



CITY OF COVINGTON

POPULAR ANNUAL

FINANCIAL REPORT



**FOR THE FISCAL YEAR ENDED
JUNE 30, 2025**

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Letter from the City Manager's Office

City of Covington

Dear Residents,

I hope this message finds you well. As your City Manager, one of my most important responsibilities is keeping you informed about how your city is doing—both today and as we plan for tomorrow. With that in mind, I want to share a bit about one of our most useful communication tools: the Popular Annual Financial Report, often called the PAFR.

The PAFR is a simplified, easy-to-read summary of the city's financial health. While our full Annual Comprehensive Financial Report (ACFR) presents information on the city as a whole, the PAFR focuses in on the governmental funds which are the primary operating funds of the government and support the day-to-day operations including public safety, public works, culture and recreation and community development. The information is presented in a clear, accessible way so every resident can understand where our money comes from, how it is spent, and how your tax dollars support the services you rely on.

Beyond the numbers, the PAFR also highlights the progress we've made over the past year, major capital projects, and the goals we're working toward. It's one of the best tools for transparency, and I encourage all residents to take a few minutes to read it each year. You can also access the full ACFR [here](#) if you would like more information.

Looking ahead, we have several important initiatives planned for the coming years. We are preparing strategic investments in infrastructure, including roadway improvements, utility upgrades, and continued reinvestment in our parks and public spaces. We are also focused on economic development—supporting local businesses, attracting new employers, and expanding opportunities that strengthen our city's long-term financial stability.

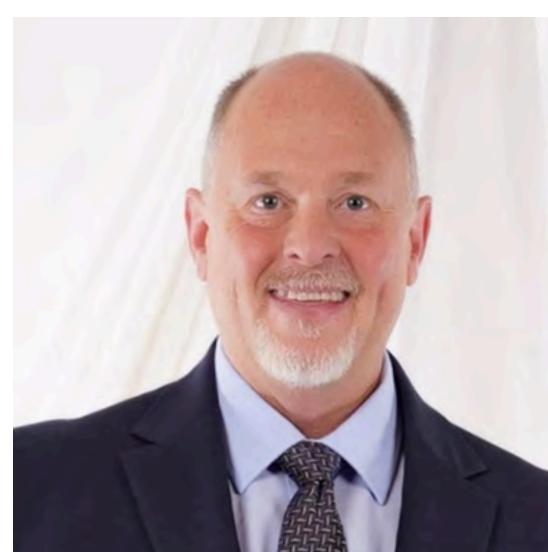
As always, our goal is to build a safe, vibrant, and welcoming community where families, businesses, and visitors can thrive. I am proud of the progress we've made together, and I look forward to the work ahead. Thank you for your continued support and involvement.

Sincerely,
City Manager

Tres Thomas
City Manager



Randy Smith
Finance Director



Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to City of Covington for its Popular Annual Financial Report for the fiscal year ended June 30, 2024.

The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only.

City of Covington has received a Popular Award for the last seven consecutive years (fiscal years ended 2017-2024)

We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA to determine its eligibility for another Award.



Government Finance Officers Association

**Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting**

Presented to

**City of Covington
Georgia**

For its Annual Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrell

Executive Director/CEO



City of Covington

2194 Emory St NW 770-385-2000
Covington, GA @cityofcovington.org
30014

Did you know?

The City of Covington, founded in 1822, is recognized statewide for its historic architecture, thriving downtown district, and diverse economic base. Known as the "Hollywood of the South," Covington has served as the backdrop for more than 140 film and television productions. The iconic Newton County Courthouse, the Twelve Oaks mansion, and the city's preserved historic neighborhoods contribute to its unique character. Covington continues to support strong economic growth, community engagement, and exceptional quality of life for residents.



Vision

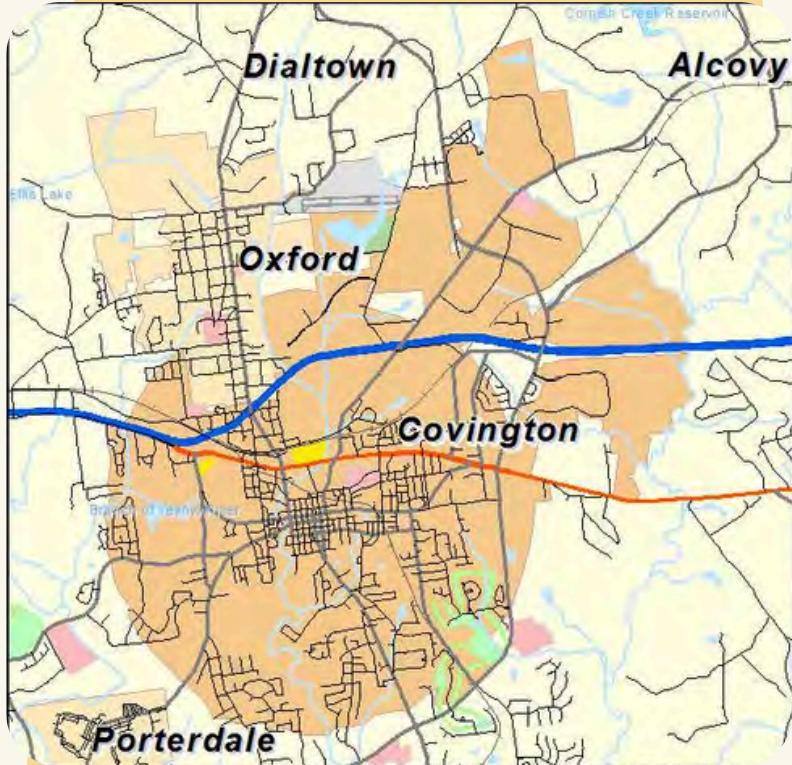
Preserving the value of small-town life while preparing an innovative community with access to the world.



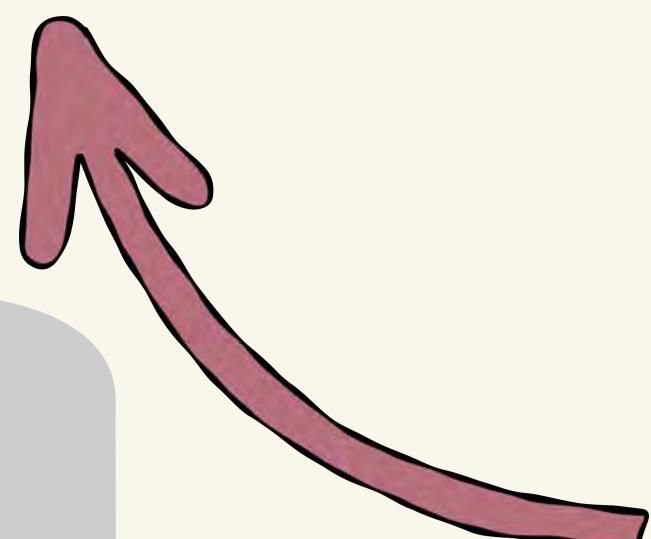
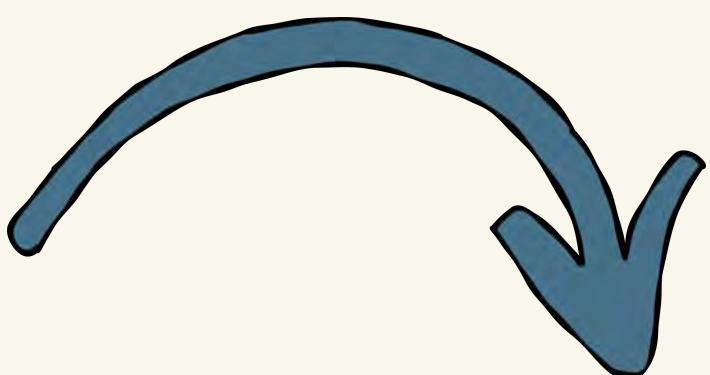
Mission Statement

Covington is a city of excellence providing innovative services that enhance the quality of life for our residential, business and industrial customers while striving to create a safe and family-friendly community our residents are proud to call home.

FACTS ABOUT CITY OF COVINGTON



- City of Covington is located 35 miles east of Atlanta.
- The Covington Historic District is listed on the National Register of Historic Places.
- Incorporated in 1822



School Enrollment
18,931

City Population
14,967

Unemployment Rate
3.7%

Median Household Income
\$47,797

SERVICES AND STATISTICS FOR CITY OF COVINGTON

July 1, 2024 - June 30, 2025

Services & Statistics Summary

Below are a few key municipal statistics, highlighting this year's activity: total gas customers, electric customers, annual fire and police call volumes, purchase orders issued, new business licenses approved, and court cases processed.

Fire Calls for Service

3,860

calls



Court Cases Closed

5,416

cases

15,538

Electric
Customers

9,311

Gas
Customers

3,950

Purchase
Orders

309

New business
licenses issued

Police Calls for Service

31,079

calls



Visitors at the Welcome Center

Total
Visitors

135k



76
countries



20%
International guests

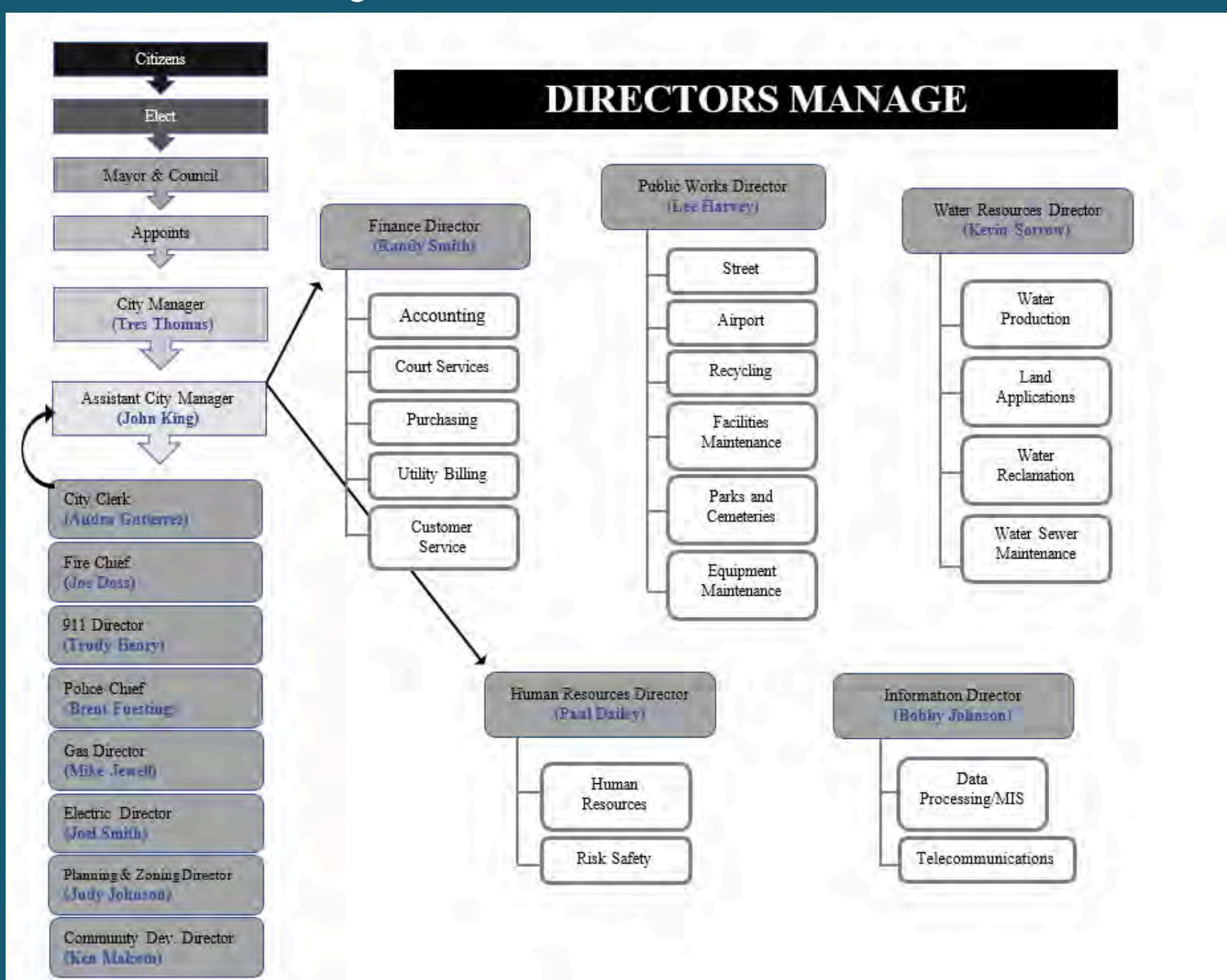


CITY OF COVINGTON

Mayor & City Council



City Structure

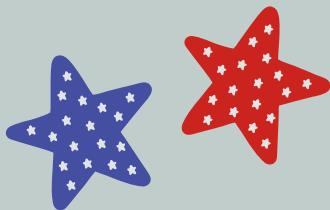


Top 10 Employers in City of Covington

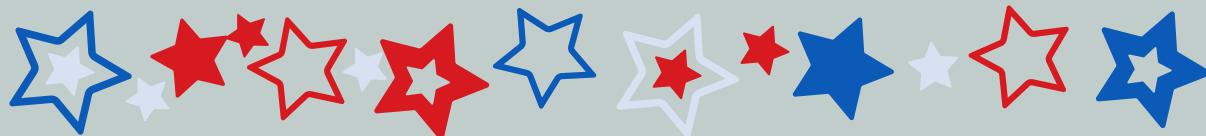
1. Newton County Board of Education (County-Wide)
2,575 employees
2. CR Bard: 856 employees
3. Piedmont Healthcare: 740 employees
4. Newton County Board of Commissioners:
721 employees
5. General Mills: 481 employees
6. Pactiv: 420 employees
7. City of Covington: 344 employees
8. Nisshinbo: 339 employees
9. Walmart#459: 323 employees
10. Global Distribution Center: 284 employees



July Highlights



Independence in
the Park



Christmas in July Market on the Square



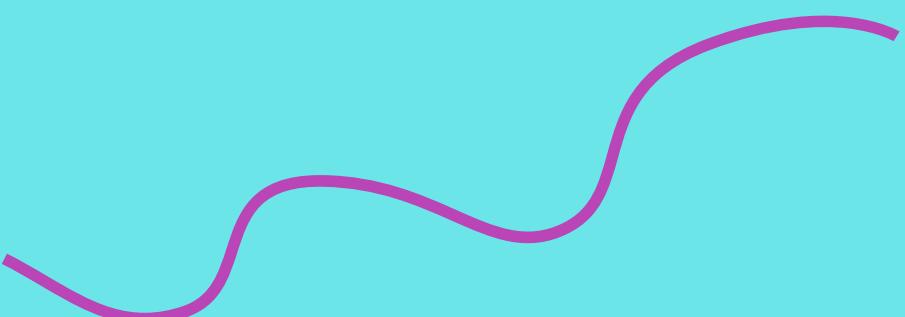
August Highlights



National Night Out



Live at Legion Field Concert Series



Movies on the Square



September Highlights



Covington Fire Department C-Shift honored the memory of the firefighters who bravely made their way into the World Trade Center on 9/11/2001 by climbing 2,200 stairs in full turnout gear to represent the 2,200 steps the firefighters walked to reach the 110th floor of the second tower



Several crew members from the City of Covington Electric Department provided mutual in Quitman, Georgia to assist in power restoration and clean up after the effects of Hurricane Helene

October Highlights

A “Fill the Truck” supply drive was coordinated by Newton County Industrial Development Authority and Newton County Chamber of Commerce to deliver supplies to Warren, Richmond and Columbia counties after Hurricane Helene. Donations included

- Over 8 pallets of bottled water equaling 1,000+ bottles
- 400,000 Clorox wipes
- 5 pallets of food, which equaled 2,500 boxes of cereal and snacks donated by General Mills
- Multiple gas cans, 10 chainsaws and 200+ buckets donated by Snapping Shoals EMC
- Numerous baby products including diapers and wipes
- Hundreds of pounds of non-perishable food & pet food
- Over \$12,000 in donations



Hispanic Heritage Celebration Cinema



Trick or Treat at Legion Field





Lighting of the Square

November Highlights



Veterans Day Ceremony



Shop
with a Cop



December Highlights

Mayor Fleeta Baggett and the City Council along with the Tourism and Downtown Development Department were recently honored by the Newton County Historical Committee on Black Heritage Preservation with plaques recognizing their contributions to the community.

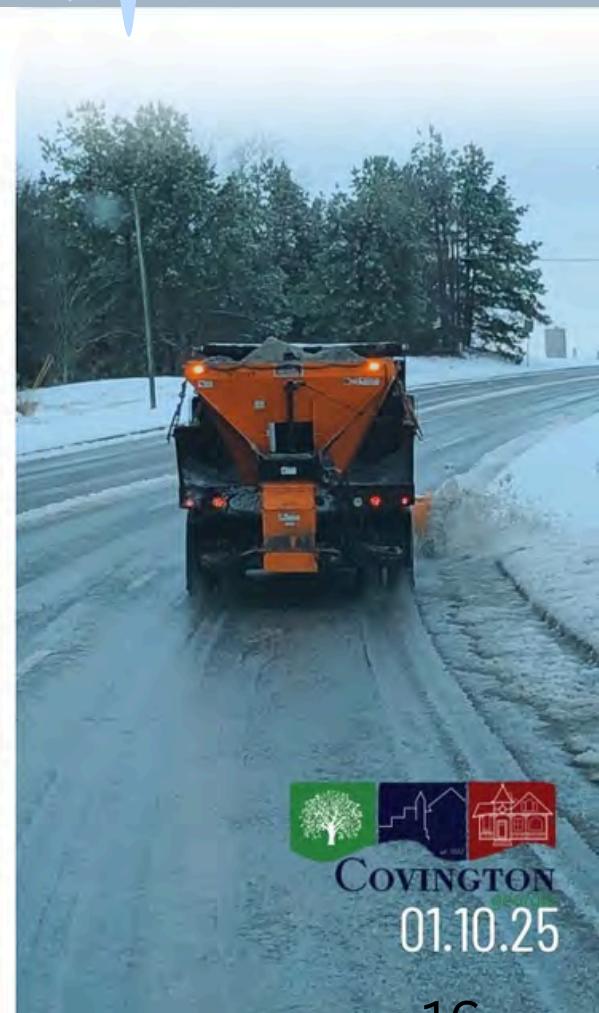
Mayor Baggett and council accepted their plaque, recognizing their "passion and commitment," at the December 16, 2024 City Council meeting. On Thursday, December 19, 2024, the staff at the Covington Welcome Center were presented their plaque which reads "For Going Above the Call of Duty and Beyond the Expected."





Recognizing the people who kept us and our roads safe during the inclement weather during January. Several agencies from City of Covington Street Department, Public Works, Covington Police and Fire Departments, Newton County Sheriff's Department, Newton County Water Authority and Snapping Shoals EMC all met to organize and plan with best practices on how to handle the Winter Storm Watch

January Highlights



City of Covington City Manager Tres Thomas assisted the Street Department with clearing the sidewalks around the square

COVINGTON
01.10.25

February Highlights

On Monday, February 17, 2025 at the City Council meeting, the City's Finance Department was presented the Government Finance Officers Association's (GFOA) Triple Crown awards by Georgia GFOA President Linda Cook (pictured left). The GFOA Triple Crown recognizes governments that have received GFOA's Certificate of Achievement for Excellence in Financial Reporting, Popular Annual Financial Reporting Award, and the Distinguished Budget Presentation Award. The City prepares these documents and submits them for review by GFOA who evaluates them based on set criteria.

Congratulations to our Finance Department, which includes Deputy Finance Director Ashlan Troutman Webb, Accounting Specialist II Kimberly Khattar, Accounting Specialist II Donna Barlow, Financial Support

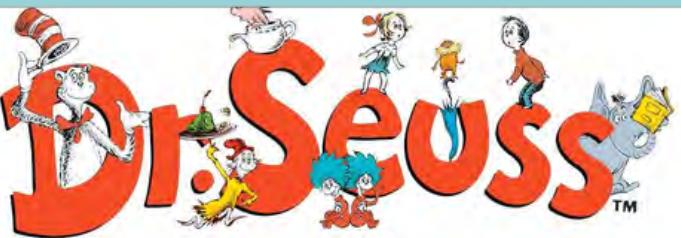
Specialist Maranna Gilbert, Grant Coordinator/Budget Analyst Pashion Wilson, Finance Director Randy Smith, and Payroll Accountant Felicia Camp (not pictured), on their outstanding reporting and dedication to organization, quality, and best practices.



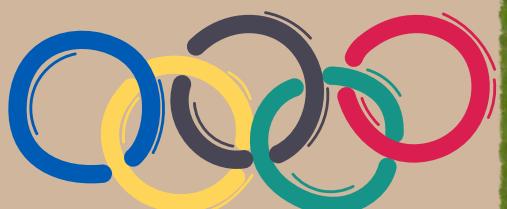
The City of Covington's Planning and Development Department, City Arborist, City of Covington Tree Preservation Board, Keep Newton Beautiful and Newton College & Career Academy presented the City of Covington's Annual Arbor Day Celebration on Friday, February 21, 2025 at Legion Field. Planning and Development Director Judy Johnson said that eight trees were planted at Legion Field to help with shade in 2024. Phase II of this plan includes planting trees near the Cricket Frog Trail for beautification as well as to create a visual and noise barrier for residents in the area. Attendees were able to take home a white oak and/or bald cypress seedling before leaving.



March Highlights



Dr Seuss Book Day



Special Olympics Parade



Dueling Pianos on the Square



April Highlights



Glow Golf Par-Tee at Legion Field



May Highlights



On Wednesday, May 21, 2025, employees from various departments joined together to place American flags in the city's cemeteries, Westview and Southview, in honor of Memorial Day. The flags were placed on the gravesites of men and women who served in the United States Armed Forces.



June Highlights



Juneteenth Parade on Square



Bike Rodeo at Legion Field hosted by Covington YMCA



CITY OF
COVINGTON

FINANCIAL INFORMATION



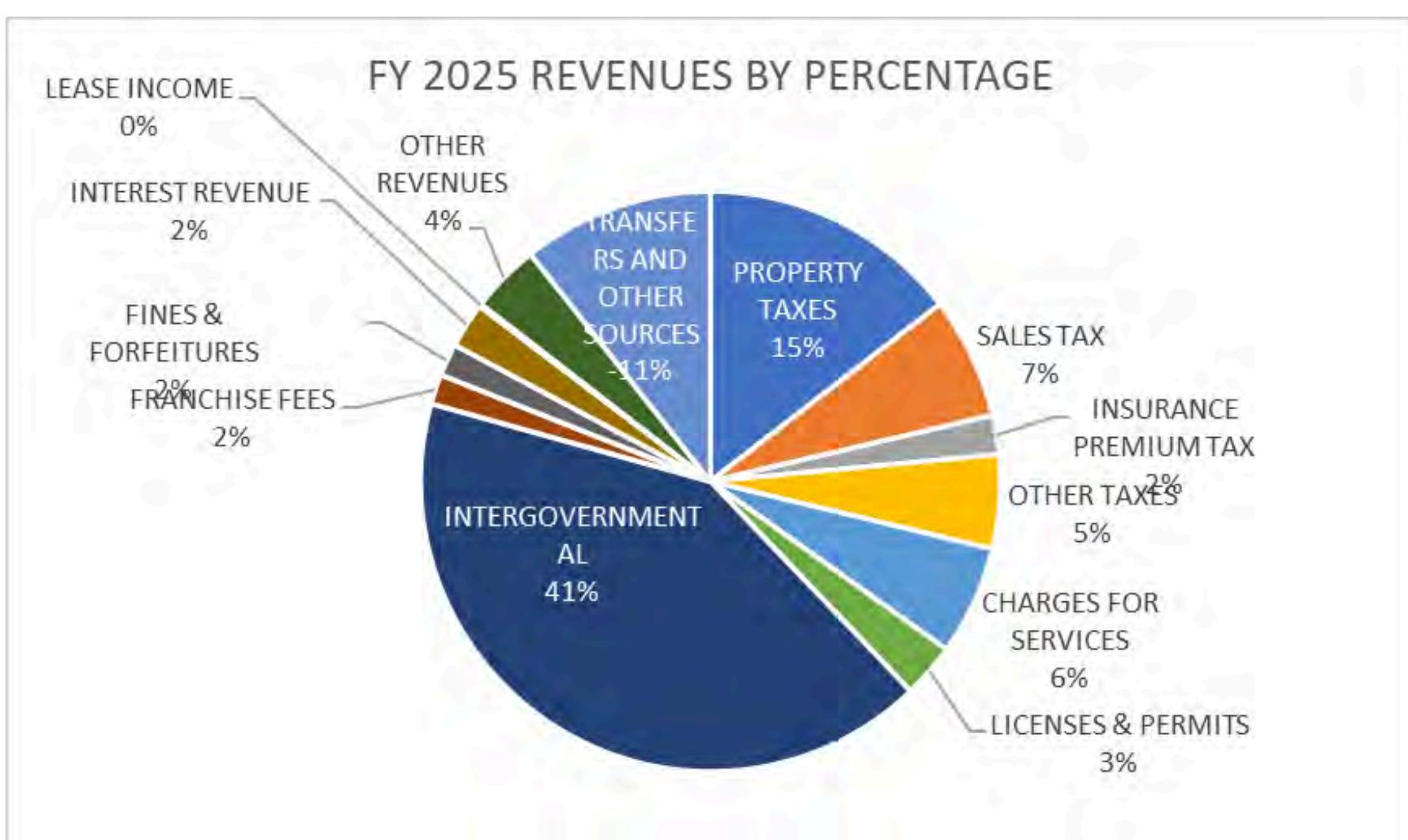
The primary focus of this document is the governmental funds which are the primary operating funds of the city and support the regular day-to-day operations including public safety, public works, culture and recreation, and community development.

GOVERNMENTAL REVENUES

SOURCE	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
PROPERTY TAXES	7,058,930	7,548,641	7,771,731	8,178,155	9,063,142
SALES TAX	3,346,923	3,646,838	4,052,200	4,202,866	4,241,875
INSURANCE PREMIUM TAX	1,054,249	1,088,683	1,179,238	1,260,190	1,354,791
OTHER TAXES	2,198,739	2,842,194	3,038,978	3,254,604	3,262,301
CHARGES FOR SERVICES	3,117,505	3,438,707	3,500,573	3,863,623	3,802,380
LICENSES & PERMITS	715,158	755,984	1,036,920	1,839,880	1,887,072
INTERGOVERNMENTAL	4,679,674	4,137,553	12,027,836	25,333,112	25,842,301
FRANCHISE FEES	776,573	808,763	961,840	857,226	1,040,823
FINES & FORFEITURES	419,991	805,441	1,108,160	960,778	1,126,676
INTEREST REVENUE	48,188	50,859	422,581	1,542,956	1,579,937
LEASE INCOME	-	93,989	92,898	50,633	82,831
OTHER REVENUES	819,775	773,450	984,716	1,546,137	2,413,312
TRANSFERS & OTHER SOURCES	10,176,046	9,934,747	1,548,039	(4,885,487)	(6,650,204)
TOTAL REVENUES	34,411,751	35,925,849	37,725,710	48,004,673	49,047,237

The city receives money from a variety of sources. In the governmental funds, revenues are typically generated from various taxes and fees. The intergovernmental revenue Covington receives is passed through other governments to us and in fiscal year 2025 is comprised of grant funds awarded under the ARPA legislation for water and sewer infrastructure projects. This is currently the largest revenue source among the governmental funds and is transferred to the Water and Sewer Fund for the construction of infrastructure improvements. The grant is expected to be complete in FY 2026.

Removing the effect of the grant, revenues have grown steadily. Notable changes include: Addition of impact fees assessed on new construction (other revenues), New hotels built and remitting hotel/motel tax (other taxes), GASB 87 Lease Account Changes (lease income & transfers and other sources) and Municipal Court activity returning to normal post COVID (fines & forfeitures)



GOVERNMENTAL EXPENDITURES

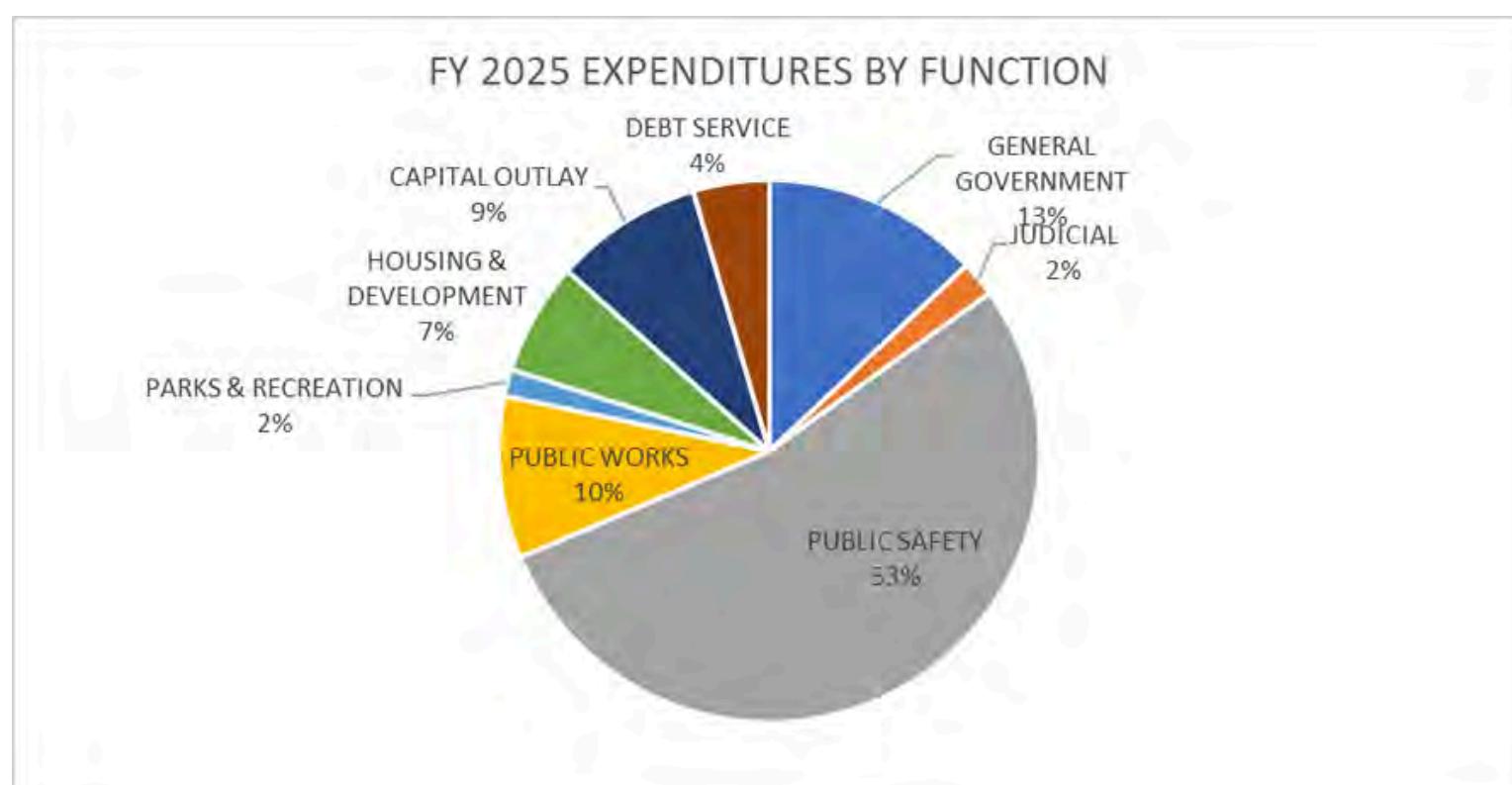
FUNCTION	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
GENERAL GOVERNMENT	4,420,105	5,220,764	4,713,700	5,413,792	5,878,702
JUDICIAL	514,312	673,978	852,433	964,095	963,114
PUBLIC SAFETY	16,709,825	18,669,417	19,761,157	25,398,549	24,222,181
PARKS & RECREATION	469,091	520,887	559,364	646,952	722,970
HOUSING & DEVELOPMENT	1,784,764	1,957,609	2,142,707	2,613,713	3,044,380
CAPITAL OUTLAY	4,598,109	7,386,386	4,068,855	2,584,840	4,010,623
DEBT SERVICE	65,647	437,656	730,190	1,811,216	2,060,566
TOTAL EXPENDITURES	31,808,197	38,202,056	36,052,263	43,641,879	45,291,967

This chart provides a comprehensive look at the city's general government expenditures for the last five fiscal years by function. The General Government function reports activity in the following departments: Elected Officials, City Manager's Office, City Clerk's Office, Financial Administration, Purchasing, Utility Billing & Meter Reading, Information Technology, Human Resources, Safety & Risk Management, Marketing & Communications, Customer Service, and Auto Repair Shop departments. The Judicial function reports activity in the Municipal Court department. The Public Safety function reports activity in the police, fire and E911 departments. The Public Works function reports activity in the Facilities Maintenance, Telecommunications, Street and Engineering departments. The Parks & Recreation function reports activity in the Cemetery and Parks and Legion Field Recreational Facility departments. The Housing and Development function reports activity in the Planning & Development department.

In fiscal year 2024, the city implemented recognition of leases in accordance with Governmental Accounting Standards Board pronouncement 87. This change is noticeable within each functional area as well as debt service. The city enters into lease agreements in the governmental funds for the purchase of certain vehicles and the use of certain public safety equipment.

In fiscal year 2025, across all functions, the city has realized increases in health insurance and liability insurance premiums. Additionally, the increase in public safety expenditures primarily relates to added employees. In fiscal year 2025, the city added four sworn police officers and four fire department personnel.

The graph below illustrates the allocation of expenditures in the general government funds. By far, public safety accounts for the majority of general government expenditures.



CAPITAL OUTLAY

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
CAPITAL OUTLAY	4,598,109	7,386,386	4,068,855	2,584,840	4,010,623
TOTAL EXPENDITURES	4,598,109	7,386,386	4,068,855	2,584,840	4,010,623

Capital expenditures account for the purchase or construction of assets that have a value greater than \$5,000 with a life expectancy of longer than one year. In 2025, the City of Covington's governmental funds invested significantly in capital expenditures.

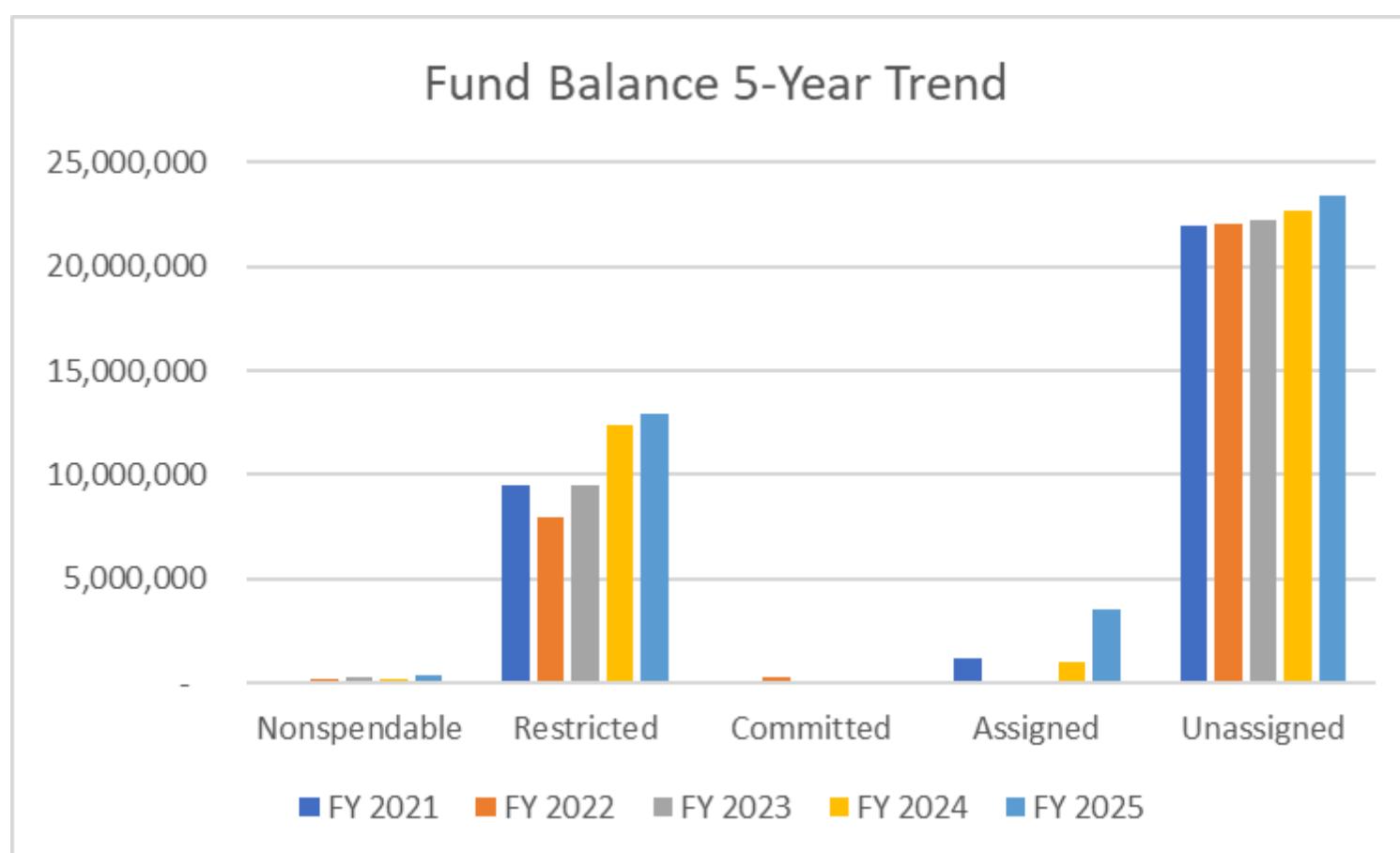
In fiscal year 2025, capital projects include:

Environmental Assessment of Conyers Street Gym
 Information Technology and telecommunications infrastructure upgrades
 BillPay Kiosk at City Hall
 Evidence Building upgrades in the police department
 Drainage pond rehabilitation
 Lucas 3 Chest Compression Equipment and Extractor Equipment in the fire department
 New Street Sweeper and Road Maintenance Equipment
 Washington Street Community Center basketball court upgrades
 City Pond Road improvements
 Floyd Street improvements



FUND BALANCE TRENDS

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Nonspendable	115,617	220,863	257,486	222,849	393,035
Restricted	9,498,524	7,979,193	9,524,616	12,401,494	12,974,787
Committed	-	238,810	128,922	128,922	-
Assigned	1,210,111	-	-	1,042,804	3,528,695
Unassigned	21,939,707	22,048,886	22,250,175	22,727,924	23,382,746
TOTAL EXPENDITURES	32,763,959	30,487,752	32,161,199	36,523,993	40,279,263



This chart displays each classification of fund balance for the governmental funds for the previous five fiscal years. Fund Balance represents the difference between the governmental fund's assets (what they own) and the liabilities (what they owe). Fund Balance can be classified in the following ways:

Nonspendable: the portion of funds that cannot be spent because they are not in a spendable form such as inventory or prepaid items

Restricted: the portion of funds with limitations imposed by external parties

Committed: the portion of funds set aside for a specific use determined by the city council

Assigned: the portion of funds set aside for a specific use, but not restricted or committed

Unassigned: remaining resources after all other funds have been classified

In fiscal year 2025, governmental funds fund balance increased by \$3,755,270 from fiscal year 2024. The majority of this increase relates to assigned fund balance, specifically fund balance assigned for capital projects. This fund balance represents funds encumbered for capital projects that weren't spent by the end of the fiscal year.