

COVINGTON

georgia

CITIZENS' FINANCIAL REPORT

FOR THE

FISCAL YEAR ENDED

JUNE 30, 2017



MORE THAN A NEW LOGO



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ABOUT COVINGTON

The City of Covington, Georgia, was founded and incorporated in 1822 and is a body corporate and politic organized and existing under the Constitution and laws of the State of Georgia. The City of Covington is situated in the central portion of Newton county and features three golf courses, a large lake, a charming town square, city-owned airport, five public parks and numerous other recreational facilities. The City houses a six-mile walking / biking path that runs through the heart of the city, connecting a local high school with a park.



The City provides a full range of services to its nearly 15,000 citizens. These services include police and fire protection; emergency medical services; air transport facilities; public works; court system services; library services; the construction and maintenance of recreational pathways, streets and infrastructure; planning and zoning; building inspections; recreational activities and cultural events; stormwater management and inherent administrative and support activities.

Encompassing 10,240 acres, or approximately 16 square miles, the City of Covington is geographically located in northeastern Georgia and is situated approximately 35 miles east of the City of Atlanta.

ACHIEVEMENTS

The City of Covington Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2017 has been submitted for the third consecutive year. The award of the Certificate of Achievement for Excellence in Financial Reporting presented by the Government Finance Officers Association (GFOA) has been received for the past two years. An award is valid for a period of one year only. We believe our CAFR continues to exceed the program requirements.

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. We believe our current report conforms to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA for consideration for a certificate.



TO THE CITIZENS OF COVINGTON

We are pleased to present you the City of Covington's first Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2017. The purpose of the 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 how we are making it all happen. This report will explain the highlights of the City of Covington 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 2017 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, Certified Public Accountants. The financial data presented in the PAFR uses the same measurement focus and basis of accounting as the CAFR, but focuses on the General Fund as it houses the day-to-day operational activity of the City. The financial information presented here is in summarized and condensed form and does not substitute for the CAFR. The CAFR can be found on the City's website or can be requested 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,



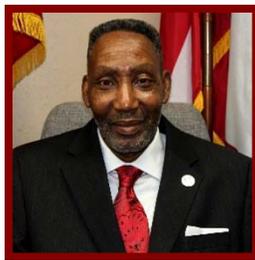
Leigh Anne Knight, City Manager



Randy Smith, Finance Director



CITY OF COVINGTON 2017 COUNCIL



Ronnie Johnston, Mayor | Kenneth Morgan, Post 1 West | Chris Smith, Post 1 East



Hawnethia Williams, Post 2 West | Michael Whatley, Post 2 East | Ocie Franklin, Post 3 West | Josh McKelvey, Post 3 East

CITY STRUCTURE

CITIZENS

COUNCIL

CITY MANAGER

DEPARTMENTS

Did you know?

City Council Meetings are held on the first and third Monday of each month in the Council Room at Covington City Hall. A work session begins at 5:30 p.m. with the meeting beginning at 6:30 p.m.

DEPARTMENTAL CONTACT INFORMATION

CITY HALL	770-385-2000
Administration	
Customer Service/ Billing	
Utilities	
Street Department	
Human Resources	770-385-2025
PLANNING & ZONING	770-385-2020
Code Enforcement	
Zoning	
Engineering	
Storm Water Management	
SANITATION DEPARTMENT	770-385-2046
AIRPORT	770-787-0098
FIRE DEPARTMENT	770-385-2100
POLICE DEPARTMENT	770-385-2122

In case of emergency, please dial 911.



Fourth of July on the Square

*"The Fourth of July celebration was the most successful event Covington has had. It was an awesome family event celebrating the birth of our country."
Councilman Josh McKelvey*

HIGHLIGHTS OF THE YEAR



After an extensive process, the City of Covington released their new logo this year, designed to depict the city's goal of being the south's premier destination to live, work and play. Featuring three modern, distinct icons in separate boxes, the logo consists of a large tree symbolic of an active lifestyle and recreation opportunities, the skyline of the

Covington square representing commerce and a historical house signifying the rich history and housing available in Covington.

The utility logo was designed to correlate with the City of Covington logo. The move to add a logo and feature the water,

"We want our existing customers to know we are still the same utility provider they have been relying on for years and years," said Councilman Chris Smith.

natural gas and electric departments is intended to aide in securing the utility service contracts of companies looking to start a business in Covington. The previous logo (above) will be used as the city seal going forward.



"We work every day to position ourselves as the top place to live, work and play and this logo helps drive that home," said mayor Ronnie Johnston. "It is a fresh, clean, modern look for the city and is more in line with who we are and where we are going."



The City of Covington celebrated



the grand opening of the newly renovated Legion Field complex by hosting a free inaugural event, complete with two local bands and food trucks. Renovations took just two years to complete. The original enclosed block building, formerly used for the display and judging of domestic products like pies, cakes and quilts was totally renovated and now features restrooms, a kitchen and large banquet area.

Original bids from outside vendors for the project were just under \$900,000, but the City of Covington managed the project in-house and was able to complete the renovations and additions for \$700,000.

"Legion Field belongs to the citizens of Covington" Leigh Anne Knight, City Manager

The existing pavillion, previously used for the showing of livestock, was demolished and a taller, larger pavillion was constructed. A band shell, walking track encircling the field, new archway entrance and ticket booths were added.

DEMOGRAPHIC, ECONOMIC AND OPERATING STATISTICS

POPULATION STATISTICS

Population
13,977

Median Age
40

School Enrollment
19,664

Percentage age 25+ with greater than 12 years formal schooling
77.8%

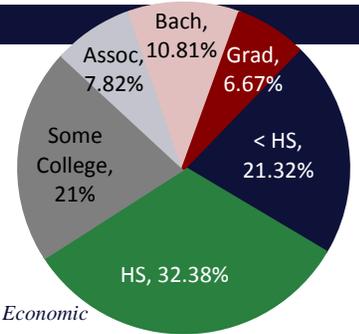
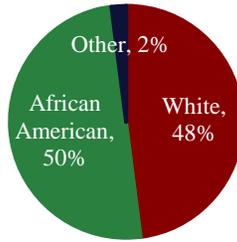
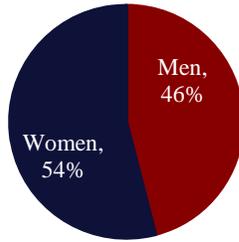


Chart data gathered from US Department of Labor and Newton County Office of Economic Development

ECONOMIC STATISTICS

Per Capita Personal Income

Median Household Income

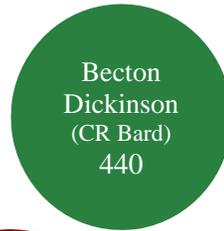
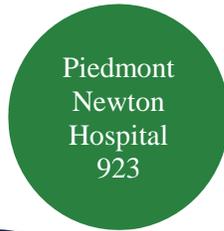
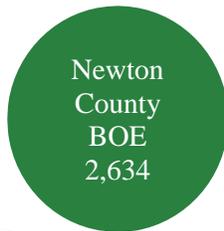
Unemployment Rate

\$30,144

\$36,678

5.7%

TOP TEN EMPLOYERS



We target industries such as bio/pharm/technology, advanced manufacturing, commercial and film/TV/music/ gaming.



OPERATING STATISTICS

Police calls for service
36,429

Total crimes
2,755

Traffic citation issued
4,096

Traffic accidents investigated
1,244

Fire calls answered
2,895

Court cases closed
4,293

Miles of street resurfaced
1.50

Electricity sold in kilowatt hours
415,719

Number of electric customers
11,783

Gas sold in thousand cubic feet
1,959,768

Number of gas customers
8,431

Tons of residential waste landfilled
5,934

Miles of streets maintained
97.39

Park acres maintained
15.75

Miles of walking trail maintained
2.50

Building permits issued
443

Business licenses issued
1,173

Number of cemeteries
2

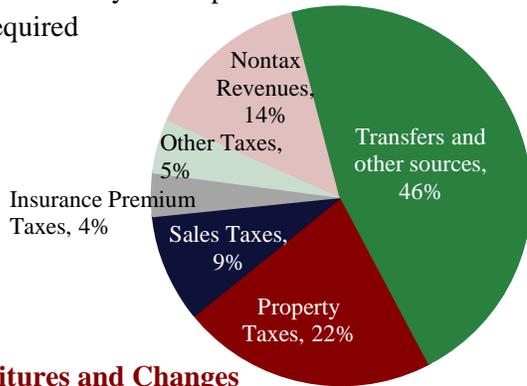
GENERAL FUND HIGHLIGHTS

WHERE OUR MONEY COMES FROM

The City of Covington must raise funds to pay for the services it provides to its citizens and businesses. These sources of funds, referred to as revenue, are raised through taxes, charges for services, business licenses, fines and other sources.

When assessing the financial results of the government, it is important to focus on the General Fund, which is the general operating fund of the government and supports its regular day-to-day operations including public safety, public works, culture and recreation and community development. It is used to account for all general government revenues and expenditures of the City except those required

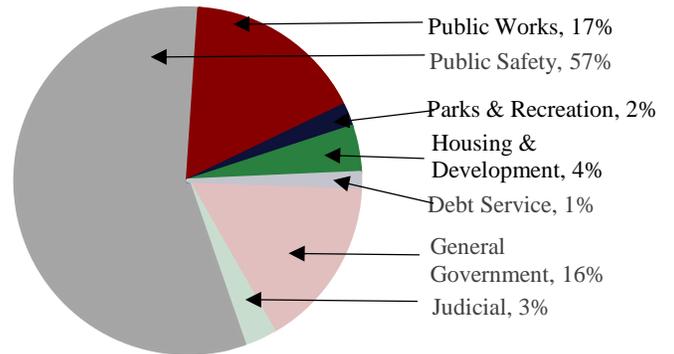
to be accounted for in another fund.



Transfers from the utility funds are the most significant revenue source in the General Fund, comprising 46% of revenue collections. Taxes are the second highest source of revenue, bringing approximately 39%. The breakdown of revenue sources is shown to the left.

WHERE YOUR MONEY GOES

Once the City collects taxes and other revenues, the funds must be spent efficiently to provide essential services to citizens and businesses. During the fiscal year ended June 30, 2017, the General Fund expensed its monies as shown below.



General Government: legislative, executive, administration, etc.
Public Safety: protection of citizens and property
Debt Service: scheduled principal and interest on bonds payable
Public Works: infrastructure maintenance
Judicial: all court functions
Parks & Recreation: enrich and entertain
Housing & Development: promoting community development

Statement of Revenues, Expenditures and Changes in Fund Balances FY 2017

General Fund

Revenues	Property Taxes	4,869,885
	Sales Taxes	2,032,195
	Ins. Prem. Taxes	818,624
	Other Taxes	1,024,680
	Charges for Service	-
	Licenses & Permits	243,283
	Intergovernmental	1,139,279
	Franchise Fees	763,795
	Fines & Forfeitures	441,643
	Interest Revenue	40,982
Other Revenues	530,348	
Total Revenues	11,904,714	
Expenditures	General Government	3,742,547
	Judicial	681,027
	Public Safety	13,021,222
	Public Works	3,877,743
	Parks & Recreation	483,494
	Housing & Development	1,002,525
	Debt Service	293,038
	Total Expenditures	23,101,596
	Revenues over (under) Expenditures	(11,196,882)
	Transfers and other financing sources	10,256,267
Net Changes in Fund Balances	(940,615)	

Did you know?

The millage rate has gone down. In 2013 the rate was 8.208, in 2015 it dropped to 7.708 and in 2016 and 2017 it has been 7.654.

FUND BALANCE

FUND BALANCE OF THE GENERAL FUND

A Key measure of the City's overall financial health is the fund balance. The fund balance is the difference between assets, liabilities, deferred outflows and deferred inflows of resources. Deferred inflows of resources represent an inflow of resources that relate to a future period. For example, property taxes may be levied in current year to finance the next year's budget. For fiscal year ended June 30, 2017, the City's fund balance for the General Fund totaled approximately \$21 million.

ASSETS & LIABILITIES

The Balance Sheet of the General Fund presents information about the assets and liabilities of the government. Fund Balance may serve over time as a useful indicator of a government's total financial position. A positive Fund Balance reflects the solvency, or health of the City's finances.

OUR ASSETS

(What we have, own or is owed to the City)

	<u>General Fund</u>
Cash, investments, receivables & other current items	20,012,507
Inventories, prepaid expenditures and advances	2,766,118
Restricted cash	<u>150,648</u>
Total Assets	<u>22,929,273</u>

OUR LIABILITIES

(What we owe or any debt the City is legally required to pay)

Accounts payable, accrued liabilities and unearned revenue	<u>1,670,268</u>
Total Liabilities	<u>1,670,268</u>
Deferred inflows of resources (property taxes)	49,160
Total fund balances	<u>\$ 21,209,845</u>

Did you know?
In 1963, the General Fund budget was less than \$500,000. The General Fund budget for fiscal year 2017 totaled \$24,222,231.

The City's General Fund Balance is broken into four categories: nonspendable, committed, assigned and unassigned.

Nonspendable funds represent items such as inventories, prepaid expenditures and advances to other funds or entities.

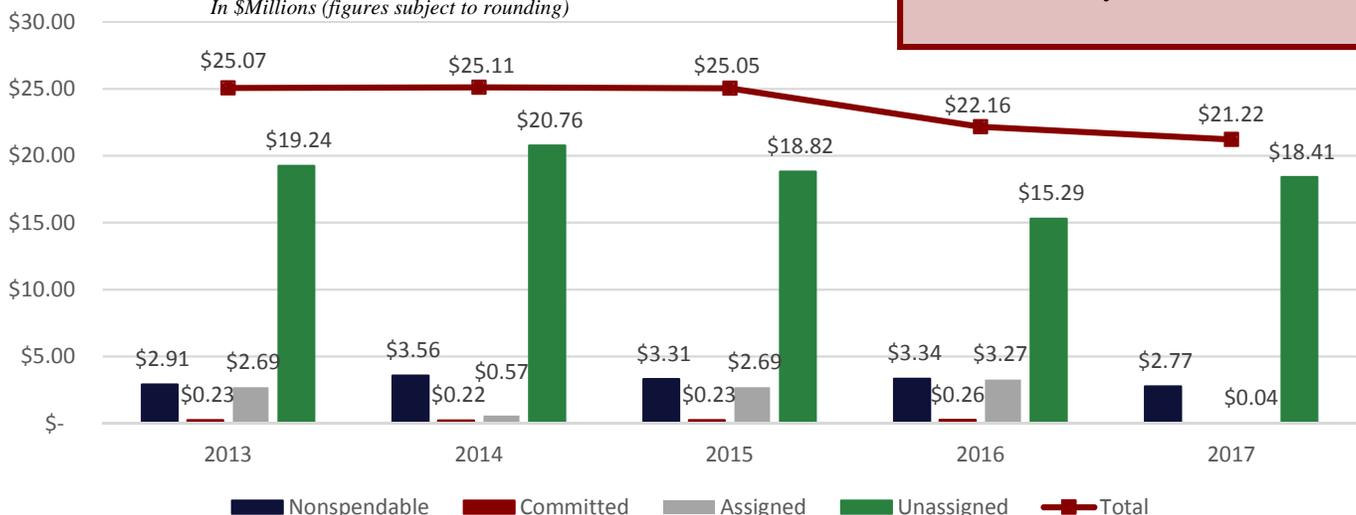
Committed funds can only be used for specific purposes approved by a resolution of the Council.

Assigned fund balance represents amounts constrained by the City's intent to be used for specific purposes. The City Council (or their designee) may assign fund balances.

The unassigned fund balance represents the residual amount when the balances do not meet any of the above criterion.

Fund Balance Five-Year Trend

In \$Millions (figures subject to rounding)



CAPITAL EXPENDITURES



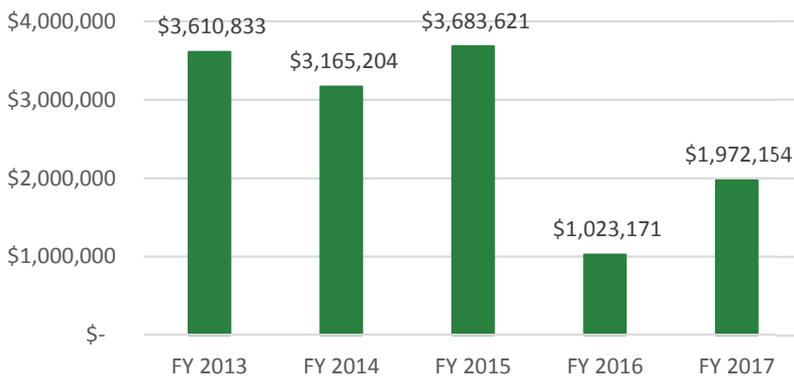
The City officially cut the ribbon on a new airport terminal building on July 18, 2017. It is 9,000 square feet and features a pilot's lounge, conference rooms and options for a restaurant and rental car space. The building cost approximately \$2 million and was funded with matching grants from the FAA and GDOT. The new terminal is part of a capital improvement plan that will convert the airport into a regional hub, attracting and housing jets of major corporations which will in turn generate jobs in the City and surrounding counties. The construction of additional hangars is underway.

The Covington Fire Department rolled out a new 2016 Sutphen Monarch 2000 GPM Pumper Truck in September 2016. This apparatus replaced a 24 year-old pumper that the department still uses today as a reserve truck. Typically, fire engines are on a replacement schedule of 12 years as a frontline use vehicle and five years as a reserve. This new engine will provide our department with the latest technologies so they can operate more efficiently and in a safer vehicle. While white trucks have been the tradition in Covington for years, it was not the original color. In fact, we have a 1947 parade truck that was used as a frontline apparatus and it is red. We have returned to our roots by selecting red for this engine.



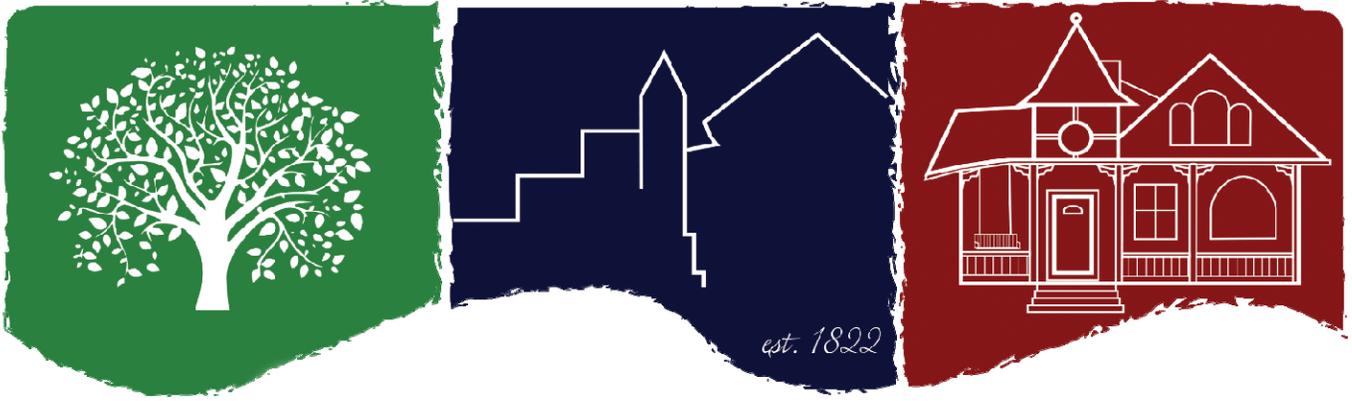
As you can see, substantial investments in community/capital improvements are made each year. The chart below depicts a five-year history of the capital expenditures to purchase, construct, and renovate the capital assets and infrastructure of our city. For fiscal year 2017, the City's investment in capital outlay (parks, roadways, buildings, etc.) totaled approximately \$1.9 million, demonstrating our ongoing commitment to provide a quality of life that ensures the success and vitality of the area.

Governmental Capital Expenditures Five-Year Trend



Did you know?

All purchases \$20,000 or greater require sealed bids and council approval. Purchases less than \$20,000 but more than \$5,000 require approval of the City Manager.



VISION

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

MISSION

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.

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

WWW.CITYOFCOVINGTON.ORG

www.facebook.com/cityofcovingtonga



Holiday lights decorating the Covington square

Dr. Suess's birthday celebration

