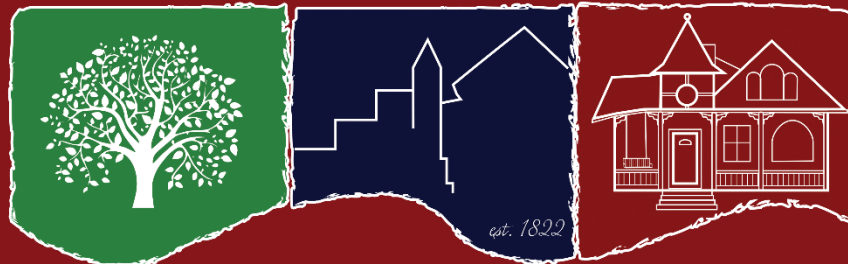


# Citizens' Financial Report

For the Fiscal Year Ended

June 30, 2020



**COVINGTON**  
georgia

## Letter from City Manger

We are thrilled to present you the City of Covington's Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2020. The PAFR examines and publishes the City's financial activities in a citizen friendly way.

This report communicates who in the City is making decisions, our financial practices, our accomplishments for the fiscal year, including a few of our exciting activities. We highlight the City of Covington's Governmental Funds to promote the understanding of the governmental financial condition and to illustrate the advantages of calling the COV home to community members.

Financial information within this report is a result of Covington's 2020 Comprehensive Annual Financial Report (CAFR). The CAFR, audited by Mauldin & Jenkins, CPAs, is a complete account of the municipality's finances prepared in accordance with generally accepted accounting principles. The financial data presented in the PAFR is the same measurement focus and basis of accounting as the CAFR. The report is presented in conformity with Generally Accepted Accounting Principles. The PAFR is a summary of financial information and is not a substitute for the CAFR. The 2020 CAFR is available on the City's website or you can place a request to receive a copy at City Hall. If you have comments or ideas that may assist in the continual improvement of our City we want to hear from you! It is a pleasure for us at the City of Covington to continue to serve each of you.

Sincerely,

Scott Andrews, Ed.D., ICMA-CM, City Manager



Randy Smith, CPA, Finance Director



## Awards received for the PAFR

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**FUN FACT:** THE CITY HAS RECEIVED THIS AWARD FOR THE PAFR THREE TIMES!



Award for  
Outstanding  
Achievement in  
Popular Annual  
Financial Reporting

Presented to  
**City of Covington  
Georgia**

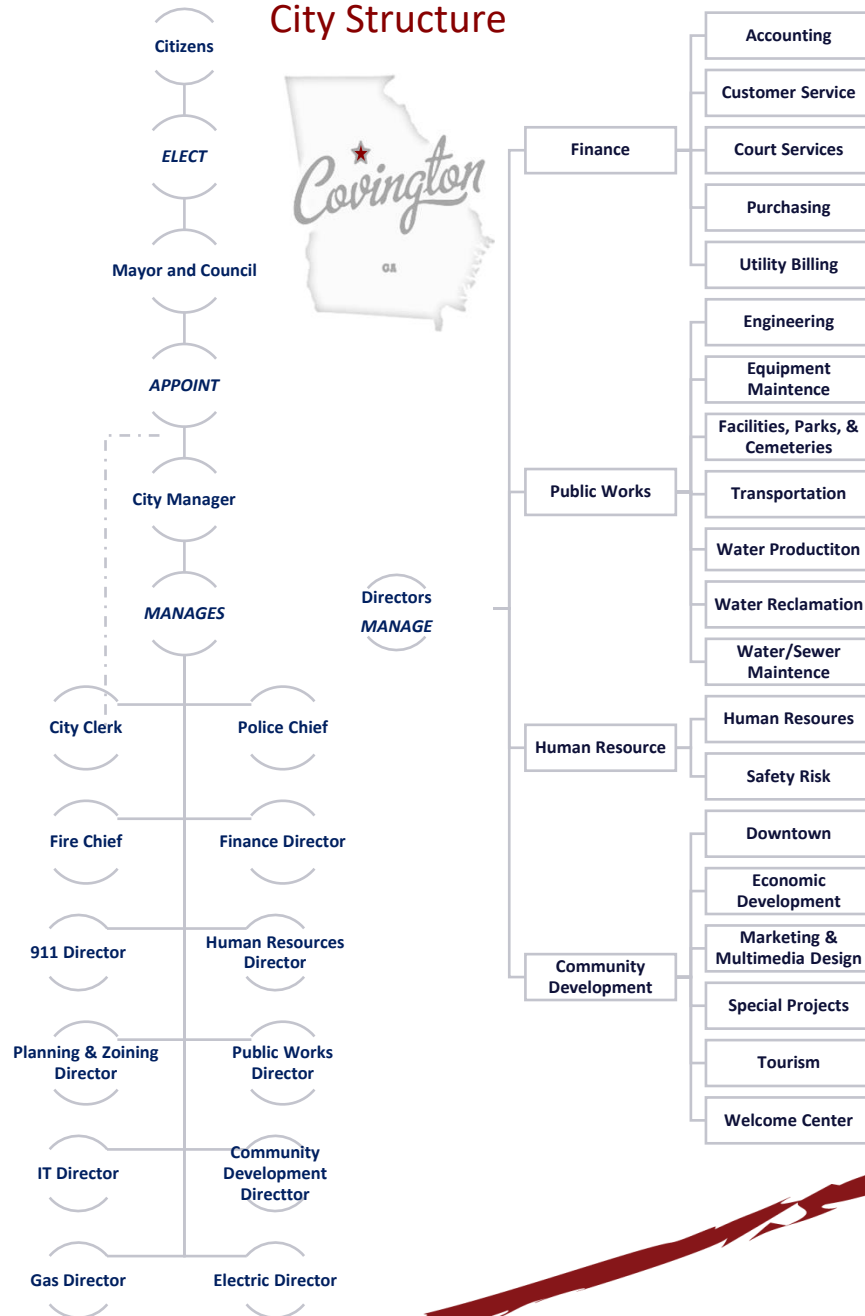
For its Annual  
Financial Report  
for the Fiscal Year Ended

June 30, 2019

Executive Director/CEO

The City of Covington received an award for Fiscal Year ending June 30, 2019. The Award is from the Government Finance Officers Association of the United States and Canada (GFOA). This award is an international honor, which recognizes conformance with the highest standard for preparation of state and local government PAFRs. To receive this award, the City of Covington must publish the report and meet the criteria of creativity, presentation, understandability and reader appeal.

## City Structure



## Contact Us

<b>CITY HALL</b>	2194 EMORY STREET NW	770-385-2000
<b>POLICE DEPARTMENT</b>	13183 HARLAND DRIVE NE	770-385-2122
<b>FIRE DEPARTMENT</b>	2101 PACE STREET	770-385-2100
<b>E911</b>	11234 ALCOVY ROAD	678-342-8790
<b>AIRPORT</b>	14100 GA-142	770-787-0098
<b>WELCOME CENTER</b>	1143 OAK STREET SE	678-212- 5456



### LAND APPLICATION SYSTEM

**TIMBER!** – The City of Covington has operated a Land Application System (LAS) jointly with the Newton County Water & Sewerage Authority successfully since 1985. This 'land treatment' method is the final processing for wastewater. In the late 1970's, the Georgia Environmental Protection Division mandated wastewater improvements through the Federal Clean Water Act.

**Annual irrigation amounts are more than 1 billion gallons!**

The amounts of nitrogen and phosphorous in our stream are no longer a concern as the natural site of pines, hardwoods and grassed irrigation lines uptake the nutrient rich wastewater. This process offers the benefit of harvesting a crop and requires periodic timber harvesting and replanting to ensure enough nutrients are in the soil. The land treatment process provides green space and a home to variety of flowers and wildlife. Staff manages the system by maintaining miles of irrigation lines, perimeter fencing, and access roads as well as high capacity pumps, drives, valves and instrumentation.

**The LAS consists of 10,000 sprinklers delivering slow rate irrigation to over 2,000 acres!**



## Year in Review

July 1, 2019



City Council meetings started being live streamed for the public to watch from their homes.



July 4, 2019



City staff, business owners, and residents from all over the state came and celebrated the holiday on the iconic square.

July 11, 2019



Fall 2019



Police Department held a Citizens Academy.

Covington-Newton County 911 opened a new center.



October 22, 2019



Three Ring Studios held a groundbreaking at their site on Highway 142. Combining a unique mix of space, lighting, sound and scenery advantages, Three Ring Studios will be a one stop shop for all film production needs.

October 17, 2019



Pictured left: Central Park groundbreaking. Ribbon cutting for the 162 acre park happened on November 8, 2019 and now includes a disk golf course, trails to hike, and a playground close to a paved parking lot. Pictured right: the playground. Directions: Drive south from the square, take a right onto Pennington Street at the light located at the convergence of Church/Monticello/Pennington Streets. The road will take you straight into Central Park.



October 16, 2020.

November 17, 2019



The Covington Police Department and the Covington-Newton County 911 center were re-accredited through the Commission on Accreditation for Law Enforcement Agencies. First accredited in 1985, the CPD was the first department in Georgia to receive accreditation. The 911 Center first received accreditation in 2006. Congratulations to the men and women who work year-round to maintain accreditation and provide our residents with top-tier public safety services.

November 21, 2019



The annual lighting of the square celebrated the beginning of the holiday season!

February 21, 2020



The 27<sup>th</sup> annual arbor day celebration took place at Legion Field hosted by the Planning and Zoning Department and the Tree Board.



March 13, 2020

Employees tested working remotely while minimizing the disruption of essential services. Following the test, the employees continued to telework when possible during these unprecedented times.

May 18, 2020



Police Officer Matt Cooper returned to work after being shot in the line of duty on September 4, 2018. Cooper, whose badge number is 148, had the Covington community rallied behind him and his family. Covington was happy to welcome Officer Cooper back to work!

## New Department!



This year brought one new department! Trey Sanders was appointed the community development director after serving as the public relations manager for 5 years.

February 2020

The Community Development Department was created and encompasses Downtown Promotion, Tourism, the operation of the Welcome Center, Economic Development, Special Projects and Multimedia Design. The department consists of seven employees and is housed in the newly created Welcome Center that showcases film and television memorabilia from around Covington.

With a concentration on creating an image and identity for the City of Covington, the Community Development Department focuses on enhancing the quality of life for our citizens and visitors. This is accomplished through green space initiatives, housing diversification, recruitment of businesses and the ongoing efforts to keep Covington film friendly.

June 12, 2020



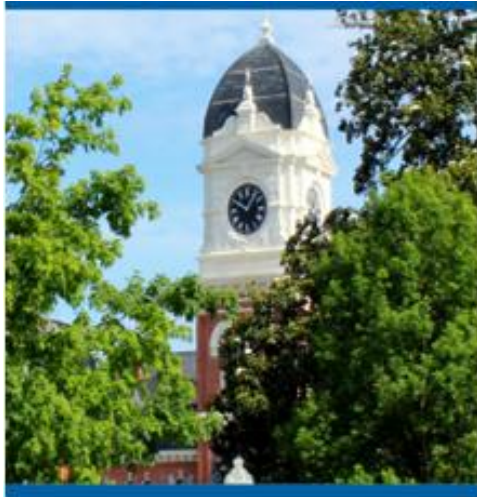
The first two Drive-In movies were hosted at Legion Field. The event was a hit and all tickets were sold out.

July 2020

The DDA and CDA gave 208 stabilization grants to business in the downtown district and the central business district to support business efforts during the COVID-19 pandemic.



# COV Facts



## Incorporated

1822

## Size

13.9 square miles

## Population

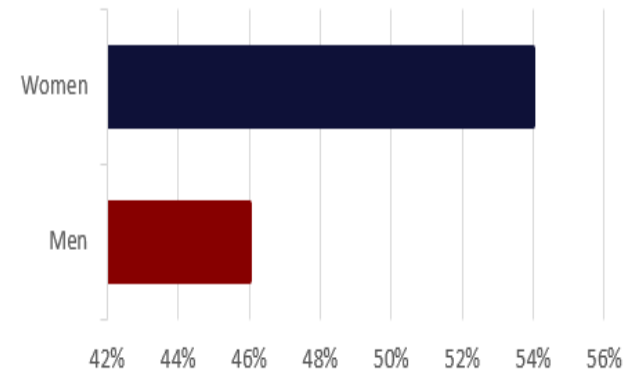
14,206

Income

**\$37,270**

Unemployment Rate

**3.5%**



## Diversity



- African American 47%
- White 48%
- Hispanic 5%

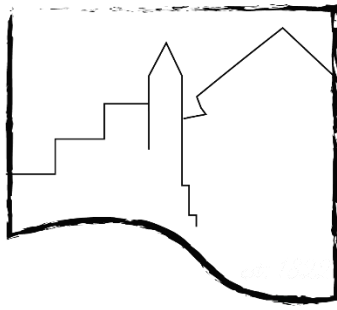
## Median Age

**35**

## Housing



- Own 51 %
- Rent 49%



# COVINGTON

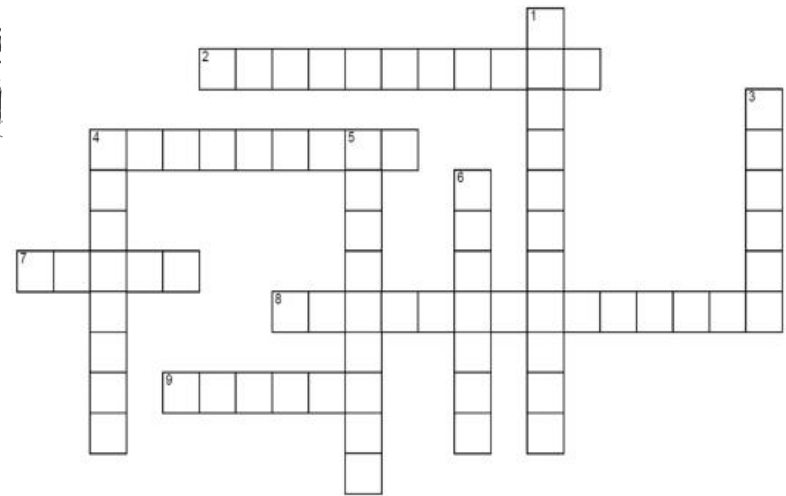
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Visit Covington Central Park at **3171 Pennington Street** to play on a state-of-the-art playground, complete with a gravity swing! (right)



Visit the Welcome Center at **1143 Oak Street** and lay in the hammock park, play chess and enjoy the kid's center of activities! (left)

## The City of Covington



### ACROSS

- 2 A municipality's legislature.
- 4 33.5968° N, 83.8602° W
- 7 The elected chief executive of a municipality.
- 8 Political jurisdictions, such as cities, villages, or towns, incorporated under state law to provide governance to defined geographical areas; they are more compact and more densely populated than counties.
- 9 County that the City of Covington is located.

### DOWN

- 1 An official appointed to be the chief administrator of a municipality.
- 3 Incorporated political jurisdictions formed to provide self-governance to particular localities.
- 4 The administration building of a municipal government.
- 5 A piece of legislation enacted by a municipal authority.
- 6 An inhabitant of a particular town or city.

See page 11 for answers

# Kids' Corner

# Financial Information

## GOVERNMENTAL FUND REVENUES

The city received money from a variety of sources. Below is a comprehensive look at the city's revenues for the last three fiscal years.

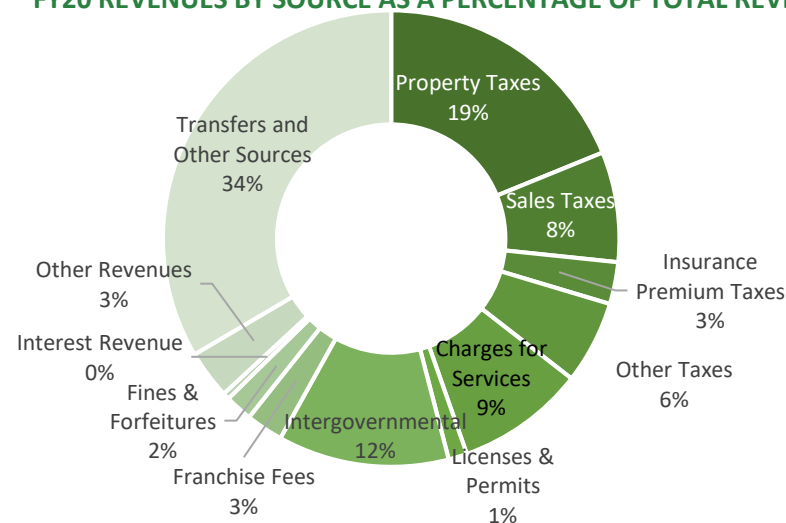
Source	FY2018	FY2019	FY2020
Property Taxes	\$ 5,110,448	\$ 5,631,521	\$ 6,386,255
Sales Taxes	2,175,482	2,476,835	2,644,300
Insurance Premium Taxes	871,702	956,184	1,007,024
Other Taxes	2,015,516	2,025,034	1,991,940
Charges for Services	2,800,265	2,945,014	3,089,850
Licenses & Permits	278,617	402,083	446,277
Intergovernmental	2,836,032	3,005,423	4,108,094
Franchise Fees	720,138	819,856	891,942
Fines & Forfeitures	643,505	650,854	658,324
Interest Revenue	57,403	127,789	157,347
Other Revenues	640,342	1,352,109	1,160,224
Transfers and Other Sources	9,958,964	9,042,708	11,340,028
<b>Total Revenues</b>	<b>\$ 28,108,414</b>	<b>\$ 29,435,410</b>	<b>\$ 33,881,605</b>

## GOVERNMENTAL FUND EXPENDITURES

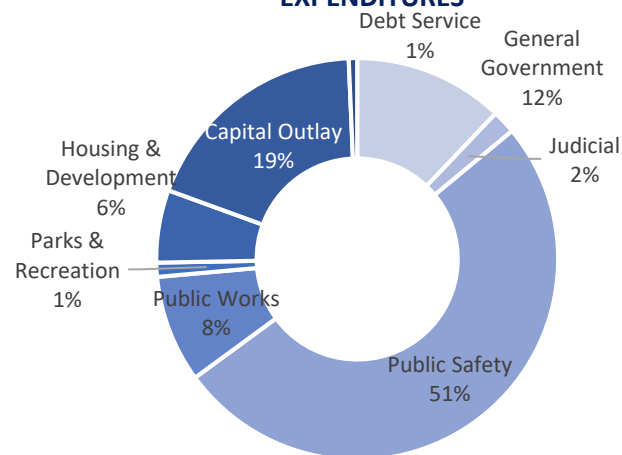
Below is a comprehensive look at the city's expenditures for the last three fiscal years.

Function	FY2018	FY2019	FY2020
General Government	\$ 3,731,923	\$ 4,088,076	\$ 3,946,275
Judicial	699,755	661,826	621,281
Public Safety	16,280,819	17,963,750	16,608,340
Public Works	3,077,822	2,780,273	2,814,509
Parks & Recreation	361,800	369,572	370,487
Housing & Development	1,586,296	1,634,303	1,904,809
Capital Outlay	3,648,947	1,605,586	6,120,877
Debt Service	219,692	220,192	220,191
<b>Total Expenditures</b>	<b>\$ 29,607,054</b>	<b>\$ 29,323,578</b>	<b>\$ 32,606,769</b>

## FY20 REVENUES BY SOURCE AS A PERCENTAGE OF TOTAL REVENUES



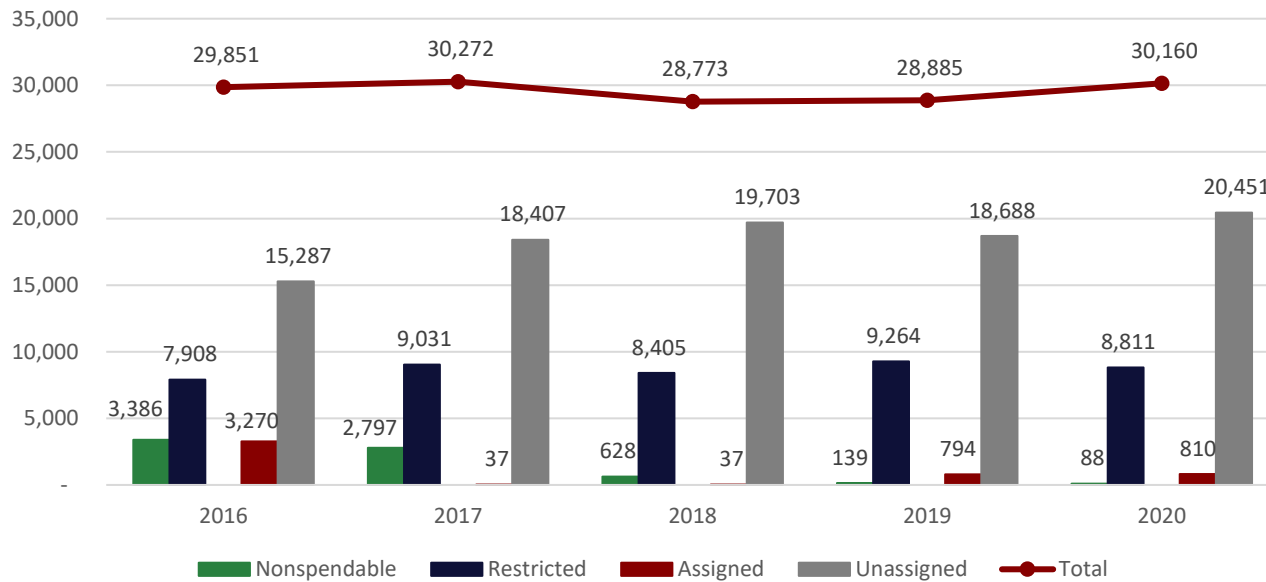
## FY20 EXPENDITURES BY FUNCTION AS A PERCENTAGE OF TOTAL EXPENDITURES





The chart below displays the total fund balance for the previous five fiscal years. Fund Balance represents the difference between the government's assets (what they own) and liabilities (what they owe). The decrease in fiscal year 2017 represents a planned use of fund balance as it relates to various capital projects such as the expansion at the Covington Municipal Airport and the purchase and renovation of the Harland Drive police station. The bottom chart shows how the city has begun to recuperate the use of fund balance.

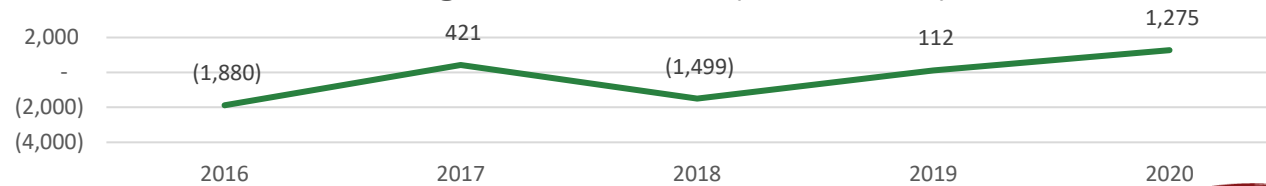
5-Year Fund Balance Trend (in thousands)



The information shown here pertains to the governmental funds of the City of Covington. The governmental funds represent the primary operations of the government including street construction and maintenance, public safety, administration, planning and development, parks, etc.

Fund Balance can be 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.

Change in Fund Balance (in thousands)



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

Turn the page for information about debt and capital expenditures!

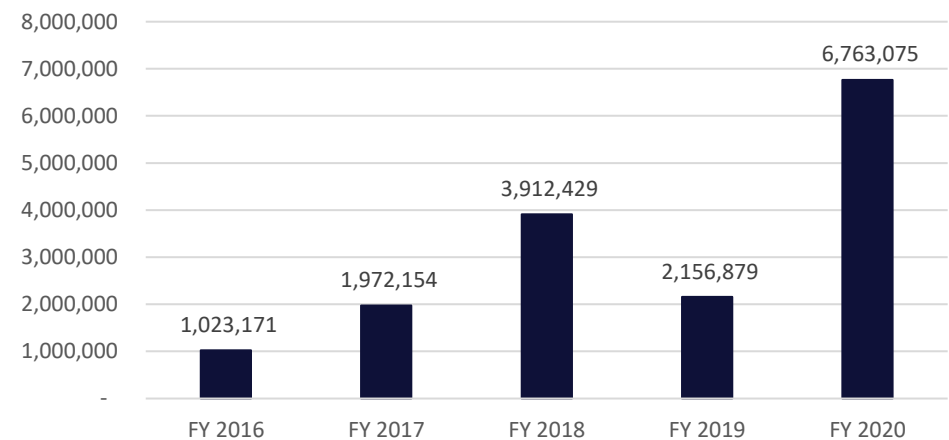
# Capital Expense

The chart to the right shows annual capital expenditures in the governmental funds for the current fiscal year and four previous fiscal years.

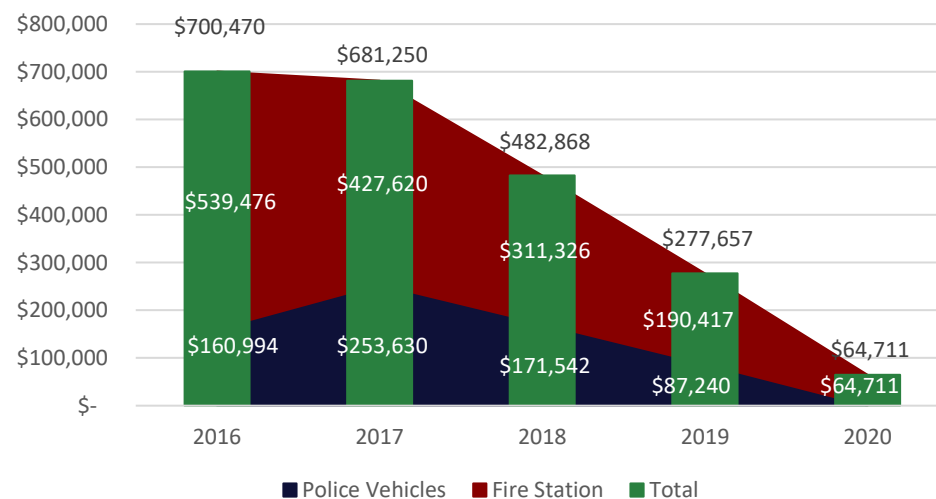
The current year brought several large capital projects including: completing the remodel of the Harland Drive police station, the Pace Street improvement project, continual improvements at Covington Central Park, the relocation of the E911 center to Fire Station #22, and several other smaller projects.

Generally, capital projects are not approved without a specific revenue source for funding them. These revenue sources may be grants or special purpose local option sales tax (SPLOST). For example, the Pace Street improvement project was 77% federally funded.

## Governmental Capital Expenditures 5-Year Trend



## Governmental Funds Debt Service Trend



# 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.

The remaining principle will be extinguished by fiscal year 2022.

## 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:

**Non-spendable:** 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 limited resulting from intended use.

**Unassigned:** Residual net resources.

While The City of Covington presents as much valuable information as possible in this report, some funds have been excluded. Please see the Comprehensive Annual Report for a full detail of all available funds. A copy of the CAFR can be found on the city's website or requested at City Hall.

## In Memory

The City of Covington mourns the loss of former Mayor Sam Ramsey who passed away on August 25, 2020. He served Covington as a public servant for 37 years, including as mayor from 1997-2007.





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.

## Your Elected Officials

Steve Horton, Mayor



Susie Keck



Kenneth Morgan



Don FLOYD



Hawnethia Williams



Fleeta Baggett



Anthony Henderson

