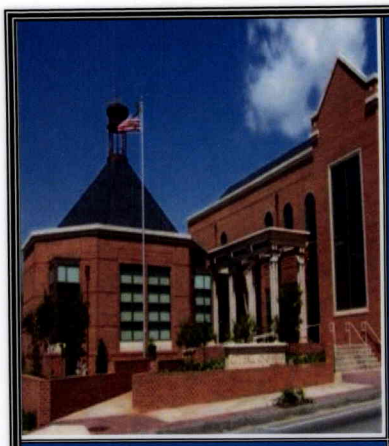
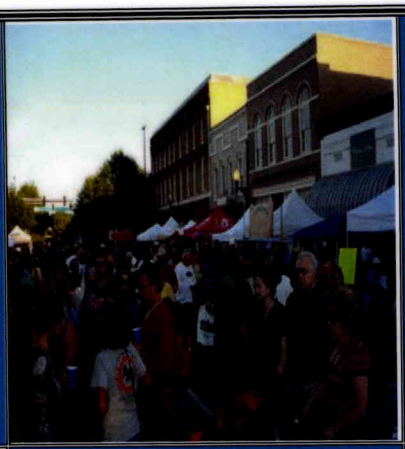
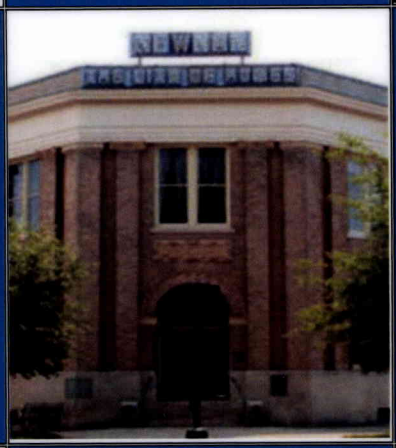


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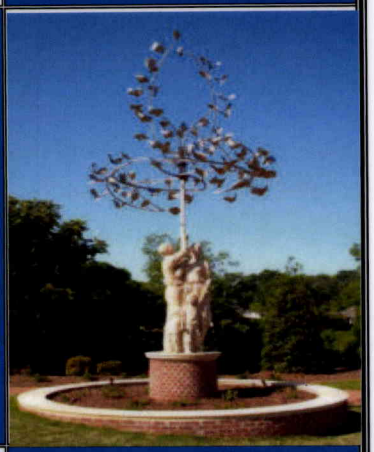


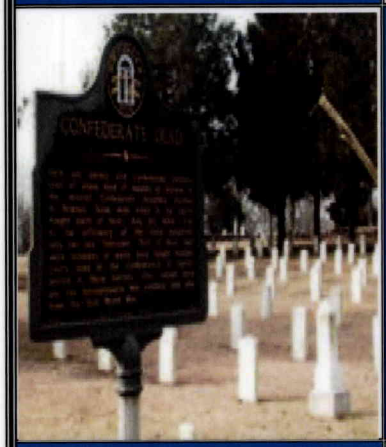
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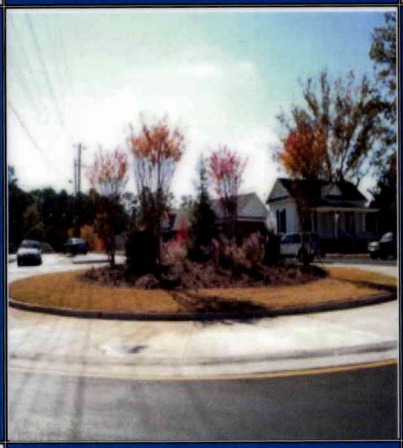


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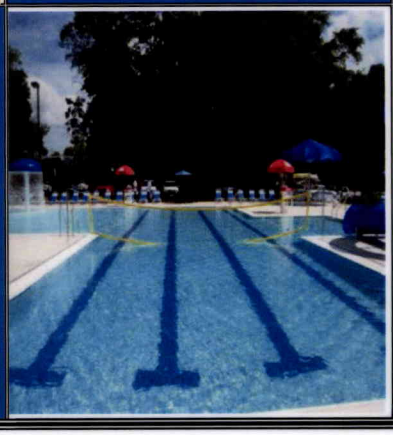


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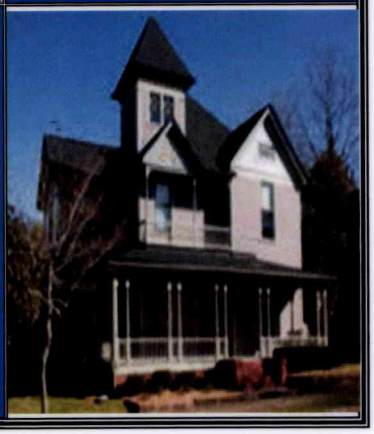


service

responsive



teamwork



CITY OF NEWNAN, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For The Year Ended December 31, 2012

CITY OF NEWNAN, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2012

PREPARED BY: DEPARTMENT OF FINANCE

CITY OF NEWNAN, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
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INTRODUCTORY SECTION

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City of Newnan, Georgia
Finance Department

June 5, 2013

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, 2012. 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, an organization chart for the City of Newnan and the City's Certificate of Achievement for Excellence in Financial Reporting. 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), Newnan Convention Center and the Downtown Development Authority (DDA) are included as component units of the City of Newnan and are discretely presented within the City's annual financial statements.

INDEPENDENT AUDIT

The City of Newnan's financial statements have been audited by the firm of Clifton, Lipford, Hardison and Parker, LLC of Macon, Georgia. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended December 31, 2012 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 2012. The requirement for a single audit is the expense of $500,000 or more in federal funds. A total of $304,688 was expended utilizing funds from the U.S. Department of Justice in the form of confiscated assets. Additionally, the City disbursed $349,987 from the Neighborhood Stabilization Program grant sponsored by the Georgia Department of Community Affairs. The information related to the single audit is included in a separately issued single audit report in this document.

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

CITY OF NEWNAN PROFILE

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 240 people who are organized into five (5) functions: General Government, Public Safety, Public Works, Community Development and Other Services. General Government consists of Council, Municipal Court, City Manager, City Clerk, Human Resources, Finance, Information Technologies, and Miscellaneous. Public Safety includes the Police and Fire Departments. Public Works is made up of the Street, Garage, Engineering, and Cemetery departments. Community Development is comprised of Planning and Zoning, Building Inspection, Building Maintenance, and Beautification. The Other Services function includes the Carnegie Building, Business Development and Special Events, and Main Street.

Also important in the operation of the city are its numerous boards and commissions, where preliminary issues are heard and considered before being presented to the Mayor and Council. Over one hundred citizen volunteers serve on the various boards, commissions, and authorities for the City of Newnan including the Board of Zoning Appeals, Planning Commission, Downtown Development Authority, Ethics Commission, Housing Authority, Keep Newnan Beautiful Commission, Newnan Cultural Arts Commission, Newnan Convention Center Authority, Newnan Development Authority, 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 2012, Newnan had grown to approximately 19.5 square miles.

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

FACTORS AFFECTING FINANCIAL CONDITION

The City of Newnan enjoys a diverse economy and relatively stable unemployment rate which translates into a diverse portfolio of revenue streams and growth in population. 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. However, it is noteworthy to mention that the City plans to offer a portion of the Sanitation services, bulk and brush operations, which were previously privatized to its residents beginning in March 2013. The remainder of Sanitation services will remain with Waste Industries, who holds the contract to provide such services to all City residents, per ordinance.

The City is financially stable. Targeted fund balance is 50% of budgeted expenditures. At the end of 2012, unassigned fund balance equaled approximately 112.7% of 2012 general fund expenditures. This percentage has remained fairly constant over the years. Based on excellent management of resources, assets and expenditures, and a very healthy fund balance, the City is well prepared to continue operations at the prescribed service levels in spite of slow economic growth.

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

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 Yokogawa Corporation of America, William L. Bonnell, Pet Smart Distribution, 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 which had slowed some during the past couple of years. During the first quarter of 2013, the City began experiencing a pick-up in the volume of permits being issued for both residential and commercial operations.

Additionally, Cancer Treatment Centers of America (CTCA) selected Newnan as the location for a new facility and opened for business in July 2012. With more than two-thirds of its patients coming from outside the state of Georgia, patients and their families will contribute significantly to the growth and vitality of the local economy. CTCA officials had expected the new facility to generate 500 news jobs and $500 million in economic activity over the first five years of operation. The first year of operations has by far exceeded all expectations!

Piedmont-Newnan Hospital opened its brand new facility in May 2012, replacing an aging, outdated facility on Hospital Road. Along with the two new hospitals mentioned, several other physician offices and related businesses opened their doors in 2012. Newnan and Coweta County now boasts of excellent healthcare resources.

Fiscal Policies

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

- The City shall strive to maintain a broad and diversified revenue base that will equitably distribute the burden of supporting City services and will protect the City from short-term fluctuations in any one revenue source.
- The City will actively support economic and industrial development, recruitment and retention efforts to expand the revenue base.

- The City will maintain timely collection systems and implement necessary enforcement strategies to collect revenues.
- The City will project revenues on a conservative basis so that actual revenues will consistently meet or exceed budgeted revenues.
- Basic and essential services provided by the City will receive priority funding.
- The City will provide access to medical, dental and life insurance for its employees. The cost for these benefits will be shared between the City and its employees.
- The City will provide access to appropriate retirement plans for its employees. The City will make contributions for eligible employees at the percentage defined.

Cash Management Policy and Practices

The City adheres to treasury management practices permitted by Georgia statutes and codes. The City, subsequently, limits its investments to the types of securities provided by statute/code, considering first the probable safety of capital and then the probable income to be derived. The City has limited its investments to the Georgia State Pool and several operating, checking and savings accounts at a local bank. Additionally, the City has a very small investment in Certificates of Deposit. The interest rate has been very sluggish during the past several years; therefore the City's stance is to simply conserve its investments rather than seek higher rates of return which might entail some risk.

Debt and Reserve Policy

The City attempts to fund all capital projects and capital improvements with pay-as-you-go financing, using current revenues when possible. The City has operated debt-free for many years, however, during 2013 the City may utilize some form of debt in order to build a new Public Safety Complex and/or complete renovations of the old Newnan Hospital to serve as a Newnan campus for the University of West Georgia. The Public Safety Complex was approved as a SPLOST 2013 project. The University of West Georgia project will be funded jointly by the City of Newnan, Newnan Hospital Inc., Coweta County and the University of West Georgia.

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

Employee Retirement and Health Insurance Plans

The City of Newnan participates in the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association (GMA). The City continues to pay 100% of the employee's portion of the retirement plan as a benefit to employees. In 2012, the City contributed $839,750 to the plan on behalf of its employees, compared to the 2011 contribution of $886,889. This contribution represents 9.11% of projected payroll expenditures for covered employees versus 10.44% in 2011.

Employees are eligible to participate in the retirement program after one (1) year of continued service and are vested in the program after ten (10) years of service. Additional information concerning the City's

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

The City offers health and life insurance to all active employees. The City continues to pay 100% of the life and health insurance premiums for employees who elect single coverage. Additionally, the City pays 84.6% of the cost of health insurance for employees choosing family coverage, along with 100% of their life insurance costs. Overall, health insurance premiums increased by 7% for 2012. Employees with family coverage paid $240, or 26%, of the total increase of $936 annually. The City absorbed the remaining 74% of the cost of the increase. The City's contributions for employee health and life insurance increased by 7.1% in 2012; going from $1,879,524 in 2011 to $2,013,665.

In 2012, the City offered employees the option to participate in a health insurance opt-out program where the City paid a monthly stipend to any employee having health insurance outside of the City coverage plan. This opt-out program is significantly less expensive to the City than family or single coverage. A variety of optional insurances is also available to employees, including additional life, dental, cancer, vision and disability insurance, all of which are paid solely by the employee if selected.

MAJOR INITIATIVES AND ACCOMPLISHMENTS

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

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

2012 Accomplishments

During fiscal year 2012, 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 23rd consecutive award!
- Received the GFOA Certificate of Achievement for Excellence in Financial Reporting for the City's 2011 Comprehensive Annual Financial Report (CAFR).
- Provided a 3.5% wage increase to all full-time employees, the first increase in three years. The increased included a 1.0% cost of living adjustment and 2.5% step increase.
- Full depth reclamation and paving of Parkway North and Pinson Street.
- Completed the 2nd phase of the Greenville Street Corridor Improvement project.
- Completed right-of-way acquisitions for the Jefferson/Jackson Corridor Improvement project.
- Continued work on the Jackson/Sprayberry/Roscoe Road Intersection improvements.
- Completed parking lot improvements on the Hancock tract.
- Completed drainage improvements at Dewey, Reynolds, East Broad and Thompson Streets.
- Opened a new section in East View Cemetery.
- Installed a new traffic signal at McIntosh Parkway.

- Completed the Pinson Street Sidewalk project.
- Completed the Greenville/Spence Intersection improvements.
- Completed the facility improvements at Boone Drive.
- Installed back-up sensors on all police vehicles to reduce backing incidents.
- Completed redesign and implementation of the City's new website.
- Completed Culvert Replacement at Parks Avenue.
- Projects underway (CIP) at the end of 2012 included: Construction of the new Convention Center, Fitness Trail at the Convention Center, Greenville Streetscapes Phase II, Jefferson/Jackson Corridor Improvements, Lower Fayetteville Road Widening, McIntosh Parkway Extension, Newnan Crossing Bypass FDR and Paving, construction of a new Public Safety Complex, Ray Park Construction, and various street, sidewalk and drainage improvements; as well as renovation of the old Newnan Hospital to serve as the Newnan campus for the University of West Georgia.

Strategic Financial Planning

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

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

AWARDS AND ACKNOWLEDGEMENTS

GFOA Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Newnan for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2011. This was the second consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

GFOA Distinguished Budget Presentation Award

The City of Newnan was awarded, for the twenty-third consecutive year, the Government Finance Officers Association of the United States "Distinguished Budget Presentation Award" for its 2012 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 2013 Budget document to GFOA for consideration of this award.



Acknowledgements

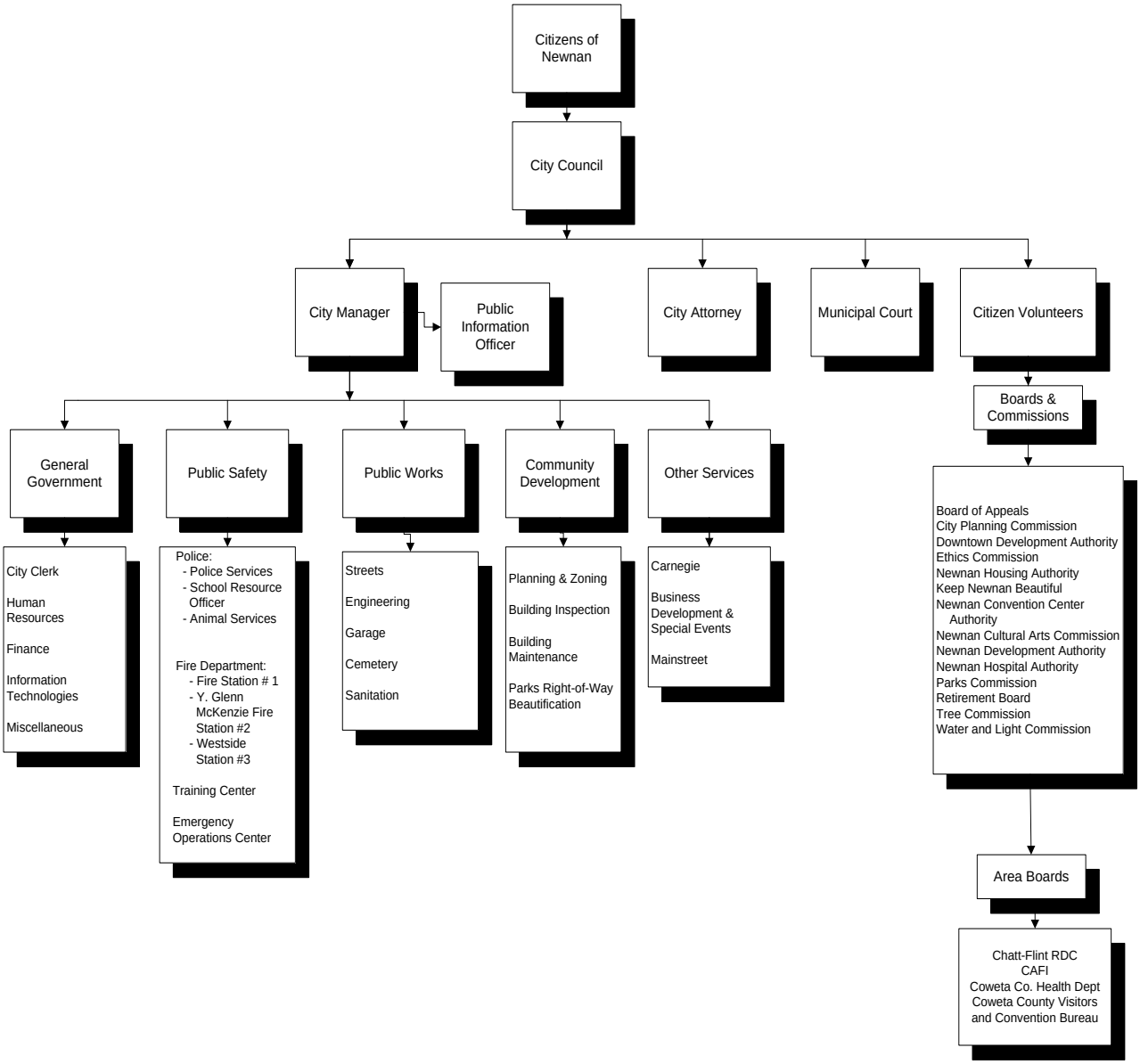
The timely preparation and publication of this Comprehensive Annual Financial Report represents significant effort and accomplishment by the Finance department, as well as the cooperation and assistance of other City of Newnan departments and employees. The independent audit firm of Clifton, Lipford, Hardison and Parker, LLC is also to be commended for their cooperation and invaluable assistance in the preparation of this document. My sincere appreciation is expressed to the City Council, City Manager and Department Heads for assistance and leadership throughout the year as it pertains to the financial affairs of the City of Newnan. Last, but not least, I wish to express my sincere appreciation to the Finance department staff: 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
(770) 254-2351, Facsimile (770) 254-2353
www.ci.newnan.ga.us

City of Newnan, Georgia
OFFICIALS AND OFFICES

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

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

MAYOR AND COUNCIL MEMBERS

District	Council member	Year Elected
Mayor	L. Keith Brady	1994
District 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	Director/Supervisor	Physical Address	Phone
Beautification	Mike Furbush	57 Boone Drive	770-251-3455
Building Inspection	Bill Stephenson	25 LaGrange Street	770-254-2362
Business Dev	Hasco Craver	6 First Avenue	770-253-8283
Carnegie Building	Amy Mapel	1 LaGrange Street	770-683-1347
Cemetery	Jimmy Hemmings	25 LaGrange Street	770-253-3744
City Clerk	Della Hill	25 LaGrange Street	770-254-2358
City Council		25 LaGrange Street	770-254-2358
City Hall		25 LaGrange Street	770-253-2682
City Manager	Cleatus Phillips	25 LaGrange Street	770-254-2358
Engineering	Michael Klahr	25 LaGrange Street	770-254-2354
Finance	Katrina Cline	25 LaGrange Street	770-254-2351
Fire	David Whitley	23 Jefferson Street	770-253-1851
Human Resources	Meg Blubaugh	25 LaGrange Street	770-254-2358
Information Tech	Jim Chambers	25 LaGrange Street	770-254-2358
Main Street	Hasco Craver	6 First Avenue	770-253-8283
Mayor	L. Keith Brady	25 LaGrange Street	770-254-2358
Newnan Utilities		70 Sewell Road	770-683-5516
Planning & Zoning	Tracy Dunnavant	25 LaGrange Street	770-254-2354
Police	Douglas Meadows	25 Jefferson Street	770-254-2355
Public Information	Gina Snider	25 LaGrange Street	770-254-2358
Public Works	Michael Klahr	55 Boone Drive	770-253-0327
Sanitation	Bryan Anderson	55 Boone Drive	770-253-0327
Streets	Ray Norton	55 Boone Drive	770-253-1823

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, 2011

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.



Christopher P Morrill
President

Jeffrey L. Esser
Executive Director

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FINANCIAL SECTION

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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
The City of Newnan, Georgia

Report on the Financial Statements

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, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Newnan Water, Sewerage and Light Commission which represents 99 percent of the assets, net position, and revenues of the aggregate component units of the City of Newnan, Georgia. Those financial statements were audited by other auditors whose report thereon was furnished to us, and our opinion, insofar as it relates to the amounts included for the Newnan Water, Sewerage and Light Commission, is based on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial

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statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Newnan, Georgia, as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows, and the respective budgetary comparison for the General Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information and the schedule of pension funding progress on pages 15 through 30 and page 61 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Newnan, Georgia's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, budgetary comparison schedules, the schedule of projects constructed with special sales tax proceeds,

schedule of project expenditures with rental motor vehicle excise tax revenue and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 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 also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, budgetary comparison schedules, the schedule of projects constructed with special sales tax proceeds, the schedule of project expenditures with rental motor vehicle excise tax revenue and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, the budgetary comparison schedules, the schedule of projects constructed with special sales tax proceeds, the schedule of project expenditures with rental motor vehicle excise tax revenue, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2013, 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.

Macon, Georgia
June 5, 2013

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, 2012. 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 note 5 beginning on page 31 to enhance their understanding of the Government's financial performance.

2012 Financial Highlights

- The assets of the City of Newnan exceeded its liabilities by $152,309,724 (net position) at the close of the calendar year reported.

- The government's total net position increased by $4,507,716, or 10.6%. Total capital outlay for 2012 was $5,665,389, with depreciation expenses of $3,309,444. Please see page 31 of this report for detail of the other items which make up the total increase in net position.

- Total net position is comprised of the following:
  (1) Capital assets totaling $116,381,649, includes property and equipment, net of accumulated depreciation.
  (2) Net position of $16,508,525 is restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
  (3) Unrestricted net position of $19,419,550 represents 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 $35,968,187 this year. This compares to the prior year combined ending fund balances of $34,392,016, showing an increase of $1,576,171, or 4.6%, during the current year. The unassigned fund balance of $18,460,690 for calendar year 2012 shows a $1,535,682 increase when compared to the prior year's unassigned balance. This equates to a 9.1% increase from 2011.

- At the end of the current calendar year, fund balance for the General Fund totaled $19,077,393, which was an 8.7% increase from 2011. Unassigned fund balance for the General Fund, $18,460,690, equaled 112.9% of total General Fund expenditures of $16,355,978. In comparison, the General Fund unassigned fund balance for 2011 was 110.5% 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 $479,427, a decrease of $17,647 from 2011.

- Overall, the City continues to maintain a strong financial position. The ratio of current assets to current liabilities is 23.6 to 1, down from 27.1 to 1 in 2011. This decrease in ratio is mainly attributed to the increase in the City's current assets.

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

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

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

Both government-wide financial statements distinguish 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 31 & 32 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 31-38 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 39 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 40 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 62.

Financial Analysis of the City as a Whole

The City's net position at calendar year-end is $152,309,724. The largest portion of the City's net position (76%) reflects its investment in capital assets, net of any related debt used to acquire the assets, which is consistent with 2011. Current liabilities increased from 73% of the total liabilities to 77% of the total for 2012, due to the increase in accounts payable related to construction in progress at the end of the year. The following table provides a summary of the City's net position.

Summary of Net Position

	FY 2011		FY 2012		Increase / (Decrease) from 2011	% Increase / (Decrease) from 2011
	Governmental Activities	Percentage of Total	Governmental Activities	Percentage of Total		
Assets:						
Current assets	$ 36,204,870	24%	$ 38,018,494	25%	$ 1,813,624	5.0%
Capital assets	113,432,298	76%	116,381,649	75%	2,949,351	2.6%
Total assets	**149,637,168**	**100%**	**154,400,143**	**100%**	**4,762,975**	**3.2%**
Liabilities:						
Current liabilities	1,338,086	73%	1,610,992	77%	272,906	20.4%
Long-term liabilities	497,074	27%	479,427	23%	(17,647)	-3.6%
Total Liabilities	**1,835,160**	**100%**	**2,090,419**	**100%**	**255,259**	**13.9%**
Net position :						
Net Investment in capital assets	113,432,298	77%	116,381,649	76%	2,949,351	2.6%
Restricted	16,488,833	11%	16,508,525	11%	19,692	0.1%
Unrestricted	17,880,877	12%	19,419,550	13%	1,538,673	8.6%
Total Net Position	**$ 147,802,008**	**100%**	**$ 152,309,724**	**100%**	**$ 4,507,716**	**3.0%**

The City continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 23.6 to 1, which is strong. The ratio for 2011 was 27.1 to 1. Current liabilities increased by 20.4%.

The City reported positive balances in the net position; the same held true for the prior calendar year. Total assets increased by 3.2% over 2011, while the City's liabilities increased by 13.9%. Current assets increased by 5.0% during 2012 due to an increase in cash and investments of almost $1.8 million. The majority of current liability increases are attributed to an increase in accounts payable of $182,968 related to construction in progress at year end. Overall, total net position increased by 3.0%, which is a good indication of the City's overall financial position.

Note that approximately 76% of the governmental activities' net position is tied up in capital. This has remained 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 position by $4,507,716. Key elements of this increase is detailed in the chart on the next page.

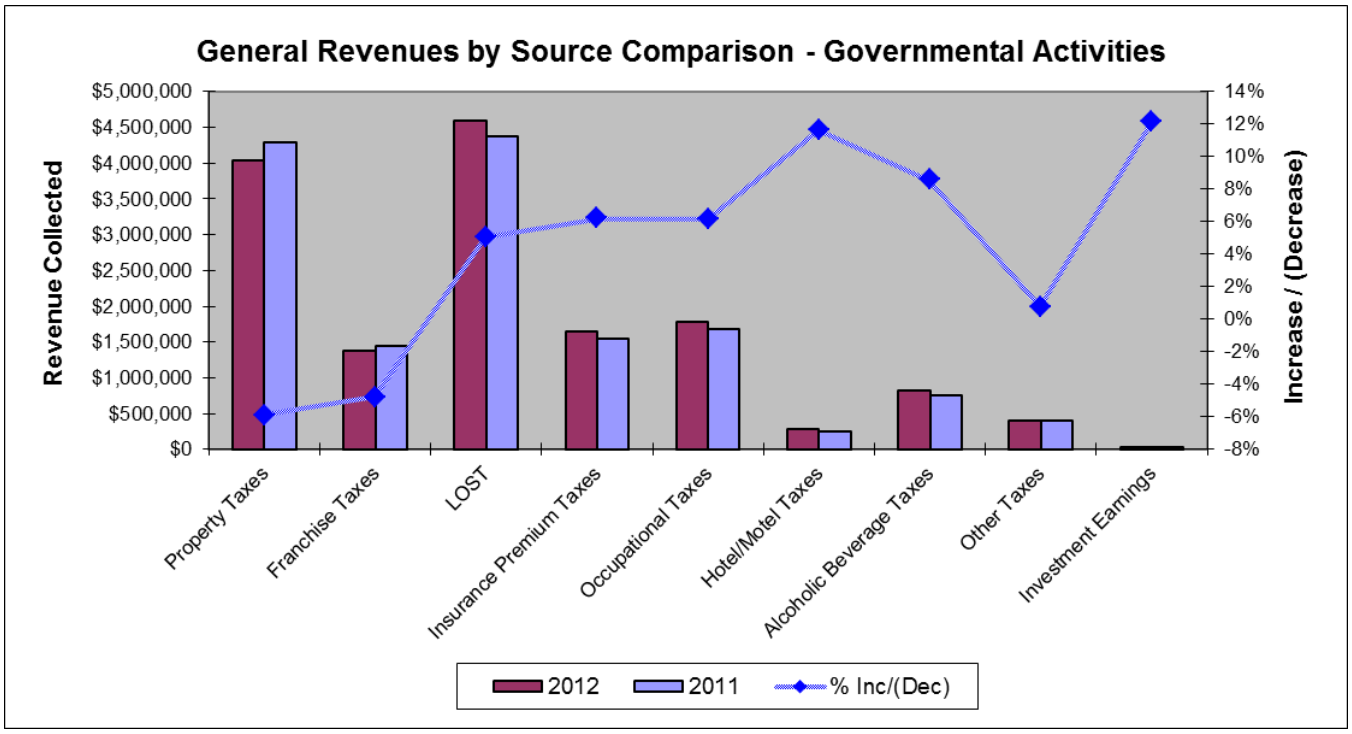
City of Newnan's Changes in Net Position

	Fiscal Year 2011			Fiscal Year 2012		
	Governmental Activities	Total	Percentage of Total	Governmental Activities	Total	Percentage of Total
Revenues:						
Program:						
Charges for services	$ 3,325,524	$ 3,325,524	13.9%	$ 3,059,166	$ 3,059,166	12.1%
Operating grants	-	-	0.0%	25,000	25,000	0.1%
Capital grants	5,802,964	5,802,964	24.3%	7,277,425	7,277,425	28.7%
Total Program Revenues:	9,128,488	9,128,488	38.2%	10,361,591	10,361,591	40.9%
General:						
Taxes	14,746,612	14,746,612	61.7%	14,946,228	14,946,228	59.0%
Other	26,179	26,179	0.1%	29,369	29,369	0.1%
Total General Revenues:	14,772,791	14,772,791	61.8%	14,975,597	14,975,597	59.1%
Total Revenues:	23,901,279	23,901,279	100.0%	25,337,188	25,337,188	100.0%
Program Expenses:						
General government	2,767,833	2,767,833	14.0%	3,086,824	3,086,824	14.8%
Tourist development	2,588	2,588	0.0%	121,726	121,726	0.6%
Public safety	9,626,896	9,626,896	48.6%	10,095,536	10,095,536	48.5%
Public works	4,333,648	4,333,648	21.9%	4,882,378	4,882,378	23.4%
Community Development	3,095,588	3,095,588	15.6%	2,643,006	2,643,006	12.7%
Total Expenses:	19,826,553	19,826,553	100.0%	20,829,472	20,829,472	100.0%
Change in net position	4,074,726	4,074,726		4,507,716	4,507,716	
Beginning net position	143,727,282	143,727,282		147,802,008	147,802,008	
Ending net position	$ 147,802,008	$ 147,802,008		$ 152,309,724	$ 152,309,724	

Program revenues represent 40.9% of total revenues in 2012, which is a 2.7% increase from 2011. One of the most significant changes from 2011 to 2012 related to capital grants, where revenues increased by $1,474,461, or 25.4%. This increase is directly attributed to the Public Works and Community Development functions. The increase for Public Works capital grant revenues is mainly due to $108,911 contributed for future street improvements by developers, an additional $81,346 in SPLOST 2007 revenues and $629,283 in developer contributions in street and right-of-way assets. The increase for Community Development is attributed to the $627,748 recovered for performance bond damages due to contractor default in the new Convention Center construction.

General Revenues make up 59.1% of total receipts, almost all of which is taxes. This is down from 61.8% in 2011. Property tax collections were down by 5.9% due to a reduction in the 2012 digest, however, most other tax revenues (including insurance premiums, occupational, sales, hotel/motel, and alcoholic beverage taxes) increased for 2012. General revenues in total increased by $202,806, or 1.4%, for 2012. Notice from the chart on the next page that property and franchise taxes collected as a percentage of general revenues decreased during 2012, which amounted to a $251,899 reduction in property taxes and a $69,383 reduction in franchise taxes. Offsetting this decrease, sales tax collections increased by 5.1%, or $222,275, insurance premium taxes increased by 6.2%, or $96,339, occupational taxes increased by 6.2%, or $104,470, hotel/motel taxes increased by 11.7%, or $29,603, and alcoholic beverage taxes increased by 8.6%, or $65,051.

These changes in revenues are indicative of the general economy in Newnan and nationally. Our population is increasing; commercial and residential growth are slowly rebounding. We expect to see further improvements to revenue during 2013 due to changes in the population and the local economy in both the commercial and residential sectors.

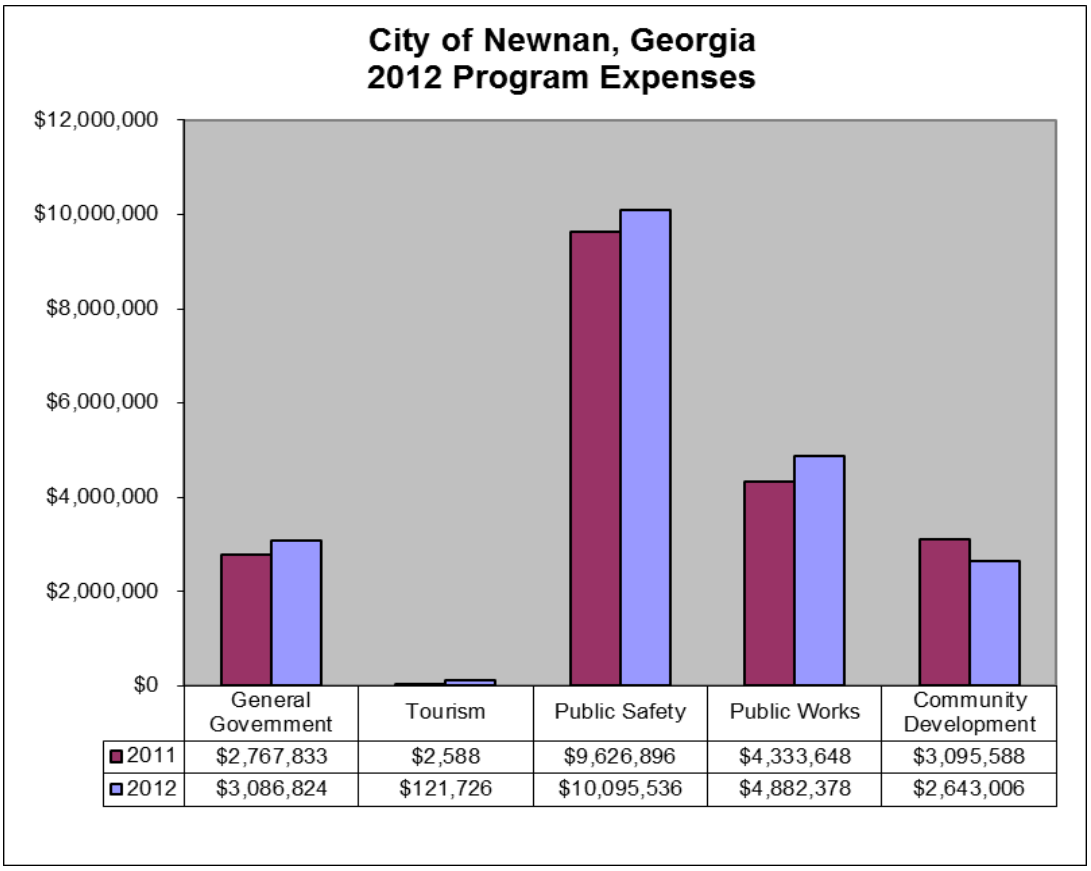


Program expenses increased by 5.1%, or $1,002,919, in 2012. The increase in general government expenditures of $318,991 is attributed mainly to the purchase of land ($100,558) and an increase of $173,533 in NSP Grant expenditures. Tourism-related expenditures increased by $119,138 due to the $120,000 in operating transfers to the new convention center from the Rental Motor Vehicle Tax fund. The center is expected to officially open in June 2013. Public safety expenditures increased by $468,640, or 4.9%, over 2011 due to the $65,621 in additional depreciation expenses and an approximate $418,000 increase in wages paid. Public Safety employees make up 61% of the City's total full-time staff – for 2012, there were 135 full-time employees in the Public Safety function as opposed to 220 full-time employees citywide.

The Public Works function increase of $548,731 was primarily due to a $629,006 increase in capital outlay expenditures, offset to some extent by a reduction of $246,374 in depreciation expenses. Community Development expenditures decreased by approximately $453,000, mainly due to the decrease in donated assets for 2012 as opposed to the contributions for 2011. Therefore, the Community Development function was the only function showing a decrease in program expenses for 2012. As shown by the chart on the previous page, even though dollar-wise there were vast variances in program expenses for each function when comparing 2011 to 2012, each function's percentages of total expenses remained consistent with 2011.

Program Expenses by Function

	General Government	Tourism	Public Safety	Public Works	Community Development	Total
2011	$ 2,767,833	$ 2,588	$ 9,626,896	$ 4,333,648	$ 3,095,588	$ 19,826,553
2012	3,086,824	121,726	10,095,536	4,882,378	2,643,006	20,829,472
Variance	$ 318,991	$ 119,138	$ 468,640	$ 548,731	$ (452,582)	$ 1,002,919
% Change	11.52%	4603.90%	4.87%	12.66%	-14.62%	5.06%



	General Government	Tourism	Public Safety	Public Works	Community Development
2011	$2,767,833	$2,588	$9,626,896	$4,333,648	$3,095,588
2012	$3,086,824	$121,726	$10,095,536	$4,882,378	$2,643,006

GOVERNMENTAL REVENUES

The City is heavily reliant on sales taxes to support governmental operations and capital. Sales tax, the largest general revenue source in 2012, provided 30.7% of the City's total general governmental revenues; by comparison, in 2011 sales taxes provided 29.6% of that total. There was a 5.1% increase, or $222,275, in sales tax collections in 2012 mostly due to the local economic conditions. This category showed the largest increase, dollar-wise, for 2012. Property taxes are the second largest general revenue source with approximately $4.0 million of revenues, or 26.9% of the total. The City realized approximately $251,899 less in 2012, due primarily to reassessments of existing properties. The City's millage rate remained the same as 2011, at 4.39 mills per thousand dollars of assessed value.

Occupational taxes are the third largest general revenue source, producing $1,788,599 in 2012, up from $1,684,129 in 2011, mainly due to the increase in new businesses and gross receipts reported for existing businesses. Occupational tax collections are based on the gross receipts of the business in Newnan. The fourth largest general revenue source is Insurance Premium Taxes, which increased by 6.2% due to the growth in population over the last decade, as defined by the US Census Bureau. Overall, taxes made up 99.8% of the total General Revenues for 2012, which was consistent with 2011.

Program revenues (excluding capital revenues) covered 14.8% of governmental operating expenses, down from 16.8% in 2011. This means that the government's taxpayers and the City's other general governmental revenues funded about 85.2% of the governmental activities in 2012, as compared to 83.2% in 2011. As a result, one can see how the general economy has a major impact on the City's revenue streams.

GOVERNMENTAL FUNCTIONAL EXPENSES

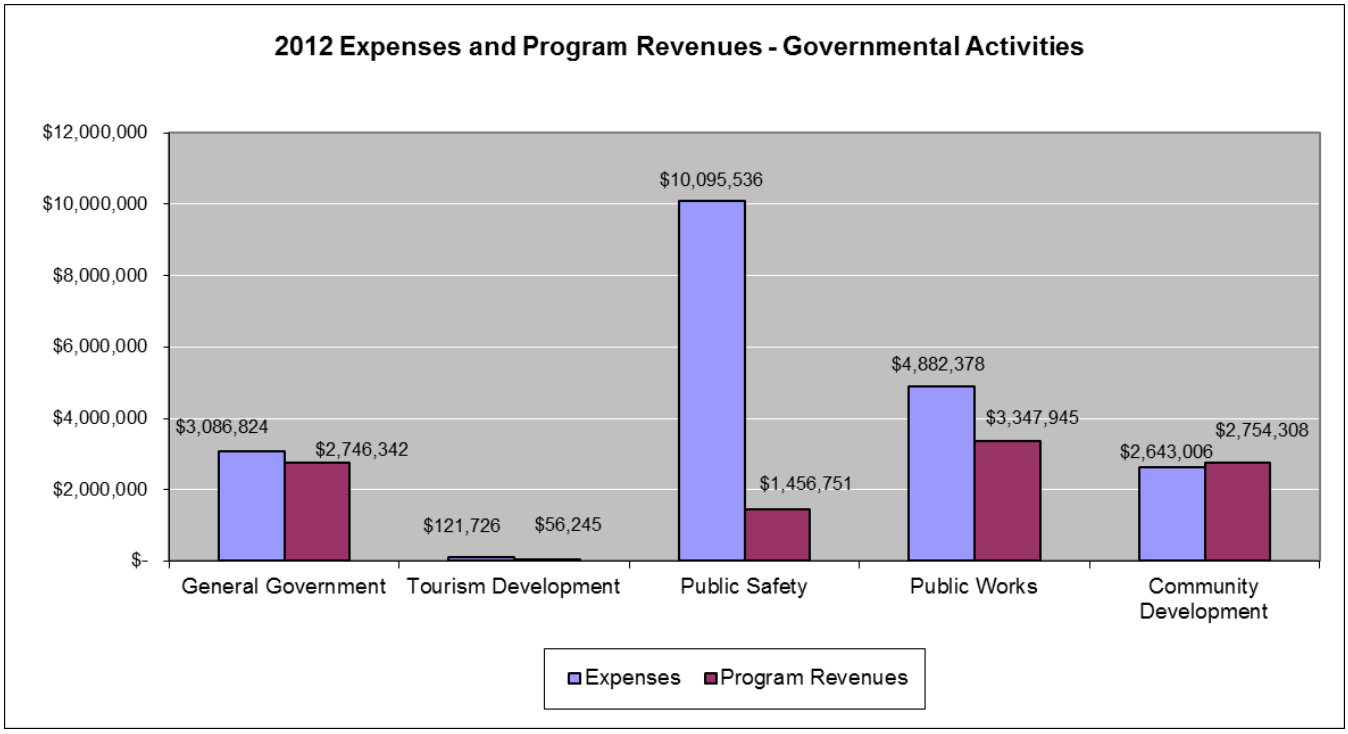
Overall, costs for governmental activity services increased by 5.1% during 2012, up from $19,826,553 in 2011. However, the City shows a net cost of $10,467,881 for these services, as compared to 2011 where the same services showed a total cost to the City of $10,698,065. The dependency upon property and sales tax receipts is apparent as almost 58% of governmental activities are supported through these general receipts, which was the same for 2011. Property and sales taxes are consistently the two largest forms of general revenues for the City of Newnan, followed by Occupational taxes.

The table below presents the cost of each of the City's functions, including the net cost (i.e., total cost less revenue generated by the activities). The net cost / benefit column illustrates the financial burden placed on the City's taxpayers by each of these functions. As shown, only the Community Development function covered 100% of their costs in 2012. All other functions covered only a percentage of the costs required to provide the services.

Public Safety function costs make up 48.5% of total governmental activities expenses, which was consistent with 2011. Public Works makes up 23.4% of the total cost versus 2011, where their portion was 21.9%. General Government is 14.8% of the total, as compared to 14% last year. The Community Development function made up 15.6% of the total in 2011 as compared to 12.69% in 2012, due to the reduction in assets contributed by developers (roads and right-of-way). All functions, with the exception of Community Development, were consistent with 2011.

Governmental Activities	Total Cost of Services	% of Total	Net (Cost)/ Benefit of Services	% of Costs Covered
General Government	$ 3,086,824	14.82%	$ (340,483)	88.97%
Tourist Development	121,726	0.58%	(65,481)	46.21%
Public Safety	10,095,536	48.47%	(8,638,786)	14.43%
Public Works	4,882,378	23.44%	(1,534,433)	68.57%
Community Development	2,643,006	12.69%	111,302	104.21%
Total	$ 20,829,472	100.00%	$(10,467,881)	

Public Safety function program revenues covered only 14.4% of its total costs, down from 16.7% in 2011. This was due to a reduction in the receipt of confiscated asset funds for 2012. The confiscated assets revenue for 2011 was $179,123; for 2012, the receipts totaled only $56,105. Public Works function revenues covered approximately 69% of its total costs versus 57% in 2011, which is an improvement and due mainly to the decrease in depreciation expenses ($246,374) and the receipt of $108,911 for future street improvement (contributions from developers). Community Development showed an increase from 2011 to 2012, going from 63.54% of covered costs to 104.21 %, primarily due to the increase in permit and impact fees receipts. The increase in percentage of costs covered by most functions indicates that the rate of growth the City was experiencing in recent years is improving. The table on the next page is a graphical representation of the relationship between the 2012 expenses and program revenues by function.



Financial Analysis of the City's Funds

Governmental Funds

As discussed, we report governmental funds in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of $35,968,187, an increase of 4.6% over the 2011 ending balance of $34,392,016. Of this 2012 year-end total, $18,460,690 is **unassigned**, indicating availability for continuing City service requirements. At the end of 2011, unassigned fund balance was $16,925,008. Therefore, unrestricted fund balances increased by 9.1%, or $1,535,682, which is entirely due to the increase in the General Fund unassigned balance for 2012 as a result of operations.

Restricted fund balances total $16,508,525, a slight increase over the 2011 restricted fund balances total of $16,488,833. This includes $14,727,036 for capital outlay in the SPLOST and Impact Fee funds, $976,079 in Confiscated Assets for Public Safety, approximately $744,270 for Tourism in the Hotel/Motel and Rental Motor Vehicle Tax funds, and $61,140 in the General Fund for various commissions and authorities as authorized by Council.

Additionally, $992,325 was **assigned** to capital projects and street maintenance in the General and Street funds. Both the restricted and assigned fund balances totals were consistent with 2011.

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 $17,547,950 to $19,077,393, which is an 8.7% increase from 2011. As indicated, 96.8% ($18,460,690) of this balance is unassigned and available for continuing City services at the designated levels, which is consistent with 2011 at 96.5%. This balance is considered very adequate, representing the equivalent of 112.9% of annual expenditures. In comparison, the ending fund balance for 2011 represented 114.6% of annual operating 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 2012, unassigned fund balance increased by approximately $1.5 million, with revenues totaling almost $17.9 million and expenditures totaling only $16.4 million, including transfers.

The Impact Fee Fund's ending balance was up from calendar year 2011 by $361,334, or approximately 21.6%. Ending fund balance was $2,030,642. 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. 2012 expenditures of $160,808 were recorded for construction costs related to the new Public Safety Complex (construction-in-progress at year-end 2012) and intersection improvements on Greenville and Spence Streets. 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 72.0%, or $932,651, as compared to 2011. The ending fund balance for 2012 was $361,967. 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 $1,404 for 2012 for this fund and expenditures of $1,561,803 (including the $627,748 recovered by the City for damages due to contractor default on the Convention Center project, Boone Drive facility improvements and street 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 $12,334,427. This is an increase of 6.9% over 2011, which ended with $11,534,517. Sales tax collected in 2012 was $4,837,413 and interest earned on investments was $18,100. These amounts represented a 3.5% (or $162,691) increase in sales tax revenues and a 30% (or $4,178) increase in interest earnings when compared to 2011. Sales tax collected is a reflection of the current economic conditions in Newnan.

SPLOST 2007 expenditures of $4,055,603 included a new VoIP system, construction of a new Boone Drive maintenance facility, Public Safety's wireless system software upgrade, new convention center, park improvements, various street and intersection improvements, and a backhoe/excavator. 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

Local Option Sales Taxes

Local option sales tax revenue actually increased by 5.09% when compared to calendar year 2011, from $4,367,306 to $4,589,581. 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 21.89% would produce the same, or greater, proceeds. Sales taxes from all sources, including Special Purpose, showed a $384,966 increase, or 4.26%, from 2011. The total generated in 2012 for all sales tax was $9,426,994 as compared to $9,042,028 in 2011. 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.

The City again renegotiated the LOST distribution percentage with Coweta County in 2012; the City's portion increased from 21.89% to 31.19% beginning with the January 2013 distribution. The primary reason for the increase was growth in population – the City's population in 2000 was 16, 242; for 2010, that changed to 33,039 people!

Property Tax Revenues

Property tax collections decreased by 5.88% from that of calendar year 2011, going from $4,285,530 down to $4,033,631 for 2012. The 2011 digest was $1,052,208,077, decreasing to $992,648,071 in 2012, which is a 5.7% decrease in valuations. Property reassessments reduced the 2012 digest by approximately $56.1 million and deletions and other changes to the digest resulted in a decrease of approximately $3.5 million in real property valuation, for a total reduction of $59.6 million in 2012. The City's millage rate remained the same as 2011, at 4.39 mills per thousand dollars of assessed value, and it is projected to remain the same for 2013.

Occupational Taxes (formerly Business Licenses)

Occupational tax revenue increased by 6.2%, or $104,470, when compared to 2011. This increase is due to the commercial growth in the City and gross receipts reported for the businesses. Revenue receipts totaled $1,788,599 for 2012. The 2000 census population for the City of Newnan was 16,242; the estimated 2012 population for the City is 34,374. This represents an approximate 111.6% increase in population over the last twelve years!

Insurance Premium Taxes

Insurance premium taxes are the fourth largest general revenue source for the City. In 2012, receipts totaled $1,646,007 as compared to 2011, where receipts were $1,549,668. The increase of $96,339 was based on the change in population in the City of Newnan from the 2000 census, per the notes above under Occupational Taxes and Local Option Sales Taxes. The City expects this revenue source to remain fairly consistent over the next few years since the City's population is trending upward each year.

Franchise (Excise) Taxes

Franchise tax collections decreased by 4.79% during 2012, from $1,449,554 to $1,380,171. Collections of cable, telephone and gas taxes were fairly consistent with 2011, however, excise taxes on electricity decreased by $63,810, primarily due to district corrections in the assessments by Coweta-Fayette EMC. Trend analysis and local economic activity is used to project collections of franchise taxes each year.

Hotel/Motel Taxes

Hotel/Motel tax collections for 2012 were $283,321. In 2011, we recorded collections of $253,718, showing an increase of $29,603, or 11.67%. The local economy is showing signs of recovering with this increase in occupancy rates during 2012.

Interest Earned on Investments

Interest on Investments (General Fund only) increased by $3,710 in 2012, going from $19,692 to $23,402, which is an 18.84% increase when compared to 2011. Overall, all funds included, interest on investments increased by $3,190 in 2012, which was a 12.2% increase from 2011. Interest earnings have drastically reduced over the past several years due to the state of the general economy. We do not expect to see any major increases in revenue from interest earnings in the next year.

Licenses and Permits Revenue

Building permits made up 67.2% of the total revenues for this category in 2012, up from 65.5% in 2011. Building permit revenues increased by 6.4% in 2012; going from $335,381 to $356,893. Building permit valuations, residential and commercial combined, decreased by almost 23%, or $20 million, during 2012, from approximately $90 million in 2011 to about $70 million in 2012. The decrease was primarily due to the permit issued for the Cancer Treatment Center (CTCA) in 2011 with a valuation of approximately $50 million. Overall, residential permit valuations increased by 112.27%, while commercial permit valuations decreased by 68%, due to the permitting of the CTCA as discussed above. The City is starting to see an increase in the number of permits issued, however, growth remains slow. Trend analysis and anticipated construction starts are the primary forecasting tools for this revenue stream.

Alcoholic beverage licenses made up the remaining 32.8% of revenues for this category. This revenue stream was consistent with 2011 at approximately $174,500, showing a 1.3%, or $2,345, decrease. This revenue stream has remained stable over the years and is generally projected using trend analysis and commercial growth.

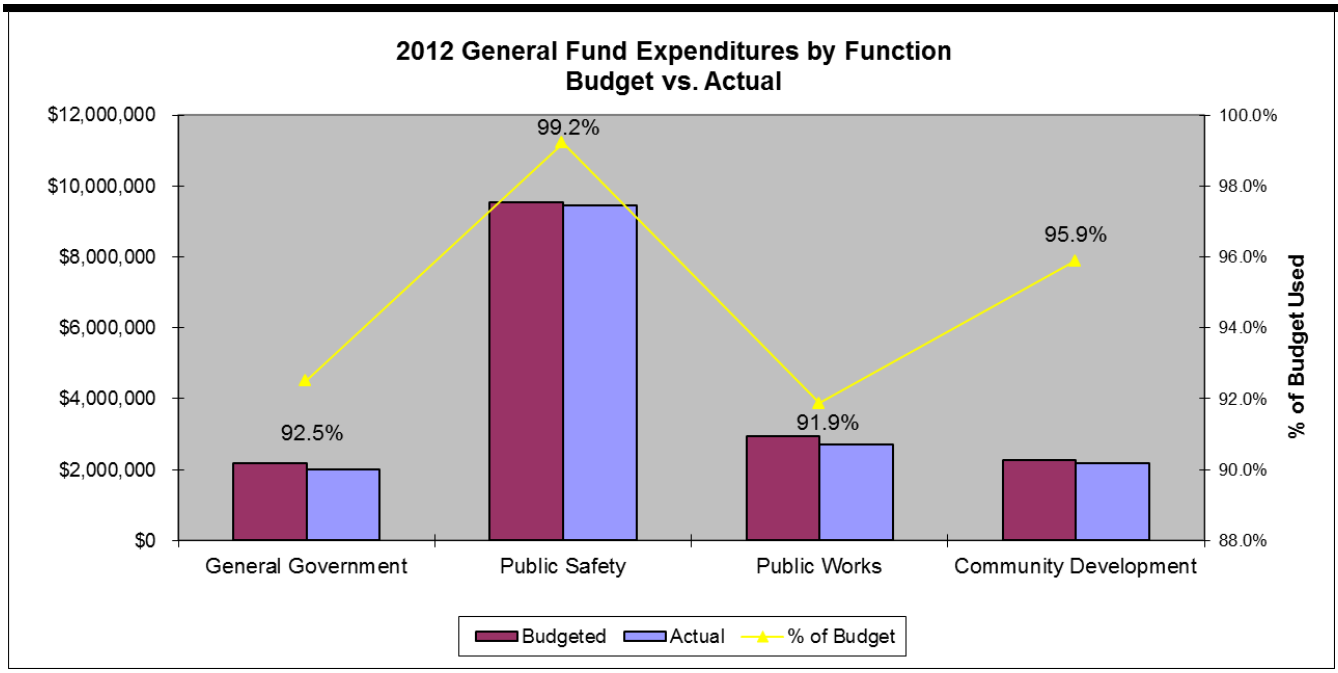
Fines & Forfeitures Revenue

Police Fines increased by 15.8%, or $91,114, from 2011; up from $575,724 to $666,838 in 2012. The City of Newnan is pursuing more aggressive collection measures for police fines, including the assignment of a staff person to assist specifically with collections of police fines. Additionally, as the population of Newnan continues to increase, so does the number of tickets written.

Budgetary Highlights

The General Fund **–** The 2012 revenue budget for the General Fund was $16,790,600, including 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 $17,885,422, or 107% of budgeted collections. The actual transfer in from the Tourism fund was $169,992. Staff has been very aggressive in delinquent revenue collections, with an overall 98.9% collection rate for property taxes. The collection rate for year-ending 2012 was 92.8%.

The 2012 expenditure budget for the General Fund was $16,924,010. No interfund transfers were budgeted. Actual expenditures for 2012 were $16,354,704 or only 97% of the budgeted amount. Expenditures were tightly controlled and departmental budgeted levels maintained. The 2012 General Fund Expenditure budget was amended to include an additional $133,410, for land acquisition ($105,059), downtown Christmas decorations ($10,625) and additional operating expenditures ($17,725). The charts below show a breakdown of the 2012 General Fund budgeted versus actual expenditures.



2012 General Fund Expenditures by Function
(excluding Interfund Transfers)

	Budgeted	Actual	% of Budget	Budget less Actual Exp
General Government	$2,170,197	$2,007,969	92.5%	$162,228
Public Safety	9,532,697	9,458,475	99.2%	74,222
Public Works	2,938,970	2,700,061	91.9%	238,909
Community Development	2,282,146	2,188,199	95.9%	93,947
	$16,924,010	**$16,354,704**	**96.6%**	**$569,306**

Capital Assets and Debt Administration

Capital Assets

The City's net investment in capital assets for governmental activities as of December 31, 2012, was $116,381,649, up slightly from 2011. The total increase in this net investment was 2.6% for governmental activities. Construction in progress increased by 32.3% due to the start-up of several large projects during 2012, including various street and intersection improvements. Depreciation is calculated based on the actual acquisition date of the asset. Readers who desire more detailed information on capital asset activity during 2012 may refer to Note 3-B on page 50 of this document. The table on the next page provides a summary of capital asset activity.

Major capital asset items acquired or completed during the 2012 current calendar year included the following.

- Resurfaced various streets, including Pinson, Annie, Lovelace, Mary Ann, McBride, North, Overby, Thompson, Wall, Walker and Woodland Drive.
- Completed the Pinson Sidewalks project.
- Completed construction of additional downtown parking on the Hancock land donated to the City.

- Installed a new traffic signal at McIntosh Parkway.
- Completed the Greenville/Spence Intersection improvements.
- Completed the Boone Drive Facility improvements.
- Installed a software upgrade for Public Safety's wireless system.
- Completed the Parkway North extension.

Additionally, several projects were under construction as of December 31, 2012, including a new convention center, new Public Safety Complex, McIntosh Parkway improvements, Greenville Streetscapes Phase II, Jefferson/Jackson Corridor improvements, Sprayberry/Jackson/Roscoe Road Intersection improvements, Lower Fayetteville Road widening, and various other street, park and sidewalk improvement projects. Construction in progress project expenses are capitalized in full upon completion of the project. The total construction in progress (CIP) at December 31, 2012 was $5,868,018. At the end of 2011, construction in progress totaled $4,434,867. The chart below shows the changes by category for capital assets from 2011 to 2012.

City of Newnan's Capital Assets

	Governmental Activities		Total		
	2012	2011	2012	2011	Increase/ Decrease %
Non-depreciable assets:					
Land	$ 21,558,286	$ 20,708,994	$ 21,558,286	$ 20,708,994	4.1%
Construction in progress	5,868,018	4,434,867	5,868,018	4,434,867	32.3%
Total non-depreciable	27,426,304	25,143,861	27,426,304	25,143,861	9.1%
Depreciable assets:					
Buildings and Parks	19,198,361	19,198,361	19,198,361	19,198,361	0.0%
Other improvements	10,148,312	8,583,987	10,148,312	8,583,987	18.2%
Machinery and equipment	10,700,751	10,452,544	10,700,751	10,452,544	2.4%
Infrastructure	80,030,913	78,300,157	80,030,913	78,300,157	2.2%
Total depreciable assets	120,078,337	116,535,049	120,078,337	116,535,049	3.0%
Less accumulated depreciation	(31,122,992)	(28,246,612)	(31,122,992)	(28,246,612)	10.2%
Book value - depreciable assets	88,955,345	88,288,437	88,955,345	88,288,437	0.8%
Percentage depreciated	-26%	-24%	-26%	-24%	6.9%
Book value - all assets	**$ 116,381,649**	**$ 113,432,298**	**$ 116,381,649**	**$ 113,432,298**	**2.6%**

At December 31, 2012, the depreciable capital assets for governmental activities were 26% depreciated. This compares to 24% at December 31, 2011. 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 construction in progress accounted for the largest percentage increase (32.3%) in the value of capital assets. This increase equates to $1,433,151. Dollar-wise, infrastructure additions accounted for the largest increase, at $1,730,756 over 2011, followed by Other Improvements, which increased by $1,564,325.

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 holiday's payable within six (6) months of accrual date. The 2012 amount payable totals $479,427, as compared to $497,074 at the end of 2011. Short-term debt (payable within one year) is $305,751, with the remaining $173,676 booked as long-term debt. Please refer to pages 52 to 53 for information concerning component unit debt.

Economic Conditions Affecting the City

The challenge for all governments is to provide quality services at a reasonable cost to its citizens. The City of Newnan remains in a relatively strong financial position, in spite of a somewhat sluggish economy. Fuel costs are rising again and interest earnings have remained stagnant over the past few years. However, Newnan continues to experience growth in the commercial sector and residential growth is also rebounding. The City is proactively managing resources and service strategies and infrastructure costs are being passed on to developers to minimize the impact on the citizens of Newnan. Additionally, all departments are charged with controlling expenditures based on budgeted amounts.

As this audit will show, the City's overall financial position improved significantly during 2012. 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, while protecting the interests of the citizens in the City of Newnan.

Next Year's Budget

As of December 31, 2012, unassigned fund balance in the General Fund was $18,460,690. Next year's budgeted revenues are projected to be made up of Sales Taxes (29.1%), Property Taxes (23.64%), Excise (Franchise) Taxes (20.4%), Occupational Taxes and Alcohol Licenses (10.4%), with the remaining 16.6% expected to be generated by Inspections and Permits, Service Charges, Fines and Forfeitures, Other Local and Intergovernmental Revenues.

Budgeted revenues are projected to increase by 5.4%, from $16,790,600 in 2012 to $17,695,000, in 2013, including interfund transfers. The primary reason for the increase is the local option sales tax collections, which increased by 19.77%, or $850,000, from 2011 due to the renegotiation of the distribution percentage with Coweta County. The City's portion will increase from 21.89% to 31.19%, phased in over the next three years. During the first quarter of 2013, we saw a slight increase in inspection and permitting revenues and are optimistic that growth is continuing, although at a slow rate. All revenue sources, with the exception of property taxes, are projected to increase for 2013. Reassessments of existing properties caused the property tax digest to decrease substantially in 2011 and 2012; therefore, the City expects to see no significant increase in the digest for 2013.

The 2013 General Fund expenditures budget increased by $770,990, or 4.6%, from $16,924,010 to $17,695,000. The following chart shows the *major* changes in budgeted expenditures from 2012 to 2013, along with 2012 actual expenditures. The most significant changes related to salaries and benefits, with employees receiving a 2.0% salary increase, various personnel changes and additions, and a 2.0% increase in health insurance premiums for 2013. Other contractual expenses increased by $20,679 due to the addition of funds for Public Safety for subscription fees to search engines for investigations and Beautification for stump grinding and playground mulch expenditures.

Electricity costs increased due to the number of street lights and traffic signals being maintained by City staff. Increased vehicle fuel costs are simply an indication of the general economy. Fuel costs are still very volatile nationwide. Additionally, miscellaneous expenses increased by $81,450 primarily due to the inclusion of $100,000 for the University of West Georgia Campus project being planned in Newnan. Finally, the 2013 budget includes a number of new vehicles for the Street, Cemetery, Beautification and SRO departments.

General Fund Budget and Expenditures by Use
Major Changes from 2012 to 2013

Description	2012 Final Budget	2012 Actual Expenditures	2013 Adopted Budget	2012 - 2013 Budget Variance	2012- 2013 Budget % Change
Salaries	$ 9,209,416	$ 9,340,849	$ 9,585,021	$ 375,605	4.08%
Benefits	4,316,208	3,959,767	4,527,953	211,745	4.91%
Other Contractual	114,669	75,372	135,348	20,679	18.03%
Electricity	251,000	292,650	293,000	42,000	16.73%
Vehicle Fuel	367,500	441,759	397,983	30,483	8.29%
Miscellaneous Expenses	153,450	137,139	234,900	81,450	53.08%
Capital: Vehicles	140,000	131,720	198,890	58,890	42.06%

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.

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FINANCIAL STATEMENTS

CITY OF NEWNAN, GEORGIA

STATEMENT OF NET POSITION
DECEMBER 31, 2012

	Primary Government	Component Units		
	Governmental Activities	Water Sewerage and Light Commission	Convention Center Authority	Downtown Development Authority
ASSETS				
Cash and cash equivalents	$ 31,903,998	$ 4,859,374	$ 12,435	$ 62,682
Investments	3,621,029	23,771,510	-	-
Receivables, net of allowance	2,486,820	4,591,476	-	2,226
Inventory	6,647	1,530,029	-	-
Prepaid items	-	321,848	-	-
Restricted assets	-	7,570,579	-	-
Other assets:				
Deferred compensation funding arrangements	-	2,400,797	-	-
Debt issue costs-unamortized	-	577,438	-	-
Capital assets not being depreciated:				
Land	21,558,286	7,797,571	-	-
Construction in progress	5,868,018	1,891,641	-	-
Capital assets net of accumulated depreciation:				
Buildings and parks	13,303,583	-	-	-
Structures, lines and improvements	-	107,487,726	-	-
Other improvements	6,634,422	-	-	-
Machinery and equipment	3,666,233	3,795,368	-	-
Infrastructure	65,351,107	-	-	-
Total assets	154,400,143	166,595,357	12,435	64,908
LIABILITIES				
Accounts payable	1,222,808	3,144,545	500	1,070
Accrued expenses	314,829	338,770	4,437	-
Accrued interest payable	-	627,037	-	-
Unearned revenues	73,355	-	-	-
Customer deposits	-	1,438,703	-	-
Noncurrent liabilities:				
Due within one year	305,751	1,482,892	-	-
Due in more than one year	173,676	35,830,428	-	-
Total liabilities	2,090,419	42,862,375	4,937	1,070
NET POSITION				
Net investment in capital assets	116,381,649	86,281,501	-	-
Restricted for:				
Capital outlay	14,727,036	-	-	-
Capital improvements and debt service	-	8,072,612	-	-
Public safety	976,079	-	-	-
Tourism	744,270	-	-	-
Economic development	61,140	-	-	-
Unrestricted	19,419,550	29,378,869	7,498	63,838
Total net position	$ 152,309,724	$ 123,732,982	$ 7,498	$ 63,838

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, 2012

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Component Units: Water, Sewerage & Light Commission	Net (Expense) Revenue and Changes in Net Position: Component Units: Convention Center Authority	Net (Expense) Revenue and Changes in Net Position: Component Units: Downtown Development Authority
Primary Government:								
Governmental Activities								
General government	$ 3,086,824	$ 1,771,422	$ -	$ 974,919	$ (340,483)			
Tourism development	121,726	31,245	25,000	-	(65,481)			
Public safety	10,095,536	725,106	-	731,645	(8,638,786)			
Public works	4,882,378	-	-	3,347,945	(1,534,433)			
Community development	2,643,006	531,393	-	2,222,916	111,302			
Total governmental activities	$20,829,472	$ 3,059,166	$ 25,000	$ 7,277,425	(10,467,881)			
Component Units								
Water, Sewerage & Light Commission	$49,333,519	$ 48,633,571	$ -	$ 4,173		$ (695,775)	$ -	$ -
Convention Center Authority	112,507	-	120,000	-		-	7,493	-
Downtown Development Authority	126,711	149,760	-	-		-	-	23,049
Total component units	$49,572,737	$ 48,783,331	$ 120,000	$ 4,173		(695,775)	7,493	23,049
General revenues:								
Property taxes					4,033,631	-	-	-
Sales taxes					4,589,581	773,986	-	-
Occupational taxes					1,788,599	-	-	-
Franchise taxes					1,380,171	-	-	-
Insurance premium taxes					1,646,007	-	-	-
Hotel/Motel taxes					283,321	-	-	-
Alcoholic beverage taxes					822,432	-	-	-
Other taxes					402,486	-	-	-
Investment earnings					29,369	124,561	5	37
Total General Revenues					14,975,597	898,547	5	37
Change in net position					4,507,716	202,772	7,498	23,086
Net position - beginning of year					147,802,008	123,530,210	-	40,752
Net position - ending of year					$ 152,309,724	$ 123,732,982	$ 7,498	$ 63,838

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

CITY OF NEWNAN, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2012

	General	Impact Fees	2002 SPLOST	2007 SPLOST	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 17,178,348	$2,068,435	$ 363,670	$ 12,231,363	$ 62,182	$ 31,903,998
Investments	1,485,408	-	-	-	2,135,621	3,621,029
Taxes receivable	488,455	-	-	-	70,135	558,590
Intergovernmental	-	-	-	858,233	30,179	888,412
Other receivables	975,149	-	-	-	64,669	1,039,818
Inventories	6,647	-	-	-	-	6,647
Total assets	$ 20,134,007	$2,068,435	$ 363,670	$ 13,089,596	$ 2,362,786	$ 38,018,494
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ 302,470	$ 37,793	$ 1,703	$ 755,169	$ 125,673	$ 1,222,808
Accrued expenditures	314,829	-	-	-	-	314,829
Deferred revenues	439,315	-	-	-	73,355	512,670
Total liabilities	1,056,614	37,793	1,703	755,169	199,028	2,050,307
Fund balances:						
Nonspendable	6,647	-	-	-	-	6,647
Restricted	61,140	2,030,642	361,967	12,334,427	1,720,349	16,508,525
Assigned	548,916	-	-	-	443,409	992,325
Unassigned	18,460,690	-	-	-	-	18,460,690
Total fund balances	19,077,393	2,030,642	361,967	12,334,427	2,163,758	35,968,187
Total liabilities and fund balances	$ 20,134,007	$2,068,435	$ 363,670	$ 13,089,596	$ 2,362,786	$ 38,018,494

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

CITY OF NEWNAN, GEORGIA

RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
DECEMBER 31, 2012

Total fund balances per balance sheet of governmental funds		$ 35,968,187
Amounts reported for governmental activities in the statement of net position differ from amounts reported in the balance sheet of governmental funds due to the following:		
Capital Assets		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost of the assets	$ 147,504,641	
Accumulated depreciation	(31,122,992)	
		116,381,649
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.		439,315
Long-term Liabilities		
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as fund liabilities. All liabilities both current and long-term are reported in the statement of net position. Long-term liabilities at year-end consist of the following:		
Compensated absences		(479,427)
Net position of governmental activities		$ 152,309,724

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, 2012

	General	Impact Fees	2002 SPLOST	2007 SPLOST	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes:						
Property	$ 4,069,084	$ -	$ -	$ -	$ -	$ 4,069,084
Franchise	1,380,171	-	-	-	-	1,380,171
Sales	4,589,581	-	-	-	-	4,589,581
Insurance premium	1,646,007	-	-	-	-	1,646,007
Occupational	1,788,599	-	-	-	-	1,788,599
Hotel/motel	-	-	-	-	283,321	283,321
Alcoholic Beverage	822,432	-	-	-	-	822,432
Other taxes	335,155	-	-	-	67,331	402,486
License and permits	531,393	-	-	-	-	531,393
Impact fees	-	519,587	-	-	-	519,587
Court condemnations	-	-	-	-	56,105	56,105
Intergovernmental	180,963	-	-	4,837,413	522,647	5,541,023
Intergovernmental-utility	1,404,838	-	-	-	-	1,404,838
Fines and forfeitures	666,838	-	-	-	-	666,838
Investment earnings	23,402	2,555	1,404	18,100	3,412	48,873
Program revenue	-	-	-	-	17,711	17,711
Miscellaneous	238,650	-	-	-	108,911	347,561
Total revenues	17,677,113	522,142	1,404	4,855,513	1,059,438	24,115,610
EXPENDITURES						
Current:						
General government	1,948,969	-	-	26,524	353,203	2,328,696
Tourism development	-	-	-	-	121,726	121,726
Public safety	9,519,205	-	-	-	163,843	9,683,048
Public works	2,699,986	-	-	-	-	2,699,986
Community development	2,187,817	-	7,075	-	-	2,194,892
Intergovernmental	-	-	-	773,986	-	773,986
Capital outlay	-	160,808	1,554,728	3,255,093	432,539	5,403,168
Total expenditures	16,355,978	160,808	1,561,803	4,055,603	1,071,311	23,205,503
Excess (deficiency) of revenues over (under) expenditures	1,321,135	361,334	(1,560,399)	799,910	(11,873)	910,107
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	38,316	-	-	-	-	38,316
Transfers in	169,992	-	-	-	-	169,992
Transfers out	-	-	-	-	(169,992)	(169,992)
Insurance recoveries	-	-	627,748	-	-	627,748
Total other financing sources (uses)	208,308	-	627,748	-	(169,992)	666,064
Net change in fund balances	1,529,443	361,334	(932,651)	799,910	(181,865)	1,576,171
Fund balances - beginning of year	17,547,950	1,669,308	1,294,618	11,534,517	2,345,623	34,392,016
Fund balances - end of year	$ 19,077,393	$ 2,030,642	$ 361,967	$ 12,334,427	$ 2,163,758	$ 35,968,187

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, 2012

		$ 1,576,171
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		
Amounts reported for governmental activities in the statement of activities differ from amounts reported in the governmental fund statement of revenues, expenditures and changes in fund balances due to the following:		
Capital Assets		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense.		
Total capital outlays	$ 5,665,389	
Total depreciation	(3,309,444)	2,355,945
The net effect of various transactions involving capital assets (i.e. sales, disposals, trade-ins, and donations) is to increase net assets.		593,406
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		17,647
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.		(35,453)
Change in net position of governmental activities		$ 4,507,716

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, 2012

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes:				
Property	$ 4,093,000	$ 4,093,000	$ 4,069,084	$ (23,916)
Franchise	1,385,000	1,385,000	1,380,171	(4,829)
Sales	4,300,000	4,300,000	4,589,581	289,581
Insurance premium	1,475,000	1,475,000	1,646,007	171,007
Occupational	1,622,000	1,622,000	1,788,599	166,599
Alcoholic beverage	732,000	732,000	822,432	90,432
Other taxes	273,000	273,000	335,155	62,155
License and permits	423,150	423,150	531,393	108,243
Intergovernmental	140,000	140,000	180,963	40,963
Intergovernmental-utility	1,320,000	1,320,000	1,404,838	84,838
Fines and forfeitures	593,500	593,500	666,838	73,338
Interest earnings	20,000	20,000	23,402	3,402
Miscellaneous	253,950	253,950	238,650	(15,300)
Total revenues	16,630,600	16,630,600	17,677,113	1,046,513
EXPENDITURES				
Current:				
General government:				
Council	148,188	148,188	130,625	17,563
Manager	248,689	248,689	245,739	2,950
Public information officer	92,257	92,257	87,230	5,027
Attorney	93,650	97,934	97,934	-
Clerk	81,485	81,485	79,097	2,388
Finance	403,408	403,408	397,978	5,430
Human resources	162,785	162,785	144,977	17,808
Information technologies	167,332	167,332	163,062	4,270
Municipal court	177,059	177,059	174,622	2,437
Other - unclassified	490,501	591,060	486,705	104,355
Total general government	2,065,354	2,170,197	2,007,969	162,228
Public safety:				
Police	5,636,607	5,636,607	5,611,230	25,377
School resources officer	335,336	340,336	340,063	273
Animal services	63,594	63,594	57,142	6,452
Fire	3,492,160	3,492,160	3,450,040	42,120
Total public safety	9,527,697	9,532,697	9,458,475	74,222

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, 2012
(CONTINUED)

	Budget			Variance with
	Original	Final	Actual	Final Budget
Public works:				
Administration	$ 257,526	$ 257,526	$ 246,859	$ 10,667
Engineer	169,860	170,201	170,101	100
Streets	1,632,408	1,636,909	1,475,475	161,434
Garage	426,102	426,102	360,041	66,061
Cemetery	444,232	448,232	447,585	647
Total public works	2,930,128	2,938,970	2,700,061	238,909
Community development:				
Planning and zoning	285,182	285,182	252,748	32,434
Business development and special events	243,861	243,861	230,580	13,281
Library	118,403	118,403	116,328	2,075
Parks & ROW beautification	768,040	778,665	750,711	27,954
Building inspection	564,031	568,131	568,120	11
Building maintenance	287,904	287,904	269,712	18,192
Total community development	2,267,421	2,282,146	2,188,199	93,947
Total expenditures	16,790,600	16,924,010	16,354,704	569,306
Excess (deficiency) of revenue over (under) expenditure	(160,000)	(293,410)	1,322,409	1,615,819
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	10,000	10,000	38,316	28,316
Transfers in	150,000	150,000	169,992	19,992
Total other financing sources (uses)	160,000	160,000	208,308	48,308
Net change in fund balances	$ -	$ (133,410)	1,530,717	$ 1,664,127
Fund balances - beginning of year			17,451,205	
Fund balances - end of year			$ 18,981,922	

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, 2012

	Agency Fund
ASSETS	
Cash	$ 81,439
Total assets	$ 81,439
LIABILITY	
Payable from Assets	
Confiscated assets pending disposition	$ 81,439

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 and is accountable under the criteria listed.

Discretely Presented Component Units

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

The Newnan Convention Center Authority (hereinafter the Convention Center) was created to promote tourism, trade and conventions for the City. The governing board consists of seven regular members. The mayor and the city council members appoint the members of the Convention Center. The City provides the major support to the Convention Center through the collection and remittance of hotel motel taxes. The Convention Center is reported as a governmental fund type, with a general fund only, and has not issued separate financial statements for this year.

The Downtown Development Authority of the City of Newnan (hereinafter the Authority) governing board is appointed primarily by the City Council. The City provides support to the DDA relative to the yearly operating budget requirements. 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 Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

Separate financial statements are provided for governmental funds 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.

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

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

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 position.

L. Fund Equity

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

- Nonspendable – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted – amounts are restricted when constraints have been placed on the use of resources by (a) externally imposed by creditors, grantors, contributors or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Mayor and Council through adoption of a resolution. The Mayor and Council also may modify or rescind the commitment.
- Assigned – amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, Mayor and Council have authorized the City Manager or his designee to assign fund balances.
- Unassigned – amounts that have not been assigned to other funds and that are not restricted, committed or assigned to specific purposes within the General Fund.

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

- Committed
- Assigned
- Unassigned

Fund balance policies

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

The following is a summary of the fund balance classifications as of December 31, 2012:

	General Fund	Impact Fees	2002 SPLOST	2007 SPLOST	Nonmajor Governmental	Total
Fund Balances:						
Nonspendable						
Inventories	$ 6,647	$ -	$ -	$ -	$ -	$ 6,647
Restricted for:						
Capital Outlay	-	2,030,642	361,967	12,334,427	-	14,727,036
Economic development	61,140	-	-	-	-	61,140
Public safety	-	-	-	-	976,079	976,079
Tourism	-	-	-	-	744,270	744,270
Assigned to:						
Capital projects	548,916	-	-	-	443,409	443,409
Unassigned	18,460,690	-	-	-	-	18,460,690
Total fund balances	$ 19,077,393	$ 2,030,642	$ 361,967	$ 12,334,427	$ 2,163,758	$ 35,968,187

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 City's general fund budget is adopted on a non-GAAP budgetary basis. Expenditures charged against the budget include outstanding encumbrances at year-end. Revenues are reported on a GAAP basis.

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

B. Budget to GAAP Reconciliation

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

	General Fund
Budgetary basis - excess revenues and other financing sources over (under) expenditures and other financing uses	$ 1,530,717
Add: Current year encumbrances	87,191
Deduct: Prior year encumbrances paid in the current year	(88,465)
Generally accepted accounting principles basis-excess revenues and other financing sources over expenditures and other financing uses	$ 1,529,443
Budgetary basis-fund balance, ending	$ 18,981,922
Add: Current year encumbrances	87,191
Add: Prior year encumbrances outstanding at year-end	-
Add: Prior year encumbrances voided	8,280
Generally accepted accounting principles basis-fund balance, ending	$ 19,077,393

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, 2012, 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, 2012, 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
Office of StateTreasurer	AAAm rated	$ 3,621,029	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. The Office of State Treasurer is not required to disclose custodial credit risk. The City has no such investments with such risks as of December 31, 2012.

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

Credit Risk - Georgia law allows investments in obligations of the U.S. Treasury, other U.S. Governmental Agencies, State of Georgia, other states, prime banker's acceptances, repurchase agreements, other political subdivisions of Georgia and the Office of State Treasurer. The Office of State Treasurer is not registered with the SEC. The State of Georgia Office of Treasury operates this fund 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. The Office of State Treasurer 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, 2012, the Commission had the following investments:

Investment	Maturities in Years Under One	One-Three	Three-Seven	Over Ten	Total
U.S. Government securities	$ 2,001,409	$ 8,931,251	$ 448,729	$ -	$ 11,381,389
U.S. Government agency notes and bonds	4,268,272	3,289,046	2,372,893	-	9,930,211
Money market mutual funds and certificates of deposit	2,206,135	-	-	-	2,206,135
MEAG Mutual Funds Portfolio	178,368	43,283	26,284	5,840	253,775
Total investments	$ 8,654,184	$ 12,263,580	$ 2,847,906	$ 5,840	$ 23,771,510

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, 2012 are Federal Farm Credit Bank 9.9%, Federal Home Loan Bank 8.6%, and Fannie Mae 6.9%.

B. Capital Assets

Capital asset activity for the year ended December 31, 2012 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Reclassifications	Ending Balance
Governmental Activities					
Capital assets not being depreciated:					
Land	$ 20,708,994	$ 444,842	$ -	$ 404,450	$ 21,558,286
Construction in progress	4,434,867	5,107,724	-	(3,674,573)	5,868,018
Total capital assets, not being depreciated	25,143,861	5,552,566	-	(3,270,123)	27,426,304
Capital assets, being depreciated:					
Buildings and parks	19,198,361	-	-	-	19,198,361
Other improvements	8,583,987	28,780	-	1,535,545	10,148,312
Machinery and equipment	10,452,544	428,326	(468,941)	288,822	10,700,751
Infrastructure	78,300,157	285,000	-	1,445,756	80,030,913
Total capital assets being depreciated	116,535,049	742,106	(468,941)	3,270,123	120,078,337
Less accumulated depreciation for:					
Buildings and parks	(5,484,227)	(410,551)	-	-	(5,894,778)
Other improvements	(3,139,327)	(374,563)	-	-	(3,513,890)
Machinery and equipment	(6,651,324)	(816,258)	433,064	-	(7,034,518)
Infrastructure	(12,971,734)	(1,708,072)	-	-	(14,679,806)
Total accumulated depreciation	(28,246,612)	(3,309,444)	433,064	-	(31,122,992)
Total capital assets, being depreciated, net	88,288,437	(2,567,338)	(35,877)	3,270,123	88,955,345
Governmental activities capital assets, net	$ 113,432,298	$ 2,985,228	$ (35,877)	$ -	$ 116,381,649

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

General government	$ 4,445
Public safety	511,378
Public works	2,343,742
Community development and leisure services	449,879
Total governmental activities depreciation expense	$ 3,309,444

Component Unit – Water Sewerage and Light Commission

	Beginning Balance	Increases	Decreases	Reclassifications	Ending Balance
Component Unit					
Capital assets, not being depreciated:					
Land	$ 7,797,571	$ -	$ -	$ -	$ 7,797,571
Construction in progress	3,587,010	3,174,701	-	(4,870,070)	1,891,641
Total capital assets, not being depreciated	11,384,581	3,174,701	-	(4,870,070)	9,689,212
Capital assets, being depreciated:					
Machinery and equipment	13,102,272	920,407	(3,657,879)	-	10,364,800
Structures, lines and improvements	157,327,577	866,463	(4,848,040)	4,870,070	158,216,070
Total capital assets, being depreciated	170,429,849	1,786,870	(8,505,919)	4,870,070	168,580,870
Less accumulated depreciation for:					
Machinery and equipment	(8,081,379)	(993,792)	2,505,739	-	(6,569,432)
Structures, lines and improvements	(51,779,584)	(4,933,208)	5,984,448	-	(50,728,344)
Total accumulated depreciation	(59,860,963)	(5,927,000)	8,490,187	-	(57,297,776)
Total capital assets, being depreciated, net	110,568,886	(4,140,130)	(15,732)	4,870,070	111,283,094
Component unit, capital assets, net	$ 121,953,467	$ (965,429)	$ (15,732)	$ -	$ 120,972,306

C. Interfund Receivables, Payables and Transfers

As of December 31, 2012, there were no interfund receivables or payables.

Interfund transfers for the year ended December 31, 2012, are as follows:

	Transfers in:		
Transfer out:	General	Nonmajor Governmental	Total
Nonmajor governmental funds	$ 169,992	$ -	$ 169,992
Total	$ 169,992	$ -	$ 169,992

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, 2012, the City's governmental activities had no outstanding long-term debt other than compensated absences in the amount of $479,427.

Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
$ 497,074	$ 863,600	$ 881,247	$ 479,427	$ 305,751

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, 2012, notes payable and revenue bonds.

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

Georgia Environmental Facilities Authority – The Commission entered into an $8,550,000 loan agreement dated February 16, 2007 with the Georgia Environmental Facilities Authority to finance the costs of improving the Hershall B. Norred Water Plant. The loan commitment will be advanced during the construction period of the project. Interest accrued during the construction period at the rate of 3 percent per annum. On March 1, 2010, the loan converted to permanent status with the total outstanding balance of $9,046,798 due in 240 monthly payments of $50,173 consisting of principal and interest at 3 percent until maturity on March 1, 2030. As of December 31, 2012, the outstanding loan balance was $8,101,154 plus accrued interest of $20,585.

Total debt service requirements to maturity are as follows:

Year	Principal	Interest	Total
2013	$ 364,092	$ 237,988	$ 602,080
2014	375,108	226,972	602,080
2015	386,518	215,562	602,080
2016	398,209	203,871	602,080
2017	410,433	191,647	602,080
2018-2022	2,246,918	763,482	3,010,400
2023-2027	2,610,058	400,342	3,010,400
2028-2030	1,309,818	46,388	1,356,206
	$ 8,101,154	$ 2,286,252	$ 10,387,406

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 $28,080,000 and bear interest from 4.5% to 5.125%.

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

The maturities of the 2006 bonds excluding, premiums, discounts and deferred refunding losses of $802,759, ($10,033) and $(663,075), respectively, are as follows:

Year	Principal	Interest	Total
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	1,395,000	1,062,406	2,457,406
2017	1,450,000	998,388	2,448,388
2018-2022	8,445,000	3,807,640	12,252,640
2023-2027	5,805,000	2,005,233	7,810,233
2028-2032	3,250,000	1,081,626	4,331,626
2033-2037	3,160,000	292,276	3,452,276
Total	$ 26,460,000	$ 12,732,432	$ 39,192,432

Component Unit

The changes in long-term debt are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Deferred Compensation	$ 1,983,401	$ 902,164	$ (263,050)	$ 2,622,515	$ 268,800
Notes payable	8,454,370	-	(353,216)	8,101,154	364,092
Revenue bonds	27,377,695	-	(788,044)	26,589,651	850,000
Total	$ 37,815,466	$ 902,164	$ (1,404,310)	$ 37,313,320	$ 1,482,892

E. Property Taxes

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

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

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

The property tax calendar is as follows:

	Real/Personal Property (Excluding Vehicles)	Motor Vehicles
Assessment date	January 1	January 1
Levy date	August 23	January 1
Due date and collection date	October 31	Staggered

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

F. Hotel/Motel Taxes

The City levies and collects a 5% lodging tax which is reported in the Hotel/Motel Tourism Enhancement Fund. The City retains 60% of the funds collected. Tax receipts for the year were $283,321. Of the current year expenditures $1,618 was relative to repairs and maintenance for the Newnan Male Academy Museum, and $108 was for professional and legal fees for construction of a new Convention Center. As of December 31, 2012, the balance of funds not expended was $720,087. These funds are restricted for the construction and future operations of the Convention Center.

G. Risk Management

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

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

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

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

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

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

The basis for estimating the liabilities for unpaid claims is "IBNR" or "incurred but not reported" established by an actuary. As of December 31, 2012, the City is not aware of any deductible amounts which were outstanding and unpaid. No provisions have been made in the financial statements for the year ended relative to estimates for unpaid claims.

H. Joint Venture

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

I. Related Organizations

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

J. Public Retirement Systems and Pension Plans

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

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

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

Pension Plan

Plan Description

The City's defined benefit pension plan, City of Newnan Retirement Plan, (the Plan) provides retirement, disability and death benefits to plan members and beneficiaries.

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

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 was $839,750 and the required contribution was $839,750.

Three-Year Trend Information for the Plan

Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
12/31/2012	$ 839,750	100.0%	$ -
12/31/2011	886,889	100.2%	-
12/31/2010	1,108,909	90.5%	(1,466)

The required contribution was determined as part of the July 1, 2012 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 and (c) 0% cost of living adjustments. The Plan's unfunded actuarial accrued liability is being amortized (closed level dollar method) over 30 years for the initial unfunded accrued liability, 15 years for actuarial gains and losses, 10 years for temporary retirement incentive programs, 20 years for other changes to 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, 2012, 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)
7/1/2012	$12,363,934	$ 15,184,331	$ 2,820,397	81.43%	$ 8,364,875	33.72%

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, 2012.

Additional Information

Additional information as of the latest actuarial valuation follows:

Valuation date	7/1/2012	
Actuarial cost method	Projected unit credit	
Amortization method	Closed level dollar for remaining unfunded liability	
Remaining amortization period	Remaining amortization period varies for the bases, with a net effective amortization period of 10 years.	
Asset valuation method	Sum of actuarial value at 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	62	
Terminated plan members entitled to, but not yet receiving benefits	68	
Active plan members	205	
Total	335	

There were no changes in methods or assumption from the prior year.

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

Normal Costs	$	454,077
Adjustments to fiscal year		30,763
Payment on unfunded actuarial accrued liability		354,910
Annual required contribution		839,750
Contribution made		839,750
Increase (decrease) in net pension obligation		-
Net pension obligation (asset) December 31, 2011		-
Net pension obligation (asset) December 31, 2012	$	-

K. Subsequent Events

SPLOST 2013

In 2013, the City began receiving proceeds from the 2013 SPLOST passed in prior years. Estimated SPLOST funds are in the amount of $26,000,000.

West Georgia University Project

The City has entered into a purchase and redevelopment agreement with the University System of Georgia and Newnan Hospital Incorporated. The anticipated budget is $15 Million. Under the terms of the agreement, the City will acquire the hospital facility along with approximately $4 Million in cash. The City will be responsible for renovating the facility into educational space for the University of West Georgia. Upon completion of the renovation process, the University System will purchase the facility from the City for $5 Million. The City is expected to issue short-term financing in the amount of $11 Million and the long-term financing is expected to be $6 Million. The City is expected to develop an Intergovernmental Agreement with the Downtown Development Authority for the purpose of this financing. Sale of the property to the University is expected prior to the end of FY2014.

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 Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2012	$ 12,363,934	$ 15,184,331	$ 2,820,397	81.43%	$ 8,364,875	33.72%
7/1/2011	11,466,127	13,966,277	2,500,150	82.10%	8,170,398	30.60%
7/1/2010	10,368,620	13,299,795	2,931,175	77.96%	8,352,005	35.10%

SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

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

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

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

NSP Grants Fund – This fund accounts for funds received from the Georgia Department of Community Affairs Neighborhood Stabilization Program which are passed-through to the Newnan Housing Authority.

Rental Motor Vehicle Excise Tax – This fund accounts for rental excise taxes collected as allowed from rental car agencies and the expenditures relative to tourism.

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

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

CITY OF NEWNAN, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2012

	Special Revenue Funds						Capital Projects Fund	
	Confiscated Assets	Miscellaneous Grants	Hotel/Motel Tourism Enhancement	NSP Grants	Rental Motor Vehicle Excise Tax	Total	Street Improvement	Total Nonmajor Governmental Funds
ASSETS								
Cash and cash equivalents	$ 15,588	$ 17,699	$ -	$ 28,895	$ -	$ 62,182	$ -	$ 62,182
Investments	993,889	-	655,849	-	18,575	1,668,313	467,308	2,135,621
Taxes receivable	-	-	64,527	-	5,608	70,135	-	70,135
Intergovernmental receivable	-	-	-	30,179	-	30,179	-	30,179
Other receivables	-	-	-	-	-	-	64,669	64,669
Total assets	$1,009,477	$ 17,699	$ 720,376	$ 59,074	$ 24,183	$1,830,809	$ 531,977	$ 2,362,786
LIABILITIES								
Accounts payable	$ 33,398	$ -	$ 289	$ 3,418	$ -	$ 37,105	$ 88,568	$ 125,673
Deferred revenue	-	17,699	-	55,656	-	73,355	-	73,355
Total liabilities	33,398	17,699	289	59,074	-	110,460	88,568	199,028
FUND BALANCES								
Restricted	976,079	-	720,087	-	24,183	1,720,349	-	1,720,349
Assigned	-	-	-	-	-	-	443,409	443,409
Total fund balances	976,079	-	720,087	-	24,183	1,720,349	443,409	2,163,758
TOTAL LIABILITIES AND FUND BALANCES	$1,009,477	$ 17,699	$ 720,376	$ 59,074	$ 24,183	$1,830,809	$ 531,977	$ 2,362,786

CITY OF NEWNAN, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Special Revenue Funds						Capital Projects Fund	
	Confiscated Assets	Miscellaneous Grants	Hotel/Motel Tourism Enhancement	NSP Grants	Rental Motor Vehicle Excise Tax	Total	Street Improvement	Total Nonmajor Governmental Funds
REVENUES								
Hotel/motel taxes	$ -	$ -	$ 283,321	$ -	$ -	$ 283,321	$ -	$ 283,321
Court condemnations	56,105	-	-	-	-	56,105	-	56,105
Intergovernmental	-	5,379	-	332,258	-	337,637	185,010	522,647
Excise taxes	-	-	-	-	67,331	67,331	-	67,331
Program revenues	-	-	-	17,711	-	17,711	-	17,711
Other revenues	-	-	-	-	-	-	108,911	108,911
Investment earnings	1,674	-	956	18	46	2,694	718	3,412
Total revenues	57,779	5,379	284,277	349,987	67,377	764,799	294,639	1,059,438
EXPENDITURES								
Current								
General government	-	3,216	-	349,987	-	353,203	-	353,203
Tourism development	-	-	1,726	-	120,000	121,726	-	121,726
Public safety	161,680	2,163	-	-	-	163,843	-	163,843
Capital outlay	174,431	-	-	-	-	174,431	258,108	432,539
Total expenditures	336,111	5,379	1,726	349,987	120,000	813,203	258,108	1,071,311
Excess (deficiency) of revenues over (under) expenditures	(278,332)	-	282,551	-	(52,623)	(48,404)	36,531	(11,873)
Other financing sources (uses)								
Transfers out	-	-	(169,992)	-	-	(169,992)	-	(169,992)
Total other financing sources (uses)	-	-	(169,992)	-	-	(169,992)	-	(169,992)
Net change in fund balances	(278,332)	-	112,559	-	(52,623)	(218,396)	36,531	(181,865)
Fund balances - beginning of year	1,254,411	-	607,528	-	76,806	1,938,745	406,878	2,345,623
Fund balances - end of year	$ 976,079	$ -	$ 720,087	$ -	$ 24,183	$ 1,720,349	$ 443,409	$ 2,163,758

CITY OF NEWNAN, GEORGIA

CONFISCATED ASSETS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012

	Final Budget	Actual	Variance
REVENUES			
Court condemnations	$ 287,412	$ 56,105	$ (231,307)
Investment earnings	2,003	1,674	(329)
Total Revenues	289,415	57,779	(231,636)
EXPENDITURES			
Current			
Public safety	349,500	161,680	187,820
Capital outlay	509,854	174,431	335,423
Total Expenditures	859,354	336,111	523,243
Net change in fund balance	(569,939)	(278,332)	291,607
Fund balances - beginning of year	1,254,411	1,254,411	-
Fund balances - end of year	$ 684,472	$ 976,079	$ 291,607

CITY OF NEWNAN, GEORGIA

MISCELLANEOUS GRANTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	$ 20,000	$ 5,379	$ (14,621)
Total Revenues	20,000	5,379	(14,621)
EXPENDITURES			
Current			
General government	10,000	3,216	6,784
Public safety	10,000	2,163	7,837
Total Expenditures	20,000	5,379	14,621
Net change in fund balance	-	-	-
Fund balances - beginning of year	-	-	-
Fund balances - end of year	$ -	$ -	$ -

CITY OF NEWNAN, GEORGIA

HOTEL/MOTEL TOURISM ENHANCEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012

	Final Budget	Actual	Variance
REVENUES			
Hotel/motel taxes	$ 250,000	$ 283,321	$ 33,321
Investment earnings	800	956	156
Total Revenues	250,800	284,277	33,477
EXPENDITURES			
Current			
Tourism development	15,000	1,726	13,274
Capital outlay	425,000	-	425,000
Total Expenditures	440,000	1,726	438,274
Excess (deficiency) of revenues over (under) expenditures	(189,200)	282,551	471,751
Other Financing Use			
Transfer out	(275,000)	(169,992)	105,008
Net change in fund balances	(464,200)	112,559	576,759
Fund balances - beginning of year	607,528	607,528	-
Fund balances - end of year	$ 143,328	$ 720,087	$ 576,759

CITY OF NEWNAN, GEORGIA

NSP GRANTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	$ 506,285	$ 332,258	$ (174,027)
Program income	40,000	17,711	(22,289)
Investment earnings	100	18	(82)
Total Revenues	546,385	349,987	(196,398)
EXPENDITURES			
Current			
General government	546,385	349,987	196,398
Total Expenditures	546,385	349,987	196,398
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

RENTAL MOTOR VEHICLE EXCISE TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012

	Final Budget	Actual	Variance
REVENUES			
Excise tax	$ 80,000	$ 67,331	$ (12,669)
Investment earnings	100	46	(54)
Total Revenues	80,100	67,377	(12,723)
EXPENDITURES			
Current			
Tourism development	158,039	120,000	38,039
Total Expenditures	158,039	120,000	38,039
Excess (deficiency) of revenues over (under) expenditures	(77,939)	(52,623)	25,316
Other Financing Use			
Transfer out	-	-	-
Net change in fund balances	(77,939)	(52,623)	25,316
Fund balances - beginning of year	76,806	76,806	-
Fund balances - end of year	$ (1,133)	$ 24,183	$ 25,316

CITY OF NEWNAN, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITY
AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	December 31, 2011	Additions	Deletions	December 31, 2012
Police Pre-Confiscated Assets Fund				
ASSETS				
Cash	$ 98,951	$ 27,227	$ 44,739	$ 81,439
Total assets	$ 98,951	$ 27,227	$ 44,739	$ 81,439
LIABILITY				
Payable from assets				
Confiscated assets pending disposition	$ 98,951	$ 27,227	$ 44,739	$ 81,439

CITY OF NEWNAN, GEORGIA

COMPONENT UNIT - NEWNAN DOWNTOWN DEVELOPMENT AUTHORITY
BALANCE SHEET
DECEMBER 31, 2012

ASSETS		
Cash and Cash Equivalents	$	62,682
Receivables		2,226
Total Assets	$	64,908
LIABILITIES AND FUND BALANCES		
Accounts Payable	$	1,070
Total Liabilities		1,070
Fund Balances:		
Unassigned		63,838
Total Fund Balances		63,838
Total Liabilities and Fund Balances	$	64,908

CITY OF NEWNAN, GEORGIA

COMPONENT UNIT - NEWNAN DOWNTOWN DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
DECEMBER 31, 2012

REVENUES:		
Event Income	$	115,542
Sponsorship Income		15,800
Membership Dues Income		15,025
Miscellaneous Revenues		3,393
Interest Earnings		37
Total Revenues		149,797
EXPENDITURES:		
Current:		
Promotion		126,711
Total Expenditures		126,711
Net change in fund balances		23,086
Fund Balance - Beginning of year		40,752
Fund Balance - End of year	$	63,838

CITY OF NEWNAN, GEORGIA

COMPONENT UNIT - NEWNAN CONVENTION CENTER AUTHORITY
BALANCE SHEET
DECEMBER 31, 2012

ASSETS	
Cash and Cash Equivalents	$ 12,435
Total Assets	$ 12,435
LIABILITIES AND FUND BALANCES	
Accounts Payable	$ 500
Other Accrued Liabilities	4,437
Total Liabilities	4,937
Fund Balances:	
Unassigned	7,498
Total Fund Balances	7,498
Total Liabilities and Fund Balances	$ 12,435

CITY OF NEWNAN, GEORGIA

COMPONENT UNIT - NEWNAN CONVENTION CENTER AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
DECEMBER 31, 2012

REVENUES:	
Intergovernmental	$ 120,000
Interest Earnings	5
Total Revenues	120,005
EXPENDITURES:	
Current:	
General Government	112,507
Total Expenditures	112,507
Net change in fund balances	7,498
Fund Balance - Beginning of year	-
Fund Balance - End of year	$ 7,498

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STATISTICAL SECTION

CITY OF NEWNAN, GEORGIA
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 74-80

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity 81-87

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.

Debt Capacity 88-89

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.

Demographic and Economic Information 90-92

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.

Operating Information 93-94

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.

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

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities									
Net investment in capital assets	$ 36,870,914	$ 48,202,095	$ 59,950,866	$ 99,720,483	$ 107,970,772	$ 111,049,663	$ 110,991,843	$ 113,432,298	$ 116,381,649
Restricted	7,370,329	10,247,870	10,017,489	12,310,604	11,890,374	12,341,221	16,917,262	16,488,833	16,508,525
Unrestricted	9,536,630	11,056,237	14,484,797	16,050,074	17,202,620	15,619,539	15,818,177	17,880,877	19,419,550
Total governmental activities net position	$ 53,777,873	$ 69,506,202	$ 84,453,152	$128,081,161	$ 137,063,766	$ 139,010,423	$ 143,727,282	$ 147,802,008	$ 152,309,724
Change in Net Positions									
Governmental Activities	$ 13,051,613	$ 15,728,329	$ 14,946,950	$ 43,628,009	$ 8,982,605	$ 1,946,657	$ 4,716,859	$ 4,074,726	$ 4,507,716

Notes: 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 POSITION, LAST NINE CALENDAR YEARS
(accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses:									
Governmental activities:									
General Government	$ 1,499,242	$ 1,692,563	$ 2,164,887	$ 2,823,373	$ 2,747,236	$ 2,771,020	$ 4,360,012	$ 2,767,833	$ 3,086,824
Community Development	1,785,109	1,761,614	2,233,473	2,697,243	2,610,332	2,505,682	2,603,527	3,095,588	2,643,006
Public Safety	7,081,640	7,522,020	8,076,362	8,638,598	9,341,701	9,272,838	9,634,856	9,626,896	10,095,536
Public Works	1,892,188	3,364,415	3,535,165	4,405,650	4,285,367	4,679,400	4,723,863	4,333,648	4,882,378
Tourist Development	658	20,511	14,955	2,292	4,274	9,304	3,691	2,588	121,726
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	$ 19,826,553	$ 20,829,472
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	$ 19,826,553	$ 20,829,472
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	$ 2,109,634	$ 1,771,422
Tourism Development	-	-	-	-	21,504	17,560	23,104	29,537	31,245
Public Safety	436,422	448,967	588,846	632,359	835,169	855,249	2,918,872	850,972	725,106
Public Works	-	1,426,765	-	-	-	-	-	-	-
Community Development	-	-	2,851,031	1,957,224	1,015,521	375,840	267,248	335,381	531,393
Operating grants and contributions	1,181,639	1,204,398	74,084	103,045	91,128	96,152	-	-	25,000
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	5,802,964	7,277,425
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	$ 9,128,488	$ 10,361,591
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	$ 9,128,488	$ 10,361,591
Net (Expenses)/Revenue									
Governmental activities	$ (94,546)	$ 324,945	$ (2,230,131)	$ (9,696,749)	$(10,905,586)	$ (11,902,840)	$ (9,282,605)	$ (10,698,065)	$ (10,467,881)
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)	$ (10,698,065)	$ (10,467,881)

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Revenue and Other Changes in Net Position									
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	$ 4,285,530	$ 4,033,631
Sales Taxes	6,411,198	6,658,437	7,517,296	9,552,987	9,576,131	3,860,258	4,187,040	4,367,306	4,589,581
Occupational Taxes	1,206,741	1,321,047	1,472,479	1,732,989	1,838,252	1,792,961	1,603,104	1,684,129	1,788,599
Franchise Taxes	977,592	935,535	1,004,528	1,226,762	1,324,724	1,420,597	1,416,636	1,449,554	1,380,171
Insurance Premium Taxes	756,092	813,456	851,078	887,770	909,036	900,507	874,336	1,549,668	1,646,007
Hotel Motel Taxes	174,947	200,101	211,120	329,900	258,001	240,642	223,694	253,718	283,321
Alcoholic Beverage Taxes	584,315	636,993	700,717	733,406	731,681	742,731	737,209	757,381	822,432
Other Taxes	29,340	236,725	222,331	280,303	304,305	284,475	294,488	399,326	402,486
Interest Revenue	189,916	540,821	1,008,500	1,170,885	547,677	105,671	32,524	26,179	29,369
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	$ 14,772,791	$ 14,975,597
Total Primary Government	$ 13,146,159	$ 15,108,876	$ 16,820,575	$ 20,118,216	$ 19,888,191	$ 13,849,497	$ 13,999,464	$ 14,772,791	$ 14,975,597
Change in Net Position									
Governmental Activities	$ 13,051,613	$ 15,433,821	$ 14,590,444	$ 10,421,467	$ 8,982,605	$ 1,946,657	$ 4,716,859	$ 4,074,726	$ 4,507,716
Total Primary Government	$ 13,051,613	$ 15,433,821	$ 14,590,444	$ 10,421,467	$ 8,982,605	$ 1,946,657	$ 4,716,859	$ 4,074,726	$ 4,507,716

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 Nine Calendar Years
(accrual basis of accounting)

	Program Revenues								
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
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	$ 3,053,365	$ 2,746,341
Community Development	-	-	2,851,031	1,987,224	1,025,521	568,304	1,141,230	1,966,820	2,754,309
Public Safety	492,764	472,358	669,170	741,655	958,454	1,281,257	3,669,424	1,608,878	1,456,751
Public Works	9,958,000	12,020,650	8,597,644	4,202,138	2,990,892	1,964,704	2,611,464	2,469,888	3,347,945
Tourist Development	-	-	22,782	-	21,504	17,560	23,104	29,537	56,245
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	9,128,488	10,361,591
Total primary government	$ 12,648,572	$ 15,487,502	$ 13,794,711	$ 8,870,407	$ 8,083,324	$ 7,335,404	$ 12,043,344	$ 9,128,488	$ 10,361,591

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

CITY OF NEWNAN, GEORGIA
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Nine Calendar Years
(modified accrual basis of accounting)

	Calendar Year								
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
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	-	-
Nonspendable	-	-	-	-	-	-	-	3,378	6,647
Restricted	-	-	-	-	-	-	-	51,645	61,140
Assigned	-	-	-	-	-	-	-	567,919	548,916
Unassigned	-	-	-	-	-	-	-	16,925,008	18,460,690
Total General Fund	$ 9,821,347	$ 11,238,944	$ 13,122,686	$ 14,627,349	$ 15,112,364	$ 13,450,930	$ 14,872,441	$ 17,547,950	$ 19,077,393
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	-	-
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted:									
Special Revenue Funds	-	-	-	-	-	-	-	1,938,745	1,720,349
Capital Projects Funds	-	-	-	-	-	-	-	14,498,443	14,727,036
Assigned	-	-	-	-	-	-	-	406,878	443,409
Unassigned	-	-	-	-	-	-	-	-	-
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	$ 16,844,066	$ 16,890,794
Total Fund Balances	**$ 17,191,676**	**$ 21,314,789**	**$ 24,441,479**	**$ 28,377,799**	**$ 28,964,243**	**$ 27,954,634**	**$ 32,721,229**	**$ 34,392,016**	**$ 35,968,187**

Note: Information above has been presented as of the date of GASB 34 Implementation.
The City implemented GASB 54 during 2011; prior years have not been restated.

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

	Calendar Year								
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Revenues									
Taxes:									
Alcohol Taxes	$ 584,316	$ 636,993	$ 700,717	$ 733,406	$ 731,681	$ 742,731	$ 737,209	$ 757,381	$ 822,432
Excise (Franchise) Taxes	977,592	935,536	1,004,528	1,226,762	1,324,724	1,420,597	1,416,636	1,449,554	1,380,171
Hotel/Motel Taxes	174,947	200,101	211,120	329,900	258,001	240,642	223,694	253,718	283,321
Insurance Premium Taxes	756,092	813,456	851,078	887,770	909,036	900,507	874,336	1,549,668	1,646,007
Occupational Taxes	1,206,741	1,321,047	1,472,479	1,732,989	1,838,252	1,792,961	1,603,104	1,684,129	1,788,599
Other Taxes	107,912	199,194	222,331	280,303	304,305	284,475	294,488	322,538	335,155
Property Taxes	3,038,631	3,194,225	3,751,885	4,145,848	4,141,896	4,592,154	4,630,498	4,342,139	4,069,084
Rental Motor Vehicle Taxes	-	-	-	-	-	-	-	76,788	67,331
Sales Taxes	6,411,197	6,658,437	7,517,296	9,552,987	9,576,131	3,860,258	4,187,040	4,367,306	4,589,581
Court Condemnations	5,596	11,832	6,240	6,251	165,240	163,338	2,204,972	179,123	56,105
Fines and Forfeitures	430,826	448,967	588,846	632,359	669,929	691,911	624,181	575,724	666,838
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	146,934	519,587
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	5,154,183	5,541,023
Intergovernmental - Utility	853,126	966,488	1,094,453	1,161,112	1,165,377	1,172,781	1,389,848	1,415,620	1,404,838
Investment Earnings	189,916	540,821	1,008,923	1,170,885	547,677	105,671	55,409	44,246	48,873
Alcohol Licenses	152,425	236,183	174,700	180,038	183,775	179,050	186,354	176,845	174,500
Other Revenues	220,440	329,589	268,163	370,732	185,955	315,606	243,361	272,389	347,561
Program Revenue	-	-	-	-	-	-	-	30,925	17,711
Permits & Inspections	1,060,854	1,330,674	1,345,583	838,630	486,125	259,895	267,249	335,381	356,893
Total Revenues	17,822,574	20,862,344	22,574,614	24,844,942	23,667,468	21,138,600	25,744,460	23,134,591	24,115,610
Expenditures									
General government	1,543,473	1,639,077	2,088,268	2,675,463	2,179,436	4,238,749	3,650,174	2,025,539	2,312,597
Community Development	2,325,998	2,725,073	2,615,532	2,337,153	2,365,981	2,335,471	2,190,419	2,142,737	2,194,892
Public Safety	7,249,855	7,809,982	7,697,555	8,314,508	8,910,093	8,858,915	9,215,617	9,189,763	9,591,217
Public Works	1,870,359	2,469,203	2,371,824	2,637,747	2,722,862	2,561,396	2,508,168	2,535,452	2,545,695
Tourist Development	658	20,511	14,955	2,292	4,274	9,304	3,691	2,588	121,726
Intergovernmental	-	-	-	-	793,530	659,712	715,094	747,955	773,986
Capital Outlay	1,878,426	2,397,282	5,016,296	4,953,459	6,104,848	3,484,662	2,712,177	4,832,012	5,665,389
Total Expenditures	14,868,769	17,061,128	19,804,430	20,920,622	23,081,024	22,148,209	20,995,340	21,476,046	23,205,503
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	1,658,545	910,107

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

	Calendar Year								
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
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	500,704	169,992
Insurance recoveries	-	-	-	-	-	-	-	-	627,748
Transfers to other Funds	(725,088)	(1,107,770)	(1,110,359)	(1,350,890)	(861,413)	(867,985)	(453,216)	(500,704)	(169,992)
Sale of Capital Assets	81,500	27,390	-	12,000	-	-	17,475	12,242	38,316
Total Other Financing Sources (Uses)	(293,936)	27,390	-	12,000	-	-	17,475	12,242	666,064
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**	**$ 1,670,787**	**$ 1,576,171**
Debt Service as a Percentage of Noncapital Expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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

CITY OF NEWNAN, GEORGIA
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
Last Nine Calendar Years
(modified accrual basis of accounting)

Calendar Year	Tax Revenues								
	General Property [1]	Franchise [4]	Insurance Premium [2]	Occupational [4]	Alcoholic Beverage	Hotel/ Motel [4]	Sales Tax [3]	Other [5]	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
2011	4,342,139	1,449,554	1,549,668	1,684,129	757,381	253,718	4,367,306	463,497	14,867,392
2012	4,069,084	1,380,171	1,646,007	1,788,599	822,432	283,321	4,589,581	402,486	14,981,681
% Change 2004 - 2012	**33.9%**	**41.2%**	**117.7%**	**48.2%**	**40.8%**	**61.9%**	**-28.4%**	**273.0%**	**13.0%**

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

[1] Includes motor vehicle and property taxes. Property taxes peaked in 2010. Since that time, reassessments of existing properties has deflated the revenues collected.

[2] Insurance premium taxes based on US Census Bureau population. Newnan's population increased by approximately 103% from 2000 to 2010.

[3] 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.

[4] The increases are primarily attributed to the growth in population and commercial businesses in Newnan over the past 8 - 10 years.

[5] The increase is primarily attributed to the growth in population and commericial businesses in Newnan over the past 8 - 10 years. This category includes rental motor vehicle taxes, added in 2011, and hotel/motel taxes.

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
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%
2011	900,523,872	91,837,145	66,584,340	925,776,677	4.39	2,494,906,419	37.11%
2012	835,653,052	92,269,724	66,410,012	861,512,764	4.39	2,325,772,020	37.04%

Source: 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
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
2011	4.39	0.00	4.39	0.25	7.79	18.59	-	31.02
2012	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 TAXPAYERS
Current Year and Nine Years Ago

	2004			2012		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total City Tax Levy**	**Taxable Assessed Value**	**Rank**	**Percentage of Total City Tax Levy**
Fourth Quarter Properties	$ 11,235,310	1	1.83%	$ 28,004,710	1	2.81%
EGO Products				10,392,868	2	1.04%
Inland Southeast Newnan LLC	7,167,218	3	1.17%	9,385,629	3	0.94%
Bon L Manufacturing				9,062,868	4	0.91%
Wal-Mart	5,132,135	6	0.83%	8,798,726	5	0.88%
Newnan Apartments LLC				7,549,716	6	0.76%
WPRE				7,206,620	7	0.72%
HC Cable (NuLink)				6,986,136	8	0.70%
Stillwood Farms Venture LLC				6,784,077	9	0.68%
BellSouth Telecommunications	6,985,040	4	1.14%	5,580,912	10	0.57%
Peachtree City Holdings	9,003,555	2	1.46%			
Lullwater Apartments LLC	5,713,418	5	0.93%			
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%			
Total	**$ 61,748,537**		**10.05%**	**$ 99,752,262**		**10.01%**

Source: Coweta County Tax Commissioner
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
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%	397,681	3,175,829	100.00%
2006	3,596,135	3,224,897	89.68%	371,077	3,595,974	100.00%
2007	4,040,685	3,710,009	91.82%	328,482	4,038,491	99.95%
2008	4,432,702	4,036,118	91.05%	383,635	4,419,753	99.71%
2009	4,507,635	4,090,388	90.74%	405,941	4,496,329	99.75%
2010	4,597,973	4,191,653	91.16%	376,851	4,568,504	99.36%
2011	4,339,097	4,004,319	92.28%	235,979	4,240,298	97.72%
2012	4,048,446	3,758,537	92.84%	-	3,758,537	92.84%

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

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012
Accommodations [1]	$ -	$ -	$ -	$ -	$ -	$ 53,972	$ 83,090	$ 108,870	$ 112,012
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	2,136,427	2,262,067
Construction [1]	-	-	-	-	-	31,972	94,584	102,177	84,101
Food	2,962,989	3,503,092	4,087,686	4,604,069	4,057,615	3,351,960	3,118,289	3,155,028	3,313,930
General	2,144,151	2,313,315	2,430,145	2,599,136	2,533,278	2,792,283	2,809,106	3,108,903	3,247,842
Home	882,624	1,027,193	1,267,542	1,224,669	1,023,933	1,305,365	1,305,236	1,226,607	1,323,877
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	772,057	866,136
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	1,318,039	1,232,728
Other Retail [1]	-	-	-	-	-	1,471,919	2,448,746	2,705,070	3,698,588
Other Services [1]	-	-	-	-	-	151,802	226,837	357,111	434,245
Utilities	2,250,243	2,620,842	3,211,321	3,356,457	3,808,788	3,255,225	3,010,243	2,807,056	2,262,514
Wholesale [1]	-	-	-	-	-	922,109	1,651,568	1,896,594	1,786,427
Total	$ 15,165,757	$17,024,898	$ 20,010,557	$ 20,911,680	$ 20,899,126	$ 19,400,308	$ 18,893,235	$ 19,693,940	$20,624,467

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
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%
2011	0.00%	7.00%
2012	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, 2012

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)]	$ 158,707,147	100%
Coweta County School District	16,600,000	100%
Total Overlapping Debt	175,307,147	100%
Total Direct and Overlapping Debt	$ 175,307,147	

Source: Coweta County School System, Newnan Utilities and Coweta County Finance Department.

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

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the County's taxable assessed value that is within the government's boundaries and dividing it by the County's taxable assessed value.

CITY OF NEWNAN, GEORGIA
LEGAL DEBT MARGIN INFORMATION
Last Ten Calendar Years

	Calendar Year									
	2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Net Assessed Value	$ 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	$ 997,962,568	$ 930,308,808
Debt Limit - 10% of Assessed Value	55,092,454	61,478,444	72,179,833	82,722,016	93,534,397	102,608,838	105,443,259	104,873,537	99,796,257	93,030,881
Debt Applicable to Debt Limit:										
General obligation bonds	-	-	-	-	-	-	-	-	-	-
Net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	$ 55,092,454	$ 61,478,444	$ 72,179,833	$ 82,722,016	$ 93,534,397	$ 102,608,838	$ 105,443,259	$ 104,873,537	$ 99,796,257	$ 93,030,881
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

CITY OF NEWNAN, GEORGIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years

Calendar Year	Population[1]	Personal Income (amounts expressed in thousands)	Per Capita Personal Income [2,5]	Median Age [1,2,6]	School Enrollment [2,4]	Unemployment Rate [2,3]
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	33.1	22,151	9.5%
2010	33,039	1,094,912	33,140	32.3	22,464	9.8%
2011	33,700	1,112,774	33,020	34.5	22,517	9.7%
2012	34,240	858,979	25,087	36.6	22,718	8.9%

[1] Per 2010 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] US Census - American Community Survey 5-year Estimate

[4] Coweta County Board of Education

[5] BEA Regional Economic Analysis

[6] US Bureau of Labor Statistics

Note: Personal income information is a total for the year and was estimated for 2009 - 2012 since data was not available.

CITY OF NEWNAN, GEORGIA
PRINCIPAL EMPLOYERS
Current and Ten Years Ago

		2003			2012		
Employer	**Type of Industry**	**Employees**	**Rank**	**Percentage of Total County Employment**	**Employees**	**Rank**	**Percentage of Total County Employment**
Coweta County School System	Education	2,801	1	5.94%	3,100	1	4.83%
Yamaha Motor Manufacturing	Manufacturing	780	2	1.65%	1,000	2	1.56%
Piedmont Newnan Hospital	Healthcare			0.00%	1,000	3	1.56%
Coweta County, Georgia	Government	616	5	1.31%	865	4	1.35%
Wal-Mart Supercenter	Retailer			0.00%	550	5	0.86%
Pet Smart Distribution Center	Retail Distribution			0.00%	500	6	0.78%
Yokogawa Corporation	Manufacturing	680	4	1.44%	384	7	0.60%
Cargill Meat Solutions	Packaging	303	11	0.64%	355	8	0.55%
Georgia Power - Plant Yates	Utilities	350	9	0.74%	350	9	0.55%
Tencate (formerly Southern Mills)	Textiles	333	10	0.71%	333	10	0.52%
Cancer Treatment Centers of America	Healthcare			0.00%	300	11	0.47%
Bon L Manufacturing	Manufacturing	725	3	1.54%	280	12	0.44%
Kason Industries	Manufacturing	250	12	0.53%	280	13	0.44%
K-Mart Distribution Center	Retail Distribution	475	6	1.01%	278	14	0.43%
EGO North America, Inc.	Manufacturing			0.00%	260	15	0.41%
Buffalo Rock	Distribution			0.00%	181	16	0.28%
Winpak Films	Manufacturing	190	13	0.40%	175	17	0.27%
Eckerd Drugs	Retail Distribution	400	7	0.85%			0.00%
Excel Corporation	Packaging	400	8	0.85%			0.00%
All other employers		38,835		82.39%	53,941		84.11%
Total Labor Force		47,138		100.00%	64,132		100.00%

City Unemployment Rate	8.9%	4.4%
County Unemployment Rate	7.2%	4.7%
Georgia Unemployment Rate	8.9%	5.1%
US Unemployment Rate	8.9%	5.8%

Source: Newnan-Coweta Chamber of Commerce, Georgia Dept. of Labor, Coweta Development Authority
Notes: Information available at county level only (Coweta County).

CITY OF NEWNAN, GEORGIA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
Last Ten Years

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
City Manager [2]	3	3	2	2	2	2	2	2	2	2
City Attorney	1	1	1	1	1	1	1	1	1	1
Administrative										
Finance [1]	4	4	4	4	5	5	5	5	5	5
City Clerk [1]	1	1	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	1	1	1	1	1	1	1	1
Municipal Court [3]	0	0	0	1	1	1	1	1	1	1
Public Safety										
Police										
Officers	66	65	69	71	75	75	75	75	75	75
Civilians	5	5	5	5	5	6	6	6	6	6
Administrative	3	3	3	3	3	3	3	3	3	3
Fire Department										
Firefighters [8]	41	41	44	44	47	49	49	49	50	50
Administrative	1	1	1	1	1	1	1	1	1	1
Community Development										
Administration [4] [8]	2	2	2	2	2	2	2	2	0	0
Planning & Zoning	3	3	3	3	3	3	3	3	3	4
Parks & ROW Beautification	10	10	10	13	14	14	14	14	14	14
Building Inspection	8	8	9	9	9	9	9	8	8	8
Building Maintenance	2	2	3	3	3	3	3	3	3	2
Public Works										
Administration [4]	1	2	2	2	2	2	2	2	2	3
Streets [7] [8]	14	16	21	23	23	23	22	22	20	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] [8]	3	3	3	3	4	4	4	4	3	2
Other Services										
Carnegie Building [5]	0	0	0	0	0	0	1	1	2	1
Business Development & Main Street (& Special Events)	2	2	2	2	2	2	2	2	2	3
Sanitation [6]	42	0	0	0	0	0	0	0	0	0
Total Full-Time Employees	**229**	**189**	**203**	**211**	**221**	**224**	**224**	**223**	**220**	**220**

Source: City of Newnan Payroll records and Human Resources Department.

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

(1) 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 2003. Director eliminated 2011.

(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.

(8) Added Lieutenant in Fire; eliminated 2 positions in Streets & 1 in Engineering.

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

	Calendar Year									
Function/Program	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
General Government										
Occupational Tax Certificates Issued	1,618	1,709	1,792	1,951	2,122	2,186	1,819	1,807	1,890	1,687
Alcohol Licenses Issued	89	87	94	95	90	91	92	99	102	99
Property Tax Bills Issued	9,191	9,735	11,058	12,456	13,298	13,714	13,856	13,896	13,857	13,824
Community Development										
Building Permits Issued - Commercial	17	32	27	48	32	14	3	6	7	3
Building Permits Issued - Residential	643	799	1,023	802	350	188	69	122	88	159
Police										
Physical Arrests	602	599	625	615	631	698	804	1,352	1,508	1,313
Parking Violations	1,433	2,258	2,101	1,435	1,889	1,691	1,545	1,254	375	143
Traffic Violations	4,499	4,476	5,640	5,922	6,461	5,921	6,216	6,191	5,379	7,383
Fire										
Emergency Responses	2,201	2,253	2,231	1,858	2,415	3,308	2,631	3,590	3,715	4,013
Fires Extinguished	100	99	107	95	95	98	69	101	137	111
Public Works										
Streets Resurfaced (Miles)										
Full Depth Reclamation (FDR)	-	-	-	-	1.0169	0.6750	3.6565	0.9130	0.0000	0.6570
LARP Resurfacing	-	-	5.0000	2.3600	0.0000	2.5270	3.4750	0.0000	0.0000	0.0000
LMIG Resurfacing	-	-	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Other Resurfacing	-	-	0.2400	0.0000	0.3500	0.6938	0.8269	2.3450	2.3700	1.5470

Source: Various City Departments.

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

	Calendar Year									
Function/Program	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Public Safety										
Police										
Stations	2	2	3	3	3	3	3	3	3	3
Patrol Cars	63	60	62	64	66	66	66	68	68	74
Fire										
Stations	2	2	2	2	3	3	3	3	3	3
Trucks	5	5	5	5	6	6	6	6	6	6
Fire Hydrants	1,462	1,711	1,857	1,937	1,963	1,963	1,964	2,005	2,010	2,040
Community Development										
Recreation										
Community Centers	0	0	0	0	0	0	1	0	0	0
Parks	8	8	8	8	9	10	10	10	10	10
Park Acreage	27	27	27	27	31	33	33	33	33	33
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Tennis Courts	4	4	4	4	4	4	4	4	4	4
Public Works										
Streets										
Streets (miles)	143	155	168	177	182	185	185	172	176	169
Sidewalks (miles)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	159	163	166
Number of Streets	484	527	586	624	641	651	651	618	620	639
New Sidewalk Construction (LF)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3,806	3,616	724

Source: Various City Departments and Newnan Utilities

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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, 2012

Project	Original Estimated Cost	Current Estimated Costs	Expenditures		
			Prior Years Costs	Current Year	Total
Streets, drains, and sidewalks	$ 3,800,000	$ 3,920,056	$ 3,920,056	$ (20,082) (1)	$ 3,899,974
Park acquisition and development	2,500,000	2,500,000	2,276,307	-	2,276,307
Convention Center	2,500,000	2,500,000	1,918,592	581,405 (2)	2,499,997
Construction of downtown parking facilities	1,760,000	499,694	209,176	370,253	579,429
Fire equipment (serial and pumper)	800,000	460,543	460,543	-	460,543
Additions to shop	1,120,000	428,167	428,167	2,479	430,646
Storage facility (Lower Fayetteville Road)	350,000	350,000	-	-	-
New facility or renovation (beaut. Facility)	200,000	528,208	528,208	-	528,208
Computers	200,000	198,500	198,500	-	198,500
Transfer to Water, Sewerage and Light Commission	2,520,000	1,960,022	1,960,022	-	1,960,022
	$ 15,750,000	$ 13,345,190	$ 11,899,571	$ 934,055	$ 12,833,626

(1)Retainage accrued for 2011 in the amount of $27,134, relative to contractor overages was not paid by the City

(2)In 2012, the City received $627,748 as reimbursement for damages against a performance bond when the contractor defaulted on the contract. Damages paid for with performance bond proceeds are not included in this schedule. Therefore, difference exist between the schedule of projects and the financial statements.

CITY OF NEWNAN, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS (2007)
FOR THE YEAR ENDED DECEMBER 31, 2012

Project	Original Estimated Cost	Current Estimated Costs	Expenditures		
			Prior Years	Current Year	Total
Public Safety - Equipment	$ 580,000	$ 575,000	$ 326,949	$ 30,937	$ 357,886
Information System	325,000	315,000	178,312	115,728	294,040
Building Maintenances/Structure	6,650,000	6,500,000	2,042,763	761,112	2,803,875
Parks and Recreation	1,200,000	1,200,000	461,815	8,000	469,815
Streets	14,925,333	13,810,000	4,384,725	2,246,235	6,630,960
Equipment	1,625,000	1,365,000	919,967	119,605	1,039,572
Transfer to Water, Sewerage and Light Commission	4,820,063	4,450,000	3,708,853	773,986	4,482,839
	$ 30,125,396	$ 28,215,000	$ 12,023,384	$ 4,055,603	$ 16,078,987

CITY OF NEWNAN, GEORGIA

SCHEDULE OF PROJECT EXPENDITURES WITH
RENTAL MOTOR VEHICLE EXCISE TAX REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2012

Project	Current Expenditures
Tourism	
Operation of Convention Center	$ 120,000
	$ 120,000

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CITY OF NEWNAN, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012

Federal/Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal CFDA Number	Federal Expenditures
U.S. Department of Justice			
Direct Programs			
Federal Forfeiture Program	GA 0380100	16.922	$ 304,688
Total U.S. Department of Justice			304,688
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	52,417
Neighborhood Stabilization Program	11-ns-6002	14.228	297,570
Total U.S. Department of Housing and Urban Development			349,987
Total Expenditures of Federal Awards			$ 654,675

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, 2012

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, 2012. 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 modified accrual 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	$ 338,416

CITY OF NEWNAN, GEORGIA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012

FEDERAL AWARD FINDINGS

Findings noted on the Independent Auditor's Report on Compliance for each Major Program and on Internal Control over Compliance Required by *OMB Circular A-133:*

NONE REPORTED

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY *OMB CIRCULAR A-133*

Honorable Mayor and Council
City of Newnan, Georgia

Report on Compliance for Each Major Federal Program

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, 2012. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Newnan, Georgia's major federal programs based on our audit of the types of compliance requirements referred to above. 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, *Audits of State, Local Governments, and Non-profit Organizations*. 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.

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We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Newnan, Georgia's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Newnan, Georgia, complied, in all material respects, with the types of 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, 2012.

Report on Internal Control Over Compliance

Management of the City of Newnan, Georgia, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Newnan, Georgia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the City of Newnan, Georgia as of and for the year ended December 31, 2012, and have issued our report thereon dated June 5, 2013, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



Macon, Georgia
June 5, 2013

CLIFTON, LIPFORD, HARDISON & PARKER, LLC

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

Honorable Mayor and Council
City of Newnan, Georgia

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate discretely presented component units and the remaining fund information of the City of Newnan, Georgia as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise City of Newnan, Georgia's basic financial statements, and have issued our report thereon dated June 5, 2013. 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 auditor's testing of internal control over financial reporting or on compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Macon, Georgia
June 5, 2013

CITY OF NEWNAN, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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?	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)	No
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
16.922	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	Yes

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*:

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.