

Comprehensive Annual Financial Report
For The Year Ended December 31, 2015

City of Newnan, Georgia





L. Keith Brady, Mayor
Cynthia E. Jenkins, Mayor Pro Tem
George M. Alexander, Councilman
Robert W. Coggin, Councilman
Ray F. Dubose, Councilman
Clayton W. Hicks, Councilman
Rhodes H. Shell, Councilman
Dustin K. Koritko, Councilman

CITY OF NEWNAN, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2015

PREPARED BY: DEPARTMENT OF FINANCE

CITY OF NEWNAN, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2015

TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

Letter of Transmittal ..... 1 – 9
Organizational Chart..... 10
City Officials and Offices 11
Certificate of Achievement 12

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT ..... 13 – 15

MANAGEMENT'S DISCUSSION AND ANALYSIS..... 16 – 33

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements
Statement of Net Position..... 34
Statement of Activities 35

Fund Financial Statements
Balance Sheet – Governmental Funds 36
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position..... 37
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds 38
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities 39
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund (Non-GAAP Budget Basis) ..... 40 – 41
Statement of Net Position – Proprietary Fund..... 42
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Fund..... 43
Statement of Cash Flows – Proprietary Fund..... 44 – 45
Statement of Fiduciary Assets and Liability – Fiduciary Fund..... 46

Notes to the Financial Statements ..... 47 – 73

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in the Net Pension Liability and Related Ratios 74

Schedule of Contributions 75

Notes to the Required Supplementary Information ..... 76 – 77

CITY OF NEWNAN, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2015

TABLE OF CONTENTS

Page

SUPPLEMENTARY INFORMATION

Nonmajor Governmental Funds

Combining Balance Sheet – Nonmajor Governmental Funds 78

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds 79

Special Revenue Funds

Confiscated Assets Fund:
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual 80

Miscellaneous Grants Fund:
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual 81

Hotel/Motel Tourism Enhancement Fund:
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual 82

NSP Grant Fund:
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual 83

Rental Motor Vehicle Excise Tax Fund:
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual 84

Agency Fund

Statement of Changes in Assets and Liability – Agency 85

Component Units

Newnan Downtown Development Authority:
Balance Sheet 86
Schedule of Revenues, Expenditures and Changes in Fund Balances 87
Newnan Convention Center Authority:
Balance Sheet 88
Schedule of Revenues, Expenditures and Changes in Fund Balances 89

CITY OF NEWNAN, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2015

TABLE OF CONTENTS

Page

STATISTICAL SECTION

Fund Information

Financial Trends
Net Position by Component 90
Changes in Net Position ..... 91 – 92
Program Revenues by Function/Program 93
Fund Balances, Governmental Funds 94
Changes in Fund Balances, Governmental Funds ..... 95 – 96

Revenue Capacity
Tax Revenues by Source, Governmental Funds 97
Assessed Value and Estimated Actual Value of Taxable Property 98
Direct and Overlapping Property Tax Rates 99
Principal Property Tax Payers 100
Property Tax Levies and Collections 101
Taxable Sales by Category 102
Direct and Overlapping Sales Tax Rates 103

Debt Capacity
Direct and Overlapping Governmental Activities Debt 104
Legal Debt Margin Information 105

Demographic and Economic Information
Demographic and Economic Statistics 106
Principal Employers 107
Full-time Equivalent City Government Employees by Function/Program 108

Operating Information
Operating Indicators by Function/Program 109
Capital Asset Statistics by Function/Program 110

GOVERNMENTAL REPORTS

Schedules of Projects Constructed with Special Purpose Local Option Sales Tax Proceeds ..... 111 – 112

Schedule of Project Expenditures with Rental Motor Vehicle Excise Tax Revenue 113

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* ..... 114 – 115

Schedule of Findings and Responses 116

(THIS PAGE INTENTIONALLY LEFT BLANK)

INTRODUCTORY SECTION

THIS PAGE INTENTIONALLY LEFT BLANK

Newnan
GEORGIA • 1828 • CITY OF HOMES

City of Newnan, Georgia
Finance Department

June 23, 2016

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, 2015. 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 Management's Discussion and Analysis (MD & A), the basic financial statements, required supplementary information, 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 unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2015 are fairly represented in conformity with GAAP. The independent auditor's report is the first component of the financial section of this report.

25 LaGrange Street, Newnan, Georgia 30263
(770) 254-2351, Facsimile (770) 254-2353
www.ci.newnan.ga.us

The independent audit of financial statements of the City is sometimes part of a broader, federal and state mandated "single audit" designed to meet the special needs of federal and state grantor agencies. The standards governing single audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on the administration of federal and state awards. A single audit was not necessary in 2015. The requirement for a single audit is the expense of $750,000 or more in federal funds. A total of $133,778 was expended utilizing funds from the U.S. Department of Justice in the form of confiscated assets. The City received $34,635 from the Federal Emergency Management Agency (FEMA) for reimbursement for storm damages during 2014. Additionally, the City disbursed $113,868 from the Neighborhood Stabilization Program grant sponsored by the Georgia Department of Community Affairs and received $360,547 from the Georgia Department of Transportation for the Jefferson Jackson Streetscapes project. Therefore, spending of federal awards totaled only $642,827 for 2015, which is below the $750,000 threshold.

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

CITY OF NEWNAN PROFILE

Newnan, county seat of Coweta County, is located in the west central part of Georgia, approximately thirty-five miles southwest of Atlanta, with Interstate 85 running through the eastern part of the city. 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 operated with a Mayor and seven Council members for 2015; in 2016, the City will revert back to normal operations.

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 259 people - organized into five (5) functions: General Government, Public Safety, Public Works, Community Development and Other Services. Total headcount includes 9 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, 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 2015, 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 2015 estimated population was 150,000; 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 175,000 citizens 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 2015, unassigned fund balance equaled approximately 72.9% of 2015 general fund expenditures. The percentage for 2014 was 99.3%. 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 special revenue governmental funds are presented in the other Required Supplementary Information (RSI) section of the financial statements. The legal level of budgetary control is at the department level.

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 2015 unemployment rates for the City of Newnan and the United States overall were 6.4% and 5.0% respectively, as compared to last year when those rates were 5.7% and 6.2%. **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. CTCA now employs over 1,100 people and has contributed over $1.3 billion in economic activity, far exceeding expectations! The facility has also doubled its size since opening.

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 renovate the old Newnan Hospital building and open a new satellite campus in Newnan. This was a joint project between the City of Newnan, Newnan Hospital Inc., Coweta County and the University of West Georgia. That facility opened for classes in early 2015. The cost of the project was approximately $15 million and it generated a one-time economic impact of approximately $21 million during construction and is expected to create about 176 new jobs locally.



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 the prior year, 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 2016. The City has maintained strong financial reserves as evidenced by the fund balance maintained 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. It some cases, the City has utilized unassigned fund balance to finance its own construction projects, rather than financing or issuing bonds, resulting in significant savings to the City and its citizens.

Debt and Reserve Policy

The City attempts to fund all capital projects and capital improvements with pay-as-you-go financing, using current revenues when possible. The City has operated debt-free for many years. Typically, capital funds are collected and maintained until the balance available is sufficient to complete a purchase or project. If a project or improvement cannot be purchased with current revenues, long-term debt might be considered, but only as a last resort. As mentioned above, the City has utilized advances from the general fund unassigned fund balance to SPLOST and other governmental funds during 2015 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 which was completed in 2015, 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 2015, the City contributed $921,747 to the plan on behalf of its employees, compared to the 2014 contribution of $939,224. This contribution represents 8.34% of actual payroll expenditures for covered employees versus 8.7% in 2014.

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 remained the same as 2014 levels. The City's contributions for employee health and life insurance increased by 1.4% in 2015; going from $2,156,578 in 2014 to $2,186,631.

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

2015 Major Accomplishments

During fiscal year 2015, 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 2015, in no particular order.

- Received the Distinguished Budget Presentation Award from GFOA, the City's 26th consecutive award!

- Received the GFOA Certificate of Achievement for Excellence in Financial Reporting for the City's 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.
- Completed construction of the round-a-bout on Lower Fayetteville Road for a 2nd entrance to the Convention Center.
- Completed renovations on the old Newnan Hospital Facility and sold the buildings and land to the University of West Georgia for use as a satellite campus in Newnan.
- Completed construction of the new Public Safety Complex.
- Completed stream restoration at Ray Park.
- Completed Newnan Crossing Boulevard paving and restriping.
- Completed construction of various sidewalk and drainage projects.
- Initiated design of a new recreation center – Howard Warner Building renovation.
- Completed the design work for Fire Station #4.
- Completed construction of restroom facilities at various City parks.
- Maintained an Insurance Services Office (ISO) rating of 3.
- Completed a classification and compensation study for the City.

Construction in Progress at Year-End

Projects underway (construction in progress) at the end of 2015 included: Corinth Road improvements, Dog Park construction, Fitness Trail at the Convention Center, Five Points Intersection improvements, Construction of Fire Station #4, Jefferson-Jackson Corridor improvements, LaGrange Street improvements, McIntosh Parkway improvements, renovation of the Howard Warner Building as a new recreation center and subdivision street paving.

For more information on the City's 2015 accomplishments, please visit our website at www.cityofnewnan.org and click on the 2015 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, 2014. This was the fifth 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-sixth consecutive year, the Government Finance Officers Association of the United States "Distinguished Budget Presentation Award" for its 2015 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 2016 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 in 2014, recognizing the County's (and thus the City's) low cost of living and high quality of life.

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: Chris Widner, Renee Phillips, Iris McClung, Lee Penna and Kim Carroll, whose dedication and support made this report and the entire year such a success.

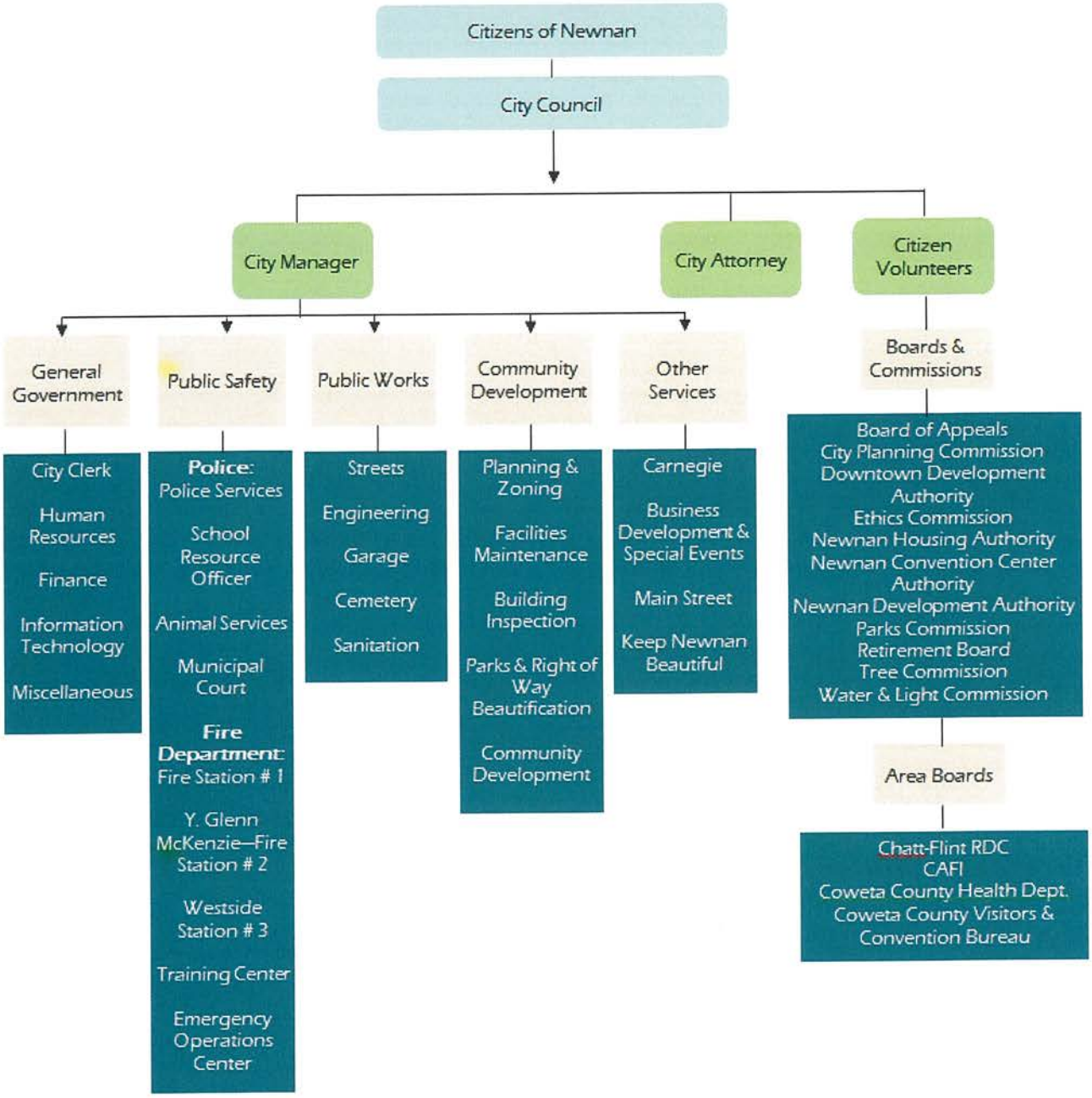
Respectfully submitted,

Katrina Cline

Katrina Cline
Finance Director, City of Newnan

25 LaGrange Street, Newnan, Georgia 30263
(770) 254-2351, Facsimile (770) 254-2353
www.ci.newnan.ga.us

City of Newnan Organization Chart



City of Newnan, Georgia
OFFICIALS AND OFFICES

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

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

MAYOR AND COUNCIL MEMBERS

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
Facilities Maintenance	Mark Johnston	25 Jefferson Street	
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

(THIS PAGE INTENTIONALLY LEFT BLANK)

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, 2014

Executive Director/CEO

(THIS PAGE INTENTIONALLY LEFT BLANK)

FINANCIAL SECTION

THIS PAGE INTENTIONALLY LEFT BLANK

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, 2015, 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 98 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 of accounting

1503 Bass Road
P.O. Box 6315 Macon, Georgia 31208-6315
Phone 478-742-3313 ▪ Fax 478-742-0316

Member of
American Institute of
Certified Public Accountants
www.clhp.com

468 South Houston Lake Road
Warner Robins, Georgia 31088
Phone 478-953-0125 ▪ Fax 478-953-0983

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, 2015, 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.

Matter of Emphasis

As discussed in Note 5 to the financial statements, in 2015, the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68,* as of January 1, 2015. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 16-33, schedule of contributions on page 75, the schedule of changes in the net pension liability and related ratios on page 74 and the notes to the required supplementary information on pages 76-77 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 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, and the schedule of project expenditures with rental motor vehicle excise tax revenue 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, and the schedule of project expenditures with rental motor vehicle excise tax revenue are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2016, 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 23, 2016

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, 2015. The City's financial performance is discussed and analyzed within the context of the financial statements and disclosures following this section. Readers should also review the basic financial statements and notes beginning on page 34 to enhance their understanding of the Government's financial performance.

2015 Financial Highlights

- The assets of the City of Newnan exceeded its liabilities by $159,357,236 (net position) at the close of the calendar year reported.

- The City's total net position, on an entity-wide basis, decreased by $19,963,557, or 11.1%. Governmental activities decreased by $20,128,904, with the remaining increase of $165,347 attributed to business-type activities (Sanitation). The decrease in governmental activities is primarily due to completion of the UWG project and subsequent sale of assets associated with that agreement. Total capital outlay for 2015 was $8,841,857 with depreciation expenses of $3,771,823. Please see page 33 of this report for detail of the other items which make up the total decrease in net position.

- Total net position is comprised of the following:
  (1) Capital assets totaling $132,210,470, includes property and equipment, net of depreciation. Of this amount, $41,736 is attributed to business-type activities in the Sanitation fund.
  (2) Net position of $6,230,119 is restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
  (3) Unrestricted net position of $20,916,647 represents the portion available to maintain the City's continuing obligations to citizens and creditors; of which $455,306 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 $30,604,284 this year. This compares to the prior year combined ending fund balances of $33,314,492 (restated), showing a decrease of $2,710,208, or 8.1%, during the current year. This was primarily due to a decrease of approximately $3.3 million in restricted fund balance in the UWG Project fund, which was closed out during 2015. Additionally, in restricted fund balances, the SPLOST 2007 fund balance decreased by $1,177,100 due to capital spending during the year. The general fund unassigned fund balance increased by $2,403,374, due mainly to reductions in the nonspendable and committed fund balances. At the end of 2015, the general fund showed an advance to the SPLOST 2013 fund in the amount of $2,250,000, down from $3 million in 2014.

  Committed fund balance decreased by $1,350,000, or 54%, due to reduction in committed funds for the UWG project, which was completed during the year. Finally, the assigned fund balances increased slightly for 2015, going from $769,503 in 2014 to $1,067,526, due to the increase in the encumbrances at the end of the year.

- At the end of the current calendar year, fund balance for the General Fund totaled $24,211,496, which was a 1.5% increase from 2014. Unassigned fund balance for the General Fund, $20,297,241, equaled 72.9% of total General Fund expenditures of $27,853,425. In comparison, the General Fund unassigned fund balance for 2014 was 88% 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 $687,639, an increase of $68,765 over 2014. Earned vacation pay increased by $64,130, primarily in the following departments: Police, Fire, City Manager, Cemetery, Engineering, and Facilities Maintenance. Most other categories of compensated absences were consistent with 2014.

- Overall, the City continues to maintain a strong financial position. The ratio of current assets to current liabilities is 17.2 to 1, up from 6.4 to 1 in 2014. This increase in ratio is mainly attributed to the decrease in the City's current assets, a reduction of 17.8%, or $7,143,045, from 2014, primarily due to a decrease in cash/cash equivalents of $3 million and a reduction in receivables of $3.5 million. Additionally, current liabilities decreased by $4.2 million, or 68.7%, leaving a $1.9 million balance at the end of 2015.

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 34 & 35 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 78. 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 36-41 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 42-45 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 46 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 47 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 78.

Government-Wide Financial Analysis of the City

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

City of Newnan, Georgia
Comparative Schedule of Net Position
December 31, 2015

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014 Restated	2015	2014 Restated	2015	2014 Restated
Assets:						
Current assets	$ 32,354,512	$ 39,667,953	$ 540,831	$ 370,435	$ 32,895,343	$ 40,038,388
Capital assets	132,168,734	150,483,429	41,736	59,779	132,210,470	150,543,208
Other Assets	-	-	-	-	-	-
Total assets	**164,523,246**	**$ 190,151,382**	**582,567**	**430,214**	**165,105,813**	**190,581,596**
Deferred outflows of resources related to pensions	954,322	-	16,504	-	970,826	-
Liabilities:						
Current liabilities	1,893,122	6,101,081	22,754	16,036	1,915,876	6,117,117
Noncurrent liabilities	3,954,980	5,061,203	65,971	82,483	4,020,951	5,143,686
Total Liabilities	**5,848,102**	**11,162,284**	**88,725**	**98,519**	**5,936,827**	**11,260,803**
Deferred inflows of resources related to pensions	769,272	-	13,304	-	782,576	-
Net position :						
Net investment in capital assets	132,168,734	150,483,429	41,736	59,779	132,210,470	150,543,208
Restricted	6,230,119	10,413,607	-	-	6,230,119	10,413,607
Unrestricted	20,461,341	18,092,062	455,306	271,916	20,916,647	18,363,978
Total Net Position	**$ 158,860,194**	**$ 178,989,098**	**$ 497,042**	**$ 331,695**	**$ 159,357,236**	**$ 179,320,793**

Total net position at calendar year-end was $159,357,236, which is a decrease of $19,963,557, or 11.1%. The largest portion of the City's net position (83%) reflects its net investment in capital assets, which is consistent with 2014 at 84%. Current assets decreased by $7,143,045, or 17.8%, primarily due to the reduction in cash and cash equivalents of approximately $3 million and a $3.5 million decrease in receivables. The $18,332,738 decrease in capital assets is mainly due to the sale of assets related to the UWG project and other surplus property sold during 2015. This sale was part of the agreement with UWG when the city began the redevelopment project at the end of 2013. Therefore, the city's net position decreased by almost $20 million in total.

Noncurrent liabilities showed a decrease of $1.1 million, primarily a result of the net pension liability of $3,746,424 recorded for 2015, as opposed to $4,447,890 booked for 2014 when GASB Statements 68 and 71 were implemented in 2015. Additionally, short-term liabilities related to compensated absences ($471,735) were moved from noncurrent to the current liability category in 2015.

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 17.2 to 1, which is strong. The ratio for 2014 was 6.4 to 1. Current liabilities decreased from 54.3% of the total liabilities to 32.3% of the total liabilities in 2015, due to the decrease in accounts payable of about $4.2 million – also related to the decrease in construction in progress discussed above. Restricted net position decreased by $4,183,488, or 40.2%, primarily due to completion of the UWG project and capital spending in the SPLOST 2007 fund.

City of Newnan, Georgia
Comparative Schedule of Changes in Net Position
December 31, 2015

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014 Restated	2015	2014 Restated	2015	2014 Restated
Revenues:						
Program Revenues						
Charges for services	$ 3,803,664	$ 4,018,200	$ 611,083	$ 557,079	$ 4,414,747	$ 4,575,279
Operating grants	25,000	25,000	-	-	25,000	25,000
Capital grants	8,271,838	20,330,162	-	-	8,271,838	20,330,162
Total Program Revenues:	12,100,502	24,373,362	611,083	557,079	12,711,585	24,930,441
General Revenues:						
Taxes	19,652,730	19,086,830	-	-	19,652,730	19,086,830
Gain on sale of capital assets	-	6,360	-	-	-	6,360
Investment earnings	36,852	30,104	630	300	37,482	30,404
Total General Revenues:	19,689,582	19,123,294	630	300	19,690,212	19,123,594
Total Revenues:	31,790,084	43,496,656	611,713	557,379	32,401,797	44,054,035
Expenses:						
General government	11,107,882	5,444,693	-	-	11,107,882	5,444,693
Tourism development	376,488	377,633	-	-	376,488	377,633
Public safety	11,416,979	14,560,630	-	-	11,416,979	14,560,630
Public works	5,853,817	7,038,739	-	-	5,853,817	7,038,739
Community development	3,867,490	3,846,497	-	-	3,867,490	3,846,497
Sanitation - brush & bulk only	-	-	446,366	544,874	446,366	544,874
Total Expenses:	32,622,656	31,268,192	446,366	544,874	33,069,022	31,813,066
Increase in net position before special item	(832,572)	12,228,464	165,347	12,505	(667,225)	12,240,969
Special item- loss on sale of capital asset	(19,296,332)	-	-	-	(19,296,332)	-
Change in net position	(20,128,904)	12,228,464	165,347	12,505	(19,963,557)	12,240,969
Beginning net position, restated	178,989,098	166,760,634	331,695	319,190	179,320,793	167,079,824
Ending Net Position	$ 158,860,194	$ 178,989,098	$ 497,042	$ 331,695	$ 159,357,236	$ 179,320,793

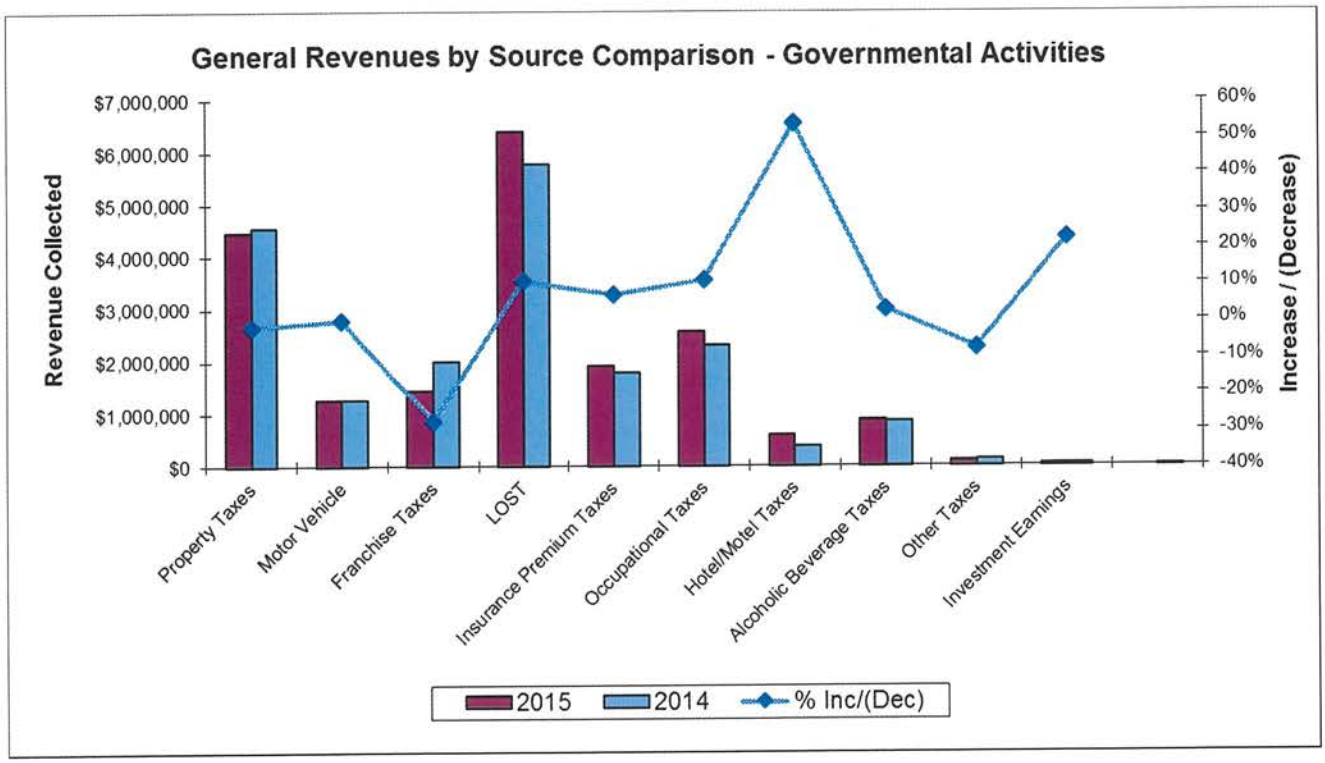
Please note that 80.1% of the governmental activities' net position is tied up in capital. At the end of 2014, capital assets equaled 79% of governmental activities' net position. The City uses these capital assets primarily to provide services to its citizens and to maintain the quality of those services. Governmental and business-type activities combined decreased the City of Newnan's net position by $19,963,557. Key elements of this increase are detailed in the chart on the prior page.

Capital grants and contributions decreased by approximately $12.1 million primarily due to the decrease of $12.4 million in receipts from the Downtown Development Authority (DDA) for the UWG project, which was completed and sold to the University of West Georgia (UWG), per agreement, during 2015. Subsequently, due to the sale of associated assets to UWG, the City recorded a loss of $19,296,332 on disposal of assets. Please note that many of those assets were donated to the City in prior years, specifically for the project. Additionally, taxes increased by $565,900, a modest 3% over 2014, primarily in the areas of local option sales taxes, occupational taxes and hotel/motel taxes.

Expenses increased by approximately $1.1 million in 2015. The general government function showed an increase of $5,663,189, primarily due to appropriations to the DDA for debt repayment on the UWG loan totaling $8,114,800 in 2015. Public Safety recorded a decrease in expenses of $3,143,651, as a result of the decrease in capital spending from 2014 to 2015. The new public safety complex was completed in early 2015 and mostly funded in the prior year. A decrease of $1,184,921 was reported for Public works, which is a result of net pension liability ($830,421) booked for the function in 2014 as a prior period adjustment when GASB Statements 68 and 71 were implemented. The liability for this function decreased by $165,513 in 2015. Most other functions were consistent with 2014.

Governmental Activities

Program revenues represent 98.2% of total revenues in 2015, as compared to 56% in 2014. The most significant change from 2014 to 2015 related to the loss of sale of assets totaling $19,296,332, recorded in general revenues.

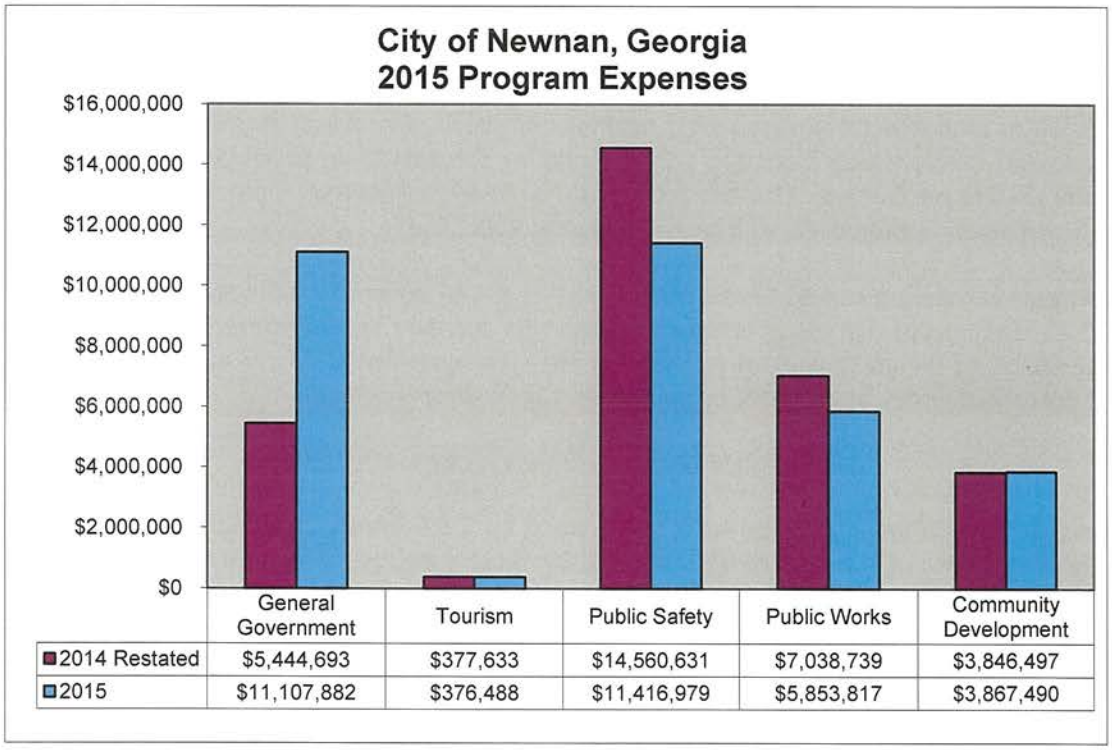


As discussed previously in this document, the sale of assets was related to the UWG project completed in 2015. General revenues make up 1.8% of total receipts, almost all of which is taxes. This is down from 44% in 2014 due to the sale of assets. The chart above shows all other sources of general revenues except the loss on sale of assets discussed here, because that would have distorted the chart significantly, as the sale of assets for the UWG project was an unusual, but significant, item for 2015.

Notice from the chart above that all revenue sources increased over 2014, with the exception of franchise taxes, property taxes, motor vehicle taxes and other taxes, which were fairly consistent with 2014. Local option sales taxes showed the largest increase ($620,357), due to an increase in the percentage of revenues as distributed by the County per prior agreement. Occupational taxes increased by $255,489 and hotel/motel taxes increased by $205,376, followed by an increase in insurance premium taxes in the amount of $122,331. The largest percentage increase was shown in hotel/motel taxes at 53.5%, followed by investment earnings at 22.4%, occupational taxes at 11%, local option sales taxes at 10.7% and finally, insurance premium taxes at 6.8%.

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 2016 due to changes in the population and the local economy in both the commercial and residential sectors.

Program expenses increased by 4.3%, or $1,354,464, in 2015. The largest increase was in the general government function, with expenses going from $5,444,693 in 2014 to $11,107,882 in 2015, primarily due to the $8.1 million appropriation to the Downtown Development Authority for UWG project debt repayment, offset by a decrease in operating expenditures of $1,068,993 and a change in pension liability of $612,923 from 2014 to 2015. The Public Safety function decrease of $3,143,651 was primarily attributed to the change in pension liability of $3,274,258 from 2014 to 2015. The decrease in Public Works was also result of the implementation of GASB Statements 68 and 71 – pension liability expenses decreased by $995,934 from 2014 to 2015.



	General Government	Tourism	Public Safety	Public Works	Community Development
2014 Restated	$5,444,693	$377,633	$14,560,631	$7,038,739	$3,846,497
2015	$11,107,882	$376,488	$11,416,979	$5,853,817	$3,867,490

Program Expenses by Function						
	General Government	Tourism	Public Safety	Public Works	Community Development	Total
2015	$11,107,882	$376,488	$11,416,979	$5,853,817	$3,867,490	$32,622,656
2014 Restated	$5,444,693	$377,633	$14,560,631	$7,038,739	$3,846,497	$31,268,192
Variance	$5,663,189	($1,145)	($3,143,651)	($1,184,921)	$20,992	$1,354,464
% Change	104.01%	-0.30%	-21.59%	-16.83%	0.55%	4.33%

GOVERNMENTAL REVENUES

When comparing general revenues, 2014 to 2015, the loss on sale of assets has been intentionally excluded, as this was a significant, one-time event, which would distort the picture if presented in total. The City is heavily reliant on sales taxes to support governmental operations and capital. Sales tax, the largest general revenue source in 2015, provided 32.5% of the City's total general governmental revenues when the loss of sale of assets is excluded; by comparison, in 2014 sales taxes provided 30.2% of that total. There was a 10.7% increase, or $620,357, in sales tax collections in 2015 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 $4.5 million of revenues, or 22.7% of the total. The City realized approximately 2.1%, or $96,361, less in collections for 2015 after contracting with the Coweta Tax Commissioner to bill and collect its property taxes. Differing due dates was the primary reason for the decrease in revenues. Additionally, the City's millage rate dropped very slightly from 2014, decreasing from 4.15 mills to 4.05 mills per thousand dollars of assessed value.

The City's dependency upon property and sales tax receipts is apparent as almost 55.2% of governmental activities are supported through these general receipts, which was fairly consistent with 2014 at 54.1%. Property and sales taxes are historically the two largest forms of general revenues for the City of Newnan, followed by occupational and insurance premium taxes.

Occupational taxes, the third largest general revenue source, produced $2,570,247 in 2015, up from $2,314,758 in 2014, 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. This revenue source provided 13.1% of total general governmental revenues in 2015. The fourth largest general revenue source is insurance premium taxes, which increased by 6.8% 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 2015 (when the loss of sale of assets is excluded), which was consistent with 2014.

Program revenues (excluding capital revenues) covered 11.8% of governmental operating expenses, down from 12.9% in 2014. This means that the government's taxpayers and the City's other general governmental revenues funded about 88.2% of the governmental activities in 2015, as compared to 87.1% in 2014. 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 3.8% during 2015, up from $31,268,192 in 2014. However, the City shows a net cost of $20,349,527 for these services, as compared to 2014 where the same services showed a total cost to the City of $6,894,830.

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 by this chart, none of the functions covered 100% of costs during 2015.

City of Newnan - 2015 Governmental Activities

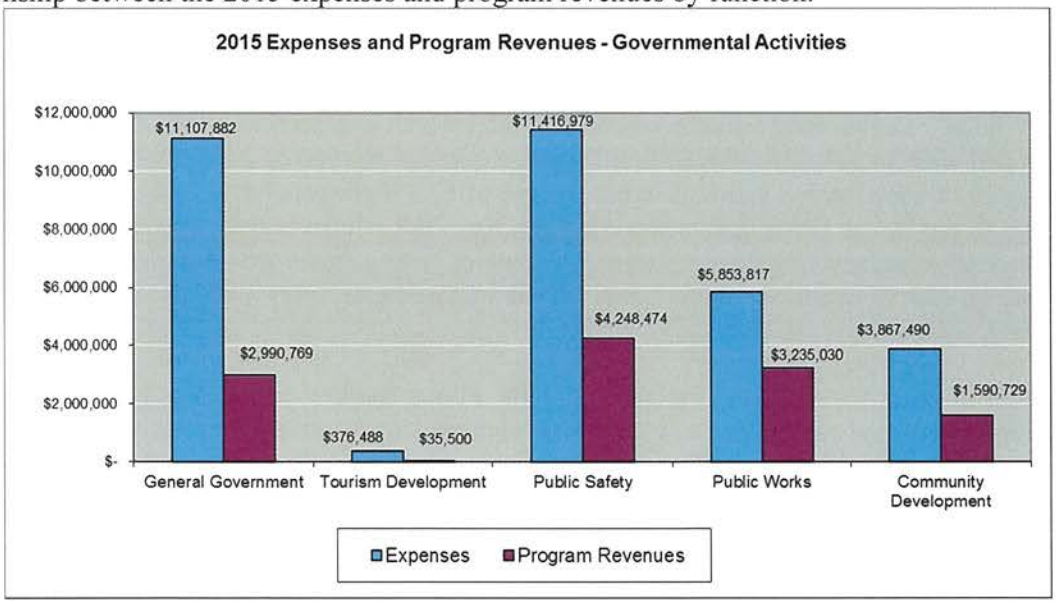
	Total Cost of Services	% of Total	Net (Cost)/ Benefit of Services	% of Costs Covered
General Government	$ 11,107,882	34.05%	$ (8,117,113)	26.92%
Tourist Development	376,488	1.15%	(340,988)	9.43%
Public Safety	11,416,979	35.00%	(7,168,505)	37.21%
Public Works	5,853,817	17.94%	(2,618,787)	55.26%
Community Development	3,867,490	11.86%	(2,276,761)	41.13%
Total	$ 32,622,656	100.00%	$ (20,522,154)	37.09%

Public Safety function costs make up 35% of total governmental activities expenses as compared to 2014, when the costs made up 46.6% of total costs. Public Works makes up 17.9% of the total cost versus 2014, where their portion was 22.5%. General Government is 34.1% of the total, as compared to 17.4% last year. The Community Development function made up 11.9% of the total in 2014 as compared to 11.9% in 2015.

Costs for General Government increased by approximately $5.7 million mainly due to appropriations to the Downtown Development Authority for the UWG debt repayment, offset by the increase in revenues of $5 million from the sale of assets related to the UWG project. The Public Safety function decrease of $3,316,278 was primarily attributed to the change in pension liability of $3,274,258 from 2014 to 2015. The Public Works function cost showed a decrease of $1 million, due mainly to the reduction in pension liability reported for 2015 versus 2014.

The General Government function revenues covered 26.9% of its total costs, due to events with the UWG project discussed throughout this document. Public Safety function program revenues covered 37.2% of its total costs, up from 29.3% in 2014. Public Works function revenues covered approximately 55% of total costs versus 40% in 2014, which is attributed to the pension liability recorded for the prior year due to implementation of GASB Statements 68 and 71 in 2015. Community Development showed a decrease from 2014 to 2015, going from 361% of covered costs to only 41.1%, primarily due to the $12.4 million revenue receipt from the Downtown Development Authority for the UWG campus project in the prior year.

Overall, the City was able to cover only 37.3% of total costs in 2015 versus 78% in 2014. The decrease is mainly attributed to the UWG project events which occurred during 2015. The table below is a graphical representation of the relationship between the 2015 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 $30,604,284, a decrease of 8.1% from the 2014 ending balance of $33,314,492. Of this 2015 year-end total, $19,871,825 is **unassigned**, indicating availability for continuing City service requirements. At the end of 2014, unassigned fund balance was $16,548,379. Therefore, unassigned fund balances increased by 20.1%, or $3,323,446, which is due primarily to the reduction in committed fund balance of almost $1.4 million, a reduction in nonspendable fund balance of $742,913, as well as a decrease in the SPLOST 2013 fund deficit of $920,072. **Committed** fund balance was reduced due to appropriations to the DDA for repayment of the loan for the UWG project, leaving a balance of $1,150,000 at year-end. The reduction in **nonspendable** fund balances was due to a decrease in the interfund loan from the general fund to the SPLOST 2013 fund. As funds are paid back to the general fund, nonspendable fund balances decrease and unassigned fund balances increase, unless otherwise designated by City Council.

Restricted fund balances total $6,230,119, a decrease of $4,238,765 from the 2014 restricted fund balances total of $10,468,883. This balance includes $3,334,423 for capital outlay in the SPLOST 2007 fund and $2,865,292 in other governmental funds for capital outlay. The main reason for the decrease in restricted fund balances is the reduction of $3,335,211 in the UWG Project fund balance, which was completed and closed out during 2015. SPLOST 2007 fund balance also decreased by approximately $1.2 million by year-end 2015.

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 $23,850,740 to $24,211,496., which is a 1.5% increase over 2014. The net change in fund balance was $360,756. As indicated, 83.8% ($20,297,241) of this balance is unassigned and available for continuing City services at the designated levels, which is an increase from 2014 at 75%. Although the percentage of total fund balance classified as unassigned decreased for 2015, the unassigned fund balance in the general fund actually increased by $2,403,374 due to the reduction in committed and nonspendable fund balances discussed above. The unassigned fund balance is considered very adequate, representing the equivalent of 72.9% of annual expenditures. In comparison, the ending fund balance for 2014 represented 88% of annual operating expenditures. The primary use of fund balance is to cover cash flow deficiencies occurring during the early part of each year.

SPLOST 2007 Fund's ending fund balance was $3,334,423, which is a decrease of $1,177,100, or 26.1%, from 2014, which ended with $4,511,523. This SPLOST issue expired at the end of 2012, therefore, the only revenues collected during 2015 were interest earnings in the amount of $7,156. Expenditures of $1,184,256 included phase II improvements to the Boone Drive maintenance facility, Ray Park improvements, new bathroom facilities at the City's parks, various street and intersection projects, including paving, and a new round-a-bout which serves as a second entrance to the Convention Center. 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 $425,416, an increase of $920,072 from 2014, which ended with a deficit balance of $1,345,488. Sales tax collections were $5,329,841 and interest earnings totaled $3,037. Expenditures totaled $4,412,806 and included partial funding for the new public safety complex, new equipment for the Street Department, and various street and intersection projects, as well as the transfer of 16% of revenues collected to Newnan Utilities, per the SPLOST agreement. The City has an advance of $2.25 million to this fund from the General Fund to prefund capital projects, rather than incur debt. The deficit balance will be eliminated and the advance paid back with future SPLOST revenues.

Revenue Category Comparisons

Sales Taxes

Local option sales tax revenue actually increased by 10.7% when compared to calendar year 2014, from $5,778,730 to $6,399,087. Sales taxes from all sources, including Special Purpose, showed a $710,668 increase, or 6.4%, from 2014. The total generated in 2015 for all sales tax was $11,728,928 as compared to $11,018,260 in 2014

Additionally, the City renegotiated the LOST distribution percentage with Coweta County in 2014. The City's portion of the distribution increased from 21.89% to 31.19%, beginning with the January 2014 distribution. The increase was phased in over the course of 3 years to minimize the impact on the County's revenues, with 2013 starting at 25.95%. The City's percentage increased to 28.54% for 2014 and adjusted 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 decreased by 2.1% from that of calendar year 2014, going from $4,566,463 to $4,470,102 for 2015. Beginning with 2015, the City of Newnan contracted with the Coweta County Tax Commissioner to bill and collect property taxes for the City going forward. The County's due date is typically December 1st, while the City's due date was typically October 31st each year. Thus, tax collections tended to come in a little lower than normal for the City in 2015. Additionally, the City's millage rate dropped slightly from the 2014 rate of 4.15 mills per thousand dollars of assessed value to 4.05 mills. The rate is projected to remain at 4.05 mills for 2016.

The 2014 digest was $1,138,589,882, increasing to $1,215,099,461 in 2015, which is a 6.7% increase in valuations. Property reassessments increased the 2015 digest by approximately $29.1 million and other changes to the digest resulted in an increase of approximately $47.4 million in real property valuation, for a total increase of $76.5 million in 2015. It should be noted that motor vehicle taxes showed the only decrease in the digest ($16 million) and this change was included in the other changes to the digest noted above.

Occupational Taxes (formerly Business Licenses)

Occupational tax revenue increased by 11%, or $255,489, when compared to 2014. This increase is mainly due to the commercial growth in the City and an increase in gross receipts reported for the businesses. Revenue receipts totaled $2,570,247 for 2015. The 2000 census population for the City of Newnan was 16,242; the estimated 2015 population for the City is 36,511. This represents a 124.8% increase in population over the last fifteen 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 2015, receipts totaled $1,912,480 as compared to 2014, where receipts were $1,790,149. The increase of $122,331, or 6.8%, was based on the change in population in the City of Newnan from the 2000 census, per the notes above under Occupational

Taxes and Local Option Sales Taxes. The City expects this revenue source to remain fairly consistent over the next few years since the City's population is trending upward each year.

Franchise (Excise) Taxes

Franchise tax collections decreased by 27.8% during 2015, from $2,005,628 to $1,448,960. However, please note that a prior period adjustment of $699,305 was required in 2015, which increased the 2014 amount received. When excluding the prior period adjustment from the equation, collections for gas and telephone franchise taxes were consistent with 2014. However, electricity taxes increased by $50,081 and cable TV taxes increased by $57,576 over 2014. Trend analysis and local economic activity are tools used to project collections of franchise taxes each year.

Motor Vehicle Taxes

Motor Vehicle tax collections include vehicle ad valorem taxes and the new title ad valorem tax (TAVT) added by the State of Georgia in 2014. Total collections in 2015 were $1,274,622 as compared to $1,275,827 in 2014. Ironically, vehicle ad valorem taxes decreased by $52,025 and title ad valorem taxes increased by $50,821, which was expected due to the changes in taxation when the title ad valorem tax was introduced. Trend analysis and economic conditions are the primary methods for forecasting this revenue stream.

Licenses and Permits Revenue

Building permits made up 81% of the total revenues for this category in 2015, up from 73.5% in 2014. Building permit revenues increased by 34.9% in 2015; going from $584,997 to $788,927. Building permit valuations, residential and commercial combined, increased by almost 24%, or $29 million, during 2015, from approximately $122 million in 2014 to about $151 million in 2015. Overall, residential permit valuations decreased by 4.8%, while commercial permit valuations increased by 38.8%. The actual number of permits issued for commercial building was 65 in 2015 versus 45 in 2014. The number of residential permits issued for 2015 totaled 321 versus 268 in 2014. Trend analysis and anticipated construction starts are the primary forecasting tools for this revenue stream.

Alcoholic beverage licenses made up the remaining 19% of revenues for this category. This revenue stream decreased from $211,210 in 2014 to $185,210 in 2015, showing a $26,000 decrease. 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 2015 were $589,378. In 2014, we recorded collections of $384,002, showing an increase of $205,376, or 53.5%. About $21,000 of the increase is attributed to an audit of the hotel taxes in 2015. Additionally, one new hotel opened in Newnan, which helped to increase total receipts by $139,057. Another new hotel is under construction and should open in in the latter part of 2016. The local economy continues to show signs of recovery with this increase in occupancy rates during 2015.

Interest Earned on Investments

Interest on Investments (General Fund only) increased by $4,838 in 2015, going from $25,203 to $30,041, which is a 19.2% increase when compared to 2014. Overall, all funds included, interest on investments increased by $6,748 in 2015. 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 decreased by 22%, or $164,514, from 2014; down from $746,101 to $581,587 in 2015. The City of Newnan is pursuing more aggressive collection measures for police fines, including the assignment of a staff

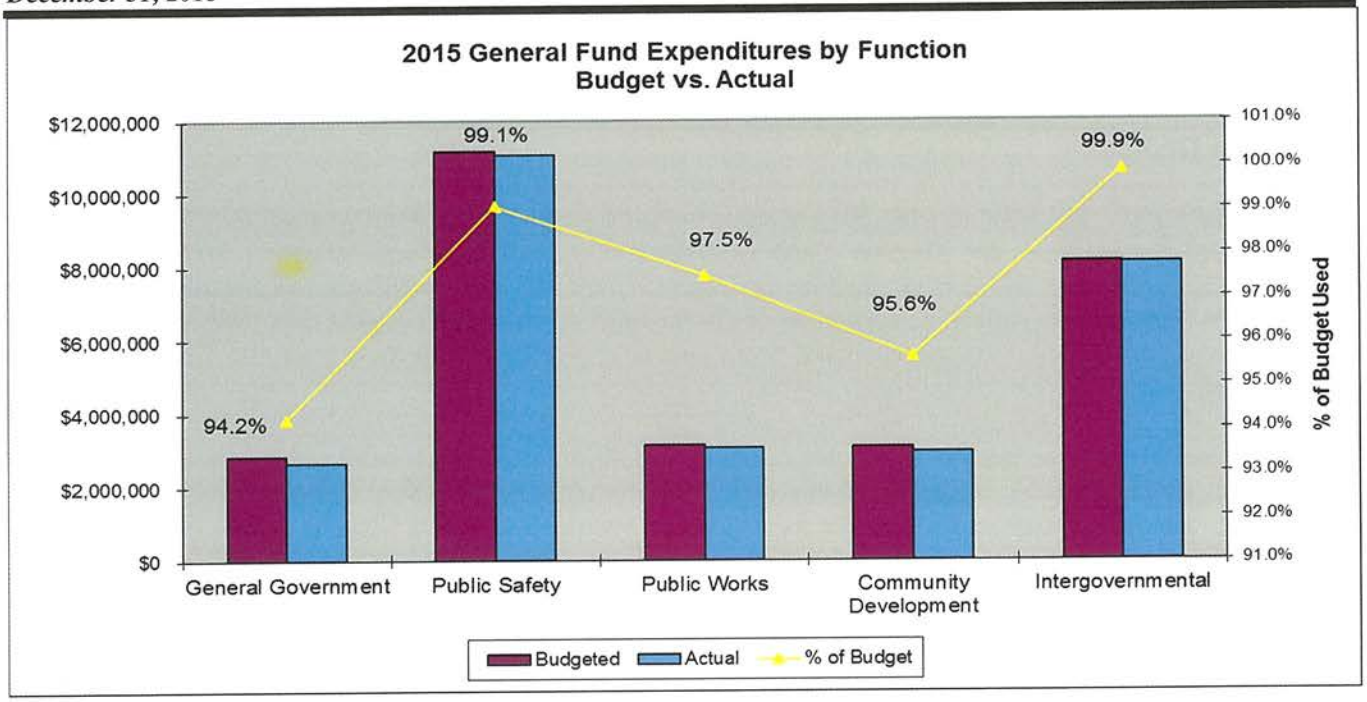
person to assist specifically with collections of police fines. Trend analysis is the most effective tool for forecasting this revenue stream.

Budgetary Highlights

The General Fund – The final adopted 2015 revenue budget for the General Fund was $27,870,067, 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 2015 by $7,051,567 primarily to reflect the appropriations to the DDA for the UWG project debt repayment. However, increases in receipts for sales tax, occupational taxes, insurance premiums, franchise taxes and TAVT taxes were also included.

The 2014 final revenue budget for the General Fund was $18,750,000, which is $9,120,067 less than the 2015 final budget of $27,870,067. Actual revenue collections for 2015 were $28,439,182, or 102%, of budgeted collections. The actual transfer in from the Tourism fund was $294,689. Per Council action, the general fund retained 50% of the actual funds collected during 2015. Property tax revenues were budgeted to increase by $425,000. Staff has been very aggressive in delinquent revenue collections, with an overall 99.6% collection rate for property taxes. The collection rate for year-ending 2015 was 92.01%. Additionally, the sale of capital assets added over $5 million to the 2015 budget, the motor vehicle taxes added approximately $257,000, sales tax increased by $1.1 million, the insurance premium tax increased by $313,000, occupational taxes increased by $814,000, and the transfer from Newnan Utilities increased by $270,000, as compared to 2014 budgeted levels.

The final adopted 2015 expenditure budget for the General Fund was $28,640,492, including transfers out to the Street Fund in the amount of $225,000. Actual expenditures (on an encumbrance basis) for 2015 were $28,144,530, or 98%, of the budgeted amount. Expenditures were tightly controlled and departmental budgeted levels maintained. The 2015 General Fund Expenditure budget was amended to include an additional $7,150,492 in operating expenditures, including $7,000,000 in appropriations to the Downtown Development Authority for principal and interest payments towards the UWG project loan. The remaining $150,492 was to cover operational items for various departments. The charts below show a breakdown of the 2015 General Fund budgeted versus actual expenditures, excluding interfund transfers.



2015 General Fund Expenditures by Function (excluding Interfund Transfers)

	Budgeted	Actual	% of Budget	Budget less Actual Exp
General Government	$2,855,451	$2,689,768	94.2%	$165,683
Public Safety	11,186,294	11,080,665	99.1%	105,630
Public Works	3,154,029	3,074,265	97.5%	79,764
Community Development	3,094,718	2,960,032	95.6%	134,686
Intergovernmental	8,125,000	8,114,800	99.9%	10,200
	$28,415,492	**$27,919,530**	**98.3%**	**$495,962**

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, 2015, was $132,210,470, down by $18,332,738, or 12.2%, from 2014, primarily as a result of the sale of assets for the UWG project. An increase of $1,852,209 was also recorded in the other improvements classification, infrastructure showed an increase of $4,158,117, and buildings and parks increased by $787,462, all mainly due to capitalizations of construction in progress for 2015. Changes in all other categories were fairly consistent with 2014.

Depreciation is calculated based on the actual acquisition date of the asset. Readers who desire more detailed information on capital asset activity during 2015 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 Government	
	2015	2014	2015	2014	2015	2014
Non-depreciable assets:						
Land	$ 22,245,436	$ 22,611,318	$ -	$ -	$ 22,245,436	$ 22,611,318
Construction in progress	3,153,095	25,006,142	-	-	3,153,095	25,006,142
Total non-depreciable	25,398,531	47,617,460	-	-	25,398,531	47,617,460
Depreciable assets:						
Buildings and parks	34,446,621	33,659,159	-	-	34,446,621	33,659,159
Other improvements	12,502,458	10,650,248	-	-	12,502,458	10,650,248
Machinery and equipment	12,049,517	11,744,811	105,821	105,821	12,155,338	11,850,632
Infrastructure	88,303,260	84,145,143	-	-	88,303,260	84,145,143
Total depreciable assets	147,301,856	140,199,361	105,821	105,821	147,407,677	140,305,182
Less accumulated depreciation	(40,531,653)	(37,333,392)	(64,085)	(46,042)	(40,595,738)	(37,379,434)
Book value - depreciable assets	106,770,203	102,865,969	41,736	59,779	106,811,939	102,925,748
Percentage depreciated	-28%	-27%	-61%	-44%	-28%	-27%
Book value - all assets	**$ 132,168,734**	**$ 150,483,429**	**$ 41,736**	**$ 59,779**	**$ 132,210,470**	**$ 150,543,208**

Major capital asset items acquired or projects completed during the 2015 current calendar year included the following.

- Old Newnan Hospital Renovation – UWG Project
- New round-a-bout – 2nd entrance to Convention Center
- Newnan Crossing Blvd. repaving and restriping
- New bathroom facilities at 1st Avenue Park, Greenville Street Park and Ray Park
- New Public Safety Complex
- Public Works Facility Phase II
- Various sidewalk projects
- Service truck rebuilt at City garage

Additionally, several projects were under construction as of December 31, 2015, including Corinth Road improvements, construction of a dog park, construction of a fitness trail at the Convention Center, Five Points Intersection improvements, construction of Fire Station #4, Jefferson-Jackson Corridor improvements, LaGrange Street improvements, McIntosh Parkway improvements, construction of a new recreation center, and adding the final top coat of paving to some of the City's subdivision streets. Construction in progress project expenses are capitalized in full upon completion of the project. The total construction in progress (CIP) at December 31, 2015 was $3,153,095. At the end of 2014, construction in progress totaled $25,006,142. As indicated by the list of completed projects above, many large projects were reclassed from construction in progress to capitalized assets in 2015, accounting for the 87.4% decrease. The chart on the previous page shows the changes by category for capital assets from 2014 to 2015.

At December 31, 2015, the depreciable capital assets for governmental activities were 28% depreciated. This compares to 27% at December 31, 2014. 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 2015 amount payable totals $687,639, as compared to $618,874 at the end of 2014. Current debt (payable within one year) is $477,903, with the remaining $209,736 booked as noncurrent debt. Please refer to pages 59-63 for information concerning component unit debt.

Additionally, because the City implemented GASB statements 68 and 71 in 2015, there was an addition to long-term debt in the amount of $$3,811,215 for pension liability, with $64,791 of that amount attributed to business-type activities in the Sanitation fund.

Historically, the City has operated on a pay-as-you go plan for capital projects rather than incur debt. However, the City worked 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. That project was completed during 2015 and the associated assets sold to UWG as planned. The proceeds from the sale and the remaining fund balance was utilized to pay down the principal and interest on the debt during 2015. Please see note L on pages 71 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 $360,756 to fund balance at the end of 2015. 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 6.7% from 2014 to 2015. The Coweta County Tax Assessor has also sent out approximately 55,000 real property assessment notices, with many of those reflecting an increase in valuation for 2016. The 2016 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) is still expanding and adding jobs. The new TAVT (title tax) has also added significantly to our revenue stream, however, that is changing slightly as the State gets a better handle on the total effects of the tax. Additionally, the new University of West Georgia campus began operations in downtown Newnan in June 2015 and many new businesses are opening or relocating to Newnan.

On the down side, fuel costs have started rising again and interest earnings have remained stagnant for several years. As this audit will show, the City's overall financial position improved significantly during 2015. 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, 2015, unassigned fund balance in the General Fund was $20,297,241, increasing from $17,893,867 in 2014. Next year's budgeted revenues are projected to be made up of Sales Taxes (28.3%), Property Taxes (26.7%), Excise (Franchise) Taxes (17.7%), Occupational Taxes and Alcohol Licenses (11.5%). The remaining 15.8% is expected to be generated by Inspections and Permits, Service Charges, Fines and Forfeitures, Other Local and Intergovernmental Revenues, including operating transfers from Tourism and Newnan Utilities, a component unit of the City of Newnan.

Budgeted revenues are projected to decrease by 20.2%, from $27,870,067 (including amendments) in 2015 to $22,246,500 in 2016, including interfund transfers. The primary reason for the decrease is the projected change in the sale of capital assets. As noted throughout this document, the UWG project was completed in 2015 and the associated assets were sold to the University of West Georgia, resulting in a one-time $5,000,000 addition to revenue.

The 2016 General Fund expenditures budget decreased by $6,393,992, or 22.3%, from $28,640,492 (including amendments) to $22,246,500. The following chart shows the *major* changes in budgeted expenditures from 2015 to 2016, along with 2015 actual expenditures. Please note that not all budgeted line items are listed in this chart. The most significant change from 2015 to 2016 relates to an appropriation of $8,125,000 to the Downtown Development Authority for repayment of the Newnan Hospital Redevelopment Loan during 2015. This was possible due to the sale of the assets to UWG during 2015. The amount appropriated for this line item for 2016 is $450,000.

Per the chart, the largest increase, dollar-wise, was in full time wages due to changes in salaries brought about by the comprehensive compensation and classification study completed during 2015 and the addition of four (4)

positions in Public Safety and two (2) positions in Beautification. Repairs and maintenance increases added another $178,158 for 2016, primarily in the Public Safety function. Minor equipment needs increased by $143,161.

Additionally, other contractual services increased by $142,550. Facilities Maintenance added $52,352 for access control of the CCTV's, cleaning of park restrooms, cooling tower maintenance and janitorial services at city hall, public safety, and the Wesley Street Gym. An additional $52,225 was added for the police department to include a new wireless transmitter, Power DMS software, installation of an LED beacon at an antenna site, removal of old radio equipment and access to evidence.com for staff. Fees in the amount of $20,000 were added to pay the Coweta County Tax Commissioner for billing and collecting the City's property taxes, as discussed previously.

Funds for site and other improvements were also added for 2016, totaling $305,000, in preparation for opening a new section in the cemetery and improvements at the Fire departments. Employee insurance costs are projected to increase by $60,722 and the opt-out insurance payments were added for 2016. In prior years, the opt-out insurance payments were included in the employee insurance category.

Finally, the City added an additional $50,825 for training, specifically related to succession planning and offering more opportunities for staff improvement and development overall. The City considers this a wise investment for retention and staff development.

City of Newnan, Georgia
General Fund Budget and Expenditures by Use
Major Changes from 2015 to 2016

Description	2015 Final Adopted Budget	2015 Actual Expenditures	2016 Adopted Budget	2015 - 2016 Budget Variance	2015 - 2016 Budget % Change
Wages - Full Time Emplyees	$ 10,267,970.00	$ 10,529,685.24	$ 10,799,733.00	$ 531,763.00	5.2%
Site Improvements	-	-	200,000.00	200,000.00	N/A
Repairs and Maintenance	428,357.00	426,072.69	606,515.00	178,158.00	41.6%
Minor Equipment	142,075.00	99,700.24	285,236.00	143,161.00	100.8%
Other Contractual Services	261,745.00	243,442.09	404,295.00	142,550.00	54.5%
Other Improvements	-	3,528.29	105,000.00	105,000.00	N/A
Employee Insurance (Life/Health/Dental)	2,303,179.00	2,153,107.46	2,363,901.00	60,722.00	2.6%
Employee Opt-Out Insurance Payments	-	-	55,200.00	55,200.00	N/A
Training	42,200.00	36,031.60	93,025.00	50,825.00	120.4%
Other Equipment	158,463.00	14,800.00	53,690.00	(104,773.00)	-66.1%
Professional Services	511,367.00	440,699.30	399,230.00	(112,137.00)	-21.9%
Miscellaneous	240,444.00	239,127.93	126,550.00	(113,894.00)	-47.4%
Appropriations to DDA for UWG Debt	8,125,000.00	8,114,799.65	450,000.00	(7,675,000.00)	-94.5%

Reductions for 2016 included other equipment ($104,773), professional services ($112,137) and miscellaneous ($113,894) categories, as well as the major change in appropriations to the DDA for the UWG debt discussed above.

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, 2015

	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	$ 25,035,706	$ -	$ 25,035,706	$ 6,617,561	$ 204,731	$ 101,003
Investments	3,263,140	373,721	3,636,861	22,844,565	-	-
Receivables, net of allowance	4,020,852	167,110	4,187,962	4,501,121	131,966	340
Inventory	34,814	-	34,814	2,024,444	-	-
Prepaid items	-	-	-	376,813	-	-
Restricted assets	-	-	-	10,408,287	-	-
Other assets:						
Deferred compensation funding arrangements	-	-	-	4,062,910	-	-
Net pension asset	-	-	-	2,674,000	-	-
Capital assets not being depreciated:						
Land	22,245,436	-	22,245,436	7,797,571	-	-
Construction in progress	3,153,095	-	3,153,095	2,932,433	-	-
Capital assets net of accumulated depreciation:						
Buildings and parks	27,034,651	-	27,034,651	-	-	-
Structures, lines and improvements	-	-	-	109,764,164	-	-
Other improvements	7,614,124	-	7,614,124	-	-	-
Machinery and equipment	3,796,621	41,736	3,838,357	3,792,035	8,950	-
Infrastructure	68,324,807	-	68,324,807	-	-	-
Total assets	164,523,246	582,567	165,105,813	177,795,904	345,647	101,343
DEFERRED OUTFLOWS OF RESOURCES						
Deferred refunding loss	-	-	-	1,037,120	-	-
Deferred outflows of resources related to pensions	954,322	16,504	970,826	1,560,000	-	-
	954,322	16,504	970,826	2,597,120	-	-
LIABILITIES						
Accounts payable	1,293,622	15,767	1,309,389	3,288,310	1,915	869
Accrued expenses	75,174	819	75,993	591,818	4,632	-
Accrued interest payable	-	-	-	494,920	-	-
Unearned revenues	52,591	-	52,591	-	-	-
Customer deposits	-	-	-	1,733,744	37,379	-
Compensated absences	471,735	6,168	477,903	268,800	-	-
Note payable	-	-	-	398,209	-	733,333
Revenue bonds	-	-	-	1,480,000	-	-
Noncurrent liabilities:						
Net pension liability	3,746,424	64,791	3,811,215	-	-	-
Revenue bonds, net	-	-	-	23,496,289	-	-
Note payable	-	-	-	6,577,227	-	2,338,075
Compensated absences	208,556	1,180	209,736	1,976,659	-	-
Total liabilities	5,848,102	88,725	5,936,827	40,305,976	43,926	3,072,277
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows of resources related to pensions	769,272	13,304	782,576	-	-	-
NET POSITION (DEFICIT)						
Net investment in capital assets	132,168,734	41,736	132,210,470	93,371,598	8,950	-
Restricted for:						
Capital outlay	5,943,171	-	5,943,171	-	-	-
Capital improvements and debt service	-	-	-	10,408,287	-	-
Law enforcement	100,440	-	100,440	-	-	-
Tourism	156,104	-	156,104	-	-	-
Economic development	30,404	-	30,404	-	-	-
Unrestricted	20,461,341	455,306	20,916,647	36,307,163	292,771	(2,970,934)
Total net position (deficit)	$ 158,860,194	$ 497,042	$ 159,357,236	$ 140,087,048	$ 301,721	$ (2,970,934)

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, 2015

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	$ 11,107,882	$ 2,136,993	$ -	$ 853,776	$ (8,117,113)	$ -	$ (8,117,113)			
Tourism development	376,488	-	25,000	10,500	(340,988)	-	(340,988)			
Public safety	11,416,979	877,744	-	3,370,730	(7,168,505)	-	(7,168,505)			
Public works	5,853,817	-	-	3,235,030	(2,618,787)	-	(2,618,787)			
Community development	3,867,490	788,927	-	801,802	(2,276,761)	-	(2,276,761)			
Total governmental activities	32,622,656	3,803,664	25,000	8,271,838	(20,522,154)	-	(20,522,154)			
Business-type Activities:										
Sanitation Fund	446,366	611,083	-	-	-	164,717	164,717			
Total business-type activities	446,366	611,083	-	-	-	164,717	164,717			
Total Primary Government	$ 33,069,022	$ 4,414,747	$ 25,000	$ 8,271,838	(20,522,154)	164,717	(20,357,437)			
Component Units:										
Water, Sewerage & Light Commission	$ 48,855,675	$ 55,314,501	$ -	$ -				$ 6,458,826	$ -	$ -
Convention Center Authority	380,200	206,878	385,348	-				-	212,026	-
Downtown Development Authority	265,903	140,978	8,122,480	-				-	-	7,997,555
Total component units	$ 49,501,778	$ 55,662,357	$ 8,507,828	$ -				6,458,826	212,026	7,997,555
General revenues:										
Property taxes					4,470,102	-	4,470,102	-	-	-
Motor vehicle taxes					1,274,622	-	1,274,622	-	-	-
Sales taxes					6,399,087	-	6,399,087	852,961	-	-
Occupational taxes					2,570,247	-	2,570,247	-	-	-
Franchise taxes					1,448,960	-	1,448,960	-	-	-
Insurance premium taxes					1,912,480	-	1,912,480	-	-	-
Hotel/Motel taxes					589,378	-	589,378	-	-	-
Alcoholic beverage taxes					881,758	-	881,758	-	-	-
Other taxes					106,096	-	106,096	-	-	-
Investment earnings					36,852	630	37,482	124,059	20	61
Gain on sale of capital assets					-	-	-	50,593	-	-
Total general revenues					19,689,582	630	19,690,212	1,027,613	20	61
Special item - loss on sale of capital assets					(19,296,332)	-	(19,296,332)	-	-	-
Total general revenues and special items					393,250	630	393,880	1,027,613	20	61
Change in net position					(20,128,904)	165,347	(19,963,557)	7,486,439	212,046	7,997,616
Net position - beginning of year- as restated					178,989,098	331,695	179,320,793	132,600,609	89,675	(10,968,550)
Net position (deficit)- ending of year					$ 158,860,194	$ 497,042	$ 159,357,236	$ 140,087,048	$ 301,721	$ (2,970,934)

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

CITY OF NEWNAN, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2015

	General	2013 SPLOST	2007 SPLOST	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 17,485,561	$ 1,359,107	$ 3,402,306	$ 2,788,732	$ 25,035,706
Investments	2,168,860	-	-	1,094,280	3,263,140
Taxes receivable	547,863	-	-	95,864	643,727
Intergovernmental	638,005	965,832	-	35,355	1,639,192
Other receivables	1,737,933	-	-	-	1,737,933
Advances to other funds	2,250,000	-	-	-	2,250,000
Inventories	34,814	-	-	-	34,814
Total assets	$ 24,863,036	$ 2,324,939	$ 3,402,306	$ 4,014,231	$ 34,604,512
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 247,525	$ 500,355	$ 67,883	$ 477,859	$ 1,293,622
Accrued expenditures	75,174	-	-	-	75,174
Unearned revenues	-	-	-	52,591	52,591
Advances from other funds	-	2,250,000	-	-	2,250,000
Total liabilities	322,699	2,750,355	67,883	530,450	3,671,387
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	328,841	-	-	-	328,841
Total deferred inflows of resources	328,841	-	-	-	328,841
Fund balances:					
Nonspendable	2,284,814	-	-	-	2,284,814
Restricted	30,404	-	3,334,423	2,865,292	6,230,119
Committed	1,150,000	-	-	-	1,150,000
Assigned	449,037	-	-	618,489	1,067,526
Unassigned	20,297,241	(425,416)	-	-	19,871,825
Total fund balances(deficits)	24,211,496	(425,416)	3,334,423	3,483,781	30,604,284
Total liabilities, deferred inflows of resources and fund balances	$ 24,863,036	$ 2,324,939	$ 3,402,306	$ 4,014,231	$ 34,604,512

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, 2015

Amounts reported for governmental activities in the statement of net position are different because:		
Total fund balances - governmental funds		$ 30,604,284
Capital Assets		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost of the assets	$ 172,700,387	
Accumulated depreciation	(40,531,653)	
		132,168,734
Deferred outflows of resources		
Pension contributions		954,322
Revenues		
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		328,841
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		(680,291)
Net pension liability		(3,746,424)
Deferred inflows of resources		
Net difference between projected and actual investment earnings on pension plan investments		(769,272)
Net position of governmental activities		$ 158,860,194

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, 2015

	General	2013 SPLOST	2007 SPLOST	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes:					
Property	$ 4,393,641	$ -	$ -	$ -	$ 4,393,641
Motor vehicle	1,274,622	-	-	-	1,274,622
Franchise	1,448,960	-	-	-	1,448,960
Sales	6,399,087	-	-	-	6,399,087
Insurance premium	1,912,480	-	-	-	1,912,480
Occupational	2,570,247	-	-	-	2,570,247
Hotel/motel	-	-	-	589,378	589,378
Alcoholic Beverage	881,758	-	-	-	881,758
Other taxes	15,546	-	-	90,550	106,096
License and permits	974,137	-	-	-	974,137
Impact fees	-	-	-	686,989	686,989
Court condemnations	-	-	-	42,591	42,591
Intergovernmental	427,437	5,329,841	-	651,217	6,408,495
Intergovernmental-utility	1,589,068	-	-	-	1,589,068
Fines and forfeitures	581,587	-	-	-	581,587
Investment earnings	30,041	3,037	7,156	6,811	47,045
Program revenue	-	-	-	109,377	109,377
Miscellaneous	403,335	-	-	128,904	532,239
Total revenues	22,901,946	5,332,878	7,156	2,305,817	30,547,797
EXPENDITURES					
Current:					
General government	2,617,237	-	-	30,750	2,647,987
Tourism development	-	-	-	387,481	387,481
Public safety	11,028,266	-	-	186,762	11,215,028
Public works	3,049,933	18,453	12,236	336,723	3,417,345
Community development	3,043,189	133,296	11,250	126,081	3,313,816
Intergovernmental	8,114,800	852,775	-	-	8,967,575
Capital outlay	-	3,408,282	1,160,770	3,821,316	8,390,368
Total expenditures	27,853,425	4,412,806	1,184,256	4,889,113	38,339,600
Excess (deficiency) of revenues over (under) expenditures	(4,951,479)	920,072	(1,177,100)	(2,583,296)	(7,791,803)
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	5,057,941	-	-	-	5,057,941
Insurance recoveries	23,654	-	-	-	23,654
Transfers in	455,640	-	-	225,000	680,640
Transfers out	(225,000)	-	-	(455,640)	(680,640)
Total other financing sources (uses)	5,312,235	-	-	(230,640)	5,081,595
Net change in fund balances	360,756	920,072	(1,177,100)	(2,813,936)	(2,710,208)
Fund balances - beginning of year, as restated	23,850,740	(1,345,488)	4,511,523	6,297,717	33,314,492
Fund balances (deficits) - end of year	$24,211,496	$ (425,416)	$3,334,423	$ 3,483,781	$ 30,604,284

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, 2015

Amounts reported for governmental activities in the Statement of Activities are different because:		
Net Change in Fund Balances - total governmental funds		$ (2,710,208)
Capital Assets		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense.		
Total capital outlays	$ 8,841,857	
Total depreciation	(3,771,823)	5,070,034
The net effect of various transactions involving capital assets (i.e. sales, disposals, trade-ins, and donations) is to decrease net position.		(23,384,729)
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		(66,978)
Pension contributions in excess of change in pension liability		886,516
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.		76,461
Change in net position of governmental activities		$(20,128,904)

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, 2015

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes:				
Property	$ 4,430,000	$ 4,430,000	$ 4,393,641	$ (36,359)
Motor vehicle	1,145,000	1,274,000	1,274,622	622
Franchise	1,240,000	1,349,650	1,448,960	99,310
Sales	5,850,000	6,400,000	6,399,087	(913)
Insurance premium	1,725,000	1,913,000	1,912,480	(520)
Occupational	2,100,000	2,554,000	2,570,247	16,247
Alcoholic beverage	805,000	805,000	881,758	76,758
Other taxes	30,000	30,000	15,546	(14,454)
License and permits	660,000	660,000	974,137	314,137
Intergovernmental	276,500	276,500	427,437	150,937
Intergovernmental-utility	1,375,000	1,590,000	1,589,068	(932)
Fines and forfeitures	707,000	707,000	581,587	(125,413)
Interest earnings	25,000	25,000	30,041	5,041
Miscellaneous	255,000	317,845	403,335	85,490
Total revenues	20,623,500	22,331,995	22,901,946	569,951
EXPENDITURES				
Current:				
General government:				
Council	176,582	176,582	163,601	12,981
Manager	548,237	555,437	554,895	542
Attorney	98,500	110,500	106,164	4,336
Finance	535,948	535,948	442,191	93,757
Human resources	231,029	231,029	206,231	24,798
Information technologies	422,256	422,256	393,104	29,152
Municipal court	184,002	215,802	215,731	71
Other - unclassified	517,897	607,897	607,851	46
Total general government	2,714,451	2,855,451	2,689,768	165,683
Public safety:				
Police	6,750,300	6,750,300	6,730,698	19,602
School resources officer	451,695	451,695	439,744	11,951
Animal services	68,058	68,058	57,404	10,654
Fire	3,916,241	3,916,241	3,852,819	63,422
Total public safety	11,186,294	11,186,294	11,080,665	105,629

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, 2015
(CONTINUED)

	Budget			Variance with
	Original	Final	Actual	Final Budget
Public works:				
Administration	$ 238,624	$ 239,299	$ 239,245	$ 54
Engineer	303,865	303,865	253,551	50,314
Streets	1,666,106	1,674,923	1,671,646	3,277
Garage	452,689	452,689	441,658	11,031
Cemetery	483,253	483,253	468,165	15,088
Total public works	3,144,537	3,154,029	3,074,265	79,764
Community development:				
Planning and zoning	307,187	307,187	276,934	30,253
Business development and special events	267,028	267,028	257,484	9,544
Library	175,698	175,698	159,501	16,197
Parks & ROW beautification	1,027,335	1,027,335	960,258	67,077
Building inspection	784,416	784,416	782,068	2,348
Building maintenance	533,054	533,054	523,787	9,267
Total community development	3,094,718	3,094,718	2,960,032	134,686
Intergovernmental	1,125,000	8,125,000	8,114,800	10,200
Total expenditures	21,265,000	28,415,492	27,919,530	495,962
Excess (deficiency) of revenue over (under) expenditure	(641,500)	(6,083,497)	(5,017,584)	1,065,913
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	15,000	5,058,417	5,057,941	(476)
Insurance recoveries	-	23,655	23,654	(1)
Transfers in	180,000	456,000	455,640	(360)
Transfers out	(225,000)	(225,000)	(225,000)	-
Total other financing sources (uses)	(30,000)	5,313,072	5,312,235	(837)
Net change in fund balances	$ (671,500)	$ (770,425)	294,651	$ 1,065,076
Fund balances - beginning of year, as restated			23,649,024	
Fund balances - end of year			$ 23,943,675	

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, 2015

	Business-type Activities Enterprise Fund
	Nonmajor Sanitation Fund
ASSETS	
Current assets	
Investments	$ 373,721
Accounts receivable, net of allowance	167,110
Total current assets	540,831
Noncurrent assets	
Capital assets:	
Machinery and equipment	105,821
Less accumulated depreciation	(64,085)
Total capital assets, net	41,736
Total noncurrent assets	41,736
Total Assets	$ 582,567
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	16,504
LIABILITIES	
Current liabilities	
Accounts payable	$ 15,767
Salaries payable	819
Compensated absences	6,168
Total current liabilities	22,754
Noncurrent liabilities	
Compensated absences	1,180
Net pension liability	64,791
Total noncurrent liabilities	65,971
Total Liabilities	88,725
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	13,304
NET POSITION	
Investment in capital assets	41,736
Unrestricted	455,306
Total Net Position	$ 497,042

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, 2015

	Business-type Activities Enterprise Fund
	Nonmajor Sanitation Fund
Operating revenues:	
Charges for sales and services	$ 611,083
Total operating revenues	611,083
Operating expenses:	
Purchased/contracted services	122,072
Salaries and benefits	227,767
Supplies and materials	61,773
Other costs	16,711
Depreciation	18,043
Total operating expenses	446,366
Operating income (loss)	164,717
Nonoperating revenues (expenses):	
Investment earnings	630
Total nonoperating revenues (expenses)	630
Change in net position	165,347
Total net position - beginning of year - as restated	331,695
Total net position - end of year	$ 497,042

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, 2015

	Business-type Activities Enterprise Fund Nonmajor Sanitation Fund
Cash Flows from Operating Activities:	
Cash received from customers	$ 491,610
Cash payments to employees for services	(247,087)
Cash payments to other suppliers of goods or services	(194,231)
Net Cash Provided (Used) by Operating Activities	50,292
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	(50,922)
Interest received	630
Net Cash Provided (Used) by Investing Activities	(50,292)
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, 2015
(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)	$ 164,717
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:	
Depreciation	18,043
Changes in Assets and Liabilities:	
(Increase) decrease in accounts receivable	(119,473)
Deferred outflows of resources related to pensions	(16,504)
Increase (decrease) in accounts payable	6,325
Increase (decrease) in salaries payable	(5,776)
Increase (decrease) in compensated absences	1,787
Net pension liability	(12,131)
Deferred inflows of resources related to pensions	13,304
Total Adjustments	(114,425)
Net Cash Provided (Used) by operating activities	$ 50,292
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, 2015

	Agency Fund
ASSETS	
Cash	$ 102,572
Total assets	$ 102,572
LIABILITY	
Payable from Assets	
Confiscated assets pending disposition	$ 102,572

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.

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 2015, 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 has one item that qualifies for reporting in this category. The deferred outflows of resources relative to the pension plans change in assumptions. This amount is deferred and will be recognized as a reduction of the net pension liability in future years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items which arise under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source, property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. The second is the deferred inflow of resources relative to the pensions, is reported only in the governmental activities and proprietary funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

K. Long-term Obligations

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

L. Fund Equity

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

- Nonspendable – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted – amounts are restricted when constraints have been placed on the use of resources by (a) externally imposed by creditors, grantors, contributors or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Mayor and Council through adoption of a resolution. The Mayor and Council also may modify or rescind the commitment.

- Assigned – amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, Mayor and Council have authorized the City Manager or his designee to assign fund balances.
- Unassigned – amounts that have not been assigned to other funds and that are not restricted, committed or assigned to specific purposes within the General Fund.

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

- Committed
- Assigned
- Unassigned

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, 2015:

	General Fund	2013 SPLOST	2007 SPLOST	Nonmajor Governmental	Total
Fund Balances:					
Nonspendable					
Inventories	$ 34,814	$ -	$ -	$ -	$ 34,814
Advances	2,250,000	-	-	-	2,250,000
Restricted for:					
Capital outlay	-	-	3,334,423	2,608,748	5,943,171
Economic development	30,404	-	-	-	30,404
Street improvements	-	-	-	-	-
Law enforcement	-	-	-	100,440	100,440
Tourism	-	-	-	156,104	156,104
Committed:					
UWG Project	400,000	-	-	-	400,000
Capital Purchases	750,000	-	-	-	750,000
Assigned for:					
Capital projects	449,037	-	-	618,489	1,067,526
Unassigned	20,297,241	(425,416)	-	-	19,871,825
Total fund balances (deficits)	$ 24,211,496	$ (425,416)	$ 3,334,423	$ 3,483,781	$ 30,604,284

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	$ 294,651
Add: Current year encumbrances	200,865
Deduct: Prior year encumbrances paid in the current year	(134,760)
Generally accepted accounting principles basis-excess revenues and other financing sources over expenditures and other financing uses	$ 360,756
Budgetary basis-fund balance, ending	$ 23,943,675
Add: Current year encumbrances	200,865
Add: Prior year encumbrances outstanding at year-end	46,975
Add: Prior year encumbrances voided	19,981
Generally accepted accounting principles basis-fund balance, ending	$ 24,211,496

C. Deficit Fund Balances

Component Unit – Newnan Downtown Development Authority

As of December 31, 2015, the discretely presented component unit, the Newnan Downton Development Authority, had a deficit net position in the amount of $2,970,934. This deficit is relative to the note payable, held by the Authority, for the University of West Georgia Project undertaken by the City. See Notes D and L.

SPLOST 2013

As of December 31, 2015, the 2013 SPLOST Fund had a deficit fund balance of $425,416. 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, 2015, 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, 2015, 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	Value	Maturity
Office of StateTreasurer	AAAf rated	$ 3,636,861	56 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, 2015.

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. 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, 2015, the Commission had the following investments:

	Maturities in Years				
Investment	Under One	One-Three	Three-Seven	Over Ten	Total
U.S. Government securities	$ 1,319,771	$ 6,247,457	$ 1,786,569	$ -	$ 9,353,797
U.S. Government agency notes and bonds	4,852,590	6,759,160	1,590,188	-	13,201,938
Money market mutual funds and certificates of deposit	266,252	18,651	3,927	-	288,830
Total investments	$ 6,438,613	$ 13,025,268	$ 3,380,684	$ -	$22,844,565

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, 2015 are Federal National Mortgage Association 11.3%, Federal Farm Credit Bank 8.2%, Federal Home Loan Bank 5.5%, Freddie Mac 5.4%, State of Georgia Municipal 10.0%, US Treasury 40.9%, MEAG Investment Trust 7.8% and Fannie Mae 9.9%.

B. Capital Assets

Capital asset activity for the year ended December 31, 2015 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Reclassifications	Ending Balance
Governmental Activities					
Capital assets not being depreciated:					
Land	$ 22,611,318	$ 262,377	$ (628,259)	$ -	$ 22,245,436
Construction in progress	25,006,142	8,143,177	-	(29,996,224)	3,153,095
Total capital assets, not being depreciated	47,617,460	8,405,554	(628,259)	(29,996,224)	25,398,531
Capital assets, being depreciated:					
Buildings and parks	33,659,159	-	(22,365,227)	23,152,689	34,446,621
Other improvements	10,650,248	35,496	(1,526,989)	3,343,703	12,502,458
Machinery and equipment	11,744,811	557,030	(296,702)	44,378	12,049,517
Infrastructure	84,145,143	985,950	(283,287)	3,455,454	88,303,260
Total capital assets being depreciated	140,199,361	1,578,476	(24,472,205)	29,996,224	147,301,856
Less accumulated depreciation for:					
Buildings and parks	(7,064,540)	(571,572)	224,142	-	(7,411,970)
Other improvements	(4,392,367)	(495,967)	-	-	(4,888,334)
Machinery and equipment	(7,653,017)	(873,284)	273,405	-	(8,252,896)
Infrastructure	(18,223,468)	(1,831,000)	76,015	-	(19,978,453)
Total accumulated depreciation	(37,333,392)	(3,771,823)	573,562	-	(40,531,653)
Total capital assets, being depreciated, net	102,865,969	(2,193,347)	(23,898,643)	29,996,224	106,770,203
Governmental activities capital assets, net	$ 150,483,429	$ 6,212,207	$ (24,526,902)	$ -	$ 132,168,734

	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	(46,042)	(18,043)	-	(64,085)
Total accumulated depreciation	(46,042)	(18,043)	-	(64,085)
Total capital assets, being depreciated, net	59,779	(18,043)	-	41,736
Business-type activites capital assets, net	$ 59,779	$ (18,043)	$ -	$ 41,736

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

Governmental Activities:	
General government	$ 38,973
Public safety	535,290
Public works	2,583,899
Community development and leisure services	613,661
Total governmental activities depreciation expense	$ 3,771,823
Business-Type Activities:	
Sanitation Fund	$ 18,043

C. Interfund Receivables, Payables, Advances and Transfers

As of December 31, 2015, there were no interfund receivables or payables. Interfund transfers for the year ended December 31, 2015, are as follows:

	Transfers In:			
Transfers Out:	**General Fund**	**Nonmajor Governmental Fund**	**Nonmajor Enterprise Fund**	**Total**
General fund	$ -	$ 225,000	$ -	$ 225,000
Nonmajor Governmental fund	455,640	-	-	455,640
Total	$ 455,640	$ 225,000	$ -	$ 680,640

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.

Further, during the year the City made the following one-time transfer:

A transfer from the UWGA Project Fund to the General Fund in the amount of $160,951, to close out the fund upon project completion.

The composition of the advances balances as of December 31, 2015 is as follows:

Advances from/to other funds:

Receivable Fund	Payable Fund	Amount
General Fund	SPLOST 2013	$ 2,250,000

In 2014, the general fund advanced the 2013 SPLOST Fund $3,000,000 to complete the construction of the new Public Safety Complex. For the most part, the complex was funded by the 2013 SPLOST Fund. In 2015, revenues collected were not sufficient to repay the entire advance and cover other projects also in progress.

D. Long-term Debt

Primary Government

As of December 31, 2015, the City's governmental activities and business-type activities had no outstanding long-term debt other than compensated absences and net pension liabilities as follows:

	Restated Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Net pension liability	$ 4,522,201	$ -	$ 775,777	$ 3,746,424	$ -
Compensated absences	613,313	1,379,039	1,312,061	680,291	471,735
	$ 5,135,514	$ 1,379,039	$ 2,087,838	$ 4,426,715	$ 471,735
Business-Type activities:					
Net pension liability	$ 78,207	$ -	$ 13,416	$ 64,791	$ -
Compensated absences	5,561	17,451	15,664	7,348	6,168
	$ 83,768	$ 17,451	$ 29,080	$ 72,139	$ 6,168

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

Component Unit – Newnan Downtown Development Authority

The Authority has a note payable to United Bank to fund the University of West Georgia Project.

Annual debt service requirements to maturity for this note payable is as follows:

Year	Principal	Interest	Total
2016	$ 733,333	$ 43,768	$ 777,101
2017	733,333	44,423	777,756
2018	733,333	30,490	763,823
2019	733,333	16,557	749,890
2020	138,076	2,623	140,699
	$ 3,071,408	$ 137,861	$ 3,209,269

The changes in the long-term debt are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Note payable	$ 11,063,057	$ -	$ 7,991,649	$ 3,071,408	$ 733,333
	$ 11,063,057	$ -	$ 7,991,649	$ 3,071,408	$ 773,333

During 2015, the Authority paid $123,150 in interest on the note.

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, 2015, 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, 2015, the outstanding loan balance was $6,975,436 plus accrued interest of $17,773.

Total debt service requirements to maturity are as follows:

Year	Principal	Interest	Total
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	448,932	153,148	602,080
2021-2025	2,458,278	552,122	3,010,400
2026-2030	2,400,983	159,383	2,560,366
	$ 6,975,436	$ 1,605,729	$ 8,581,165

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 $424,054, are as follows:

Year	Principal	Interest	Total
2016	$ 1,395,000	$ 581,194	$ 1,976,194
2017	1,450,000	517,175	1,967,175
2018	1,520,000	442,925	1,962,925
2019	1,600,000	364,925	1,964,925
2020	-	324,925	324,925
2021-2025	5,945,000	1,058,750	7,003,750
2026	1,150,000	30,187	1,180,187
Total	$ 13,060,000	$ 3,320,081	$ 16,380,081

Revenue Bonds

Series 2015

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

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

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

The net proceeds of $11,508,370 were used to purchase securities that were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the 2006 Series Bonds. As a result, the portions of the Series 2006 bonds refunded are considered legally defeased and have been removed from Commission's books. Accrued interest related to the Series 2015 Bonds at December 31, 2016 was $172,666.

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

Year	Principal	Interest	Total
2016	$ 85,000	$ 344,482	$ 429,482
2017	85,000	342,783	427,783
2018	85,000	341,083	426,083
2019	90,000	339,333	429,333
2020	1,775,000	319,800	2,094,800
2021-2025	1,855,000	1,312,159	3,167,159
2026-2030	2,485,000	1,124,302	3,609,302
2031-2035	3,640,000	502,075	4,142,075
2036	810,000	16,200	826,200
Total	$ 10,910,000	$ 4,642,217	$ 15,552,217

Component Unit

The changes in long-term debt are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Deferred Compensation	$ 2,379,856	$ -	$ (134,397)	$ 2,245,459	$ 268,800
Revenue bonds	25,329,566	11,508,320	(11,861,597)	24,976,289	1,480,000
Notes payable	7,361,954	-	(386,518)	6,975,436	398,209
Total	$ 35,071,376	$ 11,508,320	$ (12,382,512)	$ 34,197,184	$ 2,147,009

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 50% of the funds collected. Tax receipts for the year were $589,378. Of the current year expenditures $2,133 was relative to repairs and maintenance for the Newnan Male Academy Museum and $294,689 for operating costs of the Newnan Convention Center. As of December 31, 2015, the balance of funds not expended was $121,032. 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, 2015, 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.

Benefits Provided

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

Contributions

The plan members are not required to contribute to the plan. The City is required to contribute at an actuarially determined rate; the current rate is 9.8% of annual covered payroll. The contribution requirements of the City are established and may be amended by the GMEBS Board of Trustees.

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

At December 31, 2015, the City reported a net pension liability. The net pension liability was measured as of March 31, 2015. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of July 1, 2015. An expected total pension liability as of March 31, 2015 was determined using standard roll-forward techniques.

For the year ended December 31, 2015, the City recognized pension expense relative to GMEBS in the amount of $921,747. At December 31, 2015, the reported deferred outflows of resources and deferred inflows of resources related to the Pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 279,516	$ -
Changes of assumptions	-	560,972
Net difference between projected and actual earnings on pension plan investments	-	221,604
Employer contributions subsequent to the measurement date	691,310	-
	$ 970,826	$ 782,576

City contributions subsequent to the measurement date of March 31, 2015 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense as follows:

Year ended December 31:	
2016	$ (125,765)
2017	(125,765)
2018	(125,765)
2019	(125,765)

Actuarial Assumptions: The total pension liability as of December 31, 2015 was determined by an actuarial valuation as of July 1, 2015 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increase	3.75-8.00%, including inflation adjustment
Investment rate of return	7.75%, On-going basis, based on long-term expected rate of return of pension plan investments

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

The mortality and economic actuarial assumptions used in the July 1, 2015 valuation were approved by the board in December 2014 based on the results of an actuarial experience study for the period January 1, 2010 to June 30, 2014.

Net Pension Liability:

Changes in the Net Pension Liability:	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balances at January 1, 2015	$ 18,794,877	$ 14,194,469	$ 4,600,408
Changes for the year:			
Service cost	421,030	-	421,030
Interest	1,428,183	-	1,428,183
Difference between expected and actual experience	349,394	-	349,394
Contributions - employer	-	934,855	(934,855)
Net investment income	-	1,383,645	(1,383,645)
Benefit payments	(733,416)	(733,416)	-
Administrative expense	-	(31,914)	31,914
Other	(701,214)	-	(701,214)
Net changes	763,977	1,553,170	(789,193)
Balance at December 31, 2015	$ 19,558,854	$ 15,747,639	$ 3,811,215

The City's net pension liability is recorded in the Government-Wide, Statement of Net Position and in the Sanitation Fund in the amounts of $3,746,424 and $64,791, respectively

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

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2015 are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return	Long-Term Nominal Real Rate of Return
Domestic Equity	50%	5.95%	9.20%
International Equity	15%	6.45%	9.70%
Fixed Income	25%	1.55%	4.80%
Real estate	10%	3.75%	7.00%
Cash	0%		
Total	100%		

Discount Rate: The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at the actuarially determined contribution rates. Based on those assumptions, the

pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount rate: The following presents the City's net pension liability calculated using the discount rate of 7.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Current discount rate (7.75%)	1% Increase (8.75%)
Sensitivity of the Net Pension Liability to Changes in the Discount Rate	$ 6,380,900	$ 3,811,215	$ 1,674,885

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

The assumptions used in the July 1, 2015 actuarial valuation are as follows:

Actuarial Assumptions

Actuarial cost method	Projected Unit Credit
Amortization method	Closed level dollar for the remaining unfunded liability
Remaining amortization period	Remaining amortization period varies for the bases, with a net effective amortization period of 10 years.
Asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Net Investment Rate of Return	7.75%
Projected Salary Increases	3.25% plus service based merit increases
Cost of Living Adjustments	0.00%

***Changes of assumptions*:**

As a result of the plan change to provide immediate participation for employees and officials, for the fiscal year ending 2016, the eligibility assumption has been changed from one year for employees and two years for officials to immediate for employees and officials. The increase in the Plan's NPL is minimal and has been included in the differences between expected and actuarial experience.

As a result of the new administrative fee structure approved by the board, the administrative expense assumption was updated for fiscal years beginning in 2016.

Amounts reported for the fiscal year ending in 2016, and later reflect the following assumption changes approved by the board in December, 2014 based on the results of an actuarial experience study covering the period January 1, 2010 to June 30, 2014:

- The mortality table for disabled participants was changed to remove the two-year set-forward for males and the one-year set forward for females.
- The turnover rates were updated to introduce select rates for service less than five years and to reduce the ultimate rate by 15% and to assume no turnover on and after age 55. The select period rates were further constrained to not be less than the ultimate rates.
- The retirement rates were normal retirement is only available on or after age 65 were changed from the prior assumption of 100% at age 65 to the new assumption of 60% at age 65 to 69 and 100% at age 70. Where normal retirement is available prior to age 65, the rates were changed from the prior assumption of 100% at earliest unreduced age, but not below age 60, to the new assumption of 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at age 70.
- The inflation assumption was decreased from 3.50% to 3.25%.
- The salary increase assumption was changed from select period rates during the first five years of service, followed by age-related rates to an assumption based on new service-related rates. Under the prior assumption, the salary increases ranged from 4.00% to 11.00% and included an inflation assumption of 3.50%. Under the new assumption, the salary increases range from 3.75% to 8.00% and include an inflation assumption of 3.25%.

Benefit Changes

Effective January 1, 2015, the Plan was amended to provide for immediate participation for employees and officials. This change has no impact on service credited under the Plan and has no impact on benefits.

K. Special Funding Defined Benefit Pension Plans

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

The City's Firemen are eligible to participate in the Georgia Firefighters' Pension Fund, a voluntary pension system. The City makes no contributions to this plan. Contributions are made through monthly dues by eligible firefighters electing to participate in the plan and

non-employer contributions which consist of insurance premium taxes collected and remitted by insurers directly to the pension fund in accordance with the law. The plan is administered by the Georgia Firefighters' Pension Fund located at 2171 Eastview Parkway NE in Conyers, Georgia where separate financial statements may be obtained. This plan is considered immaterial to the City's financial statements.

L. Commitments

West Georgia University Project

In 2014, the City committed to a purchase and redevelopment agreement with the University System of Georgia and Newnan Hospital Incorporated. The anticipated budget was $15 million. The project was completed in 2015 and sold to the University of West Georgia. As of December 31, 2015, the City has committed to paying off the remaining debt relative to the project in the amount of $3,071,408.

M. Investment in Capital Assets

Investment in Capital Assets on the Government-wide statement of net position as of December 31, 2015 is as follows:

	Governmental Activities	Business Type Activities
Cost of capital assets	$ 172,700,387	$ 105,821
Less accumulated depreciation	(40,531,653)	(64,085)
Book value	132,168,734	41,736
Less all capital related debt	-	-
Investment in capital assets	$ 132,168,734	$ 41,736

N. Subsequent Events

The City assessed events that have occurred subsequent to December 31, 2015 through the date of issuance for potential recognition and disclosure in the financial statements. No events have occurred that would require adjustment to the disclosures in the City's statements which were issued on June 23, 2016.

O. Component Unit – Subsequent Events

On March 9, 2016, Newnan Water, Sewer and Light Commission of the City of Newnan sold all decentralized wastewater systems currently owned and operated by the Commission to Coweta County Water and Sewerage Authority.

NOTE 5 – RESTATEMENT OF EQUITY BALANCES

A. Implementation of New Accounting Standards

During 2015, the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27,* as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68,* as of January 1, 2015.

B. Prior Period Adjustment

An adjustment was needed in the General Fund in the amount of $699,305 to recognize prior year franchise tax revenues.

	Governmental Activities	Business-type Activities	Total
Net Position December 31, 2014, as previously stated	$ 182,737,683	$ 408,617	$ 183,146,300
Implementation of GASB 68/71 for pensions:			
Record net pension liability	(4,447,890)	(76,922)	(4,524,812)
Correction of prior year franchise tax revenue	699,305	-	699,305
Net Position December 31, 2014, restated	$ 178,989,098	$ 331,695	$ 179,320,793

	General Fund	Sanitation Fund
Fund Balance/Net Position December 31, 2014, as previously stated	$ 23,151,435	$ 408,617
Implementation of GASB 68/71 for pensions:		
Record net pension liability	-	(76,922)
Correction of prior year franchise tax revenues	699,305	-
Fund Balance/Net Position December 31, 2014, as restated	$ 23,850,740	$ 331,695

NOTE 6 – RESTATEMENT OF EQUITY BALANCE – COMPONENT UNIT

Component Unit – Implementation of New Accounting Standards

The Newnan Water, Sewerage and Light Commission also implemented the new accounting standard in Note 5. The resulting adjustments to the financial statements were as follows:

	Component Unit Newnan Water, Sewerage and Light Commission
Beginning Net Position	$ 130,973,609
Adjustment to correct net pension asset	1,627,000
Beginning Net Position, as restated	$ 132,600,609

NOTE 7 – SPECIAL ITEM – LOSS ON SALE OF ASSETS

In January 2013, the City entered into an agreement with Newnan Hospital, Newnan Hospital Foundation, Inc., Coweta County and the Coweta County Development Authority for the donation of real property, facilities and financial assistance for a University of West Georgia campus to be located at 80 Jackson St. The project was completed in 2015 with a total investment of $24,296,332, including donations and improvements. In accordance with the agreements, the facility was sold to West Georgia University at a price of $5,000,000. The resulting loss on sale of the assets of $19,296,332 is reported as a special item in the government-wide statement of activities.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NEWNAN, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
GEORGIA MUNICIPAL EMPLOYEES BENEFIT SYSTEM
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

	2015
Total Pension Liability	
Service cost	$ 421,030
Interest	1,428,183
Differences between expected and actual experience	349,394
Changes in benefit terms	-
Changes in assumptions	(701,214)
Benefit payments, including refunds of employee contributions	(733,416)
Net change in total pension liability	763,977
Total pension liability - beginning	18,794,877
Total pension liability - ending	$ 19,558,854
Plan Fiduciary Net Position	
Contributions - employer	$ 934,855
Contributions - employee	-
Net investment income	1,383,645
Benefit payments, including refunds of employee contributions	(733,416)
Administrative expense	(31,914)
Other	-
Net change in fiduciary net position	1,553,170
Plan fiduciary net position - beginning	14,194,469
Plan fiduciary net position - ending	$ 15,747,639
Net Pension Liability	
Net pension liability - ending	$ 3,811,215
Plan's fiduciary net position as a percentage of the total pension liability	80.51%
Covered-employee payroll	$ 9,970,405
Net pension liability as a percentage of covered-employee payroll	38.23%

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

CITY OF NEWNAN, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
GEORGIA MUNICIPAL EMPLOYEES BENEFIT SYSTEM
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

SCHEDULE OF CONTRIBUTIONS

	2015
Actuarially determined contribution	$ 921,747
Contributions in relation to the actuarially determined contribution	$ 921,747
Contribution deficiency (excess)	$ -
City's covered-employee payroll	9,970,405
Contributions as a percentage of covered-employee payroll	9.24%

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

Georgia Municipal Employee Benefit System

Changes of assumptions:

As a result of the plan change to provide immediate participation for employees and officials, for the fiscal year ending 2016, the eligibility assumption has been changed from one year for employees and two years for officials to immediate for employees and officials. The increase in the Plan's NPL is minimal and has been included in the differences between expected and actuarial experience.

As a result of the new administrative fee structure approved by the board, the administrative expense assumption was updated for fiscal years beginning in 2016.

Amounts reported for the fiscal year ending in 2016, and later reflect the following assumption changes approved by the board in December, 2014 based on the results of an actuarial experience study covering the period January 1, 2010 to June 30, 2014:

- The mortality table for disabled participants was changed to remove the two-year set-forward for males and the one-year set forward for females.
- The turnover rates were updated to introduce select rates for service less than five years and to reduce the ultimate rate by 15% and to assume no turnover on and after age 55. The select period rates were further constrained to not be less than the ultimate rates.
- The retirement rates were normal retirement is only available on or after age 65 were changed from the prior assumption of 100% at age 65 to the new assumption of 60% at age 65 to 69 and 100% at age 70. Where normal retirement is available prior to age 65, the rates were changed from the prior assumption of 100% at earliest unreduced age, but not below age 60, to the new assumption of 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at age 70.
- The inflation assumption was decreased from 3.50% to 3.25%.
- The salary increase assumption was changed from select period rates during the first five years of service, followed by age-related rates to an assumption based on new service-related rates. Under the prior assumption, the salary increases ranged from 4.00% to 11.00% and included an inflation assumption of 3.50%. Under the new assumption, the salary increases range from 3.75% to 8.00% and include an inflation assumption of 3.25%.

Benefit Changes

Effective January 1, 2015, the Plan was amended to provide for immediate participation for employees and officials. This change has no impact on service credited under the Plan and has no impact on benefits.

Valuation date	The actuarially determined contribution rate was determined as of July 1, 2015, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending December 31, 2016.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected Unit Credit
Amortization method	Closed level dollar for the remaining unfunded liability
Remaining amortization period	Remaining amortization period varies for the bases, with a net effective amortization period of 10 years.
Asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Actuarial Assumptions:	
Net Investment Rate of Return	7.75%
Projected Salary Increases	3.25% plus service based merit increases
Cost of Living Adjustments	0.00%
Retirement Age	Ages 55-59 rate of 10%, age 60 rate of 20%, age 61 rate of 25%, age 62 rate of 35%, age 63 rate of 40%, age 64 rate of 45%, ages 65-69 rate of 50% and age 70 and over rate of 100%
Mortality	RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females RP-2000 Disabled Retiree Mortality Table with sex-distinct rates.

(THIS PAGE INTENTIONALLY LEFT BLANK)

SUPPLEMENTARY INFORMATION

(THIS PAGE INTENTIONALLY LEFT BLANK)

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.

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 would renovate the facility into an educational space for the University of West Georgia. The Project was completed in 2015, and the facility was sold to the University of West Georgia.

CITY OF NEWNAN, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2015

	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	UWG Project	Total	
ASSETS												
Cash and cash equivalents	$ 5,503	$ 14,546	$ -	$ 2,690	$ -	$ 22,739	$ -	$ -	$ 2,765,993	$ -	$2,765,993	$ 2,788,732
Investments	97,323	-	147,975	-	41,402	286,700	806,810	770	-	-	807,580	1,094,280
Taxes receivable	-	-	87,746	-	8,118	95,864	-	-	-	-	-	95,864
Intergovernmental receivable	-	-	-	35,355	-	35,355	-	-	-	-	-	35,355
Total assets	$ 102,826	$ 14,546	$ 235,721	$ 38,045	$ 49,520	$440,658	$ 806,810	$ 770	$ 2,765,993	$ -	$3,573,573	$ 4,014,231
LIABILITIES												
Accounts payable	$ 2,386	$ -	$ 114,689	$ -	$ 14,448	$131,523	$ 188,321	$ -	$ 158,015	$ -	$ 346,336	$ 477,859
Unearned revenue	-	14,546	-	38,045	-	52,591	-	-	-	-	-	52,591
Total liabilities	2,386	14,546	114,689	38,045	14,448	184,114	188,321	-	158,015	-	346,336	530,450
FUND BALANCES												
Restricted	100,440	-	121,032	-	35,072	256,544	-	770	2,607,978	-	2,608,748	2,865,292
Assigned	-	-	-	-	-	-	618,489	-	-	-	618,489	618,489
Total fund balances	100,440	-	121,032	-	35,072	256,544	618,489	770	2,607,978	-	3,227,237	3,483,781
TOTAL LIABILITIES AND FUND BALANCES	$ 102,826	$ 14,546	$ 235,721	$ 38,045	$ 49,520	$440,658	$ 806,810	$ 770	$ 2,765,993	$ -	$3,573,573	$ 4,014,231

CITY OF NEWNAN, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	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	UWG Project	Total	
REVENUES												
Hotel/motel taxes	$ -	$ -	$ 589,378	$ -	$ -	$589,378	$ -	$ -	$ -	$ -	$ -	$ 589,378
Court condemnations	42,591	-	-	-	-	42,591	-	-	-	-	-	42,591
Intergovernmental	-	21,163	-	4,406	-	25,569	360,547	265,101	-	-	625,648	651,217
Impact fees	-	-	-	-	-	-	-	-	686,989	-	686,989	686,989
Excise taxes	-	-	-	-	90,550	90,550	-	-	-	-	-	90,550
Program revenues	-	-	-	109,377	-	109,377	-	-	-	-	-	109,377
Other revenues	3,251	18,254	-	-	-	21,505	36,481	-	-	70,918	107,399	128,904
Investment earnings	235	-	405	85	109	834	645	393	4,662	277	5,977	6,811
Total revenues	46,077	39,417	589,783	113,868	90,659	879,804	397,673	265,494	691,651	71,195	1,426,013	2,305,817
EXPENDITURES												
Current												
General government	-	3,735	-	-	-	3,735	-	-	-	27,015	27,015	30,750
Tourism development	-	-	296,822	-	90,659	387,481	-	-	-	-	-	387,481
Public safety	140,010	23,469	-	-	-	163,479	-	-	23,283	-	23,283	186,762
Public works	-	-	-	-	-	-	4,343	320,000	12,380	-	336,723	336,723
Community development	-	12,213	-	113,868	-	126,081	-	-	-	-	-	126,081
Capital outlay	9,543	-	-	-	-	9,543	373,868	-	219,465	3,218,440	3,811,773	3,821,316
Total expenditures	149,553	39,417	296,822	113,868	90,659	690,319	378,211	320,000	255,128	3,245,455	4,198,794	4,889,113
Excess (deficiency) of revenues over (under) expenditures	(103,476)	-	292,961	-	-	189,485	19,462	(54,506)	436,523	(3,174,260)	(2,772,781)	(2,583,296)
Other financing sources (uses)												
Transfers out	-	-	(294,689)	-	-	(294,689)	225,000	-	-	(160,951)	64,049	(230,640)
Total other financing sources (uses)	-	-	(294,689)	-	-	(294,689)	225,000	-	-	(160,951)	64,049	(230,640)
Net change in fund balances	(103,476)	-	(1,728)	-	-	(105,204)	244,462	(54,506)	436,523	(3,335,211)	(2,708,732)	(2,813,936)
Fund balances - beginning of year	203,916	-	122,760	-	35,072	361,748	374,027	55,276	2,171,455	3,335,211	5,935,969	6,297,717
Fund balances - end of year	$ 100,440	$ -	$ 121,032	$ -	$ 35,072	$256,544	$ 618,489	$ 770	$2,607,978	$ -	$3,227,237	$ 3,483,781

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, 2015

	Final Budget	Actual	Variance
REVENUES			
Court condemnations	$ 211,200	$ 42,591	$ (168,609)
Other revenues	-	3,251	3,251
Investment earnings	803	235	(568)
Total Revenues	212,003	46,077	(165,926)
EXPENDITURES			
Current			
Law enforcement	153,000	140,010	12,990
Capital outlay	10,000	9,543	457
Total Expenditures	163,000	149,553	13,447
Net change in fund balance	49,003	(103,476)	(152,479)
Fund balances - beginning of year	203,916	203,916	-
Fund balances - end of year	$ 252,919	$ 100,440	$ (152,479)

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, 2015

	Final Budget	Actual	Variance
REVENUES			
Other revenues	$ 18,300	$ 18,254	$ (46)
Intergovernmental	21,200	21,163	(37)
Total Revenues	39,500	39,417	(83)
EXPENDITURES			
Current			
General government	3,750	3,735	15
Community development	12,250	12,213	37
Public safety	23,500	23,469	31
Total Expenditures	39,500	39,417	83
Net change in fund balance	-	-	-
Fund balances - beginning of year	-	-	-
Fund balances - end of year	$ -	$ -	$ -

CITY OF NEWNAN, GEORGIA

HOTEL/MOTEL TOURISM ENHANCEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance
REVENUES			
Hotel/motel taxes	$ 590,000	$ 589,378	$ (622)
Investment earnings	600	405	(195)
Total Revenues	590,600	589,783	(817)
EXPENDITURES			
Current			
Tourism development	297,150	296,822	328
Total Expenditures	297,150	296,822	328
Excess (deficiency) of revenues over (under) expenditures	293,450	292,961	(489)
Other Financing Use			
Transfer out	(295,000)	(294,689)	311
Net change in fund balances	(1,550)	(1,728)	(178)
Fund balances - beginning of year	122,760	122,760	-
Fund balances - end of year	$ 121,210	$ 121,032	$ (178)

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, 2015

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	$ 485,000	$ 4,406	$ (480,594)
Program income	80,000	109,377	29,377
Investment earnings	5	85	80
Total Revenues	565,005	113,868	(451,137)
EXPENDITURES			
Current			
Community development	565,005	113,868	451,137
Total Expenditures	565,005	113,868	451,137
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, 2015

	Final Budget	Actual	Variance
REVENUES			
Excise tax	$ 91,000	$ 90,550	$ (450)
Investment earnings	45	109	64
Total Revenues	91,045	90,659	(386)
EXPENDITURES			
Current			
Tourism development	91,000	90,659	341
Total Expenditures	91,000	90,659	341
Net change in fund balances	45	-	(45)
Fund balances - beginning of year	35,072	35,072	-
Fund balances - end of year	$ 35,117	$ 35,072	$ (45)

CITY OF NEWNAN, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITY
AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	December 31, 2014	Additions	Deletions	December 31, 2015
Police Pre-Confiscated Assets Fund				
ASSETS				
Cash	$ 91,842	$ 27,755	$ 17,025	$ 102,572
Total assets	$ 91,842	$ 27,755	$ 17,025	$ 102,572
LIABILITY				
Payable from assets				
Confiscated assets pending disposition	$ 91,842	$ 27,755	$ 17,025	$ 102,572

CITY OF NEWNAN, GEORGIA

COMPONENT UNIT - NEWNAN DOWNTOWN DEVELOPMENT AUTHORITY
BALANCE SHEET
DECEMBER 31, 2015

ASSETS		
Cash and cash equivalents	$	101,003
Receivables		340
Total Assets	$	101,343
LIABILITIES AND FUND BALANCES		
Accounts payable	$	869
Total Liabilities		869
Fund Balances:		
Unassigned		100,474
Total Fund Balances		100,474
Total Liabilities and Fund Balances	$	101,343
Amounts reported for governmental activities in the statement of net position are different because:		
Long-term liabilities are not due and payable in the current period and, therefore are not reported as fund liabilities. All liabilities both current and long-term are reported in the statement of net position. Long-term liabilities at year-end consist of the following:		
Note Payable	$	(3,071,408)
Total net position (deficit) of governmental activities	$	(2,970,934)

CITY OF NEWNAN, GEORGIA

COMPONENT UNIT - NEWNAN DOWNTOWN DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
DECEMBER 31, 2015

REVENUES:	
Intergovernmental revenues	$ 8,122,480
Event income	112,344
Sponsorship income	20,000
Miscellaneous revenues	8,634
Interest earnings	61
Total Revenues	8,263,519
EXPENDITURES:	
Current:	
Promotion	142,753
Debt Service:	
Principal	7,991,649
Interest	123,150
Total Expenditures	8,257,552
Net change in fund balances	5,967
Fund Balance - Beginning of year	94,507
Fund Balance - End of year	$ 100,474

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:

Repayment of principal	7,991,649
Change in Net Position of Governmental Activities.	$ 7,997,616

CITY OF NEWNAN, GEORGIA

COMPONENT UNIT - NEWNAN CONVENTION CENTER AUTHORITY
BALANCE SHEET
DECEMBER 31, 2015

ASSETS	
Cash and cash equivalents	$ 204,731
Accounts receivable	2,829
Receivable - primary government	129,137
Total Assets	$ 336,697
LIABILITIES AND FUND BALANCES	
Accounts payable	$ 1,915
Accrued expenses	4,632
Customer deposits	37,379
Total Liabilities	43,926
Fund Balances:	
Unassigned	292,771
Total Fund Balances	292,771
Total Liabilities and Fund Balances	$ 336,697
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	
Cost of the assets	8,950
Total net position of governmental activities	$ 301,721

CITY OF NEWNAN, GEORGIA

COMPONENT UNIT - NEWNAN CONVENTION CENTER AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
DECEMBER 31, 2015

REVENUES:	
Intergovernmental	$ 385,348
Rental	206,361
Other income	517
Interest earnings	20
Total Revenues	592,246
EXPENDITURES:	
Current:	
General government	389,150
Total Expenditures	389,150
Net change in fund balances	203,096
Fund Balance -Beginning of year	89,675
Fund Balance - End of year	$ 292,771
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense.	
Capital outlay	8,950
Change in Net Position of Governmental Activities.	$ 212,046

THIS PAGE INTENTIONALLY LEFT BLANK

STATISTICAL SECTION

THIS PAGE INTENTIONALLY LEFT BLANK

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.	90-96
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.	97-103
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.	104-105
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.	106-108
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.	109-110

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2004; schedules presenting government-wide information include information beginning in that year.

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

	Calendar Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GOVERNMENTAL ACTIVITIES										
Net investment in capital assets	$ 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	$ 132,168,734
Restricted	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	6,230,119
Unrestricted	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	20,461,341
Total governmental activities net position	$ 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	$ 158,860,194
BUSINESS-TYPE ACTIVITIES										
Net investment in capital assets	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 82,734	$ 59,779	$ 41,736
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-	236,457	348,838	455,306
Total business-type activities net position	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 319,190	$ 408,617	$ 497,042
TOTAL PRIMARY GOVERNMENT										
Net investment in capital assets	$ 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	$ 132,210,470
Restricted	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	6,230,119
Unrestricted	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	20,916,647
Total primary government net position	$ 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	$ 159,357,236
Change in Net Position										
Governmental activities	$ 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	$ (20,128,904)
Business-type activities	-	-	-	-	-	-	-	319,190	89,427	165,347
Total primary government	$ 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	$ (19,963,557)

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.
Beginning net position was restated due to implementation of GASB 68 and 71 - Pension Liability Reporting and Accounting and a prior period adjustment for Franchise Taxes, as referenced in the Notes to the Financial Statements.
The change in net position is due mainly to the loss on the sale of assets, primarily for the UWG project, in the amount of $19,296,332 during 2015, per prior agreement.

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

	Calendar Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses:										
Governmental activities:										
General Government	$ 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	$ 11,107,882
Community Development	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	3,867,490
Public Safety	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	11,416,979
Public Works	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	5,853,817
Tourist Development	14,955	2,292	4,274	9,304	3,691	2,588	121,726	248,989	322,479	376,488
Other Services	-	-	-	-	-	-	-	146	-	-
Total governmental activities expenses	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	32,622,656
Business-type activities:										
Sanitation - Brush & Bulk	-	-	-	-	-	-	-	398,955	467,952	446,366
Total business-type activities expenses	-	-	-	-	-	-	-	398,955	467,952	446,366
Total primary government expenses	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	33,069,022
Program Revenues:										
Governmental activities:										
Charges for Services										
General Government	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	2,136,993
Tourism Development	-	-	21,504	17,560	23,104	29,537	31,245	36,474	-	-
Public Safety	588,846	632,359	835,169	855,249	2,918,872	850,972	725,106	835,395	921,592	877,744
Public Works	-	-	-	-	-	-	-	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	788,927
Total charges for services	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	3,803,664
Operating grants and contributions	74,084	103,045	91,128	96,152	-	-	25,000	25,000	25,000	25,000
Capital grants and contributions	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	8,271,838
Total governmental activities program revenues	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	12,100,502
Business-type activities:										
Charges for Services										
Sanitation - Brush & Bulk	-	-	-	-	-	-	-	439,606	557,079	611,083
Total Charges for Services	-	-	-	-	-	-	-	439,606	557,079	611,083
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities expenses	-	-	-	-	-	-	-	439,606	557,079	611,083
Total primary government program revenues	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	12,711,585
Net (Expenses)/Revenue										
Governmental activities	(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)	(20,522,154)
Business-type activities	-	-	-	-	-	-	-	40,651	89,127	164,717
Total primary government net (expense)/revenue	$ (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)	$ (20,357,437)

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.
The change in net position is due mainly to the loss on the sale of assets, primarily for the UWG project, in the amount of $19,296,332 during 2015, per prior agreement.

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

	Calendar Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenue and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property Taxes	$ 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	$ 4,470,102
Motor Vehicle Taxes (Ad Valorem & TAVT)	230,462	254,832	270,781	249,931	249,579	273,376	300,866	1,094,431	1,275,827	1,274,622
Sales Taxes	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	6,399,087
Occupational Taxes	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	2,570,247
Franchise Taxes	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	1,448,960
Insurance Premium Taxes	851,078	887,770	909,036	900,507	874,336	1,549,668	1,646,007	1,704,283	1,790,149	1,912,480
Hotel Motel Taxes	211,120	329,900	258,001	240,642	223,694	253,718	283,321	337,102	384,002	589,378
Alcoholic Beverage Taxes	700,717	733,406	731,681	742,731	737,209	757,381	822,432	812,992	856,438	881,758
Other Taxes	222,331	25,471	33,524	34,544	44,909	125,950	101,620	123,094	114,835	106,096
Interest Revenue	1,008,500	1,170,885	547,677	105,671	32,524	26,179	29,369	30,481	30,104	36,852
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Gain on Sale of Assets	-	-	-	-	-	-	-	-	6,360	-
Special Item - Loss on Sale of Assets	-	-	-	-	-	-	-	-	-	(19,296,332)
Transfer	-	-	-	-	-	-	-	(196,016)	-	-
Contributed Capital	-	-	-	-	-	-	-	(82,411)	-	-
Total governmental activities	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	393,250
Business-type activities:										
Unrestricted Investment Earnings	-	-	-	-	-	-	-	112	300	630
Transfers	-	-	-	-	-	-	-	196,016	-	-
Contributed Capital - General Fund	-	-	-	-	-	-	-	21,652	-	-
Contributed Capital - SPLOST	-	-	-	-	-	-	-	60,759	-	-
Total business-type activities	-	-	-	-	-	-	-	278,539	300	630
Total Primary Government	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	393,880
Change in Net Position										
Governmental Activities	14,590,444	10,421,467	8,982,605	1,946,657	4,716,859	4,074,726	4,507,716	14,450,909	15,977,048	(20,128,904)
Business-type Activities	-	-	-	-	-	-	-	319,190	89,427	165,347
Total Primary Government	$14,590,444	$10,421,467	$ 8,982,605	$ 1,946,657	$ 4,716,859	$ 4,074,726	$ 4,507,716	$14,770,099	$16,066,475	$ (19,963,557)

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.

The change in net position is due mainly to the loss on the sale of assets, primarily for the UWG project, in the amount of $19,296,332 during 2015, per prior agreement.

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

	Calendar Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Function/Program										
Governmental activities:										
General Government	$ 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	$ 2,990,769
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	1,590,729
Public Safety	669,170	741,655	958,454	1,281,257	3,669,424	1,608,878	1,456,751	2,530,664	4,272,558	4,248,474
Public Works	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	3,235,030
Tourist Development	22,782	-	21,504	17,560	23,104	29,537	56,245	226,474	25,000	35,500
Other Services	-	-	-	-	-	-	-	-	-	-
Subtotal governmental activities	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	12,100,502
Business-type activities:										
Sanitation - Brush & Bulk	-	-	-	-	-	-	-	439,606	557,079	611,083
Subtotal business-type activities	-	-	-	-	-	-	-	439,606	557,079	611,083
Total primary government	$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	$12,711,585

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	2015
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	2,284,814
Restricted	-	-	-	-	-	-	51,645	61,140	137,715	33,670	30,404
Assigned	-	-	-	-	-	-	567,919	548,916	385,070	395,476	449,037
Committed [b]	-	-	-	-	-	-	-	-	1,400,871	2,500,000	1,150,000
Unassigned [c]	-	-	-	-	-	-	16,925,008	18,460,690	19,340,624	17,194,562	20,297,241
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	$ 24,211,496
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	256,544
Capital Projects Funds [d]	-	-	-	-	-	-	14,498,443	14,727,036	16,109,286	10,073,465	5,943,171
Assigned	-	-	-	-	-	-	406,878	443,409	342,590	374,027	618,489
Unassigned [e]	-	-	-	-	-	-	-	-	-	(1,345,488)	(425,416)
Total all other governmental funds	$ 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	$ 6,392,788
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**	**$ 30,604,284**

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

(a) The reduction is due to the repayment of $750,000 from SPLOST 2013 to the General Fund towards the $3,000,000 intergovernmental loan.

(b) The variance is due to a decrease in the committed balance for the UWG project loan repayments; offset by the increase in committed funds for the Howard Warner Project.

(c) The increase is due to a reduction in the committed fund balance of $2.1 million for the UWG Loan repayments during 2015, as well as the CY surplus of approximately $300,000.

(d) SPLOST 2007 fund balance decreased by $1,177,101; UWG Project fund balance decreased by $3,335,211 due to completion of projects during 2015.

(e) The deficit in fund balance will decrease 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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes:										
Alcohol Beverage Taxes	$ 700,717	$ 733,406	$ 731,681	$ 742,731	$ 737,209	$ 757,381	$ 822,432	$ 812,992	$ 856,438	$ 881,758
Excise (Franchise) Taxes	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	1,448,960
Hotel/Motel Taxes	211,120	329,900	258,001	240,642	223,694	253,718	283,321	337,102	384,002	589,378
Insurance Premium Taxes	851,078	887,770	909,036	900,507	874,336	1,549,668	1,646,007	1,704,283	1,790,149	1,912,480
Motor Vehicles [1]	230,462	254,832	270,781	249,931	249,579	273,376	300,866	1,094,431	1,275,827	1,274,622
Occupational Taxes	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	2,570,247
Other Taxes	222,331	25,471	33,524	34,544	44,909	49,162	34,289	47,224	35,269	15,546
Property Taxes	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	4,393,641
Rental Motor Vehicle Taxes	-	-	-	-	-	76,788	67,331	75,870	79,566	90,550
Sales Taxes	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	6,399,087
Court Condemnations	6,240	6,251	165,240	163,338	2,204,972	179,123	56,105	149,347	175,491	42,591
Fines and Forfeitures	588,846	632,359	669,929	691,911	624,181	575,724	666,838	684,937	746,101	581,587
Grants/Private Donations	2,253	-	150,000	-	-	-	-	-	-	-
Impact Fees	1,505,448	1,118,593	529,396	115,945	203,581	146,934	519,587	654,801	416,212	686,989
Intergovernmental	848,571	476,377	499,968	4,300,078	6,602,500	5,154,183	5,541,023	6,122,544	19,069,539	6,408,495
Intergovernmental - Utility	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	1,589,068
Investment Earnings	1,008,923	1,170,885	547,677	105,671	55,409	44,246	48,873	45,354	39,540	47,045
Alcohol Licenses	174,700	180,038	183,775	179,050	186,354	176,845	174,500	174,899	211,210	185,210
Other Revenues	268,163	370,732	185,955	315,606	243,361	272,389	347,561	477,217	582,522	532,239
Donations	-	-	-	-	-	-	-	4,100,000	-	-
Program Revenue	-	-	-	-	-	30,925	17,711	69,126	74,577	109,377
Permits & Inspections	1,345,583	838,630	486,125	259,895	267,249	335,381	356,893	663,990	584,995	788,927
Total Revenues	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	30,547,797
Expenditures										
General government	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	2,647,987
Community Development	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	3,313,816
Public Safety	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	11,215,028
Public Works	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	3,417,345
Tourist Development	14,955	2,292	4,274	9,304	3,691	2,588	121,726	248,989	322,479	387,481
Debt Service:										
Interest	-	-	-	-	-	-	-	146	-	-
Intergovernmental	-	-	793,530	659,712	715,094	747,955	773,986	805,491	838,325	8,967,575
Capital Outlay	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	8,390,368
Total Expenditures	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	38,339,600
Excess of revenues over (under) expenditures	$ 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)	$ (7,791,803)

(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.

Revenues exceeded expenditures primarily due to the sale of assets related to the UWG project in the amount of $5,000,000 during 2015.

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

	Calendar Year									
	2006	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
Other Financing Sources (Uses)										
Transfers from other Funds	$ 1,110,359	$ 1,350,890	$ 861,413	$ 867,985	$ 453,216	$ 500,704	$ 169,992	$ 420,379	$ 76,800	$ 680,640
Performance Bond Damages Recovered	-	-	-	-	-	-	627,748	165,000	-	-
Transfers to other Funds	(1,110,359)	(1,350,890)	(861,413)	(867,985)	(453,216)	(500,704)	(169,992)	(616,395)	(76,800)	(680,640)
Insurance recoveries	-	-	-	-	-	-	-	-	-	23,654
Sale of Capital Assets	-	12,000	-	-	17,475	12,242	38,316	27,934	29,317	5,057,941
Total Other Financing Sources (Uses)	-	12,000	-	-	17,475	12,242	666,064	(3,082)	29,317	5,081,595
Net Change in Fund Balances	**$ 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)**	**$ (2,710,208)**
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 [2]	Insurance Premium [3]	Occupational [4]	Alcoholic Beverage	Hotel / Motel [5]	Local Option Sales Tax [6]	Motor Vehicle	Other	Total
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
2015	4,393,641	1,448,960	1,912,480	2,570,247	881,758	589,378	6,399,087	1,274,622	106,096	19,576,269
% Change 2014 - 2015	**-4.7%**	**10.9%**	**6.8%**	**11.0%**	**3.0%**	**53.5%**	**10.7%**	**-0.1%**	**-7.6%**	**6.2%**

[1] City's millage rated dropped from 4.15 to 4.05. Additionally, the County started billing/collecting property taxes for the City in 2015. Due date was 12/1 versus 11/1 when City billed.

[2] Georgia Power's franchise taxes increased by 9.94%, or $68,718, and Cable TV franchise fees increased by 17.6%, or $57,576, over 2014.

[3] The increase in Insurance Premiums is primarily attributed to the growth in population (which is the basis for distribution) and new businesses.

[4] Occupational taxes increased by 11% from 2014 to 2015 mainly due to an increase in the population and number of businesses in Newnan.

[5] One new hotel opened at the beginning of 2015 and one account audited, resulting in approximately $25,000 additional revenue for 2015.

[6] 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 distributions increased from 28.7% to 31.19% at the beginning of 2015.

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
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%
2015	1,191,657,825	101,650,734	118,071,608	1,175,236,951	4.05	2,915,696,095	40.31%

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

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

	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
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
2015	4.05	0.00	4.05	0.05	7.47	18.59	-	30.16

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

	2006			2015		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total City Tax Levy**	**Taxable Assessed Value**	**Rank**	**Percentage of Total City Tax Levy**
Fourth Quarter Properties	$ 13,294,119	2	1.61%	$ 32,645,092	1	2.88%
Newnan Apartments LLC				13,795,967	2	1.22%
Bon-L Manufacturing				11,666,693	3	1.03%
The Trees of Newnan (Apartments)				11,180,389	4	0.99%
Inland Southeast Newnan LLC	13,083,702	3	1.58%	11,010,468	5	0.97%
Southeast Regional Medical Center				9,306,161	6	0.82%
Stillwood Farms Venture LLC				9,302,596	7	0.82%
Wal-Mart	5,132,135	8	0.62%	8,953,118	8	0.79%
Coweta County Development Authority				8,183,675	9	0.72%
WPRE I				7,086,296	10	0.63%
BellSouth Telecommunications	14,204,658	1	1.72%			
Coweta-Fayette EMC	7,643,786	4	0.92%			
Newnan Development Partners	5,999,752	5	0.73%			
Peachtree City Holdings	5,840,978	6	0.71%			
Lullwater Apartments LLC	5,713,418	7	0.69%			
S.G. Preston Mill	5,006,862	9	0.61%			
JDN Realty Corporation	4,765,717	10	0.58%			
Total	**$ 80,685,127**		**9.77%**	**$ 123,130,455**		**10.87%**

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
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%	387,788	4,423,906	99.80%
2009	4,507,635	4,090,388	90.74%	414,013	4,504,401	99.93%
2010	4,597,973	4,191,653	91.16%	398,028	4,589,681	99.82%
2011	4,339,097	4,004,319	92.28%	327,627	4,331,946	99.84%
2012	4,048,446	3,758,537	92.84%	281,341	4,039,878	99.79%
2013	4,091,767	3,867,771	94.53%	213,193	4,080,964	99.74%
2014	4,479,867	4,289,462	95.75%	112,370	4,401,832	98.26%
2015	4,516,086	4,330,231	95.88%	-	4,330,231	95.88%

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

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Accommodations [1]	$ -	$ -	$ -	$ 53,972	$ 83,090	$ 108,870	$ 112,012	$ 113,493	$ 130,415	$ 167,258
Apparel	588,132	526,930	499,819	234,779	-	-	-	-	-	-
Automotive	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	479,336
Construction [1]	-	-	-	31,972	94,584	102,177	84,101	61,131	140,787	112,887
Food	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	4,093,321
General	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	3,752,860
Home	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	1,652,122
Lumber	2,306,011	1,987,379	1,277,892	391,677	-	-	-	-	-	-
Manufacturing	819,626	1,013,401	931,172	1,059,659	762,408	772,057	866,136	811,622	949,342	1,093,488
Miscellaneous	1,328,957	1,299,463	1,408,688	472,311	-	-	-	-	-	-
Miscellaneous Services	772,407	811,870	965,907	1,088,761	1,185,083	1,318,039	1,232,728	1,480,349	1,790,827	1,950,374
Other Retail [1]	-	-	-	1,471,919	2,448,746	2,705,070	3,698,588	3,177,469	3,466,332	3,419,146
Other Services [1]	-	-	-	151,802	226,837	357,111	434,245	373,192	353,686	333,449
Utilities	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	1,581,534
Wholesale [1]	-	-	-	922,109	1,651,568	1,896,594	1,786,427	2,460,618	2,326,933	1,971,644
Total	$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	$20,607,420

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
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%
2015	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, 2015

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]	$ 152,560,122	100%
Total Overlapping Debt	152,560,122	100%
Total Direct and Overlapping Debt	$ 152,560,122	

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									
	2006	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
Net Assessed Value	$ 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	$ 1,133,420,165
Debt Limit - 10% of Assessed Value	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	113,342,017
Debt Applicable to Debt Limit:										
General obligation bonds	-	-	-	-	-	-	-	-	-	-
Net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	$ 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	$ 113,342,017
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]
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%
2015	35,745	836,683	23,407	33.5	22,373	6.4%

[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

		2006			2015		
Employer	**Type of Industry**	**Employees**	**Rank**	**Percentage of Total County Employment**	**Employees**	**Rank**	**Percentage of Total County Employment**
Coweta County School System	Education			0.00%	2,800	1	4.41%
Yamaha Motor Manufacturing	Manufacturing	1,500	1	2.70%	1,700	2	2.68%
Cancer Treatment Centers of America	Healthcare			0.00%	1,100	3	1.73%
Piedmont Newnan Hospital	Healthcare			0.00%	990	4	1.56%
Coweta County, Georgia	Government			0.00%	950	5	1.49%
Pet Smart Distribution Center	Retail Distribution	280	9	0.50%	560	6	0.88%
Wal-Mart Supercenter	Retailer			0.00%	540	7	0.85%
Bon L Manufacturing	Manufacturing	550	2	0.99%	460	8	0.72%
Yokogawa Corporation	Manufacturing	500	3	0.90%	420	9	0.66%
Cargill Meat Solutions	Packaging	350	6	0.63%	417	10	0.66%
K-Mart Distribution Center	Retail Distribution	475	4	0.86%			0.00%
Rite Aid Distribution Center	Distribution	360	5	0.65%			0.00%
Georgia Power - Plant Yates	Utilities	350	7	0.63%			0.00%
Tencate (formerly Southern Mills)	Textiles	333	8	0.60%			0.00%
EGO North America, Inc.	Manufacturing	250	10	0.45%			0.00%
Kason Industries	Manufacturing	250	10	0.45%			0.00%
City of Newnan, Georgia	**Government**	**211**		**0.38%**	**242**		**0.38%**
All other employers		50,119		90.26%	53,372		83.98%
Total Labor Force		55,528		100.00%	63,551		100.00%
	City Unemployment Rate	4.1%			6.4%		
	County Unemployment Rate	4.1%			4.5%		
	Georgia Unemployment Rate	5.4%			5.5%		
	US Unemployment Rate	4.4%			5.0%		

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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
City Manager	2	2	2	2	2	2	2	4	5	5
City Attorney	1	1	1	1	1	1	1	0	0	0
Administrative										
Finance	4	5	5	5	5	5	5	5	6	6
City Clerk	1	1	1	1	1	1	1	1	0	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	3
Public Information	1	1	1	1	1	1	1	0	0	0
Municipal Court	1	1	1	1	1	1	1	1	1	1
Public Safety										
Police										
Officers [2]	71	75	75	75	75	75	75	77	78	80
Civilians	5	5	6	6	6	6	6	6	6	6
Administrative [2]	3	3	3	3	3	4	4	4	4	5
Fire Department										
Firefighters [3]	44	47	49	49	49	50	50	51	53	54
Administrative	1	1	1	1	1	1	1	1	1	1
Community Development										
Administration	2	2	2	2	2	0	0	0	0	0
Planning & Zoning	3	3	3	3	3	3	4	4	4	4
Parks & ROW Beautification	13	14	14	14	14	14	14	14	14	14
Building Inspection	9	9	9	9	8	8	8	9	10	10
Facilities Maintenance	3	3	3	3	3	3	2	2	2	3
Public Works										
Administration	2	2	2	2	2	2	3	3	3	3
Streets	23	23	23	22	22	20	20	19	19	19
Garage	6	6	6	6	6	6	6	6	6	6
Cemetery	8	8	8	8	8	8	8	8	8	8
Engineering [5]	3	4	4	4	4	3	2	2	2	3
Other Services										
Carnegie Building [6]	0	0	0	1	1	2	1	1	1	2
Business Development & Main Street (& Special Events)	2	2	2	2	2	2	3	3	3	3
Sanitation	0	0	0	0	0	0	0	4	4	4
Total Full-Time Employees	**211**	**221**	**224**	**224**	**223**	**221**	**221**	**229**	**234**	**242**

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) Added 1 position in 2015, System Analyst.

(2) Added 2 Officer positions and an Office Assistant in

(3) Added 1 Firefighter in 2015.

(4) Added 1 position, Facilities Director, in 2015.

(5) Added 1 position, Soil Erosion Inspector, in 201

(6) Added 1 Carnegie Assistant in 2015.

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

Function/Program	Calendar Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Occupational Tax Certificates Maintained	1,951	2,122	2,186	1,819	1,807	1,890	1,687	1,755	1,740	1,855
Alcohol Licenses Issued	95	90	91	92	99	102	99	102	103	101
Property Tax Bills Issued [(1)]	12,456	13,298	13,714	13,856	13,896	13,857	13,824	13,770	13,757	-
Community Development										
Building Permits Issued - Commercial	48	32	14	3	27	32	42	57	45	65
Building Permits Issued - Residential	802	350	188	69	122	88	159	263	268	321
Police										
Physical Arrests	615	631	698	804	1,352	1,508	1,313	1,420	1,536	1,307
Parking Violations	1,435	1,889	1,691	1,545	1,254	375	143	127	265	214
Traffic Violations	5,922	6,461	5,921	6,216	6,191	5,379	7,383	9,297	9,200	5,096
Fire										
Emergency Responses	1,858	2,415	3,308	2,631	3,590	3,715	4,013	4,045	4,350	4,489
Fires Extinguished	95	95	98	69	101	137	111	100	83	90
Public Works										
Streets Resurfaced (Miles)										
Full Depth Reclamation (FDR)	-	1.0169	0.6750	3.6565	0.9130	0.0000	0.6570	-	1.2100	1.7238
LARP Resurfacing	2.3600	0.0000	2.5270	3.4750	0.0000	0.0000	0.0000	0.0000	0.0000	N/A
LMIG Resurfacing	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	7.3140	2.7900	2.6200
Other Resurfacing	0.0000	0.3500	0.6938	0.8269	2.3450	2.3700	1.5470	-	N/A	0.2557

Source: Various City Departments.

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

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

	Calendar Year									
Function/Program	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
Public Safety										
Police										
Stations	3	3	3	3	3	3	3	4	4	1
Patrol Cars	64	66	66	66	68	68	74	81	85	88
Fire										
Stations	2	3	3	3	3	3	3	3	3	3
Trucks	5	6	6	6	6	6	6	12	14	14
Fire Hydrants	1,937	1,963	1,963	1,964	2,005	2,010	2,040	2,043	2,063	2,058
Community Development										
Recreation										
Community Centers	0	0	0	1	0	0	0	0	0	0
Parks	8	9	10	10	10	10	10	10	10	10
Park Acreage	27	31	33	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	0	0	0
Planning										
Streets										
Streets (miles)	177	182	185	185	172	176	169	169	170	172
Sidewalks (miles)	N/A	N/A	N/A	N/A	159	163	166	166	166	170
Number of Streets	624	641	651	651	618	620	639	639	641	649
New Sidewalk Construction (LF)	N/A	N/A	N/A	N/A	3,806	3,616	724	0	2,297	12,240

Source: Various City Departments and Newnan Utilities

GOVERNMENTAL REPORTS

CITY OF NEWNAN, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS (2007)
FOR THE YEAR ENDED DECEMBER 31, 2015

Project	Original Estimated Cost	Current Estimated Costs	Expenditures		
			Prior Years	Current Year	Total
Public Safety - Equipment	$ 580,000	$ 559,000	$ 557,871	$ -	$ 557,871
Information System	325,000	328,000	327,108	-	327,108
Building Maintenances/Structure	6,650,000	6,684,000	5,832,584	163,233	5,995,817
Parks and Recreation	1,200,000	1,200,000	1,024,397	151,250	1,175,647
Streets	14,925,333	13,844,852	10,343,798	869,773	11,213,571
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	$ 24,089,885	$ 1,184,256	$ 25,274,141

CITY OF NEWNAN, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS (2013)
FOR THE YEAR ENDED DECEMBER 31, 2015

Project	Original Estimated Cost	Current Estimated Costs	Expenditures		
			Prior Years	Current Year	Total
Streets, drainage, sidewalks, and equipment	$ 15,207,600	$ 15,207,600	$ 2,013,494	$ 3,172,259	$ 5,185,753
Public safety	10,450,000	10,450,000	7,916,093	344,115	8,260,208
Parks and recreation	1,500,000	1,500,000	-	43,657	43,657
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	1,643,816	852,775	2,496,591
	$ 32,340,000	$ 32,340,000	$ 11,620,223	$ 4,412,806	$ 16,033,029

CITY OF NEWNAN, GEORGIA

SCHEDULE OF PROJECT EXPENDITURES WITH
RENTAL MOTOR VEHICLE EXCISE TAX REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2015

Project	Current Expenditures
Tourism	
Operation of Convention Center	90,659
	$ 90,659

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, 2015, 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 23, 2016. Our report includes a reference to other auditors who audited the financial statements of the Newnan Water, Sewerage and Light Commission, as described in our report on the City of Newnan's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or 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.

1503 Bass Road
P.O. Box 6315 Macon, Georgia 31208-6315
Phone 478-742-3313 ▪ Fax 478-742-0316

Member of
American Institute of
Certified Public Accountants
www.clhp.com

468 South Houston Lake Road
Warner Robins, Georgia 31088
Phone 478-953-0125 ▪ Fax 478-953-0983

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. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses that we consider to be a material weakness. 2015-001

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.*

City of Newnan, Georgia's Response to the Findings

The City of Newnan, Georgia's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The City of Newnan, Georgia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 23, 2016

Clark, Hill & Co. LLC

Section I – Financial Statement Findings

Findings noted on the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*:

2015-001 Accounts Receivable/Revenue

CRITERIA
Accounting procedures should be designed to insure that revenues are accrued and recognized when they become both measureable and available to finance expenditures of the fiscal period.

CONDITION
Franchise tax revenues were not recorded in the proper fiscal period.

CONTEXT
During 2015, the City discovered that certain franchise payments represented revenues earned during the prior period.

CAUSE
The City was unaware that the annual payments from Georgia Power and Coweta-Fayette EMC represented revenues earned from the prior year.

EFFECT
The City recorded a prior period adjustment to record the revenues in the proper period.

RECOMMENDATION
We recommend that the City review their procedures of recording revenues when they become both measurable and available to finance expenditures of the fiscal period.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
We concur with the finding. All revenue sources were investigated during the 2015 closing, when the issue was discovered, to ensure that all revenues are booked correctly for the period indicated by the payment. Additionally, the City revised the confirmations for franchise fees so that any revenues owed to the City at year-end would be noted on the confirmations. Therefore, there should be no further problems.

(THIS PAGE INTENTIONALLY LEFT BLANK)