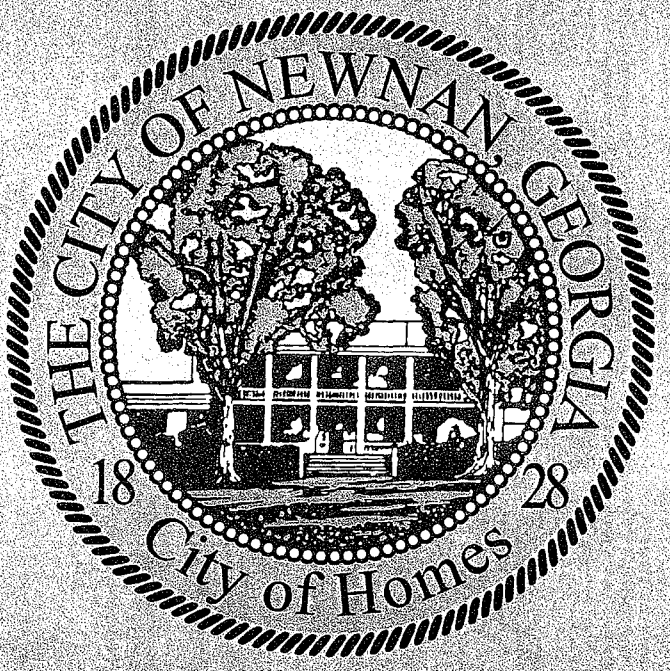
City of Newnan, Georgia



Annual Financial Report

For The Year Ended

December 31, 2008

CITY OF NEWNAN, GEORGIA

AUDIT REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2008

CITY OF NEWNAN, GEORGIA

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CITY OF NEWNAN, GEORGIA

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Council
City of Newnan, Georgia

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate discretely presented component units and the aggregate remaining fund information of the City of Newnan, Georgia as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Newnan, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Newnan Water, Sewerage and Light Commission which represents 99 percent of the assets, net assets, and revenues of the aggregate component units of the City of Newnan, Georgia. Those financial statements were audited by other auditors whose report thereon was furnished to us, and our opinion, insofar as it relates to the amounts included for the Newnan Water, Sewerage and Light Commission, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the aggregate discretely presented component units and the aggregate remaining fund information of the City of Newnan, Georgia as of December 31, 2008, and the respective changes in financial position, and the respective budgetary comparison for the General Fund, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2009 on our consideration of the City of Newnan, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis information on pages 3 through 15 and the schedule of funding progress on page 43 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Newnan's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, statistical tables, and the schedules of projects constructed with special purpose local option sales tax are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, and the schedules of projects constructed with special purpose local option sales tax have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

Macon, Georgia
June 10, 2009

MANAGEMENT'S DISCUSSION & ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the City of Newnan, Georgia's (the "City") annual financial report, the City's management is pleased to provide this narrative discussion and analysis of the financial activities of the City for the calendar year ended December 31, 2008. The City's financial performance is discussed and analyzed within the context of the financial statements and disclosures following this section. Readers should also review the basic financial statements and notes to enhance their understanding of the Government's financial performance.

2008 Financial Highlights

- The assets of the City of Newnan exceeded its liabilities by $137,063,766 (net assets) for the calendar year reported.

- The government's total net assets increased by $8,982,605. Almost $3 million of this amount is attributed to contributed infrastructure from developers in the City of Newnan. An additional $1,175,738 was added in the form of donated property. The remainder was capital asset additions.

- Total net assets are comprised of the following:

  (1) Capital assets, net of related debt, totaling $107,970,772, include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
  (2) Net assets of $11,890,374 are restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
  (3) Unrestricted net assets of $17,202,620 represent the portion available to maintain the City's continuing obligations to citizens and creditors.

- The City's governmental funds reported total combined ending fund balances of $28,964,243 this year. This compares to the prior year combined ending fund balances of $28,377,799, showing a significant increase of $586,444, or 2.1%, during the current year. The unreserved fund balance of $15,525,390 for calendar year 2008 shows a $697,305 increase over the prior year. This equates to a 4.7% increase in unreserved fund balance.

- At the end of the current calendar year, fund balance for the General Fund totaled $15,112,364, which was a 3.3% increase over 2007. Unreserved fund balance for the General Fund was $14,885,077, or 93.2% of total General Fund expenditures of $15,972,816. In comparison, the General Fund unreserved fund balance for 2007 was 93.9% of General Fund expenditures.

- The City operates on a pay-as-you go basis. The only long-term debt is related to employee compensated absences (earned sick and vacation leave).

- Overall, the City continues to maintain a strong financial position. The ratio of current assets to current liabilities is 37.8 to 1, down from 52.2 to 1 in 2007.

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

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the City's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The City also includes in this report additional information to supplement the basic financial statements. Comparative data is presented when available.

Government-wide Financial Statements

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

The first of these government-wide statements is the *Statement of Net Assets.* This is the government-wide statement of position presenting information that includes all of the City's assets and liabilities, with the difference reported as *net assets.* Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall health of the City would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of City infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities, which* reports how the City's net assets changed during the current calendar year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

Both government-wide financial statements distinguish governmental activities of the City that are principally supported by sales taxes and from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, community development and public works. The City has no business-type activities to report at this time.

The government-wide financial statements are presented on pages 16 and 17 of this report.

Fund Financial Statements

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

The City has governmental funds only.

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

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

The basic governmental fund financial statements are presented on pages 18 through 23 of this report.

Individual fund information for non-major governmental funds is found in combining statements in a later section of this report.

Notes to the Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 24 of this report.

Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning the City's budget presentations. Budgetary comparison statements for the general fund are included in the basic financial statements. Budgetary comparison schedules for other governmental funds can be found in a later section of this report. These schedules demonstrate compliance with the City's adopted and final revised budget. As discussed, the City reports major funds in the basic financial statements. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report beginning on page 62.

Financial Analysis of the City as a Whole

The City's net assets at calendar year-end are $137,063,766. The largest portion of the City's net assets (79%) reflects its investment in capital assets, net of any related debt used to acquire the assets. The following table provides a summary of the City's net assets.

Summary of Net Assets

	FY 2007		FY 2008		Increase / (Decrease) from 2007	% Increase / (Decrease) from 2007
	Governmental Activities	Percentage of Total	Governmental Activities	Percentage of Total		
Assets:						
Current assets	$ 29,305,024	23%	$ 30,389,229	22%	$ 1,084,205	3.7%
Capital assets	99,720,483	77%	107,970,772	78%	8,250,289	8.3%
Total assets	**129,025,507**	**100%**	**138,360,001**	**100%**	**9,334,494**	**7.2%**
Liabilities:						
Current liabilities	561,772	59%	803,045	62%	241,273	42.9%
Long-term liabilities	382,574	41%	493,190	38%	110,616	28.9%
Total Liabilities	**944,346**	**100%**	**1,296,235**	**100%**	**351,889**	**37.3%**
Net assets:						
Invested in capital assets, net of debt	99,720,483	78%	107,970,772	79%	8,250,289	8.3%
Restricted	12,310,604	10%	11,890,374	9%	(420,230)	-3.4%
Unrestricted	16,050,074	13%	17,202,620	13%	1,152,546	7.2%
Total Net Assets	**$ 128,081,161**	**100%**	**$ 137,063,766**	**100%**	**$ 8,982,605**	**7.0%**

The City continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 37.8 to 1, which is strong. The ratio for 2007 was 52.2 to 1.

The City reported positive balances in the net assets; the same held true for the prior fiscal year. Total assets increased by 7.2% from 2007, while the City's liabilities increased by 37.3%. The majority of the long-term liability increases are attributed to accrued holidays payable for police totaling $58,415, an increase of $51,877 in accrued sick and vacation payable for police, and an increase of approximately $37,000 in accrued sick and vacation payable for fire. Overall, net assets increased by 7%, which is a good indication of the City's overall financial position.

Note that approximately 79% of the governmental activities' net assets are tied up in capital. This has remained relatively constant over the past two years. The City uses these capital assets primarily to provide services to its citizens and to maintain the quality of those services.

Governmental Activities

Governmental Activities increased the City of Newnan's net assets by $8,982,605. Key elements of this increase are as follows:

Summary of Changes in Net Assets

	Fiscal Year 2007			Fiscal Year 2008		
	Governmental Activities	Total	Percentage of Total	Governmental Activities	Total	Percentage of Total
Revenues:						
Program:						
Charges for services	$ 4,528,973	$ 4,528,973	16%	$ 3,793,409	$ 3,793,409	14%
Operating grants	103,045	103,045	0%	91,128	91,128	0%
Capital grants	4,238,389	4,238,389	15%	4,198,787	4,198,787	15%
Total Program Revenues:	8,870,407	8,870,407	31%	8,083,324	8,083,324	29%
General:						
Taxes	18,947,331	18,947,331	65%	19,340,514	19,340,514	69%
Other	1,170,885	1,170,885	4%	547,677	547,677	2%
Total General Revenues:	20,118,216	20,118,216	69%	19,888,191	19,888,191	71%
Total Revenues:	28,988,623	28,988,623	100%	27,971,515	27,971,515	100%
Program Expenses:						
General government	2,823,373	2,823,373	15%	2,747,236	2,747,236	14%
Tourist development	2,292	2,292	0%	4,274	4,274	0%
Public safety	8,638,598	8,638,598	47%	9,341,701	9,341,701	49%
Public works	4,405,650	4,405,650	24%	4,285,367	4,285,367	23%
Community Development	2,697,243	2,697,243	15%	2,610,332	2,610,332	14%
Total Expenses:	18,567,156	18,567,156	100%	18,988,910	18,988,910	100%
Excess (deficiency)	10,421,467	10,421,467		8,982,605	8,982,605	
Prior Period Adjustment	33,206,542	33,206,542		-	-	
Change in net assets	43,628,009	43,628,009		8,982,605	8,982,605	
Beginning net assets	84,453,152	84,453,152		128,081,161	128,081,161	
Ending net assets	$ 128,081,161	$ 128,081,161		$ 137,063,766	$ 137,063,766	

Program revenues represent 29% of total receipts in 2008, which is a 2% decrease from 2007. The most significant change from 2007 to 2008 related to Charges for Services, where revenues decreased by 16.2%, or $735,564. This decrease is directly attributed to a 52.7% decrease, or $589,197, in Impact Fee collections and a 42% decrease, or $352,506, in Building Permit revenues. Impact Fee collections were implemented by the City of Newnan at the end of October 2004 in an effort to pass along more of the infrastructure costs to developers and owners, rather than to the citizens of Newnan through taxes. Funds have been accumulating to cover estimated project expenditures, as the City operates on a pay-as-you-go basis (no debt).

General Revenues make up 71% of total receipts, most of which is taxes. Notice that taxes collected as a percentage of overall revenues increased by 4% during 2008, which is attributed to the continuing growth in the City and aggressive tax collections. Occupational Tax revenues increased by 6.1%, or $105,263, over 2007, Property tax revenues increased by 4.6%, or $195,170, over 2007, and Franchise Taxes increased by 8%, or 97,962, over 2007. However, Hotel/Motel tax collections were down 21.8%, or 71,899, from 2007. Other General Revenues consist entirely of Interest Earnings on Investments, which were down 53.2%, or $623,208, as compared to 2007. Both of these decreases are indicative of the general economy in Newnan and nationally.

Program Expenses increased by 2.3 %, or $421,754, in 2008. The only function actually showing an increase in expenditures was Public Safety, where expenditures increased by 8.1%, or $703,103, over 2007. General Government, Public Works and Community Development expenditures each showed a decrease of approximately 1% as compared to 2007. The increase in Public Safety expenditures is mainly attributed to a 7.5% increase, or $546,425, in wages and benefits which included a 2.5% pay increase for all employees and the addition of two (2) Fireman and one (1) Policeman, an increase in fuel costs of $60,737 (28.6%), an increase in Confiscated Assets expenditures of $36,769 and an increase in compensated absences of $39,105, when proportionally allocated by function.

GOVERNMENTAL REVENUES

The City is heavily reliant on sales taxes to support governmental operations and capital. Sales taxes provided 48.2% of the City's total governmental revenues in 2008; by comparison, in 2007 sales taxes provided 47.5%. Property taxes are the second largest general revenue source with approximately $4.4 million of revenues, or 22.1% of the total. Occupational taxes are the third largest general revenue source, producing $1,838,252 in 2008. Due to declining interest rates, the City was only able to earn $547,677 in interest earnings in 2008 to support governmental activities. In 2007, by comparison, the City earned $1,170,885. The 2008 earnings reflect a 53.2% decrease, or a $623,208 reduction in revenue.

Program revenues (excluding capital revenues) covered 20.5% of governmental operating expenses, down from 24.9% in 2007. This means that the government's taxpayers and the City's other general governmental revenues funded about 79.5% of the governmental activities in 2008, as compared to 75.1% in 2007. As a result, one can see how the general economy has a major impact on the City's revenue streams.

GOVERNMENTAL FUNCTIONAL EXPENSES

Overall, expenditures for Governmental Activities increased by about 2.3% during 2008, up from $18,567,156 in 2007. However, the City shows a total cost of $10,905,586 for these services, as compared to 2007 where the same services showed a total cost to the City of $9,696,749. The dependence upon property and sales tax receipts is apparent as over 74% of governmental activities are supported through these general receipts. This percentage has remained constant over the last two years.

The Public Safety function expenditures are 49.2% of total governmental activities expenses. For 2007, Public Safety made up 46.5% of the total. Public Works makes up over 22%, Community Development is almost 14%, and General Government is over 14% of the total. Public Safety showed the only increase over 2007, with a 2.7% increase; all other functions showed a slight decrease or remained relatively constant. Note that Other Services was combined with Community Development in 2008.

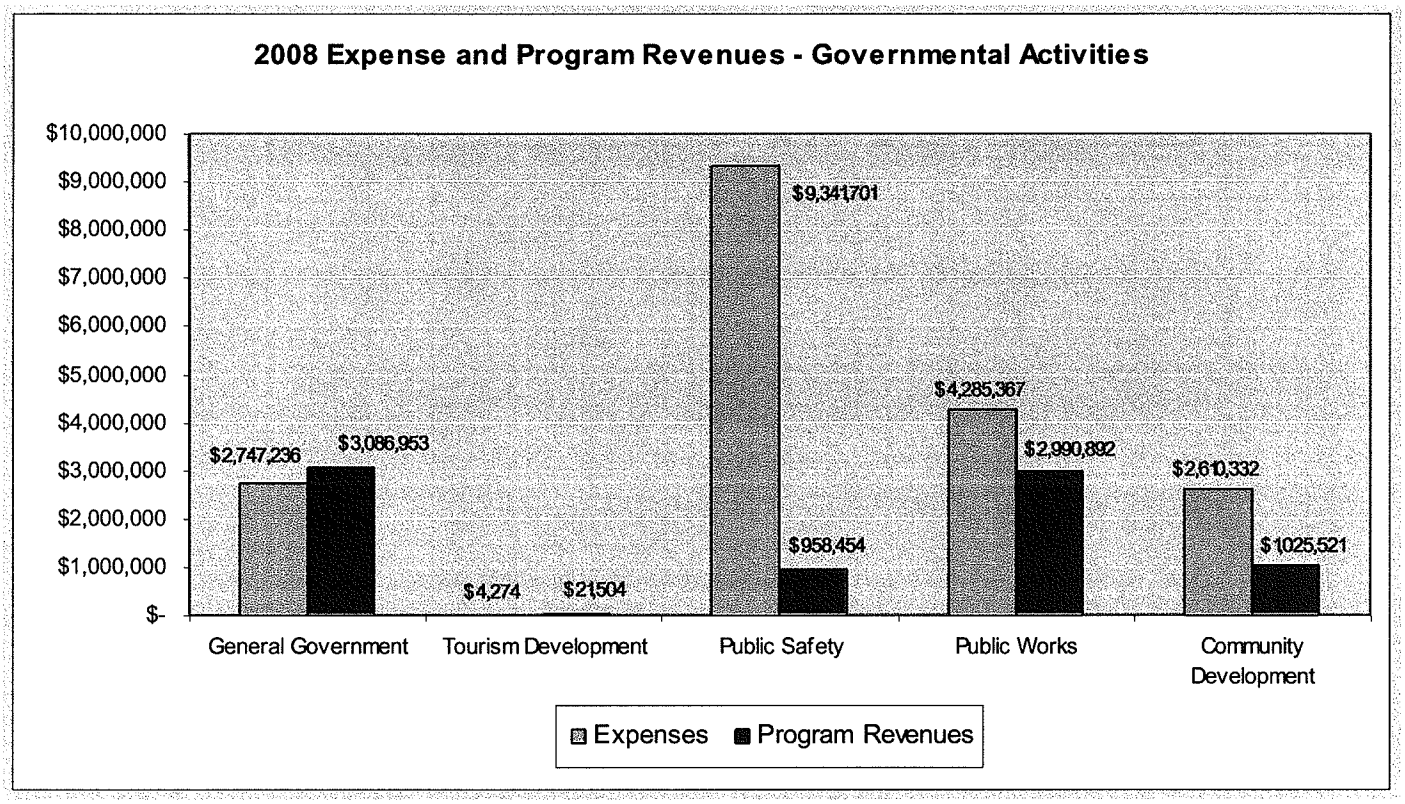
The table below presents the cost of each of the City's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the City's taxpayers by each of these functions.

Governmental Activities

	Total Cost of Services	% of Total	Net (Cost)/ Benefit of Services	% of Costs Covered
General Government	$ 2,747,236	14.47%	$ 339,717	112.37%
Tourist Development	4,274	0.02%	17,230	503.14%
Public Safety	9,341,701	49.20%	(8,383,247)	10.26%
Public Works	4,285,367	22.57%	(1,294,475)	69.79%
Community Development	2,610,332	13.75%	(1,584,811)	39.29%
Total	$ 18,988,910	100.00%	$ (10,905,586)	

The General Government function's revenues covered about 112% of the total cost of services provided by that function. Expenses for this function decreased by $76,137 in 2008 and revenues increased by approximately $1,117,563, mainly due to a capital contribution worth $1,165,378, which was in the form of a donation of the old Warner School Building at 55 Savannah Street by Coweta County. Tourist Development, as usual, more than covered its total costs.

The Public Safety function's program revenues covered only 10.26% of its total costs, up from 8.6% in 2007. Expenditures for public safety were up by approximately $700,000 in 2008. Additionally, the Community Development function's revenues covered about 39% of its total costs, down from 73.7% in 2007, with the decrease in Impact Fees ($589,197) and Building Permits ($352,506) as the contributing factor. The Public Works function revenues covered approximately 70% of its total costs, mainly due to the decrease in capital grants and contributions of $1,211,246 in 2008. In 2007, this function covered approximately 95% of its total costs. The contributed infrastructure by developers was $2,842,821 in 2008 as compared to $3,839,315 for 2007, a decrease of about 26%. The decrease in percentage of costs covered by both the Public Works and Community Development functions indicates that the rate of growth the City was experiencing in recent years has slowed significantly.



Financial Analysis of the City's Funds

Governmental Funds

As discussed, we report governmental funds in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of $28,964,243, an increase of 2.1% over 2007. Of this year-end total, $15,525,390 is unreserved indicating availability for continuing City service requirements. Therefore, unreserved fund balances increased by 4.7%, which is mainly due to the increase in funds designated for other purposes such as the renovation of the Carnegie Library. This project had funds designated at the end of 2008 in the amount of $1,476,817 for completion during 2009.

Legally restricted fund balances (i.e., the reserved fund balances) included $1,537,461 committed to outstanding encumbrances, $11,018 of inventories, $805,261 for program purposes which includes the Cultural Arts Commission, Veteran's Memorial and Downtown Economic Development, and $11,085,113 committed to capital outlays, which is an approximate 1% decrease from 2007's reserved fund balance of $13,549,714.

Major Governmental Funds

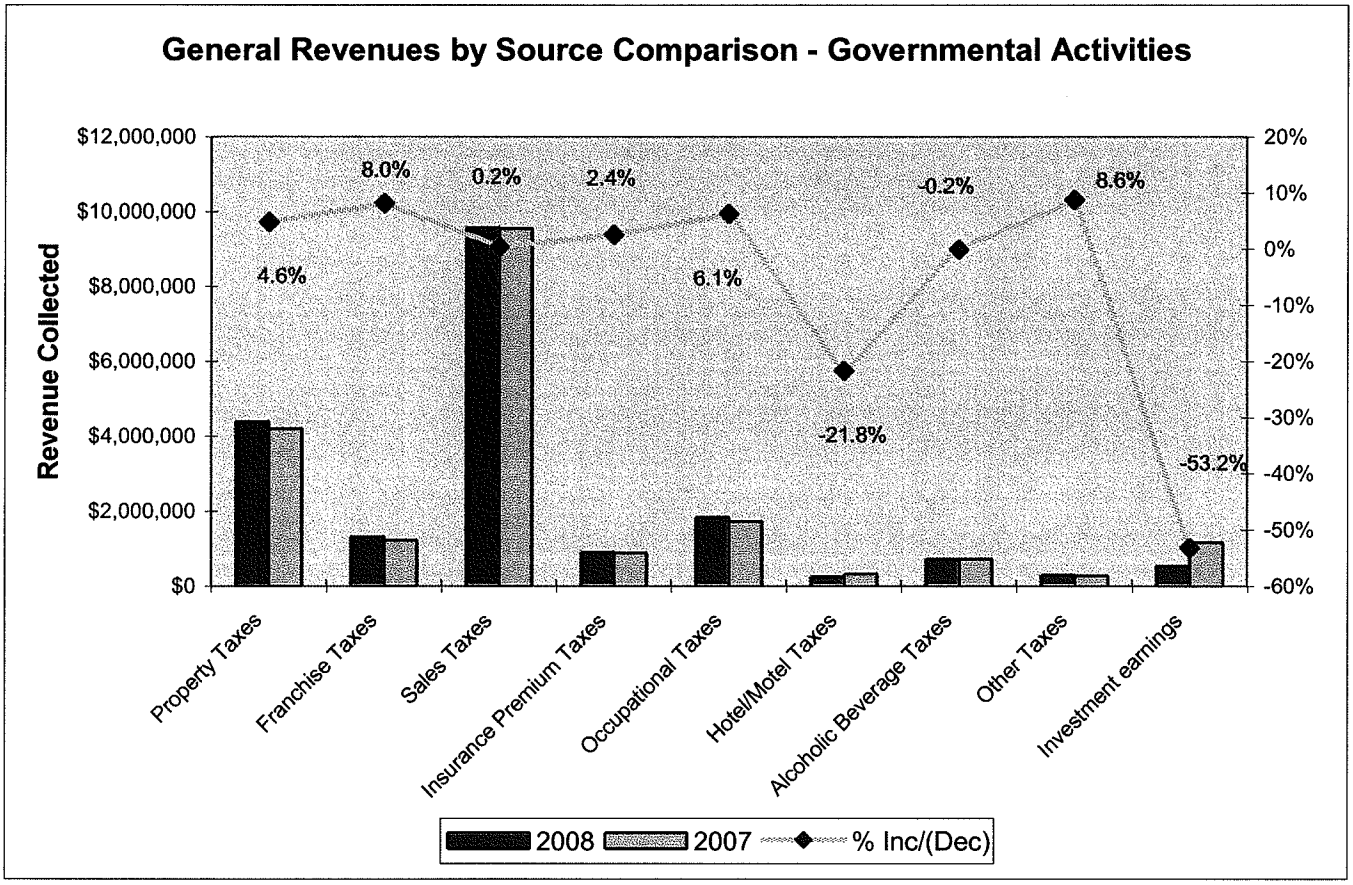
The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The General Fund's ending fund balance increased from $14,627,349 to $15,112,364, which is a 3.3% increase over 2007. As indicated, 98.5% ($14,885,077) of this balance is unreserved and available for continuing City services at a desirable level, which is consistent with 2007 at 96.9%. This balance is considered very adequate, representing the equivalent of 94.6% of annual expenditures. In comparison, the ending fund balance for 2007 represented 97% of annual expenditures. The primary use of fund balance is to cover cash flow deficiencies during the year.

The Impact Fee Fund's ending fund balance was down from calendar 2007 by $858,917, or approximately 32.2%. Ending fund balance was $1,804,978. This fund was established near the end of 2004 to account for impact fees collected by the City of Newnan. The funds have been allowed to accumulate to cover estimated project expenditures as they occur, since the City operates debt-free. Therefore, several of the approved projects were completed during 2008. Expenditures included two (2) new Fire Trucks (mini-pumper and custom pumper), new police/fire precinct, some funding for the new Greenville Street Park, Round-a-Bout Traffic Signalization, and intersection improvements. As with other capital funds, all remaining balances are carried over to the next year for budgeting purposes. Approved capital projects for this fund included new roads and streets, new city parks, new fire and police precincts, four new fire trucks, and a new vehicle storage building for the Fire Department.

SPLOST 2002 Fund's ending fund balance increased by 4.1%, or $212,535, as compared to 2007. The ending fund balance for 2008 was $5,365,845. Interest on investments was $110,964 for 2008 for this fund and donations for the Greenville Street Park was $150,000. 2008 expenditures of $48,429 related mostly to street and sidewalk maintenance and improvements. Remaining funds are carried over to next year for budgeting purposes. Please note that this sales tax expired in December 2007 and a new special purpose local option sales tax (SPLOST 2007) was approved by the citizens of Newnan. Approved capital projects for this fund included streets, drains, and sidewalks, new beautification facility, new convention center, city shop additions, fire equipment, downtown parking facility, and a new computer system.

SPLOST 2007 Fund's ending fund balance was $5,077,860. This is an increase of 41.6% over 2007, which ended with $3,585,916. Sales tax collected in 2008 was $4,959,560 and interest on investments was $85,402, which was consistent with 2007. Expenditures of $3,724,805 included new computers and equipment upgrades, new Cemetery Office building, Carnegie Library renovations, new Leaf Truck, GIS System and implementation, Old Jefferson Street road improvements, Parks Master Plan, and various other street improvements. Remaining balances carry over to next year for budgeting purposes. Approved capital projects for this fund included a VOIP Phone System, new computers and upgrades, Parks Master Plan, new playground equipment, new park development, various street cleaning equipment, new addition to City Hall, new Oak Hill Cemetery Office building, improvements to City shop, new pool and pool house at Lynch Park, Carnegie Library renovation, new roof for the Wesley Street Gym and Wadsworth Auditorium, new recreation center, and approximately $15 million in street and road improvements in the City.

The following chart shows the 2008 General Revenues by source. A discussion follows, along with a discussion of some of the program revenues (Licenses and Permits, Fines and Forfeitures) that are included in the General Fund.



Property Tax Revenues

Property tax revenue collections increased 4.6% over that of calendar 2007, mainly due to an increase in the tax digest. The 2007 digest was $988,369,713, increasing to $1,079,577,899 in 2008, which is a 9.2% increase. Almost $12 million of the increase was due to property valuation reassessments; the remainder consisted mainly of additions to real property. The 2008 millage rate is still the same as last year - 4.32 mills per thousand.

Local Option Sales Taxes

Local option sales tax revenue increased by less than 1% when compared to calendar 2007, from $4,599,472 to $4,616,571. The distribution of the local option sales tax revenue was renegotiated with Coweta County in 2002, resulting in a percentage decrease in the City's distribution from 27.9% to 21.89%. However, the County agreed to keep the City at the same dollar level as 2002 as long as the 27.9% would produce the same, or greater, proceeds. Sales taxes from all sources, including Special Purpose, showed a $23,144 increase, or slightly less than 1%, over 2007. The total generated in 2008 for all sales tax was $9,576,131 as compared to $9,552,987 in 2007.

Occupational Taxes (formerly Business Licenses)

Occupational tax revenue increased by 6.1%, or $105,263, when compared to 2007. This increase is primarily related to the continued commercial growth in the City. The 2000 census population for the City of Newnan was 16,242; the estimated 2008 population for the City is 29,867. This represents an approximate 83.9% increase in population in the last eight years!

Franchise Taxes

Franchise tax collections increased by 8% during 2008, from $1,226,762 to $1,324,724. The increase was mainly due to an increase in Utility excise taxes in the amount of $115,235.

Other Taxes
Other taxes consist of motor vehicle taxes and Interest and Penalties on delinquent property taxes. In 2008, revenues increased by 8.6%, or approximately $24,000. Motor vehicle taxes increased by $15,949 and interest on delinquent property taxes increased by $8,052.

Hotel/Motel Taxes
Hotel/Motel tax collections for 2008 were $258,001. In 2007, we recorded collections of $329,900. This appears to indicate a decrease of $71,899; however, the City began recording these revenues on an accrual basis in 2007. Therefore, an additional $58,350 was accrued as earned revenue for 2007. Going forward, we should have a more accurate comparison year to year.

Interest Earned on Investments
Interest on Investments (General Fund only) decreased by $295,576 in 2008, from $546,761 to $251,185, which is a 53% decrease when compared to 2007. Overall, all funds included, interest on investments decreased by $623,208 in 2008, which was a 53.2% decrease from 2007. Interest earnings have been drastically reduced as a result of the general economy.

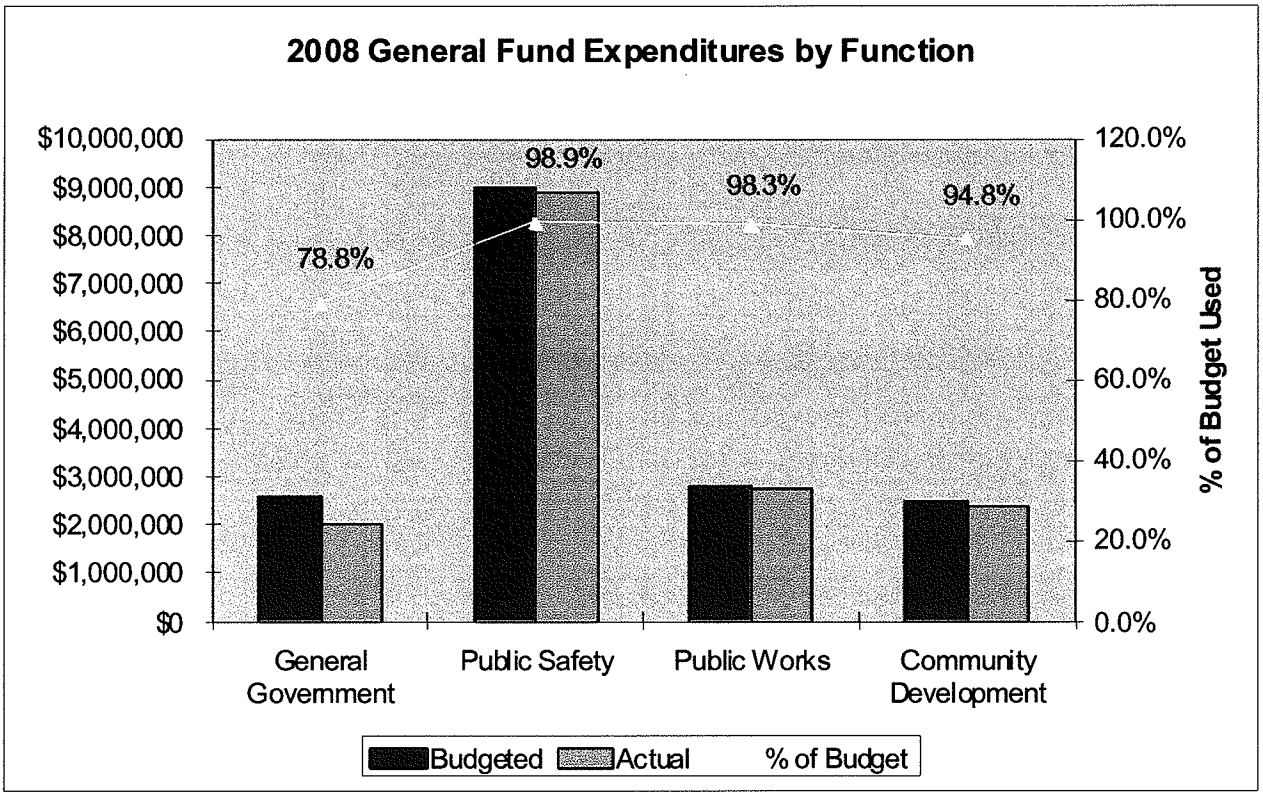
License and Permits Revenues
Building permits made up 72.6% of the total revenues for this category in 2008, down from 82.3% in 2007. Building permit revenues decreased by 42% in 2008; going from $838,631 to $486,125. Building permit valuations, residential and commercial combined, decreased by 48.7% during 2008, from approximately $154 million in 2007 to about $79 million in 2008. Alcoholic beverage licenses made up the remainder of this category. This revenue stream was consistent with 2007 at approximately $183,775. The decrease in building permit revenues is an indication of the economy in Newnan as it relates to housing and real estate investments.

Fines & Forfeitures Revenues
Police Fines increased by 5.9% over 2007; going from $632,359 to $669,929. The increase from 2006 to 2007 was 7.4%.

Budgetary Highlights

The General Fund – The 2008 revenue budget for the General Fund was $17,040,400. Actual revenue collections were $17,164,443, or 101% of budget.

The 2008 expenditure budget for the General Fund was amended to include all appropriations as approved by Council. Original budgeted expenditures were $17,040,400 and amended budgeted expenditures were $17,613,637. Council approved, from unappropriated surplus funds, an additional $48,314 for improvements to the Wadsworth Auditorium, an additional $323,183 for Carnegie Library renovations, an additional $141,229 for the Veteran's Memorial Plaza, an additional $40,000 for Round-a-Bout Traffic Signalization, an additional $11,868 for School Resource Officers, and an additional $8,643 for Municipal Court. Please note that only $125,000 of the Veteran's Memorial Plaza total came from unappropriated surplus; the remainder was collected through memorial brick sales to residents and citizens in the community. Although the City faced some difficulty with volatile fuel prices during 2008, expenditures were controlled and budgeted levels maintained. Actual expenditures for 2008 were $16,587,748, or only 94% of budget. Expenditure control is at the department level and was aggressively maintained during 2008, with actual expenditures totaling only 94% of the budgeted volume. The chart below shows a breakdown of the 2008 General Fund budgeted and actual expenditures.



Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2008, was $107,970,772. The total increase in this net investment was 8.3% for governmental activities. See Note 3-B for additional information about changes in capital assets during the calendar year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

Capital Assets

	Governmental Activities		Total		
	2008	**2007**	**2008**	**2007**	**Increase/ Decrease %**
Non-depreciable assets:					
Land	$ 18,673,849	$ 15,627,571	$ 18,673,849	$ 15,627,571	19.5%
Construction in progress	4,104,738	4,481,098	4,104,738	4,481,098	-8.4%
Total non-depreciable	22,778,587	20,108,669	22,778,587	20,108,669	13.3%
Depreciable assets:					
Buildings and Parks	15,756,823	14,022,525	15,756,823	14,022,525	12.4%
Other improvements	7,203,914	6,617,287	7,203,914	6,617,287	8.9%
Machinery and equipment	8,658,505	7,558,951	8,658,505	7,558,951	14.5%
Infrastructure	73,244,066	68,778,903	73,244,066	68,778,903	6.5%
Total depreciable assets	104,863,308	96,977,666	104,863,308	96,977,666	8.1%
Less accumulated depreciation	19,671,123	17,365,852	19,671,123	17,365,852	13.3%
Book value - depreciable assets	85,192,185	79,611,814	85,192,185	79,611,814	7.0%
Percentage depreciated	19%	18%	19%	18%	4.8%
Book value - all assets	**$ 107,970,772**	**$ 99,720,483**	**$ 107,970,772**	**$ 99,720,483**	**8.3%**

At December 31, 2008, the depreciable capital assets for governmental activities were 19% depreciated. This compares to 18% at December 31, 2007. This comparison indicates that the City is replacing its assets at approximately the same rate as they are depreciating, which is a positive indicator. Please note the fact that infrastructure received as contributions from developers accounted for the primary increase in the value of depreciable assets. Included in the construction in progress amount are various sidewalk projects and several road projects.

Major capital asset items purchased or completed during the current fiscal year included the following:

- New Westside Police/Fire Precinct
- Construction of Round-a-Bout at East Broad and Greison Trail Intersection
- Wadsworth Auditorium Improvements
- Greenville Street Park Construction
- Repaving of various City streets (LARP projects)
- Road Improvements at City Shop
- New Radio Receiver System for Public Safety
- Various vehicles and equipment for Public Safety personnel
- Playground Equipment for CJ Smith Park
- Pierce Mini- Pumper Fire Truck and KME Custom Fire Pumper Fire Truck
- New Loader/Backhoe, Street Sweeper, Asphalt Roller and Leaf Machine
- Culvert Repairs at Roberts Road and Sewell Road

Additionally, there are several projects under construction as of December 31, 2008, including Old Jefferson Street improvements, Greenville/Spence Intersection improvements, Greenville Streetscapes Phase II, Carnegie Library improvements, various Sidewalk projects, construction of new Cemetery Office Building, construction of a Veteran's Memorial Plaza and a GIS system implementation. Construction in progress projects are capitalized upon completion.

Long-term Debt

At the end of the current calendar year, the City's only long-term debt relates to pay for earned vacation and sick leave and deferred holidays for Public Safety Personnel. The City pays 10% of earned sick leave and 100% of earned vacation upon employee termination, with deferred holidays payable within six (6) months of accrual date. The 2008 amount payable totals $493,190, as compared to $382,574 at the end of 2007. Short-term debt (payable within one year) is $305,411, with the remaining $187,779 booked as Long-term debt. Please refer to pages 34 to 37 for information concerning component unit debt.

Economic Conditions Affecting the City

The challenge for all governments is to provide quality services at a reasonable cost to its citizens. The City of Newnan remains in a relatively strong financial position, in spite of a somewhat depressed economy. Fuel costs have settled somewhat, but interest earnings have decreased significantly over the past two years. Newnan continues to experience some growth in the commercial sector though. The City is proactively managing resources and service strategies; infrastructure costs are being passed on to the developers to minimize the impact on the citizens of Newnan. Additionally, departments are charged with controlling expenditures based on budgeted amounts.

As this audit will show, the City's overall financial position improved during 2008. The City strives to maintain current service levels while keeping costs as low as possible. We continue to operate debt-free. Our goal is to maintain a healthy fund balance and protect the interests of the citizens in the City of Newnan.

Next Year's Budget

As of December 31, 2008, unreserved fund balance in the General Fund was $14,885.077. Next year's budgeted revenues are projected to be made up of Excise Taxes (28%), Sales Taxes (27%) and Property Taxes (26%), with the remaining 19% expected to be generated by Licenses and Permits, Service Charges and Intergovernmental Revenues. Budgeted revenues are expected to increase by less than 1%, from $17,040,400 to $17,151,100. Expenditures are expected to increase by approximately $1.5 million due to several projects funded by unappropriated surplus and slated for completion during 2010, such as the Carnegie Building renovations.

Contacting the City's Financial Management

This financial report is designed to provide citizens, taxpayers, investors and creditors with a general overview of the City's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. If you have questions about this report or would like to request additional information, please contact the City's Finance Director, Katrina Cline, at 25 LaGrange Street, Newnan, GA 30263, or by e-mail at kcline@cityofnewnan.org.

BASIC FINANCIAL STATEMENTS

CITY OF NEWNAN, GEORGIA

STATEMENT OF NET ASSETS
DECEMBER 31, 2008

	Primary Government	Component Units	
	Governmental Activities	Water Sewerage and Light Commission	Downtown Development Authority
ASSETS			
Cash and cash equivalents	$ 26,167,791	$ 8,267,142	$ 36,050
Investments	1,467,413	21,213,314	-
Receivables, net of allowance	2,743,007	4,928,040	-
Inventory	11,018	1,498,062	-
Prepaid items	-	238,630	-
Restricted assets	-	15,052,326	-
Capital assets not being depreciated:			
Land	18,673,849	7,797,571	-
Construction in progress	4,104,738	9,870,392	-
Capital assets net of accumulated depreciation:			
Buildings and parks	11,379,311	-	-
Structures, lines and improvements	-	91,985,838	-
Other improvements	5,118,755	-	-
Machinery and equipment	3,513,055	6,325,336	-
Infrastructure	65,181,064	-	-
Other assets:			
Cash value of life insurance	-	359,007	-
Debt issue costs-unamortized	-	595,360	-
Total assets	138,360,001	168,131,018	36,050
LIABILITIES			
Accounts payable	608,207	3,249,851	4,040
Accrued expenses	194,838	84,605	-
Accrued interest payable	-	850,892	-
Customer deposits	-	1,232,449	-
Unearned revenue	-	594,084	-
Noncurrent liabilities:			
Due within one year	305,411	907,357	-
Due in more than one year	187,779	40,957,169	-
Total liabilities	1,296,235	47,876,407	4,040
NET ASSETS			
Invested in capital assets, net of related debt	107,970,772	83,594,920	-
Restricted for:			
Capital outlay	11,085,113	-	-
Capital improvements and debt service	-	15,052,326	-
Program purposes	805,261	-	-
Unrestricted	17,202,620	21,607,365	32,010
Total net assets	$ 137,063,766	$ 120,254,611	$ 32,010

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, 2008

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 Assets: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Component Units: Water, Sewerage & Light Commission	Net (Expense) Revenue and Changes in Net Assets: Component Units: Downtown Development Authority
Primary Government:							
Governmental Activities							
General government	$ 2,747,236	$ 1,921,215	$ -	$ 1,165,738	$ 339,717		
Tourism development	4,274	21,504	-	-	17,230		
Public safety	9,341,701	835,169	91,128	32,157	(8,383,247)		
Public works	4,285,367	-	-	2,990,892	(1,294,475)		
Community development	2,610,332	1,015,521	-	10,000	(1,584,811)		
Total governmental activities	$18,988,910	$ 3,793,409	$ 91,128	$ 4,198,787	(10,905,586)		
Component Units							
Water, Sewerage & Light Commission	$53,611,065	$ 50,170,092	$ -	$ 871,089		$ (2,569,884)	$ -
Downtown Development Authority	121,041	35,131	84,975	-		-	(935)
Total component units	$53,732,106	$ 50,205,223	$ 84,975	$ 871,089		(2,569,884)	(935)
General revenues:							
Property taxes					4,398,384	-	-
Sales taxes					9,576,131	713,123	-
Occupational taxes					1,838,252	-	-
Franchise taxes					1,324,724	-	-
Insurance premium taxes					909,036	-	-
Hotel/Motel taxes					258,001	-	-
Alcoholic beverage taxes					731,681	-	-
Other taxes					304,305	-	-
Investment earnings					547,677	354,979	238
Total General Revenues					19,888,191	1,068,102	238
Special Item - Gain on sale of capital assets					-	24,306,632	-
Total general revenues and special item					19,888,191	25,374,734	238
Change in net assets					8,982,605	22,804,850	(697)
Net assets - beginning of year					128,081,161	97,449,761	32,707
Net assets - ending of year					$ 137,063,766	$ 120,254,611	$ 32,010

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

CITY OF NEWNAN, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2008

	General	Impact Fees	2002 SPLOST	2007 SPLOST	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 14,178,371	$ 1,804,978	$ 5,369,534	$ 4,480,527	$ 334,381	$ 26,167,791
Investments	148,589	-	-	-	1,318,824	1,467,413
Due from other funds	34,678	-	-	-	4,512	39,190
Taxes receivable	682,643	-	-	827,645	57,796	1,568,084
Intergovernmental	769,639	-	-	-	-	769,639
Other receivables	405,284	-	-	-	-	405,284
Inventories	11,018	-	-	-	-	11,018
Total assets	$ 16,230,222	$ 1,804,978	$ 5,369,534	$ 5,308,172	$ 1,715,513	$ 30,428,419
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ 303,808	$ -	$ 3,689	$ 230,312	$ 70,398	$ 608,207
Accrued expenditures	194,838	-	-	-	-	194,838
Due to other funds	4,512	-	-	-	34,678	39,190
Deferred revenues	614,700	-	-	-	7,241	621,941
Total liabilities	1,117,858	-	3,689	230,312	112,317	1,464,176
Fund balances:						
Reserved for:						
Encumbrances	70,403	-	1,137,654	-	329,404	1,537,461
Inventories	11,018	-	-	-	-	11,018
Program purposes	145,866	-	-	-	659,395	805,261
Capital outlay	-	1,804,978	4,228,191	5,077,860	(25,916)	11,085,113
Unreserved, designated for:						
Other purposes	1,701,519	-	-	-	-	1,701,519
Unreserved, reported in						
General fund	13,183,558	-	-	-	-	13,183,558
Special revenue funds	-	-	-	-	120,612	120,612
Capital project funds	-	-	-	-	519,701	519,701
Total fund balances	15,112,364	1,804,978	5,365,845	5,077,860	1,603,196	28,964,243
Total liabilities and fund balances	$ 16,230,222	$ 1,804,978	$ 5,369,534	$ 5,308,172	$ 1,715,513	$ 30,428,419

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 ASSETS
DECEMBER 31, 2008

Total fund balances per balance sheet of governmental funds		$ 28,964,243
Amounts reported for governmental activities in the Statement of Net Assets differ from amounts reported in the Balance Sheet of Governmental Funds due to the following:		
Capital Assets		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost of the assets	$ 127,641,895	
Accumulated depreciation	(19,671,123)	
		107,970,772
Revenues		
Some of the government's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.		621,941
Long-term Liabilities		
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as fund liabilities. All liabilities both current and long-term are reported in the Statement of Net Assets. Long-term liabilities at year-end consist of the following:		
Compensated absences		(493,190)
Total net assets of governmental activities		$ 137,063,766

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, 2008

	General	Impact Fees	2002 SPLOST	2007 SPLOST	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes:						
Property	$ 4,141,896	$ -	$ -	$ -	$ -	$ 4,141,896
Franchise	1,324,724	-	-	-	-	1,324,724
Sales	4,616,571	-	-	4,959,560	-	9,576,131
Insurance premium	909,036	-	-	-	-	909,036
Occupational	1,838,252	-	-	-	-	1,838,252
Hotel/motel	-	-	-	-	258,001	258,001
Alcoholic Beverage	731,681	-	-	-	-	731,681
Other taxes	304,305	-	-	-	-	304,305
License and permits	669,900	-	-	-	-	669,900
Impact fees	-	529,396	-	-	-	529,396
Court condemnations	-	-	-	-	165,240	165,240
Intergovernmental	200,831	-	-	171,787	127,350	499,968
Intergovernmental-utility	1,165,377	-	-	-	-	1,165,377
Fines and forfeitures	669,929	-	-	-	-	669,929
Investment earnings	251,185	49,764	110,964	85,402	50,362	547,677
Donations	-	-	150,000	-	-	150,000
Miscellaneous	185,955	-		-	-	185,955
Total revenues	17,009,642	579,160	260,964	5,216,749	600,953	23,667,468
EXPENDITURES						
Current:						
General government	2,024,214	-	-	73,522	81,700	2,179,436
Tourism development	-	-	-	-	4,274	4,274
Public safety	8,859,759	-	-	-	50,334	8,910,093
Public works	2,722,862	-	-	-	-	2,722,862
Community development	2,365,981	-	-	-	-	2,365,981
Intergovernmental	-	-	-	793,530	-	793,530
Capital outlay	-	1,438,077	48,429	2,857,753	1,760,589	6,104,848
Total expenditures	15,972,816	1,438,077	48,429	3,724,805	1,896,897	23,081,024
Excess (deficiency) of revenues over (under) expenditures	1,036,826	(858,917)	212,535	1,491,944	(1,295,944)	586,444
OTHER FINANCING SOURCES (USES)						
Transfers in	154,801	-	-		706,612	861,413
Transfers out	(706,612)	-	-	-	(154,801)	(861,413)
Total other financing sources (uses)	(551,811)	-	-	-	551,811	-
Net change in fund balances	485,015	(858,917)	212,535	1,491,944	(744,133)	586,444
Fund balances - beginning of year	14,627,349	2,663,895	5,153,310	3,585,916	2,347,329	28,377,799
Fund balances - end of year	$ 15,112,364	$ 1,804,978	$ 5,365,845	$5,077,860	$ 1,603,196	$ 28,964,243

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, 2008

Excess (Deficit) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses Per Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances		$ 586,444
Amounts reported for governmental activities in the Statement of Activities differ from amounts reported in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances due to the following:		
Capital Assets		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense.		
Total capital outlays	$ 6,620,583	
Total depreciation	(2,381,229)	4,239,354
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, disposals, trade-ins, and donations) is to increase net assets.		4,010,935
Long-term Debt		
Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. The adjustments for these items are as follows:		
Compensated absences		(110,616)
Revenues		
Because some revenues will not be collected for several months after the government's fiscal year end, they are not considered available revenues and are deferred in the governmental funds. Deferred revenues increased by this amount during the year.		256,488
Change in net assets of governmental activities		$ 8,982,605

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

CITY OF NEWNAN, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes:				
Property	$ 4,075,000	$ 4,075,000	$ 4,141,896	$ 66,896
Franchise	1,145,000	1,145,000	1,324,724	179,724
Sales	4,600,000	4,600,000	4,616,571	16,571
Insurance premium	900,000	900,000	909,036	9,036
Occupational	1,705,000	1,705,000	1,838,252	133,252
Alcoholic beverage	728,000	728,000	731,681	3,681
Other taxes	270,000	270,000	304,305	34,305
License and permits	815,200	815,200	669,900	(145,300)
Intergovernmental	220,000	220,000	200,831	(19,169)
Intergovernmental-utility	1,100,000	1,100,000	1,165,377	65,377
Fines and forfeitures	637,000	637,000	669,929	32,929
Interest earnings	500,000	500,000	251,185	(248,815)
Miscellaneous	205,200	205,200	185,955	(19,245)
Total revenues	16,900,400	16,900,400	17,009,642	109,242
EXPENDITURES				
Current:				
General government:				
Council	173,736	173,736	152,142	21,594
Manager	270,228	270,228	215,444	54,784
Public information officer	100,144	100,144	78,158	21,986
Attorney	115,550	115,550	90,728	24,822
Clerk	80,694	80,694	75,383	5,311
Finance	341,511	341,511	323,480	18,031
Human resources	181,228	181,228	154,795	26,433
Information technologies	169,240	169,240	147,002	22,238
Municipal court	134,990	143,632	143,292	340
Other - unclassified	699,661	1,022,844	635,300	387,544
Total general government	2,266,982	2,598,807	2,015,724	583,083
Public safety:				
Police	5,446,782	5,446,782	5,384,379	62,403
School resources officer	316,432	328,300	318,154	10,146
Animal services	65,641	65,641	56,758	8,883
Fire	3,120,423	3,120,423	3,097,683	22,740
Total public safety	8,949,278	8,961,146	8,856,974	104,172

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

CITY OF NEWNAN, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008
(CONTINUED)

	Budget			Variance with
	Original	Final	Actual	Final Budget
Public works:				
Administration	$ 163,621	$ 163,621	$ 162,718	$ 903
Engineer	275,444	275,444	239,491	35,953
Streets	1,471,096	1,511,096	1,494,181	16,915
Garage	389,529	389,529	351,904	37,625
Cemetery	430,325	430,325	409,601	20,724
Total public works	2,730,015	2,770,015	2,657,895	112,120
Community development:				
Administration	203,760	203,760	203,231	529
Planning and zoning	239,332	239,332	201,173	38,159
Business development and special events	166,455	166,455	149,892	16,563
Library	100,000	100,000	100,000	-
Parks & ROW beautification	710,568	851,797	834,690	17,107
Building inspection	603,044	603,044	601,001	2,043
Building maintenance	330,366	330,366	260,556	69,810
Total community development	2,353,525	2,494,754	2,350,543	144,211
Total expenditures	16,299,800	16,824,722	15,881,136	943,586
Excess (deficiency) of revenue over (under) expenditure	600,600	75,678	1,128,506	1,052,828
OTHER FINANCING SOURCES (USES)				
Transfers in	140,000	140,000	154,801	14,801
Transfers out	(740,600)	(740,600)	(706,612)	33,988
Total other financing sources (uses)	(600,600)	(600,600)	(551,811)	48,789
Net change in fund balances	$ -	$ (524,922)	576,695	$ 1,101,617
Fund balances - beginning of year			14,465,266	
Fund balances - end of year			$ 15,041,961	

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

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

The accompanying financial statements present the City and its discretely presented component units, entities for which the City is considered to be financially accountable. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government. The criteria used to determine financial accountability is evidenced by the following:

1. Ability to impose will on an organization by being able to significantly influence the programs, projects or activities of, or the level of services performed or provided by, the organization.
2. Financial benefit to or burden on the primary government including responsibility for financing debts, entitlements to surpluses and guarantees or moral responsibility for debt.
3. Fiscal dependency for matters including authority over funds and budgetary appropriations.
4. Ability of the primary government to appoint a voting majority of an organization's governing body.

Discretely Presented Component Units

The Newnan Water, Sewerage and Light Commission (hereinafter the NWSL Commission) governing board is appointed by the City Council. The City Council also approves bond issue authorizations. By letter of agreement dated September 14, 1993 between the NWSL Commission and the City, the method of calculating cash contributions from the NWSL Commission was established. The NWSL Commission makes monthly transfers equal to 5% of the prior month's billing for electrical energy, excluding sales tax, fuel costs adjustments, special rates and streetlights. Additionally, the NWSL Commission remits monthly an additional 3% of the prior month's billing for water and sewer revenues. The NWSL Commission also remits 5% of certain cable revenue to the City in lieu of paying a franchise fee. Separately issued financial statements may be obtained by writing the Newnan Water, Sewerage and Light Commission, P.O. Box 578, Newnan, GA 30264.

The Downtown Development Authority of the City of Newnan (hereinafter the Authority) governing board is appointed primarily by the City Council. The Authority is also financially dependent upon the City. The Authority is reported as a governmental fund type and has not issued separate financial statements for this year.

B. Government-wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible with the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, local option sales taxes, franchise taxes, other taxes, licenses and permits, intergovernmental revenues, interest and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

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

Impact Fees Fund – In 2004, the citizens adopted a Development Impact Fee Ordinance as a means of recovering costs of public facility and service demands made by new development within the City.

The 2002 Special Purpose Local Option Sales Tax Fund – In 2001, the citizens of Newnan re-approved a 1% SPLOST for the purpose of funding capital improvement projects. Approved projects include park acquisitions and development, convention center, downtown parking facilities, fire equipment, computer systems and transportation improvements.

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

Additionally, the City reports the following fund types:

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

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

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

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

D. Deposits and Investments

Deposits

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

Investments

Investments for the City are reported at fair value.

E. Receivables

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

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

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

F. Interfund Receivables, Payables and Transfers

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

G. Inventories

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

H. Restricted Assets and Reserves

Encumbrances, inventories, other purposes and capital outlay that are accounted for in governmental funds are offset by a fund balance reserve because these amounts do not constitute "expendable available financial resources."

I. Capital Assets

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

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

Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed, if material.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

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

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

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

K. Long-term Obligations

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

L. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Process

The City adopts an annual operating budget for all funds. The budget resolution reflects the total of each department's appropriation in each fund. The governmental fund budgets are adopted on a non-GAAP budgetary basis. Expenditures charges against the budget include outstanding encumbrances at year-end. Revenues are reported on a GAAP basis.

Budgetary control is maintained at the department level. Department heads, with the approval of the city manager, may transfer appropriations within their department. Interdepartmental transfers require the approval of city council.

B. Budget to GAAP Reconciliation

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

	General Fund
Budgetary basis - excess revenues and other financing sources over (under) expenditures and other financing uses	
Add: Current year encumbrances	$ 1,400
Deduct: Prior year encumbrances voided	(1,850)
Deduct: Prior year encumbrances paid in the current year	(91,230)
Generally accepted accounting principles basis-excess revenues and other financing sources over expenditures and other financing uses	$ 485,015
Budgetary basis-fund balance, ending	$ 15,041,961
Add: Current year encumbrances	1,400
Add: Prior year encumbrances outstanding at year-end	69,003
Generally accepted accounting principles basis-fund balance, ending	$ 15,112,364

NOTE 3 - DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Custodial Credit Risk - Deposits

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

The City's bank balances of deposits as of December 31, 2008, are entirely insured or collateralized with securities held by the City's agent in the City's name.

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

At December 31, 2008, the Newnan Water, Sewerage and Light Commission, a discretely presented component unit's bank balances were entirely insured or collateralized with securities held by the Commission's agent in the Commission's name.

Investments - Primary Government

Investment Type	Credit Rating	Investment Value Value	Weighted Average Maturity
Georgia Fund I	AAAm rated	$ 1,467,413	24 days

Custodial Credit Risk - For an investment, the custodial credit risk is the risk that in the event of the failure of the counter-party to a transaction, an entity will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. Georgia Fund I is not required to disclose custodial credit risk. The City has no such investments with such risks as of December 31, 2008.

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

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

Investments - Component Unit

Custodial Credit Risk - As of December 31, 2008, the Commission had the following investments

Investment	Fair Value	Maturities
Georgia Fund 1	$ 19,291,678	24 days
MEAG Municipal Competitive Trust		
Mutual Funds Intermediat Portfolio	1,338,047	various
Mutual Funds Short Term Portfolio	115,079	various
Rabbi Trust		
Annuity Funds	102,853	December 1, 2028
Annuity Funds	365,657	September 1, 2039
	$ 21,213,314	

Interest Rate Risk - The Commission does not have a formal investment policy that limits investments maturities as a means of managing exposure to fair value losses arising from increasing rates

Credit Risk - State statues authorize the Commission to invest in obligations of the State of Georgia; obligations issued by the U.S. Government, obligations fully insured or guaranteed by the U.S. Government or by a government agency of the United States; obligations of any corporation of the U.S. Government; prime bankers' acceptances; the Georgia Fund I established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. The Commission has no investment policy that would further limit its investment choices.

Concentration of Credit Risk - The Commission places no limit on the amount the Commission may invest in any one issuer. More than 5% of the Commission's investments are in the Georgia Fund 1 and mutual funds. These investments are 91% and 7%, respectively of the Commission's total investments.

B. Capital Assets

Capital asset activity for the year ended December 31, 2008 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Reclassifications	Ending Balance
Governmental Activities					
Capital assets not being depreciated:					
Land	$ 15,627,571	$ 126,113	$ -	$ 2,920,165	$ 18,673,849
Construction in progress	4,481,098	3,197,089	-	(3,573,449)	4,104,738
Total capital assets, not being depreciated	20,108,669	3,323,202	-	(653,284)	22,778,587
Capital assets, being depreciated:					
Buildings and parks	14,022,525	1,206,728	-	527,570	15,756,823
Other improvements	6,617,287	202,000	-	384,627	7,203,914
Machinery and equipment	7,558,951	1,205,361	(112,582)	6,775	8,658,505
Infrastructure	68,778,903	4,730,851	-	(265,688)	73,244,066
Total capital assets being depreciated	96,977,666	7,344,940	(112,582)	653,284	104,863,308
Less accumulated depreciation for:					
Buildings and parks	(4,087,219)	(290,293)	-	-	(4,377,512)
Other improvements	(1,757,272)	(327,887)	-	-	(2,085,159)
Machinery and equipment	(4,928,506)	(292,902)	75,958	-	(5,145,450)
Infrastructure	(6,592,855)	(1,470,147)	-	-	(8,063,002)
Total accumulated depreciation	(17,365,852)	(2,381,229)	75,958	-	(19,671,123)
Total capital assets, being depreciated, net	79,611,814	4,963,711	(36,624)	653,284	85,192,185
Governmental activities capital assets, net	$ 99,720,483	$ 8,286,913	$ (36,624)	$ -	$ 107,970,772

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

General government	$ 49,767
Public safety	387,362
Public works	1,558,259
Community development and leisure services	385,841
Total governmental activities depreciation expense	$ 2,381,229

	Beginning Balance	Increases	Decreases	Reclassifications	Ending Balance
Component Unit					
Capital assets, not being depreciated:					
Land	$ 6,974,052	$ 823,519	$ -	$ -	$ 7,797,571
Construction in progress	5,616,383	8,732,489	(4,478,480)	-	9,870,392
Total capital assets, not being depreciated	12,590,435	9,556,008	(4,478,480)	-	17,667,963
Capital assets, being depreciated:					
Machinery and equipment	23,016,455	1,009,636	(10,217,489)	(338,066)	13,470,536
Structures, lines and improvements	184,073,873	3,308,941	(52,196,317)	338,066	135,524,563
Total capital assets, being depreciated	207,090,328	4,318,577	(62,413,806)	-	148,995,099
Less accumulated depreciation for:					
Machinery and equipment	(17,086,649)	(1,302,928)	6,763,520	4,480,857	(7,145,200)
Structures, lines and improvements	(55,539,187)	(4,883,829)	21,365,148	(4,480,857)	(43,538,725)
Total accumulated depreciation	(72,625,836)	(6,186,757)	28,128,668	-	(50,683,925)
Total capital assets, being depreciated, net	134,464,492	(1,868,180)	(34,285,138)	-	98,311,174
Component unit, capital assets, net	$ 147,054,927	$ 7,687,828	$ (38,763,618)	$ -	$ 115,979,137

C. Component Unit

Special Item - Sale of Digital Services Assets

On April 21, 2008, the Commission completed the sale of Digital Services assets to HC Cable Opco, LLC for $70 million. The sale transaction resulted in a gain of $24,306,632 (included as a special item in the accompanying statement of activities).

D. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2008, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Fund	$ 34,678
Nonmajor Governmental Fund	General Fund	4,512
		$ 39,190

Interfund receivables of the general fund consist of amounts due the general fund at year-end from the hotel/motel tourism enhancement special revenue fund.

Interfund payables of the general fund consist of amounts due the confiscated assets fund relative to forfeitures received at year-end.

Interfund transfers for the year ended December 31, 2008, are as follows:

	Transfers in:		
Transfer out:	General	Nonmajor Governmental	Total
General fund	$ -	$ 706,612	$ 706,612
Nonmajor governmental funds	154,801	-	154,801
Total	$ 154,801	$ 706,612	$ 861,413

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

E. Long-term Debt

Primary Government

As of December 31, 2008, the City's governmental activities had no outstanding long-term debt other than compensated absences in the amount of $493,190.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	$ 382,574	$ 332,839	$ 222,223	$ 493,190	$ 305,411

For the governmental activities, compensated absences are generally liquidated by the general fund.

Component Unit

Long-Term Debt – The Newnan Water, Sewerage and Light Commission had four types of long-term debt outstanding at December 31, 2008, notes payable, capital leases, a state revolving loan and revenue bonds.

Notes Payable – The Newnan Water, Sewerage and Light Commission has arrangements with the Georgia Environmental Facilities Authority, Wachovia and Caterpillar to lease assets as capital leases. As part of those arrangements, the Commission had additional amounts available to purchase additional equipment or utility vehicles. The amount available is recorded on the statement of net assets as restricted assets.

Annual debt service requirements to amortize the notes payable outstanding, as of December 31, 2008 is as follows:

Year	Principal	Interest	Total
2009	$ 208,150	$ 31,334	$ 239,484
2010	215,963	23,521	239,484
2011	224,070	15,414	239,484
2012	232,454	7,030	239,484
2013	63,286	402	63,688
	$ 943,923	$ 77,701	$ 1,021,624

Capital Leases – The Newnan Sewerage and Light Commission leases certain machinery and equipment and utility vehicles under agreements that are classified as capital leases. As of December 31, 2008, the cost for this equipment was approximately $158,681. Annual debt service requirements to amortize the capital lease obligations outstanding, as of December 31, 2008 are as follows:

Year	Principal	Interest	Total
2009	$ 53,010	$ 2,385	$ 55,395
2010	4,418	197	4,615
Total	$ 57,428	$ 2,582	$ 60,010

State Revolving Loan – The NWSL Commission received approval for a $5,100,000 loan from the Georgia State Revolving Loan Fund (SRF) for additions and improvements to the Wahoo Creek Water Pollution Control Plant. A one-time administration fee of $204,000 was added to the loan and increased the approved principal amount to $5,304,000. The interest on this loan is at the rate of 4.00% and was accrued during the construction period as draws were made. Construction was completed in early 1994, and the plant is now fully operational. The NWSL Commission elected to add the accrued interest to the loan principal, bringing the total borrowing to $5,664,861. The loan principal and interest will be repaid in monthly payments in the amount of $34,309. Annual debt service requirements to amortize the Georgia State Revolving Loan outstanding, as of December 31, 2008, are as follows:

Year	Principal	Interest	Total
2009	$ 341,197	$ 70,514	$ 411,711
2010	355,080	56,631	411,711
2011	369,546	42,165	411,711
2012	384,580	27,131	411,711
2013	400,275	11,436	411,711
2014	68,109	347	68,456
Total	$ 1,918,787	$ 208,224	$ 2,127,011

Georgia Environmental Facilities Authority – The Commission entered into an $8,550,000 loan agreement dated February 16, 2007 with the Georgia Environmental Facilities Authority to finance the costs of improving the Hershall B. Norred Water Plant. The loan commitment will be advanced during the construction period of the project. Interest will be accrued during the construction period at the rate of 3 percent per annum and compounded monthly until the earlier of the project completion date or August 1, 2009 (the "Amortization Commencement Date"). Principal and interest will be payable in 239 monthly installments beginning in the month following the Amortization Commencement Date. As of December 31, 2008, advances outstanding under the loan agreement were $8,543,272.

Revenue Bonds

Series 2001 Bonds

During the year 2001, the NWSL Commission issued $14,835,000 of Water, Sewerage and Light Commission Public Utilities Bonds jointly with the City of Newnan, Georgia. The bonds are dated December 1, 2001 and bear interest rates from 4% to 5.5%.

Series 2006 Bonds

During the year, 2006, the NWSL Commission issued revenue bonds, Series A 2006 for the purpose of refinancing the 1998 and 2001 revenue bonds and Series B for the purpose of capital improvements. The bonds are dated December 1, 2006 with a face value of $28,080,000 and bear interest from 4.5% to 5.125%.

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

The maturities of the 2001 and 2006 bonds are as follows:

	Series 2001 Bonds		Series 2006 Bonds		Total	Total
Year	Principal	Interest	Principal	Interest	Principal	Interest
2009	$ 305,000	$ 13,115	$ -	$ 1,277,438	$ 305,000	$ 1,290,553
2010	-	-	235,000	1,277,437	235,000	1,277,437
2011	-	-	565,000	1,268,937	565,000	1,268,937
2012			820,000	1,242,100	820,000	1,242,100
2013			850,000	1,212,900	850,000	1,212,900
2014-2018	-	-	6,470,000	5,420,275	6,470,000	5,420,275
2019-2023	-	-	8,865,000	3,605,838	8,865,000	3,605,838
2024-2028	-	-	4,460,000	1,867,849	4,460,000	1,867,849
2029-2033	-	-	3,395,000	1,010,838	3,395,000	1,010,838
2034-2036	-	-	2,420,000	221,175	2,420,000	221,175
Total	$ 305,000	$ 13,115	$ 28,080,000	$ 18,404,787	$ 28,385,000	$ 18,417,902

Component Unit

The changes in long-term debt are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Notes payable	$ 3,867,375	$ 5,820,329	$ (200,509)	$ 9,487,195	$ 208,150
Capital lease obligations	765,487	-	(708,059)	57,428	53,010
Georgia SRF Loan	2,246,576	-	(327,789)	1,918,787	341,197
Revenue bonds	62,044,182	-	(33,691,724)	28,352,458	305,000
Total	$ 68,923,620	$ 5,820,329	$ (34,928,081)	$ 39,815,868	$ 907,357

F. Property Taxes

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

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

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

The City distributes tax notices and collects tax payments. Motor vehicle taxes are due based upon the birthday of the owner. The 2008 property taxes were mailed (levied) as of September 15th, with a due date of October 31st.

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

G. Hotel/Motel Taxes

The City levies and collects a 5% lodging tax which is reported in the Hotel/Motel Tourism Enhancement Fund. The City retains 60% of the funds collected. All of the current year expenditures were relative to repairs and maintenance for the Newnan Male Academy Museum in the amount of $4,274 and professional fees in the amount of $21,944 relative to the planning phase of a new convention center. Tax receipts for the year were $258,001. The balance of funds not expended as of year end is $659,395. The City is currently reevaluating this fund and potential uses relative to the promotion of tourism as required by O.C.G.A. 48-13-51.

H. Risk Management

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

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

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

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

Chapter 85 of Title 36 of the Official Code of Georgia Annotated authorized Georgia municipalities to form interlocal risk management agencies. The Georgia Interlocal Risk

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

The City of Newnan must participate at all times in at least one fund established by GIRMA. The City retains the first $5,000 of each risk of loss in the form of a deductible. The City files all worker's compensation claims with GIRMA. GIRMA bills the City for any risk of loss up to the $5,000 deductible.

The basis for estimating the liabilities for unpaid claims is "IBNR" or "incurred but not reported" established by an actuary. As of December 31, 2008, the City is not aware of any deductible amounts which were outstanding and unpaid. No provisions have been made in the financial statements for the year ended relative to estimates for unpaid claims.

I. Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to 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 government's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City.

J. Joint Venture

Under Georgia law, the City, in conjunction with other cities and counties in the nine county coastal Georgia area, is a member of the Chattahoochee Flint Regional Development Center (RDC) and is required to pay annual dues thereto. Membership in a RDC is required by O.C.G.A. 50-8-34 which provides for the organization structure of the RDC in Georgia. RDC Board membership includes the chief elected official of each county and municipality of the area. O.C.G.A. 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RDC. Separate financial statements may be obtained from the Chattahoochee Flint Regional Development Center, P.O. Box 1600, Franklin, Georgia 30217.

K. 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.

L. Public Retirement Systems and Pension Plans

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

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

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

Pension Plan

Plan Description

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

Significant Accounting Policies

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

Funding Policy

The plan members are not required to contribute to the plan. The City is required to contribute at an actuarially determined rate; the current rate is 9.93% of annual covered payroll. The contribution requirements of the City are established and may be amended by the GMEBS Board of Trustees.

Annual Pension Cost

For the plan year, the City's annual pension cost of $752,015 was equal to the City's required and actual contribution.

Three-Year Trend Information for the Plan

Plan Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
7/1/2008	$ 752,015	100%	$ -
7/1/2007	699,439	100%	-
7/1/2006	656,161	100%	-

The required contribution was determined as part of the July 1, 2008 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 8% investment rate of return (net of administrative expenses), and (b) projected salary increases of 5.5% per year. The Plan's unfunded actuarial accrued liability is being amortized (closed level dollar method) over 30 years from 1990 and changes in the unfunded actuarial accrued liabilities over 15 years for actuarial gains and losses, 20 years for plan provisions and 30 years for actuarial assumptions and cost methods.

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2008, the most recent actuarial valuation date, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2008	$ 9,026,909	$ 11,902,569	$ 2,875,660	75.84%	$ 7,573,160	37.97%

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

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of December 31, 2008.

Additional Information

Additional information as of the latest actuarial valuation follows:

Valuation date	7/1/2008
Actuarial cost method	Projected unit credit
Amortization method	Level dollar closed
Remaining amortization period	Varies for the bases
Asset valuation method	Sum of actuarial value at the beginning of the year and the cash flows during the year, plus the assumed investment return adjusted by 10% of the amount that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value
Actuarial assumptions:	
Investment rate-of-return	8.0%
Projected salaries increases	5.5%
COLAs	0.0%
Membership of the plan:	
Retirees and beneficiaries receiving benefits	51
Terminated plan members entitiled to, but not yet receiving benefits	60
Active plan members	198
Total	309

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NEWNAN, GEORGIA

RETIREMENT PLAN

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ration (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2008	$ 9,026,909	$ 11,902,569	$ 2,875,660	75.84%	$ 7,573,160	37.97%
7/1/2007	8,264,648	11,077,365	2,812,717	74.61%	7,212,690	39.00%
7/1/2006	7,511,555	10,278,425	2,766,870	73.08%	6,858,380	40.34%

SCHEDULE OF EMPLOYER'S CONTRIBUTIONS

Plan Year Beginning July 1,	Annual Required Contribution	Percentage Contributed
2008	$ 752,015	100%
2007	699,439	100%
2006	656,161	100%

SUPPLEMENTARY INFORMATION

CITY OF NEWNAN, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes				
Property Tax Current	$ 3,900,000	$ 3,900,000	$ 3,752,790	$ (147,210)
Delinquent Property Tax	25,000	25,000	282,246	257,246
Motor Vehicle Tax	240,000	240,000	270,781	30,781
Fi Fa for Property Taxes	-	-	2,304	2,304
Franchise Tax - Georgia Power	185,000	185,000	246,200	61,200
Franchise Tax - EMC	390,000	390,000	415,257	25,257
Franchise Tax - Gas	230,000	230,000	242,282	12,282
Franchise Tax - Cable TV	225,000	225,000	310,134	85,134
Franchise Tax - Telephone	115,000	115,000	110,851	(4,149)
Local Option Sales Tax	4,600,000	4,600,000	4,616,571	16,571
Insurance Premiums Tax	900,000	900,000	909,036	9,036
Occupational Tax	1,500,000	1,500,000	1,612,335	112,335
Professional Tax	51,000	51,000	56,400	5,400
Financial Institution Tax	130,000	130,000	137,541	7,541
Insurance Agents Tax	24,000	24,000	31,976	7,976
Beer and Wine Tax	650,000	650,000	654,071	4,071
Alcoholic Beverage Excise Tax	78,000	78,000	77,610	(390)
Public Utility Tax	50,000	50,000	65,540	15,540
Intangible Tax	100,000	100,000	39,016	(60,984)
Interest and Penalties	30,000	30,000	33,524	3,524
Total Taxes	13,423,000	13,423,000	13,866,465	443,465

CITY OF NEWNAN, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008
(CONTINUED)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
License and Permits				
Alcoholic Beverage License	22,000	22,000	18,775	(3,225)
Spiritous Liquor Bev License	165,000	165,000	165,000	-
Residential Construction Permits	275,000	275,000	188,619	(86,381)
Commercial Construction Permits	80,000	80,000	82,467	2,467
Building Plan Review	40,000	40,000	37,087	(2,913)
Variance/Appeal/Spec Exception	5,000	5,000	5,100	100
Zoning Certification Fee	1,000	1,000	525	(475)
Rezoning/Annexation Fee	5,000	5,000	8,771	3,771
Sign Permit	4,000	4,000	3,915	(85)
Site Preparation Fee	25,000	25,000	15,300	(9,700)
Land Disturbance Permit	20,000	20,000	22,776	2,776
Demolition Permit	1,000	1,000	700	(300)
Mechanical Permit	20,000	20,000	19,880	(120)
Renovation Permit	1,000	1,000	(85)	(1,085)
Tree Removal Permit	100	100	240	140
Environmental Protection Fee	5,000	5,000	8,440	3,440
Plumbing Permit	30,000	30,000	25,785	(4,215)
Construction Plan Review	-	-	652	652
Electrical Permit	50,000	50,000	31,485	(18,515)
Gas Permit	3,000	3,000	1,880	(1,120)
Burn Permit	100	100	100	-
Re-Inspect Fee	30,000	30,000	17,700	(12,300)
Subdivision Plat Fee	2,000	2,000	550	(1,450)
Site Development Plan Fee	12,000	12,000	5,088	(6,912)
Sidewalk Inspections/Re-Inspect	18,000	18,000	9,150	(8,850)
Curb Cuts by City Staff	1,000	1,000	-	(1,000)
Total Licenses & Permits	815,200	815,200	669,900	(145,300)

CITY OF NEWNAN, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008
(CONTINUED)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Intergovernmental				
Real Estate Transfer Tax	90,000	90,000	32,679	(57,321)
School Resource Officer	100,000	100,000	91,128	(8,872)
Police Vest Grant	-	-	23,878	23,878
Cultural Arts Commission	-	-	21,504	21,504
Payments in Lieu of Tax	30,000	30,000	31,642	1,642
Total Intergovernmental	220,000	220,000	200,831	(19,169)
Intergovernmental - Utility				
Water & Light Commission	1,100,000	1,100,000	1,165,377	65,377
Total Intergovernmental - Utility	1,100,000	1,100,000	1,165,377	65,377
Fines and Forfeitures				
Police Fines	600,000	600,000	634,878	34,878
Parking Fines	25,000	25,000	20,903	(4,097)
Tech Fees from Fines	12,000	12,000	14,148	2,148
Total Fines and Forfeitures	637,000	637,000	669,929	32,929
Interest Earnings	500,000	500,000	251,185	(248,815)
Miscellaneous				
Veterans Memorial Brick Sales	-	-	45,685	45,685
Grass Cutting/Lot Clearing	-	-	753	753
Admin Fee for Impact Fee Coll	15,000	15,000	13,649	(1,351)
Monument Setting Fee	200	200	245	45
Cemetery Services	75,000	75,000	75,880	880
Cemetery Lot Sales	60,000	60,000	49,832	(10,168)
Rental Fees	5,000	5,000	4,563	(437)
Miscellaneous Revenue	50,000	50,000	(4,652)	(54,652)
Total Miscellaneous	205,200	205,200	185,955	(19,245)
Total Revenues	16,900,400	16,900,400	17,009,642	109,242

CITY OF NEWNAN, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008
(CONTINUED)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
EXPENDITURES				
General Government				
City Council				
Wages - Part Time/Temp	43,000	43,000	43,000	-
Employee Insurance	70,909	70,909	64,552	6,357
Social Security	3,290	3,290	3,290	-
Retirement	4,300	4,300	3,415	885
Worker's Compensation	137	137	136	1
Communications	50	50	-	50
Printing and Binding	1,000	1,000	387	613
Travel	48,000	48,000	35,542	12,458
Dues and Fees	50	50	-	50
Training	2,000	2,000	1,770	230
Office Supplies	1,000	1,000	50	950
Total City Council	173,736	173,736	152,142	21,594
City Manager				
City Manager Admin				
Wages - Full Time	172,456	172,456	171,405	1,051
Employee Insurance	20,148	20,148	10,327	9,821
Social Security	11,000	11,000	10,818	182
Retirement	17,246	17,246	7,279	9,967
Unemployment Insurance	4	4	3	1
Worker's Compensation	974	974	965	9
Other Employee Benefits	4,800	4,800	4,800	-
Public Relations	10,000	10,000	2,262	7,738
Bldg & Pers Liability Insurance	1,200	1,200	901	299
Communications	1,200	1,200	-	1,200
Printing & Binding	10,000	10,000	359	9,641
Travel	10,000	10,000	2,958	7,042
Dues and Fees	5,000	5,000	-	5,000
Materials and Supplies	1,000	1,000	-	1,000
Office Supplies	1,500	1,500	618	882
Books & Periodicals	500	500	20	480
Minor Equipment	3,200	3,200	2,729	471
Total City Manager Admin	270,228	270,228	215,444	54,784

CITY OF NEWNAN, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008
(CONTINUED)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Public Information Officer				
Wages - Full Time	46,466	46,466	48,150	(1,684)
Employee Insurance	10,074	10,074	10,327	(253)
Social Security	3,555	3,555	3,444	111
Retirement	4,647	4,647	3,690	957
Unemployment Insurance	2	2	1	1
Worker's Compensation	148	148	147	1
Professional Services	-	-	259	(259)
Public Relations	10,800	10,800	6,660	4,140
Bldg & Pers Liability Insurance	400	400	300	100
Communications	600	600	279	321
Advertising	2,500	2,500	384	2,116
Printing & Binding	15,000	15,000	-	15,000
Travel	2,000	2,000	1,490	510
Dues and Fees	400	400	375	25
Training	1,900	1,900	1,172	728
Books and Periodicals	152	152	28	124
Minor Equipment	1,500	1,500	-	1,500
Computer Hardware and Software	-	-	1,452	(1,452)
Total Public Information	100,144	100,144	78,158	21,986
Total City Manager	370,372	370,372	293,602	76,770
Attorney				
Professional Services	110,000	110,000	86,256	23,744
Travel	5,000	5,000	4,472	528
Training	550	550	-	550
Total Attorney	115,550	115,550	90,728	24,822
City Clerk				
Wages - Full Time	54,513	54,513	57,468	(2,955)
Employee Insurance	4,854	4,854	4,854	-
Social Security	4,170	4,170	4,357	(187)
Retirement	5,451	5,451	4,329	1,122
Unemployment Insurance	2	2	1	1
Worker's Compensation	174	174	172	2
Professional Services	1,200	1,200	380	820
Other Contractual Services	400	400	400	-
Bldg & Pers Liability Insurance	135	135	101	34
Surety Bonds	100	100	-	100
Printing & Binding	6,850	6,850	2,072	4,778
Travel	500	500	563	(63)
Dues and Fees	150	150	142	8
Training	1,200	1,200	420	780
Books & Periodicals	100	100	124	(24)
Minor Equipment	895	895	-	895
Total City Clerk	80,694	80,694	75,383	5,311

CITY OF NEWNAN, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008
(CONTINUED)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Finance				
Wages - Full Time	200,658	200,658	200,824	(166)
Wages - Overtime	1,000	1,000	110	890
Employee Insurance	34,710	34,710	29,719	4,991
Social Security	15,427	15,427	14,790	637
Retirement	20,066	20,066	15,934	4,132
Unemployment Insurance	10	10	7	3
Worker's Compensation	643	643	633	10
Professional Services	38,000	38,000	32,411	5,589
Other Contractual Services	10,056	10,056	14,490	(4,434)
Repairs and Maintenance	400	400	-	400
Bldg & Pers Liability Insurance	2,276	2,276	1,708	568
Advertising	2,800	2,800	5,083	(2,283)
Printing & Binding	4,200	4,200	1,307	2,893
Travel	3,800	3,800	1,681	2,119
Dues and Fees	590	590	90	500
Training	2,350	2,350	693	1,657
Office Supplies	2,000	2,000	2,100	(100)
Books & Periodicals	275	275	215	60
Minor Equipment	1,150	1,150	562	588
Computer Hardware & Software	600	600	628	(28)
Miscellaneous	500	500	495	5
Total Finance	341,511	341,511	323,480	18,031
Human Resources				
Wages - Full Time	92,953	92,953	96,537	(3,584)
Employee Insurance	14,928	14,928	15,181	(253)
Social Security	7,111	7,111	7,135	(24)
Retirement	9,295	9,295	7,381	1,914
Tuition Reimbursement	15,000	15,000	7,289	7,711
Unemployment Insurance	4	4	3	1
Worker's Compensation	297	297	293	4
Other Employee Benefits	-	-	59	(59)
Employee Recognition	12,050	12,050	5,277	6,773
Professional Services	13,150	13,150	7,911	5,239
Bldg & Pers Liability Insurance	1,100	1,100	825	275
Communications	200	200	150	50
Advertising	3,500	3,500	1,517	1,983
Printing & Binding	1,700	1,700	79	1,621
Travel	1,700	1,700	1,768	(68)
Dues and Fees	530	530	410	120
Training	4,510	4,510	1,646	2,864
Materials and Supplies	500	500	192	308
Office Supplies	1,200	1,200	572	628
Medical Supplies	100	100	9	91
Food Supplies	300	300	-	300
Books & Periodicals	750	750	531	219
Computer Hardware & Software	350	350	30	320
Total Human Resources	181,228	181,228	154,795	26,433

CITY OF NEWNAN, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008
(CONTINUED)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Information Technology				
Wages - Full Time	67,102	67,102	69,880	(2,778)
Employee Insurance	10,074	10,074	10,327	(253)
Social Security	5,133	5,133	5,112	21
Retirement	6,710	6,710	5,328	1,382
Unemployment Insurance	2	2	1	1
Worker's Compensation	214	214	211	3
Other Contractual Services	7,500	7,500	1,220	6,280
Repairs and Maintenance	50,000	50,000	45,939	4,061
Bldg & Pers Liability Insurance	350	350	263	87
Communications	900	900	1,433	(533)
Travel	2,300	2,300	1,484	816
Dues and Fees	75	75	75	-
Training	3,500	3,500	285	3,215
Materials and Supplies	500	500	128	372
Office Supplies	300	300	161	139
Books & Periodicals	480	480	323	157
Minor Equipment	1,000	1,000	693	307
Computer Hardware & Software	13,100	13,100	4,139	8,961
Total Information Technology	169,240	169,240	147,002	22,238
Municipal Court				
Wages - Full Time	27,191	27,191	27,371	(180)
Wages - Part Time/Temp	10,335	11,367	11,367	-
Employee Insurance	265	265	246	19
Social Security	2,871	2,871	2,954	(83)
Retirement	2,719	2,719	2,159	560
Unemployment Insurance	4	4	3	1
Worker's Compensation	120	120	118	2
Professional Services	90,000	97,610	97,610	-
Printing and Binding	300	300	110	190
Travel	150	150	1,002	(852)
Training	500	500	300	200
Dues and Fees	35	35	-	35
Office Supplies	200	200	52	148
Minor Equipment	300	300	-	300
Total Municipal Court	134,990	143,632	143,292	340

CITY OF NEWNAN, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008
(CONTINUED)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Miscellaneous				
Professional Services	1,700	1,700	1,229	471
Public Relations	10,000	10,000	791	9,209
Repairs and Maintenance	6,272	6,272	5,772	500
Equipment & Vehicle Rental	3,036	3,036	3,114	(78)
Bldg & Pers Liability Insurance	200,000	200,000	134,042	65,958
Communications	75,000	75,000	51,739	23,261
Advertising	500	500	558	(58)
Dues and Fees	10,750	10,750	8,030	2,720
Office Supplies	5,000	5,000	5,297	(297)
Miscellaneous	356,903	356,903	46,428	310,475
Brown's Mill Depot Grant	-	-	4,234	(4,234)
Cultural Arts Commission	-	-	19,341	(19,341)
Payments to Other Agencies	22,000	22,000	21,000	1,000
Keep Newnan Beautiful	8,500	8,500	10,542	(2,042)
Capital Outlay-Round-a-Bout	-	323,183	323,183	-
Total Miscellaneous	699,661	1,022,844	635,300	387,544
Total General Government	2,266,982	2,598,807	2,015,724	583,083

CITY OF NEWNAN, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008
(CONTINUED)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Public Safety				
Police				
Wages - Full Time	3,160,603	3,160,603	3,221,685	(61,082)
Wages - Part Time/Temp	24,561	24,561	23,771	790
Wages - Overtime	60,000	60,000	59,012	988
Employee Insurance	625,224	625,224	601,444	23,780
Social Security	248,255	248,255	240,206	8,049
Retirement	316,060	316,060	257,388	58,672
Unemployment Insurance	162	162	103	59
Worker's Compensation	147,076	147,076	144,815	2,261
Other Employee Benefits	38,747	38,747	36,340	2,407
Employee Recognition	200	200	137	63
Professional Services	41,200	41,200	96,024	(54,824)
Other Contractual Services	8,020	8,020	5,278	2,742
Repairs and Maintenance	75,450	75,450	49,686	25,764
Vehicle Insurance	35,000	35,000	26,265	8,735
Bldg & Pers Liability Insurance	204,000	204,000	162,880	41,120
Communications	20,000	20,000	13,661	6,339
Printing & Binding	5,000	5,000	2,132	2,868
Travel	5,000	5,000	2,321	2,679
Dues and Fees	1,045	1,045	790	255
Training	6,500	6,500	4,237	2,263
Materials and Supplies	35,807	35,807	30,711	5,096
Office Supplies	8,000	8,000	9,017	(1,017)
Cleaning Supplies & Chemicals	3,500	3,500	2,928	572
Protective Equipment	15,550	15,550	7,068	8,482
Vehicle Gasoline/Diesel	200,000	200,000	232,928	(32,928)
Food Supplies	1,000	1,000	390	610
Books & Periodicals	750	750	235	515
Minor Equipment	38,572	38,572	22,866	15,706
Computer Hardware & Software	19,000	19,000	14,723	4,277
Firearms	12,500	12,500	12,500	-
Vehicle Maintenance	90,000	90,000	102,838	(12,838)
Total Police	5,446,782	5,446,782	5,384,379	62,403

CITY OF NEWNAN, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008
(CONTINUED)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
School Resources Officer				
Wages - Full Time	203,882	215,750	215,750	-
Wages - Overtime	3,000	3,000	-	3,000
Employee Insurance	29,490	29,490	35,216	(5,726)
Social Security	15,826	15,826	15,728	98
Retirement	20,388	20,388	16,190	4,198
Unemployment Insurance	10	10	7	3
Worker's Compensation	10,036	10,036	9,837	199
Other Employee Benefits	2,500	2,500	2,395	105
Vehicle Insurance	4,600	4,600	3,452	1,148
Bldg & Pers Liability Insurance	3,850	3,850	2,889	961
Printing and Binding	300	300	-	300
Travel	1,000	1,000	711	289
Dues and Fees	400	400	150	250
Training	1,000	1,000	350	650
Materials and Supplies	1,000	1,000	670	330
Protective Equipment	1,300	1,300	-	1,300
Vehicle Gasoline/Diesel	10,000	10,000	7,390	2,610
Minor Equipment	3,350	3,350	2,622	728
Vehicle Maintenance	4,500	4,500	4,797	(297)
Total School Resources Officer	316,432	328,300	318,154	10,146
Animal Service				
Wages - Full Time	29,982	29,982	31,157	(1,175)
Wages - Overtime	1,800	1,800	97	1,703
Employee Insurance	10,074	10,074	10,327	(253)
Social Security	2,431	2,431	2,168	263
Retirement	2,998	2,998	2,381	617
Unemployment Insurance	2	2	1	1
Worker's Compensation	584	584	574	10
Other Employee Benefits	500	500	-	500
Professional Services	3,000	3,000	720	2,280
Repairs and Maintenance	300	300	-	300
Vehicle Insurance	2,000	2,000	1,501	499
Bldg & Pers Liability Insurance	1,800	1,800	1,351	449
Communications	900	900	301	599
Printing & Binding	500	500	72	428
Travel	250	250	744	(494)
Dues and Fees	150	150	-	150
Training	350	350	169	181
Materials and Supplies	1,000	1,000	340	660
Protective Equipment	220	220	-	220
Vehicle Gasoline/Diesel	2,000	2,000	3,131	(1,131)
Minor Equipment	2,400	2,400	551	1,849
Other Supplies/Uniform Rental	900	900	218	682
Vehicle Maintenance	1,500	1,500	955	545
Total Animal Service	65,641	65,641	56,758	8,883

CITY OF NEWNAN, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008
(CONTINUED)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Fire				
Wages - Full Time	2,046,436	2,046,436	2,137,171	(90,735)
Wages - Overtime	16,500	16,500	12,045	4,455
Employee Insurance	380,313	380,313	390,285	(9,972)
Social Security	157,815	157,815	155,619	2,196
Retirement	204,644	204,644	162,502	42,142
Unemployment Insurance	100	100	63	37
Worker's Compensation	71,677	71,677	70,255	1,422
Other Employee Benefits	17,350	17,350	16,612	738
Employee Recognition	300	300	76	224
Other Contractual Services	3,550	3,550	263	3,287
Repairs and Maintenance	12,400	12,400	8,488	3,912
Vehicle Insurance	23,000	23,000	17,260	5,740
Bldg & Pers Liability Insurance	8,500	8,500	6,379	2,121
Communications	7,940	7,940	6,114	1,826
Printing & Binding	400	400	332	68
Travel	2,250	2,250	1,991	259
Dues and Fees	780	780	125	655
Training	6,200	6,200	2,851	3,349
Materials and Supplies	3,600	3,600	2,277	1,323
Office Supplies	2,000	2,000	892	1,108
Cleaning Supplies & Chemicals	3,100	3,100	2,310	790
Medical Supplies	3,208	3,208	4,396	(1,188)
Protective Equipment	11,000	11,000	6,485	4,515
Vehicle Gasoline/Diesel	30,000	30,000	29,363	637
Food Supplies	600	600	108	492
Books & Periodicals	390	390	124	266
Minor Equipment	6,000	6,000	1,369	4,631
Computer Hardware & Software	2,100	2,100	995	1,105
Vehicle Maintenance	25,000	25,000	20,743	4,257
Miscellaneous	-	-	322	(322)
Other Contractual Services	800	300	125	175
Repairs and Maintenance	6,000	1,850	672	1,178
Communications	500	9,210	4,589	4,621
Materials and Supplies	2,100	1,900	1,425	475
Office Supplies	650	2,810	629	2,181
Cleaning Supplies & Chemicals	1,200	1,000	1,018	(18)
Natural Gas	15,200	15,200	5,852	9,348
Electricity	9,000	9,000	11,121	(2,121)
Food Supplies	550	300	38	262
Minor Equipment	6,800	11,150	6,979	4,171
Other Contractual Services	300	800	307	493
Repairs and Maintenance	1,850	6,000	3,198	2,802
Communications	9,210	500	121	379
Materials and Supplies	1,900	2,100	457	1,643
Office Supplies	2,810	650	52	598
Cleaning Supplies & Chemicals	1,000	1,200	1,371	(171)
Food Supplies	300	550	-	550
Minor Equipment	11,150	6,800	612	6,188
Computer Hardware & Software	1,950	1,950	1,302	648
Total Fire	3,120,423	3,120,423	3,097,683	22,740
Total Public Safety	8,949,278	8,961,146	8,856,974	104,172

CITY OF NEWNAN, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008
(CONTINUED)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Public Works				
Administration				
Wages - Full Time	119,452	119,452	124,761	(5,309)
Employee Insurance	14,928	14,928	15,181	(253)
Social Security	9,138	9,138	9,309	(171)
Retirement	11,945	11,945	9,485	2,460
Unemployment Insurance	4	4	3	1
Worker's Compensation	644	644	635	9
Vehicle Insurance	410	410	308	102
Bldg & Pers Liability Insurance	1,100	1,100	826	274
Communications	750	750	543	207
Printing & Binding	200	200	63	137
Dues and Fees	350	350	302	48
Training	500	500	-	500
Materials and Supplies	200	200	39	161
Office Supplies	500	500	426	74
Vehicle Gasoline/Diesel	1,000	1,000	726	274
Books & Periodicals	500	500	-	500
Computer Hardware & Software	1,500	1,500	-	1,500
Vehicle Maintenance	500	500	111	389
Total Administration	163,621	163,621	162,718	903
City Engineer				
Wages - Full Time	176,495	176,495	163,827	12,668
Employee Insurance	29,856	29,856	22,332	7,524
Social Security	13,502	13,502	12,085	1,417
Retirement	17,650	17,650	14,015	3,635
Unemployment Insurance	8	8	5	3
Worker's Compensation	7,047	7,047	7,101	(54)
Vehicle Insurance	1,556	1,556	1,168	388
Bldg & Pers Liability Insurance	2,030	2,030	1,523	507
Communications	1,100	1,100	1,112	(12)
Printing & Binding	1,450	1,450	1,067	383
Dues and Fees	750	750	513	237
Training	1,250	1,250	554	696
Materials and Supplies	4,000	4,000	680	3,320
Office Supplies	500	500	431	69
Vehicle Gasoline/Diesel	6,500	6,500	6,652	(152)
Books & Periodicals	500	500	34	466
Minor Equipment	7,000	7,000	2,409	4,591
Computer Hardware & Software	2,500	2,500	60	2,440
Vehicle Maintenance	1,750	1,750	3,923	(2,173)
Total City Engineer	275,444	275,444	239,491	35,953

CITY OF NEWNAN, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008
(CONTINUED)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Streets				
Wages - Full Time	626,073	626,073	640,026	(13,953)
Wages - Part Time/Temp	7,500	7,500	5,361	2,139
Wages - Overtime	10,000	10,000	6,612	3,388
Employee Insurance	169,062	169,062	146,093	22,969
Social Security	49,233	49,233	47,612	1,621
Retirement	62,607	62,607	49,715	12,892
Unemployment Insurance	48	48	32	16
Worker's Compensation	56,776	56,776	55,903	873
Other Employee Benefits	7,488	7,488	746	6,742
Solid Waste Disposal	65,000	65,000	51,788	13,212
Vehicle Insurance	8,390	8,390	6,296	2,094
Bldg & Pers Liability Insurance	6,475	6,475	5,242	1,233
Communications	1,200	1,200	1,086	114
Training	750	750	60	690
Materials and Supplies	40,800	40,800	27,053	13,747
Office Supplies	300	300	278	22
Cleaning Supplies & Chemicals	1,200	1,200	-	1,200
Protective Equipment	6,400	6,400	2,165	4,235
Electricity	200,000	200,000	231,109	(31,109)
Vehicle Gasoline/Diesel	65,000	65,000	97,857	(32,857)
Minor Equipment	5,000	5,000	-	5,000
Other Supplies/Uniform Rental	1,794	1,794	4,902	(3,108)
Vehicle Maintenance	80,000	80,000	74,245	5,755
Capital Outlay	-	40,000	40,000	-
Total Streets	1,471,096	1,511,096	1,494,181	16,915
Garage				
Wages - Full Time	225,946	225,946	215,610	10,336
Wages - Overtime	3,000	3,000	3,898	(898)
Employee Insurance	50,004	50,004	43,823	6,181
Social Security	17,514	17,514	16,001	1,513
Retirement	22,595	22,595	17,942	4,653
Unemployment Insurance	12	12	8	4
Worker's Compensation	8,537	8,537	8,417	120
Other Employee Benefits	2,370	2,370	-	2,370
Other Contractual Services	1,598	1,598	864	734
Repairs and Maintenance	3,200	3,200	250	2,950
Vehicle Insurance	1,988	1,988	1,492	496
Bldg & Pers Liability Insurance	1,874	1,874	1,406	468
Training	2,500	2,500	615	1,885
Materials and Supplies	18,000	18,000	14,087	3,913
Office Supplies	300	300	299	1
Protective Equipment	500	500	146	354
Natural Gas	10,500	10,500	9,755	745
Vehicle Gasoline/Diesel	4,750	4,750	6,729	(1,979)
Minor Equipment	10,200	10,200	5,182	5,018
Other Supplies/Uniform Rental	1,924	1,924	3,137	(1,213)
Vehicle Maintenance	2,217	2,217	2,243	(26)
Total Garage	389,529	389,529	351,904	37,625

CITY OF NEWNAN, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008
(CONTINUED)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Cemetery				
Wages - Full Time	250,326	250,326	250,068	258
Wages - Part Time/Temp	10,800	10,800	7,224	3,576
Wages - Overtime	15,000	15,000	15,323	(323)
Employee Insurance	44,683	44,683	48,599	(3,916)
Social Security	21,124	21,124	20,133	991
Retirement	25,033	25,033	19,878	5,155
Unemployment Insurance	20	20	12	8
Worker's Compensation	19,561	19,561	19,369	192
Other Employee Benefits	2,496	2,496	-	2,496
Other Contractual Services	120	120	115	5
Repairs and Maintenance	1,000	1,000	92	908
Vehicle Insurance	5,212	5,212	3,911	1,301
Bldg & Pers Liability Insurance	4,000	4,000	3,002	998
Communications	1,250	1,250	887	363
Dues and Fees	250	250	100	150
Materials and Supplies	5,000	5,000	3,177	1,823
Office Supplies	500	500	334	166
Cleaning Supplies & Chemicals	350	350	221	129
Medical Supplies	100	100	127	(27)
Protective Equipment	300	300	-	300
Vehicle Gasoline/Diesel	10,000	10,000	11,563	(1,563)
Minor Equipment	3,100	3,100	-	3,100
Computer Hardware & Software	2,500	2,500	-	2,500
Other Supplies/Uniform Rental	2,600	2,600	2,334	266
Vehicle Maintenance	4,000	4,000	2,935	1,065
Landscaping Supplies	1,000	1,000	197	803
Total Cemetery	430,325	430,325	409,601	20,724
Total Public Works	2,730,015	2,770,015	2,657,895	112,120
Community Development				
Administration				
Wages - Full Time	116,198	116,198	121,971	(5,773)
Wages - Part Time/Temp	14,908	14,908	13,534	1,374
Employee Insurance	20,148	20,148	20,654	(506)
Social Security	10,030	10,030	9,784	246
Retirement	11,620	11,620	9,227	2,393
Unemployment Insurance	6	6	4	2
Worker's Compensation	418	418	413	5
Other Employee Benefits	3,600	3,600	3,600	-
Bldg & Pers Liability Insurance	900	900	675	225
Communications	660	660	272	388
Advertising	700	700	29	671
Printing & Binding	200	200	-	200
Travel	1,925	1,925	1,544	381
Dues and Fees	500	500	450	50
Training	850	850	830	20
Office Supplies	200	200	112	88
Books & Periodicals	200	200	124	76
Minor Equipment	400	400	60	340
Computer Hardware and Software	400	400	51	349
Chatt Flint RDC	19,897	19,897	19,897	-
Total Administration	203,760	203,760	203,231	529

CITY OF NEWNAN, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008
(CONTINUED)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Planning and Zoning				
Wages - Full Time	154,308	154,308	148,021	6,287
Employee Insurance	25,002	25,002	17,397	7,605
Social Security	11,805	11,805	10,947	858
Retirement	15,431	15,431	12,253	3,178
Unemployment Insurance	6	6	4	2
Worker's Compensation	8,283	8,283	2,034	6,249
Vehicle Insurance	800	800	600	200
Bldg & Pers Liability Insurance	1,800	1,800	1,351	449
Communications	672	672	271	401
Advertising	1,500	1,500	1,140	360
Printing & Binding	1,000	1,000	70	930
Travel	9,900	9,900	3,384	6,516
Dues and Fees	850	850	619	231
Training	1,075	1,075	590	485
Materials and Supplies	1,900	1,900	669	1,231
Office Supplies	2,000	2,000	957	1,043
Vehicle Gasoline/Diesel	1,000	1,000	498	502
Books & Periodicals	150	150	-	150
Computer Hardware & Software	100	100	-	100
Vehicle Maintenance	250	250	182	68
Planning Commission	1,500	1,500	186	1,314
Total Planning and Zoning	239,332	239,332	201,173	38,159
Business Development and Special Events				
Wages - Full Time	90,963	90,963	92,341	(1,378)
Employee Insurance	9,708	9,708	8,833	875
Social Security	6,959	6,959	6,913	46
Retirement	9,096	9,096	7,223	1,873
Unemployment Insurance	4	4	3	1
Worker's Compensation	570	570	543	27
Other Employee Benefits	3,600	3,600	3,600	-
Public Relations	5,500	5,500	2,367	3,133
Repairs and Maintenance	4,040	4,040	2,088	1,952
Bldg & Pers Liability Insurance	-	-	675	(675)
Communications	1,800	1,800	1,148	652
Advertising	2,250	2,250	1,073	1,177
Printing & Binding	3,500	3,500	584	2,916
Travel	5,000	5,000	2,642	2,358
Dues and Fees	1,565	1,565	1,690	(125)
Training	1,950	1,950	455	1,495
Materials and Supplies	350	350	363	(13)
Office Supplies	2,000	2,000	1,487	513
Books & Periodicals	200	200	166	34
Minor Equipment	2,800	2,800	622	2,178
Computer Hardware & Software	2,350	2,350	2,068	282
Miscellaneous	250	250	-	250
Other Boards & Commissions	8,000	8,000	9,091	(1,091)
Payments to Other Agencies	4,000	4,000	3,917	83
Total Business Development & Special Events	166,455	166,455	149,892	16,563

CITY OF NEWNAN, GEORGIA

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BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008
(CONTINUED)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Library				
Library Board	100,000	100,000	100,000	-
Total Library	100,000	100,000	100,000	-
Parks & ROW Beautification				
Wages - Full Time	402,896	402,896	421,314	(18,418)
Employee Insurance	99,276	99,276	96,561	2,715
Social Security	30,822	30,822	30,872	(50)
Retirement	40,290	40,290	31,993	8,297
Unemployment	28	28	19	9
Worker's Compensation	37,361	37,361	36,183	1,178
Employee Recognition	3,120	3,120	-	3,120
Other Contractual Services	15,000	15,000	4,395	10,605
Repairs and Maintenance	3,500	3,500	3,725	(225)
Vehicle Insurance	5,410	5,410	4,060	1,350
Bldg & Pers Liability Insurance	1,825	1,825	1,370	455
Communications	2,440	2,440	2,121	319
Travel	600	600	346	254
Dues and Fees	850	850	285	565
Training	1,500	1,500	714	786
Office Supplies	1,000	1,000	54	946
Cleaning Supplies & Chemicals	2,600	2,600	2,684	(84)
Medical Supplies	300	300	73	227
Protective Equipment	700	700	453	247
Vehicle Gasoline/Diesel	18,000	18,000	19,906	(1,906)
Books & Periodicals	250	250	-	250
Minor Equipment	8,000	8,000	4,478	3,522
Other Supplies/Uniform Rental	2,800	2,800	3,011	(211)
Vehicle Maintenance	7,000	7,000	6,035	965
Landscaping Supplies	25,000	25,000	22,569	2,431
Capital Outlay-Veterans Memorial Plaza	-	141,229	141,469	(240)
Total Parks & ROW Beautification	710,568	851,797	834,690	17,107

CITY OF NEWNAN, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008
(CONTINUED)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Building Inspection				
Wages - Full Time	402,896	402,896	425,543	(22,647)
Employee Insurance	59,977	59,977	56,657	3,320
Social Security	31,109	31,109	31,860	(751)
Retirement	40,289	40,289	31,993	8,296
Unemployment Insurance	18	18	12	6
Worker's Compensation	14,738	14,738	14,752	(14)
Other Employee Benefits	694	694	-	694
Repairs and Maintenance	500	500	-	500
Vehicle Insurance	5,360	5,360	4,022	1,338
Bldg & Pers Liability Insurance	3,570	3,570	2,679	891
Communications	3,310	3,310	2,311	999
Advertising	2,640	2,640	670	1,970
Printing & Binding	831	831	653	178
Travel	3,150	3,150	1,792	1,358
Dues and Fees	610	610	440	170
Training	7,344	7,344	2,790	4,554
Materials and Supplies	600	600	228	372
Office Supplies	2,000	2,000	852	1,148
Medical Supplies	80	80	-	80
Protective Equipment	50	50	-	50
Vehicle Gasoline/Diesel	12,850	12,850	15,249	(2,399)
Food Supplies	630	630	-	630
Books & Periodicals	870	870	818	52
Minor Equipment	400	400	138	262
Computer Hardware & Software	3,600	3,600	3,190	410
Other Supplies/Uniform Rental	728	728	665	63
Vehicle Maintenance	4,200	4,200	3,687	513
Total Building Inspection	603,044	603,044	601,001	2,043

CITY OF NEWNAN, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008
(CONTINUED)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Building and Maintenance				
Wages - Full Time	101,238	101,238	105,896	(4,658)
Wages - Overtime	500	500	250	250
Employee Insurance	25,002	25,002	25,509	(507)
Social Security	7,783	7,783	7,737	46
Retirement	10,124	10,124	8,041	2,083
Unemployment Insurance	6	6	4	2
Worker's Compensation	5,506	5,506	5,426	80
Other Contractual Services	9,605	9,605	8,817	788
Repairs and Maintenance	90,000	90,000	38,857	51,143
Vehicle Insurance	1,340	1,340	1,006	334
Bldg & Pers Liability Insurance	26,774	26,774	21,871	4,903
Communications	1,040	1,040	742	298
Travel	200	200	-	200
Training	200	200	-	200
Office Supplies	104	104	-	104
Cleaning Supplies & Chemicals	2,640	2,640	2,769	(129)
Natural Gas	35,000	35,000	25,755	9,245
Vehicle Gasoline/Diesel	4,320	4,320	6,525	(2,205)
Minor Equipment	7,000	7,000	300	6,700
Other Supplies/Uniform Rental	484	484	371	113
Vehicle Maintenance	1,500	1,500	680	820
Total Building and Maintenance	330,366	330,366	260,556	69,810
Total Community Development	2,353,525	2,494,754	2,350,543	144,211
Total Expenditures	16,299,800	16,824,722	15,881,136	943,586
Excess (deficiency) of revenues Over (under) expenditure	600,600	75,678	1,128,506	1,052,828
OTHER FINANCING SOURCES (USES)				
Transfer from Tourism Fund	140,000	140,000	154,801	14,801
Transfer to Capital Fund	(540,600)	(540,600)	(506,612)	33,988
Transfer to Street Fund	(200,000)	(200,000)	(200,000)	-
Total Other Financing Sources (Uses)	(600,600)	(600,600)	(551,811)	48,789
Net change in fund balances	$ -	$ (524,922)	$ 576,695	$ 1,101,617
Fund balances - beginning of year			14,465,266	
Fund balances - end of year			$ 15,041,961	

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

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

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

Law Enforcement Fund – This fund accounts for grants received on behalf of the police department.

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

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for the acquisition of capital assets or construction of major capital facilities.

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

Capital Equipment Fund – This fund is used to account for the acquisition of capital assets and the acquisition and construction of major capital facilities.

SPLOST 1997 Fund – This fund is used to account for the construction and improvements in accordance with the sales tax referendum.

CITY OF NEWNAN, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2008

	Special Revenue Funds					Capital Projects Funds				Total Nonmajor Governmental Funds
	Confiscated Assets	Miscellaneous Grants	Law Enforcement	Hotel/Motel Tourism Enhancement	Total	Street Improvement	Capital Equipment	SPLOST 1997	Total	
ASSETS										
Cash and cash equivalents	$ -	$ 7,241	$ -	$ -	$ 7,241	$ 4,505	$ -	$322,635	$327,140	$ 334,381
Investments	125,589	-	-	636,881	762,470	310,991	245,363	-	556,354	1,318,824
Taxes receivable	-	-	-	57,796	57,796	-	-	-	-	57,796
Due from other funds	4,512	-	-	-	4,512	-	-	-	-	4,512
Total assets	$ 130,101	$ 7,241	$ -	$ 694,677	$832,019	$ 315,496	$ 245,363	$322,635	$883,494	$ 1,715,513
LIABILITIES										
Accounts payable	$ 3,403	$ -	$ -	$ 604	$ 4,007	$ 343	$ 17,567	$ 48,481	$ 66,391	$ 70,398
Due to other funds	-	-	-	34,678	34,678	-	-	-	-	34,678
Deferred revenue	-	7,241	-	-	7,241	-	-	-	-	7,241
Total liabilities	3,403	7,241	-	35,282	45,926	343	17,567	48,481	66,391	112,317
FUND BALANCES										
Reserved for encumbrances	6,086	-	-	-	6,086	-	23,248	300,070	323,318	329,404
Reserved for program purposes:										
Tourism enhancement	-	-	-	659,395	659,395	-	-	-	-	659,395
Capital outlay	-	-	-	-	-	-	-	(25,916)	(25,916)	(25,916)
Unreserved	120,612	-	-	-	120,612	315,153	204,548	-	519,701	640,313
Total fund balances	126,698	-	-	659,395	786,093	315,153	227,796	274,154	817,103	1,603,196
TOTAL LIABILITIES AND FUND BALANCES	$ 130,101	$ 7,241	$ -	$ 694,677	$832,019	$ 315,496	$ 245,363	$322,635	$883,494	$ 1,715,513

CITY OF NEWNAN, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	Special Revenue Funds					Capital Projects Funds				Total Nonmajor Governmental Funds
	Confiscated Assets	Miscellaneous Grants	Law Enforcement	Hotel/Motel Tourism Enhancement	Total	Street Improvement	Capital Equipment	SPLOST 1997	Total	
REVENUES										
Hotel/motel taxes	$ -	$ -	$ -	$ 258,001	$258,001	$ -	$ -	$ -	$ -	$ 258,001
Court condemnations	165,240	-	-	-	165,240	-	-	-	-	165,240
Intergovernmental	-	8,279	-	-	8,279	119,071	-	-	119,071	127,350
Investment earnings	390	-	-	14,425	14,815	8,266	7,402	19,879	35,547	50,362
Total revenues	165,630	8,279	-	272,426	446,335	127,337	7,402	19,879	154,618	600,953
EXPENDITURES										
Current										
General government	-	-	-	-	-	1,689	79,711	300	81,700	81,700
Tourism development	-	-	-	4,274	4,274	-	-	-	-	4,274
Public safety	42,018	8,279	37	-	50,334	-	-	-	-	50,334
Capital outlay	-	30,000	-	21,944	51,944	316,435	646,624	745,586	1,708,645	1,760,589
Total expenditures	42,018	38,279	37	26,218	106,552	318,124	726,335	745,886	1,790,345	1,896,897
Excess (deficiency) of revenues over (under) expenditures	123,612	(30,000)	(37)	246,208	339,783	(190,787)	(718,933)	(726,007)	(1,635,727)	(1,295,944)
Other financing sources (uses)										
Transfers in/out										
General Fund	-	-	-	(154,801)	(154,801)	200,000	506,612	-	706,612	551,811
Net change in fund balances	123,612	(30,000)	(37)	91,407	184,982	9,213	(212,321)	(726,007)	(929,115)	(744,133)
Fund balances - beginning of year	3,086	30,000	37	567,988	601,111	305,940	440,117	1,000,161	1,746,218	2,347,329
Fund balances - end of year	$ 126,698	$ -	$ -	$ 659,395	$786,093	$ 315,153	$ 227,796	$ 274,154	$ 817,103	$ 1,603,196

CITY OF NEWNAN, GEORGIA

CONFISCATED ASSETS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2008

	Final Budget	Actual	Variance
REVENUES			
Court condemnations	$ 165,797	$ 165,240	$ (557)
Investment earnings	100	390	290
Total Revenues	165,897	165,630	(267)
EXPENDITURES			
Current			
Public safety	45,783	42,018	3,765
Total Expenditures	45,783	42,018	3,765
Net change in fund balance	$ 120,114	123,612	$ 3,498
Fund balances - beginning of year		3,086	
Fund balances - end of year		$ 126,698	

CITY OF NEWNAN, GEORGIA

MISCELLANEOUS GRANTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2008

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	$ 17,705	$ 8,279	$ (9,426)
Total Revenues	17,705	8,279	(9,426)
EXPENDITURES			
Current			
Public safety	20,000	8,279	11,721
Capital outlay	50,000	30,000	20,000
Total Expenditures	70,000	38,279	31,721
Net change in fund balance	$ (52,295)	(30,000)	$ 22,295
Fund balances - beginning of year		30,000	
Fund balances - end of year		$ -	

CITY OF NEWNAN, GEORGIA

LAW ENFORCEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2008

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental revenue	$ -	$ -	$ -
Investment earnings	-	-	-
Total Revenues	-	-	-
EXPENDITURES			
Current			
Public safety	-	37	(37)
Total Expenditures	-	37	(37)
Net change in fund balance	$ -	(37)	$ (37)
Fund balances - beginning of year		37	
Fund balances - end of year		$ -	

CITY OF NEWNAN, GEORGIA

HOTEL/MOTEL TOURISM ENHANCEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2008

	Final Budget	Actual	Variance
REVENUES			
Hotel/motel taxes	$ 233,335	$ 258,001	$ 24,666
Investment earnings	18,000	14,425	(3,575)
Total Revenues	251,335	272,426	21,091
EXPENDITURES			
Current			
Tourism development	36,000	4,274	31,726
Capital outlay	60,000	21,944	38,056
Total Expenditures	96,000	26,218	69,782
Excess (deficiency) of revenues over (under) expenditures	155,335	246,208	90,873
Other Financing Use			
Transfer out	(140,000)	(154,801)	(14,801)
Net change in fund balances	$ 15,335	91,407	$ 76,072
Fund balances - beginning of year		567,988	
Fund balances - end of year		$ 659,395	

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STATISTICAL SECTION

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Schedule 1
City of Newnan, Georgia
Net Assets by Component
Last Five Calendar Years
(accrual basis of accounting)

	2004	2005	2006	2007	2008
Governmental Activities					
Invested in Capital Assets, Net of Related Debt	$ 36,870,914	$ 48,202,095	$ 59,950,866	$ 99,720,483	$ 107,970,772
Restricted	7,370,329	10,247,870	10,017,489	12,310,604	11,890,374
Unrestricted	9,536,630	11,056,237	14,484,797	16,050,074	17,202,620
Total Governmental Activities Net Assets	$ 53,777,873	$ 69,506,202	$ 84,453,152	$ 128,081,161	$ 137,063,766
Primary Government					
Invested in Capital Assets, Net of Related Debt	$ 36,870,914	$ 48,202,095	$ 59,950,866	$ 99,720,483	$ 107,970,772
Restricted	7,370,329	10,247,870	10,017,489	12,310,604	11,890,374
Unrestricted	9,536,630	11,056,237	14,484,797	16,050,074	17,202,620
Total Primary Government Net Assets	$ 53,777,873	$ 69,506,202	$ 84,453,152	$ 128,081,161	$ 137,063,766

Note: The City began to report accrual information when it implemented GASB Statement 34 in calendar year 2003. The net beginning balance of capital assets has been increased by $33 million to retroactively record the City's infrastructure purchased or constructed prior to the adoption of GASB 34.

Schedule 2
City of Newnan, Georgia
Changes in Net Assets
Last Five Calendar Years
(accrual basis of accounting)

	2004	2005	2006	2007	2008
Expenses:					
Governmental Activities:					
General Government	$ 1,499,242	$ 1,692,563	$ 2,164,887	$ 2,823,373	$ 2,747,236
Public Safety	7,081,640	7,522,020	8,076,362	8,638,598	9,341,701
Public Works	1,892,188	3,364,415	3,535,165	4,405,650	4,285,367
Community Development	1,785,109	1,761,614	2,233,473	2,697,243	2,610,332
Tourist Development	658	20,511	14,955	2,292	4,274
Other Services	484,281	801,434	-	-	-
Total Governmental Activities Expenses	12,743,118	15,162,557	16,024,842	18,567,156	18,988,910
Total Primary Government Expenses	$ 12,743,118	$ 15,162,557	$ 16,024,842	$ 18,567,156	$ 18,988,910
Program Revenues:					
Governmental Activities:					
Charges for Services	$ 1,649,701	$ 3,442,589	$ 5,093,961	$ 4,528,973	$ 3,793,409
Operating Grants and Contributions	1,181,639	1,204,398	74,084	103,045	91,128
Capital Grants and Contributions	9,817,232	10,840,515	8,626,666	4,238,389	4,198,787
Total Governmental Activities Program Revenues	12,648,572	15,487,502	13,794,711	8,870,407	8,083,324
Total Primary Government Program Revenues	$ 12,648,572	$ 15,487,502	$ 13,794,711	$ 8,870,407	$ 8,083,324
Net (Expenses) / Revenues					
Governmental Activities	$ (94,546)	$ 324,945	$ (2,230,131)	$ (9,696,749)	$ (10,905,586)
Total Primary Government Net (Expense)/Revenue	$ (94,546)	$ 324,945	$ (2,230,131)	$ (9,696,749)	$ (10,905,586)

Schedule 2
City of Newnan, Georgia
Changes in Net Assets
Last Five Calendar Years
(accrual basis of accounting)

	2004	2005	2006	2007	2008
General Revenue and Other Changes in Net Assets					
Governmental Activities:					
Taxes:					
Property Taxes	$ 2,971,012	$ 3,436,171	$ 3,832,526	$ 4,203,214	$ 4,398,384
Sales Taxes	6,411,198	6,658,437	7,517,296	9,552,987	9,576,131
Occupational Taxes	1,206,741	1,321,047	1,472,479	1,732,989	1,838,252
Franchise Taxes	977,592	935,535	1,004,528	1,226,762	1,324,724
Insurance Premium Taxes	756,092	813,456	851,078	887,770	909,036
Hotel/Motel Taxes	174,947	200,101	211,120	329,900	258,001
Alcoholic Beverage Taxes	584,315	636,993	700,717	733,406	731,681
Other Taxes	29,340	236,725	222,331	280,303	304,305
Interest Revenue	189,916	540,821	1,008,500	1,170,885	547,677
Miscellaneous	220,441	329,590	-	-	-
Special Item - Dissolution of Sanitation Fund	(375,436)	-	-	-	-
Total Governmental Activities	$ 13,146,159	$ 15,108,876	$ 16,820,575	$ 20,118,216	$ 19,888,191
Changes in Net Assets					
Governmental Activities	$ 13,051,613	$ 15,433,821	$ 14,590,444	$ 10,421,467	$ 8,982,605
Total Primary Government	$ 13,051,613	$ 15,433,821	$ 14,590,444	$ 10,421,467	$ 8,982,605

Note: The City began to report accrual information when it implemented GASB Statement 34 in calendar year 2003.

Schedule 3
City of Newnan, Georgia
Program Revenues by Function/Program
Last Five Calendar Years
(accrual basis of accounting)

	2004	2005	2006	2007	2008
Function/Program					
Governmental Activities:					
General Government	$ 2,156,208	$ 2,994,494	$ 1,654,084	$ 1,939,390	$ 3,086,953
Public Safety	492,764	472,358	669,170	741,655	958,454
Public Works	9,958,000	12,020,650	8,597,644	4,202,138	2,990,892
Community Development	-	-	2,851,031	1,987,224	1,025,521
Other Services	41,600	-	-	-	-
Tourist Development	-	-	22,782	-	21,504
Subtotal Governmental Activities	12,648,572	15,487,502	13,794,711	8,870,407	8,083,324
Total Primary Government	$ 12,648,572	$ 15,487,502	$ 13,794,711	$ 8,870,407	$ 8,083,324

Note: The City began to report accrual information when it implemented GASB Statement 34 in calendar year 2003.

Schedule 4
City of Newnan, Georgia
Fund Balances, Governmental Funds
Last Five Calendar Years
(modified accrual basis of accounting)

	2004	2005	2006	2007	2008
General Fund					
Reserved	$ 148,146	$ 255,509	$ 273,734	$ 458,929	$ 227,287
Unreserved	9,673,201	10,983,435	12,848,952	14,168,420	14,885,077
Total General Fund (1)	$ 9,821,347	$ 11,238,944	$ 13,122,686	$ 14,627,349	$ 15,112,364
All Other Governmental Funds					
Reserved (2)	$ 830,759	$ 3,182,981	$ 10,038,294	$ 13,090,613	$ 13,211,566
Unreserved					
Special Revenue Funds	(248,504)	(54,378)	1,935	1,746	120,612
Capital Projects Funds (2)	6,788,074	6,947,242	1,278,564	658,091	519,701
Total All Other Governmental Funds	$ 7,370,329	$ 10,075,845	$ 11,318,793	$ 13,750,450	$ 13,851,879
Total Fund Balances / (Deficits)	**$ 17,191,676**	**$ 21,314,789**	**$ 24,441,479**	**$ 28,377,799**	**$ 28,964,243**

Notes:

(1) The General Fund Balance increased by 3.32% mainly due to expenditure control in 2008.

(2) In 2004/2005 the Capital Projects Fund Balances were included in Unreserved. Beginning in 2006, the Capital Projects Fund Balances were included in Reserved Balance.

Schedule 5
City of Newnan, Georgia
Changes in Fund Balances, Governmental Funds
Last Five Calendar Years
(modified accrual basis of accounting)

	2004		2005	2006	2007	2008
Revenues						
Property taxes	$ 3,068,690		$ 3,194,225	$ 3,751,885	$ 4,145,848	$ 4,141,896
Sales taxes	6,411,197		6,658,437	7,517,296	9,552,987	9,576,131
Other taxes	3,453,383		4,227,312	4,462,253	5,191,130	5,365,999
Licenses and permits	1,213,279		1,566,857	1,520,283	1,018,668	669,900
Impact fees	291,496	*	1,414,933	1,505,448	1,118,593	529,396
Court condemnations	5,596		11,832	6,240	6,251	165,240
Intergovernmental	328,517		461,148	848,571	476,377	499,968
Grants received	27,065		23,391	2,253	-	150,000
Intergovernmental-utility	853,126		966,488	1,094,453	1,161,112	1,165,377
Fines and forfeitures	436,422		448,967	588,846	632,359	669,929
Investment earnings	189,916		540,821	1,008,923	1,170,885	547,677
Indirect cost allocations	1,028,938		1,139,329	-	-	-
Other revenues	220,440		208,604	268,163	370,732	185,955
Total revenue	17,528,066		20,862,344	22,574,614	24,844,942	23,667,468
Expenditures						
General Government	1,543,473		1,639,077	2,088,268	2,675,463	2,179,436
Public Safety	7,249,855		7,809,982	7,697,555	8,314,508	8,910,093
Public Works	1,870,359		2,469,203	2,371,824	2,637,747	2,722,862
Tourism Development	658		20,511	14,955	2,292	4,274
Community Development	1,842,623		1,893,971	2,615,532	2,337,153	2,365,981
Other Services	483,375		831,102	-	-	-
Intergovernmental	-		-	-	-	793,530
Capital Outlay	1,878,426		2,397,282	5,016,296	4,953,459	6,104,848
Total expenditures	14,868,769		17,061,128	19,804,430	20,920,622	23,081,024

Schedule 5
City of Newnan, Georgia
Changes in Fund Balances, Governmental Funds
Last Five Calendar Years
(modified accrual basis of accounting)

	2004	2005	2006	2007	2008
Excess of Revenues over/ (under) Expenditures	2,659,297	3,801,216	2,770,184	3,924,320	586,444
Other Financing Sources (Uses)					
Transfers from Other Funds	349,652	1,107,770	1,110,359	1,350,890	861,413
Transfers to Other Funds	(725,088)	(1,107,770)	(1,110,359)	(1,350,890)	(861,413)
Sales of Capital Assets	81,500	27,390	-	12,000	-
Total Other Financing Sources (Uses)	(293,936)	27,390	-	12,000	-
Net Change in Fund Balances	**$ 2,365,361**	**$ 3,828,606**	**$ 2,770,184**	**$ 3,936,320**	**$ 586,444**

* Impact Fees started being assessed in October 2004.

Schedule 6
City of Newnan, Georgia
Tax Revenues by Source, Governmental Funds
Last Five Calendar Years
(modified accrual basis of accounting)

	Tax Revenues										
Calendar Year	General Property (1)	Local Option (LOST) Sales	Special Local Option (SPLOST) Sales (2)	Occupational (3)	Intangible (4)	Franchise (5)	Insurance Premium	Real Estate Transfer (4)	Alcoholic Beverage	Hotel/Motel (3)	Total
2004	$ 3,068,690	$ 4,063,820	$ 2,347,378	$ 1,206,741	$ 77,853	$ 977,592	$756,092	$57,383	$584,316	$ 174,946	$ 13,314,811
2005	3,194,225	4,037,621	2,620,816	1,321,047	199,194	935,536	813,456	93,961	636,993	200,101	14,052,950
2006	3,812,530	4,459,896	3,057,400	1,472,479	153,671	1,004,528	851,078	85,136	700,717	211,120	15,808,554
2007	4,336,396	4,599,472	4,953,515	1,732,989	89,582	1,226,762	887,770	88,369	733,406	329,900	18,978,162
2008	4,404,881	4,616,571	4,959,560	1,838,252	39,016	1,324,724	909,036	32,679	731,681	258,001	19,114,401
% Change 2004 - 2008	43.54%	13.60%	111.28%	52.33%	-49.89%	35.51%	20.23%	-43.05%	25.22%	47.47%	43.56%

Notes: (1) The City's millage rate decreased from 4.50 to 4.32 between 2004 and 2008, however, the County has reassessed existing properties during this period. Additionally, the population has increased by approximately 13,625 people (or 83.9%) in the last eight years, resulting in new properties being added to the digest.

(2) Special Purpose Local Option Sales tax has increased over the years mainly due to the growth in the City and the resulting population explosion over the past five years.

(3) Increase mainly due to the growth in the City and new commercial/residential property added in the past five years.

(4) Intangible and Real Estate Transfer taxes are down over the past two years as a direct result of the economy and housing/real estate industry.

(5) Franchise tax increases are mainly the result of an increase in the Utility excise taxes, which increased by approximately $115,235 in 2008.

Schedule 7
City of Newnan, Georgia
Property Tax Levies and Collections
Last Five Calendar Years

Year	Taxes Levied for the Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	$ 2,766,530	$ 2,541,109	91.85%	$ 224,413	$ 2,765,522	99.96%
2005	3,175,913	2,778,148	87.48%	392,547	3,170,695	99.84%
2006	3,596,135	3,224,897	89.68%	350,282	3,575,179	99.42%
2007	4,040,685	3,710,009	91.82%	282,795	3,992,804	98.82%
2008	4,432,702	4,036,118	91.05%	-	4,036,118	91.05%

Source: Coweta County Tax Assessor's Office and City of Newnan Finance Department

Schedule 8
City of Newnan, Georgia
Direct and Overlapping Property Tax Rates
Last Five Calendar Years

	City Direct Rates			Overlapping Rates			
Year	Basic Rate	General Obligation Debt Service	Total Direct Rate	State of Georgia	County of Coweta	School System	**Total***
2004	4.50	-	4.50	0.25	5.13	18.61	**28.49**
2005	4.40	-	4.40	0.25	6.31	18.59	**29.55**
2006	4.34	-	4.34	0.25	6.74	18.59	**29.92**
2007	4.32	-	4.32	0.25	7.76	18.59	**30.92**
2008	4.32	-	4.32	0.25	7.66	18.59	**1.00**

Source: Coweta County Tax Assessor's Office

Notes: * Grand total for City Residents includes County Taxes

The City's basic property tax rate is established by the City Council each year.

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

Schedule 9
City of Newnan, Georgia
Principal Property Taxpayers
Current Year and Four Years Ago

	2004		2008	
Taxpayer	Total Assessed Value	Percentage of Total City Tax Levy	Total Assessed Value	Percentage of Total City Tax Levy
Fourth Quarter Properties	$ 11,235,310	1.83%	$ 21,457,813	2.09%
Peachtree City Holdings	9,003,555	1.46%		
Inland Southeast Newnan LLC	7,167,218	1.17%	12,470,036	1.22%
Diplomat Hotels			10,610,293	1.03%
Bon L Manufacturing			10,000,356	0.97%
EGO Products			9,498,908	0.93%
WPRE			9,216,178	0.90%
BellSouth Telecommunications	6,985,040	1.14%		
Newnan Development Partners			7,506,758	0.73%
Lullwater Apartments LLC	5,713,418	0.93%		
Wal-Mart	5,132,135	0.83%	8,486,177	0.83%
Piedmont Newnan Hospital			5,896,024	0.57%
S.G. Preston Mill	4,801,604	0.78%	5,776,000	0.56%
JDN Realth Corporation	4,765,717	0.78%		
Newnan Crossing LLP	3,946,052	0.64%		
Out Med LLC	2,998,488	0.49%		
Total	$ 61,748,537	10.05%	$ 100,918,543	9.83%

Source: Coweta County Tax Assessor's Office

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GOVERNMENTAL REPORTS

CITY OF NEWNAN, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS (1997)
FOR THE YEAR ENDED DECEMBER 31, 2008

Project	Original Estimated Cost	Current Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years Costs	Current Year	Total	
Municipal buildings (includes land)	$ 4,300,000	$ 5,426,833	$ 5,422,385	$ -	$ 5,422,385	100%
Streets, bridges and transportation	2,000,000	3,197,436	2,178,110	745,886	2,923,996	91%
Fire	539,204	925,075	928,807	-	928,807	100%
Recycling equipment	-	134,920	134,920	-	134,920	100%
Park development	1,500,000	1,497,780	1,497,780	-	1,497,780	100%
Transfer to Water, Sewerage and Light Commission	3,561,088	4,405,968	4,405,968	-	4,405,968	100%
	$ 11,900,292	$ 15,588,012	$ 14,567,970	$ 745,886	$ 15,313,856	

CITY OF NEWNAN, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS (2002)
FOR THE YEAR ENDED DECEMBER 31, 2008

Project	Original Estimated Cost	Current Estimated Costs	Expenditures			Estimated Percentage of Completion
			Prior Years Costs	Current Year	Total	
Streets, drains, and sidewalks	$ 3,800,000	$ 3,478,292	$ 1,365,545	$ 47,491	$ 1,413,036	41%
Park acquisition and development	2,500,000	2,350,000	2,275,369	938	2,276,307	97%
Convention Center	2,500,000	2,110,965	867,405	-	867,405	41%
Construction of downtown parking facilities	1,760,000	1,319,731	209,176	-	209,176	16%
Fire equipment (serial and pumper)	800,000	800,000	460,543	-	460,543	58%
Additions to shop	1,120,000	415,000	31,675	-	31,675	8%
Storage facility (Lower Fayetteville Road)	350,000	-	-	-	-	0%
New facility or renovation (beaut. Facility)	200,000	528,208	528,208	-	528,208	100%
Computers	200,000	198,500	198,500	-	198,500	100%
Transfer to Water, Sewerage and Light Commission	2,520,000	1,960,022	1,960,022	-	1,960,022	100%
	$ 15,750,000	$ 13,160,718	$ 7,896,443	$ 48,429	$ 7,944,872	

CITY OF NEWNAN, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS (2007)
FOR THE YEAR ENDED DECEMBER 31, 2008

Project	Original Estimated Cost	Current Estimated Costs		Expenditures			Estimated Percentage of Completion
				Prior Years	Current Year	Total	
Public Safety	$ 580,000	$ 580,000		$ -	$ -	$ -	0%
Information System	325,000	325,000		14,043	24,756	38,799	12%
Building Maintenances/Structure	6,650,000	6,650,000		399,357	216,093	615,450	9%
Parks and Recreation	1,200,000	1,200,000		-	55,390	55,390	5%
Streets	14,925,333	15,097,120	(1)	229,787	2,546,226	(1) 2,776,013	18%
Equipment	1,625,000	1,625,000		-	88,810	88,810	5%
Transfer to Water, Sewerage and Light Commission	4,820,063	4,820,063		792,562	793,530	1,586,092	33%
	$ 30,125,396	$ 30,297,183		$ 1,435,749	$ 3,724,805	$ 5,160,554	

Note (1): During 2008, the City paid for all improvements relative to Old Jefferson Street. This street is partially in Coweta County. Therefore, the County reimbursed the City in the amount of $171,787 for the County's portion of the improvements. The schedule has been adjusted for these costs.

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

Honorable Mayor and Council
City of Newnan, Georgia

We have audited the financial statements of the governmental activities, each major fund, the aggregate discretely presented component units and the aggregate remaining fund information of the City of Newnan, Georgia as of and for the year ended December 31, 2008, which collectively comprise the City of Newnan, Georgia's basic financial statements and have issued our report thereon dated June 10, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors, audited the financial statements of the Newnan Water, Sewerage and Light Commission, as described in our report on the City of Newnan's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily

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disclose all significant deficiencies that are also considered to be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of the audit committee, City Council and management; and is not intended to be and should not be used by anyone other than these specified parties.

Macon, Georgia
June 10, 2009