



NEWNAN
CITY OF HOMES

CITY OF NEWNAN, GEORGIA

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2023

**CITY OF NEWNAN, GEORGIA
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

FINANCIAL SECTION

Independent Auditor’s Report	2
Management’s Discussion and Analysis	6
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	18
Statement of Activities	19
Fund Financial Statements	
Balance Sheet – Governmental Funds	20
Reconciliation of the Balance Sheet of Governmental Funds to the	
Statement of Net Position	21
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of	
Governmental Funds to the Statement of Activities	23
Statement of Revenues, Expenditures and Changes in Fund Balances –	
Budget and Actual – General Fund	24
Statement of Revenues, Expenditures and Changes in Fund Balances –	
Budget and Actual – NSP Grant Fund	26
Statement of Revenues, Expenditures and Changes in Fund Balances –	
Budget and Actual – American Rescue Plan Act Fund	27
Statement of Net Position – Proprietary Funds	28
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	29
Statement of Cash Flows – Proprietary Funds	30
Statement of Fiduciary Net Position – Fiduciary Funds	31
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	32
Combining Statement of Net Position – Component Units	33
Combining Statement of Activities – Component Units	34
Notes to the Financial Statements	36
Required Supplementary Information	
Schedule of Changes in the City’s Net Pension Liability and Related Ratios	65
Schedule of City Contributions – Pension Plan	66
Notes to the Required Supplementary Information	67
Supplementary Information	
Combining and Individual Fund Statements and Schedules	
Combining Balance Sheet – Nonmajor Governmental Funds	71
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –	
Nonmajor Governmental Funds	72
Schedule of Revenues, Expenditures and Changes in Fund Balances –	
Budget and Actual – Confiscated Assets Fund	73
Schedule of Revenues, Expenditures and Changes in Fund Balances –	
Budget and Actual – Chip Grant Fund	74
Schedule of Revenues, Expenditures and Changes in Fund Balances –	
Budget and Actual – Miscellaneous Grants Fund	75
Schedule of Revenues, Expenditures and Changes in Fund Balances –	
Budget and Actual – Hotel/Motel Tourism Enhancement Fund	76
Schedule of Revenues, Expenditures and Changes in Fund Balances –	
Budget and Actual – Rental Motor Vehicle Excise Tax Fund	77
Balance Sheet – Newnan Convention Center Authority	80

**CITY OF NEWNAN, GEORGIA
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Statement of Revenues, Expenditures and Changes in Fund Balance – Newnan Convention Center Authority	81
Balance Sheet – Newnan Downtown Development Authority	82
Statement of Revenues, Expenditures and Changes in Fund Balance – Newnan Downtown Development Authority	83
Balance Sheet – Newnan Urban Redevelopment Agency	84
Statement of Revenues, Expenditures and Changes in Fund Balance – Newnan Urban Redevelopment Agency	85

COMPLIANCE SECTION

Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds - Special Local Option Sales Tax (2019)	87
Schedule of Project Expenditures with Rental Motor Vehicle Tax Revenue	88
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	89



FINANCIAL SECTION

The financial section includes the independent auditor’s report on the financial statement audit, the Management’s Discussion and Analysis (MD&A), which provides a narrative introduction, overview and analysis of the financial statements, and the basic financial statements including notes, required supplementary information, and supplementary information.



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Independent Auditor's Report

Mayor and City Council
City of Newnan, Georgia
Newnan, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Newnan, Georgia (the "City"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund, NSP Grant Fund, and American Rescue Plan Act fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Newnan Water, Sewerage and Light Commission, which represents 98 percent, 98 percent, and 99 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Newnan Water, Sewerage and Light Commission, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (on pages 6 through 16), The Schedule of Changes in the City's Net Pension Liability and Related Ratios (on page 65) and the Schedule of City Contributions – Pension Plan (on page 66) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, the schedules of expenditures of special purpose local sales tax proceeds, as required by the Official Code of Georgia ("O.C.G.A.") § 48-8-121 and the schedule of project expenditures with rental motor vehicle tax revenue are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the schedules of expenditures of special purpose local sales tax proceeds and the schedule of project expenditures with rental motor vehicle tax revenue are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Nichols, Cauley + Associates, LLC

Dublin, Georgia
June 28, 2024



MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

Management's Discussion and Analysis (MD&A) is a narrative introduction, overview and analysis of the basic financial statements prepared by the Finance Director.

CITY OF NEWNAN, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
FOR THE YEAR ENDED DECEMBER 31, 2023

As management of the City of Newnan, Georgia (the "City"), we offer the readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2023. We encourage the readers to consider the information provided here in conjunction with the basic financial statements and notes beginning on page 18 to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$211,490,151 (net position). The unrestricted net position, which represents available to meet the City's ongoing obligations to citizens and creditors, was \$22,787,050.
- The City's total net position increased \$8,159,558, due to increases in capital assets related to construction in progress and increases in restricted cash balances (SPLOST).
- Total net position is comprised of the following:
 - (1) Capital assets totaling \$175,203,865, including property and equipment, net of depreciation. Of this amount, \$113,249 is attributed to business-type activities in the Sanitation Fund.
 - (2) Net position of \$13,499,236 is restricted by constraints imposed from outside the City such as debt covenants, grantors, laws or regulations.
 - (3) Unrestricted net position of \$22,787,050 represents the portion available to maintain the City's continuing obligations to citizens and creditors.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$45,336,915, an increase of \$3,004,787 in comparison with the prior year. Of this amount, \$26,975,348, or 59.5%, is available for spending at the City's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unrestricted fund balance (the total of the *committed, assigned, and unassigned* components of *fund balance*) for the general fund was 81.2% of total general fund expenditures. The fund balance of City's general fund decreased \$111,559 during the current fiscal year due to investments made in capital infrastructure.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements includes three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements – The government-wide financial statements provide a broad view of the City's operations in a manner similar to a private-sector business.

The *Statement of Net Position* presents financial information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Overtime, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

**CITY OF NEWNAN, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
FOR THE YEAR ENDED DECEMBER 31, 2023**

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, community development, tourism development and public works. The business-type activities of the City include collection and disposal of brush (yard debris) and bulk items, in addition to providing trash services to the downtown area only, which the City started in 2018. AmWaste of Georgia, LLC handles all other Sanitation activities, including collection and disposal of residential solid waste (trash), the City's designated contractor for such services. In late 2022, the City created a Sanitation Administration department that is responsible for customer service and billing.

The government-wide financial statements include not only the City itself (known as the primary government), but also include four legally separate entities; the Newnan Convention Center Authority, The Downtown Development Authority of Newnan, The Newnan Urban Redevelopment Authority and Newnan Water, Sewerage and Light Commission – for which the City is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements are presented on pages 18 - 19 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the 2019 SPLOST fund, the NSP grant fund and the American Rescue Plan Act fund, which are considered to be major funds. Data from the other seven governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The City adopts an annual appropriated budget for its general fund and each of the special revenue funds. Budgets are prepared for the capital projects funds on a project basis, which usually cover two or more years. A budgetary comparison statement has been provided for the each of these funds to demonstrate compliance with these budgets.

The basic governmental fund financial statements are presented on pages 20 - 27 of this report.

CITY OF NEWNAN, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
FOR THE YEAR ENDED DECEMBER 31, 2023

Individual fund information for non-major governmental funds is found in combining statements in a later section of this report.

Proprietary Funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its Sanitation operation (residential solid waste (trash), city-wide brush/bulk services and downtown trash collection). *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for the management of its health insurance activities. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements. The sanitation fund is considered to be a major fund of the City.

The basic proprietary fund financial statements can be found on pages 28-30 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reported in the government-wide financial statements because the resources of those funds *are* not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City maintains one type of fiduciary fund. The Custodial fund reports resources, not in a trust, that are held by the City for other parties outside of City's reporting entity. The City has only one custodial fund – Preconfiscated Assets for law enforcement purposes.

The basic fiduciary fund financial statements are presented on pages 31 and 32 of this report.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 36-63 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the City's progress in funding its obligations to provide pension benefits to its employees. Required supplementary information can be found immediately after the notes to the financial statements on pages 65-67.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 71-85 of this report.

CITY OF NEWNAN, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
FOR THE YEAR ENDED DECEMBER 31, 2023

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$203,330,593, at the close of the most recent fiscal year.

City of Newnan, Georgia - Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 53,662,717	\$ 52,713,946	\$ 1,682,588	\$ 358,921	\$ 55,345,305	\$ 53,072,867
Capital assets	175,374,334	169,649,733	113,249	166,613	175,487,583	169,816,346
Total assets	229,037,051	222,363,679	1,795,837	525,534	230,832,888	222,889,213
Deferred outflows of resources	5,969,121	4,507,751	166,475	127,743	6,135,596	4,635,494
Noncurrent liabilities	15,790,321	11,025,919	436,332	300,512	16,226,653	11,326,431
Other liabilities	7,605,785	9,794,378	1,645,895	325,290	9,251,680	10,119,668
Total liabilities	23,396,106	20,820,297	2,082,227	625,802	25,478,333	21,446,099
Deferred inflows of resources	-	2,672,287	-	75,728	-	2,748,015
Net position:						
Net investment in capital assets	175,090,616	169,497,970	113,249	166,613	175,203,865	169,664,583
Restricted	13,499,236	10,356,442	-	-	13,499,236	10,356,442
Unrestricted	23,020,214	23,524,434	(233,164)	(214,866)	22,787,050	23,309,568
Total net position	\$211,610,066	\$203,378,846	\$ (119,915)	\$ (48,253)	\$211,490,151	\$203,330,593

The City's total net position at calendar year-end was \$211,490,151, which is an increase of \$8,159,558, or 4.00%. The largest portion of net position (82.8%) reflects the City's net investment in capital assets, which is consistent with 2022. Current and other assets increased by \$2,272,438 million, or 4.3%, primarily due to the increase in cash and cash equivalents. The \$5,539,282 increase in capital assets is mainly due to the capitalization of various projects.

Other liabilities decreased in total by \$867,988, or 8.6%. Noncurrent liabilities, which included accruals to the City's retirement plan and for vacation leave for employees, showed an increase of \$4,900,222. This is due a \$3.10 million dollar increase in pension liability and a \$1.72 million decrease in fiduciary net cash position. At December 31, 2023, noncurrent liabilities made up 63.7% of total liabilities.

CITY OF NEWNAN, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
FOR THE YEAR ENDED DECEMBER 31, 2023

The City continues to maintain a high current ratio of current assets to current liabilities. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 7.06 to 1, which is strong. The ratio for 2022 was 5.38 to 1.

By far, the largest portion of the City's net position, \$175,203,865, reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles and infrastructure), net of accumulated depreciation. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending.

An additional portion of the City's net position, \$13,499,236 represents resources that are subject to external restrictions on how they may be used. As of the end of the current year, the City's unrestricted net position was \$22,746,879.

The City's overall net position increased \$8,159,558 from the prior year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

City of Newnan, Georgia - Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 5,850,003	\$ 4,691,336	\$ 4,820,308	\$ 817,267	\$ 10,670,311	\$ 5,508,603
Operating grants and contribution	2,256,299	12,762,866	-	13,406	2,256,299	12,776,272
Capital grants and contributions	10,585,825	15,126,488	-	-	10,585,825	15,126,488
General revenues:						
Taxes	31,963,527	31,377,053	-	-	31,963,527	31,377,053
Investment earnings	713,998	131,497	12,234	3,686	726,232	135,183
Miscellaneous	408,101	311,330	-	-	408,101	311,330
Total revenues	51,777,753	64,400,570	4,832,542	834,359	56,610,295	65,234,929
Expenses:						
General government	13,660,594	17,937,459	-	-	13,660,594	17,937,459
Public safety	16,892,889	15,500,896	-	-	16,892,889	15,500,896
Public works	4,845,624	7,039,071	-	-	4,845,624	7,039,071
Tourism	1,305,151	468,499	-	-	1,305,151	468,499
Community development	6,692,275	5,335,011	-	-	6,692,275	5,335,011
Sanitation	-	-	5,054,204	1,465,734	5,054,204	1,465,734
Total expenses	43,396,533	46,280,936	5,054,204	1,465,734	48,450,737	47,746,670
Increase (decrease) in net position before transfers	8,381,220	18,119,634	(221,662)	(631,375)	8,159,558	17,488,259
Transfers	(150,000)	(190,000)	150,000	190,000	-	-
Change in position	8,231,220	17,929,634	(71,662)	(441,375)	8,159,558	17,488,259
Net position, beginning	203,378,846	185,449,212	(48,253)	393,122	203,330,593	185,842,334
Net position, ending	\$ 211,610,066	\$ 203,378,846	\$ (119,915)	\$ (48,253)	\$ 211,490,151	\$ 203,330,593

Governmental Activities. During the current fiscal year, net position for governmental activities increased \$8,231,220. This increase was primarily due to increases in capital assets related to construction in progress and increases in restricted cash balances (SPLOST).

**CITY OF NEWNAN, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
FOR THE YEAR ENDED DECEMBER 31, 2023**

Revenues decreased \$12.6 million from the prior year primarily due to decrease in operating capital grants (FEMA and ARPA grant funding). However, almost every revenue category showed an increase over 2022, with the exception of franchise and occupational taxes. The changes in revenues are indicative of the general economy in Newnan and nationally. Our population continues to increase, with both commercial and residential permitting continuing to show positive growth. The City of Newnan still shows recovery efforts from the impacts of the EF4 tornado in March of 2021 and the COVID pandemic.

Governmental expenses decreased \$2,884,403 from the prior year primarily due to grant reductions to general government and public works. These decreases are primarily due to the expenses related to the American Rescue Plan Act and FEMA tornado recovery funding. In addition, the public safety function saw an increase of approximately \$1.39 Million primarily due to increased operational costs (wages/fica).

The table below presents the cost of each of the City's functions, including the net cost (i.e., total cost less revenue generated by the activities). The net cost / benefit column illustrates the financial burden placed on the City's taxpayers by each of these functions.

Governmental Activities				
	<u>Total Cost of Services</u>	<u>Percentage of Total</u>	<u>Net Cost of Services</u>	<u>Percentage of Total</u>
General government	\$ 13,660,594	31.5%	\$ (8,115,344)	32.8%
Public safety	16,892,889	38.9%	(13,984,604)	56.6%
Public works	4,845,624	11.2%	336,769	-1.4%
Tourism	1,305,151	3.0%	(930,126)	3.8%
Community development	<u>6,692,275</u>	<u>15.4%</u>	<u>(2,011,101)</u>	<u>8.1%</u>
Total	<u>\$ 43,396,533</u>	<u>100.0%</u>	<u>\$ (24,704,406)</u>	<u>100.0%</u>

Business-type Activities. For the City's business-type activities, the results for the current fiscal year were that overall net position decreased to reach an ending balance of a deficit of \$119,915. The total decrease in net position for business-type activities (sanitation fund) was \$71,662 or 148.5% from the prior year. Residential garbage fees and expenses were budgeted and expensed in the Sanitation Enterprise fund, thus substantial increases in both revenue and expenses on the Statement of Net Cash position. Residential collection is provided by a private hauler, AmWaste. While, the City of Newnan operates a business office for collection of the fees and customer service center for the needs of the community.

Governmental Funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited for use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes of the City's Council.

At December 31, 2023 the City's governmental funds reported combined fund balances of \$45,336,915, an increase of \$3,004,787 in comparison with the prior year. Of this amount, \$26,975,348, or 59.5%, constitutes *unassigned fund balance*, which is available for spending at the City's discretion. The remainder of the fund balance is either *nonspendable, restricted, committed, or assigned* to indicate that it is (1) not in spendable form, \$310,868; (2) restricted for particular purposes, \$13,499,236; (3) committed for particular purposes, \$1,240,431; or (4) assigned for particular purposes, \$3,311,032.

Analysis of Individual Funds

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$26,975,348, while total fund balance decreased to \$30,597,248. As a measure of the general fund's

**CITY OF NEWNAN, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
FOR THE YEAR ENDED DECEMBER 31, 2023**

liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents 72.3% of total general fund expenditures, while total fund balance represents 82.0% of that same amount. The fund balance of City's general fund decreased \$111,559 during the current fiscal year due to capital improvement projects.

The fund balance of the 2019 SPLOST fund increased \$2,849,478 during the current fiscal year as compared to an increase of \$6,116,430 in the prior year. The change is due to (1) an increase in SPLOST proceeds during the current fiscal year of approximately \$300,000 and (2) an increase in capital outlay expenditures of approximately \$3.5 Million as the City completed more capital projects during the current year as the prior year. At year end, the City has \$11,959,271 remaining to complete capital projects approved under the SPLOST referendum.

The fund balance for the NSP Grant and American Rescue Plan Act funds remained unchanged at zero as these funds' proceeds remain unearned until the proceeds are spent on approved expenditures. During the year, expenditures in the NSP Grant fund totaled \$583,434 and \$1,380,023 remained in unearned revenues at year end for future use. The American Rescue Plan Act fund incurred approximately \$1.38 Million in expenditures during the current fiscal year and approximately \$4,327,605 Million remained in unearned revenue at year end for future approved uses.

Capital Assets and Debt Administration

Capital Assets. The City's investment in capital assets for the City's governmental and business-type activities as of December 31, 2023, amounts to \$175,527,754 (net of accumulated depreciation). This investment in capital asset includes land, buildings, machinery, equipment, vehicles, park facilities, roads, highways and bridges. Total increase in capital assets for the current fiscal year was 3.4%.

City of Newnan, Georgia's Capital Assets (net of depreciation/amortization)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 29,463,108	\$ 29,266,725	\$ -	\$ -	\$ 29,463,108	\$ 29,266,725
Construction in progress	7,966,359	3,918,915	-	-	7,966,359	3,918,915
Buildings and parks	38,514,283	39,427,095	-	-	38,514,283	39,427,095
Other improvements	11,336,255	8,495,274	-	-	11,336,255	8,495,274
Machinery and equipment	12,654,319	12,108,417	113,249	166,613	12,767,568	12,275,030
Infrastructure	75,440,010	76,433,307	-	-	75,440,010	76,433,307
	<u>\$175,374,334</u>	<u>\$169,649,733</u>	<u>\$ 113,249</u>	<u>\$ 166,613</u>	<u>\$175,487,583</u>	<u>\$169,816,346</u>

Major capital asset items acquired or projects completed during the 2023 current calendar year included the following:

- Completed remodel of Planning and Zoning Offices at City Hall
- Completed remodel of Sanitation Offices on Jefferson Street
- Replaced several vehicles for Public Safety
- Purchased vehicles for Public Works, Garage, Beautification, Building Inspection, Planning and Zoning
- Purchased new equipment for Streets
- Purchased protective equipment for Fire Department



**CITY OF NEWNAN, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
FOR THE YEAR ENDED DECEMBER 31, 2023**

- Substantially completed construction of the Fire Training Facility
- Completed construction of parking lot at Wadsworth Auditorium
- Renovations at CJ Park



Accumulated depreciation increased by \$5,656,374 in total, due to the current years' depreciation expense. Depreciation is calculated based on the actual acquisition date of the asset. Readers who desire more detailed information on capital asset activity during 2023 may refer to Note 6 on page 48 of this report.

Additionally, several projects were under construction as of December 31, 2023. Construction in progress project expenses are capitalized in full upon completion of the project. The total construction in progress (CIP) at December 31, 2023 was \$7,966,359. At the end of 2022, construction in progress totaled \$3,918,915. The City added approximately \$6.8 million to construction in progress during the year, but then placed in service about \$2.8 million at year-end.

At December 31, 2023, the depreciable capital assets for governmental activities were 37.1% depreciated, which is comparable to 2022's percentage depreciated. This comparison indicates that the City is replacing its assets at approximately the same rate as they are depreciating, which is a positive indicator.

Long-term Debt. At the end of the current year, the primary government had no long-term debt. Other noncurrent liabilities related to the City's pension liability for eligible retirees in the amount of \$15,061,584. This reflects an 47.1% increase for 2023, with the total for 2022 at \$10,236,751.

Another noncurrent liability for the City relates to pay for earned vacation, sick leave and compensatory time, as well as the associated FICA and Medicare taxes related to the compensated absences liability. The City pays 10% of earned sick leave and 100% of earned vacation upon employee termination. The 2023 amount payable totals \$1,165,069, as compared to \$1,089,680 at the end of 2022. The long-term obligation for business-type activities in the Sanitation fund accounts for \$27,672 of the total amount payable.

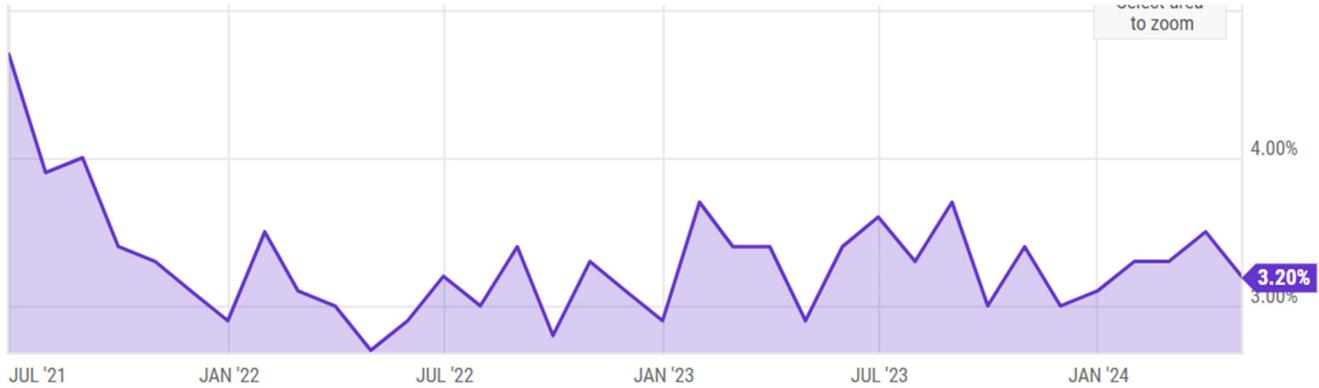
Historically, the City has operated on a pay-as-you go plan for capital projects rather than incur debt. The City has occasionally utilized general fund unassigned fund balance to advance other fund's capital construction costs rather than incur debt and pay carrying costs. The advances are paid back to the general fund as revenues are collected in future years. All such advances to other funds were paid in full at the end of 2023.

A SUMMARY OF THE ECONOMIC CONDITIONS AFFECTING THE CITY

The challenge for all governments is to provide quality services at a reasonable cost to its citizens. The City of Newnan remains in a relatively strong financial position, with fund balances totaling \$45,336,915 the end of 2023. The City proactively manages resources and service strategies, and infrastructure costs are being passed onto developers to minimize the impact on the citizens of Newnan where possible. Additionally, all departments are charged with controlling expenditures based on budgeted amounts. The City of Newnan is committed to saving costs and providing lean and efficient government services.

**CITY OF NEWNAN, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
FOR THE YEAR ENDED DECEMBER 31, 2023**

Since 2021, the unemployment rate is declining and new or growing commercial entities are adding job opportunities for our community. The healthcare industry accounts for approximately 15% of the employment in Coweta County. Cancer



Treatment Centers of America (CTCA) is still expanding and adding jobs. The facility employs 650 persons and around 200 physicians. Additionally, Piedmont Newnan Hospital and Health South Rehabilitation Hospital have constructed new and/or expanded facilities within the past six-year period. Finally, Encompass Health, one of the nation’s largest providers of healthcare services, offers both facility-based and home-based patient care, has a 60-bed in-patient rehabilitation center in Newnan.

Another important aspect of any successful, thriving community is a quality education system supporting workforce training requirements. The Coweta County School System was named an “Exemplar” School System by the 2016 AdvancED review team as an example to other school systems, when recommending 2016-2022 District Accreditation. Coweta Schools scored significantly higher than AdvancEd’s international averages for Teaching and Learning, Leadership Capacity, and Resource Utilization. The district has about 22,200 students and nearly 3,300 employees. There are also a number of high quality private and religious sponsored schools in the community. The 2023 graduation rate for Coweta County is about 91.7%, as compared to the State at roughly 84.4%.

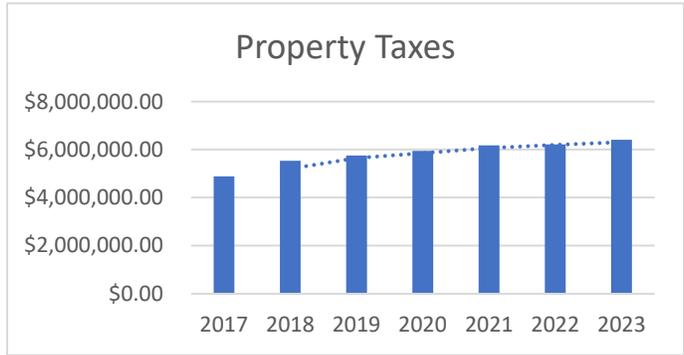
Through a partnership with the Board of Regents, Coweta County and the City of Newnan, the University of West Georgia satellite campus was opened in 2015 in the old, renovated Newnan Hospital building. UWG enrollment continues to increase as educational opportunities are added to complement local business needs. The Newnan campus has over 1,000 students enrolled. Additionally, West Georgia Technical College in Newnan provides both core curriculum and trade specific training to its 7,000 students, with 25% attending full time.

Sales tax revenue is extremely strong and is representative of the growth in the city and county. Sales tax is the leading revenue source for general fund operations, 37%. The LOST, or Local Option Sales Tax, was renewed in January of 2023 and will be in effect for the next 10 years. The LOST is a 1% sales tax that provides funds for maintenance and operations of the government. Additionally, in 2017, voters overwhelmingly approved SPLOST 2019 which began on January 1, 2019 and runs for six years through December 31, 2024. This represents the eighth consecutive SPLOST in Coweta County since 1986. The first collection was in January 2019.



**CITY OF NEWNAN, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
FOR THE YEAR ENDED DECEMBER 31, 2023**

The City's net property digest increased by approximately 12.6% from 2022 to 2023. Staff is projecting a 12.5% increase for Fiscal Year 2024 with estimated revenue of \$7.4 million. Property tax revenue is the second leading revenue for the City of Newnan, roughly 21%.



While revenue collections overall are strong, the City is experiencing inflationary pressures. The cost of materials, goods and services, across all funds are seeing increases as much as 20%. Recruiting and maintaining workforce in several department has also been challenging. Due to those pressures, the Mayor and Council implemented hiring and retention bonuses for police officers, immediate contributions towards public safety annuity and benefit funds, and commitments to adjust salaries in the 2024 budgets.

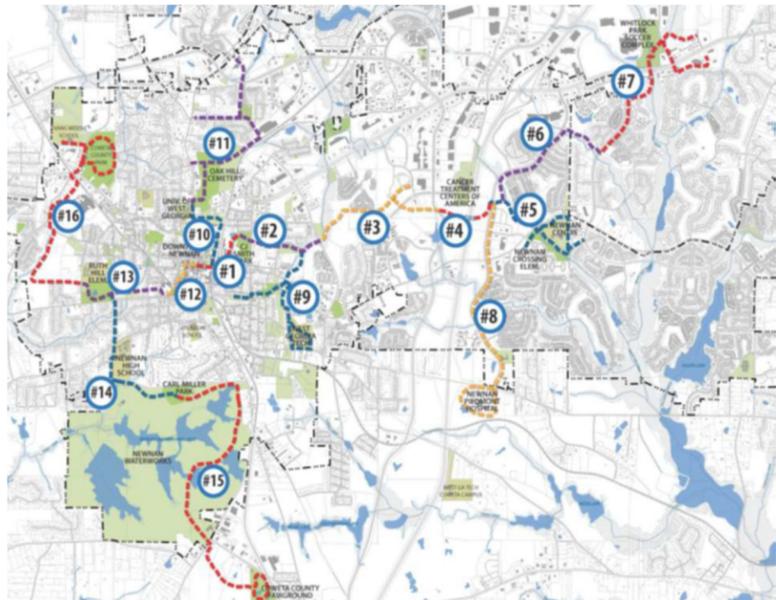
The City strives to maintain current service levels while keeping costs as low as possible. Our goal is to maintain a healthy fund balance, while protecting the interests of the citizens in the City of Newnan. Overall, the City of Newnan is in a good position to handle significant growth and provide a healthy future for its residents.

Major Ongoing Initiatives

Fiscal Year 2024 has a number of large-scale initiatives that address improvements to Transportation Networks and major Park Improvements

- Paving of various streets
- Completion of the construction of the Newnan Crossing Blvd Roundabout
- Complete construction intersection improvements a Jefferson/Clark/Bullsboro/Jackson
- Initiate design of Phase I, Operational Improvements on Lower Fayetteville Road
- Complete construction of an ADA playground at Sprayberry Road Park
- Construction of Bi-Centennial Park for Linc Trailhead
- Parking Improvements at Lynch Park
- Greenville Street Park Improvements
- Construction of Additional Pickleball Courts

The City, in conjunction with Coweta County, continues with the construction of a multi-use, paved trail/linear park system, called LINC, in Newnan and Coweta County. This is a long-term project, which will eventually be about 25.5 miles long with an expected cost of approximately \$20 million. The first phase of the trail system, connecting Newnan Crossing Boulevard to the Nixon Centre, Newnan Crossing Elementary School and the residential neighborhoods along Highwoods Parkway and Shenandoah Boulevard opened in early 2021. The downtown section that connected Summergrove Community to Downtown was completed in 2022. The goal of the LINC is to provide residents with close-to-home and close-to-work access to bicycle and pedestrian trails, serve transportation and recreation needs



CITY OF NEWNAN, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
FOR THE YEAR ENDED DECEMBER 31, 2023

and help encourage quality of life and sustainable economic growth in Newnan and Coweta County. Future segments will be constructed with SPLOST 25 funding approved by referendum in May of 2023. A copy of the map showing the LINC master plan trail segments is included below.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Manager, City of Newnan, 25 LaGrange Street, Newnan, Georgia, 30263.



BASIC FINANCIAL STATEMENTS

The basic financial statements include the government-wide statement of net position and government-wide statement of activities which include all the primary government's governmental activities, business-type activities and component units. In addition, the basic financial statements include the fund financial statements and the notes to the financial statements

CITY OF NEWNAN, GEORGIA
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Assets				
Cash and cash equivalents	\$ 36,359,358	\$ 920,489	\$ 37,279,847	\$ 25,242,994
Investments	11,304,497	250,163	11,554,660	41,662,641
Receivables, net	2,311,236	508,390	2,819,626	6,824,749
Intergovernmental receivables	3,377,645	-	3,377,645	93,312
Notes receivable	150,000	-	150,000	-
Lease receivables	-	-	-	816,451
Internal balances	(887)	887	-	-
Inventories	31,904	-	31,904	4,054,026
Prepaid items	128,964	2,659	131,623	473,913
Restricted assets				
Cash and cash equivalents	-	-	-	8,982,977
Capital assets				
Nondepreciable	37,429,467	-	37,429,467	9,075,877
Depreciable, net	137,944,867	113,249	138,058,116	123,973,694
Assets held for sale	-	-	-	25,000
Deferred compensation funding arrangements	-	-	-	6,945,102
Total assets	229,037,051	1,795,837	230,832,888	228,170,736
Deferred Outflows of Resources				
Deferred charges	-	-	-	314,745
Related to pension	5,969,121	166,475	6,135,596	10,837,192
Total deferred outflows of resources	5,969,121	166,475	6,135,596	11,151,937
Liabilities				
Accounts payable	813,977	322,197	1,136,174	3,382,903
Retainage payable	283,718	-	283,718	-
Accrued expenses	714,681	25,053	739,734	341,024
Accrued interest	-	-	-	321,069
Deposits payable	-	-	-	2,182,309
Claims payable	330,461	-	330,461	-
Unearned revenue	5,462,948	1,298,645	6,761,593	-
Noncurrent liabilities				
Due within one year				
Long-term obligations	900,901	25,358	926,259	685,874
Due in more than one year				
Long-term obligations	236,496	2,314	238,810	15,464,720
Net pension liability	14,652,924	408,660	15,061,584	3,271,000
Total liabilities	23,396,106	2,082,227	25,478,333	25,648,899
Deferred Inflows of Resources				
Deferred refunding gain	-	-	-	10,203
Related to leases	-	-	-	816,451
Related to OPEB	-	-	-	146,000
Related to pension	-	-	-	838,000
Total deferred inflows of resources	-	-	-	1,810,654
Net Position				
Net investment in capital assets	175,090,616	113,249	175,203,865	118,923,328
Restricted for				
Capital projects	13,176,720	-	13,176,720	-
Capital improvements and debt service	-	-	-	8,982,977
Public safety programs	150,538	-	150,538	-
Tourism programs	171,978	-	171,978	-
Unrestricted	23,020,214	(233,164)	22,787,050	83,956,815
Total net position	\$ 211,610,066	\$ (119,915)	\$ 211,490,151	\$ 211,863,120

The notes to the financial statements are an integral part of this statement.

CITY OF NEWNAN, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary government								
Governmental activities								
General government	\$ 13,660,594	\$ 2,945,331	\$ 1,538,658	\$ 1,061,261	\$ (8,115,344)	\$ -	\$ (8,115,344)	\$ -
Public safety	16,892,889	1,887,323	111,309	909,653	(13,984,604)	-	(13,984,604)	-
Public works	4,845,624	60,534	438,668	4,683,191	336,769	-	336,769	-
Tourism	1,305,151	375,025	-	-	(930,126)	-	(930,126)	-
Community development	6,692,275	581,790	167,664	3,931,720	(2,011,101)	-	(2,011,101)	-
Total governmental activities	<u>43,396,533</u>	<u>5,850,003</u>	<u>2,256,299</u>	<u>10,585,825</u>	<u>(24,704,406)</u>	<u>-</u>	<u>(24,704,406)</u>	<u>-</u>
Business-type activities								
Sanitation fund	5,054,204	4,820,308	-	-	-	(233,896)	(233,896)	-
Total business-type activities	<u>5,054,204</u>	<u>4,820,308</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(233,896)</u>	<u>(233,896)</u>	<u>-</u>
Total primary government	<u>48,450,737</u>	<u>10,670,311</u>	<u>2,256,299</u>	<u>10,585,825</u>	<u>(24,704,406)</u>	<u>(233,896)</u>	<u>(24,938,302)</u>	<u>-</u>
Component units	<u>\$ 68,560,343</u>	<u>\$ 72,297,924</u>	<u>\$ 474,294</u>	<u>\$ 3,845,238</u>				<u>8,057,113</u>
General revenues and transfers								
General revenues								
Property taxes					6,872,768	-	6,872,768	-
Motor vehicle taxes					1,606,635	-	1,606,635	-
Sales taxes					12,200,741	-	12,200,741	-
Franchise taxes					1,661,234	-	1,661,234	-
Insurance premium taxes					3,773,740	-	3,773,740	-
Occupational taxes					2,930,103	-	2,930,103	-
Hotel/Motel taxes					1,425,237	-	1,425,237	-
Other taxes					1,493,069	-	1,493,069	-
Unrestricted investment earnings					713,998	12,234	726,232	191
Gain (loss) on sale of capital assets					76,828	-	76,828	163,979
Miscellaneous					331,273	-	331,273	-
Transfers					(150,000)	150,000	-	-
Total general revenues and transfers					<u>32,935,626</u>	<u>162,234</u>	<u>33,097,860</u>	<u>164,170</u>
Change in net position					8,231,220	(71,662)	8,159,558	8,221,283
Net position - beginning					203,378,846	(48,253)	203,330,593	203,641,837
Net position - ending					<u>\$ 211,610,066</u>	<u>\$ (119,915)</u>	<u>\$ 211,490,151</u>	<u>\$ 211,863,120</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF NEWNAN, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	General	2019 SPLOST	NSP GRANT	American Rescue Plan Act	Total Nonmajor Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 17,637,091	\$ 10,611,295	\$ 1,045,389	\$ 4,327,605	\$ 2,081,581	\$ 35,702,961
Investments	10,175,425	-	-	-	1,129,072	11,304,497
Receivables, net	2,108,626	-	-	-	202,610	2,311,236
Intergovernmental receivables	1,538,592	1,813,665	-	-	25,388	3,377,645
Due from other funds	216,758	-	-	-	-	216,758
Note receivable	150,000	-	-	-	-	150,000
Inventories	31,904	-	-	-	-	31,904
Prepaid items	128,964	-	-	-	-	128,964
Total assets	\$ 31,987,360	\$ 12,424,960	\$ 1,045,389	\$ 4,327,605	\$ 3,438,651	\$ 53,223,965
Liabilities						
Accounts payable	\$ 280,463	\$ 181,971	\$ -	\$ -	\$ 351,543	\$ 813,977
Retainage payable	-	283,718	-	-	-	283,718
Accrued expenses	714,681	-	-	-	-	714,681
Due to other funds	1,867	-	-	-	216,758	218,625
Unearned revenue	-	-	1,045,389	4,327,605	89,954	5,462,948
Total liabilities	997,011	465,689	1,045,389	4,327,605	658,255	7,493,949
Deferred Inflows of Resources						
Unavailable revenues	393,101	-	-	-	-	393,101
Total deferred inflows of resources	393,101	-	-	-	-	393,101
Fund Balances						
Nonspendable	310,868	-	-	-	-	310,868
Restricted	-	11,959,271	-	-	1,539,965	13,499,236
Committed	-	-	-	-	1,240,431	1,240,431
Assigned	3,311,032	-	-	-	-	3,311,032
Unassigned	26,975,348	-	-	-	-	26,975,348
Total fund balances	30,597,248	11,959,271	-	-	2,780,396	45,336,915
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 31,987,360	\$ 12,424,960	\$ 1,045,389	\$ 4,327,605	\$ 3,438,651	\$ 53,223,965

The notes to the financial statements are an integral part of this statement.

CITY OF NEWNAN, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2023

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - governmental funds		\$ 45,336,915
Capital assets used in governmental activities are not current financial resources, and therefore are not reported in the funds.		
Cost of capital assets	\$ 256,763,981	
Less accumulated depreciation	<u>(81,389,647)</u>	175,374,334
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds		
Property taxes		393,101
The Internal service fund is used by management to charge the costs of the group health insurance to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities column on the government-wide statement of net position.		
		326,916
Differences between expected and actual experiences, actuarial changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for postretirement benefits (pension) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.		
Deferred outflows related to pension	5,969,121	
Deferred inflows related to pension	<u>-</u>	5,969,121
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the funds.		
Compensated absences	(1,137,397)	
Net pension liability	<u>(14,652,924)</u>	<u>(15,790,321)</u>
Net position of governmental activities		<u><u>\$ 211,610,066</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF NEWNAN, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	General	2019 SPLOST	NSP GRANT	American Rescue Plan Act	Total Nonmajor Funds	Total Governmental Funds
Revenues						
Taxes	\$ 30,229,058	\$ -	\$ -	\$ -	\$ 1,537,766	\$ 31,766,824
Licenses and permits	896,681	-	-	-	-	896,681
Intergovernmental	3,456,351	10,076,007	581,790	1,380,023	684,528	16,178,699
Charges for services	231,022	-	-	-	251,218	482,240
Fines and forfeitures	919,018	-	-	-	143,925	1,062,943
Investment earnings	622,848	31,243	1,644	-	87,111	742,846
Contributions and donations	-	-	-	-	16	16
Miscellaneous	206,884	-	-	-	-	206,884
Total revenues	<u>36,561,862</u>	<u>10,107,250</u>	<u>583,434</u>	<u>1,380,023</u>	<u>2,704,564</u>	<u>51,337,133</u>
Expenditures						
Current						
General government	11,694,493	-	-	868,335	44,136	12,606,964
Public safety	16,065,134	-	-	43,667	118,688	16,227,489
Public works	4,081,346	-	-	438,668	-	4,520,014
Tourism	-	-	-	-	1,305,151	1,305,151
Community development	5,458,434	-	583,434	29,353	138,311	6,209,532
Capital outlay	-	6,250,171	-	-	296,946	6,547,117
Intergovernmental	-	1,007,601	-	-	-	1,007,601
Total expenditures	<u>37,299,407</u>	<u>7,257,772</u>	<u>583,434</u>	<u>1,380,023</u>	<u>1,903,232</u>	<u>48,423,868</u>
Excess of revenues over (under) expenditures	<u>(737,545)</u>	<u>2,849,478</u>	<u>-</u>	<u>-</u>	<u>801,332</u>	<u>2,913,265</u>
Other Financing Sources (Uses)						
Transfers in	534,464	-	-	-	-	534,464
Transfers out	(150,000)	-	-	-	(534,464)	(684,464)
Insurance recoveries	164,694	-	-	-	-	164,694
Sale of capital assets	76,828	-	-	-	-	76,828
Total other financing sources (uses)	<u>625,986</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(534,464)</u>	<u>91,522</u>
Net change in fund balances	(111,559)	2,849,478	-	-	266,868	3,004,787
Fund balances - beginning	30,708,807	9,109,793	-	-	2,513,528	42,332,128
Fund balances - ending	<u>\$ 30,597,248</u>	<u>\$ 11,959,271</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,780,396</u>	<u>\$ 45,336,915</u>

The notes to the financial statements are an integral part of this statement.

CITY OF NEWNAN, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

Amounts reported for governmental activities in the statement of activities are different because:

Total changes in fund balances - total governmental funds		\$ 3,004,787
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.</p>		
Depreciation expense	\$ (7,000,300)	
Capital outlay	<u>12,755,655</u>	5,755,355
<p>The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins and donations) is to decrease net position</p>		
		(30,754)
<p>Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows of resources in the funds.</p>		
Property taxes		196,703
<p>Internal Service Funds are used by management to charge the costs of certain employee insurance coverages and vehicle/equipment expenses to the individual funds. The net revenue of certain activities of Internal Service Funds is reported with governmental activities.</p>		
		(64,126)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
Change in compensated absences	(66,130)	
Pension expense	<u>(564,615)</u>	<u>(630,745)</u>
Change in net position of governmental activities		<u>\$ 8,231,220</u>

The notes to the financial statements are an integral part of this statement.

CITY OF NEWNAN, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Property	\$ 6,852,000	\$ 6,964,000	\$ 6,676,065	\$ (287,935)
Motor vehicle	1,520,000	1,610,000	1,606,635	(3,365)
Franchise	1,558,000	1,728,000	1,661,234	(66,766)
Sales	11,000,000	12,250,000	12,200,741	(49,259)
Insurance premium	3,100,000	3,773,739	3,773,740	1
Occupational	2,850,000	2,940,000	2,930,103	(9,897)
Alcoholic beverage	1,015,000	1,096,852	1,101,165	4,313
Other	265,500	265,500	279,375	13,875
Licenses and permits	650,750	884,035	896,681	12,646
Intergovernmental	830,000	1,633,127	1,601,794	(31,333)
Intergovernmental - Utility	1,750,000	1,855,000	1,854,557	(443)
Charges for services	213,250	232,806	231,022	(1,784)
Fines and forfeitures	747,000	917,000	919,018	2,018
Investment earnings	50,000	448,500	622,848	174,348
Miscellaneous	125,000	186,000	206,884	20,884
Total revenues	32,526,500	36,784,559	36,561,862	(222,697)
Expenditures				
Current				
General government				
City council	284,051	417,051	416,642	409
City manager	1,089,562	2,564,406	2,559,218	5,188
Finance	648,263	562,991	562,870	121
Information technology	630,439	643,589	634,457	9,132
Human resources	5,082,968	5,621,660	5,607,811	13,849
Municipal court	494,232	500,453	500,449	4
Facilities maintenance	875,284	1,429,410	1,413,046	16,364
Total general government	9,104,799	11,739,560	11,694,493	45,067
Public safety				
Police	9,980,812	10,328,922	10,328,722	200
Fire	5,746,061	5,746,061	5,736,412	9,649
Total public safety	15,726,873	16,074,983	16,065,134	9,849
Public works				
Administration	203,513	215,380	214,767	613
Engineer	472,308	526,376	496,000	30,376
Keep Newnan Beautiful	152,280	226,167	225,803	364
Streets	2,014,793	2,057,863	2,055,603	2,260
Garage	497,149	437,395	437,119	276
Cemetery	655,287	655,287	652,054	3,233
Total public works	3,995,330	4,118,468	4,081,346	37,122

(continued on the following page)

CITY OF NEWNAN, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Community development				
Planning and zoning	560,668	560,668	558,405	2,263
Business development and special events	173,165	173,165	160,194	12,971
Library	228,352	234,163	233,652	511
Leisure services	596,105	1,984,105	1,983,474	631
Parks and ROW beautification	1,651,422	1,621,911	1,621,737	174
Building inspection	903,536	903,536	900,972	2,564
Total community development	<u>4,113,248</u>	<u>5,477,548</u>	<u>5,458,434</u>	<u>19,114</u>
Total expenditures	<u>32,940,250</u>	<u>37,410,559</u>	<u>37,299,407</u>	<u>111,152</u>
Excess of revenues over (under) expenditures	<u>(413,750)</u>	<u>(626,000)</u>	<u>(737,545)</u>	<u>(111,545)</u>
Other Financing Sources (Uses)				
Transfers in	468,750	535,000	534,464	536
Transfers out	(150,000)	(150,000)	(150,000)	-
Insurance recoveries	75,000	165,000	164,694	306
Sale of capital assets	20,000	76,000	76,828	(828)
Total other financing sources (uses)	<u>413,750</u>	<u>626,000</u>	<u>625,986</u>	<u>14</u>
Net change in fund balances	-	-	(111,559)	(111,559)
Fund balance - beginning	30,708,807	30,708,807	30,708,807	-
Fund balance - ending	<u>\$ 30,708,807</u>	<u>\$ 30,708,807</u>	<u>\$ 30,597,248</u>	<u>\$ (111,559)</u>

The notes to the financial statements are an integral part of this statement.

CITY OF NEWNAN, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
NSP GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 581,790	\$ 581,790	\$ -
Investment earnings	-	1,644	1,644	-
Total revenues	<u>-</u>	<u>583,434</u>	<u>583,434</u>	<u>-</u>
Expenditures				
Current				
Community development	-	583,434	583,434	-
Total expenditures	<u>-</u>	<u>583,434</u>	<u>583,434</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

CITY OF NEWNAN, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
AMERICAN RESCUE PLAN ACT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 1,381,127	\$ 1,380,023	\$ (1,104)
Total revenues	<u>-</u>	<u>1,381,127</u>	<u>1,380,023</u>	<u>(1,104)</u>
Expenditures				
Current				
General government	-	869,338	868,335	1,003
Public safety	-	43,667	43,667	-
Public works	-	438,668	438,668	-
Community development	-	29,354	29,353	1
Total expenditures	<u>-</u>	<u>1,381,027</u>	<u>1,380,023</u>	<u>1,004</u>
Net change in fund balances	-	100	-	(100)
Fund balance - beginning	-	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ (100)</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF NEWNAN, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2023**

	Business-Type Activities Enterprise Fund <u>Sanitation Fund</u>	Governmental Activities Internal Service Fund Self-Insurance Fund
Assets		
Current assets		
Cash and cash equivalents	\$ 920,489	\$ 656,397
Investments	250,163	-
Receivables, net	508,390	-
Due from other funds	887	980
Prepaid items	2,659	-
Total current assets	<u>1,682,588</u>	<u>657,377</u>
Noncurrent Assets		
Capital assets		
Machinery and equipment	556,269	-
Less accumulated depreciation	<u>(443,020)</u>	<u>-</u>
Total capital assets	<u>113,249</u>	<u>-</u>
Total assets	<u>1,795,837</u>	<u>657,377</u>
Deferred Outflows of Resources		
Related to pensions	166,475	-
Total deferred outflows of resources	<u>166,475</u>	<u>-</u>
Liabilities		
Current liabilities		
Accounts payable	322,197	-
Accrued expenses	25,053	-
Claims payable	-	330,461
Unearned revenue	1,298,645	-
Compensated absences	<u>15,197</u>	<u>-</u>
Total current liabilities	<u>1,661,092</u>	<u>330,461</u>
Noncurrent liabilities		
Compensated absences	12,475	-
Net pension liability	<u>408,660</u>	<u>-</u>
Total noncurrent liabilities	<u>421,135</u>	<u>-</u>
Total liabilities	<u>2,082,227</u>	<u>330,461</u>
Net Position		
Net investment in capital assets	113,249	-
Unrestricted	<u>(233,164)</u>	<u>326,916</u>
Total net position	<u>\$ (119,915)</u>	<u>\$ 326,916</u>

The notes to the financial statements are an integral part of this statement.

CITY OF NEWNAN, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Business-Type Activities Enterprise Fund <u>Sanitation Fund</u>	Governmental Activities Internal Service Fund <u>Self-Insurance Fund</u>
Operating revenues		
Charges for services	\$ 4,820,308	\$ 6,736,375
Total operating revenues	<u>4,820,308</u>	<u>6,736,375</u>
Operating expenses		
Personal services	894,208	-
Claims and excess premiums	-	6,802,896
Contractual services	3,904,864	-
Supplies	201,768	-
Depreciation	46,119	-
Total operating expenses	<u>5,046,959</u>	<u>6,802,896</u>
Operating income (loss)	<u>(226,651)</u>	<u>(66,521)</u>
Nonoperating Revenues (Expenses)		
Interest income	12,234	2,395
Loss on disposal of property	(7,245)	-
Total nonoperating revenues (expenses), net	<u>4,989</u>	<u>2,395</u>
Income (loss) before transfers	(221,662)	(64,126)
Transfers in	<u>150,000</u>	<u>-</u>
Change in net position	(71,662)	(64,126)
Net position - beginning	<u>(48,253)</u>	<u>391,042</u>
Net position - ending	<u>\$ (119,915)</u>	<u>\$ 326,916</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF NEWNAN, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Business-Type Activities Enterprise Fund <u>Sanitation Fund</u>	Governmental Activities Internal Service Fund <u>Self-Insurance Fund</u>
Cash Flows from Operating Activities		
Receipts from customers	\$ 5,481,557	\$ 6,970,227
Payments to suppliers and service providers	(3,838,220)	(6,729,617)
Payments to employees for salaries and benefits	(872,848)	-
Net cash provided (used) by operating activities	<u>770,489</u>	<u>240,610</u>
Cash Flows from Noncapital Financing Activities		
Transfers from other funds	150,000	-
Net cash provided (used) by noncapital financing activities	<u>150,000</u>	<u>-</u>
Cash Flows from Investing Activities		
Purchases of investments, net	(12,234)	-
Interest income on investments	12,234	2,395
Net cash provided (used) by investing activities	<u>-</u>	<u>2,395</u>
Net change in cash and cash equivalents	920,489	243,005
Cash and cash equivalents beginning of year	-	413,392
Cash and cash equivalents end of year	<u>\$ 920,489</u>	<u>\$ 656,397</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities		
Operating income (loss)	\$ (226,651)	\$ (66,521)
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization	46,119	-
Net change in receivables, net	(387,398)	-
Net change in due from other funds	(887)	233,852
Net change in prepaid items	(2,659)	-
Net change in deferred outflows of resources	(38,732)	-
Net change in accounts payable	262,903	-
Net change in accrued expenses	9,055	-
Net change in claims payable	-	73,279
Net change in unearned revenue	1,048,647	-
Net change in compensated absences	9,259	-
Net change in net pension liability	126,561	-
Net change in deferred inflows of resources	(75,728)	-
Total adjustments	<u>997,140</u>	<u>307,131</u>
Net cash provided (used) by operating activities	<u>\$ 770,489</u>	<u>\$ 240,610</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF NEWNAN, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2023**

	Custodial Fund
Assets	
Cash and cash equivalents	\$ 38,396
Total assets	38,396
Liabilities	
Due to others	-
Total liabilities	-
Net Position	
Restricted for	
Individuals, organizations and other governments	38,396
Total net position	\$ 38,396

The notes to the financial statements are an integral part of this statement.

CITY OF NEWNAN, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Custodial Fund
Additions	
Miscellaneous seized assets	\$ 44,407
Investment earnings	41
Total additions	44,448
Deductions	
Taxes and fees paid to other governments	98,562
Total deductions	98,562
Net increase (decrease) in fiduciary net position	(54,114)
Net position - beginning	92,510
Net position - ending	\$ 38,396

The notes to the financial statements are an integral part of this statement.

CITY OF NEWNAN, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
DECEMBER 31, 2023

	Convention Center Authority	Downtown Development Authority	Urban Redevelopment Authority	Water, Sewerage and Light Commission	Total
Assets					
Cash and cash equivalents	\$ 1,019,204	\$ 95,793	\$ 1,809,339	\$ 22,318,658	\$ 25,242,994
Investments	-	-	-	41,662,641	41,662,641
Receivables, net	40,403	-	-	6,784,346	6,824,749
Intergovernmental receivables	93,312	-	-	-	93,312
Lease receivables	-	-	-	816,451	816,451
Inventories	-	-	-	4,054,026	4,054,026
Prepaid items	-	-	-	473,913	473,913
Restricted assets					
Cash and cash equivalents	-	-	-	8,982,977	8,982,977
Capital assets					
Nondepreciable	-	-	-	9,075,877	9,075,877
Depreciable, net	521,734	-	-	123,451,960	123,973,694
Assets held for resale	-	-	25,000	-	25,000
Deferred compensated funding arrangements	-	-	-	6,945,102	6,945,102
Total assets	1,674,653	95,793	1,834,339	224,565,951	228,170,736
Deferred Outflows of Resources					
Deferred charges	-	-	-	314,745	314,745
Related to pension	-	-	-	10,837,192	10,837,192
Total deferred outflows of resources	-	-	-	11,151,937	11,151,937
Liabilities					
Accounts payable	6,512	-	-	3,376,391	3,382,903
Accrued expenses	2,554	-	-	338,470	341,024
Accrued interest	-	-	-	321,069	321,069
Deposits payable	45,923	-	-	2,136,386	2,182,309
Noncurrent liabilities					
Due within one year					
Long-term obligations	-	-	-	1,725,694	1,725,694
Due in more than one year					
Long-term obligations	-	-	150,000	14,274,900	14,424,900
Net pension liability	-	-	-	3,271,000	3,271,000
Total liabilities	54,989	-	150,000	25,443,910	25,648,899
Deferred Outflows of Resources					
Deferred refunding gain	-	-	-	10,203	10,203
Related to leases	-	-	-	816,451	816,451
Related to OPEB	-	-	-	146,000	146,000
Related to pension	-	-	-	838,000	838,000
Total deferred outflows of resources	-	-	-	1,810,654	1,810,654
Net Position					
Net investment in capital assets	521,734	-	-	118,401,594	118,923,328
Restricted for					
Capital improvements and debt service	-	-	-	8,982,977	8,982,977
Unrestricted	1,097,930	95,793	1,684,339	81,078,753	83,956,815
Total net position	\$ 1,619,664	\$ 95,793	\$ 1,684,339	\$ 208,463,324	\$ 211,863,120

The notes to the financial statements are an integral part of this statement.

CITY OF NEWNAN, GEORGIA
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Convention Center Authority	Downtown Development Authority	Urban Redevelopment Authority	Water, Sewerage and Light Commission	Total
Primary government									
Governmental activities									
Convention Center Authority	\$ 756,853	\$ 545,762	\$ 474,294	\$ -	\$ 263,203	\$ -	\$ -	\$ -	\$ 263,203
Downtown Development Authority	80,211	77,930	-	-	-	(2,281)	-	-	(2,281)
Urban Redevelopment Authority	22,264	181	-	-	-	-	(22,083)	-	(22,083)
Total governmental activities	<u>859,328</u>	<u>623,873</u>	<u>474,294</u>	<u>-</u>	<u>263,203</u>	<u>(2,281)</u>	<u>(22,083)</u>	<u>-</u>	<u>238,839</u>
Business-type activities									
Water, Sewerage and Light Commission	67,701,015	71,674,051	-	3,845,238	-	-	-	7,818,274	7,818,274
Total business-type activities	<u>67,701,015</u>	<u>71,674,051</u>	<u>-</u>	<u>3,845,238</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,818,274</u>	<u>7,818,274</u>
Total component units	<u>\$ 68,560,343</u>	<u>\$ 72,297,924</u>	<u>\$ 474,294</u>	<u>\$ 3,845,238</u>	<u>263,203</u>	<u>(2,281)</u>	<u>(22,083)</u>	<u>7,818,274</u>	<u>8,057,113</u>
General revenues									
Unrestricted investment earnings					92	99	-	-	191
Gain on sale of capital assets					-	-	-	163,979	163,979
Total general revenues					<u>92</u>	<u>99</u>	<u>-</u>	<u>163,979</u>	<u>164,170</u>
Change in net position					263,295	(2,182)	(22,083)	7,982,253	8,221,283
Net position - beginning					1,356,369	97,975	1,706,422	200,481,071	203,641,837
Net position - ending					<u>\$ 1,619,664</u>	<u>\$ 95,793</u>	<u>\$ 1,684,339</u>	<u>\$ 208,463,324</u>	<u>\$ 211,863,120</u>

The notes to the financial statements are an integral part of this statement.



NEWNAN
CITY OF HOMES

**NOTES TO THE
FINANCIAL STATEMENTS**

CITY OF NEWNAN, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Newnan, Georgia (the “City”) have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the standard-setting body for governmental accounting and financial reporting. The City’s most significant accounting policies are described below.

Reporting Entity

The City was chartered by an act of the General Assembly of the State of Georgia. The City operates under a Council-Mayor form of government and provides the following services as authorized by its charter: public safety (police and fire), public works (highways and streets), planning and zoning, general administrative services, public improvements and community development.

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government’s operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the government. The City does not have any blended component units.

Discretely Presented Component Units

The ***Newnan Convention Center Authority*** (the “Convention Center”) was created to promote tourism, trade and conventions for the City. The governing board consists of seven regular members. The mayor and city council members appoint the members of the Convention Center. The City provides the mayor support to the Convention Center through the collection and remittance of hotel motel taxes and motor vehicle excise taxes. Separate financial statements for the Convention Center are not prepared.

The ***Downtown Development Authority of the City of Newnan*** (the “Downtown Development Authority”) was created to promote the improvement and revitalization of the downtown development area. The Downtown Development Authority is governed by seven members who are appointed by the Mayor and City Council. The City provides support to the Downtown Development Authority relative to the yearly operating budget requirements. Separate financial statements for the Downtown Development Authority are not prepared.

The ***Newnan Urban Redevelopment Authority*** (the “NURA”) was created to promote programs and activities within the city’s designated Urban Redevelopment Authority area. NURA is governed by nine members who are appointed by the Mayor and City Council. The City provides support to NURA relative to the yearly operating budget requirements. Separate financial statements for NURA are not prepared.

The ***Newnan Water, Sewerage, and Light Commission*** (the “NWSL Commission”) was established to control and manage the water, sewerage and electric systems of the City of Newnan. The governing board is appointed by the City Council and the City Council approves bond issue authorizations. By letter of agreement dated September 14, 1993 between the NWSL Commission and the City, the method of calculating cash contributions from the NWSL Commission was established. The NWSL Commission makes monthly transfers equal to 5 percent of the prior month’s billing for electrical energy, excluding sales tax, fuel cost adjustments, special rates, and streetlights. Additionally, the NWSL Commission remits monthly an additional 3 percent of the prior month’s billing for water and sewer revenues. Separately issued financial statements may be obtained by writing the Newnan Water, Sewerage and Light Commission, PO Box 578, Newnan, Georgia 30264.

CITY OF NEWNAN, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Joint Venture

The **Three Rivers Regional Commission** (the “TRRC”) was created as a regional planning organization and is managed by its member governments in accordance with Georgia law. Membership in the TRCC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides the organizational structure of the TRCC. Membership in the TRCC includes the chief elected official of each county and municipality of the area. During 2023 payments to the TRCC from the City amounted to \$42,602 OCGA Section 50-8-39.1 provides that the member governments are liable for obligations of the TRRC. The financial requirements of the City related to the TRRC are limited to the amount of its annual dues. Separately issued financial statements may be obtained from its administrative office at 120 North Hill Street, Griffin, Georgia 30224.

Related Organizations

The Mayor of the City of Newnan, Georgia is responsible for appointing the members of the Newnan Housing Authority. The Newnan Housing Authority has a five-member board with staggered terms.

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fiduciary fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the City’s enterprise fund. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As discussed earlier, the City has four discretely presented component units. None are considered to be major component unit.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are administrative charges between the City’s Impact Fee Capital Projects Fund, the Neighborhood Stabilization Program Special Revenue Fund and the General Fund. Eliminations of these charges would distort the direct costs and program revenues for the various functions concerned.

Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the City’s funds, including its fiduciary funds and blended component units. Separate statements for each fund category – governmental, proprietary and fiduciary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

CITY OF NEWNAN, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City reports the following major governmental funds:

The *General Fund* is the primary operating fund of the City. It is used to account for all financial resources of the general government, except those accounted for in another fund.

The *2019 Special Purpose Local Option Sales Tax (SPLOST) Fund* accounts for the proceeds of the 1 percent sales tax approved by the citizens of Newnan in 2017 for the purpose of funding capital improvement projects. Approved projects include streets, drainage, sidewalk and equipment, public safety, parks, trails, and leisure service facilities and information systems.

The *NSP Grant Fund* accounts for funds received from the Georgia Department of Community Affairs Neighborhood Stabilization Program (NSP) which are passed through to the Newnan Housing Authority and the Newnan-Coweta Habitat for Humanity.

The *American Rescue Plan Act Fund* accounts for the proceeds of direct funding through the American Rescue Plan Act (ARPA).

The City reports the following major enterprise funds:

The *Sanitation Fund* accounts for the operation and maintenance of the City's trash, leaf and limb collections and the residents and business of the City.

Additionally, the City reports the following fund types:

The *internal service fund* accounts for the costs associated with the employee health, life and optional insurances, including COBRA, dental, vision and flexible spending accounts.

The *custodial fund* account for money confiscated and held pending disposition by courts.

During the course of operations the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. Further, certain activity occurs during the year involving transfers of resources between funds reported at gross amounts as transfers in/out. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

CITY OF NEWNAN, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The government-wide, proprietary, and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, and claims and judgments, postemployment benefits and environmental obligations are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the City the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, other taxes, licenses and permits, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the City.

Cash and Cash Equivalents

The City's cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. For purposes of the statement of cash flows, the City's proprietary funds consider their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

The local government investment pool ("Georgia Fund 1") is managed by the Georgia Office of the State Treasurer, which allows certain types of governmental entities within the state to pool their funds for investment purposes. The primary objectives of Georgia Fund 1 are safety of capital, liquidity, yield and diversification with a primary emphasis on safety of capital and liquidity. Georgia Fund 1 is managed to maintain a constant net asset value of \$1.00.

CITY OF NEWNAN, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Receivables

All trade and property tax receivables have been reduced to their estimated net realizable value, and are shown net of an allowance for uncollectible accounts. Estimated uncollectible accounts are based upon historical experience rates.

“Intergovernmental receivables” represents funds to be received from other local governments, state grant-in-aid, state contracts, or federal funds. No allowance is deemed necessary for these receivables.

Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds consists of expendable supplies and vehicle repair parts. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Capital assets are tangible and intangible assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years.

As the City constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset’s capacity or efficiency or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment, and infrastructure of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Buildings and parks	15 - 125 years
Other improvements	5 - 25 years
Machinery and equipment	5 - 25 years
Infrastructure	50 years

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which is not materially different than the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

CITY OF NEWNAN, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In the fund financial statements, governmental fund types recognize bond premiums, and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued and premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when earned in the government-wide and proprietary fund financial statements. Sick pay is accrued at the rate of ten percent of the employees earned balance and paid upon termination. All vacation and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for *deferred outflows of resources*. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item that qualify for reporting in this category. The deferred amounts related to the City's pension plan is reported in the government-wide and proprietary fund statement of net position. The deferred amounts related to pension plan relate differences between estimated and actual investment earnings, changes in actuarial assumptions, and other pension related changes.

In addition to liabilities, the statement of financial position includes a separate section for *deferred inflows of resources*. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide and proprietary fund financial statements the City reports deferred amounts related to the City's pension plan.

Net Position

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- *Net investment in capital assets* consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- *Restricted* net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- *Unrestricted* net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

CITY OF NEWNAN, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called "fund balance." The City's governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes.

- *Nonspendable* fund balance represents amounts that are either not in a spendable form or are legally or contractually required to remain intact.
- *Restricted* fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors or enabling federal, state, or local legislation. Restrictions may be changed or lifted only with the consent of the resource providers.
- *Committed* fund balance represents amounts that can be used only for the specific purposes determined by formal action of the Mayor and Council through adoption of a resolution committing fund balance for a specified purpose. Once adopted, the limitation imposed by the ordinance remains in place until the resources have been spent for the specified purpose or the Mayor and Council adopts another resolution to remove or revise the limitation.
- *Assigned* fund balance represents amounts that are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. Through resolution, the Mayor and Council has authorized the City Manager or his designee to assign fund balances. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.
- *Unassigned* fund balance represents the residual amount for the general fund that is not contained in the other classifications. The general fund is the only fund that reports a positive unassigned fund balance. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

As previously mentioned, sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

The City has established a minimum level of fund balance policy to maintain a level of fund balance (assigned and unassigned) in the general fund to 50 percent of the current annual operating expenditure budget. Should the minimum balance fall below the 50 percent requirement for the general fund, the City Council shall approve and adopt a plan to restore this balance to the target level within a specific period of time.

CITY OF NEWNAN, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Pension Plan

For purposes of measuring the net pension liability, deferred outflows of resource and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's pension plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefits payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Program Revenues

Amounts reported as program revenues include (1) charges to customers or others who purchase, use, or directly benefit from goods or services provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Taxes

State law requires that property taxes be based on an assessed value, which is 40% of market value. All real and personal property (including motor vehicles) are valued as of January 1 of each year and must be returned for tax purposes by March 1. With the exception of motor vehicles and the property of public utilities, which are valued by the State Revenue Department, all assessments are made by the Board of Tax Assessors of Coweta County.

Exemptions are permitted for certain inventories. A homestead exemption is allowed for each taxpayer that is a homeowner and resides in the household as of January 1. There are other exemptions provided by state and local laws.

Upon completion of all assessments and tax returns, the information is turned over to the Coweta County Tax Commissioner for compilation of the tax digest. A completed tax digest must be submitted to the State Revenue Commissioner for approval. The State Revenue Commissioner must ascertain that the real property on the tax digest has been assessed at the state mandated 40% of fair market value. The Commissioner has the option to withhold certain state funding if the mandated 40 percent level is not reached.

**CITY OF NEWNAN, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The property tax calendar is as follows:

	Real/Personal Property (Excluding Vehicles)	Motor Vehicles
Assessment Date	January 1	January 1
Levy Date	August 1	January 1
Due Date and Collection Date	December 1	Staggered

All property taxes levied for the current and any previous years, but not received as of December 31, 2023, are shown as property taxes receivable at that date. These receivables have been reduced to their estimated net realizable value. Estimated uncollectible amounts are based upon historical experience rates and result in a reduction of the related revenue amount at the end of the period. Any of those taxes, which are determined to be unavailable to pay liabilities of the current period, are classified as “Unavailable Revenue” on the Governmental Fund Statements.

Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses of enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Basis of Accounting

An annual operating budget is adopted by resolution for all funds except fiduciary funds, which are not budgeted and capital project funds which have project length budgets. Budgets are prepared on the modified accrual basis for governmental fund types and on the accrual basis for proprietary fund types.

The general fund is subject to budgetary control on a department basis, while the special revenue funds are subject to budgetary control on an individual fund basis. The budget resolution reflects the total of each department’s appropriation in each fund. The City’s general fund budget is adopted on a non-GAAP budgetary basis. Expenditures charged against the budget include outstanding encumbrances at year-end. Revenues are reported on a GAAP basis.

Department heads, with the approval of the city manager, may transfer appropriations within their department. Interdepartmental transfers require approval of the city council.

All remaining funds, major and nonmajor, are budgeted on a GAAP basis.

**CITY OF NEWNAN, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 3 – CASH AND CASH EQUIVALENTS

Custodial Credit Risk for demand deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes and our bond resolutions require all deposits and investments (other than federal or state government instruments) be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties or municipalities. The City does not have a policy for custodial credit risk. As of December 31, 2023, the City had no uncollateralized deposits.

The carrying amount of the deposits as of December 31, 2023 was \$37,318,243 and is reported in the financial statements as follows:

Government-wide Statement of Net Position		
Governmental activities - cash and cash equivalents	\$	36,359,358
Business-type activities - cash and cash equivalents		920,489
Fiduciary Funds Statement of Net Position		
Custodial funds - cash and cash equivalents		38,396
Total		<u><u>\$ 37,318,243</u></u>

NOTE 4 - INVESTMENTS

As of December 31, 2023, the City had investments in the general, confiscated assets, hotel/motel tourism enhancement, rental motor vehicle excise tax, street improvement, and sanitation funds.

Investment Policy. The City’s formal investment policy limits investment of public funds in a manner which will provide the highest investment return with the maximum security, while meeting the daily cash flow demands of the City and conforming to all state and local statutes governing the investment of such funds. The investment portfolio shall remain sufficiently liquid to enable the City to meet all operating requirements that might be reasonably anticipated.

Interest Rate Risk. Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. The City employs multiple investment duration and investment management strategies which seek to minimize the City’s portfolio interest rate risk. Portfolio maturities shall be staggered to avoid undue concentration of assets in a specific maturity sector unless otherwise directed by the City. Maturities selected shall provide for stability of income and reasonable liquidity in order to fund anticipated cash flow needs such as those for regular operating expenditures, capital improvements, debt service payments, etc.

As of December 31, 2023, the City had the following investments:

Investment Type	Rating	Fair Value	Investment Maturity		
			Less than 1	1-5 years	6-10 years
U.S. Agency Obligations	N/A	\$ 4,434,510	\$ 4,434,510	\$ -	\$ -
Georgia Fund 1	AAAf	3,822,940	3,822,940	-	-
Money Market Funds	N/A	3,297,210	3,297,210	-	-
		<u><u>\$ 11,554,660</u></u>	<u><u>\$ 11,554,660</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**CITY OF NEWNAN, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 4 - INVESTMENTS

Credit Risk. Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The City does not have a formal policy that addresses credit risk aside from adherence to State statutes of investments. State statutes authorize the City to invest in obligations of the U.S. Government and agencies of corporations of the U.S. Government; obligations of any state; obligations of any political subdivision of any state; certificates of deposit or time deposits of any national state bank or savings and loans which have deposits insured by the Federal Deposit Insurance Corporation (FDIC) or Federal Savings and Loan Insurance Corporation (FSLIC); prime bankers' acceptances; repurchase agreements; and the Local Government Investment Pool of the State of Georgia ("Georgia Fund 1").

Custodial Credit Risk - Investments. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's policy is that no more than 20 percent of the entire invested portfolio may be invested in securities of any one issuer. Investments explicitly guaranteed by the United States government and investments in government investment pools, such as the Georgia Fund 1, are excluded from this requirement. The City's externally managed open market security investments are held with a third party custodian in accordance with Georgia Code. The City's investment holdings are designated as assets of the City in separate accounts in the City's name.

Concentration of Credit Risk: The concentration of credit risk is the risk of loss that may be caused by the City's investment in a single issuer. The City does not have a formally adopted investment policy for managing concentration risk.

Fair Value of Investments. The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than those in Level 1; and
- Level 3: Unobservable inputs.

Debt and equity securities classified as Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches: debt securities are normally valued based on price data obtained from observed transactions and market price quotations from broker dealers and/or pricing vendors; equity securities are valued using fair value per share for each fund. Certificates of deposit classified in level 2 are valued using broker quotes that utilize observable market inputs. Securities classified as Level 3 have limited trade information, these securities are priced or using the last trade price or estimated using recent trade prices. The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the City does not disclose its investment in the Georgia Fund 1 within the fair value hierarchy.

<u>Investment Type</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
U.S. Agency Obligations	\$ -	\$ 4,434,510	\$ -	\$ 4,434,510
Money Market Funds	<u>3,297,210</u>	<u>-</u>	<u>-</u>	<u>3,297,210</u>
Total investments measured at fair value	<u>\$ 3,297,210</u>	<u>\$ 4,434,510</u>	<u>\$ -</u>	7,731,720
Investments not subject to level disclosure:				
Georgia Fund 1				<u>3,822,940</u>
Total investments				<u>\$ 11,554,660</u>

**CITY OF NEWNAN, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 4 - INVESTMENTS

Reconciliation to the Basic Financial Statements. The investments as of December 31, 2023, as reported in the financial statements as follows:

Government-wide Statement of Net Position	
Governmental activities	\$ 11,304,497
Business-type activities	<u>250,163</u>
	<u><u>\$ 11,554,660</u></u>

NOTE 5 - RECEIVABLES

Amounts other than leases receivable are aggregated into a single receivables (net of allowance for doubtful accounts) line for certain funds and aggregated columns. Below is the detail of receivables for receivables as of December 31, 2023, including applicable allowances for uncollectible accounts:

	General	Nonmajor Funds	Sanitation Fund	Total
Receivables:				
Taxes	\$ 628,184	\$ 202,610	\$ -	\$ 830,794
Accounts	201,352	-	632,641	833,993
Other	<u>1,279,090</u>	<u>-</u>	<u>-</u>	<u>1,279,090</u>
Gross receivables	2,108,626	202,610	632,641	2,943,877
Less allowance for uncollectible	<u>-</u>	<u>-</u>	<u>(124,251)</u>	<u>(124,251)</u>
Net receivables	<u><u>\$ 2,108,626</u></u>	<u><u>\$ 202,610</u></u>	<u><u>\$ 508,390</u></u>	<u><u>\$ 2,819,626</u></u>

(This page is continued on the subsequent page)

CITY OF NEWNAN, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 6 - CAPITAL ASSETS

Governmental Activities capital asset activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 29,266,725	\$ 196,383	\$ -	\$ 29,463,108
Construction in progress	<u>3,918,915</u>	<u>6,883,743</u>	<u>(2,836,299)</u>	<u>7,966,359</u>
Total capital assets not being depreciated	<u>33,185,640</u>	<u>7,080,126</u>	<u>(2,836,299)</u>	<u>37,429,467</u>
Capital assets, being depreciated:				
Buildings and parks	54,048,262	1,046,945	-	55,095,207
Other improvements	17,062,428	3,551,748	-	20,614,176
Machinery and equipment	27,567,905	1,731,513	(1,360,704)	27,938,714
Infrastructure	<u>113,504,795</u>	<u>2,181,622</u>	<u>-</u>	<u>115,686,417</u>
Total capital assets being depreciated	<u>212,183,390</u>	<u>8,511,828</u>	<u>(1,360,704)</u>	<u>219,334,514</u>
Less accumulated depreciation for:				
Buildings and parks	14,621,167	1,959,757	-	16,580,924
Other improvements	8,567,154	710,767	-	9,277,921
Machinery and equipment	15,459,488	1,154,857	(1,329,950)	15,284,395
Infrastructure	<u>37,071,488</u>	<u>3,174,919</u>	<u>-</u>	<u>40,246,407</u>
Total accumulated depreciation	<u>75,719,297</u>	<u>7,000,300</u>	<u>(1,329,950)</u>	<u>81,389,647</u>
Total capital assets being depreciated, net	<u>136,464,093</u>	<u>1,511,528</u>	<u>(30,754)</u>	<u>137,944,867</u>
Governmental activities capital assets, net	<u>\$169,649,733</u>	<u>\$ 8,591,654</u>	<u>\$ (2,867,053)</u>	<u>\$175,374,334</u>

Depreciation expense was charged to the functions/programs of the governmental activities of the primary government as follows:

Governmental activities:	
General government	\$ 411,858
Public safety	916,322
Public works	4,072,185
Community development	<u>1,599,935</u>
Total depreciation expense - governmental activities	<u>\$ 7,000,300</u>

CITY OF NEWNAN, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 6 - CAPITAL ASSETS

Business-Type Activities capital asset activity for the year ended December 31, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type Activities				
Capital assets, being depreciated:				
Machinery and equipment	\$ 583,438	\$ -	\$ (27,169)	\$ 556,269
Total capital assets being depreciated	<u>583,438</u>	<u>-</u>	<u>(27,169)</u>	<u>556,269</u>
Less accumulated depreciation for:				
Machinery and equipment	416,825	46,119	(19,924)	443,020
Total accumulated depreciation	<u>416,825</u>	<u>46,119</u>	<u>(19,924)</u>	<u>443,020</u>
Total capital assets being depreciated, net	<u>166,613</u>	<u>(46,119)</u>	<u>(7,245)</u>	<u>113,249</u>
Business-type activities capital assets, net	<u>\$ 166,613</u>	<u>\$ (46,119)</u>	<u>\$ (7,245)</u>	<u>\$ 113,249</u>

NOTE 7 - LONG-TERM OBLIGATIONS

As of December 31, 2023 the City's governmental activities and business-type activities had no outstanding long-term debt other than compensated absences.

The following is a summary of long-term obligations activity for the year ended December 31, 2023:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balances</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Compensated absences	\$ 1,071,267	\$ 2,249,220	\$ (2,183,090)	\$ 1,137,397	\$ 900,901
Total	<u>\$ 1,071,267</u>	<u>\$ 2,249,220</u>	<u>\$ (2,183,090)</u>	<u>\$ 1,137,397</u>	<u>\$ 900,901</u>
Business-type Activities					
Compensated absences	\$ 18,413	\$ 24,922	\$ (15,663)	\$ 27,672	\$ 25,358
Total	<u>\$ 18,413</u>	<u>\$ 24,922</u>	<u>\$ (15,663)</u>	<u>\$ 27,672</u>	<u>\$ 25,358</u>

For governmental activities, net pension liability and compensated absences are generally liquidated by the general fund. For business-type activities, net pension liability and compensated absences are generally liquidated by the sanitation fund.

CITY OF NEWNAN, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 8 - PENSION PLANS

Plan Description

The City’s defined benefit pension plan, City of Newnan Retirement Plan, (the “Plan”) provides retirement, disability, and death benefits to plan members and beneficiaries. These retirement provisions were established by an adoption agreement executed by City Council. The Plan is affiliated with the Georgia Municipal Employees Benefit System (GMEBS) an agent multiple-employer pension plan administered by the Georgia Municipal Association. The Georgia Municipal Association issues a publicly available financial report on GMEBS that includes financial statements and required supplementary information. That report may be obtained by writing to Georgia Municipal Association, 201 Pryor Street, Atlanta, Georgia, 30303-3606.

Benefits Provided

All full-time employees of the City are eligible to participate in GMEBS after one (1) year of services. Benefits fully vest after ten (10) years of service. For employees hired prior April 11, 1995, the employee’s normal retirement age is on or after age sixty-five (65) with five (5) years of credited service. For employees hired after April 11, 1995, the employees, normal retirement age is on or after age sixty-five (65) with ten (10) years credited service or after age fifty-five (55) with ten (10) years credit service. Employees are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1.50% or 2.00% of their average monthly earnings as defined in the plan for each year of credit service. The system also provides death and disability benefits.

Employees Covered by Benefit Terms

As of July 1, 2023, the date of the most recent actuarial valuation, the Plan’s membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	100
Inactive employees entitled to but not yet receiving benefits	75
Active employees	<u>277</u>
Total membership in the plan	<u><u>452</u></u>

Contributions

The City is required to contribute at an actuarially determined rate. Section 47-20-10 of the Georgia code sets forth minimum funding standards for state and local government pension plans. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City contributions to the Plan were \$1,591,531 for the year ended December 31, 2023. City employees are not required to contribute to the Plan.

Net Pension Liability

The City’s net pension liability was measured as of March 31, 2023, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of July 1, 2023. An expected total pension liability at March 31, 2023 was determined using standard roll-forward techniques.

**CITY OF NEWNAN, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 8 - PENSION PLANS

Actuarial Assumptions

The total pension liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	3%-8.5% including inflation adjustment
Investment rate of return	7.375%, On-going basis, based on long-term expected rate of return of pension plan investments

Mortality Rates:

Healthy retirees and beneficiaries	Sex-distinct Pri-2012 head-count weighted healthy retiree mortality table with rates multiplied by 1.25
Disabled participants	Sex-distinct Pri-2012 head-count weighted disabled retiree mortality table with rates multiplied by 1.25
Active participants, terminated vested participants, and deferred beneficiaries	Sex-distinct Pri-2012 head-count weighted employee mortality table

The mortality tables (other than the one used for the plan termination basis) are projected generationally from 2012 to future years using 60% of the sex-distinct improvement rates under the 2019 OASDI Trustees Report used for the intermediate alternative.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial study for the period of January 1, 2015 to June 30, 2019.

The long term expected rate of return on pension plan assets is 7.375%, which was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The difference between the resulting rate and the rate on the ongoing basis is a margin for adverse deviation.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	45%	6.40%
International equity	20%	6.80%
Domestic fixed income	20%	0.40%
Real estate	10%	3.90%
Global fixed income	5%	0.46%
	<u>100%</u>	

**CITY OF NEWNAN, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 8 - PENSION PLANS

Discount Rate

The discount rate used to measure the total pension liability was 7.375%. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current contribution levels and that future employer contributions will be based on the projected annual normal costs plus a 15-year amortization of the unfunded liability. The long term expected rate of return on pension plan assets was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the net pension liability has not changed since the prior measurement date.

Changes in the Net Pension Liability (Asset) of the City

The Changes in the components of the net pension liability (asset) of the City for the year ended December 31, 2023, were as follows:

	Schedule of Changes in Net Pension Liability		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at March 31, 2022	\$ 40,386,233	\$ 30,149,482	\$ 10,236,751
Changes for the year:			
Service cost	660,499	-	660,499
Interest	2,964,812	-	2,964,812
Different between expected and actual experience	1,169,853	-	1,169,853
Assumption change	-		-
Contributions-employer	-	2,039,273	(2,039,273)
Contributions-employee	-	-	-
Net investment income	-	(2,013,840)	2,013,840
Benefit payments, including refunds of employee contributions	(1,691,788)	(1,691,788)	-
Administrative expense	-	(55,102)	55,102
Other changes	-	-	-
Net changes	3,103,376	(1,721,457)	4,824,833
Balance March 31, 2023	\$ 43,489,609	\$ 28,428,025	\$ 15,061,584

The required schedule of changes in the City's net pension liability (asset) and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to total pension liability.

**CITY OF NEWNAN, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 8 - PENSION PLANS

Sensitivity of the City’s Proportional Share of the Net Pension Liability (Asset) to Changes in the Discount Rate – The following presents the net pension liability (asset) of the City, calculated using the discount rate of 7.375 percent, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.375%) or 1-percentage-point higher (8.375%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	6.375%	7.375%	8.375%
Net Pension Liability	\$ 20,881,617	\$ 15,061,584	\$ 10,210,121

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of December 31, 2019 and the current sharing pattern of costs between employer and employee.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - For the year ended December 31, 2023, the City recognized pension expense of \$2,866,393. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ 2,832,972	\$ -
Changes of assumptions	425,314	-
Net difference between projected and actual earnings on pension plan investments	1,285,779	-
Contributions made subsequent to measurement date	<u>1,591,531</u>	<u>-</u>
Total	<u>\$ 6,135,596</u>	<u>\$ -</u>

The City’s contributions subsequent to the measurement date of \$1,591,531 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

<u>Year Ended December 31</u>	
2024	\$ 1,104,998
2025	500,772
2026	1,544,568
2027	1,198,751
2028	194,976

**CITY OF NEWNAN, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 8 - PENSION PLANS

Other Pension Plans

Peace Officers' Annuity and Benefit Fund of Georgia

Certain employees of the Police Department are covered by The Peace Officers' Annuity and Benefit Fund of Georgia (POAB). The POAB was established by the Georgia Assembly in 1950 for the purpose of providing retirement benefits to peace officers. The POAB is a cost-sharing, multiple-employer defined benefit pension plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, Financial Reporting for Pension Plans.

Members of the POAB are employed by units of governments throughout the State of Georgia. The employers of the POAB's members do not make contributions to the Fund. The State of Georgia provides nonemployer contributions to the fund through the collection of court fines and forfeitures. Since the City does not contribute directly to POAB, management has determined the related impact to the financials to be immaterial. POAB issues a publicly available financial report that can be obtained at <https://poab.georgia.gov/>.

Georgia Firefighters' Pension Fund

Certain employees of the Fire Department are covered by The Georgia Firefighters' Pension Fund (GFPF). The GFPF was established by the Georgia General Assembly in 1995 for the purpose of providing retirement benefits for qualified firefighters. The GFPF is a cost-sharing, multiple-employer defined benefit pension plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, Financial Reporting for Pension Plans.

Any person employed as a firefighter or enrolled as a volunteer firefighter within the State of Georgia or any regular employee of the GFPF is eligible for membership in the GFPF. The various fire departments located within the State of Georgia, as employers of the members of GFPF, do not make contributions to the fund. The State of Georgia provides nonemployer contributions to the GFPF through the collections of insurance premiums tax. Since the City does not contribute directly to GFPF, management has determined the related impact to the financial statements to be immaterial. GFPF issues a publicly available financial report that can be obtained at <https://gfpf.org/>.

NOTE 9 - INTERFUND BALANCES AND TRANSFERS

Interfund receivable and payable balances as of December 31, 2023, are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 216,758
Sanitation Fund	General Fund	887
Self-Insurance Fund	General Fund	980

These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made. These interfund balances are expected to be collected in the subsequent year.

**CITY OF NEWNAN, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 9 - INTERFUND BALANCES AND TRANSFERS

Interfund transfers for the year ended December 31, 2023 consisted of the following:

Transfer In	Transfer Out	Amount
General Fund	Nonmajor Governmental Funds	\$ 534,464
Sanitation Fund	General Fund	150,000

During the year ended December 31, 2023, the City made the following one-time transfers:

1. A transfer of \$534,464 from the Hotel/Motel Tourism Enhancement Fund to the General Fund to transfer hotel/motel taxes to general fund for tourism purposes.
2. A transfer of \$150,000 from the General Fund to the Sanitation Fund for operations.

NOTE 10 - FUND BALANCE

The composition of the City's fund balances as of December 31, 2023 is as follows:

	General	2019 SPLOST	NSP Grant	American Rescue Plan Act	Total Nonmajor Funds	Total Governmental Funds
Nonspendable:						
Notes receivable	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ 150,000
Inventories	31,904	-	-	-	-	31,904
Prepaid itmes	128,964					128,964
Restricted for:						
Capital projects	-	11,959,271	-	-	1,217,449	13,176,720
Law enforcement	-	-	-	-	150,538	150,538
Tourism	-	-	-	-	171,978	171,978
Committed for:						
Capital projects	-	-	-	-	1,240,431	1,240,431
Assigned						
Capital projects	60,330	-	-	-	-	60,330
Parks and recreation	3,250,702	-	-	-	-	3,250,702
Unassigned	26,975,348	-	-	-	-	26,975,348
	<u>\$30,597,248</u>	<u>\$11,959,271</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,780,396</u>	<u>\$ 45,336,915</u>

**CITY OF NEWNAN, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 11 - NET INVESTMENT IN CAPITAL ASSETS

The “net investment in capital assets” reported in the government-wide financial statement of net position as of December 31, 2023 are as follows:

	Governmental Activities	Business-type Activities	Total
Cost of capital assets	\$ 256,763,981	\$ 556,269	\$ 257,320,250
Less accumulated depreciation	(81,389,647)	(443,020)	(81,832,667)
Book value	175,374,334	113,249	175,487,583
Less retainage payable	(283,718)	-	(283,718)
Net investment in capital assets	<u>\$ 175,090,616</u>	<u>\$ 113,249</u>	<u>\$ 175,203,865</u>

NOTE 12 - HOTEL/MOTEL LODGING TAX

The City levies an 8% lodging tax, allocated as required by O.C.G.A. §48-13-51(a)(5.1), with 37.5% to Explore Newnan Coweta (Destination Marketing Organization) (DMO), 25.0% allocated to operation costs of the Convention Center and 37.5% as unrestricted funds available to the City. The change in local ordinance took effect on January 1, 2020, as a result of approved enabling legislation. Total Hotel/Motel taxes collected were \$1,425,237, of which \$534,464 was allocated to the Explore Newnan Coweta and \$356,309 for the Convention Center.

NOTE 13 – TAX ABATEMENTS

Coweta County negotiates economic incentive agreements on an individual basis. The City has abatement agreements with the following entities as of December 31, 2023, all of which are healthcare facilities.

Purpose	Agreement Date	2023 % Abated
Healthcare Facility (New) ⁽¹⁾	5/7/2009	16% Real Property
Healthcare Facility (Expansion) ⁽²⁾	12/1/2014	58% Real Property
Healthcare Facility (New) ⁽³⁾	8/26/2014	38% Real Property

⁽¹⁾ The Newnan City Council, in partnership with Coweta County, the Coweta County Development Authority and the Board of Tax Assessors of Coweta County, entered into an economic development agreement with a healthcare facility in Coweta County. The agreement was executed in 2009 and includes the following: construction of a 200,000 square foot facility on 28.5 acres in Newnan, Georgia. The company will create 300 jobs within 5 years of commencement of operations and the average annual compensation per employee shall be \$50,000. The company agrees to make a \$70,000,000 initial investment in the project. The company anticipates that 65 percent of patients will be non-local and will require services of local businesses to support their extended stay (retail, restaurant, lodging, entertainment). Considering the increase in employment opportunities and sales tax revenue, the City of Newnan, and its partners, agreed to the following incentives: expediting permitting, bond financing, property tax abatement, enhanced signage. The project partners agreed to a ten year real property tax abatement schedule that includes 0 percent valuation for years 1, 2 and 3; then an annual valuation of 14

CITY OF NEWNAN, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 13 – TAX ABATEMENTS

percent per year until year 10, whereby the real property will be taxed at full value. Please note that year 1 shall be understood as 2012, which represents the first year of full operation for the company. The project partners agreed to a 5 year personal property tax abatement that includes a 50 percent valuation of property for each of the five years. Performance agreements exist. A copy of the agreement is available at Newnan City Hall.

⁽²⁾ The Newnan City Council, in partnership with Coweta County, the Coweta County Development Authority and the Board of Tax Assessors of Coweta County, entered into an economic development agreement for the expansion of a healthcare facility in Coweta County. The agreement was executed in 2014 and includes the following: construction of a 26,357 square foot inpatient expansion, 80,638 square foot outpatient clinic expansion, 6,895 square foot radiation therapy expansion, 26,219 square foot surgery department expansion, 27,450 square foot clinic expansion (phase 2), 15,572 square foot imaging department expansion, 91,201 medical office and hotel expansion, in Newnan, Georgia. The company will create 300 additional jobs within 5 years of commencement of operations and the average annual compensation per employee shall be \$50,000. The company agrees to make a \$70,000,000 initial investment in the project. The company anticipates that 65 percent of patients will be non-local and will require services of local businesses to support their extended stay (retail, restaurant, lodging, and entertainment). Considering the increase in employment opportunities and sales tax revenue, the City of Newnan, and its partners, agreed to the following incentives: expediting permitting, bond financing and property tax abatement. The project partners agreed to a ten year real property tax abatement schedule that includes 0 percent valuation for years 1, 2 and 3; then an annual valuation of 14 percent per year until year 10, whereby the real property will be taxed at full value. Please note that year 1 shall be understood as 2015, which represents the first year of full operation after expansion. The project partners agreed to a 5-year personal property tax abatement that includes a 50 percent valuation of property for each of the five years. Performance agreements exist. A copy of the agreement is available at Newnan City Hall.

⁽³⁾ The Newnan City Council, in partnership with Coweta County, the Coweta County Development Authority and the Board of Tax Assessors of Coweta County, entered into an economic development agreement with a healthcare facility in Coweta County. The agreement was executed in 2014 and includes the following: construction of a 50,000 square foot comprehensive inpatient rehabilitation hospital on 11.3 acres in Newnan, Georgia. The company will create 120 jobs within 10 years of commencement of operations. The company agrees to make a \$22,000,000 initial investment in the project. Considering the increase in employment opportunities and sales tax revenue, the City of Newnan, and its partners, agreed to the following incentives: expediting permitting, bond financing, property tax abatement. The project partners agreed to a ten year real property tax abatement schedule that includes 0 percent valuation for years 1, 2 and 3; then a valuation of 40 percent in year 4, 52 percent in year 5 and increase by 10 percent each year until year 10 at which point the real property will be taxed at full value. Please note that year 1 shall be understood as 2015, which represents the first year of full operation for the company. The project partners agreed to a 5 year personal property tax abatement that includes a 50 percent valuation of property for each of the five years. Performance agreements exist. A copy of the agreement is available at Newnan City Hall.

NOTE 14 - CONTINGENCIES

The City participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the City's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the City anticipates such amounts, if any, will be immaterial.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

CITY OF NEWNAN, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 15 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, personal property (i.e., theft, damage, and destruction), and injury to employees. The City has insurance coverage with The Georgia Interlocal Risk Management Agency (GIRMA). Losses relative to these risks are limited to a \$5,000 deductible provided for in the GIRMA contracts. During the past three years, settlements have not exceeded the coverages.

The City has joined together with other municipalities in the state as part of GIRMA and the Workers' Compensation Self-Insurance Fund, a public entity risk pool operating as a common risk management and insurance program for member local governments. As part of the risk pool, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with the any coverage descriptions issued, all incidents, which could result in the funds being required to pay any claim or loss. The City is also to allow the pool's agents and attorneys to represent the City in investigations, settlement discussions, and all levels of litigation arising out of any claim made against the City within the scope of loss protections furnished by the funds. The fund is to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation laws of Georgia. The funds are to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

Chapter 85 of Title 36 of the Official Code of Georgia Annotated authorized Georgia municipalities to form interlocal risk management agencies. The Georgia Interlocal Risk Management Agency (GIRMA) is a municipal interlocal risk management agency to function as an unincorporated nonprofit instrumentality of its member municipalities. GIRMA establishes and administers one or more group self-insurance funds and a risk management service to prevent or lessen the incidence and severity of casualty and property losses occurring in the operation of a municipal government. GIRMA, in accordance with the member government contract and related coverage descriptions, is to defend and protect any member of GIRMA against liability or loss.

The City of Newnan must participate at all times in at least one fund established by GIRMA. The City retains the first \$5,000 of each risk of loss in the form of a deductible. The City files all worker's compensation claims with GIRMA. GIRMA bills the City for any risk of loss up to the \$5,000 deductible.

The basis for estimating the liabilities for unpaid claims is "IBNR" or "incurred but not reported" established by an actuary. As of December 31, 2023, the City is not aware of any deductible amounts which were outstanding and unpaid. No provisions have been made in the financial statements for the year ended relative to estimates for unpaid claims.

**CITY OF NEWNAN, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 16 – DISCRETELY PRESENTED COMPONENT UNITS

Newnan Convention Center Authority (Convention Center)

Capital asset activity for the Convention Center for the year ended December 31, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Gazebo	\$ 518,616	\$ -	\$ -	\$ 518,616
Machinery and equipment	15,193	61,019	-	76,212
Total capital assets being depreciated	<u>533,809</u>	<u>61,019</u>	<u>-</u>	<u>594,828</u>
Less accumulated depreciation for:				
Gazebo	37,795	20,745	-	58,540
Machinery and equipment	14,465	89	-	14,554
Total accumulated depreciation	<u>52,260</u>	<u>20,834</u>	<u>-</u>	<u>73,094</u>
Total capital assets being depreciated, net	<u>481,549</u>	<u>40,185</u>	<u>-</u>	<u>521,734</u>
Total Convention Center capital assets	<u>\$ 481,549</u>	<u>\$ 40,185</u>	<u>\$ -</u>	<u>\$ 521,734</u>

The Newnan Urban Redevelopment Authority (the "NURA")

The following is a summary of long-term obligations activity for the NURA for the year ended December 31, 2023:

	Beginning Balances	Additions	Reductions	Ending Balances	Due Within One Year
Note payable	\$ 150,000	-	-	\$ 150,000	\$ -
Total	<u>\$ 150,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150,000</u>	<u>\$ -</u>

Note Payable

During 2020 and 2021, the City loaned the Urban Redevelopment Authority \$150,000 to fund the rehabilitation of single-family housing in downtown Newnan. Terms of the intergovernmental agreement require the repayment of the loan upon the sale of the property. Any proceeds in excess of the loan will be maintained by the Agency to fund future projects. The loan is non-interest bearing.

CITY OF NEWNAN, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 16 – DISCRETELY PRESENTED COMPONENT UNITS

Newnan Water, Sewerage and Light Commission (NWSL Commission)

Capital asset activity for the NWSL Commission for the year ended December 31, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 7,797,571	\$ -	\$ -	\$ 7,797,571
Construction in progress	2,485,397	4,595,991	(5,803,082)	1,278,306
Total capital assets not being depreciated	<u>10,282,968</u>	<u>4,595,991</u>	<u>(5,803,082)</u>	<u>9,075,877</u>
Capital assets, being depreciated:				
Buildings, lines and improvements	226,224,106	9,474,004	(4,017,473)	231,680,637
Equipment and other	21,146,361	1,618,142	(1,162,716)	21,601,787
Total capital assets being depreciated	<u>247,370,467</u>	<u>11,092,146</u>	<u>(5,180,189)</u>	<u>253,282,424</u>
Less accumulated depreciation for:				
Buildings, lines and improvements	114,303,010	8,919,640	(4,980,586)	118,242,064
Equipment and other	10,411,945	1,301,733	(125,278)	11,588,400
Total accumulated depreciation	<u>124,714,955</u>	<u>10,221,373</u>	<u>(5,105,864)</u>	<u>129,830,464</u>
Total capital assets being depreciated, net	<u>122,655,512</u>	<u>870,773</u>	<u>(74,325)</u>	<u>123,451,960</u>
Total NWSL Commission capital assets	<u>\$132,938,480</u>	<u>\$ 5,466,764</u>	<u>\$ (5,877,407)</u>	<u>\$132,527,837</u>

The following is a summary of long-term obligations activity for the NWSL Commission for the year ended December 31, 2023:

	Beginning Balances	Additions	Reductions	Ending Balances	Amounts Due Within One Year
Bonds payable					
Revenue bonds	\$ 16,487,440	\$ -	\$ (2,381,610)	\$ 14,105,830	\$ 1,550,694
Premium	371,160	-	(46,205)	324,955	-
Total bonds payable	16,858,600	-	(2,427,815)	14,430,785	1,550,694
Other liabilities					
Deferred compensation	1,712,100	-	(142,291)	1,569,809	175,000
Total	<u>\$ 18,570,700</u>	<u>\$ -</u>	<u>\$ (2,570,106)</u>	<u>\$ 16,000,594</u>	<u>\$ 1,725,694</u>

CITY OF NEWNAN, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 16 – DISCRETELY PRESENTED COMPONENT UNITS

Newnan Water, Sewerage and Light Commission (NWSL Commission)

Revenue Bonds

Series 2006 Revenue Bonds

On December 1, 2006, the Commission issued \$21,095,000 of City of Newnan, Georgia Water, Sewerage and Light Commission Refunding Revenue Bonds (the Series 2006A Bonds) and \$6,985,000 of City of Newnan, Georgia Water, Sewerage and Light Commission Revenue Bonds (the Series 2006B Bonds” and together with the Series 2006A Bonds, the Series 2006 Bonds) jointly with the City.

The Series 2006A Bonds were issued to provide funds to (i) refund and defease \$7,865,000 of outstanding Series 1998 Bonds with interest rates ranging from 4.50 percent to 5.0 percent and \$13,180,000 of outstanding Series 2001 Bonds with interest rates ranging from 4.500 percent to 5.125 percent, (ii) pay a portion of the premium for a financial guaranty insurance policy (iii) pay a portion of the premium for a debt service reserve fund surety bond, and (iv) pay the costs of issuance of the Series 2006A Bonds.

The Series 2006B Bonds were issued to provide funds to (i) finance or refinance the cost of the acquisition, construction and equipping of certain administrative buildings and related facilities necessary to afford more adequate, useful and convenient facilities for the proper control and administration of the System, and certain other facilities of, and improvement to, the water and sewerage portion of the System, including, but not limited to, improvements to certain water treatment plant facilities and improvements and extensions to the water and sewerage portion of the system (as amended), (ii) pay a portion of the premium for a financial guaranty insurance policy, (iii) pay a portion of the premium for a debt service reserve fund surety bond, (iv) pay capitalized interest on the Series 2006B Bonds during the period of construction, and (v) pay the costs of issuance of the Series 2006B Bonds.

The Series 2006 Bonds bear interest at rates ranging from 3.55 percent to 5.25 percent and mature at various dates through January 1, 2036. The Series 2006 Bonds are payable solely from the net revenues of the System, as defined. Accrued interest related to the Series 2006 Bonds at December 31, 2023 was \$86,363.

The net proceeds of \$29,856,310 were used to purchase securities that were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the 1998 Series Bonds and 2001 Series Bonds. As a result, the portions of Series 1998 and 2001 bonds refunded are considered legally defeased and have been removed from Commission’s books.

On January 10, 2017, the Commission defeased a portion of the Series 2006 Bonds from the issuance of the Series 2017 Bonds. Proceeds of \$13,511,000 were used to purchase securities that were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the Series 2006 Bonds. As a result, the portion of the Series 2006 Bonds is considered legally defeased and has been removed from the Commission’s books. As of December 31, 2023, the outstanding balance of the Series 2006A Bonds is \$3,290,000 and the unamortized bond premium is \$16,126.

Series 2015 Revenue Bonds

On April 21, 2015, the Commission issued \$7,050,000 of City of Newnan, Georgia Water, Sewerage and Light Commission Public Utilities Refunding Revenue Bonds (the Series 2015A Bonds) and \$3,860,000 of City of Newnan, Georgia Water, Sewerage and Light Commission Public Utilities Refunding Revenue Bonds (the Series 2015B Bonds and together with the Series 2015A Bonds, the Series 2015 Bonds) jointly with the City.

CITY OF NEWNAN, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 16 – DISCRETELY PRESENTED COMPONENT UNITS

Newnan Water, Sewerage and Light Commission (NWSL Commission)

The Series 2015 Revenue Bonds were issued to provide funds to (i) refund and defease a portion of the City and Commission's outstanding Public Utilities Revenue Bonds, Series 2006 (the Refunding Bonds), (ii) pay the premium for a debt service reserve surety bond respecting the Series 2015 Bonds, and (iii) pay the costs of issuance of the Series 2015 Bonds.

The Series 2015 Bonds bear interest at rates ranging from 2.00 percent to 4.00 percent and mature at various dates through January 1, 2036. The Series 2015 Bonds are payable solely from the net revenues of the System, as defined.

The Series 2015 Bonds bear interest at rates ranging from 2.00 percent to 4.00 percent and mature at various dates through January 1, 2036. The Series 2015 Bonds are payable solely from the net revenues of the System, as defined.

The net proceeds of \$11,508,370 were used to purchase securities that were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the 2006 Series Bonds. As a result, the portions of Series 2006 bonds refunded are considered legally defeased and have been removed from Commission's books. Accrued interest related to the Series 2015 Bonds at December 31, 2023 was \$129,076. As of December 31, 2023, the outstanding balance of the Series 2015A Bonds is \$6,955,000 and the unamortized bond premium is \$308,649.

Series 2017 Revenue Bonds

On January 9, 2017, the Commission issued \$9,421,000 of City of Newnan, Georgia Water, Sewerage and Light Commission Public Utilities Refunding Revenue Bonds (the Series 2017A Bonds) and \$4,090,000 of City of Newnan, Georgia Water, Sewerage and Light Commission Public Utilities Refunding Revenue Bonds (the Series 2017B Bonds and together with the Series 2017A Bonds, the Series 2017 Bonds) jointly with the City.

The Series 2017 Revenue Bonds were issued to provide funds to (i) refund and defease a portion of the City and Commission's outstanding Public Utilities Revenue Bonds, Series 2006 (the Refunding Bonds), (ii) payoff the GEFA loan, (iii) pay the premium for a debt service reserve surety bond respecting the Series 2017 Bonds, and (iii) pay the costs of issuance of the Series 2017 Bonds.

The Series 2017 Bonds bear interest at rates ranging from 1.74 percent to 2.35 percent and mature at various dates through January 1, 2031. The Series 2017 Bonds are payable solely from the net revenues of the System, as defined.

The net proceeds of \$13,511,000 were used to purchase securities that were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the 2006 Series Bonds. As a result, the portions of Series 2006 bonds have been removed from Commission's books. Accrued interest related to the Series 2017 Bonds at December 31, 2023 was \$105,630. As of December 31, 2023, the outstanding balance of the Series 2017A Bonds is \$3,861,010

**CITY OF NEWNAN, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 16 – DISCRETELY PRESENTED COMPONENT UNITS

Newnan Water, Sewerage and Light Commission (NWSL Commission)

Revenue Bonds

Annual debt service requirements to maturity for the revenue bonds as of December 31, 2023, are as follows:

<u>Fiscal year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,550,694	\$ 488,248	\$ 2,038,942
2025	1,622,644	419,815	2,042,459
2026	1,689,691	348,127	2,037,818
2027	1,127,021	294,876	1,421,897
2028	1,154,641	264,221	1,418,862
2029 - 2033	4,611,139	811,302	5,422,441
2034 - 2037	<u>2,350,000</u>	<u>131,425</u>	<u>2,481,425</u>
Total	<u>\$ 14,105,830</u>	<u>\$ 2,758,014</u>	<u>\$ 16,863,844</u>



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NEWNAN, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED DECEMBER 31

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability									
Service cost	\$ 660,499	\$ 656,162	\$ 596,556	\$ 551,411	\$ 452,206	\$ 471,446	\$ 401,175	\$ 404,718	\$ 421,030
Interest	2,964,812	2,764,770	2,516,640	2,146,524	1,983,417	1,800,719	1,588,662	1,486,432	1,428,183
Differences between expected and actual experience	1,169,853	924,874	1,632,622	1,275,590	797,280	1,078,922	167,523	201,802	349,394
Changes of assumptions	-	-	-	-	-	-	-	-	(701,214)
Benefit payments, including refund of employee contributions	(1,691,788)	(1,583,643)	(1,298,244)	(1,206,507)	(1,108,194)	(876,903)	(789,534)	(758,180)	(733,416)
Other changes	-	-	-	2,737,313	-	399,742	1,412,078	-	-
Net change in total pension liability	<u>3,103,376</u>	<u>2,762,163</u>	<u>3,447,574</u>	<u>5,504,331</u>	<u>2,124,709</u>	<u>2,873,926</u>	<u>2,779,904</u>	<u>1,334,772</u>	<u>763,977</u>
Total pension liability-beginning	<u>40,386,233</u>	<u>37,624,070</u>	<u>34,176,496</u>	<u>28,672,165</u>	<u>26,547,456</u>	<u>23,673,530</u>	<u>20,893,626</u>	<u>19,558,854</u>	<u>18,794,877</u>
Total pension liability-ending (a)	<u>\$ 43,489,609</u>	<u>\$ 40,386,233</u>	<u>\$ 37,624,070</u>	<u>\$ 34,176,496</u>	<u>\$ 28,672,165</u>	<u>\$ 26,547,456</u>	<u>\$ 23,673,530</u>	<u>\$ 20,893,626</u>	<u>\$ 19,558,854</u>
Plan fiduciary net position									
Contributions-employer	\$ 2,039,273	\$ 1,832,615	\$ 1,494,800	\$ 1,266,798	\$ 1,068,451	\$ 897,255	\$ 844,941	\$ 901,568	\$ 934,855
Contributions-employee	-	-	-	-	-	-	-	-	-
Net investment income	(2,013,840)	1,720,725	8,774,599	(1,463,582)	726,921	2,229,592	2,004,621	50,727	1,383,645
Employee contribution refunds	-	-	-	-	-	-	-	-	-
Benefit payments	(1,691,788)	(1,583,643)	(1,298,244)	(1,206,507)	(1,108,194)	(876,903)	(789,534)	(758,180)	(733,416)
Administrative expense	(55,102)	(50,170)	(47,705)	(54,776)	(47,331)	(45,704)	(46,562)	(34,735)	(31,914)
Other	-	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	<u>(1,721,457)</u>	<u>1,919,527</u>	<u>8,923,450</u>	<u>(1,458,067)</u>	<u>639,847</u>	<u>2,204,240</u>	<u>2,013,466</u>	<u>159,380</u>	<u>1,553,170</u>
Plan fiduciary net position-beginning	<u>30,149,482</u>	<u>28,229,955</u>	<u>19,306,505</u>	<u>20,764,572</u>	<u>20,124,725</u>	<u>17,920,485</u>	<u>15,907,019</u>	<u>15,747,639</u>	<u>14,194,469</u>
Plan fiduciary net position-ending (b)	<u>\$ 28,428,025</u>	<u>\$ 30,149,482</u>	<u>\$ 28,229,955</u>	<u>\$ 19,306,505</u>	<u>\$ 20,764,572</u>	<u>\$ 20,124,725</u>	<u>\$ 17,920,485</u>	<u>\$ 15,907,019</u>	<u>\$ 15,747,639</u>
City's net pension liability (assets) - ending (a) - (b)	<u>\$ 15,061,584</u>	<u>\$ 10,236,751</u>	<u>\$ 9,394,115</u>	<u>\$ 14,869,991</u>	<u>\$ 7,907,593</u>	<u>\$ 6,422,731</u>	<u>\$ 5,753,045</u>	<u>\$ 4,986,607</u>	<u>\$ 3,811,215</u>
Plan fiduciary net position as a percentage of the total pension liability (asset)	65.37%	74.65%	75.03%	56.49%	72.42%	75.81%	75.70%	76.13%	80.51%
Covered payroll	\$ 15,782,817	\$ 14,320,232	\$ 14,196,063	\$ 13,327,970	\$ 12,644,996	\$ 11,019,866	\$ 10,770,659	\$ 10,607,616	\$ 9,970,405
City's net pension liability (asset) as a percentage of covered payroll	95.43%	71.48%	66.17%	111.57%	62.54%	58.28%	53.41%	47.01%	38.23%

This schedule will present 10 years of information once its accumulated.

**CITY OF NEWNAN, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS - PENSION PLAN
FOR THE YEAR ENDED DECEMBER 31**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 2,122,036	\$ 2,020,885	\$ 1,772,923	\$ 1,405,794	\$ 1,216,766	\$ 1,019,013	\$ 856,669	\$ 841,031	\$ 921,747
Contributions in relation to the actuarially determined contribution	<u>2,122,036</u>	<u>2,020,885</u>	<u>1,772,923</u>	<u>1,405,794</u>	<u>1,216,766</u>	<u>1,019,013</u>	<u>856,669</u>	<u>841,031</u>	<u>922,797</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,050)</u>					
Covered payroll	\$ 15,782,817	\$ 14,320,232	\$ 14,196,063	\$ 11,173,242	\$ 11,173,242	\$ 11,019,866	\$ 10,775,711	\$ 10,605,687	\$ 9,965,410
Contributions as a percentage of covered payroll	13.45%	14.11%	12.49%	12.58%	10.89%	9.25%	7.95%	7.93%	9.26%

This schedule will present 10 years of information once its accumulated.

**CITY OF NEWNAN, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023**

Georgia Municipal Employee Benefit System

Changes in Benefit Terms: There have been no changes in benefit terms.

Changes of Assumptions: There have been no changes in assumptions.

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization Period	Remaining amortization period varies for the bases, with a net effective period of 13 years
Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.



SUPPLEMENTARY INFORMATION



NEWNAN
CITY OF HOMES

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted or committed to expenditures for a particular purpose.

Confiscated Assets Fund – To account for cash received from the sale of confiscated assets and confiscated assets that are no longer subject to court jurisdiction.

Chip Grant Fund – To account for the proceeds and expenditures for the Community HOME Investment Program.

Miscellaneous Grants Fund – to account for other grants not used to finance general government operations.

Hotel / Motel Tourism Enhancement Fund – to account for hotel/motel taxes collected and expenditures related to tourism.

Rental Motor Vehicle Excise Tax Fund – to account for rental excise taxes collected as allowed from rental car agencies and the expenditures relative to tourism.

Capital Projects Funds

Capital project funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary or trust funds.

Street Improvement Fund – to account for the construction and expansion of roads and bridges.

Impact Fees Fund – to account for impact fee charges per the City of Newnan Development Impact Fee Ordinance for public safety, road, streets and bridges; and parks and recreation.

**CITY OF NEWNAN, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	Special Revenue Funds				Capital Projects Funds		Total Nonmajor Governmental Funds	
	Confiscated Assets	CHIP Grant	Miscellaneous Grants	Hotel/Motel Tourism Enhancement	Rental Motor Vehicle Excise Tax	Street Improvement		Impact Funds
Assets								
Cash and cash equivalents	\$ 77,622	\$ -	\$ 71,969	\$ -	\$ -	\$ 478,575	\$ 1,453,415	\$ 2,081,581
Investments	74,147	-	-	264,762	51,289	738,874	-	1,129,072
Receivables, net	-	-	-	193,716	8,894	-	-	202,610
Intergovernmental receivables	-	-	25,388	-	-	-	-	25,388
Total assets	\$ 151,769	\$ -	\$ 97,357	\$ 458,478	\$ 60,183	\$ 1,217,449	\$ 1,453,415	\$ 3,438,651
Liabilities								
Accounts payable	\$ -	\$ -	\$ 7,403	\$ 112,406	\$ 18,750	\$ -	\$ 212,984	\$ 351,543
Due to other funds	1,231	-	-	215,527	-	-	-	216,758
Unearned revenue	-	-	89,954	-	-	-	-	89,954
Total liabilities	1,231	-	97,357	327,933	18,750	-	212,984	658,255
Fund Balances								
Restricted	150,538	-	-	130,545	41,433	1,217,449	-	1,539,965
Committed	-	-	-	-	-	-	1,240,431	1,240,431
Total fund balances	150,538	-	-	130,545	41,433	1,217,449	1,240,431	2,780,396
Total Liabilities and Fund Balances	\$ 151,769	\$ -	\$ 97,357	\$ 458,478	\$ 60,183	\$ 1,217,449	\$ 1,453,415	\$ 3,438,651

CITY OF NEWNAN, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Special Revenue Funds				Capital Projects Funds		Total Nonmajor Governmental Funds	
	Confiscated Assets	CHIP Grant	Miscellaneous Grants	Hotel/Motel Tourism Enhancement	Rental Motor Vehicle Excise Tax	Street Improvement		Impact Funds
Revenues								
Taxes	\$ -	\$ -	\$ -	\$ 1,425,237	\$ 112,529	\$ -	\$ -	\$ 1,537,766
Intergovernmental	-	138,311	67,642	-	-	478,575	-	684,528
Charges for services	-	-	-	-	-	-	251,218	251,218
Fines and forfeitures	143,925	-	-	-	-	-	-	143,925
Investment earnings	1,605	-	-	27,586	2,508	36,132	19,280	87,111
Contributions and donations	-	-	16	-	-	-	-	16
Total revenues	145,530	138,311	67,658	1,452,823	115,037	514,707	270,498	2,704,564
Expenditures								
Current								
General government	-	-	44,136	-	-	-	-	44,136
Public safety	95,166	-	23,522	-	-	-	-	118,688
Tourism	-	-	-	1,190,114	115,037	-	-	1,305,151
Community development	-	138,311	-	-	-	-	-	138,311
Capital outlay	-	-	-	-	-	-	296,946	296,946
Total expenditures	95,166	138,311	67,658	1,190,114	115,037	-	296,946	1,903,232
Excess of revenues over (under) expenditures	50,364	-	-	262,709	-	514,707	(26,448)	801,332
Other Financing Sources (Uses)								
Transfers out	-	-	-	(534,464)	-	-	-	(534,464)
Total other financing sources (uses)	-	-	-	(534,464)	-	-	-	(534,464)
Net change in fund balances	50,364	-	-	(271,755)	-	514,707	(26,448)	266,868
Fund balances - beginning	100,174	-	-	402,300	41,433	702,742	1,266,879	2,513,528
Fund balances - ending	\$ 150,538	\$ -	\$ -	\$ 130,545	\$ 41,433	\$ 1,217,449	\$ 1,240,431	\$ 2,780,396

CITY OF NEWNAN, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CONFISCATED ASSETS FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Fines and forfeitures	\$ 67,000	\$ 67,000	\$ 143,925	\$ 76,925
Investment earnings	61	61	1,605	1,544
Total revenues	<u>67,061</u>	<u>67,061</u>	<u>145,530</u>	<u>78,469</u>
Expenditures				
Current				
Public safety	<u>85,000</u>	<u>95,200</u>	<u>95,166</u>	<u>34</u>
Net change in fund balances	(17,939)	(28,139)	50,364	78,503
Fund balance - beginning	100,174	100,174	100,174	-
Fund balance - ending	<u>\$ 82,235</u>	<u>\$ 72,035</u>	<u>\$ 150,538</u>	<u>\$ 78,503</u>

CITY OF NEWNAN, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CHIP GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 138,311	\$ 138,311	\$ -
Total revenues	<u>-</u>	<u>138,311</u>	<u>138,311</u>	<u>-</u>
Expenditures				
Current				
Community development	-	138,311	138,311	-
Total expenditures	<u>-</u>	<u>138,311</u>	<u>138,311</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF NEWNAN, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MISCELLANEOUS GRANTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 68,000	\$ 67,642	\$ (358)
Contributions and donations	-	-	16	16
Total revenues	<u>-</u>	<u>68,000</u>	<u>67,658</u>	<u>(342)</u>
Expenditures				
Current				
General government	-	44,700	44,136	564
Public safety	-	23,715	23,522	193
Total expenditures	<u>-</u>	<u>68,415</u>	<u>67,658</u>	<u>757</u>
Net change in fund balances	-	(415)	-	415
Fund balance - beginning	-	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ (415)</u>	<u>\$ -</u>	<u>\$ 415</u>

CITY OF NEWNAN, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HOTEL/MOTEL TOURISM ENHANCEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 1,250,000	\$ 1,250,000	\$ 1,425,237	\$ 175,237
Investment earnings	1,000	1,000	27,586	26,586
Total revenues	<u>1,251,000</u>	<u>1,251,000</u>	<u>1,452,823</u>	<u>201,823</u>
Expenditures				
Current				
Tourism	<u>781,250</u>	<u>1,192,000</u>	<u>1,190,114</u>	<u>1,886</u>
Excess of revenues over (under) expenditures	<u>469,750</u>	<u>59,000</u>	<u>262,709</u>	<u>203,709</u>
Other Financing Sources (Uses)				
Transfers out	<u>(468,750)</u>	<u>(535,000)</u>	<u>(534,464)</u>	<u>536</u>
Total other financing sources (uses)	<u>(468,750)</u>	<u>(535,000)</u>	<u>(534,464)</u>	<u>536</u>
Net change in fund balances	1,000	(476,000)	(271,755)	204,245
Fund balance - beginning	<u>402,300</u>	<u>402,300</u>	<u>402,300</u>	<u>-</u>
Fund balance - ending	<u>\$ 403,300</u>	<u>\$ (73,700)</u>	<u>\$ 130,545</u>	<u>\$ 204,245</u>

CITY OF NEWNAN, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
RENTAL MOTOR VEHICLE EXCISE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 84,000	\$ 84,000	\$ 112,529	\$ 28,529
Investment earnings	300	300	2,508	2,208
Total revenues	<u>84,300</u>	<u>84,300</u>	<u>115,037</u>	<u>30,737</u>
Expenditures				
Tourism	<u>84,000</u>	<u>116,000</u>	<u>115,037</u>	<u>963</u>
Net change in fund balances	300	(31,700)	-	31,700
Fund balance - beginning - as restated	41,433	41,433	41,433	-
Fund balance - ending	<u>\$ 41,733</u>	<u>\$ 9,733</u>	<u>\$ 41,433</u>	<u>\$ 31,700</u>



NEWNAN
CITY OF HOMES

COMPONENT UNITS

DISCRETELY PRESENTED COMPONENT UNITS

Component units are legally separate organizations for which the elected officials of the primary government are financial accountable.

This section provides information only for those component units that do NOT prepare separate financial statements.

Newnan Convention Center Authority – to account for the convention center located in the City of Newnan.

Newnan Downtown Development Authority – to account for the activity of the Newnan Downtown Development Authority d/b/a Main Steet Newnan.

Newnan Urban Redevelopment Authority – to account for the activities of the Newnan Urban Redevelopment Authority.

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**CITY OF NEWNAN, GEORGIA
BALANCE SHEET
NEWNAN CONVENTION CENTER AUTHORITY
DECEMBER 31, 2023**

Assets

Cash and cash equivalents	\$	1,019,204
Receivables		40,403
Intergovernmental receivables		93,312
Total assets		<u><u>\$ 1,152,919</u></u>

Liabilities

Accounts payable		6,512
Accrued expenses		2,554
Customer deposits		45,923
Total liabilities		<u><u>54,989</u></u>

Fund Balance

Unassigned		1,097,930
Total fund balance		<u><u>1,097,930</u></u>

Total liabilities and fund balance

\$ 1,152,919

Total Fund Balance per Balance Sheet of Governmental Fund \$ 1,097,930

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources, and therefore are not reported in the funds.

Cost of capital assets	\$ 594,828	
Less accumulated depreciation	<u>(73,094)</u>	<u>521,734</u>

Net position of governmental activities \$ 1,619,664

CITY OF NEWNAN, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NEWNAN CONVENTION CENTER AUTHORITY
FOR THE YEAR ENDED DECEMBER 31, 2023

Revenues		
Intergovernmental	\$	474,294
Charges for services		507,671
Investment earnings		92
Miscellaneous		38,091
Total revenues		<u>1,020,148</u>
Expenditures		
Current		
Recreation and culture		<u>797,038</u>
Net change in fund balance		223,110
Fund balances - beginning		<u>874,820</u>
Fund balances - ending		<u>\$ 1,097,930</u>
Net change in fund balance - governmental fund		223,110
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.</p>		
Depreciation expense	(20,834)	
Capital outlay	<u>61,019</u>	<u>40,185</u>
Change in net position of governmental activities		<u>\$ 263,295</u>

**CITY OF NEWNAN, GEORGIA
BALANCE SHEET
NEWNAN DOWNTOWN DEVELOPMENT AUTHORITY
DECEMBER 31, 2023**

Assets

Cash and cash equivalents	\$ 95,793
Receivables	-
Total assets	<u>\$ 95,793</u>

Liabilities and Fund Balance

Liabilities

Accounts payable	\$ -
Total liabilities	<u>-</u>

Fund Balance

Unassigned	95,793
Total fund balance	<u>95,793</u>

Total liabilities and fund balance	<u>\$ 95,793</u>
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CITY OF NEWNAN, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NEWNAN DOWNTOWN DEVELOPMENT AUTHORITY
FOR THE YEAR ENDED DECEMBER 31, 2023

Revenues

Event income	\$ 77,790
Investment earnings	99
Miscellaneous	140
Total revenues	<u>78,029</u>

Expenditures

Housing and development	<u>80,211</u>
Total expenditures	<u>80,211</u>

Net change in fund balance	(2,182)
Fund balance - beginning	97,975
Fund balance - ending	<u>\$ 95,793</u>

**CITY OF NEWNAN, GEORGIA
BALANCE SHEET
NEWNAN URBAN REDEVELOPMENT AGENCY
DECEMBER 31, 2023**

Assets		
Cash and cash equivalents	\$	1,809,339
Assets held for resale		<u>25,000</u>
Total assets	\$	<u><u>1,834,339</u></u>
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$	<u>-</u>
Total current liabilities		<u>-</u>
Fund Balance		
Unassigned		<u>1,834,339</u>
Total fund balance		<u><u>1,834,339</u></u>
Total liabilities and fund balance	\$	<u><u>1,834,339</u></u>
Total fund balance per balance sheet of governmental fund	\$	1,834,339
Amounts reported for governmental activities in the statement of net position are different because:		
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the funds.		
Note payable		<u>(150,000)</u>
Net position of governmental activities	\$	<u><u>1,684,339</u></u>

CITY OF NEWNAN, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NEWNAN URBAN REDEVELOPMENT AGENCY
FOR THE YEAR ENDED DECEMBER 31, 2023

Revenues	
Intergovernmental	\$ -
Miscellaneous	181
Total revenues	<u>181</u>
 Expenditures	
Housing and development	<u>22,264</u>
Total expenditures	<u>22,264</u>
 Change in fund balance	 (22,083)
Fund balance - beginning	<u>1,856,422</u>
Fund balance - ending	<u><u>\$ 1,834,339</u></u>



COMPLIANCE SECTION

The Compliance Section includes schedules related to schedules of projects constructed with Special Purpose Local Option Sales Tax and the Independent Auditor's Reports on Internal Control

CITY OF NEWNAN, GEORGIA
SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
SPECIAL LOCAL OPTION SALES TAX (2019)
FOR THE YEAR ENDED DECEMBER 31, 2023

Project	Estimated Cost		Expenditures		Total
	Original	Current	Prior Years	Current Year	
Public Safety Radio Upgrade	\$ 3,250,000	\$ 3,250,000	\$ 1,523,798	\$ 3,726,934	\$ 5,250,732
Information Systems	193,469	193,469	33,508	46,225	79,733
Parks and Recreation	14,000,000	14,000,000	14,082,057	390,079	14,472,136
Streets, Drains, Sidewalks and Equipment	15,001,193	15,001,193	4,641,253	2,086,933	6,728,186
Transfer to Water, Light and Sewerage	3,604,830	3,604,830	3,260,476	1,007,601	4,268,077
Total	\$ 36,049,492	\$ 36,049,492	\$ 23,541,092	\$ 7,257,772	\$ 30,798,864

CITY OF NEWNAN, GEORGIA
SCHEDULE OF PROJECT EXPENDITURES WITH RENTAL MOTOR VEHICLE TAX REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2023

<u>Project</u>	<u>Current Expenditures</u>
Tourism Operation of Convention Center	<u>\$ 115,037</u>



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Mayor and Council
City of Newnan, Georgia
Newnan, Georgia

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Newnan, Georgia (the "City") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 28, 2024. Our report includes a reference to other auditors who audited the financial statements of Newnan Water, Sewerage and Light Commission, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Atlanta | Canton | Dalton | Dublin
Fayetteville | Kennesaw | Rome | Warner Robins

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Nichols, Cauley + Associates, LLC

Dublin, Georgia
June 28, 2024