



Comprehensive Annual
Financial Report for the
Year Ended December 31, 2019



CITY OF NEWNAN, GEORGIA

CITY OF NEWNAN, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2019

PREPARED BY: DEPARTMENT OF FINANCE

CITY OF NEWNAN, GEORGIA

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FOR THE YEAR ENDED DECEMBER 31, 2019

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INTRODUCTORY SECTION



City of Newnan, Georgia Finance Department

July 23, 2020

Honorable Mayor Keith Brady,
Members of the City Council,
City Manager, Cleatus Phillips and
Citizens of the City of Newnan, Georgia

In accordance with the laws of the State of Georgia and ordinances adopted by the governing authority of the City of Newnan, Georgia, I am pleased to present the City of Newnan's (the City's) Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2019. Both City Ordinances and State statutes require that the City issue an annual report on its financial position and activity. State law requires that local governments publish a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in conformance with Generally Accepted Auditing Standards (GAAS) by a firm of licensed certified public accountants.

Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City's management based upon a comprehensive framework of internal controls established to provide assurance that the financial statements are free of any material misstatements. However, since the costs of internal controls should not exceed the benefits gained, the City of Newnan's framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatements. To the best of my knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that fairly represents the financial position and operating results of the various funds and component units of the City of Newnan.

INDEPENDENT AUDIT

The City of Newnan's financial statements have been audited by the firm of Clifton, Lipford, Hardison and Parker, LLC of Macon, Georgia. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2019 are fairly represented in conformity with GAAP. The independent auditor's report is the first component of the financial section of this report.

The independent audit of financial statements of the City is sometimes part of a broader, federal and state mandated "single audit" designed to meet the special needs of federal and state grantor agencies. The standards governing single audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on the administration of federal and state awards. A single audit was not necessary in 2019. The requirement for a single audit is the expense of \$750,000 or more in federal funds. A total of \$71,516 was expended utilizing funds from the U.S. Department of Justice in the form of confiscated assets. Additionally, the City received \$87,212 from the Federal Highway Administration in the form of a surface transportation block grant reimbursement and

\$10,480 for police vest grant reimbursement. Therefore, spending of federal awards totaled only \$169,208 for 2019, which is below the \$750,000 threshold.

The financial statements included in this report conform to GAAP and the standards established by the Governmental Accounting Standards Board (GASB). This Comprehensive Annual Financial Report includes a narrative introduction from management that provides an overview and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD & A). This letter of transmittal is meant to complement the MD & A and should be read in conjunction with it. The City of Newnan’s MD & A can be found immediately following the Independent Auditor’s Report.

CITY OF NEWNAN PROFILE

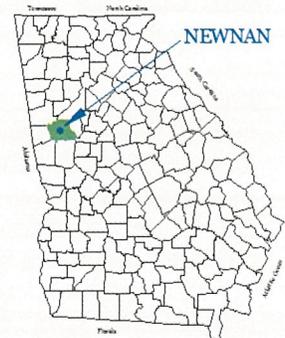
Newnan, county seat of Coweta County, is located in the west central part of Georgia, approximately thirty-five miles southwest of Atlanta, with Interstate 85 running through the eastern part of the city. Coweta County is the 18th most populous county in the state, out of 159 counties. The County is bordered by Fulton, Fayette, Meriwether, Spalding, Troup, Heard and Carroll counties.

City Governance

Since 1960, the City of Newnan has operated under the Council-Manager form of government. The City Council sets policy and relies on the City Manager to implement policy direction. The City Council consists of a Mayor, L. Keith Brady, and six council members – Paul Guillaume, Rhodes Shell, George Alexander, Dustin Koritko, Ray Dubose and Cynthia Jenkins.

The Mayor is elected at large and serves a four-year term. Council members are elected by district and serve four-year staggered terms. The City Council represents the interests of citizens of Newnan by adopting public policies, determining the City’s mission, scope of service and tax levels, passing ordinances, approving new projects and programs and ratifying the budget.

Council employs a city manager, Cleatus Phillips, to manage the daily operations of city government. He and his administrative staff prepares the city’s annual budget, negotiates intergovernmental agreements, implements Council’s policies, appoints department directors, serves as City liaison to other government agencies, citizens, businesses and visitors, and supervises all city employees. Administrative staff is based at 25 LaGrange Street in Newnan. The City currently employs 295 people - organized into five (5) functions: General Government, Public Safety, Public Works, Community Development and Other Services. Total headcount includes 17 part-time employees and 7 elected officials. Other city-wide positions appointed by Council include the municipal court judge, city attorney and assistant municipal court judges.



The City provides various services to its residents, businesses and visitors, including (but not limited to) the following activities in no particular order:

- Street Management and Maintenance
- Parks & Recreation, including reservations for weddings and other events
- Public Swimming Pool
- Municipal Auditorium Management

- Right-of-Way Beautification
- Police Services
- Fire Services – 4 stations
- Municipal Court Services
- Building Inspection and Permitting Services
- Code Enforcement
- Planning and Zoning
- Local Boys and Girls Club
- Occupational Tax Certificates
- Alcohol Licensing
- Animal Control
- Brush and Yard Debris Removal
- Downtown Trash Service
- Engineering Services
- Development Review
- Reading Library (Carnegie)



Governmental Units

The City of Newnan has three (3) governmental units that are included in the City’s CAFR as discretely presented component units. First is Newnan Water, Sewerage and Light Commission (Newnan Utilities), which is responsible for control and management of the utilities for the City of Newnan. The board is appointed by the City Council. Next is the Downtown Development Authority, which focuses on the revitalization and redevelopment of the central business district in downtown Newnan. The Authority has the legal authority to issue bonds and notes and the board is appointed by Council. Finally, we have the Newnan Centre, a convention center authority created to promote tourism for the City. This board is also appointed by Council and the City provides major support through the hotel/motel and rental motor vehicle taxes.



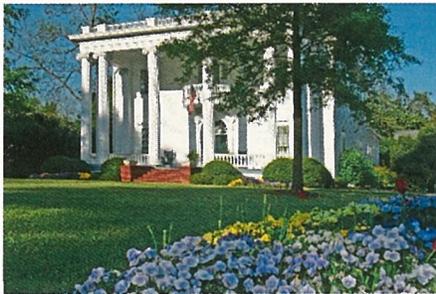
Also important in the operation of the City are its numerous boards and commissions, where preliminary issues are heard and considered before being presented to the Mayor and Council. Over one hundred citizen volunteers serve on the various boards, commissions, and authorities for the City of Newnan, including the Board of Zoning Appeals, Planning Commission, Downtown Development Authority,

Ethics Commission, Housing Authority, Keep Newnan Beautiful Commission, Newnan Cultural Arts Commission, Newnan Convention Center Authority, Newnan Development Authority, Parks Commission, Retirement Board, Tree Commission, and Water and Light Commission. Members of these boards, commissions, and authorities contribute to the services and aid in the effectiveness of local government.

Historical Data

In 1828, eight streets were surveyed to form what would become downtown Newnan. The City was laid out in a grid pattern, and six of the streets still bear their original names, which honor famous Americans such as Jackson, Jefferson, Washington and Madison. The new town was named in honor of General Daniel Newnan of Georgia. As one of the campaign leaders of the War of 1812, he survived severe wounds at Camp Defiance in 1813 to later become Georgia Adjutant General, Secretary of State, and a member of the United States Congress.

A century and a half ago, the small city of Newnan was carved out of the homeland of the proud Creek Indian Nation. Newnan stands in the preserved natural beauty of its surroundings, while thriving as an independent commercial and industrial trade center. As a residential community, Newnan has become widely known for its shady tree-lined streets and a large number of historic homes. Victorian and Classical Revival styles are the most prevalent, along with Eclectic, Plantation Plain, and Plantation Variant. Local builders have strived to maintain this quality in Newnan's modern homes, creating an aesthetic balance of old and new in this tranquil city. The large number of recreational areas and the preservation of natural settings have contributed the finishing touches to the picture, adding completeness to its beauty.



Newnan's six historic districts, all on the national register, contain some of Georgia's most beautiful houses and commercial buildings. The houses are represented by the antebellum and Victorian style that dominated Newnan's early and mid-19th century development. Buildings that make up the Central Business District comprise several architectural styles, including Neoclassical, Italianate, Classical Revival, Romanesque, and Victorian. Newnan's six historic districts include Cole Town, College-Temple, Downtown, Greenville-LaGrange, Newnan Cotton Mill and Mill Village, and Platinum Pointe.

The City of Newnan has increased substantially in population over the past few years and has grown in total square miles, via the annexation of land. In 1990, it was estimated that the city consisted of 12.37 square miles. By the end of 2019, Newnan had grown to approximately 19.5 square miles.

The combination of the City's commitment to quality of life and attention to tax and infrastructure issues has brought many new businesses to the area and is a significant reason why so many businesses flourish in and around Newnan. The City is empowered to levy a property tax on both real and personal property located within its boundaries. It is also empowered to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council.



FACTORS AFFECTING FINANCIAL CONDITION

The City of Newnan enjoys a diverse economy and relatively stable unemployment rate which translates into a diverse portfolio of revenue streams and growth in population. Coweta County's 2019 estimated population was 145,864; making it the 18th most populous county of the 159 in the state of Georgia. The

2010 census indicated that the population for the City of Newnan had grown from 16,242 residents in 2000 to 33,039 residents in 2010, representing a 103% increase for the 10-year period. Current projections have Coweta County with a population in excess of 175,000 citizens by 2020. The City's estimated population for 2019 is 41,581.

The City's governmental activities (or program revenues) are made up of revenues from property taxes, sales taxes, occupational taxes, fines and forfeitures, permits, impact fees, excise taxes and charges for services. The City added one business-type activity (enterprise fund) in 2013 - sanitation services consisting of bulk and yard debris only. Additionally, in January 2018, the City began providing sanitation services to the downtown district and each business or owner was assessed a fee to help cover the cost of providing such services. This service assists the City in cleaning up the downtown alleyways and other areas which have been underutilized in the past. It is noteworthy to mention that the remainder of the sanitation services remain with Waste Industries, who holds the contract to provide such services to all City residents, per ordinance.



The City is financially stable. Targeted fund balance is 50% of budgeted expenditures. At the end of 2019, unassigned fund balance equaled approximately 107.5% of 2019 general fund expenditures. The percentage for 2018 was 98.6%. Based on excellent management of resources, assets and expenditures, and a very healthy fund balance, the City is well prepared to continue operations at the prescribed service levels. Newnan's location in proximity to Atlanta and its major airport is another significant draw for potential new businesses or business relocations.

The City has a long history of operating within its annual adopted budget levels. Expenditures are controlled at the department level and budget amendments are usually reserved for unexpected or emergency purchased items. Therefore, fund balance typically remains constant or increases slightly each year.

Budget Process

The City of Newnan prepares an annual budget document as the basis for the City's financial planning and control. All departments are required to submit appropriation requests, beginning with a zero-based budget, to the City Manager on or about August 15th. The City Manager utilizes these requests to develop a starting point for the proposed operating budget. The proposed budget is presented to the City Council for review prior to November 20th. The Council is required to hold a public hearing on the proposed budget, which is typically done mid-December, after all budget work sessions with Council are completed, but before adoption of the proposed budget by Council at its first meeting in January.

The General Fund is the City's operating fund – it contains the revenues and expenditures required for the day to day operations of the government. The annual budget is presented by fund, function and department. Budget to actual comparisons are provided in this report for each individual fund for which an appropriated budget has been adopted. For the general fund, this comparison extends to the department level. Budget to actual comparisons for all non-major special revenue governmental funds are presented in the other Required Supplementary Information (RSI) section of the financial statements. The legal level of budgetary control is at the department level.

Annual budgets are adopted in compliance with generally accepted accounting principles for the general and special revenue funds. Special Revenue funds are for funds legally restricted to use for particular

purposes and are accounted for separately. Included is the Hotel/Motel Tax Fund, Rental Motor Vehicle Tax Fund, Confiscated Assets Fund, NSP Grants Funds and the Miscellaneous Grants/Donations Fund.

Economic Conditions

The City's economic condition has shown steady improvement as we continue to recover from the last recession. The 2019 unemployment rates for the City of Newnan and the United States overall were 4.8% and 5.9% respectively, as compared to last year when those rates were 5.7% and 3.9%. The City's property tax digest increased by \$52.3 million, or 3.65%, in valuation from 2018 to 2019, due to reassessments of existing real property and additions to the digest. Therefore, the City's millage rate decreased slightly from 4.0 mills to 3.989 mills per thousand dollars of assessed value for 2019, allowing the City to maintain existing services and support the addition of necessary staff. Sales tax collections increased by \$630,227, property tax collections increased by \$221,413, insurance premium taxes increased by \$147,077, and investment earnings increased by \$143,673. Additionally, franchise (excise) taxes showed a 5.1% increase over 2018, or \$75,711.

The City aggressively sought investment opportunities in 2019 to maximize earnings while minimizing the associated risk. The City drafted a new investment policy during 2019 and staff implemented and managed the investments. Investments consist mainly of US government securities, along with some short-term certificates of deposit and US government agency notes and bonds.

The only tax revenue sources showing a decrease for 2019 were hotel/motel taxes by approximately \$38,653, or 5.4%, and motor vehicle taxes by \$108,722, or 7.7%. All hotels, with the exception of Hampton Inn, reported reductions in excise taxes for 2019. The property tax digest for motor vehicles decreased by around \$3 million for 2019, resulting in a reduction to that revenue source also.

Textile mills began to dot the landscape in and around Newnan in the late 1800's. By the late 1920's the Newnan Hosiery Mill, Arnall Mills, Grantville Mills, and McIntosh Mills were among the ever-growing list of entrepreneurial undertakings. Over the last one hundred years, the local economy has changed from textiles to a diverse manufacturing center. Farmland and rural southern villages in west central Georgia are being transformed into a business hub as international and national corporations expand and move into the area. Giants such as Yokogawa Corporation of America, William L. Bonnell, Pet Smart Distribution, and Yamaha Motor Manufacturing Corporation have all established in and around Newnan.



Cancer Treatment Centers of America (CTCA), Southeast Regional Center in Newnan, Georgia opened in 2012 as a 226,000 square-foot, 50-bed patient centered cancer specialty hospital and expanded in 2014 ahead of schedule. This expansion project consisted of a third-floor inpatient vertical expansion (addition of 20 universal inpatient suites and five ICU-dedicated suites); four floor clinic expansion (clinic, pharmacy, infusion, and admin space); surgery expansion (addition of two ORs, expansion of central sterile, ancillary surgical space); and radiation therapy expansion (one high-energy linear accelerator vault and exam/office spaces). The project also included a 497-

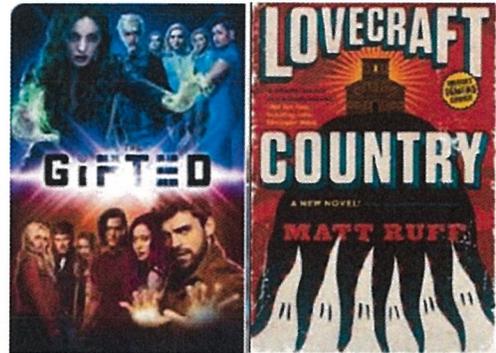
space surface parking addition.

In 2016, two facility additions were completed, including a three-story addition to the existing imaging area with two added CTs, PET/CT, future MRI and procedure rooms. An expansion to the outpatient area consisted of an 88,738-square-foot, four story horizontal and vertical addition that included eight concurrent sub-projects to expand and renovate the original and fully operational state-of-the-art cancer

center. The addition includes over 7,214 square feet of additional building space, 3,465 square feet of build-out space, approximately 5,442 square feet of renovated space, and 224 parking spaces. Interventional radiology suites, ten outpatient exam rooms, 500-ton air cooled chiller, back-up generator, dining expansion, stem cell lab, histology lab, exam rooms, port rooms, additional parking spaces, and a 42,000-square-foot, hotel to-medical-office-building conversion were all included in this project. CTCA is a for profit specialty hospital corporation, with its corporate headquarters in Boca Raton, Florida.

Piedmont-Newnan Hospital opened its brand new facility on Poplar Road near Interstate 85 in May 2012, replacing an aging, outdated facility on Hospital Road. Along with the two new hospitals mentioned, several other physician offices and related businesses have opened their doors in Newnan. Newnan and Coweta County now boasts of excellent healthcare resources. The hospital and medical office complex on campus combines for nearly 500,000 square feet, over 1,000 employees and 400 physicians. Piedmont Newnan Hospital has earned 7 consecutive Leapfrog "A" Hospital Safety Grades, making it one of the safest hospitals in the country, caring for over 10,000 inpatients, 75,000 outpatients, and 61,000 emergency room patients per year coming from all over the region. A new major interstate interchange opened during 2019 provides convenient access to this growing medical corridor. The hospital is also expanding its operations in Newnan with construction of an additional on-campus medical building, scheduled to open within the next year. This building will add approximately 113,000 square feet and contain five levels.

The **television and movie industry** has also thrived in Georgia, since incentives were enacted by the State Legislature over a decade ago. The State of Georgia is now the number one filming location in the world, which has had a great impact on the state and local economies. AMC's *The Walking Dead* television series filmed its tenth season in Coweta throughout 2019. Filming for its eleventh season will begin in May 2020. Other television series filmed in Coweta include *The Gifted* (FOX), *Brooklyn* (HBO), *Lovecraft Country* (HBO), and *Dedication*. *The Gifted* is filming its third season about a suburban family whose lives change course forever when they discover their children have developed mutant powers. *Lovecraft Country* is an upcoming drama horror television series based on Matt Ruff's novel of the same name. It is set to premiere on HBO.



Motion pictures filmed in Coweta County in 2019 include *The Conjuring: The Devil Made Me Do It*, where paranormal investigators try to uncover the truth behind a murderer's claim of demonic possession, starring Vera Farmiga and Patrick Wilson, *Jumangi*, *The Next Level*, *The Banker*, and *Sextuplets*, a Netflix movie.

Quality education facilities and workforce training opportunities are also very important to Newnan. The Coweta County School

System (CCSS) was named an "Exemplar" School System by the 2016 AdvancED review team, as an example to other school systems. Through a partnership with the Board of Regents, Coweta County, the University of West Georgia (UWG) and the City, UWG opened its new satellite campus in Newnan in 2015.





The **Coweta County School System** was ranked by the Center for American Progress in the Top Tier of Georgia School Systems in its most recent Education Return on Investment. CCSS also received the Georgia Department of Audits and Accounts Distinction for Excellent System Financial Reporting each year since 2014. CCSS graduates generally outperform state and national averages on the SAT and ACT tests. The graduation rate is about 86%, compared to the State rate of about 81%.

Additionally, the West Georgia Technical College campus has an enrollment of approximately 1,000 students and provides both core curriculum and trade specific training to its students. Their Nursing and Allied Health program is the most significant due to the rapid growth in the healthcare services industry in Newnan.

The City of Newnan continues to offer a low cost of living, excellent services and a high quality of life. We have excellent school systems and a well trained workforce. Coweta County itself has been named by Bloomberg/Business Week as the Best Affordable Place to live in Georgia based on a combination of factors. The City is also positioned for continued quality growth due to its close proximity to the world's busiest airport, Hartsfield-Jackson Atlanta International Airport, and access to Interstate 85.

Consequently, Newnan has developed into a business and industrial community that is growing and thriving. During the past decade, the City of Newnan has grown significantly to include many fine dining and retail establishments (with specialty shops) as part of the real estate development boom which had slowed during the last recession. During the first quarter of 2015, the City began experiencing a pick-up in the volume of permits being issued for both residential and commercial operations. The volume is continuing to be stable as we move into 2020.



The City has maintained strong financial reserves as evidenced by the fund balance maintained. The school systems are excellent and a focus on maintaining a well-trained workforce is evidenced by our partnership with the University of West Georgia.

Business Incentives

The Newnan City Council considers the use of incentives according to a tiered structure detailed in an economic development policy, which was adopted in 2012 and amended in 2014. A copy of the policy can be found at www.developnewnan.org. Additional planning documents may be found at www.cityofnewnan.org. The City of Newnan has also developed partnerships with various entities, including Coweta County, Coweta County Development Authority and the Board of Tax Assessors of Coweta County, to develop and enhance relationships with businesses who are considering locating to or expanding in Newnan. Through our Economic Development plan and policy, we were able to successfully negotiate agreements, which include tax abatements, with two healthcare facilities in exchange for commitments of local jobs and investments in the community over a period of years, beginning in 2012.

The Coweta County Development Authority may also issue revenue bonds to assist with financing the costs of acquisition, construction and equipment. In exchange for the economic incentives provided, the City of Newnan agreed to certain ad valorem tax savings, assistance with permits, zoning, signage and variance requests submitted by the companies. Information related to these endeavors can be found in the Notes to the Financials on page 79 of this document.

Fiscal Policies

The following fiscal policies are employed by the City of Newnan:

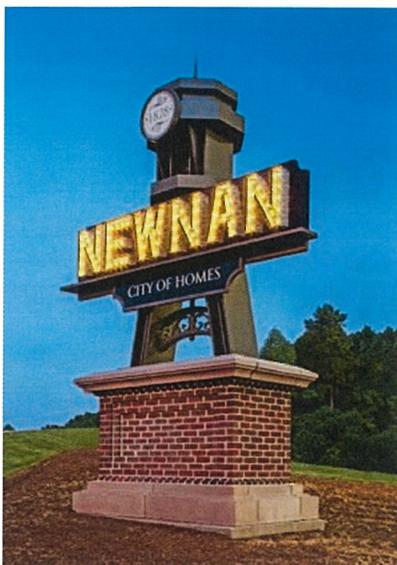
- The City shall strive to maintain a broad and diversified revenue base that will equitably distribute the burden of supporting City services and will protect the City from short-term fluctuations in any one revenue source.
- The City will actively support economic and industrial development, recruitment and retention efforts to expand the revenue base.
- The City will maintain timely collection systems and implement necessary enforcement strategies to collect revenues.
- The City will project revenues on a conservative basis so that actual revenues will consistently meet or exceed budgeted revenues.
- Basic and essential services provided by the City will receive priority funding.
- The City will provide access to medical, dental and life insurance for its employees. The cost for these benefits will be shared between the City and its employees.
- The City will provide access to appropriate retirement plans for its employees. The City will make contributions for eligible employees at the percentage defined.

Cash Management Policy and Practices

The City adheres to treasury management practices permitted by Georgia statutes and codes. The City, subsequently, has limited its investments to the types of securities provided by statute/code, considering first the probable safety of capital and then the probable income to be derived. The City has typically limited its investments to the Georgia State Pool and several operating, checking and savings accounts at a local bank. However, during 2019 the City actively sought additional investment opportunities in an effort to maximize investment earnings, while maintaining minimal risk, to our pool of funds. Thus, a new investment policy was drafted by staff and adopted by City Council during 2019. Information related to investments can be found in the in the Notes to the Financials on page 66-68 of this document.

The City has also has invested in some short-term certificates of deposit for various funds. Although the interest rate has been very sluggish during the past several years, it started rebounding to some extent in 2019. Additionally, the City has utilized unassigned fund balance to finance its own construction projects, rather than financing or issuing bonds, resulting in significant savings to the City and its citizens. By utilizing interfund loans, the City has saved hundreds of thousands of dollars in carrying and interest costs over the past few years. As is evidenced by the increase (99.8%) in investment earnings during 2019, the new investment strategy has significantly increased that particular revenue stream thus far.

Debt and Reserve Policy



The City attempts to fund all capital projects and capital improvements with pay-as-you-go financing, using current revenues when possible. The City has operated debt-free for many years. Typically, capital funds are collected and maintained until the balance available is sufficient to complete a purchase or project. If a project or improvement cannot be purchased with current revenues, long-term debt might be considered, but only as a last resort. As mentioned above, the City has utilized advances from the general fund unassigned fund balance to SPLOST and other governmental funds during prior years, rather than assume debt and carrying charges; however, those intergovernmental loans were paid back in full in 2018.

Therefore, the City currently has no debt, other than compensated absences (sick, vacation, etc.) and pension liability. However, Newnan Utilities, a component unit of the City, does utilize bonds and other types of debt to fund growth in operations.

The City's fund balance policy stipulates that the minimum reserve in Unassigned Fund Balance will equal 50% of the General Fund annual budgeted amount. If existing reserves exceed the designated level, such funds may be used to provide for non-recurring expenditures, capital asset acquisitions and emergency purchases as approved by Council.

Employee Retirement and Health Insurance Plans

The City of Newnan participates in the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association (GMA). The City continues to pay 100% of the employee's portion of the retirement plan as a benefit to employees. In 2019, the City contributed \$1,220,699 to the plan on behalf of its employees, compared to the 2018 contribution of \$1,020,151. This contribution represents 9.2% of actual payroll expenditures for covered employees versus 8.1% in 2018. Two factors impacted the increase: a 19% overall increase in premiums and the addition of six (6) firefighter positions to man the new station, and four (4) other full-time positions in Leisure Services (1), Police (1) and Beautification (2) departments.

Employees are eligible to participate in the retirement program after one (1) year of continued service and are vested in the program after ten (10) years of service. Additional information concerning the City's pension plan and its funding progress can be found in the Required Supplementary Information section. Currently, the City of Newnan offers no additional post-employment retirement benefits to its employees.

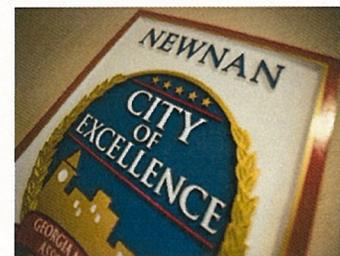
The City offers health and life insurance to all active employees. The City continues to pay 100% of the life and health insurance premiums for employees who elect single coverage on the POS 80/60 plan. Additionally, the City pays approximately 87% of the cost of health insurance for employees choosing family coverage, along with 100% of their life insurance costs. Overall, health insurance premiums increased by approximately 10%. The increase was split between the City and the employees. The City's actual contributions for employee health and life insurance increased by about 18% in 2019; going from \$2,880,450 in 2018 to \$3,398,464, primarily due to addition of the ten (10) full time positions added in 2019.

In 2013, the City began offering employees the option to participate in a health insurance opt-out program where the City paid a monthly stipend to any employee having health insurance outside of the City coverage plan. This opt-out program is significantly less expensive to the City than family or single coverage. In order to give employee greater choices in their health care benefits and cost management, three medical insurance plans are now offered – HMO 90, HMO 80 and POS 80/60. A variety of optional insurances is also available to employees, additional life, dental, cancer, vision and disability insurance, all of which are paid solely by the employee if coverage is selected. Flexible spending accounts were added in 2017 as a benefit to employees for pre-tax deductions and have been well-received by the employees.

MAJOR INITIATIVES AND ACCOMPLISHMENTS

The City has established the following long-term goals in support of the City's mission statement, which is *"to provide cost effective programs and services while continuously focusing on preserving and enhancing the quality of life that is enjoyed by all Newnan citizens."* City goals are shown below in no particular order:

- Provide efficient, quality services to the City's citizens, businesses and visitors while enabling managed growth and infrastructure additions.



- Provide responsive and open government with a focus towards a positive identity throughout the community.
- Promote and maintain a high quality of life for the residents, businesses and visitors of the City of Newnan.
- Hire and maintain a qualified work force.
- Promote community participation and involvement in local government.

2019 Major Accomplishments

During fiscal year 2019, the City of Newnan began or completed many significant projects and objectives in connection with the City's overall goals. The following is a list of major accomplishments by the City's various departments during 2019, in no particular order.

- Received the GFOA Certificate of Achievement for Excellence in Financial Reporting for the City's Comprehensive Annual Financial Report (CAFR), the City's 9th consecutive award.
- Received the Distinguished Budget Presentation Award from GFOA, the City's 31st consecutive award.
- Provided a 5% wage increase to all full-time employees.
- Maintained an average response time of 5 minutes for Fire Department.
- Substantially completed construction of Phase I of the LINC (linear park).
- Substantially completed design of Phase II of the LINC.
- Completed construction of the City's 4th Fire Station and began operations on the Bypass.
- Completed construction of the new Sprayberry Road Park.
- Initiated a traffic improvement study of Lower Fayetteville Road.
- Maintained an insurance services offices (ISO) fire rating of 2 for city residents and businesses.
- Completed repaving of various streets under the LMIG program (Georgia DOT).
- Initiated a traffic study of Clark, Jackson & Jefferson Streets Intersection with funding provided by a DCA grant.
- Completed signaling at East Broad and Farmer Street.
- Substantially completed construction of the McIntosh Parkway Extension project.
- Substantially completed renovations at CJ Smith Park and Pickett Field.



Construction in Progress at Year-End

Projects underway (construction in progress) at the end of 2019 included: CJ Smith Park and Pickett Field improvements, an Intelligent Traffic Operations Center, Jefferson/Jackson/Clark Traffic Study, Phases I and II of the LINC, Lower Fayetteville Road widening, McIntosh Parkway improvements, Newnan Grand Slam Baseball Stadium, new Pickle Ball Facility and LMIG 2020 repaving projects. For more information on the City's 2019 accomplishments, please visit our website at www.cityofnewnan.org and click on the 2019 Annual Report published by the City Manager's Office.

Strategic Financial Planning

The City of Newnan has initiated processes to provide for the future and plan for services, programs and facilities to meet the needs of the citizens, visitors and businesses in the community. The most current budget process addresses both revenues and expenditures for its operating programs for the current year. The **Five Year Capital Plan** was developed to address future needs and project financial trends in order to plan for the long-term needs of the City including personnel, equipment, facilities, operations and maintenance. This program establishes a continuing five-year look at facility and equipment needs and the plan is updated annually.

The City also maintains a **Twenty Year Comprehensive Plan** which provides a review of the issues and opportunities that will affect the future of the City, delineates and discusses character areas and areas of special concern, and provides a detailed analysis of existing conditions as well as future projections.

Financial analysis and planning is essentially a process to assess the future and determine what the needs of the City will be in the future years. The Mayor and City Council have recognized the need for this type of planning effort, which will in turn provide the roadmap for future budgeting and capital planning efforts. Such a plan provides guidance to the legislative and administrative arms of city government, but also provides a guideline for residents and businesses of the community to act upon in the development of private programs and services. Additionally, the City has adopted a comprehensive **Disaster Preparedness Plan** which will be implemented in the event of catastrophic incidents, which may occur in Newnan and Coweta County. All departments are involved and trained in this area.

AWARDS AND ACKNOWLEDGEMENTS

GFOA Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Newnan for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2018. This was the ninth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

GFOA Distinguished Budget Presentation Award

The City of Newnan was awarded, for the thirty-first consecutive year, the Government Finance Officers Association of the United States "Distinguished Budget Presentation Award" for its 2019 budget document. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide and a communications device. Additionally, we have submitted our 2020 budget document to GFOA for consideration of this award.

Other Awards and Acknowledgements

The City has obtained National Main Street, Keep Georgia Beautiful and Keep America Beautiful certifications over the past few years. Additionally, Newnan has been named one of the 'Most Charming

Cities to Visit in Georgia' by Trips to Discover and one of the "Top 10 Best Cities for Young Professionals Near Atlanta by Movato. In 2009, the City was voted by This Old House as a 'Best Old House Neighborhood'. In 2019, the City received the Tree City USA award for the 30th consecutive year! And finally, Main Street Newnan has been identified as a Georgia Exceptional Main Street (GEMS) community.

Additionally during 2019, the Newnan Police Department coordinated and/or sponsored the following community events and programs:

- 3rd Annual Car Show – 90 participants; raised almost \$10,000 for community outreach programs
- Law Enforcement Explorer program – 11 students graduated
- Guitars Not Guns program – 35 participants
- Coffee with a Cop program – hosted by Chick Fil A
- Shop with a Cop program – presents provided for 72 kids
- 3rd Annual golf tournament – 92 participants; raised over \$23,500 for outreach programs
- Lunch with a Cop – hosted by Golden's on the Square
- Wish List for the Elderly – provided winter coats and fruit baskets for 125 persons
- Repack the Backpack program – partnered with Coweta Family Foundation – 400 kids served
- Law Enforcement Explorer program – 11 youth participants
- Annual Blood Drive – 260 participants
- 2019 Police and Fires Games event – hosted by Newnan Police Department

Various Public Safety officers also received individual awards during the year, including the Piedmont Hero Award, officer of the year, life-saving, certificate of commendation and intermediate certification bar awards. The Newnan Fire Department's ISO rating was maintained at class 2 during 2019. The rating schedule takes into account the abilities of a local fire department and their water supply system, along with their ability to dispatch crews to respond to fire alarms. Newnan's fire department is currently in the top 6 percent in the state and top 3.4 percent across the nation for fire departments with a Class 2 ranking.

In the City's Engineering Department, Rob Hill was named Chairman of the Year by Georgia Utilities Coordinating Council, Region 3, Coweta County and Dana Johnson was named Secretary of the Year for the same organization – great representation for the City of Newnan! The City is proud to include accomplishments of our dedicated and supportive workforce in its annual report.

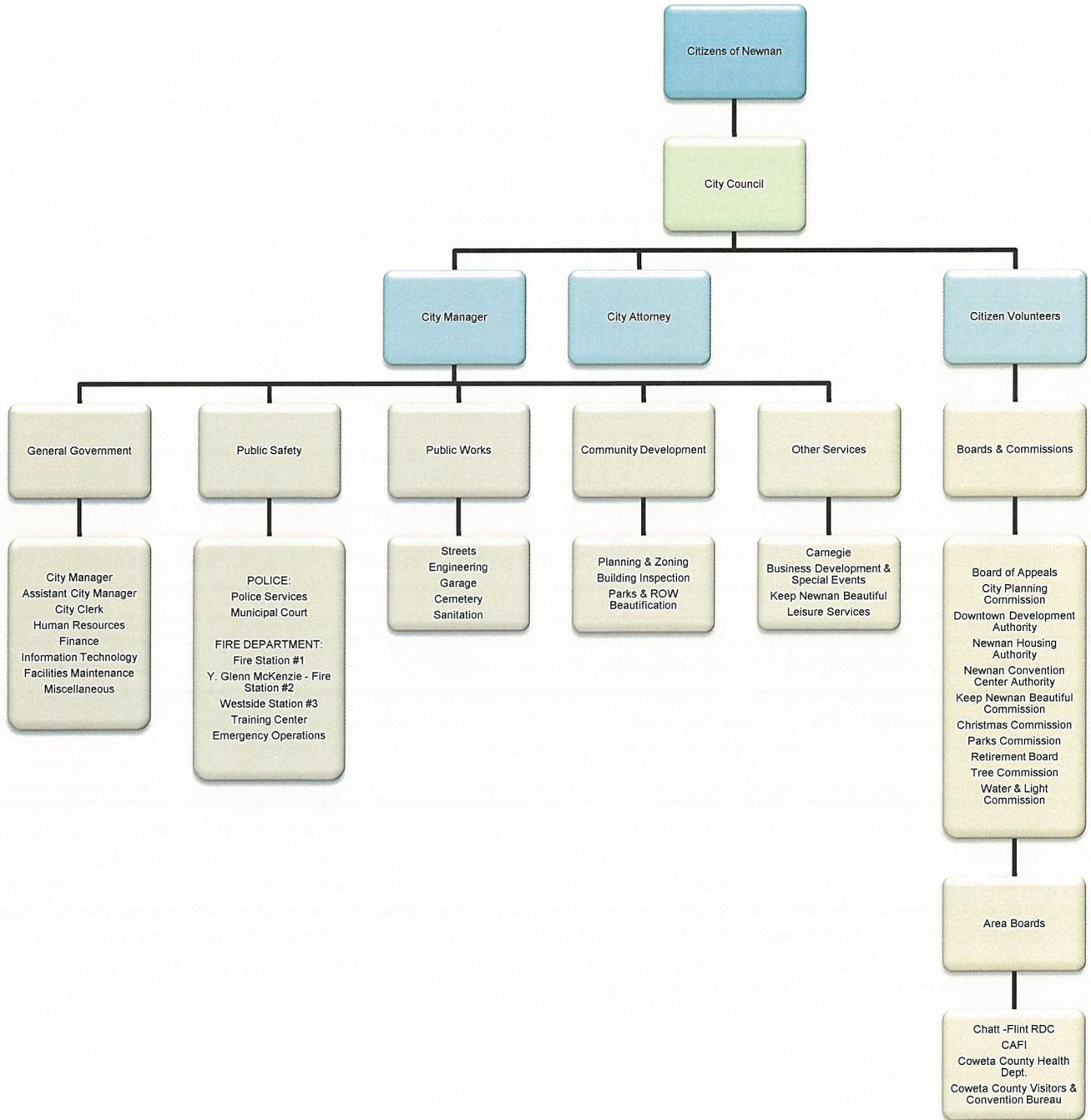
The timely preparation and publication of this Comprehensive Annual Financial Report represents significant effort and accomplishment by the Finance department. The independent audit firm of Clifton, Lipford, Hardison and Parker, LLC is also to be commended for their cooperation and invaluable assistance in the preparation of this document. My sincere appreciation is expressed to the City Council, City Manager and Department Directors for assistance and leadership throughout the year as it pertains to the financial affairs of the City of Newnan. Last, but not least, I wish to express my sincere appreciation to the Finance department staff: Jennifer McCrary, Rhonda White, Kim Adams, Iris McClung and Lee Penna, whose dedication and support made this report and the entire year such a success.

Respectfully submitted,



Katrina Cline
Finance Director, City of Newnan

City of Newnan Organization Chart



City of Newnan, Georgia OFFICIALS AND OFFICES

City of Newnan
P. O. Box 1193
25 LaGrange Street
Newnan, Georgia 30264
Fax: 770-254-2353

City website:
www.ci.newnan.ga.us

MAYOR AND COUNCIL MEMBERS

<u>District</u>	<u>Council member</u>	<u>Year Elected</u>
Mayor	L. Keith Brady	1994
District 001, Post A:	Paul Guillaume	2018
District 001, Post B:	Dustin Koritko	2014
District 002, Post A:	Rhodes Shell	2006
District 002, Post B:	Ray DuBose	2006
District 003, Post A:	George Alexander, Mayor Pro Tem	2003
District 003, Post B:	Cynthia Jenkins	2004

CITY ADMINISTRATIVE OFFICES

<u>Department</u>	<u>Director/Supervisor</u>	<u>Physical Address</u>	<u>Phone</u>
Beautification	Mike Furbush	57 Boone Drive	770-251-3455
Building Inspection	Bill Stephenson	25 LaGrange Street	770-254-2362
Business Dev.	Courtney Harcourt	6 First Avenue	770-253-8283
Carnegie Building	Susan Crutchfield	1 LaGrange Street	770-683-1347
Cemetery	Jimmy Hemmings	25 LaGrange Street	770-253-3744
City Clerk	Della Hill	25 LaGrange Street	770-254-2358
City Council	L. Keith Brady	25 LaGrange Street	770-254-2358
City Hall		25 LaGrange Street	770-253-2682
City Manager	Cleatus Phillips	25 LaGrange Street	770-254-2358
Engineering	Michael Klahr	25 LaGrange Street	770-254-2354
Facilities Maintenance	Mark Johnston	25 Jefferson Street	678-673-5528
Finance	Katrina Cline	25 LaGrange Street	770-254-2351
Fire	Stephen Brown	23 Jefferson Street	770-253-1851
Human Resources	Meg Blubaugh	25 LaGrange Street	770-254-2358
Information Tech	Bryan Lee	25 LaGrange Street	770-254-2358
Leisure Services	Katie Mosley	23 Jefferson Street	770-254-2354
Main Street	Courtney Harcourt	6 First Avenue	770-253-8283
Mayor	L. Keith Brady	25 LaGrange Street	770-254-2358
Newnan Utilities	Dennis McEntire	70 Sewell Road	770-683-5516
Planning & Zoning	Tracy Dunnivant	25 LaGrange Street	770-254-2354
Police	Douglas Meadows	25 Jefferson Street	770-254-2355
Communications	Ashley Copeland	25 LaGrange Street	770-254-2358
Public Works	Michael Klahr	55 Boone Drive	770-253-0327
Sanitation	Ray Norton	55 Boone Drive	770-253-1823
Streets	Ray Norton	55 Boone Drive	770-253-1823



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Newnan
Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Council
The City of Newnan, Georgia

Report on the Financial Statements

We have audited the accompanying 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 the City of Newnan, Georgia as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Newnan Water, Sewerage and Light Commission which represents 99 percent of the assets, net position, and revenues of the aggregate component units of the City of Newnan, Georgia. Those statements were audited by other auditors whose report 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. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we

express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above 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 of Newnan, Georgia, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows, and the respective budgetary comparison for the General Fund and the Major Special Revenue Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 20-41, the schedule of changes in the net pension liability and related ratios on page 89, the schedule of contributions on page 90, and the notes to the required supplementary information on pages 91-92 be presented to supplement the basic financial statements. Such information, 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 and other auditors 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Newnan, Georgia's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, budgetary comparison schedules, component unit financial statements, the schedule of projects constructed with special sales tax proceeds, schedule of project expenditures with rental motor vehicle excise tax revenue and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, budgetary comparison schedules, component unit financial statements, the schedule of projects constructed with special sales tax proceeds, and the schedule of project expenditures with rental motor vehicle excise tax revenue are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 by us and other auditors. In our opinion, the combining and individual nonmajor fund financial statements and schedules, the budgetary comparison schedules, the component unit financial statements, the schedule of projects constructed with special sales tax proceeds, and the schedule of project expenditures with rental motor vehicle excise tax revenue are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 23, 2020, on our consideration of the City of Newnan, Georgia'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 the City of Newnan's 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 of Newnan, Georgia's internal control over financial reporting and compliance.

Macon, Georgia
July 23, 2020



MANAGEMENT'S DISCUSSION & ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the City of Newnan, Georgia's (the "City") comprehensive annual financial report, the City's management is pleased to provide this narrative discussion and analysis of the financial activities of the City for the calendar year ended December 31, 2019. The City's financial performance is discussed and analyzed within the context of the financial statements and disclosures following this section. Readers should also review the basic financial statements and notes beginning on page 42 to enhance their understanding of the Government's financial performance.

2019 Financial Highlights

- The assets and deferred outflows of the City of Newnan exceeded its liabilities and deferred inflows by \$179,616,459 (net position) at the close of the calendar year reported.
- The City's total net position, on an entity-wide basis, increased by \$6,358,443, or 3.7%. Governmental activities increased by \$6,287,202, with the remaining increase of \$71,241 attributed to business-type activities (Sanitation). The increase in governmental activities is primarily due to the increase in total assets in the amount of \$5,910,713. Total capital outlay for 2019 was \$6,770,862 with depreciation expenses of \$4,994,393. Please see page 43 of this report for detail of the other items, which make up the total increase in net position.
- Total net position is comprised of the following:
 - (1) Capital assets totaling \$147,956,084, include property and equipment, net of depreciation. Of this amount, \$423,936 is attributed to business-type activities in the Sanitation fund.
 - (2) Net position of \$8,206,607 is restricted by constraints imposed from outside the City, such as debt covenants, grantors, laws or regulations.
 - (3) Unrestricted net position of \$23,453,768 represents the portion available to maintain the City's continuing obligations to citizens and creditors; of which \$483,928 is unrestricted in the Sanitation fund, the City's only business-type activity.
- The City's governmental funds reported total combined ending fund balances of \$37,098,354 this year. This compares to the prior year combined ending fund balances of \$34,796,881, showing an increase of \$2,301,473, or 6.6%, during the current year.
- **Nonspendable** fund balance decreased by \$1,328. **Restricted** fund balance decreased by \$296,167, or 3.5%, due mainly to the reduction in the funds restricted for capital outlay in the SPLOST 2007 fund of \$1,009,703 and the SPLOST 2013 fund of \$3,804,837, offset by an increase in the SPLOST 2019 funds reserved for capital outlay of \$4,468,977. The **Committed** fund balance decreased by \$70,161, or 100%, due to expenditure of remaining committed funds for downtown sanitation and Greenville Street Park lighting improvements during 2019.
- Finally, **Assigned** fund balance decreased by approximately \$436,000, mainly due to completion of the new Sprayberry Road Park. **Unassigned** fund balance, all in the general fund, totaled \$27,912,674, which amounts to 107.5% of total general fund expenditures of \$25,954,493. In comparison, the general fund unassigned fund balance for 2018 was 98.6% of general fund expenditures. At the end of the current calendar year, fund balance for the general fund totaled \$28,483,983, an increase of 9.8% from 2018, at \$25,940,613.

- The City typically operates on a pay-as-you go basis and has not incurred any long-term debt in the acquisition of capital assets. The only long-term debt is related to pension liability and employee compensated absences (earned sick, vacation, personal, banked and comp time) in the amount of \$832,456, an increase of \$38,110, or 4.8%, from 2018. Earned vacation debt increased by \$37,550, personal leave decreased by \$2,112, banked leave decreased by \$2,003 due to payout for employee retirements, earned comp time decreased by \$586 and, finally, sick leave increased by \$2,553. Please note that FICA/Medicare taxes payable due to this liability also increased by \$2,708 during 2019.
- Overall, the City continues to maintain a strong financial position. The ratio of current assets to current liabilities is 13.9 to 1 at the end of 2019, which is an increase from 2018 where the ratio was 10.8 to 1.

The above financial highlights are explained in more detail in the “financial analysis” section of this document.

Overview of the Financial Statements

This Management Discussion and Analysis (MD & A) document is intended to serve as an introduction to the City’s basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The City also includes in this report additional information to supplement the basic financial statements. Comparative data is presented when available.

Government-wide Financial Statements

The City’s annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

- The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement of position presenting information that includes all of the City’s assets and liabilities, with the difference reported as *total net position*. Over time, increases or decreases in net positions may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall health of the City would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of City infrastructure, in addition to the financial information provided in this report.
- The second government-wide statement is the *Statement of Activities*, which reports how the City’s net position changed during the current calendar year. All current year revenues and expenses are included regardless of when cash is received or paid out. An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

Both government-wide financial statements distinguish between governmental activities of the City that are principally supported by sales taxes and business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, community development, tourism development and public works. The business-type activities of the City of Newnan 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. Green For Life Environmental (GFL) handles all other Sanitation activities, including collection and disposal of residential solid waste (trash), the City’s designated contractor for such services.

The government-wide financial statements are presented on pages 42 & 43 of this report. These statements include the City's component units – Water, Sewerage and Light (Newnan Utilities), the Convention Center Authority and the Downtown Development Authority – 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 (City) itself.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City of Newnan uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report, beginning on page 93. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the City's governmental funds. These statements report short-term calendar accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The City of Newnan adopts an annual appropriated budget for the general fund and all special revenue funds. Budgets are prepared for the capital project funds on a project basis, which usually covers two or more years. Fiduciary funds do not have budgets. A budgetary comparison statement has been provided for the general fund and all special revenue funds to demonstrate compliance with this budget. The basic governmental fund financial statements are presented on pages 44-52 of this report. Individual fund information for non-major governmental funds are found in combining statements in a later section of this report.

Proprietary funds are used to account for the business-type activities of the government. The City of Newnan has one enterprise fund – Sanitation (city-wide brush/bulk services and downtown trash collection only). The basic proprietary fund financial statements can be found on pages 53-56 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting method used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statement can be found on page 57 of this report. The City of Newnan has only one fiduciary fund – Preconfiscated Assets for law enforcement purposes.

Notes to the Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 58 of this report.

Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's budget presentations. Budgetary comparison statements for the general fund and NSP grant fund are included in the basic financial statements. Budgetary comparison schedules for other governmental funds can be found in a later section of this report. These schedules demonstrate compliance with the City's adopted and final revised budget. As discussed, the City reports major funds in the basic financial statements. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report beginning on page 93.

Government-Wide Financial Analysis of the City

The following table provides a summary of the City's net position. The City reported positive balances in the net positions; the same held true for the prior calendar year.

City of Newnan, Georgia						
Comparative Schedule of Net Position						
December 31, 2019						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Assets:						
Current assets	\$ 39,419,440	\$ 37,884,487	\$ 627,629	\$ 666,644	\$ 40,047,069	\$ 38,551,131
Capital assets	147,532,148	143,237,553	423,936	303,756	147,956,084	143,541,309
Total assets	186,951,588	181,122,040	1,051,565	970,400	188,003,153	182,092,440
Deferred outflows of resources related to pensions	2,545,428	2,160,931	44,021	37,371	2,589,449	2,198,302
Liabilities:						
Current liabilities	2,831,800	3,517,484	51,247	45,247	2,883,047	3,562,731
Noncurrent liabilities	7,956,621	6,496,401	136,475	111,241	8,093,096	6,607,642
Total Liabilities	10,788,421	10,013,885	187,722	156,488	10,976,143	10,170,373
Deferred inflows of resources related to pensions	-	847,693	-	14,660	-	862,353
Net position :						
Net investment in capital assets	147,532,148	143,237,553	423,936	303,756	147,956,084	143,541,309
Restricted	8,206,607	8,502,774	-	-	8,206,607	8,502,774
Unrestricted	22,969,840	20,681,066	483,928	532,867	23,453,768	21,213,933
Total Net Position	\$ 178,708,595	\$ 172,421,393	\$ 907,864	\$ 836,623	\$ 179,616,459	\$ 173,258,016

The City's total net position at calendar year-end was \$179,616,459, which is an increase of \$6,358,443, or 3.7%. The largest portion of net position (82.4%) reflects the City's net investment in capital assets, which is consistent with 2018 at 82.8%. Current assets increased by \$1,495,938, or 3.9%, primarily due to the increase in receivables and investments. The \$4,414,775 increase in capital assets is mainly due to an increase in buildings and parks,

including completion of Phase I of the new linear park(LINC) and Sprayberry Road Park, as well as completion of a fourth fire station in Newnan.

Current liabilities decreased in total by \$679,684, or 19.1%, primarily due to the decrease in accounts payable at year-end for the SPLOST 2013 and Impact Fees funds. Current liabilities decreased from 35% of the total liabilities in 2018 to 26.3% of the total liabilities in 2019. Noncurrent liabilities showed an increase of \$1,485,454, due to the net pension liability increase of \$1,484,862 recorded for 2019. Thus, noncurrent liabilities made up 73.7% of total liabilities at the end of 2019.

Restricted net position decreased by \$296,166, or 3.5%, primarily due to the reduction in funds restricted for capital outlay. 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 13.9 to 1, which is strong. The ratio for 2018 was 10.8 to 1.

Please note that 82.4% of the governmental activities net position is tied up in capital, which is consistent with 2018, where capital assets totaled 82.8% of governmental activities' net position. The City uses these capital assets primarily to provide services to its citizens and to maintain the quality of those services. Governmental and business-type activities combined increased the City of Newnan's net position by \$6,358,443. Key elements of this increase are detailed in the chart on the prior page.

City of Newnan, Georgia Comparative Schedule of Changes in Net Position December 31, 2019						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program Revenues						
Charges for services	\$ 5,171,698	\$ 4,519,612	\$ 782,104	\$ 765,791	\$ 5,953,802	\$ 5,285,403
Operating grants	60,000	25,000	-	38,658	60,000	63,658
Capital grants	10,468,604	9,610,915	-	-	10,468,604	9,610,915
Total Program Revenues:	15,700,302	14,155,527	782,104	804,449	16,482,406	14,959,976
General Revenues:						
Taxes	23,959,666	22,972,484	-	-	23,959,666	22,972,484
Investment earnings	287,579	143,906	12,189	8,446	299,768	152,352
Total General Revenues:	24,247,245	23,116,390	12,189	8,446	24,259,434	23,124,836
Total Revenues:	39,947,547	37,271,917	794,293	812,895	40,741,840	38,084,812
Expenses:						
General government	4,868,259	6,046,153	-	-	4,868,259	6,046,153
Tourism development	384,299	393,082	-	-	384,299	393,082
Public safety	15,055,448	13,282,026	-	-	15,055,448	13,282,026
Public works	8,380,097	7,558,830	-	-	8,380,097	7,558,830
Community development	4,772,242	4,164,813	-	-	4,772,242	4,164,813
Sanitation	-	-	923,052	873,756	923,052	873,756
Total Expenses:	33,460,345	31,444,904	923,052	873,756	34,383,397	32,318,660
Excess / (Deficiency)	6,487,203	5,827,013	(128,759)	(60,861)	6,358,443	5,766,152
Transfers	(200,000)	(150,000)	200,000	150,000	-	-
Change in net position	6,287,202	5,677,013	71,241	89,139	6,358,443	5,766,152
Beginning net position	172,421,393	166,744,380	836,623	747,484	173,258,016	167,491,864
Ending Net Position	\$ 178,708,595	\$ 172,421,393	\$ 907,864	\$ 836,623	\$ 179,616,459	\$ 173,258,016

Charges for services increased by about \$652,086, mainly due the increase in police fines, intergovernmental revenues (school resource officer's reimbursement by Coweta County) and miscellaneous revenues for 2019. The number of school resource officers increased from six (6) to twelve (12) during 2019. Capital grants and contributions increased by approximately \$860,000, primarily due to the increase of \$815,485 in donated properties for 2019, mostly in the form of land, roads and sidewalks contributed by developers.

Overall, governmental activities reported an increase in expenses totaling \$2,015,441, or 6.4%, for 2019. The public safety function showed an increase of \$1,773,422 for 2019, or 13.4%. The increase is mainly attributed to the difference in operational costs totaling about \$1.6 million from 2018 to 2019, along with an increase in pension contributions in excess of the change in pension liability of approximately \$98,000 for the function. An increase of \$821,267, or 10.9%, was reported for public works, which is a result of increased operations totaling \$457,243, an increase in depreciation expense of \$180,063, and the difference in real capital outlay and the allocation for capital outlay included in the function for 2019 versus that recorded for 2018.

Additionally, the community development function recorded an increase in expenditures of \$607,430 from 2018 to 2019, mainly due to the difference in real capital outlay and the allocation for capital outlay included in the function for 2019 versus that recorded for 2018, along with the increase in operational costs of about \$278,000. The general government function showed a decrease of \$1,177,895, or 19.5%, primarily due to the reduction of

\$1.2 million in operating expenditures, paid for retirement of intergovernmental loan to the DDA for the UWG redevelopment project in 2018. Finally, the tourism development function reported a decrease of about \$8,800 for 2019, or 2.2%.

Governmental Activities

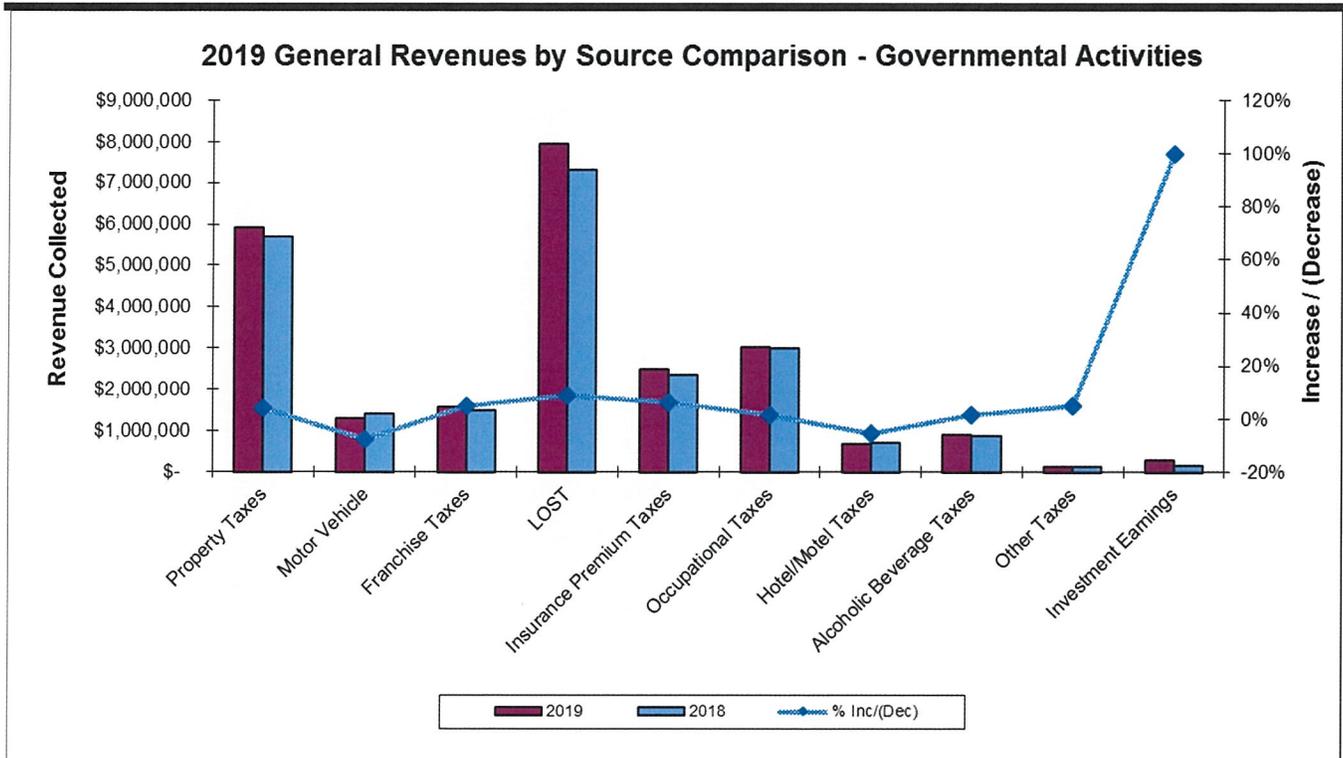
Program revenues represent 39.5% of total revenues in 2019, as compared to 38.1% in 2018. The most significant changes are reported in the community development, public works and public safety functions, mainly due to changes in the allocation of SPLOST revenues and the increase in impact fee receipts from year to year.

General revenues make up the remaining 60.5% of total receipts, almost all of which is taxes. This is down slightly from 61.9% in 2018. Every revenue category showed an increase over 2018, with the exception of hotel/motel taxes and motor vehicle taxes. The chart on the next page shows all sources of general revenues for 2019.

As shown by that chart, local option sales tax (LOST) increased by approximately \$630,000, property taxes increased by \$221,413, insurance premium taxes increased by \$147,077 and investment earnings showed an increase of \$143,673 over 2018. These increases were offset by decreases in hotel/motel taxes (about \$39,000) and motor vehicle taxes (about \$109,000) for 2019.

Sales tax showed the largest dollar increase, due to an increase in the population and a growing local economy, followed by property taxes and insurance premium taxes. The largest percentage increase was shown in investment earnings at 99.8%, followed by sales tax at 8.6% and insurance premium taxes at 6.2%.

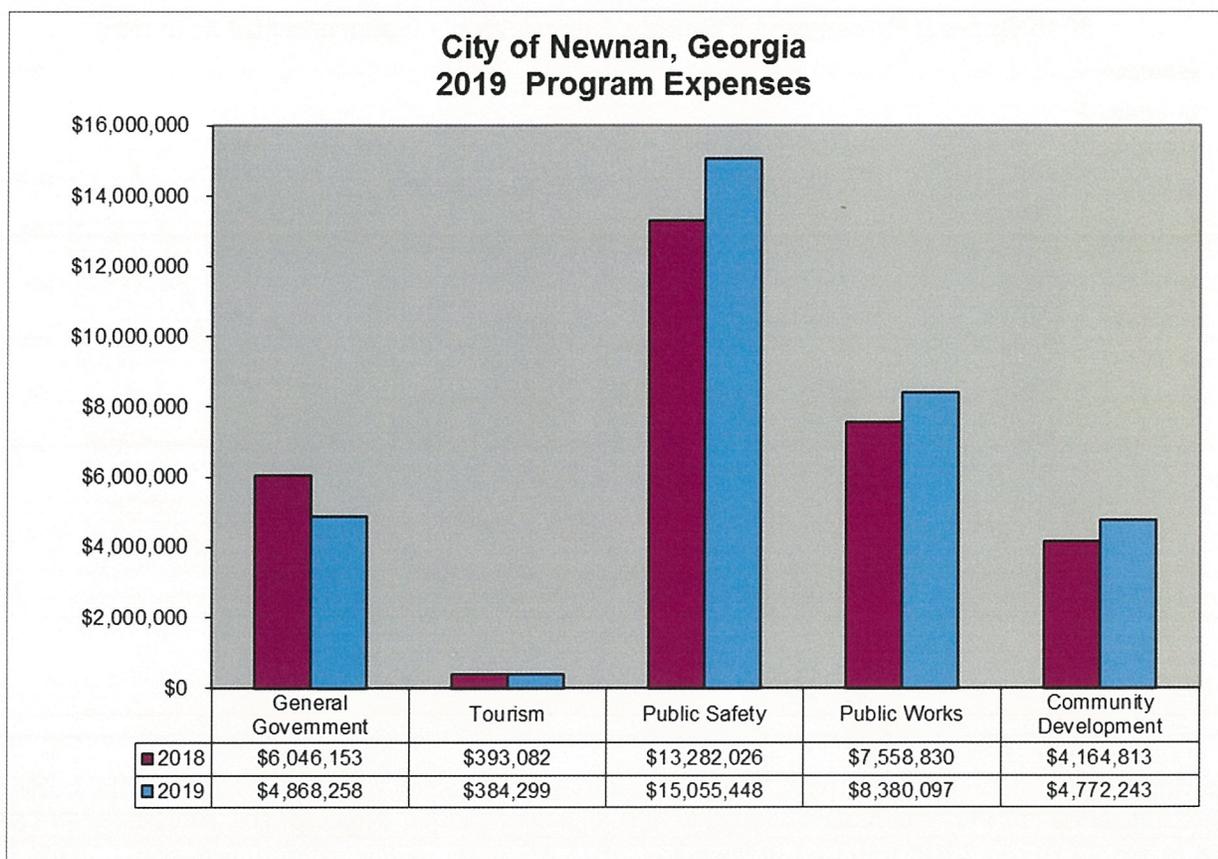
The changes in revenues are indicative of the general economy in Newnan and nationally. Our population is increasing and both commercial and residential permitting continue to show positive growth. We expect to see further improvements to revenue during 2020 due to changes in the population and the local economy in both commercial and residential sectors, however, the impact of the coronavirus in 2020 could impact several sources of revenue for the City of Newnan. The impact cannot be measured at this time.



Per the charts below and on the next page, program expenses increased by 6.4%, or about \$2 million, for 2019. The largest increase (14.6%) was in the community development function, with expenses going from \$4,164,813 in 2018 to \$4,772,243 in 2019, followed by increases of 13.4% in the public safety function and 10.9% in the public works function. Expansion of services for Keep Newnan Beautiful (KNB) and the Leisure Services departments account for the 14.6% increase in the community development function and include expenditures for downtown lighting and decorations, as well as operating expenses for KNB. The increases in both public safety and public works functions are primarily due to higher operating costs, with a portion of the public works function also showing a significant increase due to expenditures in the new SPLOST issue for the year.

Program Expenses by Function							
	General Government		Tourism	Public Safety	Public Works	Community Development	Total
2019	\$ 4,868,258	\$ 384,299	\$ 15,055,448	\$ 8,380,097	\$ 4,772,243	\$ 33,460,345	
2018	\$ 6,046,153	\$ 393,082	\$ 13,282,026	\$ 7,558,830	\$ 4,164,813	\$ 31,444,904	
Variance	\$ (1,177,895)	\$ (8,783)	\$ 1,773,422	\$ 821,267	\$ 607,430	\$ 2,015,441	
% Change	-19.48%	-2.23%	13.35%	10.87%	14.58%	6.41%	

It is worth noting that the general government function showed a decrease of 19.5%, mainly due to retirement of the intergovernmental loan to the Downtown Development Authority in 2018 related to the University of West Georgia (UWG) redevelopment project. During 2018, a little over \$1.2 million was allocated to close out that debt.



GOVERNMENTAL REVENUES

The City is heavily reliant on sales taxes to support governmental operations and capital. Sales tax, the largest general revenue source in 2019, provided 32.7% of the City’s total general governmental revenues; by comparison, in 2018 sales taxes provided 31.6% of that total. Property taxes are the second largest general revenue source with approximately \$5.9 million of revenues, or 24.4% of the total, as compared to 24.6% for 2018. The City has contracted with the Coweta Tax Commissioner to bill and collect its property taxes since 2015. The City’s millage rate decreased slightly, going from 4.0 mills in 2018 to 3.989 mills per thousand dollars of assessed value for 2019. Occupational taxes and insurance premium taxes are also in the top four revenue sources for the City.

Occupational taxes, the City’s third largest general revenue source, produced \$3,032,855 in 2019, up from \$2,992,768 in 2018, which is a 1.3% increase. Occupational taxes collected are based on the gross receipts of each business. The fourth largest general revenue source is insurance premium taxes, which increased by 6.2% primarily due to the growth in population over the last decade, as defined by the US Census Bureau. Overall, taxes made up 98.8% of the total general revenues for 2019, which was fairly consistent with 2018 at 99.4%.

The City’s dependency upon property and sales tax receipts is apparent as about 57.1% of governmental activities are supported through these general receipts, which was fairly consistent with 2018 at 56.2%. Sales and property taxes are historically the two largest forms of general revenues for the City of Newnan, followed by occupational taxes at 12.5% and insurance premium taxes at 10.3% of the total general revenues for 2019.

Program revenues (excluding capital revenues) covered 15.6% of governmental operating expenses, up slightly from 14.5% in 2018. This means that the government's taxpayers and the City's other general governmental revenues funded about 84% of the governmental activities in 2019, as compared to 85% in 2018. As a result, one can see how the general economy has a major impact on the City's revenue streams.

GOVERNMENTAL FUNCTIONAL EXPENSES

Overall, costs for governmental activity services increased by 6.4% during 2019, up from \$31,444,904 in 2018. Thus, the City shows a net cost of \$17,760,043 for these services, as compared to 2018 where the same services showed a total cost to the City of \$17,289,377.

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. As shown by this chart, none of the functions covered 100% of costs during 2019.

Public safety function costs make up 45% of total governmental activities expenses, up from 42.2% in 2018. Public works makes up 25% of the total cost versus 2018, where their portion was 24%.

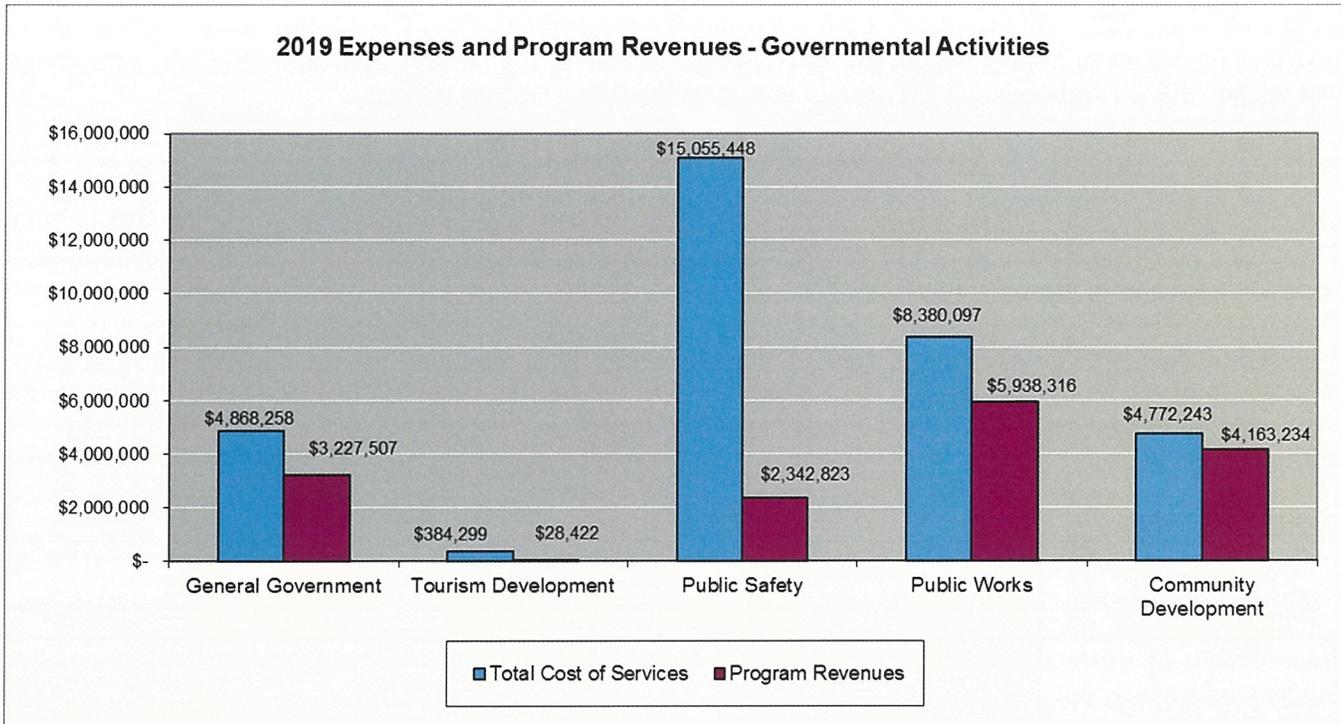
	Total Cost of Services	% of Total	Net (Cost)/ Benefit of Services	% of Costs Covered
General Government	\$ 4,868,258	14.55%	\$ (1,640,751)	66.30%
Tourism Development	384,299	1.15%	(355,877)	7.40%
Public Safety	15,055,448	44.99%	(12,712,625)	15.56%
Public Works	8,380,097	25.04%	(2,441,781)	70.86%
Community Development	4,772,243	14.26%	(609,009)	87.24%
Total	\$ 33,460,345	100.00%	\$ (17,760,043)	46.92%

General government is 14.6% of the total, as compared to 19.2% last year. The community development function made up 13.2% of the total in 2018 as compared to about 14.3% for 2019.

Costs for general government decreased by almost \$1.2 million, mainly due to retirement of the intergovernmental debt to the DDA for the UWG redevelopment project in 2018, as discussed earlier in this document. The public works function increase of \$821,267 was primarily attributed to increased operations, an increase in pension contributions, and the difference in real capital outlay included in the function for 2019 versus that recorded for 2018, as discussed earlier in this document. The community development function costs showed an increase of about \$607,000, mainly due to the increases in capital outlay from 2018 to 2019 and operational costs. Finally, the public safety function cost increase was related to pension liability and operations.

The General government function revenues covered 66.3% of its total costs, up from 56.6% for 2018. Public safety function program revenues covered 15.6% of its total costs, down from 38.5% in 2018. Public works function revenues covered approximately 70.9% of total costs versus 46.1% in 2018. The community development showed an increase in percentage of covered costs from 2018 to 2019, going from 50.7% of covered costs to 87.2%.

Overall, the City was able to cover 46.9% of total costs in 2019 versus 45% in 2018. The increase in the percentage of costs covered is mainly attributed to the increase in capital grants and contributions in the form of donated properties (assets) for 2019. The chart on the next page is a graphical representation of the relationship between the 2019 expenses and program revenues by function.



Financial Analysis of the City’s Funds

Governmental Funds

As discussed, we report governmental funds in the fund statements with a short-term inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$37,098,354, an increase of 6.6% from the 2018 ending balance of \$34,796,881. Of this 2019 year-end total, \$27,912,674 is **unassigned**, indicating availability for continuing City service requirements. At the end of 2018, unassigned fund balance was \$24,807,716. Therefore, unassigned fund balance increased by 12.5%, or about \$3.1 million, which is due primarily to operations and revenue collections during 2019. Actual revenues exceeded expenses by approximately \$2.5 million for 2019.

Committed fund balance decreased by \$70,161, or 100%, as all remaining funds previously committed by Council were utilized during 2019. **Assigned** fund balance decreased by about \$436,000, primarily due to the completion of Sprayberry Park, where Council had reserved \$445,000 for this purpose. As committed and assigned fund balances decrease, the unassigned fund balance increases, unless otherwise designated by City Council.

Restricted fund balances total \$8,206,607, a decrease of about \$296,000 from the 2018 restricted fund balances total of \$8.5 million. This balance includes \$2,330,558 for capital outlay in the SPLOST 2013 fund, \$4,468,977 for capital outlay in the SPLOST 2019 fund and \$1,395,285 in other governmental funds for capital outlay. The main reason for the decrease in restricted fund balances is the change in the SPLOST fund balances, as all remaining SPLOST 2007 funds were depleted and the new SPLOST 2019 took effect in 2019.

Major Governmental Funds

The **General Fund** is the City's primary operating fund and the largest source of day-to-day service delivery. The general fund's ending fund balance increased from \$25,940,613 to \$28,483,983, which is a 9.8% increase from 2018. The net change in fund balance was \$2,543,370. As indicated, 98% (\$27,912,674) of this balance is unassigned and available for continuing City services at the designated levels, which is an increase from 2018 at 95.6%. The unassigned fund balance is considered very adequate, representing the equivalent of 107.5% of annual expenditures. In comparison, the ending fund balance for 2018 represented 98.6% of annual operating expenditures. The primary use of fund balance is to cover cash flow deficiencies occurring during the early months of each year, until property taxes and insurance premium taxes are received in the last quarter.

The **NSP grant** fund's ending fund balance was \$0, which is the same as 2018. This fund was created specifically to record activities related to the Neighborhood Stabilization Program grant, with funds disbursed by the Georgia Department of Community Affairs, through a federal grant program. The City works in conjunction with Newnan Housing Authority and Newnan-Coweta Habitat for Humanity to provide low-income housing options for those persons who meet the eligibility requirements of the programs. Program revenue is generated when houses are sold (after being acquired with grant funds), which is in turn re-invested into the program. Activities allowed under the grant now include new construction, along with rehabilitation of existing houses. Program revenues are deferred each year and then reported as activity occurs.

SPLOST 2007 fund's ending fund balance was \$0. All remaining funds were depleted during 2019 with completion of the designated projects. A new SPLOST issue took effect in January 2019.

SPLOST 2013 fund's ending fund balance was \$2,330,558, a decrease of \$3,804,837 from 2018, which ended with a balance of \$6,135,395. This SPLOST issue expired at the end of 2018, thus there were no sales tax receipts for 2019. However, interest earnings totaled \$22,812 for the year. Additionally, the City received a reimbursement from Newnan Utilities for the McIntosh Parkway project in the amount of \$251,476 and two GDOT grants totaling \$87,212 as reimbursement for various street projects. Expenditures totaled \$4,166,337 and included McIntosh Parkway improvements, a boom mower for the street department, paving of various streets, traffic signal upgrades, various streetscapes projects, construction costs for fire station number 4, the new linear park and recreation improvements to various parks.

SPLOST 2019 is a new SPLOST issue; it will expire at the end of 2024 as it is a 6-year tax. The fund's ending fund balance was \$4,468,977. Sales taxes receipts totaled \$6,550,859 for 2019 and interest earnings of \$12,475 were recorded. Expenditures totaled \$2,094,357 and included \$639,032 in capital outlay for the new LINC, as well as improvements to several parks and a new boom mower. Any remaining balances carry over to next year for budgeting purposes, as projects related to this fund are life-to-date.

Approved capital projects for this fund included new computer hardware and software, new fire trucks, a new training facility for public safety, various street, sidewalk, and drainage improvements, equipment for public works, and about \$14 million for parks, trails, and leisure services. Approximately \$140 million is expected to be generated over the 6-year span of the tax, with about \$36 million of that amount designated for the City of Newnan. Newnan Utilities will receive 10% of the City's portion, with transfers monthly as receipts are recorded.

Revenue Category Comparisons

Sales Taxes

Local option sales tax revenue actually increased by 8.6% when compared to calendar year 2018, from \$7,310,624 to \$7,940,851. Special Purpose sales tax collections also increased from \$6,084,316 to \$6,550,859 for 2019. Sales taxes from all sources, including Special Purpose, showed a \$1,096,770 increase, or 8.2%, from 2018. The total generated in 2019 for all sales tax was \$14,491,710, as compared to \$13,394,940 in 2018.

The City renegotiated the LOST distribution percentage with Coweta County in 2013. The City's portion of the distribution increased from 21.89% to 31.19%, beginning with the January 2014 distribution. The increase was phased in over the course of 3 years to minimize the impact on the County's revenues, with 2014 starting at 25.95%. The City's percentage adjusted to the final 31.19% distribution for 2016 and beyond. The City's population in 2010 was 33,039; for 2019, the estimated population is 41,581. Changes in the economy can have a direct impact on the property and sales tax revenues; both factors are utilized to project revenues for future years.

Property Tax Revenues

Property tax collections increased by 3.6% from that of calendar year 2018, going from \$5,748,180 to \$5,957,383 for 2019. New home additions, as well as changes in the digest, contributed to the increase. Additionally, the City's 2019 millage rate was set at 3.989, down from 4.0 mills per thousand dollars of assessed value in 2018. The millage rate is projected to remain at 3.989 mills for 2020 also. Beginning with 2015, the City of Newnan contracted with the Coweta County Tax Commissioner to bill and collect property taxes for the City.

The 2018 digest was \$1,434,712,753, increasing to \$1,487,085,497 in 2019, which is an approximate 3.65% increase in valuations. Property reassessments increased the 2019 digest by approximately \$4.1 million, while other changes to the digest resulted in an increase of approximately \$48.3 million in real property valuation, for a total increase of \$52.4 million in 2019. Motor vehicle taxes showed a decrease in the digest (\$3.1 million); this decrease was included in the other changes to the digest noted above.

Occupational Taxes (formerly Business Licenses)

Occupational tax revenue increased by 1.3%, or \$40,087, when compared to 2018. Revenue receipts totaled \$3,032,855 for 2019 versus \$2,992,768 in 2018. The 2000 census population for the City of Newnan was 16,242; the estimated 2019 population for the City is 41,581. Local and national economic indicators are useful when projecting occupational tax revenues.

Insurance Premium Taxes

Insurance premium taxes are the fourth largest general revenue source for the City. In 2019, receipts totaled \$2,504,681 as compared to 2018, where receipts were \$2,357,604. The increase of \$147,077, or 6.2%, was based on the change in population in the City of Newnan from the 2000 census, per the notes above under Occupational Taxes and Local Option Sales Taxes. The City expects this revenue source to remain fairly consistent over the next few years since the City's population is trending upward each year.

Franchise (Excise) Taxes

Franchise tax collections increased by 5.1% during 2019 from \$1,499,012 to \$1,574,723. The only category of franchise tax decreasing in 2019 was the phone franchise tax – going from \$31,001 in 2018 to \$27,140 for 2019. All other categories (electricity, gas and cable TV) showed increases of 109% to 128% each for 2019. Trend analysis and local economic activity are tools used to project collections of franchise taxes each year.

Motor Vehicle Taxes

Motor vehicle tax collections include vehicle ad valorem taxes and the new title ad valorem tax (TAVT) added by the State of Georgia in 2013. Total collections in 2019 were \$1,298,639 as compared to \$1,407,361 in 2018, reflecting a decrease of 7.7%.

Vehicle ad valorem taxes decreased by \$10,141, while title ad valorem taxes decreased by \$98,581. This revenue stream has not been consistent since inception, as the State of Georgia Revenue Department keeps tweaking the distribution percentages in an effort to make the cities whole after the introduction of the title ad valorem taxes in 2013. Trend analysis and economic conditions are the primary methods for forecasting this revenue stream as of now; however, based on the current distribution formula, this revenue source may continue to decline for the City.

Licenses and Permits Revenue

Building permits made up 83.4% of the total revenues for this category in 2019, which is slightly lower than 2018 at 84.3%. Building permit revenues decreased by 2.4% in 2019; going from \$1,055,401 to \$1,030,070. Building permit valuations, residential and commercial combined, increased by 54.5%, or \$68.7 million, during 2019, up from approximately \$194.7 million in 2018 to about \$263.4 million in 2019. Overall, residential permit valuations increased by about 10%, while commercial permit valuations increased by 163%. The actual number of permits issued for commercial building was 189 in 2019 versus 203 in 2018. The number of residential permits issued for 2019 totaled 353 versus 335 in 2018. Trend analysis and anticipated construction starts are the primary forecasting tools for this revenue stream.

Alcoholic beverage licenses made up the remaining 16.6% of revenues for this category. This revenue stream increased slightly from \$196,025 in 2018 to \$205,660 in 2019. This revenue stream has remained stable over the years and is generally projected using trend analysis and commercial growth.

Hotel/Motel Taxes

Hotel/motel tax collections for 2019 were \$678,977. In 2018, we recorded collections of \$717,630, showing a decrease of \$38,653, or 5.4%, for 2019. Hotel/Motel taxes are used exclusively to promote tourism in Newnan, specifically through supporting the operations of the City's convention center, The Newnan Centre. The local economy continues to show signs of recovery and growth. Another major factor driving this tax is the location of new hotels near the hospitals in Newnan, including a cancer treatment facility requiring long-term housing, in many cases, for patients and their families. One factor that could be affecting this tax source for 2019 is the change by the state to allow the cancer treatment center to treat all patients, rather than limit the number of in-state patients, as was practiced until 2019. Thus, there may not be as many out-of-state patients and families requiring hotel stays in Newnan.

Interest Earned on Investments

Interest on investments (general fund only) increased by \$141,866 in 2019, going from \$118,776 to \$260,642, which is a 119.4% increase when compared to 2018. Overall, all funds included, interest on investments increased by \$143,673 in 2019. We do not expect to see any major increases in revenue from interest earnings in the next year; however, based on the economic conditions we are experiencing in the first six months of 2020.

Fines & Forfeitures Revenue

Police fines increased by 19.5%, or \$116,820, from 2018; up from \$598,182 to \$715,002 in 2019. As the population of Newnan increases, this revenue source will typically increase. Trend analysis is the most effective tool for forecasting this revenue stream.

Budgetary Highlights

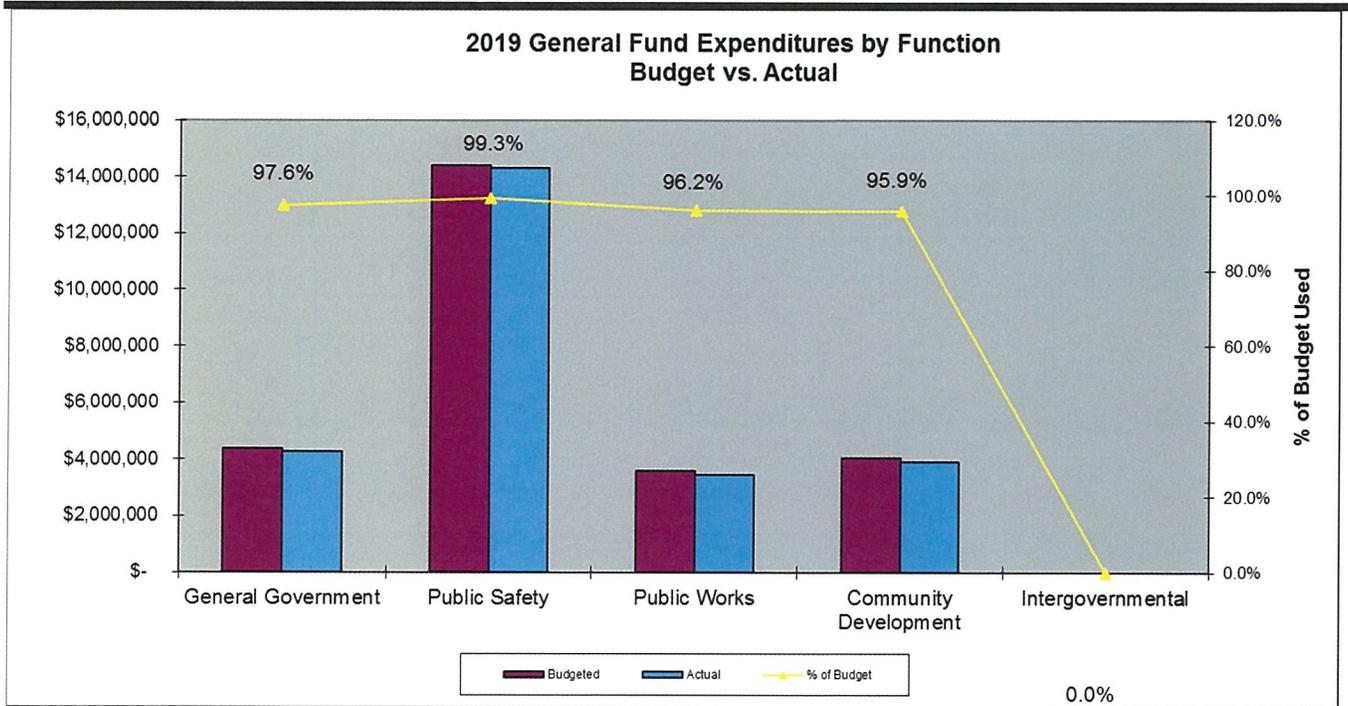
The general fund – The adopted 2019 revenue budget for the general fund was \$25,962,900, including a projected transfer in from the tourism fund of \$420,000, representing approximately 60% of budgeted hotel/motel tax collections, which is the portion retained by the general fund.

The 2019 final revenue budget for the general fund was \$26,860,673, which is \$2,609,573 more than the 2018 final budget of \$24,251,100. Actual revenue collections, including transfers, for 2019 were \$28,897,863, or 107.6%, of budgeted collections. The actual transfer in from the tourism fund was \$407,386. Per council action, the general fund retained 60% of the actual funds collected during 2019.

The adopted 2019 expenditure budget for the general fund was \$25,962,900, including transfers out to the street fund in the amount of \$200,000 and the sanitation fund in the amount of \$140,000. The 2019 general fund expenditure budget was amended to include an additional \$897,773 in operating expenditures and transfers, including approximately \$100,000 for an employee wellness program, \$218,000 to purchase land for the new fire station, an additional \$50,000 for professional services related to banking, investments and other studies, \$45,000 for pavement data collection and signal services, an additional \$221,000 for the new Sprayberry Road Park project, and an additional \$84,000 for Keep Newnan Beautiful and downtown Christmas lights and decorations. Additionally, \$60,000 was added to the transfer to the sanitation fund for downtown services provided by the City. Actual expenditures (on an encumbrance basis) for 2019 were \$26,347,290, or 98.1%, of the budgeted amount, including transfers.

The charts below show a breakdown of the 2019 general fund budgeted versus actual expenditures, excluding interfund transfers. As presented, all functions operated within their final adopted budgeted levels. As you will note, the City had no intergovernmental expenditures for 2019.

	Budgeted	Actual	% of Budget	Budget less Actual Exp
General Government	\$ 4,373,828	\$ 4,270,084	97.6%	\$ 103,744
Public Safety	14,406,392	14,303,355	99.3%	103,037
Public Works	3,597,731	3,460,536	96.2%	137,195
Community Development	4,082,722	3,913,315	95.9%	169,407
	\$ 26,460,673	\$ 25,947,290	98.1%	\$ 513,383



Capital Assets and Debt Administration

The City's net investment in capital assets for the City's governmental and business-type activities as of December 31, 2019, was \$147,956,084, up by \$4,414,775, or 3.1%, from 2018, primarily as a result of the increase of \$6,559,030, or 16.1%, in building and parks at the end of 2019. The city's investment in infrastructure also increased by approximately \$2 million, net of depreciation, primarily as a result of contributions by developers during the year. To offset, construction in progress decreased by about \$1.2 million, while depreciation on the assets increased by \$4.9 million.

City of Newnan's Capital Assets						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Non-depreciable assets:						
Land	\$ 24,277,478	\$ 23,412,330	\$ -	\$ -	\$ 24,277,478	\$ 23,412,330
Construction in progress	7,475,675	8,647,729	-	-	7,475,675	8,647,729
Total non-depreciable	31,753,153	32,060,059	-	-	31,753,153	32,060,059
Depreciable assets:						
Buildings and parks	47,382,390	40,823,359	-	-	47,382,390	40,823,359
Other improvements	13,503,358	13,124,030	-	-	13,503,358	13,124,030
Machinery and equipment	15,836,370	15,362,426	583,438	396,270	16,419,808	15,758,696
Infrastructure	97,470,184	95,469,790	-	-	97,470,184	95,469,790
Total depreciable assets	174,192,302	164,779,605	583,438	396,270	174,775,740	165,175,875
Less accumulated depreciation	(58,413,307)	(53,602,111)	(159,502)	(92,514)	(58,572,809)	(53,694,625)
Book value - depreciable assets	115,778,995	111,177,494	423,936	303,756	116,202,931	111,481,250
Percentage depreciated	-34%	-33%	-27%	-23%	-34%	-33%
Book value - all assets	\$ 147,532,148	\$ 143,237,553	\$ 423,936	\$ 303,756	\$ 147,956,084	\$ 143,541,309

Major capital asset items acquired or projects completed during the 2019 current calendar year included the following:

- Renovations and/or new office space at city hall
- Repaving of various streets
- Construction of Fire Station #4
- Phase 1, Section 4 of the LINC (Linear Park)
- New Sprayberry Road Park

Due to asset activity during the year, an increase of \$865,148 was also recorded in the land classification and machinery and equipment increased by \$473,944. As stated above, accumulated depreciation increased by \$4,811,196, or 9.1%, due to the current years depreciation expenses, netted with the sale of surplus items during the year.

Depreciation is calculated based on the actual acquisition date of the asset. Readers who desire more detailed information on capital asset activity during 2019 may refer to Note 3-B on page 71 of this document. The table above provides a summary of capital asset activity.

Additionally, several projects were under construction as of December 31, 2019, including sections of a linear park (LINC), McIntosh Parkway improvements, widening of Lower Fayetteville Road, a new pickle ball facility and the Newnan Grand Slam Baseball Stadium, CJ Smith Park improvements and the addition of an intelligent traffic operations center. Construction in progress project expenses are capitalized in full upon completion of the project. The total construction in progress (CIP) at December 31, 2019 was 7,475,675. At the end of 2018, construction in progress totaled \$8,647,729. The City added approximately \$5.4 million to construction in progress during the year, but then capitalized about \$6.6 million at year-end, thus accounting for the 13.6% decrease. The chart above shows the changes by category for capital assets from 2018 to 2019.

At December 31, 2019, the depreciable capital assets for governmental activities were 34% depreciated. This compares to 33% at December 31, 2018. 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 calendar year, the primary government's long-term debt relates to the City's pension liability for eligible retirees in the amount of \$7,907,593, with \$134,429 of that amount attributed to business-type activities in the Sanitation fund. This reflects a 23.1% increase for 2019, with the total for 2018 at \$6,422,731.

The only other source of long-term debt 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 2019 amount payable totals \$832,456, as compared to \$794,346 at the end of 2018. Debt for business-type activities in the Sanitation fund accounts for \$12,953 of the total amount payable.

The increase in compensated absences of 4.8% is primarily due to the increase in liability for accrued vacation leave in the amount of \$37,550. Current debt (payable within one year) is \$646,953, with the remaining \$185,503 booked as noncurrent debt. Please refer to pages 75-78 for information concerning component unit debt.

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 2019.

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, adding \$2,301,473, or 6.6%, to fund balances at the end of 2019. Newnan continues to experience growth in the commercial sector and residential growth continues to rebound. The City is proactively managing resources and service strategies, and infrastructure costs are being passed on to 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. The unemployment rate is declining and new or growing commercial entities are adding job opportunities for our community. Cancer Treatment Centers of America (CTCA) is still expanding and adding jobs. Additionally, Piedmont Newnan Hospital and Health South Rehabilitation Hospital have constructed new and/or expanded facilities within the past five-year period. Interest rates have picked up and earnings have increased on the city's investments.



December 31, 2019

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 2016-2021 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 22,770 students and nearly 3,000 employees. There are also a number of high quality private and religious sponsored schools in the community. The graduation rate for Coweta County is about 86%.



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. Additionally, West Georgia Technical College in Newnan provides both core curriculum and trade specific training to its 1,000+ students.

Sales tax revenue is strong and is representative of the growth in the city and county. The LOST, or Local Option Sales Tax, was renewed in 2012 and is in effect for 10 years. The LOST is a 1% sales tax that provides funds for maintenance and operations of the government. Sales tax collections for FY 2019 were 8.6% more than prior year. Additionally, in 2017, voters overwhelmingly approved SPLOST 2019, which began on January 1, 2019 and runs for six years through December 31, 2024. This new SPLOST was approved by referendum of county voters in 2017. This represents the eighth consecutive SPLOST in Coweta County since 1986. The first collection was in January 2019.

The City’s real property digest increased by approximately 3.7% from 2018 to 2019. The 2020 projection allows for a slight increase also. Occupational taxes have remained steady for the past several years. Finally, fuel costs have remained relatively consistent for a couple of years, which helps with efficient management of the city’s fleet of vehicles and equipment.

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. Additionally, due to the City’s close proximity to the Hartsfield-Jackson Atlanta International Airport, the world’s busiest airport, Newnan offers a reasonable drive to downtown Atlanta and other major Metro Atlanta hubs, as well as access to Interstate 85.

Next Year’s Budget

As of December 31, 2019, unassigned fund balance in the general fund was \$27,912,674, increasing from \$24,807,716 in 2018, which is a 12.5% increase. Next year’s (2020) budgeted revenues are projected to be made up of sales taxes (28%), property taxes (22%), occupational taxes (11%), insurance premium taxes (9%), an intergovernmental transfer from Water and light (9%) and excise (franchise) taxes (5%). The remaining 18% is expected to be generated by motor vehicle taxes, inspections and permits, alcohol licensing, service charges, fines and forfeitures, other local and intergovernmental revenues, including an operating transfer from the Tourism fund in the amount of \$438,000. The total general fund revenue budget for 2020, including transfers, is \$27,145,600.

Budgeted revenues are projected to increase by 1.1%, or \$284,927, from \$26,860,673 (including amendments) in 2019 to \$27,145,600 in 2020, including interfund transfers. From 2019 to 2020, insurance premium taxes are projected to increase by \$100,920, the intergovernmental revenue increased by \$70,000, permits/alcohol license fees are projected to increase by \$65,000, police fines increased by \$75,000 and interest earnings reflect an increase of \$100,000.

General Fund Budget Comparison			
Revenue Source	2019 Budget	2020 Budget	Variance
Insurance Premium	\$ 2,274,080	\$ 2,375,000	\$ 100,920
Interest	225,000	325,000	100,000
Police Fines	567,000	642,000	75,000
W & L/Intergov	2,318,500	2,388,500	70,000
Permits/Licenses	865,000	930,000	65,000
Franchise	1,378,000	1,405,000	27,000
Transfers	420,000	438,000	18,000
Alcoholic Beverage	875,000	875,000	-
Asset Sales/Oth	410,093	408,400	(1,693)
Sales	7,505,000	7,500,000	(5,000)
Motor Vehicle	1,140,000	1,135,000	(5,000)
Occupational	2,926,000	2,875,000	(51,000)
Property	5,957,000	5,848,700	(108,300)
Total	\$ 26,860,673	\$ 27,145,600	\$ 284,927

Revenue categories showing decreases in projections for 2020 included sales taxes (\$5,000), property taxes (\$108,300) and occupational taxes (\$51,000), all mostly attributed to local economic conditions. All other revenue projections were fairly consistent with 2019.

The 2020 general fund expenditures budget increased by \$284,927, or 1.1%, going to \$27,145,600 from \$26,860,673 (including amendments) for 2019. The chart on the next page shows the *major* changes in budgeted expenditures from 2019 to 2020, along with actual expenditures for 2019. Please note that all budgeted line items are not listed in this chart.

Per the chart, the largest increase dollar-wise, was in full time wages due to changes in salaries brought about by a 5% increase for all employees and the addition of six new full-time and three new part-time positions for 2020. The health insurance increase is a result of an approximate 10% increase in premiums. Retirement premiums also increased by 11.6% for 2020, as a result of a 10% increase in contributions and the additional positions added. These changes would also explain the increase in FICA taxes from 2019 to 2020.

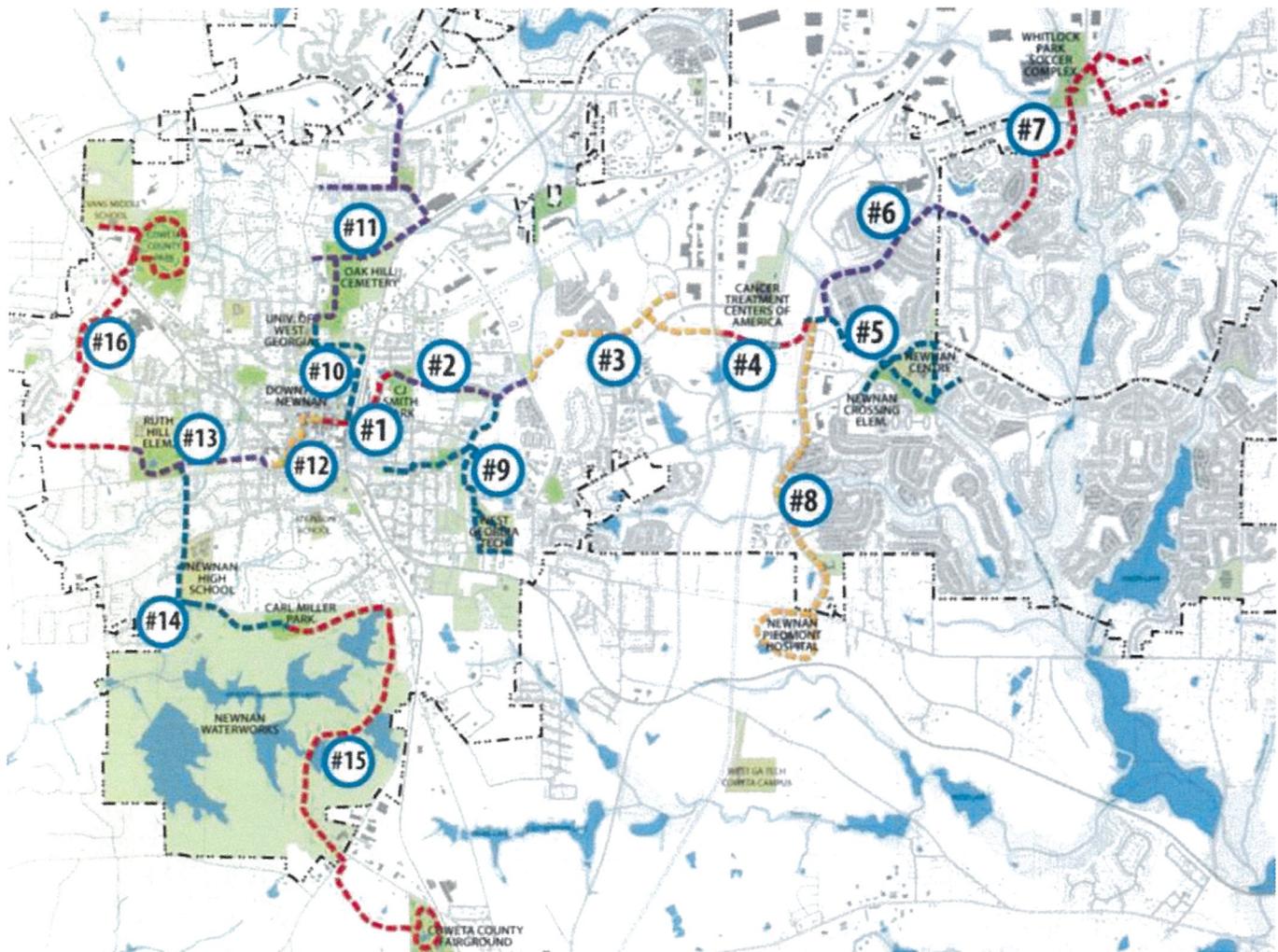
The most significant budget decreases from 2019 to 2020 relate to capital expenditures for parks and recreations and land purchases. This is due to completion of the new Sprayberry Road Park in 2019, as well as the land purchased in 2019 for construction of the 4th fire station. Those expenditures, therefore, were not necessary for 2020. The City was also able to eliminate a transfer to the Street Department in the amount of \$200,000, as funding was available from other sources for these expenditures in 2020. Finally, there was a significant reduction (\$112,005) in the 2020 budget for other contractual services, which is a result of contracts budgeted for and completed during 2019 and, therefore, not needed in 2020.

City of Newnan, Georgia General Fund Budgeted Expenditures by Use Major Line Item Changes from 2019 to 2020						
Description	2019 Final Adopted Budget	2019 Actual Expenditures	2020 Adopted Budget	2019 - 2020 Budget Variance	2019 - 2020 Budget % Change	
51.1100 - Wages - Full Time Employees	\$ 12,611,373	\$ 12,718,798	\$ 13,473,499	\$ 862,126	6.8%	
51.2100 - Employee Ins (Life/Health/Dent)	3,599,994	3,301,090	3,952,721	352,727	9.8%	
51.2400 - Retirement	1,257,755	1,188,215	1,403,596	145,841	11.6%	
51.2200 - FICA (Soc Sec)	1,008,393	960,869	1,066,813	58,420	5.8%	
54.1211 - Bldgs & Grounds Rep/Maint	-	1,200	40,000	40,000	N/A	
51.2700 - Worker's Compensation	519,585	308,666	559,383	39,798	7.7%	
51.1200 - Wages - Part Time/Temp Employees	264,947	232,089	300,706	35,759	13.5%	
53.1100 - Materials and Supplies	168,220	200,472	122,905	(45,315)	-26.9%	
52.1200 - Professional Services	516,105	536,242	468,605	(47,500)	-9.2%	
54.1317 - Storage Facility	55,000	2,500	-	(55,000)	-100.0%	
54.2200 - Vehicles	402,000	388,584	347,000	(55,000)	-13.7%	
53.1708 - Other Boards & Commissions	77,193	89,177	21,500	(55,693)	-72.1%	
61.1540 - Transfer to Sanitation Fund	200,000	200,000	140,000	(60,000)	-30.0%	
53.1706 - Miscellaneous	124,450	123,861	60,601	(63,849)	-51.3%	
52.2200 - Repairs and Maintenance	661,894	604,996	584,806	(77,088)	-11.6%	
53.1601 - Computer Hardware & Software	165,789	126,131	72,089	(93,700)	-56.5%	
52.1300 - Other Contractual Services	960,648	913,835	848,643	(112,005)	-11.7%	
61.1200 - Transfer to Street Fund	200,000	200,000	-	(200,000)	-100.0%	
54.1100 - Land Purchases	218,105	218,105	-	(218,105)	-100.0%	
54.1215 - Parks & Recreation	221,000	319,475	-	(221,000)	-100.0%	

Major Upcoming Initiatives

Construction also continues on McIntosh Parkway, which will link the retail area of Ashley Park to downtown Newnan. This project is expected to be complete in early 2020. Improvements to Pickett Field and CJ Smith Park, a new Pickle Ball Facility, a new baseball stadium, a new intelligent traffic operations center, and Lower Fayetteville Road widening and various repaving projects are planned for 2020, as well.

The City, in conjunction with Coweta County, continues 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 2019. 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 and help encourage quality of life and sustainable economic growth in Newnan and Coweta County. A copy of the map showing the LINC master plan trail segments is included on the next page.



Subsequent Events

During March, April and May 2020, the City modified operations as a result of the COVID-19 pandemic and in compliance with state and federal recommendations. The extent of the impact of COVID-19 on the City's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, all of which are uncertain. Accordingly, the extent to which COVID-19 may impact the financial condition or results of operation cannot be determined at this time. Revenue streams which may be negatively impacted by the pandemic include hotel/motel taxes, sales tax, rental motor vehicles, SPLOST, occupational taxes, alcohol beverage taxes and title ad valorem taxes.

Contacting the City's Financial Management

This financial report is designed to provide citizens, taxpayers, investors and creditors with a general overview of the City's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability and transparency. If you have questions about this report, please contact the City's Finance Director, Katrina Cline, at 25 LaGrange Street, Newnan, GA 30263, or by e-mail at kcline@cityofnewnan.org. This comprehensive annual financial report (CAFR), along with the City's annual budget documents, is available on the City's website at www.ci.newnan.ga.us on the Finance Department page.

FINANCIAL STATEMENTS

CITY OF NEWNAN, GEORGIA
STATEMENT OF NET POSITION
DECEMBER 31, 2019

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Water Sewerage and Light Commission	Convention Center Authority	Downtown Development Authority
ASSETS						
Cash and cash equivalents	\$ 19,841,545	\$ -	\$ 19,841,545	\$ 14,665,351	\$ 436,661	\$ 140,033
Investments	14,408,076	501,760	14,909,836	33,748,998	-	-
Receivables, net of allowance	5,133,294	125,869	5,259,163	6,217,703	123,504	104
Inventory	36,525	-	36,525	2,425,660	-	-
Prepaid items	-	-	-	419,663	-	-
Restricted assets	-	-	-	6,860,809	-	-
Other assets:						
Deferred compensation funding arrangements	-	-	-	6,410,986	-	-
Net pension asset	-	-	-	2,861,000	-	-
Capital assets not being depreciated:						
Land	24,277,478	-	24,277,478	7,797,571	-	-
Construction in progress	7,475,675	-	7,475,675	10,389,696	508,767	-
Capital assets net of accumulated depreciation:						
Buildings and parks	36,375,825	-	36,375,825	-	-	-
Structures, lines and improvements	-	-	-	110,409,454	-	-
Other improvements	6,558,515	-	6,558,515	-	-	-
Machinery and equipment	4,071,686	423,936	4,495,622	8,598,230	7,096	-
Infrastructure	68,772,969	-	68,772,969	-	-	-
Total assets	186,951,588	1,051,565	188,003,153	210,805,121	1,076,028	140,137
DEFERRED OUTFLOWS OF RESOURCES						
Deferred refunding loss	-	-	-	521,383	-	-
Deferred outflows of resources related to pensions	2,545,428	44,021	2,589,449	1,732,690	-	-
	2,545,428	44,021	2,589,449	2,254,073	-	-
LIABILITIES						
Accounts payable	861,302	35,466	896,768	3,943,597	25,261	1,511
Accrued expenses	264,775	4,874	269,649	779,508	-	-
Accrued interest payable	-	-	-	366,276	-	-
Unearned revenues	1,069,677	-	1,069,677	-	-	-
Customer deposits	-	-	-	2,025,651	48,852	-
Compensated absences	636,046	10,907	646,953	218,800	-	-
Note payable	-	-	-	-	-	-
Revenue bonds	-	-	-	2,206,217	-	-
Noncurrent liabilities:						
Net pension liability	7,773,164	134,429	7,907,593	-	-	-
Revenue bonds, net	-	-	-	21,579,760	-	-
Note payable	-	-	-	-	-	-
Compensated absences	183,457	2,046	185,503	1,896,447	-	-
Total liabilities	10,788,421	187,722	10,976,143	33,016,256	74,113	1,511
DEFERRED INFLOWS OF RESOURCES						
Lease revenue	-	-	-	443,917	-	-
Deferred refunding gain	-	-	-	31,964	-	-
Deferred inflows of resources related to pensions	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	475,881	-	-
NET POSITION						
Net investment in capital assets	147,532,148	423,936	147,956,084	113,898,393	515,863	-
Restricted for:						
Capital outlay	7,906,012	-	7,906,012	-	-	-
Capital improvements and debt service	-	-	-	6,860,809	-	-
Law enforcement	131,221	-	131,221	-	-	-
Tourism	157,587	-	157,587	-	-	-
Economic development	11,787	-	11,787	-	-	-
Unrestricted	22,969,840	483,928	23,453,768	58,807,855	486,052	138,626
Total net position	\$ 178,708,595	\$ 907,864	\$ 179,616,459	\$ 179,567,057	\$ 1,001,915	\$ 138,626

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, 2019

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position					
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	Component Units		
					Governmental Activities	Business-type Activities		Water Sewerage & Light Commission	Convention Center Authority	Downtown Development Authority
Primary Government:										
Governmental Activities										
General government	\$ 4,868,258	\$ 2,518,664	\$ -	\$ 708,843	\$ (1,640,751)	\$ -	\$ (1,640,751)			
Tourism development	384,299	-	25,000	3,422	(355,877)	-	(355,877)			
Public safety	15,055,448	1,377,187	-	965,636	(12,712,625)	-	(12,712,625)			
Public works	8,380,097	200,438	35,000	5,702,878	(2,441,781)	-	(2,441,781)			
Community development	4,772,243	1,075,409	-	3,087,825	(609,009)	-	(609,009)			
Total governmental activities	<u>33,460,345</u>	<u>5,171,698</u>	<u>60,000</u>	<u>10,468,604</u>	<u>(17,760,043)</u>	<u>-</u>	<u>(17,760,043)</u>			
Business-type Activities:										
Sanitation Fund	923,052	782,104	-	-	-	(140,948)	(140,948)			
Total business-type activities	<u>923,052</u>	<u>782,104</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(140,948)</u>	<u>(140,948)</u>			
Total Primary Government	<u>\$ 34,383,397</u>	<u>\$ 5,953,802</u>	<u>\$ 60,000</u>	<u>\$ 10,468,604</u>	<u>(17,760,043)</u>	<u>(140,948)</u>	<u>(17,900,991)</u>			
Component Units:										
Water, Sewerage & Light Commission	\$ 54,194,935	\$ 64,633,846	\$ -	\$ 36,619			\$ 10,475,530	\$ -	\$ -	
Convention Center Authority	589,833	338,303	373,334	-			-	121,804	-	
Downtown Development Authority	103,322	91,452	21,851	-			-	-	9,981	
Total component units	<u>\$ 54,888,090</u>	<u>\$ 65,063,601</u>	<u>\$ 395,185</u>	<u>\$ 36,619</u>			<u>10,475,530</u>	<u>121,804</u>	<u>9,981</u>	
General revenues:										
Property taxes					5,913,496	-	5,913,496	-	-	-
Motor vehicle taxes					1,298,639	-	1,298,639	-	-	-
Sales taxes					7,940,851	-	7,940,851	655,609	-	-
Occupational taxes					3,032,855	-	3,032,855	-	-	-
Franchise taxes					1,574,723	-	1,574,723	-	-	-
Insurance premium taxes					2,504,681	-	2,504,681	-	-	-
Hotel/Motel taxes					678,977	-	678,977	-	-	-
Alcoholic beverage taxes					896,012	-	896,012	-	-	-
Other taxes					119,432	-	119,432	-	-	-
Investment earnings					287,579	12,189	299,768	918,793	66	587
Transfers					(200,000)	200,000	-	-	-	-
Total general revenues and transfers					<u>24,047,245</u>	<u>212,189</u>	<u>24,259,434</u>	<u>1,574,402</u>	<u>66</u>	<u>587</u>
Change in net position					6,287,202	71,241	6,358,443	12,049,932	121,870	10,568
Net position - beginning of year					172,421,393	836,623	173,258,016	167,517,125	880,045	128,058
Net position- ending of year					<u>\$ 178,708,595</u>	<u>\$ 907,864</u>	<u>\$ 179,616,459</u>	<u>\$ 179,567,057</u>	<u>\$ 1,001,915</u>	<u>\$ 138,626</u>

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

CITY OF NEWNAN, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	General	2019 SPLOST	2013 SPLOST	2007 SPLOST
ASSETS				
Cash and cash equivalents	\$ 11,673,514	\$ 3,484,277	\$ 2,507,932	\$ -
Investments	13,724,011	-	-	-
Taxes receivable	1,459,910	1,219,634	-	-
Intergovernmental	1,101,434	-	46,850	-
Other receivables	1,152,726	-	-	-
Inventories	36,525	-	-	-
Total assets	\$ 29,148,120	\$ 4,703,911	\$ 2,554,782	\$ -
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 274,030	\$ 234,934	\$ 224,224	\$ -
Accrued expenditures	264,775	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	538,805	234,934	224,224	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	125,332	-	-	-
Total deferred inflows of resources	125,332	-	-	-
Fund balances:				
Nonspendable	36,525	-	-	-
Restricted	11,787	4,468,977	2,330,558	-
Committed	-	-	-	-
Assigned	522,997	-	-	-
Unassigned	27,912,674	-	-	-
Total fund balances	28,483,983	4,468,977	2,330,558	-
Total liabilities, deferred inflows of resources and fund balances	\$ 29,148,120	\$ 4,703,911	\$ 2,554,782	\$ -

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

CITY OF NEWNAN, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019
(CONTINUED)

NSP Grant	Other Governmental Funds	Total Governmental Funds
\$ 1,019,545	\$ 1,156,277	\$ 19,841,545
-	684,065	14,408,076
-	112,443	2,791,987
-	-	1,148,284
32,620	7,677	1,193,023
-	-	36,525
<u>\$ 1,052,165</u>	<u>\$ 1,960,462</u>	<u>\$ 39,419,440</u>
\$ -	\$ 128,114	\$ 861,302
-	-	264,775
1,052,165	17,512	1,069,677
<u>1,052,165</u>	<u>145,626</u>	<u>2,195,754</u>
-	-	125,332
-	-	125,332
-	-	36,525
-	1,395,285	8,206,607
-	-	-
-	419,551	942,548
-	-	27,912,674
<u>-</u>	<u>1,814,836</u>	<u>37,098,354</u>
<u>\$ 1,052,165</u>	<u>\$ 1,960,462</u>	<u>\$ 39,419,440</u>

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, 2019

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

Total fund balances - governmental funds		\$ 37,098,354
Capital Assets		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost of the assets	205,945,455	
Accumulated depreciation	<u>(58,413,307)</u>	
		147,532,148
Deferred outflows of resources		
Pension contributions		2,545,428
Revenues		
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		
		125,332
Long-term Liabilities		
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as fund liabilities. All liabilities both current and long-term are reported in the Statement of Net Position. Long-term liabilities at year-end consist of the following:		
Compensated absences		(819,503)
Net pension liability		(7,773,164)
		<hr/>
Net position of governmental activities		<u><u>\$ 178,708,595</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, 2019

	General	2019 SPLOST	2013 SPLOST	2007 SPLOST
REVENUES				
Taxes:				
Property	\$ 5,957,383	\$ -	\$ -	\$ -
Motor vehicle	1,298,639	-	-	-
Franchise	1,574,723	-	-	-
Sales	7,940,851	-	-	-
Insurance premium	2,504,681	-	-	-
Occupational	3,032,855	-	-	-
Hotel/motel	-	-	-	-
Alcoholic Beverage	896,012	-	-	-
Other taxes	15,624	-	-	-
License and permits	1,235,730	-	-	-
Impact fees	-	-	-	-
Court condemnations	-	-	-	-
Intergovernmental	593,285	6,550,859	338,688	-
Intergovernmental-utility	1,794,897	-	-	-
Fines and forfeitures	715,002	-	-	-
Investment earnings	260,642	12,475	22,812	1,149
Program revenue	-	-	-	-
Miscellaneous	626,045	-	-	-
Total revenues	28,446,369	6,563,334	361,500	1,149
EXPENDITURES				
Current:				
General government	4,274,330	29,018	-	50,496
Tourism development	-	-	-	-
Public safety	14,370,219	-	-	-
Public works	3,392,841	422,466	737,515	-
Community development	3,917,103	87,461	2,362	-
Intergovernmental	-	655,086	-	-
Capital outlay	-	900,326	3,426,460	960,356
Total expenditures	25,954,493	2,094,357	4,166,337	1,010,852
Excess (deficiency) of revenues over (under) expenditures	2,491,876	4,468,977	(3,804,837)	(1,009,703)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	14,318	-	-	-
Insurance recoveries	29,790	-	-	-
Transfers in	407,386	-	-	-
Transfers out	(400,000)	-	-	-
Total other financing sources (uses)	51,494	-	-	-
Net change in fund balances	2,543,370	4,468,977	(3,804,837)	(1,009,703)
Fund balances - beginning of year	25,940,613	-	6,135,395	1,009,703
Fund balances - end of year	\$ 28,483,983	\$ 4,468,977	\$ 2,330,558	\$ -

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, 2019
 (CONTINUED)

NSP Grant	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 5,957,383
-	-	1,298,639
-	-	1,574,723
-	-	7,940,851
-	-	2,504,681
-	-	3,032,855
-	678,977	678,977
-	-	896,012
-	103,808	119,432
-	-	1,235,730
-	963,287	963,287
-	55,904	55,904
-	43,096	7,525,928
-	-	1,794,897
-	-	715,002
1,522	25,415	324,015
8,554	-	8,554
-	101,061	727,106
<u>10,076</u>	<u>1,971,548</u>	<u>37,353,976</u>
-	3,070	4,356,914
-	378,999	378,999
-	218,309	14,588,528
-	638,729	5,191,551
10,076	37,013	4,054,015
-	-	655,086
-	412,710	5,699,852
<u>10,076</u>	<u>1,688,830</u>	<u>34,924,945</u>
-	282,718	2,429,031
-	-	14,318
-	28,334	58,124
-	597,228	1,004,614
-	(804,614)	(1,204,614)
-	(179,052)	(127,558)
-	103,666	2,301,473
-	1,711,170	34,796,881
<u>\$ -</u>	<u>\$ 1,814,836</u>	<u>\$ 37,098,354</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, 2019

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

Net Change in Fund Balances - total governmental funds \$ 2,301,473

Capital Assets

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense.

Total capital outlays	\$ 6,770,862	
Total depreciation	<u>(4,994,393)</u>	1,776,469

The net effect of various transactions involving capital assets (i.e. sales, disposals, trade-ins, and donations) is to increase net position. 2,518,126

Deferred outflows of resources related to pensions is not available during the current period is not reported in the funds

Changes in deferred outflows of resources related to pension 384,497

Deferred inflows of resources related to pension is not available during the current period is not reported in the funds

Changes in deferred inflows of resources related to pension 847,693

Long-term Debt

Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. The adjustments for these items are as follows:

Compensated absences		(37,550)
Change in pension liability		(1,459,619)

Revenues

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds. This amount represents the net change for the fiscal year.

(43,887)

Change in net position of governmental activities

\$ 6,287,202

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
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)

GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2019

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 5,655,000	\$ 5,950,000	\$ 5,957,383	\$ 7,383
Motor vehicle	1,140,000	1,140,000	1,298,639	158,639
Franchise	1,378,000	1,378,000	1,574,723	196,723
Sales	7,000,000	7,505,000	7,940,851	435,851
Insurance premium	2,200,000	2,274,080	2,504,681	230,601
Occupational	2,926,000	2,926,000	3,032,855	106,855
Alcoholic beverage	875,000	875,000	896,012	21,012
Other taxes	7,000	7,000	15,624	8,624
License and permits	865,000	865,000	1,235,730	370,730
Intergovernmental	668,500	668,500	593,285	(75,215)
Intergovernmental-utility	1,650,000	1,650,000	1,794,897	144,897
Fines and forfeitures	567,000	567,000	715,002	148,002
Interest earnings	225,000	225,000	260,642	35,642
Miscellaneous	336,400	360,093	626,045	265,952
Total revenues	25,492,900	26,390,673	28,446,369	2,055,696
EXPENDITURES				
General government:				
Council	300,688	300,688	287,722	12,966
Manager	962,280	1,398,860	1,398,838	22
Attorney	89,300	109,300	109,177	123
Finance	633,818	633,818	623,044	10,774
Human resources	355,690	355,690	317,449	38,241
Information technologies	554,387	554,387	546,366	8,021
Municipal court	325,163	325,163	320,958	4,205
Facilities maintenance	695,922	695,922	666,530	29,392
Total general government	3,917,248	4,373,828	4,270,084	103,744
Public safety:				
Police	9,449,382	9,449,382	9,363,590	85,792
Fire	4,957,010	4,957,010	4,939,765	17,245
Total public safety	14,406,392	14,406,392	14,303,355	103,037

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
 BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2019
 (CONTINUED)

	Budget		Actual	Variance with Final Budget
	Original	Final		
Public works:				
Administration	\$ 293,602	\$ 295,652	\$ 295,625	\$ 27
Engineer	348,661	393,661	393,075	586
Streets	1,859,649	1,859,649	1,823,322	36,327
Garage	428,536	428,536	370,738	57,798
Cemetery	620,233	620,233	577,776	42,457
Total public works	3,550,681	3,597,731	3,460,536	137,195
Community development:				
Planning and zoning	441,477	441,477	439,588	1,889
Business development and special events	281,727	389,670	364,778	24,892
Library	211,419	216,619	216,618	1
Leisure services	329,056	329,056	260,458	68,598
Parks & ROW beautification	1,584,245	1,805,245	1,805,136	109
Building inspection	900,655	900,655	826,737	73,918
Total community development	3,748,579	4,082,722	3,913,315	169,407
Total expenditures	25,622,900	26,460,673	25,947,290	513,383
Excess (deficiency) of revenue over (under) expenditure	(130,000)	(70,000)	2,499,079	2,569,079
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	10,000	10,000	14,318	4,318
Insurance recoveries	40,000	40,000	29,790	(10,210)
Transfers in	420,000	420,000	407,386	(12,614)
Transfers out	(340,000)	(400,000)	(400,000)	-
Total other financing sources (uses)	130,000	70,000	51,494	(18,506)
Net change in fund balances	\$ -	\$ -	2,550,573	\$ 2,550,573
Fund balances - beginning of year			25,555,278	
Fund balances - end of year			\$ 28,105,851	

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
 NSP GRANT FUND
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 2,000	\$ -	\$ (2,000)
Program income	170,000	8,554	(161,446)
Investment earnings	240	1,522	1,282
Total Revenues	172,240	10,076	(162,164)
EXPENDITURES			
Current			
Community development	172,240	10,076	162,164
Total Expenditures	172,240	10,076	162,164
Net change in fund balances	-	-	-
Fund balances - beginning of year	-	-	-
Fund balances - end of year	\$ -	\$ -	\$ -

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, 2019

	Business-type Activities Enterprise Fund
	Sanitation Fund
<u>ASSETS</u>	
Current assets	
Investments	\$ 501,760
Accounts receivable, net of allowance	125,869
Total current assets	627,629
Noncurrent assets	
Capital assets:	
Machinery and equipment	583,438
Less accumulated depreciation	(159,502)
Total capital assets, net	423,936
Total noncurrent assets	423,936
Total Assets	\$ 1,051,565
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred outflows of resources related to pensions	44,021
<u>LIABILITIES</u>	
Current liabilities	
Accounts payable	\$ 35,466
Salaries payable	4,874
Compensated absences	10,907
Total current liabilities	51,247
Noncurrent liabilities	
Compensated absences	2,046
Net pension liability	134,429
Total noncurrent liabilities	136,475
Total Liabilities	187,722
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred inflows of resources related to pensions	-
<u>NET POSITION</u>	
Investment in capital assets	423,936
Unrestricted	483,928
Total Net Position	\$ 907,864

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, 2019

	Business-type Activities Enterprise Fund
	<u>Sanitation Fund</u>
<u>Operating revenues:</u>	
Charges for sales and services	\$ 782,104
Total operating revenues	<u>782,104</u>
<u>Operating expenses:</u>	
Purchased/contracted services	274,753
Salaries and benefits	468,473
Supplies and materials	112,838
Depreciation	<u>66,988</u>
Total operating expenses	<u>923,052</u>
Operating income (loss)	<u>(140,948)</u>
<u>Nonoperating revenues (expenses):</u>	
Investment earnings	<u>12,189</u>
Total nonoperating revenues (expenses)	<u>12,189</u>
Income (loss) before transfers	<u>(128,759)</u>
Transfers in	<u>200,000</u>
Total other financing sources (uses)	<u>200,000</u>
Change in net position	71,241
Total net position - beginning of year	<u>836,623</u>
Total net position - end of year	<u>\$ 907,864</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, 2019

	Business-type Activities Enterprise Fund
	<u>Sanitation Fund</u>
<u>Cash Flows from Operating Activities:</u>	
Cash received from customers	\$ 840,059
Cash payments to employees for services	(462,645)
Cash payments to other suppliers of goods or services	<u>(383,495)</u>
Net Cash Provided (Used) by Operating Activities	<u>(6,081)</u>
<u>Cash Flows from Non Capital Financing Activities:</u>	
Transfer to/from other funds	<u>200,000</u>
Net Cash Provided by Non Capital Financing Activities	<u>200,000</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>	
Acquisition of assets	<u>(187,168)</u>
Net Cash Provided (Used) by Financing Activities	<u>(187,168)</u>
<u>Cash Flows from Investing Activities:</u>	
Sales of investments	(18,940)
Interest received	<u>12,189</u>
Net Cash Provided (Used) by Investing Activities	<u>(6,751)</u>
Net Increase (Decrease) in Cash and Equivalents	-
Cash and Cash Equivalents - Beginning of the Year	<u>-</u>
Cash and Cash Equivalents - End of the Year	<u><u>\$ -</u></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, 2019
(CONTINUED)

	Business-type Activities Enterprise Fund
	Sanitation Fund
<u>Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities:</u>	
Net Operating Income (Loss)	\$ (140,948)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:	
Depreciation	66,988
Changes in Assets and Liabilities:	
(Increase) decrease in accounts receivable	57,955
(Increase) decrease in deferred outflows of resources related to pensions	(6,650)
Increase (decrease) in accounts payable	4,096
Increase (decrease) in salaries payable	1,335
Increase (decrease) in compensated absences	560
Increase (decrease) in net pension liability	25,243
Increase (decrease) in deferred inflows of resources related to pensions	(14,660)
	134,867
Total Adjustments	134,867
Net Cash Provided (Used) by operating activities	\$ (6,081)

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

CITY OF NEWNAN, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITY
FIDUCIARY FUND
DECEMBER 31, 2019

	<u>Agency Fund</u>
ASSETS	
Cash	\$ 108,015
Total assets	<u>\$ 108,015</u>
LIABILITY	
Payable from Assets	
Confiscated assets pending disposition	<u>\$ 108,015</u>

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

NOTES TO THE FINANCIAL STATEMENTS

CITY OF NEWNAN, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Newnan, Georgia (hereinafter 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 accounting policies of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governments. The following is a summary of the City's more significant policies applied in the preparation of the accompanying financial statements.

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the City of Newnan, Georgia (the primary government) and its component units. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The component units discussed below are included in the City's reporting entity because of the significance of their operational and financial relationships with the City. In conformity with generally accepted accounting principles, as set forth in the Statement of Governmental Accounting Standards Board (GASB) No. 61 "The Financial Reporting Entity: Omnibus, an amendment of GASB Statement No. 14 and 34," the City's relationship with other governments and agencies have been examined. The component unit column in the combined financial statements includes the financial data for the Newnan Water, Sewerage and Light Commission, Newnan Convention Center Authority and the Downtown Development Authority of the City of Newnan, as of December 31, 2019. The financial information for the component units are reported in columns separate from the City's financial information to emphasize that they are legally separate from the City.

Discretely Presented Component Units

The Newnan Water, Sewerage and Light Commission (hereinafter the NWSL Commission) governing board is appointed by the City Council. The City Council also 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% of the prior month's billing for electrical energy, excluding sales tax, fuel costs adjustments, special rates and streetlights. Additionally, the NWSL Commission remits monthly an additional 3% of the prior month's billing for water and sewer revenues. Separately issued financial statements may be obtained by

CITY OF NEWNAN, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

writing the Newnan Water, Sewerage and Light Commission, P.O. Box 578, Newnan, GA 30264.

The Newnan Convention Center Authority (hereinafter 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 the city council members appoint the members of the Convention Center. The City provides the major support to the Convention Center through the collection and remittance of hotel motel taxes and motor vehicle excise taxes. The Convention Center has not issued separate financial statements for this year.

The Downtown Development Authority of the City of Newnan (hereinafter the Authority) governing board is appointed primarily by the City Council. The City provides support to the Authority relative to the yearly operating budget requirements. The Authority has not issued separate financial statements for this year.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (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. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges 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. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the flow of economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Fiduciary funds are reported using the accrual basis of accounting and have no measurement focus. 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

CITY OF NEWNAN, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible with 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 expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, local option sales taxes, franchise taxes, other taxes, licenses and permits, intergovernmental revenues, interest and charges for services 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. All other revenues are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

General Fund – The general fund is the City’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The 2019 Special Purpose Local Option Sales Tax Fund – In 2017, the citizens of Newnan re-approved a 1% SPLOST for the purpose of funding capital improvement projects. Approved projects include streets, drainage, sidewalks and equipment, public safety, parks, trails, and leisure service facilities, and information systems.

The 2013 Special Purpose Local Option Sales Tax Fund – In 2011, the citizens of Newnan re-approved a 1% SPLOST for the purpose of funding capital improvement projects. Approved projects include public safety, streets, drains, sidewalks and equipment, parks and recreation, buildings and facilities and information systems.

The 2007 Special Purpose Local Option Sales Tax Fund – In 2006, the citizens of Newnan re-approved a 1% SPLOST for the purpose of funding capital improvement projects. Approved projects include public safety, information system, building maintenance/structure, parks and recreation, streets and equipment.

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

CITY OF NEWNAN, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

The City reports the following major proprietary fund:

Sanitation Fund – accounts for the operation and maintenance of the City’s trash, leaf and limb collections to the residents and businesses of the City.

Additionally, the City reports the following fund types:

Special Revenues Funds – to account for specific revenues that are legally restricted to expenditures for particular purposes.

Capital Projects Funds – to account for the acquisition and construction of capital assets.

Agency Fund – accounts for money confiscated and held pending disposition by courts.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general 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.

Amounts reported as program revenues include 1) charges for services or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Other revenue sources not properly included with program revenues are reported as general revenues of the City.

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 connections with a proprietary fund’s principal ongoing operations. The principal operating revenues of the City’s enterprise funds are charges to customers for sales and services. Operating expense of enterprise funds include the cost of sales and services, administrative expense, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Deposits and Investments

Deposits

The City’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

CITY OF NEWNAN, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

Investments

Investments for the City are reported at fair value.

E. Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received including property taxes, amounts due from other funds and grants.

In the fund financial statements, unearned revenue accounts are used to offset receivables to the extent revenue is not recognized under the City's policy.

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable.

F. Interfund Receivables, Payables and Advances

In the fund financial statements, balances that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "interfund receivables/interfund payables," or "advances to/from other funds." In the government-wide financial statements these balances are netted and reported as "internal balances."

G. Inventories

All inventories are recorded at cost using the first-in/first-out method and consist of expendable materials held for consumption. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

H. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and other similar items), are reported 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. Capital assets are valued at historical costs or estimated historical cost if actual cost is not available. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the City chose to include all such items regardless of their acquisition date or amount. The City's recording of these assets was through historical costs and city records. As the City constructs or acquires additional 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 essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations,

CITY OF NEWNAN, GEORGIA

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the City values these capital assets at the acquisition value of the item at the date of donation.

Preliminary and interim costs incurred by governmental funds for capital projects are reported as “construction in progress.” Cost related to abandoned projects are expensed when the project is abandoned.

Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. The amount of interest capitalized depends on the specific circumstances. During 2019, the City incurred no interest expense. Therefore, no interest was capitalized relative to construction projects during the year.

Capital assets are depreciated over their estimated useful lives using the straight-line method. These estimated useful lives are as follows:

<u>Asset Class</u>	<u>Years</u>
Buildings and parks	15-125
Other improvements	25
Machinery and equipment	5-25
Infrastructure	50

I. 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 the proprietary fund financial statements. Sick pay is accrued at the rate of ten percent of the employees earned balance and paid upon termination. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

J. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item that qualifies for reporting in this category. The deferred outflows of resources relative to the pension plans change in assumptions. This amount is deferred and will be recognized as a reduction of the net pension liability in future years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items which arise under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the

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item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source, property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. The second is the deferred inflow of resources relative to the pensions, reported only in the governmental activities and proprietary funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

K. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position.

L. Fund Equity

In the financial statements, governmental funds report the following classifications of fund balance:

- Nonspendable – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted – amounts are restricted when constraints have been placed on the use of resources by (a) externally imposed by creditors, grantors, contributors or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Mayor and Council through adoption of a resolution. The Mayor and Council also may modify or rescind the commitment.
- Assigned – amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, Mayor and Council have authorized the City Manager or his designee to assign fund balances.
- Unassigned – amounts that have not been assigned to other funds and that are not restricted, committed or assigned to specific purposes within the General Fund.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

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Fund balance policies

The City has established a minimum level of fund balance policy to maintain a minimum fund balance (assigned and unassigned) in the general fund equal to 50% of the current annual operating expenditure budget. Should the minimum balance fall below the 50% 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.

The following is a summary of the fund balance classifications as of December 31, 2019:

	General Fund	2019 SPLOST	2013 SPLOST	Nonmajor Governmental	Total
Fund Balances:					
Nonspendable					
Inventories	\$ 36,525	\$ -	\$ -	\$ -	\$ 36,525
Restricted for:					
Capital outlay	-	4,468,977	2,330,558	1,106,477	7,906,012
Economic development	11,787	-	-	-	11,787
Street improvements	-	-	-	-	-
Law enforcement	-	-	-	131,221	131,221
Tourism	-	-	-	157,587	157,587
Assigned for:					
Capital projects	522,997	-	-	419,551	942,548
Unassigned	27,912,674	-	-	-	27,912,674
Total fund balances	<u>\$ 28,483,983</u>	<u>\$ 4,468,977</u>	<u>\$ 2,330,558</u>	<u>\$ 1,814,836</u>	<u>\$ 37,098,354</u>

Net position flow assumption

Sometimes the City will find 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.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Process

An annual operating budget is adopted by resolution for all fund types except fiduciary funds, which are not budgeted and capital projects 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 departmental basis, while the special revenue funds are subject to budgetary control on an individual fund basis. The

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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 the approval of city council.

B. Budget to GAAP Reconciliation

The schedule below reconciles the excess of revenues and other sources over (under) expenditures and other uses with amounts presented on the budget basis for the General Fund.

	<u>General Fund</u>
Budgetary basis - excess revenues and other financing sources over (under) expenditures and other financing uses	\$ 2,550,573
Add: Current year encumbrances	331,272
Deduct: Prior year encumbrances paid in the current year	<u>(338,475)</u>
Generally accepted accounting principles basis-excess revenues and other financing sources over expenditures and other financing uses	<u>\$ 2,543,370</u>
Budgetary basis-fund balance, ending	\$ 28,105,851
Add: Current year encumbrances	331,272
Add: Prior year encumbrances outstanding at year-end	7,385
Add: Prior year encumbrances voided	<u>39,475</u>
Generally accepted accounting principles basis-fund balance, ending	<u>\$ 28,483,983</u>

NOTE 3 – DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Custodial Credit Risk - Deposits

The custodial credit risk for deposits is the risk that, in the event of a bank failure, the City's deposits may not be recovered.

The City's bank balances of deposits as of December 31, 2019, are entirely insured or collateralized with securities held by the City's agent in the City's name.

State statute require banks holding public funds to secure these funds by FDIC insurance, securities pledged at par value, and surety bonds at face value in combined aggregate totaling not less than 110 percent of the public funds held.

CITY OF NEWNAN, GEORGIA

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At December 31, 2019, the Newnan Water, Sewerage and Light Commission, a discretely presented component unit's bank balances were entirely insured or collateralized with securities held by the Commission's agent in the Commission's name.

Investments - Primary Government

Investment Policy – The City's formal investment policy limits investment of public funds in 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.

A portion of the portfolio may also be placed in money market mutual funds, such as the State of Georgia Local Government Investment Pool, which offer same-day liquidity for short-term funds. The Office of the State Treasurer is not registered with the SEC. Shares sold and redeemed are based on \$1.00 per share. The reported value of the pool is the same as the fair value of the pool shares. The Office of the State Treasurer is a stable net asset value investment pool that follows Standard & Poor's criteria for AAAf rated money market funds. The Office of the State Treasurer assumes the daily responsibility of managing the assets of the pool. The State Depository Board prescribes cash management policies and procedures for the state and provides oversight for the pool.

Custodial Credit Risk – No more than 20% of the entire invested portfolio may be invested in securities of any one issuer. Investments explicitly guaranteed by the U.S. government and investments in government investment pools, such as the Georgia Fund 1, are excluded from this requirement.

As of December 31, 2019, the City had the following investments:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Value</u>	<u>Maturity</u>
Office of State Treasurer	AAAf rated	<u>\$ 3,836,396</u>	21 days

CITY OF NEWNAN, GEORGIA

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Investment	Maturities in Years				Total
	Under One	One-Three	Three-Seven	Over Ten	
U.S. Government securities	\$ 9,032,040	-	\$ -	\$ -	\$ 9,032,040
U.S. Government agency notes and bonds	1,003,910	-	-	-	1,003,910
Money market mutual funds and certificates of deposit	1,037,490	-	-	-	1,037,490
Total investments	\$ 11,073,440	\$ -	\$ -	\$ -	\$ 11,073,440

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.

Credit Risk – All financial institutions (banks) and broker/dealers are pre-qualified and subject to ongoing monitoring to ensure compliance with applicable regulations and requirements. Diversification of the investment portfolio to avoid concentration risk also alleviates some of the credit risk by limiting deposits to any one issuer.

Fair Market Value Measurements

The City of Newnan categorizes its fair market value measurements within the fair market value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy has three levels: Level 1 investments are valued using inputs that are based on quoted prices in active markets for identical assets. Level 2 investments are valued using inputs that are based on quoted prices for similar assets or inputs that are observable, either directly or indirectly. Level 3 investments are valued using inputs that are unobservable. The City has the following recurring fair value measurements as of December 31, 2019:

Investment Type	Total	Level 1	Level 2	Level 3
Investments at fair value:				
US government agency notes and bonds	\$ 10,035,950	\$ 10,035,950	\$ -	\$ -
Money market mutual funds and certificates of deposit	1,037,490	1,037,490	-	-
Total	\$ 11,073,440	\$ 11,073,440	\$ -	\$ -

CITY OF NEWNAN, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
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Additionally, the City has investments in Georgia Fund 1, which are not subject to level disclosures.

Investments – Component Unit

Custodial Credit Risk - As of December 31, 2019, the Commission had the following investments:

Investment	Maturities in Years				Total
	Under One	One-Three	Three-Seven	Over Ten	
U.S. Government securities	\$ 6,673,377	\$ 759,813	\$ 3,701,631	\$ -	\$ 11,134,821
U.S. Government agency notes and bonds	7,216,200	5,149,529	4,102,125	-	16,467,854
Money market mutual funds and certificates of deposit	6,146,323	-	-	-	6,146,323
Total investments	\$ 20,035,900	\$ 5,909,342	\$ 7,803,756	\$ -	\$ 33,748,998

Interest Rate Risk – All fixed income investments are exposed to interest rate risk. The Commission’s investments would be subject to losses due to potential increases in interest rates. The Commission’s formal investment policy limits investment maturities as a means of managing exposure to fair value losses arising from interest rates. The investment policy limits the maturity of individual securities to 7 years or less. In addition, the overall weighted average duration of principal return for the entire portfolio shall be maintained at 3 years or less. The investment policy also prohibits investments in reverse purchase agreements and derivative instruments.

Credit Risk – Credit Risk is the risk that the Commission will be unable to recover its investments either by an inability to withdraw the funds through insolvency or non-performance of a counterparty or an inability to recover collateral. State statutes authorize the Commission to invest in obligations of the State of Georgia; obligations issued by the U.S. Government, obligations fully insured or guaranteed by the U.S. Government or by a government agency of the United States; obligations of any corporation of the U.S. Government; prime bankers’ acceptances; the Georgia Fund I established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. The investment policy implemented by the Commission further restricts the types, amounts, and allocation of assets, as defined in the investment policy. In addition, all repurchase agreements must be collateralized using securities permissible under the investment policy at 102% of the market value of principal and accrued interest. As of December 31, 2019, the Commission’s investment comprised of U.S. Treasury securities, U.S. Government Agency securities, municipal bonds and money market funds. The securities carried the ratings of AA, Aaa and AAA ratings by S&P and Moody’s.

Concentration of Credit Risk – The Commission’s investment policy limits the exposure to credit risk by placing maximum exposure restrictions by security type. External

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investments with one issuer that comprised 5% or more of the Commissions investments portfolio (excluding those issued or explicitly guaranteed by the U.S. Government as well as mutual funds) as of December 31, 2019 are Federal Farm Credit Bank 1.3%, Federal Home Loan Bank 10.6%, Freddie Mac 4.6%, Goldman Sacks Gov't Money Market 17.6%, State of Georgia Municipal 3.8%, US Treasury 32.8%, MEAG Investment Trust 21.2% and Fannie Mae 8.1%.

Fair Value Measurements – Component Unit

The Commission categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy has three levels. Level 1 investments are valued using inputs that are based on quoted prices in active markets for identical assets. Level 2 investments are valued using inputs that are based on quoted prices for similar assets or inputs that are observable, either directly or indirectly. Level 3 investments are valued using inputs that are unobservable. The Commission has the following recurring fair value measurements as of December 31, 2019:

Investment Type	Total	Level 1	Level 2	Level 3
Investments at fair value:				
US government securities	\$ 11,134,821	\$ 10,887,344	\$ 247,477	\$ -
US government agency notes and bonds	16,467,854	9,765,094	6,702,760	-
Money market mutual funds and certificates of deposit	6,146,323	5,957,300	189,023	-
Total	\$ 33,748,998	\$ 26,609,738	\$ 7,139,260	\$ -

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B. Capital Assets

Capital asset activity for the year ended December 31, 2019 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Reclassifications	Ending Balance
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 23,412,330	\$ 894,497	\$ (29,349)	\$ -	\$ 24,277,478
Construction in progress	8,647,729	5,430,329	-	(6,602,383)	7,475,675
Total capital assets, not being depreciated	32,060,059	6,324,826	(29,349)	(6,602,383)	31,753,153
Capital assets, being depreciated:					
Buildings and parks	40,823,359	-	-	6,559,031	47,382,390
Other improvements	13,124,030	339,889	(3,913)	43,352	13,503,358
Machinery and equipment	15,362,426	685,087	(211,143)	-	15,836,370
Infrastructure	95,469,790	2,000,394	-	-	97,470,184
Total capital assets being depreciated	164,779,605	3,025,370	(215,056)	6,602,383	174,192,302
Less accumulated depreciation for:					
Buildings and parks	(10,001,938)	(1,004,627)	-	-	(11,006,565)
Other improvements	(6,421,874)	(526,882)	3,913	-	(6,944,843)
Machinery and equipment	(10,839,091)	(1,104,877)	179,284	-	(11,764,684)
Infrastructure	(26,339,208)	(2,358,007)	-	-	(28,697,215)
Total accumulated depreciation	(53,602,111)	(4,994,393)	183,197	-	(58,413,307)
Total capital assets, being depreciated, net	111,177,494	(1,969,023)	(31,859)	6,602,383	115,778,995
Governmental activities capital assets, net	\$ 143,237,553	\$ 4,355,803	\$ (61,208)	\$ -	\$ 147,532,148

CITY OF NEWNAN, GEORGIA

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	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital assets, not being depreciated:				
Land	\$ -	\$ -	\$ -	\$ -
Total capital assets, not being depreciated	-	-	-	-
Capital assets, being depreciated:				
Machinery and equipment	396,270	187,168	-	583,438
Total capital assets, being depreciated	396,270	187,168	-	583,438
Less accumulated depreciation for:				
Machinery and equipment	(92,514)	(66,988)	-	(159,502)
Total accumulated depreciation	(92,514)	(66,988)	-	(159,502)
Total capital assets, being depreciated, net	303,756	120,180	-	423,936
Business-type activities capital assets, net	\$ 303,756	\$ 120,180	\$ -	\$ 423,936

Depreciation expense was charged to functions/programs of the governmental and business-type activities as follows:

Governmental Activities:

General government	\$ 63,038
Public safety	663,811
Public works	3,179,474
Community development and leisure services	1,088,070
Total governmental activities depreciation expense	\$ 4,994,393

Business-Type Activities:

Sanitation Fund	\$ 66,988
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Component Unit - Convention Center Authority

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Construction in Progress	\$ -	\$ 508,767	\$ -	\$ 508,767
Total capital assets, not being depreciated	-	508,767	-	508,767
Capital assets, being depreciated:				
Machinery and equipment	16,093	-	-	16,093
Total capital assets, being depreciated	16,093	-	-	16,093
Less accumulated depreciation for:				
Machinery and equipment	(6,159)	(2,838)	-	(8,997)
Total accumulated depreciation	(6,159)	(2,838)	-	(8,997)
Total capital assets, being depreciated, net	9,934	(2,838)	-	7,096
Business-type activities capital assets, net	\$ 9,934	\$ 505,929	\$ -	\$ 515,863

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

Governmental Activities:

Convention Center	\$2,838
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CITY OF NEWNAN, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

Component Unit – Newnan Water, Sewerage and Light Commission

	Beginning Balance	Increases	Decreases	Reclassifications	Ending Balance
Capital assets not being depreciated:					
Land	\$ 7,797,571	\$ -	\$ -	\$ -	\$ 7,797,571
Construction in progress	3,672,979	10,067,612	-	(3,350,895)	10,389,696
Total capital assets, not being depreciated	11,470,550	10,067,612	-	(3,350,895)	18,187,267
Capital assets, being depreciated:					
Buildings, lines and improvements	191,055,432	9,878,401	(272,687)	-	200,661,146
Equipment and other	15,571,626	1,880,034	(545,529)	-	16,906,131
Total capital assets being depreciated	206,627,058	11,758,435	(818,216)	-	217,567,277
Less accumulated depreciation for:					
Buildings, lines and improvements	(83,719,160)	(6,804,920)	272,388	-	(90,251,692)
Equipment and other	(7,463,549)	(1,389,868)	545,516	-	(8,307,901)
Total accumulated depreciation	(91,182,709)	(8,194,788)	817,904	-	(98,559,593)
Total capital assets, being depreciated, net	115,444,349	3,563,647	(312)	-	119,007,684
Capital assets, net	\$ 126,914,899	\$ 13,631,259	\$ (312)	\$ (3,350,895)	\$ 137,194,951
Depreciation expense was charged to functions/programs of the business-type activities as follows:					
Business-Type Activities:					
Utilities		\$8,194,788			

C. Transfers and Component Unit Appropriations

Transfers for the year ended December 31, 2019, are as follows:

Transfers Out:	Transfers In:			Total
	General Fund	Nonmajor Governmental Fund	Sanitation Fund	
General fund	\$ -	\$ 200,000	\$ 200,000	\$ 400,000
Nonmajor Governmental fund	407,386	397,228	-	804,614
Total	\$ 407,386	\$ 597,228	\$ 200,000	\$ 1,204,614

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Transfers are used to 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and 2) move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

During 2019, the City made a transfer from the Hotel/Motel Tourism Enhancement Fund to the General Fund in the amount of \$407,386, for the City's portion of hotel motel taxes collected.

During 2019, the City made a transfer from the LMIG Fund to the Street Improvement Fund in the amount of \$397,228 to combine like funds.

During 2019, the City made a transfer from the General Fund to the Street Improvement Fund in the amount of \$200,000 to assist with the cost of street improvements projects.

During 2019, the City made a transfer from the General Fund to the Sanitation Fund in the amount of \$200,000 to assist with the cost of capital equipment.

Component Unit appropriations

During 2019, the City appropriated \$373,334 to the Newnan Convention Center Authority for operations.

D. Long-term Debt

Primary Government

As of December 31, 2019, the City's governmental activities and business-type activities had no outstanding long-term debt other than compensated absences and net pension liabilities as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Net pension liability	\$ 6,313,545	\$ 3,224,470	\$ 1,764,851	\$ 7,773,164	\$ -
Compensated absences	781,953	1,300,967	1,263,417	819,503	636,046
	<u>\$ 7,095,498</u>	<u>\$ 4,525,437</u>	<u>\$ 3,028,268</u>	<u>\$ 8,592,667</u>	<u>\$ 636,046</u>
Business-Type activities:					
Net pension liability	\$ 109,186	\$ 55,764	\$ 30,521	\$ 134,429	\$ -
Compensated absences	12,393	16,223	15,663	12,953	10,907
	<u>\$ 121,579</u>	<u>\$ 71,987</u>	<u>\$ 46,184</u>	<u>\$ 147,382</u>	<u>\$ 10,907</u>

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

Component Unit – Newnan Water, Sewerage and Light Commission

Long-Term Debt -- The Newnan Water, Sewerage and Light Commission had one type of long-term debt during the fiscal year 2019, revenue bonds.

Revenue Bonds

Series 2006 Bonds

During the year, 2006, the Commission issued revenue bonds, Series 2006A for the purpose of refinancing the 1998 and 2001 revenue bonds and Series B for the purpose of capital improvements. The bonds are dated December 1, 2006 with a face value of \$28,080,000 and bear interest from 3.55% to 5.25%. 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, 2019 was \$86,363.

The bond proceeds are being used to advance refund and defease outstanding bonds, purchase securities to provide for future debt service payments, acquire, construct and install certain additions, extensions and improvements to the water and sewer portion of the combined water, sewerage and electric distribution system of the City of Newnan and pay certain issuance costs. The bond premium relative to the 2006 Bonds is \$58,199.

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, 2019, total debt service requirements to maturity for the Series 2006A Bonds were as follows:

Year	Principal	Interest	Total
2020	\$ -	\$ 172,725	\$ 172,725
2021	-	172,725	172,725
2022	-	172,725	172,725
2023	-	172,725	172,725
2024	1,040,000	172,725	1,212,725
2025-2026	2,250,000	178,500	2,428,500
Total	\$ 3,290,000	\$ 1,042,125	\$ 4,332,125

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Revenue Bonds

Series 2015

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.

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 bond premium and bond discount relative to the Series 2015 Revenue Bonds are \$452,402 and \$(624) respectively.

The Series 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 the 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, 2019 was \$169,216.

As of December 31, 2019, total debt service requirements to maturity for the Series 2015 Bonds were as follows:

Year	Principal	Interest	Total
2020	\$ 1,775,000	\$ 338,432	\$ 2,113,432
2021	1,815,000	301,166	2,116,166
2022	10,000	258,550	268,550
2023	10,000	258,350	268,350
2024	10,000	258,150	268,150
2025-2029	1,845,000	1,229,602	3,074,602
2030-2034	3,505,000	711,150	4,216,150
2035-2036	1,595,000	88,350	1,683,350
Total	\$ 10,565,000	\$ 3,443,750	\$ 14,008,750

CITY OF NEWNAN, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

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 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 the Commission's books. Accrued interest related to the Series 2017 Bonds at December 31, 2019 was \$110,697.

As of December 31, 2019, total debt service requirements to maturity for the Series 2017 Bonds were as follows:

Year	Principal	Interest	Total
2020	\$ 431,217	\$ 221,394	\$ 652,611
2021	440,945	211,260	652,205
2022	2,316,398	200,898	2,517,296
2023	2,371,430	146,462	2,517,892
2024	500,874	90,734	591,608
2025-2029	2,686,555	271,480	2,958,035
2030-2031	673,581	18,127	691,708
Total	\$ 9,421,000	\$ 1,160,355	\$ 10,581,355

CITY OF NEWNAN, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

Component Unit

The changes in long-term debt are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Deferred Compensation	\$ 1,794,755	\$ 320,492	-	\$ 2,115,247	\$ 218,800
Revenue bonds	25,993,924	-	(2,207,947)	23,785,977	2,206,217
Total	\$ 27,788,679	\$ 320,492	\$ (2,207,947)	\$ 25,901,224	\$ 2,425,017

E. Property Taxes

State law requires that property taxes be based on assessed value, which is 40% of market value. All real and personal property (including motor vehicles) is 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 County Tax Commissioner for compilation of the tax digest. The completed tax digest must be submitted to the State Revenue Commissioner for approval. The State Revenue Commissioner must ascertain that real property on the tax digest has been assessed at the state mandated forty percent (40%) of fair market value. The Commissioner has the option to withhold certain state funding if the mandated 40% level is not reached.

The property tax calendar is as follows:

	Real/Personal Property (Excluding Vehicles)	Motor Vehicles
Assessment date	January 1	January 1
Levy date	August 14	January 1
Due date and collection date	December 1	Staggered

Property taxes receivable have been reduced to their estimated net realizable value. Estimated uncollectible amounts are based upon historical experience rates and result in a direct reduction of the related revenue amount at the end of the period.

CITY OF NEWNAN, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

F. Tax Abatements

The City of Newnan regulates property tax abatement agreements on an individual basis. The City has abatement agreements with the following entities as of December 31, 2019, all of which are healthcare facilities.

Purpose	Agreement Date	2019 % Abated
Healthcare Facility (New) ⁽¹⁾	5/7/2009	30% Real Property
Healthcare Facility (Expansion) ⁽²⁾	12/1/2014	72% Real Property and 50% Personal Property
Healthcare Facility (New) ⁽³⁾	8/26/2014	52% Real Property and 50% Personal 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% 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, and enhanced signage. The project partners agreed to a ten year real property tax abatement schedule that includes 0% valuation for years 1, 2 and 3; then an annual valuation of 14% 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% 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.

CITY OF NEWNAN, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

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% 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 and property tax abatement. The project partners agreed to a ten year real property tax abatement schedule that includes 0% valuation for years 1, 2 and 3; then an annual valuation of 14% 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% 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, and property tax abatement. The project partners agreed to a ten year real property tax abatement schedule that includes 0% valuation for years 1, 2 and 3; then a valuation of 40% in year 4, 52% in year 5 and increase by 10% 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% valuation of property for each of the five years. Performance agreements exist. A copy of the agreement is available at Newnan City Hall.

G. Hotel/Motel Taxes

The City levies and collects a 8% lodging tax which is reported in the Hotel/Motel Tourism Enhancement Fund. The City retains 60% of the funds collected. Tax receipts for the year were \$678,977. Of the current year expenditures \$2,310 was relative to repairs and maintenance for the Newnan Male Academy Museum and \$271,591 for operating costs of the Newnan Convention Center. As of December 31, 2019, the balance of funds not expended was \$122,608. These funds are restricted for future operations of the Newnan Convention Center.

H. 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

CITY OF NEWNAN, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

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 investigation, 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.

The City also participates in the Georgia Municipal Employees Benefit System's Life and Health Insurance Program (GMEBS). GMEBS is the policy holder with BlueShield of Georgia (BCBSB) and the City subscribes to the program. GMEBS is the City's administrator for health (HMO), dental and life insurance coverage and they engage the insurance company to process and pay claims.

The City joined the program by ordinance and participation is effectively perpetual unless the City initiates a termination. The premiums that are paid to GMEBS cover the cost of all eligible claims incurred while the City is a participating employer and the cost of the services of GMEBS.

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.

CITY OF NEWNAN, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
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The basis for estimating the liabilities for unpaid claims is “IBNR” or “incurred but not reported” established by an actuary. As of December 31, 2019, 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.

I. Joint Venture

Under Georgia law, the City, in conjunction with other cities and counties in the ten county RC membership, is a member of the Three Rivers Regional Commission (RC) and is required to pay annual dues thereto. Membership in a RC is required by O.C.G.A. 50-8-34 which provides for the organization structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. O.C.G.A. 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from the Three Rivers Regional Commission, P.O. Box 818, Griffin, Georgia 30224.

J. 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.

K. Public Retirement Systems and Pension Plans

Each qualified employee is included in at least one of the three retirement plans in which the City participates. The plans are as follows:

- (a) The City of Newnan Retirement Plan (a defined benefit pension plan)
- (b) The City of Newnan’s Deferred Compensation Plan
- (c) The City of Newnan’s Trust Plan

Plans (b) and (c) are both deferred compensation plans funded 100% by employee contributions to provide retirement income and other deferred benefits in accordance with the provisions of Section 457 of the Internal Revenue Code of 1986, as amended.

Pension Plan

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

CITY OF NEWNAN, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

supplementary information. That report may be obtained by writing to Georgia Municipal Association, 201 Pryor Street, Atlanta, Georgia, 30303-3606.

Benefits Provided

The GMEBS Plan provides retirement, disability and death benefits to plan members and beneficiaries. Effective January 1, 2015, the Plan was amended to provide for immediate participation for employees and officials. This change has no impact on service credited under the Plan and has no impact on benefits.

Employees Covered by the Plan:

Inactive employees (or their beneficiaries) currently receiving benefits	89
Inactive employees entitled to but not yet receiving benefits	67
Active employees	263

Contributions

The plan members are not required to contribute to the plan. The City is required to contribute at an actuarially determined rate; the current rate is 10.94% of annual covered payroll. The contribution requirements of the City are established and may be amended by the GMEBS Board of Trustees.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2019, the City reported a net pension liability. The net pension liability was measured as of March 31, 2019. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of July 1, 2019. An expected total pension liability as of March 31, 2019 was determined using standard roll-forward techniques.

For the year ended December 31, 2019, the City recognized pension expense relative to GMEBS in the amount of \$1,448,126. At December 31, 2019, the reported deferred outflows of resources and deferred inflows of resources related to the Pension from the following sources:

CITY OF NEWNAN, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,392,546	\$ -
Changes of assumptions	239,844	-
Net difference between projected and actual earnings on pension plan investments	44,486	-
Employer contributions subsequent to the measurement date	912,573	-
	<u>\$ 2,589,449</u>	<u>\$ -</u>

City contributions made after the measurement date of the net pension/OPEB liability/collective net position/OPEB liability but before the end of the City's reporting period will be recognized as a reduction of net pension/OPEB liability or collective net pension/OPEB liability in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense as follows:

<u>Year ended December 31:</u>	
2020	\$ 597,028
2021	321,883
2022	442,675
2023	315,290

Actuarial Assumptions: The total pension liability as of December 31, 2019 was determined by an actuarial valuation as of July 1, 2019 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increase	3.25-8.25%, including inflation adjustment
Investment rate of return	7.50%, On-going basis, based on long-term expected rate of return of pension plan investments

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females and the RP-2000 Disabled Retiree Mortality Table with sex-distinct rates.

The RP-2000 mortality tables were determined to contain sufficient provision appropriate to reasonably reflect future mortality improvement, based on a four-year review of mortality experience for the period January 1, 2010 to June 30, 2014. Mortality experience will be reviewed periodically and updated if necessary.

CITY OF NEWNAN, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

Net Pension Liability:

Changes in the Net Pension Liability:	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balances at January 1, 2019	\$ 26,547,456	\$ 20,124,725	\$ 6,422,731
Changes for the year:			
Service cost	452,206	-	452,206
Interest	1,983,417	-	1,983,417
Difference between expected and actual experience	797,280	-	797,280
Contributions - employer	-	1,068,451	(1,068,451)
Net investment income	-	726,921	(726,921)
Benefit payments	(1,108,194)	(1,108,194)	-
Administrative expense	-	(47,331)	47,331
Net changes	2,124,709	639,847	1,484,862
Balance at December 31, 2019	\$ 28,672,165	\$ 20,764,572	\$ 7,907,593

The City's net pension liability is recorded in the Government-Wide, Statement of Net Position and in the Sanitation Fund in the amounts of \$7,773,164 and \$134,429, respectively

The long-term expected rate of return on pension plan investments 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 weighing 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.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2019 are summarized in the following table:

CITY OF NEWNAN, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

Asset class	Target allocation	Long-term expected real rate of return
Domestic Equity	45%	6.40%
International Equity	20%	7.40%
Domestic fixed Income	20%	1.75%
Real estate	10%	5.10%
Global fixed income	5%	3.03%
Cash	0%	
Total	100%	

Discount Rate: The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount rate: The following presents the City's net pension liability calculated using the discount rate of 7.50%, 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 (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current discount rate (7.50%)	1% Increase (8.50%)
Sensitivity of the Net Pension Liability to Changes in the Discount Rate	\$ 11,626,768	\$ 7,907,593	\$ 4,801,856

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued GMEBS financial report which is publically available at www.gmanet.com.

The assumptions used in the July 1, 2019 actuarial valuation are as follows:

Actuarial Assumptions

Actuarial cost method	Entry Age Normal
Amortization method	Closed level dollar for the remaining unfunded liability
Remaining amortization period	Remaining amortization period varies for the bases, with a net effective amortization period of 15 years.

CITY OF NEWNAN, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

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 the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Net Investment Rate of Return	7.50%
Projected Salary Increases	2.75% plus service based merit increases
Cost of Living Adjustments	0.00%

Changes of assumptions:

Amounts reported for the fiscal year ending in 2018 and later reflect the following assumption changes based on an actuarial study conducted in September 2017:

The investment return assumption was decreased from 7.75% to 7.50%.

The inflation assumption was decreased from 3.25% to 2.75%.

Benefit Changes

There were no changes in benefit provisions in the last two fiscal years.

L. Special Funding Defined Benefit Pension Plans

The City's policemen are also covered by the State of Georgia Peace Officers' Annuity and Benefit Fund. The City makes no contribution to this plan. Contributions are collected by the City as the agent for this fund through its municipal court system. This plan is administered through the Peace Officers' Annuity and Benefit Fund of Georgia located at 1210 Greenbelt Parkway in Griffin, Georgia where separate financial statements may be obtained. This plan is considered immaterial to the City's financial statements.

The City's Firemen are eligible to participate in the Georgia Firefighters' Pension Fund, a voluntary pension system. The City makes no contributions to this plan. Contributions are made through monthly dues by eligible firefighters electing to participate in the plan and non-employer contributions which consist of insurance premium taxes collected and remitted by insurers directly to the pension fund in accordance with the law. The plan is administered by the Georgia Firefighters' Pension Fund located at 2171 Eastview Parkway NE in Conyers, Georgia where separate financial statements may be obtained. This plan is considered immaterial to the City's financial statements.

CITY OF NEWNAN, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

M. Contingent Liabilities

During the course of normal operations of the City, various claims and lawsuits arise. The City attorney has advised that there are no potential liabilities of which he is aware that will impair the City's financial position as of the date of this audit report.

N. Subsequent Events

During March 2020, the City modified operations as a result of the COVID-19 pandemic and in compliance with state and federal recommendations. The extent of the impact of COVID-19 on the City's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak all of which are uncertain. Accordingly, the extent to which COVID-19 may impact the financial condition or results of operation cannot be determined.

The City has evaluated subsequent events through July 23, 2020, the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NEWNAN, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
 GEORGIA MUNICIPAL EMPLOYEES BENEFIT SYSTEM
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

	2019	2018	2017	2016	2015
<i>Total Pension Liability</i>					
Service cost	\$ 452,206	\$ 471,446	\$ 401,175	\$ 404,718	\$ 421,030
Interest	1,983,417	1,800,719	1,588,662	1,486,432	1,428,183
Differences between expected and actual experience	797,280	1,078,922	167,523	201,802	349,394
Changes in benefit terms	-	-	-	-	-
Changes in assumptions	-	-	-	-	(701,214)
Other changes	-	399,742	1,412,078	-	-
Benefit payments, including refunds of employee contributions	(1,108,194)	(876,903)	(789,534)	(758,180)	(733,416)
Net change in total pension liability	2,124,709	2,873,926	2,779,904	1,334,772	763,977
Total pension liability - beginning	26,547,456	23,673,530	20,893,626	19,558,854	18,794,877
Total pension liability - ending	\$ 28,672,165	\$ 26,547,456	\$ 23,673,530	\$ 20,893,626	\$ 19,558,854
<i>Plan Fiduciary Net Position</i>					
Contributions - employer	\$ 1,068,451	\$ 897,255	\$ 844,941	\$ 901,568	\$ 934,855
Contributions - employee	-	-	-	-	-
Net investment income	726,921	2,229,592	2,004,621	50,727	1,383,645
Benefit payments, including refunds of employee contributions	(1,108,194)	(876,903)	(789,534)	(758,180)	(733,416)
Administrative expense	(47,331)	(45,704)	(46,562)	(34,735)	(31,914)
Other	-	-	-	-	-
Net change in fiduciary net position	639,847	2,204,240	2,013,466	159,380	1,553,170
Plan fiduciary net position - beginning	20,124,725	17,920,485	15,907,019	15,747,639	14,194,469
Plan fiduciary net position - ending	\$ 20,764,572	\$ 20,124,725	\$ 17,920,485	\$ 15,907,019	\$ 15,747,639
<i>Net Pension Liability</i>					
Net pension liability - ending	\$ 7,907,593	\$ 6,422,731	\$ 5,753,045	\$ 4,986,607	\$ 3,811,215
Plan's fiduciary net position as a percentage of the total pension liability	72.42%	75.81%	75.70%	76.13%	80.51%
Covered payroll	12,644,996	11,019,866	10,770,659	\$ 10,607,616	\$ 9,970,405
Net pension liability as a percentage of covered payroll	62.54%	58.28%	53.41%	47.01%	38.23%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

CITY OF NEWNAN, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
 GEORGIA MUNICIPAL EMPLOYEES BENEFIT SYSTEM
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

SCHEDULE OF CONTRIBUTIONS

	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 1,216,766	\$ 1,019,013	\$ 856,669	\$ 841,031	\$ 921,747
Contributions in relation to the actuarially determined contribution	<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>\$ -</u>	<u>\$ (1,050)</u>
 City's covered payroll	 \$ 11,173,242	 \$ 11,019,866	 \$ 10,775,711	 \$ 10,605,687	 \$9,965,410
Contributions as a percentage of covered payroll	10.89%	9.25%	7.95%	7.93%	9.26%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

CITY OF NEWNAN, GEORGIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019
(CONTINUED)

Georgia Municipal Employee Benefit System

Changes of assumptions:

Amounts reported for the fiscal year ending in 2018 and later reflect the following assumption changes based on an actuarial study conducted in September 2017:

The investment return assumption was decreased from 7.75% to 7.50%.

The inflation assumption was decreased from 3.25% to 2.75%

Benefit changes

There were no changes in benefit provisions in the last two years.

Valuation date	The actuarially determined contribution was determined as of July 1, 2019, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution will be reported for the fiscal year ending December 31, 2020.
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Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Closed level dollar for the remaining unfunded liability
Remaining amortization period	Remaining amortization period varies for the bases, with a net effective amortization period of 15 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 the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.

CITY OF NEWNAN, GEORGIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019
(CONTINUED)

Actuarial Assumptions:

Net Investment Rate of Return	7.50%
Projected Salary Increases	2.75% plus service based merit increases
Cost of Living Adjustments	0.00%
Retirement Age	Ages 55-59 rate of 10%, age 60 rate of 20%, age 61 rate of 25%, age 62 rate of 35%, age 63 rate of 40%, age 64 rate of 45%, ages 65-69 rate of 50% and age 70 and over rate of 100%
Mortality	RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females RP-2000 Disabled Retiree Mortality Table with sex-distinct rates.
Plan termination basis (all lives):	1994 Group Annuity Reserving Unisex Table

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

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

Miscellaneous Grants Fund – This fund accounts for other grants not used to finance general government operations.

Hotel/Motel Tourism Enhancement Fund – This fund accounts for the hotel/motel taxes collected and expenditures relative to tourism.

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

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Street Improvement Fund – This fund accounts for the construction and expansion of roads and bridges.

LMIG Fund – This fund accounts for revenues restricted under the Local Maintenance & Improvement Grant Program received from the State of Georgia, Department of Transportation for road improvements.

Impact Fees Fund – This fund accounts 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, 2019

	Special Revenue Funds					Capital Projects Funds				Total Nonmajor Governmental Funds
	Confiscated Assets	Miscellaneous Grants	Hotel/Motel Tourism Enhancement	Rental Motor Vehicle Excise Tax	Total	Street Improvement	LMIG	Impact Fees	Total	
ASSETS										
Cash and cash equivalents	\$ 18,372	\$ 17,576	\$ -	\$ -	\$ 35,948	\$ -	\$ -	\$ 1,120,329	\$ 1,120,329	\$ 1,156,277
Investments	105,172	-	109,755	49,587	264,514	419,551	-	-	419,551	684,065
Taxes receivable	-	-	102,748	9,695	112,443	-	-	-	-	112,443
Other receivables	7,677	-	-	-	7,677	-	-	-	-	7,677
Total assets	\$ 131,221	\$ 17,576	\$ 212,503	\$ 59,282	\$ 420,582	\$ 419,551	\$ -	\$ 1,120,329	\$ 1,539,880	\$ 1,960,462
LIABILITIES										
Accounts payable	\$ -	\$ 64	\$ 89,895	\$ 24,303	\$ 114,262	\$ -	\$ -	\$ 13,852	\$ 13,852	\$ 128,114
Unearned revenue	-	17,512	-	-	17,512	-	-	-	-	17,512
Total liabilities	-	17,576	89,895	24,303	131,774	-	-	13,852	13,852	145,626
FUND BALANCES										
Restricted	131,221	-	122,608	34,979	288,808	-	-	1,106,477	1,106,477	1,395,285
Assigned	-	-	-	-	-	419,551	-	-	419,551	419,551
Total fund balances	131,221	-	122,608	34,979	288,808	419,551	-	1,106,477	1,526,028	1,814,836
TOTAL LIABILITIES AND FUND BALANCES	\$ 131,221	\$ 17,576	\$ 212,503	\$ 59,282	\$ 420,582	\$ 419,551	\$ -	\$ 1,120,329	\$ 1,539,880	\$ 1,960,462

CITY OF NEWNAN, GEORGIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Special Revenue Funds					Capital Projects Funds				Total Nonmajor Governmental Funds	
	Confiscated Assets	Miscellaneous Grants	Hotel/Motel Tourism	Rental Motor Vehicle	Excise Tax	Total	Street Improvement	LMIG	Impact Fees		Total
			Enhancement								
REVENUES											
Hotel/motel taxes	\$ -	\$ -	\$ 678,977	\$ -	\$ 678,977	\$ -	\$ -	\$ -	\$ -	\$ 678,977	
Court condemnations	55,904	-	-	-	55,904	-	-	-	-	55,904	
Intergovernmental	4,776	3,320	-	-	8,096	35,000	-	-	35,000	43,096	
Impact fees	-	-	-	-	-	-	-	963,287	963,287	963,287	
Excise taxes	-	-	-	103,808	103,808	-	-	-	-	103,808	
Other revenues	-	91,734	-	-	91,734	9,327	-	-	9,327	101,061	
Investment earnings	2,202	-	4,170	1,290	7,662	14,660	-	3,093	17,753	25,415	
Total revenues	62,882	95,054	683,147	105,098	946,181	58,987	-	966,380	1,025,367	1,971,548	
EXPENDITURES											
Current											
General government	-	3,070	-	-	3,070	-	-	-	-	3,070	
Tourism development	-	-	273,901	105,098	378,999	-	-	-	-	378,999	
Public safety	75,438	55,199	-	-	130,637	-	-	87,672	87,672	218,309	
Public works	-	-	-	-	-	634,676	-	4,053	638,729	638,729	
Community development	-	36,785	-	-	36,785	-	-	228	228	37,013	
Capital outlay	6,712	-	-	-	6,712	-	-	405,998	405,998	412,710	
Total expenditures	82,150	95,054	273,901	105,098	556,203	634,676	-	497,951	1,132,627	1,688,830	
Excess (deficiency) of revenues over (under) expenditures	(19,268)	-	409,246	-	389,978	(575,689)	-	468,429	(107,260)	282,718	
Other financing sources (uses)											
Insurance Recoveries	28,334	-	-	-	28,334	-	-	-	-	28,334	
Transfers in General Fund	-	-	-	-	-	200,000	-	-	200,000	200,000	
Transfer in LMIG Fund	-	-	-	-	-	397,228	-	-	397,228	397,228	
Transfers out Hotel/Motel Fund	-	-	(407,386)	-	(407,386)	-	-	-	-	(407,386)	
Transfer out LMIG Fund	-	-	-	-	-	-	(397,228)	-	(397,228)	(397,228)	
Total other financing sources (uses)	28,334	-	(407,386)	-	(379,052)	597,228	(397,228)	-	200,000	(179,052)	
Net change in fund balances	9,066	-	1,860	-	10,926	21,539	(397,228)	468,429	92,740	103,666	
Fund balances - beginning of year	122,155	-	120,748	34,979	277,882	398,012	397,228	638,048	1,433,288	1,711,170	
Fund balances - end of year	\$ 131,221	\$ -	\$ 122,608	\$ 34,979	\$ 288,808	\$ 419,551	\$ -	\$ 1,106,477	\$ 1,526,028	\$ 1,814,836	

CITY OF NEWNAN, GEORGIA

CONFISCATED ASSETS SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Final Budget	Actual	Variance
REVENUES			
Court condemnations	\$ 85,000	\$ 55,904	\$ (29,096)
Intergovernmental	-	4,776	4,776
Investment earnings	1,210	2,202	992
Total Revenues	86,210	62,882	(23,328)
EXPENDITURES			
Current			
Law enforcement	86,775	75,438	11,337
Capital outlay	6,725	6,712	13
Total Expenditures	93,500	82,150	11,350
Net change in fund balance	(7,290)	(19,268)	(11,978)
Other Financing Source			
Insurance Recoveries	-	28,334	28,334
Net change in fund balances	(7,290)	9,066	16,356
Fund balances - beginning of year	122,155	122,155	-
Fund balances - end of year	\$ 114,865	\$ 131,221	\$ 16,356

CITY OF NEWNAN, GEORGIA

MISCELLANEOUS GRANTS SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Final Budget	Actual	Variance
REVENUES			
Other revenues	\$ 95,130	\$ 91,734	\$ (3,396)
Intergovernmental	-	3,320	3,320
Total Revenues	95,130	95,054	(76)
EXPENDITURES			
Current			
General government	3,070	3,070	-
Community development	36,785	36,785	-
Public safety	55,275	55,199	76
Total Expenditures	95,130	95,054	76
Net change in fund balance	-	-	-
Fund balances - beginning of year	-	-	-
Fund balances - end of year	\$ -	\$ -	\$ -

CITY OF NEWNAN, GEORGIA

HOTEL/MOTEL TOURISM ENHANCEMENT SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Final Budget	Actual	Variance
REVENUES			
Hotel/motel taxes	\$ 700,000	\$ 678,977	\$ (21,023)
Investment earnings	3,200	4,170	970
Total Revenues	703,200	683,147	(20,053)
EXPENDITURES			
Current			
Tourism development	283,500	273,901	9,599
Total Expenditures	283,500	273,901	9,599
Excess (deficiency) of revenues over (under) expenditures	419,700	409,246	(10,454)
Other Financing Use			
Transfer out	(420,000)	(407,386)	12,614
Net change in fund balances	(300)	1,860	2,160
Fund balances - beginning of year	120,748	120,748	-
Fund balances - end of year	\$ 120,448	\$ 122,608	\$ 2,160

CITY OF NEWNAN, GEORGIA

RENTAL MOTOR VEHICLE EXCISE TAX SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Final Budget	Actual	Variance
REVENUES			
Excise tax	\$ 103,150	\$ 103,808	\$ 658
Investment earnings	800	1,290	490
Total Revenues	103,950	105,098	1,148
EXPENDITURES			
Current			
Tourism development	105,150	105,098	52
Total Expenditures	105,150	105,098	52
Net change in fund balances	(1,200)	-	1,200
Fund balances - beginning of year	34,979	34,979	-
Fund balances - end of year	\$ 33,779	\$ 34,979	\$ 1,200

CITY OF NEWNAN, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITY
 AGENCY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2019

	December 31, 2018	Additions	Deletions	December 31, 2019
<u>Police Pre-Confiscated Assets Fund</u>				
ASSETS				
Cash	\$ 104,426	\$ 25,748	\$ 22,159	\$ 108,015
Total assets	<u>\$ 104,426</u>	<u>\$ 25,748</u>	<u>\$ 22,159</u>	<u>\$ 108,015</u>
LIABILITY				
Payable from assets				
Confiscated assets pending disposition	<u>\$ 104,426</u>	<u>\$ 25,748</u>	<u>\$ 22,159</u>	<u>\$ 108,015</u>

CITY OF NEWNAN, GEORGIA

COMPONENT UNIT - NEWNAN DOWNTOWN DEVELOPMENT AUTHORITY
BALANCE SHEET
DECEMBER 31, 2019

ASSETS

Cash and cash equivalents	\$	140,033
Receivables		104
		<hr/>
Total Assets	\$	<u>140,137</u>

LIABILITIES AND FUND BALANCES

Accounts payable	\$	1,511
		<hr/>
Total Liabilities		1,511
		<hr/>
Fund Balances:		
Unassigned		138,626
		<hr/>
Total Fund Balances		138,626
		<hr/>
Total Liabilities and Fund Balances	\$	<u>140,137</u>

CITY OF NEWNAN, GEORGIA
 COMPONENT UNIT - NEWNAN DOWNTOWN DEVELOPMENT AUTHORITY
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 DECEMBER 31, 2019

REVENUES:

Intergovernmental revenues	\$ 21,851
Event income	80,624
Sponsorship income	5,000
Miscellaneous revenues	5,828
Interest earnings	587
	113,890
Total Revenues	113,890

EXPENDITURES:

Current:	
Promotion	103,322
Total Expenditures	103,322
Net change in fund balances	10,568
Fund Balance - Beginning of year	128,058
Fund Balance - End of year	\$ 138,626

CITY OF NEWNAN, GEORGIA

COMPONENT UNIT - NEWNAN CONVENTION CENTER AUTHORITY
 BALANCE SHEET
 DECEMBER 31, 2019

ASSETS

Cash and cash equivalents	\$ 436,661
Accounts receivable	9,766
Receivable - primary government	<u>113,738</u>
Total Assets	<u>\$ 560,165</u>

LIABILITIES AND FUND BALANCES

Accounts payable	\$ 4,900
Retainage payable	20,361
Customer deposits	<u>48,852</u>
Total Liabilities	<u>74,113</u>
Fund Balances:	
Unassigned	<u>486,052</u>
Total Fund Balances	<u>486,052</u>
Total Liabilities and Fund Balances	<u>\$ 560,165</u>

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

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

Cost of the assets	523,960
Accumulated depreciation	<u>(8,097)</u>

Total net position of governmental activities	<u>\$ 1,001,915</u>
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CITY OF NEWNAN, GEORGIA

COMPONENT UNIT - NEWNAN CONVENTION CENTER AUTHORITY
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 DECEMBER 31, 2019

REVENUES:

Intergovernmental	\$ 373,334
Rental	338,063
Miscellaneous revenues	240
Interest earnings	66
	<hr/>
Total Revenues	711,703
	<hr/>

EXPENDITURES:

Current:	
General government	1,095,762
	<hr/>
Total Expenditures	1,095,762
	<hr/>
Net change in fund balance	(384,059)
Fund Balance -Beginning of year	870,111
	<hr/>
Fund Balance - End of year	\$ 486,052
	<hr/> <hr/>

Amounts reported for governmental activities in the Statement of Activities are different because:
 Governmental funds report capital outlays as expenditures. However, in the Statement
 of Activities, the cost of those assets is depreciated over their estimated useful lives
 and reported as depreciation expense.

Total capital outlays	508,767
Total depreciation expense	(2,838)
	<hr/>
	505,929

Change in Net Position of Governmental Activities.	\$ 121,870
	<hr/> <hr/>

CITY OF NEWNAN, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS (2007)
FOR THE YEAR ENDED DECEMBER 31, 2019

Project	Expenditures				
	Original Estimated Cost	Current Estimated Costs	Prior Years	Current Year	Total
Public Safety - Equipment	\$ 580,000	\$ 559,000	\$ 557,871	\$ -	\$ 557,871
Information System	325,000	328,000	327,108	-	327,108
Building Maintenances/Structure	6,650,000	6,684,000	6,615,784	93,848	6,709,632
Parks and Recreation	1,200,000	1,200,000	1,197,513	-	1,197,513
Streets	14,925,333	13,844,852	12,911,800	917,004	13,828,804
Equipment	1,625,000	1,523,148	1,521,288	-	1,521,288
Transfer to Water, Sewerage and Light Commission	4,820,063	4,483,000	4,482,839	-	4,482,839
	<u>\$ 30,125,396</u>	<u>\$ 28,622,000</u>	<u>\$ 27,614,203</u>	<u>\$ 1,010,852</u>	<u>\$ 28,625,055</u>

CITY OF NEWNAN, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS (2013)
FOR THE YEAR ENDED DECEMBER 31, 2019

Project	Expenditures				
	Original Estimated Cost	Current Estimated Costs	Prior Years	Current Year	Total
Streets, drainage, sidewalks, and equipment	\$ 15,207,600	\$ 15,207,600	\$ 10,475,399	\$ 1,353,185 *	\$ 11,828,584
Public safety	10,450,000	10,450,000	9,161,226	1,875,996	11,037,222
Parks and recreation	1,500,000	1,500,000	1,555,987	598,468	2,154,455
Buildings and facilities	100,000	100,000	99,161	-	99,161
Information Systems	100,000	100,000	99,999	-	99,999
Transfer to Water, Sewerage and Light Commission	4,982,400	4,982,400	5,238,061	-	5,238,061
	<u>\$ 32,340,000</u>	<u>\$ 32,340,000</u>	<u>\$ 26,629,833</u>	<u>\$ 3,827,649</u>	<u>\$ 30,457,482</u>
Total Expenditures per financial statements	\$ 4,166,337				
Less: GDOT Reimbursement for JCB	(87,212)				
Less: Newnan Utilities reimbursement MPP-110	(251,476)				
Total SPLOST current year expenditures above	<u>\$ 3,827,649</u>				

* During 2019, the City received reimbursement from Newnan Utilities for the McIntosh Parkway project in the amount of \$251,476 for costs incurred on their behalf. The schedule has been adjusted for these costs.

* During 2019, the City received a grant from GDOT in the amount of \$87,212. The schedule has been adjusted for this contribution.

CITY OF NEWNAN, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS (2019)
FOR THE YEAR ENDED DECEMBER 31, 2019

Project	Expenditures				
	Original Estimated Cost	Current Estimated Costs	Prior Years	Current Year	Total
Public Safety	\$ 3,250,000	\$ 3,250,000	\$ -	\$ -	\$ -
Information Systems	193,469	193,469	-	29,018	29,018
Parks and Recreation	14,000,000	14,000,000	-	863,790	863,790
Streets, Drains & Sidewalks & Equipment	15,001,193	15,001,193	-	546,463	546,463
Transfer to Water, Light & Sewerage	3,604,830	3,604,830	-	655,086	655,086
	<u>\$ 36,049,492</u>	<u>\$ 36,049,492</u>	<u>\$ -</u>	<u>\$ 2,094,357</u>	<u>\$ 2,094,357</u>

CITY OF NEWNAN, GEORGIA

SCHEDULE OF PROJECT EXPENDITURES WITH
RENTAL MOTOR VEHICLE EXCISE TAX REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2019

Project	Current Expenditures
Tourism Operation of Convention Center	<u>105,098</u>
	<u>\$ 105,098</u>

STATISTICAL SECTION

**CITY OF NEWNAN, GEORGIA
STATISTICAL SECTION**

This section of the City of Newnan's comprehensive annual financial reports presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	108-114
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	115-122
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	123-124
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	125-127
Operating Information These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	128-129

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF NEWNAN, GEORGIA
NET POSITION BY COMPONENT
Last Ten Calendar Years
(accrual basis of accounting)

	Calendar Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
GOVERNMENTAL ACTIVITIES										
Net investment in capital assets	\$ 110,991,843	\$ 113,432,298	\$ 116,381,649	\$ 128,835,395	\$ 150,483,429	\$ 132,168,734	\$ 134,790,417	\$ 138,511,584	\$ 143,237,553	\$ 147,532,148
Restricted	16,917,262	16,488,833	16,508,525	16,664,637	10,413,607	6,230,119	6,529,246	9,138,007	8,502,774	8,206,607
Unrestricted	15,818,177	17,880,877	19,419,550	21,260,602	21,840,647	20,461,341	20,530,140	19,094,789	20,681,066	22,969,840
Total governmental activities net position	\$ 143,727,282	\$ 147,802,008	\$ 152,309,724	\$ 166,760,634	\$ 182,737,683	\$ 158,860,194	\$ 161,849,803	\$ 166,744,380	\$ 172,421,393	\$ 178,708,595
BUSINESS-TYPE ACTIVITIES										
Net investment in capital assets	\$ -	\$ -	\$ -	\$ 82,734	\$ 59,779	\$ 41,736	\$ 197,313	\$ 214,951	\$ 303,756	\$ 423,936
Unrestricted	-	-	-	236,457	348,838	455,306	493,025	532,533	532,867	483,928
Total business-type activities net position	\$ -	\$ -	\$ -	\$ 319,190	\$ 408,617	\$ 497,042	\$ 690,338	\$ 747,484	\$ 836,623	\$ 907,864
TOTAL PRIMARY GOVERNMENT										
Net investment in capital assets	\$ 110,991,843	\$ 113,432,298	\$ 116,381,649	\$ 128,918,129	\$ 150,543,208	\$ 132,210,470	\$ 134,987,730	\$ 138,726,535	\$ 143,541,309	\$ 147,956,084
Restricted	16,917,262	16,488,833	16,508,525	16,664,637	10,413,607	6,230,119	6,529,246	9,138,007	8,502,774	8,206,607
Unrestricted	15,818,177	17,880,877	19,419,550	21,497,059	22,189,485	20,916,647	21,023,165	19,627,322	21,213,933	23,453,768
Total primary government net position	\$ 143,727,282	\$ 147,802,008	\$ 152,309,724	\$ 167,079,824	\$ 183,146,300	\$ 159,357,236	\$ 162,540,141	\$ 167,491,864	\$ 173,258,016	\$ 179,616,459
CHANGE IN NET POSITION										
Governmental activities	\$ 4,716,859	\$ 4,074,726	\$ 4,507,716	\$ 14,450,910	\$ 15,977,049	\$ (20,128,904)	\$ 2,989,609	\$ 4,894,577	\$ 5,677,013	\$ 6,287,202
Business-type activities	-	-	-	319,190	89,427	165,347	193,296	57,146	89,139	71,241
Total primary government	\$ 4,716,859	\$ 4,074,726	\$ 4,507,716	\$ 14,770,100	\$ 16,066,476	\$ (19,963,557)	\$ 3,182,905	\$ 4,951,723	\$ 5,766,152	\$ 6,358,443

Notes:

The City of Newnan had no business-type activities until 2013, when a portion of the Sanitation activities (brush and bulk) were added to City services. Downtown sanitation services were added in January 2018.

CITY OF NEWMAN, GEORGIA
CHANGES IN NET POSITION, LAST TEN CALENDAR YEARS
(accrual basis of accounting)

	Calendar Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses:										
Governmental activities:										
General Government	\$ 4,360,012	\$ 2,767,833	\$ 3,086,824	\$ 3,300,180	\$ 4,933,630	\$ 11,107,882	\$ 4,518,185	\$ 5,666,943	\$ 6,046,153	\$ 4,868,258
Community Development	2,603,527	3,095,588	2,643,006	3,157,100	3,525,360	3,867,490	3,489,735	3,791,556	4,164,813	4,772,243
Public Safety	9,634,856	9,626,896	10,095,536	11,692,623	11,830,515	11,244,352	12,525,349	13,378,962	13,282,026	15,055,448
Public Works	4,723,863	4,333,648	4,882,378	6,119,985	6,208,318	5,853,817	7,765,802	8,403,971	7,558,830	8,380,097
Tourism Development	3,691	2,588	121,726	248,989	322,479	376,488	383,577	481,142	393,082	384,299
Other Services	-	-	-	146	-	-	-	-	-	-
Total governmental activities expenses	21,325,949	19,826,553	20,829,472	24,519,023	26,820,302	32,450,029	28,682,648	31,722,574	31,444,904	33,460,345
Business-type activities:										
Sanitation - Brush & Bulk	-	-	-	398,955	467,952	446,366	481,189	608,498	873,756	923,052
Total business-type activities expenses	-	-	-	398,955	467,952	446,366	481,189	608,498	873,756	923,052
Total primary government expenses	21,325,949	19,826,553	20,829,472	24,917,978	27,288,254	32,896,395	29,163,837	32,331,072	32,318,660	34,383,397
Program Revenues:										
Governmental activities:										
Charges for Services										
General Government	1,863,821	2,109,634	1,771,422	1,891,228	2,511,611	2,136,993	2,326,949	2,396,284	2,431,335	2,518,664
Tourism Development	23,104	29,537	31,245	36,474	-	-	-	-	-	-
Public Safety	2,918,872	850,972	725,106	835,395	921,592	877,744	901,445	837,354	1,021,661	1,377,187
Public Works	-	-	-	74,450	-	-	-	-	-	200,438
Community Development	267,248	335,381	531,393	663,990	584,997	788,927	759,001	723,182	1,066,616	1,075,409
Total charges for services	5,073,045	3,325,524	3,059,166	3,501,537	4,018,200	3,803,664	3,987,395	3,956,820	4,519,612	5,171,698
Operating grants and contributions	-	-	25,000	25,000	25,000	25,000	25,000	25,000	25,000	60,000
Capital grants and contributions	6,970,299	5,802,964	7,277,425	19,324,633	20,330,162	8,271,838	7,249,007	11,041,565	9,610,915	10,468,604
Total governmental activities program revenues	12,043,344	9,128,488	10,361,591	22,851,170	24,373,362	12,100,502	11,261,402	15,023,385	14,155,527	15,700,302
Business-type activities:										
Charges for Services										
Sanitation - Brush & Bulk	-	-	-	439,606	557,079	611,083	637,487	660,612	765,791	782,104
Total Charges for Services	-	-	-	439,606	557,079	611,083	637,487	660,612	765,791	782,104
Operating grants and contributions	-	-	-	-	-	-	-	-	38,658	-
Total business-type activities expenses	-	-	-	439,606	557,079	611,083	637,487	660,612	804,449	782,104
Total primary government program revenues	12,043,344	9,128,488	10,361,591	23,290,776	24,930,441	12,711,585	11,898,889	15,683,997	14,959,976	16,482,406
Net (Expenses)/Revenue										
Governmental activities	(9,282,605)	(10,698,065)	(10,467,881)	(1,667,853)	(2,446,940)	(20,349,527)	(17,421,247)	(16,699,189)	(17,289,377)	(17,760,043)
Business-type activities	-	-	-	40,651	89,127	164,717	156,298	52,114	(69,307)	(140,948)
Total primary government net (expense)/revenue	\$ (9,282,605)	\$ (10,698,065)	\$ (10,467,881)	\$ (1,627,202)	\$ (2,357,813)	\$ (20,184,810)	\$ (17,264,949)	\$ (16,647,075)	\$ (17,358,684)	\$ (17,900,991)

Notes:

The City of Newman had no business-type activities until 2013, when a portion of the Sanitation activities (brush and bulk) were added to City services. Downtown sanitation services were added in January 2018.

CITY OF NEWNAN, GEORGIA
CHANGES IN NET POSITION, LAST TEN CALENDAR YEARS (Continued)
(accrual basis of accounting)

	Calendar Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Revenue and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property Taxes	\$ 4,630,433	\$ 4,285,530	\$ 4,033,631	\$ 4,140,413	\$ 4,566,463	\$ 4,470,102	\$ 4,824,288	\$ 5,071,726	\$ 5,692,084	\$ 5,913,496
Motor Vehicle Taxes (Ad Valorem & TAVT)	249,579	273,376	300,866	1,094,431	1,275,827	1,274,622	972,605	1,098,312	1,407,361	1,298,639
Sales Taxes	4,187,040	4,367,306	4,589,581	5,014,974	5,778,730	6,399,087	6,521,934	6,753,211	7,310,624	7,940,851
Occupational Taxes	1,603,104	1,684,129	1,788,599	1,877,696	2,314,758	2,570,247	2,974,656	3,155,970	2,992,768	3,032,855
Franchise Taxes	1,416,636	1,449,554	1,380,171	1,261,724	1,306,323	1,448,960	1,452,675	1,567,698	1,499,012	1,574,723
Insurance Premium Taxes	874,336	1,549,668	1,646,007	1,704,283	1,790,149	1,912,480	2,071,588	2,174,802	2,357,604	2,504,681
Hotel Motel Taxes	223,694	253,718	283,321	337,102	384,002	589,378	582,222	716,575	717,630	678,977
Alcoholic Beverage Taxes	737,209	757,381	822,432	812,992	856,438	881,758	889,718	880,578	881,540	896,012
Other Taxes	44,909	125,950	101,620	123,094	114,835	106,096	106,400	108,194	113,861	119,432
Interest Revenue	32,524	26,179	29,369	30,481	30,104	36,852	49,770	66,700	143,906	287,579
Gain/(Loss) on Sale of Assets	-	-	-	-	6,360	(19,468,959)	-	-	-	-
Transfer	-	-	-	(196,016)	-	-	(35,000)	-	(150,000)	(200,000)
Contributed Capital	-	-	-	(82,411)	-	-	-	-	-	-
Total governmental activities	13,999,464	14,772,791	14,975,597	16,118,763	18,423,989	220,623	20,410,856	21,593,766	22,966,390	24,047,245
Business-type activities:										
Unrestricted Investment Earnings	-	-	-	112	300	630	1,998	5,032	8,446	12,189
Transfers	-	-	-	196,016	-	-	-	-	150,000	200,000
Contributed Capital - General Fund	-	-	-	21,652	-	-	35,000	-	-	-
Contributed Capital - SPLOST	-	-	-	60,759	-	-	-	-	-	-
Total business-type activities	-	-	-	278,539	300	630	36,998	5,032	158,446	212,189
Total Primary Government	13,999,464	14,772,791	14,975,597	16,397,302	18,424,289	221,253	20,447,854	21,598,798	23,124,836	24,259,434
Change in Net Position										
Governmental Activities	4,716,859	4,074,726	4,507,716	14,450,909	15,977,048	(20,128,904)	2,989,609	4,894,577	5,677,013	6,287,202
Business-type Activities	-	-	-	319,190	89,427	165,347	193,296	57,146	89,139	71,241
Total Primary Government	\$ 4,716,859	\$ 4,074,726	\$ 4,507,716	\$ 14,770,099	\$ 16,066,475	\$ (19,963,557)	\$ 3,182,905	\$ 4,951,723	\$ 5,766,152	\$ 6,358,443

Notes:

Special Purpose Local Option Sales Tax (SPLOST) was reported as sales taxes prior to 2009, the State now requires the taxes and earnings thereof to be reported as intergovernmental revenue by cities who receive their disbursements from the County.

The City of Newnan had no business-type activities until 2013, when a portion of the Sanitation activities (brush and bulk) were added to City services. Downtown sanitation services were added in January 2018.

CITY OF NEWNAN, GEORGIA
PROGRAM REVENUES BY FUNCTION/PROGRAM
Last Ten Calendar Years
(accrual basis of accounting)

Function/Program	Calendar Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities:										
General Government	\$ 4,598,122	\$ 3,053,365	\$ 2,746,341	\$ 10,171,142	\$ 3,350,719	\$ 2,990,769	\$ 3,200,475	\$ 3,678,412	\$ 3,419,028	\$ 3,227,507
Community Development	1,141,230	1,966,820	2,754,309	6,267,557	13,895,745	1,590,729	1,196,277	1,243,051	2,111,003	4,163,234
Public Safety	3,669,424	1,608,878	1,456,751	2,530,664	4,272,558	4,248,474	4,758,489	5,910,630	5,111,901	2,342,823
Public Works	2,611,464	2,469,888	3,347,945	3,655,333	2,829,340	3,235,030	2,079,556	4,164,144	3,485,173	5,938,316
Tourist Development	23,104	29,537	56,245	226,474	25,000	35,500	26,605	27,148	28,422	28,422
Other Services	-	-	-	-	-	-	-	-	-	-
Subtotal governmental activities	12,043,344	9,128,488	10,361,591	22,851,170	24,373,362	12,100,502	11,261,402	15,023,385	14,155,527	15,700,302
Business-type activities:										
Sanitation - Brush & Bulk	-	-	-	439,606	557,079	611,083	637,487	660,612	804,449	782,104
Subtotal business-type activities	-	-	-	439,606	557,079	611,083	637,487	660,612	804,449	782,104
Total primary government	\$ 12,043,344	\$ 9,128,488	\$ 10,361,591	\$ 23,290,776	\$ 24,930,441	\$ 12,711,585	\$ 11,898,889	\$ 15,683,997	\$ 14,959,976	\$ 16,482,406

Notes:

The City of Newnan had no business-type activities until 2013, when a portion of the Sanitation activities (brush and bulk) were added to City services. Downtown sanitation services were added in January 2018.

CITY OF NEWNAN, GEORGIA
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Calendar Years
(modified accrual basis of accounting)

	Calendar Year									
	2010	2011*	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 125,936	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	14,746,505	-	-	-	-	-	-	-	-	-
Nonspendable	-	3,378	6,647	16,728	3,027,727	2,284,814	1,543,948	791,483	37,853	36,525
Restricted	-	51,645	61,140	137,715	33,670	30,404	15,470	94,240	44,518	11,787
Assigned ^(a)	-	567,919	548,916	385,070	395,476	449,037	704,848	607,010	980,365	522,997
Committed ^(b)	-	-	-	1,400,871	2,500,000	1,150,000	2,353,593	-	70,161	-
Unassigned ^(c)	-	16,925,008	18,460,690	19,340,624	17,194,562	20,297,243	19,619,524	22,650,396	24,807,716	27,912,674
Subtotal General Fund	\$ 14,872,441	\$ 17,547,950	\$ 19,077,393	\$ 21,281,008	\$ 23,151,435	\$ 24,211,497	\$ 24,237,383	\$ 24,143,129	\$ 25,940,613	\$ 28,483,983
General Fund Percentage Change	10.6%	18.0%	8.7%	11.6%	8.8%	4.6%	0.1%	-0.4%	7.4%	9.8%
All Other Governmental Funds										
Reserved	\$ 16,869,986	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved:										
Special Revenue Funds	-	-	-	-	-	-	-	-	-	-
Capital Projects Funds	978,802	-	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted:										
Special Revenue Funds	-	1,938,745	1,720,349	417,634	361,748	256,544	348,155	246,629	277,882	288,808
Capital Projects Funds ^(d)	-	14,498,443	14,727,036	16,109,286	10,073,465	5,943,171	6,165,620	8,797,138	8,180,374	7,906,012
Assigned	-	406,878	443,409	342,590	374,027	618,489	407,660	568,264	398,012	419,551
Unassigned	-	-	-	-	(1,345,488)	(425,416)	-	-	-	-
Subtotal all Other Governmental Funds	\$ 17,848,788	\$ 16,844,066	\$ 16,890,794	\$ 16,869,510	\$ 9,463,752	\$ 6,392,788	\$ 6,921,436	\$ 9,612,031	\$ 8,856,268	\$ 8,614,371
All Other Governmental Funds Percentage Change	23.1%	-5.6%	0.3%	-0.1%	-43.9%	-32.4%	8.3%	38.9%	-7.9%	-2.7%
Total Fund Balances	\$ 32,721,229	\$ 34,392,016	\$ 35,968,187	\$ 38,150,517	\$ 32,615,187	\$ 30,604,285	\$ 31,158,819	\$ 33,755,160	\$ 34,796,881	\$ 37,098,354

* Prior years have not been restated for the implementation of GASB 54.

(a) The reduction is due to the completion of Sprayberry Road Park in 2019; Funds assigned for this project totaled \$445,000 in 2018.

(b) \$60,000 was committed at the end of 2018 for downtown sanitation; transfer was made during 2019 for those funds to be utilized.

(c) Current year operations increased unassigned fund balance almost \$2.6 million for 2019, along with the increase associated with the reductions in assigned and committed balances during the year.

(d) SPLOST 2007 funds were depleted during 2019 (\$1 million), SPLOST 2013 expenditures totaled \$3.8 million for 2019; this reduction was offset by the increase in fund balance for SPLOST 2019 totaling \$4.5 million at year-end.

CITY OF NEWNAN, GEORGIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Calendar Years
(modified accrual basis of accounting)

	Calendar Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Taxes:										
Alcohol Beverage Taxes	\$ 737,209	\$ 757,381	\$ 822,432	\$ 812,992	\$ 856,438	\$ 881,758	\$ 889,718	\$ 880,578	\$ 881,540	\$ 896,012
Excise (Franchise) Taxes	1,416,636	1,449,554	1,380,171	1,261,724	1,306,323	1,448,960	1,452,675	1,567,698	1,499,012	1,574,723
Hotel/Motel Taxes	223,694	253,718	283,321	337,102	384,002	589,378	582,222	716,575	717,630	678,977
Insurance Premium Taxes	874,336	1,549,668	1,646,007	1,704,283	1,790,149	1,912,480	2,071,588	2,174,802	2,357,604	2,504,681
Motor Vehicles ⁽¹⁾	249,579	273,376	300,866	1,094,431	1,275,827	1,274,622	972,605	1,098,312	1,407,361	1,298,639
Occupational Taxes	1,603,104	1,684,129	1,788,599	1,877,696	2,314,758	2,570,247	2,974,656	3,155,970	2,992,768	3,032,855
Other Taxes	44,909	49,162	34,289	47,224	35,269	15,546	19,268	15,403	12,288	15,624
Property Taxes	4,630,498	4,342,139	4,069,084	4,282,655	4,611,156	4,393,641	4,908,713	5,090,827	5,748,180	5,957,383
Rental Motor Vehicle Taxes	-	76,788	67,331	75,870	79,566	90,550	87,132	92,791	101,573	103,808
Sales Taxes	4,187,040	4,367,306	4,589,581	5,014,974	5,778,730	6,399,087	6,521,934	6,753,211	7,310,624	7,940,851
Court Condemnations	2,204,972	179,123	56,105	149,347	175,491	42,591	146,193	57,851	141,770	55,904
Fines and Forfeitures	624,181	575,724	666,838	684,937	746,101	581,587	552,137	558,138	598,182	715,002
Grants/Private Donations	-	-	-	-	-	-	-	15,000	-	-
Impact Fees	203,581	146,934	519,587	654,801	416,212	686,989	414,624	474,585	930,683	963,287
Intergovernmental	6,602,500	5,154,183	5,541,023	6,122,544	19,069,539	6,408,495	6,109,307	9,115,622	7,075,987	7,525,928
Intergovernmental - Utility	1,389,848	1,415,620	1,404,838	1,390,764	1,511,528	1,589,068	1,667,169	1,661,630	1,725,507	1,794,897
Investment Earnings	55,409	44,246	48,873	45,354	39,540	47,045	60,823	79,241	159,083	324,015
Alcohol Licenses	186,354	176,845	174,500	174,899	211,210	185,210	185,285	184,810	196,025	205,660
Other Revenues	243,361	272,389	347,561	477,217	582,522	532,239	637,998	634,327	489,755	727,106
Donations	-	-	-	4,100,000	-	-	-	-	-	-
Program Revenue	-	30,925	17,711	69,126	74,577	109,377	22,405	-	89,312	8,554
Permits & Inspections	267,249	335,381	356,893	663,990	584,995	788,927	758,926	723,182	1,055,401	1,030,070
Total Revenues	25,744,460	23,134,591	24,115,610	31,041,930	41,843,933	30,547,797	31,035,377	35,050,553	35,490,285	37,353,976
Expenditures										
General government	3,650,174	2,025,539	2,328,696	2,786,933	4,406,762	2,647,987	5,552,334	5,472,926	4,070,869	4,356,914
Community Development	2,190,419	2,142,737	2,194,892	2,630,317	2,718,409	3,313,816	2,699,190	2,782,954	3,775,680	4,054,015
Public Safety	9,215,617	9,189,763	9,683,048	11,195,846	11,084,284	11,215,028	11,935,010	12,282,673	12,963,674	14,588,528
Public Works	2,508,168	2,535,452	2,699,986	3,700,939	3,637,399	3,417,345	4,982,040	5,293,481	4,734,308	5,191,551
Tourist Development	3,691	2,588	121,726	248,989	322,479	387,481	381,534	453,065	392,390	378,999
Debt Service:										
Interest	-	-	-	146	-	-	-	-	-	-
Intergovernmental	715,094	747,955	773,986	805,491	838,325	8,967,575	1,705,249	1,999,280	2,212,672	655,086
Capital Outlay	2,712,177	4,832,012	5,403,168	7,487,855	24,400,922	8,390,368	3,254,116	4,275,651	6,226,750	5,699,852
Total Expenditures	20,995,340	21,476,046	23,205,503	28,856,518	47,408,580	38,339,600	30,509,473	32,560,030	34,376,343	34,924,945
Excess of revenues over (under) expenditures	\$ 4,749,120	\$ 1,658,545	\$ 910,107	\$ 2,185,412	\$ (5,564,647)	\$ (7,791,803)	\$ 525,904	\$ 2,490,523	\$ 1,113,942	\$ 2,429,031

(1) New tax category added in 2013; revenues updated for prior years to match new category. Includes Motor Vehicle Ad Valorem and the new Vehicle Title Ad Valorem Taxes.

CITY OF NEWNAN, GEORGIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (Continued)
Last Ten Calendar Years
(modified accrual basis of accounting)

	Calendar Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Other Financing Sources (Uses)										
Transfers from other Funds	\$ 453,216	\$ 500,704	\$ 169,992	\$ 420,379	\$ 76,800	\$ 680,640	\$ 366,111	\$ 583,287	\$ 655,578	\$ 1,004,614
Performance Bond Damages Recovered	-	-	627,748	165,000	-	-	-	-	-	-
Transfers to other Funds	(453,216)	(500,704)	(169,992)	(616,395)	(76,800)	(680,640)	(401,111)	(583,287)	(805,578)	(1,204,614)
Insurance recoveries	-	-	-	-	-	23,654	51,195	77,888	73,879	58,124
Sale of Capital Assets	17,475	12,242	38,316	27,934	29,317	5,057,941	12,436	27,930	3,900	14,318
Capital Leases	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	17,475	12,242	666,064	(3,082)	29,317	5,081,595	28,631	105,818	(72,221)	(127,558)
Net Change in Fund Balances	\$ 4,766,595	\$ 1,670,787	\$ 1,576,171	\$ 2,182,330	\$ (5,535,330)	\$ (2,710,208)	\$ 554,535	\$ 2,596,341	\$ 1,041,721	\$ 2,301,473
Debt Service as a Percentage of Noncapital Expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

CITY OF NEWNAN, GEORGIA
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
Last Ten Calendar Years
(modified accrual basis of accounting)

Calendar Year	General Property	Franchise ⁽¹⁾	Insurance Premium ⁽²⁾	Occupational	Alcoholic Beverage	Hotel / Motel ⁽³⁾	Local Option Sales Tax ⁽⁴⁾	Motor Vehicle ⁽⁵⁾	Other	Total
2010	\$ 4,630,498	\$ 1,416,636	\$ 874,336	\$ 1,603,104	\$ 737,209	\$ 223,694	\$ 4,187,040	\$ 249,579	\$ 44,909	\$ 13,967,005
2011	4,342,139	1,449,554	1,549,668	1,684,129	757,381	253,718	4,367,306	273,376	125,950	14,803,221
2012	4,069,084	1,380,171	1,646,007	1,788,599	822,432	283,321	4,589,581	300,866	101,620	14,981,681
2013	4,282,655	1,261,724	1,704,283	1,877,696	812,992	337,102	5,014,974	1,094,431	123,094	16,508,951
2014	4,611,156	1,306,323	1,790,149	2,314,758	856,438	384,002	5,778,730	1,275,827	114,835	18,432,218
2015	4,393,641	1,448,960	1,912,480	2,570,247	881,758	589,378	6,399,087	1,274,622	106,096	19,576,269
2016	4,908,713	1,452,675	2,071,588	2,974,656	889,718	582,222	6,521,934	972,605	106,400	20,480,511
2017	5,090,827	1,567,698	2,174,802	3,155,970	880,578	716,575	6,753,211	1,098,312	108,194	21,546,167
2018	5,748,180	1,499,012	2,357,604	2,992,768	881,540	717,630	7,310,624	1,407,361	113,861	23,028,580
2019	5,957,383	1,574,723	2,504,681	3,032,855	896,012	678,977	7,940,851	1,298,639	119,432	24,003,553
% Change 2018-2019	3.6%	5.1%	6.2%	1.3%	1.6%	-5.4%	8.6%	-7.7%	4.9%	4.2%

⁽¹⁾ All categories of franchise taxes increased during 2019, with the exception of telephone, which decreased slightly. The largest increases were in electricity and gas.

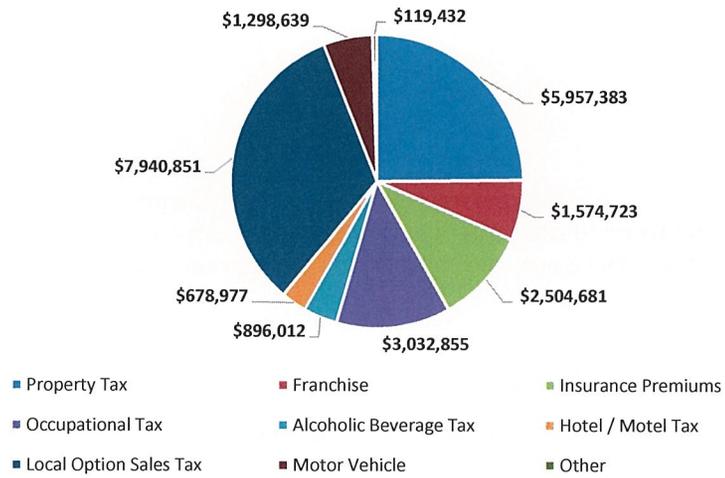
⁽²⁾ The increase in insurance premiums and local option sales tax is primarily attributed to the growth in population and new businesses in Newnan.

⁽³⁾ Hotel/Motel taxes decreased by about 5.4% for 2019. Every hotel in Newnan reported reductions for the year, except the Hampton Inn.

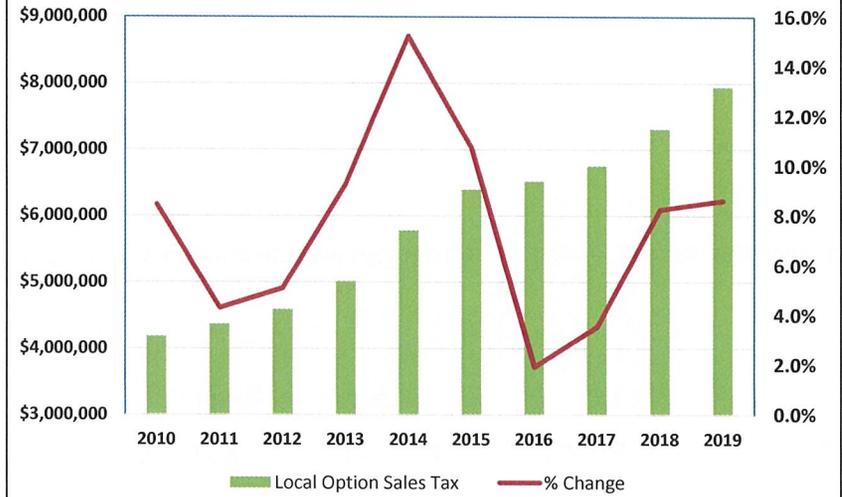
⁽⁴⁾ Local option sales taxes increased by 8.6%, which is indicative of the general economy and growth in Newnan for 2019.

⁽⁵⁾ Motor vehicle taxes decreased by 7.7% as a result of the decrease in the title ad valorem tax digest of approximately \$3 million for 2019.

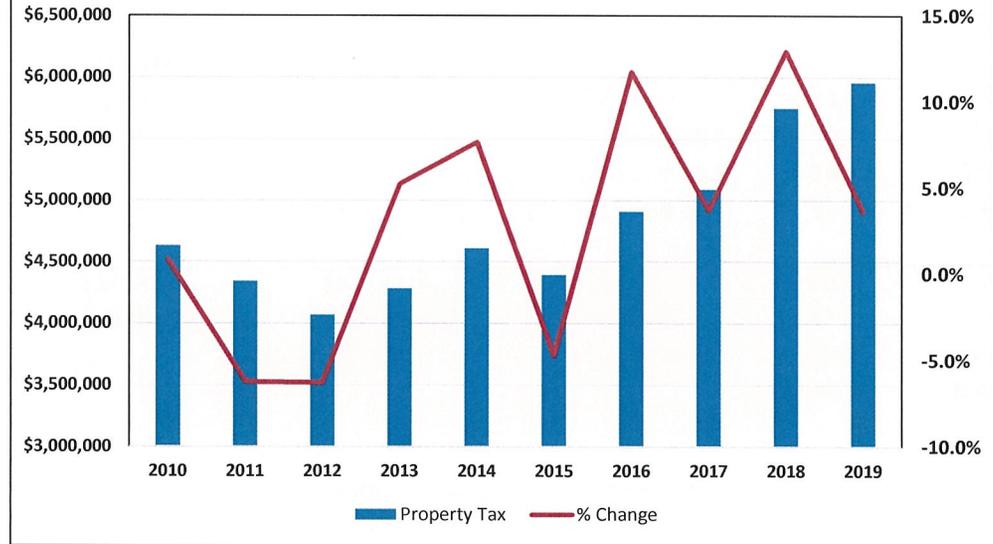
2019 Governmental Tax Revenues by Source



Local Option Sales Tax Collections



Property Tax Collections



CITY OF NEWNAN, GEORGIA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Calendar Years
(modified accrual basis of accounting)

Calendar Year Ended December 31,	Real Property	Personal Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2010	\$ 953,353,123	\$ 92,771,473	\$ 66,643,892	\$ 979,480,704	4.39	\$ 2,621,838,417	37.36%
2011	900,523,872	91,837,145	66,584,340	925,776,677	4.39	2,494,906,419	37.11%
2012	835,653,052	92,269,724	66,410,012	861,512,764	4.39	2,325,772,020	37.04%
2013	847,125,933	89,033,331	69,217,708	866,941,556	4.37	2,340,827,691	37.04%
2014	985,950,139	95,848,543	74,086,777	1,007,711,905	4.15	2,709,407,531	37.19%
2015	1,206,951,054	101,650,734	133,364,837	1,175,236,951	4.05	2,829,261,935	41.54%
2016	1,223,413,936	105,494,305	124,371,280	1,204,536,961	4.05	2,993,246,099	40.24%
2017	1,191,905,884	106,711,132	-	1,298,617,016	3.87	3,246,542,539	40.00%
2018	1,293,514,303	113,935,110	-	1,407,449,413	4.00	3,518,623,531	40.00%
2019	1,348,295,751	116,557,789	-	1,464,853,540	3.99	3,662,133,849	40.00%
10-Yr Average	\$1,078,668,705	\$ 100,610,929		\$ 1,119,211,749	4.16	\$ 2,874,256,003	38.75%
10-Yr % Change	41.4%	25.6%		49.6%	-9.1%	39.7%	

Source: Coweta County Tax Commissioner and Assessor's Offices.

Notes: The City assesses property at 40 percent of actual value. Beginning in 2015, the City contracted with the Coweta County Tax Commissioner to bill and collect property taxes for City residents.

CITY OF NEWNAN, GEORGIA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
Last Ten Calendar Years

Calendar Year	City Direct Rates			Overlapping Rates				
	Basic Rate	General Obligation Debt Service	Total Direct Rate	State of Georgia	Coweta County	School System	School Bond	Total
2010	4.39	0.00	4.39	0.25	7.79	18.59	-	31.02
2011	4.39	0.00	4.39	0.25	7.79	18.59	-	31.02
2012	4.39	0.00	4.39	0.20	7.79	18.59	-	30.97
2013	4.37	0.00	4.37	0.15	7.75	18.59	-	30.86
2014	4.15	0.00	4.15	0.10	7.75	18.59	-	30.59
2015	4.05	0.00	4.05	0.05	7.47	18.59	-	30.16
2016	4.05	0.00	4.05	0.00	7.47	18.59	-	30.11
2017	3.87	0.00	3.87	0.00	7.63	18.59	-	30.09
2018	4.00	0.00	4.00	0.00	7.63	18.59	-	30.22
2019	3.99	0.00	3.99	0.00	7.46	18.59	-	30.04

Source: Coweta County Tax Commissioner's Office; data reported by Calendar Year.
Notes: The City's basic property tax rate is established by the City Council each year in July/August.

**CITY OF NEWNAN, GEORGIA
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Ten Years Ago**

Taxpayer	2010			2019		
	Taxable Assessed Value	Rank	Percentage of Total City Tax Levy	Taxable Assessed Value	Rank	Percentage of Total City Tax Levy
Coweta County Development Authority				41,766,513	1	2.97%
Ashley Park Property Owner LLC				23,739,725	2	1.69%
The Trees of Newnan LLC				20,737,595	3	1.47%
VR Newnan Holdings Limited Partnership				15,160,000	4	1.08%
RPAI Newnan Crossing LLC				14,972,080	5	1.06%
Bon L Manufacturing	8,039,380	6	0.77%	14,103,153	6	1.00%
Progress Residential				13,870,313	7	0.99%
Southeastern Regional Medical Center				13,544,713	8	0.96%
Chartwell Preston Mill LLC				9,945,080	9	0.71%
Wilkinson CGR Newnan LLC				9,906,435	10	0.70%
Fourth Quarter Properties	37,998,248	1	3.62%			
Inland Southeast Newnan LLC	15,095,837	2	1.44%			
EGO Products	8,498,923	3	0.81%			
Coweta Fayette EMC	8,334,679	4	0.79%			
Wal-Mart	8,178,150	5	0.78%			
WPRE	7,497,444	7	0.71%			
HC Cable (NuLink)	7,226,872	8	0.69%			
Newnan Development Partners	6,784,077	9	0.65%			
Diplomat Hotels	6,490,309	10	0.62%			
Total	\$ 114,143,919		10.88%	\$ 177,745,607		12.63%

Source: Coweta County Tax Commissioner

**CITY OF NEWNAN, GEORGIA
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Calendar Years**

<u>Year</u>	<u>Taxes Levied for the Calendar Year</u>	<u>Collected within the Calendar Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2010	\$ 4,597,973	\$ 4,191,653	91.16%	\$ 405,421	\$ 4,597,074	99.98%
2011	4,339,097	4,004,319	92.28%	333,198	4,337,517	99.96%
2012	4,048,446	3,758,537	92.84%	288,362	4,046,899	99.96%
2013	4,091,767	3,867,771	94.53%	221,087	4,088,858	99.93%
2014	4,479,867	4,289,462	95.75%	186,501	4,475,963	99.91%
2015	4,516,086	4,330,231	95.88%	184,125	4,514,356	99.96%
2016	4,849,059	4,690,676	96.73%	150,500	4,841,176	99.84%
2017	5,025,648	4,880,179	97.11%	140,344	5,020,523	99.90%
2018	5,629,798	5,532,347	98.27%	87,075	5,619,422	99.82%
2019	5,843,301	5,755,342	98.49%	-	5,755,342	98.49%

Source: Coweta County Tax Assessors' Office and City of Newnan Finance Department
Beginning in 2015, the City contracted with the Coweta County Tax Commissioner to bill and collect taxes for City residents.

**CITY OF NEWNAN, GEORGIA
TAXABLE SALES BY CATEGORY
Last Ten Calendar Years**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Accommodations	\$ 83,090	\$ 108,870	\$ 112,012	\$ 113,493	\$ 130,415	\$ 167,258	\$ 187,616	\$ 224,331	\$ 241,429	\$ 243,253
Automotive	2,198,045	2,136,427	2,262,067	1,072,920	442,597	479,336	561,385	596,564	637,483	874,657
Construction	94,584	102,177	84,101	61,131	140,787	112,887	108,889	126,222	141,462	164,474
Food	3,118,289	3,155,028	3,313,930	3,503,506	3,762,233	4,093,321	4,294,015	4,132,948	4,426,662	4,673,459
General	2,809,106	3,108,903	3,247,842	3,356,695	3,565,869	3,752,860	3,498,475	3,110,988	3,495,465	3,864,615
Home	1,305,236	1,226,607	1,323,877	1,363,829	1,557,022	1,652,122	1,860,017	1,893,703	2,026,162	2,127,010
Manufacturing	762,408	772,057	866,136	811,622	949,342	1,093,488	1,102,711	1,169,687	1,413,059	1,374,074
Miscellaneous Services	1,185,083	1,318,039	1,232,728	1,480,349	1,790,827	1,950,374	1,990,516	1,839,543	1,950,912	1,928,127
Other Retail	2,448,746	2,705,070	3,698,588	3,177,469	3,466,332	3,419,146	3,384,245	3,937,783	3,818,702	4,219,126
Other Services	226,837	357,111	434,245	373,192	353,686	333,449	409,914	951,097	1,038,112	1,100,256
Utilities	3,010,243	2,807,056	2,262,514	1,745,286	1,573,547	1,581,534	1,597,447	1,586,640	1,912,452	2,131,937
Wholesale	1,651,568	1,896,594	1,786,427	2,460,618	2,326,933	1,971,644	1,824,607	2,012,579	2,125,650	2,498,647
Total	<u>\$ 18,893,235</u>	<u>\$ 19,693,939</u>	<u>\$ 20,624,467</u>	<u>\$ 19,520,110</u>	<u>\$ 20,059,590</u>	<u>\$ 20,607,419</u>	<u>\$ 20,819,837</u>	<u>\$ 21,582,085</u>	<u>\$ 23,227,550</u>	<u>\$ 25,199,635</u>

Source: Georgia Department of Revenue, Local Government Services Division

Note: Since the City of Newnan does not have a City sales tax, all sales tax reported to the Georgia Department of Revenue is accumulated by commodity as Coweta County. The above numbers are taken from commodity reports issued by the Georgia Department of Revenue for Coweta County and represent the County as a whole.

CITY OF NEWNAN, GEORGIA
DIRECT AND OVERLAPPING SALES TAX RATES
Last Ten Calendar Years

<u>Calendar Year</u>	<u>City Direct Rate</u>	<u>Coweta County</u>
2010	0.00%	7.00%
2011	0.00%	7.00%
2012	0.00%	7.00%
2013	0.00%	7.00%
2014	0.00%	7.00%
2015	0.00%	7.00%
2016	0.00%	7.00%
2017	0.00%	7.00%
2018	0.00%	7.00%
2019	0.00%	7.00%

Source: Local sales tax is imposed countywide (Coweta County)

Note: In 2019, the citizens voted to impose a 1% SPLOST. A portion of this 1% is shared by all the cities in Coweta County.

CITY OF NEWNAN, GEORGIA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of December 31, 2019

<u>Category of Debt</u>	<u>Amount of Outstanding Debt</u>	<u>Percentage Applicable To Government</u>
Direct		
City of Newnan General Obligation Bonds	\$ -	
Capital Leases	-	
Total Direct Debt	<u>\$ -</u>	
Overlapping		
General Obligation Debt:		
City of Newnan ⁽¹⁾	<u>\$ 175,365,197</u>	100%
Total Overlapping Debt	<u>175,365,197</u>	100%
Total Direct and Overlapping Debt	<u><u>\$ 175,365,197</u></u>	

Source: Coweta County School System, Newnan Utilities and Coweta County Finance Department.

(1) This amount represents Newnan's portion of the Municipal Electric Authority of Georgia's (MEAG) debt. Newnan has never levied taxes to make payments under its Intergovernmental Contract.

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the County's taxable assessed value that is within the government's boundaries and dividing it by the County's taxable assessed value.

**CITY OF NEWNAN, GEORGIA
LEGAL DEBT MARGIN INFORMATION
Last Ten Calendar Years**

	Calendar Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net Assessed Value	\$ 1,048,735,367	\$ 997,962,568	\$ 930,308,808	\$ 936,331,076	\$ 1,083,763,012	\$ 1,133,420,165	\$ 1,204,536,961	\$ 1,322,596,403	\$ 1,419,667,563	\$ 1,475,094,477
Debt Limit - 10% of Assessed Value	104,873,537	99,796,257	93,030,881	93,633,108	108,376,301	113,342,017	120,453,696	132,259,640	141,966,756	147,509,448
Debt Applicable to Debt Limit:										
General obligation bonds	-	-	-	-	-	-	-	-	-	-
Net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ 104,873,537	\$ 99,796,257	\$ 93,030,881	\$ 93,633,108	\$ 108,376,301	\$ 113,342,017	\$ 120,453,696	\$ 132,259,640	\$ 141,966,756	\$ 147,509,448
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

CITY OF NEWNAN, GEORGIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years

Calendar Year	Population¹	Personal Income (amounts expressed in thousands)	Per Capita Personal Income^{2,5}	Median Age^{1,2,6}	School Enrollment^{2,4}	Unemployment Rate^{2,3}
2010	33,039	\$ 1,094,912	\$ 33,140	32.3	22,464	9.8%
2011	33,700	1,112,774	33,020	34.5	22,517	9.7%
2012	34,240	858,979	25,087	36.6	22,718	8.9%
2013	34,557	903,527	26,146	34.2	22,563	7.7%
2014	35,293	824,233	23,354	33.4	22,296	5.7%
2015	35,745	836,683	23,407	33.5	22,373	6.4%
2016	37,291	946,893	25,392	32.9	22,489	5.3%
2017	37,912	1,006,336	26,544	34.3	22,733	5.2%
2018	39,784	1,201,914	30,211	34.6	22,753	5.7%
2019	41,581	1,237,919	31,116	35.0	22,770	4.8%

¹ Per 2010 Census and the City's estimate; ARC Community Profile for City of Newnan; US Census Bureau

² ARC Community Profile for City of Newnan; US Census Bureau

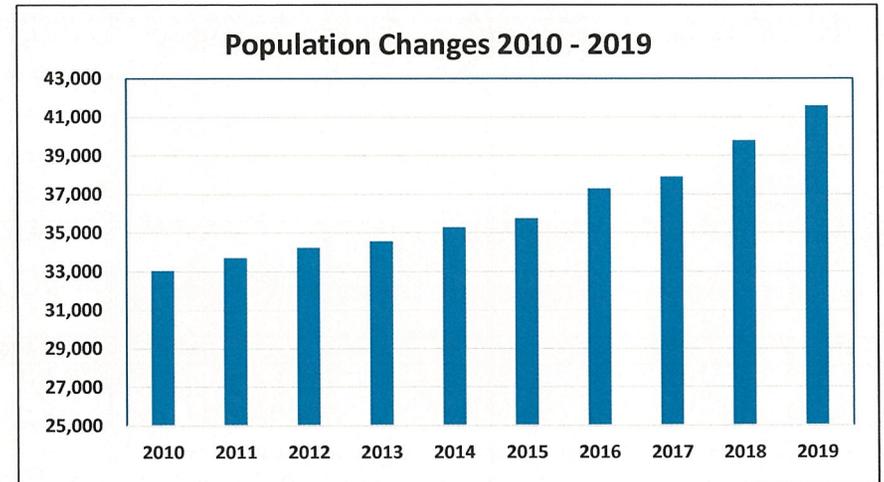
³ US Census - American Community Survey 5-year Estimate

⁴ Coweta County Board of Education

⁵ BEA Regional Economic Analysis; US Census Bureau

⁶ US Bureau of Labor Statistics; ARC Community Profile for City of Newnan

Note: Personal income information is a total for the year and was estimated for 2009 - 2011 since data was not available.



CITY OF NEWNAN, GEORGIA
PRINCIPAL EMPLOYERS
Current and Ten Years Ago

Employer	Type of Industry	2010			2019		
		Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Coweta County School System	Education	3,136	1	5.40%	2,956	1	4.16%
Piedmont Newnan Hospital	Healthcare				1,450	2	2.04%
Yamaha Motor Manufacturing	Manufacturing	1,000	2	1.72%	1,300	3	1.83%
Coweta County, Georgia	Government	850	3	1.46%	988	4	1.39%
Cancer Treatment Centers of America	Healthcare				978	5	1.38%
Pet Smart Distribution Center	Retail Distribution	500	4	0.86%	560	6	0.79%
Bonnell Aluminum	Manufacturing				460	7	0.65%
Cargill Meat Solutions	Packaging	360	6	0.62%	417	8	0.59%
Yokogawa Corporation	Manufacturing	321	8	0.55%	360	9	0.51%
Variety Wholesalers	Manufacturing				310	10	0.44%
Kason Industries	Manufacturing						
Wal-Mart Supercenter	Retailer	500	5	0.86%			
Georgia Power - Plant Yates	Utilities	350	7	0.60%			
EGO North America, Inc	Manufacturing	260	10	0.45%			
K-Mart Distribution Center	Distribution	278	9	0.48%			
City of Newnan, Georgia	Government	223		0.38%	270		0.38%
All other employers		50,317		86.61%	60,938		85.84%
Total Labor Force		58,095		100.00%	70,987		100.00%
	City Unemployment Rate	9.6%			4.8%		
	County Unemployment Rate	9.6%			3.1%		
	Georgia Unemployment Rate	10.2%			6.4%		
	US Unemployment Rate	9.4%			5.9%		

Source: Newnan-Coweta Chamber of Commerce, Georgia Dept. of Labor, Coweta Development Authority, Bureau of Labor Statistics

Notes: Information available at county level only (Coweta County).

CITY OF NEWNAN, GEORGIA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
Last Ten Years

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
City Manager	2	2	2	4	5	5	6	6	6	6
City Attorney	1	1	1	0	0	0	0	0	0	0
Administrative										
Finance	5	5	5	5	6	6	6	6	6	6
City Clerk	1	1	1	1	0	0	0	0	0	0
Human Resources	2	2	2	2	2	2	2	2	3	3
Information Technology	1	1	1	2	2	3	3	3	3	3
Public Information	1	1	1	0	0	0	0	0	0	0
Facilities Maintenance	3	3	2	2	2	3	3	3	3	3
Public Safety										
Police										
Officers	75	75	75	77	78	80	82	84	84	84
Civilians ⁽¹⁾	6	6	6	6	6	6	6	6	6	7
Administrative	3	4	4	4	4	5	5	5	5	5
Municipal Court	1	1	1	1	1	1	1	1	1	1
Fire Department										
Firefighters ⁽²⁾	49	50	50	51	53	54	56	56	57	63
Administrative	1	1	1	1	1	1	1	1	1	1
Community Development										
Administration	2	0	0	0	0	0	0	0	0	0
Planning & Zoning	3	3	4	4	4	4	4	5	5	5
Parks & ROW Beautification ⁽³⁾	14	14	14	14	14	14	16	16	16	18
Building Inspection	8	8	8	9	10	10	10	10	10	11
Public Works										
Administration	2	2	3	3	3	3	3	3	3	3
Streets	22	20	20	19	19	19	19	19	19	19
Garage	6	6	6	6	6	6	6	6	6	6
Cemetery	8	8	8	8	8	8	8	8	8	8
Engineering	4	3	2	2	2	3	3	3	3	3
Other Services										
Carnegie Building	1	2	1	1	1	2	2	2	2	2
Business Development & Main Special Events	2	2	3	3	3	3	3	2	2	3
Leisure Services ⁽⁴⁾	0	0	0	0	0	0	0	0	1	2
Sanitation	0	0	0	4	4	4	4	4	7	8
Total Full-Time Employees	223	221	221	229	234	242	249	251	257	270

Source: City of Newnan Payroll records and Human Resources Department.

Notes: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave).

Full-time equivalent employment is calculated by dividing total labor hours by 2,080.

(1) An additional animal control officer was added in 2019.

Note: Various position changes were made in public safety also.

(2) 6 firefighters were added in 2019 to staff Station #4.

(3) 2 beautification workers were added to assist in maintaining the grounds at the new fire station, dog park and the LINC.

(4) 1 additional administrative position was added to the leisure services department.

CITY OF NEWNAN, GEORGIA
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Calendar Years

Function/Program	Calendar Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Occupational Tax Certificates Maintained	1,807	1,890	1,687	1,755	1,740	1,855	1,842	1,814	1,834	1,965
Alcohol Licenses Issued	99	102	99	102	103	101	98	96	101	103
Property Tax Bills Issued ⁽¹⁾	13,896	13,857	13,824	13,770	13,757	-	-	-	-	-
Community Development										
Building Permits Issued - Commercial	27	32	42	57	45	65	87	85	203	189
Building Permits Issued - Residential	122	88	159	263	268	321	352	313	335	353
Police										
Physical Arrests	1,352	1,508	1,313	1,420	1,536	1,307	1,114	1,237	1,383	1,396
Parking Violations	1,254	375	143	127	265	214	141	196	107	33
Traffic Violations	6,191	5,379	7,383	9,297	9,200	5,096	4,865	6,710	6,913	6,984
Fire										
Emergency Responses	3,590	3,715	4,013	4,045	4,350	4,489	4,806	5,050	3,297	3,239
Fires Extinguished	101	137	111	100	83	90	128	77	83	91
Public Works										
Streets Resurfaced (Miles)										
Full Depth Reclamation (FDR)	0.9130	0.0000	0.6570	0.0000	1.2100	1.7238	0.0000	0.0000	0.0000	0.0000
LARP Resurfacing	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
LMIG Resurfacing	0.0000	0.0000	0.0000	7.3140	2.7900	2.6200	0.0000	3.9600	3.1000	3.0000
Other Resurfacing	2.3450	2.3700	1.5470	0.0000	0.0000	0.2557	0.0000	0.0000	0.9300	1.8700

Source: Various City Departments.

(1) Beginning in 2015, the City contracted with the Coweta County Tax Assessor to bill and collect its property taxes.

CITY OF NEWNAN, GEORGIA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Ten Calendar Years

Function/Program	Calendar Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety										
Police										
Stations	3	3	3	4	4	1	1	1	1	1
Patrol Cars	68	68	74	81	85	88	90	118	126	129
Fire										
Stations	3	3	3	3	3	3	3	3	3	4
Trucks	6	6	6	12	14	14	14	16	16	19
Fire Hydrants	2,005	2,010	2,040	2,043	2,063	2,058	2,076	1,905	2,112	2,112
Community Development										
Recreation										
Community Centers	0	0	0	0	0	0	0	1	1	1
Parks	10	10	10	10	10	10	10	10	10	11
Park Acreage	33	33	33	33	33	33	33	33	33	39
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Tennis Courts	4	4	4	0	0	0	0	0	0	0
Planning										
Streets										
Streets (miles)	172	176	169	169	170	172	172	174	175	176
Sidewalks (miles)	159	163	166	166	166	170	171	174	176	178
Number of Streets	618	620	639	639	641	649	651	662	669	677
New Sidewalk Construction (LF)	3,806	3,616	724	0	2,297	12,240	14,490	17,318	25,873	40,042

Source: Various City departments and Newnan Utilities

GOVERNMENTAL REPORT



**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**

Honorable Mayor and Council
City of 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 the City of Newnan, Georgia as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise City of Newnan, Georgia’s basic financial statements, and have issued our report thereon dated July 23, 2020. Our report includes a reference to other auditors who audited the financial statements of the Newnan Water, Sewerage and Light Commission, as described in our report on the City of Newnan’s financial statements. This report does not include the results of the other auditor’s testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Newnan, Georgia’s internal control over financial reporting (internal control) to determine the audit 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 City of Newnan, Georgia’s internal control. Accordingly, we do not express an opinion on the effectiveness of City of Newnan, Georgia’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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Newnan, Georgia'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 determination of financial statement amounts. 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*.

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.



Macon, Georgia
July 23, 2020

CITY OF NEWNAN, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

There was not an audit of major federal award programs for the year ended December 31, 2019 due to the total amount expended being less than \$750,000.

Section II – Financial Statement Findings

Findings noted on the 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*:

None Reported