# CITY OF NEWNAN, GEORGIA

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

## FOR THE YEAR ENDED
## DECEMBER 31, 2010

## PREPARED BY: DEPARTMENT OF FINANCE

CITY OF NEWNAN, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2010

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# INTRODUCTORY SECTION

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Newnan
GEORGIA • 1828 • CITY OF HOMES

# City of Newnan, Georgia
**Finance Department**

June 8, 2011

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, 2010. 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, 2010 are fairly represented in conformity with GAAP. The independent auditor's report is the first component of the financial section of this report.

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The independent audit of financial statements of the City is sometimes part of a broader, federal and state mandated "single audit" designed to meet the special needs of federal and state grantor agencies. The standards governing single audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on the administration of federal and state awards. A single audit was necessary in 2010. The requirement for a single audit is the expense of $500,000 or more in federal funds. The City was the recipient of a Neighborhood Stabilization Program grant in the amount of approximately $2.2 million, administered by the Georgia Department of Community Affairs. The City disbursed $1.8 million of the grant amount in 2010. Additionally, the City was awarded $53,550 in the form of a FEMA grant for firefighters and approximately $2.1 million was received through Department of Treasury disbursements for confiscated assets. The information related to the single audit is included in a separately issued single audit report.

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 238 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, beginning with a zero-based budget, to the City Manager on or about August 15th. The City Manager utilizes these requests to develop a starting point for the proposed operating budget. The proposed budget is presented to the City Council

for review prior to November 20th. The Council is required to hold a public hearing on the proposed budget, which is typically done mid-December, after all budget work sessions with Council are completed but before adoption of the proposed budget by Council. The annual budget is presented by Fund, Function and Department. Budget to actual comparisons are provided in this report for each individual fund for which an appropriated budget has been adopted. For the general fund, this comparison extends to the department level. Budget to actual comparisons for all governmental funds are presented in the other Required Supplementary Information (RSI) section of the financial statements. The legal level of budgetary control is at the department level.

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 2010, 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. The 2010 census indicates that the population for the City of Newnan has grown from 16,242 residents in 2000 to 33,039 residents in 2010, representing a 103% increase for the 10-year period. 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.

The City is very financially stable. Targeted fund balance is 50% of budgeted expenditures. At the end of 2010, unreserved fund balance equaled approximately 89% of 2011 budgeted expenditures. This percentage has remained fairly constant over the years. Based on the excellent management of resources, assets and expenditures and a very healthy fund balance, the City is well prepared to continue operations at the prescribed service levels in spite of the current economy.

The City has a long history of operating within the annual adopted budget levels. Expenditures are controlled at the department level and budget amendments are rare. Therefore, fund balance typically remains constant or increases slightly each year.

## *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 2011.

## *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. The City has operated debt-free for many years and has no plans to utilize debt to purchase assets. 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. In 2010, the City contributed $1,003,960 to the plan on behalf of its employees, compared to the 2009 contribution of $858,970. 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 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 pays 84.9% of the cost of health insurance for employees choosing family coverage, along with 100% of their life insurance costs. The City's contributions for employee health insurance increased by 6.8% in 2010, from $1,714,530 in 2009 to $1,831,593 in 2010. 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 3% for 2011; 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

## *2010 Accomplishments*

During fiscal year 2010, 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, the City's 21st consecutive award!
- Received the GFOA Certificate of Achievement for Excellence in Financial Reporting for the City's first Comprehensive Annual Financial Report (CAFR).
- Construction began on the widening of the Highway 34 Bypass by GDOT.
- Over $2 million was awarded to the Newnan Housing Authority and Newnan-Coweta Habitat for Humanity to acquire and rehabilitate housing for purchase by eligible recipients through the Neighborhood Stabilization Program offered by the Department of Community Affairs.
- Completed and approved the construction and right-of-way plans for the second phase of the Greenville Street Corridor Improvement project and the conceptual plan for the Jefferson/Jackson Corridor Improvement project.
- Sprayberry Road/US 29 Intersection Improvement construction plans were finalized.
- The City acquired a vacuum truck for storm water infrastructure maintenance and a sign truck for installation of signs and other traffic control devices.
- A new city-wide camera system was installed to assist public safety with crimes and prevention.
- Replaced several culverts, upgraded street signs, and continued improvements and renovations to the Public Works facility at Boone Drive.
- Opened the new pool and pool house at Lynch Park.
- Completed full depth reclamation and paving of various streets.
- The City completed milling and paving of Eastview Cemetery streets.
- Purchased two new dump trucks for the Street department and six new vehicles for Public Safety.

## *Strategic Financial Planning*

The City of Newnan has initiated processes to provide for the future and plan for services, programs and facilities to meet the needs of the citizens, visitors and businesses in the community. The most current budget process addresses both revenues and expenditures for its operating programs for the current year. The five-year capital plan is developed to address future needs and project financial trends in order to plan for the long-term needs of the City including personnel, equipment, facilities, operations and maintenance. This program establishes a continuing five-year look at facility and equipment needs. The City also maintains a twenty year Comprehensive Plan which provides a review of the issues and opportunities that will affect the future of the City, delineates and discusses character areas and areas of special concern, and provides a detailed analysis of existing conditions as well as future projections.

Financial Analysis and Planning is essentially a process to assess the future and determine what the needs of the City will be in the future years. The Mayor and City Council have recognized the need for this type of planning effort, which will in turn provide the roadmap for future budgeting and capital planning efforts. Such a plan provides guidance to the legislative and administrative arms of city government, but also provides a guideline for residents and businesses of the community to act upon in the development of private programs and services.

# AWARDS AND ACKNOWLEDGEMENTS

## *GFOA Certificate of Achievement for Excellence in Financial Reporting*

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Newnan for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2009. This was the first year that the government had prepared a CAFR. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

## *GFOA Distinguished Budget Presentation Award*

The City of Newnan was awarded, for the twenty-first consecutive year, the Government Finance Officers Association of the United States "Distinguished Budget Presentation Award" for its 2010 budget document. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide and a communications device. Additionally, we have submitted our 2011 Budget document to GFOA for consideration of this award.


GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished Budget Presentation Award*

PRESENTED TO

City of Newnan

Georgia

For the Fiscal Year Beginning

January 1, 2009

## *Acknowledgements*

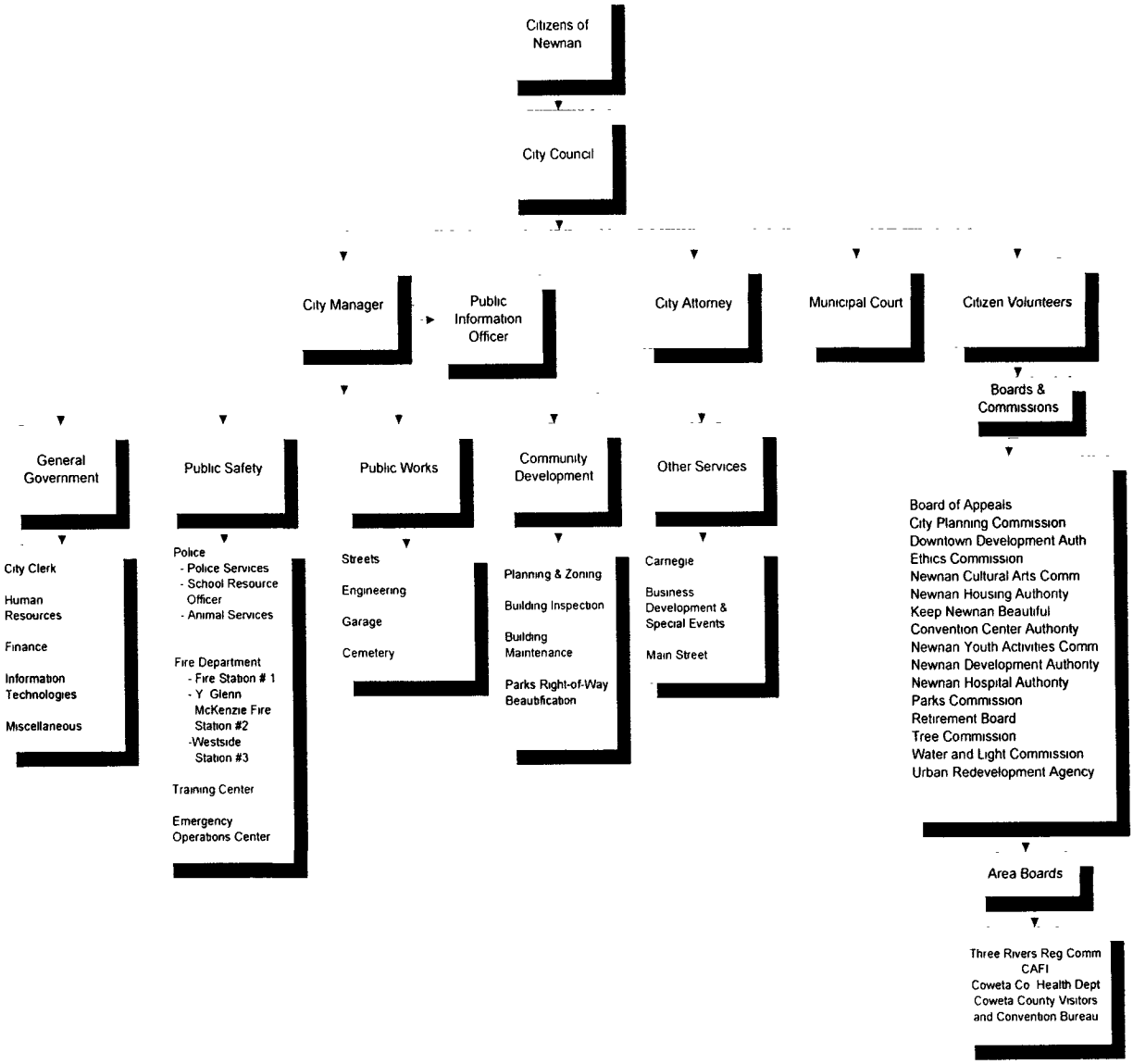
The timely preparation and publication of this Comprehensive Annual Financial Report represents significant effort and accomplishment by the Finance department, as well as the cooperation and assistance of other City of Newnan departments and employees. The independent audit firm of Clifton, Lipford, 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 staff: 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

Katrina Cline
Finance Director, City of Newnan

# CITY OF NEWNAN ORGANIZATION CHART




25 LaGrange Street, Newnan, Georgia 30263
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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 |

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

# City of Newnan

# Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.




President

Executive Director

# 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, 2010, 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, 2010, and the respective changes in financial position, and the respective budgetary comparison for the General Fund, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.



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In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2011 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 13 through 25 and the schedule of funding progress on page 55 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 accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of *States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of the City of Newnan, Georgia. The combining and individual nonmajor fund financial statements, and the schedules of projects constructed with special purpose local option sales tax and the schedule of expenditures of federal awards 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
June 8, 2011

# 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, 2010. 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.

**2010 Financial Highlights**

- The assets of the City of Newnan exceeded its liabilities by $143,727,282 (net assets) at the close of the calendar year reported.

- The government's total net assets increased by $4,716,859, or 3.4%. Total capital outlay for 2010 was $2,712,177, with depreciation expenses of $3,054,178. Please see page 26 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 $110,991,843, includes property and equipment, net of accumulated depreciation.
  (2) Net assets of $16,917,262 are restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
  (3) Unrestricted net assets of $15,818,177 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 $32,721,229 this year. This compares to the prior year combined ending fund balances of $27,954,634, showing an increase of $4,766,595, or 17.1%, during the current year. The Unreserved fund balance of $15,725,307 for calendar year 2010 shows a $1,589,794 increase when compared to the prior year. This equates to a 11.2% increase in Unreserved fund balance.

- At the end of the current calendar year, fund balance for the General Fund totaled $14,872,441, which was a 10.6% increase from 2009. Unreserved fund balance for the General Fund was $14,746,505, or 98% of total General Fund expenditures of $15,049,563. In comparison, the General Fund Unreserved fund balance for 2009 was 76.02% 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 $518,633.

- Overall, the City continues to maintain a strong financial position. The ratio of current assets to current liabilities is 33.7 to 1, down from 45.1 to 1 in 2009. This decrease in ratio is mainly attributed to the increase in current liabilities.

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 26 and 27 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.

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

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

The City of Newnan adopts an annual appropriated budget for the general fund and all special revenue funds. Budgets are prepared for the capital project funds on a project basis, which usually covers two or more years. Fiduciary funds do not have budgets. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements are presented on pages 28 to 33 of this report.

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

***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting method used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found on page 34 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 35 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 74.

**Financial Analysis of the City as a Whole**

The City's net assets at calendar year-end are $143.727.282. The largest portion of the City's net assets (77%) reflects its investment in capital assets, net of any related debt used to acquire the assets. The following table provides a summary of the City's net assets.

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 33.7 to 1, which is strong. The ratio for 2009 was 45.1 to 1. Current liabilities increased by 57.2%, mostly in accounts payable.

## Summary of Net Assets

| | FY 2009 | | FY 2010 | | Increase / (Decrease) from 2009 | % Increase / (Decrease) from 2009 |
|---|---|---|---|---|---|---|
| | Governmental Activities | Percentage of Total | Governmental Activities | Percentage of Total | | |
| Assets: | | | | | | |
| Current assets | $ 29.132.214 | 21% | $ 34.268.357 | 24% | $ 5.136.143 | 17.6% |
| Capital assets | 111.049.663 | 79% | 110.991.843 | 76% | (57,820) | -0.1% |
| Other Assets | - | N/A | 1.466 | 0% | 1.466 | 0.0% |
| **Total assets** | **140,181,877** | **100%** | **145,261,666** | **100%** | **5,079,789** | **3.6%** |
| Liabilities: | | | | | | |
| Current liabilities | 646.138 | 55% | 1.015.751 | 66% | 369.613 | 57.2% |
| Long-term liabilities | 525.316 | 45% | 518,633 | 34% | (6,683) | -1.3% |
| **Total Liabilities** | **1,171,454** | **100%** | **1,534,384** | **100%** | **362,930** | **31.0%** |
| Net assets: | | | | | | |
| Invested in capital assets, net of debt | 111.049.663 | 80% | 110.991.843 | 77% | (57.820) | -0.1% |
| Restricted | 12.341.221 | 9% | 16.917.262 | 12% | 4.576.041 | 37.1% |
| Unrestricted | 15,619.539 | 11% | 15.818.177 | 11% | 198.638 | 1.3% |
| **Total Net Assets** | **$ 139,010,423** | **100%** | **$ 143,727,282** | **100%** | **$ 4,716,859** | **3.4%** |

The City reported positive balances in the net assets; the same held true for the prior calendar year. Total assets increased by 3.6% over 2009, while the City's liabilities increased by 31.0%. Current assets increased by 17.6% during 2010 due to an increase in cash and investments of approximately $4.9 million. The majority of current liability increases are attributed to an increase in Accounts Payable of $340,628. Overall, total net assets increased by 3.4%, which is a good indication of the City's overall financial position.

Note that approximately 77% 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**

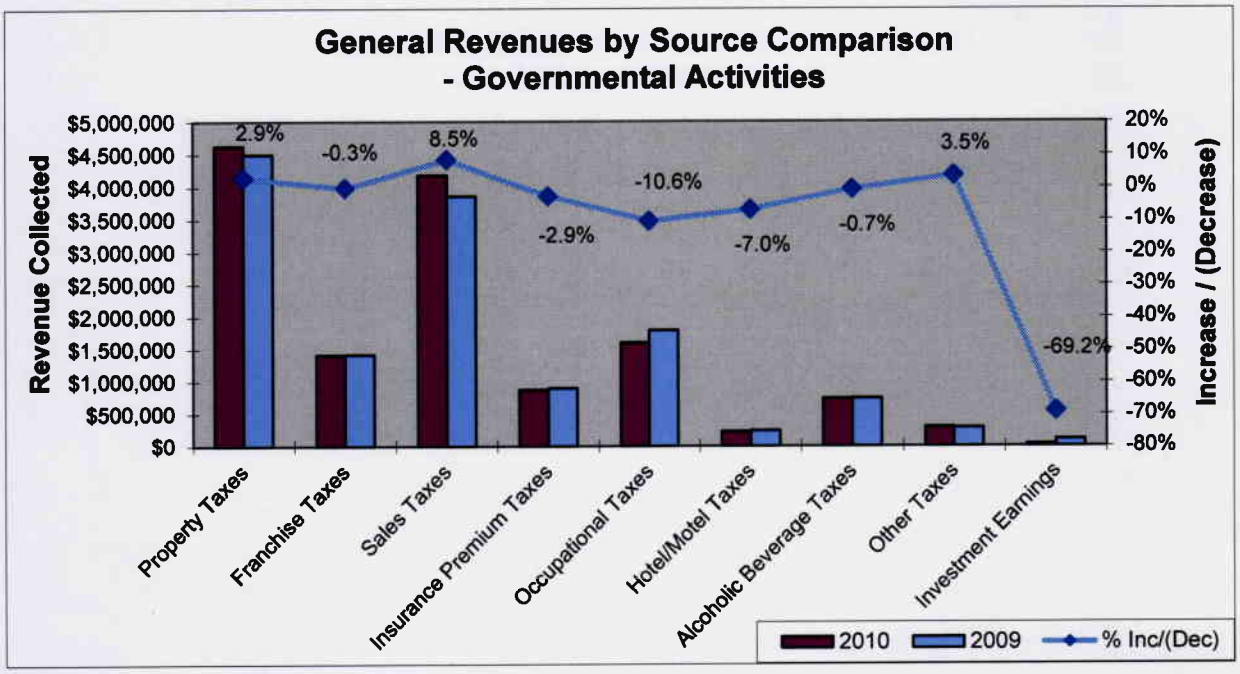
Governmental Activities increased the City of Newnan's net assets by $4,716,859. Key elements of this increase are as follows:

**City of Newnan's Changes in Net Assets**

| | Fiscal Year 2009 | | | Fiscal Year 2010 | | |
|---|---|---|---|---|---|---|
| | Governmental Activities | Total | Percentage of Total | Governmental Activities | Total | Percentage of Total |
| Revenues: | | | | | | |
| Program: | | | | | | |
| Charges for services | $ 2,979,251 | $ 2,979,251 | 14.1% | $ 5,073,045 | $ 5,073,045 | 19.5% |
| Operating grants | 96,152 | 96,152 | 0.5% | - | - | 0.0% |
| Capital grants | 4,260,001 | 4,260,001 | 20.1% | 6,970,299 | 6,970,299 | 26.8% |
| Total Program Revenues: | 7,335,404 | 7,335,404 | 34.6% | 12,043,344 | 12,043,344 | 46.2% |
| General: | | | | | | |
| Taxes | 13,743,826 | 13,743,826 | 64.9% | 13,966,940 | 13,966,940 | 53.6% |
| Other | 105,671 | 105,671 | 0.5% | 32,524 | 32,524 | 0.1% |
| Total General Revenues: | 13,849,497 | 13,849,497 | 65.4% | 13,999,464 | 13,999,464 | 53.8% |
| Total Revenues: | 21,184,901 | 21,184,901 | 100.0% | 26,042,808 | 26,042,808 | 100.0% |
| Program Expenses: | | | | | | |
| General government | 2,771,020 | 2,771,020 | 14.4% | 4,360,012 | 4,360,012 | 20.4% |
| Tourist development | 9,304 | 9,304 | 0.0% | 3,691 | 3,691 | 0.0% |
| Public safety | 9,272,838 | 9,272,838 | 48.2% | 9,634,856 | 9,634,856 | 45.2% |
| Public works | 4,679,400 | 4,679,400 | 24.3% | 4,723,863 | 4,723,863 | 22.2% |
| Community Development | 2,505,682 | 2,505,682 | 13.0% | 2,603,527 | 2,603,527 | 12.2% |
| Total Expenses: | 19,238,244 | 19,238,244 | 100.0% | 21,325,949 | 21,325,949 | 100.0% |
| Change in net assets | 1,946,657 | 1,946,657 | | 4,716,859 | 4,716,859 | |
| Beginning net assets | 137,063,766 | 137,063,766 | | 139,010,423 | 139,010,423 | |
| Ending net assets | $ 139,010,423 | $ 139,010,423 | | $ 143,727,282 | $ 143,727,282 | |

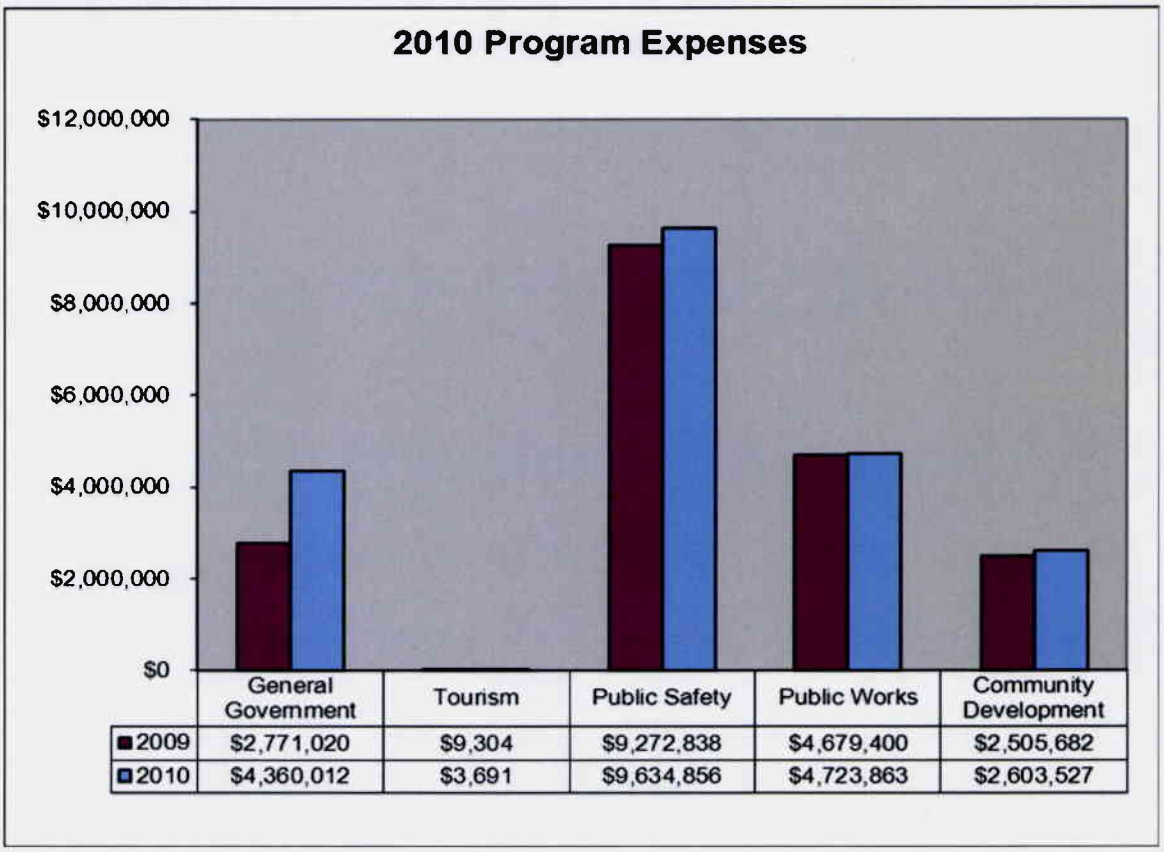
Program revenues represent 46.2% of total revenues in 2010, which is an 11.6% increase over 2009. One of the most significant changes from 2009 to 2010 related to Charges for Services, where revenues increased by $2,093,794, or 70.3%. This increase is directly attributed to the receipt of $2,129,542 in confiscated assets revenue. Additionally, Capital Grant revenues increased by $2,710,298, mainly due to the receipt of NSP (Neighbor Stabilization Program) Grant Funds totaling $1,827,754 and a miscellaneous grant for the Fire Department totaling $53,550. SPLOST 2007 revenue (classified as intergovernmental) also increased by $346,136 in 2010.

General Revenues make up 53.8% of total receipts, almost all of which is taxes, down from 65.4% in 2009. General revenues increased by only $149,967 for 2010. Notice that taxes collected as a percentage of general revenues increased by 2.9% during 2010, which was about $129,000. Additionally, Local Option Sales Taxes (LOST) were up by $326,782 from 2009. Offsetting those increases, however, was a decrease in Occupational Tax of 10.6%, or $189,857. Other General Revenues, which consists entirely of interest on investments, decreased by 69.2%, or $73,147, when compared to 2009. These changes in revenues are indicative of the general economy in Newnan and nationally. Our population is still increasing, but commercial growth is still slow. The 2000 census showed Newnan's population to be 16,242. The 2010 census showed that Newnan had grown to 33,039 people, an increase of 104%. We expect to see some improvements to revenue during 2011 due to changes in the population and local economy in both the commercial and residential sectors.




Program Expenses increased by 10.85 %, or $2,087,704, in 2010. The increase in General Government expenditures of $1,588,992 is attributed to NSP Grant expenditures in the amount of $1,827,754. Most other functions remained fairly consistent with 2009.

| Program Expenses | | | | | | |
|---|---|---|---|---|---|---|
| | General Government | Tourism | Public Safety | Public Works | Community Development | Total |
| 2009 | $2,771,020 | $9,304 | $9,272,838 | $4,679,400 | $2,505,682 | $19,238,244 |
| 2010 | $4,360,012 | $3,691 | $9,634,856 | $4,723,863 | $2,603,527 | $21,325,949 |
| Variance | $1,588,992 | $(5,613) | $362,018 | $44,463 | $97,845 | $2,087,705 |
| **% Change** | **57.34%** | **-60.33%** | **3.90%** | **0.95%** | **3.90%** | **10.85%** |




| | General Government | Tourism | Public Safety | Public Works | Community Development |
|---|---|---|---|---|---|
| 2009 | $2,771,020 | $9,304 | $9,272,838 | $4,679,400 | $2,505,682 |
| 2010 | $4,360,012 | $3,691 | $9,634,856 | $4,723,863 | $2,603,527 |

## 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 $4.6 million of revenues, or 33.1% of the total. The City realized approximately $129,000 more in 2010, due to diligent and aggressive collection of delinquent taxes. Sales tax, the second largest general revenue source, provided 29.9% of the City's total general revenues in 2010; by comparison, in 2009 sales taxes provided 27.9%. There was an 8.47% increase, or $326,782, in sales tax collections in 2010.

Occupational taxes are the third largest general revenue source, producing $1,603,104 in 2010, down from $1,792,961 in 2009 mainly due to the economy. Due to declining interest rates, the City only earned $32,524 in interest on investments in 2010 to support governmental activities. In 2009, by comparison, the City earned $105,671. For 2010, $22,885 of interest revenue was included in program revenues rather than general revenues. Therefore, total 2010 earnings reflect a 47.6% decrease, or a $50,262 reduction, in revenue. Overall, taxes made up 99.8% of the total general revenues for 2010. Taxes made up 99.2% of total general revenues in 2009, when investment earnings were slightly higher.

Program revenues (excluding capital revenues) covered 23.8% of governmental operating expenses, up from 16% in 2009. This means that the government's taxpayers and the City's other general revenues funded about 76.2% of the governmental activities in 2010, as compared to 84% in 2009. As a result, one can see how the general economy has a major impact on the City's revenue streams. Receipt of approximately $2.2 million in confiscated assets contributed to the increase in program revenues.

## GOVERNMENTAL FUNCTIONAL EXPENSES

Overall, costs for Governmental Activities increased by about 10.9% during 2010, up from $19,238,244 in 2009. However, the City shows a total cost of $9,282,605 for these services, as compared to 2009 where the same services showed a total cost to the City of $11,902,840. The dependence upon property and sales tax receipts is apparent as over 62% 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.

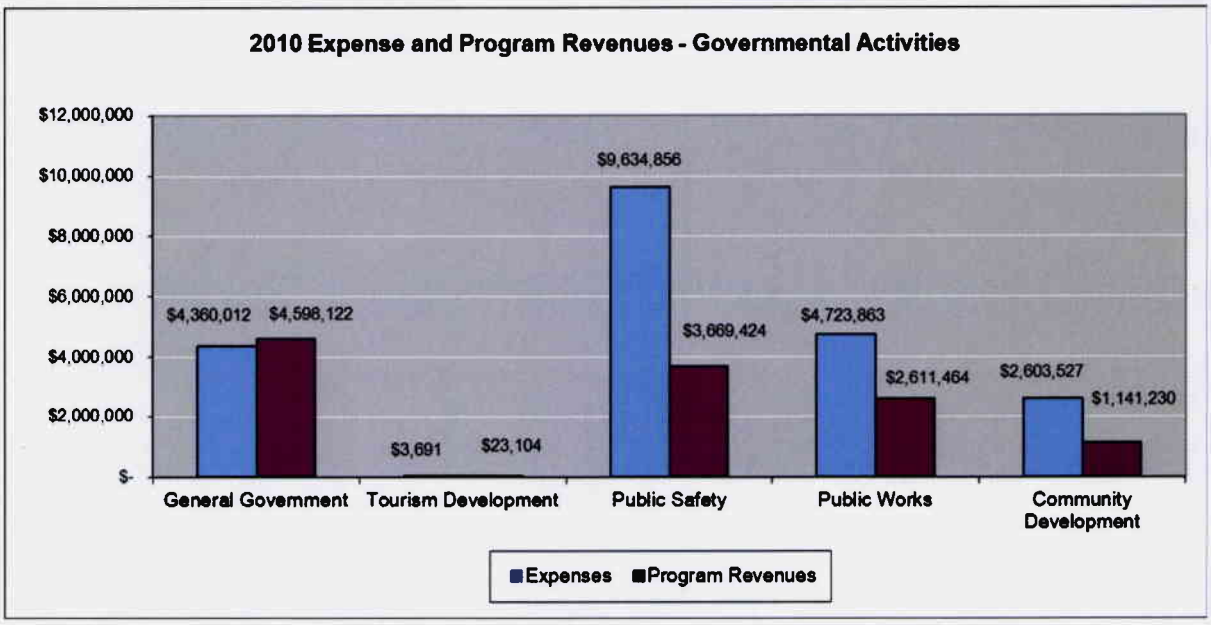
Public Safety function expenses are 45.2% of total governmental activities expenses. For 2009, Public Safety made up 48.2% of the total. Public Works makes up over 22%, Community Development is 12%, and General Government is over 20% of the total, as compared to 14.4% last year. General Government showed the only significant increase over 2009, with a 57.3% increase due to the NSP Grant expenses of $1,827,754. All other functions, except Tourism, showed a slight increase over 2009. Please note that Other Services combined with Community Development in 2010.

The table below presents the cost of each of the City's programs, including the net costs (i.e., total cost less revenue generated by the activities). The net cost / benefit column illustrate the financial burden placed on the City's taxpayers by each of these functions. As shown, only Tourism and General Government covered 100% of their costs in 2010. The same was true in 2009. All other functions covered only a percentage of the costs required to provide services.

### Governmental Activities

| | Total Cost of Services | % of Total | Net (Cost)/ Benefit of Services | % of Costs Covered |
|---|---|---|---|---|
| General Government | $ 4,360,012 | 20.44% | $ 238,110 | 105.46% |
| Tourist Development | 3,691 | 0.02% | 19,413 | 625.96% |
| Public Safety | 9,634,856 | 45.18% | (5,965,432) | 38.08% |
| Public Works | 4,723,863 | 22.15% | (2,112,399) | 55.28% |
| Community Development | 2,603,527 | 12.21% | (1,462,297) | 43.83% |
| Total | $ 21,325,949 | 100.00% | $ (9,282,605) | |

Public Safety function's program revenues covered 38.08% of its total costs, up from 13.82% in 2009. This was due to the receipt of $2.2 million in confiscated asset funds for 2010. The Public Works function revenues covered approximately 55% of its total costs versus 42% in 2009. An additional $300,000 was allocated to Public Works program revenue through SPLOST revenues in 2010. Additionally, Community Development function revenues covered about 44% of its total costs, up from 23% in 2009, with an additional $500,000 in SPLOST revenues allocated in 2010 as the contributing factor. The increase in percentage of costs covered by most functions indicates that the rate of growth the City was experiencing in recent years has started to improve.




## Financial Analysis of the City's Funds

### *Governmental Funds*

As discussed, we report governmental funds in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of $32,721,229, an increase of 17.1% over the 2009 ending balance of $27,954,634. Of this 2010 year-end total, $15,725,307 is unreserved indicating availability for continuing City service requirements. Therefore, unreserved fund balances increased by 11.2%, or $1,589,794, which is mainly due to the increase of $1.4 million in the General Fund unreserved balance for 2010 as a result of operations.

Legally restricted fund balances (i.e., the reserved fund balances) included $629,967 for program purposes such as the Cultural Arts Commission, Downtown Economic Development, Tourism and the Veteran's Memorial. Additionally, $14,553,699 was committed to capital outlays and almost $1.7 million was committed to Public Safety expenditures via Confiscated Assets. The total reserved fund balance at the end of 2010 was $16,995,922, which reflects a 23.0% increase from 2009's reserved fund balance of $13,819,121. Growth in Confiscated Assets and SPLOST 2007 fund balances 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 increased from $13,450,930 to $14,872,441, which is an 10.6% increase from 2009. As indicated, 99.2% ($14,746,505) of this balance is unreserved and available for continuing City services at the designated levels, which is consistent with 2009 at 99%. This balance is considered very adequate, representing the equivalent of 98% of annual expenditures. In comparison, the ending fund balance for 2009 represented 76.8% of annual expenditures. The increase is attributed to very tight expenditure control and diligent revenue collections. The primary use of fund balance is to cover cash flow deficiencies during the year. During 2010, unreserved fund balance increased by approximately $1.4 million, with revenues totaling $16.8 million and expenditures totaling only $15.4 million, including transfers.

The Impact Fee Fund's ending balance was up from calendar year 2009 by $194,233, or approximately 10.9%. Ending fund balance was $1,977,603. This fund was established near the end of 2004 to account for impact fees collected by the City of Newnan. The funds have accumulated to cover estimated project expenditures as they occur, since the City operates debt-free. 2009 expenditures of $13,089 for intersection improvements was recorded. 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 balance decreased by 13.6%, or $531,008, as compared to 2009. The ending fund balance for 2010 was $3,378,439. 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 $7,576 for 2010 for this fund and expenditures of $538,584 related mostly to street and sidewalk maintenance and improvements. 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 $9,197,657. This is an increase of 29.5% over 2009, which ended with $7,105,007. Sales tax collected in 2010 was $4,469,337 and interest on investments was $15,309. These amounts represented an 8.4% (or $346,136) increase in sales tax revenues and a 33.4% (or $7,687) reduction in interest earnings when compared to 2009. Sales tax and interest collected is a reflection of the current economic conditions in Newnan.

SPLOST 2007 expenditures of $2,391,996 included a new vacuum truck and new dump truck for the Street department, resurfacing of Eastview Cemetery streets, a new pool and pool house at Lynch Park, and various street and intersection improvements. Remaining balances carry over to next year for budgeting purposes. Approved capital projects for this fund included a VOIP Phone System, new computers and upgrades, Parks Master Plan, new playground equipment, new park development, various street cleaning equipment, new addition to City Hall, new Oak Hill Cemetery Office building, improvements to City shop, new pool and pool house at Lynch Park, Carnegie Library renovation, new roofs for the Wesley Street Gym and Wadsworth Auditorium, new recreation center, and approximately $15 million in street and road improvements in the City.

***Revenue Category Comparisons***

**Property Tax Revenues**
Property tax revenue collections increased 2.9% over that of calendar year 2009. The 2009 digest was $1,109,343,983, decreasing to $1,104,459,815 in 2010, which is a 0.4% decrease. Property valuation reassessments reduced the 2010 digest by approximately $17.9 million. However, additions and other changes to the digest resulted in an increase of approximately $13 million in real property valuation, resulting in a net decrease to the digest. The City's millage rate increased from 4.32 mills per thousand in 2009 to 4.39 mills per thousand dollars of assessed value in 2010 to reflect these changes. Additionally, the City aggressively pursued collection of delinquent taxes.

**Local Option Sales Taxes**
Local option sales tax revenue actually increased by 8.47% when compared to calendar year 2009, from $3,860,258 to $4,187,040. 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 $672,918 increase, or 8.4%, from 2009. The total generated in 2010 for all sales tax was $8,656,377 as compared to $7,983,459 in 2009. 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 10.6%, or $189,857, when compared to 2009. This decrease is related to the slowing commercial growth in the City and reduced gross receipts reported for the businesses. The 2000 census population for the City of Newnan was 16,242; the estimated 2010 population for the City is 33,039. This represents an approximate 103.4% increase in population in the last ten years! Therefore, the sluggish economy during 2010 was offset somewhat by the growth in population, which is continuing. The City expects to see an increase in those taxes which are tied to the population, such as insurance premiums, in future years.

**Franchise (Excise) Taxes**
Franchise tax collections decreased by 0.3% during 2010, from $1,420,597 to $1,416,636. Collection of excise taxes was basically consistent with 2009.

**Hotel/Motel Taxes**
Hotel/Motel tax collections for 2010 were $223,694. In 2009, we recorded collections of $240,642, showing a reduction of $16,948, or 7.0%. The sluggish economy contributed to the decrease in occupancy rates during 2010.

**Interest Earned on Investments**
Interest on Investments (General Fund only) decreased by $22,215 in 2010, from $46,219 to $24,004, which is a 48.1% decrease when compared to 2009. Overall, all funds included, interest on investments decreased by $50,262 in 2010, which was a 47.6% decrease from 2009. Interest earnings have drastically reduced due to the state of the general economy. We do not expect to see any increased revenue from interest earnings in the next year.

**Licenses and Permits Revenue**
Building permits made up 58.9% of the total revenues for this category in 2010, slightly down from 59.2% in 2009. Building permit revenues increased by 2.8% in 2010; going from $259,895 to $267,248. Building permit valuations, residential and commercial combined, increased by 26.6% during 2010, from approximately $45 million in 2009 to about $57 million in 2010. The increase in building permit revenues is an indication of the economy in Newnan as it relates to housing and real estate investments. The City is starting to see an increase in the number of permits issued, however, growth remains slow.

Alcoholic beverage licenses made up the remaining 41.1% of revenues for this category. This revenue stream was consistent with 2009 at approximately $186,355, showing only a 4% increase. This revenue stream has remained stable over the years.

**Fines & Forfeitures Revenue**
Police Fines decreased by 9.8%, or $67,730, from 2009; down from $691,911 to $624,181 in 2010. Collections of police fines levied is lagging behind. The City of Newnan is pursuing more aggressive collection measures, including assigning a staff person to assist specifically with collections of police fines in the future.

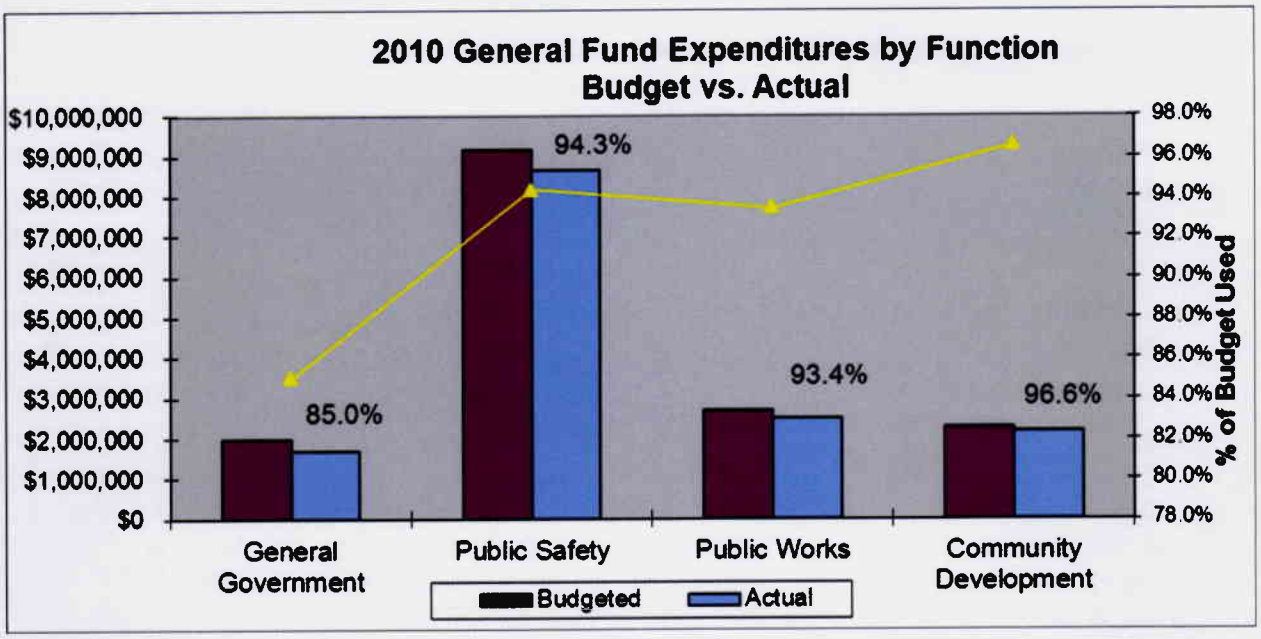
## Budgetary Highlights

***The General Fund*** – The 2010 revenue budget for the General Fund was $16,240,120, excluding a projected transfer in from the Tourism Fund of $150,000, representing 60% of budgeted hotel/motel tax collections retained by the General Fund. Actual revenue collections were $16,638,383, or 102.4% of budgeted collections. The actual transfer in from the Tourism fund was $134,216. Staff has been very aggressive in delinquent revenue collections, with an overall 98.5% collection rate for property taxes.

The 2010 expenditure budget for the General Fund was $16,121,717, excluding a $219,000 transfer to the Capital Equipment Fund and a $100,000 transfer to the Street Fund. Actual expenditures for 2010 were $15,049,563, or only 93.3% of the budgeted amount. Expenditures were tightly controlled and departmental budgeted levels maintained. The General Fund expenditure budget was amended to include an additional $50,597, mostly for municipal court operations. The charts below show a breakdown of the 2010 General Fund budgeted versus actual expenditures.

**2010 General Fund Expenditures by Function**
**(excluding Interfund Transfers)**

| | Budgeted | Actual | % of Budget | Budget Less Actual Exp |
|---|---|---|---|---|
| General Government | $ 1,994,867 | $ 1,695,495 | 85.0% | $ 299,372 |
| Public Safety | 9,179,325 | 8,660,439 | 94.3% | 518,886 |
| Public Works | 2,684,987 | 2,508,479 | 93.4% | 176,508 |
| Community Development | 2,262,538 | 2,184,725 | 96.6% | 77,813 |
| | $ 16,121,717 | $ 15,049,138 | 93.3% | $ 1,072,579 |




## 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, 2010, was $110,991,843, down slightly from 2009. The total decrease in this net investment was 0.1% for governmental activities. Construction in progress decreased by 10.1% due to the capitalization of several large projects, thus the increase in Buildings and Parks and Accumulated Depreciation. Depreciation is calculated based on the actual acquisition date of the asset. Readers who desire more detailed information on capital asset activity during 2010 may refer page 44 of this report. The table below provides a summary of capital asset activity.

Major capital asset items acquired during the current calendar year included the following.

- Two new dump trucks and a vacuum truck for the Street department.
- Six new vehicles for Public Safety.
- Accepted land and road contributions for McIntosh Parkway valued at $281,912.
- Added diesel exhaust removal systems to fire trucks.
- Added a controlled access lock system to the Public Safety Facility.
- Upgraded the CCTV camera monitoring system for the Police department.

Additionally, there were several projects under construction as of December 31, 2010, including a new convention center, Greenville Streetscapes Phase II, Jefferson/Jackson Corridor improvements, Jackson/Roscoe Road Intersection improvements, City shop improvements, and various other street and sidewalk improvement projects. Construction in progress project expenses are capitalized in full upon completion. The total construction in progress (CIP) at December 31, 2010 was $2,397,616.

## City of Newnan's Capital Assets

| | Governmental Activities | | Total | | |
|---|---|---|---|---|---|
| | 2010 | 2009 | 2010 | 2009 | Increase/ Decrease % |
| Non-depreciable assets: | | | | | |
| Land | $ 19,925,697 | $ 19,858,435 | $ 19,925,697 | $ 19,858,435 | 0.3% |
| Construction in progress | 2,397,615 | 2,668,439 | 2,397,615 | 2,668,439 | -10.1% |
| Total non-depreciable | 22,323,312 | 22,526,874 | 22,323,312 | 22,526,874 | -0.9% |
| Depreciable assets: | | | | | |
| Buildings and Parks | 18,973,361 | 18,001,375 | 18,973,361 | 18,001,375 | 5.4% |
| Other improvements | 7,820,421 | 7,820,421 | 7,820,421 | 7,820,421 | 0.0% |
| Machinery and equipment | 9,339,020 | 9,232,592 | 9,339,020 | 9,232,592 | 1.2% |
| Infrastructure | 77,454,463 | 75,831,365 | 77,454,463 | 75,831,365 | 2.1% |
| Total depreciable assets | 113,587,265 | 110,885,753 | 113,587,265 | 110,885,753 | 2.4% |
| Less accumulated depreciation | 24,918,734 | 22,362,964 | 24,918,734 | 22,362,964 | 11.4% |
| Book value - depreciable assets | 88,668,531 | 88,522,789 | 88,668,531 | 88,522,789 | 0.2% |
| Percentage depreciated | 22% | 20% | 22% | 20% | 8.8% |
| **Book value - all assets** | **$ 110,991,843** | **$ 111,049,663** | **$ 110,991,843** | **$ 111,049,663** | **-0.1%** |

At December 31, 2010, the depreciable capital assets for governmental activities were 22% depreciated. This compares to 20% at December 31, 2009. 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 Lynch Park pool and pool house, full depth reclamation and paving of various streets, and milling and paving of East View Cemetery streets. The change in construction in progress was a decrease of $270,823 due to the completion of these and other projects.

***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 2010 amount payable totals $518,633, as compared to $525,316, at the end of 2009. Short-term debt (payable within one year) is $344,802, with the remaining $173,831 booked as long-term debt. Please refer to pages 46 to 48 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 sluggish economy. Fuel costs are rising again and interest earnings have remained stagnant over the past few years. Newnan continues to experience some growth in the commercial sector though and residential growth is slowly rebounding. The City is proactively managing resources and service strategies; infrastructure costs are being passed on to the developers to minimize the impact on the citizens of Newnan. Additionally, departments are charged with controlling expenditures based on budgeted amounts.

As this audit will show, the City's overall financial position improved during 2010. 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, 2010, Unreserved fund balance in the General Fund was $14,746,505. Next year's budgeted revenues are projected to be made up of Property Taxes (27.75%), Sales Taxes (26.41%), Excise (Franchise) Taxes (18.54%), Occupational Taxes and Alcohol Licenses (10.89%), with the remaining 16.41% 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 0.67%, from $16,390,120 in 2010 to $16,279,900, in 2011, including interfund transfers. The primary reason for the decrease is a shortfall of $118,000 in occupational tax revenues, which is closely tied to the general health of the economy. During the first quarter of 2011, we saw a slight increase in inspections and permits and are optimistic that growth is continuing, although at a slow rate. The City's population was 16,242 in 2000. The 2010 census showed a 103% increase; we now have 33,039 residents! Additionally, the new Cancer Treatment Centers of America hospital will have a significant and positive impact on the local economy; construction begins in May 2011.

Additionally, departmental expenditures decreased by $160,817, from $16,440,717 to 16,279,900. The following chart shows the major changes in budgeted expenditures from 2010 to 2011, along with 2010 actual expenditures. The most significant change was in salaries, where three (3) full-time vacant positions were deleted and one (1) part time position was added. Additionally, professional services was reduced by 15.5% due to a decrease in Municipal Court budgeted expenditures. The Capital Equipment Fund was eliminated for 2011, resulting in those purchases being budgeted within the General Fund. In the past, capital equipment acquisitions were funded through an interfund transfer from the General Fund to the Capital Equipment Fund.

**General Fund Budget and Expenditures by Use**

| Description | 2010 Adopted Budget | 2010 Actual Expenditures | 2011 Adopted Budget | 2010-2011 Budget Variance | 2010-2011 Budget % Change |
|---|---|---|---|---|---|
| Salaries | $ 9,234,319 | $ 8,931,707 | $ 9,132,414 | $ (101,905) | -1.10% |
| Benefits | 4,183,361 | 3,953,297 | 4,199,225 | 15,864 | 0.38% |
| Professional Services | 298,355 | 276,798 | 251,980 | (46,375) | -15.54% |
| Repairs and Maintenance | 182,930 | 158,896 | 182,614 | (316) | -0.17% |
| Bldg & Pers Liability Insurance | 453,448 | 252,266 | 435,078 | (18,370) | -4.05% |
| Communications | 129,064 | 130,533 | 139,422 | 10,358 | 8.03% |
| Electricity | 249,000 | 255,413 | 251,000 | 2,000 | 0.80% |
| Vehicle Fuel | 287,749 | 327,426 | 304,000 | 16,251 | 5.65% |
| Vehicle Maintenance & Repairs | 193,668 | 201,877 | 213,650 | 19,982 | 10.32% |
| Capital Equipment Purchases | - | - | 219,000 | 219,000 | N/A |

**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, 2010

| | Primary Government | Component Units | |
|---|---|---|---|
| | Governmental Activities | Water Sewerage and Light Commission | Downtown Development Authority |
| ASSETS | | | |
| Cash and cash equivalents | $ 28,334,494 | $ 2,960,867 | $ 19,656 |
| Investments | 3,610,867 | 26,102,012 | - |
| Receivables, net of allowance | 2,314,458 | 4,460,645 | 1,575 |
| Inventory | 8,538 | 2,001,486 | - |
| Prepaid items | - | 226,347 | - |
| Restricted assets | - | 5,897,355 | - |
| Capital assets not being depreciated: | | | |
| Land | 19,925,697 | 7,797,571 | - |
| Construction in progress | 2,397,615 | 2,287,979 | - |
| Capital assets net of accumulated depreciation: | | | |
| Buildings and parks | 14,125,781 | - | - |
| Structures, lines and improvements | - | 107,624,575 | - |
| Other improvements | 5,033,289 | - | - |
| Machinery and equipment | 3,349,573 | 4,728,752 | - |
| Infrastructure | 66,159,888 | - | - |
| Other assets: | | | |
| Net pension asset | 1,466 | - | - |
| Deferred compensation funding arrangements | - | 2,155,994 | - |
| Debt issue costs-unamortized | - | 650,250 | - |
| Total assets | 145,261,666 | 166,893,833 | 21,231 |
| LIABILITIES | | | |
| Accounts payable | 767,669 | 3,386,615 | 7,399 |
| Accrued expenses | 248,082 | 318,129 | - |
| Accrued interest payable | - | 656,882 | - |
| Customer deposits | - | 1,315,360 | - |
| Noncurrent liabilities: | | | |
| Due within one year | 344,802 | 1,132,862 | - |
| Due in more than one year | 173,831 | 37,623,484 | - |
| Total liabilities | 1,534,384 | 44,433,332 | 7,399 |
| NET ASSETS | | | |
| Invested in capital assets, net of related debt | 110,991,843 | 85,739,995 | - |
| Restricted for: | | | |
| Capital outlay | 14,553,699 | - | - |
| Capital improvements and debt service | - | 5,897,355 | - |
| Public safety | 1,686,320 | - | - |
| Program purposes | 677,243 | - | - |
| Unrestricted | 15,818,177 | 30,823,151 | 13,832 |
| Total net assets | $ 143,727,282 | $ 122,460,501 | $ 13,832 |

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, 2010

| 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 | Component Units: Water, Sewerage & Light Commission | Component Units: Downtown Development Authority |
|---|---|---|---|---|---|---|---|
| Primary Government: | | | | | | | |
| Governmental Activities | | | | | | | |
| General government | $ 4,360,012 | $ 1,863,821 | $ - | $ 2,734,301 | $ 238,110 | | |
| Tourism development | 3,691 | 23,104 | - | - | 19,413 | | |
| Public safety | 9,634,856 | 2,918,872 | - | 750,552 | (5,965,432) | | |
| Public works | 4,723,863 | - | - | 2,611,464 | (2,112,399) | | |
| Community development | 2,603,527 | 267,248 | - | 873,982 | (1,462,297) | | |
| Total governmental activities | $21,325,949 | $ 5,073,045 | $ - | $ 6,970,299 | (9,282,605) | | |
| Component Units | | | | | | | |
| Water, Sewerage & Light Commission | $44,562,171 | $ 44,396,519 | $ - | $ 1,796 | | $ (163,856) | $ - |
| Downtown Development Authority | 133,726 | 134,338 | - | - | | - | 612 |
| Total component units | $44,695,897 | $ 44,530,857 | $ - | $ 1,796 | | (163,856) | 612 |
| General revenues: | | | | | | | |
| Property taxes | | | | | 4,630,433 | - | - |
| Sales taxes | | | | | 4,187,040 | 723,258 | - |
| Occupational taxes | | | | | 1,603,104 | - | - |
| Franchise taxes | | | | | 1,416,636 | - | - |
| Insurance premium taxes | | | | | 874,336 | - | - |
| Hotel/Motel taxes | | | | | 223,694 | - | - |
| Alcoholic beverage taxes | | | | | 737,209 | - | - |
| Other taxes | | | | | 294,488 | - | - |
| Investment earnings | | | | | 32,524 | 396,603 | 38 |
| Total General Revenues | | | | | 13,999,464 | 1,119,861 | 38 |
| Change in net assets | | | | | 4,716,859 | 956,005 | 650 |
| Net assets - beginning of year | | | | | 139,010,423 | 121,504,496 | 13,182 |
| Net assets - ending of year | | | | | $ 143,727,282 | $ 122,460,501 | $ 13,832 |

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

CITY OF NEWNAN, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2010

| | General | Impact Fees | 2002 SPLOST | 2007 SPLOST | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|---|
| ASSETS | | | | | | |
| Cash and cash equivalents | $ 13,999,199 | $ 1,978,626 | $ 3,513,876 | $ 8,823,379 | $ 19,414 | $ 28,334,494 |
| Investments | 226,349 | - | - | - | 3,384,518 | 3,610,867 |
| Due from other funds | 31,164 | - | - | - | - | 31,164 |
| Taxes receivable | 683,939 | - | - | - | 51,941 | 735,880 |
| Intergovernmental | 407,477 | - | - | 735,443 | - | 1,142,920 |
| Other receivables | 435,658 | - | - | - | - | 435,658 |
| Inventories | 8,538 | - | - | - | - | 8,538 |
| Total assets | $ 15,792,324 | $ 1,978,626 | $ 3,513,876 | $ 9,558,822 | $ 3,455,873 | $ 34,299,521 |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | $ 154,270 | $ 1,023 | $ 135,437 | $ 361,165 | $ 115,774 | $ 767,669 |
| Accrued expenditures | 248,082 | - | - | - | - | 248,082 |
| Due to other funds | - | - | - | - | 31,164 | 31,164 |
| Deferred revenues | 517,531 | - | - | - | 13,846 | 531,377 |
| Total liabilities | 919,883 | 1,023 | 135,437 | 361,165 | 160,784 | 1,578,292 |
| Fund balances: | | | | | | |
| Reserved for: | | | | | | |
| Encumbrances | 70,122 | - | - | - | - | 70,122 |
| Inventories | 8,538 | - | - | - | - | 8,538 |
| Public safety | - | - | - | - | 1,686,320 | 1,686,320 |
| Program purposes | 47,276 | - | - | - | 629,967 | 677,243 |
| Capital outlay | - | 1,977,603 | 3,378,439 | 9,197,657 | - | 14,553,699 |
| Unreserved, designated for: | | | | | | |
| Capital outlay | 222,572 | - | - | - | - | 222,572 |
| Unreserved, reported in | | | | | | |
| General fund | 14,523,933 | - | - | - | - | 14,523,933 |
| Capital project funds | - | - | - | - | 978,802 | 978,802 |
| Total fund balances | 14,872,441 | 1,977,603 | 3,378,439 | 9,197,657 | 3,295,089 | 32,721,229 |
| Total liabilities and fund balances | $ 15,792,324 | $ 1,978,626 | $ 3,513,876 | $ 9,558,822 | $ 3,455,873 | $ 34,299,521 |

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, 2010

| | | |
|---|---|---|
| Total fund balances per balance sheet of governmental funds | | $ 32,721,229 |
| 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: | | |
| Net Pension Obligation | | |
| Net pension assets are not financial resources and therefore are not reported in the funds. | | 1,466 |
| Capital Assets | | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | | |
| Cost of the assets | $ 135,910,577 | |
| Accumulated depreciation | (24,918,734) | |
| | | 110,991,843 |
| 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. | | 531,377 |
| 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 | | (518,633) |
| Total net assets of governmental activities | | $ 143,727,282 |

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, 2010

| | General | Impact Fees | 2002 SPLOST | 2007 SPLOST | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|---|
| REVENUES | | | | | | |
| Taxes: | | | | | | |
| Property | $ 4,630,498 | $ - | $ - | $ - | $ - | $ 4,630,498 |
| Franchise | 1,416,636 | - | - | - | - | 1,416,636 |
| Sales | 4,187,040 | - | - | - | - | 4,187,040 |
| Insurance premium | 874,336 | - | - | - | - | 874,336 |
| Occupational | 1,603,104 | - | - | - | - | 1,603,104 |
| Hotel/motel | - | - | - | - | 223,694 | 223,694 |
| Alcoholic Beverage | 737,209 | - | - | - | - | 737,209 |
| Other taxes | 294,488 | - | - | - | - | 294,488 |
| License and permits | 453,603 | - | - | - | - | 453,603 |
| Impact fees | - | 203,581 | - | - | - | 203,581 |
| Court condemnations | - | - | - | - | 2,129,542 | 2,129,542 |
| Intergovernmental | 160,075 | - | - | 4,469,337 | 2,048,518 | 6,677,930 |
| Intergovernmental-utility | 1,389,848 | - | - | - | - | 1,389,848 |
| Fines and forfeitures | 624,181 | - | - | - | - | 624,181 |
| Investment earnings | 24,004 | 3,741 | 7,576 | 15,309 | 4,779 | 55,409 |
| Miscellaneous | 243,361 | - | - | - | - | 243,361 |
| Total revenues | 16,638,383 | 207,322 | 7,576 | 4,484,646 | 4,406,533 | 25,744,460 |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | 1,695,495 | - | - | 13,330 | 1,941,349 | 3,650,174 |
| Tourism development | - | - | - | - | 3,691 | 3,691 |
| Public safety | 8,657,181 | - | - | - | 565,604 | 9,222,785 |
| Public works | 2,508,168 | - | - | - | - | 2,508,168 |
| Community development | 2,188,719 | - | - | 1,700 | - | 2,190,419 |
| Intergovernmental | - | - | - | 715,094 | - | 715,094 |
| Capital outlay | - | 13,089 | 538,584 | 1,661,872 | 491,464 | 2,705,009 |
| Total expenditures | 15,049,563 | 13,089 | 538,584 | 2,391,996 | 3,002,108 | 20,995,340 |
| Excess (deficiency) of revenues over (under) expenditures | 1,588,820 | 194,233 | (531,008) | 2,092,650 | 1,404,425 | 4,749,120 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Sale of capital assets | 17,475 | - | - | - | - | 17,475 |
| Transfers in | 134,216 | - | - | - | 319,000 | 453,216 |
| Transfers out | (319,000) | - | - | - | (134,216) | (453,216) |
| Total other financing sources (uses) | (167,309) | - | - | - | 184,784 | 17,475 |
| Net change in fund balances | 1,421,511 | 194,233 | (531,008) | 2,092,650 | 1,589,209 | 4,766,595 |
| Fund balances - beginning of year | 13,450,930 | 1,783,370 | 3,909,447 | 7,105,007 | 1,705,880 | 27,954,634 |
| Fund balances - end of year | $ 14,872,441 | $ 1,977,603 | $ 3,378,439 | $9,197,657 | $ 3,295,089 | $ 32,721,229 |

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, 2010

| | | |
|---|---|---|
| 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 | | $ 4,766,595 |
| 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: | | |
| Net pension asset is not available during the current period and therefore is not reported in in the funds | | |
| Change in net pension asset | | 1,466 |
| 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 | $ 2,712,177 | |
| Total depreciation | (3,054,178) | (342,001) |
| The net effect of various transactions involving capital assets (i.e. sales, disposals, trade-ins, and donations) is to increase net assets. | | 284,181 |
| 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 | | 6,683 |
| 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. | | (65) |
| Change in net assets of governmental activities | | $ 4,716,859 |

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, 2010

| | Budget | | | Variance with |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| REVENUES | | | | |
| Taxes: | | | | |
| Property | $ 4,190,120 | $ 4,190,120 | $ 4,630,498 | $ 440,378 |
| Franchise | 1,454,000 | 1,454,000 | 1,416,636 | (37,364) |
| Sales | 4,300,000 | 4,300,000 | 4,187,040 | (112,960) |
| Insurance premium | 900,000 | 900,000 | 874,336 | (25,664) |
| Occupational | 1,714,000 | 1,714,000 | 1,603,104 | (110,896) |
| Alcoholic beverage | 732,000 | 732,000 | 737,209 | 5,209 |
| Other taxes | 275,000 | 275,000 | 294,488 | 19,488 |
| License and permits | 404,400 | 404,400 | 453,603 | 49,203 |
| Intergovernmental | 174,000 | 174,000 | 160,075 | (13,925) |
| Intergovernmental-utility | 1,225,000 | 1,225,000 | 1,389,848 | 164,848 |
| Fines and forfeitures | 716,000 | 716,000 | 624,181 | (91,819) |
| Interest earnings | 40,000 | 40,000 | 24,004 | (15,996) |
| Miscellaneous | 115,600 | 115,600 | 243,361 | 127,761 |
| Total revenues | 16,240,120 | 16,240,120 | 16,638,383 | 398,263 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government: | | | | |
| Council | 153,254 | 153,254 | 136,726 | 16,528 |
| Manager | 250,299 | 250,299 | 218,545 | 31,754 |
| Public information officer | 85,199 | 85,199 | 79,535 | 5,664 |
| Attorney | 92,500 | 94,357 | 94,208 | 149 |
| Clerk | 79,306 | 79,306 | 78,342 | 964 |
| Finance | 351,927 | 360,282 | 352,318 | 7,964 |
| Human resources | 156,155 | 156,155 | 148,757 | 7,398 |
| Information technologies | 141,052 | 141,052 | 139,459 | 1,593 |
| Municipal court | 135,373 | 172,367 | 172,100 | 267 |
| Other - unclassified | 502,596 | 502,596 | 275,505 | 227,091 |
| Total general government | 1,947,661 | 1,994,867 | 1,695,495 | 299,372 |
| Public safety: | | | | |
| Police | 5,483,769 | 5,483,769 | 5,077,243 | 406,526 |
| School resources officer | 316,058 | 316,058 | 315,894 | 164 |
| Animal services | 61,014 | 61,014 | 53,796 | 7,218 |
| Fire | 3,318,484 | 3,318,484 | 3,213,506 | 104,978 |
| Total public safety | 9,179,325 | 9,179,325 | 8,660,439 | 518,886 |

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, 2010
(CONTINUED)

| | Budget | | | Variance with |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| Public works: | | | | |
| Administration | $ 169,627 | $ 173,018 | $ 170,457 | $ 2,561 |
| Engineer | 268,250 | 268,250 | 208,905 | 59,345 |
| Streets | 1,444,684 | 1,444,684 | 1,346,485 | 98,199 |
| Garage | 369,414 | 369,414 | 361,956 | 7,458 |
| Cemetery | 429,621 | 429,621 | 420,676 | 8,945 |
| Total public works | 2,681,596 | 2,684,987 | 2,508,479 | 176,508 |
| Community development: | | | | |
| Administration | 218,328 | 218,328 | 218,163 | 165 |
| Planning and zoning | 222,516 | 222,516 | 219,527 | 2,989 |
| Business development and special events | 151,691 | 151,691 | 139,290 | 12,401 |
| Library | 100,004 | 100,004 | 87,245 | 12,759 |
| Parks & ROW beautification | 715,222 | 715,222 | 701,718 | 13,504 |
| Building inspection | 564,921 | 564,921 | 564,231 | 690 |
| Building maintenance | 289,856 | 289,856 | 254,552 | 35,304 |
| Total community development | 2,262,538 | 2,262,538 | 2,184,726 | 77,812 |
| Total expenditures | 16,071,120 | 16,121,717 | 15,049,139 | 1,072,578 |
| Excess (deficiency) of revenue over (under) expenditure | 169,000 | 118,403 | 1,589,244 | 1,470,841 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Sale of capital assets | - | - | 17,475 | 17,475 |
| Transfers in | 150,000 | 150,000 | 134,216 | (15,784) |
| Transfers out | (319,000) | (319,000) | (319,000) | - |
| Total other financing sources (uses) | (169,000) | (169,000) | (167,309) | 1,691 |
| Net change in fund balances | $ - | $ (50,597) | 1,421,935 | $ 1,472,532 |
| Fund balances - beginning of year | | | 13,380,150 | |
| Fund balances - end of year | | | $ 14,802,085 | |

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

CITY OF NEWNAN, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITY
FIDUCIARY FUND
DECEMBER 31, 2010

| | Agency Fund |
|---|---|
| ASSETS | |
| Cash | $ 74,251 |
| Total assets | $ 74,251 |
| LIABILITY | |
| Payable from Assets | |
| Confiscated assets pending disposition | $ 74,251 |

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

# NOTES TO THE FINANCIAL STATEMENTS

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. Reporting Entity

The City of Newnan, Georgia (hereinafter the City) was chartered by an act of the General Assembly of the State of Georgia. The City operates under a Council-Mayor form of government and provides the following services as authorized by its charter: public safety (police and fire), public works (highways and streets), planning and zoning, general administrative services, public improvements and community development. 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. 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, with a general fund only, 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 and fiduciary funds, even though the latter are excluded from the government-wide financial statements. 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 statements. Fiduciary funds are reported using the accrual basis of accounting and have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible with the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The City reports the following major governmental funds:

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

*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.

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

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. Exceptions to this general rule are administrative charges between the City's Impact Fee Capital Projects Fund and the General Fund. Eliminations of these charges would distort the direct costs and program revenues for the various functions concerned.

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

## 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

An annual operating budget is prepared for the general fund and all special revenue funds. The general fund is subject to budgetary control on a departmental basis, while the special revenue funds are subject to budgetary control on an individual fund basis. Budgets are prepared for the capital projects funds on a project basis, which usually covers two or more years. Fiduciary funds do not have budgets. 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 charged against the budget include outstanding encumbrances at year-end. Revenues are reported on a GAAP basis.

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

## B. Budget to GAAP Reconciliation

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

| | General Fund |
|---|---|
| Budgetary basis - excess revenues and other financing sources over (under) expenditures and other financing uses | $ 1,421,935 |
| Add: Current year encumbrances | 5,141 |
| Deduct: Prior year encumbrances paid in the current year | (5,565) |
| Generally accepted accounting principles basis-excess revenues and other financing sources over expenditures and other financing uses | $ 1,421,511 |
| Budgetary basis-fund balance, ending | $ 14,802,085 |
| Add: Current year encumbrances | 5,141 |
| Add: Prior year encumbrances outstanding at year-end | 64,981 |
| Add: Prior year encumbrances voided | 234 |
| Generally accepted accounting principles basis-fund balance, ending | $ 14,872,441 |

# 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, 2010, 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, 2010, 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 | $ 3,610,867 | 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, 2010.

*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, 2010, the Commission had the following investments:

| | Maturities in Years | | | |
|---|---|---|---|---|
| Investment | Under One | One-Three | Three-Seven | Total |
| U.S. Government securities | $ 1,153,577 | $ 4,734,447 | $ 513,667 | $ 6,401,691 |
| U.S. Government agency notes and bonds | 4,070,324 | 6,666,545 | 763,617 | 11,500,486 |
| Money market mutual funds and certificates of deposit | 6,801,515 | 1,398,320 | - | 8,199,835 |
| Total investments | $ 12,025,416 | $ 12,799,312 | $ 1,277,284 | $26,102,012 |

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

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

*Concentration of Credit Risk* – The Commission's investment policy limits the exposure to credit risk by placing maximum exposure restrictions by security type. External investments with one issuer that comprised 5% or more of the Commissions investments portfolio (excluding those issued or explicitly guaranteed by the U.S. Government as well as mutual funds) as of December 31, 2010 are Federal Home Loan Bank 9.3%, Federal National Mortgage Association 11.8%, Federal Farm Credit Bank 7.9% and Federal Home Loan Mortgage Corporation 9.6%.

## B. Capital Assets

Capital asset activity for the year ended December 31, 2010 was as follows:

***Primary Government***

| | Beginning Balance | Increases | Decreases | Reclassifications | Ending Balance |
|---|---|---|---|---|---|
| Governmental Activities | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land | $ 19,858,435 | $ 67,262 | $ - | $ - | $ 19,925,697 |
| Construction in progress | 2,668,439 | 2,102,210 | - | (2,373,034) | 2,397,615 |
| Total capital assets, not being depreciated | 22,526,874 | 2,169,472 | - | (2,373,034) | 22,323,312 |
| Capital assets, being depreciated: | | | | | |
| Buildings and parks | 18,001,375 | | | 971,986 | 18,973,361 |
| Other improvements | 7,820,421 | | - | - | 7,820,421 |
| Machinery and equipment | 9,232,592 | 619,066 | (512,638) | - | 9,339,020 |
| Infrastructure | 75,831,365 | 222,050 | - | 1,401,048 | 77,454,463 |
| Total capital assets being depreciated | 110,885,753 | 841,116 | (512,638) | 2,373,034 | 113,587,265 |
| Less accumulated depreciation for: | | | | | |
| Buildings and parks | (4,472,365) | (375,215) | - | - | (4,847,580) |
| Other improvements | (2,426,650) | (360,482) | - | - | (2,787,132) |
| Machinery and equipment | (5,811,016) | (676,839) | 498,408 | - | (5,989,447) |
| Infrastructure | (9,652,933) | (1,641,642) | - | - | (11,294,575) |
| Total accumulated depreciation | (22,362,964) | (3,054,178) | 498,408 | - | (24,918,734) |
| Total capital assets, being depreciated, net | 88,522,789 | (2,213,062) | (14,230) | 2,373,034 | 88,668,531 |
| Governmental activities capital assets, net | $111,049,663 | $ (43,590) | $ (14,230) | $ - | $ 110,991,843 |

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

| | |
|---|---|
| General government | $ 7,290 |
| Public safety | 414,744 |
| Public works | 2,218,368 |
| Community development and leisure services | 413,776 |
| Total governmental activities depreciation expense | $ 3,054,178 |

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| Component Unit | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | $ 7,797,571 | $ - | $ - | $ 7,797,571 |
| Construction in progress | 3,905,972 | 3,951,034 | (5,569,027) | 2,287,979 |
| Total capital assets, not being depreciated | 11,703,543 | 3,951,034 | (5,569,027) | 10,085,550 |
| Capital assets, being depreciated: | | | | |
| Machinery and equipment | 14,055,610 | 1,018,226 | (3,002,333) | 12,071,503 |
| Structures, lines and improvements | 152,319,586 | 5,832,504 | (3,490,843) | 154,661,247 |
| Total capital assets, being depreciated | 166,375,196 | 6,850,730 | (6,493,176) | 166,732,750 |
| Less accumulated depreciation for: | | | | |
| Machinery and equipment | (9,418,087) | (910,690) | 2,986,026 | (7,342,751) |
| Structures, lines and improvements | (45,937,955) | (4,591,357) | 3,492,640 | (47,036,672) |
| Total accumulated depreciation | (55,356,042) | (5,502,047) | 6,478,666 | (54,379,423) |
| Total capital assets, being depreciated, net | 111,019,154 | 1,348,683 | (14,510) | 112,353,327 |
| Component unit, capital assets, net | $ 122,722,697 | $ 5,299,717 | $ (5,583,537) | $ 122,438,877 |

## C. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2010, is as follows:

| Receivable Fund | Payable Fund | Amount |
|---|---|---|
| General Fund | Nonmajor Governmental Fund | $ 31,164 |
| | | $ 31,164 |

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 transfers for the year ended December 31, 2010, are as follows:

| | Transfers in: | | |
|---|---|---|---|
| Transfer out: | General | Nonmajor Governmental | Total |
| General fund | $ - | $ 319,000 | $ 319,000 |
| Nonmajor governmental funds | 134,216 | - | 134,216 |
| Total | $ 134,216 | $ 319,000 | $ 453,216 |

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, 2010, the City's governmental activities had no outstanding long-term debt other than compensated absences in the amount of $518,633.

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| Governmental activities: | | | | | |
| Compensated absences | $ 525,316 | $ 357,857 | $ 364,540 | $ 518,633 | $ 344,802 |

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 two types of long-term debt outstanding at December 31, 2010, notes payable 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.

**Georgia Environmental Facilities Authority** – The Commission entered into an $8,550,000 loan agreement dated February 16, 2007 with the Georgia Environmental Facilities Authority to finance the costs of improving the Hershall B. Norred Water Plant. The loan commitment will be advanced during the construction period of the project. Interest accrued during the construction period at the rate of 3 percent per annum. On March 1, 2010, the loan converted to permanent status with the total outstanding balance of $9,046,798 due in 240 monthly payments of $50,173 consisting of principal and interest at 3 percent until maturity on March 1, 2030. As of December 31, 2010, the outstanding loan balance was $8,797,232, plus accrued interest of $22,415.

Total debt service requirements to maturity are as follows:

| Year | Principal | Interest | Total |
|---|---|---|---|
| 2011 | $ 342,862 | $ 259,218 | $ 602,080 |
| 2012 | 353,216 | 248,864 | 602,080 |
| 2013 | 364,092 | 237,988 | 602,080 |
| 2014 | 375,108 | 226,972 | 602,080 |
| 2015 | 386,518 | 215,562 | 602,080 |
| 2016-2020 | 2,116,174 | 894,226 | 3,010,400 |
| 2021-2025 | 2,458,278 | 552,122 | 3,010,400 |
| 2026-2030 | 2,400,984 | 159,382 | 2,560,366 |
| | $ 8,797,232 | $ 2,794,334 | $ 11,591,566 |

**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 $975,607, ($11,097) and $(907,860), respectively, are as follows:

| Year | Principal | Interest | Total |
|---|---|---|---|
| 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 | 1,220,000 | 1,120,675 | 2,340,675 |
| 2016-2020 | 7,650,000 | 4,595,083 | 12,245,083 |
| 2021-2025 | 7,720,000 | 2,644,190 | 10,364,190 |
| 2026-2030 | 3,595,000 | 1,368,844 | 4,963,844 |
| 2031-2035 | 3,695,000 | 620,439 | 4,315,439 |
| 2036 | 845,000 | 19,013 | 864,013 |
| Total | $ 27,845,000 | $ 15,215,451 | $ 43,060,451 |

***Component Unit***

The changes in long-term debt are as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| Deferred Compensation | $ 2,133,820 | $ 148,644 | $ (225,000) | $ 2,057,464 | $ 225,000 |
| Notes payable | 8,543,272 | 503,526 | (249,566) | 8,797,232 | 342,862 |
| Capital lease obligations | 4,418 | - | (4,418) | - | - |
| Revenue bonds | 28,093,328 | - | (191,678) | 27,901,650 | 565,000 |
| Total | $ 38,774,838 | $ 652,170 | $ (670,662) | $ 38,756,346 | $ 1,132,862 |

## 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 2010 property taxes were levied on August 25th, mailed on September 15th, with a due date of October 29th.

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. Of the current year expenditures $3,691 was relative to repairs and maintenance for the Newnan Male Academy Museum, and $206,843 were for professional and legal fees for construction of the Convention Center. Tax receipts for the year were $223,694. The balance of funds not

expended as of year end is $629,967. 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, 2010, 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 ten county RC membership, is a member of the Three Rivers Regional Commission (RC) and is required to pay annual dues thereto. Membership in a RC is required by O.C.G.A. 50-8-34 which provides for the organization structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. O.C.G.A. 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from the Three Rivers Regional Commission, P.O. Box 818, Griffin, Georgia 30224.

## 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 10.44% 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 $886,889 was equal to the City's required and actual contribution.

Three-Year Trend Information for the Plan

| Year Ended | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation (Asset) |
|---|---|---|---|
| 12/31/2010 | $ 1,108,909 | 90.5% | $ (1,466) |
| 12/31/2009 | 752,015 | 114.2% | (107,255) |
| 12/31/2008 | 699,439 | 100.0% | (300) |

The required contribution was determined as part of the July 1, 2010 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), and (b) projected salary increases of 3.5% per year. 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, 2010, the most recent actuarial valuation date, is as follows:

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|---|---|---|---|---|---|---|
| 7/1/2010 | $10,368,620 | $ 13,299,795 | $2,931,175 | 77.96% | $ 8,352,005 | 35.10% |

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, 2010.

### *Additional Information*

Additional information as of the latest actuarial valuation follows:

| | | |
|---|---|---|
| Valuation date | 7/1/2010 | |
| Actuarial cost method | Projected unit credit | |
| Amortization method | Closed level dollar for remaining unfunded liability | |
| Remaining amortization period | 10 years | |
| Asset valuation method | Sum of actuarial value at the beginning of the year and the cash flows during the year, plus the assumed investment return adjusted by 10% of the amount that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 50% of market value for 2009, 44% of market value for 2010, 38% of market value for 2011, 32% of market value for 2012, 26% of market value for 2013, and 20% of market value for 2014 and later years. | |
| Actuarial assumptions: | | |
| Investment rate-of-return | 7.75% | |
| Projected salaries increases | 3.50% | plus age and service based merit increases |
| COLAs | 0.00% | |
| Membership of the plan: | | |
| Retirees and beneficiaries | 60 | |
| Terminated plan members entitiled to, but not yet receiving benefits | 54 | |
| Active plan members | 217 | |
| Total | 331 | |

### *Changes in Assumptions*

The following assumptions and methods were changed in this valuation:

- The mortality table for healthy participants was changed from the 1983 Group Annuity Mortality Table without Margin to the sex-distinct RP-2000 Combined Morality Table set forward two years in age for males and one year in age for females.

- The mortality table for disabled participants was changed from the 1944 Railroad Retirement Board Male Ultimate Disabled Mortality to the sex-distinct RP-2000 Disabled Retiree Mortality Table set forward two years in age for males and one year in age for females.

- The salary increase assumption was changed from 5.50% each year to a table of rate based on age and service.

- The investment return assumption was changed from 8.00% to 7.75% per annum.
- The inflation assumption was changed from 5.00% to 3.5% per annum.
- The asset method was changed to temporarily widen the corridor.

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

| | | |
|---|---|---|
| Normal Costs | $ | 476,377 |
| Payment on unfunded actuarial accrued liability | | 632,532 |
| Annual required contribution | | 1,108,909 |
| Contribution made | | 1,003,120 |
| Increase (decrease) in net pension obligation | | 105,789 |
| Net pension obligation (asset) December 31, 2009 | | (107,255) |
| Net pension obligation (asset) December 31, 2010 | $ | (1,466) |

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# REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NEWNAN, GEORGIA

RETIREMENT PLAN

## SCHEDULE OF FUNDING PROGRESS

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded AAL (UAAL) (b-a) | Funded Ration (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|---|---|---|---|---|---|---|
| 7/1/2010 | $ 10,368,620 | $ 13,299,795 | $ 2,931,175 | 77.96% | $ 8,352,005 | 35.10% |
| 7/1/2009 | 7,753,820 | 12,815,730 | 5,061,910 | 60.50% | 8,408,381 | 60.20% |
| 7/1/2008 | 9,026,909 | 11,902,569 | 2,875,660 | 75.84% | 7,573,160 | 37.97% |

## SCHEDULE OF EMPLOYER'S CONTRIBUTIONS

| Year Ended | Annual Required Contribution | Percentage Contributed |
|---|---|---|
| 12/31/2010 | $ 1,108,909 | 90.5% |
| 12/31/2009 | 752,015 | 114.2% |
| 12/31/2008 | 699,439 | 100.0% |

# 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, 2010

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| REVENUES | | | | |
| Taxes | | | | |
| Property Tax Current | $ 4,100,000 | $ 4,100,000 | $ 4,519,815 | $ 419,815 |
| Delinquent Property Tax | 120 | 120 | - | (120) |
| Motor Vehicle Tax | 250,000 | 250,000 | 249,579 | (421) |
| Fi Fa for Property Taxes | - | - | 18,402 | 18,402 |
| Franchise Tax - Georgia Power | 320,000 | 320,000 | 282,583 | (37,417) |
| Franchise Tax - EMC | 470,000 | 470,000 | 420,935 | (49,065) |
| Franchise Tax - Gas | 250,000 | 250,000 | 246,944 | (3,056) |
| Franchise Tax - Cable TV | 300,000 | 300,000 | 264,586 | (35,414) |
| Franchise Tax - Telephone | 114,000 | 114,000 | 201,588 | 87,588 |
| Local Option Sales Tax | 4,300,000 | 4,300,000 | 4,187,040 | (112,960) |
| Insurance Premiums Tax | 900,000 | 900,000 | 874,336 | (25,664) |
| Occupational Tax | 1,500,000 | 1,500,000 | 1,404,665 | (95,335) |
| Professional Tax | 59,000 | 59,000 | 59,200 | 200 |
| Financial Institution Tax | 125,000 | 125,000 | 99,497 | (25,503) |
| Insurance Agents Tax | 30,000 | 30,000 | 39,742 | 9,742 |
| Beer and Wine Tax | 660,000 | 660,000 | 667,031 | 7,031 |
| Alcoholic Beverage Excise Tax | 72,000 | 72,000 | 70,178 | (1,822) |
| Public Utility Tax | 60,000 | 60,000 | 70,106 | 10,106 |
| Intangible Tax | 30,000 | 30,000 | 22,175 | (7,825) |
| Interest and Penalties | 25,000 | 25,000 | 44,909 | 19,909 |
| Total Taxes | 13,565,120 | 13,565,120 | 13,743,311 | 178,191 |

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, 2010
(CONTINUED)

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| License and Permits | | | | |
| Alcoholic Beverage License | 27,000 | 27,000 | 36,355 | 9,355 |
| Spiritous Liquor Bev License | 150,000 | 150,000 | 150,000 | - |
| Residential Construction Permits | 80,000 | 80,000 | 143,984 | 63,984 |
| Commercial Construction Permits | 50,000 | 50,000 | 19,992 | (30,008) |
| Building Plan Review | 24,000 | 24,000 | 18,879 | (5,121) |
| Variance/Appeal/Spec Exception | 4,000 | 4,000 | 6,050 | 2,050 |
| Zoning Certification Fee | 300 | 300 | 450 | 150 |
| Rezoning/Annexation Fee | 500 | 500 | 3,630 | 3,130 |
| Sign Permit | 3,600 | 3,600 | 2,765 | (835) |
| Site Preparation Fee | 6,000 | 6,000 | 6,350 | 350 |
| Land Disturbance Permit | 9,000 | 9,000 | 1,558 | (7,442) |
| Demolition Permit | 400 | 400 | 350 | (50) |
| Mechanical Permit | 8,000 | 8,000 | 8,934 | 934 |
| Tree Removal Permit | 200 | 200 | 290 | 90 |
| Environmental Protection Fee | 2,000 | 2,000 | 250 | (1,750) |
| Plumbing Permit | 9,000 | 9,000 | 14,400 | 5,400 |
| Construction Plan Review | 200 | 200 | - | (200) |
| Electrical Permit | 15,000 | 15,000 | 20,710 | 5,710 |
| Gas Permit | 600 | 600 | 1,370 | 770 |
| Re-Inspect Fee | 5,000 | 5,000 | 3,500 | (1,500) |
| Subdivision Plat Fee | 100 | 100 | 650 | 550 |
| Site Development Plan Fee | 6,000 | 6,000 | 6,736 | 736 |
| Sidewalk Inspections/Re-Inspect | 3,500 | 3,500 | 6,400 | 2,900 |
| Total Licenses & Permits | 404,400 | 404,400 | 453,603 | 49,203 |

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, 2010
(CONTINUED)

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| Intergovernmental | | | | |
| Real Estate Transfer Tax | 24,000 | 24,000 | 9,975 | (14,025) |
| School Resource Officer | 115,000 | 115,000 | 89,719 | (25,281) |
| Police Vest Grant | - | - | 2,995 | 2,995 |
| Cultural Arts Commission | - | - | 23,104 | 23,104 |
| Payments in Lieu of Tax | 35,000 | 35,000 | 34,282 | (718) |
| Total Intergovernmental | 174,000 | 174,000 | 160,075 | (13,925) |
| Intergovernmental - Utility | | | | |
| Water & Light Commission | 1,225,000 | 1,225,000 | 1,389,848 | 164,848 |
| Total Intergovernmental - Utility | 1,225,000 | 1,225,000 | 1,389,848 | 164,848 |
| Fines and Forfeitures | | | | |
| Police Fines | 680,000 | 680,000 | 594,965 | (85,035) |
| Parking Fines | 21,000 | 21,000 | 15,696 | (5,304) |
| Tech Fees from Fines | 15,000 | 15,000 | 13,520 | (1,480) |
| Total Fines and Forfeitures | 716,000 | 716,000 | 624,181 | (91,819) |
| Interest Earnings | 40,000 | 40,000 | 24,004 | (15,996) |
| Miscellaneous | | | | |
| Admin Fee for Impact Fee Coll | 2,500 | 2,500 | 4,333 | 1,833 |
| Monument Setting Fee | 100 | 100 | 705 | 605 |
| Cemetery Services | 50,000 | 50,000 | 65,500 | 15,500 |
| Cemetery Lot Sales | 28,000 | 28,000 | 70,493 | 42,493 |
| Rental Fees | 9,000 | 9,000 | 11,916 | 2,916 |
| Miscellaneous Revenue | 26,000 | 26,000 | 90,414 | 64,414 |
| Total Miscellaneous | 115,600 | 115,600 | 243,361 | 127,761 |
| Total Revenues | 16,240,120 | 16,240,120 | 16,638,383 | 398,263 |

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, 2010
(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 | 68,515 | 68,515 | 67,257 | 1,258 |
| Social Security | 3,290 | 3,290 | 3,290 | - |
| Retirement | 4,898 | 4,898 | 4,941 | (43) |
| Worker's Compensation | 151 | 151 | 137 | 14 |
| Printing and Binding | 500 | 500 | - | 500 |
| Travel | 30,000 | 30,000 | 16.743 | 13,257 |
| Training | 2,500 | 2,500 | 1,300 | 1,200 |
| Office Supplies | 400 | 400 | 58 | 342 |
| Total City Council | 153,254 | 153,254 | 136,726 | 16,528 |
| | | | | |
| City Manager | | | | |
| City Manager Admin | | | | |
| Wages - Full Time | 172,100 | 172,100 | 179,553 | (7,453) |
| Employee Insurance | 22,866 | 22,866 | 11,299 | 11,567 |
| Social Security | 11,423 | 11,423 | 11,262 | 161 |
| Retirement | 20,372 | 20,372 | 4,664 | 15,708 |
| Unemployment Insurance | 4 | 4 | 3 | 1 |
| Worker's Compensation | 1,134 | 1,134 | 1,031 | 103 |
| Other Employee Benefits | 4,800 | 4,800 | 4,800 | - |
| Public Relations | 5,000 | 5,000 | 2,825 | 2,175 |
| Bldg & Pers Liability Insurance | 1,000 | 1,000 | 521 | 479 |
| Communications | 1,000 | 1,000 | - | 1,000 |
| Printing & Binding | 3,500 | 3,500 | - | 3,500 |
| Travel | 2,500 | 2,500 | 1,942 | 558 |
| Dues and Fees | 1,000 | 1,000 | - | 1,000 |
| Materials and Supplies | 800 | 800 | - | 800 |
| Office Supplies | 1,300 | 1,300 | 335 | 965 |
| Books & Periodicals | 500 | 500 | 277 | 223 |
| Professional Services | - | - | 33 | (33) |
| Minor Equipment | 1,000 | 1,000 | - | 1,000 |
| Total City Manager Admin | 250,299 | 250,299 | 218,545 | 31,754 |

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, 2010
(CONTINUED)

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| Public Information Officer | | | | |
| Wages - Full Time | 47,674 | 47,674 | 48,774 | (1,100) |
| Employee Insurance | 11,433 | 11,433 | 11,299 | 134 |
| Social Security | 3,640 | 3,640 | 3,497 | 143 |
| Retirement | 5,430 | 5,430 | 5,478 | (48) |
| Unemployment Insurance | 2 | 2 | 1 | 1 |
| Worker's Compensation | 170 | 170 | 155 | 15 |
| Public Relations | 8,000 | 8,000 | 7,390 | 610 |
| Bldg & Pers Liability Insurance | 300 | 300 | 156 | 144 |
| Communications | 400 | 400 | 388 | 12 |
| Advertising | 1,200 | 1,200 | 38 | 1,162 |
| Printing & Binding | 4,500 | 4,500 | 1,175 | 3,325 |
| Travel | 1,000 | 1,000 | 741 | 259 |
| Dues and Fees | 450 | 450 | 375 | 75 |
| Training | 850 | 850 | - | 850 |
| Materials and Supplies | 150 | 150 | 68 | 82 |
| Total Public Information | 85,199 | 85,199 | 79,535 | 5,664 |
| Total City Manager | 335,498 | 335,498 | 298,080 | 37,418 |
| Attorney | | | | |
| Professional Services | 90,000 | 90,000 | 89,851 | 149 |
| Travel | 2,500 | 4,357 | 4,357 | - |
| Total Attorney | 92,500 | 94,357 | 94,208 | 149 |
| City Clerk | | | | |
| Wages - Full Time | 56,576 | 56,576 | 57,882 | (1,306) |
| Employee Insurance | 5,291 | 5,291 | 5,154 | 137 |
| Social Security | 4,328 | 4,328 | 4,391 | (63) |
| Retirement | 6,400 | 6,400 | 6,457 | (57) |
| Unemployment Insurance | 2 | 2 | 1 | 1 |
| Worker's Compensation | 199 | 199 | 181 | 18 |
| Professional Services | 500 | 500 | 352 | 148 |
| Other Contractual Services | 400 | 400 | 400 | - |
| Bldg & Pers Liability Insurance | 140 | 140 | 73 | 67 |
| Surety Bonds | 100 | 100 | 100 | - |
| Printing & Binding | 4,000 | 4,000 | 3,068 | 932 |
| Materials and Supplies | 250 | 250 | 159 | 91 |
| Dues and Fees | 100 | 100 | - | 100 |
| Books & Periodicals | 120 | 120 | 124 | (4) |
| Minor Equipment | 900 | 900 | - | 900 |
| Total City Clerk | 79,306 | 79,306 | 78,342 | 964 |

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, 2010
(CONTINUED)

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| Finance | | | | |
| Wages - Full Time | 205,795 | 210,545 | 210,544 | 1 |
| Wages - Overtime | 400 | 400 | - | 400 |
| Employee Insurance | 44,881 | 44,881 | 44,206 | 675 |
| Social Security | 15,820 | 15,820 | 15,285 | 535 |
| Retirement | 23,200 | 23,405 | 23,405 | - |
| Unemployment Insurance | 10 | 10 | 7 | 3 |
| Worker's Compensation | 728 | 728 | 662 | 66 |
| Professional Services | 34,580 | 35,012 | 35,012 | - |
| Other Contractual Services | 12,438 | 15,121 | 15,121 | - |
| Repairs and Maintenance | 400 | 400 | 186 | 214 |
| Bldg & Pers Liability Insurance | 1,525 | 1,525 | 794 | 731 |
| Advertising | 2,550 | 2,550 | 1,260 | 1,290 |
| Printing & Binding | 800 | 800 | 576 | 224 |
| Travel | 1,325 | 1,325 | 955 | 370 |
| Dues and Fees | 525 | 810 | 810 | - |
| Training | 1,350 | 1,350 | 380 | 970 |
| Materials and Supplies | 2,725 | 2,725 | 1,038 | 1,687 |
| Office Supplies | 2,000 | 2,000 | 1,943 | 57 |
| Books & Periodicals | 125 | 125 | 124 | 1 |
| Minor Equipment | 250 | 250 | - | 250 |
| Computer Hardware & Software | 300 | 300 | - | 300 |
| Miscellaneous | 200 | 200 | 10 | 190 |
| Total Finance | 351,927 | 360,282 | 352,318 | 7,964 |
| Human Resources | | | | |
| Wages - Full Time | 95,306 | 95,306 | 97,226 | (1,920) |
| Employee Insurance | 16,724 | 16,724 | 16,453 | 271 |
| Social Security | 7,300 | 7,300 | 7,198 | 102 |
| Retirement | 10,370 | 10,370 | 10,461 | (91) |
| Unemployment Insurance | 4 | 4 | 3 | 1 |
| Worker's Compensation | 330 | 330 | 300 | 30 |
| Employee Recognition | 9,900 | 9,900 | 6,330 | 3,570 |
| Professional Services | 8,136 | 8,136 | 6,198 | 1,938 |
| Bldg & Pers Liability Insurance | 1,200 | 1,200 | 625 | 575 |
| Advertising | 2,000 | 2,000 | 628 | 1,372 |
| Printing & Binding | 450 | 450 | 8 | 442 |
| Travel | 1,200 | 1,200 | 1,169 | 31 |
| Dues and Fees | 485 | 485 | 445 | 40 |
| Training | 650 | 650 | 650 | - |
| Materials and Supplies | 250 | 250 | 128 | 122 |
| Office Supplies | 900 | 900 | 479 | 421 |
| Medical Supplies | 100 | 100 | 9 | 91 |
| Books & Periodicals | 500 | 500 | 372 | 128 |
| Computer Hardware & Software | 350 | 350 | 75 | 275 |
| Total Human Resources | 156,155 | 156,155 | 148,757 | 7,398 |

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, 2010
(CONTINUED)

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| Information Technology | | | | |
| Wages - Full Time | 68,806 | 68,806 | 70,394 | (1,588) |
| Employee Insurance | 11,433 | 11,433 | 11,299 | 134 |
| Social Security | 5,264 | 5,264 | 5,153 | 111 |
| Retirement | 7,800 | 7,800 | 7,869 | (69) |
| Unemployment Insurance | 2 | 2 | 1 | 1 |
| Worker's Compensation | 242 | 242 | 220 | 22 |
| Other Contractual Services | 3,000 | 3,000 | - | 3,000 |
| Repairs and Maintenance | 39,200 | 39,200 | 40,573 | (1,373) |
| Bldg & Pers Liability Insurance | 350 | 350 | 182 | 168 |
| Communications | 1,200 | 1,200 | 1,210 | (10) |
| Travel | 1,000 | 1,000 | 651 | 349 |
| Dues and Fees | 75 | 75 | 75 | - |
| Training | 1,000 | 1,000 | 399 | 601 |
| Materials and Supplies | 500 | 500 | 489 | 11 |
| Office Supplies | 300 | 300 | 203 | 97 |
| Books & Periodicals | 380 | 380 | 278 | 102 |
| Minor Equipment | 500 | 500 | 463 | 37 |
| Total Information Technology | 141,052 | 141,052 | 139,459 | 1,593 |
| | | | | |
| Municipal Court | | | | |
| Wages - Full Time | 27,872 | 28,615 | 28,615 | - |
| Wages - Part Time/Temp | 10,335 | 11,848 | 11,848 | - |
| Employee Insurance | 269 | 269 | 246 | 23 |
| Social Security | 2,943 | 3,074 | 3,074 | - |
| Retirement | 3,150 | 3,178 | 3,178 | - |
| Unemployment Insurance | 4 | 4 | 3 | 1 |
| Worker's Compensation | 135 | 135 | 123 | 12 |
| Professional Services | 90,000 | 124,204 | 124,203 | 1 |
| Printing and Binding | 150 | 150 | 123 | 27 |
| Travel | 75 | 75 | 22 | 53 |
| Training | 250 | 625 | 625 | - |
| Dues and Fees | 40 | 40 | - | 40 |
| Office Supplies | 150 | 150 | 40 | 110 |
| Total Municipal Court | 135,373 | 172,367 | 172,100 | 267 |

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, 2010
(CONTINUED)

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| Miscellaneous | | | | |
| Professional Services | 1,620 | 1,620 | 309 | 1,311 |
| Public Relations | 10,000 | 10,000 | - | 10,000 |
| Repairs and Maintenance | 6,000 | 6,000 | 4,389 | 1,611 |
| Equipment & Vehicle Rental | 3,000 | 3,000 | 3,192 | (192) |
| Bldg & Pers Liability Insurance | 207,000 | 207,000 | 107,792 | 99,208 |
| Communications | 65,000 | 65,000 | 68,672 | (3,672) |
| Dues and Fees | 10,925 | 10,925 | 9,191 | 1,734 |
| Office Supplies | 5,000 | 5,000 | 3,818 | 1,182 |
| Miscellaneous | 161,551 | 161,551 | 46,497 | 115,054 |
| Cultural Arts Commission | - | - | 592 | (592) |
| Payments to Other Agencies | 22,500 | 22,500 | 21,000 | 1,500 |
| Keep Newnan Beautiful | 10,000 | 10,000 | 10,053 | (53) |
| Total Miscellaneous | 502,596 | 502,596 | 275,505 | 227,091 |
| Total General Government | 1,947,661 | 1,994,867 | 1,695,495 | 299,372 |

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, 2010
(CONTINUED)

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| Public Safety | | | | |
| Police | | | | |
| Wages - Full Time | 3,259,413 | 3,259,413 | 3,086,641 | 172,772 |
| Wages - Part Time/Temp | 19,608 | 19,608 | 16,990 | 2,618 |
| Wages - Overtime | 40,000 | 40,000 | 8,331 | 31,669 |
| Employee Insurance | 691,328 | 691,328 | 652,282 | 39,046 |
| Social Security | 255,435 | 255,435 | 227,042 | 28,393 |
| Retirement | 355,500 | 355,500 | 358,642 | (3,142) |
| Unemployment Insurance | 164 | 164 | 103 | 61 |
| Worker's Compensation | 168,027 | 168,027 | 152,836 | 15,191 |
| Other Employee Benefits | 30,350 | 30,350 | 28,468 | 1,882 |
| Professional Services | 35,000 | 35,000 | 19,420 | 15,580 |
| Other Contractual Services | 3,550 | 3,550 | 1,262 | 2,288 |
| Repairs and Maintenance | 60,000 | 60,000 | 51,459 | 8,541 |
| Vehicle Insurance | 35,000 | 35,000 | 28,779 | 6,221 |
| Bldg & Pers Liability Insurance | 180,000 | 180,000 | 103,732 | 76,268 |
| Communications | 29,090 | 29,090 | 24,232 | 4,858 |
| Cable TV | 28,520 | 28,520 | 2,550 | 25,970 |
| Printing & Binding | 2,000 | 2,000 | 2,102 | (102) |
| Travel | 1,000 | 1,000 | 693 | 307 |
| Dues and Fees | 700 | 700 | 100 | 600 |
| Training | 2,000 | 2,000 | 1,563 | 437 |
| Materials and Supplies | 20,489 | 20,489 | 12,976 | 7,513 |
| Office Supplies | 8,000 | 8,000 | 8,648 | (648) |
| Cleaning Supplies & Chemicals | 2,500 | 2,500 | 2,604 | (104) |
| Protective Equipment | 4,895 | 4,895 | 2,994 | 1,901 |
| Vehicle Gasoline/Diesel | 150,000 | 150,000 | 186,097 | (36,097) |
| Books & Periodicals | 100 | 100 | 25 | 75 |
| Minor Equipment | 10,100 | 10,100 | 190 | 9,910 |
| Computer Hardware & Software | 3,000 | 3,000 | 1,674 | 1,326 |
| Vehicle Maintenance | 88,000 | 88,000 | 94,808 | (6,808) |
| Total Police | 5,483,769 | 5,483,769 | 5,077,243 | 406,526 |

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, 2010
(CONTINUED)

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| School Resources Officer | | | | |
| Wages - Full Time | 209,248 | 209,248 | 214,670 | - |
| Wages - Overtime | 1,500 | 1,500 | - | 1,500 |
| Employee Insurance | 38,739 | 38,739 | 38,061 | 678 |
| Social Security | 16,237 | 16,237 | 15,817 | 420 |
| Retirement | 23,540 | 23,540 | 23,748 | (208) |
| Unemployment Insurance | 10 | 10 | 6 | 4 |
| Worker's Compensation | 11,534 | 11,534 | 10,491 | 1,043 |
| Other Employee Benefits | 2,000 | 2,000 | 1,999 | 1 |
| Vehicle Insurance | 3,000 | 3,000 | 1,627 | 1,373 |
| Bldg & Pers Liability Insurance | 3,200 | 3,200 | 1,666 | 1,534 |
| Printing and Binding | 400 | 400 | - | 400 |
| Travel | - | - | 228 | (228) |
| Dues and Fees | 150 | 150 | 150 | - |
| Training | 200 | 200 | 350 | (150) |
| Materials and Supplies | 100 | 100 | - | 100 |
| Protective Equipment | 500 | 500 | - | 500 |
| Vehicle Gasoline/Diesel | 3,700 | 3,700 | 5,389 | (1,689) |
| Vehicle Maintenance | 2,000 | 2,000 | 1,692 | 308 |
| Total School Resources Officer | 316,058 | 316,058 | 315,894 | 164 |
| | | | | |
| Animal Service | | | | |
| Wages - Full Time | 30,722 | 30,722 | 29,732 | 990 |
| Wages - Overtime | 1,800 | 1,800 | - | 1,800 |
| Employee Insurance | 11,433 | 11,433 | 11,299 | 134 |
| Social Security | 2,488 | 2,488 | 2,054 | 434 |
| Retirement | 3,450 | 3,450 | 3,480 | (30) |
| Unemployment Insurance | 2 | 2 | 1 | 1 |
| Worker's Compensation | 669 | 669 | 609 | 60 |
| Professional Services | 1,300 | 1,300 | 720 | 580 |
| Repairs and Maintenance | 150 | 150 | 106 | 44 |
| Vehicle Insurance | 2,000 | 2,000 | 1,085 | 915 |
| Bldg & Pers Liability Insurance | 1,500 | 1,500 | 781 | 719 |
| Communications | 370 | 370 | 389 | (19) |
| Printing & Binding | 200 | 200 | 172 | 28 |
| Travel | 250 | 250 | 200 | 50 |
| Dues and Fees | 100 | 100 | - | 100 |
| Training | 150 | 150 | 90 | 60 |
| Materials and Supplies | 300 | 300 | 50 | 250 |
| Protective Equipment | 75 | 75 | - | 75 |
| Vehicle Gasoline/Diesel | 2,500 | 2,500 | 2,316 | 184 |
| Minor Equipment | 405 | 405 | 164 | 241 |
| Other Supplies/Uniform Rental | 400 | 400 | 143 | 257 |
| Vehicle Maintenance | 750 | 750 | 405 | 345 |
| Total Animal Service | 61,014 | 61,014 | 53,796 | 7,218 |

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, 2010
(CONTINUED)

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| Fire | | | | |
| Wages - Full Time | 2,163,929 | 2,163,929 | 2,136,112 | 27,817 |
| Wages - Overtime | 16,500 | 16,500 | 12,792 | 3,708 |
| Employee Insurance | 462,214 | 462,214 | 439,031 | 23,183 |
| Social Security | 166,803 | 166,803 | 155,800 | 11,003 |
| Retirement | 243,600 | 243,600 | 245,753 | (2,153) |
| Unemployment Insurance | 100 | 100 | 63 | 37 |
| Worker's Compensation | 84,788 | 84,788 | 77,116 | 7,672 |
| Other Employee Benefits | 17,350 | 17,350 | 15,101 | 2,249 |
| Employee Recognition | 300 | 300 | - | 300 |
| Other Contractual Services | 2,400 | 2,400 | 603 | 1,797 |
| Repairs and Maintenance | 10,000 | 10,000 | 10,977 | (977) |
| Vehicle Insurance | 18,000 | 18,000 | 10,308 | 7,692 |
| Bldg & Pers Liability Insurance | 8,500 | 8,500 | 6,561 | 1,939 |
| Communications | 6,000 | 6,000 | 6,349 | (349) |
| Cable TV | 600 | 600 | 722 | (122) |
| Printing & Binding | 300 | 300 | 104 | 196 |
| Travel | 1,200 | 1,200 | 500 | 700 |
| Dues and Fees | 500 | 500 | 224 | 276 |
| Training | 3,000 | 3,000 | 1,829 | 1,171 |
| Materials and Supplies | 3,100 | 3,100 | 2,934 | 166 |
| Office Supplies | 1,200 | 1,200 | 1,519 | (319) |
| Cleaning Supplies & Chemicals | 3,500 | 3,500 | 2,757 | 743 |
| Medical Supplies | 6,400 | 6,400 | 6,704 | (304) |
| Protective Equipment | 6,200 | 6,200 | 4,273 | 1,927 |
| Vehicle Gasoline/Diesel | 25,000 | 25,000 | 20,193 | 4,807 |
| Food Supplies | 200 | 200 | - | 200 |
| Minor Equipment | 4,000 | 4,000 | 3,013 | 987 |
| Computer Hardware & Software | 1,900 | 1,900 | 346 | 1,554 |
| Vehicle Maintenance | 25,000 | 25,000 | 26,333 | (1,333) |
| Cable TV | - | - | 639 | (639) |
| Other Contractual Services | 200 | 200 | 300 | (100) |
| Repairs and Maintenance | 5,000 | 5,000 | 195 | 4,805 |
| Communications | 1,400 | 1,400 | 2,199 | (799) |
| Cable TV | 600 | 600 | 639 | (39) |
| Materials and Supplies | 1,500 | 1,500 | - | 1,500 |
| Office Supplies | 250 | 250 | 229 | 21 |
| Cleaning Supplies & Chemicals | 1,000 | 1,000 | 162 | 838 |
| Natural Gas | 12,000 | 12,000 | 5,419 | 6,581 |
| Electricity | 9,000 | 9,000 | 11,689 | (2,689) |
| Minor Equipment | - | - | 154 | (154) |
| Other Contractual Services | 300 | 300 | 275 | 25 |
| Repairs and Maintenance | 1,850 | 1,850 | 248 | 1,602 |
| Communications | 1,000 | 1,000 | 2,169 | (1,169) |
| Cable TV | 600 | 600 | - | - |
| Materials and Supplies | - | - | 188 | (188) |
| Office Supplies | - | - | 15 | (15) |
| Cleaning Supplies & Chemicals | 1,200 | 1,200 | 969 | 231 |
| Total Fire | 3,318,484 | 3,318,484 | 3,213,506 | 104,978 |
| Total Public Safety | 9,179,325 | 9,179,325 | 8,660,439 | 518,886 |

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, 2010
(CONTINUED)

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| Public Works | | | | |
| Administration | | | | |
| Wages - Full Time | 122,470 | 125,297 | 125,297 | - |
| Employee Insurance | 16,724 | 16,724 | 16,453 | 271 |
| Social Security | 9,369 | 9,369 | 9,359 | 10 |
| Retirement | 13,780 | 13,902 | 13,902 | - |
| Unemployment Insurance | 4 | 4 | 3 | 1 |
| Worker's Compensation | 740 | 740 | 673 | 67 |
| Vehicle Insurance | 410 | 410 | 222 | 188 |
| Bldg & Pers Liability Insurance | 1,100 | 1,100 | 573 | 527 |
| Communications | 980 | 980 | 736 | 244 |
| Printing & Binding | 100 | 100 | 39 | 61 |
| Travel | 1,100 | 1,100 | 869 | 231 |
| Dues and Fees | 350 | 350 | 141 | 209 |
| Training | 800 | 800 | 755 | 45 |
| Materials and Supplies | 100 | 100 | - | 100 |
| Office Supplies | 400 | 400 | 293 | 107 |
| Vehicle Gasoline/Diesel | 600 | 949 | 949 | - |
| Books & Periodicals | 500 | 500 | - | 500 |
| Vehicle Maintenance | 100 | 193 | 193 | - |
| Total Administration | 169,627 | 173,018 | 170,457 | 2,561 |
| City Engineer | | | | |
| Wages - Full Time | 180,170 | 180,170 | 140,927 | 39,243 |
| Employee Insurance | 22,284 | 22,284 | 16,699 | 5,585 |
| Social Security | 13,783 | 13,783 | 10,529 | 3,254 |
| Retirement | 20,500 | 20,500 | 20,681 | (181) |
| Unemployment Insurance | 8 | 8 | 5 | 3 |
| Worker's Compensation | 7,910 | 7,910 | 7,195 | 715 |
| Other Contractual Services | 6,325 | 6,325 | 757 | 5,568 |
| Repairs and Maintenance | 880 | 880 | 312 | 568 |
| Vehicle Insurance | 1,250 | 1,250 | 678 | 572 |
| Bldg & Pers Liability Insurance | 1,650 | 1,650 | 859 | 791 |
| Communications | 2,000 | 2,000 | 1,334 | 666 |
| Printing & Binding | 1,140 | 1,140 | 570 | 570 |
| Travel Expenses | 200 | 200 | 4 | 196 |
| Dues and Fees | 750 | 750 | 445 | 305 |
| Training | 1,000 | 1,000 | 405 | 595 |
| Materials and Supplies | 1,300 | 1,300 | 555 | 745 |
| Office Supplies | 500 | 500 | 422 | 78 |
| Vehicle Gasoline/Diesel | 3,500 | 3,500 | 3,142 | 358 |
| Books & Periodicals | 250 | 250 | 180 | 70 |
| Minor Equipment | 1,350 | 1,350 | 2,088 | (738) |
| Vehicle Maintenance | 1,500 | 1,500 | 1,118 | 382 |
| Total City Engineer | 268,250 | 268,250 | 208,905 | 59,345 |

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, 2010
(CONTINUED)

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| Streets | | | | |
| Wages - Full Time | 617,947 | 617,947 | 586.951 | 30.996 |
| Wages - Part Time/Temp | 5,500 | 5.500 | 5.264 | 236 |
| Wages - Overtime | 10,000 | 10.000 | 6,977 | 3,023 |
| Employee Insurance | 165,538 | 165,538 | 148.093 | 17,445 |
| Social Security | 48,612 | 48,612 | 43.800 | 4.812 |
| Retirement | 69,600 | 69.600 | 70.215 | (615) |
| Unemployment Insurance | 46 | 46 | 32 | 14 |
| Worker's Compensation | 62,769 | 62,769 | 57.094 | 5.675 |
| Other Employee Benefits | 8,970 | 8,970 | 2.230 | 6.740 |
| Solid Waste Disposal | 36,000 | 36,000 | 17,577 | 18,423 |
| Vehicle Insurance | 10,342 | 10.342 | 10.357 | (15) |
| Bldg & Pers Liability Insurance | 2,950 | 2,950 | 2.106 | 844 |
| Communications | 2,440 | 2.440 | 1,872 | 568 |
| Training | 975 | 975 | 320 | 655 |
| Materials and Supplies | 36,500 | 36,500 | 32.646 | 3.854 |
| Office Supplies | 500 | 500 | 209 | 291 |
| Protective Equipment | 3,000 | 3,000 | 2.908 | 92 |
| Electricity | 240.000 | 240.000 | 243.723 | (3.723) |
| Vehicle Gasoline/Diesel | 57,500 | 57.500 | 63.759 | (6.259) |
| Minor Equipment | 5,495 | 5,495 | 2.260 | 3.235 |
| Vehicle Maintenance | 60,000 | 60.000 | 48.092 | 11.908 |
| Total Streets | 1,444.684 | 1,444,684 | 1.346.485 | 98.199 |
| Garage | | | | |
| Wages - Full Time | 220.750 | 220,750 | 210.104 | 10.646 |
| Wages - Overtime | 1.500 | 1.500 | 1.038 | 462 |
| Employee Insurance | 50.172 | 50.172 | 55.505 | (5.333) |
| Social Security | 17.117 | 17.117 | 15.566 | 1.551 |
| Retirement | 24.970 | 24.970 | 25.191 | (221) |
| Unemployment Insurance | 12 | 12 | 8 | 4 |
| Worker's Compensation | 9,353 | 9.353 | 8.508 | 845 |
| Other Contractual Services | 360 | 360 | 336 | 24 |
| Repairs and Maintenance | 1,250 | 1.250 | - | 1.250 |
| Vehicle Insurance | 2.000 | 2.000 | 1.085 | 915 |
| Bldg & Pers Liability Insurance | 1.900 | 1.900 | 989 | 911 |
| Communications | 2.500 | 2.500 | 2.100 | 400 |
| Travel | 1.000 | 1.000 | - | 1.000 |
| Training | 1.500 | 1.500 | - | 1.500 |
| Materials and Supplies | 16.150 | 16.150 | 13.397 | 2.753 |
| Office Supplies | 500 | 500 | 253 | 247 |
| Protective Equipment | 500 | 500 | 488 | 12 |
| Natural Gas | 7,500 | 7,500 | 8,384 | (884) |
| Vehicle Gasoline/Diesel | 5,000 | 5,000 | 5,281 | (281) |
| Minor Equipment | - | - | 1.404 | (1.404) |
| Other Supplies/Uniform Rental | 3.380 | 3.380 | 3.437 | (57) |
| Vehicle Maintenance | 2.000 | 2.000 | 8.882 | (6.882) |
| Total Garage | 369.414 | 369.414 | 361.956 | 7.458 |

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, 2010
(CONTINUED)

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| Cemetery | | | | |
| Wages - Full Time | 246.376 | 246.376 | 254.307 | (7.931) |
| Wages - Part Time/Temp | 6,000 | 6.000 | 5,753 | 247 |
| Wages - Overtime | 12.000 | 12.000 | 5,892 | 6,108 |
| Employee Insurance | 55.732 | 55.732 | 54.798 | 934 |
| Social Security | 20.821 | 20.821 | 19.645 | 1,176 |
| Retirement | 27.700 | 27.700 | 27.945 | (245) |
| Unemployment Insurance | 20 | 20 | 13 | 7 |
| Worker's Compensation | 21.856 | 21.856 | 19.883 | 1,973 |
| Other Contractual Services | 336 | 336 | 336 | - |
| Repairs and Maintenance | 700 | 700 | - | 700 |
| Vehicle Insurance | 5.200 | 5.200 | 2,820 | 2,380 |
| Bldg & Pers Liability Insurance | 4.000 | 4.000 | 2,083 | 1,917 |
| Communications | 3.620 | 3.620 | 3.190 | 430 |
| Dues and Fees | 100 | 100 | - | 100 |
| Materials and Supplies | 5.000 | 5.000 | 5.325 | (325) |
| Office Supplies | 500 | 500 | 106 | 394 |
| Cleaning Supplies & Chemicals | 300 | 300 | 212 | 88 |
| Medical Supplies | 100 | 100 | 40 | 60 |
| Protective Equipment | 300 | 300 | - | 300 |
| Vehicle Gasoline/Diesel | 10.000 | 10.000 | 8.586 | 1.414 |
| Minor Equipment | 2.600 | 2.600 | 2.191 | 409 |
| Other Supplies/Uniform Rental | 2.860 | 2.860 | 2.769 | 91 |
| Vehicle Maintenance | 2.000 | 2.000 | 4.726 | (2,726) |
| Landscaping Supplies | 1.500 | 1.500 | 56 | 1,444 |
| Total Cemetery | 429.621 | 429.621 | 420.676 | 8,945 |
| Total Public Works | 2.681.596 | 2.684.987 | 2.508.479 | 176.508 |
| Community Development | | | | |
| Administration | | | | |
| Wages - Full Time | 118.622 | 118.622 | 121.360 | (2.738) |
| Wages - Part Time/Temp | 16.120 | 16.120 | 16.251 | (131) |
| Employee Insurance | 22.866 | 22.866 | 22,598 | 268 |
| Social Security | 10.308 | 10.308 | 10.067 | 241 |
| Retirement | 13.400 | 13.400 | 13.518 | (118) |
| Unemployment Insurance | 6 | 6 | 4 | 2 |
| Worker's Compensation | 474 | 474 | 431 | 43 |
| Other Employee Benefits | 3.600 | 3.600 | 3.600 | - |
| Bldg & Pers Liability Insurance | 725 | 725 | 378 | 347 |
| Communications | 360 | 360 | 390 | (30) |
| Printing & Binding | 100 | 100 | - | 100 |
| Travel | 1.170 | 1.170 | 71 | 1.099 |
| Dues and Fees | 500 | 500 | 490 | 10 |
| Training | 635 | 635 | - | 635 |
| Office Supplies | 160 | 160 | 38 | 122 |
| Books & Periodicals | 75 | 75 | - | 75 |
| Minor Equipment | 50 | 50 | 104 | (54) |
| Computer Hardware and Software | 300 | 300 | 6 | 294 |
| Chatt Flint RDC | 28.857 | 28.857 | 28.857 | - |
| Total Administration | 218.328 | 218.328 | 218.163 | 165 |

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, 2010
(CONTINUED)

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| Planning and Zoning | | | | |
| Wages - Full Time | 157,644 | 157,644 | 161,303 | (3,659) |
| Employee Insurance | 22,015 | 22,015 | 21,607 | 408 |
| Social Security | 12,061 | 12,061 | 12,020 | 41 |
| Retirement | 17,800 | 17,800 | 17,957 | (157) |
| Unemployment Insurance | 6 | 6 | 4 | 2 |
| Worker's Compensation | 555 | 555 | 505 | 50 |
| Vehicle Insurance | 800 | 800 | 434 | 366 |
| Bldg & Pers Liability Insurance | 1,800 | 1,800 | 937 | 863 |
| Communications | 360 | 360 | 389 | (29) |
| Advertising | 1,200 | 1,200 | 860 | 340 |
| Printing & Binding | 1,000 | 1,000 | 619 | 381 |
| Travel | 1,725 | 1,725 | 453 | 1,272 |
| Dues and Fees | 700 | 700 | 463 | 237 |
| Training | 800 | 800 | 475 | 325 |
| Materials and Supplies | 1,000 | 1,000 | 455 | 545 |
| Office Supplies | 1,500 | 1,500 | 526 | 974 |
| Vehicle Gasoline/Diesel | 600 | 600 | 273 | 327 |
| Books & Periodicals | 100 | 100 | - | 100 |
| Computer Hardware & Software | 100 | 100 | - | 100 |
| Vehicle Maintenance | 250 | 250 | 72 | 178 |
| Planning Commission | 500 | 500 | 175 | 325 |
| Total Planning and Zoning | 222,516 | 222,516 | 219,527 | 2,989 |
| | | | | |
| Business Development and Special Events | | | | |
| Wages - Full Time | 93,288 | 93,288 | 94,973 | (1,685) |
| Employee Insurance | 16,724 | 16,724 | 10,308 | 6,416 |
| Social Security | 7,137 | 7,137 | 7,164 | (27) |
| Retirement | 10,500 | 10,500 | 10,593 | (93) |
| Unemployment Insurance | - | - | 3 | (3) |
| Worker's Compensation | 657 | 657 | 597 | 60 |
| Other Employee Benefits | 3,600 | 3,600 | 3,600 | - |
| Public Relations | 3,000 | 3,000 | 910 | 2,090 |
| Repairs and Maintenance | 3,300 | 3,300 | 1,312 | 1,988 |
| Bldg & Pers Liability Insurance | 1,000 | 1,000 | 521 | 479 |
| Communications | 1,340 | 1,340 | 4,254 | (2,914) |
| Cable TV | 240 | 240 | - | 240 |
| Advertising | 1,800 | 1,800 | 1,414 | 386 |
| Printing & Binding | 1,000 | 1,000 | 115 | 885 |
| Travel | 1,200 | 1,200 | - | 1,200 |
| Dues and Fees | 1,530 | 1,530 | 1,241 | 289 |
| Training | 600 | 600 | 70 | 530 |
| Materials and Supplies | 350 | 350 | 165 | 185 |
| Office Supplies | 1,750 | 1,750 | 920 | 830 |
| Books & Periodicals | 200 | 200 | 99 | 101 |
| Minor Equipment | 1,425 | 1,425 | 842 | 583 |
| Computer Hardware & Software | 800 | 800 | - | 800 |
| Miscellaneous | 250 | 250 | 189 | 61 |
| Total Business Development & Special Events | 151,691 | 151,691 | 139,290 | 12,401 |

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, 2010
(CONTINUED)

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| Library | | | | |
| Wages - Full Time | 37,357 | 37,357 | 34,434 | 2,923 |
| Wages - Part Time | 14,313 | 14,313 | 16,559 | (2,246) |
| Employee Insurance | 269 | 269 | 246 | 23 |
| Social Security | 3,953 | 3,953 | 3,690 | 263 |
| Retirement | 4,255 | 4,255 | 4,293 | (38) |
| Unemployment Insurance | 4 | 4 | - | 4 |
| Worker's Compensation | 181 | 181 | 164 | 17 |
| Professional Services | 1,050 | 1,050 | 700 | 350 |
| Other Contractual Services | 5,884 | 5,884 | 5,884 | - |
| Repairs and Maintenance | 700 | 700 | 550 | 150 |
| Equipment and Vehicle Rental | 1,416 | 1,416 | 1,326 | 90 |
| Bldg & Pers Liability Insurance | 1,629 | 1,629 | 848 | 781 |
| Communications | 4,656 | 4,656 | 5,092 | (436) |
| Travel | 450 | 450 | 206 | 244 |
| Dues and Fees | 210 | 210 | 35 | 175 |
| Training | 155 | 155 | 155 | - |
| Materials and Supplies | 2,000 | 2,000 | 1,563 | 437 |
| Office Supplies | 1,000 | 1,000 | 768 | 232 |
| Cleaning Supplies & Chemicals | 500 | 500 | 321 | 179 |
| Food Supplies | 181 | 181 | 200 | (19) |
| Books & Periodicals | 18,281 | 18,281 | 9,111 | 9,170 |
| Minor Equipment | 1,000 | 1,000 | 997 | 3 |
| Computer Hardware & Software | 560 | 560 | 103 | 457 |
| Total Library | 100,004 | 100,004 | 87,245 | 12,759 |
| Parks & ROW Beautification | | | | |
| Wages - Full Time | 413,088 | 413,088 | 404,618 | 8,470 |
| Employee Insurance | 98,642 | 98,642 | 92,445 | 6,197 |
| Social Security | 31,601 | 31,601 | 29,862 | 1,739 |
| Retirement | 46,500 | 46,500 | 46,911 | (411) |
| Unemployment | 28 | 28 | 19 | 9 |
| Worker's Compensation | 42,895 | 42,895 | 39,019 | 3,876 |
| Other Contractual Services | 13,000 | 13,000 | 7,793 | 5,207 |
| Repairs and Maintenance | 3,500 | 3,500 | 3,003 | 497 |
| Vehicle Insurance | 5,659 | 5,659 | 3,262 | 2,397 |
| Bldg & Pers Liability Insurance | 1,409 | 1,409 | 4,167 | (2,758) |
| Communications | 2,000 | 2,000 | 2,061 | (61) |
| Travel | 500 | 500 | 245 | 255 |
| Dues and Fees | 850 | 850 | 435 | 415 |
| Training | 1,000 | 1,000 | 374 | 626 |
| Materials and Supplies | - | - | 10 | (10) |
| Office Supplies | 500 | 500 | 163 | 337 |
| Cleaning Supplies & Chemicals | 2,900 | 2,900 | 2,789 | 111 |
| Medical Supplies | 300 | 300 | 24 | 276 |
| Protective Equipment | 700 | 700 | 634 | 66 |
| Vehicle Gasoline/Diesel | 12,000 | 12,000 | 13,721 | (1,721) |
| Books & Periodicals | 150 | 150 | - | 150 |
| Minor Equipment | 5,000 | 5,000 | 3,326 | 1,674 |
| Other Supplies/Uniform Rental | 2,500 | 2,500 | 3,146 | (646) |
| Vehicle Maintenance | 7,500 | 7,500 | 9,452 | (1,952) |
| Landscaping Supplies | 23,000 | 23,000 | 9,835 | 13,165 |
| Veterans Memorial | - | - | 24,404 | (24,404) |
| Total Parks & ROW Beautification | 715,222 | 715,222 | 701,718 | 13,504 |

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, 2010
(CONTINUED)

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| Building Inspection | | | | |
| Wages - Full Time | 377,874 | 377,874 | 386,655 | (8,781) |
| Employee Insurance | 60,754 | 60,754 | 59,668 | 1,086 |
| Social Security | 28,907 | 28,907 | 29,064 | (157) |
| Retirement | 42,500 | 42,500 | 42,876 | (376) |
| Unemployment Insurance | 16 | 16 | 12 | 4 |
| Worker's Compensation | 17,178 | 17,178 | 15,627 | 1,551 |
| Vehicle Insurance | 5,360 | 5,360 | 3,381 | 1,979 |
| Bldg & Pers Liability Insurance | 3,570 | 3,570 | 1,859 | 1,711 |
| Communications | 2,648 | 2,648 | 2,730 | (82) |
| Advertising | 1,200 | 1,200 | 1,440 | (240) |
| Printing & Binding | 625 | 625 | 334 | 291 |
| Travel | 600 | 600 | 147 | 453 |
| Dues and Fees | 470 | 470 | 310 | 160 |
| Training | 3,000 | 3,000 | 515 | 2,485 |
| Materials and Supplies | 500 | 500 | 426 | 74 |
| Office Supplies | 1,500 | 1,500 | 486 | 1,014 |
| Vehicle Gasoline/Diesel | 12,000 | 12,000 | 13,454 | (1,454) |
| Food Supplies | 630 | 630 | - | 630 |
| Books & Periodicals | 1,400 | 1,400 | 251 | 1,149 |
| Minor Equipment | 200 | 200 | 642 | (442) |
| Computer Hardware & Software | 300 | 300 | - | 300 |
| Other Supplies/Uniform Rental | 714 | 714 | - | 714 |
| Vehicle Maintenance | 2,975 | 2,975 | 4,354 | (1,379) |
| Total Building Inspection | 564,921 | 564,921 | 564,231 | 690 |

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, 2010
(CONTINUED)

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| Building and Maintenance | | | | |
| Wages - Full Time | 103.896 | 103.896 | 99.938 | 3,958 |
| Wages - Overtime | 500 | 500 | - | 500 |
| Employee Insurance | 28,157 | 28.157 | 25,287 | 2,870 |
| Social Security | 7.986 | 7.986 | 7.375 | 611 |
| Retirement | 11.700 | 11.700 | 11,803 | (103) |
| Unemployment Insurance | 6 | 6 | 4 | 2 |
| Worker's Compensation | 6.327 | 6.327 | 5.754 | 573 |
| Other Contractual Services | 11.592 | 11.592 | 11.782 | (190) |
| Repairs and Maintenance | 50.000 | 50.000 | 45,585 | 4,415 |
| Vehicle Insurance | 1.400 | 1.400 | 759 | 641 |
| Bldg & Pers Liability Insurance | 27.000 | 27.000 | 14.060 | 12,940 |
| Communications | 700 | 700 | 777 | (77) |
| Office Supplies | 100 | 100 | - | 100 |
| Cleaning Supplies & Chemicals | 2.600 | 2.600 | 2,434 | 166 |
| Natural Gas | 30.900 | 30.900 | 22,574 | 8.326 |
| Vehicle Gasoline/Diesel | 5.000 | 5.000 | 4,266 | 734 |
| Other Supplies/Uniform Rental | 492 | 492 | 404 | 88 |
| Vehicle Maintenance | 1.500 | 1.500 | 1.750 | (250) |
| Total Building and Maintenance | 289.856 | 289.856 | 254.552 | 35.304 |
| Total Community Development | 2.262.538 | 2.262.538 | 2.184.726 | 77.812 |
| Total Expenditures | 16.071,120 | 16.121.717 | 15.049,139 | 1,072,578 |
| Excess (deficiency) of revenues Over (under) expenditure | 169.000 | 118.403 | 1.589.244 | 1.470.841 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Sale of Capital Assets | - | - | 17.475 | 17.475 |
| Transfer from Tourism Fund | 150.000 | 150.000 | 134.216 | (15.784) |
| Transfer to Capital Fund | (219,000) | (219.000) | (219,000) | - |
| Transfer to Street Fund | (100.000) | (100.000) | (100.000) | - |
| Total Other Financing Sources (Uses) | (169,000) | (169.000) | (167.309) | 1.691 |
| Net change in fund balances | $ - | $ (50,597) | $ 1.421.935 | $ 1,472.532 |
| Fund balances - beginning of year | | | 13.380.150 | |
| Fund balances - end of year | | | $ 14.802.085 | |

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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.

NSP Grant Fund – This fund accounts for funds received from the Georgia Department of Community Affairs Neighborhood Stabilization Program which are passed-through to the Newnan Housing Authority and Newnan-Coweta Habitat for Humanity, Inc.

## 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.

CITY OF NEWNAN, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2010

| | Special Revenue Funds | | | | | Capital Projects Funds | | | Total Nonmajor Governmental Funds |
|---|---|---|---|---|---|---|---|---|---|
| | Confiscated Assets | Miscellaneous Grants | Hotel/Motel Tourism Enhancement | NSP Grant | Total | Street Improvement | Capital Equipment | Total | |
| ASSETS | | | | | | | | | |
| Cash and cash equivalents | $ 4,559 | $ 11,565 | $ - | $ 2,281 | $ 18,405 | $ 1,009 | $ - | $ 1,009 | $ 19,414 |
| Investments | 1,734,816 | - | 666,518 | - | 2,401,334 | 589,205 | 393,979 | 983,184 | 3,384,518 |
| Taxes receivable | - | - | 51,941 | - | 51,941 | - | - | - | 51,941 |
| Total assets | $1,739,375 | $ 11,565 | $ 718,459 | $ 2,281 | $2,471,680 | $ 590,214 | $ 393,979 | $ 984,193 | $ 3,455,873 |
| LIABILITIES | | | | | | | | | |
| Accounts payable | $ 53,055 | $ - | $ 57,328 | $ - | $ 110,383 | $ 2,819 | $ 2,572 | $ 5,391 | $ 115,774 |
| Due to other funds | - | - | 31,164 | - | 31,164 | - | - | - | 31,164 |
| Deferred revenue | - | 11,565 | - | 2,281 | 13,846 | - | - | - | 13,846 |
| Total liabilities | 53,055 | 11,565 | 88,492 | 2,281 | 155,393 | 2,819 | 2,572 | 5,391 | 160,784 |
| FUND BALANCES | | | | | | | | | |
| Reserved for program purposes: | | | | | | | | | |
| Public safety | 1,686,320 | - | - | - | 1,686,320 | - | - | - | 1,686,320 |
| Tourism enhancement | - | - | 629,967 | - | 629,967 | - | - | - | 629,967 |
| Unreserved | - | - | - | - | - | 587,395 | 391,407 | 978,802 | 978,802 |
| Total fund balances | 1,686,320 | - | 629,967 | - | 2,316,287 | 587,395 | 391,407 | 978,802 | 3,295,089 |
| TOTAL LIABILITIES AND FUND BALANCES | $1,739,375 | $ 11,565 | $ 718,459 | $ 2,281 | $2,471,680 | $ 590,214 | $ 393,979 | $ 984,193 | $ 3,455,873 |

CITY OF NEWNAN, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

| | Special Revenue Funds | | | | | Capital Projects Funds | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Confiscated Assets | Miscellaneous Grants | Hotel/Motel Tourism Enhancement | NSP Grant | Total | Street Improvement | Capital Equipment | Total | Total Nonmajor Governmental Funds |
| REVENUES | | | | | | | | | |
| Hotel/motel taxes | $ - | $ - | $ 223,694 | $ - | $ 223,694 | $ - | $ - | $ - | $ 223,694 |
| Court condemnations | 2,129,542 | - | - | - | 2,129,542 | - | - | - | 2,129,542 |
| Intergovernmental | 75,430 | 55,553 | - | 1,827,754 | 1,958,737 | 89,781 | - | 89,781 | 2,048,518 |
| Investment earnings | 2,011 | - | 1,326 | - | 3,337 | 831 | 611 | 1,442 | 4,779 |
| Total revenues | 2,206,983 | 55,553 | 225,020 | 1,827,754 | 4,315,310 | 90,612 | 611 | 91,223 | 4,406,533 |
| EXPENDITURES | | | | | | | | | |
| Current | | | | | | | | | |
| General government | - | 2,003 | - | 1,827,754 | 1,829,757 | 76,891 | 34,701 | 111,592 | 1,941,349 |
| Tourism development | - | - | 3,691 | - | 3,691 | - | - | - | 3,691 |
| Public safety | 565,604 | - | - | - | 565,604 | - | - | - | 565,604 |
| Capital outlay | 91,224 | 53,550 | 206,843 | - | 351,617 | 5,057 | 134,790 | 139,847 | 491,464 |
| Total expenditures | 656,828 | 55,553 | 210,534 | 1,827,754 | 2,750,669 | 81,948 | 169,491 | 251,439 | 3,002,108 |
| Excess (deficiency) of revenues over (under) expenditures | 1,550,155 | - | 14,486 | - | 1,564,641 | 8,664 | (168,880) | (160,216) | 1,404,425 |
| Other financing sources (uses) | | | | | | | | | |
| Transfers in | - | - | - | - | - | 100,000 | 219,000 | 319,000 | 319,000 |
| Transfers out | - | - | (134,216) | - | (134,216) | - | - | - | (134,216) |
| Total other financing sources (uses) | - | - | (134,216) | - | (134,216) | 100,000 | 219,000 | 319,000 | 184,784 |
| Net change in fund balances | 1,550,155 | - | (119,730) | - | 1,430,425 | 108,664 | 50,120 | 158,784 | 1,589,209 |
| Fund balances - beginning of year | 136,165 | - | 749,697 | - | 885,862 | 478,731 | 341,287 | 820,018 | 1,705,880 |
| Fund balances - end of year | $ 1,686,320 | $ - | $ 629,967 | $ - | $ 2,316,287 | $ 587,395 | $ 391,407 | $ 978,802 | $ 3,295,089 |

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, 2010

| | Final Budget | Actual | Variance |
|---|---|---|---|
| REVENUES | | | |
| Court condemnations | $ 133,000 | 2,129,542 | $ 1,996,542 |
| Intergovernmental | - | 75,430 | 75,430 |
| Investment earnings | 1,500 | 2,011 | 511 |
| Total Revenues | 134,500 | 2,206,983 | 2,072,483 |
| EXPENDITURES | | | |
| Current | | | |
| Public safety | 570,631 | 565,604 | 5,027 |
| Capital outlay | 91,224 | 91,224 | - |
| Total Expenditures | 661,855 | 656,828 | 5,027 |
| Net change in fund balance | $ (527,355) | 1,550,155 | $ 2,077,510 |
| Fund balances - beginning of year | | 136,165 | |
| Fund balances - end of year | | $ 1,686,320 | |

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, 2010

| | Final Budget | Actual | Variance |
|---|---|---|---|
| REVENUES | | | |
| Intergovernmental | $ 7,500 | $ 55,553 | $ 48,053 |
| Total Revenues | 7,500 | 55,553 | 48,053 |
| EXPENDITURES | | | |
| Current | | | |
| General government | 10,864 | 2,003 | 8,861 |
| Capital outlay | 53,550 | 53,550 | - |
| Total Expenditures | 64,414 | 55,553 | 8,861 |
| Net change in fund balance | $ (56,914) | - | $ 56,914 |
| 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, 2010

| | Final Budget | Actual | Variance |
|---|---|---|---|
| REVENUES | | | |
| Hotel/motel taxes | $ 250,000 | $ 223,694 | $ (26,306) |
| Investment earnings | 4,500 | 1,326 | (3,174) |
| Total Revenues | 254,500 | 225,020 | (29,480) |
| EXPENDITURES | | | |
| Current | | | |
| Tourism development | 96,000 | 3,691 | 92,309 |
| Capital outlay | 206,843 | 206,843 | - |
| Total Expenditures | 302,843 | 210,534 | 92,309 |
| Excess (deficiency) of revenues over (under) expenditures | (48,343) | 14,486 | 62,829 |
| Other Financing Use | | | |
| Transfer out | (150,000) | (134,216) | 15,784 |
| Net change in fund balances | $ (198,343) | (119,730) | $ 78,613 |
| Fund balances - beginning of year | | 749,697 | |
| Fund balances - end of year | | $ 629,967 | |

CITY OF NEWNAN, GEORGIA

NSP GRANT 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, 2010

| | Final Budget | Actual | Variance |
|---|---|---|---|
| REVENUES | | | |
| Intergovernmental | $ 1,827,754 | $ 1,827,754 | $ - |
| Total Revenues | 1,827,754 | 1,827,754 | - |
| EXPENDITURES | | | |
| Current | | | |
| General government | 1,827,754 | 1,827,754 | - |
| Total Expenditures | 1,827,754 | 1,827,754 | - |
| Excess (deficiency) of revenues over (under) expenditures | - | - | - |
| Other Financing Use | | | |
| Transfer out | - | - | - |
| Net change in fund balances | $ - | - | $ - |
| Fund balances - beginning of year | | - | |
| Fund balances - end of year | | $ - | |

CITY OF NEWNAN, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITY
AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

| | December 31, 2009 | Additions | Deletions | December 31, 2010 |
|---|---|---|---|---|
| Police Pre-Confiscated Assets Fund | | | | |
| ASSETS | | | | |
| Cash | $ - | $ 79,704 | $ 5,453 | $ 74,251 |
| Total assets | $ - | $ 79,704 | $ 5,453 | $ 74,251 |
| LIABILITY | | | | |
| Payable from assets | | | | |
| Confiscated assets pending disposition | $ - | $ 79,704 | $ 5,453 | $ 74,251 |

# 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**<br>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. | 81-87 |
| **Revenue Capacity**<br>These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes. | 88-94 |
| **Debt Capacity**<br>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. | 95-96 |
| **Demographic and Economic Information**<br>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. | 97-99 |
| **Operating Information**<br>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. | 100-101 |


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 Seven Calendar Years**
**(accrual basis of accounting)**

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|
| **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 | $ 110,991,843 |
| Restricted | 7,370,329 | 10,247,870 | 10,017,489 | 12,310,604 | 11,890,374 | 12,341,221 | 16,917,262 |
| Unrestricted | 9,536,630 | 11,056,237 | 14,484,797 | 16,050,074 | 17,202,620 | 15,619,539 | 15,818,177 |
| Total governmental activities net assets | $ 53,777,873 | $ 69,506,202 | $ 84,453,152 | $ 128,081,161 | $ 137,063,766 | $ 139,010,423 | $ 143,727,282 |
| **Change in Net Assets** | | | | | | | |
| Governmental Activities | $ 13,051,613 | $ 15,728,329 | $ 14,946,950 | $ 43,628,009 | $ 8,982,605 | $ 1,946,657 | $ 4,716,859 |

**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 Seven Calendar Years**
**(accrual basis of accounting)**

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|
| **Expenses:** | | | | | | | |
| Governmental activities: | | | | | | | |
| General Government | $ 1,499,242 | $ 1,692,563 | $ 2,164,887 | $ 2,823,373 | $ 2,747,236 | $ 4,139,290 | $ 4,360,012 |
| Community Development | 1,785,109 | 1,761,614 | 2,233,473 | 2,697,243 | 2,610,332 | 1,137,412 | 2,603,527 |
| Public Safety | 7,081,640 | 7,522,020 | 8,076,362 | 8,638,598 | 9,341,701 | 9,272,838 | 9,634,856 |
| Public Works | 1,892,188 | 3,364,415 | 3,535,165 | 4,405,650 | 4,285,367 | 4,679,400 | 4,723,863 |
| Tourist Development | 658 | 20,511 | 14,955 | 2,292 | 4,274 | 9,304 | 3,691 |
| 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 | 21,325,949 |
| Total primary government expenses | $ 12,743,118 | $ 15,162,557 | $ 16,024,842 | $ 18,567,156 | $ 18,988,910 | $ 19,238,244 | $ 21,325,949 |
| **Program Revenues:** | | | | | | | |
| Governmental activities | | | | | | | |
| Charges for Services | | | | | | | |
| General government | $ 1,213,279 | $ 1,566,857 | $ 1,654,084 | $ 1,939,390 | $ 1,921,215 | $ 1,730,602 | $ 1,863,821 |
| Tourism Development | - | - | - | - | 21,504 | 17,560 | 23,104 |
| Public safety | 436,422 | 448,967 | 588,846 | 632,359 | 835,169 | 855,249 | 2,918,872 |
| Public works | - | 1,426,765 | - | - | - | - | - |
| Community development | - | - | 2,851,031 | 1,957,224 | 1,015,521 | 375,840 | 267,248 |
| 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 | 6,970,299 |
| Total governmental activities program revenues | 12,648,572 | 15,487,502 | 13,794,711 | 8,870,407 | 8,083,324 | 7,335,404 | 12,043,344 |
| Total primary government program revenues | $ 12,648,572 | $ 15,487,502 | $ 13,794,711 | $ 8,870,407 | $ 8,083,324 | $ 7,335,404 | $ 12,043,344 |
| **Net (Expenses)/Revenue** | | | | | | | |
| Governmental activities | $ (94,546) | $ 324,945 | $ (2,230,131) | $ (9,696,749) | $(10,905,586) | $ (11,902,840) | $ (9,282,605) |
| Total primary government net (expense)/revenue | $ (94,546) | $ 324,945 | $ (2,230,131) | $ (9,696,749) | $(10,905,586) | $ (11,902,840) | $ (9,282,605) |

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

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|
| **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 | $ 4,630,433 |
| Sales Taxes | 6,411,198 | 6,658,437 | 7,517,296 | 9,552,987 | 9,576,131 | 3,860,258 | 4,187,040 |
| Occupational Taxes | 1,206,741 | 1,321,047 | 1,472,479 | 1,732,989 | 1,838,252 | 1,792,961 | 1,603,104 |
| Franchise Taxes | 977,592 | 935,535 | 1,004,528 | 1,226,762 | 1,324,724 | 1,420,597 | 1,416,636 |
| Insurance Premium Taxes | 756,092 | 813,456 | 851,078 | 887,770 | 909,036 | 900,507 | 874,336 |
| Hotel Motel Taxes | 174,947 | 200,101 | 211,120 | 329,900 | 258,001 | 240,642 | 223,694 |
| Alcoholic Beverage Taxes | 584,315 | 636,993 | 700,717 | 733,406 | 731,681 | 742,731 | 737,209 |
| Other Taxes | 29,340 | 236,725 | 222,331 | 280,303 | 304,305 | 284,475 | 294,488 |
| Interest Revenue | 189,916 | 540,821 | 1,008,500 | 1,170,885 | 547,677 | 105,671 | 32,524 |
| 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 | 13,999,464 |
| Total Primary Government | $ 13,146,159 | $ 15,108,876 | $ 16,820,575 | $ 20,118,216 | $ 19,888,191 | $ 13,849,497 | $ 13,999,464 |
| **Change in Net Assets** | | | | | | | |
| Governmental Activities | $ 13,051,613 | $ 15,433,821 | $ 14,590,444 | $ 10,421,467 | $ 8,982,605 | $ 1,946,657 | $ 4,716,859 |
| Total Primary Government | $ 13,051,613 | $ 15,433,821 | $ 14,590,444 | $ 10,421,467 | $ 8,982,605 | $ 1,946,657 | $ 4,716,859 |

**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 requires the taxes and earning thereof 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 Seven Calendar Years**
**(accrual basis of accounting)**

| | Program Revenues | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| **Function/Program** | | | | | | | |
| Governmental activities: | | | | | | | |
| General Government | $ 2,156,208 | $ 2,994,494 | $ 1,654,084 | $ 1,939,390 | $ 3,086,953 | $ 3,503,579 | $ 4,598,122 |
| Community Development | - | - | 2,851,031 | 1,987,224 | 1,025,521 | 568,304 | 1,141,230 |
| Public Safety | 492,764 | 472,358 | 669,170 | 741,655 | 958,454 | 1,281,257 | 3,669,424 |
| Public Works | 9,958,000 | 12,020,650 | 8,597,644 | 4,202,138 | 2,990,892 | 1,964,704 | 2,611,464 |
| Tourist Development | - | - | 22,782 | - | 21,504 | 17,560 | 23,104 |
| 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 | 12,043,344 |
| Total primary government | $ 12,648,572 | $ 15,487,502 | $ 13,794,711 | $ 8,870,407 | $ 8,083,324 | $ 7,335,404 | $ 12,043,344 |

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

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

| | Calendar Year | | | | | | |
|---|---|---|---|---|---|---|---|
| | **2004** | **2005** | **2006** | **2007** | **2008** | **2009** | **2010** |
| **General Fund** | | | | | | | |
| Reserved | $ 148,146 | $ 255,509 | $ 273,734 | $ 458,929 | $ 227,287 | $ 135,435 | $ 125,936 |
| Unreserved | 9,673,201 | 10,983,435 | 12,848,952 | 14,168,420 | 14,885,077 | 13,315,495 | 14,746,505 |
| **Total General Fund** | $ 9,821,347 | $ 11,238,944 | $ 13,122,686 | $ 14,627,349 | $ 15,112,364 | $ 13,450,930 | $ 14,872,441 |
| **All Other Governmental Funds** | | | | | | | |
| Reserved | $ 830,759 | $ 3,182,981 | $ 10,038,294 | $ 13,090,613 | $ 13,211,566 | $ 13,683,686 | $ 16,869,986 |
| 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 | 978,802 |
| **Total all other governmental funds** | $ 7,370,329 | $ 10,075,845 | $ 11,318,793 | $ 13,750,450 | $ 13,851,879 | $ 14,503,704 | $ 17,848,788 |
| **Total Fund Balances** | **$ 17,191,676** | **$ 21,314,789** | **$ 24,441,479** | **$ 28,377,799** | **$ 28,964,243** | **$ 27,954,634** | **$ 32,721,229** |

**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 Seven Calendar Years
## (modified accrual basis of accounting)

| | Calendar Year | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| **Revenues** | | | | | | | |
| Taxes: | | | | | | | |
| Alcohol Taxes | $ 584,316 | $ 636,993 | $ 700,717 | $ 733,406 | $ 731,681 | $ 742,731 | $ 737,209 |
| Excise (Franchise) Taxes | 977,592 | 935,536 | 1,004,528 | 1,226,762 | 1,324,724 | 1,420,597 | 1,416,636 |
| Hotel/Motel Taxes | 174,947 | 200,101 | 211,120 | 329,900 | 258,001 | 240,642 | 223,694 |
| Insurance Premium Taxes | 756,092 | 813,456 | 851,078 | 887,770 | 909,036 | 900,507 | 874,336 |
| Occupational Taxes | 1,206,741 | 1,321,047 | 1,472,479 | 1,732,989 | 1,838,252 | 1,792,961 | 1,603,104 |
| Other Taxes | 107,912 | 199,194 | 222,331 | 280,303 | 304,305 | 284,475 | 294,488 |
| Property Taxes | 3,038,631 | 3,194,225 | 3,751,885 | 4,145,848 | 4,141,896 | 4,592,154 | 4,630,498 |
| Sales Taxes | 6,411,197 | 6,658,437 | 7,517,296 | 9,552,987 | 9,576,131 | 3,860,258 | 4,187,040 |
| Court Condemnations | 5,596 | 11,832 | 6,240 | 6,251 | 165,240 | 163,338 | 2,204,972 |
| Fines and Forfeitures | 430,826 | 448,967 | 588,846 | 632,359 | 669,929 | 691,911 | 624,181 |
| 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 | 203,581 |
| Indirect Cost Allocations | 1,028,939 | 1,139,329 | - | - | - | - | - |
| Intergovernmental | 328,517 | 461,148 | 848,571 | 476,377 | 499,968 | 4,300,078 | 6,602,500 |
| Intergovernmental - Utility | 853,126 | 966,488 | 1,094,453 | 1,161,112 | 1,165,377 | 1,172,781 | 1,389,848 |
| Investment Earnings | 189,916 | 540,821 | 1,008,923 | 1,170,885 | 547,677 | 105,671 | 55,409 |
| Alcohol Licenses | 152,425 | 236,183 | 174,700 | 180,038 | 183,775 | 179,050 | 186,354 |
| Other Revenues | 220,440 | 329,589 | 268,163 | 370,732 | 185,955 | 315,606 | 243,361 |
| Permits & Inspections | 1,060,854 | 1,330,674 | 1,345,583 | 838,630 | 486,125 | 259,895 | 267,249 |
| Total Revenues | 17,822,574 | 20,862,344 | 22,574,614 | 24,844,942 | 23,667,468 | 21,138,600 | 25,744,460 |
| **Expenditures** | | | | | | | |
| General government | 1,543,473 | 1,639,077 | 2,088,268 | 2,675,463 | 2,179,436 | 4,238,749 | 3,650,174 |
| Community Development | 2,325,998 | 2,725,073 | 2,615,532 | 2,337,153 | 2,365,981 | 2,335,471 | 2,190,419 |
| Public Safety | 7,249,855 | 7,809,982 | 7,697,555 | 8,314,508 | 8,910,093 | 8,858,915 | 9,215,617 |
| Public Works | 1,870,359 | 2,469,203 | 2,371,824 | 2,637,747 | 2,722,862 | 2,561,396 | 2,508,168 |
| Tourist Development | 658 | 20,511 | 14,955 | 2,292 | 4,274 | 9,304 | 3,691 |
| Intergovernmental | - | - | - | - | 793,530 | 659,712 | 715,094 |
| Capital Outlay | 1,878,426 | 2,397,282 | 5,016,296 | 4,953,459 | 6,104,848 | 3,484,662 | 2,712,177 |
| Total Expenditures | 14,868,769 | 17,061,128 | 19,804,430 | 20,920,622 | 23,081,024 | 22,148,209 | 20,995,340 |
| Excess of revenues over (under) expenditures | 2,953,805 | 3,801,216 | 2,770,184 | 3,924,320 | 586,444 | (1,009,609) | 4,749,120 |

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

| | Calendar Year | | | | | | |
|---|---|---|---|---|---|---|---|
| | **2004** | **2005** | **2006** | **2007** | **2008** | **2009** | **2010** |
| **Other Financing Sources (Uses)** | | | | | | | |
| Transfers from other Funds | 349,652 | 1,107,770 | 1,110,359 | 1,350,890 | 861,413 | 867,985 | 453,216 |
| Transfers to other Funds | (725,088) | (1,107,770) | (1,110,359) | (1,350,890) | (861,413) | (867,985) | (453,216) |
| Sale of Capital Assets | 81,500 | 27,390 | - | 12,000 | - | - | 17,475 |
| Total Other Financing Sources (Uses) | (293,936) | 27,390 | - | 12,000 | - | - | 17,475 |
| Net Change in Fund Balances | **$ 2,659,869** | **$ 3,828,606** | **$ 2,770,184** | **$ 3,936,320** | **$ 586,444** | **$ (1,009,609)** | **$ 4,766,595** |
| Debt Service as a Percentage of Noncapital Expenditures | 0.0% | 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 Seven 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 |
| 2010 | 4,630,498 | 1,416,636 | 874,336 | 1,603,104 | 737,209 | 223,694 | 4,187,040 | 294,488 | 13,967,005 |
| **% Change 2004 - 2010** | **52.4%** | **44.9%** | **15.6%** | **32.8%** | **26.2%** | **27.9%** | **-34.7%** | **172.9%** | **5.4%** |

**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 seven 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 |
|---|---|---|---|---|---|---|---|
| 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% |
| 2010 | 953,353,123 | 92,771,473 | 66,643,892 | 979,480,704 | 4.39 | 2,621,838,417 | 37.36% |

**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 |
| 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 |
| 2010 | 4.39 | 0.00 | 4.39 | 0.25 | 7.79 | 18.59 | - | 31.02 |

**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 Six Years Ago**

| Taxpayer | 2004 Taxable Assessed Value | 2004 Rank | 2004 Percentage of Total City Tax Levy | 2010 Taxable Assessed Value | 2010 Rank | 2010 Percentage of Total City Tax Levy |
|---|---|---|---|---|---|---|
| Fourth Quarter Properties | $ 11,235,310 | 1 | 1.83% | $ 37,998,248 | 1 | 3.62% |
| Peachtree City Holdings | 9,003,555 | 2 | 1.46% | - | | - |
| Inland Southeast Newnan LLC | 7,167,218 | 3 | 1.17% | 15,095,837 | 2 | 1.44% |
| 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% | 8,178,150 | 5 | 0.78% |
| 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 | - | | - | 8,498,923 | 3 | 0.81% |
| Coweta Fayette EMC | - | | - | 8,334,679 | 4 | 0.79% |
| Bon L Manufacturing | - | | - | 8,039,380 | 6 | 0.77% |
| WPRE | - | | - | 7,497,444 | 7 | 0.71% |
| HC Cable (NuLink) | - | | - | 7,226,872 | 8 | 0.69% |
| Newnan Development Partners | - | | - | 6,784,077 | 9 | 0.65% |
| Diplomat Hotels | - | | - | 6,490,309 | 10 | 0.62% |
| **Total** | **$ 61,748,537** | | **10.05%** | **$ 114,143,919** | | **10.88%** |

**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 |
| 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% | 352,983 | 4,443,371 | 98.57% |
| 2010 | 4,597,973 | 4,191,653 | 91.16% | - | 4,191,653 | 91.16% |

**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 Seven Calendar Years**

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|
| Accommodations [1] | $ - | $ - | $ - | $ - | $ - | $ 53,972 | $ 83,090 |
| 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 | 2,198,045 |
| Construction [1] | - | - | - | - | - | 31,972 | 94,584 |
| Food | 2,962,989 | 3,503,092 | 4,087,686 | 4,604,069 | 4,057,615 | 3,351,960 | 3,118,289 |
| General | 2,144,151 | 2,313,315 | 2,430,145 | 2,599,136 | 2,533,278 | 2,792,283 | 2,809,106 |
| Home | 882,624 | 1,027,193 | 1,267,542 | 1,224,669 | 1,023,933 | 1,305,365 | 1,305,236 |
| 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 | 762,408 |
| 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 | 1,185,083 |
| Other Retail [1] | - | - | - | - | - | 1,471,919 | 2,448,746 |
| Other Services [1] | - | - | - | - | - | 151,802 | 226,837 |
| Utilities | 2,250,243 | 2,620,842 | 3,211,321 | 3,356,457 | 3,808,788 | 3,255,225 | 3,010,243 |
| Wholesale [1] | - | - | - | - | - | 922,109 | 1,651,568 |
| Total | $ 15,165,757 | $ 17,024,898 | $ 20,010,557 | $ 20,911,680 | $ 20,899,126 | $ 19,400,308 | $ 18,893,235 |

**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 |
|---|---|---|
| 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% |
| 2010 | 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, 2010**

| Category of Debt | Amount of Outstanding Debt | Percentage Applicable To Government |
|---|---|---|
| Direct | | |
| City of Newnan General Obligation Bonds | $ - | |
| Capital Leases | - | |
| Total Direct Debt | - | |
| Overlapping | | |
| General Obligation Debt: | | |
| City of Newnan [1] | 95,963,338 | 100% |
| Coweta County School District | 37,000,000 | 100% |
| Total Overlapping Debt | 132,963,338 | 100% |
| Total Direct and Overlapping Debt | $ 132,963,338 | |

**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.

The percentage of overlapping debt applicable is calculated by taking the share of each individual project that Newnan participates in and multiply that share percentage by the total principal outstanding in each project.

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

| | Calendar Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2001** | **2002** | **2003** | **2004** | **2005** | **2006** | **2007** | **2008** | **2009** | **2010** |
| Net Assessed Value | $ 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 | $ 1,048,735,367 |
| Debt Limit - 10% of Assessed Value | 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 | 104,873,537 |
| Debt Applicable to Debt Limit: General obligation bonds | - | - | - | - | - | - | - | - | - | - |
| Net debt applicable to limit | - | - | - | - | - | - | - | - | - | - |
| Legal Debt Margin | $ 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 | $ 104,873,537 |
| 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] |
|---|---|---|---|---|---|---|
| 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% |
| 2010 | 33,039 | 1,094,926 | 33,140 | N/A | 22,464 | 9.8% |

[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 and was estimated for 2009 and 2010 since data was not available.

**City of Newnan, Georgia**
**Principal Employers**
**Current and Six Years Ago**

| 2004 Employers | 2010 Employers |
|---|---|
| ACS Business Process Solutions, Inc. | Bonnel Aluminum |
| Capital Products Corporation | Cargill Meat Solutions |
| Coweta County Board of Education | Coweta County, Georgia |
| Coweta County, Georgia | Coweta County Board of Education |
| Eckerd Drugs | Georgia Power |
| Excel Corporation | Kmart Distribution Center |
| Georgia Power | Petsmart Distribution Center |
| Newnan Hospital | Piedmont Newnan Hospital |
| Wal-Mart Supercenter | Relyco Securities |
| Yamaha Motor Manufacturing | Wal-Mart Supercenter |
| Yokogawa Industrial Automation | Yamaha Motor Manufacturing |

**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 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|
| **General Government** | | | | | | | | | | |
| City Manager [2] | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 2 | 2 | 2 |
| City Attorney | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Administrative | | | | | | | | | | |
| Finance [1] | 0 | 0 | 4 | 4 | 4 | 4 | 5 | 5 | 5 | 5 |
| City Clerk [1] | 5 | 5 | 1 | 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 | 1 | 1 | 1 | 1 | 1 | 1 |
| Municipal Court [3] | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 1 | 1 | 1 |
| **Public Safety** | | | | | | | | | | |
| Police | | | | | | | | | | |
| Officers | 64 | 66 | 66 | 65 | 69 | 71 | 75 | 75 | 75 | 75 |
| Civilians | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 6 | 6 | 6 |
| Administrative | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Fire Department | | | | | | | | | | |
| Firefighters | 38 | 41 | 41 | 41 | 44 | 44 | 47 | 49 | 49 | 49 |
| Administrative | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| **Community Development** | | | | | | | | | | |
| Administration [4] | 0 | 0 | 2 | 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 | 13 | 14 | 14 | 14 | 14 |
| Building Inspection | 8 | 9 | 8 | 8 | 9 | 9 | 9 | 9 | 9 | 8 |
| Building Maintenance | 2 | 3 | 2 | 2 | 3 | 3 | 3 | 3 | 3 | 3 |
| **Public Works** | | | | | | | | | | |
| Administration [4] | 0 | 0 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Streets [7] | 15 | 15 | 14 | 16 | 21 | 23 | 23 | 23 | 22 | 20 |
| Garage | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Cemetery | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Engineering [7] | 1 | 0 | 3 | 3 | 3 | 3 | 4 | 4 | 4 | 3 |
| **Other Services** | | | | | | | | | | |
| Carnegie Building [5] | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 2 |
| Business Development & Main Street (& Special Events) | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| **Sanitation** [6] | 40 | 42 | 42 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **217** | **225** | **229** | **189** | **203** | **211** | **221** | **224** | **225** | **221** |

**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.
(7) Two vacant positions in Street Department and one vacant position in Engineering deleted in 2010.

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

| Function/Program | Calendar Year 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|
| **General Government** | | | | | | | | | | |
| Occupational Tax Certificates Issued | 1,518 | 1,551 | 1,618 | 1,709 | 1,792 | 1,951 | 2,122 | 2,186 | 1,819 | 1,807 |
| Alcohol Licenses Issued | 103 | 94 | 89 | 87 | 94 | 95 | 90 | 91 | 92 | 99 |
| Property Tax Bills Issued | 8,350 | 8,816 | 9,191 | 9,735 | 11,058 | 12,456 | 13,298 | 13,714 | 13,856 | 13,896 |
| **Community Development** | | | | | | | | | | |
| Building Permits Issued - Commercial | 20 | 15 | 17 | 32 | 27 | 48 | 32 | 14 | 3 | 6 |
| Building Permits Issued - Residential | 610 | 566 | 643 | 799 | 1,023 | 802 | 350 | 188 | 69 | 122 |
| **Police** | | | | | | | | | | |
| Physical Arrests | 563 | 577 | 602 | 599 | 625 | 615 | 631 | 698 | 804 | 1,352 |
| Parking Violations | 1,481 | 1,592 | 1,433 | 2,258 | 2,101 | 1,435 | 1,889 | 1,691 | 1,545 | 1,254 |
| Traffic Violations | 5,491 | 4,090 | 4,499 | 4,476 | 5,640 | 5,922 | 6,461 | 5,921 | 6,216 | 6,191 |
| **Fire** | | | | | | | | | | |
| Emergency Responses | 1,187 | 1,837 | 2,201 | 2,253 | 2,231 | 1,858 | 2,415 | 3,308 | 2,631 | 3,590 |
| Fires Extinguished | 120 | 123 | 100 | 99 | 107 | 95 | 95 | 98 | 69 | 101 |
| **Public Works** | | | | | | | | | | |
| Streets Resurfaced (Miles)[1] | | | | | | | | | | |
| -- Full Depth Reclamation (FDR) | - | - | - | - | - | - | 1.0169 | 0.6750 | 3.6565 | 0.9130 |
| -- LARP Resurfacing | - | - | - | - | 5.0000 | 2.3600 | 0.0000 | 2.5270 | 3.4750 | 0.0000 |
| -- Other Resurfacing | - | - | - | - | 0.2400 | 0.0000 | 0.3500 | 0.6938 | 0.8269 | 2.3450 |

**Source:** Various City Departments.

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

| | Calendar Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Function/Program** | **2001** | **2002** | **2003** | **2004** | **2005** | **2006** | **2007** | **2008** | **2009** | **2010** |
| **Police** | | | | | | | | | | |
| Stations | 2 | 2 | 2 | 2 | 3 | 3 | 3 | 3 | 3 | 3 |
| Patrol Cars | 58 | 58 | 63 | 60 | 62 | 64 | 66 | 66 | 66 | 68 |
| **Fire** | | | | | | | | | | |
| Stations | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 3 | 3 | 3 |
| Trucks | 5 | 5 | 5 | 5 | 5 | 5 | 6 | 6 | 6 | 6 |
| Fire Hydrants | 1,259 | 1,387 | 1,462 | 1,711 | 1,857 | 1,937 | 1,963 | 1,963 | 1,964 | 2,005 |
| **Recreation** | | | | | | | | | | |
| Community Centers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 |
| Parks | 8 | 8 | 8 | 8 | 8 | 8 | 9 | 10 | 10 | 10 |
| Park Acreage | 27 | 27 | 27 | 27 | 27 | 27 | 31 | 33 | 33 | 33 |
| Swimming Pools | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Tennis Courts | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| **Public Works** | | | | | | | | | | |
| Streets (miles) | N/A | 136 | 143 | 155 | 168 | 177 | 182 | 185 | 185 | 172 |
| Sidewalks (miles) | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 3.26 |
| Number of Streets | 440 | 452 | 484 | 527 | 586 | 624 | 641 | 651 | 651 | 618 |
| Number of Streets Lights | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| New Sidewalk Construction (LF) | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 3,806 |

**Source**: Various City departments., Newnan Utilities

# GOVERNMENTAL REPORTS

CITY OF NEWNAN, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS (2002)
FOR THE YEAR ENDED DECEMBER 31, 2010

| 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 | $ 2,741,185 | $ 505,459 | $ 3,246,644 | 93% |
| 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 | 33,125 | 64,800 | 16% |
| 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 | $ 9,273,021 | $ 538,584 | $ 9,811,605 | |

CITY OF NEWNAN, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS (2007)
FOR THE YEAR ENDED DECEMBER 31, 2010

| 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 | 55,396 | 33,213 | 88,609 | 27% |
| Building Maintenances/Structure | 6,650,000 | 6,650,000 | 810,848 | 961,552 | 1,772,400 | 27% |
| Parks and Recreation | 1,200,000 | 1,200,000 | 88,893 | 1,700 | 90,593 | 8% |
| Streets | 14,925,333 | 15,097,120 | 3,584,475 | 364,602 | 3,949,077 | 26% |
| Equipment | 1,625,000 | 1,625,000 | 329,327 | 315,835 | 645,162 | 40% |
| Transfer to Water, Sewerage and Light Commission | 4,820,063 | 4,820,063 | 2,245,804 | 715,094 | 2,960,898 | 61% |
| | $ 30,125,396 | $ 30,297,183 | $ 7,279,604 | $ 2,391,996 | $ 9,671,600 | |

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# SINGLE AUDIT SECTION

CITY OF NEWNAN, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

| Federal/Grantor/Pass-Through Grantor/Program Title | Pass-Through Entity Identifying Number | Federal CFDA Number | Program or Award Amount | Federal Expenditures |
|---|---|---|---|---|
| **U.S. Department of Justice** | | | | |
| Direct Programs | | | | |
| Federal Forfeiture Program | GA 0380100 | 16.000 | N/A | $ 634,854 |
| Total U.S. Department of Justice | | | | 634,854 |
| **U.S. Department of Homeland Security** | | | | |
| Federal Emergency Management Agency | | | | |
| Assistance to Fire Fighters | EMW-2009-FO-00051 | 97.044 | $ 53,550 | 53,550 |
| Total U.S. Department of Homeland Security | | | | 53,550 |
| **U.S. Department of Housing and Urban Development** | | | | |
| Pass-Through Program from: | | | | |
| Georgia Department of Community Affairs | | | | |
| Neighborhood Stabilization Program | 08-NS-5067 | 14.228 | 2,184,039 | 1,827,754 |
| Total U.S. Department of Housing and Urban Development | | | | 1,827,754 |
| Total Expenditures of Federal Awards | | | | $ 2,516,158 |

The accompanying notes are an integral part of these financial statements

CITY OF NEWNAN, GEORGIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

## NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the City of Newnan, Georgia under programs of the federal government for the year ended December 31, 2010. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the City of Newnan, Georgia, it is not intended to and does not present the financial position, changes in net assets or cash flows of the City of Newnan, Georgia.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the (identify basis of accounting) basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

## NOTE 3 – SUBRECIPIENTS

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

| CFDA Number | Program Name | Amount Provided to Subrecipients |
|---|---|---|
| 14.228 | Neighborhood Stabilization Program | $ 1,827,754 |

CITY OF NEWNAN, GEORGIA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2010

**FEDERAL AWARD FINDINGS**

Findings noted on the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with *OMB Circular A-133:*

**NOT APPLICABLE – NO SINGLE AUDIT FOR 2009**

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)

# 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, 2010, which collectively comprise the City of Newnan, Georgia's basic financial statements and have issued our report thereon dated June 8, 2011. 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be a material weakness.



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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. We consider the deficiency 2010-1 described in the accompanying schedule of findings and questioned costs to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency 2010-2 described in the accompanying schedule of findings and questioned costs to be a significant deficiency.

**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 Standard.*

We noted certain matters that we reported to management of the City of Newnan, Georgia in a separate letter dated June 8, 2011.

The City of Newnan's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, City Council, management, the U.S. Department of Justice, the U.S. Department of Homeland Security and the U.S. Department of Housing and Urban Development; and is not intended to be and should not be used by anyone other than these specified parties.

Macon, Georgia
June 8, 2011

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# REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH *OMB CIRCULAR A-133*

Honorable Mayor and Council
City of Newnan, Georgia

## Compliance

We have audited the City of Newnan, Georgia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Newnan, Georgia's major federal programs for the year ended December 31, 2010. The City of Newnan, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Newnan, Georgia's management. Our responsibility is to express an opinion on the City of Newnan, Georgia's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Newnan, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Newnan, Georgia's compliance with those requirements.

In our opinion, the City of Newnan, Georgia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010.



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**Internal Control Over Compliance**

Management of the City of Newnan, Georgia is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Newnan, Georgia's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133; but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Newnan, Georgia's internal control over compliance.

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

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

This report is intended solely for the information and use of the audit committee, management, City Council, the U.S. Department of Justice, the U.S. Department of Homeland Security and the U.S. Department of Housing and Urban Development; and is not intended to be and should not be used by anyone other than these specified parties.

Macon, Georgia
June 8, 2011

CITY OF NEWNAN, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2010

## Section I – Summary of Auditor's Results

***Financial Statements***

| | |
|---|---|
| Type of auditor's report issued | Unqualified |
| Internal control over financial reporting: | |
| Material weakness(es) identified? | Yes |
| Significant deficiency(ies) identified that are not considered to be material weakness(es) | Yes |
| Noncompliance material to financial statements noted? | No |

***Federal Awards***

| | |
|---|---|
| Internal control over major programs: | |
| Material weakness(es) identified? | No |
| Significant deficiency(ies) identified that are not considered to be material weakness(es)? | None Reported |
| Type of auditor's report issued on compliance for major programs: | Unqualified |
| Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133? | No |

Identification of Major Programs:

| CFDA Numbers | Name of Federal Program |
|---|---|
| 16.000 | Federal Forfeiture Program |
| 14.228 | Neighborhood Stabilization Program |

| | |
|---|---|
| Dollar threshold used to distinguish between Type A and Type B program | $ 300,000 |
| Auditee qualified as low-risk auditee | No |

## Section II – Financial Statement Findings

Findings noted on the 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*:

### 2010-1 Control Environment – Fines and Forfeitures

*CRITERIA*
Tickets issued by officers should reconcile/agree with ticket receipts reports generated by Courtware Solutions software program. All tickets issued should be accounted for by the department.

*CONDITION*
The City does not have control procedures in place to properly reconcile tickets issued to receipts reports or verify that all tickets issued had been accounted for in a timely manner.

*EFFECT*
The lack of reconciliations decreases the effectiveness of the system of internal controls. This condition results in a reduced ability to detect and correct errors and increases the possibility that irregularities, including fraud, could exist and continue without notice.

*CAUSE*
Management has not implemented a policy/procedure to ensure that all tickets are accounted for and reconciled monthly.

*RECOMMENDATION*
The City should implement a procedure to reconcile tickets issued to the ticket receipts report reflecting tickets paid or dismissed. All tickets issued should be accounted for and any unaccounted for tickets should be investigated on a timely basis. This procedure should be monitored by management.

*VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTION*
We concur with the finding regarding fines and forfeitures. The following steps are being taken to insure all tickets are accounted for going forward: Any case that is submitted on a Uniform Traffic Citation will be docketed as a T case. The T indicates a traffic case. Previously, any non-traffic offenses submitted on a UTC (Public Drunk, Minor in Possession of Alcohol, etc.) were docketed as an M (misdemeanor) case. Due to the fact that the M cases are listed separately, this gives the perception that there are missing tickets. Cases submitted on City Arrest Warrants are docketed with an MW code (misdemeanor warrant).

Ticket books will be issued to officers in sequential order. All voided tickets will be turned in to the Clerk's office at the Police department so they can be accounted for, including tickets that are damaged or destroyed. A monthly audit of ticket numbers will be conducted to identify any gaps and/or missing tickets. Explanations will be provided.

**Component Unit – City of Newnan Downtown Development Authority**

**2010-2 Control Environment – Check signing**

*CRITERIA*
The City of Newnan DDA bylaws require, all drafts, debits, checks, etc. drawn against accounts of the Authority not exceeding $1,000 shall be signed by the Executive Director. Any drafts, debits, checks, etc. drawn against the accounts of the Authority exceeding $1,000 shall be signed by the Executive Director along with one acting Authority member.

*CONDITION*
During 2010, the Authority issued six checks over the $1,000 limit with only one signature.

*EFFECT*
The Authority violated the policy relative to two signatures on checks over $1,000.

*CAUSE*
The Executive Director did not properly oversee the disbursements of the Authority.

*RECOMMENDATION*
The Authority should abide by the current policy.

*VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTION*
We concur with the finding regarding check signing by the DDA. We are currently in the process of hiring a new Executive Director, along with a new Main Street Coordinator, unrelated to this finding, but related to the corrective action. The new Executive Director will be given explicit instructions by both the City of Newnan management and the DDA board in regard to issuing and signing checks. Internally, the City will review bank statements monthly to ensure that appropriate signatures are obtained and deficiencies can be corrected in a timely manner. Copies of the monthly bank statements will be submitted to the Finance Director for review as they become available.

**Section III – Federal Award Findings and Questioned Costs**

No matters were reported.

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