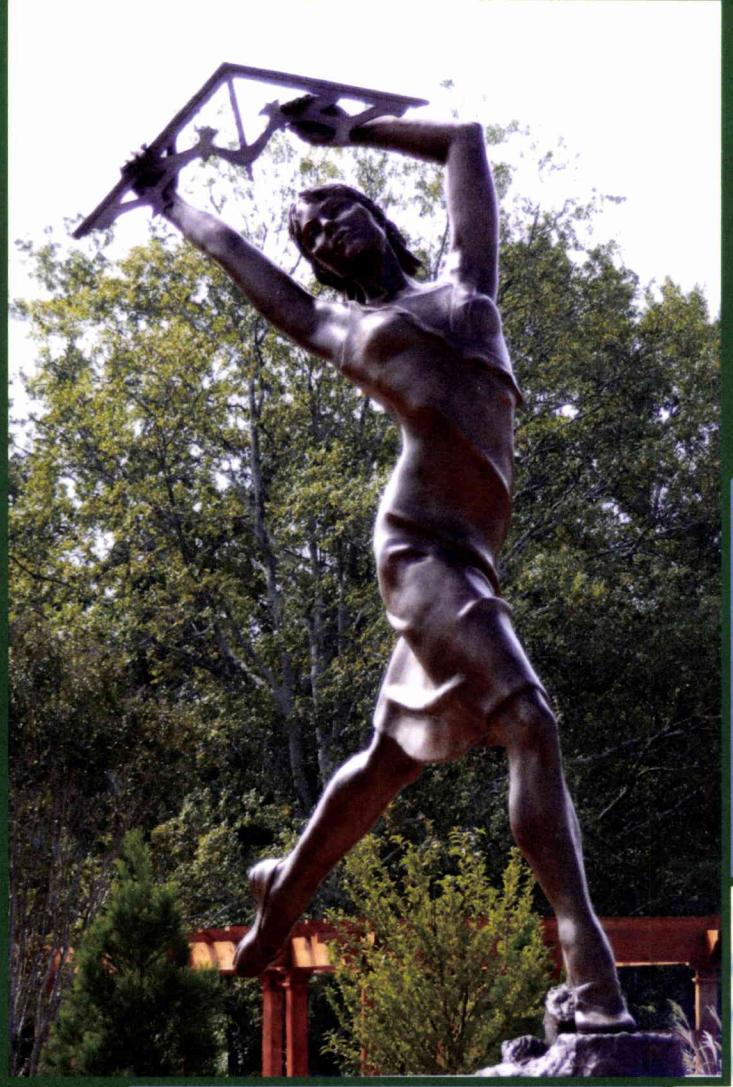


The City of Newnan Georgia



Comprehensive Annual Financial Report

For The Year Ended December 31, 2009

CITY OF NEWNAN, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2009

PREPARED BY: DEPARTMENT OF ADMINISTRATION

CITY OF NEWNAN, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2009

TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

Letter of Transmittal 1-7
Organizational Chart 8
City Officials and Offices 9

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT 10-11

MANAGEMENT'S DISCUSSION AND ANALYSIS 12-24

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements
Statement of Net Assets 25
Statement of Activities 26

Fund Financial Statements
Balance Sheet – Governmental Funds 27
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets 28
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds 29
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities 30
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund 31-32

Notes to the Financial Statements 33-50

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress – Retirement Plan 51

SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual 52-69

CITY OF NEWNAN, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2009

TABLE OF CONTENTS

Page

Nonmajor Governmental Funds

Combining Balance Sheet – Nonmajor Governmental Funds 70

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds 71

Special Revenue Funds

Confiscated Assets Fund:
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Non-GAAP Budget Basis) 72

Miscellaneous Grants Fund:
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Non-GAAP Budget Basis) 73

Hotel/Motel Tourism Enhancement Fund:
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Non-GAAP Budget Basis) 74

STATISTICAL SECTION

Fund Information

Financial Trends
Net Assets by Component 75
Changes in Net Assets 76-77
Program Revenues by Function/Program 78
Fund Balances, Governmental Funds 79
Changes in Fund Balances, Governmental Funds 80

Revenue Capacity
Tax Revenues by Source, Governmental Funds 81
Assessed Value and Estimated Actual Value of Taxable Property 82
Direct and Overlapping Property Tax Rates 83
Principal Property Tax Payers 84
Property Tax Levies and Collections 85
Taxable Sales by Category 86
Direct and Overlapping Sales Tax Rates 87

CITY OF NEWNAN, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2009

TABLE OF CONTENTS

Page

Debt Capacity
Direct and Overlapping Governmental activities Debt 88
Legal Debt Margin Information 89

Demographic and Economic Information
Demographic and Economic Statistics 90
Principal Employers 91
Full-time Equivalent City Government Employees by Function/Program 92

Operating Information
Operating Indicators by Function/Program 93
Capital Asset Statistics by Function/Program 94

GOVERNMENTAL REPORTS

State of Georgia Requirements

Schedules of Projects Constructed with Special Purpose
Local Option Sales Tax Proceeds 95-97

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 98-99

INTRODUCTORY SECTION

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Newnan
GEORGIA • 1828 • CITY OF HOMES

City of Newnan, Georgia
Finance Department

May 11, 2010

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

In accordance with the laws of the State of Georgia and ordinances adopted by the governing authority of the City of Newnan, Georgia, I am pleased to present the City of Newnan's (the City's) Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2009. Both the City Ordinances and State statutes require that the City issue an annual report on its financial position and activity. State law requires that local governments publish a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in conformance with Generally Accepted Accounting Standards (GAAS) by a firm of licensed certified public accountants.

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

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

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

INDEPENDENT AUDIT

The City of Newnan's financial statements have been audited by the firm of Clifton, Lipford, Hardison and Parker, LLC of Macon, Georgia. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended December 31, 2009 are fairly represented in conformity with GAAP. The independent auditor's report is the first component of the financial section of this report.

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The independent audit of financial statements of the City is sometimes part of a broader, federal and state mandated "single audit" designed to meet the special needs of federal and state grantor agencies. The standards governing single audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on the administration of federal and state awards. A single audit was not necessary in 2009 since the City did not expend $500,000 or more in federal funds.

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

CITY OF NEWNAN PROFILE

Since 1960, the City of Newnan has operated under the Council-Manager form of government. The City Council sets policy and relies on the City Manager to implement policy direction. The City Council consists of a Mayor and six Council members. The Mayor is elected at large and serves a four-year term. Council members are elected by district and serve four-year staggered terms. The City Council represents the interests of citizens of Newnan by adopting public policies, determining the City's mission, scope of service, and tax levels, passing ordinances, approving new projects and programs and ratifying the budget. The City of Newnan financial statements include discretely presented data for its two component units: Newnan Utilities and the Downtown Development Authority.

The City currently employs 239 people and is organized into five (5) functions: General Government, Public Safety, Public Works, Community Development and Other Services. General Government consists of City Clerk, Human Resources, Finance, Information Technologies, and Miscellaneous. Public Safety includes the Police and Fire Departments. Public Works involves the Street, Garage, Engineering, and Cemetery departments. Community Development is comprised of Planning and Zoning, Building Inspection, Building Maintenance, and Beautification. Other Services include the Carnegie Building, Business Development and Special Events, and Main Street.

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

The City of Newnan prepares an annual budget document as the basis for the City's financial planning and control. All departments are required to submit appropriation requests to the City Manager on or about August 15th. The City Manager utilizes these requests to develop a starting point for the proposed operating budget. The proposed budget is presented to the City Council for review prior to November 20th. The Council is required to hold a public hearing on the proposed budget, which is typically done mid-December, after all budget work sessions with Council are completed but before adoption of the proposed budget by Council. The annual budget is presented by Fund, Function and Department. Budget to actual comparisons are provided in this report for each individual fund for which an appropriated budget has been adopted. For the general fund, this comparison extends to the department level. Budget to actual

comparisons for all governmental funds are presented in the other Required Supplementary Information (RSI) section of the financial statements. The legal level of budgetary control is at the department level.

The City of Newnan, county seat of Coweta County, is located in the west central part of Georgia, approximately thirty-five miles southwest of Atlanta, with Interstate 85 running through the eastern part of the city. In 1828 eight streets were surveyed to form what would become downtown Newnan. The City was laid out in a grid pattern, and six of the streets still bear their original names, which honor famous Americans such as Jackson, Jefferson, Washington, and Madison. The new town was named in honor of General Daniel Newnan of Georgia. As one of the campaign leaders of the War of 1812, he survived severe wounds at Camp Defiance in 1813 to later become Georgia Adjutant General, Secretary of State, and a member of the United States Congress.

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

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

The City of Newnan has increased substantially in population over the past few years and has grown in total square miles, via the annexation of land. In 1990, it was estimated that the city consisted of 12.37 square miles. By the end of 2009, Newnan has grown to approximately 19.5 square miles.

The combination of the City's commitment to quality of life and attention to tax and infrastructure issues has brought many new businesses to the area and is a significant reason why so many businesses flourish in and around Newnan. The City is empowered to levy a property tax on both real and personal property located within its boundaries. It is also empowered to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council.

FACTORS AFFECTING FINANCIAL CONDITION

The City of Newnan enjoys a diverse economy and relatively stable unemployment rate which translates into a diverse portfolio of revenue streams and growth in population. Governmental activities (or program revenues) are made up of revenues from property taxes, sales taxes, occupational taxes, fines and forfeitures, permits, impact fees, excise taxes and charges for services. The City currently has no business-type activities (enterprise funds) to report, since Sanitation services were privatized in 2004.

Local Economy

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

are being transformed into a business hub as international and national corporations expand and move into the area. Giants such as Kawasaki Corporation, Yokogawa Corporation of America, William L. Bonnell, Southern Mills and Yamaha Motor Manufacturing Corporation have all established in and around Newnan. Consequently, Newnan has developed into a business and industrial community that is growing and thriving. During the past decade, the City of Newnan has grown significantly to include many fine dining and retail establishments (with specialty shops) as part of the real estate development boom that has slowed some during the past couple of years.

Additionally, Cancer Treatment Centers of America (CTCA) has selected Newnan as the location for a new facility. With more than two-thirds of its patients expected to come from outside the state of Georgia, patients and their families will contribute to the growth and vitality of the local economy. CTCA expects the new facility to generate 500 news jobs and $500 million in economic activity over the first five years of operation. Construction is slated to begin during 2010.

Fiscal Policies

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

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

Cash Management Policy and Practices

The City adheres to treasury management practices permitted by Georgia statutes/code. The City, subsequently, limits its investments to the types of securities provided by statute/code, considering first the probable safety of capital and then the probable income to be derived. The City has investments in the Georgia State Pool and operating accounts at BB & T bank locally. Additionally, the City has a very small investment in Certificates of Deposit.

Debt and Reserve Policy

The City will pay for all capital projects and capital improvements with pay-as-you-go financing, using current revenues when possible. Typically, capital funds are collected and maintained until the balance available is sufficient to complete a purchase or project. If a project or improvement cannot be purchased with current revenues, long-term debt might be considered, but only as a last resort. The City currently has no debt, other than compensated absences (sick, vacation, etc). However, Newnan Utilities, a component unit of the City, does utilize bonds and other types of debt to fund growth in operations.

The City will maintain a minimum reserve in Undesignated Fund Balance which equals 50% of the General Fund annual budgeted amount. If existing reserves exceed the required level, such funds may be used to provide for non-recurring expenditures, capital assets and emergencies as approved by Council.

Employee Retirement and Health Insurance Plans

The City of Newnan participates in the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association (GMA). The City continues to pay 100% of the employee's portion of the retirement plan as a benefit to employees. For 2009, the City contributed $858,970 to the plan on behalf of its employees. The contributions for retirement increased by 11.03% for 2010 and the City has budgeted funds to absorb that increase also. Employees are eligible to participate in the retirement program after one (1) year of continued service and are vested in the program after ten (10) years of service. Additional information concerning the City's pension plan and its funding progress can be found in the Required Supplementary Information section.

The City of Newnan offers health and life insurance to all active employees. The City pays 100% of the life and health insurance premiums for employees who elect single coverage. Additionally, the City currently pays 84.9% of the cost of health insurance for employees choosing family coverage, along with 100% of their life insurance costs. There is also a menu of optional insurances available to employees including additional life, dental, cancer, vision and disability insurance, all of which are paid solely by the employee if selected. Health insurance premiums increased by approximately 9% for 2010; all of which was absorbed by the City.

Currently, the City of Newnan offers no post-employment retirement benefits to its employees.

MAJOR INITIATIVES AND ACCOMPLISHMENTS

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

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

2009 Accomplishments

During fiscal year 2009, the City of Newnan began or completed many significant projects and objectives in connection with the City's overall goals. The following is a list of major accomplishments by the City's various departments, in no particular order.

- Received the Distinguished Budget Presentation Award from GFOA.
- Won Best Places in Georgia award given by the Georgia Planning Association.
- Revamped Departmental Goals, Objectives and Performance Measures to more effectively monitor activities and output of staff.
- Completed Old Jefferson Street Road improvement project.
- Continued development of the Geographic Information System (GIS) with development of the Zoning Map, Current Land Use Map and Future Land Use Map.
- Full depth reclamation and paving of East Broad Street, from Pinson Street to the roundabout; Summergrove Parkway, from Lower Fayetteville Road to the bridge; Greison Trail, from Bullsboro

Drive to Jefferson Street; Elm Street, from Carmichael Street to Dixon Street; Lovelace Street, from Boone Drive to Sunset Lane; and Saint Clair Street. Included are upgrades of curb ramps, crosswalks and pavement markings for compliance with ADA standards.

- Full depth reclamation and paving for several main streets in Oak Hill Cemetery and the parking area and driveways for the Temple Avenue Fire Station No. 3.
- New sidewalks on 4th Street, Glenn Street, Murray Street, 1st Avenue and Hollis Heights.
- Construction of a new office and maintenance facilities located in Oak Hill Cemetery.
- Repairs and paving of streets in East View Cemetery.
- Installed new roofs on Public Works Facility and Gazebo at Temple Avenue Park.
- Installed numerous ADA (Americans with Disabilities Act) compliant curb ramps and made repairs to sidewalks throughout the City.
- Finalized land acquisition for the Greenville Street and Spence Avenue Intersection Project.
- Developed and maintained our own in-house Drug and Vice Unit at the Police department.
- Maintained an Officer with the ICE (Immigration and Customs Enforcement) unit for drug interdiction.
- Completed inspections and pre-fire plans on all businesses located in the City.
- Completed and adopted new Parks and Recreational Master Plan.
- Established Newnan Youth Council.
- Purchased new street sweeper, boom truck and dump truck for Street department's maintenance needs.
- Completed renovation of Carnegie Building, opened as reading library and meeting space for citizens and businesses in September 2009.
- Processed over 650 applications for employment and hired 14 new employees to fill vacancies.

AWARDS AND ACKNOWLEDGEMENTS

GFOA Certificate of Achievement

The City of Newnan has not previously participated in the CAFR program. This will be our first year of participation in the Government Finance Officers Association of the United States and Canada (GFOA) award program for a Certificate of Achievement for Excellence in Financial Reporting. The City has prepared this 2009 Comprehensive Annual Financial Report in an effort to improve our financial reporting methods and presentation to Council, the City Manager and citizens of the City of Newnan. Additionally, the City believes this CAFR meets the Certificate of Achievement Program's requirements and we are submitting this document to GFOA to determine its eligibility for the award.

A Certificate of Achievement is valid for a period of one year only. In order to be awarded a Certificate of Achievement, the report must satisfy both generally accepted accounting principles and all applicable legal requirements, as well as publish as easily readable and efficiently organized comprehensive annual financial report. We look forward to GFOA's review of this document!

GFOA Distinguished Budget Presentation Award

The City was awarded, for the nineteenth consecutive year, the Government Finance Officers Association of the United States "Distinguished Budget Presentation Award" for its 2009 budget document. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide and a communications device.



Acknowledgements

The timely preparation and publication of this Comprehensive Annual Financial Report represents significant effort and accomplishment by the Finance department, as well as the cooperation and assistance of other City of Newnan departments and employees. The independent audit firm of Clifton, Lipford, Hardison and Parker, LLC is also to be commended for their cooperation and assistance in the preparation of this document. My sincere appreciation is expressed to the City Council, City Manager and Department Heads for assistance and leadership throughout the year as it pertains to the financial affairs of the City of Newnan.

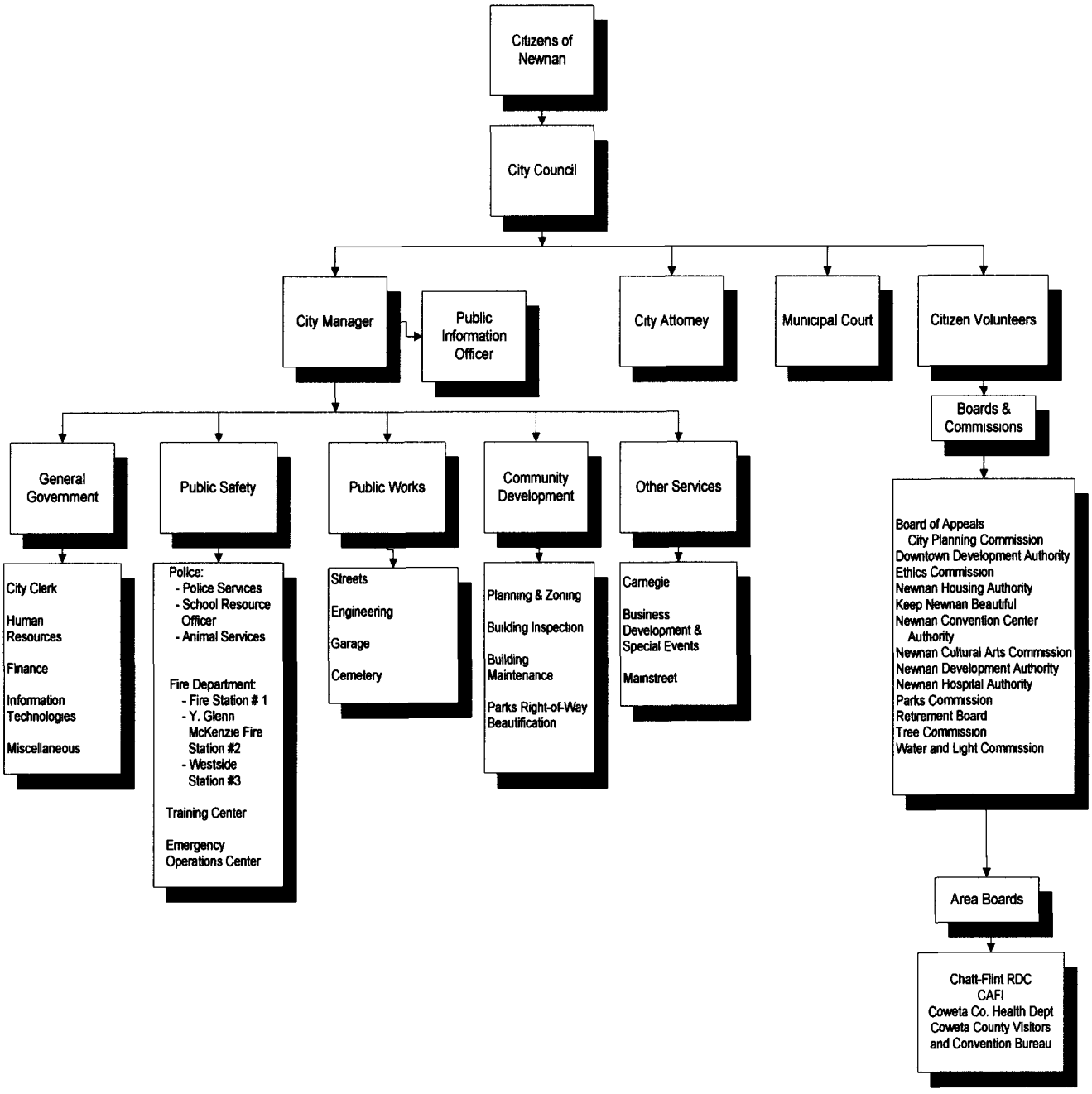
Last, but not least, I wish to express my sincere appreciation to the Finance department employees: Renee Phillips, Ronda Helton, Ginny Gibson and Kim Carroll, whose dedication and support made this report and the entire year such a success.

Respectfully submitted,



Katrina Cline
Finance Director, City of Newnan

CITY OF NEWNAN ORGANIZATION CHART



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City of Newnan, Georgia
CITY OFFICIALS AND OFFICES

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

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

MAYOR AND COUNCIL MEMBERS

District	Council member	Year Elected
Mayor	L. Keith Brady	1994
District A:	Clayton Hicks	2006
District B:	Rhodes Shell	2006
District C:	Cynthia Jenkins, Mayor Pro Tem	2004
District D:	Robert Coggin	2008
Super District E (Districts A and B):	Ray DuBose	2006
Super District F (Districts C and D):	George Alexander	2003

CITY ADMINISTRATIVE OFFICES

Department	Physical Address	Phone Number
Beautification	57 Boone Drive	770-251-3455
Building Inspection	25 LaGrange Street	770-254-2362
Business Development	6 First Avenue	770-253-8283
Carnegie Building	1 LaGrange Street	770-683-1347
Cemetery	25 LaGrange Street	770-253-3744
City Clerk	25 LaGrange Street	770-254-2358
City Council	25 LaGrange Street	770-254-2358
City Hall	25 LaGrange Street	770-253-2682
City Manager	25 LaGrange Street	770-254-2358
Community Development	25 LaGrange Street	770-254-2354
Engineering	25 LaGrange Street	770-254-2354
Finance	25 LaGrange Street	770-254-2351
Fire	23 Jefferson Street	770-253-1851
Garage/City Shop	55 Boone Drive	770-253-0327
Human Resources	25 LaGrange Street	770-254-2358
Information Technology	25 LaGrange Street	770-254-2358
Main Street	6 First Avenue	770-253-8283
Mayor	25 LaGrange Street	770-254-2358
Newnan Utilities	70 Sewell Road	770-683-5516
Planning & Zoning	25 LaGrange Street	770-254-2354
Police	25 Jefferson Street	770-254-2355
Public Information	25 LaGrange Street	770-254-2358
Public Works	55 Boone Drive	770-253-0327
Streets	55 Boone Drive	770-253-1823

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FINANCIAL SECTION

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CLH&P CLIFTON, LIPFORD, HARDISON & PARKER, LLC

J. Russell Lipford, Jr., CPA
Mark O. Hardison, CPA
Terry I. Parker, CPA
Christopher S. Edwards, CPA
Lynn S. Hudson, CPA
Kevin E. Lipford, CPA

Member of
American Institute of
Certified Public Accountants
Truman W. Clifton (1902-1989)

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, 2009, 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, 2009, 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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Phone 478-953-0125 ▪ Fax 478-953-0983

In accordance with *Government Auditing Standards*, we have also issued our report dated May 11, 2010 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 12 through 24 and the schedule of funding progress on page 51 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 introductory section, 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 introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

Macon, Georgia
May 11, 2010

MANAGEMENT'S DISCUSSION & ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the City of Newnan, Georgia's (the "City") comprehensive annual financial report, the City's management is pleased to provide this narrative discussion and analysis of the financial activities of the City for the calendar year ended December 31, 2009. 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.

2009 Financial Highlights

- The assets of the City of Newnan exceeded its liabilities by $139,010,423 (net assets) at the close of the calendar year reported.

- The government's total net assets increased by $1,946,657. Total capital outlay for 2009 was $5,858,932, with depreciation expenses of $2,916,841. Please see page 30 of this report for detail of the other items which make up the total increase in net assets.

- Total net assets are comprised of the following:

  (1) Capital assets totaling $111,049,663, includes property and equipment, net of accumulated depreciation.
  (2) Net assets of $12,341,221 are restricted by constraints imposed from outside the City such as grantors, laws, or regulations.
  (3) Unrestricted net assets of $15,619,539 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 $27,954,634 this year. This compares to the prior year combined ending fund balances of $28,964,243, showing a decrease of $1,009,609, or 3.5%, during the current year. The unreserved fund balance of $14,135,513 for calendar year 2009 shows a $1,389,877 decrease when compared to the prior year. This equates to a 9.8% decrease in unreserved fund balance.

- At the end of the current calendar year, fund balance for the General Fund totaled $13,450,930, which was an 10.99% decrease from 2008. Unreserved fund balance for the General Fund was $13,315,495, or 76.02% of total General Fund expenditures of $17,514,634. In comparison, the General Fund unreserved fund balance for 2008 was 93.2% of General Fund expenditures.

- The City operates on a pay-as-you go basis and has not incurred any debt in the acquisition of capital assets. The only long-term debt is related to employee compensated absences (earned sick and vacation leave) in the amount of $525,316.

- Overall, the City continues to maintain a strong financial position. The ratio of current assets to current liabilities is 45.1 to 1, up from 37.8 to 1 in 2008.

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

Overview of the Financial Statements

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

Government-wide Financial Statements

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

The first of these government-wide statements is the *Statement of Net 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 25 & 26 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 of Newnan uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

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 City of Newnan adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements are presented on pages 27-32 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 data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 33 of this report.

Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's budget presentations. Budgetary comparison statements for the general fund are included in the basic financial statements. Budgetary comparison schedules for other governmental funds can be found in a later section of this report. These schedules demonstrate compliance with the City's adopted and final revised budget. As discussed, the City reports major funds in the basic financial statements. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report beginning on page 70.

Financial Analysis of the City as a Whole

The City's net assets at calendar year-end are $139,010,423. The largest portion of the City's net assets (80%) reflects its investment in capital assets. The following table provides a summary of the City's net assets.

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 45.1 to 1, which is strong. The ratio for 2008 was 37.8 to 1.

	FY 2008		FY 2009		Increase / (Decrease) from 2008	% Increase / (Decrease) from 2008
	Governmental Activities	Percentage of Total	Governmental Activities	Percentage of Total		
Assets:						
Current assets	$ 30,389,229	22%	$ 29,132,214	21%	$ (1,257,015)	-4.1%
Capital assets	107,970,772	78%	111,049,663	79%	3,078,891	2.9%
Total assets	138,360,001	100%	140,181,877	100%	1,821,876	1.3%
Liabilities:						
Current liabilities	803,045	62%	646,138	55%	(156,907)	-19.5%
Long-term liabilities	493,190	38%	525,316	45%	32,126	6.5%
Total Liabilities	1,296,235	100%	1,171,454	100%	(124,781)	-9.6%
Net assets:						
Invested in capital assets	107,970,772	79%	111,049,663	80%	3,078,891	2.9%
Restricted	11,890,374	9%	12,341,221	9%	450,847	3.8%
Unrestricted	17,202,620	13%	15,619,539	11%	(1,583,081)	-9.2%
Total Net Assets	$ 137,063,766	100%	$ 139,010,423	100%	$ 1,946,657	1.4%
Ratio of Current Assets to Current Liabilities	37.8		45.1			

The City reported positive balances in the net assets; the same held true for the prior calendar year. Total assets increased by 1.3% over 2008, while the City's liabilities decreased by 9.6%. The majority of the current liability decreases are attributed to a reduction in Accounts Payable of $181,166. Overall, net assets increased by 1.4%, which is a good indication of the City's overall financial position.

Note that approximately 80% 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

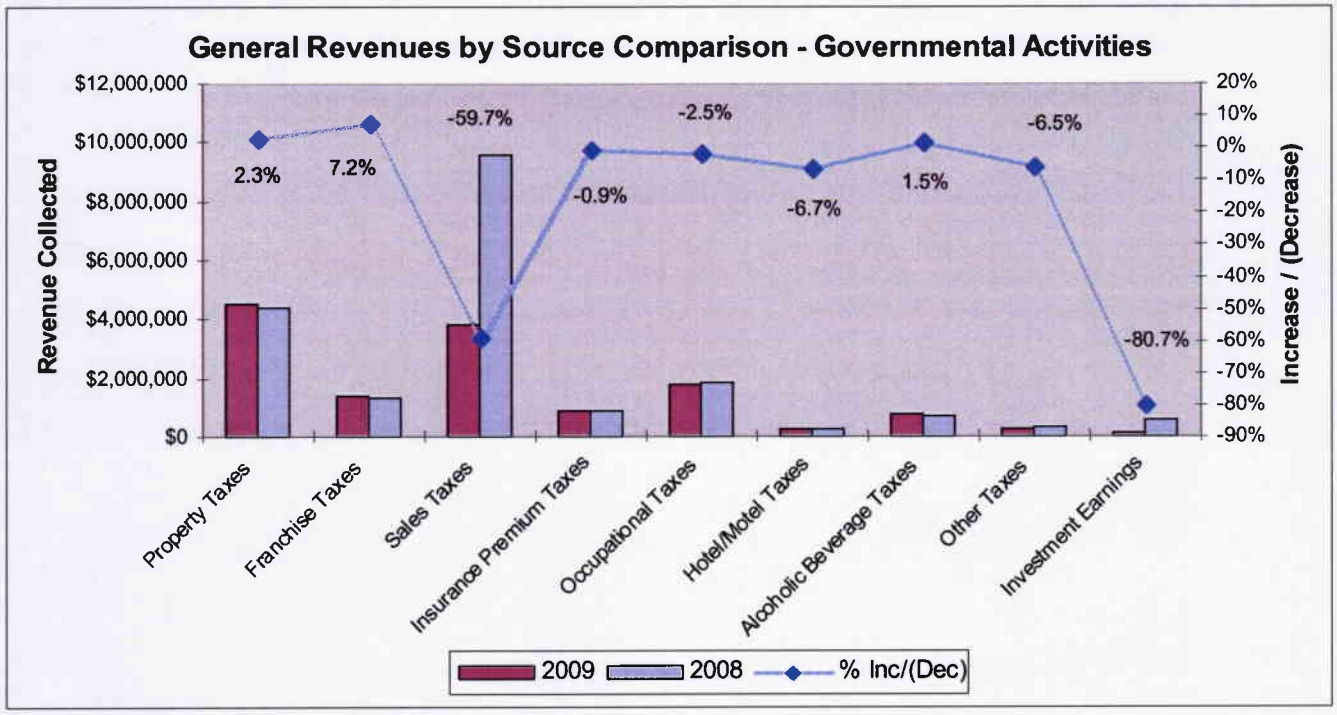
Governmental Activities increased the City of Newnan's net assets by $1,946,657. Key elements of this increase are as follows:

City of Newnan's Changes in Net Assets

	Fiscal Year 2008			Fiscal Year 2009		
	Governmental Activities	Total	Percentage of Total	Governmental Activities	Total	Percentage of Total
Revenues:						
Program:						
Charges for services	$ 3,793,409	$ 3,793,409	14%	$ 2,979,251	$ 2,979,251	14%
Operating grants	91,128	91,128	0%	96,152	96,152	0%
Capital grants	4,198,787	4,198,787	15%	4,260,001	4,260,001	20%
Total Program Revenues:	8,083,324	8,083,324	29%	7,335,404	7,335,404	35%
General:						
Taxes	19,340,514	19,340,514	69%	13,743,826	13,743,826	65%
Other	547,677	547,677	2%	105,671	105,671	0%
Total General Revenues:	19,888,191	19,888,191	71%	13,849,497	13,849,497	65%
Total Revenues:	27,971,515	27,971,515	100%	21,184,901	21,184,901	100%
Program Expenses:						
General government	2,747,236	2,747,236	14%	2,771,020	2,771,020	14%
Tourist development	4,274	4,274	0%	9,304	9,304	0%
Public safety	9,341,701	9,341,701	49%	9,272,838	9,272,838	48%
Public works	4,285,367	4,285,367	23%	4,679,400	4,679,400	24%
Community Development	2,610,332	2,610,332	14%	2,505,682	2,505,682	13%
Total Expenses:	18,988,910	18,988,910	100%	19,238,244	19,238,244	100%
Change in net assets	8,982,605	8,982,605		1,946,657	1,946,657	
Beginning net assets	128,081,161	128,081,161		137,063,766	137,063,766	
Ending net assets	$ 137,063,766	$ 137,063,766		$ 139,010,423	$ 139,010,423	

Program revenues represent 34.7% of total receipts in 2009, which is a 6% increase over 2008. The most significant change from 2008 to 2009 related to Charges for Services, where revenues decreased by $814,158. This decrease is directly attributed to a 78.1% reduction, or $413,451, in Impact Fee collections and a 46.5% decrease, or $226,230, 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).

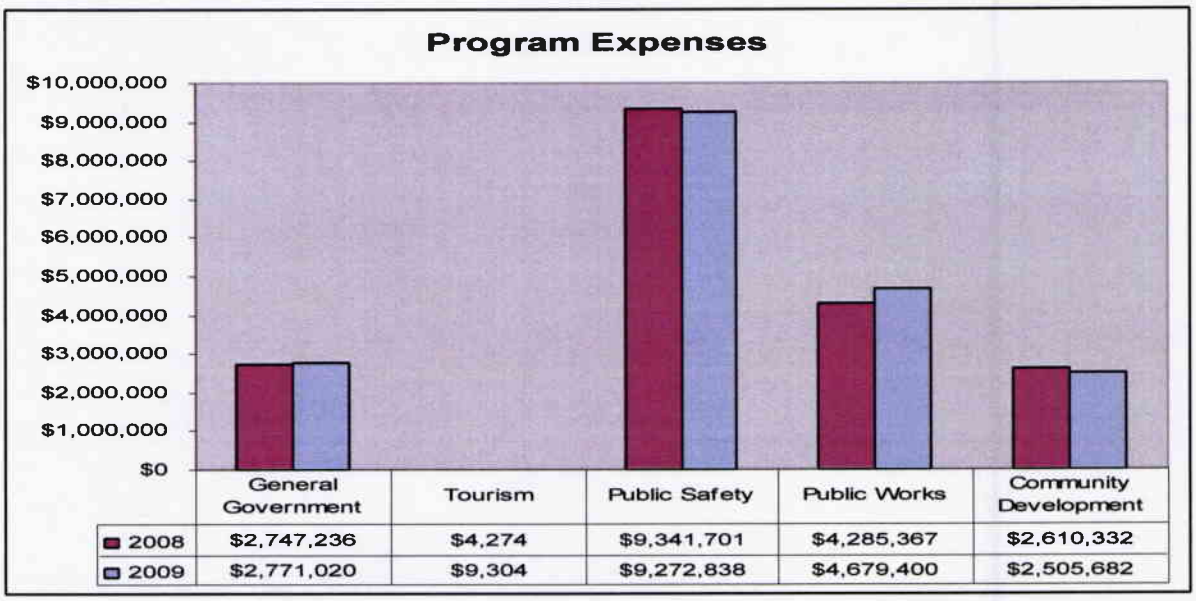
General Revenues make up 65.3% of total receipts, most of which is taxes. Notice that taxes collected as a percentage of overall revenues decreased by 2% during 2009, which is mainly attributed to the reclassification of Special Purpose Local Option Sales Tax (SPLOST) revenues in the amount of $4,123,201 to Intergovernmental revenue, rather than reported as Taxes as in prior years. Additionally, Local Option Sales Taxes (LOST) were down by $756,313 from 2008, Occupational Tax revenues decreased by 2.5%, or $45,291, and Hotel/Motel tax collections were down 6.7%, or $17,359. However, Property tax revenues increased by 2.3%, or $103,271, and Franchise Taxes increased by 7.2%, or $95,873, over 2008. These changes in revenues are indicative of the general economy in Newnan and nationally. Our population is increasing slightly, but commercial growth is still slow. We expect to see improvements during 2010 due to changes in the local economy in the commercial and residential sectors. Other General Revenues, which consists entirely of interest on investments, decreased by 80.7%, or $442,006, when compared to 2008.



Program Expenses increased by 1.3 %, or $249,334, in 2009. The increase in Public Works expenditures of $394,033 is mainly attributed to increased depreciation on capital assets acquired, with 2008 expenditures including only partial year depreciation, which accounted for almost $85,000 additional depreciation in 2009.

Program Expenses

	General Government	Tourism	Public Safety	Public Works	Community Development	Total
2008	$2,747,236	$ 4,274	$ 9,341,701	$ 4,285,367	$ 2,610,332	$18,988,910
2009	2,771,020	9,304	9,272,838	4,679,400	2,505,682	19,238,244
Variance	23,784	5,030	(68,863)	394,033	(104,650)	249,334
% Change	**0.9%**	**117.7%**	**-0.7%**	**9.2%**	**-4.0%**	**1.3%**



	General Government	Tourism	Public Safety	Public Works	Community Development
2008	$2,747,236	$4,274	$9,341,701	$4,285,367	$2,610,332
2009	$2,771,020	$9,304	$9,272,838	$4,679,400	$2,505,682

GOVERNMENTAL REVENUES

The City is heavily reliant on sales taxes to support governmental operations and capital. Property taxes are the largest general revenue source with approximately $4.5 million of revenues, or 32.5% of the total. Sales taxes, the second largest general revenue source, provided 27.9% of the City's total governmental revenues in 2009; by comparison, in 2008 sales taxes provided 48.2%. The State of Georgia now requires that SPLOST revenues received as disbursements from the County be classified as Intergovernmental revenue, rather than sales tax. Therefore, the 2009 reduction in sales taxes is mainly attributed to this reclassification, although local option sales tax (LOST) did decrease by approximately $756,000 in 2009.

Occupational taxes are the third largest general revenue source, producing $1,792,961 in 2009. Due to declining interest rates, the City was only able to earn $105,671 in interest earnings in 2009 to support governmental activities. In 2008, by comparison, the City earned $547,677. The 2009 earnings reflect an 80.7% decrease, or a $442,006 reduction in revenue. Overall, taxes made up 99.2% of the total General Revenues for 2009. Taxes made up 97.2% of total General Revenues in 2008, when investment earnings were higher.

Program revenues (excluding capital revenues) covered 16% of governmental operating expenses, down from 20.5% in 2008. This means that the government's taxpayers and the City's other general governmental revenues funded about 84% of the governmental activities in 2009, as compared to 79.5% in 2008. 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 1.3% during 2009, up from $18,988,910 in 2008. However, the City shows a total cost of $11,902,840 for these services, as compared to 2008 where the same services showed a total cost to the City of $10,905,586. The dependence upon property and sales tax receipts is apparent as over 60.4% of governmental activities are supported through these general receipts. Property and sales taxes are consistently the two largest forms of general revenues for the City of Newnan, followed by Occupational taxes.

The Public Safety function expenditures are 48.2% of total governmental activities expenses. For 2008, Public Safety made up 49.2% of the total. Public Works makes up over 24%, Community Development is 13%, and General Government is over 14% of the total. Public Works showed the only significant increase over 2008, with a 9.2% increase; all other functions,

except Community Development, showed a slight decrease or remained relatively constant. Community Development expenditures decreased by $104,650, or 4.0% as compared to 2008, due to a reduction in capital expenditures for the function. Please note that Other Services combined with Community Development in 2009.

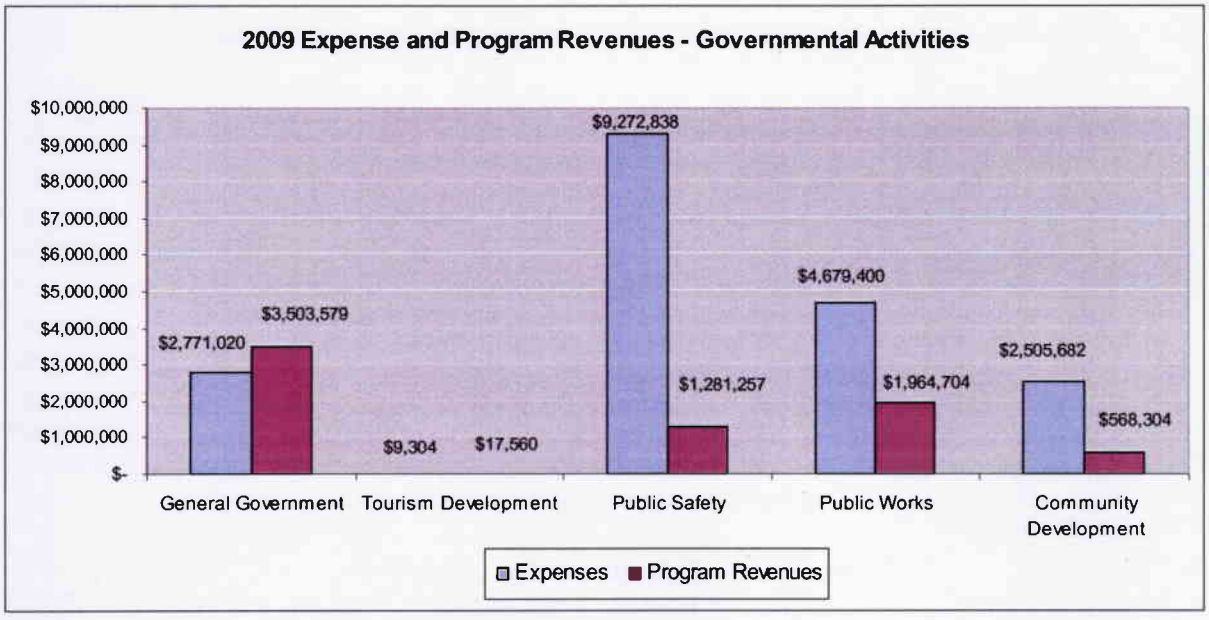
The table below presents the cost of each of the City's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the City's taxpayers by each of these functions.

Governmental Activities

	Total Cost of Services	% of Total	Net (Cost)/ Benefit of Services	% of Costs Covered
General Government	$ 2,771,020	14.40%	$ 732,559	126.44%
Tourist Development	9,304	0.05%	8,256	188.74%
Public Safety	9,272,838	48.20%	(7,991,581)	13.82%
Public Works	4,679,400	24.32%	(2,714,696)	41.99%
Community Development	2,505,682	13.02%	(1,937,378)	22.68%
Total	$ 19,238,244	100.00%	$(11,902,840)	

The General Government function's revenues covered about 126% of the total cost of services provided by that function. Expenses for this function increased by $23,784 in 2009 and revenues decreased by approximately $1,356,351, due to a 2008 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 at 189%.

The Public Safety function's program revenues covered only 13.8% of its total costs, up from 10.3% in 2008. Expenditures for public safety were down by approximately $69,000 in 2009, while revenues were basically the same. The Public Works function revenues covered approximately 42% of its total costs versus 70% in 2008. Expenditures increased by 9%, or $394,000, mainly due to an increase in depreciation expenses. 2009 revenues for this function totaled $136,800, which was donated land. The contributed infrastructure by developers was $2,842,821 in 2008 as compared to $0 for 2009; thus representative of the lack of residential and commercial growth in the City during 2009. Additionally, the Community Development function's revenues covered about 23% of its total costs, down from 39% in 2008, with the decrease in Impact Fees ($413,451) and Building Permits ($226,230) as the contributing factor. 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 $27,954,634, a decrease of 3.5% from the 2008 ending balance of $28,964,243. Of this 2009 year-end total, $14,135,513 is unreserved indicating availability for continuing City service requirements. Therefore, unreserved fund balances decreased by 9.0%, or $1,389,877, which is mainly due to the decrease in funds designated for other purposes such as the Carnegie Library building renovations. This project had funds designated at the end of 2008 in the amount of $1,476,817 and was completed during 2009.

Legally restricted fund balances (i.e., the reserved fund balances) included $798,216 for program purposes such as the Cultural Arts Commission, Downtown Economic Development and Tourism. An additional $11,543,005 was committed to capital outlays. The total reserved fund balance at the end of 2009 was $13,819,121, which reflects a 2.8% increase from 2008's reserved fund balance of $13,438,853. Growth in SPLOST 2007 fund balance was the primary reason for the increase in reserved fund balance.

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 decreased from $15,112,364 to $13,450,930, which is an 11.0% decrease from 2008. As indicated, 99% ($13,315,495) of this balance is unreserved and available for continuing City services at a desirable level, which is consistent with 2008 at 98.5%. This balance is considered very adequate, representing the equivalent of 76.8% of annual expenditures. In comparison, the ending fund balance for 2008 represented 94.6% of annual expenditures. The primary use of fund balance is to cover cash flow deficiencies during the year. However, during 2009 unappropriated surplus funds totaling approximately $2.14 million was utilized to complete renovations on the Carnegie Building and purchase property on Sprayberry Road for future use by the City.

The Impact Fee Fund's ending fund balance was down from calendar 2008 by $21,608, or approximately 1.2%. Ending fund balance was $1,783,370. This fund was established near the end of 2004 to account for impact fees collected by the City of Newnan. The funds were allowed to accumulate to cover estimated project expenditures as they occur, since the City operates debt-free. 2009 expenditures included improvements to Westside Police and Fire Precinct and intersection improvements at Greenville Street and Spence Avenue. 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 decreased by 27.1%, or $1,456,398, as compared to 2008. The ending fund balance for 2009 was $3,909,447. Please note that this sales tax expired in December 2006 and a new special purpose local option sales tax (SPLOST 2007) was approved by the citizens of Newnan. Interest on investments totaled $21,751 for 2009 for this fund. 2009 expenditures of $1,478,149 related mostly to street and sidewalk maintenance and improvements. However, $150,000 of that amount was returned to the Hollis Estate, who had donated it to the City in 2008, due to pending litigation concerning the estate. Remaining funds are carried over to next year for budgeting purposes. 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 $7,105,007. This is an increase of 39.9% over 2008, which ended with $5,077,860. Sales tax collected in 2009 was $4,123,201 and interest on investments was $22,996. These amounts represented a 16.9% (or $836,358) reduction in sales tax revenues and a 73.1% (or $62,406) reduction in interest earnings when compared to 2008. Sales tax and interest collected is a reflection of the current economic conditions in Newnan.

Expenditures of $2,119,050 included new computers and a BPS wireless system update for Public Safety, equipment upgrades for various departments, a new Cemetery Office building, improvements to the Boone Drive facility (City Garage), Carnegie Library renovations, new street sweeper and boom truck, Old Jefferson Street road improvements, Parks Master Plan, and various other street and intersection improvements. Remaining balances carry over to next year for budgeting purposes. Approved capital projects for this fund include a VOIP Phone System, new computers and upgrades, Parks Master

Plan, new playground equipment, new park development, various street cleaning equipment, new addition to City Hall, new Oak Hill Cemetery Office building, improvements to City shop, new pool and pool house at Lynch Park, Carnegie Library renovation, new roofs for the Wesley Street Gym and Wadsworth Auditorium, new recreation center, and approximately $15 million in street and road improvements in the City.

Property Tax Revenues

Property tax revenue collections increased 2.3% over that of calendar 2008, mainly due to an increase in the tax digest. The 2008 digest was $1,079,577,899, increasing to $1,109,343,983 in 2009, which is a 2.8% increase. Property valuation reassessments reduced the 2009 digest by approximately $10.6 million. However, additions and other changes to the digest resulted in an increase of approximately $40.4 million in real property valuation. The 2009 millage rate is still the same as last year - 4.32 mills per thousand dollars of assessed value.

Local Option Sales Taxes

Local option sales tax revenue actually decreased by 16.4% when compared to calendar 2008, from $4,616,571 to $3,860,258. 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 $1,592,672 decrease, or 16.6%, from 2008. The total generated in 2009 for all sales tax was $7,983,459 as compared to $9,576,131 in 2008. Please note that the State required reporting changes in 2009 for municipalities who receive their Special Purpose sales tax (SPLOST) distribution from the County. This revenue is now classified as intergovernmental, rather than sales tax, in the financial statements for the City of Newnan.

Occupational Taxes (formerly Business Licenses)

Occupational tax revenue decreased by 2.46%, or $45,291, when compared to 2008. This decrease is primarily related to the slowing commercial growth in the City. The 2000 census population for the City of Newnan was 16,242; the estimated 2009 population for the City is 31,732. This represents an approximate 95.4% increase in population in the last nine years! Therefore, the sluggish economy during 2009 was offset somewhat by the growth in population, which is continuing.

Franchise (Excise) Taxes

Franchise tax collections increased by 7.24% during 2009, from $1,324,724 to $1,420,597. The increase was mainly due to an increase in Utility excise taxes in the amount of $138,066. Cable TV and telephone excise taxes were consistent with 2008 collections.

Other Taxes

Other taxes consist of motor vehicle taxes and interest on delinquent property taxes. In 2009, these revenues decreased by 6.52%, or approximately $19,830. Motor vehicle taxes decreased by $20,850, but interest on delinquent property taxes increased by $1,020. The City aggressively pursued delinquent property taxes during 2009; thus the increase in both property tax collections and interest on the delinquent taxes.

Hotel/Motel Taxes

Hotel/Motel tax collections for 2009 were $240,642. In 2008, we recorded collections of $258,001, showing a reduction of $17,359.

Interest Earned on Investments

Interest on Investments (General Fund only) decreased by $204,966 in 2009, from $251,185 to $46,219, which is an 81.6% decrease when compared to 2008. Overall, all funds included, interest on investments decreased by $442,006 in 2009, which was an 80.7% decrease from 2008. Interest earnings have been drastically reduced by the state of the general economy.

Licenses and Permits Revenue

Building permits made up 59.2% of the total revenues for this category in 2009, down from 72.6% in 2008. Building permit revenues decreased by 46.5% in 2009; going from $486,125 to $259,895. Building permit valuations, residential and commercial combined, decreased by 48.7% during 2009, from approximately $79 million in 2008 to about $45 million in 2009. The decrease in building permit revenues is an indication of the economy in Newnan as it relates to housing and real estate investments. Alcoholic beverage licenses made up the remaining 40.8% revenues for this category. This revenue stream was consistent with 2008 at approximately $179,050.

Fines & Forfeitures Revenue

Police Fines increased by 3.3% over 2008; going from $669,929 to $691,911. The population growth in the City of Newnan contributes to the increase in this revenue stream.

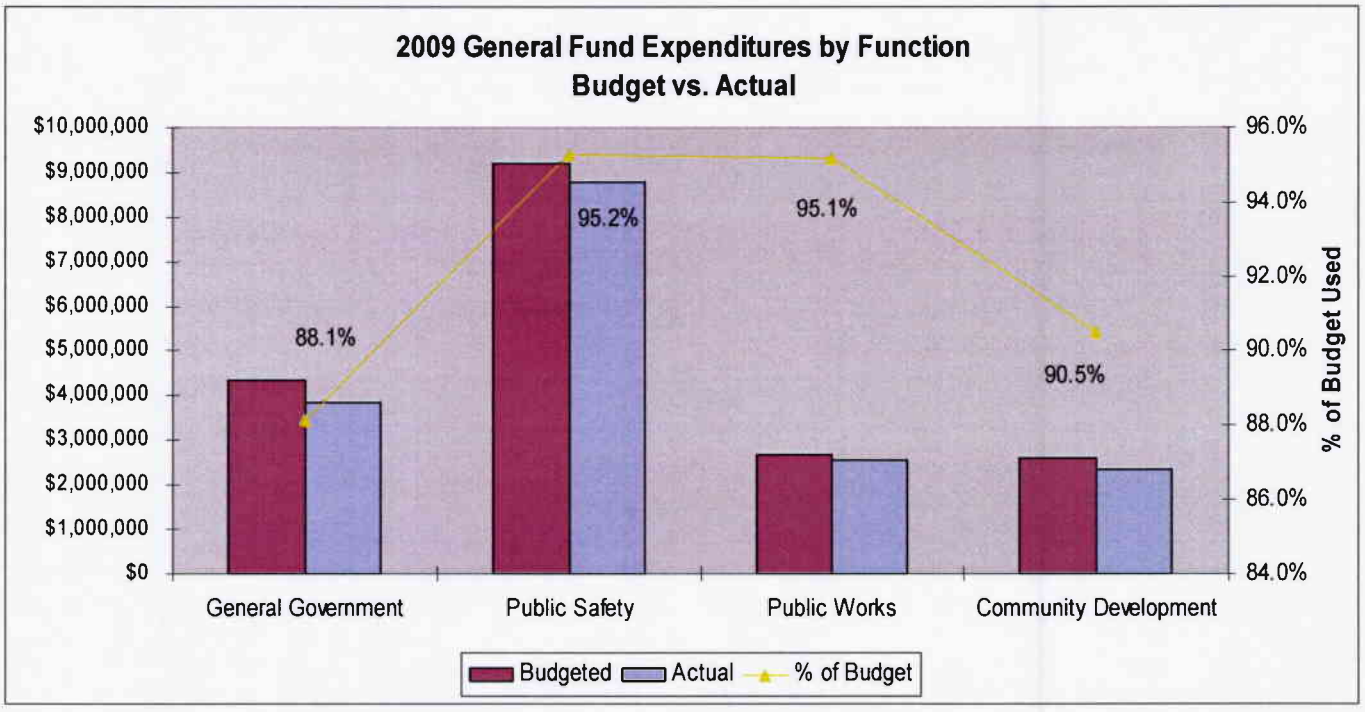
Budgetary Highlights

The General Fund – The 2009 revenue budget for the General Fund was $17,151,100, including a transfer in from the Tourism Fund of $156,000, which is 60% of hotel/motel tax collections retained by the General Fund. Actual revenue collections were $16,576,800, or 96.7% of budgeted collections. The actual transfer in from the Tourism fund was $144,385.

The 2009 expenditure budget for the General Fund was amended to include all appropriations as approved by Council during the year. Original budgeted expenditures were $17,151,100, while amended budgeted expenditures totaled $19,574,938. The majority of the increase is attributed to an additional $773,174 for land purchases and $1,368,270 towards the Carnegie Building renovations funded by unappropriated surplus in the General Fund. Although the City faced some difficulty with volatile fuel prices during 2009, expenditures were controlled and departmental budgeted levels maintained. Actual expenditures for 2009 were $18,238,611, or only 93.2% of the budget. Expenditure control is at the department level and was aggressively maintained during 2009. The charts below show a breakdown of the 2009 General Fund budgeted and actual expenditures.

2009 General Fund Expenditures by Function

	Budgeted	Actual	% of Budget	Budget less Actual Exp
General Government	$ 4,370,974	$ 3,850,666	88.1%	$ 520,308
Public Safety	9,206,236	8,766,828	95.2%	439,408
Public Works	2,691,197	2,559,949	95.1%	131,248
Community Development	2,582,931	2,337,568	90.5%	245,363
Interfund Transfers	723,600	723,600	100.0%	-
	$ 19,574,938	$ 18,238,611	93.2%	$ 1,336,327



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, 2009, was $111,049,663. The total increase in this net investment was 2.9% 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.

City of Newnan's Capital Assets

	Governmental Activities		Total		
	2009	2008	2009	2008	Increase/ Decrease %
Non-depreciable assets:					
Land	$ 19,858,435	$ 18,673,849	$ 19,858,435	$ 18,673,849	6.3%
Construction in progress	2,668,439	4,104,738	2,668,439	4,104,738	-35.0%
Total non-depreciable	22,526,874	22,778,587	22,526,874	22,778,587	-1.1%
Depreciable assets:					
Buildings and Parks	18,001,375	15,756,823	18,001,375	15,756,823	14.2%
Other improvements	7,820,421	7,203,914	7,820,421	7,203,914	8.6%
Machinery and equipment	9,232,592	8,658,505	9,232,592	8,658,505	6.6%
Infrastructure	75,831,365	73,244,066	75,831,365	73,244,066	3.5%
Total depreciable assets	110,885,753	104,863,308	110,885,753	104,863,308	5.7%
Less accumulated depreciation	22,362,964	19,671,123	22,362,964	19,671,123	13.7%
Book value - depreciable assets	88,522,789	85,192,185	88,522,789	85,192,185	3.9%
Percentage depreciated	20%	19%	20%	19%	7.5%
Book value - all assets	**$ 111,049,663**	**$ 107,970,772**	**$ 111,049,663**	**$ 107,970,772**	**2.9%**

At December 31, 2009, the depreciable capital assets for governmental activities were 20% depreciated. This compares to 19% at December 31, 2008. 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 Buildings and Parks accounted for the primary increase in the value of depreciable assets and most of the decrease in Construction in Progress. The City completed construction of the new Veteran's Memorial Plaza Park, constructed a new Cemetery Office building and renovated the Carnegie Library building. Details are below. The change in Construction in progress was a decrease of $1,434,139 due to the completion of these and other projects.

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

- Extensive renovation of the Carnegie Library building was completed and the building reopened as a reading library in 2009. The City's investment totaled almost $1.9 million.
- Various streets in Oak Hill Cemetery were repaved, at a cost of $153,000. Additionally, a new Cemetery Office building was constructed at a cost of $204,000.
- Improvements made to Old Jefferson Street, which included full-depth reclamation, lane widening, and paving, cost approximately $2 million.
- Several sidewalk and culvert projects were completed during 2009 at a cost of $276,000.
- Construction of the new Veteran's Memorial Plaza was completed at a total investment of $376,000.

- For Public Safety, the City invested in an upgrade to the BPS Wireless System ($178,000), purchased a new Receiver System ($35,000) and made various improvements to Westside Precinct #3 ($122,000).
- Full-depth reclamation and paving of East Broad Street cost $449,000.
- A new roof on the Public Works Building cost almost $41,000.

Additionally, there were several projects under construction as of December 31, 2009, including Greenville/Spence Intersection improvements, Greenville Streetscapes Phase II, GIS system implementation, Jefferson-Jackson Street corridor improvements, Lynch Park pool and pool house, Jackson/Roscoe/Sprayberry Road Intersection Improvements, Convention Center and various street and sidewalk improvement projects. Construction in progress projects are capitalized in full upon completion. The total construction in progress (CIP) at December 31, 2009 was $2,668,439.

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 2009 amount payable totals $525,316, as compared to $493,190 at the end of 2008. Short-term debt (payable within one year) is $343,912, with the remaining $181,404 booked as Long-term debt. Please refer to pages 43 to 45 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 was stable during 2009. 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, 2009, unreserved fund balance in the General Fund was $13,315,495. Next year's budgeted revenues are projected to be made up of Property Taxes (27.24%), Sales Taxes (26.24%), Excise (Franchise) Taxes (18.83%), Occupational Taxes and Alcohol Licenses (11.54%), with the remaining 16.15% expected to be generated by Inspections and Permits, Service Charges, Fines and Forfeitures, Other Local and Intergovernmental Revenues.

Budgeted revenues are projected to decrease by 4.44%, from $17,151,100 in 2009 to $16,390,120 in 2010. The primary reasons for the decrease is a shortfall of over $200,000 in interest revenue and a decrease of approximately 57%, or $302,400, in Inspections and Permits revenue. Both of these revenue sources are closely tied to the general health of the economy. During the first quarter of 2010, we saw a slight increase in inspections and permits and are optimistic that growth is picking up again. The selection of Newnan, Georgia as the site for a new Cancer Treatment Center of America will have a significant and positive impact on the local economy when construction begins in 2010.

2009 expenditures decreased by approximately $3.2 million, due mainly to several projects funded by unappropriated surplus during 2009. Additionally, departmental expenditures also decreased by 4.44%, as with revenue, since current revenues should cover current operating expenditures. The following chart shows the major overall changes in budgeted expenditures from 2009 to 2010, along with 2009 actual expenditures. The only significant increase was in benefits, where the City absorbed a 9.0% increase for employee health insurance for 2010.

General Fund Expenditures by Use

Description	2009 Adopted Budget	2009 Actual Expenditures	2010 Adopted Budget	2009 - 2010 Variance	2009 - 2010 % Change
Salaries	$ 9,294,788	$ 9,181,324	$ 9,225,999	($68,789)	-0.7%
Benefits	3,879,840	3,747,403	4,182,876	303,036	7.8%
Professional Services	310,717	289,355	262,186	(48,531)	-15.6%
Repairs and Maintenance	204,230	139,373	182,930	(21,300)	-10.4%
Bldg & Pers Liability Insurance	456,970	346,140	453,448	(3,522)	-0.8%
Communications	117,955	104,677	129,064	11,109	9.4%
Materials and Supplies	109,425	74,061	92,914	(16,511)	-15.1%
Electricity	239,000	250,891	249,000	10,000	4.2%
Vehicle Gasoline/Diesel	401,750	284,809	287,400	(114,350)	-28.5%
Vehicle Maintenance	219,700	187,927	193,575	(26,125)	-11.9%
Travel/Training Expenses	124,389	55,460	72,810	(51,579)	-41.5%
Transfers to Capital/Streets	723,600	723,600	319,000	(404,600)	-55.9%

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. This comprehensive annual financial report (CAFR), along with the City's annual budget documents, is available on the City's website at www.ci.newnan.ga.us on the Finance Department page.

BASIC FINANCIAL STATEMENTS

CITY OF NEWNAN, GEORGIA

STATEMENT OF NET ASSETS
DECEMBER 31, 2009

	Primary Government	Component Units	
	Governmental Activities	Water Sewerage and Light Commission	Downtown Development Authority
ASSETS			
Cash and cash equivalents	$ 25,525,191	$ 2,020,567	$ 22,267
Investments	1,474,665	26,151,073	-
Receivables, net of allowance	2,116,223	4,171,112	2,888
Inventory	16,135	1,972,493	-
Prepaid items	-	319,255	-
Restricted assets	-	6,464,342	-
Capital assets not being depreciated:			
Land	19,858,435	7,797,571	-
Construction in progress	2,668,439	3,905,972	-
Capital assets net of accumulated depreciation:			
Buildings and parks	13,529,010	-	-
Structures, lines and improvements	-	106,381,631	-
Other improvements	5,393,771	-	-
Machinery and equipment	3,421,576	4,637,523	-
Infrastructure	66,178,432	-	-
Other assets:			
Deferred compensation funding arrangements	-	1,874,619	-
Debt issue costs-unamortized	-	686,654	-
Total assets	140,181,877	166,382,812	25,155
LIABILITIES			
Accounts payable	427,041	3,526,856	11,973
Accrued expenses	219,097	181,027	-
Accrued interest payable	-	1,126,017	-
Customer deposits	-	1,269,578	-
Noncurrent liabilities:			
Due within one year	343,912	713,984	-
Due in more than one year	181,404	38,060,854	-
Total liabilities	1,171,454	44,878,316	11,973
NET ASSETS			
Invested in capital assets, net of related debt	111,049,663	86,081,679	-
Restricted for:			
Capital outlay	11,543,005	-	-
Capital improvements and debt service	-	6,464,342	-
Program purposes	798,216	-	-
Unrestricted	15,619,539	28,958,475	13,182
Total net assets	$ 139,010,423	$ 121,504,496	$ 13,182

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, 2009

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	$ 2,771,020	$ 1,730,602	$ -	$ 1,772,977	$ 732,559		
Tourism development	9,304	17,560	-	-	8,256		
Public safety	9,272,838	855,249	96,152	329,856	(7,991,581)		
Public works	4,679,400	-	-	1,964,704	(2,714,696)		
Community development	2,505,682	375,840	-	192,464	(1,937,378)		
Total governmental activities	$19,238,244	$ 2,979,251	$ 96,152	$ 4,260,001	(11,902,840)		
Component Units							
Water, Sewerage & Light Commission	$41,886,481	$ 39,941,970	$ -	$ 2,326,690		$ 382,179	$ -
Downtown Development Authority	150,397	131,457	-	-		-	(18,940)
Total component units	$42,036,878	$ 40,073,427	$ -	$ 2,326,690		382,179	(18,940)
General revenues:							
Property taxes					4,501,655	-	-
Sales taxes					3,860,258	676,429	-
Occupational taxes					1,792,961	-	-
Franchise taxes					1,420,597	-	-
Insurance premium taxes					900,507	-	-
Hotel/Motel taxes					240,642	-	-
Alcoholic beverage taxes					742,731	-	-
Other taxes					284,475	-	-
Investment earnings					105,671	191,277	112
Total General Revenues					13,849,497	867,706	112
Change in net assets					1,946,657	1,249,885	(18,828)
Net assets - beginning of year					137,063,766	120,254,611	32,010
Net assets - ending of year					$ 139,010,423	$ 121,504,496	$ 13,182

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

CITY OF NEWNAN, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2009

	General	Impact Fees	2002 SPLOST	2007 SPLOST	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 13,207,928	$ 1,783,370	$ 4,017,113	$ 6,505,680	$ 11,100	$ 25,525,191
Investments	-	-	-	-	1,474,665	1,474,665
Due from other funds	31,464	-	-	-	210,879	242,343
Taxes receivable	614,578	-	-	732,064	52,442	1,399,084
Intergovernmental	358,909	-	-	-	-	358,909
Other receivables	358,230	-	-	-	-	358,230
Inventories	16,135	-	-	-	-	16,135
Total assets	$ 14,587,244	$ 1,783,370	$ 4,017,113	$ 7,237,744	$ 1,749,086	$ 29,374,557
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ 184,988	$ -	$ 107,666	$ 132,737	$ 1,650	$ 427,041
Accrued expenditures	219,097	-	-	-	-	219,097
Due to other funds	210,879	-	-	-	31,464	242,343
Deferred revenues	521,350	-	-	-	10,092	531,442
Total liabilities	1,136,314	-	107,666	132,737	43,206	1,419,923
Fund balances:						
Reserved for:						
Encumbrances	70,781	-	198,890	1,055,929	2,514	1,328,114
Inventories	16,135	-	-	-	-	16,135
Public safety	-	-	-	-	133,651	133,651
Program purposes	48,519	-	-	-	749,697	798,216
Capital outlay	-	1,783,370	3,710,557	6,049,078	-	11,543,005
Unreserved, designated for:						
Other purposes	224,702	-	-	-	-	224,702
Unreserved, reported in						
General fund	13,090,793	-	-	-	-	13,090,793
Special revenue funds	-	-	-	-	-	-
Capital project funds	-	-	-	-	820,018	820,018
Total fund balances	13,450,930	1,783,370	3,909,447	7,105,007	1,705,880	27,954,634
Total liabilities and fund balances	$ 14,587,244	$ 1,783,370	$ 4,017,113	$ 7,237,744	$ 1,749,086	$ 29,374,557

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, 2009

Total fund balances per balance sheet of governmental funds		$ 27,954,634
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	$ 133,412,627	
Accumulated depreciation	(22,362,964)	
		111,049,663
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.		531,442
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		(525,316)
Total net assets of governmental activities		$ 139,010,423

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, 2009

	General	Impact Fees	2002 SPLOST	2007 SPLOST	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes:						
Property	$ 4,592,154	$ -	$ -	$ -	$ -	$ 4,592,154
Franchise	1,420,597	-	-	-	-	1,420,597
Sales	3,860,258	-	-	-	-	3,860,258
Insurance premium	900,507	-	-	-	-	900,507
Occupational	1,792,961	-	-	-	-	1,792,961
Hotel/motel	-	-	-	-	240,642	240,642
Alcoholic Beverage	742,731	-	-	-	-	742,731
Other taxes	284,475	-	-	-	-	284,475
License and permits	438,945	-	-	-	-	438,945
Impact fees	-	115,945	-	-	-	115,945
Court condemnations	-	-	-	-	163,338	163,338
Intergovernmental	173,270	-	-	4,123,201	3,607	4,300,078
Intergovernmental-utility	1,172,781	-	-	-	-	1,172,781
Fines and forfeitures	691,911	-	-	-	-	691,911
Investment earnings	46,219	7,744	21,751	22,996	6,961	105,671
Donations	136,562	-	-	-	-	136,562
Miscellaneous	179,044	-	-	-	-	179,044
Total revenues	16,432,415	123,689	21,751	4,146,197	414,548	21,138,600
EXPENDITURES						
Current:						
General government	3,850,666	-	151,978	82,367	153,738	4,238,749
Tourism development	-	-	-	-	9,304	9,304
Public safety	8,767,101	-	-	-	91,814	8,858,915
Public works	2,561,396	-	-	-	-	2,561,396
Community development	2,335,471	-	-	-	-	2,335,471
Intergovernmental	-	-	-	659,712	-	659,712
Capital outlay	-	145,297	1,326,171	1,376,971	636,223	3,484,662
Total expenditures	17,514,634	145,297	1,478,149	2,119,050	891,079	22,148,209
Excess (deficiency) of revenues over (under) expenditures	(1,082,219)	(21,608)	(1,456,398)	2,027,147	(476,531)	(1,009,609)
OTHER FINANCING SOURCES (USES)						
Transfers in	144,385	-	-	-	723,600	867,985
Transfers out	(723,600)	-	-	-	(144,385)	(867,985)
Total other financing sources (uses)	(579,215)	-	-	-	579,215	-
Net change in fund balances	(1,661,434)	(21,608)	(1,456,398)	2,027,147	102,684	(1,009,609)
Fund balances - beginning of year	15,112,364	1,804,978	5,365,845	5,077,860	1,603,196	28,964,243
Fund balances - end of year	$ 13,450,930	$ 1,783,370	$ 3,909,447	$7,105,007	$ 1,705,880	$ 27,954,634

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, 2009

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		$ (1,009,609)
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	$ 5,858,932	
Total depreciation	(2,916,841)	2,942,091
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, disposals, trade-ins, and donations) is to increase net assets.		136,800
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		(32,126)
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 decreased by this amount during the year.		(90,499)
Change in net assets of governmental activities		$ 1,946,657

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, 2009

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes:				
Property	$ 4,097,500	$ 4,097,500	$ 4,592,154	$ 494,654
Franchise	1,343,000	1,343,000	1,420,597	77,597
Sales	4,600,000	4,600,000	3,860,258	(739,742)
Insurance premium	900,000	900,000	900,507	507
Occupational	1,580,000	1,580,000	1,792,961	212,961
Alcoholic beverage	740,000	740,000	742,731	2,731
Other taxes	510,000	510,000	284,475	(225,525)
License and permits	701,800	701,800	438,945	(262,855)
Intergovernmental	173,000	173,000	173,270	270
Intergovernmental-utility	1,250,000	1,250,000	1,172,781	(77,219)
Fines and forfeitures	685,000	685,000	691,911	6,911
Interest earnings	245,000	245,000	46,219	(198,781)
Donations	-	-	136,562	136,562
Miscellaneous	159,800	159,800	179,044	19,244
Total revenues	16,985,100	16,985,100	16,432,415	(552,685)
EXPENDITURES				
Current:				
General government:				
Council	166,140	166,140	139,113	27,027
Manager	252,904	252,904	214,660	38,244
Public information officer	94,272	94,272	78,156	16,116
Attorney	105,000	108,848	106,720	2,128
Clerk	79,652	79,652	74,439	5,213
Finance	348,320	355,248	349,293	5,955
Human resources	169,449	169,449	143,747	25,702
Information technologies	142,167	142,167	126,888	15,279
Municipal court	137,289	157,437	156,672	765
Other - unclassified	686,921	2,844,857	2,460,978	383,879
Total general government	2,182,114	4,370,974	3,850,666	520,308
Public safety:				
Police	5,559,064	5,559,064	5,248,821	310,243
School resources officer	325,310	325,310	310,927	14,383
Animal services	63,482	63,482	55,107	8,375
Fire	3,258,380	3,258,380	3,151,973	106,407
Total public safety	9,206,236	9,206,236	8,766,828	439,408

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, 2009
(CONTINUED)

	Budget			Variance with
	Original	Final	Actual	Final Budget
Public works:				
Administration	$ 166,604	$ 166,604	$ 165,796	$ 808
Engineer	277,483	277,483	242,172	35,311
Streets	1,427,458	1,427,458	1,374,570	52,888
Garage	378,892	378,892	357,655	21,237
Cemetery	440,760	440,760	419,756	21,004
Total public works	2,691,197	2,691,197	2,559,949	131,248
Community development:				
Administration	215,161	215,161	212,599	2,562
Planning and zoning	225,816	225,816	206,344	19,472
Business development and special events	158,394	158,394	138,086	20,308
Library	100,000	100,000	63,055	36,945
Parks & ROW beautification	716,878	951,856	915,203	36,653
Building inspection	618,118	618,118	555,555	62,563
Building maintenance	313,586	313,586	246,726	66,860
Total community development	2,347,953	2,582,931	2,337,568	245,363
Total expenditures	16,427,500	18,851,338	17,515,011	1,336,327
Excess (deficiency) of revenue over (under) expenditure	557,600	(1,866,238)	(1,082,596)	783,642
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	10,000	10,000	-	(10,000)
Transfers in	156,000	156,000	144,385	(11,615)
Transfers out	(723,600)	(723,600)	(723,600)	-
Total other financing sources (uses)	(557,600)	(557,600)	(579,215)	(21,615)
Net change in fund balances	$ -	$ (2,423,838)	(1,661,811)	$ 762,027
Fund balances - beginning of year			15,041,961	
Fund balances - end of year			$ 13,380,150	

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, public safety, program 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. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

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

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

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

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	$ (1,661,811)
Add: Current year encumbrances	5,799
Deduct: Prior year encumbrances voided	(1,930)
Deduct: Prior year encumbrances paid in the current year	(3,492)
Generally accepted accounting principles basis-excess revenues and other financing sources over expenditures and other financing uses	$ (1,661,434)
Budgetary basis-fund balance, ending	$ 13,380,150
Add: Current year encumbrances	5,799
Add: Prior year encumbrances outstanding at year-end	64,981
Generally accepted accounting principles basis-fund balance, ending	$ 13,450,930

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, 2009, 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, 2009, 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	$ 1,474,665	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, 2009.

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. Shares sold and redeemed are based on $1.00 per share. The reported value of the pool is the same as the fair value of the pool shares. 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, 2009, the Commission had the following investments:

Investment	Maturities in Years			
	Under One	One-Three	Three-Seven	Total
U.S. Government securities	$ 501,848	$ 6,258,000	$ -	$ 6,759,848
U.S. Government agency notes and bonds	429,664	8,841,088	1,604,897	10,875,649
Money market mutual funds and certificates of deposit	6,005,766	2,509,810	-	8,515,576
Total investments	$ 6,937,278	$ 17,608,898	$ 1,604,897	$26,151,073

Interest Rate Risk – On September 11, 2009, the Commission implemented a formal investment policy that limits investment maturities as a means of managing exposure to fair value losses arising from interest rates. The investment policy limits the maturity of individual securities to 7 years or less. In addition, the overall weighted average duration of principal return for the entire portfolio shall be maintained at 3 years or less. The investment policy also prohibits investments in reverse purchase agreements and derivative instruments.

Credit Risk – State statues authorize the Commission to invest in obligations of the State of Georgia; obligations issued by the U.S. Government, obligations fully insured or guaranteed by the U.S. Government or by a government agency of the United States; obligations of any corporation of the U.S. Government; prime bankers' acceptances; the Georgia Fund I established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. The investment policy implemented by the Commission on September 11, 2009, further restricts the types, amounts, and allocation of assets, as defined in the investment policy.

Concentration of Credit Risk – The Commission's investment policy limits the exposure to credit risk by placing maximum exposure restrictions by security type. External investments with one issuer that comprised 5% or more of the Commissions investments portfolio (excluding those issued or explicitly guaranteed by the U.S. Government as well as mutual funds) as of December 31, 2009 are Federal Home Loan Bank 12.9%, Federal National Mortgage Association 8.7%, Federal Farm Credit Bank 8.4% and Federal Home Loan Mortgage Corporation 6.3%.

B. Capital Assets

Capital asset activity for the year ended December 31, 2009 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Reclassifications	Ending Balance
Governmental Activities					
Capital assets not being depreciated:					
Land	$ 18,673,849	$ 1,184,586	$ -	$ -	$ 19,858,435
Construction in progress	4,104,738	-	-	(1,436,299)	2,668,439
Total capital assets, not being depreciated	22,778,587	1,184,586	-	(1,436,299)	22,526,874
Capital assets, being depreciated:					
Buildings and parks	15,756,823	2,469,552	(225,000)	-	18,001,375
Other improvements	7,203,914	616,507	-	-	7,820,421
Machinery and equipment	8,658,505	574,087	-	-	9,232,592
Infrastructure	73,244,066	1,151,000	-	1,436,299	75,831,365
Total capital assets being depreciated	104,863,308	4,811,146	(225,000)	1,436,299	110,885,753
Less accumulated depreciation for:					
Buildings and parks	(4,377,512)	(319,853)	225,000	-	(4,472,365)
Other improvements	(2,085,159)	(341,491)	-	-	(2,426,650)
Machinery and equipment	(5,145,450)	(665,566)	-	-	(5,811,016)
Infrastructure	(8,063,002)	(1,589,931)	-	-	(9,652,933)
Total accumulated depreciation	(19,671,123)	(2,916,841)	225,000	-	(22,362,964)
Total capital assets, being depreciated, net	85,192,185	1,894,305	-	1,436,299	88,522,789
Governmental activities capital assets, net	$107,970,772	$ 3,078,891	$ -	$ -	$ 111,049,663

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

General government	$ 8,638
Public safety	401,073
Public works	2,105,154
Community development and leisure services	401,976
Total governmental activities depreciation expense	$ 2,916,841

	Beginning Balance	Increases	Decreases	Ending Balance
Component Unit				
Capital assets, not being depreciated:				
Land	$ 7,797,571	$ -	$ -	$ 7,797,571
Construction in progress	9,870,392	8,196,140	(14,160,560)	3,905,972
Total capital assets, not being depreciated	17,667,963	8,196,140	(14,160,560)	11,703,543
Capital assets, being depreciated:				
Machinery and equipment	13,470,536	596,028	(10,954)	14,055,610
Structures, lines and improvements	135,524,563	17,046,984	(251,961)	152,319,586
Total capital assets, being depreciated	148,995,099	17,643,012	(262,915)	166,375,196
Less accumulated depreciation for:				
Machinery and equipment	(7,145,200)	(2,283,841)	10,954	(9,418,087)
Structures, lines and improvements	(43,538,725)	(2,634,347)	235,117	(45,937,955)
Total accumulated depreciation	(50,683,925)	(4,918,188)	246,071	(55,356,042)
Total capital assets, being depreciated, net	98,311,174	12,724,824	(16,844)	111,019,154
Component unit, capital assets, net	$ 115,979,137	$ 20,920,964	$ (14,177,404)	$ 122,722,697

C. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2009, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Fund	$ 31,464
Nonmajor Governmental Fund	General Fund	210,879
		$ 242,343

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 Capital Equipment fund relative to timing differences for accounts payable at year-end.

Interfund transfers for the year ended December 31, 2009, are as follows:

	Transfers in:		
Transfer out:	General	Nonmajor Governmental	Total
General fund	$ -	$ 723,600	$ 723,600
Nonmajor governmental funds	144,385	-	144,385
Total	$ 144,385	$ 723,600	$ 867,985

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.

D. Long-term Debt

Primary Government

As of December 31, 2009, the City's governmental activities had no outstanding long-term debt other than compensated absences in the amount of $525,316.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	$ 493,190	$ 349,481	$ 317,355	$ 525,316	$ 343,912

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 three types of long-term debt outstanding at December 31, 2009, notes payable, capital leases, and revenue bonds.

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

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, 2009, the cost for this equipment was approximately $158,681. Annual debt service requirements to amortize the capital lease obligations outstanding, as of December 31, 2009 are as follows:

Year	Principal	Interest	Total
2010	$ 4,418	$ 197	$ 4,615

Georgia Environmental Facilities Authority – The Commission entered into an $8,550,000 loan agreement dated February 16, 2007 with the Georgia Environmental Facilities Authority to finance the costs of improving the Hershall B. Norred Water Plant. The loan commitment will be advanced during the construction period of the project. Interest accrued during the construction period at the rate of 3 percent per annum. As of December 31, 2009, advances outstanding under the loan agreement were $8,543,272 plus accrued interest of $455,412. On March 1, 2010, the loan converted to permanent status with the total outstanding balance of $9,046,798 due in 240 monthly payments of $50,173 consisting of principal and interest at 3 percent until maturity on March 1, 2030.

Total debt service requirements to maturity are as follows:

Year	Principal	Interest	Total
2010	$ 249,566	$ 201,994	$ 451,560
2011	342,862	259,218	602,080
2012	353,216	248,864	602,080
2013	364,092	237,988	602,080
2014	375,108	226,971	602,079
2015-2019	2,053,760	956,638	3,010,398
2020-2024	2,385,643	624,757	3,010,400
2025-2029	2,771,268	239,133	3,010,401
2030	151,283	763	152,046
	$ 9,046,798	$ 2,996,326	$ 12,043,124

Revenue Bonds

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 $28,030,000 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 2006 bonds excluding, premiums, discounts and deferred refunding losses of $1,062,471, ($1,037,514) and ($11,629) respectively, are as follows:

Year	Principal	Interest	Total
2010	$ 235,000	$ 1,273,188	$ 1,508,188
2011	565,000	1,255,519	1,820,519
2012	820,000	1,227,500	2,047,500
2013	850,000	1,197,525	2,047,525
2014	885,000	1,166,663	2,051,663
2015-2019	7,185,000	4,951,745	12,136,745
2020-2024	8,305,000	3,010,740	11,315,740
2025-2029	4,045,000	1,548,194	5,593,194
2030-2034	3,540,000	782,414	4,322,414
2035-2036	1,650,000	75,151	1,725,151
Total	$ 28,080,000	$ 16,488,639	$ 44,568,639

Component Unit

The changes in long-term debt are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Deferred Compensation	$ 2,048,658	$ 310,162	$ (225,000)	$ 2,133,820	$ 225,000
Notes payable	9,487,195	-	(943,923)	8,543,272	249,566
Capital lease obligations	57,428	-	(53,010)	4,418	4,418
Georgia SRF Loan	1,918,787	-	(1,918,787)	-	-
Revenue bonds	28,352,458	-	(259,130)	28,093,328	235,000
Total	$ 41,864,526	$ 310,162	$ (3,399,850)	$ 38,774,838	$ 713,984

E. Property Taxes

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

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

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

The City distributes tax notices and collects tax payments. Motor vehicle taxes are due based upon the birthday of the owner. The 2009 property taxes were levied on August 25th, mailed on September 21st, with a due date of October 30th.

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

F. Hotel/Motel Taxes

The City levies and collects a 5% lodging tax which is reported in the Hotel/Motel Tourism Enhancement Fund. The City retains 60% of the funds collected. All of the current year expenditures were relative to repairs and maintenance for the Newnan Male Academy Museum in the amount of $9,304. Tax receipts for the year were $240,642. The balance of funds not expended as of year end is $749,697. 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.

G. Risk Management

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

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

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

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

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

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

The basis for estimating the liabilities for unpaid claims is "IBNR" or "incurred but not reported" established by an actuary. As of December 31, 2009, the City is not aware of any deductible amounts which were outstanding and unpaid. No provisions have been made in the financial statements for the year ended relative to estimates for unpaid claims.

H. 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.

I. 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.

J. Related Organizations

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

K. Public Retirement Systems and Pension Plans

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

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

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

Pension Plan

Plan Description

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

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 13.19% 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 $1,108,909 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)
7/1/2009	$ 1,108,909	100%	$ -
7/1/2008	752,015	100%	-
7/1/2007	699,439	100%	-

The required contribution was determined as part of the July 1, 2009 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, 2009, 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)
7/1/2009	$ 7,753,820	$ 12,815,730	$ 5,061,910	60.50%	$ 8,408,381	60.20%

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, 2009.

Additional Information

Additional information as of the latest actuarial valuation follows:

Valuation date	7/1/2009
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	55
Terminated plan members entitiled to, but not yet receiving benefits	56
Active plan members	215
Total	326

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NEWNAN, GEORGIA

RETIREMENT PLAN

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) 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)
7/1/2009	$ 7,753,820	$ 12,815,730	$ 5,061,910	60.50%	$ 8,408,381	60.20%
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%

SCHEDULE OF EMPLOYER'S CONTRIBUTIONS

Plan Year Beginning July 1,	Annual Required Contribution	Percentage Contributed
2009	$ 1,108,909	100%
2008	752,015	100%
2007	699,439	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, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes				
Property Tax Current	$ 4,000,000	$ 4,000,000	$ 4,290,964	$ 290,964
Delinquent Property Tax	500	500	226,611	226,111
Motor Vehicle Tax	260,000	260,000	249,931	(10,069)
Fi Fa for Property Taxes	-	-	4,700	4,700
Franchise Tax - Georgia Power	260,000	260,000	309,067	49,067
Franchise Tax - EMC	440,000	440,000	447,133	7,133
Franchise Tax - Gas	260,000	260,000	245,343	(14,657)
Franchise Tax - Cable TV	275,000	275,000	303,112	28,112
Franchise Tax - Telephone	108,000	108,000	115,942	7,942
Local Option Sales Tax	4,600,000	4,600,000	3,860,258	(739,742)
Insurance Premiums Tax	900,000	900,000	900,507	507
Occupational Tax	1,580,000	1,580,000	1,565,553	(14,447)
Professional Tax	56,000	56,000	61,200	5,200
Financial Institution Tax	140,000	140,000	125,420	(14,580)
Insurance Agents Tax	24,000	24,000	40,788	16,788
Beer and Wine Tax	660,000	660,000	669,278	9,278
Alcoholic Beverage Excise Tax	80,000	80,000	73,453	(6,547)
Public Utility Tax	55,000	55,000	29,674	(25,326)
Intangible Tax	42,000	42,000	40,205	(1,795)
Interest and Penalties	30,000	30,000	34,544	4,544
Total Taxes	13,770,500	13,770,500	13,593,683	(176,817)

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, 2009
(CONTINUED)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
License and Permits				
Alcoholic Beverage License	22,000	22,000	29,050	7,050
Spiritous Liquor Bev License	150,000	150,000	150,000	-
Residential Construction Permits	220,000	220,000	111,239	(108,761)
Commercial Construction Permits	75,000	75,000	45,798	(29,202)
Building Plan Review	40,000	40,000	24,253	(15,747)
Variance/Appeal/Spec Exception	5,000	5,000	4,300	(700)
Zoning Certification Fee	500	500	365	(135)
Rezoning/Annexation Fee	8,000	8,000	1,816	(6,184)
Sign Permit	3,600	3,600	3,335	(265)
Site Preparation Fee	15,000	15,000	6,360	(8,640)
Land Disturbance Permit	20,000	20,000	6,919	(13,081)
Demolition Permit	500	500	300	(200)
Mechanical Permit	24,000	24,000	8,505	(15,495)
Renovation Permit	500	500	-	(500)
Tree Removal Permit	200	200	235	35
Environmental Protection Fee	9,000	9,000	1,440	(7,560)
Plumbing Permit	30,000	30,000	10,410	(19,590)
Construction Plan Review	1,000	1,000	100	(900)
Electrical Permit	36,000	36,000	18,150	(17,850)
Gas Permit	2,800	2,800	970	(1,830)
Burn Permit	100	100	-	(100)
Re-Inspect Fee	18,000	18,000	5,150	(12,850)
Subdivision Plat Fee	400	400	200	(200)
Site Development Plan Fee	7,200	7,200	5,250	(1,950)
Sidewalk Inspections/Re-Inspect	12,000	12,000	4,800	(7,200)
Curb Cuts by City Staff	1,000	1,000	-	(1,000)
Total Licenses & Permits	701,800	701,800	438,945	(262,855)

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, 2009
(CONTINUED)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Intergovernmental				
Real Estate Transfer Tax	38,000	38,000	24,665	(13,335)
School Resource Officer	105,000	105,000	96,127	(8,873)
Police Vest Grant	-	-	26	26
Cultural Arts Commission	-	-	17,560	17,560
Payments in Lieu of Tax	30,000	30,000	34,892	4,892
Total Intergovernmental	173,000	173,000	173,270	270
Intergovernmental - Utility				
Water & Light Commission	1,250,000	1,250,000	1,172,781	(77,219)
Total Intergovernmental - Utility	1,250,000	1,250,000	1,172,781	(77,219)
Fines and Forfeitures				
Police Fines	650,000	650,000	653,633	3,633
Parking Fines	20,000	20,000	23,310	3,310
Tech Fees from Fines	15,000	15,000	14,968	(32)
Total Fines and Forfeitures	685,000	685,000	691,911	6,911
Interest Earnings	245,000	245,000	46,219	(198,781)
Donations	-	-	136,562	136,562
Miscellaneous				
Grass Cutting/Lot Clearing	-	-	1,865	1,865
Admin Fee for Impact Fee Coll	10,000	10,000	3,157	(6,843)
Monument Setting Fee	200	200	135	(65)
Cemetery Services	75,000	75,000	55,000	(20,000)
Cemetery Lot Sales	46,000	46,000	43,263	(2,737)
Rental Fees	3,600	3,600	7,130	3,530
Miscellaneous Revenue	25,000	25,000	68,494	43,494
Total Miscellaneous	159,800	159,800	179,044	19,244
Total Revenues	16,985,100	16,985,100	16,432,415	(552,685)

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, 2009
(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	70,900	70,900	62,855	8,045
Social Security	3,290	3,290	3,290	-
Retirement	4,300	4,300	4,122	178
Worker's Compensation	150	150	145	5
Printing and Binding	1,000	1,000	200	800
Travel	42,000	42,000	23,353	18,647
Training	1,000	1,000	2.065	(1,065)
Office Supplies	500	500	83	417
Total City Council	166,140	166,140	139,113	27,027
City Manager				
City Manager Admin				
Wages - Full Time	172,100	172,100	179,393	(7,293)
Employee Insurance	20,100	20,100	10,327	9,773
Social Security	11,200	11,200	11,294	(94)
Retirement	17,900	17,900	3,330	14,570
Unemployment Insurance	4	4	3	1
Worker's Compensation	1,100	1,100	1.065	35
Other Employee Benefits	4,800	4,800	4,800	-
Public Relations	5,000	5,000	-	5,000
Bldg & Pers Liability Insurance	1,000	1,000	669	331
Communications	1,200	1,200	-	1,200
Printing & Binding	5,000	5,000	-	5,000
Travel	7,000	7,000	2.474	4,526
Dues and Fees	2,500	2,500	-	2,500
Materials and Supplies	1,000	1,000	-	1,000
Office Supplies	1,500	1,500	270	1,230
Books & Periodicals	500	500	725	(225)
Minor Equipment	1,000	1,000	310	690
Total City Manager Admin	252,904	252,904	214,660	38,244

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, 2009
(CONTINUED)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Public Information Officer				
Wages - Full Time	47,600	47,600	48,703	(1,103)
Employee Insurance	10,100	10,100	10,327	(227)
Social Security	3,640	3,640	3,490	150
Retirement	4,760	4,760	4,563	197
Unemployment Insurance	2	2	1	1
Worker's Compensation	170	170	165	5
Public Relations	10,000	10,000	5,546	4,454
Bldg & Pers Liability Insurance	400	400	267	133
Communications	500	500	333	167
Advertising	2,000	2,000	-	2,000
Printing & Binding	10,000	10,000	4,150	5,850
Travel	2,000	2,000	41	1,959
Dues and Fees	600	600	375	225
Training	1,900	1,900	179	1,721
Materials and Supplies	400	400	-	400
Books and Periodicals	200	200	16	184
Total Public Information	94,272	94,272	78,156	16,116
Total City Manager	347,176	347,176	292,816	54,360
Attorney				
Professional Services	100,000	103,848	103,848	-
Travel	5,000	5,000	2,672	2,328
Training	-	-	200	(200)
Total Attorney	105,000	108,848	106,720	2,128
City Clerk				
Wages - Full Time	56,600	56,600	58,114	(1,514)
Employee Insurance	4,850	4,850	4,854	(4)
Social Security	4,330	4,330	4,407	(77)
Retirement	5,660	5,660	5,426	234
Unemployment Insurance	2	2	1	1
Worker's Compensation	200	200	193	7
Professional Services	1,200	1,200	300	900
Other Contractual Services	400	400	400	-
Elections	3,000	3,000	272	2,728
Bldg & Pers Liability Insurance	140	140	94	46
Surety Bonds	100	100	100	-
Printing & Binding	500	500	154	346
Travel	500	500	-	500
Dues and Fees	150	150	-	150
Training	1,000	1,000	-	1,000
Books & Periodicals	120	120	124	(4)
Minor Equipment	900	900	-	900
Total City Clerk	79,652	79,652	74,439	5,213

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, 2009
(CONTINUED)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Finance				
Wages - Full Time	205,800	205,800	209,996	(4,196)
Wages - Overtime	800	800	-	800
Employee Insurance	34,700	34,700	39,777	(5,077)
Social Security	15,800	15,800	15,292	508
Retirement	20,600	20,600	19,747	853
Unemployment Insurance	10	10	7	3
Worker's Compensation	730	730	706	24
Professional Services	38,000	38,000	34,030	3,970
Other Contractual Services	13,500	13,500	13,042	458
Repairs and Maintenance	400	400	-	400
Bldg & Pers Liability Insurance	2,280	2,280	1,524	756
Advertising	2,800	9,728	9,729	(1)
Printing & Binding	800	800	595	205
Travel	3,000	3,000	748	2,252
Dues and Fees	600	600	80	520
Training	2,250	2,250	415	1,835
Materials and Supplies	2,775	2,775	1,147	1,628
Office Supplies	2,000	2,000	1,779	221
Books & Periodicals	275	275	124	151
Minor Equipment	400	400	360	40
Computer Hardware & Software	500	500	-	500
Miscellaneous	300	300	195	105
Total Finance	348,320	355,248	349,293	5,955
Human Resources				
Wages - Full Time	95,300	95,300	90,671	4,629
Wages - Part Time/Temp	4,800	4,800	4,560	240
Employee Insurance	14,900	14,900	14,543	357
Social Security	7,300	7,300	7,083	217
Retirement	9,500	9,500	9,107	393
Tuition Reimbursement	4,000	4,000	474	3,526
Unemployment Insurance	4	4	3	1
Worker's Compensation	340	340	329	11
Employee Recognition	10,450	10,450	7,418	3,032
Professional Services	8,950	8,950	4,481	4,469
Bldg & Pers Liability Insurance	1,200	1,200	802	398
Communications	175	175	-	175
Advertising	3,200	3,200	744	2,456
Printing & Binding	1,700	1,700	474	1,226
Travel	2,050	2,050	948	1,102
Dues and Fees	530	530	445	85
Training	2,200	2,200	546	1,654
Materials and Supplies	500	500	210	290
Office Supplies	1,000	1,000	267	733
Medical Supplies	100	100	-	100
Food Supplies	100	100	-	100
Books & Periodicals	800	800	642	158
Computer Hardware & Software	350	350	-	350
Total Human Resources	169,449	169,449	143,747	25,702

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, 2009
(CONTINUED)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Information Technology				
Wages - Full Time	68,800	68,800	70,296	(1,496)
Employee Insurance	10,100	10,100	10,327	(227)
Social Security	5,260	5,260	5,143	117
Retirement	6,880	6,880	6,595	285
Unemployment Insurance	2	2	1	1
Worker's Compensation	240	240	232	8
Other Contractual Services	3,000	3,000	4,840	(1,840)
Repairs and Maintenance	36,500	36,500	22,426	14,074
Bldg & Pers Liability Insurance	350	350	234	116
Communications	1,200	1,200	1,139	61
Travel	2,000	2,000	977	1,023
Dues and Fees	75	75	75	-
Training	3,000	3,000	476	2,524
Materials and Supplies	500	500	225	275
Office Supplies	300	300	75	225
Books & Periodicals	400	400	257	143
Minor Equipment	1,000	1,000	947	53
Computer Hardware & Software	2,560	2,560	2,623	(63)
Total Information Technology	142,167	142,167	126,888	15,279
Municipal Court				
Wages - Full Time	27,900	28,476	28,476	-
Wages - Part Time/Temp	10,600	11,915	11,915	-
Employee Insurance	265	265	246	19
Social Security	2,950	2,950	3,060	(110)
Retirement	2,790	2,790	2,674	116
Unemployment Insurance	4	3	3	-
Worker's Compensation	140	140	135	5
Professional Services	90,000	107,519	107,519	-
Printing and Binding	300	300	110	190
Travel	150	889	889	-
Training	500	500	525	(25)
Dues and Fees	40	40	-	40
Office Supplies	150	150	70	80
Minor Equipment	1,500	1,500	1,050	450
Total Municipal Court	137,289	157,437	156,672	765

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, 2009
(CONTINUED)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Miscellaneous				
Professional Services	1,700	1,700	309	1,391
Public Relations	10,000	10,000	-	10,000
Repairs and Maintenance	6,000	6,000	5,568	432
Equipment & Vehicle Rental	3,000	3,000	3,192	(192)
Bldg & Pers Liability Insurance	207,000	207,000	177,857	29,143
Communications	60,000	60.000	57,161	2,839
Dues and Fees	11,350	11.350	11,475	(125)
Office Supplies	5,000	5,000	4,175	825
Miscellaneous	350.371	350,372	25,848	324,524
Land purchases	-	773,174	773,174	-
Cultural Arts Commission	-	16,491	16.491	-
Payments to Other Agencies	22,500	22.500	8,000	14,500
Keep Newnan Beautiful	10.000	10,000	9,458	542
Capital Outlay-Carnegie Library	-	1,368.270	1,368,270	-
Total Miscellaneous	686,921	2,844.857	2,460,978	383,879
Total General Government	2,182,114	4,370,974	3.850.666	520,308

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, 2009
(CONTINUED)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Public Safety				
Police				
Wages - Full Time	3,256,100	3,256,100	3,268,463	(12,363)
Wages - Part Time/Temp	23,600	23,600	19,177	4,423
Wages - Overtime	60,000	60,000	13,184	46,816
Employee Insurance	620,800	620,800	621,818	(1,018)
Social Security	255,500	255,500	241,020	14,480
Retirement	325,600	325,600	312,944	12,656
Unemployment Insurance	164	164	607	(443)
Worker's Compensation	168,100	168,100	162,779	5,321
Other Employee Benefits	35,000	35,000	32,670	2,330
Professional Services	40,000	40,000	36,293	3,707
Other Contractual Services	6,800	6,800	2,376	4,424
Repairs and Maintenance	60,000	60,000	59,816	184
Vehicle Insurance	35,000	35,000	38,773	(3,773)
Bldg & Pers Liability Insurance	180,000	180,000	120,350	59,650
Communications	15,000	15,000	15,695	(695)
Cable TV	70,000	70,000	1,681	68,319
Printing & Binding	3,000	3,000	1,469	1,531
Travel	3,000	3,000	2,835	165
Dues and Fees	1,000	1,000	540	460
Training	5,000	5,000	1,313	3,687
Materials and Supplies	30,000	30,000	16,590	13,410
Office Supplies	8,000	8,000	9,406	(1,406)
Cleaning Supplies & Chemicals	3,000	3,000	2,803	197
Protective Equipment	10,000	10,000	-	10,000
Vehicle Gasoline/Diesel	220,000	220,000	158,493	61,507
Food Supplies	500	500	183	317
Books & Periodicals	500	500	24	476
Minor Equipment	25,000	25,000	5,816	19,184
Computer Hardware & Software	3,900	3,900	822	3,078
Firearms	1,500	1,500	-	1,500
Vehicle Maintenance	93,000	93,000	100,881	(7,881)
Total Police	5,559,064	5,559,064	5,248,821	310,243

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, 2009
(CONTINUED)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
School Resources Officer				
Wages - Full Time	209,200	209,200	214,134	-
Wages - Overtime	3,000	3,000	-	3,000
Employee Insurance	34,700	34,700	35,216	(516)
Social Security	16,200	16,200	15,776	424
Retirement	20,900	20,900	20,034	866
Unemployment Insurance	10	10	6	4
Worker's Compensation	11,500	11,500	11,128	372
Other Employee Benefits	2,500	2,500	2,103	397
Vehicle Insurance	3,000	3,000	2,006	994
Bldg & Pers Liability Insurance	3,200	3,200	2,140	1,060
Printing and Binding	150	150	150	-
Travel	800	800	-	800
Dues and Fees	300	300	-	300
Training	350	350	350	-
Materials and Supplies	1,000	1,000	39	961
Protective Equipment	1,000	1,000	-	1,000
Vehicle Gasoline/Diesel	10,000	10,000	6,021	3,979
Minor Equipment	3,000	3,000	-	3,000
Vehicle Maintenance	4,500	4,500	1,824	2,676
Total School Resources Officer	325,310	325,310	310,927	14,383
Animal Service				
Wages - Full Time	30,700	30,700	31,386	(686)
Wages - Overtime	1,800	1,800	-	1,800
Employee Insurance	10,100	10,100	10,327	(227)
Social Security	2,490	2,490	2,179	311
Retirement	3,070	3,070	2,943	127
Unemployment Insurance	2	2	1	1
Worker's Compensation	670	670	648	22
Other Employee Benefits	500	500	108	392
Professional Services	2,000	2,000	869	1,131
Repairs and Maintenance	300	300	27	273
Vehicle Insurance	2,000	2,000	1,337	663
Bldg & Pers Liability Insurance	1,500	1,500	1,003	497
Communications	750	750	359	391
Printing & Binding	400	400	-	400
Travel	500	500	38	462
Dues and Fees	100	100	-	100
Training	350	350	220	130
Materials and Supplies	500	500	418	82
Protective Equipment	150	150	-	150
Vehicle Gasoline/Diesel	3,000	3,000	2,384	616
Minor Equipment	1,000	1,000	178	822
Other Supplies/Uniform Rental	600	600	200	400
Vehicle Maintenance	1,000	1,000	482	518
Total Animal Service	63,482	63,482	55,107	8,375

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, 2009
(CONTINUED)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Fire				
Wages - Full Time	2,158,000	2,158,000	2,141,896	16,104
Wages - Overtime	16,500	16,500	13,179	3,321
Employee Insurance	390,100	390,100	398,287	(8,187)
Social Security	166,300	166,300	156,936	9,364
Retirement	215,800	215,800	207,262	8,538
Unemployment Insurance	100	100	63	37
Worker's Compensation	84,500	84,500	81,764	2,736
Other Employee Benefits	17,350	17,350	14,933	2,417
Other Contractual Services	3,400	3,400	1,127	2,273
Repairs and Maintenance	13,500	13,500	7,613	5,887
Vehicle Insurance	24,000	24,000	16,047	7,953
Bldg & Pers Liability Insurance	8,500	8,500	5,683	2,817
Communications	9,260	9,260	6,656	2,604
Cable TV	600	600	399	201
Printing & Binding	400	400	590	(190)
Travel	1,500	1,500	331	1,169
Dues and Fees	780	780	578	202
Training	5,000	5,000	2,822	2,178
Materials and Supplies	3,600	3,600	3,839	(239)
Office Supplies	1,500	1,500	558	942
Cleaning Supplies & Chemicals	3,000	3,000	3,039	(39)
Medical Supplies	3,500	3,500	6,462	(2,962)
Protective Equipment	11,000	11,000	10,388	612
Vehicle Gasoline/Diesel	30,000	30,000	18,689	11,311
Food Supplies	500	500	103	397
Books & Periodicals	300	300	37	263
Minor Equipment	6,000	6,000	5,469	531
Computer Hardware & Software	2,100	2,100	1,512	588
Vehicle Maintenance	25,000	25,000	20,143	4,857
Miscellaneous	-	-	503	(503)
Cable TV	-	-	389	(389)
Other Contractual Services	800	800	330	470
Repairs and Maintenance	6,000	6,000	867	5,133
Communications	1,920	1,920	1,609	311
Cable TV	600	600	470	130
Materials and Supplies	2,000	2,000	-	2,000
Office Supplies	600	600	-	600
Cleaning Supplies & Chemicals	1,200	1,200	885	315
Natural Gas	12,000	12,000	3,859	8,141
Electricity	9,000	9,000	9,371	(371)
Food Supplies	400	400	-	400
Minor Equipment	6,000	6,000	-	6,000
Other Contractual Services	300	300	330	(30)
Repairs and Maintenance	1,850	1,850	1,801	49
Communications	1,820	1,820	1,496	324
Cable TV	600	600	-	-
Materials and Supplies	2,000	2,000	704	1,296
Office Supplies	1,200	1,200	348	852
Cleaning Supplies & Chemicals	1,200	1,200	821	379
Food Supplies	300	300	-	300
Minor Equipment	4,000	4,000	-	4,000
Office Furniture	2,000	2,000	1,785	215
Computer Hardware & Software	500	500	-	500
Total Fire	3,258,380	3,258,380	3,151,973	106,407
Total Public Safety	9,206,236	9,206,236	8,766,828	439,408

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, 2009
(CONTINUED)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Public Works				
Administration				
Wages - Full Time	122,500	122,500	125,125	(2,625)
Employee Insurance	14,900	14,900	15,181	(281)
Social Security	9,370	9,370	9,341	29
Retirement	12,250	12,250	11,743	507
Unemployment Insurance	4	4	3	1
Worker's Compensation	740	740	716	24
Vehicle Insurance	410	410	274	136
Bldg & Pers Liability Insurance	1,100	1,100	735	365
Communications	230	230	670	(440)
Printing & Binding	200	200	171	29
Travel	-	-	76	(76)
Dues and Fees	350	350	147	203
Training	500	500	470	30
Materials and Supplies	200	200	-	200
Office Supplies	500	500	218	282
Vehicle Gasoline/Diesel	1,000	1,000	577	423
Books & Periodicals	500	500	320	180
Computer Hardware & Software	1,600	1,600	-	1,600
Vehicle Maintenance	250	250	29	221
Total Administration	166,604	166,604	165,796	808
City Engineer				
Wages - Full Time	181,500	181,500	173,906	7,594
Employee Insurance	25,300	25,300	19,472	5,828
Social Security	13,900	13,900	13,052	848
Retirement	18,100	18,100	17,350	750
Unemployment Insurance	8	8	5	3
Worker's Compensation	7,900	7,900	7,644	256
Other Contractual Services	4,995	4,995	40	4,955
Vehicle Insurance	1,550	1,550	1,037	513
Bldg & Pers Liability Insurance	2,030	2,030	1,357	673
Communications	1,840	1,840	1,420	420
Printing & Binding	1,660	1,660	606	1,054
Dues and Fees	750	750	401	349
Training	1,500	1,500	720	780
Materials and Supplies	2,000	2,000	674	1,326
Office Supplies	500	500	234	266
Vehicle Gasoline/Diesel	8,000	8,000	3,379	4,621
Books & Periodicals	250	250	-	250
Minor Equipment	1,600	1,600	226	1,374
Computer Hardware & Software	1,600	1,600	16	1,584
Vehicle Maintenance	2,500	2,500	633	1,867
Total City Engineer	277,483	277,483	242,172	35,311

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, 2009
(CONTINUED)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Streets				
Wages - Full Time	618,300	618,300	629,188	(10,888)
Wages - Part Time/Temp	7,500	7,500	4,929	2,571
Wages - Overtime	10,000	10,000	3,381	6,619
Employee Insurance	138,100	138,100	145,213	(7,113)
Social Security	48,700	48,700	46,641	2,059
Retirement	61,800	61,800	59,240	2,560
Unemployment Insurance	48	48	6,036	(5,988)
Worker's Compensation	62,800	62,800	60,766	2,034
Other Employee Benefits	4,000	4,000	1,217	2,783
Solid Waste Disposal	36,000	36,000	28,023	7,977
Vehicle Insurance	8,500	8,500	12,180	(3,680)
Bldg & Pers Liability Insurance	6,500	6,500	4,346	2,154
Communications	1,160	1,160	1,371	(211)
Training	750	750	400	350
Materials and Supplies	40,000	40,000	25,000	15,000
Office Supplies	300	300	351	(51)
Protective Equipment	3,000	3,000	2,054	946
Electricity	230,000	230,000	241,520	(11,520)
Vehicle Gasoline/Diesel	70,000	70,000	54,931	15,069
Minor Equipment	5,000	5,000	792	4,208
Vehicle Maintenance	75,000	75,000	46,991	28,009
Total Streets	1,427,458	1,427,458	1,374,570	52,888
Garage				
Wages - Full Time	222,000	222,000	222,906	(906)
Wages - Overtime	3,000	3,000	1,117	1,883
Employee Insurance	50,000	50,000	45,948	4,052
Social Security	17,200	17,200	16,492	708
Retirement	22,200	22,200	21,281	919
Unemployment Insurance	12	12	8	4
Worker's Compensation	9,400	9,400	9,096	304
Other Contractual Services	1,500	1,500	336	1,164
Repairs and Maintenance	1,500	1,500	-	1,500
Vehicle Insurance	2,000	2,000	1,337	663
Bldg & Pers Liability Insurance	1,900	1,900	1,270	630
Communications	4,300	4,300	1,535	2,765
Cable TV	-	-	21	(21)
Travel	-	-	17	(17)
Training	1,000	1,000	-	1,000
Materials and Supplies	15,000	15,000	15,778	(778)
Office Supplies	300	300	307	(7)
Protective Equipment	500	500	251	249
Natural Gas	10,500	10,500	7,287	3,213
Vehicle Gasoline/Diesel	5,000	5,000	5,266	(266)
Minor Equipment	6,000	6,000	1,844	4,156
Other Supplies/Uniform Rental	3,380	3,380	2,997	383
Vehicle Maintenance	2,200	2,200	2,561	(361)
Total Garage	378,892	378,892	357,655	21,237

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, 2009
(CONTINUED)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Cemetery				
Wages - Full Time	247,650	247,650	253,442	(5,792)
Wages - Part Time/Temp	10,800	10,800	6,430	4,370
Wages - Overtime	15,000	15,000	9,156	5,844
Employee Insurance	55,100	55,100	50,656	4,444
Social Security	20,900	20,900	19,871	1,029
Retirement	24,800	24,800	23,773	1,027
Unemployment Insurance	20	20	12	8
Worker's Compensation	22,000	22,000	21,288	712
Other Contractual Services	180	180	168	12
Repairs and Maintenance	1,000	1,000	-	1,000
Vehicle Insurance	5,200	5,200	3,652	1,548
Bldg & Pers Liability Insurance	4,000	4,000	2,674	1,326
Communications	4,760	4,760	2,982	1,778
Dues and Fees	200	200	100	100
Materials and Supplies	5,000	5,000	6,097	(1,097)
Office Supplies	500	500	373	127
Cleaning Supplies & Chemicals	350	350	449	(99)
Medical Supplies	100	100	19	81
Protective Equipment	300	300	134	166
Vehicle Gasoline/Diesel	12,000	12,000	9,244	2,756
Minor Equipment	3,100	3,100	1,944	1,156
Other Supplies/Uniform Rental	2,800	2,800	2,607	193
Vehicle Maintenance	3,500	3,500	4,515	(1,015)
Landscaping Supplies	1,500	1,500	170	1,330
Total Cemetery	440,760	440,760	419,756	21,004
Total Public Works	2,691,197	2,691,197	2,559,949	131,248
Community Development				
Administration				
Wages - Full Time	119,100	119,100	121,194	(2,094)
Wages - Part Time/Temp	16,120	16,120	14,390	1,730
Employee Insurance	20,200	20,200	20,654	(454)
Social Security	10,400	10,400	9,893	507
Retirement	12,000	12,000	11,503	497
Unemployment Insurance	6	6	4	2
Worker's Compensation	480	480	464	16
Other Employee Benefits	3,600	3,600	3,600	-
Bldg & Pers Liability Insurance	900	900	602	298
Communications	480	480	354	126
Advertising	200	200	94	106
Printing & Binding	200	200	41	159
Travel	1,950	1,950	1,017	933
Dues and Fees	500	500	450	50
Training	850	850	674	176
Office Supplies	200	200	184	16
Books & Periodicals	175	175	-	175
Minor Equipment	100	100	10	90
Computer Hardware and Software	400	400	229	171
Chatt Flint RDC	27,300	27,300	27,242	58
Total Administration	215,161	215,161	212,599	2,562

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, 2009
(CONTINUED)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Planning and Zoning				
Wages - Full Time	155,800	155,800	152,752	3,048
Employee Insurance	19,800	19,800	18,176	1,624
Social Security	12,000	12,000	11,360	640
Retirement	15,600	15,600	14,954	646
Unemployment Insurance	6	6	4	2
Worker's Compensation	550	550	532	18
Vehicle Insurance	800	800	535	265
Bldg & Pers Liability Insurance	1,800	1,800	1,204	596
Communications	360	360	329	31
Advertising	1,500	1,500	875	625
Printing & Binding	1,000	1,000	139	861
Travel	9,000	9,000	3,141	5,859
Dues and Fees	850	850	629	221
Training	1,000	1,000	410	590
Materials and Supplies	1,500	1,500	240	1,260
Office Supplies	2,000	2,000	483	1,517
Vehicle Gasoline/Diesel	750	750	307	443
Books & Periodicals	150	150	-	150
Computer Hardware & Software	100	100	-	100
Vehicle Maintenance	250	250	7	243
Planning Commission	1,000	1,000	267	733
Total Planning and Zoning	225,816	225,816	206,344	19,472
Business Development and Special Events				
Wages - Full Time	93,250	93,250	88,962	4,288
Employee Insurance	9,700	9,700	10,071	(371)
Social Security	7,130	7,130	6,673	457
Retirement	9,300	9,300	8,915	385
Unemployment Insurance	4	4	3	1
Worker's Compensation	660	660	639	21
Other Employee Benefits	3,600	3,600	3,600	-
Professional Services	1,500	1,500	1,455	45
Public Relations	3,750	3,750	281	3,469
Repairs and Maintenance	3,680	3,680	1,078	2,602
Bldg & Pers Liability Insurance	-	-	556	(556)
Communications	3,720	3,720	2,912	808
Cable TV	600	600	263	337
Advertising	1,800	1,800	995	805
Printing & Binding	2,500	2,500	(1,399)	3,899
Travel	3,000	3,000	1,272	1,728
Dues and Fees	1,600	1,600	1,434	166
Training	1,450	1,450	1,317	133
Materials and Supplies	350	350	139	211
Office Supplies	2,000	2,000	1,998	2
Books & Periodicals	200	200	230	(30)
Minor Equipment	1,600	1,600	-	1,600
Computer Hardware & Software	750	750	247	503
Miscellaneous	250	250	-	250
Other Boards & Commissions	6,000	6,000	6,445	(445)
Total Business Development & Special Events	158,394	158,394	138,086	20,308

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, 2009
(CONTINUED)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Library				
Wages - Full Time	28,014	28,014	19,816	8,198
Wages - Part Time	10,743	10,743	6,713	4,030
Employee Insurance	6,716	6,716	103	6,613
Social Security	2,965	2,965	1,919	1,046
Retirement	2,800	2,800	1,455	1,345
Unemployment Insurance	4	4	-	4
Worker's Compensation	136	136	9	127
Professional Services	6,000	6,000	250	5,750
Public Relations	-	-	108	(108)
Other Contractual Services	4,030	4,030	1,568	2,462
Repairs and Maintenance	-	-	400	(400)
Equipment and Vehicle Rental	-	-	501	(501)
Bldg & Pers Liability Insurance	1,000	1,000	669	331
Communications	4,160	4,160	2,651	1,509
Travel	-	-	113	(113)
Printing & Binding	1,000	1,000	-	1,000
Dues and Fees	200	200	35	165
Training	-	-	30	(30)
Materials and Supplies	500	500	2,750	(2,250)
Office Supplies	-	-	891	(891)
Cleaning Supplies & Chemicals	500	500	383	117
Food Supplies	-	-	9	(9)
Books & Periodicals	21,232	21,232	18,579	2,653
Minor Equipment	5,000	5,000	877	4,123
Computer Hardware & Software	5,000	5,000	3,226	1,774
Total Library	100,000	100,000	63,055	36,945
Parks & ROW Beautification				
Wages - Full Time	413,300	413,300	409,210	4,090
Employee Insurance	94,000	94,000	89,762	4,238
Social Security	31,600	31,600	30,211	1,389
Retirement	41,300	41,300	39,589	1,711
Unemployment	28	28	19	9
Worker's Compensation	43,000	43,000	41,607	1,393
Other Contractual Services	15,000	15,000	7,078	7,922
Repairs and Maintenance	3,500	3,500	3,024	476
Vehicle Insurance	5,400	5,400	6,827	(1,427)
Bldg & Pers Liability Insurance	1,800	1,800	1,799	1
Communications	2,400	2,400	2,552	(152)
Travel	600	600	55	545
Dues and Fees	850	850	585	265
Training	1,500	1,500	384	1,116
Office Supplies	1,000	1,000	289	711
Cleaning Supplies & Chemicals	2,600	2,600	2,403	197
Medical Supplies	300	300	35	265
Protective Equipment	700	700	570	130
Vehicle Gasoline/Diesel	18,000	18,000	10,805	7,195
Books & Periodicals	250	250	35	215
Minor Equipment	5,550	5,550	4,354	1,196
Other Supplies/Uniform Rental	2,200	2,200	2,989	(789)
Vehicle Maintenance	7,000	7,000	7,746	(746)
Landscaping Supplies	25,000	25,000	18,297	6,703
Capital Outlay-Veterans Memorial Plaza	-	234,978	234,978	-
Total Parks & ROW Beautification	716,878	951,856	915,203	36,653

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, 2009
(CONTINUED)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Building Inspection				
Wages - Full Time	421,710	421,710	387,363	34,347
Employee Insurance	54,800	54,800	54,891	(91)
Social Security	32,300	32,300	29,207	3,093
Retirement	42,200	42,200	40,452	1,748
Unemployment Insurance	18	18	12	6
Worker's Compensation	17,300	17,300	16,740	560
Vehicle Insurance	5,360	5,360	3,997	1,363
Bldg & Pers Liability Insurance	3,570	3,570	2,387	1,183
Communications	2,060	2,060	2,795	(735)
Advertising	1,200	1,200	960	240
Printing & Binding	830	830	193	637
Travel	2,500	2,500	259	2,241
Dues and Fees	710	710	380	330
Training	6,000	6,000	420	5,580
Materials and Supplies	600	600	210	390
Office Supplies	2,000	2,000	595	1,405
Vehicle Gasoline/Diesel	18,000	18,000	11,225	6,775
Food Supplies	630	630	502	128
Books & Periodicals	900	900	322	578
Minor Equipment	400	400	-	400
Computer Hardware & Software	300	300	-	300
Other Supplies/Uniform Rental	730	730	584	146
Vehicle Maintenance	4,000	4,000	2,061	1,939
Total Building Inspection	618,118	618,118	555,555	62,563

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, 2009
(CONTINUED)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Building and Maintenance				
Wages - Full Time	103,910	103,910	104,673	(763)
Wages - Overtime	500	500	128	372
Employee Insurance	25,000	25,000	25,498	(498)
Social Security	8,000	8,000	7,660	340
Retirement	10,400	10,400	9,969	431
Unemployment Insurance	6	6	4	2
Worker's Compensation	6,300	6,300	6,096	204
Other Contractual Services	9,930	9,930	10,841	(911)
Repairs and Maintenance	70,000	70,000	36,752	33,248
Vehicle Insurance	1,340	1,340	896	444
Bldg & Pers Liability Insurance	26,800	26,800	17,919	8,881
Communications	660	660	656	4
Office Supplies	100	100	30	70
Cleaning Supplies & Chemicals	2,640	2,640	2,837	(197)
Natural Gas	33,000	33,000	18,821	14,179
Vehicle Gasoline/Diesel	6,000	6,000	3,488	2,512
Food Supplies	-	-	41	(41)
Minor Equipment	7,000	7,000	-	7,000
Other Supplies/Uniform Rental	500	500	364	136
Vehicle Maintenance	1,500	1,500	53	1,447
Total Building and Maintenance	313,586	313,586	246,726	66,860
Total Community Development	2,347,953	2,582,931	2,337,568	245,363
Total Expenditures	16,427,500	18,851,338	17,515,011	1,336,327
Excess (deficiency) of revenues Over (under) expenditure	557,600	(1,866,238)	(1,082,596)	783,642
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	10,000	10,000	-	(10,000)
Transfer from Tourism Fund	156,000	156,000	144,385	(11,615)
Transfer to Capital Fund	(523,600)	(523,600)	(523,600)	-
Transfer to Street Fund	(200,000)	(200,000)	(200,000)	-
Total Other Financing Sources (Uses)	(557,600)	(557,600)	(579,215)	(21,615)
Net change in fund balances	$ -	$ (2,423,838)	$ (1,661,811)	$ 762,027
Fund balances - beginning of year			15,041,961	
Fund balances - end of year			$ 13,380,150	

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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.

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, 2009

	Special Revenue Funds				Capital Projects Funds				Total Nonmajor Governmental Funds
	Confiscated Assets	Miscellaneous Grants	Hotel/Motel Tourism Enhancement	Total	Street Improvement	Capital Equipment	SPLOST 1997	Total	
ASSETS									
Cash and cash equivalents	$ -	$ 10,092	$ -	$ 10,092	$ 1,008	$ -	$ -	$ 1,008	$ 11,100
Investments	137,326	-	729,208	866,534	477,723	130,408	-	608,131	1,474,665
Taxes receivable	-	-	52,442	52,442	-	-	-	-	52,442
Due from other funds	-	-	-	-	-	210,879	-	210,879	210,879
Total assets	$ 137,326	$ 10,092	$ 781,650	$929,068	$ 478,731	$ 341,287	$ -	$ 820,018	$ 1,749,086
LIABILITIES									
Accounts payable	$ 1,161	$ -	$ 489	$ 1,650	$ -	$ -	$ -	$ -	$ 1,650
Due to other funds	-	-	31,464	31,464	-	-	-	-	31,464
Deferred revenue	-	10,092	-	10,092	-	-	-	-	10,092
Total liabilities	1,161	10,092	31,953	43,206	-	-	-	-	43,206
FUND BALANCES									
Reserved for encumbrances	2,514	-	-	2,514	-	-	-	-	2,514
Reserved for program purposes:									
Public safety	133,651	-	-	133,651	-	-	-	-	133,651
Tourism enhancement	-	-	749,697	749,697	-	-	-	-	749,697
Unreserved	-	-	-	-	478,731	341,287	-	820,018	820,018
Total fund balances	136,165	-	749,697	885,862	478,731	341,287	-	820,018	1,705,880
TOTAL LIABILITIES AND FUND BALANCES	$ 137,326	$ 10,092	$ 781,650	$929,068	$ 478,731	$ 341,287	$ -	$ 820,018	$ 1,749,086

CITY OF NEWNAN, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Special Revenue Funds				Capital Projects Funds				Total Nonmajor Governmental Funds
	Confiscated Assets	Miscellaneous Grants	Hotel/Motel Tourism Enhancement	Total	Street Improvement	Capital Equipment	SPLOST 1997	Total	
REVENUES									
Hotel/motel taxes	$ -	$ -	$ 240,642	$240,642	$ -	$ -	$ -	$ -	$ 240,642
Court condemnations	163,338	-	-	163,338	-	-	-	-	163,338
Intergovernmental	-	2,999	-	2,999	608	-	-	608	3,607
Investment earnings	544	-	3,349	3,893	1,724	1,255	89	3,068	6,961
Total revenues	163,882	2,999	243,991	410,872	2,332	1,255	89	3,676	414,548
EXPENDITURES									
Current									
General government	-	2,499	-	2,499	28,099	122,665	475	151,239	153,738
Tourism development	-	-	9,304	9,304	-	-	-	-	9,304
Public safety	91,814	-	-	91,814	-	-	-	-	91,814
Capital outlay	62,601	500	-	63,101	10,655	288,699	273,768	573,122	636,223
Total expenditures	154,415	2,999	9,304	166,718	38,754	411,364	274,243	724,361	891,079
Excess (deficiency) of revenues over (under) expenditures	9,467	-	234,687	244,154	(36,422)	(410,109)	(274,154)	(720,685)	(476,531)
Other financing sources (uses)									
Transfers in/out									
General Fund	-	-	(144,385)	(144,385)	200,000	523,600	-	723,600	579,215
Net change in fund balances	9,467	-	90,302	99,769	163,578	113,491	(274,154)	2,915	102,684
Fund balances - beginning of year	126,698	-	659,395	786,093	315,153	227,796	274,154	817,103	1,603,196
Fund balances - end of year	$ 136,165	$ -	$ 749,697	$885,862	$ 478,731	$ 341,287	$ -	$ 820,018	$ 1,705,880

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, 2009

	Final Budget	Actual	Variance
REVENUES			
Court condemnations	$ 54,000	$ 163,338	$ 109,338
Investment earnings	1,200	544	(656)
Total Revenues	55,200	163,882	108,682
EXPENDITURES			
Current			
Public safety	94,757	94,328	429
Capital outlay	62,601	62,601	-
Total Expenditures	157,358	156,929	429
Net change in fund balance	$ (102,158)	6,953	$ 109,111
Fund balances - beginning of year		126,698	
Fund balances - end of year		$ 133,651	

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, 2009

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	$ 15,000	$ 2,999	$ (12,001)
Total Revenues	15,000	2,999	(12,001)
EXPENDITURES			
Current			
General government	12,500	2,499	10,001
Capital outlay	2,500	500	2,000
Total Expenditures	15,000	2,999	12,001
Net change in fund balance	$ -	-	$ -
Fund balances - beginning of year		-	
Fund balances - end of year		$ -	

CITY OF NEWNAN, GEORGIA

HOTEL/MOTEL TOURISM ENHANCEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2009

	Final Budget	Actual	Variance
REVENUES			
Hotel/motel taxes	$ 260,000	$ 240,642	$ (19,358)
Investment earnings	18,000	3,349	(14,651)
Total Revenues	278,000	243,991	(34,009)
EXPENDITURES			
Current			
Tourism development	96,000	9,304	86,696
Total Expenditures	96,000	9,304	86,696
Excess (deficiency) of revenues over (under) expenditures	182,000	234,687	52,687
Other Financing Use			
Transfer out	(156,000)	(144,385)	11,615
Net change in fund balances	$ 26,000	90,302	$ 64,302
Fund balances - beginning of year		659,395	
Fund balances - end of year		$ 749,697	

STATISTICAL SECTION

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STATISTICAL SECTION

This part of the City of Newnan's comprehensive annual financial reports presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	75-80
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	81-87
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	88-89
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	90-92
Operating Information These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	93-94

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

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

	2004	2005	2006	2007	2008	2009
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	$ 111,049,663
Restricted	7,370,329	10,247,870	10,017,489	12,310,604	11,890,374	12,341,221
Unrestricted	9,536,630	11,056,237	14,484,797	16,050,074	17,202,620	15,619,539
Total governmental activities net assets	$ 53,777,873	$ 69,506,202	$ 84,453,152	$ 128,081,161	$ 137,063,766	$ 139,010,423
Change in Net Assets						
Governmental Activities	$ 13,051,613	$ 15,728,329	$ 14,946,950	$ 43,628,009	$ 8,982,605	$ 1,946,657

Note: Information above has been presented as of the date of GASB 34 Implementation.
The City of Newnan has no business-type activities, therefore the Governmental activities totals and the Primary government totals are the same.

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

	2004	2005	2006	2007	2008	2009
Expenses:						
Governmental activities:						
General Government	$ 1,499,242	$ 1,692,563	$ 2,164,887	$ 2,823,373	$ 2,747,236	$ 4,139,290
Community Development	1,785,109	1,761,614	2,233,473	2,697,243	2,610,332	1,137,412
Public Safety	7,081,640	7,522,020	8,076,362	8,638,598	9,341,701	9,272,838
Public Works	1,892,188	3,364,415	3,535,165	4,405,650	4,285,367	4,679,400
Tourist Development	658	20,511	14,955	2,292	4,274	9,304
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	19,238,244
Total primary government expenses	$ 12,743,118	$ 15,162,557	$ 16,024,842	$ 18,567,156	$ 18,988,910	$ 19,238,244
Program Revenues:						
Governmental activities						
Charges for Services	$ 1,649,701	$ 3,442,589	$ 5,093,961	$ 4,528,973	$ 3,793,409	$ 2,979,251
Operating grants and contributions	1,181,639	1,204,398	74,084	103,045	91,128	96,152
Capital grants and contributions	9,817,232	10,840,515	8,626,666	4,238,389	4,198,787	4,260,001
Total governmental activities program revenues	12,648,572	15,487,502	13,794,711	8,870,407	8,083,324	7,335,404
Total primary government program revenues	$ 12,648,572	$ 15,487,502	$ 13,794,711	$ 8,870,407	$ 8,083,324	$ 7,335,404
Net (Expenses)/Revenue						
Governmental activities	$ (94,546)	$ 324,945	$ (2,230,131)	$ (9,696,749)	$(10,905,586)	$ (11,902,840)
Total primary government net (expense)/revenue	$ (94,546)	$ 324,945	$ (2,230,131)	$ (9,696,749)	$(10,905,586)	$ (11,902,840)

City of Newnan, Georgia
Changes in Net Assets, Last Six Calendar Years (Continued)
(accrual basis of accounting)

	2004	2005	2006	2007	2008	2009
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	$ 4,501,655
Sales Taxes	6,411,198	6,658,437	7,517,296	9,552,987	9,576,131	3,860,258
Occupational Taxes	1,206,741	1,321,047	1,472,479	1,732,989	1,838,252	1,792,961
Franchise Taxes	977,592	935,535	1,004,528	1,226,762	1,324,724	1,420,597
Insurance Premium Taxes	756,092	813,456	851,078	887,770	909,036	900,507
Hotel Motel Taxes	174,947	200,101	211,120	329,900	258,001	240,642
Alcoholic Beverage Taxes	584,315	636,993	700,717	733,406	731,681	742,731
Other Taxes	29,340	236,725	222,331	280,303	304,305	284,475
Interest Revenue	189,916	540,821	1,008,500	1,170,885	547,677	105,671
Miscellaneous	220,441	329,590	-	-	-	-
Special items - Dissolution of Sanitation Fund	(375,436)	-	-	-	-	-
Total governmental activities	13,146,159	15,108,876	16,820,575	20,118,216	19,888,191	13,849,497
Total Primary Government	$ 13,146,159	$ 15,108,876	$ 16,820,575	$ 20,118,216	$ 19,888,191	$ 13,849,497
Change in Net Assets						
Governmental Activities	$ 13,051,613	$ 15,433,821	$ 14,590,444	$ 10,421,467	$ 8,982,605	$ 1,946,657
Total Primary Government	$ 13,051,613	$ 15,433,821	$ 14,590,444	$ 10,421,467	$ 8,982,605	$ 1,946,657

Notes: Information above has been presented as of the date of GASB 34 Implementation.
Special Purpose Local Option Sales Tax (SPLOST) was reported as sales taxes prior to 2009, the State now required the taxes to be reported as intergovernmental revenue by cities who receive their disbursements from the County.

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

	Program Revenues					
	2004	**2005**	**2006**	**2007**	**2008**	**2009**
Function/Program						
Governmental activities:						
General Government	$ 2,156,208	$ 2,994,494	$ 1,654,084	$ 1,939,390	$ 3,086,953	$ 3,503,579
Community Development	-	-	2,851,031	1,987,224	1,025,521	568,304
Public Safety	492,764	472,358	669,170	741,655	958,454	1,281,257
Public Works	9,958,000	12,020,650	8,597,644	4,202,138	2,990,892	1,964,704
Tourist Development	-	-	22,782	-	21,504	17,560
Other Services	41,600	-	-	-	-	-
Subtotal governmental activities	12,648,572	15,487,502	13,794,711	8,870,407	8,083,324	7,335,404
Total primary government	$ 12,648,572	$ 15,487,502	$ 13,794,711	$ 8,870,407	$ 8,083,324	$ 7,335,404

Note: Information above has been presented as of the date of GASB 34 Implementation.

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

	Calendar Year					
	2004	**2005**	**2006**	**2007**	**2008**	**2009**
General Fund						
Reserved	$ 148,146	$ 255,509	$ 273,734	$ 458,929	$ 227,287	$ 135,435
Unreserved	9,673,201	10,983,435	12,848,952	14,168,420	14,885,077	13,315,495
Total General Fund	$ 9,821,347	$ 11,238,944	$ 13,122,686	$ 14,627,349	$ 15,112,364	$ 13,450,930
All Other Governmental Funds						
Reserved	$ 830,759	$ 3,182,981	$ 10,038,294	$ 13,090,613	$ 13,211,566	$ 13,683,686
Unreserved:						
Special Revenue Funds	(248,504)	(54,378)	1,935	1,746	120,612	-
Capital Projects Funds	6,788,074	6,947,242	1,278,564	658,091	519,701	820,018
Total all other governmental funds	$ 7,370,329	$ 10,075,845	$ 11,318,793	$ 13,750,450	$ 13,851,879	$ 14,503,704
Total Fund Balances	**$ 17,191,676**	**$ 21,314,789**	**$ 24,441,479**	**$ 28,377,799**	**$ 28,964,243**	**$ 27,954,634**

Note: Information above has been presented as of the date of GASB 34 Implementation.

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

	Calendar Year					
	2004	2005	2006	2007	2008	2009
Revenues						
Taxes:						
Alcohol Taxes	$ 584,316	$ 636,993	$ 700,717	$ 733,406	$ 731,681	$ 742,731
Excise (Franchise) Taxes	977,592	935,536	1,004,528	1,226,762	1,324,724	1,420,597
Hotel/Motel Taxes	174,947	200,101	211,120	329,900	258,001	240,642
Insurance Premium Taxes	756,092	813,456	851,078	887,770	909,036	900,507
Occupational Taxes	1,206,741	1,321,047	1,472,479	1,732,989	1,838,252	1,792,961
Other Taxes	107,912	199,194	222,331	280,303	304,305	284,475
Property Taxes	3,038,631	3,194,225	3,751,885	4,145,848	4,141,896	4,592,154
Sales Taxes	6,411,197	6,658,437	7,517,296	9,552,987	9,576,131	3,860,258
Court Condemnations	5,596	11,832	6,240	6,251	165,240	163,338
Fines and Forfeitures	430,826	448,967	588,846	632,359	669,929	691,911
Grants/Private Donations	2,961	23,391	2,253	-	150,000	-
Impact Fees	291,546	1,414,933	1,505,448	1,118,593	529,396	115,945
Indirect Cost Allocations	1,028,939	1,139,329	-	-	-	-
Intergovernmental	328,517	461,148	848,571	476,377	499,968	4,300,078
Intergovernmental - Utility	853,126	966,488	1,094,453	1,161,112	1,165,377	1,172,781
Investment Earnings	189,916	540,821	1,008,923	1,170,885	547,677	105,671
Alcohol Licenses	152,425	236,183	174,700	180,038	183,775	179,050
Other Revenues	220,440	329,589	268,163	370,732	185,955	315,606
Permits & Inspections	1,060,854	1,330,674	1,345,583	838,630	486,125	259,895
Total Revenues	17,822,574	20,862,344	22,574,614	24,844,942	23,667,468	21,138,600
Expenditures						
General government	1,543,473	1,639,077	2,088,268	2,675,463	2,179,436	4,238,749
Community Development	2,325,998	2,725,073	2,615,532	2,337,153	2,365,981	2,335,471
Public Safety	7,249,855	7,809,982	7,697,555	8,314,508	8,910,093	8,858,915
Public Works	1,870,359	2,469,203	2,371,824	2,637,747	2,722,862	2,561,396
Tourist Development	658	20,511	14,955	2,292	4,274	9,304
Intergovernmental	-	-	-	-	793,530	659,712
Capital Outlay	1,878,426	2,397,282	5,016,296	4,953,459	6,104,848	3,484,662
Total Expenditures	14,868,769	17,061,128	19,804,430	20,920,622	23,081,024	22,148,209
Excess of revenues over (under) expenditures	2,953,805	3,801,216	2,770,184	3,924,320	586,444	(1,009,609)
Other Financing Sources (Uses)						
Transfers from other Funds	349,652	1,107,770	1,110,359	1,350,890	861,413	867,985
Transfers to other Funds	(725,088)	(1,107,770)	(1,110,359)	(1,350,890)	(861,413)	(867,985)
Sale 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	**$ 2,659,869**	**$ 3,828,606**	**$ 2,770,184**	**$ 3,936,320**	**$ 586,444**	**$ (1,009,609)**
Debt Service as a Percentage of Noncapital Expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Note: Information above has been presented as of the date of GASB 34 Implementation.

(1) Impact fee assessment was implemented during the last quarter of 2004.

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

Calendar Year	Tax Revenues								
	General Property [1]	Franchise	Insurance Premium	Occupational	Alcoholic Beverage	Hotel/ Motel	Sales Tax [2]	Other	Total
2004	$ 3,038,631	$ 977,592	$ 756,092	$ 1,206,741	$ 584,315	$ 174,947	$ 6,411,198	$ 107,912	$ 13,257,428
2005	3,194,225	935,536	813,456	1,321,047	636,993	200,101	6,658,437	199,194	13,958,989
2006	3,751,885	1,004,528	851,078	1,472,479	700,717	211,120	7,517,296	222,331	15,731,434
2007	4,145,848	1,226,762	887,770	1,732,989	733,406	329,900	9,552,987	280,303	18,889,965
2008	4,141,896	1,324,724	909,036	1,838,252	731,681	258,001	9,576,131	304,305	19,084,026
2009	4,592,154	1,420,597	900,507	1,792,961	742,731	240,642	3,860,258	284,475	13,834,325
% Change 2004 - 2009	**51.1%**	**45.3%**	**19.1%**	**48.6%**	**27.1%**	**37.6%**	**-39.8%**	**163.6%**	**4.4%**

Note: Information above has been presented as of the date of GASB 34 Implementation.

[1] Includes motor vehicle and property taxes. The City was able to keep its property tax rates very stable for the last four years due mainly to the growth in property tax values. See the table on the next page for more information.

[2] Special Purpose Local Option Sales Tax (SPLOST) was reported in this category until 2009; the State requires that it now be reported as Intergovernmental revenue by those cities who receive their disbursement from the County.

City of Newnan, Georgia
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Calendar Years

Calendar Year Ended December 31,	Real Property	Personal Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2000	$ 265,385,002	$ 70,278,310	$ 28,632,081	$ 307,031,231	4.70	$ 854,283,698	35.94%
2001	370,138,594	72,248,981	37,735,660	404,651,915	3.80	1,125,903,488	35.94%
2002	407,483,256	73,098,452	57,814,296	422,767,412	3.78	1,341,922,274	31.50%
2003	483,938,998	67,053,380	56,877,150	494,115,228	4.50	1,519,504,229	32.52%
2004	543,812,319	70,378,615	60,293,937	553,896,997	4.50	1,536,961,091	36.04%
2005	646,586,820	74,698,651	62,774,553	658,510,918	4.40	1,804,495,817	36.49%
2006	746,226,460	78,323,568	64,763,547	759,786,481	4.34	2,068,050,397	36.74%
2007	840,838,199	93,716,664	65,963,681	868,591,182	4.32	2,338,359,915	37.15%
2008	928,082,597	91,674,717	62,073,670	957,683,644	4.32	2,565,220,948	37.33%
2009	949,769,939	95,116,548	66,807,005	978,079,482	4.32	2,636,081,482	37.10%

Source: Based on information obtained from Coweta County Tax Commissioner and Assessor's Offices.

Notes: The City assesses property at 40 percent of actual value.

City of Newnan, Georgia
Direct and Overlapping Property Tax Rates
Last Ten Calendar Years

	City Direct Rates			Overlapping Rates				
Calendar Year	Basic Rate	General Obligation Debt Service	Total Direct Rate	State of Georgia	Coweta County	School System	School Bond	Total
2000	4.70	0.00	4.70	0.25	6.26	17.88	2.25	31.34
2001	3.80	0.00	3.80	0.25	6.20	17.87	2.25	30.37
2002	3.78	0.00	3.78	0.25	5.02	15.61	1.60	26.26
2003	4.50	0.00	4.50	0.25	5.00	17.94	-	27.69
2004	4.50	0.00	4.50	0.25	5.13	18.61	-	28.49
2005	4.40	0.00	4.40	0.25	5.12	18.59	-	28.36
2006	4.34	0.00	4.34	0.25	6.31	18.59	-	29.49
2007	4.32	0.00	4.32	0.25	6.74	18.59	-	29.90
2008	4.32	0.00	4.32	0.25	7.76	18.59	-	30.92
2009	4.32	0.00	4.32	0.25	7.66	18.59	-	30.82

Source: Coweta County Tax Commissioner's Office; data reported by Calendar Year.

Notes: The City's basic property tax rate is established by the City Council each year in July/August.
The overlapping rates are those of State and County governments that apply to property owners within the City.

City of Newnan, Georgia
Principal Property Tax Payers
Current Year and Five Years Ago

Taxpayer	2004 Taxable Assessed Value	2004 Rank	2004 Percentage of Total City Tax Levy	2009 Taxable Assessed Value	2009 Rank	2009 Percentage of Total City Tax Levy
Fourth Quarter Properties	$ 11,235,310	1	1.83%	$ 28,940,571	1	2.74%
Peachtree City Holdings	9,003,555	2	1.46%	-		-
Inland Southeast Newnan LLC	7,167,218	3	1.17%	12,272,995	3	1.16%
BellSouth Telecommunications	6,985,040	4	1.14%	-		-
Lullwater Apartments LLC	5,713,418	5	0.93%	-		-
Wal-Mart	5,132,135	6	0.83%	8,527,350	6	0.81%
S.G. Preston Mill	4,801,604	7	0.78%	-		-
JDN Realty Corporation	4,765,717	8	0.78%	-		-
Newnan Crossing LLP	3,946,052	9	0.64%	-		-
Out Med LLC	2,998,488	10	0.49%	-		-
EGO Products	-		-	14,195,074	2	1.35%
Coweta Fayette EMC	-		-	11,838,420	4	1.12%
Bon L Manufacturing	-		-	10,690,253	5	1.01%
WPRE	-		-	8,498,923	7	0.81%
HC Cable (NuLink)	-		-	7,730,640	8	0.73%
Newnan Development Partners	-		-	7,567,937	9	0.72%
Diplomat Hotels	-		-	6,490,309	10	0.62%
Total	**$ 61,748,537**		**10.05%**	**$ 116,752,472**		**11.07%**

Source: Based on information obtained from the Coweta County Tax Assessor's Office.

Note: Information above is presented with a comparison to 2004, information for years prior to 2004 is unavailable.

City of Newnan, Georgia
Property Tax Levies and Collections
Last Ten Calendar Years

Year	Taxes Levied for the Calendar Year	Collected within the Calendar Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2000	$ 1,567,149	$ 1,366,072	87.17%	$ 201,077	$ 1,567,149	100.00%
2001 [1]	1,674,059	165,788	9.90%	1,508,271	1,674,059	100.00%
2002	1,731,972	1,573,831	90.87%	158,141	1,731,972	100.00%
2003	2,372,354	2,011,336	84.78%	361,018	2,372,354	100.00%
2004	2,766,530	2,541,109	91.85%	225,421	2,766,530	100.00%
2005	3,175,913	2,778,148	87.48%	396,597	3,174,745	99.96%
2006	3,596,135	3,224,897	89.68%	365,582	3,590,479	99.84%
2007	4,040,685	3,710,009	91.82%	316,910	4,026,919	99.66%
2008	4,432,702	4,036,118	91.05%	312,894	4,349,012	98.11%
2009	4,507,635	4,090,388	90.74%	-	4,090,388	90.74%

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

[1] The Assessment data was not provided to the City in time to bill and collect by December 31, 2001.

City of Newnan, Georgia
Taxable Sales by Category
Last Six Calendar Years

	2004	2005	2006	2007	2008	2009
Accommodations [1]	$ -	$ -	$ -	$ -	$ -	$ 53,972
Apparel	461,044	533,442	588,132	526,930	499,819	234,779
Automotive	2,454,885	2,659,181	3,198,730	3,488,306	4,392,034	2,816,514
Construction [1]	-	-	-	-	-	31,972
Food	2,962,989	3,503,092	4,087,686	4,604,069	4,057,615	3,351,960
General	2,144,151	2,313,315	2,430,145	2,599,136	2,533,278	2,792,283
Home	882,624	1,027,193	1,267,542	1,224,669	1,023,933	1,305,365
Lumber	1,744,453	1,934,414	2,306,011	1,987,379	1,277,892	391,677
Manufacturing	636,663	629,316	819,626	1,013,401	931,172	1,059,659
Miscellaneous	853,233	969,429	1,328,957	1,299,463	1,408,688	472,311
Miscellaneous Service	775,472	834,674	772,407	811,870	965,907	1,088,761
Other Retail [1]	-	-	-	-	-	1,471,919
Other Services [1]	-	-	-	-	-	151,802
Utilities	2,250,243	2,620,842	3,211,321	3,356,457	3,808,788	3,255,225
Wholesale [1]	-	-	-	-	-	922,109
Total	$ 15,165,757	$ 17,024,898	$ 20,010,557	$ 20,911,680	$ 20,899,126	$ 19,400,308

Source: Georgia Department of Revenue, Local Government Services Division

Note: Information prior to 2004 is unavailable. Since the City of Newnan does not have a City sales tax, all sales tax reported to the Georgia Department of Revenue is accumulated by commodity as Coweta County. The above numbers are taken from commodity reports issued by the Georgia Department of Revenue for Coweta County and represent the County as a whole.

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

City of Newnan, Georgia
Direct and Overlapping Sales Tax Rates
Last Ten Calendar Years

Calendar Year	City Direct Rate	Coweta County
2000	0.00%	7.00%
2001	0.00%	7.00%
2002	0.00%	7.00%
2003	0.00%	7.00%
2004	0.00%	7.00%
2005	0.00%	7.00%
2006	0.00%	7.00%
2007	0.00%	7.00%
2008	0.00%	7.00%
2009	0.00%	7.00%

Source: Local sales tax is imposed countywide (Coweta County)

Note: In 2006, the citizens voted to impose a 1% SPLOST. A portion of this 1% is shared by all the cities in Coweta County.

City of Newnan, Georgia
Direct and Overlapping Governmental Activities Debt
As of December 31, 2009

Category of Debt	Amount of Outstanding Debt
Direct	
City of Newnan General Obligation Bonds	$ -
Capital Leases	-
Total Direct Debt	-
Overlapping	
General Obligation Debt:	
City of Newnan [1]	85,595,946
Coweta County School District	49,651,307
Total Overlapping Debt	135,247,253
Total Direct and Overlapping Debt	$ 135,247,253

Source: Debt outstanding data provided by Coweta County School System, Newnan Utilities and Coweta County Finance Department.

(1) This amount represents Newnan's portion of the Municipal Electric Authority of Georgia's (MEAG) debt. Newnan has never levied taxes to make payments under its Intergovernmental Contract.

City of Newnan, Georgia
Legal Debt Margin Information
Last Ten Calendar Years

	Calendar Year									
	2000	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**
Net Assessed Value	$333,438,498	$440,539,446	$478,933,559	$550,924,541	$614,784,436	$721,798,327	$827,220,159	$935,343,966	$1,026,088,379	$1,054,432,593
Debt Limit - 10% of Assessed Value	33,343,850	44,053,945	47,893,356	55,092,454	61,478,444	72,179,833	82,722,016	93,534,397	102,608,838	105,443,259
Debt Applicable to Debt Limit: General obligation bonds	-	-	-	-	-	-	-	-	-	-
Net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	$ 33,343,850	$ 44,053,945	$ 47,893,356	$ 55,092,454	$ 61,478,444	$ 72,179,833	$ 82,722,016	$ 93,534,397	$ 102,608,838	$ 105,443,259
Legal debt margin as a percentage of the debt limit	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

City of Newnan, Georgia
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population[1]	Personal Income (amounts expressed in thousands)	Per Capita Personal Income[2,5]	Median Age[1,2,6]	School Enrollment[2,4]	Unemployment Rate[2,3]
2000	16,242	$ 447,922	$ 27,578	33.6	16,181	3.2%
2001	17,291	484,805	28,038	N/A	16,766	3.4%
2002	19,324	535,797	27,727	N/A	17,515	4.3%
2003	20,546	577,918	28,128	N/A	18,389	4.4%
2004	22,525	645,476	28,656	33.7	19,035	4.1%
2005	25,392	750,359	29,551	34.4	19,685	4.8%
2006	27,704	836,605	30,198	33.9	20,519	4.1%
2007	29,885	954,557	31,941	34.2	21,352	4.0%
2008	30,349	969,074	31,931	33.4	21,790	5.7%
2009	31,732	1,032,182	32,528	N/A	22,151	9.5%

[1] Per 2000 Census and the City's estimate; N/A indicates no data available from any source we found

[2] Information available at the county level only (Coweta County)

[3] Data obtained from Georgia Department of Labor

[4] Coweta County Board of Education

[5] BEA Regional Economic Analysis

[6] Georgia Statistics System, Georgia County Guide, and The University of Georgia

Note: Personal income information is a total for the year

City of Newnan, Georgia
Principal Employers
Current and Five Years Ago

2004 Employers	2009 Employers
ACS Business Process Solutions, Inc.	Cargill Meat Solutions
Capital Products Corporation	Coweta County, Georgia
Coweta County School System	Georgia Power
Coweta County, Georgia	Kmart Distribution Center
Eckerd Drugs	Newnan Hospital
Excel Corporation	Relyco Securities Resources
Georgia Power	Rite Aid
Newnan Hospital	Wal-Mart Supercenter
Wal-Mart Associates, Inc.	William Bonnell Company, Inc.
Yamaha Motor Manufacturing	Yamaha Motor Manufacturing
Yokogawa Industrial Automation	Yokogawa Industrial Automation

Source: Georgia Department of Labor

Notes: Employers are listed in alphabetical order only and not ranked in any way.
Number of employees cannot be listed due to privacy issues.
Information available at county level only (Coweta County).
Information above is presented with a comparison to 2004; information for years prior to 2004 is unavailable.

City of Newnan, Georgia
Full-time Equivalent City Government Employees by Function/Program
Last Ten Years

Function/Program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government										
City Manager [2]	3	3	3	3	3	2	2	2	2	2
City Attorney	1	1	1	1	1	1	1	1	1	1
Administrative										
Finance [1]	0	0	0	4	4	4	4	5	5	5
City Clerk [1]	5	5	5	1	1	1	1	1	1	1
Human Resources	2	2	2	2	2	2	2	2	2	2
Information Technology	1	1	1	1	1	1	1	1	1	1
Public Information [2]	0	0	0	0	0	1	1	1	1	1
Municipal Court [3]	0	0	0	0	0	0	1	1	1	1
Public Safety										
Police										
Officers	62	64	66	66	65	69	71	75	75	75
Civilians	5	5	5	5	5	5	5	5	6	6
Administrative	3	3	3	3	3	3	3	3	3	3
Fire Department										
Firefighters	39	38	41	41	41	44	44	47	49	49
Administrative	1	1	1	1	1	1	1	1	1	1
Community Development										
Administration [4]	0	0	0	2	2	2	2	2	2	2
Planning & Zoning	3	3	3	3	3	3	3	3	3	3
Parks & ROW Beautification	10	10	10	10	10	10	13	14	14	14
Building Inspection	7	8	9	8	8	9	9	9	9	9
Building Maintenance	1	2	3	2	2	3	3	3	3	3
Public Works										
Administration [4]	0	0	0	1	2	2	2	2	2	2
Streets	13	15	15	14	16	21	23	23	23	22
Garage	6	6	6	6	6	6	6	6	6	6
Cemetery	8	8	8	8	8	8	8	8	8	8
Engineering	1	1	0	3	3	3	3	4	4	4
Other Services										
Carnegie Building [5]	0	0	0	0	0	0	0	0	0	2
Business Development & Main Street (& Special Events)	1	1	1	2	2	2	2	2	2	2
Sanitation [6]	39	40	42	42	0	0	0	0	0	0
Total	**211**	**217**	**225**	**229**	**189**	**203**	**211**	**221**	**224**	**225**

Source: Payroll records and Human Resources

Notes: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time equivalent employment is calculated by dividing total labor hours by 2,080.

(1) Finance Department established in 2002; split from City Clerk.
(2) Assistant to City Manager eliminated in 2005; PIO added.
(3) Added a Municipal Court Clerk in 2006.
(4) Function established in 2003.
(5) Building renovated & reopened in 2009.
(6) Sanitation privatized in 2003.

City of Newnan, Georgia
Operating Indicators by Function/Program
Last Ten Calendar Years

Function/Program	Calendar Year 2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government										
Occupational Tax Certificates Issued	1,450	1,518	1,551	1,618	1,709	1,792	1,951	2,122	2,186	1,819
Alcohol Licenses Issued	101	103	94	89	87	94	95	90	91	92
Property Tax Bills Issued	7,879	8,350	8,816	9,191	9,735	11,058	12,456	13,298	13,714	13,856
Community Development										
Building Permits Issued - Commercial	22	20	15	17	32	27	48	32	14	3
Building Permits Issued - Residential	309	610	566	643	799	1,023	802	350	188	69
Police										
Physical Arrests	571	563	577	602	599	625	615	631	698	804
Parking Violations	1,295	1,481	1,592	1,433	2,258	2,101	1,435	1,889	1,691	1,545
Traffic Violations	5,129	5,491	4,090	4,499	4,476	5,640	5,922	6,461	5,921	6,216
Fire										
Emergency Responses	736	1,187	1,837	2,201	2,253	2,231	1,858	2,415	3,308	2,631
Fires Extinguished	144	120	123	100	99	107	95	95	98	69
Public Works										
Streets Resurfaced (Miles)[1]										
-- Full Depth Reclamation (FDR)	-	-	-	-	-	-	-	1.0169	0.6750	3.6565
-- LARP Resurfacing	-	-	-	-	-	5.0000	2.3600	0.0000	2.5270	3.4750
-- Other Resurfacing	-	-	-	-	-	0.2400	0.0000	0.3500	0.6938	0.8269

Source: Various City Departments.

(1) Data not available prior to years shown.

City of Newnan, Georgia
Capital Asset Statistics by Function/Program
Last Ten Calendar Years

	Calendar Year									
Function/Program	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**
Police										
Stations	2	2	2	2	2	3	3	3	3	3
Patrol Cars	58	58	58	63	60	62	64	66	66	66
Fire										
Stations	2	2	2	2	2	2	2	3	3	3
Trucks	5	5	5	5	5	5	5	6	6	6
Fire Hydrants	1,159	1,259	1,387	1,462	1,711	1,857	1,937	1,963	1,963	1,964
Recreation										
Community Centers	0	0	0	0	0	0	0	0	0	1
Parks	8	8	8	8	8	8	8	9	10	10
Park Acreage	27	27	27	27	27	27	27	31	33	33
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Tennis Courts	4	4	4	4	4	4	4	4	4	4
Public Works										
Streets (miles)	N/A	N/A	136	143	155	168	177	182	185	185
Sidewalks (miles)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of Streets	407	440	452	484	527	586	624	641	651	651
Number of Streets Lights	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: Various City departments., Newnan Utilities

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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, 2009

Project	Original Estimated Cost	Current Estimated Cost	Expenditures: Prior Years Costs	Expenditures: Current Year	Expenditures: Total	Estimated Percentage of Completion
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	2,923,996	274,243	3,198,239	100%
Fire Station and Equipment	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	$ 15,313,856	$ 274,243	$ 15,588,099	

Note: The 1997 SPLOST was completed in the current year.

CITY OF NEWNAN, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS (2002)
FOR THE YEAR ENDED DECEMBER 31, 2009

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	$ 1,413,036	$ 1,328,149	$ 2,741,185	79%
Park acquisition and development	2,500,000	2,350,000	2,276,307	-	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	$ 7,944,872	$ 1,328,149	$ 9,273,021	

Note (1) During 2008, the City received a $150,000 endowment from an estate. During 2009, those funds were returned to the estate by the City. Therefore a difference exists between current year expenditures per the schedule above and expenditures per the financial statements.

CITY OF NEWNAN, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS (2007)
FOR THE YEAR ENDED DECEMBER 31, 2009

Project	Original Estimated Cost	Current Estimated Costs	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
Public Safety	$ 580,000	$ 580,000	$ -	$ 164,861	$ 164,861	28%
Information System	325,000	325,000	38,799	16,597	55,396	17%
Building Maintenances/Structure	6,650,000	6,650,000	615,450	195,398	810,848	12%
Parks and Recreation	1,200,000	1,200,000	55,390	33,503	88,893	7%
Streets	14,925,333	15,097,120	2,776,013	808,462	3,584,475	24%
Equipment	1,625,000	1,625,000	88,810	240,517	329,327	20%
Transfer to Water, Sewerage and Light Commission	4,820,063	4,820,063	1,586,092	659,712	2,245,804	47%
	$ 30,125,396	$ 30,297,183	$ 5,160,554	$ 2,119,050	$ 7,279,604	

CLHP CLIFTON, LIPFORD, HARDISON & PARKER, LLC

J. Russell Lipford, Jr., CPA
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Member of
American Institute of
Certified Public Accountants
Truman W. Clifton (1902-1989)

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 May 11, 2010. 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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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*.

We noted certain matters that we reported to management of the City of Newnan, Georgia in a separate letter dated May 11, 2010.

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
May 11, 2010