ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDING DECEMBER 31, 2025

City of Newnan, GA

www.newnanga.gov



CITY OF NEWNAN, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2025

Prepared by:
Department of Finance

CITY OF NEWNAN, GEORGIA
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INTRODUCTORY SECTION

(Unaudited)

The introductory section includes a transmittal letter from the Finance Manager of the City, Certificate of Achievement for Excellence in Financial Reporting, a list of principal officers and organizational chart.

City of Newnan, Georgia
Finance Department

June 9, 2026

Honorable Mayor James Sheperd,
Members of the City Council,
City Manager, Cleatus Phillips and
Citizens of the City of Newnan, Georgia

In accordance with the laws of the State of Georgia and ordinances adopted by the governing authority of the City of Newnan, Georgia, I am pleased to present the City of Newnan's (the City's) Annual Comprehensive Financial Report (ACFR) for the year ended December 31, 2025. Both City Ordinances and State statutes require that the City issue an annual report on its financial position and activity. State law requires that local governments publish a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in conformance with Generally Accepted Auditing Standards (GAAS) by a firm of licensed certified public accountants.

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

INDEPENDENT AUDIT

The City of Newnan's financial statements have been audited by the firm of Nichols, Cauley & Associates LLC of Dublin, 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, 2025 are fairly represented in conformity with GAAP. The independent auditor's report is the first component of the financial section of this report.

The independent audit of financial statements of the City is sometimes part of a broader, federal and state mandated "single audit" designed to meet the special needs of federal and state grantor agencies. The standards governing single audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on the administration of federal and state awards. A single audit was required in 2025. The requirement for a single audit is the expense of $1,000,000 or more in federal funds.

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

CITY OF NEWNAN PROFILE

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

City Governance

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

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

Council employs a city manager, Cleatus Phillips, to manage the daily operations of city government. He and his administrative staff prepare the city's annual budget, negotiates intergovernmental agreements, implements Council's policies, appoints department directors, serves as City liaison to other government agencies, citizens, businesses and visitors, and supervises all city employees. Administrative staff is based at 25 LaGrange Street in Newnan. The City currently employs 325 people - organized into five (5) functions: General Government, Public Safety, Public Works, Community Development and Other Services. Total headcount includes 13 part-time employees and 7 elected officials. Other city-wide positions appointed by Council include the municipal court judge, city attorney and assistant municipal court judges.

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

- Public Works
    - Street Management and Maintenance
    - Cemetery Management and Maintenance
    - Downtown Trash Services
    - Brush and Yard Debris Removal
    - Sanitation Administration
- Public Safety
    - Police Services
        - Animal Control
        - School Resource Officers
    - Fire Services – 4 Stations
    - Municipal Court
    - Probation
- Community Development
    - Building Inspection and Permitting Services
    - Code Enforcement
    - Planning and Zoning Services
    - Engineering
    - Recycling Services - Keep Newnan Beautiful
    - Development Review
    - Right of Way Beautification and Maintenance
- General Government
    - Occupational Tax Certificates
    - Alcohol Licensing
- Other
    - Parks & Recreation
        - Public Parks
        - Public Swimming Pool
        - LINC Trails
        - Wadsworth Auditorium Management
        - Reading library (Carnegie)

<u>Governmental Units</u>

The City of Newnan has four (4) governmental units that are included in the City's ACFR as discretely presented component units. First is Newnan Water, Sewerage and Light Commission (Newnan Utilities), which is responsible for control and management of the utilities for the City of Newnan. The board is appointed by the City Council. Next is the Downtown Development Authority, which focuses on the revitalization and redevelopment of the central business district in downtown Newnan. The Authority has the legal authority to issue bonds and notes and the board is appointed by Council. Next is the Newnan Centre, a convention center authority created to promote tourism for the City. This board is also appointed by Council and the City provides major support through the hotel/motel taxes. Finally, the City authorized the creation of the Newnan Urban Redevelopment Agency (NURA) in 2020,

to ensure that the rehabilitation, conservation and/or redevelopment of certain areas within the City are necessary and in the interest of public health, safety, morals or welfare of its residents.

Also important in the operation of the City are its numerous boards and commissions, where preliminary issues are heard and considered before being presented to the Mayor and Council. Over one hundred citizen volunteers serve on the various boards, commissions, and authorities for the City of Newnan, including the Board of Zoning Appeals, Planning Commission, Downtown Development Authority, Ethics Commission, Housing Authority, Keep Newnan Beautiful Commission, Newnan Cultural Arts Commission, Newnan Convention Center Authority, Newnan Development Authority, Tree and Parks Commission, Retirement Board, and Water and Light Commission. Members of these boards, commissions, and authorities contribute to the services and aid in the effectiveness of local government.

Historical Data

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

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

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

The City of Newnan has increased substantially in population over the past few years and has grown in total square miles, via the annexation of land. In 1990, it was estimated that the city consisted of 12.37 square miles. By the end of 2025 Newnan had grown to approximately 20.2 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 2025 estimated population was 160,240; making it the 17th most populous county of the 159 in the state of Georgia. The 2020 census indicated that the population for the City of Newnan had grown from 33,039 residents in 2010 to 42,549 residents in 2020, representing a 29% increase for the 10-year period. The City's estimated population for 2025 is 45,867 (US Census).

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 operates one business-type activity (enterprise fund) for sanitation services. The fund is comprised of revenues and expenses associated with the collection of bulk, debris, and brush; commercial garbage collection in downtown Newnan; and residential garbage fees. In 2023, the Mayor and Council awarded a residential garbage services contract to AmWaste and established an in-house customer service center. This move was to allow for better customer service and garbage collection accountability. Residential garbage fees are collected by the City and monthly remitted to AmWaste.

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

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

Budget Process

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

The General Fund is the City's operating fund – it contains the revenues and expenditures required for the day-to-day operations of the government. The annual budget is presented by fund, function and department. Budget to actual comparisons are provided in this report for each individual fund for which an appropriated budget has been adopted. For the general fund, this comparison extends to the department level. Budget to actual comparisons for all non-major special revenue governmental funds are presented in the other Required Supplementary Information (RSI) section of the financial statements. Budgetary control is established at the department level, not by individual line items within the department. City Council must approve all appropriations over the approved budgeted amounts by department.

Annual budgets are adopted in compliance with generally accepted accounting principles for the general and special revenue funds. Special Revenue funds are for funds legally restricted to use for particular purposes and are accounted for separately. Included are the Street Fund, Hotel/Motel Tax Fund, Opioid Settlement Fund, Neighborhood Stabilization Grant Funds (NSP 1 and NSP 3), ARPA Fund, CHIP Grant Fund, Miscellaneous Grant and Confiscated Assets Fund.

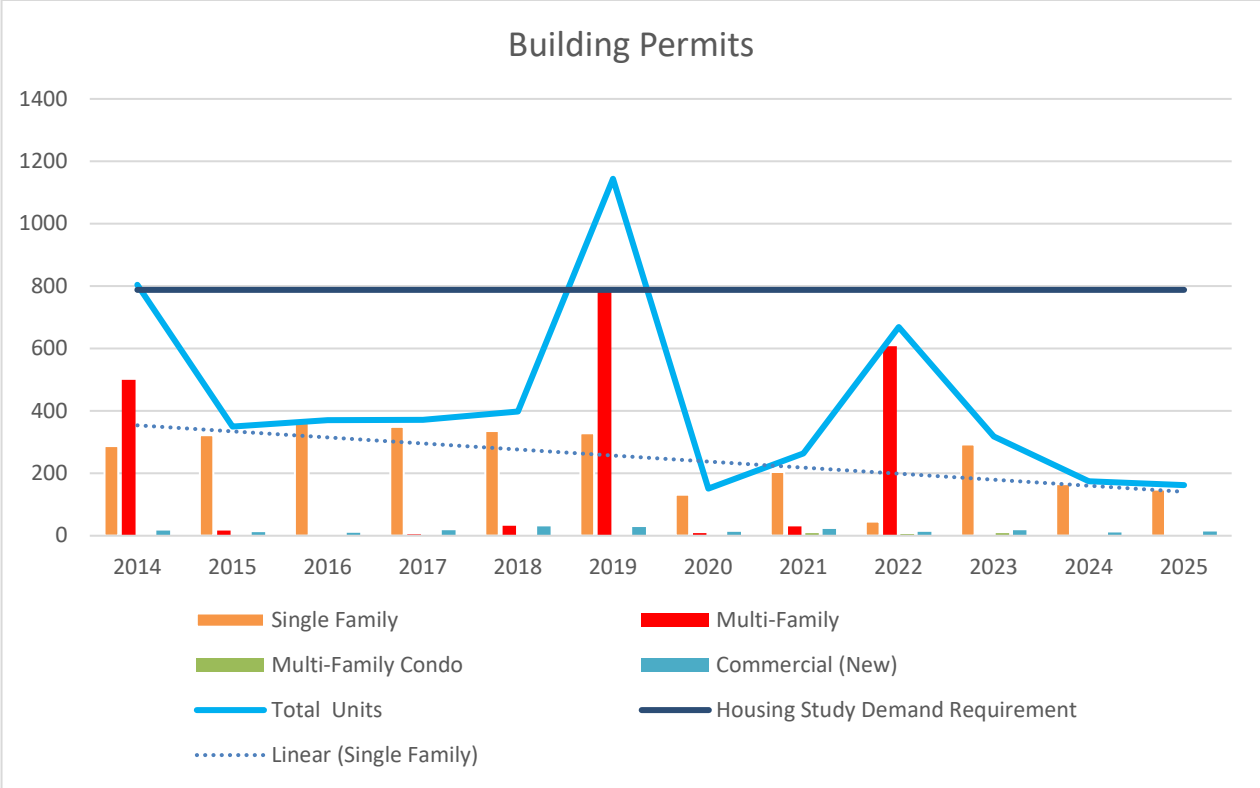
Economic Conditions

Unemployment Rates

The 2025 unemployment rates for the City of Newnan and the United States overall were 3.2% and 4.3% respectively, as compared to last year when those rates were 3.5% and 4.0%. This is an indicator of overall growth and economic stability. Low unemployment can boost consumer and business confidence, leading to increased spending and investment within the community.

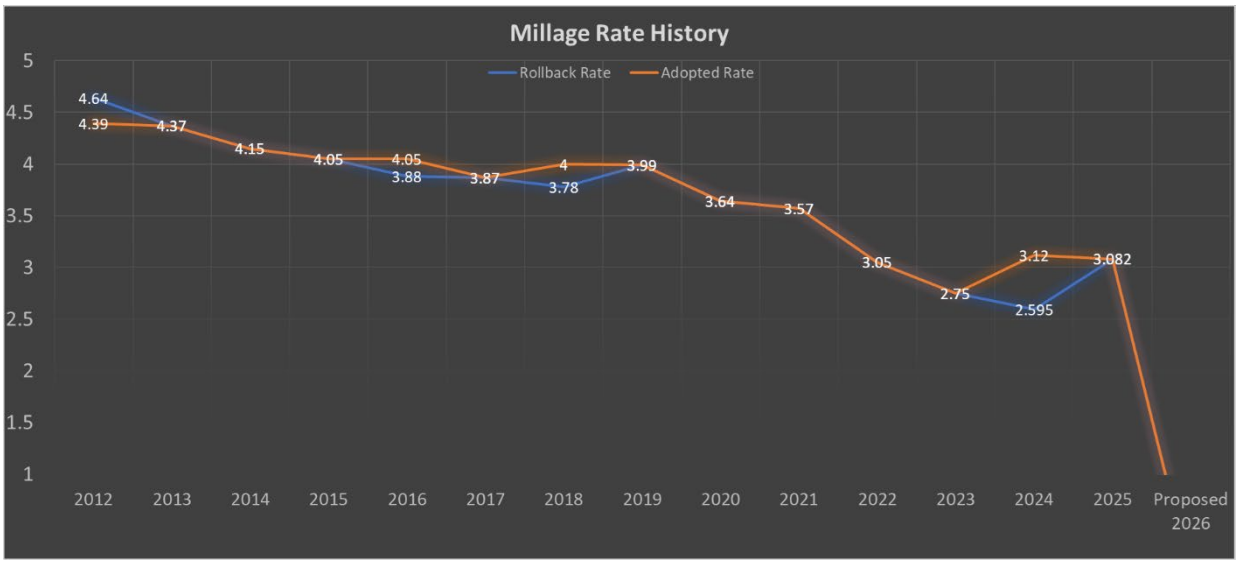
Development

The City of Newnan offers a low cost of living, high quality of life and excellent services. 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 slowed during the COVID recession. During 2019, the City began experiencing a pickup in the volume of permits being issued for single family and multi-family developments, adding an additional 1100 units. The volume declined drastically during 2020 and 2021 due to the COVID pandemic. A high number of permits were issued in 2022 for multi-family units, adding another 600 units of inventory. Permits over the Fiscal Years 2024 and 2025 show a declining number of units developed. A chart depicting trends in development from 2014 to 2025 is found on the following page. Based on a Housing Study, the development of 788 units should be occurring on an annual basis. The chart demonstrates that the city is falling short of the housing demand. However, on a more positive note, the City anticipates development of over 750 townhomes, 350 apartment units and 300 single family units within the next 12 months.



Tax Digest

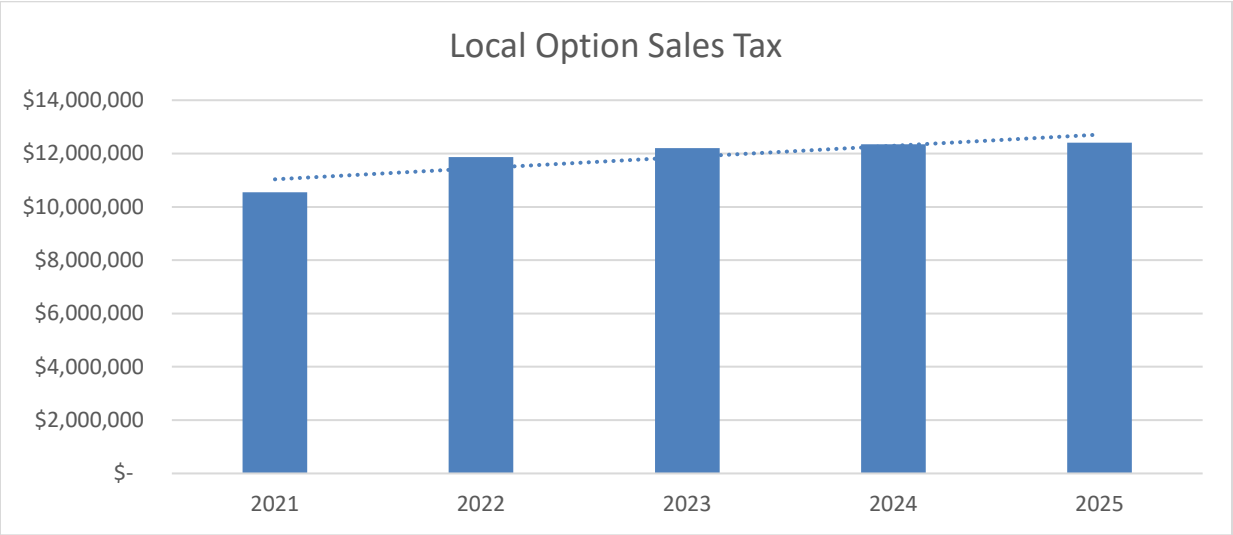
The city's net property tax digest grew by $52.7 million, representing a 2% increase from 2024 to 2025 due to real property reassessments and new additions. Despite this growth in valuation, the City successfully reduced its millage rate from 3.12 mills to 3.082 mills per thousand dollars of assessed value. This rate reduction and overall stability were primarily made possible by utilizing Special Local Option Sales Tax (SPLOST) funds to cover substantial capital expenditures rather than relying on property tax revenue. Looking ahead to Fiscal Year 2026, the local tax structure is poised for a major shift away from traditional property taxation following the November 2025 voter approval of a 1% Floating Local Option Sales Tax (FLOST) in Coweta County. This new tax is explicitly mandated to reduce



the property tax burden, with projected FLOST revenues budgeted at $12,000,000 for the upcoming fiscal year.

Sales Tax

Although total county-wide sales tax collections increased by $56,012 from Fiscal Year 2024, the City of Newnan's specific Local Option Sales Tax (LOST) distribution declined from 31.19% to 30.28% in 2025. This 1% sales tax, which was successfully renewed in January 2023 for a 10-year term, remains the leading revenue engine for general fund maintenance and operations, accounting for 35% of the 2025 budget. However, sustained inflationary pressures have altered consumer spending habits, causing this critical revenue source to level off and flat-line over the past several years.



Top Employers

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, Amazon Distribution, William L. Bonnell, Pet Smart Distribution, and Yamaha Motor Manufacturing Corporation have all established in and around Newnan.

Top Employers in Coweta County
Source: Business Wise 2025

Company	Address	City	Description	Employees
City of Hope	600 Celebrate Life Pkwy	Newnan	Hospitals, Specialty, Except Psychiatric	2,000
Yamaha Motor Manufacturing Corp	1000 Highway 34 E	Newnan	Transportation Equipment, Other	1,800
Piedmont Newnan Hospital	745 Poplar Rd	Newnan	Hospitals, General Medical & Surgical	1,200
PetSmart/Distribution	570 International Park	Newnan	Nondurable Goods, Other	430
Walmart SuperCenter	1025 Highway 34 E	Newnan	Department Stores	400
Yokogawa Corp of America	2 Dart Rd	Newnan	Industrial Instruments for Measurement	380
Variety Wholesalers Inc/Distribution	60 Herring Rd	Newnan	Variety Stores	365
Bonnell Aluminum	25 Bonnell St	Newnan	Aluminum Extruded Products	315
Winpak Films Inc	100 Wihuri Pkwy	Senoia	Packaging Paper & Plastics Film, Laminated	300
Kason Industries Inc	57 Amlajack Blvd	Newnan	Plastics Products, Other	250
EGO North America Inc	83 Hillwood Cir	Newnan	Electric Housewares & Fans	235

City of Hope Cancer Center in Newnan, Georgia opened in 2012 as a 226,000 square-foot, 50-bed patient centered cancer specialty hospital and further expanded in 2014. In 2016, two facility additions were completed, including a three-story addition to the existing imaging area with two added CTs, PET/CT, future MRI and procedure rooms. An expansion to the outpatient area consisted of an 88,738-square-foot, four story horizontal and vertical addition that included eight concurrent sub-projects to expand and renovate the original and fully operational state-of-the-art cancer center. The addition includes over 7,214 square feet of additional building space, 3,465 square feet of build-out space, approximately 5,442 square feet of renovated space, and 224 parking spaces. Interventional radiology suites, ten outpatient exam rooms, 500-ton air cooled chiller, back-up generator, dining expansion, stem cell lab, histology lab, exam rooms, port rooms, additional parking spaces, and a 42,000-square-foot, hotel to-medical-office-building conversion were all included in this project. The facility is a non-profit specialty hospital corporation, with its corporate headquarters in Boca Raton, Florida. The facility employs close to 2,000 people.

Piedmont-Newnan Hospital opened a 167 bed, acute-care facility on Poplar Road near Interstate 85 in May 2012, replacing an aging, outdated facility on Hospital Road. Along with the two new hospitals mentioned, several other physician offices and related businesses have opened their doors in Newnan. The hospital and medical office complex on campus combine nearly 500,000 square feet, over 1,200 employees and a medical staff of over 400 physicians. In 2024, Piedmont completed a South Tower expansion, a $65 million project, adding 50 patient beds and approximately 80,000 square feet to the hospital. This expansion increased the hospital licensed bed capacity to 217.

Bonnell Manufacturing, a subsidiary of Tredegar Corporation, is a leading manufacturer of custom aluminum extrusion with a history spanning nearly seven decades. Their Newnan facility is a key part of their nationwide operations, serving industries like building and construction, automotive and more. After outgrowing their headquarters, a new 31,000 square foot, 3 story-office building consisting of commercial space on the ground floor and Bonnell office headquarters on the second and third floors were constructed in 2024. The facility relocated from its manufacturing site on Temple Avenue to 37 LaGrange Street, downtown Newnan.

Education

Newnan has an excellent school system and a well-trained workforce. The **Coweta County School System** was ranked by the Center for American Progress in the Top Tier of Georgia School Systems in its most recent Education Return on Investment. CCSS also received the Georgia Department of Audits

and Accounts Distinction for Excellent System Financial Reporting each year since 2014. CCSS graduates generally outperform state and national averages on the SAT and ACT tests. The graduation rate is about 92.4%, compared to the State rate of about 87.2%. Additionally, the West Georgia Technical College campus has an enrollment of approximately 1,000 students and provides both core curriculum and trade specific training to its students. Their Nursing and Allied Health program is the most significant due to the rapid growth in the healthcare services industry in Newnan.

Business Incentives

The Newnan City Council considers the use of incentives according to a tiered structure detailed in an economic development policy, which was adopted in 2012 and amended in 2014. A copy of the document can be found at the Newnan City Hall. Additional planning documents may be found at www.newnanga.gov. The City of Newnan has developed partnerships with various entities, including Coweta County, Coweta County Development Authority and the Board of Tax Assessors of Coweta County, to develop and enhance relationships with businesses who are considering locating to or expanding in Newnan.

The Coweta County Development Authority has the authority to issue revenue bonds to assist with financing the costs of acquisition, construction and equipment. In exchange for the economic incentives provided, the City of Newnan agreed to certain ad valorem tax savings, assistance with permits, zoning, signage and variance requests submitted by the companies.

The City has maintained strong financial reserves as evidenced by the fund balance maintained. The City is positioned for continued quality growth due to its proximity to the world's busiest airport, Hartsfield-Jackson Atlanta International Airport, and access to Interstate 85.

Summary of Economic Conditions

The City of Newnan experienced notable economic growth and stability into 2025, highlighted by an unemployment rate that dropped to 3.2%, outperforming the national average of 4.3%. While this low unemployment boosted local business confidence, sustained inflationary pressures caused county-wide sales tax revenues to level off, impacting the City's critical Local Option Sales Tax (LOST) revenue which funds 35% of its general operations. To alleviate local property tax burdens amidst a $52.7 million growth in the net property tax digest, the City successfully reduced its millage rate to 3.082 mills by utilizing Special Local Option Sales Tax (SPLOST) funds for major capital expenditures. This shifting tax strategy will formalize further in Fiscal Year 2026 following the voter approval of a 1% Floating Local Option Sales Tax (FLOST), which is projected to bring in $12,000,000 explicitly dedicated to lowering property taxes.

On the development front, Newnan is actively working to counteract a recent dip in residential permitting that fell short of its annual target of 788 units. The city anticipates a massive housing surge over the next 12 months with the planned addition of over 750 townhomes, 350 apartments, and 300 single-family units. This residential expansion supports a rapidly evolving local economy that has successfully transitioned from its historical textile roots into a thriving, diverse manufacturing and corporate hub. Major global employers like Amazon, Yokogawa Corporation of America, PetSmart, and Yamaha maintain a strong presence, while Bonnell Manufacturing recently anchored itself deeper into the community by constructing a new 31,000-square-foot corporate headquarters in downtown Newnan.

A primary driver of this modern growth is Newnan's booming healthcare sector and highly rated education system. The city's medical infrastructure expanded significantly with Piedmont-Newnan Hospital completing a $65 million South Tower expansion that raised its capacity to 217 beds, alongside the major presence of the City of Hope Cancer Center, which employs nearly 2,000 people. Fueling this specialized workforce is the Coweta County School System, which boasts a 92.4% graduation rate that sits well above the state average, alongside West Georgia Technical College's 1,000-student campus. Backed by strategic business incentives, robust financial reserves, and ideal proximity to Interstate 85 and Hartsfield-Jackson Atlanta International Airport, Newnan remains strongly positioned for continued regional development.

The challenge for all governments is to provide quality services at a reasonable cost to its citizens. The City of Newnan remains in a relatively strong financial position, with Governmental Funds, fund balances totaling $49,493,447 at the end of 2025. The City proactively manages resources and service strategies, and infrastructure costs are being passed onto developers to minimize the impact on the citizens of Newnan where possible. Additionally, all departments are charged with controlling expenditures based on budgeted amounts. The City of Newnan is committed to saving costs and providing lean and efficient government services.

Fiscal Policies

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

- The City shall strive to maintain a broad and diversified revenue base that will equitably distribute the burden of supporting City services and will protect the City from short-term fluctuations in any one revenue source.
- The City will actively support economic and industrial development, recruitment and retention efforts to expand the revenue base.
- The City will maintain timely collection systems and implement necessary enforcement strategies to collect revenues.
- The City will project revenues on a conservative basis so that actual revenues will consistently meet or exceed budgeted revenues.
- Basic and essential services provided by the City will receive priority funding.
- The City will provide access to medical, dental, life and various optional insurance offerings for its employees. The cost for these benefits will be shared between the City and its employees, with optional insurance premiums 100% paid by the employee.
- The City will provide access to appropriate retirement plans for its employees. The City will make contributions for eligible employees at the percentage defined.

Cash Management Policy and Practices

The City adheres to treasury management practices permitted by Georgia statutes and codes. The City, subsequently, has limited its investments to the types of securities provided by statute/code, considering first the probable safety of capital and then the probable income to be derived. The City limits its investments to the Georgia State Pool and several operating, checking and savings accounts at a local bank, and treasury notes (fixed income securities) to maximize investment earnings, while maintaining minimal risk, to its pool of funds. The City strictly adheres to the investment policy

adopted by the Mayor and Council in 2019. The city aggressively seeks investment opportunities to maximize earnings while minimizing the associated risk. Investments at the end of 2025 consisted mainly of treasury securities and state pool investments totaling $14,542,503. Interest in bank and pool accounts decreased by $22,322 (.06%) and treasury securities decreased by $26,915 (.08%). Information related to investments can be found in the Notes to the Financials on page 66 of this document.

The City has utilized unassigned fund balance in the past to finance its own construction projects, rather than financing or issuing bonds, resulting in significant savings to the City and its citizens. By utilizing interfund loans, the City has saved hundreds of thousands of dollars in carrying and interest costs over the past few years.

Debt and Reserve Policy

The City attempts to fund all capital projects and capital improvements with pay-as-you-go financing, using current revenues when possible. The City has operated debt-free for many years. Typically, capital funds are collected and maintained until the balance available is sufficient to complete a purchase or project. If a project or improvement cannot be purchased with current revenues, long-term debt might be considered, but only as a last resort. As mentioned above, the City has utilized advances from the general fund unassigned fund balance to SPLOST and other governmental funds during prior years, rather than assume debt and carrying charges. In FY 2025, The Mayor and Council authorized advances for SPLOST 2025 projects from unassigned fund balance up to $3.0 million to move forward with projects and potentially save on rising construction costs. However, at the rate of revenue collections versus the rate of projects progress, City Council was able to release the $3.0 million committed back into unassigned fund balance at year end 2025. The City currently has no debt, other than compensated absences (sick, vacation, etc.) and pension liability. However, Newnan Utilities, a component unit of the City, does utilize bonds and other types of debt to fund growth in operations.

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

Employee Retirement and Health Insurance Plans

The City of Newnan participates in the Georgia Municipal Employees Benefit System (GMEBS), a multiple employer defined benefit 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 2025, the City contributed $2,707,628 to the plan on behalf of its employees, compared to the 2024 contribution of $2,291,330. This contribution represents 14.80% of actual payroll expenditures for covered employees versus 14.36% in 2024.

However, in January of 2024, the City froze the Defined Benefit Plan for new employees. The City now allocates 10% of gross salary into a 401a account and will match up to 3% an employee puts into a 457 plan. In October of 2024, nonvested employees were given the option to opt out of the defined

benefit plan and 26 employees elected to opt out. In Fiscal Year 2025, the City contributed $486,861 into 401a accounts for new hires and employees who elected to opt out.

Additional information concerning the City's pension plan and its funding progress can be found in the Required Supplementary Information section. Currently, the City of Newnan offers no additional post-employment retirement benefits to its employees.

The City offers health and life insurance to all full-time active employees. The City continues to pay 100% of the life insurance premiums for all full-time employees. Health insurance premiums are paid at 100% for employees who elect single coverage in the Bronze plan. Additionally, the City paid approximately 92% of the total cost of health claims and administration for employees. Overall, health insurance claims increased by approximately 13.5% from 2024 to 2025. Premiums were not increased for employees in Fiscal Year 2025.

The City offers employees the option to participate in a health insurance opt-out program where the City pays 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 providing family or single coverage. To give employee greater choices in their health care benefits and cost management, three medical insurance plans are offered – Bronze (Local Plus), Silver (80%, open access plus), and Gold (90%, open access plus). A variety of optional insurances is also available to employees, additional life, dental, cancer, vision and disability insurance, all of which are paid solely by the employee if coverage is selected.

MAJOR INITIATIVES AND ACCOMPLISHMENTS

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

- Provide efficient, quality services to the City's citizens, businesses and visitors while enabling managed growth and infrastructure additions.
- Provide responsive and open government with a focus towards a positive identity throughout the community.
- Promote and maintain a high quality of life for the residents, businesses and visitors of the City of Newnan.
- Hire and maintain a highly qualified workforce.
- Promote community participation and involvement in local government**.**

2025 Major Accomplishments

During fiscal year 2025, 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 2025, in no particular order.

- Provided Average Wage Adjustments of 3% for full-time employees.
- Initiated construction of a roundabout at Stillwood Drive.

- Initiated design of a Bicentennial Park as Newnan comes to its 200-year anniversary.
- Initiated design of a new section of the LINC (multi-use path)
- Initiated design of upgrades to Greenville Street Park.
- Completed rehabilitation of the Fairhaven Subdivision Culvert.
- Completed rehabilitation of the Savannah / Pinson Culvert.
- Completed the construction of 6 additional courts to the House of Pickleball.
- Completed the addition of 50 additional parking spaces and gazebo at Lynch park.
- Completed repaving of various streets under LMIG 2024 program
- Initiated repaving of various streets under LMIG 2025 program
- Completed construction of 3 workforce targeted homes on Murray Street.

Strategic Financial Planning

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

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

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

GFOA Certificate of Achievement for Excellence in Financial Reporting

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 annual comprehensive financial report for the fiscal year ended December 31, 2024. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both the 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 annual financial report continues to meet the Certificate of Achievement Program's requirement, and we are submitting it to GFOA to determine its eligibility for another certificate.

AWARDS AND ACKNOWLEDGEMENTS

GFOA Distinguished Budget Presentation Award



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

City of Newnan
Georgia

For the Fiscal Year Beginning

January 01, 2025

Christopher P. Morrill

Executive Director

The City of Newnan was awarded, for the thirty-sixth consecutive year, the Government Finance Officers Association of the United States "Distinguished Budget Presentation Award" for its 2025 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 and received the 2026 budget award.

Other Awards and Acknowledgements

- Received the Certificate of Achievement for Excellence in Financial Reporting for 2024 Audit.
- Grant Funding approved from the Governor's Office of Highway Safety in the amount of $40,852.80 for High Visibility Enforcement.
- The City has obtained National Main Street, Keep Georgia Beautiful and Keep America Beautiful certifications over the past several years.
- Keep Newnan Beautiful was awarded the prestigious 2025 Governor's Circle Award by the Keep Georgia Beautiful Foundation.
- In 2025, the City received the Tree City USA award for the 35th consecutive year.
- Main Street Newnan was redesignated as a Georgia Exceptional Main Street (GEMS) community
- Carnegie Library celebrated its 15th year of reopening.
- Completed Bicycle and Pedestrian Facilities Plan
- Completed Cemetery Master Plan
- Received a $15,000 safety grant from Georgia Municipal Association

In addition, during 2025, the Newnan Police Department coordinated and/or sponsored the following community events and programs:

- Operation Safe Streets in the Citizen Connection Program.
- Coffee with a Cop program – hosted by Newnan PD at Frazier's, Redneck Café and Dunkin Doughnuts.
- Shop with a Cop program – Christmas presents provided for 108 kids with $21,600 spent
- 8th Annual Golf tournament – 108 participants, raised $36,389
- Continued community outreach programs for youth.
- Safety and Fraud Classes - 6 classes, 106 participants
- Battle of Badges Blood Drive – 78 blood donors
- Basketball League for Community Youth – participating sponsor – 140 youth participated

The Newnan Fire Department's ISO rating was maintained with a Class 2 during the April 1, 2023 assessment. The rating schedule takes into account the abilities of a local fire department and their water supply system, along with their ability to dispatch crews to respond to fire alarms. Newnan's fire department is currently in the top 9.3 percent in the state and top 4.3 percent across the nation for fire departments with a Class 2 ranking. The City is proud to include accomplishments of our dedicated and supportive workforce in its annual report.

In conclusion, the timely preparation and publication of this Comprehensive Annual Financial Report represents a significant effort and accomplishment by the Finance department. The independent audit firm Nichols, Cauley & Associates, LLC is also to be commended for their cooperation and invaluable assistance in the preparation of this document. My sincere appreciation is expressed to the City Council, City Manager and department directors for assistance and leadership throughout the year as it pertains to the financial affairs of the City of Newnan. Last, but not least, I wish to express my sincere appreciation to the Finance department staff whose dedication and support made this report and the entire year such a success.

Respectfully submitted,



Ronda Helton
Finance Manager

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Newnan
Georgia

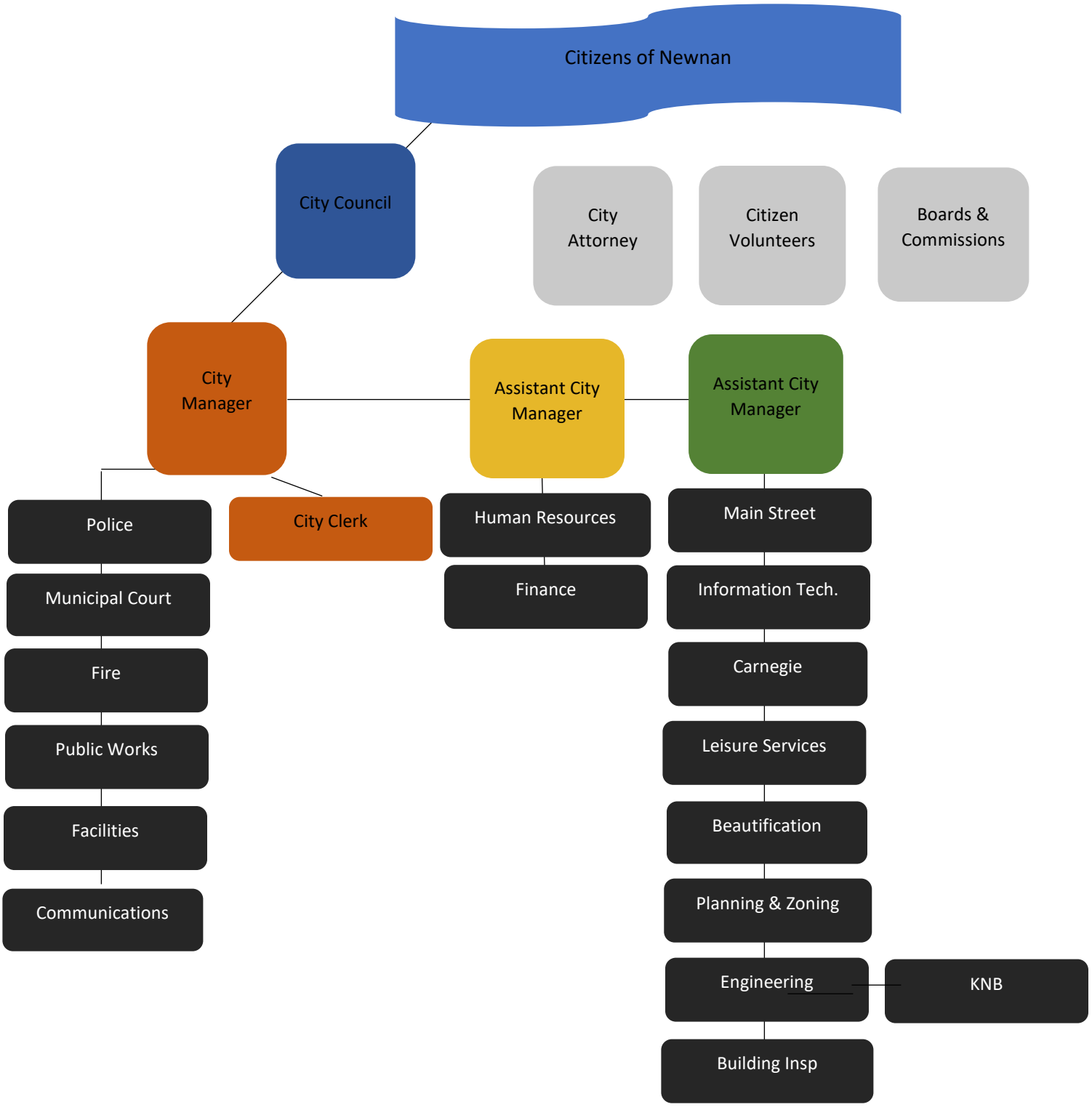
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Christopher P. Morrill

Executive Director/CEO

CITY OF NEWNAN, GEORGIA
ORGANIZATIONAL CHART
FOR THE YEAR ENDED DECEMBER 31, 2025



CITY OF NEWNAN, GEORGIA
LIST OF ELECTED AND APPOINTED OFFICIALS
AS OF DECEMBER 31, 2025

Elected Officials

Mayor	L. Keith Brady
Council Member – District 001, Post A	Paul Guillaume
Council Member – District 001, Post B	Dustin Koritko
Council Member – District 002, Post A	Rhodes Shell
Council Member – District 002, Post B	Ray DuBose
Council Member – District 003, Post A	Jim Thomasson
Council Member – District 003, Post B	Cynthia Jenkins

Appointed Officials

City Manager	Cleatus Phillips
Assistant City Manager	Hasco Craver, IV
Assistant City Manager	Meg Kelsey
City Attorney	C. Bradford Sears, Jr.
City Clerk	Megan Shea
Director of Engineering	Michael Klahr
Communications Manager	Aimee B. Hadden
Facilities Director	Mark Johnston
Finance Manager	Ronda Helton
Fire Chief	Stephen Brown
Human Resources Manager	Carole Ann Fields
Leisure Services Director	Brent Snodgrass
Municipal Court Clerk	Jada Blankenship
Carnegie Director	Susan Crutchfield
Planning and Zoning Director	Tracy Dunnavant
Chief of Police	Brent Blankenship
Public Works Director	Ray Norton



FINANCIAL SECTION

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

Nichols, Cauley & Associates, LLC
nicholscauley.com
800-823-0117

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Newnan, Georgia (the "City"), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the Schedule of Changes in the City's Net Pension Liability and Related Ratios and the Schedule of City Contributions – Pension Plan on pages 27 – 40 and 87 - 93 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules, the schedules of expenditures of special purpose local sales tax proceeds, as required by the Official Code of Georgia ("O.C.G.A.") § 48-8-121 and the schedule of expenditures of federal awards, as required by Title 2 U.S. C*ode of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report (ACFR). The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2026 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Nichols, Cauley & Associates, LLC

Dublin, Georgia
June 9, 2026



MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

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

As management of the City of Newnan (the "City"), we offer the residents and other readers of the City's financial statements this management discussion and analysis (MD&A). The MD&A provides a narrative overview and analysis of the financial statements of the City for the year ended December 31, 2025, focusing on why amounts changed from the prior year. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the financial statements.

FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2025

The following is an analysis of facts, descriptions and/or conditions of the City, in fiscal year 2025, that had a material effect on its financial position and/or operating results.

Government-wide Financial Statements

- The overall financial position of the City, as shown on the government wide statement of net position, increased by $3,975,625 during fiscal year 2025, from $213,278,802 to $217,254,427. The increase in net position was driven by capital assets related to capital projects. The unrestricted net position, which represents available resources to meet the City's ongoing obligations to citizens and creditors, was $22,241,125.
- Total revenues increased $4,183,475 from $58,611,838 in Fiscal Year 2024 to $62,795,313 in fiscal year 2025, representing a 7% increase. Operating grants, Capital grants, other taxes (insurance premium tax), and charges for services increased by $1.9 million, $1.35 million, $947,265, and $282,386 respectively. These increases were marginally decreased by property tax (lowering of millage rate), interest earnings and miscellaneous revenue.
- Total expenses increased $2,327,666 or 4%, from $56,522,022 in fiscal year 2024 to $58,819,688 in fiscal year 2025. The main drivers of the increase were higher personnel costs, including fringe benefit costs.

Fund Financial Statements

- The combined ending governmental fund balance increased to $49,493,447 in fiscal year 2025 from $45,945,348 in fiscal year 2024, an 8% increase. The increase is attributable to revenues in Intergovernmental Revenue (ARPA and Street Improvement funds) and a marginal 2% increase in expenses, which was reflective of a large paving project in Fiscal Year 2024.
- Proprietary Funds for the enterprise fund (Sanitation) increased in net position by $318,190 due to increases in capital assets. It is also worth noting that the increase occurred despite a transfer reduction from the Governmental Funds in the amount of $125,000.
- Internal Service funds decreased in net position by $15,121 due to increases in health insurance claims.
- Fiduciary Fund decreased in value by 24% due to decreases in seized assets.
- Component Units increased In net position by $7.4 million or 3%. Total net position increased for all component units with exception of the DDA, Convention Center Authority (5.7%), Downtown Development Authority (-4.8%), Urban Redevelopment (12.9%) and Water, Sewerage and Light (3.3%).

General Operating Fund Balance

- At the end of the current fiscal year, the fund balance in the General Fund was $30,990,017, an increase of $1,914,591, 99% of this fund balance is unassigned.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

TYPES OF INFORMATION REPORTED IN THE CITY FINANCIAL STATEMENTS

A summary of the types of fund information reported in the City's Financial Statements is provided in the following table.

	Financial Statements				
	Government-Wide	Proprietary Fund	Fiduciary Fund	Component Unit	Governmental Fund
Type of assets and liabilities	All assets and liabilities, both financial and nonfinancial, short term and long term				Only current financial resources, such as cash, taxes receivable, and accounts payable
Types of revenues/additions	All types of revenues/additions that flow into the government during the year that relate to that year, regardless of when cash is received				Only revenues that are measurable and available to finance expenditures of that year
Types of expenses/expenditures	All types of expenses/deductions that flow out of the government during the year that relate to that year, regardless of when cash is paid				Only expenditures for which the related governmental fund liability is incurred in that year
Types of deferred outflows of resources and deferred inflows of resources	All types of resources that flow into and out of the government during the year that relate to a future year				Current financial resources that flow into and out of the governmental funds during the year that relate to a future year

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The government-wide financial statements include the governmental activities, the business-type activities and the City's discretely presented component units.

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

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

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

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

The government-wide financial statements can be found on pages 42-44 of this report.

Fund Financial Statements

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

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

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

The City maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the 2019 SPLOST fund, 2025 SPLOST fund and the NSP grant fund which are considered to be major funds. Data from the other seven governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

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

The basic governmental fund financial statements can be found on pages 45-48 of this report.

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Sanitation Fund which is considered to be a major fund of the City. The internal service funds are presented in single columns in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 49-51 of this report.

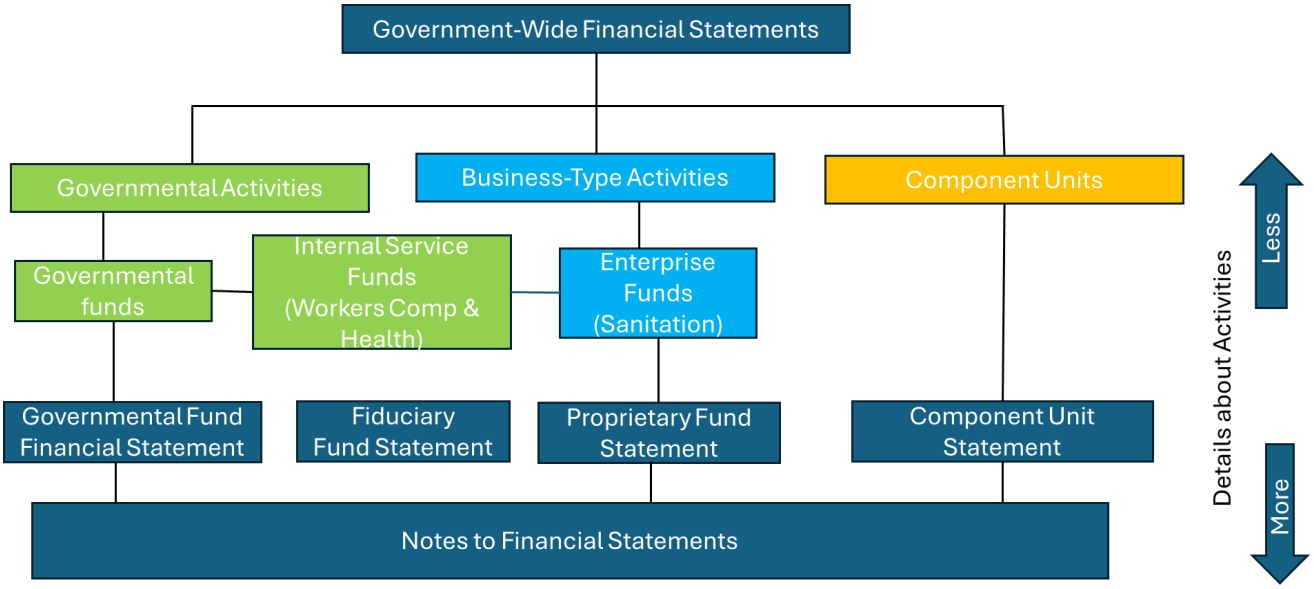
Fiduciary Funds. Fiduciary funds are used to account for resources for which the City acts as a trustee or custodian. Resources held in fiduciary funds are not available to support the City's own programs and therefore are not reported in the government-wide financial statements. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City maintains one type of fiduciary fund. The custodial fund reports resources, not in a trust, which are held by the City for other parties outside of City's reporting entity. One custodial fund, the Preconfiscated Assets Fund, accounts for the assets held by the City's police department pending the outcome of the court disposition.
The fiduciary fund financial statements can be found on pages 52-53 of this report.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the financial statements. The City uses notes to (1) present information in greater detail than is possible within the financial statements themselves, (2) explain the nature of amounts reported in the financial statements and how those amounts were determined, and (3) report certain information that does not meet the requirements for inclusion in the financial statements (such as certain contingencies). The notes to the financial statements can be found on pages 57-85 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information. The City presents budgetary comparison schedules for the General Fund and NSP Funds; and the City's progress in funding its obligations to provide pension benefits to its employees. Required supplementary information can be found immediately after the notes to the financial statements on pages 87-93.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on budgetary comparisons and pensions. Combining and individual fund statements and schedules can be found on pages 96-117 of this report.



Government-Wide Financial Analysis

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	$ 54,955,006	$ 54,104,716	$ 1,750,156	$ 1,544,085	$ 56,705,162	$ 55,648,801
Capital assets	177,445,666	176,802,767	244,511	72,180	177,690,177	176,874,947
Total assets	232,400,672	230,907,483	1,994,667	1,616,265	234,395,339	232,523,748
Deferred outflows of resources	5,938,319	5,791,446	186,350	181,813	6,124,669	5,973,259
Long-term liabilities	17,438,132	16,073,251	525,185	484,680	17,963,317	16,557,931
Other liabilities	4,183,359	6,630,596	1,118,905	1,065,308	5,302,264	7,695,904
Total liabilities	21,621,491	22,703,847	1,644,090	1,549,988	23,265,581	24,253,835
Deferred inflows of resources	-	935,017	-	29,353	-	964,370
Net position:						
Net investment in capital assets	177,202,854	176,511,792	244,511	72,180	177,447,365	176,583,972
Restricted	17,273,521	15,734,885	-	-	17,273,521	15,734,885
Unrestricted	22,241,125	20,813,388	292,416	146,557	22,533,541	20,959,945
Total net position	$ 216,717,500	$ 213,060,065	$ 536,927	$ 218,737	$ 217,254,427	$ 213,278,802

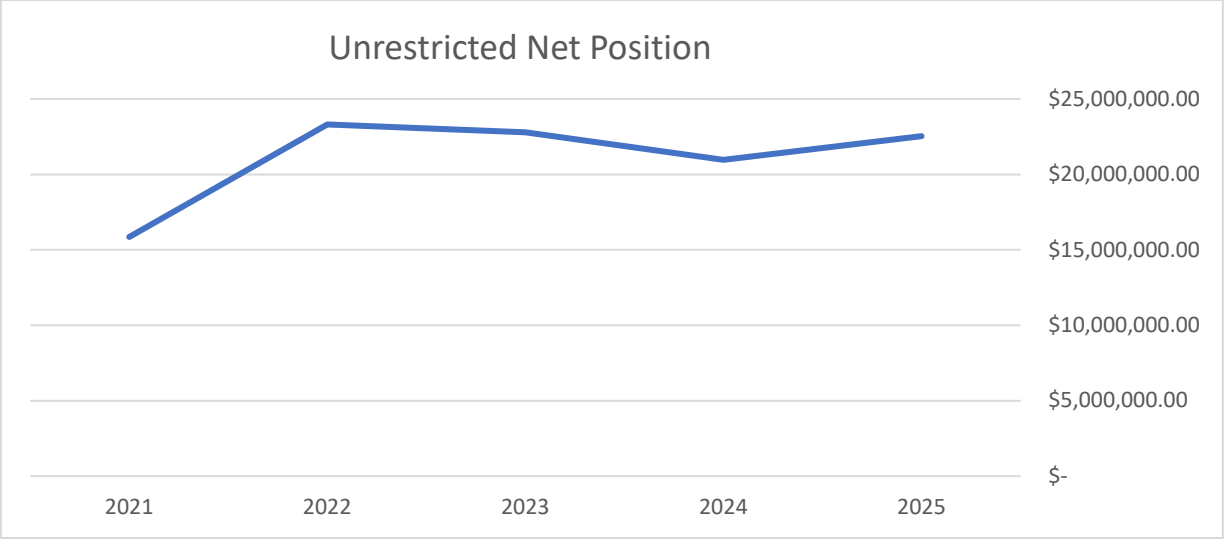
As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $217.25 million, at the close of the most recent fiscal year, an increase of $3.975 million from the previous year or 1.86%.

By far the largest portion of the City's net position, 81.7%, reflects its investment in capital assets (e.g. land, building, machinery, equipment, vehicles and infrastructure), net of accumulated depreciation/amortization and less. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Capital assets themselves cannot be used to liquidate these liabilities.

The City continues to maintain a high current ratio of current assets to current liabilities. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental and business activities is 10.69 to 1, which is strong. The ratio for 2024 was 7.23 to 1.

An additional portion of the City's net position, $17.27 million, represents resources that are subject to external restrictions on how they may be used. As of the end of the current year, the City's unrestricted net position was a positive balance of $22.53 million. A majority of the restricted funds ($17.1 m) are for Special Local Option Sales Tax capital projects.

Looking back at total net unrestricted position of the city has increased by 42% from 2021 to 2025.



Governmental activities. During the current fiscal year, net position for governmental activities increased $3.6 million from the prior fiscal year for an ending balance of $216.7 million. The increase in the overall net position of governmental activities is primarily due to increases in other taxes (insurance premium tax) and capital grants and contributions.

Current and other assets increased only marginally in governmental activities by $850,290 (1.56%) from the prior year. Other liabilities decreased in total by $2,447,237, or 37%. Decrease is attributable to unearned revenue for the ARPA fund. Long-term liabilities, which consist of compensated absences and pension liability, increased by $1,364,881 from the previous year (8.5%). Most of the increase is found in pension liability ($1.2) and due to decreases in net investment income. On December 31, 2025, long-term liabilities made up 72.3% of total liabilities.

Business-type activities. For the City's business-type activities, the results for the current fiscal year were that the overall net position increased to reach an ending balance of $536,927. The total increase in net position for business-type activities (sanitation fund) was $318,190 or 145% from the prior year.

The increases in current assets are primarily due to a 3% increase in sanitation fees and capital investment. Liabilities increased by 5% mainly due to unearned revenue. Long-term liabilities increased by 8% also due to decrease in net investment income in pension liability. The City's overall net position increased $318,190 from the prior fiscal year. Unrestricted net position increased by 99%

Residential garbage fees and expenses were budgeted and expensed in the Sanitation Enterprise fund, increases in both revenue and expenses are found on the Statement of Net Position. The City of Newnan provides daily commercial sanitation services for downtown customers and weekly bulk and yard debris pickup for residential customers. However, Residential collection was privatized in 2023 and currently hauled by AmWaste. To ensure excellent customer experience, the city operates a customer service center for collection of fees and addressing service needs.

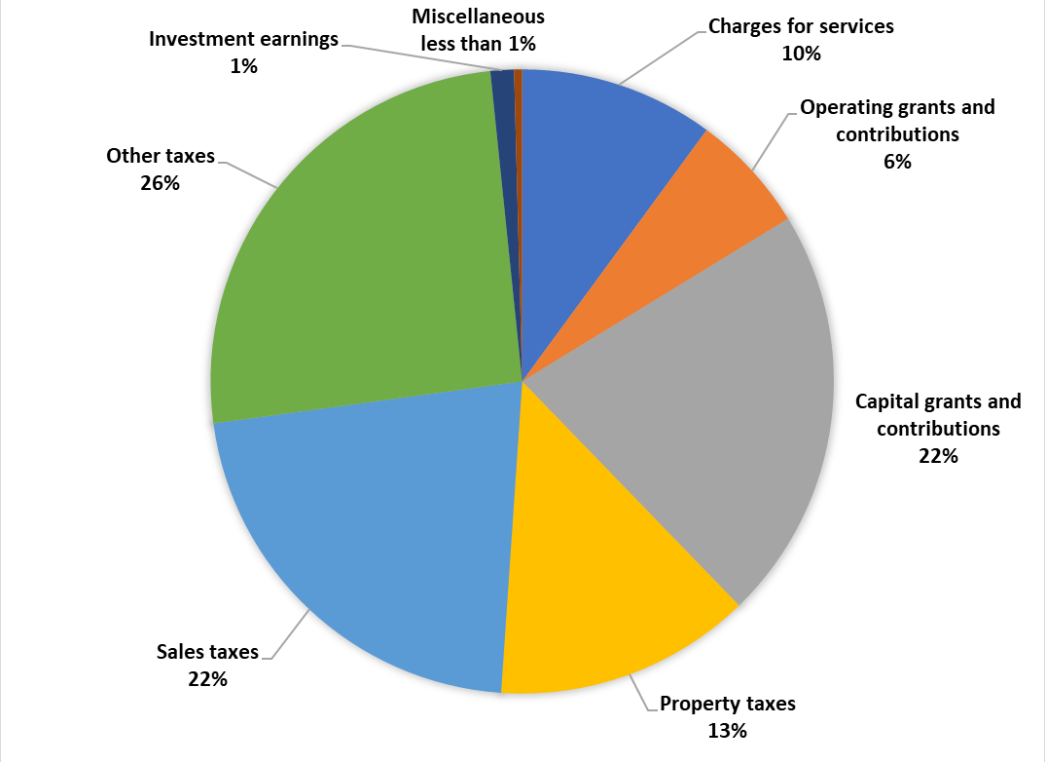
City of Newnan's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	$ 5,745,432	$ 5,810,663	$ 5,821,344	$ 5,473,727	$ 11,566,776	$ 11,284,390
Operating grants and contributions	3,523,493	1,574,594	-	-	3,523,493	1,574,594
Capital grants and contributions	12,230,975	10,879,804	-	-	12,230,975	10,879,804
General revenues:						
Property taxes	7,595,846	7,848,166	-	-	7,595,846	7,848,166
Sales taxes	12,401,643	12,345,631	-	-	12,401,643	12,345,631
Other taxes	14,534,951	13,587,686	-	-	14,534,951	13,587,686
Investment earnings	635,285	719,983	11,595	13,712	646,880	733,695
Miscellaneous	294,749	357,872	-	-	294,749	357,872
Total revenues	56,962,374	53,124,399	5,832,939	5,487,439	62,795,313	58,611,838
Expenses:						
General government	12,465,007	12,123,667	-	-	12,465,007	12,123,667
Public safety	20,163,187	19,837,040	-	-	20,163,187	19,837,040
Public works	12,537,767	11,386,635	-	-	12,537,767	11,386,635
Tourism	1,154,413	1,159,141	-	-	1,154,413	1,159,141
Community development	6,859,565	6,719,685	-	-	6,859,565	6,719,685
Sanitation	-	-	5,639,749	5,295,854	5,639,749	5,295,854
Total expenses	53,179,939	51,226,168	5,639,749	5,295,854	58,819,688	56,522,022
Increase(decrease)in net position before transfers	3,782,435	1,898,231	193,190	191,585	3,975,625	2,089,816
Transfers	(125,000)	(150,000)	125,000	150,000	-	-
Increase(decrease)in net position	3,657,435	1,748,231	318,190	341,585	3,975,625	2,089,816
Net position, beginning	213,060,065	211,311,834	218,737	(122,848)	213,278,802	211,188,986
Net position, ending	$ 216,717,500	$ 213,060,065	$ 536,927	$ 218,737	$ 217,254,427	$ 213,278,802

Governmental Activities – Revenue

Governmental Activity Revenue increased $3.8 million from the prior year primarily due to an increase in grants and contributions, capital grants and the insurance premium tax. However, some revenue categories showed marginal decreases from 2024. The changes in revenues are indicative of the general economy in Newnan and nationally. Our population continues to slowly increase, although commercial and residential permitting showed negative growth for 2025.

A breakdown of revenues is found in the chart below.

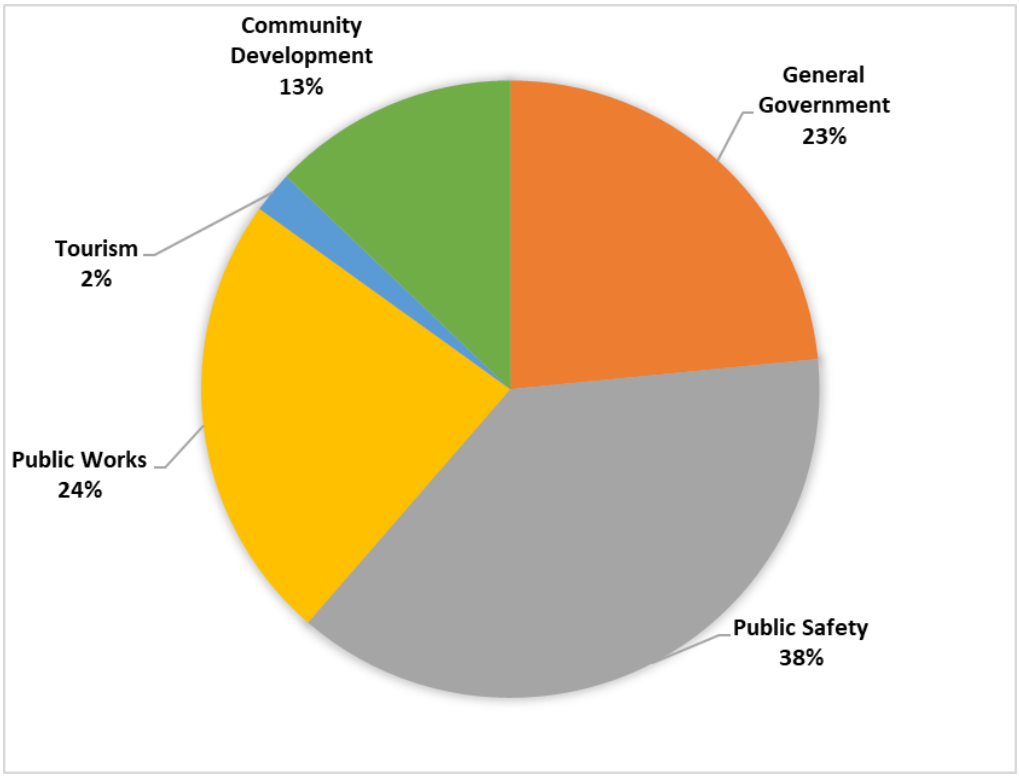


Governmental Activities - Revenues	2025	2024	Change from 2024	% Change from 2024
Charges for services	$ 5,745,432	$ 5,810,663	$ (65,231)	-1.12%
Operating grants and contributions	3,523,493	1,574,594	1,948,899	123.77%
Capital grants and contributions	12,230,975	10,879,804	1,351,171	12.42%
Property taxes	7,595,846	7,848,156	(252,310)	-3.21%
Sales taxes	12,401,643	12,345,631	56,012	0.45%
Other taxes	14,534,951	13,587,686	947,265	6.97%
Investment earnings	635,285	719,983	(84,698)	-11.76%
Miscellaneous	294,749	357,872	(63,123)	-17.64%
Total Revenues	$ 56,962,374	$ 53,124,389	$ 3,837,985	7.22%

Governmental Activities – Expense

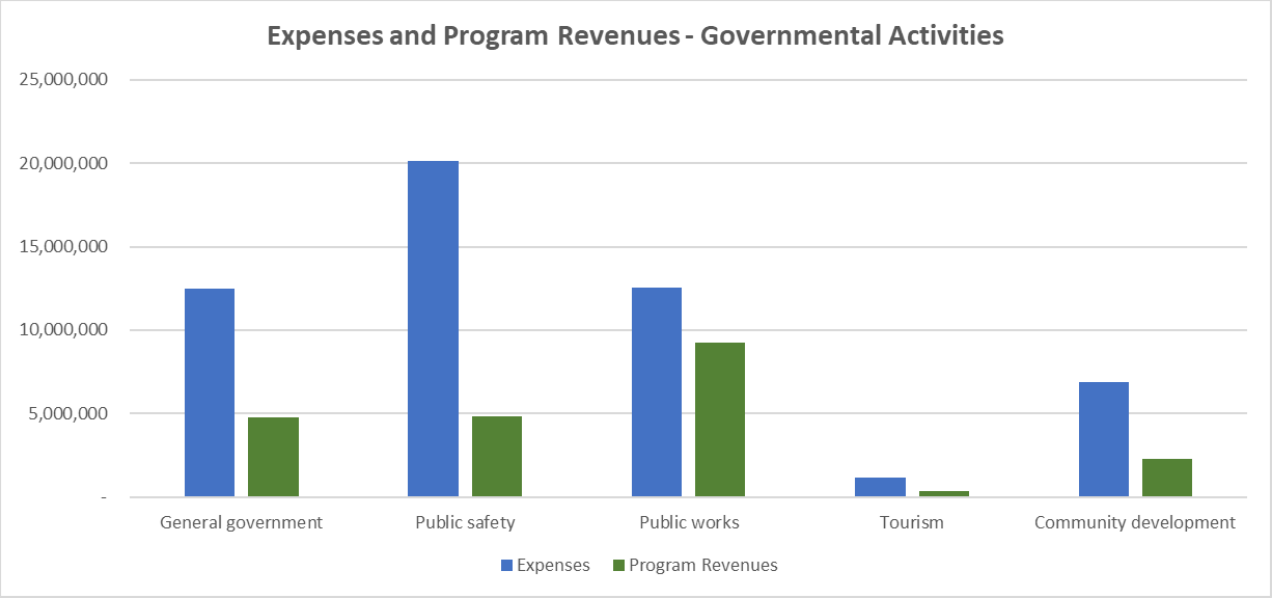
Governmental expenses increased $1,953,771 from the prior year primarily due to increased expenditures in public works, general government and public safety. Fiscal Year 2025 focused heavily on expenditures for drainage (culvert) improvements. In addition, the general government and public safety function saw an increase of roughly $300,000 each primarily due to increased operational costs (wages/fica).

A breakdown of expenses is found in the chart below.



Governmental Activities - Change in Expenses	2025	2024	Change from 2024	% Change from 2024
General Government	$ 12,465,007	$ 12,123,667	$ 341,340	2.82%
Public Safety	20,163,187	19,837,040	326,147	1.64%
Public Works	12,537,767	11,386,635	1,151,132	10.11%
Tourism	1,154,413	1,159,141	(4,728)	-0.41%
Community Development	6,859,565	6,719,685	139,880	2.08%
Total Expenses	$ 53,179,939	$ 51,226,168	$ 1,953,771	3.81%

As shown in the chart below, revenues generated by the City's programs are not sufficient to cover the costs. The City relies on property taxes, sales taxes, investment income and other general revenues to cover the costs associated with the various programs.



Business-type Activities- Revenue and Expense

Business Revenue increased by $320,500 from Fiscal Year 2024 to 2025 showing a growth of 5.69%. This growth is related to a 3% increase in service costs. Transfers from the General Fund were reduced by $25,000 with the goal of making the enterprise fund a self-sustaining fund. Expenses show growth of $343,895, a 6.49% increase. Increases are related to personnel and increased contract of 3% with Amwaste.

Business Activities - Change in Revenues	2025	2024	Change from 2024	% Change from 2024
Charges for services	$ 5,821,344	$ 5,473,727	$ 347,617	6.35%
Interest Earnings	11,595	13,712	(2,117)	-15.44%
Transfers from General Fund	125,000	150,000	(25,000)	-16.67%
Total Revenues	$ 5,957,939	$ 5,637,439	$ 320,500	5.69%

Business Activities - Change in Expenses	2025	2024	Change from 2024	% Change from 2024
Sanitation	$ 5,639,749	$ 5,295,854	$ 343,895	6.49%

ANALYSIS OF GOVERNMENTAL FUND BALANCES AND TRANSACTIONS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City reports four major funds individually in the governmental fund financial statements, the General Fund, the Neighborhood Stabilization Program (NSP) Grant Fund (a special revenue fund), the American Rescue Plan Act Fund (ARPA), and the 2019 & 2025 SPLOST Funds.

General Fund. The General Fund is the chief operating fund of the City. The fund balance of the City's general fund increased by 6.58 percent. This increase in fund balance is attributable to (1) significant growth in the insurance premium tax (2) modest growth in property and hotel/motel taxes and (3) removal of street paving allocations from public works.

Neighborhood Stabilization Program Grant Fund. The Neighborhood Stabilization Program (NSP) Funds are used to account for resources for the City's programs and activities that are used to prevent and eliminate slums and blight housing for the benefit of low- and moderate-income families. The funds are received from the Georgia Department of Community Affairs (DCA) Neighborhood Stabilization Program. The funds are passed through to the Newnan Housing Authority and Newnan Coweta Habitat for Humanity. The NSP Grant Funds carry $0 fund balances. All remaining funds at year end are considered unavailable. The City did not receive any additional funding in fiscal year 2025. The amount of unavailable revenue at year-end was $1,034,761.

2019 and 2025 SPLOST Funds. The 2019 SPLOST Fund had a $4.196 million decrease in fund balance during the current fiscal year leaving a balance of 10.4 million. The revenue for 2019 SPLOST ended in 2024. This fund will continue to deplete as projects are completed. At YE 2025 the funds committed for ongoing projects were a total of $13,033,164. However, this amount includes Federally funded reimbursements of $7,970,964 and reimbursements through an inter-governmental agreement with the County in the amount of $847,301 leaving commitments totaling $4,214,898 for the City's portion of the ongoing projects.

The large decrease in fund balance was caused mainly by the spending of resources for construction in Street projects in the current period. That is, the fund balance was spent down during the current period as the related capital projects progressed.

The 2025 SPLOST Fund had an increase in fund balance of $5,854,068 during the current fiscal year which put the overall fund balance in a positive position. Meaning revenues exceeded expenditures as projects were slow to progress. Expenditures in the 2025 SPLOST Fund included $178,526 in information technology improvements, $1,758,598 in street projects/equipment and $1,586,276 in park improvements. At YE 2025 commitments for ongoing projects totaled $4,656,668. The majority of the commitments are related to park improvements. The revenue collections for the 2025 SPLOST fund will end at YE 2030.

American Rescue Plan Act. The American Rescue Plan Act Fund (ARPA), the remaining major governmental fund, has a $0 fund balance annually, as the remaining funds are considered unavailable. The expenditures in YE 2025 were $3,028,871 as this fund is gradually depleted. The majority of the expenditures for 2025 were allocated to drainage improvements in the infrastructure category. There was also $202,800 in public safety expenditures for vehicles. This fund is budgeted to be depleted in 2026.

Detailed Analysis of Enterprise Funds

The City reports one enterprise fund as a major fund in the proprietary fund financial statements, the Sanitation Fund. There were no significant increases or decreases in either revenue or expenses in 2025. Revenue and expenses in the proprietary fund remain consistent each year showing very little growth. The billing and collections were brought in house in 2023 for the sole purpose of providing exceptional customer service to the citizens at the lowest possible cost. The enterprise funds provide the same information found in the business-type activities portion of the government-wide financial statements, but in more detail. Unrestricted net position of the Sanitation Fund at the end of the year was $292,416. The total growth was $145,859 mostly attributed to capital contributions.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of December 31, 2025, amounts to $177,690,177 (net of accumulated depreciation/amortization). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, park facilities, roads, highways, and bridges. The total increase in capital assets for the current fiscal year was .0046 percent.

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

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 30,141,469	$ 29,607,383	$ -	$ -	$ 30,141,469	$ 29,607,383
Construction in progress	4,719,521	3,200,789	-	-	4,719,521	3,200,789
Buildings and parks	46,125,475	42,069,965	-	-	46,125,475	42,069,965
Other improvements	5,412,177	10,877,059	-	-	5,412,177	10,877,059
Machinery and equipment	14,125,897	14,108,097	244,511	72,180	14,370,408	14,180,277
Infrastructure	76,921,127	76,939,474	-	-	76,921,127	76,939,474
	$ 177,445,666	$ 176,802,767	$ 244,511	$ 72,180	$ 177,690,177	$ 176,874,947

Major capital asset events during the current fiscal year included the following:

- Completed rehabilitation of the Fairhaven Subdivision Culvert.
- Completed rehabilitation of the Savannah / Pinson Culvert.
- Completed the construction of 6 additional courts to the House of Pickleball.
- Purchased vehicles for Police, Fire, Engineering, Streets, Facilities, Beautification, Sanitation
- Completed the addition of 50 additional parking spaces and gazebo at Lynch park.
- Completed repaving of various streets under LMIG 2024 program

Long-term Debt. At the end of the current year, the primary government had no long-term debt. Other noncurrent liabilities related to the City's pension liability for eligible retirees in the amount of $16,140,342. This reflects an 8.0% increase for 2025, with the total for 2024 at $14,944,564.

City's Newnan's Long-Term Liabilities

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Net Pension Liability	$ 15,649,256	$ 14,489,683	$ 491,086	$ 454,881	$ 16,140,342	$ 14,944,564
Compensated Absenses Payable	1,788,876	1,583,568	34,099	29,799	$ 1,822,975	1,613,367
	$ 17,438,132	$ 16,073,251	$ 525,185	$ 484,680	$ 17,963,317	$ 16,557,931

Another noncurrent liability for the City relates to pay for earned vacation, sick leave and compensatory time, as well as the associated FICA and Medicare taxes related to the compensated absences liability. The City pays 10% of earned sick leave and 100% of earned vacation upon employee termination. The 2025 amount payable totals for governmental and business activities is $1,822,975, as compared to $1,613,367 at the end of 2024. The long-term obligation for business-type activities in the Sanitation fund accounts for $34,099 of the total amount payable.

Historically, the City has operated on a pay-as-you go plan for capital projects rather than incur debt. The City has occasionally utilized general fund unassigned fund balance to advance other fund's capital construction costs rather than incur debt and pay carrying costs. The advances are paid back to the general fund as revenues are collected in future years. All such advances to other funds were paid in full at the end of 2025.

As of March 2025, the City maintained Aa2 ratings from Moody's Investors Service.

The Constitution of the State of Georgia provide that the City may not incur long-term obligations payable out of general property taxes without the approval of a majority of the qualified voters of the City voting at an election called to approve the obligations. In addition, under the Constitution of the State of Georgia, the City may not incur long-term obligations payable out of general property taxes in excess of ten percent of the assessed value of all taxable property within the City. The County and school district may also incur general obligation debt up to the ten percent limitation. According to the tax digest for FY 2025, the assessed value of taxable property in the City was $2,552,842,125. Therefore, the City's long-term obligations payable could not exceed $255,284,212 (or 10% of the assessed value).

Short-term obligations (those payable within the same calendar year in which they are incurred), lease and installment purchase obligations subject to annual appropriation and intergovernmental obligations are not subject to the legal limitations described above. In addition, refunded obligations cease to count against the City's debt limitations.

Additional information on the City's long-term debt can be found in Note 7 of this report.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

The City is aware of the following items that will impact future finances and were considered in developing the 2026 fiscal year budget.

- Economy
  - Per Agreement with Coweta County, the Local Option Sales Tax (LOST) distribution declined from 31.19% to 30.28% in 2025.
  - This 1% sales tax, which was successfully renewed in January 2023 for a 10-year term, remains the leading revenue engine for general fund maintenance and operations, accounting for 22% of the 2025 budget.
  - However, sustained inflationary pressures have altered consumer spending habits, causing this critical revenue source to level off and flat-line over the past several years.
- Property Taxes
  - In November of 2024, Georgia voters approved a Constitutional Amendment to uphold HB581 with more than 60% of votes counted in favor. This amendment capped property assessments at the inflation rate for the previous year. By holding down assessment increases, property tax increases would also be limited since they are based on the assessed value of a home and the property tax rate. This change went into effect on January 1, 2025.
  - The Mayor and Council chose not to opt out of HB 581 and elected to ask if the voters to consider approving a 1% sales tax increase to lower property taxes to a millage rate of 0. In November of

2025, voters approved a 1% Floating Local Option Sales that modifies the major source of revenue in the FY 2026 budget.
  - Property tax revenues are budgeted in 2026 at $0 compared to $7,456,164 from the prior year. FLOST proceeds will more than offset property tax revenue.
  - The new 1% Floating Local Option Sales Tax (FLOST) will take effect on January 1, 2026. FLOST is expected to generate approximately $12 million in sales tax revenue for the City's General Fund, with the City of Newnan receiving 29.11% of the total distribution. As a result, the overall sales tax rate in Coweta County increased from 7% to 8%.
- Personnel
  - The pay plan was modified in 2026 to increase the minimum and maximum of the pay scales by 2%. 3% cost of living adjustments were implemented for all employees effective January 1, 2026. This method allows starting pay to remain competitive in the market.
  - Fiscal Year 2026 budget includes a net increase of sixteen (16) employees. The Police Department added five positions – four sworn officers and one administrative support role – with two of the officer positions funded through the COPS grant. Six new positions in the Fire Department will help manage rising call volumes and reduce staff burnout. Additional positions in Facilities and Information Technology will address growing workloads. Public Works will also see added resources, including three new employees in the Street Department to expand concrete repair efforts and added staff in Sanitation to support brush and bulk pickup as the number of city households increase. One position was removed from the Finance Department, as current resources are sufficient.
  - FY 2026 Salary expenses are 6.2% over the 2025 budgeted salary expenses due to increase in positions afforded by the FLOST tax.
- Employee Benefits
  - Health/Life Insurance budget increased by $375,000 to address the addition of new full-time staff. Fiscal Year 2026 is estimated to see an increase of 7.0% in medical claims from estimated FY 2025.
  - Benefits within the Health/Life Plan remain unchanged for the employees.
  - The Stop-Loss Deductible for the Health Plan is being kept at $250,000. This appears to be a balanced amount that keeps the premium less but also minimizes our exposure to a high-cost claim.
  - Retirement expenses under the Defined Benefit Plan will increase from 14.8% to 17.59% for FY 2026. An increase of $155,737 from FY 2025. Increases continue for the Defined Benefit Plan, despite the City freezing the plan in January of 2024. The City now also allocates 10% of gross salary into a 401a account and matches up to 3% for employees hired after January 1, 2024. FY 2026 estimated a cost of $557,216 for the 401a contributions.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

City of Newnan
Finance Department
Ronda Helton, Finance Manager
25 LaGrange Street
Newnan, Georgia 30263.



BASIC FINANCIAL STATEMENTS

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

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CITY OF NEWNAN, GEORGIA
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
Assets				
Cash and cash equivalents	$ 34,776,621	$ 1,449,264	$ 36,225,885	$ 22,836,143
Investments	14,267,291	275,212	14,542,503	49,758,582
Receivables, net	2,406,817	22,095	2,428,912	6,469,957
Intergovernmental receivables	3,267,222	-	3,267,222	222,957
Lease receivables	-	-	-	672,784
Internal balances	1,063	(1,063)	-	-
Inventories	38,487	-	38,487	4,225,196
Prepaid items	197,505	4,648	202,153	760,480
Restricted assets				
Cash and cash equivalents	-	-	-	9,180,068
Capital assets				
Nondepreciable	34,860,990	-	34,860,990	7,915,476
Depreciable, net	142,584,676	244,511	142,829,187	131,138,049
Deferred compensation				
funding arrangements	-	-	-	7,491,165
Net pension asset	-	-	-	6,780,000
Total assets	232,400,672	1,994,667	234,395,339	247,450,857
Deferred Outflows of Resources				
Deferred charges	-	-	-	238,710
Related to pension	5,938,319	186,350	6,124,669	2,378,400
Total deferred outflows of resources	5,938,319	186,350	6,124,669	2,617,110
Liabilities				
Accounts payable	1,491,018	366,456	1,857,474	4,178,489
Retainage payable	242,812	-	242,812	-
Accrued expenses	1,025,372	31,785	1,057,157	380,463
Accrued interest	-	-	-	247,828
Deposits payable	-	-	-	2,243,461
Claims payable	252,598	-	252,598	-
Unearned revenue	1,171,559	720,664	1,892,223	-
Noncurrent liabilities				
Due within one year				
Long-term obligations	1,148,395	23,959	1,172,354	1,864,691
Due in more than one year				
Long-term obligations	640,481	10,140	650,621	10,550,142
Net pension liability	15,649,256	491,086	16,140,342	-
Total liabilities	21,621,491	1,644,090	23,265,581	19,465,074
Deferred Inflows of Resources				
Deferred refunding gain	-	-	-	5,769
Related to leases	-	-	-	672,784
Related to pension	-	-	-	1,881,000
Total deferred inflows of resources	-	-	-	2,559,553

CITY OF NEWNAN, GEORGIA
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
Net Position				
Net investment in capital assets	177,202,854	244,511	177,447,365	128,115,263
Restricted for				
Capital projects	17,120,834	-	17,120,834	-
Pension benefits	-	-	-	6,780,000
Capital improvements and debt service	-	-	-	9,180,068
Public safety programs	142,324	-	142,324	-
Tourism programs	10,363	-	10,363	-
Unrestricted	22,241,125	292,416	22,533,541	83,968,009
Total net position	$ 216,717,500	$ 536,927	$ 217,254,427	$ 228,043,340

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, 2025

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
Primary government								
Governmental activities								
General government	$ 12,465,007	$ 3,021,684	$ 585,177	$ 1,172,598	$ (7,685,548)	$ -	$ (7,685,548)	$ -
Public safety	20,163,187	2,198,513	298,303	2,330,805	(15,335,566)	-	(15,335,566)	-
Public works	12,537,767	81,077	2,572,893	6,571,819	(3,311,978)	-	(3,311,978)	-
Tourism	1,154,413	359,296	-	-	(795,117)	-	(795,117)	-
Community development	6,859,565	84,862	67,120	2,155,753	(4,551,830)	-	(4,551,830)	-
Total governmental activities	53,179,939	5,745,432	3,523,493	12,230,975	(31,680,039)	-	(31,680,039)	-
Business-type activities								
Sanitation fund	5,639,749	5,821,344	-	-	-	181,595	181,595	-
Total business-type activities	5,639,749	5,821,344	-	-	-	181,595	181,595	-
Total primary government	58,819,688	11,566,776	3,523,493	12,230,975	(31,680,039)	181,595	(31,498,444)	-
Component units	$ 70,909,817	$ 71,421,428	$ 572,543	$ 1,194,668				2,278,822
General revenues and transfers								
General revenues								
Property taxes					7,595,846	-	7,595,846	-
Motor vehicle taxes					1,654,669	-	1,654,669	-
Sales taxes					12,401,643	-	12,401,643	-
Franchise taxes					1,943,856	-	1,943,856	-
Insurance premium taxes					4,625,314	-	4,625,314	-
Occupational taxes					3,168,912	-	3,168,912	-
Hotel/Motel taxes					1,688,299	-	1,688,299	-
Alcoholic beverage taxes					1,142,921	-	1,142,921	-
Other taxes					310,980	-	310,980	-
Unrestricted investment earnings					635,285	11,595	646,880	4,861,998
Gain on sale of capital assets					57,172	-	57,172	275,317
Miscellaneous					237,577	-	237,577	-
Transfers					(125,000)	125,000	-	-
Total general revenues and transfers					35,337,474	136,595	35,474,069	5,137,315
Change in net position					3,657,435	318,190	3,975,625	7,416,137
Net position - beginning					213,060,065	218,737	213,278,802	220,627,203
Net position - ending					$ 216,717,500	$ 536,927	$ 217,254,427	$ 228,043,340

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

CITY OF NEWNAN, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General	2019 SPLOST	NSP GRANT	2025 SPLOST	Total Nonmajor Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	$ 16,806,556	$ 9,078,042	$ 1,034,761	$ 4,358,442	$ 2,168,381	$ 33,446,182
Investments	11,769,040	2,144,911	-	-	353,340	14,267,291
Receivables, net	2,145,792	-	-	-	261,025	2,406,817
Intergovernmental receivables	1,402,654	-	-	1,864,568	-	3,267,222
Due from other funds	98,948	-	-	-	-	98,948
Inventories	38,487	-	-	-	-	38,487
Prepaid items	197,505	-	-	-	-	197,505
Total assets	$ 32,458,982	$ 11,222,953	$ 1,034,761	$ 6,223,010	$ 2,782,746	$ 53,722,452
Liabilities						
Accounts payable	$ 223,109	$ 869,613	$ -	$ 186,457	$ 191,714	$ 1,470,893
Retainage payable	-	60,327	-	182,485	-	242,812
Accrued expenses	1,025,372	-	-	-	-	1,025,372
Due to other funds	-	-	-	-	97,885	97,885
Unearned revenue	-	-	1,034,761	-	136,798	1,171,559
Total liabilities	1,248,481	929,940	1,034,761	368,942	426,397	4,008,521
Deferred Inflows of Resources						
Unavailable revenues	220,484	-	-	-	-	220,484
Total deferred inflows of resources	220,484	-	-	-	-	220,484
Fund Balances						
Nonspendable	235,992	-	-	-	-	235,992
Restricted	-	10,293,013	-	5,854,068	1,126,440	17,273,521
Committed	-	-	-	-	1,229,909	1,229,909
Assigned	72,827	-	-	-	-	72,827
Unassigned	30,681,198	-	-	-	-	30,681,198
Total fund balances	30,990,017	10,293,013	-	5,854,068	2,356,349	49,493,447
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 32,458,982	$ 11,222,953	$ 1,034,761	$ 6,223,010	$ 2,782,746	$ 53,722,452

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, 2025

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

Total fund balances - governmental funds		$ 49,493,447
Capital assets used in governmental activities are not current financial resources, and therefore are not reported in the funds.		
Cost of capital assets	$ 269,012,804	
Less accumulated depreciation	(91,567,138)	177,445,666
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds		
Property taxes		220,484
The Internal service fund is used by management to charge the costs of the group health insurance to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities column on the government-wide statement of net position.		1,057,716
Differences between expected and actual experiences, actuarial changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for postretirement benefits (pension) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.		
Deferred outflows related to pension		5,938,319
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the funds.		
Compensated absences	(1,788,876)	
Net pension liability	(15,649,256)	(17,438,132)
Net position of governmental activities		$ 216,717,500

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, 2025

	General	2019 SPLOST	NSP GRANT	2025 SPLOST	Total Nonmajor Funds	Total Governmental Funds
Revenues						
Taxes	$ 33,079,593	$ -	$ -	$ -	$ 1,688,298	$ 34,767,891
Licenses and permits	875,768	-	-	-	-	875,768
Intergovernmental	3,410,208	524,485	84,862	10,545,234	4,228,918	18,793,707
Charges for services	361,750	-	-	-	188,043	549,793
Fines and forfeitures	1,000,252	-	-	-	151,765	1,152,017
Investment earnings	604,581	119,929	2,446	270	24,798	752,024
Contributions and donations	-	-	-	-	1,385	1,385
Miscellaneous	167,464	-	-	-	-	167,464
Total revenues	39,499,616	644,414	87,308	10,545,504	6,283,207	57,060,049
Expenditures						
Current						
General government	10,774,750	-	-	-	244,022	11,018,772
Public safety	18,867,110	-	-	-	359,063	19,226,173
Public works	4,214,526	-	-	-	3,672,683	7,887,209
Tourism	-	-	-	-	1,117,783	1,117,783
Community development	4,433,430	-	87,308	-	67,120	4,587,858
Capital outlay	-	4,951,335	-	3,636,913	103,063	8,691,311
Intergovernmental	-	-	-	1,054,523	-	1,054,523
Total expenditures	38,289,816	4,951,335	87,308	4,691,436	5,563,734	53,583,629
Excess (deficiency) of revenues over (under) expenditures	1,209,800	(4,306,921)	-	5,854,068	719,473	3,476,420
Other Financing Sources (Uses)						
Transfers in	633,112	-	-	-	-	633,112
Transfers out	(125,000)	-	-	-	(633,112)	(758,112)
Insurance recoveries	139,507	-	-	-	-	139,507
Sale of capital assets	57,172	-	-	-	-	57,172
Total other financing sources (uses)	704,791	-	-	-	(633,112)	71,679
Net change in fund balances	1,914,591	(4,306,921)	-	5,854,068	86,361	3,548,099
Fund balances - beginning - as previously reported	29,075,426	14,599,934	-	-	2,269,988	45,945,348
Changes within the financial reporting entity						
(major to nonmajor)	-	-	-	-	-	-
(nonmajor to major)	-	-	-	-	-	-
Fund balances - beginning	29,075,426	14,599,934	-	-	2,269,988	45,945,348
Fund balances - ending	$ 30,990,017	$ 10,293,013	$ -	$ 5,854,068	$ 2,356,349	$ 49,493,447

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, 2025

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

Total changes in fund balances - total governmental funds		$ 3,548,099
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.		
Depreciation expense	$ (7,657,903)	
Capital outlay	13,628,303	5,970,400
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins and donations) is to decrease net position		(5,327,501)
Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows of resources in the funds.		
Property taxes		(235,451)
Internal service funds are used by management to charge the costs of certain employee insurance coverages and vehicle/equipment expenses to the individual funds. The net revenue of certain activities of Internal Service Funds is reported with governmental activities.		(15,121)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in compensated absences	(205,308)	
Pension expense	(77,683)	(282,991)
Change in net position of governmental activities		$ 3,657,435

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, 2025

	Business-Type Activities Enterprise Fund	Governmental Activities
	Sanitation Fund	Internal Service Fund
Assets		
Current assets		
Cash and cash equivalents	$ 1,449,264	$ 1,330,439
Investments	275,212	-
Receivables, net	22,095	-
Prepaid items	4,648	-
Total current assets	1,751,219	1,330,439
Noncurrent assets		
Capital assets		
Machinery and equipment	791,204	-
Less accumulated depreciation	(546,693)	-
Total capital assets	244,511	-
Total assets	1,995,730	1,330,439
Deferred Outflows of Resources		
Related to pensions	186,350	-
Total deferred outflows of resources	186,350	-
Liabilities		
Current liabilities		
Accounts payable	366,456	20,125
Accrued expenses	31,785	-
Claims payable	-	252,598
Due to other funds	1,063	-
Unearned revenue	720,664	-
Compensated absences	25,284	-
Total current liabilities	1,145,252	272,723
Noncurrent liabilities		
Compensated absences	8,815	-
Net pension liability	491,086	-
Total noncurrent liabilities	499,901	-
Total liabilities	1,645,153	272,723
Net Position		
Net investment in capital assets	244,511	-
Unrestricted	292,416	1,057,716
Total net position	$ 536,927	$ 1,057,716

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, 2025

	Business-Type Activities Enterprise Fund	Governmental Activities
	Sanitation Fund	Internal Service Funds
Operating Revenues		
Charges for services	$ 5,586,409	$ 7,064,788
Total operating revenues	5,586,409	7,064,788
Operating Expenses		
Personal services	977,851	-
Claims and excess premiums	-	7,083,368
Contractual services	4,425,688	-
Supplies	187,706	-
Depreciation	62,604	-
Total operating expenses	5,653,849	7,083,368
Operating income (loss)	(67,440)	(18,580)
Noncapital Subsidies		
Transfers in	125,000	-
Total noncapital subsidies	125,000	-
Operating income (loss) and noncapital subsidies	57,560	(18,580)
Other Nonoperating Revenues (Expenses)		
Investment earnings	11,595	3,459
Gain from the sale of capital assets	14,100	-
Capital contributions	234,935	-
Total other nonoperating revenues (expenses)	260,630	3,459
Increase (decrease) in net position	318,190	(15,121)
Net position - beginning of year	218,737	1,072,837
Net position - end of year	$ 536,927	$ 1,057,716

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, 2025

	Business-Type Activities Enterprise Fund	Governmental Activities
	Sanitation Fund	Internal Service Funds
Cash Flows from Operating Activities		
Receipts from customers	$ 5,620,728	$ 1,064,745
Receipts from interfund services provided	-	6,000,043
Payments to suppliers and service providers	(4,589,900)	(7,020,817)
Payments to employees for salaries and benefits	(971,236)	-
Net cash provided (used) by operating activities	59,592	43,971
Cash Flows from Noncapital Financing Activities		
Transfers from other funds	125,000	-
Net cash provided (used) by noncapital financing activities	125,000	-
Cash Flows from Capital and Related Financing Activities		
Proceeds from sale of capital assets	14,100	-
Net cash used for capital and related financing activities	14,100	-
Cash Flows from Investing Activities		
Purchases of investments	(11,440)	-
Interest income on investments	11,595	3,459
Net cash provided (used) by investing activities	155	3,459
Net change in cash and cash equivalents	198,847	47,430
Cash and cash equivalents beginning of year	1,250,417	1,283,009
Cash and cash equivalents end of year	$ 1,449,264	$ 1,330,439
Reconciliation of operating income (loss) to net cash provided (used) by operating activities		
Operating income (loss)	$ (67,440)	$ (18,580)
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization	62,604	-
Net change in receivables, net	2,485	-
Net change in due from other funds	2,298	11,695
Net change in prepaid items	(746)	-
Net change in deferred outflows of resources	(4,537)	-
Net change in accounts payable	19,280	-
Net change in accrued expenses	2,483	20,125
Net change in claims payable	-	32,728
Net change in due to other funds	179	(1,997)
Net change in unearned revenue	31,834	-
Net change in compensated absences	4,300	-
Net change in net pension liability	36,205	-
Net change in deferred inflows of resources	(29,353)	-
Total adjustments	127,032	62,551
Net cash provided (used) by operating activities	$ 59,592	$ 43,971
Schedule of non-cash capital and related financing activities:		
Capital contributions	$ 234,935	$ -

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

CITY OF NEWNAN, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2025

	Custodial Fund
Assets	
Cash and cash equivalents	$ 57,559
Total assets	57,559
Liabilities	
Due to others	-
Total liabilities	-
Net Position	
Restricted for	
Individuals, organizations and other governments	57,559
Total net position	$ 57,559

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

CITY OF NEWNAN, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Custodial Fund
Additions	
Miscellaneous seized assets	$ 22,234
Investment earnings	28
Total additions	22,262
Deductions	
Taxes and fees paid to other governments	40,607
Total deductions	40,607
Net increase (decrease) in fiduciary net position	(18,345)
Net position - beginning	75,904
Net position - ending	$ 57,559

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

CITY OF NEWNAN, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
DECEMBER 31, 2025

	Convention Center Authority	Downtown Development Authority	Urban Redevelopment Authority	Water, Sewerage and Light Commission	Total
Assets					
Cash and cash equivalents	$ 512,312	$ 94,336	$ 353,014	$ 21,876,481	$ 22,836,143
Investments	822,819	-	-	48,935,763	49,758,582
Receivables, net	49,267	-	-	6,420,690	6,469,957
Intergovernmental receivables	36,500	-	-	186,457	222,957
Lease receivables	-	-	-	672,784	672,784
Inventories	-	-	-	4,225,196	4,225,196
Prepaid items	-	-	-	760,480	760,480
Restricted assets					
Cash and cash equivalents	-	-	-	9,180,068	9,180,068
Capital assets					
Nondepreciable	-	-	-	7,915,476	7,915,476
Depreciable, net	683,568	-	1,541,275	128,913,206	131,138,049
Deferred compensated funding arrangments	-	-	-	7,491,165	7,491,165
Net pension asset	-	-	-	6,780,000	6,780,000
Total assets	2,104,466	94,336	1,894,289	243,357,766	247,450,857
Deferred Outflows of Resources					
Deferred charges	-	-	-	238,710	238,710
Related to pension	-	-	-	2,378,400	2,378,400
Total deferred outflows of resources	-	-	-	2,617,110	2,617,110
Liabilities					
Accounts payable	66,549	-	-	4,111,940	4,178,489
Accrued expenses	4,352	-	-	376,111	380,463
Accrued interest	-	-	-	247,828	247,828
Deposits payable	53,190	-	-	2,190,271	2,243,461
Noncurrent liabilities					
Due within one year					
Long-term obligations	-	-	-	1,864,691	1,864,691
Due in more than one year					
Long-term obligations	-	-	-	10,550,142	10,550,142
Total liabilities	124,091	-	-	19,340,983	19,465,074
Deferred Outflows of Resources					
Deferred refunding gain	-	-	-	5,769	5,769
Related to leases	-	-	-	672,784	672,784
Related to pension	-	-	-	1,881,000	1,881,000
Total deferred outflows of resources	-	-	-	2,559,553	2,559,553
Net Position					
Net investment in capital assets	683,568	-	1,541,275	125,890,420	128,115,263
Restricted for					
Pension benefits	-	-	-	6,780,000	6,780,000
Capital improvements and debt service	-	-	-	9,180,068	9,180,068
Unrestricted	1,296,807	94,336	353,014	82,223,852	83,968,009
Total net position	$ 1,980,375	$ 94,336	$ 1,894,289	$ 224,074,340	$ 228,043,340

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

CITY OF NEWNAN, GEORGIA
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position				
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Convention Center Authority	Downtown Development Authority	Urban Redevelopment Authority	Water, Sewerage and Light Commission	Total
Governmental activities									
Convention Center Authority	$ 817,372	$ 470,482	$ 422,493	$ -	$ 75,603	$ -	$ -	$ -	$ 75,603
Downtown Development Authority	99,118	94,199	-	-	-	(4,919)	-	-	(4,919)
Urban Redevelopment Authority	33,418	-	150,050	-	-	-	116,632	-	116,632
Total governmental activities	949,908	564,681	572,543	-	75,603	(4,919)	116,632	-	187,316
Business-type activities									
Water, Sewerage and Light Commission	69,959,909	70,856,747	-	1,194,668	-	-	-	2,091,506	2,091,506
Total business-type activities	69,959,909	70,856,747	-	1,194,668	-	-	-	2,091,506	2,091,506
Total component units	$ 70,909,817	$ 71,421,428	$ 572,543	$ 1,194,668	75,603	(4,919)	116,632	2,091,506	2,278,822
		General revenues							
		Unrestricted investment earnings			31,699	104	-	4,830,195	4,861,998
		Gain on sale of capital assets			-	-	100,000	175,317	275,317
		Total general revenues			31,699	104	100,000	5,005,512	5,137,315
		Change in net position			107,302	(4,815)	216,632	7,097,018	7,416,137
		Net position - beginning			1,873,073	99,151	1,677,657	216,977,322	220,627,203
		Net position - ending			$ 1,980,375	$ 94,336	$ 1,894,289	$ 224,074,340	$ 228,043,340

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



NOTES TO THE FINANCIAL STATEMENTS

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

Discretely Presented Component Units

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Joint Venture

The ***Three Rivers Regional Commission*** (the "TRRC") was created as a regional planning organization and is managed by its member governments in accordance with Georgia law. Membership in the TRRC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides the organizational structure of the TRRC. Membership in the TRRC includes the chief elected official of each county and municipality of the area. During 2025 payments to the TRRC from the City amounted to $42,549. OCGA Section 50-8-39.1 provides that the member governments are liable for obligations of the TRRC. The financial requirements of the City related to the TRRC are limited to the amount of its annual dues. Separately issued financial statements may be obtained from its administrative office at 120 North Hill Street, Griffin, Georgia 30224.

Related Organizations

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

Government-wide Financial Statements

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

Basis of Presentation – Government-wide Financial Statements

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

As discussed earlier, the City has four discretely presented component units. Management considers the Water, Sewerage and Light Commission to be a major component unit and considers the remaining three not to be major component units as defined by GAAP, however, they are nevertheless shown in separate columns in the government-wide financial statements.

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

Basis of Presentation – Fund Financial Statements

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City reports the following major governmental funds:

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

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

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

The 2025 Special Purpose Local Option Sales Tax (SPLOST) Fund accounts for the proceeds of the 1 percent sales tax approved by the citizens of Newnan for the purpose of funding capital improvement projects. Approved projects include streets, drainage, sidewalk and equipment, public safety, parks, trails, and leisure service facilities and information systems.

The City reports the following major enterprise funds:

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

Additionally, the City reports the following fund types:

The *internal service fund* accounts for the costs associated with the employee health, life and optional insurances, including COBRA, dental, vision and flexible spending accounts. The City uses a Group Insurance fund and a Self-Insurance Fund. In the government-wide statements, internal service funds are included with governmental activities.

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Focus and Basis of Accounting

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

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

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

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

Cash and Cash Equivalents

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

Investments

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Receivables

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

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

Inventories and Prepaid Items

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

Capital Assets

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Long-Term Obligations

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

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

Compensated Absences

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

Deferred Outflows/Inflows of Resources

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Net Position

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

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

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

Fund Balance

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Fund Balance Policies

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

Use of Estimates

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

Pension Plan

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

Program Revenues

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

Property Taxes

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The property tax calendar is as follows:

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

All property taxes levied for the current and any previous years, but not received as of December 31, 2025, are shown as property taxes receivable at that date. These receivables have been reduced to their estimated net realizable value. Estimated uncollectible amounts are based upon historical experience rates and result in a reduction of the related revenue amount at the end of the period. Any of those taxes, which are determined to be unavailable to pay liabilities of the current period, are classified as "Unavailable Revenue" on the Governmental Fund Statements.

Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

GASB Statements Adopted in 2025

The City adopted GASB Statement No. 103, *Financial Report Model Improvements*, the objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The pronouncement had no impact on fiscal year 2025 major fund determination or changed any presentation of major component units. The most significant change reflected would be the format and classification of certain revenues and expenditures in the Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position and inclusion of the budgetary comparison information for the General Fund and major special revenue funds in the Required Supplementary Information section.

The City adopted GASB Statement No. 104, *Disclosure of Certain Capital Assets*, the objective is to provide users of government financial statements with essential information about certain types of capital assets held for resale, right to use assets and intangible assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, should be disclosed separately by major class of underlying asset in the capital assets

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

note disclosures. Subscription assets recognized in accordance with Statement No. 96, Subscription-Based Information Technology Arrangements, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement updates required are reflected in Note 6 Capital Assets.

The City adopted GASB Statement No. 105, *Subsequent Events*, issued in December 2025. GASB 105 updates and replaces prior guidance on subsequent events, clarifies the evaluation period as the date through which financial statements are available to be issued, and establishes more structured requirements for identifying, recognizing, and disclosing subsequent events. The standard distinguishes between recognized events, which provide evidence of conditions existing at the financial statement date and must be reflected in account balances, and nonrecognized events, which require note disclosure when they have a significant effect on the financial statements. The City applied this statement prospectively, and adoption did not have a material effect on the financial statements.

NOTE 2 – CASH AND CASH EQUIVALENTS

Custodial Credit Risk for demand deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes and our bond resolutions require all deposits and investments (other than federal or state government instruments) be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties or municipalities. The City does not have a policy for custodial credit risk. As of December 31, 2025, the City had no uncollateralized deposits.

The carrying amount of the deposits as of December 31, 2025 was $36,283,444 and is reported in the financial statements as follows:

Government-wide Statement of Net Position	
Governmental activities - cash and cash equivalents	$ 34,776,621
Business-type activities - cash and cash equivalents	1,449,264
Fiduciary Funds Statement of Net Position	
Custodial funds - cash and cash equivalents	57,559
Total	$ 36,283,444

NOTE 3 - INVESTMENTS

As of December 31, 2025, the City had investments in the general, 2019 SPLOST, hotel/motel tourism enhancement, street improvement, and sanitation funds.

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

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

NOTE 3 - INVESTMENTS

As of December 31, 2025, the City had the following investments:

			Investment Maturity		
Investment Type	Rating	Fair Value	Less than 1	1-5 years	6-10 years
U.S. Agency Obligations	N/A	$ 3,005,640	$ 3,005,640	$ -	$ -
Georgia Fund 1	AAAf	8,976,551	8,976,551	-	-
Money Market Funds	N/A	2,560,312	2,560,312	-	-
		$ 14,542,503	$ 14,542,503	$ -	$ -

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

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

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

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

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

NOTE 3 - INVESTMENTS

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

Investment Type	Level 1	Level 2	Level 3	Fair Value
U.S. Agency Obligations	$ -	$ 3,005,640	$ -	$ 3,005,640
Money Market Funds	2,560,312	-	-	2,560,312
Total investments measured at fair value	$ 2,560,312	$ 3,005,640	$ -	5,565,952
Investments not subject to level disclosure:				
Georgia Fund 1				8,976,551
Total investments				$ 14,542,503

Reconciliation to the Basic Financial Statements. The investments as of December 31, 2025, as reported in the financial statements as follows:

Government-wide Statement of Net Position	
Governmental activities	$ 14,267,291
Business-type activities	275,212
	$ 14,542,503

NOTE 4 - RECEIVABLES

Amounts other than leases receivable are aggregated into a single receivables (net of allowance for doubtful accounts) line for certain funds and aggregated columns. Below is the detail of receivables for receivables as of December 31, 2025, including applicable allowances for uncollectible accounts:

	General	Nonmajor Funds	Sanitation Fund	Total
Receivables:				
Taxes	$ 463,171	$ 261,025	$ -	$ 724,196
Accounts	5,388	-	134,976	140,364
Other	1,677,233	-	-	1,677,233
Gross receivables	2,145,792	261,025	134,976	2,541,793
Less allowance for uncollectible	-	-	(112,881)	(112,881)
Net receivables	$ 2,145,792	$ 261,025	$ 22,095	$ 2,428,912

NOTE 5 - CAPITAL ASSETS

Governmental Activities capital asset activity for the year ended December 31, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, not being depreciated:				
Land	$ 29,607,383	$ 534,086	$ -	$ 30,141,469
Construction in progress	3,200,789	6,548,554	(5,029,822)	4,719,521
Total capital assets not being depreciated	32,808,172	7,082,640	(5,029,822)	34,860,990
Capital assets, being depreciated:				
Buildings and parks	58,740,518	6,470,009	(271,974)	64,938,553
Other improvements	21,310,736	288,069	(5,496,899)	16,101,906
Machinery and equipment	30,609,673	1,388,406	(2,751,550)	29,246,529
Infrastructure	120,538,869	3,429,001	(103,044)	123,864,826
Total capital assets being depreciated	231,199,796	11,575,485	(8,623,467)	234,151,814
Less accumulated depreciation for:				
Buildings and parks	16,670,553	2,264,960	(122,435)	18,813,078
Other improvements	10,433,677	656,249	(400,197)	10,689,729
Machinery and equipment	16,501,576	1,333,319	(2,714,263)	15,120,632
Infrastructure	43,599,395	3,403,375	(59,071)	46,943,699
Total accumulated depreciation	87,205,201	7,657,903	(3,295,966)	91,567,138
Total capital assets being depreciated, net	143,994,595	3,917,582	(5,327,501)	142,584,676
Governmental activities capital assets, net	$ 176,802,767	$ 11,000,222	$ (10,357,323)	$ 177,445,666

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

Governmental activities:	
General government	$ 121,787
Public safety	764,783
Public works	4,547,898
Community development	2,223,435
Total depreciation expense - governmental activities	$ 7,657,903

NOTE 5 - CAPITAL ASSETS

Business-Type Activities capital asset activity for the year ended December 31, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital assets, being depreciated:				
Machinery and equipment	$ 556,269	$ 234,935	$ -	$ 791,204
Total capital assets being depreciated	556,269	234,935	-	791,204
Less accumulated depreciation for:				
Machinery and equipment	484,089	62,604	-	546,693
Total accumulated depreciation	484,089	62,604	-	546,693
Total capital assets being depreciated, net	72,180	172,331	-	244,511
Business-type activities capital assets, net	$ 72,180	$ 172,331	$ -	$ 244,511

NOTE 6 - LONG-TERM OBLIGATIONS

As of December 31, 2025 the City's governmental activities and business-type activities had no outstanding long-term debt other than compensated absences and net pension liability.

The following is a summary of long-term obligations activity for the year ended December 31, 2025:

	Beginning Balances	Additions	Reductions	Ending Balances	Amounts Due Within One Year
Governmental Activities					
Compensated absences	$ 1,583,568	$ 205,308 *	$ -	$ 1,788,876	$ 1,148,395
Net pension liability	14,489,683	1,159,573	-	15,649,256	-
Total	$ 16,073,251	$ 1,364,881	$ -	$ 17,438,132	$ 1,148,395
Business-type Activities					
Compensated absences	$ 29,799	$ 4,300 *	$ -	$ 34,099	$ 23,959
Net pension liability	454,881	36,205	-	491,086	-
Total	$ 484,680	$ 40,505	$ -	$ 525,185	$ 23,959

* The change in compensated absences liability is presented as a net change

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

NOTE 7 - PENSION PLANS

Plan Description

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

Benefits Provided

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

Employees Covered by Benefit Terms

As of July 1, 2025, the date of the most recent actuarial valuation, the Plan's membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	113
Inactive employees entitled to but not yet receiving benefits	85
Active employees	238
Total membership in the plan	436

Contributions

The City is required to contribute at an actuarially determined rate. Section 47-20-10 of the Georgia code sets forth minimum funding standards for state and local government pension plans. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City contributions to the Plan were $2,030,721 for the year ended December 31, 2025. City employees are not required to contribute to the Plan.

Net Pension Liability

The City's net pension liability was measured as of March 31, 2025, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of July 1, 2025. An expected total pension liability at March 31, 2025 was determined using standard roll-forward techniques.

NOTE 7 - PENSION PLANS

Actuarial Assumptions

The total pension liability in the July 1, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	3%-8.5% including inflation adjustment
Investment rate of return	7.375%, On-going basis, based on long-term expected rate of return of pension plan investments
Mortality Rates:	
Healthy retirees and beneficiaries	Sex-distinct Pri-2012 head-count weighted healthy retiree mortality table with rates multiplied by 1.25
Disabled participants	Sex-distinct Pri-2012 head-count weighted disabled retiree mortality table with rates multiplied by 1.25
Active participants, terminated vested participants, and deferred beneficiaries	Sex-distinct Pri-2012 head-count weighted employee mortality table

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

The actuarial assumptions used in the July 1, 2025 valuation were based on the results of an actuarial study for the period of January 1, 2015 to June 30, 2019.

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45%	6.60%
International equity	20%	7.03%
Domestic fixed income	20%	2.70%
Real estate	10%	3.40%
Global fixed income	5%	3.70%
	100%	

NOTE 7 - PENSION PLANS

Discount Rate

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

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

The Changes in the components of the net pension liability (asset) of the City for the year ended December 31, 2025, were as follows:

	Schedule of Changes in Net Pension Liability		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at March 31, 2024	$ 48,077,683	$ 33,133,119	$ 14,944,564
Changes for the year:			
Service cost	831,699	-	831,699
Interest	3,534,931	-	3,534,931
Different between expected and actual experience	847,202	-	847,202
Assumption change	-	-	-
Contributions-employer	-	2,777,293	(2,777,293)
Contributions-employee	-	-	-
Net investment income	-	1,735,032	(1,735,032)
Benefit payments, including refunds of employee contributions	(1,956,215)	(1,956,215)	-
Administrative expense	-	(55,991)	55,991
Other changes	438,280	-	438,280
Net changes	3,695,897	2,500,119	1,195,778
Balance March 31, 2025	$ 51,773,580	$ 35,633,238	$ 16,140,342

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

NOTE 7 - PENSION PLANS

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

	1% Decrease 6.375%	Current Discount Rate 7.375%	1% Increase 8.375%
Net Pension Liability	$ 22,826,310	$ 16,140,342	$ 10,540,564

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

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - For the year ended December 31, 2025, the City recognized pension expense of $3,169,514. At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	$ 3,375,301	$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	718,647	-
Contributions made subsequent to measurement date	2,030,721	-
Total	$ 6,124,669	$ -

The City's contributions subsequent to the measurement date of $2,030,721 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ended December 31:	
2026	$ 1,824,189
2027	1,478,372
2028	474,597
2029	316,790
2030	-
Thereafter	-

NOTE 7 - PENSION PLANS

Other Pension Plans

Peace Officers' Annuity and Benefit Fund of Georgia

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

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

Georgia Firefighters' Pension Fund

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

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

NOTE 8 – DEFINED CONTRIBUTION PLAN

The City's Internal Revenue Code Section 457 Plan is a deferred compensation plan and qualifies as defined contribution pension plan. The plan is administered by Corebridge. Employees may elect to contribute a portion of their pay, not to exceed IRS guidelines, into the plan. The City does not match contributions for those employed prior to January 1, 2025. Plan provisions and contribution requirements are established and may be amended by the City Council. On December 31, 2025, there were 145 plan members in the 457 plan. During the year ending December 31, 2025, employee contributions were $376,536.

In January of 2024, the City froze the Defined Benefit Plan administered by GMA and elected to provide a 401(a) tax-deferred retirement plan for employees hired after January 1, 2024. The 401(a) plan includes a 10% city contribution of annual base salary and provides up to a 3% match tied to employee contributions into the 457 plan. On December 31, 2025, there were 93 plan members in the 401a plan. During the year ending December 31, 2025, employer contributions were $486,861.

NOTE 9 - INTERFUND BALANCES AND TRANSFERS

Interfund receivable and payable balances as of December 31, 2025, are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	$ 97,885
General Fund	Sanitation Fund	1,063

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

Interfund transfers for the year ended December 31, 2025 consisted of the following:

Transfer In	Transfer Out	Amount
General Fund	Nonmajor Governmental Funds	$ 633,112
Sanitation Fund	General Fund	125,000

During the year ended December 31, 2025, the City made the following one-time transfers:

1. A transfer of $125,000 from the General Fund to the Sanitation Fund for operations.
2. A transfer of $633,112 from the Hotel/Motel Tourism Enhancement Fund to the General Fund to transfer hotel/motel taxes to the general fund for tourism purposes.

NOTE 10 - FUND BALANCE

The composition of the City's fund balances as of December 31, 2025 is as follows:

	General	2019 SPLOST	NSP Grant	2025 SPLOST	Total Nonmajor Funds	Total Governmental Funds
Nonspendable:						
Inventories	$ 38,487	$ -	$ -	$ -	$ -	$ 38,487
Prepaid items	197,505	-	-	-	-	197,505
Restricted for:						
Capital projects	-	10,293,013	-	5,854,068	973,753	17,120,834
Law enforcement	-	-	-	-	142,324	142,324
Tourism	-	-	-	-	10,363	10,363
Committed for:						
Capital projects	-	-	-	-	1,229,909	1,229,909
Assigned						
Community Development	72,827	-	-	-	-	72,827
Unassigned	30,681,198	-	-	-	-	30,681,198
	$ 30,990,017	$ 10,293,013	$ -	$ 5,854,068	$ 2,356,349	$ 49,493,447

NOTE 11 - NET INVESTMENT IN CAPITAL ASSETS

The "net investment in capital assets" reported in the government-wide financial statement of net position as of December 31, 2025 are as follows:

	Governmental Activities	Business-type Activities	Total
Cost of capital assets	$ 269,012,804	$ 791,204	$ 269,804,008
Less accumulated depreciation	(91,567,138)	(546,693)	(92,113,831)
Book value	177,445,666	244,511	177,690,177
Less retainage payable	(242,812)	-	(242,812)
Net investment in capital assets	$ 177,202,854	$ 244,511	$ 177,447,365

NOTE 12 - HOTEL/MOTEL LODGING TAX

The City levies an 8% lodging tax, allocated as required by O.C.G.A. $48-13-51(a)(5.1), with 37.5% to Explore Newnan Coweta (Destination Marketing Organization) (DMO), 25.0% allocated to operation costs of the Convention Center and 37.5% as unrestricted funds available to the City. The change in local ordinance took effect on January 1, 2020, as a result of approved enabling legislation. Total Hotel/Motel taxes collected were $1,688,298, of which $633,112 was allocated to the Explore Newnan Coweta and $422,075 for the Convention Center.

NOTE 13 – OTHER COMMITMENTS

Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

2019 SPLOST	$ 4,730,086
2025 SPLOST	4,656,668
Nonmajor Governmental Funds	53,084
Total	$ 9,439,838

NOTE 14 - CONTINGENCIES

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

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

NOTE 15 - RISK MANAGEMENT

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

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

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

NOTE 15 - RISK MANAGEMENT

The City of Newnan must participate at all times in at least one fund established by GIRMA. The City retains the first $500,000 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 $500,000 deductible. The City went from a fully insured plan to a self-insured plan in 2025.

The basis for estimating the liabilities for unpaid claims is "IBNR" or "incurred but not reported" established by an actuary. As of December 31, 2025, 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.

NOTE 16 – RESTATEMENT OF BEGINNING BALANCES

Changes Within the Financial Reporting Entity

During the current year, the City reassessed the classification of its governmental funds in accordance established by Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. As a result of this reassessment, the American Rescue Plan Act Fund no longer meets the criteria for major fund reporting based on its financial activity relative to total governmental funds. Accordingly, the American Rescue Plan Act Fund is presented as a nonmajor governmental fund in the fund financial statements for the fiscal year ended December 31, 2025.

The changes in fund classification had no effect on the total fund balance or net position of the City, nor did they affect the results of operations.

NOTE 17 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 9, 2026, which is the date the financial statements were available to be issued. No subsequent events were identified that require recognition or disclosure in these financial statements.

NOTE 18 – DISCRETELY PRESENTED COMPONENT UNITS

Newnan Convention Center Authority (Convention Center)

Investments

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

NOTE 18 – DISCRETELY PRESENTED COMPONENT UNITS

Interest Rate Risk. The Convention Center 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.

As of December 31, 2025, the Convention Center had the following investments:

			Investment Maturity		
Investment Type	Rating	Fair Value	Less than 1	1-5 years	6-10 years
Equities	N/A	$ 822,819	$ 822,819	$ -	$ -
		$ 822,819	$ 822,819	$ -	$ -

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

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

Debt and equity securities classified as Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches: debt securities are normally valued based on price data obtained from observed transactions and market price quotations from broker dealers and/or pricing vendors; equity securities are valued using fair value per share for each fund. Certificates of deposit classified in level 2 are valued using broker quotes that utilize observable market inputs. Securities classified as Level 3 have limited trade information, these securities are priced or using the last trade price or estimated using recent trade prices.

Investment Type	Level 1	Level 2	Level 3	Fair Value
Equities	$ 822,819	$ -	$ -	$ 822,819
	$ 822,819	$ -	$ -	822,819
Total investments measured at fair value				
Investments not subject to level disclosure:				-
Total investments				$ 822,819

NOTE 18 – DISCRETELY PRESENTED COMPONENT UNITS

Capital Assets

Capital asset activity for the Convention Center for the year ended December 31, 2025, was as follows:

	Balance	Increases	Decreases	Balance
Capital assets, not being depreciated:				
Gazebo	$ 518,616	$ -	$ -	$ 518,616
Machinery and equipment	92,340	227,440	-	319,780
Total capital assets being depreciated	610,956	227,440	-	838,396
Less accumulated depreciation for:				
Gazebo	79,285	20,745	-	100,030
Machinery and equipment	26,274	28,524	-	54,798
Total accumulated depreciation	105,559	49,269	-	154,828
Total capital assets being depreciated, net	505,397	178,171	-	683,568
Total Convention Center capital assets	$ 505,397	$ 178,171	$ -	$ 683,568

The Newnan Urban Redevelopment Authority (the "NURA")

Capital Assets

Capital asset activity for the Urban Redevelopment Authority for the year ended December 31, 2025:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 25,000	$ -	$ (25,000)	$ -
Construction in progress	780,412	-	(780,412)	-
Buildings	-	1,560,785	-	1,560,785
	805,412	1,560,785	(805,412)	1,560,785
Less accumulated depreciation for:				
Buildings	-	19,510	-	19,510
Total capital assets being depreciated, net	805,412	1,541,275	(805,412)	1,541,275
Total capital assets not being depreciated	$ 805,412	$ 1,541,275	$ (805,412)	$ 1,541,275

NOTE 18 – DISCRETELY PRESENTED COMPONENT UNITS

Long-Term Obligations

The following is a summary of long-term obligations activity for the NURA for the year ended December 31, 2025:

	Beginning Balances	Additions	Reductions	Ending Balances	Due Within One Year
Note payable	$ 150,000	$ -	$ (150,000)	$ -	$ -
Total	$ 150,000	$ -	$ (150,000)	$ -	$ -

Note Payable

During 2020 and 2021, the City loaned the Urban Redevelopment Authority $150,000 to fund the rehabilitation of single-family housing in downtown Newnan. Terms of the intergovernmental agreement require the repayment of the loan upon the sale of the property. Any proceeds in excess of the loan will be maintained by the Agency to fund future projects. The loan is non-interest bearing. During 2025, the loan was forgiven by the City.

Newnan Water, Sewerage and Light Commission (NWSL Commission)

Capital Assets

Capital asset activity for the NWSL Commission for the year ended December 31, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 7,797,571	$ -	$ -	$ 7,797,571
Construction in progress	6,353,734	6,868,046	(13,103,875)	117,905
Total capital assets not being depreciated	14,151,305	6,868,046	(13,103,875)	7,915,476
Capital assets, being depreciated:				
Buildings, lines and improvements	237,106,092	14,432,360	(1,900,889)	249,637,563
Equipment and other	23,945,906	2,821,460	(1,141,636)	25,625,730
Total capital assets being depreciated	261,051,998	17,253,820	(3,042,525)	275,263,293
Less accumulated depreciation for:				
Buildings, lines and improvements	125,977,178	9,388,019	(1,900,889)	133,464,308
Equipment and other	12,657,060	1,306,254	(1,077,535)	12,885,779
Total accumulated depreciation	138,634,238	10,694,273	(2,978,424)	146,350,087
Total capital assets being depreciated, net	122,417,760	6,559,547	(64,101)	128,913,206
Total NWSL Commission capital assets	$ 136,569,065	$ 13,427,593	$ (13,167,976)	$ 136,828,682

NOTE 18 – DISCRETELY PRESENTED COMPONENT UNITS

The following is a summary of long-term obligations activity for the NWSL Commission for the year ended December 31, 2025:

Long-Term Obligations

	Beginning Balances	Additions	Reductions	Ending Balances	Amounts Due Within One Year
Bonds payable					
Revenue bonds	$ 12,555,137	$ -	$ (1,622,644)	$ 10,932,493	$ 1,689,691
Premium	280,098	-	(41,207)	238,891	-
Total bonds payable	12,835,235	-	(1,663,851)	11,171,384	1,689,691
Other liabilities					
Deferred compensation	1,412,183	-	(168,734)	1,243,449	175,000
Total	$ 14,247,418	$ -	$ (1,832,585)	$ 12,414,833	$ 1,864,691

Revenue Bonds

Series 2006 Revenue Bonds

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

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

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

The Series 2006 Bonds bear interest at rates ranging from 3.55 percent to 5.25 percent and mature at various dates through January 1, 2036. The Series 2006 Bonds are payable solely from the net revenues of the System, as defined. Accrued interest related to the Series 2006 Bonds at December 31, 2025 was $30,187.

NOTE 18 – DISCRETELY PRESENTED COMPONENT UNITS

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

On January 10, 2017, the Commission defeased a portion of the Series 2006 Bonds from the issuance of the Series 2017 Bonds. Proceeds of $13,511,000 were used to purchase securities that were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the Series 2006 Bonds. As a result, the portion of the Series 2006 Bonds is considered legally defeased and has been removed from the Commission's books. As of December 31, 2025, the outstanding balance of the Series 2006A Bonds is $1,150,000 and the unamortized bond premium is $1,834.

Series 2015 Revenue Bonds

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

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

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

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

The net proceeds of $11,508,370 were used to purchase securities that were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the 2006 Series Bonds. As a result, the portions of Series 2006 bonds refunded are considered legally defeased and have been removed from Commission's books. Accrued interest related to the Series 2015 Bonds at December 31, 2025 was $64,225. As of December 31, 2025, the outstanding balance of the Series 2015A Bonds is $6,935,000 and the unamortized bond premium is $237,057.

Series 2017 Revenue Bonds

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

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

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

NOTE 18 – DISCRETELY PRESENTED COMPONENT UNITS

The net proceeds of $13,511,000 were used to purchase securities that were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the 2006 Series Bonds. As a result, the portions of Series 2006 bonds have been removed from Commission's books. Accrued interest related to the Series 2017 Bonds at December 31, 2025 was $88,916. As of December 31, 2025, the outstanding balance of the Series 2017A Bonds is $2,847,493.

Annual debt service requirements to maturity for the revenue bonds as of December 31, 2025, are as follows:

Fiscal year ending December 31,	Principal	Interest	Total
2026	$ 1,689,691	$ 348,127	$ 2,037,818
2027	1,127,021	294,876	1,421,897
2028	1,154,641	264,221	1,418,862
2029	1,187,558	231,089	1,418,647
2030	1,225,778	192,214	1,417,992
2031 - 2036	4,547,804	519,422	5,067,226
Total	$ 10,932,493	$ 1,849,949	$ 12,782,442



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NEWNAN, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Variance with Original Budget Over (Under)		Variance with Final Budget Over (Under)
	Original	Final	Final Budget	Actual	Actual
Revenues					
Taxes					
Property	$ 7,688,064	$ 7,688,064	$ -	$ 7,831,298	$ 143,234
Franchise	1,762,000	1,762,000	-	1,943,856	181,856
Sales	12,300,000	12,300,000	-	12,401,643	101,643
Motor vehicle	1,586,000	1,586,000	-	1,654,669	68,669
Insurance premium	3,920,000	4,620,000	700,000	4,625,314	5,314
Occupational	3,025,000	3,071,500	46,500	3,168,912	97,412
Alcoholic beverage	1,205,000	1,205,000	-	1,142,921	(62,079)
Other	287,000	287,000	-	310,980	23,980
Licenses and permits	696,675	696,675	-	875,768	179,093
Intergovernmental	1,093,500	1,093,500	-	1,446,909	353,409
Intergovernmental - Utility	1,850,000	1,960,000	110,000	1,963,299	3,299
Charges for services	365,700	365,700	-	361,750	(3,950)
Fines and forfeitures	860,000	860,000	-	1,000,252	140,252
Investment earnings	397,726	397,726	-	604,581	206,855
Miscellaneous	175,000	175,000	-	167,464	(7,536)
Total revenues	37,211,665	38,068,165	856,500	39,499,616	1,431,451
Expenditures					
Current					
General government					
City council	331,364	478,364	147,000	476,753	(1,611)
City manager	1,325,394	1,513,394	188,000	1,508,241	(5,153)
Finance	709,319	709,319	-	663,696	(45,623)
Information technology	819,958	823,958	4,000	822,973	(985)
Human resources	5,449,231	5,472,231	23,000	5,472,203	(28)
Municipal court	671,727	683,927	12,200	681,062	(2,865)
Facilities maintenance	1,083,257	1,150,257	67,000	1,149,822	(435)
Total general government	10,390,250	10,831,450	441,200	10,774,750	(56,700)
Public safety					
Police	11,596,074	11,816,074	220,000	11,812,360	(3,714)
Fire	7,024,903	7,059,903	35,000	7,054,750	(5,153)
Total public safety	18,620,977	18,875,977	255,000	18,867,110	(8,867)
Public works					
Administration	242,157	242,157	-	238,181	(3,976)
Engineer	629,335	629,335	-	547,655	(81,680)
Keep Newnan Beautiful	161,160	193,160	32,000	192,402	(758)
Streets	2,149,200	2,149,200	-	2,015,603	(133,597)
Garage	424,623	459,623	35,000	456,747	(2,876)
Cemetery	728,088	768,088	40,000	763,938	(4,150)
Total public works	4,334,563	4,441,563	107,000	4,214,526	(227,037)

(continued on the following page)

CITY OF NEWNAN, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Variance with Original Budget Over (Under)		Variance with Final Budget Over (Under)
	Original	Final	Final Budget	Actual	Actual
Community development					
Planning and zoning	604,943	635,443	30,500	632,452	(2,991)
Business development and special events	178,683	190,683	12,000	189,784	(899)
Library	247,987	262,787	14,800	262,228	(559)
Leisure services	611,939	611,939	-	579,308	(32,631)
Parks and ROW beautification	1,782,543	1,782,543	-	1,780,070	(2,473)
Building inspection	1,015,140	1,015,140	-	989,588	(25,552)
Total community development	4,441,235	4,498,535	57,300	4,433,430	(65,105)
Total expenditures	37,787,025	38,647,525	860,500	38,289,816	(357,709)
Excess of revenues over (under) expenditures	(575,360)	(579,360)	(4,000)	1,209,800	1,789,160
Other Financing Sources (Uses)					
Transfers in	540,000	540,000	-	633,112	93,112
Transfers out	(125,000)	(125,000)	-	(125,000)	-
Insurance recoveries	125,000	125,000	-	139,507	14,507
Sale of capital assets	35,000	35,000	-	57,172	22,172
Total other financing sources (uses)	575,000	575,000	-	704,791	129,791
Net change in fund balances	(360)	(4,360)	(4,000)	1,914,591	1,918,951
Fund balance - beginning	29,075,426	29,075,426	-	29,075,426	-
Fund balance - ending	$ 29,075,066	$ 29,071,066	$ (4,000)	$ 30,990,017	$ 1,918,951

CITY OF NEWNAN, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
NSP GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Variance with Original Budget Over (Under)		Variance with Final Budget Over (Under)
	Original	Final	Final Budget	Actual	Actual
Revenues					
Intergovernmental	$ 750,000	$ 750,000	$ -	$ 84,862	$ (665,138)
Investment earnings	3,000	3,000	-	2,446	(554)
Total revenues	753,000	753,000	-	87,308	(665,692)
Expenditures					
Current					
Community development	753,000	753,000	-	87,308	(665,692)
Total expenditures	753,000	753,000	-	87,308	(665,692)
Net change in fund balances	-	-	-	-	-
Fund balance - beginning	-	-	-	-	-
Fund balance - ending	$ -	$ -	$ -	$ -	$ -

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

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

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

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

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

NOTE 2 – GENERAL FUND BUDGETARY HIGHLIGHTS

Original budget compared to final budget. During the year, there was no need for any significant amendments to increase either the original estimated revenues or original budgeted appropriations. However, there were minor amendments to revenue sources to offset amendments for minor department expenditures to maintain a balanced budget. The additional revenue mostly came from higher-than-expected Insurance Premium Taxes which is based on population distribution ratios. The additional revenue was $705,000 over estimated. The City also received a final $396,616 reimbursement in intergovernmental revenue from FEMA for the EF4 tornado from 2021.

Final budget compared to actual results. The most significant differences between estimated revenues and actual revenues were as follows:

Revenue Source	Original Budget	Final Budget	Variance in Budget	Actual Revenues	Variance In actual / Final
Taxes	$ 31,773,064	32,519,564	746,500	$ 33,079,594	$ 560,030
Intergovernmental	2,943,500	3,053,500	110,000	3,410,208	356,708
Charges for Services	365,700	365,700	-	361,750	(3,950)
Fines and Forfeitures	860,000	860,000	-	1,000,252	140,252
Investment Earnings	397,726	397,726	-	604,581	206,855
Miscellaneous	175,000	175,000	-	167,464	(7,536)

A review of actual expenditures compared to the appropriations in the final budget yields no significant variances. However, most of the variances included a loan forgiveness of $150,000 for the Neighborhood Stabilization Program (NURA) in the General Government Function, retirement expenditures exceeded by a minor 2.5% in several departments creating the need for amendments to that line item at the department level. Other underestimated expenditures were in repairs and maintenance due to aging fleet vehicles. The City continues replacing aging vehicles annually, however, the City still has a few high milage vehicles in service. These amendments totaled $185,500 in repairs and maintenance. Full-time wages also created a need for amendments mainly in the Public Safety Function and General Government Function which totaled $131,500. Total amendments for full-time wages equaled $159,000. The City is constantly improving programs to its benefit package to remain competitive in the market. Several other departments had other minor amendments. Overall, total budget amendments to revenue and expenditures equaled $856,500.

NOTE 2 – GENERAL FUND BUDGETARY HIGHLIGHTS (Continued)

Final budget compared to actual results. The most significant differences between estimated expenditures and actual expenditures were as follows:

Expenditures By Function	Original Budget	Final Budget	Variance in Budget	Actual Expenditures	Variance In actual / Final
General Government	$ 10,390,250	$ 10,831,450	441,200	$ 10,774,750	(56,700)
Public Safety	18,620,977	18,875,977	255,000	18,867,110	(8,867)
Public Works	4,334,563	4,441,563	107,000	4,214,526	(227,037)
Community Development	4,441,235	4,498,535	57,300	4,433,430	(7,805)

NOTE 3 – NSP GRANT FUND BUDGETARY HIGHLIGHTS

The intergovernmental revenues were less than the budgeted amount due to reductions in state funding for the community development programs. Programs are submitted for approval in advance. In 2025 there was one minor project which resulted in less revenue than anticipated. Accordingly, the spending in this program was less than budgeted to reflect the reduced revenue.

Revenue Source	Original Budget	Final Budget	Variance in Budget	Actual Revenues	Variance In actual / Final
Intergovernmental	$ 750,000	750,000	-	$ 84,862	$ (665,138)
Investment Earnings	3,000	3,000	-	2,446	(554)

Expenditures	Original Budget	Final Budget	Variance in Budget	Actual Expenditures	Variance In actual / Final
Community Development	753,000	753,000	-	87,308	(665,692)

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability										
Service cost	$ 831,699	$ 706,358	$ 660,499	$ 656,162	$ 596,556	$ 551,411	$ 452,206	$ 471,446	$ 401,175	$ 404,718
Interest	3,534,931	3,190,764	2,964,812	2,764,770	2,516,640	2,146,524	1,983,417	1,800,719	1,588,662	1,486,432
Differences between expected and actual experience	847,202	2,553,696	1,169,853	924,874	1,632,622	1,275,590	797,280	1,078,922	167,523	201,802
Changes of assumptions	-	-	-	-	-	-	-	-	-	-
Benefit payments, including refund of employee contributions	(1,956,215)	(1,862,744)	(1,691,788)	(1,583,643)	(1,298,244)	(1,206,507)	(1,108,194)	(876,903)	(789,534)	(758,180)
Other changes	438,280	-	-	-	-	2,737,313	-	399,742	1,412,078	-
Net change in total pension liability	3,695,897	4,588,074	3,103,376	2,762,163	3,447,574	5,504,331	2,124,709	2,873,926	2,779,904	1,334,772
Total pension liability-beginning	48,077,683	43,489,609	40,386,233	37,624,070	34,176,496	28,672,165	26,547,456	23,673,530	20,893,626	19,558,854
Total pension liability-ending (a)	$ 51,773,580	$ 48,077,683	$ 43,489,609	$ 40,386,233	$ 37,624,070	$ 34,176,496	$ 28,672,165	$ 26,547,456	$ 23,673,530	$ 20,893,626
Plan fiduciary net position										
Contributions-employer	$ 2,777,293	$ 1,783,708	$ 2,039,273	$ 1,832,615	$ 1,494,800	$ 1,266,798	$ 1,068,451	$ 897,255	$ 844,941	$ 901,568
Contributions-employee	-	-	-	-	-	-	-	-	-	-
Net investment income	1,735,032	4,831,448	(2,013,840)	1,720,725	8,774,599	(1,463,582)	726,921	2,229,592	2,004,621	50,727
Employee contribution refunds	-	-	-	-	-	-	-	-	-	-
Benefit payments	(1,956,215)	(1,862,744)	(1,691,788)	(1,583,643)	(1,298,244)	(1,206,507)	(1,108,194)	(876,903)	(789,534)	(758,180)
Administrative expense	(55,991)	(47,318)	(55,102)	(50,170)	(47,705)	(54,776)	(47,331)	(45,704)	(46,562)	(34,735)
Other	-	-	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	2,500,119	4,705,094	(1,721,457)	1,919,527	8,923,450	(1,458,067)	639,847	2,204,240	2,013,466	159,380
Plan fiduciary net position-beginning	33,133,119	28,428,025	30,149,482	28,229,955	19,306,505	20,764,572	20,124,725	17,920,485	15,907,019	15,747,639
Plan fiduciary net position-ending (b)	$ 35,633,238	$ 33,133,119	$ 28,428,025	$ 30,149,482	$ 28,229,955	$ 19,306,505	$ 20,764,572	$ 20,124,725	$ 17,920,485	$ 15,907,019
City's net pension liability (assets) - ending (a) - (b)	$ 16,140,342	$ 14,944,564	$ 15,061,584	$ 10,236,751	$ 9,394,115	$ 14,869,991	$ 7,907,593	$ 6,422,731	$ 5,753,045	$ 4,986,607
Plan fiduciary net position as a percentage of the total pension liability (asset)	68.83%	68.92%	65.37%	74.65%	75.03%	56.49%	72.42%	75.81%	75.70%	76.13%
Covered payroll	$ 17,090,998	$ 18,096,063	$ 15,782,817	$ 14,320,232	$ 14,196,063	$ 13,327,970	$ 12,644,996	$ 11,019,866	$ 10,770,659	$ 10,607,616
City's net pension liability (asset) as a percentage of covered payroll	94.44%	82.58%	95.43%	71.48%	66.17%	111.57%	62.54%	58.28%	53.41%	47.01%

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 2,707,628	$ 2,291,330	$ 2,122,036	$ 2,020,885	$ 1,772,923	$ 1,405,794	$ 1,216,766	$ 1,019,013	$ 856,669	$ 841,031
Contributions in relation to the actuarially determined contribution	2,707,628	2,291,330	2,122,036	2,020,885	1,772,923	1,405,794	1,216,766	1,019,013	856,669	841,031
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 17,090,998	$ 18,096,063	$ 15,782,817	$ 14,320,232	$ 14,196,063	$ 11,173,242	$ 11,173,242	$ 11,019,866	$ 10,775,711	$ 10,605,687
Contributions as a percentage of covered payroll	15.84%	12.66%	13.45%	14.11%	12.49%	12.58%	10.89%	9.25%	7.95%	7.93%

Notes to the Schedule:

Actuarial Assumptions

Valuation Date	July 1, 2025
Cost Method	Projected Unit Credit
Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Assumed Rate of Return on Investments	7.375%
Projected Salary Increases	2.25% plus service-based merit increases
Cost-of-Living Adjustment	N/A
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization Period	Varies for the bases, with a net effective amortization period of 12 years



COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

Opioid Settlement Fund -- To account for the proceeds collected from opioid settlements.

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

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

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

American Rescue Plan Act Fund – to account for the proceeds of direct funding through the American Rescue Plan Act (ARPA).

Capital Projects Funds

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

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

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

CITY OF NEWNAN, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	Special Revenue Funds						Capital Projects Funds		
	Confiscated Assets	Opioid Settlement	CHIP Grant	Miscellaneous Grants	Hotel/Motel Tourism Enhancement	American Rescue Plan Act	Street Improvement	Impact Funds	Total Nonmajor Governmental Funds
Assets									
Cash and cash equivalents	$ 142,324	$ -	$ -	$ 105,658	$ 10,364	$ 59,713	$ 620,413	$ 1,229,909	$ 2,168,381
Investments	-	-	-	-	-	-	353,340	-	353,340
Receivables, net	-	-	-	-	261,025	-	-	-	261,025
Total assets	$ 142,324	$ -	$ -	$ 105,658	$ 271,389	$ 59,713	$ 973,753	$ 1,229,909	$ 2,782,746
Liabilities									
Accounts payable	$ -	$ -	$ -	$ -	$ 163,141	$ 28,573	$ -	$ -	$ 191,714
Due to other funds	-	-	-	-	97,885	-	-	-	97,885
Unearned revenue	-	-	-	105,658	-	31,140	-	-	136,798
Total liabilities	-	-	-	105,658	261,026	59,713	-	-	426,397
Fund Balances									
Restricted	142,324	-	-	-	10,363	-	973,753	-	1,126,440
Committed	-	-	-	-	-	-	-	1,229,909	1,229,909
Total fund balances	142,324	-	-	-	10,363	-	973,753	1,229,909	2,356,349
Total Liabilities and Fund Balances	$ 142,324	$ -	$ -	$ 105,658	$ 271,389	$ 59,713	$ 973,753	$ 1,229,909	$ 2,782,746

CITY OF NEWNAN, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Special Revenue Funds						Capital Projects Funds		
	Confiscated Assets	Opioid Settlement	CHIP Grant	Miscellaneous Grants	Hotel/Motel Tourism Enhancement	American Rescue Plan Act	Street Improvement	Impact Funds	Total Nonmajor Governmental Funds
Revenues									
Taxes	$ -	$ -	$ -	$ -	$ 1,688,298	$ -	$ -	$ -	$ 1,688,298
Intergovernmental	-	-	67,120	29,656	-	3,028,715	1,103,427	-	4,228,918
Charges for services	-	-	-	-	-	-	-	188,043	188,043
Fines and forfeitures	118,010	33,755	-	-	-	-	-	-	151,765
Investment earnings	62	-	-	-	-	156	14,688	9,892	24,798
Contributions and donations	-	-	-	1,385	-	-	-	-	1,385
Total revenues	118,072	33,755	67,120	31,041	1,688,298	3,028,871	1,118,115	197,935	6,283,207
Expenditures									
Current									
General government	-	33,755	-	23,016	-	187,251	-	-	244,022
Public safety	82,517	-	-	8,025	-	268,521	-	-	359,063
Public works	-	-	-	-	-	2,573,099	1,099,584	-	3,672,683
Tourism	-	-	-	-	1,117,783	-	-	-	1,117,783
Community development	-	-	67,120	-	-	-	-	-	67,120
Capital outlay	-	-	-	-	-	-	-	103,063	103,063
Total expenditures	82,517	33,755	67,120	31,041	1,117,783	3,028,871	1,099,584	103,063	5,563,734
Excess (deficiency) of revenues over (under) expenditures	35,555	-	-	-	570,515	-	18,531	94,872	719,473
Other Financing Sources (Uses)									
Transfers out	-	-	-	-	(633,112)	-	-	-	(633,112)
Total other financing sources (uses)	-	-	-	-	(633,112)	-	-	-	(633,112)
Net change in fund balances	35,555	-	-	-	(62,597)	-	18,531	94,872	86,361
Fund balances - beginning	106,769	-	-	-	72,960	-	955,222	1,135,037	2,269,988
Fund balances - ending	$ 142,324	$ -	$ -	$ -	$ 10,363	$ -	$ 973,753	$ 1,229,909	$ 2,356,349

CITY OF NEWNAN, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CONFISCATED ASSETS FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Variance with Original Budget Over (Under)		Variance with Final Budget Over (Under)
	Original	Final	Final Budget	Actual	Actual
Revenues					
Fines and forfeitures	$ 110,000	$ 110,000	$ -	$ 118,010	$ 8,010
Investment earnings	3,180	3,180	-	62	(3,118)
Total revenues	113,180	113,180	-	118,072	4,892
Expenditures					
Current					
Public safety	82,500	82,518	18	82,517	1
Net change in fund balances	30,680	30,662	(18)	35,555	4,893
Fund balance - beginning	106,769	106,769	-	106,769	-
Fund balance - ending	$ 137,449	$ 137,431	$ (18)	$ 142,324	$ 4,893

CITY OF NEWNAN, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
OPIOID SETTLEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Variance with Original Budget Over (Under) Final Budget	Actual	Variance with Final Budget Over (Under) Actual
	Original	Final			
Revenues					
Fines and forfeitures	$ 100,000	$ 100,000	$ -	$ 33,755	$ (66,245)
Investment earnings	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	100,000	100,000	-	33,755	(66,245)
Expenditures					
Current					
General government	100,000	100,000	-	33,755	66,245
Net change in fund balances	-	-	-	-	-
Fund balance - beginning	-	-	-	-	-
Fund balance - ending	$ -	$ -	$ -	$ -	$ -

CITY OF NEWNAN, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CHIP GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Variance with Original Budget Over (Under)		Variance with Final Budget Over (Under)
	Original	Final	Final Budget	Actual	Actual
Revenues					
Intergovernmental	$ 75,000	$ 75,000	$ -	$ 67,120	$ (7,880)
Contributions and donations	-	-	-	-	-
Total revenues	75,000	75,000	-	67,120	(7,880)
Expenditures					
Current					
Community development	75,000	75,000	-	67,120	7,880
Net change in fund balances	-	-	-	-	-
Fund balance - beginning	-	-	-	-	-
Fund balance - ending	$ -	$ -	$ -	$ -	$ -

CITY OF NEWNAN, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MISCELLANEOUS GRANTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Variance with Original Budget Over (Under)		Variance with Final Budget Over (Under)
	Original	Final	Final Budget	Actual	Actual
Revenues					
Intergovernmental	$ 14,600	$ 34,600	$ 20,000	$ 29,656	$ (4,944)
Contributions and donations	30,000	10,000	(20,000)	1,385	(8,615)
Total revenues	44,600	44,600	-	31,041	(13,559)
Expenditures					
Current					
General government	36,000	36,000	-	23,016	12,984
Public safety	8,600	8,600	-	8,025	575
Total expenditures	44,600	44,600	-	31,041	13,559
Net change in fund balances	-	-	-	-	-
Fund balance - beginning	-	-	-	-	-
Fund balance - ending	$ -	$ -	$ -	$ -	$ -

CITY OF NEWNAN, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HOTEL/MOTEL TOURISM ENHANCEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Variance with Original Budget Over (Under)		Variance with Final Budget Over (Under)
	Original	Final	Final Budget	Actual	Actual
Revenues					
Taxes	$ 1,440,000	$ 1,747,880	$ 307,880	$ 1,688,298	$ (59,582)
Expenditures					
Current					
Tourism	900,000	1,155,050	255,050	1,117,783	37,267
Excess of revenues over (under) expenditures	540,000	592,830	52,830	570,515	(22,315)
Other Financing Sources (Uses)					
Transfers out	(540,000)	(655,230)	(115,230)	(633,112)	22,118
Total other financing sources (uses)	(540,000)	(655,230)	(115,230)	(633,112)	22,118
Net change in fund balances	-	(62,400)	(62,400)	(62,597)	(197)
Fund balance - beginning	72,960	72,960	-	72,960	-
Fund balance - ending	$ 72,960	$ 10,560	$ (62,400)	$ 10,363	$ (197)

CITY OF NEWNAN, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
AMERICAN RESCUE PLAN ACT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Variance with Original Budget Over (Under)		Variance with Final Budget Over (Under)
	Original	Final	Final Budget	Actual	Actual
Revenues					
Intergovernmental	$ 3,022,395	$ 3,061,000	$ 38,605	$ 3,028,715	$ (32,285)
Investment earnings	-	-	-	156	156
Total revenues	3,022,395	3,061,000	38,605	3,028,871	(32,129)
Expenditures					
Current					
General government	121,557	197,207	75,650	187,251	9,956
Public safety	268,521	268,521	-	268,521	-
Public works	2,632,317	2,632,317	-	2,573,099	59,218
Total expenditures	3,022,395	3,098,045	75,650	3,028,871	69,174
Net change in fund balances	-	(37,045)	(37,045)	-	37,045
Fund balance - beginning	-	-	-	-	-
Fund balance - ending	$ -	$ (37,045)	$ (37,045)	$ -	$ 37,045

CITY OF NEWNAN, GEORGIA
SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
SPECIAL LOCAL OPTION SALES TAX (2019)
FOR THE YEAR ENDED DECEMBER 31, 2025

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
2019 SPECIAL LOCAL OPTION SALES TAX					
Public Safety	$ 3,250,000	$ 7,166,725	$ 7,166,725	$ -	$ 7,166,725
Information Systems	193,469	300,000	285,301	14,698	299,999
Parks and Recreation	14,000,000	17,013,625	15,167,105	995,709	16,162,814
Streets, Drains, Sidewalks and Equipment	15,001,193	23,319,573	10,539,356	3,940,928	14,480,284
Transfer to Water, Light and Sewerage	3,604,830	5,286,865	5,286,865	-	5,286,865
Total	$ 36,049,492	$ 53,086,788	$ 38,445,352	$ 4,951,335	$ 43,396,687
2025 SPECIAL LOCAL OPTION SALES TAX					
Public Safety	$ 14,015,000	$ 14,015,000	$ -	$ 41,301	$ 41,301
Information Systems	500,000	500,000	-	178,527	178,527
Parks and Recreation	13,100,000	13,100,000	-	1,586,277	1,586,277
Streets, Drains, Sidewalks and Equipment	24,300,000	24,300,000	-	1,758,598	1,758,598
Public Facilities	6,650,000	6,650,000	-	72,210	72,210
Transfer to Water, Light and Sewerage	5,856,500	5,856,500	-	1,054,523	1,054,523
	$ 64,421,500	$ 64,421,500	$ -	$ 4,691,436	$ 4,691,436

INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for certain risk financing activities, and the financing of goods or services provided by one department or agency to other departments or agencies on a cost reimbursement basis. The City has the following four Internal Service Funds.

Group Insurance Fund - This fund is used to account for the risk that an employee (and their covered dependents) will require preventative or curative professional services for the maintenance of their health during the year. Each department and its employees (depending upon their particular coverage) are assessed a charge which represents a pro rata share of the cost for medical coverage. These assessments are used to pay health claims and the associated administrative expenses. This fund also pays for the Employee Assistance Program (EAP) and other health related costs such as flu shots.

Workers' Compensation Self-Insurance Fund – This fund is used to account for the financing of the risk that an employee will be injured or have health issues in the course of performing their duties at work. Individual departments and funds are assessed a charge by the fund based on the actual cost of workers' compensation claims. These assessments are used to pay workers' compensation claims and associated administrative expenses that arise during the period.

CITY OF NEWNAN, GEORGIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2025

	Self-Insurance Funds		
	Group Insurance	Workers' Compensation	Total
Assets			
Current assets			
Cash and cash equivalents	$ 1,180,495	$ 149,944	$ 1,330,439
Total current assets	1,180,495	149,944	1,330,439
Total assets	1,180,495	149,944	1,330,439
Liabilities			
Current liabilities			
Accounts payable	7,491	12,634	20,125
Claims payable	248,326	4,272	252,598
Total current liabilities	255,817	16,906	272,723
Total liabilities	255,817	16,906	272,723
Net Position			
Unrestricted	924,678	133,038	1,057,716
Total net position	$ 924,678	$ 133,038	$ 1,057,716

CITY OF NEWNAN, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Self-Insurance Funds		
	Group Insurance	Workers' Compensation	Total
Operating Revenues			
Charges for sales and services	$ 6,831,378	$ 233,410	$ 7,064,788
Operating Expenses			
Claims	6,982,975	100,393	7,083,368
Operating income	(151,597)	133,017	(18,580)
Other nonoperating Revenues (Expenses)			
Interest income	3,438	21	3,459
Total nonoperating revenues (expenses), net	3,438	21	3,459
Change in net position	(148,159)	133,038	(15,121)
Net position - beginning	1,072,837	-	1,072,837
Net position - ending	$ 924,678	$ 133,038	$ 1,057,716

CITY OF NEWNAN, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Self-Insurance Funds		
	Group Insurance	Workers' Compensation	Total
Cash Flows from Operating Activities			
Receipts from customers and users	$ 1,064,745	$ -	$ 1,064,745
Receipts from interfund services provided	5,766,633	233,410	6,000,043
Payments to suppliers	(6,937,330)	(83,487)	(7,020,817)
Net cash provided (used) by operating activities	(105,952)	149,923	43,971
Cash Flows from Investing Activities			
Interest income on investments	3,438	21	3,459
Net cash provided by investing activities	3,438	21	3,459
Net change in cash and cash equivalents	(102,514)	149,944	47,430
Cash and cash equivalents beginning of year	1,283,009	-	1,283,009
Cash and cash equivalents end of year	$ 1,180,495	$ 149,944	$ 1,330,439
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	$ (151,597)	$ 133,017	$ (18,580)
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:			
Net change in due from other funds	11,695	-	11,695
Net change in accounts payable	7,491	12,634	20,125
Net change in claims payable	28,456	4,272	32,728
Net change in due from other funds	(1,997)	-	(1,997)
Total adjustments	45,645	16,906	62,551
Net cash provided by operating activities	$ (105,952)	$ 149,923	$ 43,971



COMPONENT UNITS

DISCRETELY PRESENTED COMPONENT UNITS

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

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

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

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

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

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CITY OF NEWNAN, GEORGIA
BALANCE SHEET
NEWNAN CONVENTION CENTER AUTHORITY
DECEMBER 31, 2025

Assets		
Cash and cash equivalents		$ 512,312
Investments		822,819
Receivables		49,267
Intergovernmental receivables		36,500
Total assets		$ 1,420,898
Liabilities		
Accounts payable		66,549
Accrued expenses		4,352
Customer deposits		53,190
Total liabilities		124,091
Fund Balance		
Unassigned		1,296,807
Total fund balance		1,296,807
Total liabilities and fund balance		$ 1,420,898
Total Fund Balance per Balance Sheet of Governmental Fund		$ 1,296,807
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources, and therefore are not reported in the funds.		
Cost of capital assets	$ 838,396	
Less accumulated depreciation	(154,828)	683,568
Net position of governmental activities		$ 1,980,375

CITY OF NEWNAN, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NEWNAN CONVENTION CENTER AUTHORITY
FOR THE YEAR ENDED DECEMBER 31, 2025

Revenues		
Intergovernmental		$ 422,493
Charges for services		437,018
Investment earnings		31,699
Miscellaneous		33,464
Total revenues		924,674
Expenditures		
Current		
Recreation and culture		995,543
Net change in fund balance		(70,869)
Fund balances - beginning		1,367,676
Fund balances - ending		$ 1,296,807
Net change in fund balance - governmental fund		(70,869)
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 allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.		
Depreciation expense	$ (49,269)	
Capital outlay	227,440	178,171
Change in net position of governmental activities		$ 107,302

CITY OF NEWNAN, GEORGIA
BALANCE SHEET
NEWNAN DOWNTOWN DEVELOPMENT AUTHORITY
DECEMBER 31, 2025

Assets	
Cash and cash equivalents	$ 94,336
Total assets	$ 94,336
Liabilities and Fund Balance	
Liabilities	
Accounts payable	$ -
Total liabilities	-
Fund Balance	
Unassigned	94,336
Total fund balance	94,336
Total liabilities and fund balance	$ 94,336

CITY OF NEWNAN, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NEWNAN DOWNTOWN DEVELOPMENT AUTHORITY
FOR THE YEAR ENDED DECEMBER 31, 2025

Revenues		
Event income	$	88,828
Investment earnings		104
Miscellaneous		5,371
Total revenues		94,303
Expenditures		
Housing and development		99,118
Total expenditures		99,118
Net change in fund balance		(4,815)
Fund balance - beginning		99,151
Fund balance - ending	$	94,336

CITY OF NEWNAN, GEORGIA
BALANCE SHEET
NEWNAN URBAN REDEVELOPMENT AGENCY
DECEMBER 31, 2025

Assets		
Cash and cash equivalents	$	353,014
Total assets	$	353,014
Liabilities and Fund Balance		
Liabilities		
Accounts payable	$	-
Total current liabilities		-
Fund Balance		
Unassigned		353,014
Total fund balance		353,014
Total liabilities and fund balance	$	353,014
Total fund balance per balance sheet of governmental fund	$	353,014
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources, and therefore not reported in the funds.		1,541,275
Net position of governmental activities	$	1,894,289

CITY OF NEWNAN, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NEWNAN URBAN REDEVELOPMENT AGENCY
FOR THE YEAR ENDED DECEMBER 31, 2025

Revenues		
Miscellaneous		$ 50
Total revenues		50
Expenditures		
Housing and development		794,281
Total expenditures		794,281
Excess (deficiency) of revenues over (under) expenditures		(794,231)
Other Financing Sources (Uses)		
Sale of capital assets		125,000
Change in fund balance		(669,231)
Fund balance - beginning		1,022,245
Fund balance - ending		$ 353,014
Net change in fund balance - governmental fund		(669,231)
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 allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.		
Depreciation expense	$ (19,510)	
Capital outlay	780,373	760,863
The net effect of various miscellaneous transactions involves capital assets (i.e. sales, trade-ins and donations) is to decrease net position sale of capital assets		(25,000)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither		
Principal payments on notes payable		150,000
Change in net position of governmental activities		$ 216,632



STATISTICAL SECTION

(Unaudited)

The statistical section includes selected financial and general information presented on a multiyear comparative basis. The statistics are used to provide detail data on the physical, economic social and political characteristics of the City government. They are intended to provide the financial report user with a broader and more complete understanding of the government and its financial affairs than is possible from the basic financial statements.

CITY OF NEWNAN, GEORGIA
INTRODUCTION TO STATISTICAL SECTION
(Unaudited)

This part of the City of Newnan's annual comprehensive financial report presents detailed information as a context for understanding this year's financial statements, note disclosures, and supplementary information. This information is unaudited.

Contents	Pages
Financial Trends These schedules contains trend information to help the reader understanding how the City's financial performance and well-being have changed over time.	120 - 124
Revenue Capacity These schedules contain information to help the reader assess the Government's most significant local revenue source, the property tax. The data gives insight into those factors that could affect the Government's ability to collect this revenue source going forward.	125 - 129
Debt Capacity These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	130 - 133
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the socioeconomic environment within which the City's financial activities take place and help to make comparisons over time and with other entities.	134 - 135
Operating information These schedules offer demographic and economic indicators to help the reader understand the socioeconomic environment within which the City's financial activities take place and help to make comparisons over time and with other entities.	136 - 138

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Report for the relevant year.

CITY OF NEWNAN, GEORGIA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental activities										
Net investment in capital assets	$ 177,202,854	$ 176,511,792	$ 175,090,616	$ 169,497,970	$ 164,402,261	$ 153,344,670	$ 147,532,148	$ 143,237,553	$ 138,511,584	$ 134,790,417
Restricted	17,273,521	15,734,885	13,499,236	10,356,442	5,335,384	9,215,743	8,206,607	8,502,774	9,138,007	6,529,246
Unrestricted	22,241,125	20,813,388	23,020,214	23,524,434	15,711,567	22,829,604	22,969,840	20,681,066	19,094,789	20,530,140
Total governmental activities net position	$ 216,717,500	$ 213,060,065	$ 211,610,066	$ 203,378,846	$ 185,449,212	$ 185,390,017	$ 178,708,595	$ 172,421,393	$ 166,744,380	$ 161,849,803
Business-type activities										
Net investment in capital assets	$ 244,511	$ 72,180	$ 113,249	$ 166,613	$ 251,526	$ 337,731	$ 423,936	$ 303,756	$ 214,951	$ 197,313
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	292,416	146,557	(233,164)	(214,866)	141,596	371,744	483,928	532,867	532,533	493,025
Total business-type activities net position	$ 536,927	$ 218,737	$ (119,915)	$ (48,253)	$ 393,122	$ 709,475	$ 907,864	$ 836,623	$ 747,484	$ 690,338
Primary government										
Net investment in capital assets	$ 177,447,365	$ 176,583,972	$ 175,203,865	$ 169,664,583	$ 164,653,787	$ 153,682,401	$ 147,956,084	$ 143,541,309	$ 138,726,535	$ 134,987,730
Restricted	17,273,521	15,734,885	13,499,236	10,356,442	5,335,384	9,215,743	8,206,607	8,502,774	9,138,007	6,529,246
Unrestricted	22,533,541	20,959,945	22,787,050	23,309,568	15,853,163	23,201,348	23,453,768	21,213,933	19,627,322	21,023,165
Total primary government activities net position	$ 217,254,427	$ 213,278,802	$ 211,490,151	$ 203,330,593	$ 185,842,334	$ 186,099,492	$ 179,616,459	$ 173,258,016	$ 167,491,864	$ 162,540,141

CITY OF NEWNAN, GEORGIA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Expenses										
Governmental Activities										
General government	$ 12,465,007	$ 12,123,667	$ 13,660,594	$ 17,937,459	$ 8,187,445	$ 5,419,907	$ 4,868,258	$ 6,046,153	$ 5,666,943	$ 4,518,185
Public safety	20,163,187	19,837,040	16,892,889	15,500,896	13,933,429	18,054,308	15,055,448	13,282,026	13,378,962	12,525,349
Public works	12,537,767	11,386,635	4,845,624	7,039,071	15,756,981	9,367,433	8,380,097	7,558,830	8,403,971	7,765,802
Tourism	1,154,413	1,159,141	1,305,151	468,499	788,305	464,663	384,299	393,082	481,142	383,577
Community development	6,859,565	6,719,685	6,692,275	5,335,011	5,743,764	5,030,658	4,772,243	4,164,813	3,791,556	3,489,735
Total Governmental Activities	53,179,939	51,226,168	43,396,533	46,280,936	44,409,924	38,336,969	33,460,345	31,444,904	31,722,574	28,682,648
Business-type Activities										
Sanitation	5,639,749	5,295,854	5,054,204	1,465,734	1,284,713	1,102,670	923,052	873,756	608,498	481,189
Total Business-type Activities	5,639,749	5,295,854	5,054,204	1,465,734	1,284,713	1,102,670	923,052	873,756	608,498	481,189
Total Expenses	$ 58,819,688	$ 56,522,022	$ 48,450,737	$ 47,746,670	$ 45,694,637	$ 39,439,639	$ 34,383,397	$ 32,318,660	$ 32,331,072	$ 29,163,837
Program Revenues										
Governmental Activities										
Charges for services										
General government	$ 3,021,684	$ 2,892,944	$ 2,945,331	$ 2,527,600	$ 2,366,930	$ 2,184,981	$ 2,518,664	$ 2,431,335	$ 2,396,284	$ 2,326,949
Public safety	2,198,513	1,903,350	1,887,323	1,562,472	1,923,237	937,105	1,377,187	1,021,661	837,354	901,445
Public works	81,077	91,799	60,534	175,388	200,438	200,438	200,438	-	-	-
Tourism	359,296	490,849	375,025	409,471	-	-	-	-	-	-
Community development	84,862	431,721	581,790	16,405	41,579	614,525	1,075,409	1,066,616	723,182	759,001
Operating Grants and Contributions	3,523,493	1,574,594	2,256,299	12,762,866	529,368	3,888,880	60,000	25,000	25,000	25,000
Capital Grants and Contributions	12,230,975	10,879,804	10,585,825	15,126,488	10,967,629	11,325,492	10,468,604	9,610,915	11,041,565	7,249,007
Total Governmental Activities	21,499,900	18,265,061	18,692,127	32,580,690	16,029,181	19,151,421	15,700,302	14,155,527	15,023,385	11,261,402
Business-type Activities										
Charges for Services										
Sanitation	5,821,344	5,473,727	4,820,308	817,267	828,219	760,145	782,104	765,791	660,612	637,487
Operating Grants and Contributions	-	-	-	13,406	-	1,362	-	38,658	-	-
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Business-type Activities	5,821,344	5,473,727	4,820,308	830,673	828,219	761,507	782,104	804,449	660,612	637,487
Total Program Revenues	$ 27,321,244	$ 23,738,788	$ 23,512,435	$ 33,411,363	$ 16,857,400	$ 19,912,928	$ 16,482,406	$ 14,959,976	$ 15,683,997	$ 11,898,889
Net (Expense)/Revenue										
Governmental Activities	$ (31,680,039)	$ (32,961,107)	$ (24,704,406)	$ (13,700,246)	$ (28,380,743)	$ (19,185,548)	$ (17,760,043)	$ (17,289,377)	$ (16,699,189)	$ (17,421,246)
Business-type Activities	181,595	177,873	(233,896)	(635,061)	(456,494)	(341,163)	(140,948)	(69,307)	52,114	156,298
Total Net (Expense)/Revenue	$ (31,498,444)	$ (32,783,234)	$ (24,938,302)	$ (14,335,307)	$ (28,837,237)	$ (19,526,711)	$ (17,900,991)	$ (17,358,684)	$ (16,647,075)	$ (17,264,948)

CITY OF NEWNAN, GEORGIA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Revenues										
Governmental Activities										
Property taxes	7,595,846	$ 7,848,166	$ 6,872,768	$ 6,546,668	$ 6,513,258	$ 6,218,560	$ 5,913,496	$ 5,692,084	$ 5,071,726	$ 4,824,288
Motor vehicle taxes	1,654,669	1,607,090	1,606,635	1,554,219	1,599,995	1,162,671	1,298,639	1,407,361	1,098,312	972,605
Sales taxes	12,401,643	12,345,631	12,200,741	11,862,277	10,547,226	9,130,645	7,940,851	7,310,624	6,753,211	6,521,934
Franchise taxes	1,943,856	1,809,401	1,661,234	1,766,017	1,609,572	1,536,391	1,574,723	1,499,012	1,567,698	1,452,675
Insurance premium taxes	4,625,314	4,059,412	3,773,740	3,547,957	2,726,602	2,642,649	2,504,681	2,357,604	2,174,802	2,071,588
Occupational taxes	3,168,912	3,101,303	2,930,103	3,298,239	2,890,281	3,192,890	3,032,855	2,992,768	3,155,970	2,974,656
Hotel/Motel taxes	1,688,299	1,468,911	1,425,237	1,410,504	1,293,417	832,241	678,977	717,630	716,575	582,222
Alcoholic beverage taxes	1,142,921	1,113,159	1,101,165	1,035,175	1,022,079	936,460	896,012	881,540	880,578	889,718
Other taxes	310,980	428,410	391,904	355,997	359,633	108,774	119,432	113,861	108,194	106,400
Unrestricted investment earnings	635,285	719,983	713,998	131,497	17,875	245,689	287,579	143,906	66,700	49,770
Gain on sale of capital assets	57,172	-	76,828	-	-	-	-	-	-	-
Miscellaneous	237,577	357,872	331,273	311,330	-	-	-	-	-	-
Transfer in (out)	(125,000)	(150,000)	(150,000)	(190,000)	(140,000)	(140,000)	(200,000)	(150,000)	-	(35,000)
Total Governmental Activities	35,337,474	34,709,338	32,935,626	31,629,880	28,439,938	25,866,970	24,047,245	22,966,390	21,593,766	20,410,856
Business-type Activities										
Unrestricted investment earnings	11,595	13,712	12,234	3,686	141	2,774	12,189	8,446	5,032	1,998
Transfer in (out)	125,000	150,000	150,000	190,000	140,000	140,000	200,000	150,000	-	35,000
Total Business-type Activities	136,595	163,712	162,234	193,686	140,141	142,774	212,189	158,446	5,032	36,998
Total primary government	$ 35,474,069	$ 34,873,050	$ 33,097,860	$ 31,823,566	$ 28,580,079	$ 26,009,744	$ 24,259,434	$ 23,124,836	$ 21,598,798	$ 20,447,854
Change in Net Position										
Governmental Activities	$ 3,657,435	$ 1,748,231	$ 8,231,220	$ 17,929,634	$ 59,195	$ 6,681,422	$ 6,287,202	$ 5,677,013	$ 4,894,577	$ 2,989,610
Business-type Activities	318,190	341,585	(71,662)	(441,375)	(316,353)	(198,389)	71,241	89,139	57,146	193,296
Total Change in Net Position	$ 3,975,625	$ 2,089,816	$ 8,159,558	$ 17,488,259	$ (257,158)	$ 6,483,033	$ 6,358,443	$ 5,766,152	$ 4,951,723	$ 3,182,906

CITY OF NEWNAN, GEORGIA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Fund										
Nonspendable	$ 235,992	$ 356,192	$ 310,868	$ 183,971	$ 180,479	$ 1,000,889	$ 36,525	$ 37,853	$ 791,483	$ 1,543,948
Restricted	-	-	-	-	31,059	1,696,001	11,787	44,518	94,240	15,470
Committed	-	3,000,000	-	-	-	-	-	70,161	-	2,353,593
Assigned	72,827	79,102	3,311,032	4,613,149	702,899	463,372	522,997	980,365	607,010	704,848
Unassigned	30,681,198	25,640,132	26,975,348	25,911,687	22,693,454	29,576,015	27,912,674	24,807,716	22,650,396	19,619,524
Total general fund	$ 30,990,017	$ 29,075,426	$ 30,597,248	$ 30,708,807	$ 23,607,891	$ 32,736,277	$ 28,483,983	$ 25,940,613	$ 24,143,129	$ 24,237,383
All other governmental funds										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	17,273,521	15,734,885	13,499,236	10,356,442	5,304,325	7,519,743	8,194,819	8,458,256	9,043,767	6,513,775
Committed	1,229,909	1,135,037	1,240,431	1,266,879	254,868	-	-	-	-	-
Assigned	-	-	-	-	-	641,532	419,551	398,012	568,264	407,660
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	$ 18,503,430	$ 16,869,922	$ 14,739,667	$ 11,623,321	$ 5,559,193	$ 8,161,275	$ 8,614,370	$ 8,856,268	$ 9,612,031	$ 6,921,435

CITY OF NEWNAN, GEORGIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
REVENUES										
Taxes	$ 34,767,891	$ 33,718,649	$ 31,766,824	$ 31,327,949	$ 28,564,274	$ 25,737,108	$ 24,003,553	$ 23,028,580	$ 21,546,167	$ 20,480,511
Licenses and permits	875,768	749,721	896,681	584,576	1,114,655	696,401	1,235,730	1,251,426	907,992	944,211
Intergovernmental	18,793,707	15,806,560	16,178,699	30,525,691	12,006,187	13,689,354	9,320,825	8,801,494	10,777,252	7,776,476
Charges for services	549,793	588,326	482,240	595,025	1,004,756	385,192	971,841	1,019,995	474,585	437,029
Fines and forfeitures	1,152,017	947,215	1,062,943	816,108	1,064,147	682,292	770,906	739,952	615,989	698,330
Investment earnings	752,024	802,531	742,846	142,321	18,313	276,427	324,015	159,083	79,241	60,823
Contributions and donations	1,385	42,992	16	13,443	-	-	-	-	15,000	-
Miscellaneous	167,464	219,469	206,884	222,831	631,872	473,812	727,106	489,755	634,327	637,997
Total Revenues	57,060,049	52,875,463	51,337,133	64,227,944	44,404,204	41,940,586	37,353,976	35,490,285	35,050,553	31,035,377
EXPENDITURES										
Current										
General government	11,018,772	10,822,868	12,606,964	17,072,864	13,396,313	4,276,137	4,356,914	4,070,869	5,472,926	5,552,334
Public safety	19,226,173	18,442,590	16,227,489	14,837,104	13,464,106	16,005,018	14,588,528	12,963,674	12,282,673	11,935,010
Public works	7,887,209	9,169,001	4,520,014	9,272,774	11,180,055	5,538,799	5,191,551	4,734,308	5,293,481	4,982,040
Tourism	1,117,783	1,159,141	1,305,151	966,738	788,305	405,573	378,999	392,390	453,065	381,534
Community development	4,587,858	4,742,146	6,209,532	4,378,049	4,998,091	4,008,265	4,054,015	3,775,680	2,782,954	2,699,190
Capital outlay	8,691,311	7,006,246	6,547,117	3,488,045	11,484,255	7,389,327	5,699,852	6,226,750	4,275,651	3,254,116
Intergovernmental	1,054,523	1,018,788	1,007,601	980,034	870,672	754,684	655,086	2,212,672	1,999,280	1,705,249
Total Expenditures	53,583,629	52,360,780	48,423,868	50,995,608	56,181,797	38,377,803	34,924,945	34,376,343	32,560,030	30,509,473
Excess (Deficiency) of Revenues over Expenditures	3,476,420	514,683	2,913,265	13,232,336	(11,777,593)	3,562,783	2,429,031	1,113,942	2,490,523	525,904
OTHER FINANCING SOURCES (USES)										
Transfers in	633,112	563,342	534,464	523,714	485,031	312,091	1,004,614	655,578	583,287	366,111
Transfers out	(758,112)	(713,342)	(684,464)	(713,714)	(625,031)	(452,091)	(1,204,614)	(805,578)	(583,287)	(401,111)
Insurance recoveries	139,507	182,786	164,694	122,708	186,126	181,002	58,124	73,879	77,888	51,195
Sale of capital assets	57,172	60,964	76,828	-	21,000	195,412	14,318	3,900	27,930	12,436
Total Other Financing Sources (Uses)	71,679	93,750	91,522	(67,292)	67,126	236,414	(127,558)	(72,221)	105,818	28,631
Net Change in Fund Balances	$ 3,548,099	$ 608,433	$ 3,004,787	$ 13,165,044	$ (11,710,467)	$ 3,799,197	$ 2,301,473	$ 1,041,721	$ 2,596,341	$ 554,535
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
GOVERNMENTAL FUNDS - TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(modified-accrual basis of accounting)

Calendar Year	General Property	Franchise	Insurance Premium	Occupational Taxes	Alcoholic Beverage	Hotel/ Motel	Local Option Sales Tax	Motor Vehicle	Other	Total
2025	$ 7,831,298	$ 1,943,856	$ 4,625,314	$ 3,168,912	$ 1,142,921	$ 1,688,298	$ 12,401,343	$ 1,654,669	$ 310,980	$ 34,767,591
2024	7,785,332	1,809,401	4,059,412	3,101,303	1,113,159	1,468,911	12,345,631	1,607,090	428,410	33,718,649
2023	6,676,065	1,661,234	3,773,740	2,930,103	1,101,165	1,425,237	12,200,741	1,606,635	391,904	31,766,824
2022	6,497,564	1,766,017	3,547,957	3,298,239	1,035,175	1,410,504	11,862,277	1,554,219	355,997	31,327,949
2021	6,515,469	1,609,572	2,726,602	2,890,281	1,022,079	1,293,417	10,547,226	1,599,995	359,633	28,564,274
2020	6,194,387	1,536,391	2,642,649	3,192,890	936,460	832,241	9,130,645	1,162,671	108,774	25,737,108
2019	5,957,383	1,574,723	2,504,681	3,032,855	896,012	678,977	7,940,851	1,298,639	119,432	24,003,553
2018	5,748,180	1,499,012	2,357,604	2,992,768	881,540	717,630	7,310,624	1,407,361	113,861	23,028,580
2017	5,090,827	1,567,698	2,174,802	3,155,970	880,578	716,575	6,753,211	1,098,312	108,194	21,546,167
2016	4,908,713	1,452,675	2,071,588	2,974,656	889,718	582,222	6,521,934	972,605	106,400	20,480,511

CITY OF NEWNAN, GEORGIA
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN CALENDAR YEARS

Calendar Year	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
2025	$ 2,477,836,171	$ 155,170,037	$ 84,927,193	$ 2,548,079,015	3.08	$ 6,370,197,537	40.00%
2024	2,394,315,473	153,340,976	47,189,259	2,500,467,190	3.12	6,251,000,000	40.00%
2023	2,297,944,111	165,820,367	46,632,034	2,417,132,444	2.75	6,042,193,844	40.00%
2022	1,995,580,337	131,013,413	-	2,126,593,750	3.05	5,317,000,000	40.00%
2021	1,656,028,195	118,944,665	-	1,774,972,860	3.57	4,419,930,230	40.16%
2020	1,549,145,348	117,612,191	-	1,666,757,539	3.64	4,166,893,844	40.00%
2019	1,348,295,751	116,557,789	-	1,464,853,540	3.99	3,662,133,849	40.00%
2018	1,293,514,303	113,935,110	-	1,407,449,413	4.00	3,518,623,531	40.00%
2017	1,191,905,884	106,711,132	-	1,298,617,016	3.87	3,246,542,539	40.00%
2016	1,223,413,936	105,494,305	124,371,280	1,204,536,961	4.05	2,993,246,099	40.24%

CITY OF NEWNAN, GEORGIA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN CALENDAR YEARS

	City of Newnan, Georgia			Overlapping Rates			
Calendar Year	Operating Millage	Debt Service Millage	Total Direct Rate	State of Georgia	Coweta County	School System	Total Direct and Overlapping
2025	3.08	0.00	3.08	0.00	4.82	15.00	22.90
2024	3.12	0.00	3.12	0.00	4.69	15.41	23.22
2023	2.75	0.00	2.75	0.00	4.69	15.41	22.85
2022	3.05	0.00	3.05	0.00	5.28	16.00	24.33
2021	3.54	0.00	3.54	0.00	6.16	17.14	26.84
2020	3.64	0.00	3.64	0.00	6.54	17.30	27.48
2019	3.99	0.00	3.99	0.00	7.46	18.59	30.04
2018	4.00	0.00	4.00	0.00	7.63	18.59	30.22
2017	3.87	0.00	3.87	0.00	7.63	18.59	30.09
2016	4.05	0.00	4.05	0.00	7.47	18.59	30.11

CITY OF NEWNAN, GEORGIA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

	2025			2016		
Taxpayer	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation
300 Ashley (GA) LLC	$ 45,111,640	1	0.48%	$ -		
Continental 636 Fund LLC	24,207,263	2	0.26%			
Promenade at Newnan Crossing	23,270,953	3	0.25%			
ALTA Ashely Park OZ Holding	17,761,322	4	0.19%			
VR Newnan Holdings Limited Partnership	17,199,611	5	0.18%			
Penler Preserve LP	15,200,000	6	0.16%			
Stillwood Farms Venture LLC	14,799,996	7	0.16%	7,899,674	9	0.08%
Bon L Manufacturing	13,024,090	8	0.14%	11,688,149	4	0.13%
Lincoln Newnan Apts LLC	12,377,408	9	0.13%			
Tomoka25 Ashely Park LLC	11,966,890	10	0.13%			
Ashley Park Property Owners LLC				23,739,726	1	0.25%
Coweta County Development Authority				16,367,353	2	0.18%
RPAI Newnan Crossing				14,974,000	3	0.16%
Inland Southeast Newnan Crossing LLC				11,010,468	5	0.12%
Southeastern Regional Medical Center				9,766,432	6	0.10%
Trees of Newnan Apartments				8,727,706	7	0.09%
Walmart				8,676,148	8	0.09%
JDN Realty Corporation				6,954,338	10	0.07%
	$ 194,919,173		2.08%	$ 119,803,994		1.27%

Data Source
Coweta County Tax Commissioner, Coweta County Development Authority

CITY OF NEWNAN, GEORGIA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN CALENDAR YEARS

Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount Collected	Percentage of Levy		Amount Collected	Percentage of Levy
2025	$ 7,773,223	$ 7,281,329	93.67%	$ 234,956	$ 7,516,285	96.69%
2024	7,725,893	7,140,862	92.43%	357,361	7,498,223	97.05%
2023	6,669,516	6,194,228	92.87%	212,269	6,406,497	96.06%
2022	6,509,929	6,125,634	94.10%	235,877	6,361,511	97.72%
2021	6,206,975	6,173,966	99.47%	79,652	6,253,618	100.75%
2020	6,071,998	5,946,931	97.94%	109,456	6,056,387	99.74%
2019	5,843,301	5,755,342	98.49%	125,954	5,881,296	100.65%
2018	5,629,798	5,532,347	98.27%	94,966	5,627,313	99.96%
2017	5,025,648	4,880,179	97.11%	142,865	5,023,044	99.95%
2016	4,849,059	4,690,676	96.73%	156,821	4,847,497	99.97%

Data Source
Coweta County Tax Commissioner and City of Newnan Finance Department

CITY OF NEWNAN
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

	Governmental Activities									
Fiscal Year	General Obligation Bonds	Revenue Bonds	Certificates of Participation	Financed Purchases	Leases	SBITAs	Total Outstanding Debt	Percentage of Personal Income (1)	Population	Debt per Capita
2025	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.000%	46,324	$ -
2024	-	-	-	-	-	-	-	0.000%	45,838	-
2023	-	-	-	-	-	-	-	0.000%	44,940	-
2022	-	-	-	-	-	-	-	0.000%	43,399	-
2021	-	-	-	-	-	-	-	0.000%	42,549	-
2020	-	-	-	-	-	-	-	0.000%	41,628	-
2019	-	-	-	-	-	-	-	0.000%	41,581	-
2018	-	-	-	-	-	-	-	0.000%	39,784	-
2017	-	-	-	-	-	-	-	0.000%	37,912	-
2016	-	-	-	-	-	-	-	0.000%	37,291	-

(1) Personal income is disclosed on Demographic and Economic Statistics table.

CITY OF NEWNAN
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds (1)	Less: Amounts Restricted for Debt Service (2)	Total	Percentage of Estimated Actual Taxable Value of Property (3)	Per Capita (4)
2025	$ -	$ -	$ -	0.00%	$ -
2024	-	-	-	0.00%	-
2023	-	-	-	0.00%	-
2022	-	-	-	0.00%	-
2021	-	-	-	0.00%	-
2020	-	-	-	0.00%	-
2019	-	-	-	0.00%	-
2018	-	-	-	0.00%	-
2017	-	-	-	0.00%	-
2016	-	-	-	0.00%	-

(1) Net of original issue discounts and premiums.
(2) This is the amount of restricted for debt service principal payments.
(3) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.
(4) Population data can be found in the Schedule of Ratios of Outstanding Debt by Type.

CITY OF NEWNAN, GEORGIA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2025

	Debt Outstanding	Estimated Percentage Applicable	Amount Applicable to Coweta County
Direct debt:			
City of Newnan	$ -	100.00%	$ -
Total direct debt	-		-
Overlapping debt:			
Coweta County Board of Commissioners	52,327,798	50.00%	26,163,899
Coweta County Board of Education	-	50.00%	-
	52,327,798		26,163,899
Total direct and overlapping debt			$ 26,163,899

CITY OF NEWNAN, GEORGIA
LEGAL DEBT MARGIN INFORMATION
AS OF DECEMBER 31, 2025

	2025	2024	2023	2022	2021
Taxable Assessed Value	$ 2,548,079,015	$ 2,547,656,449	$ 2,463,764,478	$ 2,126,593,750	$ 1,774,972,860
Legal Debt Margin					
Debt limit (10% of assessed value)	254,807,902	254,765,645	246,376,448	212,659,375	177,497,286
Debt applicable to limit					
General obligation bonds	-	-	-	-	-
Less: Amount reserved for repayment of general obligation debt	-	-	-	-	-
Total debt applicable to limit	-	-	-	-	-
Total Legal Debt Margin	$ 254,807,902	$ 254,765,645	$ 246,376,448	$ 212,659,375	$ 177,497,286
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

	2020	2019	2018	2017	2016
Taxable Assessed Value	$ 1,694,291,927	$ 1,475,094,477	$ 1,419,667,563	$ 1,322,596,403	$ 1,204,536,961
Legal Debt Margin					
Debt limit (10% of assessed value)	169,429,193	147,509,448	141,966,756	132,259,640	120,453,696
Debt applicable to limit					
General obligation bonds	-	-	-	-	-
Less: Amount reserved for repayment of general obligation debt	-	-	-	-	-
Total debt applicable to limit	-	-	-	-	-
Total Legal Debt Margin	$ 169,429,193	$ 147,509,448	$ 141,966,756	$ 132,259,640	$ 120,453,696
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

CITY OF NEWNAN, GEORGIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS

Calendar Ended	Population[1]	Median Age[1,2,6]	Per Capita Income[2,5]	Personal Income (in thousands)	School Enrollment[2,4]	Unemployment Rate[2,3]
2025	46,324	35.9	$ 42,927	$ 1,180,357	23,040	3.2%
2024	45,838	33.4	23,354	1,070,501	22,977	4.3%
2023	44,940	34.2	26,146	1,175,001	22,977	3.5%
2022	43,399	36.6	25,087	1,088,751	23,200	5.4%
2021	42,549	35.8	33,510	1,425,817	22,694	5.4%
2020	41,628	38.7	31,689	1,319,150	22,216	3.5%
2019	41,581	35.0	29,771	1,237,919	22,770	4.8%
2018	39,784	34.6	30,211	1,201,914	22,753	5.7%
2017	37,912	34.3	26,544	1,006,336	22,733	5.2%
2016	37,291	32.9	25,392	946,893	22,489	5.3%

Data Sources:
[1] Per 2010 Census and the City's estimate; ARC Community Profile for City of Newnan; US Census Bureau
[2] ARC Community Profile for City of Newnan; US Census Bureau
[3] US Census - American Community Survey 5-year Estimate
[4] Coweta County Board of Education
[5] BEA Regional Economic Analysis; US Census Bureau
[6] US Bureau of Labor Statistics; ARC Community Profile for City of Newnan

CITY OF NEWNAN, GEORGIA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	Fiscal Year 2025			Fiscal Year 2016		
Taxpayer	Employees	Rank	Percentage of Total County Employment (1)	Employees	Rank	Percentage of Total County Employment
Coweta County School System	3,256	1	4.69%	2,955	1	4.42%
Amazon	2,323	2	3.36%			
City of Hope	2,000	3	2.90%			
Piedmont Newnan Hospital	2,100	4	2.53%	990	4	2.69%
Yamaha Motor Manufacturing	1,746	5	2.22%	1,700	2	
Coweta County	1,200	6	2.10%	950	5	1.56%
Brent Scarbrough	725	7	1.84%			1.50%
Bonnell Aluminum	675	8	1.03%	460	8	
Surge Staffing	661	9	1.03%			0.66%
Cargill Meat Solutions	400	10	0.96%	420	9	
Cancer Treatment Centers of America				1,100	3	1.74%
Pet Smart Distribution Center				560	6	0.88%
Walmart				540	7	0.85%
Yokogawa Corporation				360	10	0.66%
	15,086		22.66%	10,035		14.96%

Data Source
Coweta County Development Authority
Newnan-Coweta County Chamber of Commerce
Georgia Department of Labor

CITY OF NEWNAN, GEORGIA
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	Full-time Equivalent Employees as of December 31									
Function	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
General government										
City Manager	7	8	7	7	5	6	6	6	6	6
Administrative										
Finance	6	6	6	6	6	6	6	6	6	6
Human resources	2	3	3	3	3	3	3	3	2	2
Information technology	3	3	3	3	3	3	3	3	3	3
Facilities maintenance	4	4	4	4	4	3	3	3	3	3
Public Safety										
Police										
Officers	96	96	96	94	95	86	84	84	84	82
Civilians	8	8	7	7	8	7	7	6	6	6
Administrative	5	5	5	5	5	5	5	5	5	5
Municipal court	6	5	4	4	3	2	1	1	1	1
Fire										
Firefighters	70	70	69	66	64	64	63	57	56	56
Administrative	1	1	1	1	1	1	1	1	1	1
Community Development										
Planning and zoning	6	5	5	5	5	5	5	5	5	4
Parks and ROW beautification	20	20	20	18	18	18	18	16	16	16
Building inspection	11	10	10	10	10	10	11	10	10	10
Public Works										
Administration	2	2	2	2	2	3	3	3	3	3
Streets	20	21	21	21	21	23	19	19	19	19
Garage	5	6	6	6	6	6	6	6	6	6
Cemetery	8	8	8	8	8	8	8	8	8	8
Engineering	4	4	4	4	4	3	3	3	3	3
Other Services										
Carnegie building	2	2	2	2	2	2	2	2	2	2
Business Development	2	3	3	3	3	3	3	2	2	3
Leisure services	5	5	4	4	4	3	2	1	-	-
Sanitation	10	10	10	7	7	8	8	7	4	4
	303	305	300	290	287	278	270	257	251	249

Data Source
City of Newnan Payroll records and Human Resources Department

CITY OF NEWNAN, GEORGIA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	Calendar Year									
Function/Program	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
General Government										
Occupational Tax Certificates Maintained	1,880	1,740	1,676	1,932	1,743	1,829	1,965	1,834	1,814	1,842
Alcohol Licenses Issued	125	103	121	106	118	106	103	101	96	98
Community Development										
Building Permits Issued - Commercial	13	10	57	42	101	75	189	203	85	87
Building Permits Issued - Residential	75	52	263	159	207	177	353	335	313	352
Police										
Physical Arrests	1,567	1,536	1,420	1,313	1,269	1,205	1,396	1,383	1,237	1,114
Parking Violations	33	265	127	143	152	35	33	107	196	141
Traffic Violations	8,061	9,200	9,297	7,383	8,236	9,905	6,984	6,913	6,710	4,865
Fire										
Emergency Responses	4,800	4,300	4,240	3,724	3,753	3,175	3,239	3,297	5,050	4,806
Fires Extinguished	120	100	92	94	82	19	91	83	77	128
Public Works										
Streets Resurfaced (Miles)										
Full Depth Reclamation (FDR)	1.9600	1.2100	3.2000	0.6570	0.0000	1.4560	0.0000	0.0000	0.0000	0.0000
LARP Resurfacing	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
LMIG Resurfacing	3.1200	2.7900	7.3140	0.0000	2.1900	2.8000	3.0000	3.1000	3.9600	0.0000
Other Resurfacing	0.0000	0.0000	0.0000	1.5470	0.0000	0.0000	1.8700	0.9300	0.0000	0.0000

Data Source
Various City Departments

CITY OF NEWNAN, GEORGIA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

	Calendar Year									
Function/Program	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Cars	142	129	130	130	129	128	129	126	118	90
Fire										
Stations	4	4	4	4	4	4	4	3	3	3
Trucks	22	21	19	21	21	21	19	16	16	14
Fire Hydrants	0	0	0	0	0	2,153	2,112	2,112	1,905	2,076
Community Development										
Recreation										
Community Centers	1	1	1	1	1	1	1	1	1	0
Parks	13	13	12	12	12	11	11	10	10	10
Park Acreage	41	41	41	41	41	39	39	33	33	33
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Pickleball Courts	21	15	15	15	0	0	0	0	0	0
Planning										
Streets										
Streets (miles)	239	238	237	236	235	234	176	175	174	172
Sidewalks (miles)	184	182	179	177	176	181	178	176	174	171
Number of Streets	736	736	724	719	713	709	677	669	662	651
New Sidewalk Construction (LF)	9,268	13,770	12,247	9,325	5,666	15,477	40,042	25,873	17,318	14,490

Data Source
Various City Departments

* Street miles represent City maintained roads only.



COMPLIANCE SECTION

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

CITY OF NEWNAN, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through Georgia Department of Community Affairs			
Home Investment Partnership Program	14.239	2021-1111	$ 67,120
Neighborhood Stabilization Program	14.264	2025	87,309
Total U.S. Department of Housing and Urban Development			154,429
U.S. DEPARTMENT OF TREASURY			
Direct Assistance:			
Equitable Sharing	21.016	-	21,869
Coronavirus State and Local Fiscal Recovery Funds	21.027	-	3,028,870
Total U.S. Department of Treasury			3,050,739
U.S. DEPARTMENT OF TRANSPORTATION			
Passed through Georgia Department of Transportation			
Highway Planning and Construction	20.205	PI 0019783	433,008
Highway Planning and Construction	20.205	PI 0019634	29,107
Total U.S. Department of Transportation			462,115
Total Expenditures of Federal Awards			$ 3,667,283

CITY OF NEWNAN, GEORGIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of City of Newnan, Georgia (the "City") under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 – INDIRECT COST RATES

The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 – AMOUNTS PASSED THROUGH TO SUBRECIPIENTS

The City did not pass through any amounts to subrecipients during the year ended December 31, 2025.

CITY OF NEWNAN, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Section I: Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal Controls over financial reporting:	
• Material weaknesses identified?	No
• Significant deficiencies identified?	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major federal programs	
• Material weaknesses identified?	No
• Significant deficiencies identified?	None Reported
Type of auditor's report issued on compliance for major Federal programs	Unmodified
Any audit findings disclosed that are required to be reported In accordance with 2 CFR 200.516(a)?	No
Dollar threshold used to distinguish between type A and type B Programs:	$1,000,000
Auditee qualified as a low risk auditee?	No

Identification of major federal programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds

Section II: Financial Statement Findings

None Reported.

Section III: Federal Awards Findings

None Reported.

Nichols, Cauley & Associates, LLC
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800-823-0117

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Newnan, Georgia (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2025. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that

an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Nichols, Cauley & Associates, LLC

Dublin, Georgia
June 9, 2026

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

Mayor and Council
City of Newnan, Georgia
Newnan, Georgia

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Newnan, Georgia (the "City") as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 9, 2026. Our report includes a reference to other auditors who audited the financial statements of Newnan Water, Sewerage and Light Commission, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Nichols, Cauley & Associates, LLC

Dublin, Georgia
June 9, 2026