

For the Year Ended December 31, 1996

	1996		Variance- Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
REVENUES (Continued)				
Charges for services (Continued)				
Rehabilitation revenue	\$ 5,500	\$ 18,200	\$ 12,700	\$ 42,10
Zoning revenue	6,800	4,422	(2,378)	6,010
Total charges for services	12,300	22,622	10,322	57,604
Fines and Forfeits				
Court fines	48,000	57,758	9,758	54,746
Fines - LWV	12,000	4,252	(7,748)	9,206
Parking (fines and other)	3,000	3,602	602	5,078
Drug Seizures	-	3,082	3,082	3,652
Total Fines and Forfeits	63,000	68,694	5,694	72,692
Interest Income	25,000	129,558	104,558	116,700
Other revenues				
Attorney fee claim	60,000	66,824	6,824	-
Property tax service charge	13,000	11,777	(1,223)	17,824
Rental income	6,200	3,980	(2,220)	5,075
Fencing assessment	-	15,000	15,000	4,100
Miscellaneous revenue	15,700	11,259	(4,441)	300,411
Sale of surplus property	3,000	1,075	(1,925)	706
Community plan subtopics	7,400	4,905	(2,495)	7,000
Accident reports	3,700	3,828	128	2,152
Insurance refund	7,500	7,428	(72)	-
Recreation commissions	-	-	-	83
Donations	-	-	-	-
Disaster development	90,000	10,526	(79,474)	56,500

The accompanying notes are an integral part of this statement.

CITY OF COVINGTON, LOUISIANA

GENERAL FUND

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

For the Year Ended December 31, 1995

REVENUES	1995		Variance- Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
Taxes				
Ad valorem tax	\$ 594,000	\$ 688,996	\$ 94,996	\$ 688,996
Electric franchise	290,000	274,566	15,434	274,566
Cable television franchise	45,000	38,814	6,186	38,814
Gas franchise	30,000	38,458	8,458	38,458
Total taxes	989,000	1,081,834	92,054	1,081,834
Licenses and Permits				
Insurance	332,000	359,880	27,880	359,880
Occupational	168,000	289,708	121,708	289,708
Building	40,000	28,037	(11,963)	28,037
Liquor and beer	14,000	17,000	3,000	17,000
Chain store	5,500	4,268	(1,232)	4,268
Total licenses and permits	559,500	698,893	138,953	698,893
Intergovernmental				
District 12 dispatch	15,000	15,000	-	15,000
Video poker revenue	90,000	166,719	76,719	166,719
Tobacco tax	42,000	39,086	(2,914)	39,086
Grant revenue	64,000	73,725	9,725	73,725
Beer tax	24,000	27,886	3,886	27,886
Fire insurance rebate	15,000	15,522	522	15,522
911 revenues	9,000	7,725	(1,275)	7,725
FEMA proceeds	-	-	-	49,585
Total inter-governmental	255,000	385,684	130,684	385,684
Charges for services				
Recreation registration	38,000	43,280	5,280	43,280
Community Center rental	5,000	6,257	1,257	6,257
Highway maintenance - DOTD	8,000	9,282	1,282	9,282
Park rental	5,000	3,190	(1,810)	3,190
Tax research	3,000	3,387	387	3,387

The accompanying notes are an integral part of this statement.

CITY OF COVINGTON, LOUISIANA

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 1996

NOTE 1 - PENSION PLANS (Continued)

B. **Municipal Police Employees Retirement System of Louisiana (System)**—All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 per cent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produces the highest average. Employees who terminate with at least the amount of creditable service stated and do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8400 United Plaza Boulevard, Harvey, Louisiana 70089-3259, or by calling (504) 938-7411.

Funding Policy. Plan members are required by state statute to contribute 3.5 percent of their annual covered salary and the City of Covington is required to contribute at an actuarial determined rate. The current rate is 9.0 percent of annual covered payroll. The contribution requirements of plan members and the City of Covington are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:303, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City of Covington required contributions to the System for the years ending December 31, 1996, 1995, and 1994 were \$71,990, \$68,152, and \$62,798, respectively, equal to the required contributions for each year.

NOTE 6 - LITIGATION AND CLAIMS

The City is being sued by a former employee alleging wrongful termination. The City's legal counsel is of the opinion that an unfavorable outcome is possible but the City's response cannot be estimated at this time. Also, the City is involved in a number of other lawsuits. It is the opinion of the City's legal counsel that resolution of these lawsuits would not create a liability to the City in excess of insurance coverage.

CITY OF COVINGTON, LOUISIANA

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 1996

NOTE 11 - LEASES

The City is obligated under certain leases accounted for as capital leases. The leased assets and related obligations are accounted for in the Utility Fund, General Fund Assets Account Group and the General Long-Term Debt Account Group, respectively. The Utility Fund is responsible for servicing the lease payments related to leased assets within the Utility Fund and the General Fund is responsible for servicing the remaining lease payments. Assets under capital leases totaled \$303,389 as of December 31, 1996. The following is a schedule of future minimum lease payments under capital leases, together with the net present value of the minimum lease payments as of December 31, 1996:

	General Long-Term Debt	Utility Fund
Year ending December 31, 1997	\$ 20,519	\$ 7,748
Total minimum lease payments	30,519	7,748
Less: Amount representing interest	____ 532	____ 117
Present value of minimum lease payments	\$ 29,987	\$ 7,631

NOTE 12 - NOTES PAYABLE

The City borrowed \$121,340 from a local bank to purchase several pieces of equipment. The loan notes are payable in 36 monthly payments of \$2,185 and \$1,536 through June, 1999 and July, 1999. Interest on both notes is 6-80%. The City's obligations under these notes are accounted for in the General Long-Term Assets Account Group. Notes are secured by the equipment purchased. Presented below are the required payments by year.

1997	\$ 44,659
1998	44,659
1999	____ 33,858
	123,206
Less interest portion	____ 18,150
Balance at December 31, 1996	\$ 105,056

CITY OF COVINGTON, LOUISIANA

GENERAL FUND

STATEMENT OF EXPENDITURES COMPARED TO BUDGET - (6667 (1488))

For the Year Ended December 31, 1986

PUBLIC SAFETY - FIRE (Continued)	1986		Variance- Favorable (Unfavorable)	1985 Actual
	Budget	Actual		
Printing	\$ 500	\$ 889	\$ (389)	\$ 377
Repairs - vehicles	10,000	13,389	(3,389)	8,890
Insurance	20,000	28,764	(8,764)	15,781
Meetings and conventions	4,800	4,772	28	6,885
Gasoline and diesel	5,000	4,987	13	4,377
Contract fees	10,000	10,000	-	-
Sanitorial supplies	1,200	1,177	23	1,673
Photography	-	-	-	796
Investigations	-	-	-	725
Fees and subscriptions	400	325	75	918
Building repairs	1,200	2,226	(926)	387
Office supplies	1,800	1,325	475	1,879
Arabic	400	320	80	-
Fireman education	900	99	801	2,818
Uniforms	2,000	2,987	(987)	1,751
Tramper	900	450	450	549
Equipment repairs	18,800	18,805	(5)	8,113
Medical supplies	500	536	(36)	929
Public health investigations	1,500	2,777	(1,277)	-
NEWS (copy)	4,200	4,771	(571)	4,842
Capital lease payments	9,727	9,727	-	9,098
Capital outlay	160,523	187,976	(27,453)	81,094
TOTAL PUBLIC SAFETY - FIRE	488,828	600,063	(111,235)	349,932
PUBLIC WORKS - STREET				
Salaries and benefits	92,063	92,348	285	167,081
Labor	219,008	218,968	40	272,046
Contract labor	6,700	6,178	522	-
Maintenance	17,200	17,165	35	17,046
Hospitalization	40,268	40,268	0	42,789
Unemployment compensation	600	583	17	1,521
Workers' compensation	60,420	64,489	(4,069)	66,621
Telephone	5,000	4,318	682	5,755
Utilities	45,000	41,821	3,179	36,480

The accompanying notes are an integral part of this statement.

CITY OF COVINGTON, LOUISIANA

NOTICE TO COMBINED FINANCIAL STATEMENTS

December 31, 1996

NOTE 7 - PENSION PLAN

Substantially all employees of the City of Covington are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana and Municipal Police Employees Retirement System of Louisiana. These systems are cost-sharing multiple-employer, defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

A. Municipal Employees Retirement System of Louisiana (System)—The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan A.

All permanent employees working at least 30 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age without less than 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7977 Old Lee Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (504) 925-4818.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.25 percent of their annual covered salary and the City of Covington is required to contribute an amount to be determined into. The amount rate is 8.25 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except in Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the City of Covington are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City of Covington acquired contributions to the System under Plan A for the years ending December 31, 1996, 1995, and 1994 were \$85,178, \$72,528, and \$57,813, respectively, equal to the required contributions for each year.

CITY OF COVINGTON, LOUISIANA

GENERAL FUND

BALANCE SHEET

December 31, 1996

ASSETS	1996	1995
Cash	\$ 703,177	\$1,085,950
Investments	1,210,143	1,151,547
Taxes receivable		
Ad valorem	690,210	386,864
Other taxes receivable	101,268	136,269
Notes receivable	71,385	82,155
Accrued interest receivable	14,567	17,588
Grant receivable	28,189	23,019
Other receivable	306,143	33,888
Special assessment receivable	5,155	5,823
Newer collection receivable	4,680	4,680
Prepaid	-	213
Due from other funds	623,687	270,663
Total assets	\$3,488,362	\$2,338,644
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable and accrued expenses	\$ 306,455	\$ 365,385
Payroll taxes, retirement and accrued wages payable	113,096	64,639
Due to other funds	52,121	4,248
Deferred revenue	5,185	3,823
Total liabilities	476,857	438,095
FUND BALANCE		
Reserved for capital outlay	1,052,746	1,050,000
Designated for future expenditures	246,312	19,255
Designated for fire protection	158,079	603,020
Unreserved and undesignated	1,531,138	1,284,077
Total fund balance	2,988,275	2,956,352
Total liabilities and fund balance	\$3,488,362	\$2,378,644

The accompanying notes are an integral part of this statement.

CITY OF COVINGTON, LOUISIANA

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 1996

NOTE 1 - CASH AND INVESTMENTS

The City's deposits, including restricted cash of \$338,376 are categorized as follows at December 31, 1996:

	<u>Amount</u>	<u>Carrying Book Balance</u>
Demand deposits	\$ 2,883,325	\$ 2,986,750
Certificate of deposit	1,272,002	1,332,830
	<u>\$ 4,155,327</u>	<u>\$ 4,319,580</u>

At December 31, 1996, the City has \$4,319,580 in deposits (collected bank balances). These deposits are secured from risk by \$498,000 of Federal deposit insurance and of \$3,821,580 pledged securities held by the fiscal agent banks (10,500 Category 2), and \$45,500 of pledged securities held by the fiscal agent bank but not in the City's CDAAD Category 2).

Even though the Category 2 pledged securities are considered uncollateralized under the provision of CDAAD Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

The carrying amount does not include accrued interest of \$28,624 on certificates of deposit.

The City's investments consist of various government debt obligations which are stated at a cost of \$1,210,144 at December 31, 1996. These investments are considered a category 2 investment risk, which includes investments for which the securities are held by the custodian's trust department in the City's name. The market value of these investments approximate cost at December 31, 1996. The City's investments are carried at the lower of cost or market and do not include \$14,267 of accrued interest.

CITY OF COVINGTON, LOUISIANA

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 1996

NOTE M - INSURANCE

As of December 31, 1996, the City has the following insurance coverage:

<u>Insurer</u>	<u>Policy Expiration Date</u>	<u>Amount of Coverage</u>	<u>Type of Coverage</u>
West Insurance Co.	05/97	\$ 2,459,080	Fire and Extended Coverage Buildings Contents FIF Equipment Contractor's equipment 2-way communication system
		1,910,000	
		90,421	
		322,482	
		10,144	
Fidelity & Deposit Co. of Maryland	08/97	\$ 375,000	Fidelity Bond coverage Mayor Director of Administration
		375,000	
Fidelity & Deposit Co. of Maryland	08/97	\$ 20,800	Fidelity Bond coverage Surety bond on administrators Employee Fidelity Each employee Hazard on Mayor Theft - police building Theft - City Hall
		25,800	
		25,800	
		18,800	
		18,800	
Louisiana Municipal Risk	02/97	\$ 500,000	Auto liability General liability Law enforcement officers Comprehensive liability Public officials errors and Omissions liability
		500,000	
		500,000	
		500,000	
Louisiana Municipal Risk	01/97	State State	Workers Compensation & Employers Liability
Architect Indemnity Co.	05/97	\$ 375,000	Commercial auto-physical damage
National Fire & Marine Insurance Co.	05/97	\$175,000	Commercial auto-physical damage Covering 1995 fire truck

GENERAL FUND

NARRATIVE EXPLANATION

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

CITY OF COVINGTON, LOUISIANA

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 1996

NOTE III - GRANT REVENUES

Federal Grants

During 1996, the City was awarded from the U.S. Department of Justice for the Community Oriented Policing Services - Cops More Grant \$3,450 and from the U.S. Department of Justice for the Local Law Enforcement Block Grant \$15,428. The City received in 1996, \$18,531 from the U.S. Department of Justice for the Community Oriented Policing Services - Cops First, which was awarded in 1995 and \$636,188 from the U.S. Department of Agriculture for the Community Development Block Grant which was awarded in 1994.

State Grants

During 1996, the City was awarded the following state grants:

	Amount Received
DAKE Grant	\$ 28,400
Louisiana Office of State Parks	2,323
Louisiana Division of Historic Preservation	<u>5,000</u>
Total state awards	<u>\$ 35,723</u>

NOTE IV - LANDFILL CLOSURE AND POST CLOSURE CARE COSTS

In 1993, the City of Covington began closing its landfill due to state regulations. The landfill stopped accepting solid waste in 1984. The closing process was concluded in 1995 and upon final cover, the City will be required by state authorities to perform certain maintenance and monitoring functions at the landfill site for three years after closure.

CITY OF COVINGTON, LOUISIANA

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 1998

NOTE D - LANDFILL CLOSURE AND POST CLOSURE CARE COSTS - (Continued)

In accordance with GASB Statement 18, the City adjusted the 1994 beginning balance of retained earnings for the current and future estimated costs relating to the landfill closure and post closure care costs.

The City's engineers have estimated post closure care costs for the next three years and these costs are reflected on the City's enterprise fund balance sheet as a liability.

NOTE P - STATE CONTRACT PAYABLE

The City of Covington owes \$180,125 to the State of Louisiana for utility line relocation. The contract is payable in annual installments of ten percent per year of the unpaid balance.

NOTE Q - VIDEO POKER OVERPAYMENT

The City receives payment from the State Treasurer's Office for its portion of video poker revenues. In previous years, the State Treasurer's incorrectly classified video poker machines located outside of the City's boundaries as being inside City limits. As a result, the City was overpaid \$228,806. The City is now obligated to repay 40% of the overpayment to St. Tammany Parish Police Jury and 50% to the St. Tammany Parish Sheriff's Office. Beginning in September, 1998, the City's current video poker revenues are being withheld to pay this obligation. The balance owed at December 31, 1998 of \$169,479 is accounted for in the General Long-Term Debt Account Group.

NOTE R - DEFERRED INTEREST - 1988 \$1 MILL GENERAL OBLIGATION BONDS

On January 1, 1998, the City of Covington issued \$1,300,000 in general obligation bonds with interest rates of 7.65% to 8% in advance of the 1999 through 2000 maturities of the 1988 general obligation sewer bonds totaling \$1,380,000 with interest rates of 6.875% to 7.4%. The general obligation bonds were issued at 99% and after issuance costs of \$47,824, the net proceeds were used to purchase U. S. Government obligations, which were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the general obligation bonds mature. The advance refunding met the requirements of an in-substance defeasance and the general obligation bonds were removed from the General Long-Term Debt Account Group.

As a result of the advance refunding, the City reduced its total debt service requirements by \$28,799 which resulted in an economic gain (difference in the present value of the debt service payments on the old and new debt) of \$165,885.

CITY OF COVINGTON, LOUISIANA

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 1986

NOTE 5 - CHANGES IN CONTRIBUTED CAPITAL

The following is a summary of changes in contributed capital in the enterprise fund:

Balance at January 1, 1986	Other Funds		Federal Grant	L.C.R.R.C. Grant		To Some Extent	Total
	Bonds	Cont.		Grant	Ext.		
	\$6,179,645	\$ 278,649	\$ 227,000	\$ -	\$ -	\$ -	\$6,885,294
Additions	-	-	-	656,186	-	822,080	1,488,266
Less prior year depreciation on assets contributed from funds supplied by contributions in aid of construction	(968,376)	-	-	-	-	-	(968,376)
Less current year depreciation on assets contributed from funds supplied by current levies in aid of construction	(122,168)	-	-	-	-	(11,842)	(134,010)
	\$5,089,101	\$ 278,649	\$ 227,000	\$ 656,186	\$ -	\$ 810,238	\$7,047,174

CITY OF COVINGTON, LOUISIANA

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 1996

NOTE I - CHANGE IN ACCOUNTING PRINCIPLE

Beginning January 1, 1996, the City has changed its policy for accounting for depreciation of assets purchased by contributed capital. The City is now recording depreciation on these assets as a reduction to contributed capital. Previously, all depreciation was expensed and closed to retained earnings at year end. The change in accounting principle resulted in a prior period adjustment to retained earnings of \$568,753.

NOTE II - COMMITMENTS

On August 28, 1996, the City entered into an intergovernmental agreement with the St. Tammany Parish Police Jury. The agreement was made to settle a lawsuit between the City and the Police Jury regarding the location of the new parish court house. Pursuant to the agreement, the City has committed to contribute the sum of \$3,000,000 toward construction of infrastructure related to the new courthouse. If the construction of the new courthouse is funded by taxes approved by the electorate, the Parish will reimburse the city the \$3,000,000. As of the date of this report, the parish has not begun construction of the new courthouse.

The City has entered into several construction contracts. At December 31, 1996, the City was committed to contracts totaling \$1,856,000 of which \$584,932 has already been paid and \$471,068 is remaining.