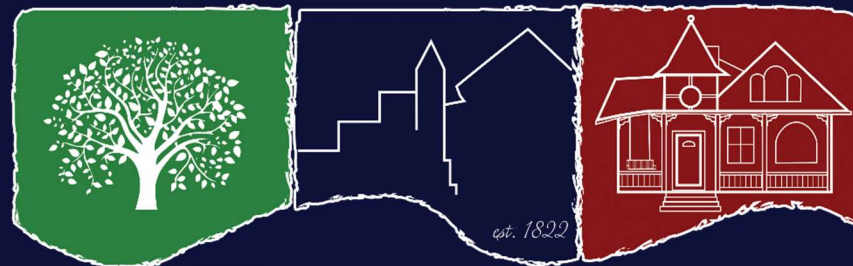


# Citizens' Financial Report

For the fiscal year ended

June 30, 2019



**COVINGTON**  
georgia

# Table of Contents

Letter from City Manager	2
Organization Chart   Department Contacts	3
Year in Review	4-5
Quick Facts	6
General Fund Rev & Expenditure Summary	7
General Fund Finance Detail	8
Debt Service	9
Capital Expenditures	10
Definitions	11

## From your City Manager

We are pleased to present you the City of Covington's Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2019. The purpose of this PAFR is to summarize and communicate the activity of the City of Covington in a user-friendly format. It is important to let you know who is helping make decisions, what is being done, when activities are happening and our methodology. This report will explain the highlights of the City of Covington's General Fund so the general public will understand the financial condition of the government as well as the benefits of calling the City of Covington home. Financial information within this report is derived in large part from the City of Covington's 2019 Comprehensive Annual Financial Report (CAFR), which is a detailed account of the government's finances prepared in accordance with generally accepted accounting principles. The CAFR was audited by Mauldin & Jenkins, CPAs. The financial data presented in the PAFR uses the same measurement focus and basis of accounting as the CAFR. The financial information presented here is summarized and condensed and does not substitute for the CAFR. The CAFR is available on the City's website or by request from City Hall.

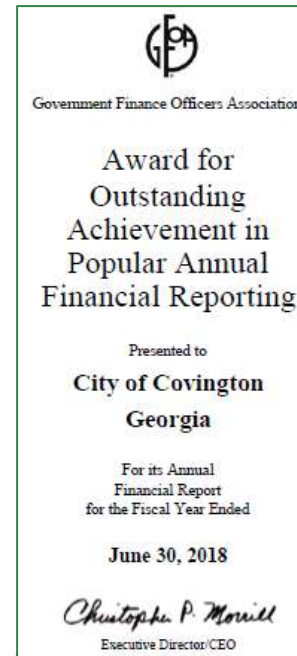
We welcome any feedback, comments or ideas you may have for continued improvement. It has been a pleasure for us, as the City of Covington, to serve each of you.

Sincerely,

Leigh Anne Knight, City Manager




Randy Smith, Finance Director

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) to the City of Covington for its PAFR for the fiscal year ended June 30, 2018.

The award is a prestigious national honor, recognizing conformance with the

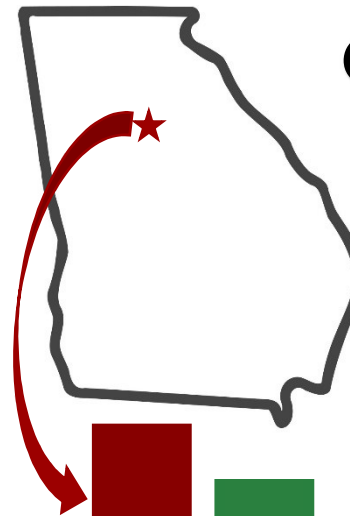
highest standards for preparation of state and local government popular annual financial reports.

In order to receive this award, the published report must reflect the program standards of creativity, presentation, understandability and reader appeal.

# Contact Us

<b>CITY HALL</b>	<b>770-385-2000</b>
Public Information Officer	2194 Emory Street NW
City Clerk	
Administrative Services	
Human Resources	
Utilities	
Planning & Zoning	
<b>FIRE DEPARTMENT</b>	<b>770-385-2100</b>
	2101 Pace Street
<b>POLICE DEPARTMENT</b>	<b>770-385-2122</b>
	1143 Oak Street SE
<b>AIRPORT</b>	<b>770-787-0098</b>
	14100 GA-142
<b>E911</b>	<b>678-342-8790</b>
	11234 Alcovy Road

*In case of emergency, please dial 911.*

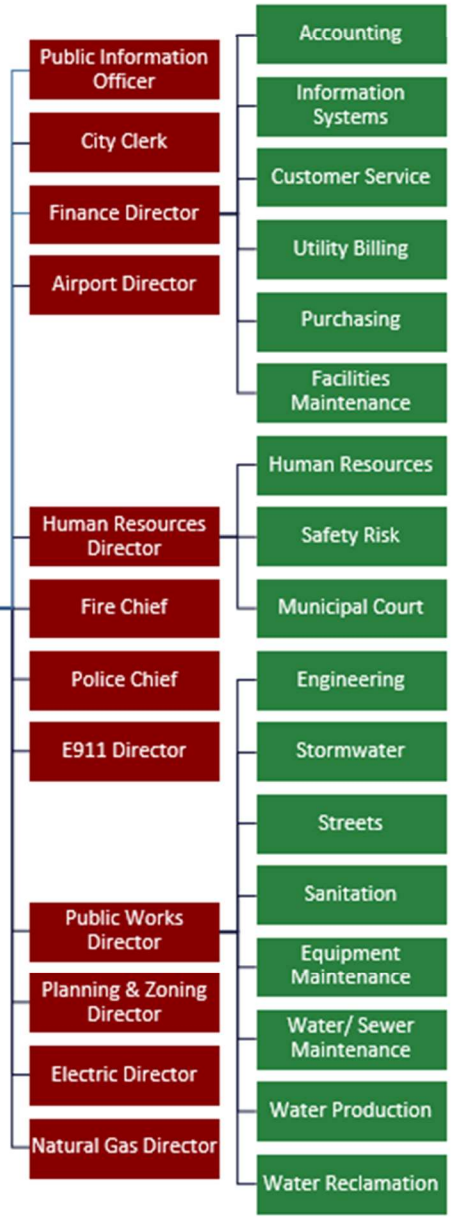


Citizens

Mayor and Council

City Manager

# City Structure



# Year in Review

In 2019, Covington hosted the North American Heavy



Rescue Symposium at which firefighters worldwide gained valuable experience and knowledge for high risk, low probability scenarios to better serve their communities.



On March 12, 2019, the fire department sat before the Commission on Fire Accreditation International and received their 4<sup>th</sup> accreditation.



In July, the Council unanimously approved a resolution calling for term limits for council members and the mayor. The resolution called for a limit of three terms. This resolution required a change to the charter that had to be passed by the Georgia General Assembly. The Bill was signed by the governor on May 6, 2019.



On September 4, 2018, Police Officer Matt Cooper, whose badge number is 148, was injured in a foot pursuit as part of a shoplifting investigation outside of a local business. Cooper was shot between the eyes at close range, but miraculously survived. Immediately following the incident, the community banded together in support of the Cooper family in ways Covington has never seen.



Leigh Anne Knight began her tenure with the City of Covington as the Finance Director in 2009. In 2013, she became the city's first female city manager. Leigh Anne announced her retirement in May. She plans to spend time at home caring for her granddaughter.



Throughout the year there are always fun things going on around the city! In the summer, there are 'Food and Film at the Field!' events at Legion Field, and in the winter there is a beautiful holiday light display on the square. Fourth of July is also exciting with a huge fireworks presentation. Follow the Facebook page to keep up with local events at [www.facebook.com/cityofcovingtonga](http://www.facebook.com/cityofcovingtonga)



Covington Cares hosted a community clean-up event in the Nelson Heights community. Citizens, elected officials and staff work together to make our city beautiful.



The Covington Police Department hosts an annual Citizens Police Academy in order to give the residents and citizens of Covington a chance to see, understand and interact with the inner workings of the Police Department. The Academy covers patrol functions, firearms training, use of force, and so much more! Keep an eye on the website for future dates!

This year brought us two new public safety directors. Trudy Henry accepted the position of E-911 Director after 25 years serving the department. Jeremy Holmes was appointed to Fire Chief after 19 with the department.



# Quick Facts

## DEMOGRAPHICS

<b>POPULATION</b>	<b>14,015</b>
<b>MEDIAN AGE</b>	<b>34.7 YEARS</b>
<b>MEDIAN HOUSEHOLD INCOME</b>	<b>\$39,959</b>

## EDUCATION

<b>HIGH SCHOOL</b>	<b>29%</b>
<b>BACHELOR'S DEGREE</b>	<b>12%</b>
<b>GRADUATE DEGREE</b>	<b>8%</b>

## RACE & ETHNICITY

African American	White	Hispanic	Asian & Other
50.90%	39.45%	6.43%	3.22%



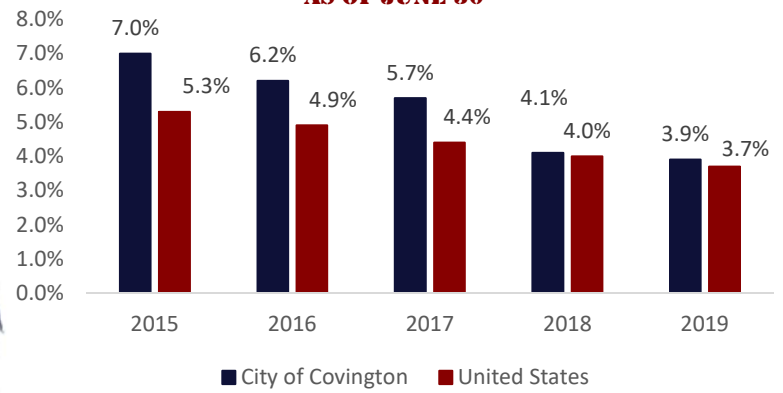
## TOP TEN EMPLOYERS

Board of Education	2,576
Newton County Government	635
Piedmont Newton Hospital	545
Becton Dickinson	497
General Mills	395
City of Covington	337
Pactiv	336
Walmart	296
Nisshinbo	268
FiberVisions	230



Taylor Marie performing at Legion Field.

## UNEMPLOYMENT RATES AS OF JUNE 30



Source: GA Department of Labor and U.S. Department of Labor Statistics.

# General Fund Revenue and Expenditure Summary

## REVENUES

Property Taxes, 26¢



Sales Taxes, 11¢



Other Taxes, 10¢



Licenses & Permits,  
2¢



Intergovernmental,  
4¢



Franchise Fees, 4¢



Fines & Forfeitures,  
2¢



Other Revenues,  
7¢



Transfers from  
Utilities, 35¢



## EXPENDITURES

Public Safety, 61¢



General Gov't, 18¢



Public Works, 12¢



Housing &  
Development, 4¢



Judicial, 3¢



Parks &  
Recreation, 2¢



Debt Service, 1¢



The General Fund is the general operating fund of the City and supports the regular day-to-day operations including public safety, public works, culture and recreation and community development.

The graphic above displays the general fund results for fiscal year 2019 in cents to provide an easy to understand summary of activity (e.g., Property taxes make up 26¢ of every \$1 received; Public Safety accounts for 61¢ of every \$1 spent; etc.)

Page 8 shows actual dollars received and spent in fiscal year 2019.

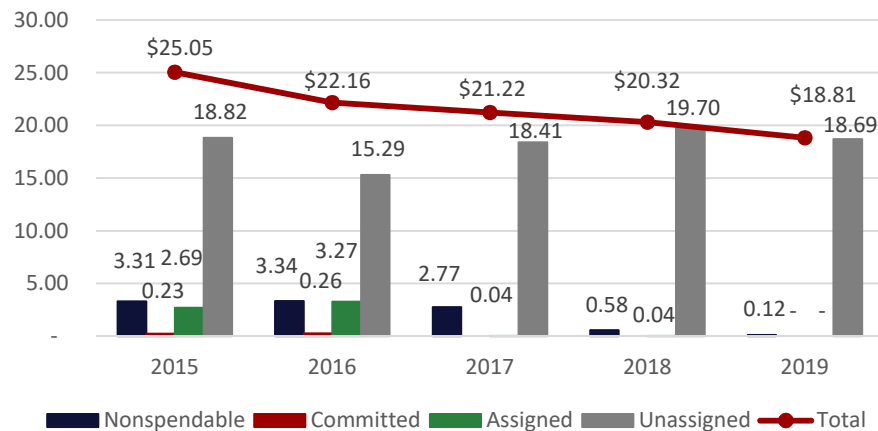
# General Fund

## Statement of Revenues, Expenditures & Changes in Fund Balance General Fund

	2019	
Revenues	Property Taxes	\$ 5,631,521
	Sales Taxes	2,476,835
	Insurance Prem. Taxes	956,184
	Other Taxes	1,134,376
	Licenses & Permits	402,083
	Intergovernmental	800,269
	Franchise Fees	819,856
	Fines & Forfeitures	505,095
	Interest Revenues	126,138
	Other Revenues	1,335,526
<b>Total Revenues</b>	<b>14,187,883</b>	
Expenditures	General Government	4,088,076
	Judicial	661,826
	Public Safety	14,099,357
	Public Works	2,780,273
	Parks & Recreation	369,572
	Housing & Development	982,003
	Debt Service	220,192
<b>Total Expenditures</b>	<b>23,201,299</b>	
Transfers and other financing sources	7,499,613	
<b>Net Changes in Fund Balances</b>	<b>\$ (1,513,803)</b>	

The downward trend of fund balance in the General Fund represents a planned use of fund balance as it relates to various capital projects in progress such as expansion at the airport and the purchase and renovation of the Harland Drive police station. A portion of this will be recuperated over time.

Fund Balance 5-Year Trend (in thousands)



Fund Balance is classified several ways depending on action of the Council and intent of use of funds. You can find a more detailed description of the different classifications on page 11 of this report.

For more information about the finances of the government, check out the city's Comprehensive Annual Financial Report on at [www.cityofcovington.org](http://www.cityofcovington.org)

The Statement of Revenues, Expenditures and Changes in Fund Balance shows where money comes from and goes in the General Fund. In the last three years, revenue has increased 19% primarily as a result of an increase in assessed property values. Expenses in 2019 are up from 2018 in public safety due to the renovation of the Harland Drive police station. In addition, the transfer from the utility funds has decreased 27% over the past three years. Our goal is to continue to reduce this transfer over time.



# Debt Service

Debt service can be an essential tool for financing the cost of large expenditures. Not only does this financing spread the cash flow over several years, it spreads the expense across generations of citizens and residents who will benefit over time from the financed asset.

The City of Covington has financed the building of Fire Station #22 on Alcovy Road as well as the purchase of 10 police patrol vehicles within the General Fund.

In five years the city has reduced the outstanding debt by \$803,547.

The remaining principle will be extinguished by fiscal year 2021.

## Thank you!

This year marks the end of service for several of the city's elected officials.

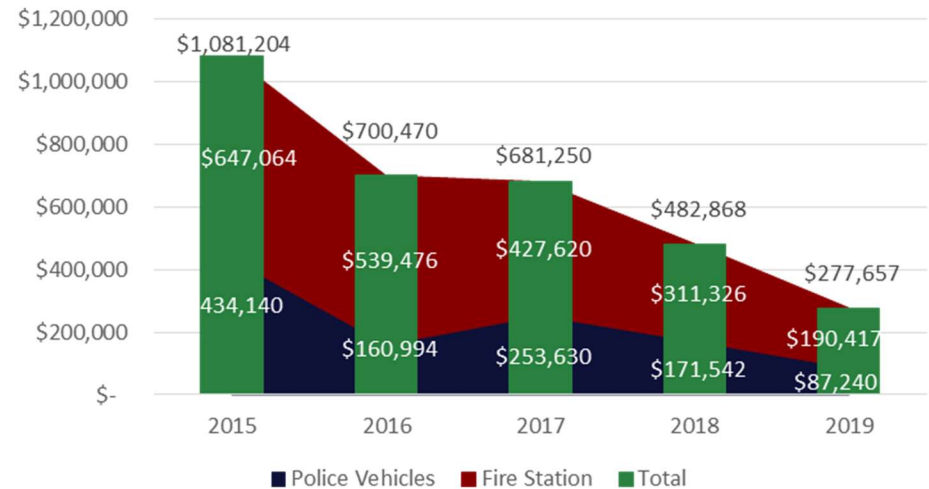
Mike Whatley is retiring after having served 20 years as a representative of the East Ward.

Ronnie Johnston will be moving on after serving two terms as mayor.

Josh McKelvey will also be moving on after serving two terms as a representative of the East Ward.

Thank you all for your service!

## General Fund Debt Service Trend



## Welcome!

The city will be welcoming some old and new faces in the coming year.

Steve Horton Sr., who served within the city for 36 years in various aspects including city manager, will begin his first term as mayor in January 2020.

Fleeta Smith Baggett will represent the East Ward in Post 2.

Don Floyd, who retired from the city as fire chief after 40 years of service, will represent the East Ward in Post 3.



L to R: Horton, Baggett, Floyd

Primarily paid for with SPOLST funds, nearly 4.5 miles of streets were paved in Covington. Recently, the city contracted with a team from Georgia Tech to rate the condition of our streets and rank them in order of need for resurfacing.

In an effort to increase pedestrian and vehicular safety and expedite traffic flow around the Square, stop lights were removed and replaced with stop signs. This created more of a 'roundabout' and traffic has flowed smoothly since the change.

## Capital Expenditures



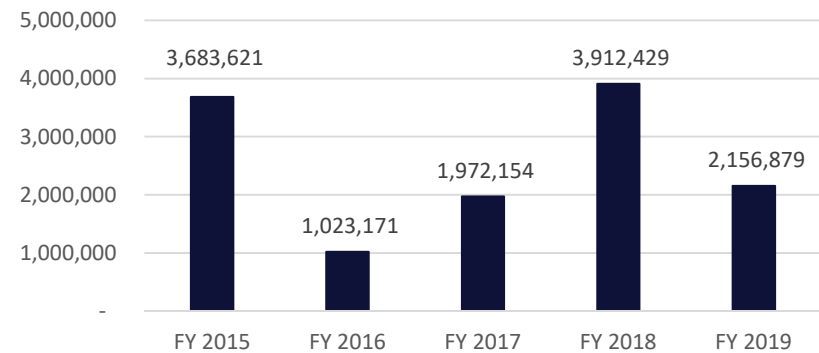
The City of Covington launched a new website in 2019 with an emphasis on usability. The new website, built by Jesse James Creations from New York, was a ground-up build and has received excellent reviews from the community and other users.



This chart shows capital expenditures annually.

In fiscal year 2018, the city purchased a new police station on Harland Drive. This one-time expenditure accounts for the spike in expense in that fiscal year 2018.

Governmental Capital Expenditures 5-Year Trend



# Definitions

## FUND BALANCE

Fund Balance reflects the excess (or deficiency) of revenues and other financing sources over expenditures and other financing uses. Fund Balance can be further classified as follows:

**Nonspendable:** Portion of net resources that cannot be spent because of their form (i.g., inventory, prepaid items)

**Restricted:** Portion of net resources with limitations imposed by external parties

**Committed:** Portion of net resources that have self-imposed limitations set in place

**Assigned:** Portion of net resources that are limited resulting from intended use

**Unassigned:** Residual net resources

The City of Covington has chosen to present information it feels is of value to the residents and citizens of the City. Some funds have been left out of this condensed report. Please refer to the Comprehensive Annual Financial Report for financial information for all funds and component units.

# Welcome!

In December 2019, we welcome a new city manager, Scott Andrews.

Scott has worked in local government for 16 years, previously serving as the assistant city manager for the City of Smyrna, Ga. from 2017 to 2019 and the economic development director in Sugar Hill, Ga. from 2014 to 2017. His prior local government work experience took place in Temple Terrace, Fla. where he served from 2003 to 2014 in numerous leadership roles.

Welcome to the City of Covington!



# Your Elected Officials



Mayor of Covington  
**Ronnie Johnston**



Post 1 East  
**Susie Keck**

CITY OF COVINGTON  
2194 EMORY STREET NORTHWEST  
770-385-2000

[WWW.CITYOFCOVINGTON.ORG](http://WWW.CITYOFCOVINGTON.ORG)  
[www.facebook.com/cityofcovingtonga](http://www.facebook.com/cityofcovingtonga)

## About Covington

Lively, Active and Energetic: This is Covington.

A picturesque town located less than an hour east of Atlanta, Covington is known for its southern hospitality, antebellum homes and rich film history. Covington is rightfully known as the 'Hollywood of the South.'

With diverse roots dating back to the early 1800s, Covington has rapidly become a premier destination to Live, Work and Create. Visit locally owned shops on our vibrant Town Square, enjoy the lively arts scene or dine at some of the finest restaurants in the Metro-Atlanta area.

Covington offers something for everyone.



Post 1 West  
**Kenneth Morgan**



Post 2 East  
**Michael Whatley**



Post 2 West  
**Hawnethia Williams**



Post 3 East  
**Josh McKelvey**



Post 3 West  
**Anthony Henderson**