

City of Newnan, Georgia

Comprehensive Annual Financial Report for the Year Ended December 31, 2020



CITY OF NEWNAN, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2020

PREPARED BY: DEPARTMENT OF FINANCE

CITY OF NEWNAN, GEORGIA

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INTRODUCTORY SECTION



City of Newnan, Georgia Finance Department

July 23, 2021

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, 2020. 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, 2020 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 required in 2020. The requirement for a single audit is the expense of \$750,000 or more in federal funds.

A total of \$2,686,474 was expended utilizing federal funds during the year. The largest portion of that amount was the CARES Act grant received from the State of Georgia, which totaled \$2,176,669 and covered COVID-related expenses. Almost \$53,000 was reimbursed by FEMA for 2017 Hurricane Irma damages; \$323,520 was spent on road projects funded by SPLOST 2013 and received from the Georgia Department of Transportation; and finally, about \$133,000 was spent in public safety for protective equipment, police vests and other operating equipment, received from the U.S. Department of Justice in the form of confiscated assets, a police vest grant and the coronavirus emergency supplemental funding program (CESF) grant.

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 (Mayor Pro Tem), 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



- LINC Trails
 - Public swimming pool
 - Municipal auditorium management
 - Right-of-way beautification and maintenance
 - Police services
 - Fire services – 4 stations
 - Municipal court services
 - Building inspection and permitting services
 - Code enforcement
 - Planning and zoning services
 - Local Boys and Girls Club
 - Occupational tax certificates
 - Alcohol licensing
- Animal control
 - Brush and yard debris removal
 - Downtown trash services
 - Engineering services
 - Development review
 - Reading library (Carnegie)
 - Special event permitting
 - School resource officers

Governmental Units

The City of Newnan has four (4) 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. Next is 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. Finally, the City authorized the creation of the Newnan Urban Redevelopment Agency (NURA) in 2020, to ensure that the rehabilitation, conservation and/or redevelopment of certain areas within the City are necessary and in the interest of public health, safety, morals or welfare of its residents.



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 2020, 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 2020 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 2020 is 41,628.

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. Additionally,

an internal service fund for employee group health was added at the end of 2020 to manage all transactions and costs related to employee health, life, and optional insurances. This fund is reported as a proprietary fund in the financials.

The City is financially stable. Targeted fund balance is 50% of budgeted expenditures. At the end of 2020, unassigned fund balance equaled approximately 106.2% of 2020 general fund expenditures. The percentage for 2019 was 107.5%. 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 2020 unemployment rates for the City of Newnan and the United States overall were 3.5% and 14.7% respectively, as compared to last year when those rates were 4.8% and 5.9%. As expected, the nation's unemployment rate was highly impacted by the COVID pandemic. The City's property tax digest increased by \$216.7 million, or 14.6%, in valuation from 2019 to 2020, due to reassessments of existing real property and additions to the digest. Therefore, the City was able to slightly reduce its millage rate from 3.989 mills to 3.643 mills per thousand dollars of assessed value for 2020 and still allow the City to maintain existing services and employ the necessary staff support.

Additionally, sales tax collections increased by almost \$1.2 million, property tax collections increased by about \$305,000, insurance premium taxes increased by \$137,968, hotel/motel taxes increased by about \$153,000 and occupational taxes increased by \$160,034. However, some revenue sources saw a decrease in revenues from 2019 to 2020. For instance, motor vehicle taxes decreased by about \$136,000 and investment earnings decreased by approximately \$45,000. The property tax digest for motor vehicles decreased by around \$2.5 million for 2020 and declining interest rates caused the decrease in investment earnings. In total, general revenues increased by 7.3%, or \$1,759,725, over 2020.

The City aggressively sought investment opportunities in 2020 to maximize earnings while minimizing the associated risk. The City drafted a new investment policy during 2019 and staff implemented and successfully managed the investments. Investments at the end of 2020 consisted mainly of short-term certificates of deposit and state pool investments. US government agency notes, bonds and other securities were hard to come by due to the declining interest rates the nation faced.

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, Kia, Amazon Distribution, 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 2020 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 declined drastically during 2020 due to the COVID pandemic; however, due to the tornado in the spring of 2021, permit revenues have again rebounded as many homes were destroyed or damaged and require permits to rebuild or repair.



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 80 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, life and various optional insurance offerings for its employees. The cost for these benefits will be shared between the City and its employees, with optional insurance premiums 100% paid by the employee.
- 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 its 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 68 of this document.

The City has invested in some short-term certificates of deposit for various funds, although the interest rate has been very sluggish during the past couple of years. Additionally, the City has utilized unassigned fund balance in the past 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.



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 2020, the City contributed \$1,402,093 to the plan on behalf of its employees, compared to the 2019 contribution of \$1,220,699. This contribution represents 9.4% of actual payroll expenditures for covered employees versus 9.2% in 2019. Two factors impacted the increase: a 15% overall increase in premiums and the addition of the eight (8) full-time positions in the following departments: two (2) in the police department, two (2) in the street department, one (1) in municipal court, one (1) in facilities maintenance, one (1) in the fire department and one (1) in leisure services.

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.

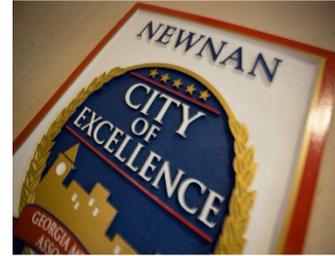
The City offers health and life insurance to all full-time active employees. The City continues to pay 100% of the life and health insurance premiums for employees who elect single coverage on the POS 80/60 plan. Additionally, the City pays approximately 90% of the cost of health insurance for employees choosing family coverage, along with 100% of their basic, spouse and child life insurance costs. Overall, health insurance premiums increased by approximately 11% for 2020. The increase was split between the City and the employees. The City's actual contributions for employee health and life insurance increased by about 11% in 2020; going from \$3,398,464 in 2019 to \$3,774,588, primarily due to addition of the eight (8) full time positions added in 2020.

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 highly qualified work force.
- Promote community participation and involvement in local government.



2020 Major Accomplishments

During fiscal year 2020, 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 2020, in no particular order.

- Received the GFOA Certificate of Achievement for Excellence in Financial Reporting for the City's 2019 Comprehensive Annual Financial Report (CAFR), the City's 10th consecutive award.
- Received the Distinguished Budget Presentation Award from GFOA, the City's 32nd consecutive award.
- Provided a 5% wage increase to all full-time employees.
- Purchased 2 new fire trucks with SPLOST 2019 funds.
- Acquired right-of-way for continuation of the LINC construction.
- Maintained an average response time of 5 minutes for Fire Department.
- Completed construction of the McIntosh Parkway improvements.
- Maintained an insurance services offices (ISO) fire rating of 2 for city residents and businesses.
- Continued repaving and maintenance of various streets under the LMIG program (Georgia DOT).

Construction in Progress at Year-End

Projects underway (construction in progress) at the end of 2020 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, Newnan Grand Slam Baseball Stadium, new Pickle Ball Facility, LMIG 2021 road repaving projects, paving of Sprayberry Road and Wertz Industrial Boulevard, and lighting upgrades for the Wadsworth Auditorium.

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, 2019. This was the tenth 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-second consecutive year, the Government Finance Officers Association of the United States "Distinguished Budget Presentation Award" for its 2020 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 2021 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 several 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 2020, the City received the Tree City USA award for the 30th consecutive year! And finally, Main Street Newnan was identified as a Georgia Exceptional Main Street (GEMS) community.

In addition, during 2020, the Newnan Police Department coordinated and/or sponsored the following community events and programs:

- Guitars Not Guns program – 11 participants
- Coffee with a Cop program – hosted by Newnan PD at B's Kitchen restaurant
- Shop with a Cop program – Christmas presents provided for 156 kids with \$28,000 spent
- 3rd Annual Golf tournament – 88 participants, raised over \$ 22,000
- Wish List for the Elderly – provided \$1,500 for electric blankets for 56 elderly persons
- Annual Blood Drive – 126 participants
- Safe Kids Newnan – Coweta gave out more than 35 child passenger seats

The Newnan Fire Department's ISO rating was maintained at class 2 during 2020. 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. The City is proud to include accomplishments of our dedicated and supportive workforce in its annual report.

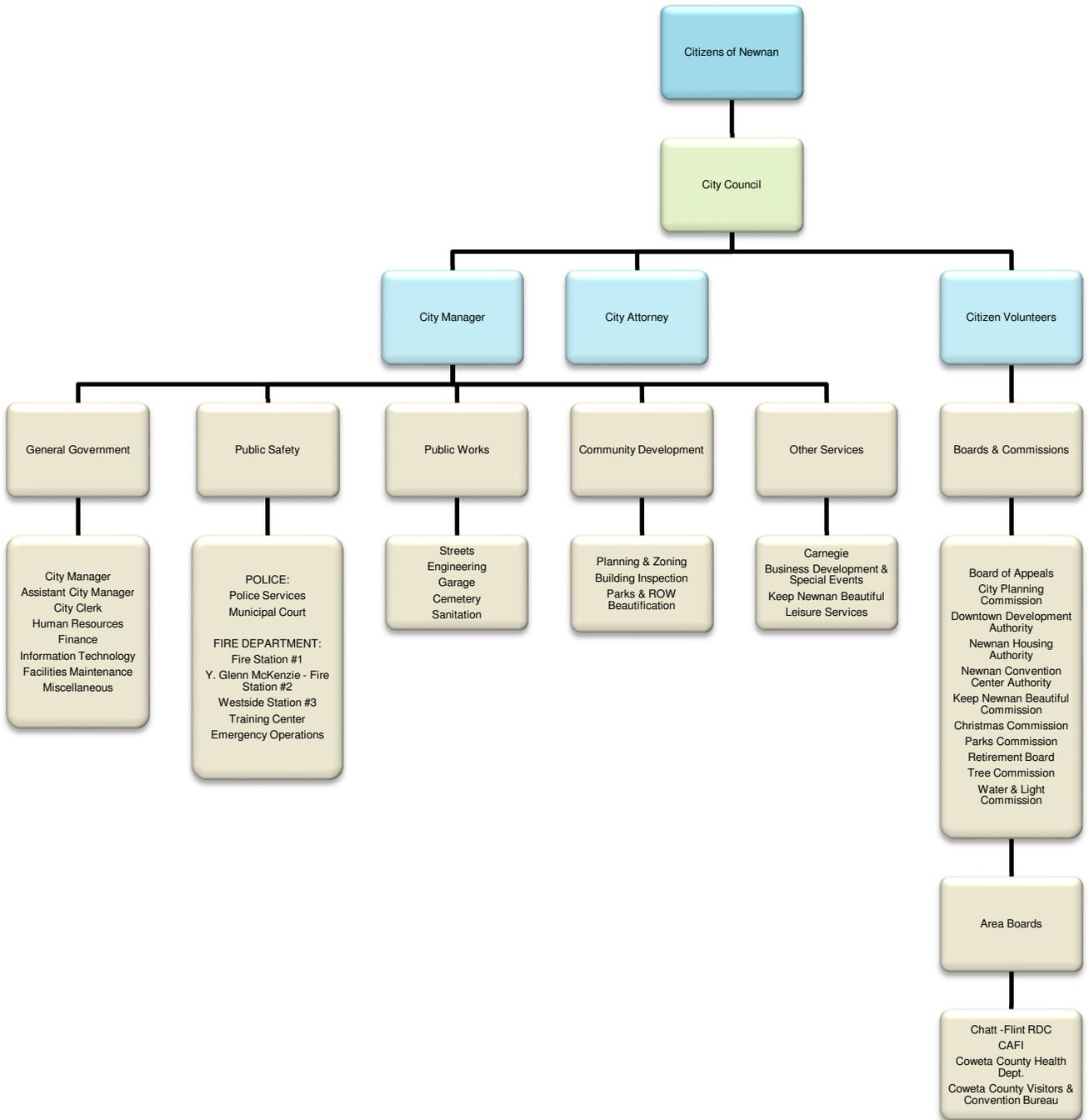
In conclusion, the timely preparation and publication of this Comprehensive Annual Financial Report represents significant effort and accomplishment by the Finance department. The independent audit firm of Clifton, Lipford, Hardison and Parker, LLC (CLHP) is also to be commended for their cooperation 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, Edie Oliver and Priscilla Knowles, 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.	Abigail Strickland	6 First Avenue	770-253-8283
Carnegie Building	Susan Crutchfield	1 LaGrange Street	770-683-1347
Cemetery Dept	Jimmy Hemmings	96 Jefferson Street	770-253-3744
City Clerk	Megan Shea	25 LaGrange Street	770-254-2358
City Council	L. Keith Brady	25 LaGrange Street	770-254-2358
City Engineer	Michael Klahr	25 LaGrange Street	770-254-2354
City Hall		25 LaGrange Street	770-253-2682
City Manager	Cleatus Phillips	25 LaGrange Street	770-254-2358
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	Jamie Elrod	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	Abigail Strickland	6 First Avenue	770-253-8283
Mayor	L. Keith Brady	25 LaGrange Street	770-254-2358
Municipal Court	Jada Blankenship	1 Joseph-Hannah Blvd	770-254-2355
Newnan Utilities	Dennis McEntire	70 Sewell Road	770-683-5516
Planning & Zoning	Tracy Dunnivant	25 LaGrange Street	770-254-2354
Police	Douglas Meadows	1 Joseph-Hannah Blvd	770-254-2355
Communications	Ashley Copeland	25 LaGrange Street	770-254-2358
Public Works	Ray Norton	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, 2019

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, 2020, 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, 2020, 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 20-39, the schedule of changes in the net pension liability and related ratios on page 92, the schedule of contributions on page 93, and the notes to the required supplementary information on pages 94-96 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, 2021, 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, 2021



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, 2020. 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 40 to enhance their understanding of the Government's financial performance.

2020 Financial Highlights

- The assets and deferred outflows of the City of Newnan exceeded its liabilities and deferred inflows by \$186,099,492 (net position) at the close of the calendar year reported.
- The City's total net position, on an entity-wide basis, increased by \$6,483,033, or 3.6%. Governmental activities increased by \$6,681,422, while business-type activities (Sanitation) decreased by \$198,389. The increase in governmental activities is primarily due to the increase of approximately \$11.7 million in total assets plus the increase in deferred outflows related to pensions of over \$4 million, offset by the increase in liabilities of about \$9.3 million. Total capital outlay for 2020 was \$8,330,696 with depreciation expenses of \$5,317,283. Please see page 41 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 \$153,682,401, include property and equipment, net of depreciation. Of this amount, \$337,731 is attributed to business-type activities in the Sanitation fund.
 - (2) Net position of \$9,215,743 is restricted by constraints imposed from outside the City, such as debt covenants, grantors, laws or regulations.
 - (3) Unrestricted net position of \$23,201,348 represents the portion available to maintain the City's continuing obligations to citizens and creditors; of which \$371,744 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 \$40,897,551 this year. This compares to the prior year combined ending fund balances of \$37,098,354, showing an increase of \$3,799,197, or 10.2%, during the current year.
- **Nonspendable** fund balance increased by \$964,364 due primarily to a \$100,000 note receivable for an intergovernmental loan to NURA and \$851,666 in prepayments for group health premiums and escrow payments for possible future land purchases. **Restricted** fund balance increased by about \$1 million due mainly to decreases in the SPLOST 2019 fund reserved for capital outlay of \$527,350 and SPLOST 2013 for \$743,691, offset by an increase in the funds restricted for Economic Development in the amount of \$1,684,214 and Impact Fees fund in the amount of \$502,732.
- Finally, **assigned** fund balance increased by approximately \$162,000, mainly due to the increase in the Street Improvement fund balance, where funds from the Georgia Department of Revenue are now paid in advance, rather than as reimbursements. **Unassigned** fund balance, all in the general fund, totaled \$29,576,015, which amounts to 106.2% of total general fund expenditures of \$27,849,122. In comparison, the general fund unassigned fund balance for 2019 was 107.5% of general fund expenditures. At the end of the current calendar year, fund balance for the general fund totaled \$32,736,277, an increase of 14.9% from 2019, at \$28,483,983.

- 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 \$959,782, an increase of \$127,327, or 15.3%, from 2019. Earned vacation debt increased by \$86,057, earned comp time increased by \$16,199 and, finally, sick leave increased by \$15,288. Please note that FICA/Medicare taxes payable due to this liability also increased by \$9,048 during 2020.
- Overall, the City continues to maintain a strong financial position. However, the ratio of current assets to current liabilities is 8.8 to 1 at the end of 2020, which is a decrease from 2019 where the ratio was 13.9 to 1. Current assets increased by 23.1% in 2020, while current liabilities increased by 25.7%.

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 40 & 41 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 97. 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 42-50 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) and one internal service fund for group health insurance (Fund 601). Fund 601 was created at the end of 2020 to account for all activities related to employee group health activities and insurance claims for the City. The basic proprietary fund financial statements can be found on pages 51-54 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 pages 55-56 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 59 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 97.

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, 2020						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Assets:						
Current assets	\$ 45,499,177	\$ 39,419,440	\$ 558,100	\$ 627,629	\$ 46,057,277	\$ 40,047,069
Capital assets	153,344,670	147,532,148	337,731	423,936	153,682,401	147,956,084
Total assets	198,843,847	186,951,588	895,831	1,051,565	199,739,678	188,003,153
Deferred outflows of resources related to pensions	6,561,128	2,545,428	113,468	44,021	6,674,596	2,589,449
Liabilities:						
Current liabilities	5,199,537	2,831,800	44,488	51,247	5,244,025	2,883,047
Noncurrent liabilities	14,815,421	7,956,621	255,336	136,475	15,070,757	8,093,096
Total Liabilities	20,014,958	10,788,421	299,824	187,722	20,314,782	10,976,143
Deferred inflows of resources related to pensions	-	-	-	-	-	-
Net position :						
Net investment in capital assets	153,344,670	147,532,148	337,731	423,936	153,682,401	147,956,084
Restricted	9,215,743	8,206,607	-	-	9,215,743	8,206,607
Unrestricted	22,829,604	22,969,840	371,744	483,928	23,201,348	23,453,768
Total Net Position	\$ 185,390,017	\$ 178,708,595	\$ 709,475	\$ 907,864	\$ 186,099,492	\$ 179,616,459

The City's total net position at calendar year-end was \$186,099,492, which is an increase of \$6,483,033, or 3.6%. The largest portion of net position (82.6%) reflects the City's net investment in capital assets, which is consistent with 2019 at 82.4%. Current assets increased by approximately \$6 million, or 15%, primarily due to the increase in cash and cash equivalents, including certificates of deposit. The \$5,726,317 increase in capital assets is mainly due to the capitalization of improvements to McIntosh Parkway in 2020, totaling about \$6.5 million.

Current liabilities increased in total by \$2,360,979, or 81.9%, due to the increase in accounts payable at year-end for SPLOST 2019 and unearned revenues for the new internal service fund for group health insurance prefunding. Current liabilities decreased from 26.3% of the total liabilities in 2019 to 25.8% of the total liabilities in 2020. Noncurrent liabilities showed an increase of about \$7.0 million, due to the net pension liability increase of \$6,844,037 recorded for 2020. Thus, noncurrent liabilities made up 74.2% of total liabilities at the end of 2020.

Restricted net position increased by \$1,009,136, or 12.3%, primarily due to the increase in funds restricted for economic development (new pickleball facility) in the general fund. 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 8.8 to 1, which is strong. The ratio for 2019 was 13.9 to 1.

City of Newnan, Georgia Comparative Schedule of Changes in Net Position December 31, 2020						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues						
Charges for services	\$ 3,937,049	\$ 5,171,698	\$ 760,145	\$ 782,104	\$ 4,697,194	\$ 5,953,802
Operating grants	3,888,880	60,000	1,362	-	3,890,242	60,000
Capital grants	11,325,492	10,468,604	-	-	11,325,492	10,468,604
Total Program Revenues:	19,151,422	15,700,302	761,507	782,104	19,912,929	16,482,406
General Revenues:						
Taxes	25,761,281	23,959,666	-	-	25,761,281	23,959,666
Investment earnings	245,689	287,579	2,774	12,189	248,463	299,768
Total General Revenues:	26,006,971	24,247,245	2,774	12,189	26,009,745	24,259,434
Total Revenues:	45,158,392	39,947,547	764,281	794,293	45,922,673	40,741,840
Expenses:						
General government	5,419,907	4,868,258	-	-	5,419,907	4,868,258
Tourism development	464,663	384,299	-	-	464,663	384,299
Public safety	18,054,308	15,055,448	-	-	18,054,308	15,055,448
Public works	9,367,433	8,380,097	-	-	9,367,433	8,380,097
Community development	5,030,658	4,772,243	-	-	5,030,658	4,772,243
Sanitation	-	-	1,102,670	923,052	1,102,670	923,052
Total Expenses:	38,336,969	33,460,345	1,102,670	923,052	39,439,640	34,383,397
Excess / (Deficiency)	6,821,423	6,487,202	(338,389)	(128,759)	6,483,033	6,358,443
Transfers	(140,000)	(200,000)	140,000	200,000	-	-
Change in net position	6,681,423	6,287,202	(198,389)	71,241	6,483,033	6,358,443
Beginning net position	178,708,595	172,421,393	907,864	836,623	179,616,459	173,258,016
Ending Net Position	\$ 185,390,017	\$ 178,708,595	\$ 709,475	\$ 907,864	\$ 186,099,492	\$ 179,616,459

Please note that 82.6% of the governmental activities net position is tied up in capital, which is consistent with 2019, where capital assets totaled 82.4% 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 \$6,483,033, or 3.6%.

Per the chart on the previous page, charges for services decreased by \$1,234,649, mainly due the decrease of approximately \$468,000 in permits issued in 2020 versus 2019, a \$475,000 decrease in intergovernmental revenues for public safety primarily due to SRO reimbursements (\$560,940) being classified as capital grants this year (rather than charges for services), and a reduction of \$253,294 in miscellaneous revenues for general government and about \$72,000 in alcohol license fees due to the reduction in fees granted by Council in 2020 due to the pandemic, also in the general government function. Operating grants increased by approximately \$3.8 million, primarily due to the funds received from the State of Georgia for COVID mitigation and relief during 2020.

Overall, governmental activities reported an increase in expenses totaling \$4,876,624, or 14.6%, for 2020. The public safety function showed an increase of \$2,998,860 for 2020, or 19.9%. The increase is mainly attributed to the difference in operational costs totaling about \$1.4 million from 2019 to 2020, along with an increase in pension contributions in excess of the change in pension liability of approximately \$1.5 million for the function. An increase of \$987,336, or 11.8%, was reported for public works, which is a result of increased operations totaling \$347,245, an increase in depreciation expenses in the amount of \$227,680 and an increase in pension contributions in excess of the change in pension liability of \$494,172.

Additionally, the community development function recorded an increase in expenses of \$258,415 from 2019 to 2020, mainly due to an increase in depreciation expenses of \$123,345 and the increase in pension contributions in excess of the change in pension liability totaling \$182,064, offset by the decrease in operational costs of about \$45,751. The general government function showed an increase of \$551,649, or 11.3%, primarily due to an increase in disposal of assets totaling \$152,313 and the increase in pension contributions in excess of the change in pension liability of \$286,100 for the function. Finally, the tourism development function reported an increase of about \$80,364 for 2020, or 20.9%.

Governmental Activities

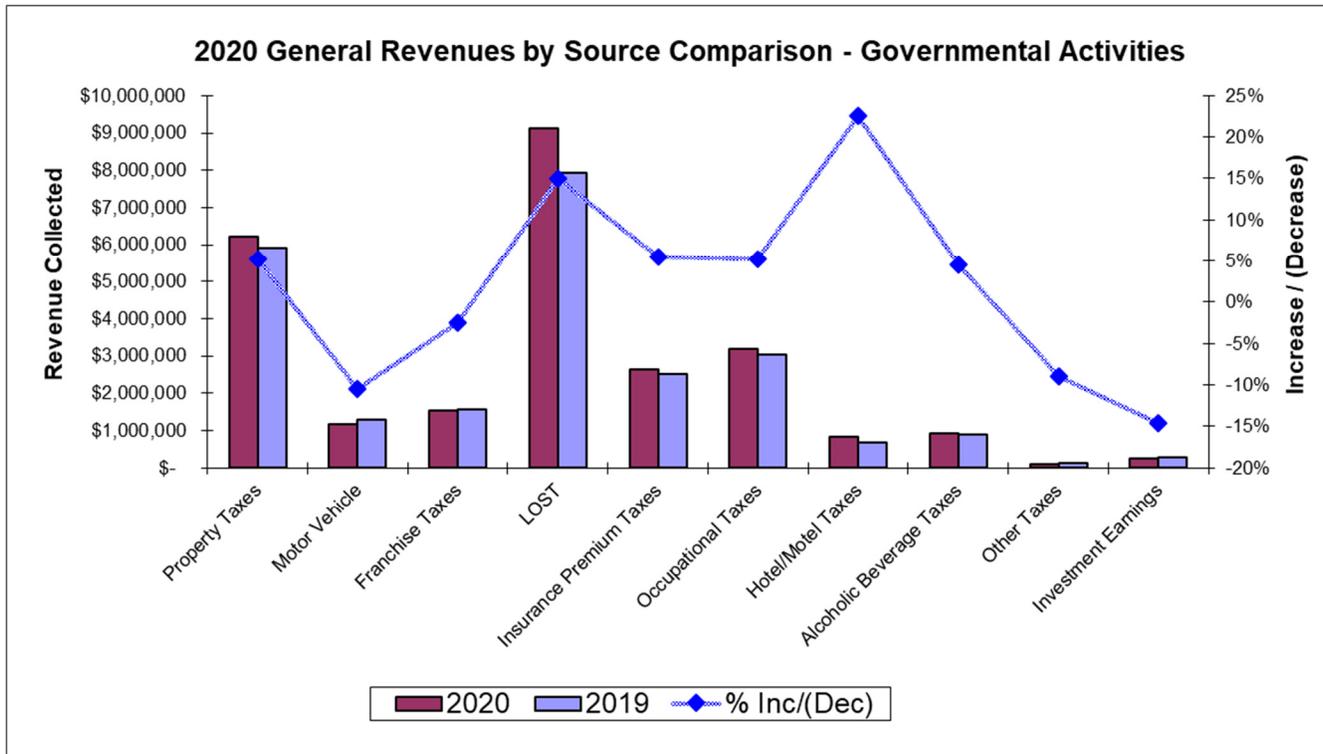
Program revenues represent 42.5% of total revenues in 2020, as compared to 39.5% in 2019. The most significant changes are reported in the public works and public safety functions, mainly due to changes in the allocation of SPLOST revenues and the increase in operating and capital grants, such as the CARES relief for COVID and Georgia Department of Transportation grants.

General revenues make up the remaining 57.5% of total receipts, almost all of which is taxes. This is down slightly from 60.5% in 2019. Every revenue category showed an increase over 2019, with the exception of motor vehicle taxes, franchise taxes and investment earnings. The chart on the next page shows all sources of general revenues for 2020.

As shown by that chart, local option sales tax (LOST) increased by approximately \$1,189,794, property taxes increased by \$305,064, insurance premium taxes increased by \$137,968 and occupational taxes showed an increase of \$160,034 over 2019. These increases were offset by decreases in motor vehicle taxes (about \$136,000), investment earnings (about \$42,000) and franchise taxes (about \$38,000) for 2020.

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 hotel/motel taxes at 22.6%, followed by sales tax at 15% and insurance premium taxes at 5.5%.

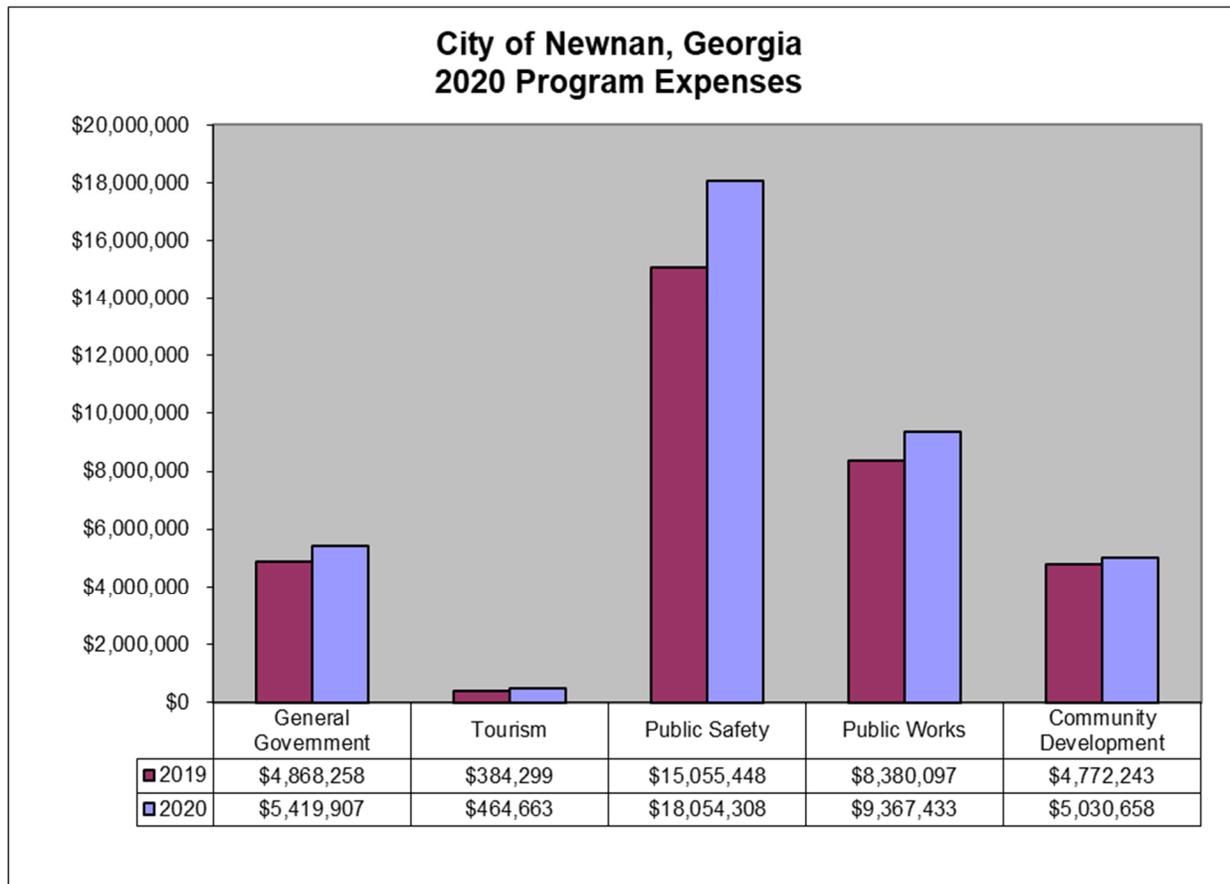
The changes in revenues are indicative of the general economy in Newnan and nationally. Our population is increasing and both commercial and residential permitting continue to show positive growth. We expect to see further improvements to revenue during 2021 due to changes in the population and the local economy in both commercial and residential sectors, however, the impact of the E4 tornado in March 2021 and continuing impact of the coronavirus in 2021 could impact several sources of revenue for the City of Newnan. The total impact cannot be measured at this time, but it could be substantial.



Per the charts on this page and the next, program expenses increased by 14.6%, or about \$4.9 million, for 2020. The largest dollar increase (19.9%) was in the public safety function, with expenses going from \$15,055,448 in 2019 to \$18,054,308 in 2020, followed by increases of 11.8% in the public works function and 11.3% in the general government function. The increases in public safety, public works and the general government functions are primarily due to higher operating and depreciation expenses and pension liability increases as discussed on the previous page.

The community development function also increased by approximately \$258,000 and the tourism function showed an increase of \$80,364. Even though the tourism function showed the highest increase percentage-wise, it saw the lowest dollar increase from 2019 to 2020, due to the size of the function.

Program Expenses by Function							
	General Government		Tourism	Public Safety	Public Works	Community Development	Total
2020	\$ 5,419,907	\$ 464,663	\$ 18,054,308	\$ 9,367,433	\$ 5,030,658	\$ 38,336,969	
2019	4,868,258	384,299	15,055,448	8,380,097	4,772,243	33,460,345	
Variance	\$ 551,649	\$ 80,364	\$ 2,998,860	\$ 987,337	\$ 258,415	\$ 4,876,624	
% Change	11.33%	20.91%	19.92%	11.78%	5.41%	14.57%	



GOVERNMENTAL REVENUES

The City is heavily reliant on sales taxes to support governmental operations and capital. Sales tax, the largest general revenue source in 2020, provided 35.1% of the City’s total general governmental revenues; by comparison, in 2019 sales taxes provided 32.7% of that total. Property taxes are the second largest general revenue source with approximately \$5.9 million of revenues, or 23.9% of the total, as compared to 24.4% for 2019. 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 3.989 mills in 2019 to 3.643 mills per thousand dollars of assessed value for 2020. 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 \$3,192,890 in 2020, up from \$3,032,855 in 2019, which is a 5.3% 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 5.5% primarily due to the growth in population over the last decade, as defined by the US Census Bureau. Overall, taxes made up 99.1% of the total general revenues for 2020, which was fairly consistent with 2019 at 98.8%.

The City’s dependency upon property and sales tax receipts is apparent as about 59% of governmental activities are supported through these general receipts, which was fairly consistent with 2019 at 57.1%. Sales and property taxes are historically the two largest forms of general revenues for the City of Newnan, followed by occupational taxes at 12.3% and insurance premium taxes at 10.2% of the total general revenues for 2020. Even with the COVID pandemic during 2020, the City’s main revenue sources remained strong and resilient.

Program revenues (excluding capital revenues) covered 20.4% of governmental operating expenses, up from 15.6% in 2019. This means that the government's taxpayers and the City's other general governmental revenues funded about 80% of the governmental activities in 2020, as compared to 84% in 2019. 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 14.6% during 2020, up from \$33,460,345 in 2019. Thus, the City shows a net cost of \$19,185,548 for these services, as compared to 2019 where the same services showed a total cost to the City of \$17,760,043.

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 2020.

City of Newnan - 2019 Governmental Activities				
	Total Cost of Services	% of Total	Net (Cost)/ Benefit of Services	% of Costs Covered
General Government	\$ 5,419,907	14.14%	\$ (2,179,394)	59.79%
Tourism Development	464,663	1.21%	(439,663)	5.38%
Public Safety	18,054,308	47.09%	(13,647,128)	24.41%
Public Works	9,367,433	24.43%	(1,604,855)	82.87%
Community Development	5,030,658	13.12%	(1,314,508)	73.87%
Total	\$ 38,336,969	100.00%	\$ (19,185,548)	49.96%

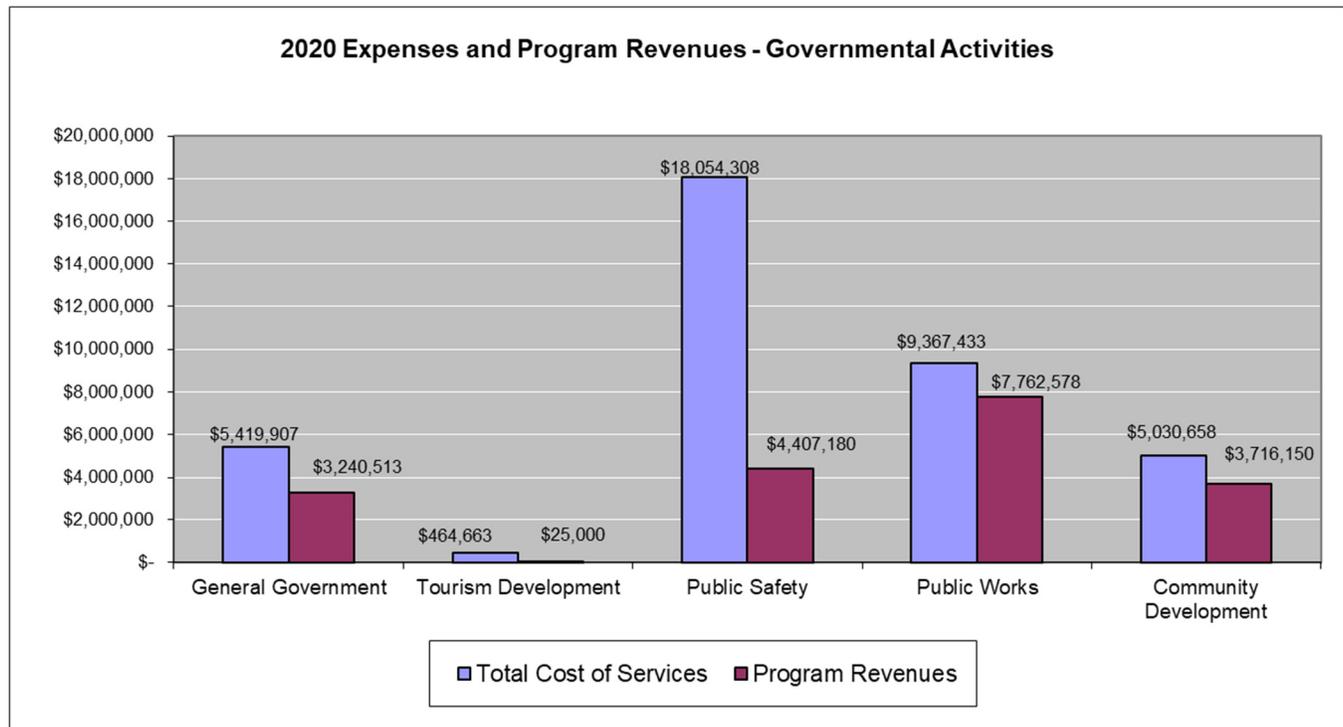
Public safety function costs make up 47.1% of total governmental activities expenses, up from 45% in 2019. Public works makes up 24.4% of the total cost versus 2019, where their portion was 25%.

General government is 14.1% of the total, as compared to 14.6% last year. The community development function made up 14.2% of the total in 2019 as compared to about 13.1% for 2020.

Costs for general government increased by \$551,648, public safety function costs increased by almost \$3 million, public works function costs increased by \$987,337, and costs for community development increased by \$258,416. Most of the cost increases were attributed to increased operational costs, an increase in pension contributions, and increases in depreciation expenses, as discussed earlier in this document.

The General government function revenues covered 59.8% of its total costs, down from 66.3% for 2019. Public safety function program revenues covered 24.4% of its total costs, down from 15.6% in 2019. Public works function revenues covered approximately 82.9% of total costs versus 70.9% in 2019. The community development showed a decrease in percentage of covered costs from 2019 to 2020, going from 87.2% of covered costs to 73.9%.

Overall, the City was able to cover approximately 50% of total costs in 2020 versus 46.9% in 2019. The increase in the percentage of costs covered is mainly attributed to the increase in operating and capital grants and contributions for 2020. The chart on the next page is a graphical representation of the relationship between the 2020 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 \$40,897,551, an increase of 10.2% from the 2019 ending balance of \$37,098,354. Of this 2020 year-end total, \$29,576,015 is **unassigned**, indicating availability for continuing City service requirements. At the end of 2019, unassigned fund balance was \$27,912,674. Therefore, unassigned fund balance increased by 6%, or about \$1.7 million, which is due primarily to operations and revenue collections during 2020. Actual revenues exceeded expenses by approximately \$4.3 million in the general fund only for 2020, and \$3.8 million overall.

Restricted fund balances total \$9,215,743, an increase of about \$1 million from the 2019 restricted fund balances total of \$8,206,607. This balance includes \$1,586,867 for capital outlay in the SPLOST 2013 fund, \$3,941,627 for capital outlay in the SPLOST 2019 fund and \$1,609,209 in other governmental funds for capital outlay, as well as \$1,696,001 for economic development activities. The main reason for the increase in restricted fund balances is the change in the economic development balance, which reflects the funds restricted during 2020 for construction of a new pickleball facility.

Nonspendable fund balances increased by \$964,364 due to a \$100,000 note receivable for an intergovernmental loan to NURA and prepayments for 2021 totaling \$851,666. **Assigned** fund balance increased by about \$162,000, primarily due to the receipt of funds in the street improvements fund for Department of Transportation projects scheduled for next year. As restricted, nonspendable and assigned fund balances decrease, the unassigned fund balance increases, unless otherwise designated by City Council.

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 \$28,483,983 to \$32,736,277, which is a 14.9% increase from 2019. The net change in fund balance was \$4,252,294. As indicated, 90.3% (\$29,576,015) of this balance is unassigned and available for continuing City services at the designated levels, which is a decrease, percentage-wise, from 2019 at 98%, even though the actual unassigned amount increased from \$27,912,674. The unassigned fund balance is considered very adequate, representing the equivalent of 106.2% of annual expenditures. In comparison, the ending fund balance for 2019 represented 107.5% 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 2019. 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 2013 fund's ending fund balance was \$1,586,867, a decrease of \$743,691 from 2019, which ended with a balance of \$2,330,558. This SPLOST issue expired at the end of 2019, thus there were no sales tax receipts for 2020. However, interest earnings totaled \$12,070 for the year. Additionally, the City received \$323,520 from the Georgia Department of Transportation for scoping of Lower Fayetteville Road. Expenditures totaled \$1,079,281 and paving/repaving of various streets, traffic signal upgrades, various streetscapes projects, sidewalk projects and sign upgrades.

SPLOST 2019 is the current SPLOST issue; it will expire at the end of 2024 as it is a 6-year tax. The fund's ending fund balance was \$3,941,627. Sales taxes receipts totaled \$7,588,636 for 2020 and interest earnings of \$18,668 were recorded. Expenditures totaled \$8,134,654 and included \$6,544,914 in capital outlay for the new LINC, as well as improvements to several parks and streets and a new fire truck, dump truck and mini excavator. 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 15% when compared to calendar year 2019, from \$7,940,851 to \$9,130,645. Special purpose sales tax collections also increased from \$6,550,859 to \$7,588,636 for 2020. Sales taxes from all sources, including special purpose, showed a \$2,227,571 increase, or 15.4%, from 2019. The total generated in 2020 for all sales tax was \$16,719,281, as compared to \$14,491,710 in 2019.

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 2020, the estimated population is 41,628! 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 4% from that of calendar year 2019, going from \$5,957,383 to \$6,194,387 for 2020. New home additions, as well as changes in the digest, contributed to the increase. Additionally, the City's 2020 millage rate was set at 3.643, down from 3.989 mills per thousand dollars of assessed value in 2019. The millage rate is projected to remain at 3.643 mills for 2021 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 2019 digest was \$1,487,085,497, increasing to \$1,703,808,781 in 2020, which is an approximate 14.6% increase in valuations. Property reassessments increased the 2020 digest by approximately \$147.7 million, while other changes to the digest resulted in an increase of approximately \$69 million in real property valuation, for a total increase of \$216.7 million in 2020. Motor vehicle taxes showed a decrease in the digest (\$2.5 million); this decrease was included in the other changes to the digest noted above.

Occupational Taxes (formerly Business Licenses)

Occupational tax revenue increased by 5.3%, or \$160,034, when compared to 2019. Revenue receipts totaled \$3,192,890 for 2020 versus \$3,032,855 in 2019. The 2000 census population for the City of Newnan was 16,242; the estimated 2020 population for the City is 41,628. 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 2020, receipts totaled \$2,642,649 as compared to 2019, where receipts were \$2,504,681. The increase of \$137,968, or 5.5%, 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 decreased by 2.4% during 2020 from \$1,574,723 to \$1,536,391. All categories decreased from 2019 amounts, with the exception of gas franchise tax. In that category, a slight increase was recorded. The net decrease from 2019 to 2020 was \$38,332. 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 2020 were \$1,162,671 as compared to \$1,298,639 in 2019, reflecting a decrease of 10.5%.

Vehicle ad valorem taxes decreased by \$6,214, while title ad valorem taxes decreased by \$129,754. 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 80.8% of the total revenues for this category in 2020, which is slightly lower than 2019 at 83.4%. Building permit revenues decreased by 45.4% in 2020; going from \$1,030,070 to \$562,516. Building permit valuations, residential and commercial combined, decreased by 61%, or \$135 million, during 2020, down from approximately \$221 million in 2019 to about \$86 million in 2020. Overall, residential permit valuations decreased by about 47.8%, while commercial permit valuations decreased by 72%. The actual number of permits issued for commercial building was 75 in 2020 versus 189 in 2019. The actual number of residential permits issued for 2020 totaled 177 versus 353 in 2019. Trend analysis and anticipated construction starts are the primary forecasting tools for this revenue stream.

Alcoholic beverage licenses made up the remaining 19.2% of revenues for this category. This revenue stream decreased from \$205,660 in 2019 to \$133,885 in 2020. This revenue stream has remained stable over the years and is generally projected using trend analysis and commercial growth. Therefore, the decrease for 2020 was directly attributed to the COVID-19 crisis during the year and its effect on business operations in Newnan and nationwide. Due to the pandemic, City Council adopted an ordinance to reduce the annual fee for alcohol licenses from \$5,000 to \$2,500 in an effort to reduce the impact of the pandemic on the local businesses.

Hotel/Motel Taxes

Hotel/motel tax collections for 2020 were \$832,241. In 2019, we recorded collections of \$678,977, showing an increase of \$153,264, or 22.6%, for 2020. The hotel/motel tax rate increased from 5% to 8%, beginning January 1, 2020. This resulted in additional revenue for the City. However, the projected increase due to the rate change was directly impacted by the COVID-19 pandemic also, which resulted in less hotel/motel bookings for most of the businesses in Newnan. Thus, the City realized only 71% of the projected revenues of \$1,168,000 for 2020.

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. Beginning in 2020, the tax rate was increased to 8% to include funding for capital projects related to tourism and to fund a new joint commission, Explore Newnan-Coweta, which was created to support and grow the tourism industry in the county and local community. The local economy is showing signs of recovery and growth, even though the pandemic may not officially have run its course. 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.

Interest Earned on Investments

Interest on investments (general fund only) decreased by \$27,192 in 2020, going from \$260,642 to \$233,450, which is a 10.4% decrease when compared to 2019. Overall, all funds included, interest on investments decreased by \$41,890 in 2020, going from \$287,579 to \$245,689. 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. As a matter of fact, the City's investment portfolio changed to mostly certificate of deposit investments by the end of 2020, due to the decline in other investment opportunities as a direct result of the federal funds rate.

Fines & Forfeitures Revenue

Police fines decreased by 13.4%, or \$96,045, from 2019; down from \$715,002 to \$618,957 in 2020. As the population of Newnan increases, this revenue source will typically increase. However, this revenue source was also impacted by the COVID-19 pandemic, as the number of vehicles and visitors in Newnan decreased. Trend analysis is the most effective tool for forecasting this revenue stream.

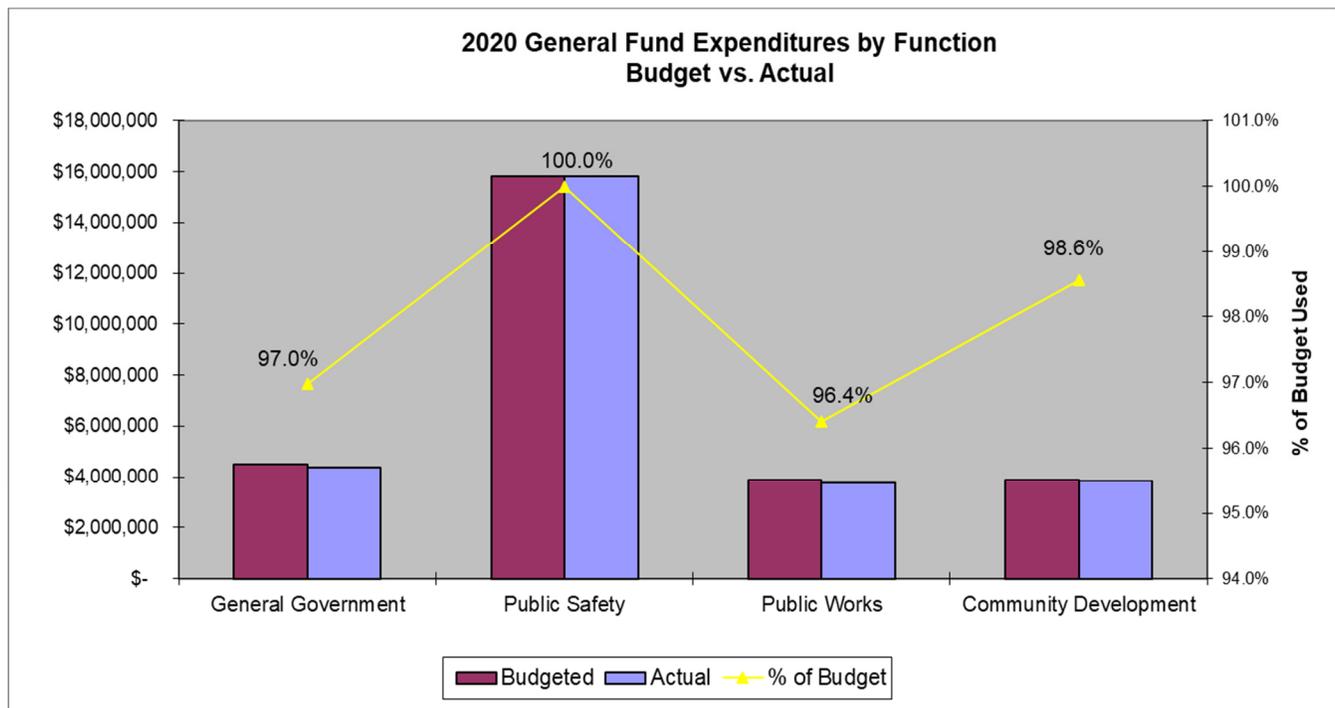
Budgetary Highlights

The general fund – The adopted 2020 revenue budget for the general fund was \$27,145,600, including a projected transfer in from the tourism fund of \$438,000, representing approximately 37.5% of budgeted hotel/motel tax collections, which is the portion retained by the general fund.

The 2020 final revenue budget for the general fund was \$28,272,375, which is \$1,411,702 more than the 2019 final budget of \$26,860,673. Actual revenue collections, including transfers, for 2020 were \$32,241,418, or 114%, of budgeted collections. The actual transfer in from the tourism fund was \$312,091. Per council action, the general fund retained 37.5% of the actual funds collected during 2020.

The adopted 2020 expenditure budget for the general fund was \$27,145,600, including a transfer out to the sanitation fund in the amount of \$140,000. The 2020 general fund expenditure budget was amended to include an additional \$1,126,775 in operating expenditures, including approximately \$179,600 for land purchases, \$95,000 for the new pickleball facility, \$40,000 for a backhoe/loader purchase, \$164,200 for professional services and \$561,000 for regular and overtime wages as a result of COVID. Actual expenditures (on an encumbrance basis) for 2020 were \$27,939,432, or 99%, of the budgeted amount, including transfers.

The charts below show a breakdown of the final 2020 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 2020.



2020 General Fund Expenditures by Function (excluding Interfund Transfers)				
	Budgeted	Actual	% of Budget	Budget less Actual Exp
General Government	\$ 4,509,107	\$ 4,372,908	97.0%	\$ 136,199
Public Safety	15,820,018	15,819,586	100.0%	432
Public Works	3,899,211	3,758,913	96.4%	140,298
Community Development	3,904,039	3,848,025	98.6%	56,014
	\$ 28,132,375	\$ 27,799,432	98.8%	\$ 332,943

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, 2020, was \$153,682,401, up by \$5,726,317, or 3.9%, from 2019, primarily as a result of the increase of \$6,271,728, or 9.1%, in infrastructure at the end of 2020, including \$3 million, net of depreciation, primarily as a result of contributions by developers during the year.

City of Newnan's Capital Assets						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Non-depreciable assets:						
Land	\$ 24,921,668	\$ 24,277,478	\$ -	\$ -	\$ 24,921,668	\$ 24,277,478
Construction in progress	7,551,376	7,475,675	-	-	7,551,376	7,475,675
Total non-depreciable	32,473,044	31,753,153	-	-	32,473,044	31,753,153
Depreciable assets:						
Buildings and parks	47,382,390	47,382,390	-	-	47,382,390	47,382,390
Other improvements	13,964,904	13,503,358	-	-	13,964,904	13,503,358
Machinery and equipment	16,482,850	15,836,370	583,438	583,438	17,066,288	16,419,808
Infrastructure	106,282,459	97,470,184	-	-	106,282,459	97,470,184
Total depreciable assets	184,112,603	174,192,302	583,438	583,438	184,696,041	174,775,740
Less accumulated depreciation	(63,240,977)	(58,413,307)	(245,707)	(159,502)	(63,486,684)	(58,572,809)
Book value - depreciable assets	120,871,626	115,778,996	337,731	423,936	121,209,357	116,202,931
Percentage depreciated	-34%	-34%	-42%	-27%	-34%	-34%
Book value - all assets	\$ 153,344,670	\$ 147,532,148	\$ 337,731	\$ 423,936	\$ 153,682,401	\$ 147,956,084

Major capital asset items acquired or projects completed during the 2020 current calendar year included the following:

- McIntosh Parkway improvements
- Repaved various streets through the LMIG Program
- Purchased a new fire truck with a 2nd truck on order for 2021 delivery
- Initiated construction: new pickleball facility, CJ Smith Park and Pickett Field renovations

- Updated several traffic signals at various locations in City
- Upgraded Wadsworth Auditorium lighting system
- Replaced several vehicles for Public Safety
- Purchased a new digital sign for Wadsworth Auditorium
- Purchased a new backhoe/loader for cemetery
- Purchased a new riding lawnmower for Beautification
- Purchased a new mini excavator, dump truck and trailer for Streets
- Acquired right-of-way for continuation of LINC trail system

Due to asset activity during the year, an increase of \$644,190 was also recorded in the land classification. As shown in the chart above, accumulated depreciation increased by \$4,913,875 in total, or 8.4%, 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 2020 may refer to Note 3-B on page 72 of this document. The table above provides a summary of capital asset activity.

Additionally, several projects were under construction as of December 31, 2020, including sections of the linear park (LINC), McIntosh Parkway improvements, widening of Lower Fayetteville Road, a new pickle ball facility and skate park, 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, 2020 was \$7,551,376. At the end of 2019, construction in progress totaled \$7,475,675. The City added approximately \$6.5 million to construction in progress during the year, but then capitalized about \$6.5 million at year-end, thus accounting for the slight increase of 1% from 2019 to 2020. The chart on the previous page shows the changes by category for capital assets from 2019 to 2020.

At December 31, 2020, the depreciable capital assets for governmental activities were 34% depreciated, which is the same as 2019's percentage depreciated. This comparison indicates that the City is replacing its assets at approximately the same rate as they are depreciating, which is a positive indicator.

Long-term Debt

At the end of the current calendar year, the primary government's long-term debt relates to the City's pension liability for eligible retirees in the amount of \$14,869,991, with \$252,790 of that amount attributed to business-type activities in the Sanitation fund. This reflects an 88% increase for 2020, with the total for 2019 at \$7,907,593.

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 2020 amount payable totals \$959,782, as compared to \$832,456 at the end of 2019. Debt for business-type activities in the Sanitation fund accounts for \$14,146 of the total amount payable.

The increase in compensated absences of 15.3% or \$127,326, is primarily due to the increase in liability for accrued vacation leave in the amount of \$86,057, including a very slight \$591 increase in the sanitation fund. Current debt (payable within one year) is \$759,016, with the remaining \$200,766 booked as noncurrent debt. Please refer to pages 76-79 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 2020.

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 \$3,799,197, or 10.2%, to fund balances at the end of 2020. Currently, the City is facing the COVID-19 impact on its businesses, residents and visitors. Additionally, the City was hit by a major tornado in March 2021 which severely impacted residents in the downtown district and caused millions of dollars in damages to homes, businesses, schools and infrastructure. In spite of these events, Newnan continues to experience growth in several major revenue sources. 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. The healthcare industry accounts for approximately 15% of the employment in Coweta County. Cancer Treatment Centers of America (CTCA) is still expanding and adding jobs. The facility employs 650 persons and around 200 physicians. Additionally, Piedmont Newnan Hospital and Health South Rehabilitation Hospital have constructed new and/or expanded facilities within the past five-year period. Finally, Encompass Health, one of the nation's largest providers of healthcare services, offers both facility-based and home-based patient care, has a 60-bed in-patient rehabilitation center in Newnan.



Another important aspect of any successful, thriving community is a quality education system supporting workforce training requirements. The Coweta County School System was named an "Exemplar" School System by the 2016 AdvancED review team as an example to other school systems, when recommending 2016-2021 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 22,200 students and nearly 3,300 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 92%, as compared to the State at roughly 83%.



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

Sales tax revenue is extremely strong and is representative of the growth in the city and county. 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 2020 were 15% 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 14.6% from 2019 to 2020. The 2021 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, although prices were rising in the early months of 2021.

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, 2020, unassigned fund balance in the general fund was \$29,576,015, increasing from \$27,912,674 in 2019, which is a 6% increase. Next year's (2021) budgeted revenues are projected to be made up of sales taxes (29%), 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 \$278,250. The total general fund revenue budget for 2021, including transfers, is \$27,857,000.

2021 budgeted revenues are projected to decrease by 1.5%, or \$415,375, from the \$28,272,375 final amended budget to \$27,857,000 in 2021, including interfund transfers. From 2020 to 2021, sales taxes are projected to decrease by \$526,775, permits and license fees are projected to decline by \$195,000, and transfers from tourism are expected to decline by \$159,750. Property taxes, occupational taxes, insurance premium taxes and franchise taxes are all expected to increase, which will offset, to some extent, the expected reductions to revenue collections in 2021.

General Fund Revenue Budget Comparison			
Revenue Source	2020 Budget	2021 Budget	Variance
Sales Tax	\$ 8,626,775	\$ 8,100,000	\$ (526,775)
Property	5,848,700	6,009,300	160,600
Occupational	2,875,000	3,009,000	134,000
Insurance Premium	2,375,000	2,525,000	150,000
W & L/Intergov	2,388,500	2,395,000	6,500
Franchise	1,405,000	1,473,000	68,000
Motor Vehicle	1,135,000	1,125,000	(10,000)
Alcoholic Beverage	875,000	895,000	20,000
Permits/Licenses	930,000	735,000	(195,000)
Police Fines	642,000	641,000	(1,000)
Asset Sales/Other	408,400	421,450	13,050
Transfers	438,000	278,250	(159,750)
Interest	325,000	250,000	(75,000)
Total	\$ 28,272,375	\$ 27,857,000	\$ (415,375)

The 2021 general fund expenditures budget also decreased by \$415,375, or 1.5%, going to \$27,857,000 from \$28,272,375 (including amendments) for 2020. The chart on the next page shows the *major* changes in budgeted

expenditures from 2020 to 2021, along with actual expenditures for 2020. Please note that all budgeted line items are not listed in this chart – only those which are considered significant are shown.

Per the chart, the largest increase dollar-wise, was in retirement premiums paid by the City. This is followed by a health insurance projected increase of about 6.5% and vehicle maintenance increase of about \$75,000 for 2021. As shown by the chart below, most categories of expenditures are projected to decrease from the 2020 final budget amounts, rather than increase, because many costs incurred in 2020 were related to the COVID pandemic and not expected to be recurring in 2021.

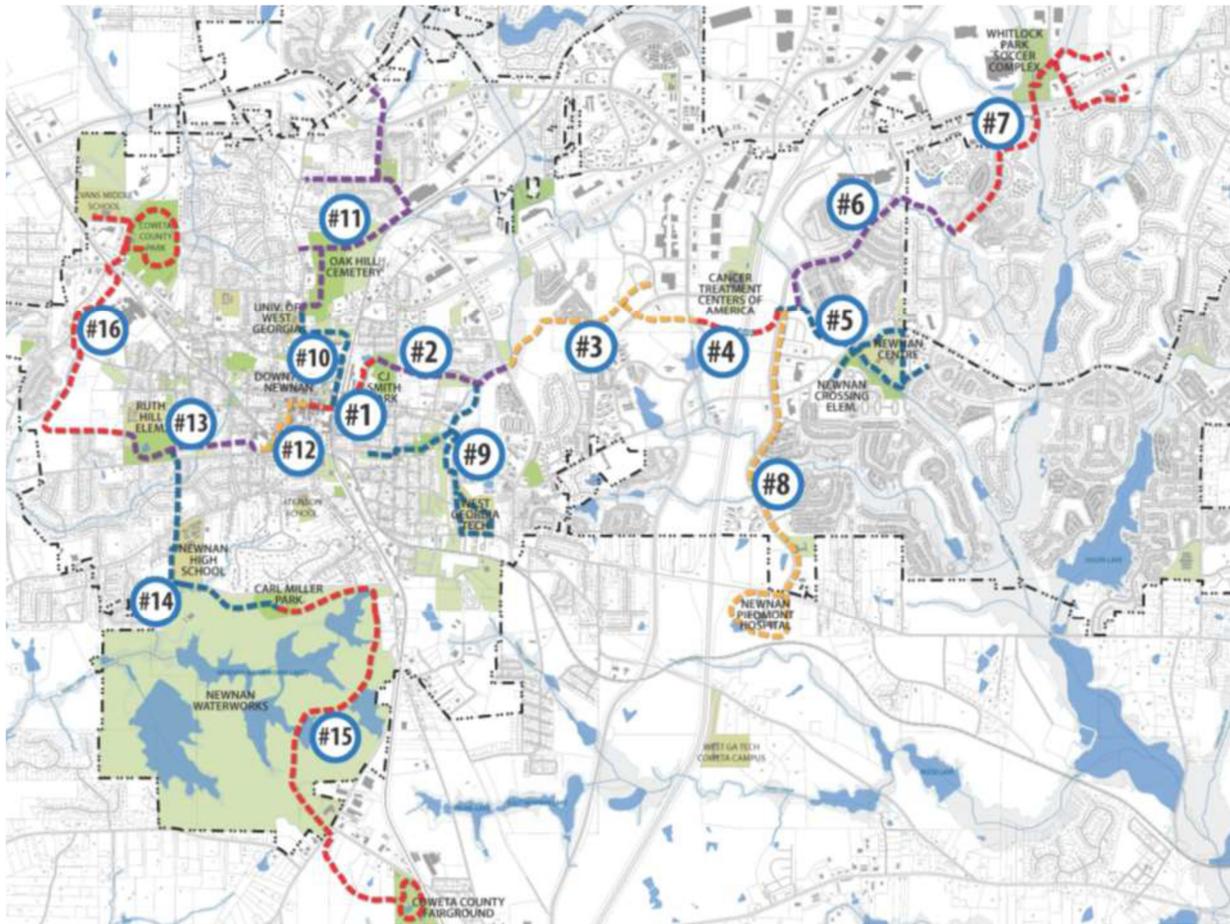
Therefore, the most significant budget decreases from 2020 to 2021 relate to full time and overtime wages, vehicle purchases and other contractual services, in addition to property purchases and parks and recreation items which are not planned for the 2021 budget year. Overall, even with the pandemic, the City's budget from 2020 to 2021 was relatively consistent.

City of Newnan, Georgia General Fund Budgeted Expenditures by Use Major Line Item Changes from 2020 to 2021						
Description	2020 Final Adopted Budget	2020 Actual Expenditures	2021 Adopted Budget	2020 - 2021 Budget Variance	2020 - 2021 Budget % Change	
51.2400 - Retirement	\$ 1,403,596	\$ 1,373,100	\$ 1,740,041	\$ 336,445	24.0%	
51.2100 - Employee Ins (Health/Basic Life)	3,952,721	3,679,941	4,209,997	257,276	6.5%	
53.1701 - Vehicle Maintenance	326,500	534,896	401,850	75,350	23.1%	
51.1100 - Wages - Full Time Employees	13,833,499	14,049,960	13,748,574	(84,925)	-0.6%	
54.1101 - Caldwell Tanks Property	89,300	89,292	-	(89,300)	-100.0%	
54.2200 - Vehicles	347,000	337,384	257,285	(89,715)	-25.9%	
52.1300 - Other Contractual Services	967,643	880,081	877,683	(89,960)	-9.3%	
54.1100 - Land Purchases	90,300	90,292	-	(90,300)	-100.0%	
54.1215 - Parks & Recreation	95,000	248,299	-	(95,000)	-100.0%	
51.1300 - Wages - Overtime	325,300	355,702	227,470	(97,830)	-30.1%	

Major Upcoming Initiatives

City staff is working in conjunction with FEMA and GEMA to mitigate the damages associated with the tornado which struck portions of the City and County in March 2021. Public assistance was granted, however, individual assistance to home and property owners was denied, even upon appeal. The focus of efforts at the time of this report is recovery and rebuilding. Additionally, staff is working with other agencies in Coweta county and Newnan to continue recovery efforts and manage documented revenue losses due to COVID utilizing funds from the American Rescue Plan of 2021 - Fiscal Recovery Funds. The City was awarded approximately \$15.5 million dollars for this project to be spent over the course of the next 3 years.

The City, in conjunction with Coweta County, continues with the construction of a multi-use, paved trail/linear park system, called LINC, in Newnan and Coweta County. This is a long-term project, which will eventually be about 25.5 miles long with an expected cost of approximately \$20 million. The first phase of the trail system, connecting Newnan Crossing Boulevard to the Nixon Centre, Newnan Crossing Elementary School and the residential neighborhoods along Highwoods Parkway and Shenandoah Boulevard opened in early 2020. 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 the early months of 2021, the City continued to modify 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 full extent to which COVID-19 may impact the financial condition or results of operation cannot be determined at this time. Revenue streams which may continue to 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. Additionally, the City was struck by an EF4 tornado on March 26, 2021, which caused massive damage to portions of downtown and the infrastructure supporting those homes, businesses and schools. At this time, the total extent of the damage is not known, but it will be significant and could have a major impact on the City's unassigned fund balance.

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 SECTION

CITY OF NEWNAN, GEORGIA
STATEMENT OF NET POSITION
DECEMBER 31, 2020

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 34,299,855	\$ -	\$ 34,299,855	\$ 19,962,490
Investments	4,528,584	425,576	4,954,160	35,635,885
Receivables, net of allowance	5,300,849	132,524	5,433,373	5,729,192
Note receivable	100,000	-	100,000	-
Inventory	49,223	-	49,223	2,350,187
Prepaid items	1,220,666	-	1,220,666	297,208
Restricted assets	-	-	-	7,491,069
Other assets:				
Deferred compensation funding arrangements	-	-	-	7,103,941
Net pension asset	-	-	-	4,588,000
Assets held for resale	-	-	-	38,500
Capital assets not being depreciated:				
Land	24,921,668	-	24,921,668	7,797,571
Construction in progress	7,551,376	-	7,551,376	1,822,569
Capital assets net of accumulated depreciation:				
Buildings and parks	35,227,786	-	35,227,786	-
Structures, lines and improvements	-	-	-	119,211,006
Other improvements	6,492,862	-	6,492,862	-
Machinery and equipment	4,106,281	337,731	4,444,012	8,420,921
Infrastructure	75,044,697	-	75,044,697	-
Total assets	<u>198,843,847</u>	<u>895,831</u>	<u>199,739,678</u>	<u>220,448,539</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred refunding loss	-	-	-	457,507
Deferred outflows of resources related to pensions	6,561,128	113,468	6,674,596	5,353,000
	<u>6,561,128</u>	<u>113,468</u>	<u>6,674,596</u>	<u>5,810,507</u>
LIABILITIES				
Accounts payable	2,116,942	26,056	2,142,998	3,507,627
Accrued expenses	380,574	6,832	387,406	702,535
Accrued interest payable	-	-	-	342,577
Unearned revenues	1,954,605	-	1,954,605	-
Customer deposits	-	-	-	2,036,195
Compensated absences	747,416	11,600	759,016	218,800
Revenue bonds	-	-	-	2,255,945
Noncurrent liabilities:				
Net pension liability	14,617,201	252,790	14,869,991	-
Revenue bonds, net	-	-	-	19,277,704
Note payable	-	-	-	100,000
Compensated absences	198,220	2,546	200,766	1,763,043
Total liabilities	<u>20,014,958</u>	<u>299,824</u>	<u>20,314,782</u>	<u>30,204,426</u>
DEFERRED INFLOWS OF RESOURCES				
Lease revenue	-	-	-	393,313
Deferred refunding gain	-	-	-	25,377
Deferred inflows of resources related to pensions	-	-	-	3,709,000
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,127,690</u>
NET POSITION				
Net investment in capital assets	153,344,670	337,731	153,682,401	125,236,291
Restricted for:				
Capital outlay	7,137,703	-	7,137,703	-
Capital improvements and debt service	-	-	-	7,491,069
Law enforcement	70,251	-	70,251	-
Tourism	311,788	-	311,788	-
Economic development	1,696,001	-	1,696,001	-
Unrestricted	22,829,604	371,744	23,201,348	59,199,570
Total net position	<u>\$ 185,390,017</u>	<u>\$ 709,475</u>	<u>\$ 186,099,492</u>	<u>\$ 191,926,930</u>

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, 2020

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary Government:								
Governmental Activities:								
General government	\$ 5,419,907	\$ 2,184,981	\$ 254,000	\$ 801,532	\$ (2,179,394)	\$ -	\$ (2,179,394)	
Tourism development	464,663	-	25,000	-	(439,663)	-	(439,663)	
Public safety	18,054,308	937,105	2,670,527	799,548	(13,647,128)	-	(13,647,128)	
Public works	9,367,433	200,438	939,353	6,622,787	(1,604,855)	-	(1,604,855)	
Community development	5,030,658	614,525	-	3,101,625	(1,314,508)	-	(1,314,508)	
Total governmental activities	<u>38,336,969</u>	<u>3,937,049</u>	<u>3,888,880</u>	<u>11,325,492</u>	<u>(19,185,548)</u>	<u>-</u>	<u>(19,185,548)</u>	
Business-type Activities:								
Sanitation Fund	1,102,670	760,145	1,362	-	-	(341,163)	(341,163)	
Total business-type activities	<u>1,102,670</u>	<u>760,145</u>	<u>1,362</u>	<u>-</u>	<u>-</u>	<u>(341,163)</u>	<u>(341,163)</u>	
Total Primary Government	<u>\$ 39,439,639</u>	<u>\$ 4,697,194</u>	<u>\$ 3,890,242</u>	<u>\$ 11,325,492</u>	<u>(19,185,548)</u>	<u>(341,163)</u>	<u>(19,526,711)</u>	
Component Units:								
Water, Sewerage & Light Commission	\$ 53,762,780	\$ 60,489,473	\$ -	\$ 796,801				\$ 7,523,494
Convention Center Authority	511,620	123,501	304,331	-				(83,788)
Downtown Development Authority	36,228	18,051	1,000	-				(17,177)
Urban Redevelopment Authority	4,702	47,961	-	38,500				81,759
Total component units	<u>\$ 54,315,330</u>	<u>\$ 60,678,986</u>	<u>\$ 305,331</u>	<u>\$ 835,301</u>				<u>7,504,288</u>
General revenues:								
Property taxes					6,218,560	-	6,218,560	-
Motor vehicle taxes					1,162,671	-	1,162,671	-
Sales taxes					9,130,645	-	9,130,645	754,684
Occupational taxes					3,192,890	-	3,192,890	-
Franchise taxes					1,536,391	-	1,536,391	-
Insurance premium taxes					2,642,649	-	2,642,649	-
Hotel/Motel taxes					832,241	-	832,241	-
Alcoholic beverage taxes					936,460	-	936,460	-
Other taxes					108,774	-	108,774	-
Investment earnings					245,689	2,774	248,463	862,050
Transfers					(140,000)	140,000	-	-
Total general revenues and transfers					<u>25,866,970</u>	<u>142,774</u>	<u>26,009,744</u>	<u>1,616,734</u>
Change in net position					6,681,422	(198,389)	6,483,033	9,121,022
Net position - beginning of year, restated					<u>178,708,595</u>	<u>907,864</u>	<u>179,616,459</u>	<u>182,805,908</u>
Net position- ending of year					<u>\$ 185,390,017</u>	<u>\$ 709,475</u>	<u>\$ 186,099,492</u>	<u>\$ 191,926,930</u>

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

CITY OF NEWNAN, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	General	2019 SPLOST	2013 SPLOST
ASSETS			
Cash and cash equivalents	\$ 25,387,356	\$ 4,128,390	\$ 1,600,878
Investments	3,618,871	-	-
Taxes receivable	1,447,585	1,344,943	-
Intergovernmental	1,198,423	-	-
Other receivables	1,143,361	-	-
Note receivable	100,000	-	-
Inventories	49,223	-	-
Prepaid items	851,666	-	-
Total assets	<u>\$ 33,796,485</u>	<u>\$ 5,473,333</u>	<u>\$ 1,600,878</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 530,129	\$ 1,531,706	\$ 14,011
Accrued expenditures	380,574	-	-
Unearned revenues	-	-	-
Total liabilities	<u>910,703</u>	<u>1,531,706</u>	<u>14,011</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	149,505	-	-
Total deferred inflows of resources	<u>149,505</u>	<u>-</u>	<u>-</u>
Fund balances:			
Nonspendable	1,000,889	-	-
Restricted	1,696,001	3,941,627	1,586,867
Committed	-	-	-
Assigned	463,372	-	-
Unassigned	29,576,015	-	-
Total fund balances	<u>32,736,277</u>	<u>3,941,627</u>	<u>1,586,867</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 33,796,485</u>	<u>\$ 5,473,333</u>	<u>\$ 1,600,878</u>

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

CITY OF NEWNAN, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020
(CONTINUED)

	NSP Grant	Other Governmental Funds	Total Governmental Funds
\$	1,180,966	\$ 1,669,599	\$ 33,967,189
	-	909,713	4,528,584
	-	136,482	2,929,010
	-	-	1,198,423
	28,818	1,237	1,173,416
	-	-	100,000
	-	-	49,223
	-	-	851,666
<u>\$</u>	<u>1,209,784</u>	<u>\$ 2,717,031</u>	<u>\$ 44,797,511</u>
\$	-	\$ 41,096	\$ 2,116,942
	-	-	380,574
	1,209,784	43,155	1,252,939
	1,209,784	84,251	3,750,455
	-	-	149,505
	-	-	149,505
	-	-	1,000,889
	-	1,991,248	9,215,743
	-	-	-
	-	641,532	1,104,904
	-	-	29,576,015
	-	2,632,780	40,897,551
<u>\$</u>	<u>1,209,784</u>	<u>\$ 2,717,031</u>	<u>\$ 44,797,511</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, 2020

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

Total fund balances - governmental funds	\$ 40,897,551
 Capital Assets	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Cost of the assets	216,585,647
Accumulated depreciation	<u>(63,240,977)</u>
	153,344,670
Deferred outflows of resources	
Pension contributions	6,561,128
 Revenues	
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	
	149,505
 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	(945,636)
Net pension liability	(14,617,201)
Internal Service Fund - The City is self insured. The assets and liabilities of the Internal Service Fund are included in governmental activities Statement of Net Position	-
	<hr/>
Net position of governmental activities	<u><u>\$ 185,390,017</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, 2020

	General	2019 SPLOST	2013 SPLOST
REVENUES			
Taxes:			
Property	\$ 6,194,387	\$ -	\$ -
Motor vehicle	1,162,671	-	-
Franchise	1,536,391	-	-
Sales	9,130,645	-	-
Insurance premium	2,642,649	-	-
Occupational	3,192,890	-	-
Hotel/motel	-	-	-
Alcoholic Beverage	936,460	-	-
Other taxes	10,071	-	-
License and permits	696,401	-	-
Impact fees	-	-	-
Court condemnations	-	-	-
Intergovernmental	3,135,815	7,588,636	323,520
Intergovernmental-utility	1,782,475	-	-
Fines and forfeitures	618,957	-	-
Investment earnings	233,450	18,668	12,070
Program revenue	-	-	-
Miscellaneous	461,000	-	-
Total revenues	<u>31,734,262</u>	<u>7,607,304</u>	<u>335,590</u>
EXPENDITURES			
Current:			
General government	4,271,478	4,490	-
Tourism development	-	-	-
Public safety	15,871,935	-	-
Public works	3,805,675	743,668	371,406
Community development	3,900,034	86,898	-
Intergovernmental	-	754,684	-
Capital outlay	-	6,544,914	707,875
Total expenditures	<u>27,849,122</u>	<u>8,134,654</u>	<u>1,079,281</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,885,140</u>	<u>(527,350)</u>	<u>(743,691)</u>
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	14,061	-	-
Insurance recoveries	181,002	-	-
Transfers in	312,091	-	-
Transfers out	(140,000)	-	-
Total other financing sources (uses)	<u>367,154</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>4,252,294</u>	<u>(527,350)</u>	<u>(743,691)</u>
Fund balances - beginning of year	<u>28,483,983</u>	<u>4,468,977</u>	<u>2,330,558</u>
Fund balances - end of year	<u>\$ 32,736,277</u>	<u>\$ 3,941,627</u>	<u>\$ 1,586,867</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, 2020
(CONTINUED)

NSP Grant	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 6,194,387
-	-	1,162,671
-	-	1,536,391
-	-	9,130,645
-	-	2,642,649
-	-	3,192,890
-	832,241	832,241
-	-	936,460
-	98,703	108,774
-	-	696,401
-	369,968	369,968
-	63,335	63,335
-	858,908	11,906,879
-	-	1,782,475
-	-	618,957
3,309	8,930	276,427
15,224	-	15,224
-	12,812	473,812
<u>18,533</u>	<u>2,244,897</u>	<u>41,940,586</u>
-	169	4,276,137
-	405,573	405,573
-	133,083	16,005,018
-	618,050	5,538,799
18,533	2,800	4,008,265
-	-	754,684
-	136,538	7,389,327
<u>18,533</u>	<u>1,296,213</u>	<u>38,377,803</u>
-	948,684	3,562,783
-	181,351	195,412
-	-	181,002
-	-	312,091
-	(312,091)	(452,091)
-	(130,740)	236,414
-	817,944	3,799,197
-	1,814,836	37,098,354
<u>\$ -</u>	<u>\$ 2,632,780</u>	<u>\$ 40,897,551</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, 2020

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

Net Change in Fund Balances - total governmental funds \$ 3,799,197

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	\$ 8,330,696	
Total depreciation	<u>(5,317,283)</u>	3,013,413

The net effect of various transactions involving capital assets (i.e. sales, disposals, trade-ins, and donations) is to increase net position. 2,799,109

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 4,015,700

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 -

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	(126,133)
Change in pension liability	(6,844,037)

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. 24,173

Change in net position of governmental activities \$ 6,681,422

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, 2020

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 5,841,700	\$ 5,841,700	\$ 6,194,387	\$ 352,687
Motor vehicle	1,135,000	1,135,000	1,162,671	27,671
Franchise	1,405,000	1,405,000	1,536,391	131,391
Sales	7,500,000	8,626,775	9,130,645	503,870
Insurance premium	2,375,000	2,375,000	2,642,649	267,649
Occupational	2,875,000	2,875,000	3,192,890	317,890
Alcoholic beverage	875,000	875,000	936,460	61,460
Other taxes	7,000	7,000	10,071	3,071
License and permits	930,000	930,000	696,401	(233,599)
Intergovernmental	688,500	688,500	3,135,815	2,447,315
Intergovernmental-utility	1,700,000	1,700,000	1,782,475	82,475
Fines and forfeitures	642,000	642,000	618,957	(23,043)
Interest earnings	325,000	325,000	233,450	(91,550)
Miscellaneous	358,400	358,400	461,000	102,600
Total revenues	26,657,600	27,784,375	31,734,262	3,949,887
EXPENDITURES				
General government:				
Council	312,114	312,114	251,894	60,220
Manager	1,040,192	1,377,292	1,377,097	195
Attorney	89,300	107,075	105,319	1,756
Finance	665,459	665,459	644,421	21,038
Human resources	373,836	373,836	359,683	14,153
Information technologies	560,892	562,892	562,824	68
Municipal court	339,586	339,586	314,648	24,938
Facilities maintenance	770,853	770,853	757,022	13,831
Total general government	4,152,232	4,509,107	4,372,908	136,199
Public safety:				
Police	9,747,364	10,198,364	10,197,992	372
Fire	5,511,654	5,621,654	5,621,594	60
Total public safety	15,259,018	15,820,018	15,819,586	432

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, 2020
 (CONTINUED)

	Budget		Actual	Variance with Final Budget
	Original	Final		
Public works:				
Administration	\$ 310,304	\$ 310,304	\$ 309,722	\$ 582
Engineer	303,478	348,678	348,668	10
Streets	2,107,837	2,107,837	2,015,366	92,471
Garage	478,048	478,048	431,035	47,013
Cemetery	614,344	654,344	654,122	222
Total public works	3,814,011	3,899,211	3,758,913	140,298
Community development:				
Planning and zoning	471,747	471,747	462,955	8,792
Business development and special events	301,389	330,089	315,175	14,914
Library	220,549	220,549	206,209	14,340
Leisure services	317,836	317,836	303,137	14,699
Parks & ROW beautification	1,598,314	1,693,314	1,692,601	713
Building inspection	870,504	870,504	867,948	2,556
Total community development	3,780,339	3,904,039	3,848,025	56,014
Total expenditures	27,005,600	28,132,375	27,799,432	332,943
Excess (deficiency) of revenue over (under) expenditure	(348,000)	(348,000)	3,934,830	4,282,830
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	10,000	10,000	14,061	4,061
Insurance recoveries	40,000	40,000	181,002	141,002
Transfers in	438,000	438,000	312,091	(125,909)
Transfers out	(140,000)	(140,000)	(140,000)	-
Total other financing sources (uses)	348,000	348,000	367,154	19,154
Net change in fund balances	\$ -	\$ -	4,301,984	\$ 4,301,984
Fund balances - beginning of year			28,105,851	
Fund balances - end of year			\$ 32,407,835	

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, 2020

	Final Budget	Actual	Variance
REVENUES			
Program income	\$ 160,000	\$ 15,224	\$ (144,776)
Investment earnings	1,550	3,309	1,759
Total Revenues	161,550	18,533	(143,017)
EXPENDITURES			
Current			
Community development	600,000	18,533	581,467
Total Expenditures	600,000	18,533	581,467
Net change in fund balances	(438,450)	-	(438,450)
Fund balances - beginning of year	-	-	-
Fund balances - end of year	\$ (438,450)	\$ -	\$ (438,450)

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, 2020

	Business-type Activities Enterprise Fund	Governmental Activities - Internal Service Fund
	Sanitation Fund	Self-Insurance Fund
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents	\$ -	\$ 332,666
Investments	425,576	-
Accounts receivable, net of allowance	132,524	-
Prepaid items	-	369,000
Total current assets	<u>558,100</u>	<u>701,666</u>
Noncurrent assets		
Capital assets:		
Machinery and equipment	583,438	-
Less accumulated depreciation	(245,707)	-
Total capital assets, net	<u>337,731</u>	<u>-</u>
Total noncurrent assets	<u>337,731</u>	<u>-</u>
Total Assets	<u>\$ 895,831</u>	<u>\$ 701,666</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions	<u>113,468</u>	<u>-</u>
<u>LIABILITIES</u>		
Current liabilities		
Accounts payable	\$ 26,056	\$ -
Salaries payable	6,832	-
Deferred revenues	-	701,666
Compensated absences	11,600	-
Total current liabilities	<u>44,488</u>	<u>701,666</u>
Noncurrent liabilities		
Compensated absences	2,546	-
Net pension liability	252,790	-
Total noncurrent liabilities	<u>255,336</u>	<u>-</u>
Total Liabilities	<u>299,824</u>	<u>701,666</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pensions	<u>-</u>	<u>-</u>
<u>NET POSITION</u>		
Investment in capital assets	337,731	-
Unrestricted	371,744	-
Total Net Position	<u>\$ 709,475</u>	<u>\$ -</u>

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

CITY OF NEWNAN, GEORGIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Business-type Activities Enterprise Fund	Governmental Activities - Internal Service Fund
	Sanitation Fund	Self-Insurance Fund
<u>Operating revenues:</u>		
Charges for sales and services	\$ 760,145	-
Total operating revenues	760,145	-
<u>Operating expenses:</u>		
Purchased/contracted services	349,841	-
Salaries and benefits	536,039	-
Supplies and materials	130,585	-
Depreciation	86,205	-
Total operating expenses	1,102,670	-
Operating income (loss)	(342,525)	-
<u>Nonoperating revenues (expenses):</u>		
Investment earnings	2,774	-
Intergovernmental revenues	1,362	-
Total nonoperating revenues (expenses)	4,136	-
Income (loss) before transfers	(338,389)	-
Transfers in	140,000	-
Total other financing sources (uses)	140,000	-
Change in net position	(198,389)	-
Total net position - beginning of year	907,864	-
Total net position - end of year	\$ 709,475	\$ -

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, 2020

	Business-type Activities <u>Enterprise Fund</u>	Governmental Activities - <u>Internal Service Fund</u>
	<u>Sanitation Fund</u>	<u>Self-Insurance Fund</u>
<u>Cash Flows from Operating Activities:</u>		
Cash received from customers	\$ 753,490	\$ 332,666
Cash payments to employees for services	(414,528)	-
Cash payments to other suppliers of goods or services	(559,284)	-
	<u>(220,322)</u>	<u>332,666</u>
Net Cash Provided (Used) by Operating Activities		
<u>Cash Flows from Non Capital Financing Activities:</u>		
Payments received from grantors	1,362	-
Transfer to/from other funds	140,000	-
	<u>141,362</u>	<u>-</u>
Net Cash Provided by Non Capital Financing Activities		
<u>Cash Flows from Capital and Related Financing Activities:</u>		
Acquisition of assets	-	-
	<u>-</u>	<u>-</u>
Net Cash Provided (Used) by Financing Activities		
<u>Cash Flows from Investing Activities:</u>		
Investment pool proceeds	76,186	-
Interest received	2,774	-
	<u>78,960</u>	<u>-</u>
Net Cash Provided (Used) by Investing Activities		
Net Increase (Decrease) in Cash and Equivalents	<u>-</u>	<u>332,666</u>
Cash and Cash Equivalents - Beginning of the Year	<u>-</u>	<u>-</u>
Cash and Cash Equivalents - End of the Year	<u>\$ -</u>	<u>\$ 332,666</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, 2020
 (CONTINUED)

	Business-type Activities <u>Enterprise Fund</u>	Governmental Activities - <u>Internal Service Fund</u>
	<u>Sanitation Fund</u>	<u>Self-Insurance Fund</u>
<u>Reconciliation of Net Operating Income to</u>		
<u>Net Cash Provided by Operating Activities:</u>		
Net Operating Income (Loss)	\$ (342,525)	\$ -
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	86,205	-
Changes in Assets and Liabilities:		
(Increase) decrease in accounts receivable	(6,655)	-
(Increase) decrease in prepaids	-	(369,000)
(Increase) decrease in deferred outflows of resources related to pensions	(69,447)	-
Increase (decrease) in accounts payable	(9,411)	-
Increase (decrease) in salaries payable	1,037	-
Increase (decrease) in deferred revenues	-	701,666
Increase (decrease) in compensated absences	2,113	-
Increase (decrease) in net pension liability	118,361	-
Increase (decrease) in deferred inflows of resources related to pensions	-	-
Total Adjustments	<u>122,203</u>	<u>332,666</u>
Net Cash Provided (Used) by operating activities	<u>\$ (220,322)</u>	<u>332,666</u>

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

CITY OF NEWNAN, GEORGIA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2020

	<u>Custodial Fund</u>
ASSETS	
Cash	\$ 117,146
Total assets	<u>\$ 117,146</u>
LIABILITIES	
Liabilities	
Confiscated assets pending disposition	<u>\$ 117,146</u>
NET POSITION	
Held for organizations and other governments	<u>-</u>
Total net position	<u>\$ -</u>

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

CITY OF NEWNAN, GEORGIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Custodial Fund</u>
Revenues:	
Miscellaneous	<u>\$ 21,567</u>
Expenditures:	
Miscellaneous	<u>21,567</u>
Changes in net position	-
Net position, beginning of year	<u>-</u>
Net position, end of year	<u><u>\$ -</u></u>

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

CITY OF NEWNAN, GEORGIA
 COMBINING STATEMENTS OF NET POSITION
 COMPONENT UNITS
 DECEMBER 31, 2020

	Water Seweage and Light Commission	Convention Center Authority	Downtown Development Authority	Urban Redevelopment Agency	Total
<u>ASSETS</u>					
Cash and cash equivalents	\$ 19,282,915	\$ 415,014	\$ 121,302	\$ 143,259	\$ 19,962,490
Investments	35,635,885	-	-	-	35,635,885
Receivables, net of allowance	5,685,459	42,629	1,104	-	5,729,192
Inventory	2,350,187	-	-	-	2,350,187
Prepaid items	297,208	-	-	-	297,208
Restricted assets	7,491,069	-	-	-	7,491,069
Other assets:					
Deferred compensation funding arrangements	7,103,941	-	-	-	7,103,941
Net pension asset	4,588,000	-	-	-	4,588,000
Assets held for resale	-	-	-	38,500	38,500
Capital assets not being depreciated:					
Land	7,797,571	-	-	-	7,797,571
Construction in progress	1,303,953	518,616	-	-	1,822,569
Capital assets net of accumulated depreciation:					
Structures, lines and improvements	119,211,006	-	-	-	119,211,006
Machinery and equipment	8,415,853	5,068	-	-	8,420,921
Total assets	<u>219,163,047</u>	<u>981,327</u>	<u>122,406</u>	<u>181,759</u>	<u>220,448,539</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred refunding loss	457,507	-	-	-	457,507
Deferred outflows of resources related to pensions	5,353,000	-	-	-	5,353,000
	<u>5,810,507</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,810,507</u>
<u>LIABILITIES</u>					
Accounts payable	3,482,752	24,323	552	-	3,507,627
Accrued expenses	697,840	4,695	-	-	702,535
Accrued interest payable	342,577	-	-	-	342,577
Customer deposits	2,002,050	34,145	-	-	2,036,195
Compensated absences	218,800	-	-	-	218,800
Revenue bonds	2,255,945	-	-	-	2,255,945
Noncurrent liabilities:					
Revenue bonds, net	19,277,704	-	-	-	19,277,704
Note payable	-	-	-	100,000	100,000
Compensated absences	1,763,043	-	-	-	1,763,043
Total liabilities	<u>30,040,711</u>	<u>63,163</u>	<u>552</u>	<u>100,000</u>	<u>30,204,426</u>
DEFERRED INFLOWS OF RESOURCES					
Lease revenue	393,313	-	-	-	393,313
Deferred refunding gain	25,377	-	-	-	25,377
Deferred inflows of resources related to pensions	3,709,000	-	-	-	3,709,000
Total deferred inflows of resources	<u>4,127,690</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,127,690</u>
<u>NET POSITION</u>					
Net investment in capital assets	124,712,607	523,684	-	-	125,236,291
Restricted for:					
Capital improvements and debt service	7,491,069	-	-	-	7,491,069
Unrestricted	58,601,477	394,480	121,854	81,759	59,199,570
Total net position	<u>\$ 190,805,153</u>	<u>\$ 918,164</u>	<u>\$ 121,854</u>	<u>\$ 81,759</u>	<u>\$ 191,926,930</u>

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

CITY OF NEWNAN, GEORGIA
 COMBINING STATEMENTS OF ACTIVITIES
 COMPONENT UNITS
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Water Seweage and Light Commission	Convention Center Authority	Downtown Development Authority	Urban Redevelopment Agency	Total
EXPENSES					
Water, Sewerage & Light Commission	\$ 53,762,780	\$ -	\$ -	\$ -	\$ 53,762,780
Convention Center Authority	-	511,620	-	-	511,620
Downtown Development Authority	-	-	36,228	-	36,228
Urban Redevelopment Authority	-	-	-	4,702	4,702
Total Expenses	53,762,780	511,620	36,228	4,702	54,315,330
REVENUES					
Program revenues:					
Charges for services	60,489,473	123,501	18,051	47,961	60,678,986
Operating grants and contributions	-	304,331	1,000	-	305,331
Capital grants and contributions	796,801	-	-	38,500	835,301
Total Program Revenues	61,286,274	427,832	19,051	86,461	61,819,618
Net Program Revnue (Expense)	7,523,494	(83,788)	(17,177)	81,759	7,504,288
GENERAL REVENUES					
Sales taxes	754,684	-	-	-	754,684
Investment earnings	861,608	37	405	-	862,050
Total General Revenues	1,616,292	37	405	-	1,616,734
Change in Net Position	9,139,786	(83,751)	(16,772)	81,759	9,121,022
Net Position, Beginning of Year, Restated	181,665,367	1,001,915	138,626	-	182,805,908
Net Position, End of Year	\$ 190,805,153	\$ 918,164	\$ 121,854	\$ 81,759	\$ 191,926,930

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, 2020

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 Downtown Development Authority of the City of Newnan and Newnan Redevelopment Authority, as of December 31, 2020. 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

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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.

The Newnan Urban Redevelopment Authority of the City of Newnan (hereinafter NURA) governing board is appointed by the Mayor and City Council. The City provides support for NURA relative to the yearly operating budget requirements. NURA 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.

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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 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.

NSP Grant Fund – This fund accounts for funds received from the Georgia Department of Community Affairs Neighborhood Stabilization Program which

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are passed-through to the Newnan Housing Authority and the Newnan-Coweta Habitat for Humanity.

The City reports the following major proprietary funds:

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.

Fiduciary Funds - accounts for money confiscated and held pending disposition by courts.

Internal Service Fund – accounts for all costs associated with employee health, life and optional insurances, including COBRA, dental, vision and flexible spending accounts.

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.

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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.

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.

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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, 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.

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.

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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 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.

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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

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, 2020:

	General Fund	2019 SPLOST	2013 SPLOST	Nonmajor Governmental	Total
Fund Balances:					
Nonspendable					
Inventories	\$ 49,223	\$ -	\$ -	\$ -	\$ 49,223
Note receivable	100,000	-	-	-	100,000
Prepayments	851,666	-	-	-	851,666
Restricted for:					
Capital outlay	-	3,941,627	1,586,867	1,609,209	7,137,703
Economic development	1,696,001	-	-	-	1,696,001
Street improvements	-	-	-	34,979	34,979
Law enforcement	-	-	-	70,251	70,251
Tourism	-	-	-	276,809	276,809
Assigned for:					
Capital projects	463,372	-	-	641,532	1,104,904
Unassigned	29,576,015	-	-	-	29,576,015
Total fund balances	<u>\$ 32,736,277</u>	<u>\$ 3,941,627</u>	<u>\$ 1,586,867</u>	<u>\$ 2,632,780</u>	<u>\$ 40,897,551</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.

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NOTES TO THE FINANCIAL STATEMENTS
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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 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.

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

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	\$ 4,301,984
Add: Current year encumbrances	285,294
Deduct: Prior year encumbrances paid in the current year	<u>(334,984)</u>
Generally accepted accounting principles basis-excess revenues and other financing sources over expenditures and other financing uses	<u>\$ 4,252,294</u>
Budgetary basis-fund balance, ending	\$ 32,407,835
Add: Current year encumbrances	285,296
Add: Prior year encumbrances outstanding at year-end	1,975
Add: Prior year encumbrances voided	<u>41,171</u>
Generally accepted accounting principles basis-fund balance, ending	<u>\$ 32,736,277</u>

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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, 2020, 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.

At December 31, 2020, 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 AAAs 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.

CITY OF NEWNAN, GEORGIA

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As of December 31, 2020, the City had the following investments:

Investment Type	Credit Rating	Value	Maturity
Office of State Treasurer	AAAf rated	<u>\$ 3,857,504</u>	21 days

Investment	Maturities in Years				Total
	Under One	One-Three	Three-Seven	Over Ten	
Money market mutual funds and certificates of deposit	\$ 1,096,656	\$ -	\$ -	\$ -	1,096,656
Total investments	<u>\$ 1,096,656</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,096,656</u>

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, 2020:

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Investment Type	Total	Level 1	Level 2	Level 3
Investments at fair value:				
Money market mutual funds and certificates of deposit	\$ 1,096,656	\$ 1,096,656	-	-
Total	\$ 1,096,656	\$ 1,096,656	\$ -	\$ -

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, 2020, the Commission had the following investments:

Investment	Maturities in Years				
	Under One	One-Three	Three-Seven	Over Ten	Total
U.S. Government securities	\$ 3,849,145	\$ 7,423,026	\$ 3,375,205	\$ -	\$ 14,647,376
U.S. Government agency notes and bonds	4,066,858	9,401,840	5,307,511	-	18,776,209
Money market mutual funds and certificates of deposit	2,212,300	-	-	-	2,212,300
Total investments	\$ 10,128,303	\$ 16,824,866	\$ 8,682,716	\$ -	\$ 35,635,885

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.

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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 investments with one issuer that comprised 5% or more of the Commission's investments portfolio (excluding those issued or explicitly guaranteed by the U.S. Government as well as mutual funds) as of December 31, 2020 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, 2020:

Investment Type	Total	Level 1	Level 2	Level 3
Investments at fair value:				
US government securities	\$ 14,647,376	\$ 12,868,189	\$ 1,779,187	\$ -
US government agency notes and bonds	18,776,209	14,503,532	4,272,677	-
Money market mutual funds and certificates of deposit	2,212,300	72,744	2,139,556	-
Total	<u>\$ 35,635,885</u>	<u>\$ 27,444,465</u>	<u>\$ 8,191,420</u>	<u>\$ -</u>

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B. Capital Assets

Capital asset activity for the year ended December 31, 2020 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Reclassifications	Ending Balance
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 24,277,478	\$ 682,690	\$ (38,500)	\$ -	\$ 24,921,668
Construction in progress	7,475,675	6,539,116	-	(6,463,415)	7,551,376
Total capital assets, not being depreciated	31,753,153	7,221,806	(38,500)	(6,463,415)	32,473,044
Capital assets, being depreciated:					
Buildings and parks	47,382,390	-	-	-	47,382,390
Other improvements	13,503,358	461,546	-	-	13,964,904
Machinery and equipment	15,836,370	1,311,114	(664,634)	-	16,482,850
Infrastructure	97,470,184	2,348,860	-	6,463,415	106,282,459
Total capital assets being depreciated	174,192,302	4,121,520	(664,634)	6,463,415	184,112,603
Less accumulated depreciation for:					
Buildings and parks	(11,006,565)	(1,148,039)	-	-	(12,154,604)
Other improvements	(6,944,843)	(527,199)	-	-	(7,472,042)
Machinery and equipment	(11,764,684)	(1,101,499)	489,614	-	(12,376,569)
Infrastructure	(28,697,215)	(2,540,547)	-	-	(31,237,762)
Total accumulated depreciation	(58,413,307)	(5,317,284)	489,614	-	(63,240,977)
Total capital assets, being depreciated, net	115,778,995	(1,195,764)	(175,020)	6,463,415	120,871,626
Governmental activities capital assets, net	\$ 147,532,148	\$ 6,026,042	\$ (213,520)	\$ -	\$ 153,344,670

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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	583,438	-	-	583,438
Total capital assets, being depreciated	583,438	-	-	583,438
Less accumulated depreciation for:				
Machinery and equipment	(159,502)	(86,205)	-	(245,707)
Total accumulated depreciation	(159,502)	(86,205)	-	(245,707)
Total capital assets, being depreciated, net	423,936	(86,205)	-	337,731
Business-type activities capital assets, net	\$ 423,936	\$ (86,205)	\$ -	\$ 337,731

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

Governmental Activities:	
General government	\$ 58,643
Public safety	640,071
Public works	3,407,155
Community development and leisure services	1,211,415
Total governmental activities depreciation expense	\$ 5,317,284
Business-Type Activities:	
Sanitation Fund	\$ 86,205

Component Unit - Convention Center Authority

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Construction in Progress	\$ 508,767	\$ 9,849	\$ -	\$ 518,616
Total capital assets, not being depreciated	508,767	9,849	-	518,616
Capital assets, being depreciated:				
Machinery and equipment	16,093	-	(900)	15,193
Total capital assets, being depreciated	16,093	-	(900)	15,193
Less accumulated depreciation for:				
Machinery and equipment	(8,997)	(2,028)	900	(10,125)
Total accumulated depreciation	(8,997)	(2,028)	900	(10,125)
Total capital assets, being depreciated, net	7,096	(2,028)	-	5,068
Business-type activities capital assets, net	\$ 515,863	\$ 7,821	\$ -	\$ 523,684

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

Governmental Activities:	
Convention Center	\$ 2,028

CITY OF NEWNAN, GEORGIA

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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	10,389,696	4,624,315	-	(13,710,058)	1,303,953
Total capital assets, not being depreciated	18,187,267	4,624,315	-	(13,710,058)	9,101,524
Capital assets, being depreciated:					
Buildings, lines and improvements	200,661,146	15,979,648	(72,426)	-	216,568,368
Equipment and other	16,906,131	1,520,303	(184,499)	-	18,241,935
Total capital assets being depreciated	217,567,277	17,499,951	(256,925)	-	234,810,303
Less accumulated depreciation for:					
Buildings, lines and improvements	(90,251,692)	(7,345,578)	239,908	-	(97,357,362)
Equipment and other	(8,307,901)	(1,518,181)	-	-	(9,826,082)
Total accumulated depreciation	(98,559,593)	(8,863,759)	239,908	-	(107,183,444)
Total capital assets, being depreciated, net	119,007,684	8,636,192	(17,017)	-	127,626,859
Capital assets, net	\$ 137,194,951	\$ 13,260,507	\$ (17,017)	\$ (13,710,058)	\$ 136,728,383
Depreciation expense was charged to functions/programs of the business-type activities as follows:					
Business-Type Activities:					
Utilities		\$8,863,759			

C. Transfers and Component Unit Appropriations

Transfers for the year ended December 31, 2020, are as follows:

Transfers Out:	Transfers In:		
	General Fund	Sanitation Fund	Total
General fund	\$ -	\$ 140,000	\$ 140,000
Nonmajor Governmental fund	312,091	-	312,091
Total	\$ 312,091	\$ 140,000	\$ 452,091

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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 2020, the City made a transfer from the Hotel/Motel Tourism Enhancement Fund to the General Fund in the amount of \$312,091, for the City's portion of hotel motel taxes collected.

During 2020, the City made a transfer from the General Fund to the Sanitation Fund in the amount of \$140,000 to assist with operational expenses.

Component Unit appropriations

During 2020, the City appropriated \$304,331 to the Newnan Convention Center Authority for operations.

D. Long-term Debt

Primary Government

As of December 31, 2020, 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	\$ 7,773,164	\$ 8,089,299	\$ 1,245,262	\$ 14,617,201	\$ -
Compensated absences	819,503	2,309,223	2,183,090	945,636	747,416
	<u>\$ 8,592,667</u>	<u>\$ 10,398,522</u>	<u>\$ 3,428,352</u>	<u>\$ 15,562,837</u>	<u>\$ 747,416</u>
Business-Type activities:					
Net pension liability	\$ 134,429	\$ 139,897	\$ 21,536	\$ 252,790	\$ -
Compensated absences	12,953	16,857	15,664	14,146	11,600
	<u>\$ 147,382</u>	<u>\$ 156,754</u>	<u>\$ 37,200</u>	<u>\$ 266,936</u>	<u>\$ 11,600</u>

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.

CITY OF NEWNAN, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
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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 2020, 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 \$47,681.

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, 2020, total debt service requirements to maturity for the Series 2006A Bonds were as follows:

Year	Principal	Interest	Total
2021	\$ -	\$ 172,725	\$ 172,725
2022	-	172,725	172,725
2023	-	172,725	172,725
2024	1,040,000	145,425	1,185,425
2025	1,100,000	89,250	1,189,250
2026	1,150,000	30,188	1,180,188
Total	\$ 3,290,000	\$ 783,038	\$ 4,073,038

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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 \$406,393 and \$(208) 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, 2020 was \$150,584.

As of December 31, 2020, total debt service requirements to maturity for the Series 2015 Bonds were as follows:

Year	Principal	Interest	Total
2021	\$ 1,815,000	\$ 279,859	\$ 2,094,859
2022	10,000	258,450	268,450
2023	10,000	258,250	268,250
2024	10,000	257,975	267,975
2025	10,000	257,625	267,625
2026-2030	2,485,000	1,124,301	3,609,301
2031-2035	3,640,000	502,075	4,142,075
2036	820,000	16,200	836,200
Total	\$ 8,800,000	\$ 2,954,735	\$ 11,754,735

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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, 2020 was \$105,630.

As of December 31, 2020, total debt service requirements to maturity for the Series 2017 Bonds were as follows:

Year	Principal	Interest	Total
2021	\$ 440,945	\$ 206,079	\$ 647,024
2022	2,316,398	173,680	2,490,078
2023	2,371,430	118,598	2,490,028
2024	500,874	84,848	585,722
2025	512,644	72,940	585,584
2026-2030	2,749,689	176,038	2,925,727
2031	97,803	1,149	98,952
Total	\$ 8,989,783	\$ 833,332	\$ 9,823,115

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The changes in long-term debt are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Deferred Compensation	\$ 2,115,247	\$ 5,472	(138,875)	\$ 1,981,844	\$ 218,800
Revenue bonds	23,785,977	-	(2,252,328)	21,533,649	2,255,945
Total	\$ 25,901,224	\$ 5,472	\$ (2,391,203)	\$ 23,515,493	\$ 2,474,745

Component Unit – Urban Redevelopment Agency

During 2020, the City loaned the Urban Redevelopment Agency \$100,000 to fund the rehabilitation of single-family housing in downtown Newnan. Terms of the intergovernmental agreement require the repayment of loan upon the sale of the property. Any proceeds in excess of the sale will be maintained by the Agency to fund future projects. The loan is non-interest bearing. The changes in long-term debt are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
City of Newnan	\$ -	\$ 100,000	\$ -	\$ 100,000	\$ -

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.

CITY OF NEWNAN, GEORGIA

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The property tax calendar is as follows:

	Real/Personal Property <u>(Excluding Vehicles)</u>	<u>Motor Vehicles</u>
Assessment date	January 1	January 1
Levy date	August 20	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.

F. Tax Abatements

The City of Newnan negotiates property tax abatement agreements on an individual basis. The City has abatement agreements with the following entities as of December 31, 2020, all of which are healthcare facilities.

<u>Purpose</u>	<u>Agreement Date</u>	<u>2020 % Abated</u>
Healthcare Facility (New) ⁽¹⁾	5/7/2009	16% Real Property
Healthcare Facility (Expansion) ⁽²⁾	12/1/2014	58% Real Property
Healthcare Facility (New) ⁽³⁾	8/26/2014	38% Real Property

CITY OF NEWNAN, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
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⁽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, 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. 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.

CITY OF NEWNAN, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2020

⁽³⁾ The Newnan City Council, in partnership with Coweta County, the Coweta County Development Authority and the Board of Tax Assessors of Coweta County, entered into an economic development agreement with a healthcare facility in Coweta County. The agreement was executed in 2014 and includes the following: construction of a 50,000 square foot comprehensive inpatient rehabilitation hospital on 11.3 acres in Newnan, Georgia. The company will create 120 jobs within 10 years of commencement of operations. The company agrees to make a \$22,000,000 initial investment in the project. Considering the increase in employment opportunities and sales tax revenue, the City of Newnan, and its partners, agreed to the following incentives: expediting permitting, bond financing, property tax abatement. The project partners agreed to a ten year real property tax abatement schedule that includes 0% 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 37.5% of the funds collected. Tax receipts for the year were \$832,241. Of the current year expenditures \$60,415 was relative to capital improvements, \$208,973 for operating costs of the Newnan Convention Center and \$97,585 for Explore Newnan-Coweta, Inc.. As of December 31, 2020, the balance of funds not expended was \$276,809. 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 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

CITY OF NEWNAN, GEORGIA

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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.

The basis for estimating the liabilities for unpaid claims is "IBNR" or "incurred but not reported" established by an actuary. As of December 31, 2020, 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.

CITY OF NEWNAN, GEORGIA

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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 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	93
Inactive employees entitled to but not yet receiving benefits	67
Active employees	272

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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, 2020, the City reported a net pension liability. The net pension liability was measured as of March 31, 2020. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of July 1, 2020. An expected total pension liability as of March 31, 2020 was determined using standard roll-forward techniques.

For the year ended December 31, 2020, the City recognized pension expense relative to GMEBS in the amount of \$4,283,045. At December 31, 2020, the reported deferred outflows of resources and deferred inflows of resources related to the Pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,006,431	\$ -
Changes of assumptions	1,223,181	-
Net difference between projected and actual earnings on pension plan investments	2,393,415	-
Employer contributions subsequent to the measurement date	1,051,569	-
	<u>\$ 6,674,596</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

CITY OF NEWNAN, GEORGIA

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resources and deferred inflows of resources related to pensions will be recognized in the pension expense as follows:

<u>Year ended December 31:</u>	
2021	\$ 1,351,364
2022	1,472,156
2023	1,344,771
2024	1,029,481
2025	425,255

Actuarial Assumptions: The total pension liability as of December 31, 2020 was determined by an actuarial valuation as of July 1, 2020 using the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates:

Healthy retirees and beneficiaries – Sex-distinct Pri-2012 head-count weighted healthy retiree mortality table with rates multiplied by 1.25.

Disabled participants – Sex-distinct Pri-2012 head-count weighted disabled retiree mortality table with rates multiplied by 1.25.

Active participants, terminated vested participants, and deferred beneficiaries – Sex-distinct Pri-2012 head-count weighted employee mortality table.

The mortality tables (other than the one used for the plan termination basis) are adjusted from 2012 to future years using sex-distinct generational projection under scale SSA2019-2D to reflect expected mortality improvement.

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Net Pension Liability:

Changes in Net Pension Liability

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balances January 1, 2020	\$ 28,672,165	\$ 20,764,572	\$ 7,907,593
Changes for the year:			
Service cost	551,411	-	551,411
Interest	2,146,524	-	2,146,524
Difference between expected and actual experience	1,275,590	-	1,275,590
Contribution-employer	-	1,266,798	(1,266,798)
Net investment income	-	(1,463,582)	1,463,582
Benefit payments	(1,206,507)	(1,206,507)	-
Administrative expenses	-	(54,776)	54,776
Other	2,737,313	-	2,737,313
Net changes	<u>5,504,331</u>	<u>(1,458,067)</u>	<u>6,962,398</u>
Balance at December 31, 2020	<u>\$ 34,176,496</u>	<u>\$ 19,306,505</u>	<u>\$ 14,869,991</u>

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 \$14,617,201 and \$252,790, 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.

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NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

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, 2020 are summarized in the following table:

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 7.375%. 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 7.375%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.375%) or 1-percentage-point higher (8.375%) than the current rate:

	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
Sensitivity of the Net Pension Liability to changes in the discount rate	\$ 19,627,370	\$ 14,869,991	\$ 10,920,891

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.

CITY OF NEWNAN, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

The assumptions used in the July 1, 2020 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.
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	7.375%
Projected Salary Increases	2.25% plus service based merit increases
Cost of Living Adjustments	0.00%

Changes of assumptions:

Amounts reported for the fiscal year ending in 2020 and later reflect the following assumption changes based on an actuarial study conducted in November and December of 2019:

- The mortality table for healthy retirees and beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.
- The mortality table for disabled participants was changed from the sex-distinct RP-2000 Disabled Retiree Mortality Table to the sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.
- The mortality table for active participants, terminated vested participants, and deferred beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Employee Mortality Table.
- Future mortality improvement is based on projecting generationally from 2012 using 60% of the sex-distinct Scale SSA2019. Previously future mortality improvements were not explicitly projected.
- The prior retirement assumption was based on the Plan's normal retirement eligibility. If normal retirement eligibility was only available on or after age 65, the prior assumption was 60% at ages 65 to 69 and 100% at age 70 and older. If normal retirement eligibility was available prior to age 65, the rates were 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at age 70 and older as long as a participant was at least eligible for early retirement.

CITY OF NEWNAN, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

- The new assumption relates to when a given participant is eligible for normal retirement (either regular normal retirement or alternative normal retirement). Retirement rates do not apply if a participant is not eligible for either early or normal retirement. The retirement rates where normal retirement is available on or after age 65 are 5% at ages 55 to 59, 7% at ages 60 and 61, 20% at age 62, 10% at ages 63 and 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older.
- Where normal retirement is available to a given participant at age 62, 63, or 64, the new retirement rates are 3% when first eligible for early retirement through age 60, 10% at ages 61 to 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 30%.
- Where normal retirement is available at age 60 or 61, the new retirement rates are 3% when first eligible for early retirement through age 59, 10% at ages 60 to 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 20%.
- Where normal retirement is available prior to age 60, the new retirement rates are 3% when first eligible for early retirement through the year prior to normal retirement eligibility, 10% from normal retirement eligibility through age 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 10%.
- The turnover rates were changed from the greater of age-based rates and select rates for the first five years of service followed by age-based rates thereafter to service-based rates only.
- The disability rates were changed to 50% of the rates in the prior age-based table.
- The inflation assumption was decreased from 2.75% to 2.25%.
- The salary increase assumption was changed from a service-based salary scale starting at 8.25% for the first two years of service with an ultimate rate of 3.25% at ten years of service to a service-based scale starting at 8.50% for the first two years of service with an ultimate rate of 3.00% at 15 years of service.
- The investment return assumption was decreased from 7.50% to 7.375%.

Benefit Changes

Amounts reported for fiscal years ending in 2020 and later reflect that effective March 1, 2020, the Officials' benefit multiplier was increased from \$69 to \$95 and the 30-year cap on total credited service was removed.

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

CITY OF NEWNAN, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

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.

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

Internal Service Fund

Beginning in January 2021, the City elected to leave the Georgia Municipal Employees Benefit System (GMEBS) in an effort to obtain better, more affordable insurance coverage for its employees. The City contracted with CIGNA and Metropolitan Life to provide coverage for all employee health insurances, including optional insurances such as dental, vision, additional life, etc. Therefore, an internal service fund – Fund 601 Employee Group Insurances – was created to effectively monitor and maintain all costs associated with employee health, life and optional insurances, including COBRA, dental, vision and flexible spending accounts.

The fund receives revenues from employee withholdings and City contributions for employee health and basic life insurance, both of which are budgeted in the General and Sanitation Funds, in addition to COBRA payments. The City pays 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 90% of the cost of health insurance for employees choosing family coverage, along with 100% of their basic, spouse and child life insurance costs.

Other

The City has evaluated subsequent events through July 23, 2021, 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, 2020

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

	2020	2019	2018	2017	2016	2015
<i>Total Pension Liability</i>						
Service cost	\$ 551,411	\$ 452,206	\$ 471,446	\$ 401,175	\$ 404,718	\$ 421,030
Interest	2,146,524	1,983,417	1,800,719	1,588,662	1,486,432	1,428,183
Differences between expected and actual experience	1,275,590	797,280	1,078,922	167,523	201,802	349,394
Changes in benefit terms	-	-	-	-	-	-
Changes in assumptions	-	-	-	-	-	(701,214)
Other changes	2,737,313	-	399,742	1,412,078	-	-
Benefit payments, including refunds of employee contributions	(1,206,507)	(1,108,194)	(876,903)	(789,534)	(758,180)	(733,416)
Net change in total pension liability	5,504,331	2,124,709	2,873,926	2,779,904	1,334,772	763,977
Total pension liability - beginning	28,672,165	26,547,456	23,673,530	20,893,626	19,558,854	18,794,877
Total pension liability - ending	\$ 34,176,496	\$ 28,672,165	\$ 26,547,456	\$ 23,673,530	\$ 20,893,626	\$ 19,558,854
<i>Plan Fiduciary Net Position</i>						
Contributions - employer	\$ 1,266,798	\$ 1,068,451	\$ 897,255	\$ 844,941	\$ 901,568	\$ 934,855
Contributions - employee	-	-	-	-	-	-
Net investment income	(1,463,582)	726,921	2,229,592	2,004,621	50,727	1,383,645
Benefit payments, including refunds of employee contributions	(1,206,507)	(1,108,194)	(876,903)	(789,534)	(758,180)	(733,416)
Administrative expense	(54,776)	(47,331)	(45,704)	(46,562)	(34,735)	(31,914)
Other	-	-	-	-	-	-
Net change in fiduciary net position	(1,458,067)	639,847	2,204,240	2,013,466	159,380	1,553,170
Plan fiduciary net position - beginning	20,764,572	20,124,725	17,920,485	15,907,019	15,747,639	14,194,469
Plan fiduciary net position - ending	\$ 19,306,505	\$ 20,764,572	\$ 20,124,725	\$ 17,920,485	\$ 15,907,019	\$ 15,747,639
<i>Net Pension Liability</i>						
Net pension liability - ending	\$ 14,869,991	\$ 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	56.49%	72.42%	75.81%	75.70%	76.13%	80.51%
Covered payroll	13,327,970	12,644,996	11,019,866	10,770,659	\$ 10,607,616	\$ 9,970,405
Net pension liability as a percentage of covered payroll	111.57%	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, 2020

SCHEDULE OF CONTRIBUTIONS

	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 1,405,794	\$ 1,216,766	\$ 1,019,013	\$ 856,669	\$ 841,031	\$ 921,747
Contributions in relation to the actuarially determined contribution	\$ 1,405,794	\$ 1,216,766	\$ 1,019,013	\$ 856,669	\$ 841,031	\$ 922,797
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,050)
City's covered payroll	\$ 11,173,242	\$ 11,173,242	\$ 11,019,866	\$ 10,775,711	\$ 10,605,687	\$ 9,965,410
Contributions as a percentage of covered payroll	12.58%	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, 2020

Georgia Municipal Employee Benefit System

Changes of assumptions:

Amounts reported for the fiscal year ending in 2020 and later reflect the following assumption changes based on an actuarial study conducted in November and December of 2019:

- The mortality table for healthy retirees and beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.
- The mortality table for disabled participants was changed from the sex-distinct RP-2000 Disabled Retiree Mortality Table to the sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.
- The mortality table for active participants, terminated vested participants, and deferred beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex distinct Pri-2012 head-count weighted Employee Mortality Table.
- Future mortality improvement is based on projecting generationally from 2012 using 60% of the sex-distinct Scale SSA2019. Previously future mortality improvements were not explicitly projected.
- The prior retirement assumption was based on the Plan's normal retirement eligibility. If normal retirement eligibility was only available on or after age 65, the prior assumption was 60% at ages 65 to 69 and 100% at age 70 and older. If normal retirement eligibility was available prior to age 65, the rates were 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at age 70 and older as long as a participant was at least eligible for early retirement.
- The new assumption relates to when a given participant is eligible for normal retirement (either regular normal retirement or alternative normal retirement). Retirement rates do not apply if a participant is not eligible for either early or normal retirement. The retirement rates where normal retirement is available on or after age 65 are 5% at ages 55 to 59, 7% at ages 60 and 61, 20% at age 62, 10% at ages 63 and 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older.
- Where normal retirement is available to a given participant age 62, 63 or 64, the new retirement rates are 3% when first eligible for early retirement through age 60. 10% at ages 61 to 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, the first year a participant is eligible for normal retirement, the rate is increased by 30%.
- Where normal retirement is available at age 60 or 61, the new retirement rates are 3% when first eligible for early retirement through age 59, 10% at ages 60 to 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 20%.

CITY OF NEWNAN, GEORGIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020
(CONTINUED)

- When normal retirement is available prior to age 60, the new retirement rates are 3% when first eligible for early retirement through the year prior to normal retirement eligibility, 10% from normal retirement eligibility through age 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, the first year a participant is eligible for normal retirement, the rates is increased by 10%.
- The turnover rates were changed from the greater of age-based rate and selected rates for the first five years of service followed by the age-based rates thereafter to service-based rates only.
- The disability rates were changed to 50% of the rates in the prior age-based table.
- The inflation assumption was decreased from 2.75% to 2.25%.
- The salary increase assumption was changed from a service-based salary scale starting at 8.25% for the first two years of service with an ultimate rate of 3.25% at ten years of service to a service-based scale starting at 8.50% for the first two years of service with an ultimate rate of 3.00% at 15 years of service.
- The investment return assumption was decreased from 7.50% to 7.375%.

Benefit changes

Amounts reported for fiscal years ending in 2020 and later reflect that effective March 1, 2020, the Officials' benefit multiplier was increased from \$69 to \$95 and the 30-year cap on total credited service was removed.

Valuation date	The actuarially determined contribution was determined as of July 1, 2020, 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, 2021.
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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, 2020
(CONTINUED)

Actuarial Assumptions:

Net Investment Rate of Return	7.375%
Projected Salary Increases	2.25% 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 rate of 50% and age 66-71 rate of 25% and age 72 and over rate of 100%
Mortality	Healthy retirees and beneficiaries: Sex-distinct Pri-2012 head-count weighted healthy retiree mortality table with rates multiplied by 1.25. Disabled participants: Sex-distinct Pri-2012 head-count weighted disabled retiree mortality table with rates multiplied by 1.25. Active participants, terminated vested participants, and deferred beneficiaries: Sex-distinct Pri-2012 head-count weighted employee mortality table.
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.

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, 2020

	Special Revenue Funds					Capital Projects Funds			Total Nonmajor Governmental Funds
	Confiscated Assets	Miscellaneous Grants	Hotel/Motel Tourism	Rental Motor Vehicle Excise	Total	Street Improvement	Impact Fees	Total	
			Enhancement	Tax					
ASSETS									
Cash and cash equivalents	\$ 17,235	\$ 43,155	\$ -	\$ -	\$ 60,390	\$ -	\$ 1,609,209	\$ 1,609,209	\$ 1,669,599
Investments	51,779	-	181,642	34,760	268,181	641,532	-	641,532	909,713
Taxes receivable	-	-	128,106	8,376	136,482	-	-	-	136,482
Other receivables	1,237	-	-	-	1,237	-	-	-	1,237
Total assets	\$ 70,251	\$ 43,155	\$ 309,748	\$ 43,136	\$ 466,290	\$ 641,532	\$ 1,609,209	\$ 2,250,741	\$ 2,717,031
LIABILITIES									
Accounts payable	\$ -	\$ -	\$ 32,939	\$ 8,157	\$ 41,096	\$ -	\$ -	\$ -	\$ 41,096
Unearned revenue	-	43,155	-	-	43,155	-	-	-	43,155
Total liabilities	-	43,155	32,939	8,157	84,251	-	-	-	84,251
FUND BALANCES									
Restricted	70,251	-	276,809	34,979	382,039	-	1,609,209	1,609,209	1,991,248
Assigned	-	-	-	-	-	641,532	-	641,532	641,532
Total fund balances	70,251	-	276,809	34,979	382,039	641,532	1,609,209	2,250,741	2,632,780
TOTAL LIABILITIES AND FUND BALANCES	\$ 70,251	\$ 43,155	\$ 309,748	\$ 43,136	\$ 466,290	\$ 641,532	\$ 1,609,209	\$ 2,250,741	\$ 2,717,031

CITY OF NEWNAN, GEORGIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Special Revenue Funds					Capital Projects Funds			Total Nonmajor Governmental Funds
	Confiscated Assets	Miscellaneous Grants	Hotel/Motel Tourism	Rental Motor Vehicle Excise	Total	Street Improvement	Impact Fees	Total	
			Enhancement	Tax					
REVENUES									
Hotel/motel taxes	\$ -	\$ -	\$ 832,241	\$ -	\$ 832,241	\$ -	\$ -	\$ -	\$ 832,241
Court condemnations	63,335	-	-	-	63,335	-	-	-	63,335
Intergovernmental	-	32,677	-	-	32,677	826,231	-	826,231	858,908
Impact fees	-	-	-	-	-	-	369,968	369,968	369,968
Excise taxes	-	-	-	98,703	98,703	-	-	-	98,703
Other revenues	-	2,800	-	-	2,800	10,012	-	10,012	12,812
Investment earnings	471	-	1,024	312	1,807	3,484	3,639	7,123	8,930
Total revenues	63,806	35,477	833,265	99,015	1,031,563	839,727	373,607	1,213,334	2,244,897
EXPENDITURES									
Current									
General government	-	169	-	-	169	-	-	-	169
Tourism development	-	-	306,558	99,015	405,573	-	-	-	405,573
Public safety	97,793	32,508	-	-	130,301	-	2,782	2,782	133,083
Public works	-	-	-	-	-	617,746	304	618,050	618,050
Community development	-	2,800	-	-	2,800	-	-	-	2,800
Capital outlay	28,334	-	60,415	-	88,749	-	47,789	47,789	136,538
Total expenditures	126,127	35,477	366,973	99,015	627,592	617,746	50,875	668,621	1,296,213
Excess (deficiency) of revenues over (under) expenditures	(62,321)	-	466,292	-	403,971	221,981	322,732	544,713	948,684
Other financing sources (uses)									
Proceeds from sale of capital assets	1,351	-	-	-	1,351	-	180,000	180,000	181,351
Transfers out Hotel/Motel Fund	-	-	(312,091)	-	(312,091)	-	-	-	(312,091)
Total other financing sources (uses)	1,351	-	(312,091)	-	(310,740)	-	180,000	180,000	(130,740)
Net change in fund balances	(60,970)	-	154,201	-	93,231	221,981	502,732	724,713	817,944
Fund balances - beginning of year	131,221	-	122,608	34,979	288,808	419,551	1,106,477	1,526,028	1,814,836
Fund balances - end of year	\$ 70,251	\$ -	\$ 276,809	\$ 34,979	\$ 382,039	\$ 641,532	\$ 1,609,209	\$ 2,250,741	\$ 2,632,780

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, 2020

	Final Budget	Actual	Variance
REVENUES			
Court condemnations	\$ 79,800	\$ 63,335	\$ (16,465)
Investment earnings	2,605	471	(2,134)
Total Revenues	82,405	63,806	(18,599)
EXPENDITURES			
Current			
Law enforcement	102,732	97,793	4,939
Capital outlay	30,000	28,334	1,666
Total Expenditures	132,732	126,127	6,605
Net change in fund balance	(50,327)	(62,321)	(11,994)
Other Financing Source			
Proceeds from Sale of Capital Assets	-	1,351	1,351
Net change in fund balances	(50,327)	(60,970)	(10,643)
Fund balances - beginning of year	131,221	131,221	-
Fund balances - end of year	\$ 80,894	\$ 70,251	\$ (10,643)

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, 2020

	Final Budget	Actual	Variance
REVENUES			
Other revenues	\$ 81,500	\$ 2,800	\$ (78,700)
Intergovernmental	5,000	32,677	27,677
Total Revenues	86,500	35,477	(51,023)
EXPENDITURES			
Current			
General government	2,000	169	1,831
Community development	2,800	2,800	-
Public safety	59,835	32,508	27,327
Total Expenditures	64,635	35,477	29,158
Net change in fund balance	21,865	-	(21,865)
Fund balances - beginning of year	-	-	-
Fund balances - end of year	\$ 21,865	\$ -	\$ (21,865)

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, 2020

	Final Budget	Actual	Variance
REVENUES			
Hotel/motel taxes	\$ 1,168,000	\$ 832,241	\$ (335,759)
Investment earnings	5,000	1,024	(3,976)
Total Revenues	1,173,000	833,265	(339,735)
EXPENDITURES			
Current			
Tourism development	508,600	306,558	202,042
Capital Outlay	213,600	60,415	153,185
Total Expenditures	722,200	366,973	355,227
Excess (deficiency) of revenues over (under) expenditures	450,800	466,292	15,492
Other Financing Use			
Transfer out	(438,000)	(312,091)	125,909
Net change in fund balances	12,800	154,201	141,401
Fund balances - beginning of year	122,608	122,608	-
Fund balances - end of year	<u>\$ 135,408</u>	<u>\$ 276,809</u>	<u>\$ 141,401</u>

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, 2020

	Final Budget	Actual	Variance
REVENUES			
Excise tax	\$ 96,000	\$ 98,703	\$ 2,703
Investment earnings	1,000	312	(688)
Total Revenues	97,000	99,015	2,015
EXPENDITURES			
Current			
Tourism development	99,675	99,015	660
Total Expenditures	99,675	99,015	660
Net change in fund balances	(2,675)	-	2,675
Fund balances - beginning of year	34,979	34,979	-
Fund balances - end of year	<u>\$ 32,304</u>	<u>\$ 34,979</u>	<u>\$ 2,675</u>

CITY OF NEWNAN, GEORGIA

COMPONENT UNIT - NEWNAN CONVENTION CENTER AUTHORITY
 BALANCE SHEET
 DECEMBER 31, 2020

ASSETS

Cash and cash equivalents	\$ 415,014
Accounts receivable	1,553
Receivable - primary government	<u>41,076</u>
Total Assets	<u>\$ 457,643</u>

LIABILITIES AND FUND BALANCES

Accounts payable	\$ 3,962
Accrued expenses	4,695
Retainage payable	20,361
Customer deposits	<u>34,145</u>
Total Liabilities	<u>63,163</u>
Fund Balances:	
Unassigned	<u>394,480</u>
Total Fund Balances	<u>394,480</u>
Total Liabilities and Fund Balances	457,643

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	533,809
Accumulated depreciation	<u>(10,125)</u>

Total net position of governmental activities	<u>\$ 918,164</u>
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CITY OF NEWNAN, GEORGIA

COMPONENT UNIT - NEWNAN CONVENTION CENTER AUTHORITY
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED DECEMBER 31, 2020

REVENUES:

Intergovernmental	\$ 304,331
Rental	123,318
Miscellaneous revenues	218
Interest earnings	37
	<hr/>
Total Revenues	427,904
	<hr/>

EXPENDITURES:

Current:	
General government	519,476
	<hr/>
Total Expenditures	519,476
	<hr/>
Net change in fund balance	(91,572)
	<hr/>
Fund Balance -Beginning of year	486,052
	<hr/>
Fund Balance - End of year	394,480
	<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	9,849
Total depreciation expense	(2,028)
	<hr/>
	7,821

Change in Net Position of Governmental Activities.	\$ (83,751)
	<hr/> <hr/>

CITY OF NEWNAN, GEORGIA

COMPONENT UNIT - NEWNAN DOWNTOWN DEVELOPMENT AUTHORITY
BALANCE SHEET
DECEMBER 31, 2020

ASSETS

Cash and cash equivalents	\$ 121,302
Receivables	<u>1,104</u>
Total Assets	<u><u>\$ 122,406</u></u>

LIABILITIES AND FUND BALANCES

Accounts payable	<u>\$ 552</u>
Total Liabilities	<u>552</u>
Fund Balances:	
Unassigned	<u>121,854</u>
Total Fund Balances	<u>121,854</u>
Total Liabilities and Fund Balances	<u><u>\$ 122,406</u></u>

CITY OF NEWNAN, GEORGIA
 COMPONENT UNIT - NEWNAN DOWNTOWN DEVELOPMENT AUTHORITY
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED DECEMBER 31, 2020

REVENUES:

Intergovernmental revenues	\$ 1,000
Event income	13,974
Sponsorship income	1,000
Miscellaneous revenues	3,077
Interest earnings	405
	19,456
Total Revenues	19,456

EXPENDITURES:

Current:

Promotion	36,228
Total Expenditures	36,228

Net change in fund balances	(16,772)
Fund Balance - Beginning of year	138,626
Fund Balance - End of year	\$ 121,854

CITY OF NEWNAN, GEORGIA

COMPONENT UNIT - NEWNAN URBAN REDEVELOPMENT AGENCY
 BALANCE SHEET
 DECEMBER 31, 2020

ASSETS

Cash and cash equivalents	\$ 143,259
Assets held for resale	<u>38,500</u>
Total Assets	<u><u>\$ 181,759</u></u>

LIABILITIES AND FUND BALANCES

Accounts payable	<u>\$ -</u>
Total Liabilities	<u>-</u>
Fund Balances:	
Unassigned	<u>181,759</u>
Total Fund Balances	<u>181,759</u>
Total Liabilities and Fund Balances	181,759

Amounts reported for governmental activities in the statement of net position are different because:
 Long-term liabilities are not due and payable in the current period and, therefore are not reported 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:

Note Payable	<u>(100,000)</u>
Total net position of governmental activities	<u><u>\$ 81,759</u></u>

CITY OF NEWNAN, GEORGIA
 COMPONENT UNIT - NEWNAN URBAN REDEVELOPMENT AGENCY
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED DECEMBER 31, 2020

REVENUES:

Miscellaneous revenues	\$ 47,961
Total Revenues	47,961

EXPENDITURES:

Current:	
Promotion	4,702
Total Expenditures	4,702

Excess (deficiency) of revenues over (under) expenditures	43,259
--	--------

OTHER FINANCING SOURCES (USES)

Capital contribution	38,500
Loan proceeds	100,000
Total other financing sources (uses)	138,500
Net change in fund balances	181,759
Fund Balance - Beginning of year	-
Fund Balance - End of year	181,759

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

Under the modified accrual basis of accounting in governmental funds, revenues are not recognized for proceeds received relative to long-term debt.

In the Statement of Activities, however, which is presented on the accrual basis, note proceeds and liabilities are reported regardless of when financial resources are available. The adjustments for these items are as follows:

Note Proceeds	(100,000)
---------------	-----------

Change in Net Position of Governmental Activities.	\$ 81,759
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CITY OF NEWNAN, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS (2013)
FOR THE YEAR ENDED DECEMBER 31, 2020

Project	Expenditures				
	Original Estimated Cost	Current Estimated Costs	Prior Years	Current Year	Total
Streets, drainage, sidewalks, and equipment	\$ 15,207,600	\$ 15,207,600	\$ 11,828,584	\$ 755,761 *	\$ 12,584,345
Public safety	10,450,000	10,450,000	11,037,222	-	11,037,222
Parks and recreation	1,500,000	1,500,000	2,154,455	-	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>\$ 30,457,482</u>	<u>\$ 755,761</u>	<u>\$ 31,213,243</u>
Total expenditures per financial statements				\$ 1,079,281	
Less: GA DOT Reimbursement				(323,520)	
Total SPLOST CY expenditure above				<u>\$ 755,761</u>	

CITY OF NEWNAN, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS (2019)
FOR THE YEAR ENDED DECEMBER 31, 2020

Project	Expenditures				
	Original Estimated Cost	Current Estimated Costs	Prior Years	Current Year	Total
Public Safety	\$ 3,250,000	\$ 3,250,000	\$ -	\$ 575,921	\$ 575,921
Information Systems	193,469	193,469	29,018	4,490	33,508
Parks and Recreation	14,000,000	14,000,000	863,790	5,120,113	5,983,903
Streets, Drains & Sidewalks & Equipment	15,001,193	15,001,193	546,463	1,637,648	2,184,111
Transfer to Water, Light & Sewerage	3,604,830	3,604,830	655,086	754,684	1,409,770
	<u>\$ 36,049,492</u>	<u>\$ 36,049,492</u>	<u>\$ 2,094,357</u>	<u>\$ 8,092,856</u>	<u>\$ 10,187,213</u>
Total expenditures per financial Statements				\$ 8,134,654	
Less: Newnan Utilities reimbursement				(41,798)	
Total SPLOST current year expenditures above				<u>\$ 8,092,856</u>	

* During 2020, the City received reimbursement from Newnan Utilities for the CJ Smith Park Improvements project in the amount of \$41,798 for cost incurred on their behalf.
The schedule has been adjusted for these costs.

CITY OF NEWNAN, GEORGIA

SCHEDULE OF PROJECT EXPENDITURES WITH
RENTAL MOTOR VEHICLE EXCISE TAX REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2020

Project	Current Expenditures
Tourism	
Operation of Convention Center	99,015
	<u>99,015</u>
	<u>\$ 99,015</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.	112-118
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.	119-126
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.	127-128
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.	129-131
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.	132-133

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
GOVERNMENTAL ACTIVITIES										
Net investment in capital assets	\$ 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	\$ 153,344,670
Restricted	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	9,215,743
Unrestricted	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	22,829,604
Total governmental activities net position	\$ 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	\$ 185,390,017
BUSINESS-TYPE ACTIVITIES										
Net investment in capital assets	\$ -	\$ -	\$ 82,734	\$ 59,779	\$ 41,736	\$ 197,313	\$ 214,951	\$ 303,756	\$ 423,936	\$ 337,731
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	236,457	348,838	455,306	493,025	532,533	532,867	483,928	371,744
Total business-type activities net position	\$ -	\$ -	\$ 319,190	\$ 408,617	\$ 497,042	\$ 690,338	\$ 747,484	\$ 836,623	\$ 907,864	\$ 709,475
TOTAL PRIMARY GOVERNMENT										
Net investment in capital assets	\$ 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	\$ 153,682,401
Restricted	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	9,215,743
Unrestricted	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	23,201,348
Total primary government net position	\$ 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	\$ 186,099,492
CHANGE IN NET POSITION										
Governmental activities	\$ 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	\$ 6,681,422
Business-type activities	-	-	319,190	89,427	165,347	193,296	57,146	89,139	71,241	(198,389)
Total primary government	\$ 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	\$ 6,483,033

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
CHANGES IN NET POSITION, LAST TEN CALENDAR YEARS
(accrual basis of accounting)

	Calendar Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses:										
Governmental activities:										
General Government	\$ 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	\$ 5,419,907
Community Development	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	5,030,658
Public Safety	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	18,054,308
Public Works	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	9,367,433
Tourism Development	2,588	121,726	248,989	322,479	376,488	383,577	481,142	393,082	384,299	464,663
Other Services	-	-	146	-	-	-	-	-	-	-
Total governmental activities expenses	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	38,336,969
Business-type activities:										
Sanitation - Brush & Bulk	-	-	398,955	467,952	446,366	481,189	608,498	873,756	923,052	1,102,670
Total business-type activities expenses	-	-	398,955	467,952	446,366	481,189	608,498	873,756	923,052	1,102,670
Total primary government expenses	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	39,439,639
Program Revenues:										
Governmental activities:										
Charges for Services										
General Government	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	2,184,981
Tourism Development	29,537	31,245	36,474	-	-	-	-	-	-	-
Public Safety	850,972	725,106	835,395	921,592	877,744	901,445	837,354	1,021,661	1,377,187	937,105
Public Works	-	-	74,450	-	-	-	-	-	200,438	200,438
Community Development	335,381	531,393	663,990	584,997	788,927	759,001	723,182	1,066,616	1,075,409	614,525
Total charges for services	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	3,937,049
Operating grants and contributions	-	25,000	25,000	25,000	25,000	25,000	25,000	25,000	60,000	3,888,880
Capital grants and contributions	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	11,325,492
Total governmental activities program revenues	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	19,151,421
Business-type activities:										
Charges for Services										
Sanitation - Brush & Bulk	-	-	439,606	557,079	611,083	637,487	660,612	765,791	782,104	760,145
Total Charges for Services	-	-	439,606	557,079	611,083	637,487	660,612	765,791	782,104	760,145
Operating grants and contributions	-	-	-	-	-	-	-	38,658	-	1,362
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities expenses	-	-	439,606	557,079	611,083	637,487	660,612	804,449	782,104	761,507
Total primary government program revenues	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	19,912,928
Net (Expenses)/Revenue										
Governmental activities	(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)	(19,185,548)
Business-type activities	-	-	-	-	-	-	-	-	-	-
Business-type activities	-	-	40,651	89,127	164,717	156,298	52,114	(69,307)	(140,948)	(341,163)
Total primary government net (expense)/revenue	\$ (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)	\$ (19,526,711)

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

	Calendar Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Revenue and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property Taxes	\$ 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	\$ 6,218,560
Motor Vehicle Taxes (Ad Valorem & TAVT)	273,376	300,866	1,094,431	1,275,827	1,274,622	972,605	1,098,312	1,407,361	1,298,639	1,162,671
Sales Taxes	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	9,130,645
Occupational Taxes	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	3,192,890
Franchise Taxes	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	1,536,391
Insurance Premium Taxes	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	2,642,649
Hotel Motel Taxes	253,718	283,321	337,102	384,002	589,378	582,222	716,575	717,630	678,977	832,241
Alcoholic Beverage Taxes	757,381	822,432	812,992	856,438	881,758	889,718	880,578	881,540	896,012	936,460
Other Taxes	125,950	101,620	123,094	114,835	106,096	106,400	108,194	113,861	119,432	108,774
Interest Revenue	26,179	29,369	30,481	30,104	36,852	49,770	66,700	143,906	287,579	245,689
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Gain on Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
Special items - Dissolution of	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Sanitation Fund	-	-	-	-	-	-	-	-	-	-
Gain/(Loss) on Sale of Assets	-	-	-	6,360	(19,468,959)	-	-	-	-	-
Transfer	-	-	(196,016)	-	-	(35,000)	-	(150,000)	(200,000)	(140,000)
Contributed Capital	-	-	(82,411)	-	-	-	-	-	-	-
Total governmental activities	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	25,866,970
Business-type activities:										
Unrestricted Investment Earnings	-	-	112	300	630	1,998	5,032	8,446	12,189	2,774
Transfers	-	-	196,016	-	-	-	-	150,000	200,000	140,000
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	142,774
Total Primary Government	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	26,009,744
Change in Net Position										
Governmental Activities	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	6,681,422
Business-type Activities	-	-	319,190	89,427	165,347	193,296	57,146	89,139	71,241	(198,389)
Total Primary Government	\$ 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	\$ 6,483,033

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
PROGRAM REVENUES BY FUNCTION/PROGRAM
Last Ten Calendar Years
(accrual basis of accounting)

Function/Program	Calendar Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
General Government	\$ 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	\$ 3,240,513
Community Development	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	3,716,150
Public Safety	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	4,407,180
Public Works	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	7,762,578
Tourist Development	29,537	56,245	226,474	25,000	35,500	26,605	27,148	28,422	28,422	25,000
Other Services	-	-	-	-	-	-	-	-	-	-
Subtotal governmental activities	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	19,151,421
Business-type activities:										
Sanitation - Brush & Bulk	-	-	439,606	557,079	611,083	637,487	660,612	804,449	782,104	761,507
Subtotal business-type activities	-	-	439,606	557,079	611,083	637,487	660,612	804,449	782,104	761,507
Total primary government	\$ 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	\$ 19,912,928

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable ^(a)	3,378	6,647	16,728	3,027,727	2,284,814	1,543,948	791,483	37,853	36,525	1,000,889
Restricted ^(b)	51,645	61,140	137,715	33,670	30,404	15,470	94,240	44,518	11,787	1,696,001
Assigned	567,919	548,916	385,070	395,476	449,037	704,848	607,010	980,365	522,997	463,372
Committed	-	-	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	29,576,015
Subtotal General Fund	\$ 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	\$ 32,736,277
General Fund Percentage Change	18.0%	8.7%	11.6%	8.8%	4.6%	0.1%	-0.4%	7.4%	9.8%	14.9%
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved:										
Special Revenue Funds	-	-	-	-	-	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted:										
Special Revenue Funds	1,938,745	1,720,349	417,634	361,748	256,544	348,155	246,629	277,882	288,807	382,040
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	7,137,703
Assigned ^(e)	406,878	443,409	342,590	374,027	618,489	407,660	568,264	398,012	419,551	641,532
Unassigned	-	-	-	(1,345,488)	(425,416)	-	-	-	-	-
Subtotal all Other Governmental Funds	\$ 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	\$ 8,161,275
All Other Governmental Funds Percentage Change	-5.6%	0.3%	-0.1%	-43.9%	-32.4%	8.3%	38.9%	-7.9%	-2.7%	-5.3%
Total Fund Balances	\$ 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	\$ 40,897,551

- (a) Nonspendable fund balance increased by \$964,364 due to prepayments for group health at the end of 2020 (\$701,666), a NURA loan (Note Receivable - \$100,000) and prepaid expenses totaling \$150,000 at YE.
- (b) The increase in restricted fund balance was due to a reserve established for a new pickleball facility in the amount of \$1,698,214.
- (c) Current year operations increased unassigned fund balance by about \$4.3 million for 2020; this was offset by the increases in nonspendable and restricted funds in (a) and (b) above.
- (d) SPLOST 2013 fund balance decreased by \$527,350 and SPLOST 2019 fund balance decreased by \$743,691; these reductions were offset by the increase in fund balance for Impact Fees totaling \$550,732.
- (e) Assigned fund balance increased by about \$222,000 at YE due to the increase in the Street Improvements fund balance related to prefunding of LMIG projects by the Georgia Department of Transportation.

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

	Calendar Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes:										
Alcohol Beverage Taxes	\$ 757,381	\$ 822,432	\$ 812,992	\$ 856,438	\$ 881,758	\$ 889,718	\$ 880,578	\$ 881,540	\$ 896,012	\$ 936,460
Excise (Franchise) Taxes	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	1,536,391
Hotel/Motel Taxes	253,718	283,321	337,102	384,002	589,378	582,222	716,575	717,630	678,977	832,241
Insurance Premium Taxes	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	2,642,649
Motor Vehicles ⁽¹⁾	273,376	300,866	1,094,431	1,275,827	1,274,622	972,605	1,098,312	1,407,361	1,298,639	1,162,671
Occupational Taxes	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	3,192,890
Other Taxes	49,162	34,289	47,224	35,269	15,546	19,268	15,403	12,288	15,624	10,071
Property Taxes	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	6,194,387
Rental Motor Vehicle Taxes	76,788	67,331	75,870	79,566	90,550	87,132	92,791	101,573	103,808	98,703
Sales Taxes	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	9,130,645
Court Condemnations	179,123	56,105	149,347	175,491	42,591	146,193	57,851	141,770	55,904	63,335
Fines and Forfeitures	575,724	666,838	684,937	746,101	581,587	552,137	558,138	598,182	715,002	618,957
Grants/Private Donations	-	-	-	-	-	-	15,000	-	-	-
Impact Fees	146,934	519,587	654,801	416,212	686,989	414,624	474,585	930,683	963,287	369,968
Intergovernmental	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	11,906,879
Intergovernmental - Utility	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	1,782,475
Investment Earnings	44,246	48,873	45,354	39,540	47,045	60,823	79,241	159,083	324,015	276,427
Alcohol Licenses	176,845	174,500	174,899	211,210	185,210	185,285	184,810	196,025	205,660	133,885
Other Revenues	272,389	347,561	477,217	582,522	532,239	637,998	634,327	489,755	727,106	473,812
Donations	-	-	4,100,000	-	-	-	-	-	-	-
Program Revenue	30,925	17,711	69,126	74,577	109,377	22,405	-	89,312	8,554	15,224
Permits & Inspections	335,381	356,893	663,990	584,995	788,927	758,926	723,182	1,055,401	1,030,070	562,516
Total Revenues	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	41,940,586
Expenditures										
General government	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	4,276,137
Community Development	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	4,008,265
Public Safety	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	16,005,018
Public Works	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	5,538,799
Tourist Development	2,588	121,726	248,989	322,479	387,481	381,534	453,065	392,390	378,999	405,573
Debt Service:										
Interest	-	-	146	-	-	-	-	-	-	-
Intergovernmental	747,955	773,986	805,491	838,325	8,967,575	1,705,249	1,999,280	2,212,672	655,086	754,684
Capital Outlay	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	7,389,327
Total Expenditures	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	38,377,803
Excess of revenues over (under) expenditures	\$ 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	\$ 3,562,783

(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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Other Financing Sources (Uses)										
Transfers from other Funds	\$ 500,704	\$ 169,992	\$ 420,379	\$ 76,800	\$ 680,640	\$ 366,111	\$ 583,287	\$ 655,578	\$ 1,004,614	\$ 312,091
Performance Bond Damages Recovered	-	627,748	165,000	-	-	-	-	-	-	-
Transfers to other Funds	(500,704)	(169,992)	(616,395)	(76,800)	(680,640)	(401,111)	(583,287)	(805,578)	(1,204,614)	(452,091)
Insurance recoveries	-	-	-	-	23,654	51,195	77,888	73,879	58,124	181,002
Sale of Capital Assets	12,242	38,316	27,934	29,317	5,057,941	12,436	27,930	3,900	14,318	195,412
Capital Leases	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	12,242	666,064	(3,082)	29,317	5,081,595	28,631	105,818	(72,221)	(127,558)	236,414
Net Change in Fund Balances	\$ 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	\$ 3,799,197
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)

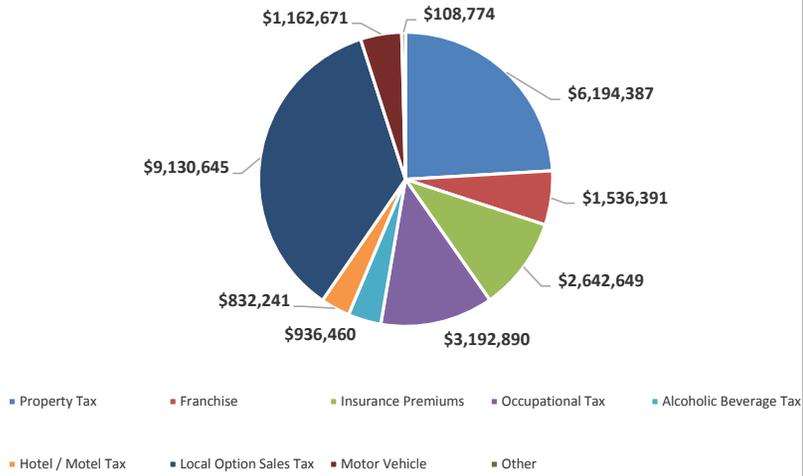
Calendar Year	General Property ⁽²⁾	Franchise	Insurance Premium ⁽²⁾	Occupational Taxes ⁽²⁾	Alcoholic Beverage	Hotel / Motel ⁽¹⁾	Local Option Sales Tax ⁽²⁾	Motor Vehicle ⁽³⁾	Other	Total
2011	4,342,139	1,449,554	1,549,668	1,684,129	757,381	253,718	4,367,306	273,376	125,950	14,803,221
2012	4,069,084	1,380,171	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
2020	6,194,387	1,536,391	2,642,649	3,192,890	936,460	832,241	9,130,645	1,162,671	108,774	25,737,108
% Change 2019-2020	4.0%	-2.4%	5.5%	5.3%	4.5%	22.6%	15.0%	-10.5%	-8.9%	7.2%

⁽¹⁾ Hotel/Motel taxes increased by about 22.6% for 2020. The tax rate increased from 5% to 8% in 2020 and one new hotel was added.

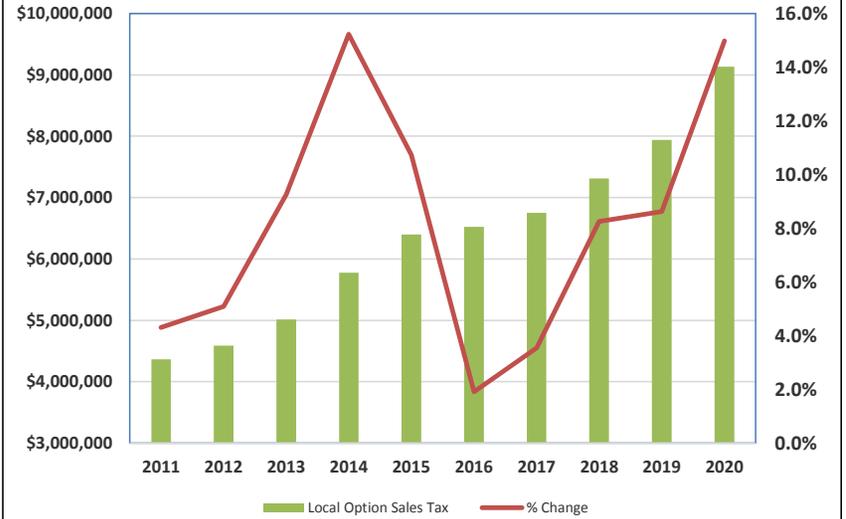
⁽²⁾ The increase in property taxes, insurance premiums, occupational taxes and local option sales tax is primarily attributed to the growth in population and new businesses in Newnan.

⁽³⁾ The decline in motor vehicle taxes has been consistent since 2018, due to the changes in distribution of the taxes by the State of Georgia.

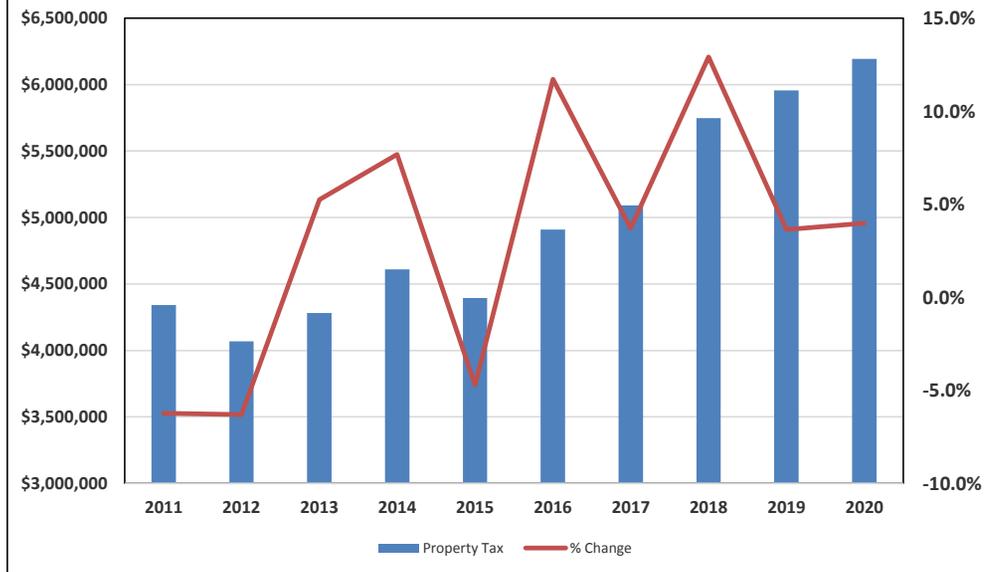
2020 Governmental Tax Revenues by Source



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
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%
2020	1,549,145,348	117,612,191	-	1,666,757,539	3.64	4,166,893,844	40.00%
10-Yr Average	\$ 1,138,247,927	\$ 103,095,000		\$ 1,187,939,432	4.09	\$ 3,028,761,546	39.02%
10-Yr % Change	72.0%	28.1%		80.0%	-17.0%	67.0%	

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
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
2020	3.64	0.00	3.64	0.00	6.54	17.30	-	27.48

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	2011			2020		
	Taxable Assessed Value	Rank	Percentage of Total City Tax Levy	Taxable Assessed Value	Rank	Percentage of Total City Tax Levy
Coweta County Development Authority				73,949,473	1	4.44%
Ashley Park Property Owner LLC				22,685,844	2	1.36%
Ashley Park Blvd Owner LLC				20,652,951	3	1.24%
Progress Residential				18,441,392	4	1.11%
VR Newnan Holdings Limited Partnership				15,476,193	5	0.93%
RPAI Newnan Crossing LLC				14,545,224	6	0.87%
Bon L Manufacturing	9,037,050	4	0.91%	14,336,088	7	0.86%
Stillwood Farms Venture	6,784,077	9	0.68%	9,991,279	8	0.60%
WPRE 1 Calumet LLC	8,849,380	5	0.89%	9,644,636	9	0.58%
NGI-BCDC POH Newnan LLC				9,547,719	10	0.57%
Fourth Quarter Properties	33,168,507	1	3.32%			
Inland Southeast Newnan LLC	14,992,680	2	1.50%			
EGO Products	11,695,016	3	1.17%			
Wal-Mart	8,245,754	6	0.83%			
HC Cable (NuLink)	7,469,734	7	0.75%			
Newnan Development Partners	7,206,900	8	0.72%			
BellSouth Telecommunications	5,995,787	10	0.60%			
Total	\$ 113,444,885		11.37%	\$ 209,270,799		12.56%

Source: Coweta County Tax Commissioner

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

Year	Taxes Levied for the Calendar Year	Collected within the Calendar Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	4,339,097	4,004,319	92.28%	334,778	4,339,097	100.00%
2012	4,048,446	3,758,537	92.84%	289,909	4,048,446	100.00%
2013	4,091,767	3,867,771	94.53%	223,996	4,091,767	100.00%
2014	4,479,867	4,289,462	95.75%	190,405	4,479,867	100.00%
2015	4,516,086	4,330,231	95.88%	184,220	4,514,451	99.96%
2016	4,849,059	4,690,676	96.73%	156,821	4,847,497	99.97%
2017	5,025,648	4,880,179	97.11%	142,865	5,023,045	99.95%
2018	5,629,798	5,532,347	98.27%	94,966	5,627,313	99.96%
2019	5,843,301	5,755,342	98.49%	70,171	5,825,512	99.70%
2020	6,071,998	5,946,931	97.94%	-	5,946,931	97.94%

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>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>	<u>2020</u>
Accommodations	\$ 108,870	\$ 112,012	\$ 113,493	\$ 130,415	\$ 167,258	\$ 187,616	\$ 224,331	\$ 241,429	\$ 243,253	\$ 190,196
Automotive	2,136,427	2,262,067	1,072,920	442,597	479,336	561,385	596,564	637,483	874,657	966,018
Construction	102,177	84,101	61,131	140,787	112,887	108,889	126,222	141,462	164,474	175,932
Food	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	4,833,302
General	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	5,039,688
Home	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	2,386,763
Manufacturing	772,057	866,136	811,622	949,342	1,093,488	1,102,711	1,169,687	1,413,059	1,374,074	1,603,608
Miscellaneous Services	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	2,206,837
Other Retail	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	5,366,613
Other Services	357,111	434,245	373,192	353,686	333,449	409,914	951,097	1,038,112	1,100,256	1,167,513
Utilities	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	2,028,043
Wholesale	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	3,194,528
Total	<u>\$ 19,693,940</u>	<u>\$ 20,624,467</u>	<u>\$ 19,520,110</u>	<u>\$ 20,059,591</u>	<u>\$ 20,607,420</u>	<u>\$ 20,819,837</u>	<u>\$ 21,582,085</u>	<u>\$ 23,227,549</u>	<u>\$ 25,199,634</u>	<u>\$ 29,159,043</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**

Calendar Year	City Direct Rate	Coweta County
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%
2020	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, 2020

<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	\$ -	
Overlapping		
General Obligation Debt:		
City of Newnan ⁽¹⁾	\$ 175,365,197	100%
Total Overlapping Debt	175,365,197	100%
Total Direct and Overlapping Debt	\$ 175,365,197	

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net Assessed Value	\$ 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	\$ 1,694,291,927
Debt Limit - 10% of Assessed Value	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	169,429,193
Debt Applicable to Debt Limit:										
General obligation bonds	-	-	-	-	-	-	-	-	-	-
Net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ 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	\$ 169,429,193
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}
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%
2020	41,628	1,319,150	31,689	38.7	22,216	3.5%

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

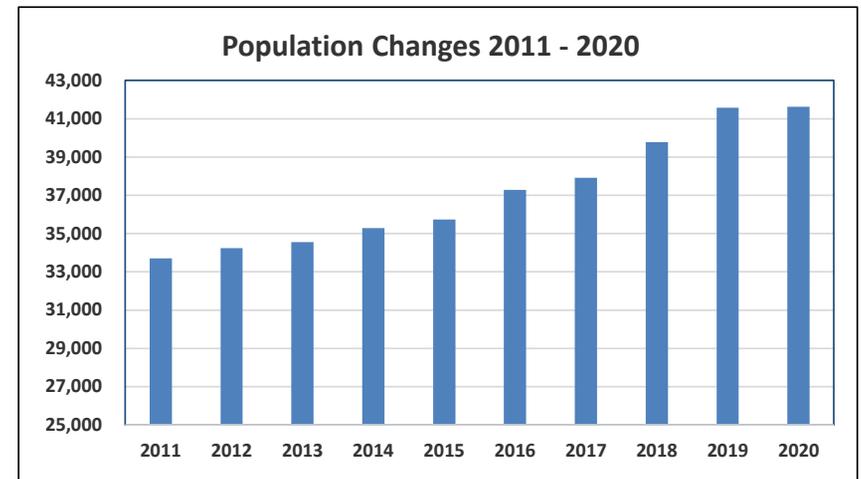
³ US Census - American Community Survey 5-year Estimate

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	2011			2020		
		Employees	Rank	Percentage of Major County Employers	Employees	Rank	Percentage of Major County Employers
Coweta County School System	Education	3,154	1	5.34%	3,310	1	4.79%
Amazon	Distribution				2,400	2	3.48%
Piedmont Newnan Hospital	Healthcare	830	4	1.40%	1,450	3	2.10%
Yamaha Motor Manufacturing	Manufacturing	1,100	2	1.86%	1,300	4	1.88%
Cancer Treatment Centers of America	Healthcare				978	5	1.42%
Coweta County, Georgia	Government	859	3	1.45%	887	6	1.28%
Pet Smart Distribution Center	Retail Distribution	525	6	0.89%	560	7	0.81%
Bon-L Manufacturing	Manufacturing	300	10	0.51%	460	8	0.67%
Cargill Meat Solutions	Packaging	372	7	0.63%	417	9	0.60%
Elite Comfort Solution	Manufacturing				400	10	0.58%
Yokogawa Corporation	Manufacturing	320	9	0.54%			
Newnan Wal-Mart	Retailer	540	5	0.91%			
Georgia Power - Plant Yates	Utilities	350	8	0.59%			
Total Principal Employers		8,350		14.13%	12,162		17.61%
City of Newnan, Georgia	Government	221		0.37%	278		0.40%
All other employers		50,540		85.50%	56,616		81.99%
Total Labor Force		59,111		100.00%	69,056		100.00%
	City Unemployment Rate		9.70%		3.5%		
	County Unemployment Rate		9.30%		6.0%		
	Georgia Unemployment Rate		8.90%		14.7%		
	US Unemployment Rate		8.90%		14.7%		

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). The COVID pandemic drastically impacted the US unemployment rate at the end of 2020.

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

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
City Manager	2	2	4	5	5	6	6	6	6	6
City Attorney	1	1	0	0	0	0	0	0	0	0
Administrative										
Finance	5	5	5	6	6	6	6	6	6	6
City Clerk	1	1	1	0	0	0	0	0	0	0
Human Resources	2	2	2	2	2	2	2	3	3	3
Information Technology	1	1	2	2	3	3	3	3	3	3
Public Information	1	1	0	0	0	0	0	0	0	0
Facilities Maintenance	3	2	2	2	3	3	3	3	3	3
Public Safety										
Police										
Officers ⁽¹⁾	75	75	77	78	80	82	84	84	84	86
Civilians	6	6	6	6	6	6	6	6	7	7
Administrative	4	4	4	4	5	5	5	5	5	5
Municipal Court ⁽¹⁾	1	1	1	1	1	1	1	1	1	2
Fire Department										
Firefighters ⁽¹⁾	50	50	51	53	54	56	56	57	63	64
Administrative	1	1	1	1	1	1	1	1	1	1
Community Development										
Administration	0	0	0	0	0	0	0	0	0	0
Planning & Zoning	3	4	4	4	4	4	5	5	5	5
Parks & ROW Beautification	14	14	14	14	14	16	16	16	18	18
Building Inspection ⁽²⁾	8	8	9	10	10	10	10	10	11	10
Public Works										
Administration	2	3	3	3	3	3	3	3	3	3
Streets ⁽¹⁾	20	20	19	19	19	19	19	19	19	23
Garage	6	6	6	6	6	6	6	6	6	6
Cemetery	8	8	8	8	8	8	8	8	8	8
Engineering	3	2	2	2	3	3	3	3	3	3
Other Services										
Carnegie Building	2	1	1	1	2	2	2	2	2	2
Business Development & Main Special Events	2	3	3	3	3	3	2	2	3	3
Leisure Services ⁽¹⁾	0	0	0	0	0	0	0	1	2	3
Sanitation	0	0	4	4	4	4	4	7	8	8
Total Full-Time Employees	221	221	229	234	242	249	251	257	270	278

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⁾ Two additional officers were added in the Police department; one additional clerk was added for Municipal Court; one additional firefighter was added; four additional positions were added in the Street department and one additional position was added in Leisure Services.

⁽²⁾ One position was eliminated in the Building Inspection department.

Total net change from 2019 to 2020 was 8 positions.

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

Function/Program	Calendar Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Occupational Tax Certificates Maintained	1,890	1,687	1,755	1,740	1,855	1,842	1,814	1,834	1,965	1,829
Alcohol Licenses Issued	102	99	102	103	101	98	96	101	103	106
Community Development										
Building Permits Issued - Commercial	32	42	57	45	65	87	85	203	189	75
Building Permits Issued - Residential	88	159	263	268	321	352	313	335	353	177
Police										
Physical Arrests	1,508	1,313	1,420	1,536	1,307	1,114	1,237	1,383	1,396	1,205
Parking Violations	375	143	127	265	214	141	196	107	33	35
Traffic Violations	5,379	7,383	9,297	9,200	5,096	4,865	6,710	6,913	6,984	9,905
Fire										
Emergency Responses	3,715	4,013	4,045	4,350	4,489	4,806	5,050	3,297	3,239	3,175
Fires Extinguished	137	111	100	83	90	128	77	83	91	19
Public Works										
Streets Resurfaced (Miles)										
Full Depth Reclamation (FDR)	0.0000	0.6570	0.0000	1.2100	1.7238	0.0000	0.0000	0.0000	0.0000	1.4560
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	7.3140	2.7900	2.6200	0.0000	3.9600	3.1000	3.0000	2.8000
Other Resurfacing	2.3700	1.5470	0.0000	0.0000	0.2557	0.0000	0.0000	0.9300	1.8700	0.0000

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety										
Police										
Stations	3	3	4	4	1	1	1	1	1	1
Patrol Cars	68	74	81	85	88	90	118	126	129	128
Fire										
Stations	3	3	3	3	3	3	3	3	4	4
Trucks	6	6	12	14	14	14	16	16	19	21
Fire Hydrants	2,010	2,040	2,043	2,063	2,058	2,076	1,905	2,112	2,112	2,153
Community Development										
Recreation										
Community Centers	0	0	0	0	0	0	1	1	1	1
Parks	10	10	10	10	10	10	10	10	11	11
Park Acreage	33	33	33	33	33	33	33	33	39	39
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Tennis Courts	4	4	0	0	0	0	0	0	0	0
Planning										
Streets										
Streets (miles)	176	169	169	170	172	172	174	175	176	234
Sidewalks (miles)	163	166	166	166	170	171	174	176	178	181
Number of Streets	620	639	639	641	649	651	662	669	677	709
New Sidewalk Construction (LF)	3,616	724	0	2,297	12,240	14,490	17,318	25,873	40,042	15,477

Source: Various City departments and Newnan Utilities

SINGLE AUDIT SECTION

CITY OF NEWNAN, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

Federal/Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<u>U.S. Department of Treasury</u>				
Passed through State of Georgia - Governor's OPB CARES Act Grant -COVID 19	21.019	14496-CRF	\$ -	\$ 2,176,669
Total Pass-through Programs			-	2,176,669
Total U.S Department of Treasury				2,176,669
<u>Department of Transportation</u>				
Passed through from Georgia Department of Transportation:				
Surface Transportation Block Grant	20.205	0016052/1300160521L23R	-	311,082
Surface Transportation Block Grant	20.205	13001505433CO	-	12,438
Subtotal for CFDA 20.205 Highway Planning and Construction Cluster			-	323,520
Total Pass-through Programs			-	323,520
Total U.S. Department of Transportation			-	323,520
<u>U.S. Department of Justice</u>				
Direct Programs				
Federal Forfeiture Program	16.922		-	114,471
CARES CESF Grant	16.034		-	12,508
Police Vest Grant	16.607		-	6,354
Total Direct Programs			-	133,333
Total U.S. Department of Justice			-	133,333
<u>U.S. Department of Homeland Security</u>				
Passed through Georgia Emergency Management Agency Georgia Office of Homeland Security	97.036	FEMA-4338-DR-GA	-	52,953
Total Pass-through Programs			-	52,953
Total U.S. Department of Homeland Security			-	52,953
Total Expenditures of Federal Awards			\$ -	\$ 2,686,475

See accompanying notes to schedule of expenditures of federal awards

CITY OF NEWNAN, GEORGIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of City of Newnan, Georgia under programs of the federal government for the year ended December 31, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of City of Newnan, Georgia, it is not intended to and does not present the financial position, changes in net position or cash flows of City of Newnan, Georgia.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 – INDIRECT COST RATE

City of Newnan, Georgia has elected not to use the 10 – percent de minimis indirect cost rate allowed under the Uniform Guidance.

CITY OF NEWNAN, GEORGIA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

FINANCIAL STATEMENT FINDINGS

NONE REPORTED

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE REPORTED

**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 the 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, 2020, 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, 2021. 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) as a basis for designing 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

A handwritten signature in black ink, appearing to read "Charles H. Prime". The signature is written in a cursive, flowing style.

Macon, Georgia
July 23, 2021

**INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT
ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Honorable Mayor and Council
City of Newnan, Georgia

Report on Compliance for Each Major Federal Program

We have audited City of Newnan, Georgia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of City of Newnan, Georgia's major federal programs for the year ended December 31, 2020. City of Newnan, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of City of Newnan, Georgia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Newnan, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of City of Newnan, Georgia's compliance.

Opinion on Each Major Federal Program

In our opinion, City of Newnan, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control Over Compliance

Management of City of Newnan, Georgia is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of Newnan, Georgia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Newnan, Georgia's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Macon, Georgia
July 23, 2021



CITY OF NEWNAN, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

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

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	None Reported
Type of auditor’s report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of Major Programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
21.019	CARES Act Grant-COVID-19

Dollar threshold used to distinguish between Type A and Type B program	\$ 750,000
Auditee qualified as low-risk auditee	No

Section II – Financial Statement Findings

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.