CITY OF NEWNAN, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2014

PREPARED BY: DEPARTMENT OF FINANCE

CITY OF NEWNAN, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2014

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INTRODUCTORY SECTION

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Newnan
GEORGIA • 1828 • CITY OF HOMES

City of Newnan, Georgia
Finance Department

June 3, 2015

Honorable Mayor, Members of the City Council, City Manager and Citizens of the City of Newnan:

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, 2014. Both the 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.

The comprehensive annual financial report is presented in three sections: introductory, financial and statistical. The introductory section, which is unaudited, includes this letter of transmittal, a listing of City Officials, an organization chart for the City of Newnan and the City's Certificate of Achievement for Excellence in Financial Reporting. The financial section includes the basic financial statements, required supplementary information, Management's Discussion and Analysis (MD & A), independent auditor's report, and the combining and individual fund financial statements and schedules. The statistical section, which is unaudited, includes selected financial and demographic information, generally presented on a multi-year basis.

The Water, Sewerage and Light Commission (Newnan Utilities), Newnan Convention Center and the Downtown Development Authority (DDA) are included as component units of the City of Newnan and are discretely presented within the City's annual financial statements.

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 unqualified opinion that the City's financial statements for the fiscal year ended December 31, 2014 are fairly represented in conformity with GAAP. The independent auditor's report is the first component of the financial section of this report.

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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 necessary in 2014. The requirement for a single audit is the expense of $500,000 or more in federal funds. A total of $276,565 was expended utilizing funds from the U.S. Department of Justice in the form of confiscated assets. The City received $181,350 from the Federal Emergency Management Agency (FEMA) for reimbursement for storm damages during 2014. Additionally, the City disbursed $493,423 from the Neighborhood Stabilization Program grant sponsored by the Georgia Department of Community Affairs. The information related to the single audit is included in a separately issued single audit report in this document.

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. 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 and six Council members. Due to redistricting changes, the City will operate with a Mayor and seven Council members for 2014 and 2015; then revert back to normal operations after the next election.

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. The City of Newnan financial statements include discretely presented data for its three component units: Newnan Utilities, Newnan Convention Center and the Downtown Development Authority.

The City currently employs 247 people - organized into five (5) functions: General Government, Public Safety, Public Works, Community Development and Other Services. Total headcount includes 6 part-time employees and 8 elected officials. The City provides various services to its residents, businesses and visitors, including (but not limited to) the following:

- Street Management and Maintenance
- Parks
- Right-of-Way Beautification
- Police Services
- Municipal Court Services
- Building Inspection and Permitting Services
- Code Enforcement
- Planning and Zoning
- Animal Control
- Brush and Yard Debris Removal
- Engineering Services
- Development Review



- Fire Services – 3 stations operating and a fourth in the planning stages
- Reading Library (Carnegie)

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, Newnan Hospital 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.

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 been 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 2014, 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 2014 estimated population was 133,180; it is the 49th fastest growing county in the United States. 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 150,000 by 2015 and 175,000 by 2020.

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. It is noteworthy to mention that the remainder of the sanitation services will remain with Waste Industries, who holds the contract to provide such services to all City residents, per ordinance.

The City is financially stable. Targeted fund balance is 50% of budgeted expenditures. At the end of 2014, unassigned fund balance equaled approximately 99.3% of 2014 general fund expenditures. This percentage has remained fairly constant over the years. 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 in spite of the most recent recession.

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 purchase 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.

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 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.

Economic Conditions

Textile mills began to dot the landscape in and around Newnan in the late 1800's. By the late 1920's the Newnan Hosiery Mill, Arnall Mills, Grantville Mills, and McIntosh Mills were among the ever-growing list of entrepreneurial undertakings. Over the last one hundred years the local economy has changed from textiles to a diverse manufacturing center. Farmland and rural southern villages in west central Georgia

are being transformed into a business hub as international and national corporations expand and move into the area. Giants such as Yokogawa Corporation of America, William L. Bonnell, Pet Smart Distribution, and Yamaha Motor Manufacturing Corporation have all established in and around Newnan.



The 2014 unemployment rates for the City of Newnan and the United States overall were 5.7% and 6.2% respectively, as compared to last year when those rates were 7.7% and 8.1%. **Cancer Treatment Centers of America** (CTCA) selected Newnan as the location for a new facility and opened for business in July 2012. With more than two-thirds of its patients coming from outside the state of Georgia, patients and their families have contributed significantly to the growth and vitality of the local economy. CTCA officials had expected the new facility to generate 500 news jobs and $500 million in economic activity over the first five years of operation. The first year of operations exceeded all expectations and the hospital is currently expanding (recently purchased an additional 74 acres adjacent) and hiring new staff! This facility currently employs 850 people.

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 opened their doors in 2012. 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, 1,000 employees and 300 physicians. A major interstate interchange is also planned for this area, which will provide convenient access to this growing medical corridor.

In addition to the healthcare industry, the television and movie industry has thrived in Newnan. AMC's "The Walking Dead" has filmed at multiple locations in Coweta county. This has become one of the most watched dramas in television. A new "Hunger Games" was recently filmed in Newnan, along with "Sick People" and other movies for both theatre and television. Continued interest by the film industry should further benefit our local economy.



The City also partnered with the University of West Georgia (UWG) during 2013 to open a new satellite campus in Newnan. The City is working jointly with Newnan Hospital Inc., Coweta County and UWG to renovate the old Newnan Hospital, which will become a college campus. That facility is expected to open for classes in early 2015. The cost of the project is approximately $15 million and it is expected to generate a one-time economic impact of $21 million during construction and create 176 new jobs.

The City of Newnan offers 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 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 some during the past couple of years. During the first quarter of 2014, the City began experiencing a pick-up in the volume of permits being issued for both residential and commercial operations. The

volume is continuing to pick up as we move into 2015. The City has maintained strong financial reserves as evidenced by the fund balance it maintains and it offers both a low cost of living and a high quality of life. The school systems are excellent and a focus to maintain a well trained workforce is evidenced by our partnership with the University of West Georgia.

Fiscal Policies

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

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

Cash Management Policy and Practices

The City adheres to treasury management practices permitted by Georgia statutes and codes. The City, subsequently, limits 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 limited its investments to the Georgia State Pool and several operating, checking and savings accounts at a local bank. Additionally, the City has a very small investment in Certificates of Deposit. The interest rate has been very sluggish during the past several years; therefore the City's stance is to simply conserve its investments rather than seek higher rates of return which might entail some risk.

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. The City has also utilized advances from the general fund unassigned fund balance to SPLOST and other governmental funds during 2014 rather than assume debt and carrying charges.

Therefore, the City currently has no debt, other than compensated absences (sick, vacation, etc). However, Newnan Utilities, a component unit of the City, does utilize bonds and other types of debt to fund growth in operations. Additionally, the Downtown Development Authority has assumed debt to fund the UWG Project currently in progress, as disclosed in the notes on page 60.

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 2014, the City contributed $939,224 to the plan on behalf of its employees, compared to the 2013 contribution of $944,435. This contribution represents 8.7% of actual payroll expenditures for covered employees versus 9.5% in 2013.

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 post-employment retirement benefits to its employees.

The City offers health and life insurance to all active employees. The City continues to pay 100% of the life and health insurance premiums for employees who elect single coverage. Additionally, the City pays approximately 85% of the cost of health insurance for employees choosing family coverage, along with 100% of their life insurance costs. Overall, health insurance premiums increased by 2% for 2014 and the City absorbed the premium increases. The City's contributions for employee health and life insurance decreased by less than 1% in 2014; going from $2,162,511 in 2013 to $2,156,577.

In 2013, the City offered 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, a second medical insurance plan (POS 80/60) was added. A variety of optional insurances is also available to employees, including additional life, dental, cancer, vision and disability insurance, all of which are paid solely by the employee if coverage is selected.

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 listed in no particular order.

- Maintain quality of life for citizens
- Provide consistent services levels
- Attract, employ, train and maintain a quality workforce
- Maintain competitive salary and benefit programs
- Provide a high level of customer service to businesses and citizens
- Provide and maintain a safe, secure and clean community
- Improve service delivery without increasing taxes
- Maintain strong police and fire protection
- Improve communication, efficiencies and effectiveness through technological investments
- Continue support for downtown revitalization and enhancements

2014 Major Accomplishments

During fiscal year 2014, 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 2014, in no particular order.

- Received the Distinguished Budget Presentation Award from GFOA, the City's 25th consecutive award!

- Received the GFOA Certificate of Achievement for Excellence in Financial Reporting for the City's 2013 Comprehensive Annual Financial Report (CAFR).
- Provided a 2.5% wage increase to all full-time employees.
- Maintained an average response time of 5 minutes for Fire Department.
- Obtained an Insurance Service Offices (ISO) fire rating of 3.
- Rehabilitated and sold or rented 4 houses through the NSP Grant program, bringing the total to 40 homes for the program.
- Constructed new sidewalks at First Avenue, St. Clair Street, Roscoe Road and East Washington Streets.
- Completed full-depth reclamation and paving of Parkway North and Eastview Cemetery Streets.
- Completed Ray Park renovations.
- Completed the Belt Road Guardrails project.

Construction in Progress at Year-End

Projects underway (construction in progress) at the end of 2014 included: Belt Road guardrails, 2nd entrance to the Convention Center, fitness trail at the Convention Center, construction of 4th Fire Station; phase 2 of the Public Works facility renovations, construction of a new Public Safety Complex, Jefferson-Jackson Corridor improvements, various road projects (including Five Points Intersection improvements, McIntosh Parkway improvements, Public Safety Connector Road, Lower Fayetteville Road widening, dog park construction, miscellaneous sidewalks and drainage projects), and renovation of the old Newnan Hospital to serve as the Newnan campus for the University of West Georgia.

For more information on the City's 2014 accomplishments, please visit our website at www.cityofnewnan.org and click on the 2014 Annual Report published by the City Manager's Office.

Strategic Financial Planning

The City of Newnan has initiated processes to provide for the future and plan for services, programs and facilities to meet the needs of the citizens, visitors and businesses in the community. The most current budget process addresses both revenues and expenditures for its operating programs for the current year. The five-year capital plan is 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.

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 have been 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, 2013. This was the fourth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the 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 twenty-fifth consecutive year, the Government Finance Officers Association of the United States "Distinguished Budget Presentation Award" for its 2014 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 2015 Budget document to GFOA for consideration of this award.



Other Awards and Acknowledgements

Coweta County was selected by Bloomberg/Business Week Magazine as the Best Affordable Place in Georgia, recognizing the County's (and thus the City's) low cost of living and high quality of life.

The City of Newnan and Coweta County partnered to host attendees of the American Harming Association's National Conference in Atlanta. A group of 33 professional planners from across the U.S. gathered in Senoia to hear the story of that town's re-development and back lot infrastructure of Raleigh Studios for "The Walking Dead" and other productions.

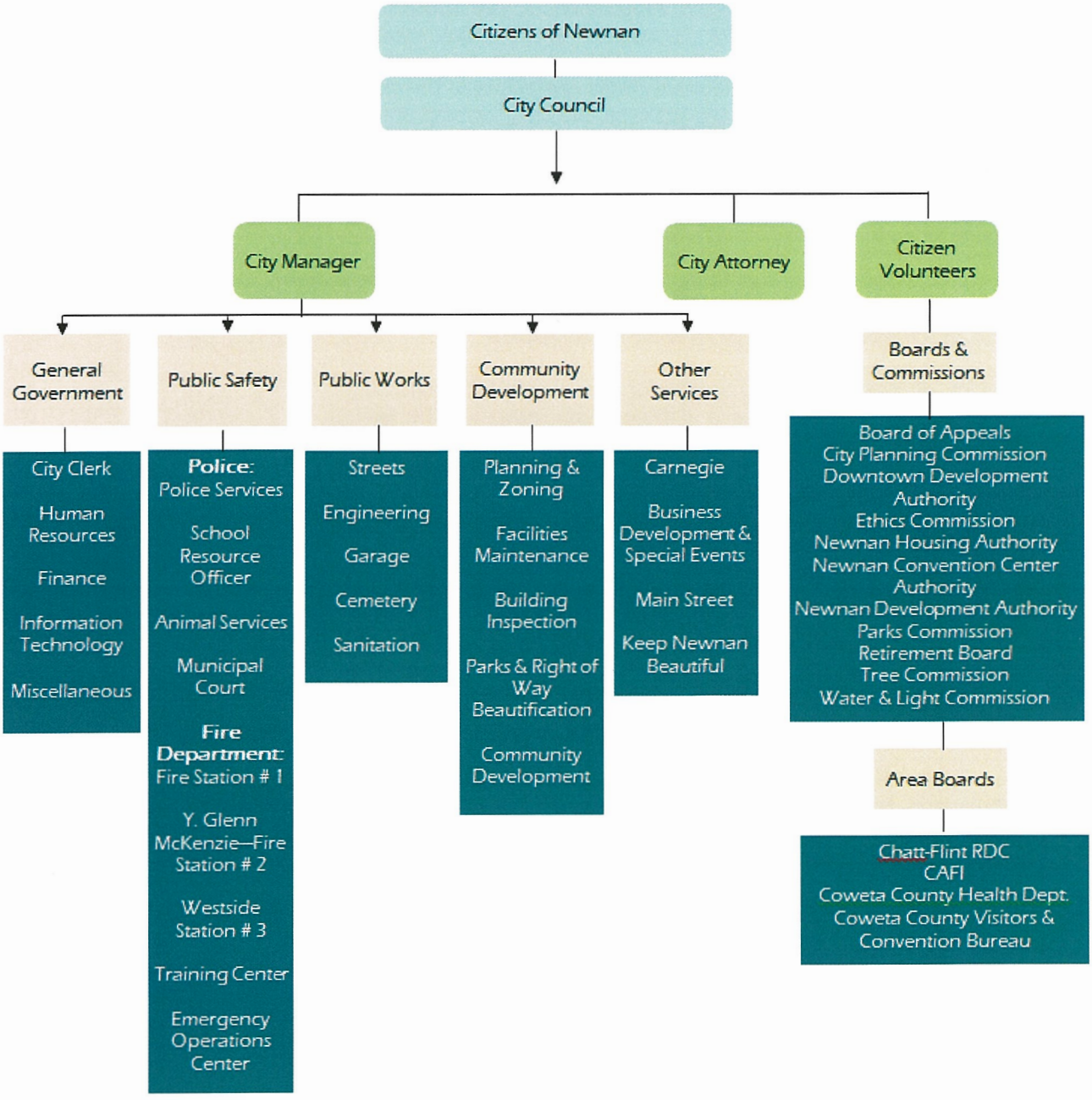
The timely preparation and publication of this Comprehensive Annual Financial Report represents significant effort and accomplishment by the Finance department, as well as the cooperation and assistance of other City of Newnan departments and employees. The independent audit firm of Clifton, Lipford, Hardison and Parker, LLC is also to be commended for their cooperation and invaluable assistance in the preparation of this document. My sincere appreciation is expressed to the City Council, City Manager and Department Heads 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: Renee Phillips, Tessica Harvey, Dana Wicher and Kim Carroll, whose dedication and support made this report and the entire year such a success.

Respectfully submitted,

Katrina Cline

Katrina Cline
Finance Director, City of Newnan

City of Newnan Organization Chart



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City of Newnan, Georgia
OFFICIALS AND OFFICES

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Newnan, Georgia 30264
Fax: 770-254-2353

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

MAYOR AND COUNCIL MEMBERS

District	Council member	Year Elected
Mayor	L. Keith Brady	1994
District 001, Post A:	Clayton Hicks	2006
District 001, Post B:	Dustin Koritko	2014
District 002, Post A:	Rhodes Shell	2006
District 003, Post B:	Cynthia Jenkins, Mayor Pro Tem	2004
At Large:	Robert Coggin	2008
District 002, Post B:	Ray DuBose	2006
District 003, Post A:	George Alexander	2003

CITY ADMINISTRATIVE OFFICES

Department	Director/Supervisor	Physical Address	Phone
Beautification	Mike Furbush	57 Boone Drive	770-251-3455
Building Inspection	Bill Stephenson	25 LaGrange Street	770-254-2362
Business Dev	Hasco Craver	6 First Avenue	770-253-8283
Carnegie Building	Amy Mapel	1 LaGrange Street	770-683-1347
Cemetery	Jimmy Hemmings	25 LaGrange Street	770-253-3744
City Clerk	Della Hill	25 LaGrange Street	770-254-2358
City Council		25 LaGrange Street	770-254-2358
City Hall		25 LaGrange Street	770-253-2682
City Manager	Cleatus Phillips	25 LaGrange Street	770-254-2358
Engineering	Michael Klahr	25 LaGrange Street	770-254-2354
Finance	Katrina Cline	25 LaGrange Street	770-254-2351
Fire	David Whitley	23 Jefferson Street	770-253-1851
Human Resources	Meg Blubaugh	25 LaGrange Street	770-254-2358
Information Tech	Jim Chambers	25 LaGrange Street	770-254-2358
Main Street	Hasco Craver	6 First Avenue	770-253-8283
Mayor	L. Keith Brady	25 LaGrange Street	770-254-2358
Newnan Utilities		70 Sewell Road	770-683-5516
Planning & Zoning	Tracy Dunnavant	25 LaGrange Street	770-254-2354
Police	Douglas Meadows	25 Jefferson Street	770-254-2355
Public Information	Gina Snider	25 LaGrange Street	770-254-2358
Public Works	Michael Klahr	55 Boone Drive	770-253-0327
Sanitation	Bryan Anderson	55 Boone Drive	770-253-0327
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, 2013

Executive Director/CEO

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FINANCIAL SECTION

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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, each major fund, the aggregate discretely presented component units and the aggregate remaining fund information of the City of Newnan, Georgia as of and for the year ended December 31, 2014, 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 financial statements were audited by other auditors whose report thereon was furnished to us, and our opinion, insofar as it relates to the amounts included for the Newnan Water, Sewerage and Light Commission, is based 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

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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, each major fund, the aggregate discretely presented component units and the aggregate remaining fund information of the City of Newnan, Georgia, as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows, and the respective budgetary comparison for the General 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 information and the schedule of pension funding progress on pages 16 through 32 and page 70 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 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, 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits*

of States Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, budgetary comparison schedules, the component unit financial statements, the schedule of projects constructed with special sales tax proceeds, the schedule of project expenditures with rental motor vehicle excise tax revenue and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate 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. 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, the schedule of project expenditures with rental motor vehicle excise tax revenue, and the schedule of expenditures of federal awards 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 June 3, 2015, 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 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 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
June 3, 2015

MANAGEMENT'S DISCUSSION & ANALYSIS

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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, 2014. 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 note on page 33 to enhance their understanding of the Government's financial performance.

2014 Financial Highlights

- The assets of the City of Newnan exceeded its liabilities by $183,146,300 (net position) at the close of the calendar year reported.

- The City's total net position, on an entity-wide basis, increased by $16,066,476, or 9.6%. Governmental activities increased by $15,977,049, with the remaining increase of $89,427 attributed to business-type activities (Sanitation). The increase in governmental activities is primarily due to intergovernmental revenue receipts in the amount of $12.4 million from the Downtown Development Authority for the University of West Georgia (UWG) project, an increase of almost $1 million in sales tax revenues, increases of approximately $425,000 each in property and occupational tax revenues, and an increase in motor vehicle taxes of approximately $181,000. The increases in revenue were offset somewhat by the increase in expenditures mainly related to appropriations to the Downtown Development Authority in the amount of $1.4 million for debt repayment for the University of West Georgia campus project loan. Total capital outlay for 2014 was $24,400,922 with depreciation expenses of $3,721,682. Please see page 33 of this report for detail of the other items which make up the total increase in net position.

- Total net assets are comprised of the following:
  (1) Capital assets totaling $150,543,208, includes property and equipment, net of depreciation. $59,779 is attributed to business-type activities in the Sanitation fund.
  (2) Net assets of $10,413,607 are restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
  (3) Unrestricted net assets of $22,189,485 represent the portion available to maintain the City's continuing obligations to citizens and creditors; of which $348,838 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 $32,615,187 this year. This compares to the prior year combined ending fund balances of $38,150,517, showing a decrease of $5,535,330, or 14.5%, during the current year. This was primarily due to a decrease of approximately $6.2 million in restricted fund balances and a decrease of $3,491,550 in unassigned fund balances. In restricted fund balances, the SPLOST 2007 fund balance decreased by $2,890,460 due to capital projects under construction during the year. The general fund unassigned fund balance decreased by $2,146,062 and the SPLOST 2013 unassigned fund balance reflected a deficit of $1,345,488. At the end of 2014, the general fund showed an advance to the SPLOST 2013 fund in the amount of $3,000,000, which explains the increase in nonspendable fund balances for 2014.

  Committed fund balance increased by $1,099,129, or 78.5%, due to Council approval of a new commitment of funds for the UWG project loan repayment during 2014. Finally, the assigned fund balances increased slightly for 2014, going from $727,660 in 2013 to $769,503, due to the increase in the Street Improvements ending fund balance.

- At the end of the current calendar year, fund balance for the General Fund totaled $23,151,435, which was an 8.8% increase from 2013. Unassigned fund balance for the General Fund, $17,194,562, equaled 84.5% of total General Fund expenditures of $20,339,354. In comparison, the General Fund unassigned fund balance for 2013 was 111.7% of General Fund expenditures.

- 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 employee compensated absences (earned sick, vacation, holiday and comp time) in the amount of $618,894, an increase of $89,962 over 2013. $43,584 of this increase represented the City's FICA and Medicare liability at year-end based on the compensated absences balances.

- Overall, the City continues to maintain a strong financial position. The ratio of current assets to current liabilities is 6.5 to 1, down from 18.9 to 1 in 2013. This decrease in ratio is mainly attributed to the increase in the City's current liabilities, which increased 178.7% from 2013 due to several large projects which were nearing completing at year-end 2014.

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. 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 and public works. The business-type activities of the City of Newnan include collection and disposal of brush (yard debris) and bulk items only. All other Sanitation activities, including collection and disposal of solid waste (trash), are handled by Waste Industries, the City's designated contractor for such services.

The government-wide financial statements are presented on pages 33 & 34 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 71. 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 to demonstrate compliance with this budget.

The basic governmental fund financial statements are presented on pages 35-40 of this report. Individual fund information for non-major governmental funds is 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 (brush and bulk only). The basic proprietary fund financial statements can be found on pages 41-44 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting method used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statement can be found on page 45 of this report.

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 46 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 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 71.

Government-Wide Financial Analysis of the City

The City's net position at calendar year-end was $183,146,300, which is an increase of $16,066,476, or 9.6%. The largest portion of the City's net assets (79%) reflects its net investment in capital assets, which is fairly consistent with 2013 at 77%. The $21,625,079 increase in capital assets is attributed to the increase in construction in progress totaling $21,845,405 for 2014, mostly related to the UWG Project and the new Public Safety Complex under construction. Current liabilities increased from 80% of the total liabilities to 91.5% of the total for 2014, due to the increase in accounts payable related to construction in progress at the end of the year. The following table provides a summary of the City's net position.

City of Newnan, Georgia
Comparative Schedule of Net Position
December 31, 2014

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Assets:						
Current assets	$ 38,968,648	$ 40,592,829	$ 370,435	$ 258,652	$ 39,339,083	$ 40,851,481
Capital assets	150,483,429	128,835,395	59,779	82,734	150,543,208	128,918,129
Other Assets	-	-	-	-	-	-
Total assets	**189,452,077**	**$169,428,224**	**430,214**	**341,386**	**189,882,291**	**169,769,610**
Liabilities:						
Current liabilities	6,101,081	2,145,239	16,036	15,635	6,117,117	2,160,874
Long-term liabilities	613,313	522,351	5,561	6,561	618,874	528,912
Total Liabilities	**6,714,394**	**2,667,590**	**21,597**	**22,196**	**6,735,991**	**2,689,786**
Net position :						
Net investment in capital assets	150,483,429	128,835,395	59,779	82,734	150,543,208	128,918,129
Restricted	10,413,607	16,664,637	-	-	10,413,607	16,664,637
Unrestricted	21,840,647	21,260,602	348,838	236,457	22,189,485	21,497,059
Total Net Position	**$ 182,737,683**	**$166,760,634**	**$ 408,617**	**$ 319,190**	**$ 183,146,300**	**$ 167,079,824**

The City continues to maintain a high current ratio. 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 6.5 to 1, which is strong. The ratio for 2013 was 18.9 to 1. Current liabilities increased by 178.7% during 2014 due to the items mentioned above.

The City reported positive balances in the net positions; the same held true for the prior calendar year. Total net position increased by 9.6% over 2013, while the City's total liabilities increased by 183.1%, primarily due to the increase in construction in progress discussed above. Current assets decreased by 3.7% during 2014.

Note that 79.3% of the governmental activities' net assets are tied up in capital. At the end of 2013, capital assets equaled 77% of governmental activities' net assets. 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 $16,066,476. Key elements of this increase are detailed in the chart below.

City of Newnan, Georgia
Comparative Schedule of Changes in Net Position
December 31, 2014

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program Revenues						
Charges for services	$ 4,018,200	$ 3,501,537	$ 557,079	$ 439,606	$ 4,575,279	$ 3,941,143
Operating grants	25,000	25,000	-	-	25,000	25,000
Capital grants	20,330,162	19,324,633	-	-	20,330,162	19,324,633
Total Program Revenues:	24,373,362	22,851,170	557,079	439,606	24,930,441	23,290,776
General Revenues:						
Taxes	18,387,525	16,366,709	-	-	18,387,525	16,366,709
Gain on Sale of Cap Assets	6,360	-	-	-	6,360	-
Investment earnings	30,104	30,481	300	112	30,404	30,593
Total General Revenues:	18,423,989	16,397,190	300	112	18,424,289	16,397,302
Total Revenues:	42,797,351	39,248,360	557,379	439,718	43,354,730	39,688,078
Expenses:						
General government	4,933,630	3,300,180	-	-	4,933,630	3,300,180
Tourism development	322,479	248,989	-	-	322,479	248,989
Public safety	11,830,515	11,692,623	-	-	11,830,515	11,692,623
Public works	6,208,318	6,119,985	-	-	6,208,318	6,119,985
Community development	3,525,360	3,157,100	-	-	3,525,360	3,157,100
Interest on debt	-	146	-	-	-	146
Sanitation - Brush & Bulk	-	-	467,952	398,955	467,952	398,955
Total Expenses:	26,820,302	24,519,022	467,952	398,955	27,288,254	24,917,977
Increase in Net Position before transfers	15,977,049	14,729,338	89,427	40,763	16,066,476	14,770,099
Transfers	-	(278,427)		278,427	-	-
Change in net positions	15,977,049	14,450,911	89,427	319,190	16,066,476	14,770,099
Beginning net positions	166,760,634	152,309,724	319,190	-	167,079,824	152,309,724
Ending net positions	$ 182,737,683	$ 166,760,635	$ 408,617	$ 319,190	$ 183,146,300	$ 167,079,823

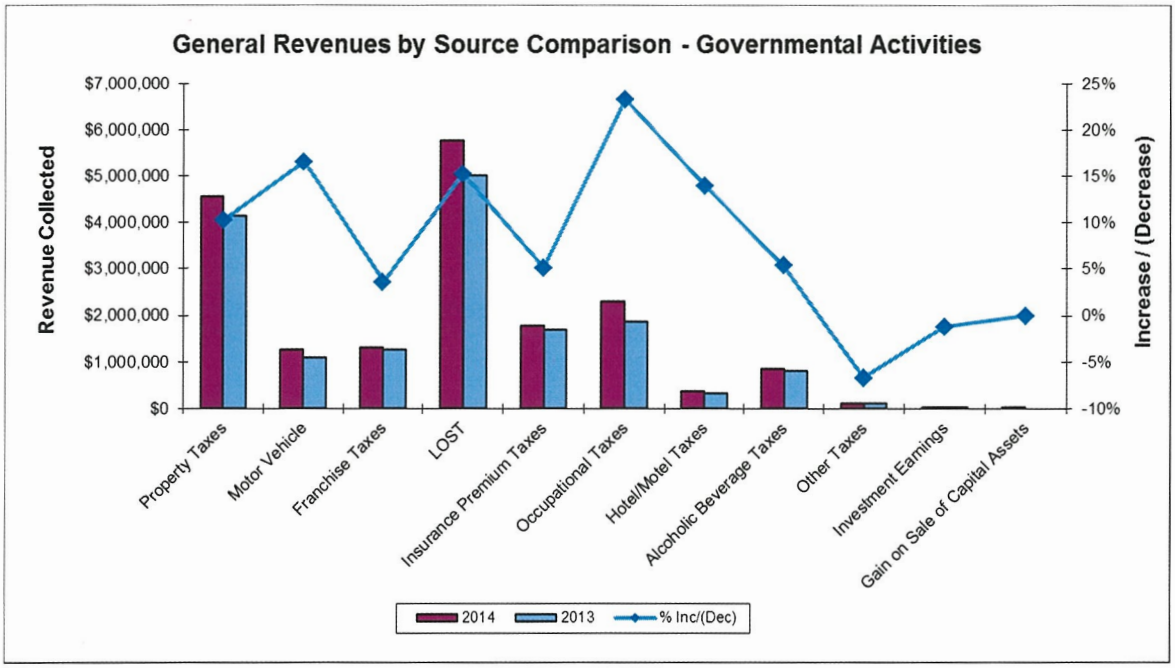
Program revenues increased by approximately $1.6 million primarily due to the increase in capital contributions for the UWG project from the Downtown Development Authority (DDA). Additionally, taxes increased by $2.02 million – sales taxes increased by $763,756 million, motor vehicle taxes increased by $181,396, and property and occupational taxes increased by about $425,000 each. Expenses increased by approximately $2.3 million due to the number of projects in progress during 2014 and the appropriation of $1.4 million to the DDA for debt repayment of the UWG project loan.

Governmental Activities

Program revenues represent 57% of total revenues in 2014, as compared to 58.2% in 2013. The most significant change from 2013 to 2014 related to capital grants and contributions, where revenues increased by $1,005,529, or 5.2%. The increase is directly attributed to the Community Development function, where contributions for the UWG project totaled over $12 million in 2014. This increase was offset by the $7.5 million in donated assets received for the project in 2013, resulting in a smaller variance for 2014.

General revenues make up 43% of total receipts, almost all of which is taxes. This is up from 41.8% in 2013. General revenues in total increased by $2,026,987, or 12.4%, for 2014. Notice from the chart below that all revenue sources increased over 2013, with the exception of investment earnings, which showed a $377 decrease and other taxes which showed a decrease of $8,259. Occupational taxes showed the largest percentage increase (23.3%), however, motor vehicle taxes and sales tax followed close behind with 16.6% and 15.2% increases, respectively. The largest dollar increase was in sales tax which increased by $763,756 over 2013, followed by an increase of $437,062 in occupational taxes.

The changes in revenues are indicative of the general economy in Newnan and nationally. Our population is increasing and both commercial and residential permitting are showing positive growth. We expect to see further improvements to revenue during 2015 due to changes in the population and the local economy in both the commercial and residential sectors.

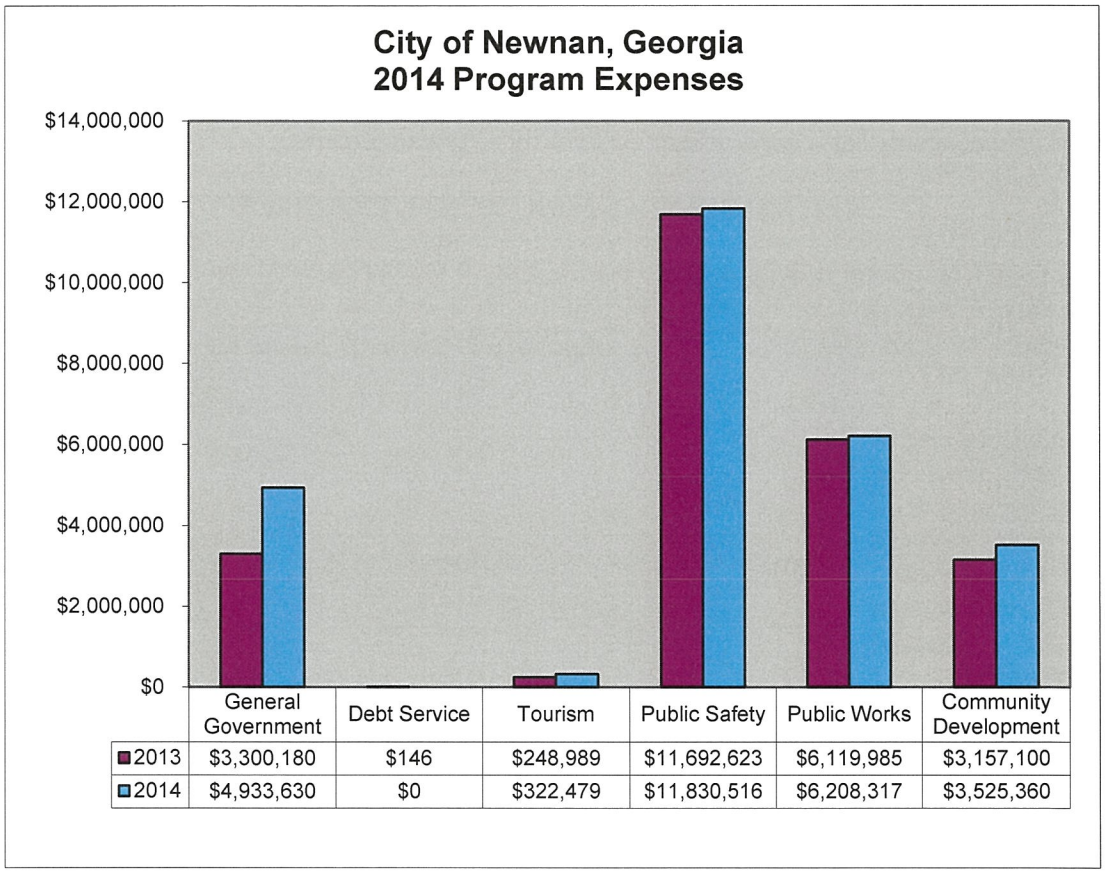


Program expenses increased by 9.4%, or $2,301,279, in 2014. The largest increase was in the general government function, with expenses going from $3,300,180 in 2013 to $4,933,630 in 2014. Approximately $1.4 million of the

increase was attributed to the appropriation to the Downtown Development Authority for UWG project debt repayment. The Community Development function increase of $368,260 and the Public Safety function increase of $137,893 was primarily attributed to increased operating and depreciation expenditures for 2014.

Program Expenses by Function

	General Government	Debt Service	Tourism	Public Safety	Public Works	Community Development	Total
2014	$4,933,630	$0	$322,479	$11,830,516	$6,208,317	$3,525,360	$26,820,302
2013	$3,300,180	$146	$248,989	$11,692,623	$6,119,985	$3,157,100	$24,519,023
Variance	$1,633,450	($146)	$73,490	$137,893	$88,332	$368,260	$2,301,279
% Change	49.50%	N/A	29.52%	1.18%	1.44%	11.66%	9.39%



GOVERNMENTAL REVENUES

The City is heavily reliant on sales taxes to support governmental operations and capital. Sales tax, the largest general revenue source in 2014, provided 31.4% of the City's total general governmental revenues; by comparison, in 2013 sales taxes provided 30.6% of that total. There was a 15.2% increase, or $763,756, in sales tax collections in 2014 due to the renegotiated agreement with Coweta County. The City's population increased by 104% per the latest census; thus the City was able to negotiate with the County for a larger percentage of the revenue. Property taxes are the second largest general revenue source with approximately $4.57 million of revenues, or 24.8% of the total. The City realized approximately $426,050 more in 2014, due to reassessments of existing properties and additions to the digest. The City's millage rate dropped very slightly from 2013, decreasing from 4.37 mills to 4.15 mills per thousand dollars of assessed value.

The City's dependency upon property and sales tax receipts is apparent as almost 56.2% of governmental activities are supported through these general receipts, which was fairly consistent with 2013 at 55.8%. Property and sales taxes are historically the two largest forms of general revenues for the City of Newnan, followed by Occupational taxes.

Occupational taxes, the third largest general revenue source, produced $2,314,758 in 2014, up from $1,877,696 in 2013, mainly due to the increase in new businesses and gross receipts reported for existing businesses. Occupational tax collections are calculated based on the gross receipts of the business in Newnan. The fourth largest general revenue source is Insurance Premium taxes, which increased by 5.0% due to the growth in population over the last decade, as defined by the US Census Bureau. Overall, taxes made up 99.8% of the total General Revenues for 2014, which was consistent with 2013.

Program revenues (excluding capital revenues) covered 15.1% of governmental operating expenses, up from 14.4% in 2013. This means that the government's taxpayers and the City's other general governmental revenues funded about 84.9% of the governmental activities in 2014, as compared to 85.6% in 2013. 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 9.4% during 2014, up from $24,519,023 in 2013. However, the City shows a net cost of only $2,446,940 for these services, as compared to 2013 where the same services showed a total cost to the City of $1,667,853.

City of Newnan - 2014 Governmental Activities

	Total Cost of Services	% of Total	Net (Cost)/ Benefit of Services	% of Costs Covered
General Government	$ 4,933,630	18.40%	$ (1,582,911)	67.92%
Tourist Development	322,479	1.20%	(297,479)	7.75%
Public Safety	11,830,516	44.11%	(7,557,958)	36.11%
Public Works	6,208,317	23.15%	(3,378,978)	45.57%
Community Development	3,525,360	13.14%	10,370,386	294.17%
Total	$ 26,820,302	100.00%	$ (2,446,940)	

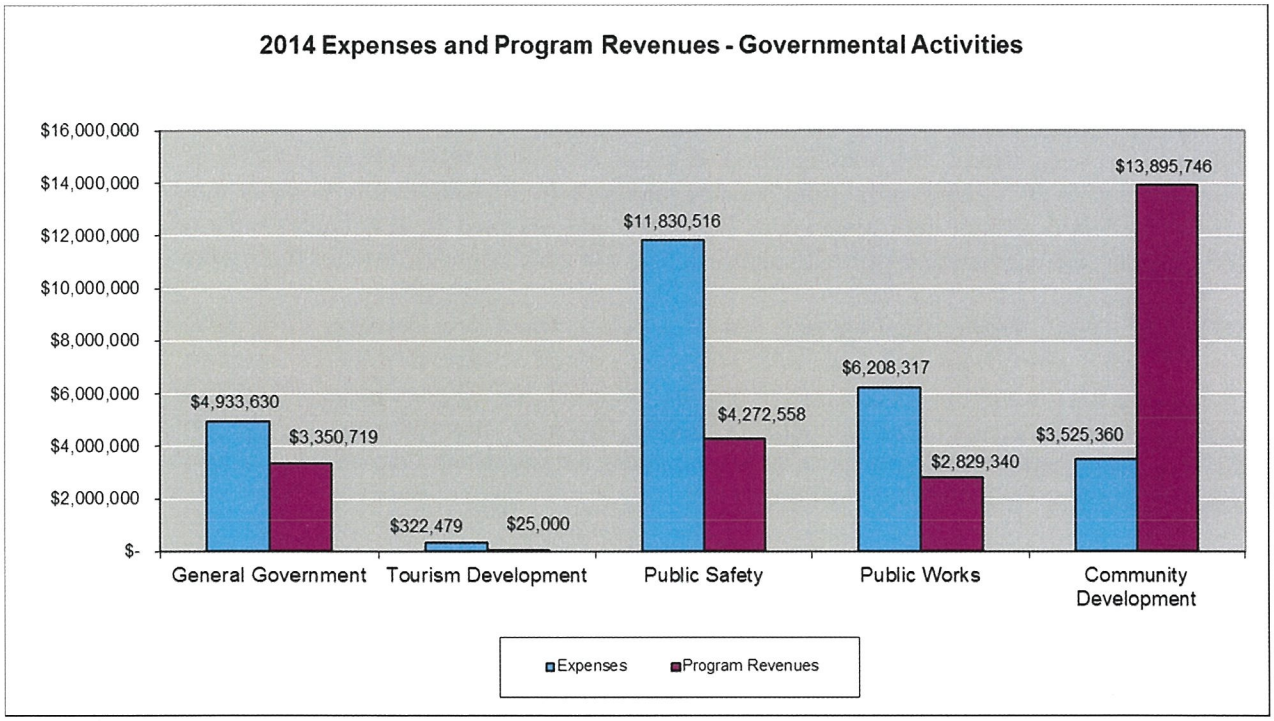
This table presents the cost of each of the City's functions, including the net cost (i.e., total cost less revenue generated by the activities). The net cost / benefit column illustrates the financial burden placed on the City's taxpayers by each of these functions. As shown, only the Community Development function covered 100% of its operating costs in 2014. All other functions covered only a percentage of the costs required to provide the services.

Public Safety function costs make up 44.1% of total governmental activities expenses as compared to 2013, when the costs made up 47.7% of total costs. Public Works makes up 23.2% of the total cost versus 2013, where their portion was 25%. General Government is 18.4% of the total, as compared to 13.5% last year. The Community Development function made up 12.9% of the total in 2013 as compared to 13.1% in 2014.

Costs for General Government increased by approximately $1.6 million due to appropriations to the Downtown Development Authority for the UWG debt repayment, while the revenues decreased by $6.8 million due to the reduction in capital contributions from 2013. Public Safety's net cost decreased by $1.6 million from 2013 as a result of an additional $1,637,526 in SPLOST revenues for the new Public Safety Complex under construction. The Public Works function cost showed an increase of $914,326, due mainly to the reduction in SPLOST revenues in the amount of $1,214,434 for 2014. And finally the Community Development function showed an increase in net benefits in the amount of $7,259,928 for 2014. This was primarily attributed to the influx of approximately $12.4 million from the Downtown Development Authority for the UWG project under construction during 2014. The new campus will open mid-year 2015.

The General Government function revenues covered about 67.9% of its total costs due to the appropriations for the UWG project discussed on the prior page. Public Safety function program revenues covered only 36.1% of its total costs, up from 21.6% in 2013. This was due to an increase SPLOST revenues for public safety purposes. Public Works function revenues covered approximately 45.6% of total costs versus 60% in 2013, which is attributed to a decrease in SPLOST revenues in 2014. Community Development showed an increase from 2013 to 2014, going from 198.5% of covered costs to 294.2%, primarily due to a $12.4 million received from the Downtown Development Authority for the UWG campus project.

Overall, the City was able to cover 90.9% of total costs in 2014 versus 93.2% in 2013. The decrease is mainly attributed to the UWG project and new Public Safety Complex project under construction in 2014. The table below is a graphical representation of the relationship between the 2014 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 $32,615,187, a decrease of 14.5% from the 2013 ending balance of $38,150,517. Of this 2014 year-end total, $15,849,074 is **unassigned**, indicating availability for continuing City service requirements. At the end of 2013, unassigned fund balance was $19,340,624. Therefore, unassigned fund balances decreased by 18.1%, or $3,491,550, which is due to the advance from the general fund to the SPLOST 2013 fund totaling $3,000,000 during 2014. This advance also resulted in a $3,000,000 increase in **nonspendable** fund balance in the general fund for 2014, which will revert back to unassigned fund balance when paid back by the SPLOST fund.

Restricted fund balances total $10,468,883, a decrease of $6,195,751 from the 2013 restricted fund balances total of $16,664,634. This balance includes $4,511,523 for capital outlay in the SPLOST 2007 fund and $2,588,479 in other governmental funds for capital outlay. Additionally, the UWG Project fund showed a balance of $3,335,211 at the end of 2014, which will be utilized to complete the project in 2015.

Additionally, $769,503 was **assigned** to new parking facilities, subdivision streets and encumbrances. During 2014, Council committed an additional $2.5 million to the UWG project; thus we have a **committed** fund balance at the end of 2014 in the amount of $2,500,000. The committed fund balance at the end of 2013 was $1,400,871.

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 $21,281,008 to $23,151,435, which is an 8.8% increase from 2013. The net change in fund balance was $1,870,427. As indicated, 74.3% ($17,194,562) of this balance is unassigned and available for continuing City services at the designated levels, which is a decrease from 2013 at 90.9%. The decrease is a direct result of the $3 million dollar advance to the SPLOST 2013 fund to prefund some of the on-going capital projects, which is now classified as nonspendable fund balance in the general fund. The unassigned fund balance is considered very adequate, representing the equivalent of 84.5% of annual expenditures. In comparison, the ending fund balance for 2013 represented 111.8% of annual operating expenditures. During 2014, committed fund balance increased by $1 million due to the commitment of funds by Council for the UWG project debt repayment. Restricted and assigned fund balances were relatively consistent with 2013 levels. The primary use of fund balance is to cover cash flow deficiencies during the year.

SPLOST 2007 Fund's ending fund balance was $4,511,523, which is a decrease of $2,890,460, or 39%, from 2013, which ended with $7,401,983. This SPLOST issue expired at the end of 2012, therefore, the only revenues collected during 2014 were interest earnings in the amount of $8,700. Expenditures of $2,899,160 included phase II improvements to the Boone Drive maintenance facility, Ray Park improvements, various street and intersection projects and paving, and several pieces of new equipment for the Street Department. Any remaining balances carry over to next year for budgeting purposes.

Approved capital projects for this fund included a VOIP Phone System, new computers and upgrades, Parks Master Plan, new playground equipment, new park development, various street cleaning equipment, new addition to City Hall, new Oak Hill Cemetery Office building, improvements to City shop, new pool and pool house at Lynch Park, Carnegie Library renovation, new roofs for the Wesley Street Gym and Wadsworth Auditorium, new recreation center, and approximately $15 million in street and road improvements in the City.

SPLOST 2013 Fund's ending fund balance showed a deficit balance of $1,345,488, a decrease of $4,549,033 from 2013, which ended with $3,203,545. Sales tax collections were $5,239,530 and interest earnings totaled $305. Expenditures totaled $9,788,868 and included partial funding for the new public safety complex, communications upgrades, new equipment for the Street Department, and various street and intersection projects. The City advanced $3 million to this fund from the General Fund during 2014 to prefund capital projects, rather than incur debt. The deficit balance will be eliminated and the advance paid back with future SPLOST revenues.

The **UWG Project** Fund's ending fund balance was $3,335,211. This was a new fund for 2013, created specifically to record revenues and expenditures associated with the UWG campus project, which is a $15 million project to renovate the old Newnan Hospital for use as a new satellite campus for the University of West Georgia in Newnan. The renovation will be complete in 2015 and the campus will be sold to the University of West Georgia. Revenues consisted of $12.4 million in intergovernmental revenue from the Downtown Development Authority and $319 in investment earnings. Expenditures totaled $11,871,323, classified as construction in progress at year ending 12/31/14.

Revenue Category Comparisons

Sales Taxes
Local option sales tax revenue actually increased by 15.2% when compared to calendar year 2013, from $5,014,974 to $5,778,730. Sales taxes from all sources, including Special Purpose, showed a $968,965 increase, or 9.6%, from 2013. The total generated in 2014 for all sales tax was $11,018,260 as compared to $10,049,295 in 2013. Please note that the State required reporting changes in 2009 for municipalities who receive their Special Purpose sales tax (SPLOST) distribution from the County. This revenue is now classified as intergovernmental, rather than sales tax, in the financial statements for the City of Newnan.

Additionally, 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 2013 distribution. The increase will be phased in over the course of 3 years to minimize the impact on the County's revenues, with 2013 starting at 25.95%. The City's percentage would increase to 28.54% for 2014 and adjust to the final 31.19% distribution for 2015 and beyond. The primary reason for the increase was growth in population – the City's population in 2000 was 16,242; for 2010, that changed to 33,039 people! 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 7.7% from that of calendar year 2013, going from $4,282,655 to $4,611,156 for 2014. The 2013 digest was $1,006,016,954, increasing to $1,138,589,882 in 2014, which is a 13.2% increase in valuations. Property reassessments increased the 2014 digest by approximately $56.7 million and additions and other changes to the digest resulted in an increase of approximately $75.9 million in real property valuation, for a total increase of $132.6 million in 2014. The City's millage rate dropped slightly from the 2013 rate of 4.37 mills per thousand dollars of assessed value to 4.15 mills. The rate is projected to remain at 4.15 mills for 2015.

Occupational Taxes (formerly Business Licenses)
Occupational tax revenue increased by 23.3%, or $437,062, when compared to 2013. This increase is mainly due to the commercial growth in the City and gross receipts reported for the businesses. Revenue receipts totaled $2,314,758 for 2014. The 2000 census population for the City of Newnan was 16,242; the estimated 2014 population for the City is 35,293. This represents a 117.3% increase in population over the last fourteen years and a 6.8% increase since 2010, when the last census was taken! 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 2014, receipts totaled $1,790,149 as compared to 2013, where receipts were $1,704,283. The increase of $85,866 was based on the change in population in the City of Newnan from the 2000 census, per the notes above under Occupational Taxes and Local Option Sales Taxes. The City expects this revenue source to remain fairly consistent over the next few years since the City's population is trending upward each year.

Franchise (Excise) Taxes
Franchise tax collections increased by 3.5% during 2014, from $1,261,724 to $1,306,323. Collections of cable, electricity and gas taxes were slightly higher than 2013, however, telephone taxes decreased by approximately $5,000 during 2014. Trend analysis and local economic activity is 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 2014 were $1,275,827 as compared to $1,094,431 in 2013. The

new TAVT tax generated $1,102,345 for 2014, as compared to $832,935 in the prior year. Trend analysis and economic conditions are the primary methods for forecasting this revenue stream.

Licenses and Permits Revenue

Building permits made up 73.5% of the total revenues for this category in 2014, down from 79.2% in 2013. Building permit revenues decreased by 11.9% in 2014; going from $663,990 to $584,997. Building permit valuations, residential and commercial combined, decreased by almost 16%, or $22.9 million, during 2014, from approximately $145.4 million in 2013 to about $122.5 million in 2014. Overall, residential permit valuations decreased by 8.8%, while commercial permit valuations decreased by 26.3%. The actual number of permits issued for commercial building was 45 in 2014 versus 57 in 2013. The number of residential permits issued for 2014 totaled 268 versus 263 in 2013. Trend analysis and anticipated construction starts are the primary forecasting tools for this revenue stream.

Alcoholic beverage licenses made up the remaining 26.5% of revenues for this category. This revenue stream increased from $174,899 in 2013 to $211,210 in 2014, showing a $36,311 increase. This revenue stream has remained stable over the years and is generally projected using trend analysis and commercial growth.

Hotel/Motel Taxes

Hotel/Motel tax collections for 2014 were $384,002. In 2013, we recorded collections of $337,102, showing an increase of $46,900, or 13.9%. The local economy continues to show signs of recovery with this increase in occupancy rates during 2014.

Interest Earned on Investments

Interest on Investments (General Fund only) increased by $888 in 2014, going from $24,315 to $25,203, which is 3.6% increase when compared to 2013. Overall, all funds included, interest on investments decreased by $5816 in 2014. Interest earnings have drastically reduced over the past several years due to the state of the general economy and some of the major fund balances have decreased substantially due to completion of projects. We do not expect to see any major increases in revenue from interest earnings in the next year.

Fines & Forfeitures Revenue

Police Fines increased by 8.9%, or $61,164, from 2013; up from $684,937 to $746,101 in 2014. The City of Newnan is pursuing more aggressive collection measures for police fines, including the assignment of a staff person to assist specifically with collections of police fines. Additionally, as the population of Newnan continues to increase, so does the number of tickets written. Trend analysis is the most effective tool for forecasting this revenue stream.

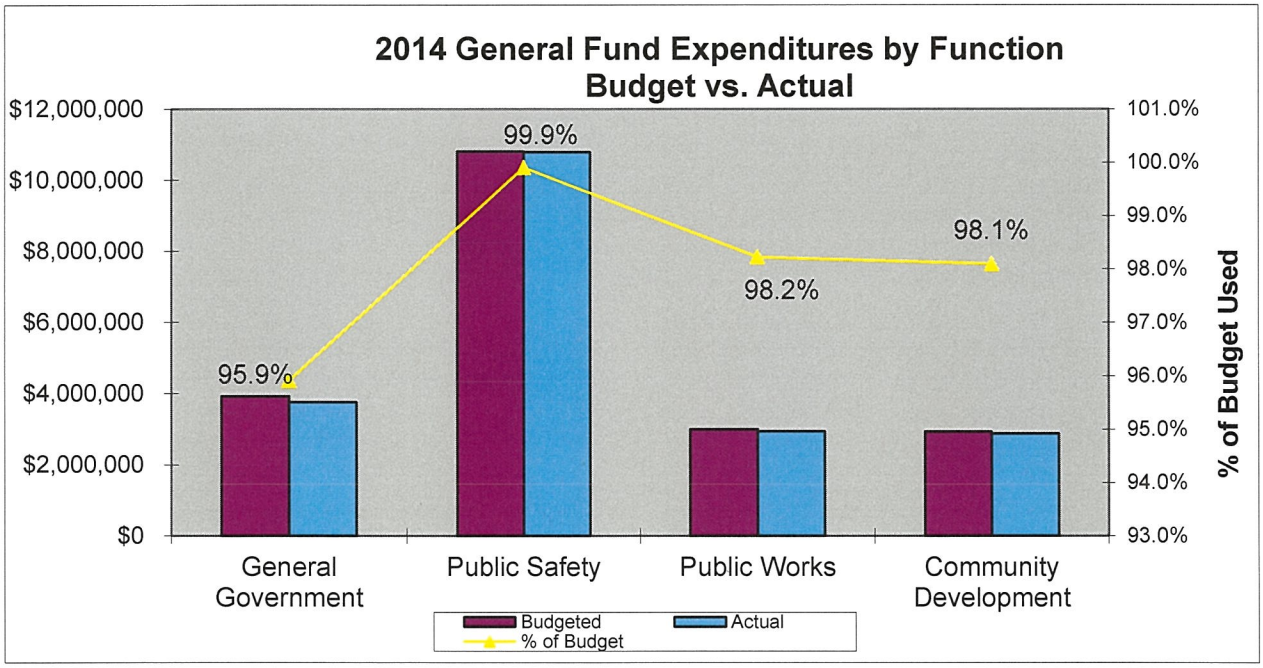
Budgetary Highlights

The General Fund – The final adopted 2014 revenue budget for the General Fund was $18,750,000, including a projected transfer in from the Tourism Fund of $180,000, representing approximately 50% of budgeted hotel/motel tax collections, which is retained by the General Fund. The revenue budget was amended during 2014 by $40,000 to increase the projection for the Title Ad Valorem Taxes.

Actual revenue collections were $22,209,781, or 118%, of budgeted collections. The actual transfer in from the Tourism fund was $76,800. Per Council action, the general fund retained only 20% of the actual funds collected during 2014. Staff has been very aggressive in delinquent revenue collections, with an overall 99.4% collection rate for property taxes. The collection rate for year-ending 2014 was 95.8%. Additionally, the TAVT (title tax) added approximately $262,345, permit revenues increased by $231,997, property tax collections were up by $595,640, sales tax collections increased by $478,730, the insurance premium tax increased by $190,149, occupational taxes increased by $574,758, and the transfer from Newnan Utilities increased by $191,528, as

compared to 2014 budgeted levels. The City also received $181,350 from the Federal Emergency Management Agency for damages related to the ice storm in February 2014 and $53,500 from Coweta County Commission as a contribution for the University of West Georgia campus project in Newnan.

The final adopted 2014 expenditure budget for the General Fund was $20,657,653. Actual expenditures for 2014 were $20,378,408, or 98.6%, of the budgeted amount. Expenditures were tightly controlled and departmental budgeted levels maintained. The 2014 General Fund Expenditure budget was amended to include an additional $1,947,654 in operating expenditures primarily due to $1,400,871 in appropriations to the Downtown Development Authority for principal and interest payments towards the UWG project loan, funds for a Learning Centers Initiative (LCI) study (+ $83,000), zoning ordinance rewrite (+ $85,000), the addition of an Assistant Finance Director position in June 2014 (+ $40,000), additional operating funds for Public Safety (+ $241,204), additional funds for Municipal Court operations (+ $48,908) and additional building maintenance funds (+ $32,000). The charts below show a breakdown of the 2014 General Fund budgeted versus actual expenditures, excluding interfund transfers.



2014 General Fund Expenditures by Function (excluding Interfund Transfers)

	Budgeted	Actual	% of Budget	Budget less Actual Exp
General Government	$3,918,951	$3,758,761	95.9%	$160,190
Public Safety	10,802,063	10,792,027	99.9%	10,036
Public Works	2,997,440	2,944,272	98.2%	53,168
Community Development	2,939,199	2,883,348	98.1%	55,851
	$20,657,653	**$20,378,408**	**98.6%**	**$279,245**

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, 2014, was $150,543,208, up by $21,625,079, or 16.8%, from 2013. Construction in progress increased by 691.1% due primarily to the new Public Safety Complex construction and the Newnan Hospital Redevelopment projects, which added approximately $19.2 million to construction in progress at year end 2014. Both of these projects are scheduled for completion during 2015 and will be capitalized at that time. Changes in all other categories were consistent with 2013.

Depreciation is calculated based on the actual acquisition date of the asset. Readers who desire more detailed information on capital asset activity during 2014 may refer to Note 3-B on page 57 of this document. The table below provides a summary of capital asset activity.

City of Newnan's Capital Assets

	Governmental Activities		Business-Type Activities		Total Primary
	2014	2013	2014	2013	2014
Non-depreciable assets:					
Land	$ 22,611,318	$ 22,197,345	$ -	$ -	$ 22,611,318
Construction in progress	25,006,142	3,160,737	-	-	25,006,142
Total non-depreciable	47,617,460	25,358,082	-	-	47,617,460
Depreciable assets:					
Buildings and Parks	33,659,159	33,152,815	-	-	33,659,159
Other improvements	10,650,248	10,561,432	-	-	10,650,248
Machinery and equipment	11,744,811	11,222,836	105,821	105,821	11,850,632
Infrastructure	84,145,143	82,706,277	-	-	84,145,143
Total depreciable assets	140,199,361	137,643,360	105,821	105,821	140,305,182
Less accumulated depreciation	(37,333,392)	(34,166,047)	(46,042)	(23,087)	(37,379,434)
Book value - depreciable assets	102,865,969	103,477,313	59,778	82,734	102,925,748
Percentage depreciated	-27%	-25%	-44%	-22%	-27%
Book value - all assets	**$ 150,483,429**	**$ 128,835,395**	**$ 59,778**	**$ 82,734**	**$ 150,543,208**

Major capital asset items acquired or projects completed during the 2014 current calendar year included the following.

- Completion of the Belt Road guardrails
- Full-depth reclamation and paving of various streets
- Ray Park renovations and improvements

Additionally, several projects were under construction as of December 31, 2014, including a 2nd entrance to the new convention center, Five Points intersection improvements, construction of a 4th fire station, Jefferson-Jackson

corridor improvements, McIntosh Parkway improvements, construction of a new Public Safety Complex, new fitness trail at the convention center, various other road projects and the UWG campus project. Construction in progress project expenses are capitalized in full upon completion of the project. The total construction in progress (CIP) at December 31, 2014 was $25,006,142. At the end of 2013, construction in progress totaled $3,160,737. Several large projects were nearing completion at the end of 2014 and will be capitalized in 2015. The chart on the previous page shows the changes by category for capital assets from 2013 to 2014.

At December 31, 2014, the depreciable capital assets for governmental activities were 27% depreciated. This compares to 25% at December 31, 2013. 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 only long-term debt relates to pay for earned vacation, sick leave, compensatory time and deferred holidays, 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, with deferred holiday's payable within six (6) months of accrual date. The 2014 amount payable totals $618,874, as compared to $528,912 at the end of 2013. Short-term debt (payable within one year) is $411,498, with the remaining $207,376 booked as long-term debt. Please refer to pages 60-62 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. However, the City is working in conjunction with the Downtown Development Authority to fund financing of the new UWG satellite campus project, although the debt for the project resides with the Downtown Development Authority. Please see notes K & M on pages 68-69 of this document for further details concerning this project and the City's long-term debt plans. The City has also utilized general fund unassigned fund balance to advance other fund's capital construction costs rather than incur debt and pay carrying costs. The advances will be paid back to the general fund as revenues are collected in future years.

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 over $1.8 million to fund balance at the end of 2014. On the down side, fuel costs are rising again and interest earnings have remained stagnant over the past few years. However, Newnan continues to experience growth in the commercial sector and residential growth continues to rebound. The City is proactively managing resources and service strategies, and infrastructure costs are being passed on to developers to minimize the impact on the citizens of Newnan where possible. Additionally, all departments are charged with controlling expenditures based on budgeted amounts. The City of Newnan is committed to saving costs and providing lean and efficient government services.

The City's real property digest increased by 1.3% from 2013 to 2014. The 2014 projection allows for a similar increase. The unemployment rate is declining and new or growing commercial entities are adding job opportunities for our community. Cancer Treatment Centers of America (CTCA) recently purchased an additional 74 acres and is constantly expanding. The new TAVT (title tax) has also added significantly to our revenue stream, however, that could change as the State gets a better handle on the total effects of the tax. Additionally, the new University of West Georgia campus will begin operations in downtown Newnan in June 2015.

As this audit will show, the City's overall financial position improved significantly during 2014. 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.

Next Year's Budget

As of December 31, 2014, unassigned fund balance in the General Fund was $17,194,562, decreasing from $19,340,624 in 2013. Next year's budgeted revenues are projected to be made up of Sales Taxes (28.1%), Property Taxes (27.0%), Excise (Franchise) Taxes (18.1%), Occupational Taxes and Alcohol Licenses (11.0%), with the remaining 15.8% expected to be generated by Inspections and Permits, Service Charges, Fines and Forfeitures, Other Local and Intergovernmental Revenues.

Budgeted revenues are projected to increase by 9.94%, from $18,750,000 in 2014 to $20,818,500 in 2015, including interfund transfers. The primary reasons for the increase include an additional $623,000 projected in property taxes, an additional $550,000 in sales taxes, an additional $360,000 in occupational taxes/alcohol licensing and an additional $240,000 in Excise taxes. All revenue categories showed increases over the prior year, however, the ones listed above showed the largest increases.

The 2014 General Fund expenditures budget increased by $832,347, or 4.0%, from $20,657,653 to $21,490,000. The following chart shows the *major* changes in budgeted expenditures from 2014 to 2015, along with 2014 actual expenditures. Please note that not all budgeted line items are listed in this chart. The most significant change from 2014 to 2015 relates to an appropriation of $1,125,000 to the Downtown Development Authority for repayment of the Newnan Hospital Redevelopment Loan.

City of Newnan, Georgia
General Fund Budget and Expenditures by Use
Major Changes from 2014 to 2015

Description	2014 Final Adopted Budget	2014 Actual Expenditures	2015 Adopted Budget	2014 - 2015 Budget Variance	2014 - 2015 Budget % Change
Transfer to Street Fund	$0.00	$0.00	$225,000.00	$225,000.00	N/A
Employee Ins (Life/Health/Dent)	$2,130,960.00	$2,123,615.55	$2,300,479.00	$169,519.00	8.0%
Vehicles	$276,350.00	$289,175.85	$400,150.00	$123,800.00	44.8%
Minor Equipment	$40,289.00	$35,732.15	$142,075.00	$101,786.00	252.6%
Contracted Labor - Non-Employees	$0.00	$0.00	$98,000.00	$98,000.00	N/A
Repairs and Maintenance	$331,174.00	$385,558.33	$428,357.00	$97,183.00	29.3%
Other Equipment	$65,300.00	$69,112.00	$158,463.00	$93,163.00	142.7%
Non-Taxable Employee Benefits	$0.00	$0.00	$87,410.00	$87,410.00	N/A
Wages - Full Time Employees	$10,181,276.00	$10,264,546.50	$10,267,970.00	$86,694.00	0.9%
Other Contractual Services	$179,086.00	$172,205.04	$261,745.00	$82,659.00	46.2%
Communications	$133,682.00	$132,088.20	$196,047.00	$62,365.00	46.7%
Professional Services	$523,268.00	$523,052.78	$470,267.00	($53,001.00)	-10.1%
Computer Hardware and Software	$60,000.00	$7,482.73	$5,000.00	($55,000.00)	-91.7%
Wages - Part Time/Temp Employees	$213,292.00	$200,988.76	$154,206.00	($59,086.00)	-27.7%
Taxable Employee Benefits	$120,658.00	$82,815.38	$19,242.00	($101,416.00)	-84.1%
Appropriations to DDA for UWG Debt Payments	$1,400,871.00	$1,400,871.20	$1,125,000.00	($275,871.00)	-19.7%

In 2015, the City budgeted for a transfer in the amount of $225,000 to the Street Fund, added $98,000 for contracted, seasonal labor, and $87,410 in non-taxable employee benefits such as uniforms and cell phones. However, the non-taxable employee benefits was simply split off from the taxable employee benefits line item. This increase is, therefore, offset by the decrease shown below in taxable employee benefits. Additionally, Health insurance premiums are projected to increase by $169,519 for 2015, which is an 8.0% increase and the budget to replace the City's aging vehicle fleet increased by $123,800.

Budgeted wages for full time employees also increased by $86,694 in 2015 due to the annual cost of living increase for employees. The budget for minor equipment increased by $101,786 primarily for accessories for public safety vehicles. Repairs and maintenance costs show an increase of $97,183 due to the growth in the City. Higher maintenance costs are a reflection of the number of users and automated processes involved in providing quality and efficient services to the citizens, businesses and visitors of the City of Newnan. Professional services also showed a decrease of $53,001, along with a decrease of $55,000 in computer hardware and software.

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.

BASIC FINANCIAL STATEMENTS

CITY OF NEWNAN, GEORGIA

STATEMENT OF NET POSITION
DECEMBER 31, 2014

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Water Sewerage and Light Commission	Convention Center Authority	Downtown Development Authority
ASSETS						
Cash and cash equivalents	$ 27,997,981	$ -	$ 27,997,981	$ 4,193,366	$ 86,271	$ 94,215
Investments	3,307,771	322,798	3,630,569	21,614,989	-	-
Receivables, net of allowance	7,635,169	47,637	7,682,806	4,405,670	29,197	4,901,858
Inventory	27,727	-	27,727	1,803,994	-	-
Prepaid items	-	-	-	2,485,037	2,800	-
Restricted assets	-	-	-	9,715,336	-	-
Other assets:						
Deferred compensation funding arrangements	-	-	-	3,894,273	-	-
Capital assets not being depreciated:						
Land	22,611,318	-	22,611,318	7,797,571	-	-
Construction in progress	25,006,142	-	25,006,142	5,164,750	-	-
Capital assets net of accumulated depreciation:						
Buildings and parks	26,594,619	-	26,594,619	-	-	-
Structures, lines and improvements	-	-	-	107,230,411	-	-
Other improvements	6,257,881	-	6,257,881	-	-	-
Machinery and equipment	4,091,794	59,779	4,151,573	3,759,434	-	-
Infrastructure	65,921,675	-	65,921,675	-	-	-
Total assets	189,452,077	430,214	189,882,291	172,064,831	118,268	4,996,073
LIABILITIES						
Accounts payable	5,549,435	9,441	5,558,876	3,737,681	2,802	4,901,566
Accrued expenses	457,260	6,595	463,855	548,488	5,136	-
Accrued interest payable	-	-	-	594,345	-	-
Unearned revenues	94,386	-	94,386	-	-	-
Customer deposits	-	-	-	1,607,336	20,655	-
Noncurrent liabilities:						
Due within one year	407,069	4,429	411,498	1,875,318	-	11,063,057
Due in more than one year	206,244	1,132	207,376	32,728,054	-	-
Total liabilities	6,714,394	21,597	6,735,991	41,091,222	28,593	15,964,623
NET POSITION (DEFICIT)						
Net investment in capital assets	150,483,429	59,779	150,543,208	91,728,650	-	-
Restricted for:						
Capital outlay	10,018,189	-	10,018,189	-	-	-
Capital improvements and debt service	-	-	-	9,714,320	-	-
Law enforcement	203,916	-	203,916	-	-	-
Tourism	157,832	-	157,832	-	-	-
Economic development	33,670	-	33,670	-	-	-
Unrestricted	21,840,647	348,838	22,189,485	29,530,639	89,675	(10,968,550)
Total net position (deficit)	$ 182,737,683	$ 408,617	$ 183,146,300	$ 130,973,609	$ 89,675	$ (10,968,550)

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, 2014

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units: Water Sewerage & Light Commission	Component Units: Convention Center Authority	Component Units: Downtown Development Authority
Primary Government:										
Governmental Activities										
General government	$ 4,933,630	$ 2,511,611	$ -	$ 839,108	$ (1,582,911)	$ -	$ (1,582,911)			
Tourism development	322,479	-	25,000	-	(297,479)	-	(297,479)			
Public safety	11,830,515	921,592	-	3,350,966	(7,557,958)	-	(7,557,958)			
Public works	6,208,318	-	-	2,829,340	(3,378,978)	-	(3,378,978)			
Community development	3,525,360	584,997	-	13,310,749	10,370,386	-	10,370,386			
Total governmental activities	26,820,302	4,018,200	25,000	20,330,162	(2,446,940)	-	(2,446,940)			
Business-type Activities:										
Sanitation Fund	467,952	557,079	-	-	-	89,127	89,127			
Total business-type activities	467,952	557,079	-	-	-	89,127	89,127			
Total Primary Government	$ 27,288,254	$ 4,575,279	$ 25,000	$ 20,330,162	(2,446,940)	89,127	(2,357,813)			
Component Units:										
Water, Sewerage & Light Commission	$ 49,683,688	$51,846,319	$ -	$ 786,975				$ 2,949,606	$ -	$ -
Convention Center Authority	403,860	199,203	319,615	-				-	114,958	-
Downtown Development Authority	12,619,933	165,418	1,400,872	-				-	-	(11,053,643)
Total component units	$ 62,707,481	$52,210,940	$ 1,720,487	$ 786,975				2,949,606	114,958	(11,053,643)
General revenues:										
Property taxes					4,566,463	-	4,566,463	-	-	-
Motor vehicle taxes					1,275,827	-	1,275,827	-	-	-
Sales taxes					5,778,730	-	5,778,730	846,681	-	-
Occupational taxes					2,314,758	-	2,314,758	-	-	-
Franchise taxes					1,306,323	-	1,306,323	-	-	-
Insurance premium taxes					1,790,149	-	1,790,149	-	-	-
Hotel/Motel taxes					384,002	-	384,002	-	-	-
Alcoholic beverage taxes					856,438	-	856,438	-	-	-
Other taxes					114,835	-	114,835	-	-	-
Investment earnings					30,104	300	30,404	1,499	3	115
Gain on sale of capital assets					6,360	-	6,360	70,043	-	-
Total general revenues and transfers					18,423,989	300	18,424,289	918,223	3	115
Change in net position					15,977,049	89,427	16,066,476	3,867,829	114,961	(11,053,528)
Net position - beginning of year as restated					166,760,634	319,190	167,079,824	127,105,780	(25,286)	84,978
Net position (deficit)- ending of year					$ 182,737,683	$ 408,617	$183,146,300	$ 130,973,609	$ 89,675	$(10,968,550)

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

CITY OF NEWNAN, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2014

	General	2013 SPLOST	2007 SPLOST	UWG Project	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 16,984,354	$ 2,947,639	$ 4,959,891	$ 586,165	$ 2,519,932	$ 27,997,981
Investments	2,588,557	-	-	-	719,214	3,307,771
Taxes receivable	410,971	-	-	-	94,496	505,467
Intergovernmental	604,877	1,022,073	-	4,901,018	36,088	6,564,056
Other receivables	565,646	-	-	-	-	565,646
Advances to other funds	3,000,000	-	-	-	-	3,000,000
Inventories	27,727	-	-	-	-	27,727
Total assets	$ 24,182,132	$ 3,969,712	$ 4,959,891	$ 5,487,183	$ 3,369,730	$ 41,968,648
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ 321,057	$ 2,315,200	$ 448,368	$ 2,151,972	$ 312,838	$ 5,549,435
Accrued expenditures	457,260	-	-	-	-	457,260
Unearned revenues	-	-	-	-	94,386	94,386
Advances from other funds	-	3,000,000	-	-	-	3,000,000
Total liabilities	778,317	5,315,200	448,368	2,151,972	407,224	9,101,081
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-property taxes	252,380	-	-	-	-	252,380
Total deferred inflows of resources	252,380	-	-	-	-	252,380
Fund balances:						
Nonspendable	3,027,727	-	-	-	-	3,027,727
Restricted	33,670		4,511,523	3,335,211	2,588,479	10,468,883
Committed	2,500,000	-	-	-	-	2,500,000
Assigned	395,476	-	-	-	374,027	769,503
Unassigned	17,194,562	(1,345,488)	-	-	-	15,849,074
Total fund balances(deficits)	23,151,435	(1,345,488)	4,511,523	3,335,211	2,962,506	32,615,187
Total liabilities, deferred inflows of resources and fund balances	$ 24,182,132	$ 3,969,712	$ 4,959,891	$ 5,487,183	$ 3,369,730	$ 41,968,648

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, 2014

Amounts reported for governmental activities in the statement of net position are different because:		
Total fund balances - governmental funds		$ 32,615,187
Capital Assets		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost of the assets	$ 187,816,821	
Accumulated depreciation	(37,333,392)	
		150,483,429
Revenues		
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		252,380
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		(613,313)
Net position of governmental activities		$ 182,737,683

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, 2014

	General	2013 SPLOST	2007 SPLOST	UWG Project	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes:						
Property	$ 4,611,156	$ -	$ -	$ -	$ -	$ 4,611,156
Motor vehicle	1,275,827	-	-	-	-	1,275,827
Franchise	1,306,323	-	-	-	-	1,306,323
Sales	5,778,730	-	-	-	-	5,778,730
Insurance premium	1,790,149	-	-	-	-	1,790,149
Occupational	2,314,758	-	-	-	-	2,314,758
Hotel/motel	-	-	-	-	384,002	384,002
Alcoholic Beverage	856,438	-	-	-	-	856,438
Other taxes	35,269	-	-	-	79,566	114,835
License and permits	796,207	-	-	-	-	796,207
Impact fees	-	-	-	-	416,212	416,212
Court condemnations	-	-	-	-	175,491	175,491
Intergovernmental	505,693	5,239,530	-	12,401,017	923,299	19,069,539
Intergovernmental-utility	1,511,528	-	-	-	-	1,511,528
Fines and forfeitures	746,101	-	-	-	-	746,101
Investment earnings	25,203	305	8,700	319	5,011	39,538
Program revenue	-	-	-	-	74,577	74,577
Miscellaneous	550,282	-	-	-	32,240	582,522
Total revenues	22,103,664	5,239,835	8,700	12,401,336	2,090,398	41,843,933
EXPENDITURES						
Current:						
General government	3,816,429	24,806	4,996	63,076	497,455	4,406,762
Tourism development	-	-	-	-	322,479	322,479
Public safety	10,779,088	310,806	51,814	-	145,095	11,286,803
Public works	2,945,545	216,976	95,093	-	443,241	3,700,855
Community development	2,798,292	-	-	-	-	2,798,292
Intergovernmental	-	838,325	-	-	-	838,325
Capital outlay	-	8,397,955	2,747,257	11,808,247	1,101,605	24,055,064
Total expenditures	20,339,354	9,788,868	2,899,160	11,871,323	2,509,875	47,408,580
Excess (deficiency) of revenues over (under) expenditures	1,764,310	(4,549,033)	(2,890,460)	530,013	(419,477)	(5,564,647)
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	29,317	-	-	-	-	29,317
Transfers in	76,800	-	-	-	-	76,800
Transfers out	-	-	-	-	(76,800)	(76,800)
Total other financing sources (uses)	106,117	-	-	-	(76,800)	29,317
Net change in fund balances	1,870,427	(4,549,033)	(2,890,460)	530,013	(496,277)	(5,535,330)
Fund balances - beginning of year	21,281,008	3,203,545	7,401,983	2,805,198	3,458,783	38,150,517
Fund balances (deficits) - end of year	$ 23,151,435	$(1,345,488)	$ 4,511,523	$ 3,335,211	$ 2,962,506	$ 32,615,187

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, 2014

Amounts reported for governmental activities in the statement of activites are different because:		
Net Change in Fund Balances - total governmental funds		$ (5,535,330)
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	$ 24,400,922	
Total depreciation	(3,721,681)	20,679,241
The net effect of various transactions involving capital assets (i.e. sales, disposals, trade-ins, and donations) is to increase net position.		968,793
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		(90,962)
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.		(44,693)
Change in net position of governmental activities		$ 15,977,049

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, 2014

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes:				
Property	$ 4,002,000	$ 4,002,000	$ 4,611,156	$ 609,156
Motor vehicle	950,000	990,000	1,275,827	285,827
Franchise	1,160,000	1,160,000	1,306,323	146,323
Sales	5,300,000	5,300,000	5,778,730	478,730
Insurance premium	1,600,000	1,600,000	1,790,149	190,149
Occupational	1,740,000	1,740,000	2,314,758	574,758
Alcoholic beverage	770,000	770,000	856,438	86,438
Other taxes	30,000	30,000	35,269	5,269
License and permits	533,000	533,000	796,207	263,207
Intergovernmental	195,000	195,000	505,693	310,693
Intergovernmental-utility	1,320,000	1,320,000	1,511,528	191,528
Fines and forfeitures	639,000	639,000	746,101	107,101
Interest earnings	25,000	25,000	25,203	203
Miscellaneous	251,000	251,000	550,282	299,282
Total revenues	18,515,000	18,555,000	22,103,664	3,548,664
EXPENDITURES				
Current:				
General government:				
Council	175,024	180,362	179,429	933
Manager	547,470	547,470	533,181	14,289
Attorney	98,650	98,950	98,930	20
Finance	496,249	536,249	467,674	68,575
Human resources	167,200	167,200	162,979	4,221
Information technologies	246,908	247,708	247,634	74
Municipal court	168,582	217,490	217,306	184
Other - unclassified	522,651	1,923,522	1,851,628	71,894
Total general government	2,422,734	3,918,951	3,758,761	160,190
Public safety:				
Police	6,239,452	6,402,452	6,401,608	844
School resources officer	446,146	447,946	447,467	479
Animal services	67,552	67,552	59,525	8,027
Fire	3,807,709	3,884,113	3,883,427	686
Total public safety	10,560,859	10,802,063	10,792,027	10,036

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, 2014
(CONTINUED)

	Budget			Variance with
	Original	Final	Actual	Final Budget
Public works:				
Administration	$ 242,718	$ 242,718	$ 240,084	$ 2,634
Engineer	205,235	205,235	197,087	8,148
Streets	1,664,854	1,664,854	1,661,861	2,993
Garage	401,266	401,266	362,426	38,840
Cemetery	483,367	483,367	482,814	553
Total public works	2,997,440	2,997,440	2,944,272	53,168
Community development:				
Planning and zoning	301,167	468,867	428,752	40,115
Business development and special events	261,458	261,458	257,690	3,768
Library	148,318	148,318	143,194	5,124
Parks & ROW beautification	949,010	959,542	959,443	99
Building inspection	764,551	764,551	758,009	6,542
Building maintenance	304,463	336,463	336,260	203
Total community development	2,728,967	2,939,199	2,883,348	55,851
Total expenditures	18,710,000	20,657,653	20,378,408	279,245
Excess (deficiency) of revenue over (under) expenditure	(195,000)	(2,102,653)	1,725,256	3,827,909
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	15,000	15,000	29,317	14,317
Transfers in	180,000	180,000	76,800	(103,200)
Total other financing sources (uses)	195,000	195,000	106,117	(88,883)
Net change in fund balances	$ -	$ (1,907,653)	1,831,373	$ 3,739,026
Fund balances - beginning of year			21,118,346	
Fund balances - end of year			$ 22,949,719	

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, 2014

	Business-type Activities Enterprise Fund
	Nonmajor Sanitation Fund
ASSETS	
Current assets	
Investments	$ 322,798
Accounts receivable, net of allowance	47,637
Total current assets	370,435
Noncurrent assets	
Capital assets:	
Machinery and equipment	105,821
Less accumulated depreciation	(46,042)
Total capital assets, net	59,779
Total noncurrent assets	59,779
Total Assets	$ 430,214
LIABILITIES	
Current liabilities	
Accounts payable	9,441
Salaries payable	6,595
Compensated absences	4,429
Total current liabilities	20,465
Noncurrent liabilities	
Compensated absences	1,132
Total noncurrent liabilities	1,132
Total Liabilities	21,597
NET POSITION	
Investment in capital assets	59,779
Unrestricted	348,838
Total Net Position	$ 408,617

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, 2014

	Business-type Activities Enterprise Fund
	Nonmajor Sanitation Fund
Operating revenues:	
Charges for sales and services	$ 557,079
Total operating revenues	557,079
Operating expenses:	
Purchased/contracted services	112,292
Salaries and benefits	237,532
Supplies and materials	75,329
Other costs	19,844
Depreciation	22,955
Total operating expenses	467,952
Operating income (loss)	89,127
Nonoperating revenues (expenses):	
Investment earnings	300
Total nonoperating revenues (expenses)	300
Change in net position	89,427
Total net position - beginning of year	319,190
Total net position - end of year	$ 408,617

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, 2014

	Business-type Activities Enterprise Fund
	Nonmajor Sanitation Fund
Cash Flows from Operating Activities:	
Cash received from customers	$ 598,591
Cash payments to employees for services	(237,001)
Cash payments to other suppliers of goods or services	(208,595)
Net Cash Provided (Used) by Operating Activities	152,995
Cash Flows from Non Capital Financing Activities:	
Transfer to/from other funds	-
Net Cash Provided by Non Capital Financing Activities	-
Cash Flows from Capital and Related Financing Activities:	
Acquisition of assets	-
Net Cash Provided (Used) by Financing Activities	-
Cash Flows from Investing Activities:	
Purchase of investments	(153,295)
Interest received	300
Net Cash Provided (Used) by Investing Activities	(152,995)
Net Increase (Decrease) in Cash and Equivalents	-
Cash and Cash Equivalents - Beginning of the Year	-
Cash and Cash Equivalents - End of the Year	$ -

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, 2014
(CONTINUED)

	Business-type Activities Enterprise Fund Nonmajor Sanitation Fund
Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities:	
Net Operating Income (Loss)	$ 89,127
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:	
Depreciation	22,955
Changes in Assets and Liabilities:	
(Increase) decrease in accounts receivable	41,512
Increase (decrease) in accounts payable	(1,130)
Increase (decrease) in salaries payable	1,531
Increase (decrease) in compensated absences	(1,000)
Total Adjustments	63,868
Net Cash Provided (Used) by operating activities	$ 152,995
Noncash investing, capital and financing activities:	
Contributions of capital assets	$ -

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

CITY OF NEWNAN, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITY
FIDUCIARY FUND
DECEMBER 31, 2014

	Agency Fund
ASSETS	
Cash	$ 91,842
Total assets	$ 91,842
LIABILITY	
Payable from Assets	
Confiscated assets pending disposition	$ 91,842

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

NOTES TO THE FINANCIAL STATEMENTS

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 accompanying financial statements present the City and it's discretely presented component units, entities for which the City is considered to be financially accountable. Each discretely presented component unit is reported in a separate column in the government-wide financial statements and is accountable under the criteria listed.

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

The Newnan Convention Center Authority (hereinafter the Convention Center) was created to promote tourism, trade and conventions for the City. The governing board consists of seven regular members. The mayor and the city council members appoint the members of the Convention Center. The City provides the major support to the Convention Center through the collection and remittance of hotel motel taxes and motor vehicle excise taxes. The Convention Center has not issued separate financial statements for this year.

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

B. Government-wide and Fund Financial Statements

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the flow of economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Fiduciary funds are reported using the accrual basis of accounting and have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants 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 2013 Special Purpose Local Option Sales Tax Fund – In 2011, the citizens of Newnan re-approved a 1% SPLOST for the purpose of funding capital improvement projects. Approved projects include public safety, streets, drains, sidewalks and equipment, parks and recreation, buildings and facilities and information systems.

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

University of West Georgia Project (UWG) – In 2011, the City entered into an agreement with the University System of Georgia and Newnan Hospital Incorporated. Per the agreement the City will renovate the facility into an educational space for the University of West Georgia. Upon completion of the project, the University System will purchase the facility from the City.

The City reports the following nonmajor proprietary fund:

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

Additionally, the City reports the following fund types:

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

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

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

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

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

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

D. Deposits and Investments

Deposits

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

Investments

Investments for the City are reported at fair value.

E. Receivables

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

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

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

F. Interfund Receivables, Payables and Advances

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

G. Inventories

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

H. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and other similar items), are reported in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000. Capital assets are valued at historical costs or estimated historical cost if actual cost is not available. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the City chose to include all such items regardless of their acquisition date or amount. The City's recording of these assets was through historical costs and city records. As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations, the City values these capital assets at the estimated fair value of the item at the date of donation.

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

Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. The amount of interest capitalized depends on the specific circumstances. During 2014, the City incurred no interest expense. Therefore, no interest was capitalized relative to construction projects during the year.

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

Asset Class	Years
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 be not be recognized as an outflow of resources (expense/expenditure) until then. The City does not have any items that qualify for reporting in this category.

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 only one type of item, which arises 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.

K. Long-term Obligations

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

L. Fund Equity

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

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

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

- Committed
- Assigned
- Unassigned

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, 2014:

	General Fund	2013 SPLOST	2007 SPLOST	UWG Project	Nonmajor Governmental	Total
Fund Balances:						
Nonspendable						
Inventories	$ 27,727	$ -	$ -	$ -	$ -	$ 27,727
Advances	3,000,000	-	-	-	-	3,000,000
Restricted for:						
Capital outlay	-	-	4,511,523	3,335,211	2,171,455	10,018,189
Economic development	33,670	-	-	-	-	33,670
Street improvements	-	-	-	-	55,276	55,276
Law enforcement	-	-	-	-	203,916	203,916
Tourism	-	-	-	-	157,832	157,832
Committed:						
UWG Project	2,500,000	-	-	-	-	2,500,000
Assigned for:						
Capital projects	395,476	-	-	-	374,027	769,503
Unassigned	17,194,562	(1,345,488)	-	-	-	15,849,074
Total fund balances (deficits)	$ 23,151,435	$ (1,345,488)	$ 4,511,523	$ 3,335,211	$ 2,962,506	$ 32,615,187

Net position flow assumption

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

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Process

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

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

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

B. Budget to GAAP Reconciliation

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

	General Fund
Budgetary basis - excess revenues and other financing sources over (under) expenditures and other financing uses	$ 1,831,373
Add: Current year encumbrances	172,170
Deduct: Prior year encumbrances paid in the current year	(133,116)
Generally accepted accounting principles basis-excess revenues and other financing sources over expenditures and other financing uses	$ 1,870,427
Budgetary basis-fund balance, ending	$ 22,949,719
Add: Current year encumbrances	172,170
Add: Prior year encumbrances outstanding at year-end	9,837
Add: Prior year encumbrances voided	19,709
Generally accepted accounting principles basis-fund balance, ending	$ 23,151,435

C. Deficit Fund Balances

Component Unit – Newnan Downtown Development Authority

As of December 31, 2014, the discretely presented component unit, the Newnan Downton Development Authority, had a deficit fund balance in the amount of $10,968,550. This debt is relative to the construction of the University of West Georgia Project by the City. This debt will be eliminated upon the sale of the University when completed in 2015. See Notes K and L, on page 68.

SPLOST 2013

As of December 31, 2014, the 2013 SPLOST Fund had a deficit fund balance of $1,345,488. The fund incurred expenditures prior to the receipt of SPLOST revenues. The City plans to eliminate this deficit with future SPLOST revenues.

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, 2014, 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, 2014, 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 Type	Credit Rating	Investment Value Value	Weighted Average Maturity
Office of StateTreasurer	AAAf rated	$ 3,630,569	51 days

Custodial Credit Risk - For an investment, the custodial credit risk is the risk that in the event of the failure of the counter-party to a transaction, an entity will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The Office of State Treasurer is not required to disclose custodial credit risk. The City has no such investments with such risks as of December 31, 2014.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - Georgia law allows investments in obligations of the U.S. Treasury, other U.S. Governmental Agencies, State of Georgia, other states, prime banker's acceptances, repurchase agreements, other political subdivisions of Georgia and the Office of State Treasurer. The Office of State Treasurer is not registered with the SEC. The State of Georgia Office of Treasury operates this fund in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940. 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 State Treasurer is a stable net asset value investment pool that follows Standard & Poor's criteria for AAAf rated money market funds.

Investments – Component Unit

Custodial Credit Risk - As of December 31, 2014, the Commission had the following investments:

	Maturities in Years				
Investment	Under One	One-Three	Three-Seven	Over Ten	Total
U.S. Government securities	$ 1,936,303	$ 3,691,503	$ 1,867,635	$ -	$ 7,495,441
U.S. Government agency notes and bonds	3,881,544	7,960,130	1,938,859	-	13,780,533
Money market mutual funds and certificates of deposit	339,015	-	-	-	339,015
Total investments	$ 6,156,862	$ 11,651,633	$ 3,806,494	$ -	$ 21,614,989

Interest Rate Risk – 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 – State statues authorize the Commission to invest in obligations of the State of Georgia; obligations issued by the U.S. Government, obligations fully insured or guaranteed by the U.S. Government or by a government agency of the United States; obligations of any corporation of the U.S. Government; prime bankers' acceptances; the Georgia Fund I established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. The investment policy implemented by the Commission further restricts the types, amounts, and allocation of assets, as defined in the investment policy.

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 Commissions investments portfolio (excluding those issued or explicitly guaranteed by the U.S. Government as well as mutual funds) as of December 31, 2014 are Federal Farm Credit Bank 9.4%, Federal Home Loan Bank 14.9%, Freddie Mac 6.9%, State of Georgia Municipal 6.9%, US Treasury 40.8% and Fannie Mae 19.6%.

B. Capital Assets

Capital asset activity for the year ended December 31, 2014 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Reclassifications	Ending Balance
Governmental Activities					
Capital assets not being depreciated:					
Land	$ 22,197,345	$ 413,973	$ -	$ -	$ 22,611,318
Construction in progress	3,160,737	23,049,261	-	(1,203,856)	25,006,142
Total capital assets, not being depreciated	25,358,082	23,463,234	-	(1,203,856)	47,617,460
Capital assets, being depreciated:					
Buildings and parks	33,152,815		-	506,344	33,659,159
Other improvements	10,561,432	6,970	-	81,846	10,650,248
Machinery and equipment	11,222,836	1,099,268	(577,293)	-	11,744,811
Infrastructure	82,706,277	823,200	-	615,666	84,145,143
Total capital assets being depreciated	137,643,360	1,929,438	(577,293)	1,203,856	140,199,361
Less accumulated depreciation for:					
Buildings and parks	(6,377,969)	(686,571)	-	-	(7,064,540)
Other improvements	(3,942,002)	(450,365)	-	-	(4,392,367)
Machinery and equipment	(7,420,660)	(786,693)	554,336	-	(7,653,017)
Infrastructure	(16,425,416)	(1,798,052)	-	-	(18,223,468)
Total accumulated depreciation	(34,166,047)	(3,721,681)	554,336	-	(37,333,392)
Total capital assets, being depreciated, net	103,477,313	(1,792,243)	(22,957)	1,203,856	102,865,969
Governmental activities capital assets, net	$ 128,835,395	$ 21,670,991	$ (22,957)	$ -	$ 150,483,429

	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	105,821		-	105,821
Total capital assets, being depreciated	105,821	-	-	105,821
Less accumulated depreciation for:				
Machinery and equipment	(23,087)	(22,955)	-	(46,042)
Total accumulated depreciation	(23,087)	(22,955)	-	(46,042)
Total capital assets, being depreciated, net	82,734	(22,955)	-	59,779
Business-type activites capital assets, net	$ 82,734	$ (22,955)	$ -	$ 59,779

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

Governmental Activities:	
General government	$ 25,305
Public safety	491,864
Public works	2,482,902
Community development and leisure services	721,610
Total governmental activities depreciation expense	$ 3,721,681
Business-Type Activities:	
Sanitation Fund	$ 22,955

C. Interfund Receivables, Payables, Advances and Transfers

As of December 31, 2014, there were no interfund receivables or payables. Interfund transfers for the year ended December 31, 2014, are as follows:

	Transfers In:		
Transfers Out:	**General Fund**	**Nonmajor Enterprise Fund**	**Total**
General fund	$ -	$ -	$ -
Nonmajor Governmental fund	76,800	-	76,800
Total	$ 76,800	$ -	$ 76,800

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.

The composition of the advances balances as of December 31, 2014 is as follows:

Advances from/to other funds:

Receivable Fund	Payable Fund	Amount
General Fund	SPLOST 2013	$ 3,000,000

During 2013 the City began construction on the new Public Safety Complex. The construction was completed in 2014. The complex was funded by the 2013 SPLOST Fund. Revenues collected in 2014 were not sufficient to pay for the project to completion. Therefore, the General Fund advanced the 2013 SPLOST fund $3,000,000 to complete the project.

D. Long-term Debt

Primary Government

As of December 31, 2014, the City's governmental activities and business-type activities had no outstanding long-term debt other than compensated absences in the amounts of $616,313 and $5,561, respectively.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	$ 522,351	$ 1,276,103	$ 1,185,141	$ 613,313	$ 407,069
Business-Type activities:					
Compensated absences	$ 6,561	$ 14,819	$ 15,819	$ 5,561	$ 4,429

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

Component Unit – Newnan Downtown Development Authority

The Authority has a line of credit from United Bank to fund the University of West Georgia Project under construction by the City. The schedule below reflects the detailed borrowings and repayments on the line of credit during 2014. For additional information, see Note K, on page 68.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Line of Credit	$ -	$ 12,401,017	$ 1,337,960	$ 11,063,057	$ 11,063,057

During 2014, the Authority paid $62,911 in interest on the line-of-credit.

Component Unit – Newnan Water, Sewerage and Light Commission

Long-Term Debt – The Newnan Water, Sewerage and Light Commission had two types of long-term debt outstanding at December 31, 2014, notes payable and revenue bonds.

Notes Payable – The Newnan Water, Sewerage and Light Commission has arrangements with the Georgia Environmental Facilities Authority to lease assets as capital leases.

Georgia Environmental Facilities Authority – The Commission entered into an $8,550,000 loan agreement dated February 16, 2007 with the Georgia Environmental Facilities Authority to finance the costs of improving the Hershall B. Norred Water Plant. The loan commitment will be advanced during the construction period of the project. Interest accrued during the construction period at the rate of 3 percent per annum. On March 1, 2010, the loan converted to permanent status with the total outstanding balance of $9,046,798 due in 240 monthly payments of $50,173 consisting of principal and interest at 3 percent until maturity on March 1, 2030. As of December 31, 2014, the outstanding loan balance was $7,361,954 plus accrued interest of $18,758.

Total debt service requirements to maturity are as follows:

Year	Principal	Interest	Total
2015	$ 386,518	$ 215,562	$ 602,080
2016	398,209	203,871	602,080
2017	410,433	191,647	602,080
2018	422,870	179,210	602,080
2019	435,731	166,348	602,079
2020-2024	2,385,643	624,757	3,010,400
2025-2029	2,771,267	239,133	3,010,400
2030	151,283	763	152,046
	$ 7,361,954	$ 1,821,291	$ 9,183,245

Revenue Bonds

Series 2006 Bonds

During the year, 2006, the NWSL 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 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 maturities of the 2006 bonds excluding, premiums, discounts and deferred refunding losses of $613,535, ($8,969) and $(468,004), respectively, are as follows:

Year	Principal	Interest	Total
2015	$ 1,220,000	$ 1,120,675	$ 2,340,675
2016	1,395,000	1,062,406	2,457,406
2017	1,450,000	998,388	2,448,388
2018	1,520,000	924,138	2,444,138
2019	1,600,000	846,138	2,446,138
2020-2024	8,305,000	3,010,740	11,315,740
2025-2029	4,045,000	1,548,194	5,593,194
2030-2034	3,540,000	782,414	4,322,414
2035-2036	1,650,000	75,151	1,725,151
Total	$ 24,725,000	$ 10,368,244	$ 35,093,244

Component Unit

The changes in long-term debt are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Deferred Compensation	$ 2,505,345	$ -	$ (125,489)	$ 2,379,856	$ 268,800
Revenue bonds	25,753,033	-	(891,471)	24,861,562	1,220,000
Notes payable	7,737,062	-	(375,108)	7,361,954	386,518
Total	$ 35,995,440	$ -	$ (1,392,068)	$ 34,603,372	$ 1,875,318

E. Property Taxes

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

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

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

The property tax calendar is as follows:

	Real/Personal Property (Excluding Vehicles)	Motor Vehicles
Assessment date	January 1	January 1
Levy date	September 18	January 1
Due date and collection date	October 31	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. Hotel/Motel Taxes

The City levies and collects a 5% lodging tax which is reported in the Hotel/Motel Tourism Enhancement Fund. The City retains 60% of the funds collected. Tax receipts for the year were $384,002. Of the current year expenditures $2,864 was relative to repairs and maintenance for the Newnan Male Academy Museum and $240,000 for operating costs of the Newnan Convention Center. As of December 31, 2014, the balance of funds not expended was $122,760. These funds are restricted for future operations of the Newnan Convention Center.

G. 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 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, 2014, 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.

H. 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.

I. 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.

J. 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.

Significant Accounting Policies

Basis of Accounting. The City of Newnan financial statements are prepared using the modified accrual basis. Employer contributions are recognized in the period that the contributions are due.

Funding Policy

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 10.62% of annual covered payroll. The contribution requirements of the City are established and may be amended by the GMEBS Board of Trustees.

Annual Pension Cost

For the plan year, the City's annual pension cost was $939,224 and the required contribution was $939,224.

Three-Year Trend Information for the Plan

Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
12/31/2014	$ 939,224	100.0%	$ -
12/31/2013	944,435	100.0%	-
12/31/2012	839,750	100.0%	-

The required contribution was determined as part of the July 1, 2014 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), and (b) projected salary increases of 3.5% per year and (c) 0% cost of living adjustments. The Plan's unfunded actuarial accrued liability is being amortized (closed level dollar method) over 30 years for the initial unfunded accrued liability, 15 years for actuarial gains and losses, 10 years for temporary retirement incentive programs, 20 years for other changes to plan provisions and 30 years for actuarial assumptions and cost methods. The total amortization must be within a corridor of the 10-year and the 30-year amortization of the unfunded/(surplus) actuarial accrued liability. In a year when the 10-year or 30-year corridor applies, the following year, the prior year bases are combined into one 10-year or 30-year base.

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2014, the most recent actuarial valuation date, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2014	$ 14,591,352	$ 16,850,975	$ 2,259,623	86.59%	$ 9,244,408	24.44%

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of December 31, 2014.

Additional Information

Additional information as of the latest actuarial valuation follows:

Valuation date	7/1/2014	
Actuarial cost method	Projected unit credit	
Amortization method	Closed level dollar for remaining unfunded liability	
Remaining amortization period	Remaining amortization period varies for the bases, with a net effective amortization period of 10 years.	
Asset valuation method	Sum of actuarial value at the beginning of the year and the cash flows 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.	
Actuarial assumptions:		
Investment rate-of-return	7.75%	
Inflation rate	3.50%	
Projected salaries increases	3.50%	plus age and service based merit increases
COLAs	0.00%	
Membership of the plan:		
Retirees and beneficiaries	67	
Terminated plan members entitiled to, but not yet receiving benefits	60	
Active plan members	221	
Total	348	

There were no changes in methods or assumption from the prior year.

The City's annual pension costs and net pension obligation (asset) for the current year were determined as follows:

Normal Costs	$	537,874
Adjustments to fiscal year		34,407
Payment on unfunded actuarial accrued liability		366,943
Annual required contribution		939,224
Contribution made		939,224
Increase (decrease) in net pension obligation		-
Net pension obligation (asset) December 31, 2013		-
Net pension obligation (asset) December 31, 2014	$	-

K. Commitments

West Georgia University Project

As of December 31, 2014, the City has committed to the following construction project:

The City has entered into a purchase and redevelopment agreement with the University System of Georgia and Newnan Hospital Incorporated. The anticipated budget is $15 million. Under the terms of the agreement, the City will acquire the hospital facility along with approximately $4 million in cash. The City will be responsible for renovating the facility into educational space for the University of West Georgia. Upon completion of the renovation process, the University System will purchase the facility from the City for $5 million. The City is expected to issue short-term financing in the amount of $11 million and the long-term financing is expected to be $6 million. The City has entered into an Intergovernmental Agreement with the Downtown Development Authority for the purpose of this financing. Sale of the property to the University is expected prior to the end of FY2015.

L. Investment in Capital Assets

Investment in Capital Assets on the Government-wide statement of net position as of December 31, 2014 is as follows:

	Governmental Activities	Business Type Activities
Cost of capital assets	$ 187,816,821	$ 105,821
Less accumulated depreciation	(37,333,392)	(46,042)
Book value	150,483,429	59,779
Less all capital related debt	-	-
Investment in capital assets	$ 150,483,429	$ 59,779

M. Subsequent Events

Per agreement with the Board of Regents of the University System of Georgia, on April 30, 2015, the City of Newnan completed the sale of the newly renovated Newnan Hospital building and land to the Board of Regents. The building will be utilized as a new campus for the University of West Georgia in Newnan. The sales price was $5 million dollars. The proceeds from the sale will be utilized to pay down the existing loan obtained by the Downtown Development Authority to complete the renovation of the old Newnan Hospital Building for this purpose. Most of the land involved in the sale was donated to the City of Newnan by the Newnan Hospital, Inc. and an additional $4.2 million was contributed by the same organization to assist with the renovation.

NOTE 4 – PRIOR PERIOD ADJUSTMENT

Component Unit

The beginning net position has been restated to record a prior period adjustment to correct bond issuance costs. A reconciliation of the prior period ending net position to the current year net position is as follows:

	Component Unit Water Sewerage and Light Commission
Beginning net position	$ 127,646,812
Adjustment to correct bond issuance costs	(541,032)
Beginning net position, as restated	$ 127,105,780

The above adjustment decreased the change in net position $541,032 for the prior year and had no impact on the current year change in net position.

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Required Supplementary Information

CITY OF NEWNAN, GEORGIA

RETIREMENT PLAN

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2014	$ 14,591,352	$ 16,850,975	$ 2,259,623	86.59%	$ 9,244,408	24.44%
7/1/2013	13,302,766	15,887,685	2,584,919	83.73%	8,691,172	29.74%
7/1/2012	12,363,934	15,184,331	2,820,397	81.43%	8,364,875	33.72%
7/1/2011	11,466,127	13,966,277	2,500,150	82.10%	8,170,398	30.60%
7/1/2010	10,368,620	13,299,795	2,931,175	77.96%	8,352,005	35.10%
7/1/2009	7,753,820	12,815,730	5,061,910	60.50%	8,408,381	60.20%

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.

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

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

CAPITAL PROJECTS FUNDS

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

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

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

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

SPLOST Construction Fund 2002 – This fund accounts for the construction and improvements in accordance with the 2002 sales tax referendum.

CITY OF NEWNAN, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2014

	Special Revenue Funds						Capital Projects Funds					Total Nonmajor Governmental Funds
	Confiscated Assets	Miscellaneous Grants	Hotel/Motel Tourism Enhancement	NSP Grants	Rental Motor Vehicle Excise Tax	Total	Street Improvement	LMIG Fund	Impact Fees	SPLOST 2002	Total	
ASSETS												
Cash and cash equivalents	$ 10,619	$ 20,921	$ -	$ 38,635	$ -	$ 70,175	$ -	$ -	$ 2,328,896	$ 120,861	$ 2,449,757	$ 2,519,932
Investments	200,223	-	35,875	-	53,567	289,665	374,273	55,276	-	-	429,549	719,214
Taxes receivable	-	-	86,885	-	7,611	94,496	-	-	-	-	-	94,496
Intergovernmental receivable	-	-	-	36,088	-	36,088	-	-	-	-	-	36,088
Total assets	$ 210,842	$ 20,921	$ 122,760	$ 74,723	$ 61,178	$ 490,424	$ 374,273	$ 55,276	$ 2,328,896	$ 120,861	$ 2,879,306	$ 3,369,730
LIABILITIES												
Accounts payable	$ 6,926	$ 1,258	$ -	$ -	26,106	$ 34,290	$ 246	$ -	157,441	120,861	$ 278,548	$ 312,838
Unearned revenue	-	19,663	-	74,723	-	94,386	-	-	-	-	-	94,386
Total liabilities	6,926	20,921	-	74,723	26,106	128,676	246	-	157,441	120,861	278,548	407,224
FUND BALANCES												
Restricted	203,916	-	122,760	-	35,072	361,748	-	55,276	2,171,455	-	2,226,731	2,588,479
Assigned	-	-	-	-	-	-	374,027		-	-	374,027	374,027
Total fund balances	203,916	-	122,760	-	35,072	361,748	374,027	55,276	2,171,455	-	2,600,758	2,962,506
TOTAL LIABILITIES AND FUND BALANCES	$ 210,842	$ 20,921	$ 122,760	$ 74,723	$ 61,178	$ 490,424	$ 374,273	$ 55,276	$ 2,328,896	$ 120,861	$ 2,879,306	$ 3,369,730

CITY OF NEWNAN, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Special Revenue Funds						Capital Projects Funds					Total Nonmajor Governmental Funds
	Confiscated Assets	Miscellaneous Grants	Hotel/Motel Tourism Enhancement	NSP Grants	Rental Motor Vehicle Excise Tax	Total	Street Improvement	LMIG Fund	Impact Fees	SPLOST 2002	Total	
REVENUES												
Hotel/motel taxes	$ -	$ -	$ 384,002	$ -	$ -	$ 384,002	$ -	$ -	$ -	$ -	$ -	$ 384,002
Court condemnations	175,491	-	-	-	-	175,491	-	-	-	-	-	175,491
Intergovernmental	-	7,830	-	418,843	-	426,673	-	496,626	-	-	496,626	923,299
Impact fees	-	-	-	-	-	-	-	-	416,212	-	416,212	416,212
Excise taxes	-	-	-	-	79,566	79,566	-	-	-	-	-	79,566
Program revenues	-	-	-	74,577	-	74,577	-	-	-	-	-	74,577
Other revenues	-	1,033	-	-	-	1,033	31,207	-	-	-	31,207	32,240
Investment earnings	452	-	122	3	49	626	476	407	3,073	429	4,385	5,011
Total revenues	175,943	8,863	384,124	493,423	79,615	1,141,968	31,683	497,033	419,285	429	948,430	2,090,398
EXPENDITURES												
Current												
General government	-	3,786	-	493,423	-	497,209	246	-	-	-	246	497,455
Tourism development	-	-	242,864	-	79,615	322,479	-	-	-	-	-	322,479
Public safety	136,109	4,044	-	-	-	140,153	-	-	4,942	-	4,942	145,095
Public works	-	1,033	-	-	-	1,033	-	441,757	-	451	442,208	443,241
Capital outlay	160,179	-	-	-	-	160,179	-	-	588,342	353,084	941,426	1,101,605
Total expenditures	296,288	8,863	242,864	493,423	79,615	1,121,053	246	441,757	593,284	353,535	1,388,822	2,509,875
Excess (deficiency) of revenues over (under) expenditures	(120,345)	-	141,260	-	-	20,915	31,437	55,276	(173,999)	(353,106)	(440,392)	(419,477)
Other financing sources (uses)												
Transfers out	-	-	(76,800)	-	-	(76,800)	-	-	-	-	-	(76,800)
Total other financing sources (uses)	-	-	(76,800)	-	-	(76,800)	-	-	-	-	-	(76,800)
Net change in fund balances	(120,345)	-	64,460	-	-	(55,885)	31,437	55,276	(173,999)	(353,106)	(440,392)	(496,277)
Fund balances - beginning of year	324,261	-	58,300	-	35,072	417,633	342,590	-	2,345,454	353,106	3,041,150	3,458,783
Fund balances - end of year	$ 203,916	$ -	$ 122,760	$ -	$ 35,072	$ 361,748	$ 374,027	$ 55,276	$ 2,171,455	$ -	$ 2,600,758	$ 2,962,506

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, 2014

	Final Budget	Actual	Variance
REVENUES			
Court condemnations	$ 212,000	$ 175,491	$ (36,509)
Investment earnings	1,003	452	(551)
Total Revenues	213,003	175,943	(37,060)
EXPENDITURES			
Current			
Public safety	146,100	136,109	9,991
Capital outlay	161,000	160,179	821
Total Expenditures	307,100	296,288	10,812
Net change in fund balance	(94,097)	(120,345)	(26,248)
Fund balances - beginning of year	324,261	324,261	-
Fund balances - end of year	$ 230,164	$ 203,916	$ (26,248)

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, 2014

	Final Budget	Actual	Variance
REVENUES			
Other revenues	$ 1,033	$ 1,033	$ -
Intergovernmental	5,630	7,830	2,200
Total Revenues	6,663	8,863	2,200
EXPENDITURES			
Current			
General government	3,786	3,786	-
Public works	1,033	1,033	-
Public safety	4,044	4,044	-
Total Expenditures	8,863	8,863	-
Net change in fund balance	(2,200)	-	2,200
Fund balances - beginning of year	-	-	-
Fund balances - end of year	$ -	$ -	$ -

CITY OF NEWNAN, GEORGIA

HOTEL/MOTEL TOURISM ENHANCEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2014

	Final Budget	Actual	Variance
REVENUES			
Hotel/motel taxes	$ 384,002	$ 384,002	$ -
Investment earnings	600	122	(478)
Total Revenues	384,602	384,124	(478)
EXPENDITURES			
Current			
Tourism development	242,864	242,864	-
Total Expenditures	242,864	242,864	-
Excess (deficiency) of revenues over (under) expenditures	141,738	141,260	(478)
Other Financing Use			
Transfer out	(180,000)	(76,800)	103,200
Net change in fund balances	(38,262)	64,460	102,722
Fund balances - beginning of year	58,300	58,300	-
Fund balances - end of year	$ 20,038	$ 122,760	$ 102,722

CITY OF NEWNAN, GEORGIA

NSP GRANTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2014

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	$ 580,000	$ 418,843	$ (161,157)
Program income	60,000	74,577	14,577
Investment earnings	30	3	(27)
Total Revenues	640,030	493,423	(146,607)
EXPENDITURES			
Current			
General government	640,030	493,423	146,607
Total Expenditures	640,030	493,423	146,607
Net change in fund balances	-	-	-
Fund balances - beginning of year	-	-	-
Fund balances - end of year	$ -	$ -	$ -

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, 2014

	Final Budget	Actual	Variance
REVENUES			
Excise tax	$ 79,615	$ 79,566	$ (49)
Investment earnings	20	49	29
Total Revenues	79,635	79,615	(20)
EXPENDITURES			
Current			
Tourism development	79,615	79,615	-
Total Expenditures	79,615	79,615	-
Net change in fund balances	20	-	(20)
Fund balances - beginning of year	35,072	35,072	-
Fund balances - end of year	$ 35,092	$ 35,072	$ (20)

CITY OF NEWNAN, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITY
AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	December 31, 2013	Additions	Deletions	December 31, 2014
Police Pre-Confiscated Assets Fund				
ASSETS				
Cash	$ 87,890	$ 34,105	$ 30,153	$ 91,842
Total assets	$ 87,890	$ 34,105	$ 30,153	$ 91,842
LIABILITY				
Payable from assets				
Confiscated assets pending disposition	$ 87,890	$ 34,105	$ 30,153	$ 91,842

CITY OF NEWNAN, GEORGIA

COMPONENT UNIT - NEWNAN DOWNTOWN DEVELOPMENT AUTHORITY
BALANCE SHEET
DECEMBER 31, 2014

ASSETS	
Cash and cash equivalents	94,215
Receivables	4,901,858
Total Assets	$ 4,996,073
LIABILITIES AND FUND BALANCES	
Accounts payable	4,901,566
Total Liabilities	4,901,566
Fund Balances:	
Unassigned	94,507
Total Fund Balances	94,507
Total Liabilities and Fund Balances	4,996,073
Amounts reported for governmental activities in the statement of net assets 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	$ (11,063,057)
Total net position (deficit) of governmental activities	$ (10,968,550)

CITY OF NEWNAN, GEORGIA

COMPONENT UNIT - NEWNAN DOWNTOWN DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
DECEMBER 31, 2014

REVENUES:	
Intergovernmental revenues	$ 1,400,872
Event income	140,960
Sponsorship income	17,600
Miscellaneous revenues	6,858
Interest earnings	115
Total Revenues	1,566,405
EXPENDITURES:	
Current:	
Community Development	12,401,017
Promotion	156,005
Debt Service:	
Principal	1,337,960
Interest	62,911
Total Expenditures	13,957,893
Excess (deficiency) of revenues over (under) expenditures	(12,391,488)
OTHER FINANCING SOURCES (USES)	
Capital lease	12,401,017
Total other financing sources (uses)	12,401,017
Net change in fund balances	9,529
Fund Balance - Beginning of year	84,978
Fund Balance - End of year	$ 94,507

Amounts reported for governmental activities in the Statement of Activities are different because:
Under the modified accrual basis of accounting in governmental funds, expenditures 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:

Issuance of long-term debt	(12,401,017)
Repayment of principal	1,337,960
Change in Net Position of Governmental Activities.	$ (10,968,550)

CITY OF NEWNAN, GEORGIA

COMPONENT UNIT - NEWNAN CONVENTION CENTER AUTHORITY
BALANCE SHEET
DECEMBER 31, 2014

ASSETS	
Cash and cash equivalents	$ 86,271
Accounts receivable	3,091
Receivable - primary government	26,106
Prepaid items	2,800
Total Assets	$ 118,268
LIABILITIES AND FUND BALANCES	
Accounts payable	$ 2,802
Accrued expenses	5,136
Customer deposits	20,655
Total Liabilities	28,593
Fund Balances:	
Nonspendable	2,800
Unassigned	86,875
Total Fund Balances	89,675
Total Liabilities and Fund Balances	$ 118,268

CITY OF NEWNAN, GEORGIA

COMPONENT UNIT - NEWNAN CONVENTION CENTER AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
DECEMBER 31, 2014

REVENUES:	
Intergovernmental	$ 319,615
Rental	194,153
Other income	5,050
Interest earnings	3
Total Revenues	518,821
EXPENDITURES:	
Current:	
General government	403,860
Total Expenditures	403,860
Net change in fund balances	114,961
Fund Balance -(Deficit) Beginning of year	(25,286)
Fund Balance - End of year	$ 89,675

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STATISTICAL SECTION

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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.

Contents	Page(s)
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.	83-89
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.	90-96
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.	97-98
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.	99-101
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.	102-103

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)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
GOVERNMENTAL ACTIVITIES										
Net investment in capital assets	$ 48,202,095	$ 59,950,866	$ 99,720,483	$107,970,772	$111,049,663	$110,991,843	$113,432,298	$116,381,649	$128,835,395	$150,483,429
Restricted	10,247,870	10,017,489	12,310,604	11,890,374	12,341,221	16,917,262	16,488,833	16,508,525	16,664,637	10,413,607
Unrestricted	11,056,237	14,484,797	16,050,074	17,202,620	15,619,539	15,818,177	17,880,877	19,419,550	21,260,602	21,840,647
Total governmental activities net position	$ 69,506,202	$ 84,453,152	$128,081,161	$137,063,766	$139,010,423	$143,727,282	$147,802,008	$152,309,724	$166,760,634	$182,737,683
BUSINESS-TYPE ACTIVITIES										
Net investment in capital assets	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 82,734	$ 59,779
Restricted	-	-	-	-	-	-	-	-	-	
Unrestricted	-	-	-	-	-	-	-	-	236,457	348,838
Total business-type activities net position	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 319,190	$ 408,617
TOTAL PRIMARY GOVERNMENT										
Net investment in capital assets	$ 48,202,095	$ 59,950,866	$ 99,720,483	$107,970,772	$111,049,663	$110,991,843	$113,432,298	$116,381,649	$128,918,129	$150,543,208
Restricted	10,247,870	10,017,489	12,310,604	11,890,374	12,341,221	16,917,262	16,488,833	16,508,525	16,664,637	10,413,607
Unrestricted	11,056,237	14,484,797	16,050,074	17,202,620	15,619,539	15,818,177	17,880,877	19,419,550	21,497,059	22,189,485
Total primary government net position	$ 69,506,202	$ 84,453,152	$128,081,161	$137,063,766	$139,010,423	$143,727,282	$147,802,008	$152,309,724	$167,079,824	$183,146,300
Change in Net Position										
Governmental activities	$ 15,728,329	$ 14,946,950	$ 43,628,009	$ 8,982,605	$ 1,946,657	$ 4,716,859	$ 4,074,726	$ 4,507,716	$ 14,450,910	$ 15,977,049
Business-type activities	-	-	-	-	-	-	-	-	319,190	89,427
Total primary government	$ 15,728,329	$ 14,946,950	$ 43,628,009	$ 8,982,605	$ 1,946,657	$ 4,716,859	$ 4,074,726	$ 4,507,716	$ 14,770,100	$ 16,066,476

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.

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses:										
Governmental activities:										
General Government	$ 1,692,563	$ 2,164,887	$ 2,823,373	$ 2,747,236	$ 2,771,020	$ 4,360,012	$ 2,767,833	$ 3,086,824	$ 3,300,180	$ 4,933,630
Community Development	1,761,614	2,233,473	2,697,243	2,610,332	2,505,682	2,603,527	3,095,588	2,643,006	3,157,100	3,525,360
Public Safety	7,522,020	8,076,362	8,638,598	9,341,701	9,272,838	9,634,856	9,626,896	10,095,536	11,692,623	11,830,515
Public Works	3,364,415	3,535,165	4,405,650	4,285,367	4,679,400	4,723,863	4,333,648	4,882,378	6,119,985	6,208,318
Tourist Development	20,511	14,955	2,292	4,274	9,304	3,691	2,588	121,726	248,989	322,479
Other Services	801,434	-	-	-	-	-	-	-	146	-
Total governmental activities expenses	15,162,557	16,024,842	18,567,156	18,988,910	19,238,244	21,325,949	19,826,553	20,829,472	24,519,023	26,820,302
Business-type activities:										
Sanitation - Brush & Bulk	-	-	-	-	-	-	-	-	398,955	467,952
Total business-type activities expenses	-	-	-	-	-	-	-	-	398,955	467,952
Total primary government expenses	15,162,557	16,024,842	18,567,156	18,988,910	19,238,244	21,325,949	19,826,553	20,829,472	24,917,978	27,288,254
Program Revenues:										
Governmental activities:										
Charges for Services										
General Government	1,566,857	1,654,084	1,939,390	1,921,215	1,730,602	1,863,821	2,109,634	1,771,422	1,891,228	2,511,611
Tourism Development	-	-	-	21,504	17,560	23,104	29,537	31,245	36,474	-
Public Safety	448,967	588,846	632,359	835,169	855,249	2,918,872	850,972	725,106	835,395	921,592
Public Works	1,426,765	-	-	-	-	-	-	-	74,450	-
Community Development	-	2,851,031	1,957,224	1,015,521	375,840	267,248	335,381	531,393	663,990	584,997
Total charges for services	3,442,589	5,093,961	4,528,973	3,793,409	2,979,251	5,073,045	3,325,524	3,059,166	3,501,537	4,018,200
Operating grants and contributions	1,204,398	74,084	103,045	91,128	96,152	-	-	25,000	25,000	25,000
Capital grants and contributions	10,840,515	8,626,666	4,238,389	4,198,787	4,260,001	6,970,299	5,802,964	7,277,425	19,324,633	20,330,162
Total governmental activities program revenues	15,487,502	13,794,711	8,870,407	8,083,324	7,335,404	12,043,344	9,128,488	10,361,591	22,851,170	24,373,362
Business-type activities:										
Charges for Services										
Sanitation - Brush & Bulk	-	-	-	-	-	-	-	-	439,606	557,079
Total Charges for Services	-	-	-	-	-	-	-	-	439,606	557,079
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities expenses	-	-	-	-	-	-	-	-	439,606	557,079
Total primary government program revenues	15,487,502	13,794,711	8,870,407	8,083,324	7,335,404	12,043,344	9,128,488	10,361,591	23,290,776	24,930,441
Net (Expenses)/Revenue										
Governmental activities	324,945	(2,230,131)	(9,696,749)	(10,905,586)	(11,902,840)	(9,282,605)	(10,698,065)	(10,467,881)	(1,667,853)	(2,446,940)
Business-type activities	-	-	-	-	-	-	-	-	40,651	89,127
Total primary government net (expense)/revenue	$ 324,945	$ (2,230,131)	$ (9,696,749)	$ (10,905,586)	$ (11,902,840)	$ (9,282,605)	$ (10,698,065)	$ (10,467,881)	$ (1,627,202)	$ (2,357,813)

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.

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Revenue and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property Taxes	$ 3,236,177	$ 3,602,064	$ 4,203,214	$ 4,398,384	$ 4,501,655	$ 4,630,433	$ 4,285,530	$ 4,033,631	$ 4,140,413	$ 4,566,463
Motor Vehicle Taxes (Ad Valorem & TAVT)	199,994	230,462	254,832	270,781	249,931	249,579	273,376	300,866	1,094,431	1,275,827
Sales Taxes	6,658,437	7,517,296	9,552,987	9,576,131	3,860,258	4,187,040	4,367,306	4,589,581	5,014,974	5,778,730
Occupational Taxes	1,321,047	1,472,479	1,732,989	1,838,252	1,792,961	1,603,104	1,684,129	1,788,599	1,877,696	2,314,758
Franchise Taxes	935,535	1,004,528	1,226,762	1,324,724	1,420,597	1,416,636	1,449,554	1,380,171	1,261,724	1,306,323
Insurance Premium Taxes	813,456	851,078	887,770	909,036	900,507	874,336	1,549,668	1,646,007	1,704,283	1,790,149
Hotel Motel Taxes	200,101	211,120	329,900	258,001	240,642	223,694	253,718	283,321	337,102	384,002
Alcoholic Beverage Taxes	636,993	700,717	733,406	731,681	742,731	737,209	757,381	822,432	812,992	856,438
Other Taxes	236,725	222,331	25,471	33,524	34,544	44,909	125,950	101,620	123,094	114,835
Interest Revenue	540,821	1,008,500	1,170,885	547,677	105,671	32,524	26,179	29,369	30,481	30,104
Miscellaneous	329,590	-	-	-	-	-	-	-	-	-
Gain on Sale of Assets	-	-	-	-	-	-	-	-	-	6,360
Transfer	-	-	-	-	-	-	-	-	(196,016)	-
Contributed Capital	-	-	-	-	-	-	-	-	(82,411)	-
Total governmental activities	15,108,876	16,820,575	20,118,216	19,888,191	13,849,497	13,999,464	14,772,791	14,975,597	16,118,763	18,423,989
Business-type activities:										
Unrestricted Investment Earnings									112	300
Transfers									196,016	-
Contributed Capital - General Fund									21,652	-
Contributed Capital - SPLOST									60,759	-
Total business-type activieies	-	-	-	-	-	-	-	-	278,539	300
Total Primary Government	15,108,876	16,820,575	20,118,216	19,888,191	13,849,497	13,999,464	14,772,791	14,975,597	16,397,302	18,424,289
Change in Net Position										
Governmental Activities	15,433,821	14,590,444	10,421,467	8,982,605	1,946,657	4,716,859	4,074,726	4,507,716	14,450,909	15,977,049
Business-type Activities	-	-	-	-	-	-	-	-	319,190	89,427
Total Primary Government	$ 15,433,821	$ 14,590,444	$ 10,421,467	$ 8,982,605	$ 1,946,657	$ 4,716,859	$ 4,074,726	$ 4,507,716	$ 14,770,099	$ 16,066,476

Notes:

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

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

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

	Program Revenues									
	2005	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
Function/Program										
Governmental activities:										
General Government	$ 2,994,494	$ 1,654,084	$1,939,390	$3,086,953	$3,503,579	$ 4,598,122	$3,053,365	$ 2,746,341	$10,171,142	$ 3,350,719
Community Development	-	2,851,031	1,987,224	1,025,521	568,304	1,141,230	1,966,820	2,754,309	6,267,557	13,895,745
Public Safety	472,358	669,170	741,655	958,454	1,281,257	3,669,424	1,608,878	1,456,751	2,530,664	4,272,558
Public Works	12,020,650	8,597,644	4,202,138	2,990,892	1,964,704	2,611,464	2,469,888	3,347,945	3,655,333	2,829,340
Tourist Development	-	22,782	-	21,504	17,560	23,104	29,537	56,245	226,474	25,000
Other Services	-	-	-	-	-	-	-	-	-	-
Subtotal governmental activities	15,487,502	13,794,711	8,870,407	8,083,324	7,335,404	12,043,344	9,128,488	10,361,591	22,851,170	24,373,362
Business-type activieies:										
Sanitation - Brush & Bulk	-	-	-	-	-	-	-	-	439,606	557,079
Subtotal business-type activities	-	-	-	-	-	-	-	-	439,606	557,079
Total primary government	$15,487,502	$13,794,711	$8,870,407	$8,083,324	$7,335,404	$12,043,344	$9,128,488	$10,361,591	$23,290,776	$ 24,930,441

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.

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

	Calendar Year									
	2005	**2006**	**2007**	**2008**	**2009**	**2010**	**2011 ***	**2012**	**2013**	**2014**
General Fund										
Reserved	$ 255,509	$ 273,734	$ 458,929	$ 227,287	$ 135,435	$ 125,936	$ -	$ -	$ -	$ -
Unreserved	10,983,435	12,848,952	14,168,420	14,885,077	13,315,495	14,746,505	-	-	-	-
Nonspendable [(a)]	-	-	-	-	-	-	3,378	6,647	16,728	3,027,727
Restricted	-	-	-	-	-	-	51,645	61,140	137,715	33,670
Assigned	-	-	-	-	-	-	567,919	548,916	385,070	395,476
Committed [(b)]	-	-	-	-	-	-	-	-	1,400,871	2,500,000
Unassigned [(a)]	-	-	-	-	-	-	16,925,008	18,460,690	19,340,624	17,194,562
Total General Fund	$ 11,238,944	$ 13,122,686	$ 14,627,349	$ 15,112,364	$ 13,450,930	$ 14,872,441	$ 17,547,950	$ 19,077,393	$ 21,281,008	$ 23,151,435
All Other Governmental Funds										
Reserved	$ 3,182,981	$ 10,038,294	$ 13,090,613	$ 13,211,566	$ 13,683,686	$ 16,869,986	$ -	$ -	$ -	$ -
Unreserved:										
Special Revenue Funds	(54,378)	1,935	1,746	120,612	-	-	-	-	-	-
Capital Projects Funds	6,947,242	1,278,564	658,091	519,701	820,018	978,802	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted:										
Special Revenue Funds	-	-	-	-	-	-	1,938,745	1,720,349	417,634	361,748
Capital Projects Funds [(c)]	-	-	-	-	-	-	14,498,443	14,727,036	16,109,286	10,073,465
Assigned	-	-	-	-	-	-	406,878	443,409	342,590	374,027
Unassigned [(d)]	-	-	-	-	-	-	-	-	-	(1,345,488)
Total all other governmental fun	$ 10,075,845	$ 11,318,793	$ 13,750,450	$ 13,851,879	$ 14,503,704	$ 17,848,788	$ 16,844,066	$ 16,890,794	$ 16,869,510	$ 9,463,752
Total Fund Balances	**$ 21,314,789**	**$ 24,441,479**	**$ 28,377,799**	**$ 28,964,243**	**$ 27,954,634**	**$ 32,721,229**	**$ 34,392,016**	**$ 35,968,187**	**$ 38,150,517**	**$ 32,615,187**

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

(a) The variance is due to a $3,000,000 advance from the General Fund to the SPLOST 2013 fund during 2014.

(b) The variance is due to an additional commitment of funds by Council for the UWG project debt repayment.

(c) SPLOST 2013 fund balance decreased by over $3.2 million and SPLOST 2007 fund balance decreased by almost $3.0 million due to capital outlay during 2014.

(d) The deficit in fund balance will be made up with future SPLOST revenues. The advance from the General Fund is being utilized to provide cash for projects in the meantime.

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

	Calendar Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes:										
Alcohol Beverage Taxes	$ 636,993	$ 700,717	$ 733,406	$ 731,681	$ 742,731	$ 737,209	$ 757,381	$ 822,432	$ 812,992	$ 856,438
Excise (Franchise) Taxes	935,536	1,004,528	1,226,762	1,324,724	1,420,597	1,416,636	1,449,554	1,380,171	1,261,724	1,306,323
Hotel/Motel Taxes	200,101	211,120	329,900	258,001	240,642	223,694	253,718	283,321	337,102	384,002
Insurance Premium Taxes	813,456	851,078	887,770	909,036	900,507	874,336	1,549,668	1,646,007	1,704,283	1,790,149
Motor Vehicles [1]	199,994	230,462	254,832	270,781	249,931	249,579	273,376	300,866	1,094,431	1,275,827
Occupational Taxes	1,321,047	1,472,479	1,732,989	1,838,252	1,792,961	1,603,104	1,684,129	1,788,599	1,877,696	2,314,758
Other Taxes	199,194	222,331	25,471	33,524	34,544	44,909	49,162	34,289	47,224	35,269
Property Taxes	2,994,231	3,521,423	4,145,848	4,141,896	4,592,154	4,630,498	4,342,139	4,069,084	4,282,655	4,611,156
Rental Motor Vehicle Taxes	-	-	-	-	-	-	76,788	67,331	75,870	79,566
Sales Taxes	6,658,437	7,517,296	9,552,987	9,576,131	3,860,258	4,187,040	4,367,306	4,589,581	5,014,974	5,778,730
Court Condemnations	11,832	6,240	6,251	165,240	163,338	2,204,972	179,123	56,105	149,347	175,491
Fines and Forfeitures	448,967	588,846	632,359	669,929	691,911	624,181	575,724	666,838	684,937	746,101
Grants/Private Donations	23,391	2,253	-	150,000	-	-	-	-	-	-
Impact Fees	1,414,933	1,505,448	1,118,593	529,396	115,945	203,581	146,934	519,587	654,801	416,212
Indirect Cost Allocations	1,139,329	-	-	-	-	-	-	-	-	-
Intergovernmental	461,148	848,571	476,377	499,968	4,300,078	6,602,500	5,154,183	5,541,023	6,122,544	19,069,539
Intergovernmental - Utility	966,488	1,094,453	1,161,112	1,165,377	1,172,781	1,389,848	1,415,620	1,404,838	1,390,764	1,511,528
Investment Earnings	540,821	1,008,923	1,170,885	547,677	105,671	55,409	44,246	48,873	45,354	39,538
Alcohol Licenses	236,183	174,700	180,038	183,775	179,050	186,354	176,845	174,500	174,899	211,210
Other Revenues	329,589	268,163	370,732	185,955	315,606	243,361	272,389	347,561	477,217	582,522
Donations	-	-	-	-	-	-	-	-	4,100,000	-
Program Revenue	-	-	-	-	-	-	30,925	17,711	69,126	74,577
Permits & Inspections	1,330,674	1,345,583	838,630	486,125	259,895	267,249	335,381	356,893	663,990	584,997
Total Revenues	20,862,344	22,574,614	24,844,942	23,667,468	21,138,600	25,744,460	23,134,591	24,115,610	31,041,930	41,843,933
Expenditures										
General government	1,639,077	2,088,268	2,675,463	2,179,436	4,238,749	3,650,174	2,025,539	2,328,696	2,786,933	4,406,762
Community Development	2,725,073	2,615,532	2,337,153	2,365,981	2,335,471	2,190,419	2,142,737	2,194,892	2,630,317	2,718,409
Public Safety	7,809,982	7,697,555	8,314,508	8,910,093	8,858,915	9,215,617	9,189,763	9,683,048	11,195,846	11,084,284
Public Works	2,469,203	2,371,824	2,637,747	2,722,862	2,561,396	2,508,168	2,535,452	2,699,986	3,700,939	3,637,399
Tourist Development	20,511	14,955	2,292	4,274	9,304	3,691	2,588	121,726	248,989	322,479
Debt Service:										
Interest	-	-	-	-	-	-	-	-	146	-
Intergovernmental	-	-	-	793,530	659,712	715,094	747,955	773,986	805,491	838,325
Capital Outlay	2,397,282	5,016,296	4,953,459	6,104,848	3,484,662	2,712,177	4,832,012	5,403,168	7,487,855	24,400,922
Total Expenditures	17,061,128	19,804,430	20,920,622	23,081,024	22,148,209	20,995,340	21,476,046	23,205,503	28,856,518	47,408,580
Excess of revenues over (under) expenditures	$ 3,801,216	$ 2,770,184	$ 3,924,320	$ 586,444	$ (1,009,609)	$ 4,749,120	$ 1,658,545	$ 910,107	$ 2,185,412	$ (5,564,647)

(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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Other Financing Sources (Uses)										
Transfers from other Funds	$ 1,107,770	$ 1,110,359	$ 1,350,890	$ 861,413	$ 867,985	$ 453,216	$ 500,704	$ 169,992	$ 420,379	$ 76,800
Performance Bond Damages Recovered	-	-	-	-	-	-	-	627,748	165,000	-
Transfers to other Funds	(1,107,770)	(1,110,359)	(1,350,890)	(861,413)	(867,985)	(453,216)	(500,704)	(169,992)	(616,395)	(76,800)
Sale of Capital Assets	27,390	-	12,000	-	-	17,475	12,242	38,316	27,934	29,317
Total Other Financing Sources (Uses)	27,390	-	12,000	-	-	17,475	12,242	666,064	(3,082)	29,317
Net Change in Fund Balances	**$ 3,828,606**	**$ 2,770,184**	**$ 3,936,320**	**$ 586,444**	**$ (1,009,609)**	**$ 4,766,595**	**$ 1,670,787**	**$ 1,576,171**	**$ 2,182,330**	**$ (5,535,330)**
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 [1]	Franchise	Insurance Premium	Occupational [2]	Alcoholic Beverage	Hotel / Motel [3]	Local Option Sales Tax [4]	Motor Vehicle [5]	Other	Total
2005	2,994,231	935,536	813,456	1,321,047	636,993	200,101	6,658,437	199,994	199,194	13,958,989
2006	3,521,423	1,004,528	851,078	1,472,479	700,717	211,120	7,517,296	230,462	222,331	15,731,434
2007	4,145,848	1,226,762	887,770	1,732,989	733,406	329,900	9,552,987	254,832	25,471	18,889,965
2008	4,141,896	1,324,724	909,036	1,838,252	731,681	258,001	9,576,131	270,781	33,524	19,084,026
2009	4,592,154	1,420,597	900,507	1,792,961	742,731	240,642	3,860,258	249,931	34,544	13,834,325
2010	4,630,498	1,416,636	874,336	1,603,104	737,209	223,694	4,187,040	249,579	44,909	13,967,005
2011	4,342,139	1,449,554	1,549,668	1,684,129	757,381	253,718	4,367,306	273,376	125,950	14,803,221
2012	4,069,084	1,380,171	1,646,007	1,788,599	822,432	283,321	4,589,581	300,866	101,620	14,981,681
2013	4,282,655	1,261,724	1,704,283	1,877,696	812,992	337,102	5,014,974	1,094,431	123,094	16,508,951
2014	4,611,156	1,306,323	1,790,149	2,314,758	856,438	384,002	5,778,730	1,275,827	114,835	18,432,218
% Change 2013 - 2014	**7.7%**	**3.5%**	**5.0%**	**23.3%**	**5.3%**	**13.9%**	**15.2%**	**16.6%**	**-6.7%**	**11.6%**

[1] Property taxes peaked in 2010. However, reassessments of existing properties and new additions to the digest resulted in a 7.7% increase over 2013 levels.

[2] Occupational taxes increased by 23.3% from 2013 to 2014 mainly due to an increase in the population and number of businesses in Newnan.

[3] The increase is primarily attributed to the growth in population and new businesses in Newnan.

[4] Special Purpose Local Option Sales Tax (SPLOST) was reported in this category until 2009; the State requires that it now be reported as Intergovernmental Revenue by those cities who receive their disbursement from the County. Additionally, the City's percentage of LOST increased significantly after the 2010 census was completed, due to population growth.

[5] This category includes motor vehicle ad valorem taxes as well as the new title ad valorem taxes added in 2013. The increase is directly attributed to the new TAVT.

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
2005	646,586,820	74,698,651	62,774,553	658,510,918	4.40	1,804,495,817	36.49%
2006	746,226,460	78,323,568	64,763,547	759,786,481	4.34	2,068,050,397	36.74%
2007	840,838,199	93,716,664	65,963,681	868,591,182	4.32	2,338,359,915	37.15%
2008	928,082,597	91,674,717	62,073,670	957,683,644	4.32	2,565,220,948	37.33%
2009	949,769,939	95,116,548	66,807,005	978,079,482	4.32	2,636,081,482	37.10%
2010	953,353,123	92,771,473	66,643,892	979,480,704	4.39	2,621,838,417	37.36%
2011	900,523,872	91,837,145	66,584,340	925,776,677	4.39	2,494,906,419	37.11%
2012	835,653,052	92,269,724	66,410,012	861,512,764	4.39	2,325,772,020	37.04%
2013	847,125,933	89,033,331	69,217,708	866,941,556	4.37	2,340,827,691	37.04%
2014	985,950,139	95,848,543	74,086,777	1,007,711,905	4.15	2,709,407,531	37.19%

Source: Coweta County Tax Commissioner and Assessor's Offices.
Notes: The City assesses property at 40 percent of actual value.

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

	City Direct Rates			Overlapping Rates				
Calendar Year	Basic Rate	General Obligation Debt Service	Total Direct Rate	State of Georgia	Coweta County	School System	School Bond	Total
2005	4.40	0.00	4.40	0.25	5.12	18.59	-	28.36
2006	4.34	0.00	4.34	0.25	6.31	18.59	-	29.49
2007	4.32	0.00	4.32	0.25	6.74	18.59	-	29.90
2008	4.32	0.00	4.32	0.25	7.76	18.59	-	30.92
2009	4.32	0.00	4.32	0.25	7.66	18.59	-	30.82
2010	4.39	0.00	4.39	0.25	7.79	18.59	-	31.02
2011	4.39	0.00	4.39	0.25	7.79	18.59	-	31.02
2012	4.39	0.00	4.39	0.20	7.79	18.59	-	30.97
2013	4.37	0.00	4.37	0.15	7.75	18.59	-	30.86
2014	4.15	0.00	4.15	0.10	7.75	18.59	-	30.59

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.
The overlapping rates are those of State and County governments that apply to property owners within the City.

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

	2005			2014		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total City Tax Levy**	**Taxable Assessed Value**	**Rank**	**Percentage of Total City Tax Levy**
Fourth Quarter Properties	$ 9,193,121	2	1.27%	$ 33,914,335	1	2.94%
Piedmont Newnan Hospital Inc.				15,298,916	2	1.32%
Newnan Apartments LLC				13,808,309	3	1.20%
Inland Southeast Newnan LLC	12,898,104	1	1.79%	11,191,250	4	0.97%
Georgia Healthcare Properties LLC				9,969,810	5	0.86%
Wal-Mart	5,132,135	6	0.71%	9,326,056	6	0.81%
REO Funding Solutions				9,307,428	7	0.81%
Stillwood Farms Venture LLC				9,300,244	8	0.80%
Bon L Manufacturing				9,291,497	9	0.80%
WPRE				8,294,470	10	0.72%
Newnan Development Partners	6,181,804	4	0.86%			
BellSouth Telecommunications	6,985,040	3	0.97%			
Peachtree City Holdings	4,503,912	10	0.62%			
Lullwater Apartments LLC	5,713,418	5	0.79%			
S.G. Preston Mill	4,801,604	7	0.67%			
JDN Realty Corporation	4,765,717	9	0.66%			
Newnan Crossing Partnership	4,794,967	8	0.66%			
Total	**$ 64,969,822**		**9.00%**	**$ 129,702,315**		**11.22%**

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
2005	3,175,913	2,778,148	87.48%	397,681	3,175,829	100.00%
2006	3,596,135	3,224,897	89.68%	371,077	3,595,974	100.00%
2007	4,040,685	3,710,009	91.82%	328,575	4,038,584	99.95%
2008	4,432,702	4,036,118	91.05%	387,683	4,423,801	99.80%
2009	4,507,635	4,090,388	90.74%	413,609	4,503,997	99.92%
2010	4,597,973	4,191,653	91.16%	397,155	4,588,808	99.80%
2011	4,339,097	4,004,319	92.28%	325,885	4,330,204	99.80%
2012	4,048,446	3,758,537	92.84%	278,808	4,037,345	99.73%
2013	4,091,767	3,867,771	94.53%	204,627	4,072,398	99.53%
2014	4,479,867	4,289,462	95.80%	-	4,289,462	95.75%

Source: Coweta County Tax Assessors' Office and the City of Newnan Finance Department.

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Accommodations [1]	$ -	$ -	$ -	$ -	$ 53,972	$ 83,090	$ 108,870	$ 112,012	$ 113,493	$ 130,415
Apparel	533,442	588,132	526,930	499,819	234,779	-	-	-	-	-
Automotive	2,659,181	3,198,730	3,488,306	4,392,034	2,816,514	2,198,045	2,136,427	2,262,067	1,072,920	442,597
Construction [1]	-	-	-	-	31,972	94,584	102,177	84,101	61,131	140,787
Food	3,503,092	4,087,686	4,604,069	4,057,615	3,351,960	3,118,289	3,155,028	3,313,930	3,503,506	3,762,233
General	2,313,315	2,430,145	2,599,136	2,533,278	2,792,283	2,809,106	3,108,903	3,247,842	3,356,695	3,565,869
Home	1,027,193	1,267,542	1,224,669	1,023,933	1,305,365	1,305,236	1,226,607	1,323,877	1,363,829	1,557,022
Lumber	1,934,414	2,306,011	1,987,379	1,277,892	391,677	-	-	-	-	-
Manufacturing	629,316	819,626	1,013,401	931,172	1,059,659	762,408	772,057	866,136	811,622	949,342
Miscellaneous	969,429	1,328,957	1,299,463	1,408,688	472,311	-	-	-	-	-
Miscellaneous Services	834,674	772,407	811,870	965,907	1,088,761	1,185,083	1,318,039	1,232,728	1,480,349	1,790,827
Other Retail [1]	-	-	-	-	1,471,919	2,448,746	2,705,070	3,698,588	3,177,469	3,466,332
Other Services [1]	-	-	-	-	151,802	226,837	357,111	434,245	373,192	353,686
Utilities	2,620,842	3,211,321	3,356,457	3,808,788	3,255,225	3,010,243	2,807,056	2,262,514	1,745,286	1,573,547
Wholesale [1]	-	-	-	-	922,109	1,651,568	1,896,594	1,786,427	2,460,618	2,326,933
Total	$17,024,898	$ 20,010,557	$ 20,911,680	$ 20,899,126	$ 19,400,308	$ 18,893,235	$ 19,693,940	$20,624,467	$19,520,110	$20,059,591

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.

[1] The data was reported utilizing SIC codes until mid-2009, when the Georgia Department of Revenue implemented the NAICS system, which supports a greater number of categories than does the SIC system.

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

Calendar Year	City Direct Rate	Coweta County
2005	0.00%	7.00%
2006	0.00%	7.00%
2007	0.00%	7.00%
2008	0.00%	7.00%
2009	0.00%	7.00%
2010	0.00%	7.00%
2011	0.00%	7.00%
2012	0.00%	7.00%
2013	0.00%	7.00%
2014	0.00%	7.00%

Source: Local sales tax is imposed countywide (Coweta County)
Note: In 2013, 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, 2014

Category of Debt	Amount of Outstanding Debt	Percentage Applicable To Government
Direct		
City of Newnan General Obligation Bonds	$ -	
Capital Leases	-	
Total Direct Debt	-	
Overlapping		
General Obligation Debt:		
City of Newnan [1]	$ 155,265,660	100%
Total Overlapping Debt	155,265,660	100%
Total Direct and Overlapping Debt	$ 155,265,660	

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									
	2005	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
Net Assessed Value	$721,798,327	$827,220,159	$ 935,343,966	$ 1,026,088,379	$1,054,432,593	$1,048,735,367	$ 997,962,568	$ 930,308,808	$936,331,076	$1,083,763,012
Debt Limit - 10% of Assessed Value	72,179,833	82,722,016	93,534,397	102,608,838	105,443,259	104,873,537	99,796,257	93,030,881	93,633,108	108,376,301
Debt Applicable to Debt Limit:										
General obligation bonds	-	-	-	-	-	-	-	-	-	-
Net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	$ 72,179,833	$ 82,722,016	$ 93,534,397	$ 102,608,838	$ 105,443,259	$ 104,873,537	$ 99,796,257	93,030,881	93,633,108	108,376,301
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	Population[1]	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]
2005	25,392	750,359	29,551	34.4	19,685	4.8%
2006	27,704	836,605	30,198	33.9	20,519	4.1%
2007	29,885	954,557	31,941	34.2	21,352	4.0%
2008	30,349	969,074	31,931	33.4	21,790	5.7%
2009	31,732	1,032,182	32,528	33.1	22,151	9.5%
2010	33,039	1,094,912	33,140	32.3	22,464	9.8%
2011	33,700	1,112,774	33,020	34.5	22,517	9.7%
2012	34,240	858,979	25,087	36.6	22,718	8.9%
2013	34,557	903,527	26,146	34.2	22,563	7.7%
2014	35,293	824,233	23,354	33.4	22,296	5.7%

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

[2] ARC Community Profile for City of Newnan

[3] US Census - American Community Survey 5-year Estimate

[4] Coweta County Board of Education

[5] BEA Regional Economic Analysis

[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

		2005			2014		
Employer	**Type of Industry**	**Employees**	**Rank**	**Percentage of Total County Employment**	**Employees**	**Rank**	**Percentage of Total County Employment**
Coweta County School System	Education	2,801	1	4.91%	3,154	1	4.85%
Yamaha Motor Manufacturing	Manufacturing	780	2	1.37%	1,400	2	2.15%
Piedmont Newnan Hospital	Healthcare			0.00%	979	3	1.51%
Coweta County, Georgia	Government	702	4	1.23%	875	4	1.35%
Cancer Treatment Centers of America	Healthcare			0.00%	850	5	1.31%
Wal-Mart Supercenter	Retailer			0.00%	540	6	0.83%
Pet Smart Distribution Center	Retail Distribution			0.00%	525	7	0.81%
Yokogawa Corporation	Manufacturing	680	5	1.19%	420	8	0.65%
Cargill Meat Solutions	Packaging	400	7	0.70%	420	9	0.65%
Bon L Manufacturing	Manufacturing	725	3	1.27%	360	10	0.55%
Georgia Power - Plant Yates	Utilities	350	9	0.61%	350	11	0.54%
EGO North America, Inc.	Manufacturing			0.00%	300	12	0.46%
K-Mart Distribution Center	Retail Distribution	475	6	0.83%	264	13	0.41%
Tencate (formerly Southern Mills)	Textiles	333	10	0.58%	255	14	0.39%
Kason Industries	Manufacturing	250	11	0.44%	250	15	0.38%
City of Newnan, Georgia	***Government***	***203***	***12***	***0.36%***	***233***	***16***	***0.36%***
Winpak Films	Manufacturing	190	13	0.33%	225	17	0.35%
Biway Corp	Packaging			0.00%	220	18	0.34%
D&H Distributinh	Packaging			0.00%	171	19	0.26%
Sygma Network	Distribution			0.00%	166	20	0.26%
Buffalo Rock	Distribution			0.00%	156	21	0.24%
Eckerd Drugs	Retail Distribution	400	8	0.70%	-		
Excel Corporation	Packaging				-		
All other employers		48,733		85.46%	52,892		81.37%
Total Labor Force		57,022		100.00%	65,005		100.00%

City Unemployment Rate	4.8%	5.7%
County Unemployment Rate	4.4%	6.0%
Georgia Unemployment Rate	5.2%	6.6%
US Unemployment Rate	5.0%	6.2%

Source: Newnan-Coweta Chamber of Commerce, Georgia Dept. of Labor, Coweta Development Authority
Notes: Information available at county level only (Coweta County).

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

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
City Manager [1]	2	2	2	2	2	2	2	2	4	5
City Attorney	1	1	1	1	1	1	1	1	0	0
Administrative										
Finance	4	4	5	5	5	5	5	5	5	5
City Clerk [1]	1	1	1	1	1	1	1	1	1	0
Human Resources	2	2	2	2	2	2	2	2	2	2
Information Technology	1	1	1	1	1	1	1	1	2	2
Public Information [1]	1	1	1	1	1	1	1	1	0	0
Municipal Court	0	1	1	1	1	1	1	1	1	1
Public Safety										
Police										
Officers [2]	69	71	75	75	75	75	75	75	77	79
Civilians	5	5	5	6	6	6	6	6	6	6
Administrative	3	3	3	3	3	3	3	3	3	3
Fire Department										
Firefighters [3]	44	44	47	49	49	49	50	50	51	53
Administrative	1	1	1	1	1	1	1	1	1	1
Community Development										
Administration	2	2	2	2	2	2	0	0	0	0
Planning & Zoning	3	3	3	3	3	3	3	4	4	4
Parks & ROW Beautification	10	13	14	14	14	14	14	14	14	14
Building Inspection [4]	9	9	9	9	9	8	8	8	9	10
Building Maintenance	3	3	3	3	3	3	3	2	2	2
Public Works										
Administration	2	2	2	2	2	2	2	3	3	3
Streets	21	23	23	23	22	22	20	20	19	19
Garage	6	6	6	6	6	6	6	6	6	6
Cemetery	8	8	8	8	8	8	8	8	8	8
Engineering	3	3	4	4	4	4	3	2	2	2
Other Services										
Carnegie Building	0	0	0	0	1	1	2	1	1	1
Business Development & Main Street (& Special Events)	2	2	2	2	2	2	2	3	3	3
Sanitation	0	0	0	0	0	0	0	0	4	4
Total Full-Time Employees	**203**	**211**	**221**	**224**	**224**	**223**	**220**	**220**	**228**	**233**

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) City Clerk & PIO moved to City Manager's Department in 2014.

(2) Added 2 officers in 2014.

(3) Added 2 firefighters in 2014.

(4) Added 1 position in 2014.

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

	Calendar Year									
Function/Program	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
General Government										
Occupational Tax Certificates Issued	1,792	1,951	2,122	2,186	1,819	1,807	1,890	1,687	1,755	1,740
Alcohol Licenses Issued	94	95	90	91	92	99	102	99	102	103
Property Tax Bills Issued	11,058	12,456	13,298	13,714	13,856	13,896	13,857	13,824	13,770	13,757
Community Development										
Building Permits Issued - Commercial	27	48	32	14	3	27	32	42	57	45
Building Permits Issued - Residential	1,023	802	350	188	69	122	88	159	263	268
Police										
Physical Arrests	625	615	631	698	804	1,352	1,508	1,313	1,420	1,536
Parking Violations	2,101	1,435	1,889	1,691	1,545	1,254	375	143	127	265
Traffic Violations	5,640	5,922	6,461	5,921	6,216	6,191	5,379	7,383	9,297	9,200
Fire										
Emergency Responses	2,231	1,858	2,415	3,308	2,631	3,590	3,715	4,013	4,045	4,350
Fires Extinguished	107	95	95	98	69	101	137	111	100	83
Public Works										
Streets Resurfaced (Miles)										
Full Depth Reclamation (FDR)	-	-	1.0169	0.6750	3.6565	0.9130	0.0000	0.6570	-	1.2100
LARP Resurfacing	5.0000	2.3600	0.0000	2.5270	3.4750	0.0000	0.0000	0.0000	0.0000	0.0000
LMIG Resurfacing	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	7.3140	2.7900
Other Resurfacing	0.2400	0.0000	0.3500	0.6938	0.8269	2.3450	2.3700	1.5470	-	N/A

Source: Various City Departments.

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

	Calendar Year									
Function/Program	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
Public Safety										
Police										
Stations	3	3	3	3	3	3	3	3	4	4
Patrol Cars	62	64	66	66	66	68	68	74	81	85
Fire										
Stations	2	2	3	3	3	3	3	3	3	3
Trucks	5	5	6	6	6	6	6	6	12	14
Fire Hydrants	1,857	1,937	1,963	1,963	1,964	2,005	2,010	2,040	2,043	2,063
Community Development										
Recreation										
Community Centers	0	0	0	0	1	0	0	0	0	0
Parks	8	8	9	10	10	10	10	10	10	10
Park Acreage	27	27	31	33	33	33	33	33	33	33
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Tennis Courts	4	4	4	4	4	4	4	4	0	0
Public Works										
Streets										
Streets (miles)	168	177	182	185	185	172	176	169	169	170
Sidewalks (miles)	N/A	N/A	N/A	N/A	N/A	159	163	166	166	166
Number of Streets	586	624	641	651	651	618	620	639	639	641
New Sidewalk Construction (LF)	N/A	N/A	N/A	N/A	N/A	3,806	3,616	724	-	2,297

Source: Various City Departments and Newnan Utilities

GOVERNMENTAL REPORT

CITY OF NEWNAN, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS (2002)
FOR THE YEAR ENDED DECEMBER 31, 2014

Project	Original Estimated Cost	Current Estimated Costs	Expenditures		
			Prior Years Costs	Current Year	Total
Streets, drains, and sidewalks	$ 3,800,000	$ 3,909,323	$ 3,909,322	$ 1	$ 3,909,323
Park acquisition and development	2,500,000	2,276,307	2,276,307	-	2,276,307
Convention Center	2,500,000	2,499,997	2,499,997	-	2,499,997
Construction of downtown parking facilities	1,760,000	579,429	579,429	-	579,429
Fire equipment (serial and pumper)	800,000	460,543	460,543	-	460,543
Additions to shop	1,120,000	430,646	430,646	-	430,646
Storage facility (Lower Fayetteville Road)	350,000	353,534	-	353,534	353,534
New facility or renovation (beaut. Facility)	200,000	528,208	528,208	-	528,208
Computers	200,000	198,500	198,500	-	198,500
Transfer to Water, Sewerage and Light Commission	2,520,000	1,960,022	1,960,022	-	1,960,022
	$ 15,750,000	$ 13,196,509	$ 12,842,974	$ 353,535	$ 13,196,509

CITY OF NEWNAN, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS (2007)
FOR THE YEAR ENDED DECEMBER 31, 2014

Project	Original Estimated Cost	Current Estimated Costs	Expenditures		
			Prior Years	Current Year	Total
Public Safety - Equipment	$ 580,000	$ 559,000	$ 357,886	$ 199,985	$ 557,871
Information System	325,000	328,000	317,121	9,987	327,108
Building Maintenances/Structure	6,650,000	6,684,000	5,279,505	553,079	5,832,584
Parks and Recreation	1,200,000	1,200,000	495,490	528,907	1,024,397
Streets	14,925,333	13,844,852	8,736,596	1,607,202	10,343,798
Equipment	1,625,000	1,523,148	1,521,288	-	1,521,288
Transfer to Water, Sewerage and Light Commission	4,820,063	4,483,000	4,482,839	-	4,482,839
	$ 30,125,396	$ 28,622,000	$ 21,190,725	$ 2,899,160	$ 24,089,885

CITY OF NEWNAN, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS (2013)
FOR THE YEAR ENDED DECEMBER 31, 2014

Project	Original Estimated Cost	Current Estimated Costs	Expenditures		
			Prior Years	Current Year	Total
Streets, drainage, sidewalks, and equipment	$ 15,207,600	$ 15,207,600	$ 324,402	$ 1,689,092	$ 2,013,494
Public safety	10,450,000	10,450,000	701,462	7,214,631	7,916,093
Parks and recreation	1,500,000	1,500,000	-	-	-
Buildings and facilities	100,000	100,000	-	-	-
Information Systems	100,000	100,000	-	46,820	46,820
Transfer to Water, Sewerage and Light Commission	4,982,400	4,982,400	805,491	838,325	1,643,816
	$ 32,340,000	$ 32,340,000	$ 1,831,355	$ 9,788,868	$ 11,620,223

CITY OF NEWNAN, GEORGIA

SCHEDULE OF PROJECT EXPENDITURES WITH
RENTAL MOTOR VEHICLE EXCISE TAX REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2014

Project	Current Expenditures
Tourism	
Operation of Convention Center	79,615
	$ 79,615

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SINGLE AUDIT SECTION

CITY OF NEWNAN, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014

Federal/Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal CFDA Number	Federal Expenditures
U.S. Department of Justice			
Direct Programs			
Federal Forfeiture Program	GA 0380100	16.922	$ 276,565
Total U.S. Department of Justice			276,565
U.S. Department of Housing and Urban Development			
Pass-Through Program from:			
Georgia Department of Community Affairs			
Neighborhood Stabilization Program	08-ns-5067	14.228	116,426
Neighborhood Stabilization Program	11-ns-6002	14.228	376,997
Total U.S. Department of Housing and Urban Development			493,423
U.S. Department of Homeland Security			
Pass-Through Program from:			
Georgia Emergency Management Agency			
Georgia Office of Homeland Security	FEMA-4165-DR-GA	97.036	181,350
Total U.S. Department of Homeland Security			181,350
Total Expenditures of Federal Awards			$ 951,338

The accompanying notes are an integral part of these financial statements

Notes to Schedule of Expenditures of Federal Awards

CITY OF NEWNAN, GEORGIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the City of Newnan, Georgia under programs of the federal government for the year ended December 31, 2014. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the City of Newnan, Georgia, it is not intended to and does not present the financial position, changes in net position or cash flows of the 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 OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, 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. Pass-through entity identifying numbers are presented where available.

NOTE 3 – SUBRECIPIENTS

Of the federal expenditures presented in the schedule, the City of Newnan, Georgia provided federal awards to subrecipients as follows:

CFDA Number	Program Name	Amount Provided to Subrecipients
14.228	Neighborhood Stabilization Program	$ 489,268

CITY OF NEWNAN, GEORGIA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2014

FEDERAL AWARD FINDINGS

Findings noted on the Independent Auditor's Report on Compliance for each Major Program and on Internal Control over Compliance Required by *OMB Circular A-133:*

NONE REPORTED

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

Honorable Mayor and Council
City of Newnan, Georgia

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate discretely presented component units and the remaining fund information of the City of Newnan, Georgia as of and for the year ended December 31, 2014, 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 June 3, 2015. Other auditors, 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 on compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

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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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

Compliance and Other Matters

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

Purpose of this Report

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

Macon, Georgia
June 3, 2015

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY *OMB CIRCULAR A-133*

Honorable Mayor and Council
City of Newnan, Georgia

Report on Compliance for Each Major Federal Program

We have audited the City of Newnan, Georgia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Newnan, Georgia's major federal programs for the year ended December 31, 2014. The 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the 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 OMB Circular A-133, *Audits of State, Local Governments, and Non-profit Organizations*. Those standards and OMB Circular A-133 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 the City of Newnan, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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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 the City of Newnan, Georgia's compliance.

Opinion on Each Major Federal Program

In our opinion, the 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, 2014.

Report on Internal Control Over Compliance

Management of the 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 the 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 OMB Circular A-133, 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 the City of Newnan, Georgia's internal control over compliance.

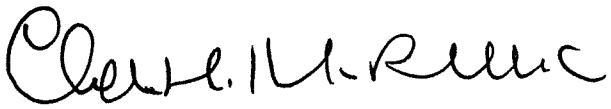
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the City of Newnan, Georgia as of and for the year ended December 31, 2014, and have issued our report thereon dated June 3, 2015, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



Macon, Georgia
June 3, 2015

CITY OF NEWNAN, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31,2014

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 Section .510(a) of OMB Circular A-133?	No

Identification of Major Programs:

CFDA Numbers	Name of Federal Program
14.228	Neighborhood Stabilization Program

Dollar threshold used to distinguish between Type A and Type B program	$ 300,000
Auditee qualified as low-risk auditee	Yes

CITY OF NEWNAN, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2014

Section II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.