

COWETA COUNTY

Comprehensive Annual Financial Report

Fiscal Year Ended September 30, 2010

Coweta County, Georgia

Prepared By:
The Office of Financial Management and Budget

COWETA COUNTY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED September 30, 2010

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COWETA COUNTY

INTRODUCTORY SECTION

Letter of Transmittal
Certificate of Achievement for Excellance in Financial Reporting
Organizational Chart
Officials of Coweta County, Georgia

COWETA COUNTY
BOARD OF COMMISSIONERS

Chairman, Rodney Brooks, District 4
Paul Poole, District 1
Tim Lassetter, District 2
Bob Blackburn, District 3
Al Smith, District 5
L. Theron Gay, County Administrator

March 28, 2011

The Honorable Rodney Brooks, Chairman,
Members of the Board of Commissioners, and
The Citizens of Coweta County Georgia

The Official Code of Georgia as Amended (OCGA) requires that county governments publish, within six months of the end of each of their fiscal years, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report (CAFR) of Coweta County, Georgia (the "County") for the fiscal year ended September 30, 2010.

This report consists of management's representation concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and responsibility of all the information presented in this CAFR. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the County's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the costs of internal controls should *not* outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this CAFR is complete and reliable in all material respects.

The County's financial statements have been audited by Bates Carter & Co., LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the County for the fiscal year ended September 30, 2010, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended September 30, 2010 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this CAFR.

As a recipient of federal and state financial assistance, the County is also responsible for ensuring that adequate internal controls are in place to assure compliance with applicable laws and regulations related to programs for which assistance is received. Thus internal controls are subject to periodic evaluation by management.

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. In 2003, the County adopted the new reporting model required by GASB Statement No. 34 (GASB # 34). As part of the requirements contained in GASB # 34, management is to present a narrative introduction, 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 designed to complement the MD&A and should be read in conjunction with it. The County's MD&A is found directly following the independent auditor's opinion in the financial section of this CAFR.

Geography and History of the County

Coweta County is a political subdivision created and existing under the laws of the State of Georgia and is located 40 miles southwest of the City of Atlanta, Georgia. Access is provided by U.S. Interstate Highway 85, State Highways 16, 34, 54, 70, & 85, and U.S. Highways 27A and 29. Newnan serves as the County seat, and the seven other incorporated communities are Grantville, Haralson, Moreland, Palmetto, Senoia, Sharpsburg and Turin. The County has a land area of approximately 443.1 square miles (43rd in size out of 159 counties). The County's population per the 2010 Census is 127,317, making Coweta County the 17th most populous county in the state.



Historic Courthouse Rehabilitation Project September 2010

Coweta County was originally part of the Creek Nation and named for the tribe headed by William McIntosh, Jr. The half-Scot, half-Creek relinquished lands to the federal government in the 1825 Treaty of Indian Springs and was slain by an irate group of fellow Creeks at his home on the Chattahoochee River. Legend has it that McIntosh received gold in exchange for the lands and that the gold was buried and never found.

Early settlements in Coweta included Calico Corner (Grantville), Willow Dell (Senoia, named after William McIntosh's mother), Bullsboro and the county seat of Newnan, established in 1828.

By 1840, the beginning of the golden era in the South, orderly streets lined with mansions and cottages reflected the growing prosperity of Coweta County.

By mid-century the railroads brought greater fortune and sophistication to the community. The Male Academy and College Temple were providing educational opportunities for men and women in Newnan.

The War Between the States caused a slowing in Coweta County's growth as sawmills fell silent, railroads were used for the war effort and cotton production severely diminished. The beautiful antebellum homes found throughout Coweta County are said to have survived because of superb craftsmanship, tireless restoration efforts and the strategies of Confederate General Joe Wheeler who routed brigades of Union troops in the July 1864 Battle of Brown's Mill, just southwest of Newnan. Local churches, private homes, College Temple and the courthouse were turned into makeshift hospitals with wounded from both armies being treated.

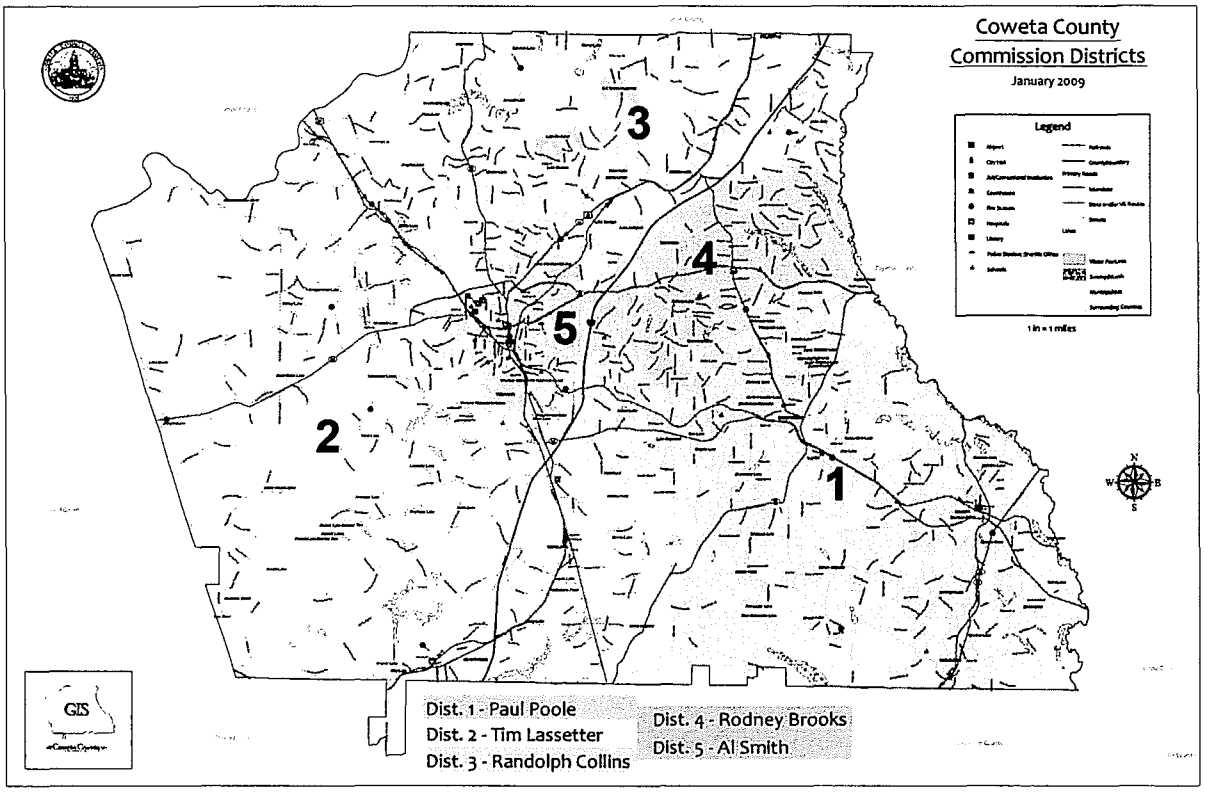
The Battle of Brown's Mill is significant in Civil War history because, even though the South won, it was a turning point for Union forces. General Sherman changed his approach based on the losses at Brown's Mill and the rest is history.

Coweta County citizens worked hard after the devastation of the war, and through that work and resilience, by the early 1900's, a surge in industrial development had been firmly established.

By the late 20th Century, Coweta County began to experience a tremendous boom in growth, putting it consistently in the top 100 growth counties in the United States. This growth continues today, bringing opportunity and change. The beauty and the rural character of Coweta remain important parts of our heritage, encouraging innovative land use approaches that strive to maintain rural beauty, while allowing controlled development.



Greenville Street, Newnan, Georgia



Coweta County, Georgia (2010 Board of Commissioners)

Municipalities of the County

The County has eight incorporated municipalities, which compose approximately 32% of the County's population according to 2010 Census. The municipalities are Newnan (33,039), Senoia (3,307), Grantville (3,041), Palmetto (300), Moreland (399), Turin (274), Sharpsburg (341), and Haralson (160). Most of the City of Palmetto is in Fulton County. The population of Unincorporated Coweta County is (86,456) or 68%. The City of Newnan provides full municipal services including electricity, police, fire, water and sewerage. The Cities of Senoia and Grantville provide limited services including water and sewer and police.

Coweta County School System

The County has one public school system, as well as charter and private schools. The Coweta County School System operates 19 elementary and six middle schools in various parts of the County, and three high schools, Newnan High School, East Coweta High School and Northgate High School. The Coweta County School system is the largest employer in Coweta County with approximately 3,360 employees and 22,501 students in the system. The Coweta County School System is fiscally independent of the County Board of Commissioners and, consequently, its financial statements are separately issued on June 30 and are not included within the County's financial statements.



Front row, L-R: Randolph Collins, District 3 and Paul Poole, District 1
Back row, L-R: Al Smith, District 5; Rodney Brooks, District 4; and
Tim Lassetter, District 2

Form of Government

The Coweta County Board of Commissioners (BOC) is comprised of one elected commissioner from each of five commission districts. The Chairman and Vice Chairman of the Board are elected by the BOC for a two year term. The BOC hires a County Administrator to serve as the administrative head of the county government. The Administrator in turn hires department heads and managers to implement BOC policies and to operate the various functions of county government.

As of the financial statement date, September 30, 2010, Paul Poole served as Chairman. However, his term as Chairman ended on December 31, 2010. Rodney Brooks, District 4, was elected Chairman and Al Smith, District 5, elected Vice Chairman for the next two year period beginning in 2011. Other board members for 2011 include Paul Poole, District 1, Tim Lassetter, District 2, and Bob Blackburn, District 3. Randolph Collins, District 3 Commissioner as of September 30, 2010, did not seek re-election. Commissioners are elected in staggered four year terms, with at least two members up for re-election every two years.

Every four years, the citizens of the County elect persons to serve in the constitutional offices of sheriff, clerk of superior court, tax commissioner, and probate court judge. Other elected officials include the magistrate court judge, solicitor general, coroner, district attorney, superior court judges and the state court judges.

County Services

The County provides all of the usual and customary public services to its citizens. Among those services are public safety, including a professional Fire Department, Ambulance Service, Emergency Management Office and 911 Center. The mission of the Coweta County Fire and Rescue Service is to protect life, property and the environment with comprehensive fire, rescue, emergency medical and disaster management services, as well as prevention and education programs. The Fire Department has 15 stations throughout the County. All 911 Center employees must complete a six-month on-the-job training program under the direction of a training officer, must complete the State Mandate Training Program at the Georgia Public Safety Training Center and must be certified as an Emergency Medical Dispatcher and a Terminal Operator on the Georgia Crime Information Computer System. The Coweta County Sheriff's Office provides professional law enforcement service to all of the citizens of Coweta County and helps to create safe communities by building partnerships to prevent crime.

The Coweta County Building Department facilitates the proper inspection of construction and maintenance of buildings within the County. The Coweta County Development and Engineering Department oversees land development, traffic engineering, design and construction, right-of-way acquisition and storm water

management. The Coweta County Planning Department oversees development-related issues such as zoning, zoning appeals, development review and permitting, sign review and enforcement, development, streetlight review, manufactured home compatibility review, census tracking, zoning map updates, comprehensive land use planning, transportation planning and the Coweta County Green Space Program. The Environmental Management Department manages waste disposal, recycling programs and landfill services. The County provides Animal Control services, a Work Release Center and a Prison, housing state prisoners who work on various County projects. The Coweta County Parks and Recreation Department operates 12 multi-purpose sports facilities and 6 community or senior centers located around the County. Various other services are provided by the County, including but not limited to Business License, Elections, an Extension Office, Judicial Services and a Court System and a Convention and Visitors Bureau.

The Coweta Public Library System includes the Central Library, the Powell branch in Newnan, as well as the Grantville and Senoia branches. The Coweta County Health Department has two divisions: Physical Health and Environmental Health. The Coweta County Water & Sewerage Authority provides water and sewerage services. The Coweta County Development Authority promotes economic development in the County. The Coweta County Airport Authority oversees the operations of the Newnan-Coweta Airport.

Financial and Budgetary Matters

The County maintains budgetary controls to ensure compliance with state law. The level of budgetary control is at the department/fund level, i.e., expenditures may not exceed the total for any department within a fund. Transfers of appropriations within a department shall require only approval of the Finance Director. Transfers between or among departments or funds or an increase in the overall appropriation for a department or fund shall require the approval of the BOC in accordance with the enabling legislation. Department heads and management personnel are directed to operate within budgetary limits to avoid "emergency" situations which would require supplementary appropriations.

Annual budgets are adopted on a basis consistent with GAAP for the general and special revenue funds and are integrated into the general ledgers of such funds. Project length budgets are adopted for Capital Projects Funds. The County's proprietary fund, the Solid Waste Fund, is budgeted for management and control purposes.

Projects Completed in Fiscal Year 2010

Special Purpose Local Option Sales Tax (SPLOST) funds have been allocated in the areas of Fire Department, Sheriff's Office, Transportation, Historic Courthouse, Geographic Information Systems, Record Retention Center and Parks and Recreation improvements. Total projected revenue for the County's portion of the 2007 SPLOST is estimated to be $79 million over the six year period, with Transportation accounting for $46.4 million. Transportation receives distributions after the other areas receive a set monthly allocation, or the balance of each monthly distribution. Transportation projects finalized in Fiscal Year 2010 include Canongate Road culvert at Persimmon Creek; intersection improvements at Glenda Trace and SR 154 and Poplar Road and the Bypass; bridge replacements at Luther Bailey Road and Dead Oak Creek, Reese Road and Keg Creek, Cannon Road and White Oak Creek and Greentop Road and CSX Railroad; and the rehabilitation of 18 miles of roadways throughout the County including resurfacing.

The Coweta County Sheriff's Office projects finalized in Fiscal Year 2010 included the Airport Precinct and certain necessary renovations to portions of the Jail.

The Coweta County Fire Department renovated several fire stations, and Fire Station 9, located on Corinth Road, was substantially completed and occupied in Fiscal Year 2010. Fire Station 9 is a state of the art, high tech station, financed with the 2009 General Obligation Bonds and completed well under budget.



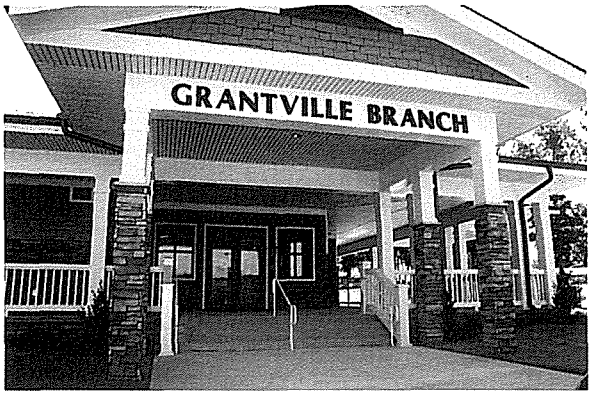
New Fire Station 9, Corinth Road

The Fire Department also utilized the 2009 General Obligation Bonds to purchase seven large apparatus, including four 2010 model Pierce Pumpers and three 2010 Suptkin Aerial Platforms such as the one pictured below. The total cost for these vehicles was $4.7 million, which was below the initial budget for their purchase. Coweta County has been evaluated for an upgrade to its ISO Rating, and the results will be known sometime in 2011. An upgraded rating should lower insurance rates for property owners in the county.



New Platform Engine, Headquarters Station 1

The Coweta County Library System substantially completed and opened a new library in the City of Grantville. The construction costs were funded by the County SPLOST and a State Library Grant. The total cost when completed will be approximately $1.28 million, including furnishings and books.

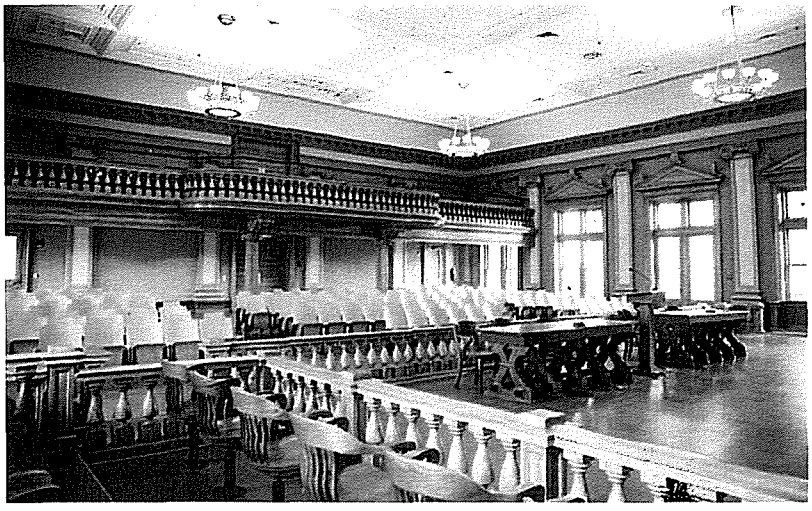


New Coweta County Library, Grantville, Georgia

Other projects completed in 2010 included supporting the state with roadwork for the Chattahoochee Bend State Park initial phase, Riverside Park at the Chattahoochee River and the Extension Service Office final phase.

Historic Courthouse: Adaptive Re-use and Rehabilitation

One of the 2007 SPLOST projects was the restoration of the Historic Coweta County Courthouse located on the square in downtown Newnan. The grand re-opening of the Historic Courthouse took place on September 19th, 2010. The cost of the project was $7.4 million, which was within budget. Of this total, the County contributed 2/3 of the total cost, and the municipalities of Coweta County contributed 1/3 of the total cost. The building houses the Probate Court and the Coweta County Convention and Visitors Bureau. In October 2010, the Historic Courthouse hosted the Supreme Court of Georgia, which holds one traveling session at an alternate location within the state each year.


Historic Courthouse Courtroom 2010

The Citizens Courthouse Advisory Committee oversaw the project in conjunction with County Officials to ensure that the courthouse be restored as close to original as possible. As the project unfolded, it was clear that more areas needed work than previously thought. In the bell and clock tower of the facility more

supports had to be installed to shore up the building. A roof with new synthetic materials along with conventional roofing material was installed to prevent water damage. A new boiler and new chiller were installed, providing HVAC efficiently through a design that meets current code requirements. An elevator system was added for the first time, and the restrooms were completely modernized, upgraded and are fully accessible. The courtroom on the 2nd floor has been meticulously restored to the original color scheme from the Art Deco period. The building has been completely rewired and new lighting fixtures have been installed including the chandeliers. Sprinkler systems have been installed throughout the building. Much of the courtroom seating and furniture were restored by County personnel and contractors. The seating of the balcony area was completely restored. All jury rooms and offices are fully refurbished to include the original type of flooring. The interior decorations and plaques have been restored and new signs showing timelines and other facts about the courthouse have been mounted. The building has been completed, re-landscaped, and all statues on the grounds have been restored.

Capital Projects for the Future

There are many capital projects approved or underway at this time. Fire Station 1, the Coweta County Headquarters Station, should be completed in May 2011. Two new public safety communications towers are being constructed, and the 700 MHz radio system will be implemented by August 2011. With the savings from contract negotiations due to the downturn in the economy, the County plans to construct a much needed Station 6 in the Madras area, to replace the antiquated station there, as well as new maintenance and training facilities. All of these projects will be funded by the 2009 General Obligation Bonds. The County received a Georgia Emergency Management Agency (GEMA) grant to help fund the 700 MHz radio system. In addition, the County has received a grant from the Georgia Environmental Facilities Authority (GEFA) for the remodeling of four fire stations to make them more energy efficient. The GEFA project is expected to be complete by June 2011.

Parks and Recreation projects to improve Andrew Bailey Park and Whitlock Park have been underway during 2010 and will be completed in 2011, as will the new Central Soccer Park located next to the Central Library. The new Health Department building located on Hospital Road will open in 2011. It will house the Health Department and Women, Infant and Children's Program. This project is being financed by a combination of grants, Hospital Authority and County Funds. The Coweta County Sheriff's Office currently has a project underway to renovate and expand its Investigation Services facilities. This project is being funded through the Sheriff's SPLOST and Impact Fees.

The Coweta County Development & Engineering Department selected a firm to perform the initial studies on the Poplar Road Interchange project. This will include preliminary engineering and design of the interchange. This phase of the project will be funded through SPLOST and Impact Fees. Other Transportation projects scheduled for Fiscal Year 2011 include intersection improvements at Hammock Road and SR 154, Hal Jones/Greentop Roads and U.S. 29 and Lower Fayetteville Road and SR 154; bridge replacements at Martin Mill Road and Little White Oak Creek, Moore Road and White Oak Tributary and Luther Bailey Road and Double Branch Creek; rehabilitation of Shenandoah Boulevard and Walt Sanders Memorial Drive; and rehabilitation of 9 miles of roadways throughout the County to include resurfacing.

Debt Management

The County has $53 million in Primary Government debt, with $47 million in General Obligation Bonds, and approximately $6 million in Capital Leases as of the fiscal year end. The County's legal debt limit is $408 million. The Coweta County Water and Sewerage Authority has $76 million in debt, which combined with the County is $129 million in Total Direct Debt. The Coweta County Water Authority financial

statements are as of year ending June 30, 2010. At that time, the Authority was in the process of refinancing and issuing additional debt.

The Coweta County School District has $50 million in debt and the City of Newnan has $85 million in debt for a total of $135 million in Overlapping Debt to the County. These obligations would become part of the Direct Debt of the County if those governments defaulted on their debt.

Lastly, in April 2010, Moody's updated the County's credit rating from Aa3 to Aa2, and in July 2010, Standard & Poor's updated the County's credit rating from AA- to AA. Additionally, in May 2010, Fitch's updated the Coweta Water & Sewer Authority credit rating from AA- to AA.

Economic Outlook

The economic outlook for Coweta County continues to perform similar to the state and national economies. The unemployment rate in Fiscal Year 2010 is 9.6%, which is slightly less than the State of Georgia or United States rates. Residential development continues to slowly increase in the County. As of March 2011, the County has averaged approximately 12 new housing starts per month, as compared with the average in the prior 18 months, which were less than 5 per month. Commercial development continues to be strong within the County. The new retail development at Fischer Crossings in the Northeastern part of the County, along with additional retail development at Ashley Park in Newnan, should increase sales tax revenues in future years. Coweta County is expanding its healthcare services capacity by the ongoing construction of the new 7 story Piedmont Newnan Hospital near I-85, and the selection of the Ashley Park retail area for the new southeastern regional location of a Cancer Treatment Centers of America hospital. Industrial development remains steady, as local manufacturers and distributers continue to add personnel, equipment, or expand. During Fiscal Year 2010, 3 small-medium sized manufactures located new facilities in Coweta Industrial Parks. There are other prospects both domestic and international also considering Coweta County as a place for relocation or new investment. Coweta County continues to be a prime location for the motion picture industry. There have been a half dozen or so movies either filmed or in the process of being filmed within the County. While it is expected that the property tax digest will grow less than 1% in Fiscal Year 2011, legislation enacted by the State of Georgia may have an impact on Fiscal Year 2012 and beyond. This could result in a net decrease in the digest of 3% after new development is taking into account. If the County continues to grow at conservative estimates, the effects of this legislation will most likely be revenue neutral. Coweta County's top 12 employers only make up about 14% of the employed population, and many Coweta residents commute to Atlanta or elsewhere for employment. Therefore, Coweta is not dependent on one industry or employer within the County for its economic health. Overall, Coweta continues to manage its growth to promote quality in its digest and maintain a favorable quality of life for its citizens.

Awards, Accomplishments and Acknowledgments

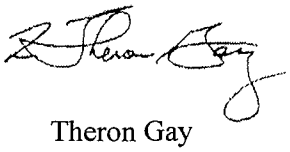
During Fiscal Year 2010, several County employees and Departments won awards. For the first time in the County's history, the County Finance Department was awarded the Government Finance Officers Association (GFOA) Award for Excellence in Financial Reporting for Fiscal Year 2009. The Historic Courthouse Rehabilitation Project won the American Copper and Architecture Award for historic restoration. The Georgia Department of Trade and Tourism named Coweta County a "Camera Ready Community". There have been several movies filmed, or are in the process of filming, in various locations in the County. The Coweta County Sheriff's Office was named one of the Top 3 Traffic Units in the Nation among agencies of similar size. The Coweta County Prison was named County Facility of the Year by the Georgia Department of Corrections. The Warden and his staff have won this award several times in the

past few years. Additionally, four firefighters were recognized for their heroism in battling a chemical fire in an industrial park building.

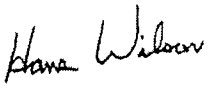
The preparation, design and publication of this CAFR represents a significant cooperative effort between the County's Finance Department and its independent auditor, Bates Carter and Co., LLP, CPA's. Many thanks go to the various County departments and their directors for their assistance and their cooperation in contributing to the preparation of this CAFR. We would be remiss in our duty if we did not recognize the professional efforts of the Finance Department staff. Without their dedication and untiring efforts, the compilation of the CAFR would not have been possible.

Finally, and certainly not least, we wish to thank the members of the Board of Commissioners for their unfailing support for maintaining the highest professional expectations for the reports we produce and for their continued support and direction in conducting the fiscal affairs of the County in a progressive and responsible manner.

Respectfully submitted,



Theron Gay
County Administrator



Hans Wilson
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Coweta County Georgia

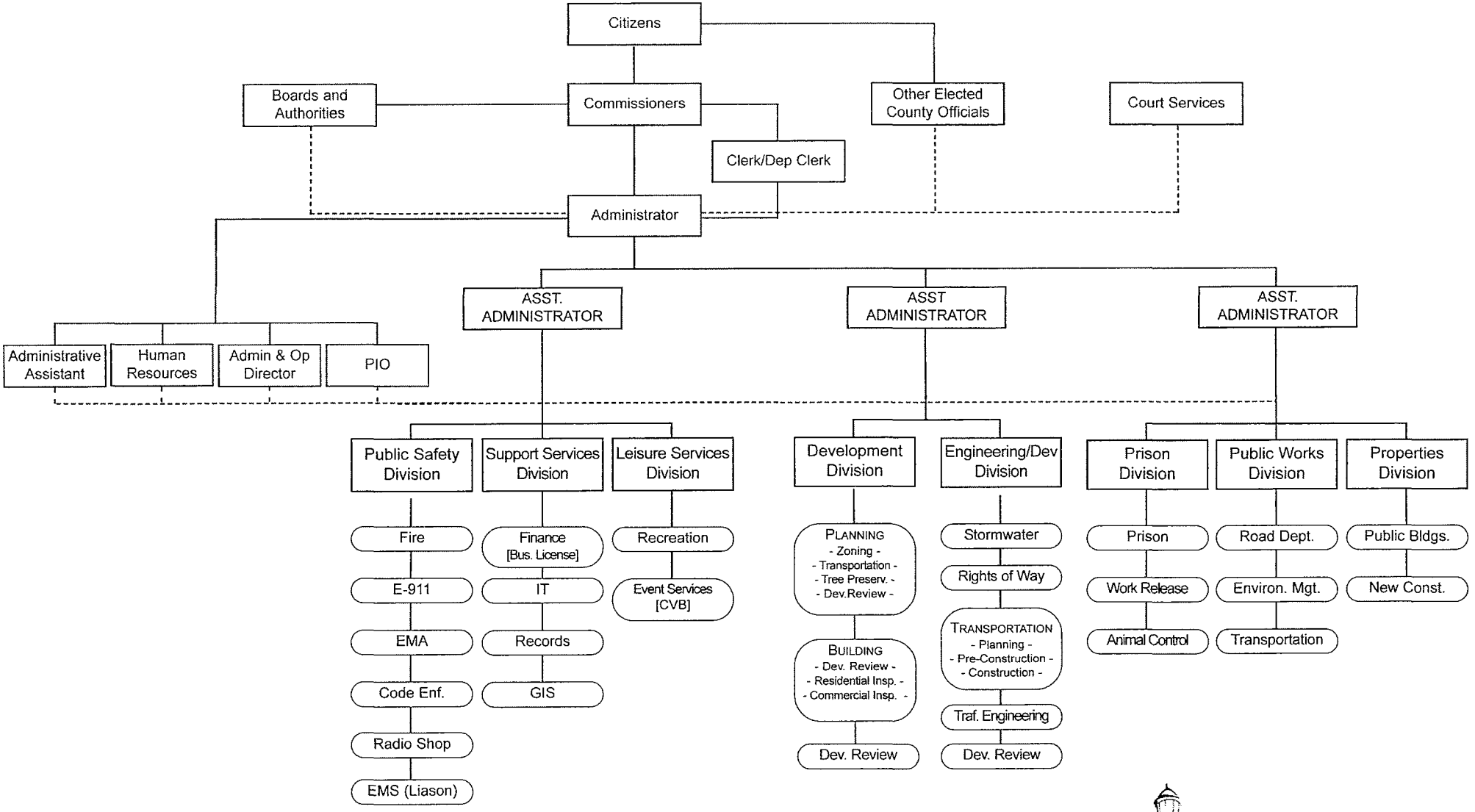
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2009

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



President

Executive Director



COWETA COUNTY

Officials of Coweta County, Georgia

Legislative Branch

BOARD OF COMMISSIONERS

Paul Poole, Chairman – District 1
Tim Lassetter, Commissioner - District 2
Randolph Collins, Commissioner - District 3
Rodney Brooks, Commissioner - District 4
Al Smith, Commissioner - District 5

COMMISSION STAFF

Deborah Pike, Clerk
Shannon Zerangue, Deputy Clerk

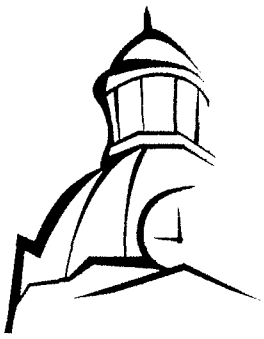
Executive Branch

ADMINISTRATION

County Administrator	Theron Gay
Assistant County Administrator	Edward Whitlock
Assistant County Administrator	Kelly Mickle

DIRECTORS

Administrative & Operations Director	Tom Corker
Public Affairs Director	Patricia Palmer
Personnel Director	Rick Watson
Leisure Services Division Director	Carl McKnight
Planning & Development Division Director	Robert Tolleson
Engineering & Development Division Director	Wayne Kennedy
Prison Division Director	Bill McKenzie
Public Works Division Director	Bill Cawthorne
Properties Division Director	Tom Little



COWETA COUNTY

FINANCIAL SECTION

Independent Auditors' Report
Management Discussion and Analysis

BatesCarter
Exceeding expectations. Always.

PH 770.532.9131
FX 770.536.5223
525 CANDLER STREET, NE
PO DRAWER 2396
GAINESVILLE, GEORGIA 30503
WWW.BATESCARTER.COM

INDEPENDENT AUDITORS' REPORT

March 28, 2011

Board of Commissioners
COWETA COUNTY, GEORGIA
Newnan, GA 30263

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of COWETA COUNTY, GEORGIA, as of, and for the year ended September 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Board of Commissioners of COWETA COUNTY, GEORGIA. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Coweta County Health Department or Coweta County Water and Sewerage Authority, component units of the County, as of and for the year then ended June 30, 2010 which statements reflected total asset of $606,550 and $148,360,162 respectively, and total revenues of $1,739,342 and $18,045,997, for the year then ended. Those financial statements were audited by other auditors whose reports have been furnished to us and our opinion on the basic financial statements, insofar as it relates to the amounts included for the Coweta County Health Department and Coweta County Water and Sewerage Authority, is based on the report of the other auditors.

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of COWETA COUNTY, GEORGIA, as of September 30, 2010, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 16 to the financial statements, the County has adopted the composite method to calculate depreciation expense for road infrastructure assets.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 28, 2011, on our consideration of COWETA COUNTY, 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.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Pension Funding Progress, Budgetary Comparison Schedule-General Fund and Budgetary Comparison Schedule-Fire District 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 the 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively compromise COWETA COUNTY, GEORGIA's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, supplemental budgetary comparison schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements, supplemental budgetary comparison schedules, 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 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 the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is

fairly stated in all material respects in relation to the financial statements as a whole. The introductory section and statistical section 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.

The accompanying schedule of projects constructed with Special Sales Tax Proceeds is presented for purposes of additional analysis as required by Official Code of Georgia 48-8-121, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Baker, Carter & Co, LLP

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis is a narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2010, provided to the readers of Coweta County's financial statements. This discussion's intention is to: (1) assist the reader in understanding significant financial issues; (2) provide an overview of the County's financial activities; (3) identify changes in the County's financial position; (4) identify material deviations from the original budget; and (5) identify individual fund issues.

OVERVIEW OF THE FINANCIAL STATEMENTS

The County's basic audited financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information, in addition to, the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements, presented on pages 1 and 2, provide a broad overview of Coweta County's finances in a manner similar to that of private-sector businesses. The statements include:

- Statement of Net Assets presents the County's assets and liabilities, with the difference between the two reported as net assets. Over time, the change in net assets is an indicator of the improvement (an increase) or deterioration (a decrease) in the County's financial condition.

- Statement of Activities presents the revenues and expenses of the County. The difference between these is the change in net assets for the year. This format is intended to portray the extent to which governmental activities are funded by taxes and the extent to which business-type activities are supported by the revenues they generate.

Both of the government wide financial statements identify the various functions of Coweta County that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of Coweta County, Georgia, include general government, judicial, public health and welfare, public safety, public works, recreation and culture, and housing and development. The business type activities of Coweta County, Georgia, include solid waste.

The government wide financial statements include not only Coweta County, Georgia, itself (known as the primary government), but also a legally separate Health Department, Airport Authority, Development Authority, Water and Sewer Authority, and Coweta County Public Library System for which Coweta County, Georgia, is financially accountable. Financial information for these component units is reported separately from financial information presented for the primary government itself.

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

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

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

facilitate this comparison between governmental funds and governmental activities.

The County maintains separate governmental funds to account for the following activities: General; Special Revenue (Fire District, Emergency Telephone System, Sheriff's Programs, Hotel Motel Tax, and Law Library); Capital Projects (SPLOST, Impact Fees, CDBG, and Capital Projects). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Fire District, and SPLOST, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non major governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual budget for its general fund and special revenue funds. It adopts an annual budget for capital project funds to facilitate fiscal control and accounting of activities. However, capital projects may expand over multiple years requiring project length budgets, which are adopted for the duration of the project. A budgetary comparison schedule has been provided for the general fund and special revenue funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 3-6 of this report.

Proprietary funds. Coweta County has one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities on the government-wide financial statements. The County uses an enterprise fund to account for the Solid Waste disposal activities.

The basic proprietary fund financial statements can be found on pages 7-9 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 County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 10-11 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14-52 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's schedule of budgetary comparisons and progress in funding its obligation to provide pension benefits to its employees. Combining and individual fund statements and schedules can be found on pages 58-68 of this report.

- Coweta County's assets exceeded its liabilities at September 30, 2010, by $424,840,494 (net assets). Of this amount, $355,083,153 represents capital assets (i.e. land, buildings and improvements, infrastructure, machinery & equipment) net of depreciation and related debt. The government's ongoing obligations to the citizens of Coweta County and creditors will be met with the balance of $69,757,341.

- As of September 30, 2010, the County's governmental funds reported combined ending fund balance of $97,423,434. Of this amount, $40,593,974 remains in the various funds as unreserved, undesignated.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Coweta County, on an entity-wide basis, had a decrease in net assets during 2010 of $(1,228,472) , which is the combination of a $(1,203,868) decrease in governmental activities and $(24,604) decrease in business-type activities. The decrease in governmental activities net assets is primarily the result of depreciation expense, required recognition of OPEB obligation, and an increase in both the health care plan supplement and pension funding. The decrease in net assets in business-type activities is due to a net loss from operations of the Solid Waste facility.

COWETA COUNTY, GEORGIA
Comparative Schedule of Net Assets
September 30
($ in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Current and other assets	$ 110,866	$ 117,886	$ 564	$ 468	$ 111,430	$ 118,354
Capital assets (net of depreciation)	387,805	528,360	754	818	388,559	529,178
Total assets	498,671	646,246	1,318	1,286	499,989	647,532
Long-term liabilities outstanding	66,441	71,805	659	636	67,100	72,441
Other liabilities	7,978	7,524	70	37	8,048	7,561
Total liabilities	74,419	79,329	729	673	75,148	80,002
Net assets						
Invested in capital assets, net of related debt	354,329	498,944	754	818	355,083	499,762
Restricted	38,555	35,393	-	-	38,555	35,393
Unrestricted	31,368	32,580	(166)	(205)	31,202	32,375
Total net assets	$ 424,252	$ 566,917	$ 588	$ 613	$ 424,840	$ 567,530

At September 30, 2010, the County had $355,083,153 invested in capital assets, net of debt and accumulated depreciation, which represents the largest portion of the County's net assets (83.6%). This reflects the County's investment in capital assets (e.g., land, buildings, machinery and equipment) less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently these assets are not available for future spending. Assets exceed liabilities by $425 million and $568 million for 2010 and 2009, respectively.

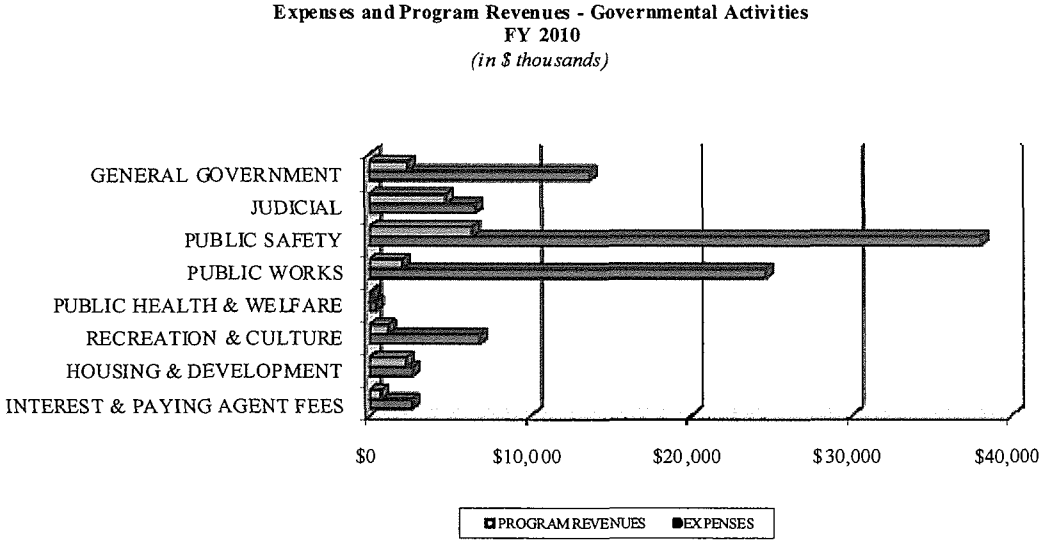
COWETA COUNTY, GEORGIA
Comparative Schedule of Changes in Net Assets
September 30
($ in thousands)

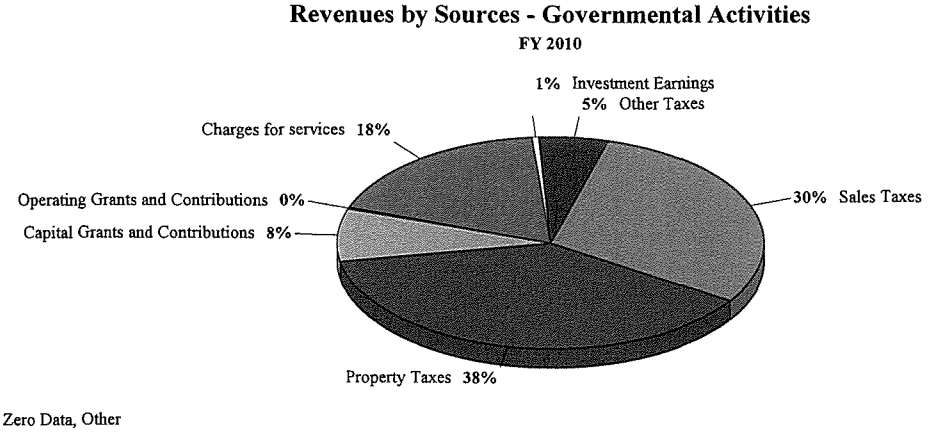
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues						
Charges for services	$ 19,880	$ 15,777	$ 741	$ 631	$ 20,621	$ 16,408
Operating grants and contributions	316	283	-	-	316	283
Capital grants and contributions	8,754	3,311	-	-	8,754	3,311
General revenue						
Property taxes	41,345	37,640	-	-	41,345	37,640
Sales taxes	32,679	32,080	-	-	32,679	32,080
Other taxes	5,679	6,131	-	-	5,679	6,131
Gain on sale of assets	93	-	-	-	93	-
Unrestricted investment earnings	599	723	-	-	599	723
Grants and contributions not restricted to a specific program	-	2,177	-	-	-	2,177
Total revenue	109,345	98,122	741	631	110,086	98,753
Expenses:						
General government	16,292	14,277	-	-	16,292	14,277
Judicial	6,703	6,625	-	-	6,703	6,625
Public safety	40,590	38,002	-	-	40,590	38,002
Public works	34,839	24,679	-	-	34,839	24,679
Public health and welfare	389	416	-	-	389	416
Recreation and culture	6,116	6,812	-	-	6,116	6,812
Housing and development	2,846	2,849	-	-	2,846	2,849
Interest and paying fees	2,277	2,682	-	-	2,277	2,682
Solid waste	-	-	1,263	1,217	1,263	1,217
Total expenses	110,052	96,342	1,263	1,217	111,315	97,559
Increase in net assets before transfers	(707)	1,780	(522)	(586)	(1,229)	1,194
Transfers	(497)	(500)	497	500	-	-
Increase (Decrease) in net assets	(1,204)	1,280	(25)	(86)	(1,229)	1,194
Change in accounting principal	(141,461)	-	-	-	(141,461)	-
Net assets, beginning of year restated	566,917	565,637	613	699	567,530	566,336
Net assets, end of year	$ 424,252	$ 566,917	$ 588	$ 613	$ 424,840	$ 567,530

The comparative schedule of changes in net assets denotes a change of $142.7 million in assets. The primary contributor to this increase was due to a prior period adjustment for depreciation expense due to changing accounting principle to composite method. For more information see note 16 in the notes to the financial statements.
Revenue increased by $11 million. Primary contributors to the increases are increase in property tax collections ($4.0M), license and permits ($0.4M), in addition to, fines and forfeitures ($0.9M). The county also recorded $5 million in donated roads.

Governmental Activities:

The following charts show activities by function:





* Zero Data, Other

Chart shows all sources of revenue collected for governmental activities not limited to program revenue.

Business-Type Activities:

Business–type assets decreased County's net assets by $25.0 thousand. The decrease is a direct result of operating losses.

Coweta County Government's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The business-type activities of the Solid Waste Disposal Facility had revenues that increased by $110 thousand from the prior year, while expenses also increased by $46.0 thousand from 2009.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of $97,423,434, a decrease of $9,577,962 in comparison with the prior year. Approximately 42% of the total ending fund balance $40,593,974 constitutes unreserved, undesignated fund balance, which is available for spending at the government's discretion within the legal parameters of each fund. See the Governmental Funds Balance Sheet on page 3 for further details.

Governmental Fund Revenue and Expenditure Comparison
($ in thousands)

	2010	2009	Inc/Dec	%Inc/Dec
Revenue				
Taxes	$ 78,552	$ 73,911	$ 4,641	6.3 %
License and Permits	3,327	2,488	839	33.7 %
Intergovernmental	2,584	3,472	(888)	(25.6)%
Fines and Forfeitures	8,302	5,125	3,177	62.0 %
Charges for Services	7,811	7,909	(98)	(1.2)%
Interest income	660	723	(63)	(8.7)%
Miscellaneous	274	646	(372)	(57.6)%
Total Revenues	$ 101,510	$ 94,274	$ 7,236	7.7 %

	2010	2009	Inc/Dec	%Inc/Dec
Expenditures				
General Government	$ 13,532	$ 11,193	$ 2,339	21 %
Judicial	6,397	6,311	86	1 %
Public Health and Welfare	389	415	(26)	(6)%
Public Safety	36,215	33,800	2,415	7 %
Public Works	8,195	6,893	1,302	19 %
Recreation and Culture	4,520	3,995	525	13 %
Housing and Development	2,662	2,656	6	- %
Intergovernmental	5,820	5,686	134	2 %
Capital Outlay	20,274	17,126	3,148	18 %
Debt Service	12,679	4,105	8,574	209 %
Total Expenditures	$ 110,683	$ 92,180	$ 18,503	284 %

The County had an overall increase in revenue of approximately $7.2 million. This was primarily the result of increased collections in property taxes, due to the 1st year of Fire Bond District collections of $1.5 million. Penalties and interest increased by $1.5 million. Fines and forfeitures collections from various courts and the Sheriff's office increased $3 million.

Total expenditures increased by $18.5 million. The majority of the $18.5 million increase was due to debt service payment of $8.5 million However, general government expenditures increased by $2.3 million due to health care costs. Public safety expenditures rose by $3.1 million due to additional personnel costs. Capital outlay increased by $3.1 million in 2010 due to completion of prior year delayed projects.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, total fund balance was $30,246,228 with unreserved, undesignated fund balance of $28,948,367. As a measure of the general fund's liquidity, it may be useful to compare both unreserved, undesignated fund balance and total fund balance to total fund expenditures and transfers out. Fund balance represents 49.4% of total fund expenditures with unreserved, undesignated representing 47.3 %.

The fire district fund is the principal operating fund for County fire and rescue operations. At the end of the fiscal year, its fund balance was $18,896,286, a decrease of $7.9 million from that of fiscal year 2009. This decrease is primarily due to capital outlay from bond proceeds. The unreserved, undesignated portion of this fund balance is $5,932,247. The unreserved, undesignated portion of the fund balance represents 31.6% of total fund expenditures.

The changes in fund balances for the Governmental Funds are as shown below:

Coweta County Governmental Funds
Changes in Fund Balance
($ in thousands)

	2010	2009	Incr/(Decr)	% Incr/-Decr
General Fund	$ 30,246	$ 28,306	$ 1,940	6.9 %
Fire District	18,896	26,789	(7,893)	(29.5)%
SPLOST	37,567	43,378	(5,811)	(13.4)%
Non-Major Funds	10,714	8,528	2,186	25.6 %
Total Fund Balance	$ 97,423	$ 107,001	$ (9,578)	(9.0)%

The other major fund consist of the special local options sales tax fund (SPLOST). This fund provides the capital funding for various projects approved via referendum of the voters of Coweta County. The fund balance is restricted to current and future projects. The SPLOST decrease in fund balance is due to a debt service payment.

Proprietary Funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Coweta County Proprietary Funds
Changes in Net Assets
($ in thousands)

	2010	2009	Incr/(Decr)	% Incr/-Decr
Solid Waste Disposal	$ 588	$ 613	$ (25)	(4.1)%
Total Fund Balance	$ 588	$ 613	$ (25)	(4.1)%

Total net assets of the proprietary funds at the end of the year amounted to $588,453.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget difference by function:

General Fund
For the Year Ended September 30, 2010

	Budget			Variance of
	Original	Final	Actual	Final Budget
General Government	$ 12,696,878	$ 14,247,963	$ 13,608,721	$ 639,242
Judicial	6,593,536	6,653,179	6,354,707	227,616
Public Safety	21,811,199	22,638,799	22,450,901	187,898
Public Works	10,745,922	11,689,132	11,159,420	529,712
Public Health and Welfare	388,500	389,110	389,105	5
Recreation and Culture	3,837,766	4,302,801	4,240,481	62,320
Housing and Development	2,654,449	2,666,599	2,545,790	120,809
Transfers	567,600	567,600	496,900	70,700
Total Charges to Appropriations	$ 59,295,850	$ 63,155,183	$ 61,246,025	$ 1,838,302

The variance to final amended budget is the result of a focus on cost cutting across all departments and agencies. There were no cost of living adjustments to salary in Fiscal Year 2010 and many key openings were filled through promotion and other positions were not filled.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The County's investment in capital assets for its government and business-type activities as of September 30, 2010, was $389 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery and equipment, park facilities, roads and bridges.

Coweta County's Capital Assets
(Net of depreciation)
($ in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Land and Improvements	$ 14,423	$ 13,177	$ 690	$ 711	$ 15,113	$ 13,888
Construction in Progress	21,640	17,605	-	-	21,640	17,605
Buildings	84,500	87,362	65	107	84,565	87,469
Machinery & Equipment	5,396	6,529	-	-	5,396	6,529
Vehicles	8,417	4,130	-	-	8,417	4,130
Infrastructure	253,429	399,557	-	-	253,429	399,557
Total Assets	$ 387,805	$ 528,360	$ 755	$ 818	$ 388,560	$ 529,178

Governmental assets moved from construction in progress to the asset records during the year totaled approximately $8 million. Major projects consisted of the following:

- Various road improvement projects/expansions - $7.4 million
- Construction and renovation projects - $391 thousand

Additional information on the County's capital assets can be found in Note 5 on pages 28 through 30 of this report.

Long–Term Debt. At the end of the current fiscal year, the County had total long-term indebtedness of $67,098,450. The General Obligation bonds were for various road projects, construction of a new Justice Center, State Patrol Headquarters, Central Library and most recently new and upgraded Fire Stations and Equipment. The Net Other Post Employment Benefits (OPEB) was a GASB 45 requirement for this reporting year as explained in Note 8.

Coweta County's Outstanding Debt
Bonds Payable, Capital Leases, Notes Payable, Claims, and Other Debts
($ in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Bonds Payable	$ 47,529	$ 56,439	$ -	$ -	$ 47,529	$ 56,439
Certificate of Participation	4,025	5,276	-	-	4,025	5,276
Capital Leases	1,881	2,138	-	-	1,881	2,138
Landfill Closure/Postclosure	702	285	635	597	1,337	882
Compensated Absences	2,014	3,004	24	39	2,038	3,043
Net Pension Obligation	727	762	-	-	727	762
Net OPEB Obligation	9,561	4,663	-	-	9,561	4,663
Totals	$ 66,439	$ 72,567	$ 659	$ 636	$ 67,098	$ 73,203

The operating revenues for governmental activities have been sufficient to meet these obligations and sufficient reserves are available to meet the obligations of claims payable and compensated absences. The obligations related to business-type activities have chiefly related to the landfill/solid waste activities of the County. Additional information regarding Coweta County's long-term debt can be found in Note 6 on pages 34 through 39 of this report.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the County is $465,848,283.

ECONOMIC OUTLOOK

The economic outlook for Coweta County in fiscal year 2011:

- The unemployment rate in Coweta County is at 9.6%, but still is slightly lower than the State of Georgia and the United States.

- LOST and SPLOST revenues for fiscal year 2010 represented a 2% increase over the prior year. LOST revenues were below budget by approximately 3% in fiscal year 2010. For fiscal year 2011 year to date, SPLOST and LOST revenues are up 4% on a fiscal year to date basis. The County budgets for LOST in its General Fund, and the budget was set conservatively to approximate the fiscal year 2010 actual results. The County is monitoring collections on a monthly basis.

- The real property tax digest grew by a modest .8% from 2009 to 2010. The County is not planning for any erosion to the digest for fiscal year 2011 budget. Housing and commercial development was up in fiscal year 2010 compared to the prior year, but continues to be well below activity in prime years over the previous decade due to the economy and banking industry reforms.

- During fiscal year 2010, several industrial projects were completed or begun. Polycycle Solutions opened a manufacturing plant for the manufacture and distribution of plastic bottles. HOV Services and another current manufacturer have added over 200+ employee's total. Sygma Networks has added additional equipment and Polymount USA has opened a facility for the manufacture of twin lock sleeves for the flexible printing industry. Coweta County also continues to be a hub for the movie industry. There have been approximately a half dozen movies filmed in county over the past couple of years.

- There have been several new commercial projects in the County. The Fischer Crossings development was in progress during 2010, and when completed will have over 800,000 sq. ft. of retail space, and will include the anchor tenant, Sam's Club, along with a movie theater, offices, and restaurant space. Sam's Club opened in January 2011. West Georgia Technical College continued work on its plans for a stand-alone campus on 38 acres gifted to the college near I-85.

- Piedmont Newnan Hospital continues construction on its new 136 bed, state-of-the-art facility. The Hospital will be located on Poplar Road near I-85, and will be 7 stories tall and over 360,000 sq. ft. The first phase of the hospital is expected to be complete in early 2012. Additionally, Cancer Treatment Centers of America will locate its Southeastern United States regional hospital in the Ashley Park commercial development, which also continues to add more retail businesses. Construction is set to begin in the spring of 2011. Other commercial projects have begun in the Bullsboro Road & I-85 interchange area. Also, the State DOT completed the Interstate widening project in fiscal year 2010, and continues to work on the expanding the Newnan By-Pass, as well as other transportation projects. The County is improving the transportation infrastructure in through many road, bridge, and repaving projects throughout the County.

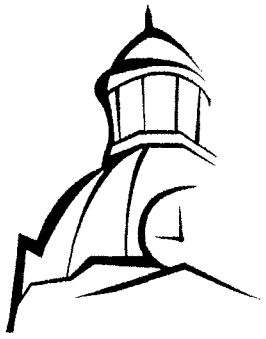
- Coweta County Government continues to implement cost saving measures, mainly in the area of personnel, to compensate for the drop in revenue from property taxes, sales taxes and other revenues. Open positions were either filled or eliminated and personnel in departments are tasked out if needed to fill increased workloads in other departments, without hiring new full or part time employees. These changes cut operating expenses without significantly impacting public services and have been incorporated into the Fiscal Year 2011 budget.

The current economy and the pressures from revenue decreases were taken into consideration when preparing the 2011 budget and should place the County in a good financial position for the future.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for all interested in the government's financials. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, Coweta County, 22 East Broad St. , Newnan, Georgia 30263.

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COWETA COUNTY

BASIC FINANCIAL STATEMENTS

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COWETA COUNTY, GEORGIA
STATEMENT OF NET ASSETS
September 30, 2010

	PRIMARY GOVERNMENT			
ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
Cash	$ 52,993,955	$ 588,597	$ 53,582,552	$ 2,045,341
Investments	15,032,826	10,000	15,042,826	308,307
Receivables (net of allowance for uncollectibles)	14,690,754	26,790	14,717,544	2,215,045
Internal balances	61,870	(61,870)	-	-
Due from primary government	-	-	-	182,030
Due from component units	1,783,375	-	1,783,375	-
Inventories	255,536	-	255,536	603,428
Prepaid items	173,548	246	173,794	293
Restricted assets:				
Cash	25,459,904	-	25,459,904	6,064,695
Investments	20,365	-	20,365	-
Non-current assets:				
Deferred charges	394,039	-	394,039	1,041,762
Capital assets:				
Capital assets not being depreciated	36,062,433	-	36,062,433	15,678,520
Capital assets being depreciated	663,470,659	2,997,248	666,467,907	170,606,853
Less: accumulated depreciation	(311,728,071)	(2,243,208)	(313,971,279)	(34,958,030)
Capital assets, net of depreciation	387,805,021	754,040	388,559,061	151,327,343
TOTAL ASSETS	498,671,193	1,317,803	499,988,996	163,788,244
LIABILITIES				
Accounts payable	4,187,409	59,783	4,247,192	1,415,722
Accrued interest payable	221,471	-	221,471	398,518
Arbitrage payable	208,267	-	208,267	-
Other accrued items	2,573,929	10,457	2,584,386	847,905
Due to other governments	606,721	-	606,721	-
Due to primary government	-	-	-	1,783,375
Due to component units	182,030	-	182,030	-
Unearned revenue	-	-	-	2,933
Amounts held in trust	-	-	-	1,851
Noncurrent liabilities:				
Due within one year				
Compensated absences payable	1,409,965	24,101	1,434,066	18,163
Accrued landfill closure / postclosure	47,000	40,000	87,000	-
Notes payable	-	-	-	989,155
Capital leases payable	267,821	-	267,821	206,739
Certificates of participation	1,286,373	-	1,286,373	-
General obligation bonds payable	9,314,760	-	9,314,760	-
Revenue bonds payable	-	-	-	2,265,000
Due in more than one year				
Compensated absences payable	604,271	-	604,271	409,218
Net OPEB obligation	9,561,000	-	9,561,000	-
Net pension obligation	726,746	-	726,746	-
Accrued landfill closure / postclosure	655,375	595,009	1,250,384	-
Notes payable	-	-	-	3,536,190
Capital leases payable	1,613,528	-	1,613,528	1,297,142
Certificates of participation	2,737,746	-	2,737,746	-
General obligation bonds payable	38,214,740	-	38,214,740	-
Revenue bonds payable	-	-	-	74,577,262
Deposits payable	-	-	-	1,272,967
TOTAL LIABILITIES	74,419,152	729,350	75,148,502	89,022,140
NET ASSETS				
Invested in capital assets, net of related debt	354,329,113	754,040	355,083,153	68,011,490
Restricted for:				
Debt service	5,711,158		5,711,158	6,064,695
Capital outlay projects	21,481,275	-	21,481,275	-
Impact fee projects	4,999,855	-	4,999,855	-
Housing and development	47,227	-	47,227	-
Public safety programs	5,869,944	-	5,869,944	-
Judicial programs	445,144	-	445,144	-
Unrestricted	31,368,325	(165,587)	31,202,738	689,919
TOTAL NET ASSETS	$ 424,252,041	$ 588,453	$ 424,840,494	$ 74,766,104

The accompanying notes are an integral part of this statement.

COWETA COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2010

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) AND CHANGES IN NET ASSETS: PRIMARY GOVERNMENT: GOVERNMENTAL ACTIVITIES	PRIMARY GOVERNMENT: BUSINESS-TYPE ACTIVITIES	PRIMARY GOVERNMENT: TOTAL	COMPONENT UNITS
PRIMARY GOVERNMENT								
GOVERNMENTAL ACTIVITIES								
General government	$ 16,291,760	$ 2,598,381	$ 297,433	$ 729,856	$ (12,666,090)	$ -	$ (12,666,090)	$ -
Judicial	6,703,127	5,684,604	-	-	(1,018,523)	-	(1,018,523)	-
Public safety	40,589,613	7,914,120	15,910	224,101	(32,435,482)	-	(32,435,482)	-
Public works	34,839,493	108,983	-	6,754,153	(27,976,357)	-	(27,976,357)	-
Public health and welfare	389,415	-	-	1,046,076	656,661	-	656,661	-
Recreation and culture	6,115,816	469,493	3,000	-	(5,643,323)	-	(5,643,323)	-
Housing and development	2,846,112	3,104,793	-	-	258,681	-	258,681	-
Interest	2,277,564	-	-	-	(2,277,564)	-	(2,277,564)	-
Total Governmental Activities	110,052,900	19,880,374	316,343	8,754,186	(81,101,997)	-	(81,101,997)	-
BUSINESS-TYPE ACTIVITIES								
Solid waste/recycling	1,262,522	741,018	-	-	-	(521,504)	(521,504)	-
Total Business-Type Activities	1,262,522	741,018	-	-	-	(521,504)	(521,504)	-
TOTAL PRIMARY GOVERNMENT	$ 111,315,422	$ 20,621,392	$ 316,343	$ 8,754,186	(81,101,997)	(521,504)	(81,623,501)	-
COMPONENT UNITS								
Health Department	$ 1,689,690	$ 1,025,149	$ 713,673	$ -	-	-	-	49,132
Library System	2,500,566	54,835	1,953,612	563,740	-	-	-	71,621
Water and Sewerage Authority	19,285,765	17,705,321	-	332,120	-	-	-	(1,248,324)
Airport Authority	1,213,787	982,817	-	768,293	-	-	-	537,323
Development Authority	264,846	15,000	242,251	-	-	-	-	(7,595)
TOTAL COMPONENT UNITS	$ 24,954,654	$ 19,783,122	$ 2,909,536	$ 1,664,153	-	-	-	(597,843)
GENERAL REVENUES								
Property taxes					41,345,425	-	41,345,425	-
Sales taxes					32,678,871	-	32,678,871	-
Insurance premium taxes					3,268,926	-	3,268,926	-
Real estate recording taxes					904,771	-	904,771	-
Other taxes					1,504,978	-	1,504,978	-
Total taxes					79,702,971	-	79,702,971	-
Unrestricted investment earnings					599,268	-	599,268	29,472
Gain on sale of capital assets					92,790	-	92,790	-
TRANSFERS					(496,900)	496,900	-	-
TOTAL GENERAL REVENUES					79,898,129	496,900	80,395,029	29,472
CHANGES IN NET ASSETS					(1,203,868)	(24,604)	(1,228,472)	(568,371)
NET ASSETS, Beginning					566,916,533	613,057	567,529,590	75,334,475
CHANGE IN ACCOUNTING PRINCIPLE					(141,460,624)	-	(141,460,624)	-
NET ASSETS, Beginning as restated					425,455,909	613,057	426,068,966	75,334,475
NET ASSETS, Ending					$ 424,252,041	$ 588,453	$ 424,840,494	$ 74,766,104

The accompanying notes are an integral part of this statement.

COWETA COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2010

	GENERAL	FIRE DISTRICT	SPLOST	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash	$ 15,349,458	$ 2,371,925	$ 25,535,342	$ 9,737,229	$ 52,993,954
Investments	9,000,000	5,000,000	-	1,032,826	15,032,826
Receivables (net of allowance for uncollectibles)	10,582,684	872,678	1,869,062	1,366,330	14,690,754
Due from other funds	1,833,269	-	-	99,443	1,932,712
Due from component units	1,682,818	-	-	100,556	1,783,374
Prepaid items	166,732	5,723	-	1,093	173,548
Inventories	255,536	-	-	-	255,536
Restricted assets:					
Cash	875,593	12,937,951	11,646,361	-	25,459,905
Investments	-	20,365	-	-	20,365
TOTAL ASSETS	$ 39,746,090	$ 21,208,642	$ 39,050,765	$ 12,337,477	$ 112,342,974
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	$ 2,592,505	$ 137,353	$ 834,746	$ 622,806	$ 4,187,410
Other accrued items	2,269,175	248,876	-	55,879	2,573,930
Due to other governments	-	-	606,721	-	606,721
Due to other funds	121	1,065,106	42,686	762,929	1,870,842
Due to component units	(9)	483	-	181,555	182,029
Deferred revenue	4,638,070	860,538	-	-	5,498,608
TOTAL LIABILITIES	9,499,862	2,312,356	1,484,153	1,623,169	14,919,540
FUND BALANCES					
Reserved:					
Prepaid expenditure	166,732	5,723	-	1,093	173,548
Debt service	-	-	5,932,629	-	5,932,629
Capital outlay projects	-	12,958,316	31,633,983	-	44,592,299
Inventories	255,536	-	-	-	255,536
Judicial programs	445,144	-	-	-	445,144
Public safety programs	430,449	-	-	-	430,449
Impact fee projects	-	-	-	4,999,855	4,999,855
Unreserved, undesignated:					
General Fund	28,948,367	-	-	-	28,948,367
Capital Projects Funds	-	-	-	135,567	135,567
Special Revenue Funds	-	5,932,247	-	5,577,793	11,510,040
TOTAL FUND BALANCES	30,246,228	18,896,286	37,566,612	10,714,308	97,423,434
TOTAL LIABILITIES AND FUND BALANCES	$ 39,746,090	$ 21,208,642	$ 39,050,765	$ 12,337,477	$ 112,342,974

The accompanying notes are an integral part of this statement.

COWETA COUNTY, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS
September 30, 2010

Total Fund Balances for Governmental Funds (page 3)		$ 97,423,434
Total net assets reported for governmental activities in the statement of net assets is different because:		
Capital assets used in the governmental activities are not financial resources and therefore are not reported in the funds.		387,805,021
Some assets are not available in the current period and therefore are not reported in the funds.		
Deferred charge for issuance cost		394,039
Revenues in the statement of activities that do not provide current financial resources are reported as deferred revenues in the funds.		
Property Taxes	5,135,596	
Fines	363,012	
		5,498,608
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds, net of premium and discounts	(47,529,500)	
Accrued interest	(221,471)	
Capital leases	(1,881,349)	
Certificate of participation	(4,024,119)	
Accrued landfill closure / postclosure	(702,375)	
Compensated absences	(2,014,236)	
Arbitrage payable	(208,267)	
Net pension obligation	(726,746)	
Net OPEB obligation	(9,561,000)	
		(66,475,024)
Rounding		2
Total net assets of governmental activities (page 1)		$ 424,252,041

The accompanying notes are an integral part of this statement.

COWETA COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2010

REVENUES	GENERAL	FIRE DISTRICT	SPLOST	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Taxes	$ 48,938,836	$ 10,499,168	$ 18,917,759	$ 196,166	$ 78,551,929
Licenses and permits	2,090,535	-	-	1,236,857	3,327,392
Intergovernmental	611,254	-	729,856	1,242,665	2,583,775
Fines and forfeitures	5,609,364	-	-	2,692,870	8,302,234
Charges for services	5,382,720	-	-	2,428,474	7,811,194
Contributions and donations	6,830	386	18,089	15,524	40,829
Interest income	266,291	322,821	60,315	10,156	659,583
Miscellaneous	153,804	79,182	-	-	232,986
TOTAL REVENUES	63,059,634	10,901,557	19,726,019	7,822,712	101,509,922
EXPENDITURES					
Current Expenditures					
General government	13,265,233	-	19,628	247,562	13,532,423
Judicial	6,335,233	-	31,232	30,906	6,397,371
Public safety	22,359,773	10,499,142	751,159	2,604,907	36,214,981
Public works	7,414,673	-	753,279	27,355	8,195,307
Public health and welfare	389,105	-	-	-	389,105
Recreation and culture	4,240,481	-	114,059	165,000	4,519,540
Housing and development	2,545,791	-	-	116,630	2,662,421
Intergovernmental	-	-	5,819,858	-	5,819,858
Capital outlay	3,854,526	7,124,001	6,885,297	2,410,348	20,274,172
Debt service					
Principal	256,902	365,000	9,460,000	-	10,081,902
Interest	87,408	806,613	1,702,673	-	2,596,694
TOTAL EXPENDITURES	60,749,125	18,794,756	25,537,185	5,602,708	110,683,774
EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	2,310,509	(7,893,199)	(5,811,166)	2,220,004	(9,173,852)
OTHER FINANCING SOURCES (USES)					
Sale of county property	8,502	-	-	84,288	92,790
Transfers in	117,700	-	-	-	117,700
Transfers out	(496,900)	-	-	(117,700)	(614,600)
TOTAL OTHER FINANCING SOURCES (USES)	(370,698)	-	-	(33,412)	(404,110)
NET CHANGE IN FUND BALANCES	1,939,811	(7,893,199)	(5,811,166)	2,186,592	(9,577,962)
FUND BALANCES, Beginning of year	28,306,417	26,789,485	43,377,778	8,527,716	107,001,396
FUND BALANCES, End of year	$ 30,246,228	$ 18,896,286	$ 37,566,612	$ 10,714,308	$ 97,423,434

The accompanying notes are an integral part of this statement.

COWETA COUNTY, 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 September 30, 2010

Net change in fund balances (page 5)		$ (9,577,962)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlays	20,274,172	
Depreciation expense	(25,688,381)	
		(5,414,209)
In the statement of activities, only the gain/loss on the sale of various equipment is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the net book value of the equipment sold.		
Net book value of equipment sold	(66,071)	
		(66,071)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	5,135,596	
Donated assets	6,385,608	
Fines	363,012	
		11,884,216
Revenues reported in the funds that relate to prior years are not reported as revenue in the statement of activities.		
Property taxes	(3,984,554)	
Fines	(156,442)	
		(4,140,996)
Under the modified accrual basis of accounting used in the 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. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, where as these amounts are deferred and amortized in the statement of activities. This adjustment combines the net change of two balances.		
Principal payments on long-term debt	10,081,902	
Amortization of bond premium, discounts and issuance cost	267,068	
Landfill closure/postclosure	(417,569)	
Accrued interest on bonds, current year	(221,471)	
Accrued interest on bonds, prior year	273,535	
		9,983,465
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated absences, current year	(2,014,236)	
Compensated absences, prior year	3,004,465	
		990,229
Net pension obligation is not available during the current period and therefore is not reported in the funds.		
Beginning of year	762,205	
End of year	(726,746)	
		35,459
Net OPEB obligation is not available during the current period and therefore is not reported in the funds.		
Beginning of year	4,663,000	
End of year	(9,561,000)	
		(4,898,000)
Rounding		1
Changes in net assets of governmental activities (page 2)		$ (1,203,868)

The accompanying notes are an integral part of this statement.

COWETA COUNTY, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUND
September 30, 2010

	BUSINESS-TYPE ACTIVITIES- ENTERPRISE FUNDS SOLID WASTE DISPOSAL FACILITY
ASSETS	
Current Assets	
Cash	$ 588,597
Investments	10,000
Receivables (net of allowance for uncollectibles)	26,790
Prepaid items	246
TOTAL CURRENT ASSETS	625,633
Noncurrent Assets	
Capital assets	
Capital assets being depreciated	2,997,248
Less: accumulated depreciation	(2,243,208)
TOTAL CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)	754,040
TOTAL NONCURRENT ASSETS	754,040
TOTAL ASSETS	1,379,673
LIABILITIES	
Current Liabilities	
Accounts payable	59,783
Other accrued items	10,457
Due to other funds	61,870
Compensated absences payable	24,101
Accrued landfill closure/postclosure	40,000
TOTAL CURRENT LIABILITIES	196,211
Noncurrent Liabilities	
Accrued landfill closure/postclosure	595,009
TOTAL NONCURRENT LIABILITIES	595,009
TOTAL LIABILITIES	791,220
NET ASSETS	
Invested in capital assets	754,040
Unrestricted	(165,587)
TOTAL NET ASSETS	$ 588,453

The accompanying notes are an integral part of this statement.

COWETA COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended September 30, 2010

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS
	SOLID WASTE DISPOSAL FACILITY
OPERATING REVENUES	
Recycling and transfer fees	$ 741,018
Total Operating Revenues	741,018
OPERATING EXPENSES	
Salaries and benefits	394,691
Supplies	19,882
Other services and charges	673,473
Landfill closure/postclosure costs	53,755
Depreciation	63,814
Professional fees	2,007
Repairs and maintenance	54,900
Total Operating Expenses	1,262,522
OPERATING INCOME (LOSS)	(521,504)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(521,504)
Transfer in	496,900
CHANGE IN NET ASSETS	(24,604)
TOTAL NET ASSETS, Beginning of year	613,057
TOTAL NET ASSETS, End of year	$ 588,453

The accompanying notes are an integral part of this statement.

COWETA COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2010

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS SOLID WASTE DISPOSAL FACILITY
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customer	$ 760,597
Payments to suppliers	(702,353)
Payments to employees	(408,742)
Net cash provided by (used in) operating activities	(350,498)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Transfers in	496,900
Net Cash provided (used) by non-capital financing activities	496,900
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Transfer of capital assets	(65)
Net cash provided (used) by capital and related financing activities	(65)
Net increase (decrease) in cash and cash equivalents	146,337
CASH, Beginning of year	442,260
CASH, End of year	$ 588,597
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	$ (521,504)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities	
Depreciation	63,814
(Increase) decrease in:	
Accounts receivable	19,580
Prepaid expenses	21
Increase (decrease) in:	
Accounts payable	31,794
Compensated absences	(14,718)
Accrued landfill costs	38,285
Other accrued items	667
Due to other funds	31,563
Net cash provided by (used in) operating activities	$ (350,498)

The accompanying notes are an integral part of this statement.

COWETA COUNTY, GEORGIA
STATEMENT OF NET ASSETS
FIDUCIARY FUNDS
September 30, 2010

	PENSION TRUST FUNDS	AGENCY FUNDS
ASSETS		
Cash	$ -	$ 2,328,755
Investments:		
Guaranteed investment contract	35,338,949	-
TOTAL ASSETS	35,338,949	2,328,755
LIABILITIES		
Funds held in trust	-	2,328,755
TOTAL LIABILITIES	-	2,328,755
NET ASSETS		
Held in trust for:		
Employees' pension benefits (See Schedule of Funding Progress on page 53)	35,338,949	-
TOTAL NET ASSETS	$ 35,338,949	$ -

The accompanying notes are an integral part of this statement.

COWETA COUNTY, GEORGIA
STATEMENT OF CHANGES IN NET ASSETS
FIDUCIARY FUNDS
For the Year Ended September 30, 2010

	PENSION TRUST FUND
ADDITIONS	
Investment earnings	$ 1,428,440
Employer contributions	4,407,092
Employee contributions	475,629
TOTAL ADDITIONS	6,311,161
DEDUCTIONS	
Benefits	1,262,391
TOTAL DEDUCTIONS	1,262,391
CHANGE IN NET ASSETS	5,048,770
NET ASSETS, Beginning of year	30,290,179
NET ASSETS, End of year	$ 35,338,949

Net investment expense and administrative expenses are not paid from the County's pension plan. The plan's administrator invests proceeds received from the plan at a higher rate of interest than what the County receives as interest compensation. This difference is considered to be the investment expense and administrative expense charged by the plan's administrator.

The accompanying notes are an integral part of this statement.

COWETA COUNTY, GEORGIA
COMPONENT UNITS
COMBINING STATEMENT OF NET ASSETS
September 30, 2010

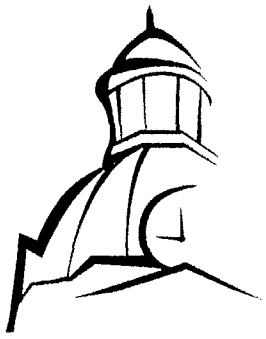
ASSETS	HEALTH DEPARTMENT	LIBRARY SYSTEM	WATER AND SEWERAGE AUTHORITY	AIRPORT AUTHORITY	DEVELOPMENT AUTHORITY	TOTAL
Cash	$ 520,272	$ 247,985	$ 1,043,792	$ 126,816	$ 106,476	$ 2,045,341
Investments	-	209,935	-	-	98,372	308,307
Receivables (net of allowance for uncollectibles)	79,832	15,293	1,422,794	691,973	5,154	2,215,046
Due from primary government	-	181,202	-	827	-	182,029
Inventories	-	-	565,496	37,932	-	603,428
Prepaid items	-	-	-	160	132	292
Restricted assets:						
Cash	-	-	6,064,695	-	-	6,064,695
Non-current assets:						
Deferred charges	-	-	1,041,762	-	-	1,041,762
Capital assets:						
Capital assets not being depreciated	-	19,664	11,473,031	2,689,231	1,496,595	15,678,521
Capital assets being depreciated	178,831	3,749,773	156,730,159	9,335,391	612,699	170,606,853
Less: accumulated depreciation	(172,385)	(2,185,899)	(29,981,567)	(2,571,483)	(46,696)	(34,958,030)
Capital assets, net of depreciation	6,446	1,583,538	138,221,623	9,453,139	2,062,598	151,327,344
TOTAL ASSETS	606,550	2,237,953	148,360,162	10,310,847	2,272,732	163,788,244
LIABILITIES						
Accounts payable	34,892	44,266	792,230	543,220	1,114	1,415,722
Accrued interest payable	-	-	398,518	-	-	398,518
Other accrued items	-	38,299	795,950	8,830	4,825	847,904
Due to primary government	-	141,885	-	1,614,809	26,681	1,783,375
Unearned revenue	-	-	-	2,933	-	2,933
Amounts held in trust	-	-	-	1,851	-	1,851
Noncurrent liabilities:						
Due within one year						
Compensated absences payable	-	-	-	18,163	-	18,163
Notes payable	-	-	929,055	60,100	-	989,155
Capital leases payable	-	-	206,739	-	-	206,739
Revenue bonds payable	-	-	2,265,000	-	-	2,265,000
Due in more than one year						
Compensated absences payable	132,614	-	276,604	-	-	409,218
Notes payable	-	-	3,009,364	526,826	-	3,536,190
Capital leases payable	-	-	1,297,142	-	-	1,297,142
Revenue bonds payable	-	-	74,577,262	-	-	74,577,262
Deposits payable	-	-	1,272,967	-	-	1,272,967
TOTAL LIABILITIES	167,506	224,450	85,820,831	2,776,732	32,620	89,022,139
NET ASSETS						
Invested in capital assets, net of related debt	6,446	1,583,538	55,937,061	8,421,847	2,062,598	68,011,490
Restricted for:						
Debt service	-	-	6,064,695	-	-	6,064,695
Unrestricted	432,598	429,965	537,575	(887,732)	177,514	689,920
TOTAL NET ASSETS	$ 439,044	$ 2,013,503	$ 62,539,331	$ 7,534,115	$ 2,240,112	$ 74,766,105

The accompanying notes are an integral part of this statement.

COWETA COUNTY, GEORGIA
COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2010

FUNCTIONS/PROGRAMS	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	HEALTH DEPARTMENT	LIBRARY SYSTEM	WATER AND SEWERAGE AUTHORITY	AIRPORT AUTHORITY	DEVELOPMENT AUTHORITY	TOTAL
	.....PROGRAM REVENUES.....				....NET (EXPENSE) AND CHANGES IN NET ASSETS....					
COMPONENT UNITS										
GOVERNMENTAL ACTIVITIES										
Health Department	$ 1,689,690	$ 1,025,149	$ 713,673	$ -	$ 49,132	$ -	$ -	$ -	$ -	$ 49,132
Library System	2,500,566	54,835	1,953,612	563,740	-	71,621	-	-	-	71,621
BUSINESS-TYPE ACTIVITIES										
Water and Sewerage Authority	19,285,765	17,705,321	-	332,120	-	-	(1,248,324)	-	-	(1,248,324)
Airport Authority	1,213,787	982,817	-	768,293	-	-	-	537,323	-	537,323
Development Authority	264,846	15,000	242,251	-	-	-	-	-	(7,595)	(7,595)
TOTAL COMPONENT UNITS	$ 24,954,654	$ 19,783,122	$ 2,909,536	$ 1,664,153	49,132	71,621	(1,248,324)	537,323	(7,595)	(597,843)
GENERAL REVENUES										
Unrestricted investment earnings					520	16,204	8,556	259	3,934	29,473
TOTAL GENERAL REVENUES AND TRANSFERS					520	16,204	8,556	259	3,934	29,473
CHANGES IN NET ASSETS					49,652	87,825	(1,239,768)	537,582	(3,661)	(568,370)
NET ASSETS, Beginning					389,392	1,925,678	63,779,099	6,996,533	2,243,773	75,334,475
NET ASSETS, Ending					$ 439,044	$ 2,013,503	$ 62,539,331	$ 7,534,115	$ 2,240,112	$ 74,766,105

The accompanying notes are an integral part of this statement.



COWETA COUNTY

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Coweta County, Georgia, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

(A) REPORTING ENTITY

The government is a political subdivision of the State of Georgia governed by an elected five-member commission. In addition, there are four Constitutional Officers; the Tax Commissioner, Probate Court Judge, Sheriff, and Clerk of Superior Court. The Constitutional Officers are elected county wide. The Board of County Commissioners budgets and approves all funding used by the separate Constitutional Officers. As required by generally accepted accounting principles, these financial statements present the government and its component units. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

The component unit columns in the combined financial statements include the financial data of the county's component units, which meet the criteria established by Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*. They are reported in separate columns to emphasize it is legally separate from the government.

Brief descriptions of discretely presented component units follow:

COWETA COUNTY DEPARTMENT OF PUBLIC HEALTH (Health Department): The Health Department is charged with determining the health needs and resources of its jurisdiction, developing programs, activities, and facilities responsive to those needs, and enforcing all laws related to health matters unless they fall under the jurisdiction of other agencies The Health Department is managed by seven member board, four of which are appointed by the Coweta County Board of Commissioners. The Health Department is dependent upon the government because the government approved the Health Department's budget and the government has the ability to impose its will upon the Health Department. The Health Department is presented as a governmental fund type with a June 30 year end. As of June 30 2010, the Health Department received $197,500 from the County Board of Commissioners to subsidize annual operations. As of September 30, 2010, the County paid $197,500 to the Health Department to subsidize annual operations.

COWETA COUNTY PUBLIC LIBRARY SYSTEM (Library) serves all citizens of Coweta County through library headquarters in Newnan, Georgia and three branch facilities. The Library is governed by a nine member board of Trustees appointed by the County Board of Commissioners. The County provides the majority of funding for the Library. The Library is presented as a governmental fund type with a September 30 year end. During 2010, the County supplemented the Library's budget in the amount of $2,229,267 of which $1,953,612 was to subsidize the operating budget and $275,655 was for capital expenditures.

COWETA COUNTY WATER AND SEWERAGE AUTHORITY (Water and Sewerage Authority): The purpose of the water and sewerage authority is to manage water and sewer system of Coweta County, Georgia and they are empowered to do all things necessary to accomplish this purpose. The Water and Sewerage Authority is presented as an enterprise fund type with a June 30 year end.

A financial burden or benefit relationship exists between the entities. The County appoints all board members of the water and sewerage authority. The Water and Sewerage Authority and Coweta County have entered into an intergovernmental agreement whereby the County is obligated to make Revenue Bond debt service payments in the event of default by the water and sewerage authority. The agreement represents a general obligation of the County to which its full faith and credit are pledged.

COWETA COUNTY AIRPORT AUTHORITY (Airport Authority): The Airport Authority has responsibility over all activities related to the airport in Coweta County, Georgia. The Airport Authority is governed by a five member board appointed by the Coweta County Board of Commissioners. The Airport Authority receives most of its operating revenues from rental income and fuel sales. The Airport Authority receives the rest of the funding from local and state government sources and must comply with the requirements of these funding entities. The Airport Authority is reported as an enterprise fund with a September 30 year end.

COWETA COUNTY DEVELOPMENT AUTHORITY (Development Authority): The Development Authority is charged with aiding economic development within Coweta County, Georgia. It is governed by a twelve member board of which five are appointed by the Coweta County Board of Commissioners. The Development Authority is reported as an enterprise fund with a September 30 year end. During fiscal year 2010, the Development Authority received $242,251 from the County Board of Commissioners to subsidize annual operations.

Complete financial statements for the Coweta County Department of Public Health and the Coweta County Water and Sewerage Authority may be obtained directly from their respective administrative offices at the following locations:

COWETA COUNTY DEPARTMENT
OF PUBLIC HEALTH
137 Jackson Street
Newnan, Georgia 30263

COWETA COUNTY WATER &
SEWERAGE AUTHORITY
220 East Newnan Road
Newnan, Georgia 30263

The Coweta County Library System, Airport Authority, and the Coweta County Development Authority do not prepare separate financial statements.

(B) GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. 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 are 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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

(C) MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statement. Agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of 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 within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers property taxes as available if they are collected within 60 days after year end. Fines are considered available if they are collected within 60 days of the end of the current fiscal period for which they are levied. Other revenues susceptible to accrual are considered available if they are collected within 90 days of the end of the current fiscal period for which they are imposed. 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, sales tax, franchise taxes, fines, charges for services, grants earned, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

The *Fire District Special Revenue Fund* accounts for the monies received from a specific property tax levy and the operation of the fire departments within the County.

The *SPLOST Capital Projects Fund* accounts for proceeds of a 1% local options sales tax for construction of various capital projects throughout the County.

The government reports the following major proprietary funds:

The *Solid Waste Disposal Facility Fund* accounts for the activities of the County's solid waste disposal and recycling programs.

Additionally, the government reports the following fund types:

The *Pension Trust Fund* is accounted for in essentially the same manner as the proprietary funds, using the same measurement focus and basis of accounting. The pension trust fund accounts for the activities of the Employee Retirement System, which accumulates resources for pension benefit payments to qualified governmental employees.

The *Agency Funds* are custodial in nature and do not represent results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the Tax Commissioner, Clerk of Superior Court, Probate Court, Magistrate Court, Clerk of State Court, and the Sheriff are holding for others in an agency capacity. See the fiduciary funds divider page for a detailed description of the County's agency funds.

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are interfund services provided and used are not eliminated in the process of consolidation. Elimination of these charges would distort the direct costs and program revenues for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues for the Water and Sewage Authority component unit enterprise fund, Solid Waste Disposal Facility enterprise fund are charges to customers for sales and services. The Authority also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating

revenues and expenses.

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

(D) ASSETS, LIABILITIES AND NET ASSETS OR EQUITY

1. Deposits and Investments

The government'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 are recorded as fair value based on quoted market prices as of the balance sheet date. Increases or decreases in fair value during the year are recognized as part of investment income.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance of uncollectibles.

Property taxes attach as an enforceable lien on property as of January 1. Taxes are normally levied by October 1 of each year and are normally payable by December 1 of each year. Interest and penalties may be assessed on taxes not paid by this date.

The County bills and collects its own property taxes and also those for the School Board and the State. Only the County's tax levy is recognized as revenue when levied and uncollected taxes are recorded as deferred revenue in the general and special revenue funds.

3. Inventories and Prepaid Items

Inventories, consisting of expendable supplies, not held for resale are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted Assets

Certain assets of the general fund are classified as restricted because their use is completely restricted by grant agreements or contractual agreements.

Certain proceeds of the County's general obligation bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, culverts, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of $5,000 and an estimated useful life in excess of three years. In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the government chose to include all such items regardless of their acquisition date or amount. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Infrastructure assets acquired subsequent to July 1, 1980 are reported at historical cost or at an estimated historical cost where no historical record exists.

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

Property, plant and equipment are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings	50
Machinery and equipment	5-20
Vehicles	5
Furniture and fixtures	5
Infrastructure	25-50

6. *Compensated Absences*

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Employees hired prior to February 2000 can accumulate up to 960 hours of sick leave. Employees hired after February 2000 can accumulate up to 480 hours of sick leave. Upon separation, those employees who have been employed by the County for at least ten years are entitled to receive $50 for each unused day of sick leave. Those employees who have been in the County's employ for less than ten years forfeit unused sick leave upon separation. All vacation and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements within 60 days of year end.

7. *Long-term Obligations*

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

8. *Fund Equity/Net Assets*

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The government-wide statement of net assets reports $38,554,603 of restricted net assets, of which $5,486,722 is restricted by enabling legislation.

9. Invested in Capital Assets, Net of Related Debt

The "invested in capital assets, net of related debt" reported on the government-wide statement of net assets as of September 30, 2010 are as follows:

Invested in capital assets, net of related debt:	Governmental Activities	Component Unit Airport Authority
Cost of capital assets	$ 699,533,092	$ 12,024,622
Less accumulated depreciation	(311,728,071)	(2,571,483)
Book value	387,805,021	9,453,139
Plus construction proceeds	23,111,024	-
Less capital related debt	(53,434,968)	(586,926)
Accounts payable related to capital assets	(3,151,964)	(444,366)
Invested in capital assets, net of related debt	$ 354,329,113	$ 8,421,847

10. Management Estimates

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

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

(A) BUDGETARY INFORMATION

An annual budget is legally adopted by the County Commissioners each fiscal year for the General Fund and the Special Revenue Funds. Annual operating budgets are prepared for the Enterprise Fund for planning, control, cost allocation, and evaluation purposes. Project-length budgets are adopted for the Capital Projects Funds.

The County follows these procedures in establishing the budgetary data reflected in the financial statements.

On or about June 1 of each year, all agencies of the County submit requests for appropriation to the County's administrator so that a budget may be prepared. The budget is prepared by fund, function and department, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

Then the proposed budget is presented to the government's Board of Commissioners for review. The government's Board of Commissioners holds public hearings and may add to, subtract from

or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the government's administrator or the revenue estimates must be changed by an affirmative vote of a majority of the government's Board of Commissioners.

Expenditures may not legally exceed budgeted appropriations at the department level, which constitutes the legal level of control.

During the year, the Commissioners are authorized to make amendments to the budget to include appropriations for some activities that were not originally budgeted and to reclassify certain character and functional expenditures.

Annual appropriated budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund and all special revenue funds.

Encumbrance accounting is not used by the County.

NOTE 3 - DEPOSITS AND INVESTMENTS

Primary Government

Custodial credit risk - deposits. In case of deposits, this is the risk that in the event of a bank failure, the government's deposits (in excess of FDIC insurance) may not be returned. The county does not have a deposit policy for custodial credit risk.

State statutes require collateral pledged in the amount of 110% of deposits. Depositories may secure deposits of public funds using the dedicated method or the pooled method as described below.

- Under the dedicated method, a depository shall secure the deposits of each of its public depositors separately.

- Under the pooled method, a depository shall secure deposits of public bodies which have deposits with it through a pool of collateral established by the depository with a custodian for the benefit of public bodies having deposits with such depository as set forth in code Section 45-8-13.1.

The goal of the county in investing is to obtain a reasonable return on investments with a minimum exposure to potential loss of capital due to market fluctuations.

Interest rate risk. Interest rate risk is the risk that changes in interest rates may adversely affect an investment's fair value. Since the price of a bond fluctuates with market interest rates, the risk that an investor faces is that the price of a bond held in a portfolio will decline if market interest rates rise. The county 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. State statutes authorize the government to invest in obligations of the U.S. Treasury and of its agencies and instrumentalities; bonds or certificates of indebtedness of this state and of its agencies and instrumentalities; certificates of deposits of banks insured by FDIC; the State of Georgia Local Government Investment Pool; repurchase agreements; bonds, debentures, notes or other evidence of indebtedness of any solvent corporation subject to certain conditions. The County has no investment policy that would further limit its investment choices.

Cash per Statement of Net Assets (page 1)	
Cash	$ 53,582,552
Restricted cash	25,459,904
plus investments that are cash equivalents	15,063,191
Cash held by Fiduciary Funds (page 10)	2,328,755
Deposits	$ 96,434,402
Investments per Statement of Net Assets (page 1)	
Investments	$ 15,042,826
Restricted Investments	20,365
Investments included in cash equivalents	(15,063,191)
Investments subject to credit risk	$ -

Concentration of credit risk. The county places no limit on the amount it may invest in any one issuer.

Fiduciary Fund (Pension Trust Fund)

Custodial Credit Risk-Guaranteed Investment Contract. Since this is a guaranteed investment contract that provides for a guaranteed return on principal over a specific period, it is not exposed to custodial credit risk because it is a direct contractual investment and is not a security.
Interest rate risk. The County has a contract with an insurance company that provides principal preservation and a specified rate of return over a set period of time, regardless of the performance of the underlying invested assets. The invested assets are owned by the insurance company and held within the insurer's general account.

Credit Risk. As the market perception of potential issuer default increases, the value of the debt securities decreases. If an issuer defaults, the investments may return significantly less than the original investments. At September 30, 2010, the ratings of its investments are shown below.

Investment Type	Fair Value	Rating	Agency	Maturity (Years)
Minnesota Life- Insurance Contract	$35,338,949	AA-	Standard & Poor's	n/a

Concentration of credit risk. The county places no limit on the amount it may invest in any one issuer.

Discretely Presented Component Units

Library

Custodial credit risk - deposits. In case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned. The Library 's policies permit it to exceed the FDIC insured limit in making deposits in commercial banks and savings and loans institutions if the funds are otherwise adequately secured. As of September 30, 2010, all deposits of the library were adequately insured or collateralized.

Custodial credit risk - investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments collateral securities that are in the possession of an outside party.

Interest Rate Risk. The Library 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. State law allows investments in bonds, debentures, notes, or other evidences of indebtedness of any solvent corporation subject to certain conditions. The Library has no investment policy that would further limit its investment choices. At September 30, 2010, the ratings of its investments are shown above.

As of September 30, 2010, the Library had the following investments:

Investment Type	Fair Value	Rating	Agency	Maturity (Years)
AT&T (common)	$ 21,879	A-	Standard & Poor's	n/a
Verizon (common)	7,202	A-	Standard & Poor's	n/a
Vodafone (common)	3,473	A-	Standard & Poor's	n/a
Comcast (common)	2,115	BBB+	Standard & Poor's	n/a
LSI (common)	46	n/a	n/a	n/a
Frontier (common)	433	BB	Standard & Poor's	
Qwest (common)	6	BB	Standard & Poor's	n/a
Equity Securities	174,781	n/a	n/a	n/a
Total Investments	$209,935			

The goal of the Library in investing is to obtain a reasonable return on investments with a minimum exposure to potential loss of capital due to market fluctuations.

Concentration of credit risk. The Library places no limit on the amount that may be invested in any one issuer.

Development Authority

Custodial credit risk - deposits. In case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned. The Authority does not have a deposit policy for custodial credit risk. As of September 30, 2010 the Development Authority's deposits and investments were properly collateralized with the depository financial institution.

Custodial credit risk - investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments collateral securities that are in the possession of an outside party.

Interest Rate Risk. The Authority 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. However, the Authority's current investments are all short-term in nature.

As of September 30, 2010, the Development Authority had the following investments:

Investment Type	Fair Value	Maturity
Certificate of deposit	$ 98,372	March 8, 2011

Airport Authority

Custodial credit risk - deposits. In case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned. The Airport Authority does not have a deposit policy for custodial credit risk. As of September 30, 2010 the Airport Authority's deposits were properly collateralized with the depository financial institution.

NOTE 4 - RECEIVABLES

Primary Government

Receivables as of year-end for the County's individual major funds and nonmajor governmental Funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

Governmental Activities:	General Fund	Fire District	SPLOST	Nonmajor Governmental
Receivables:				
Property Taxes	$ 4,515,463	$ 869,978	$ -	$ -
Fines	2,483,740	-	-	-
Accounts	531,412	2,700	13,078	433,649
Intergovernmental	5,042,645	-	1,855,984	932,681
Total Gross Receivables	12,573,260	872,678	1,869,062	1,366,330
Less: Allowance for Uncollectibles	(1,990,576)	-	-	-
Total Net Receivables	$10,582,684	$ 872,678	$ 1,869,062	$ 1,366,330

Receivables as of year-end for the County's enterprise funds, including the applicable allowances for uncollectible accounts, are as follows:

Business-type Activities:	Solid Waste DisposalFacility
Receivables:	
Accounts	$ 26,790
Total Gross Receivables	26,790
Total Net Receivables	$ 26,790

Property taxes receivable at September 30, 2010, consist of the following:

DIGEST YEAR	GENERAL FUND	FIRE DISTRICT
2010[1]	$ 11,701	$ 3,295
2009	1,935,339	398,973
2008	1,101,397	205,826
2007	573,175	106,083
2006	372,623	67,935
2005	343,564	64,642
2004	43,295	6,265
2003	24,773	3,550
2002	30,245	4,487
2001	55,469	6,697
2000 and prior	23,882	2,225
Total	$ 4,515,463	$ 869,978

[1] 2010 only consists of taxes due on mobile homes. Taxes on real and personal property are not levied until after fiscal year end. Therefore, they are not included.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	UNAVAILABLE	UNEARNED
Delinquent property taxes receivable (General Fund)	$ 4,275,058	$ -
Delinquent property taxes receivable (Fire District Fund)	860,538	-
Probation fines (General Fund)	363,012	-
Total deferred/ unearned revenue for governmental funds	$ 5,498,608	$ -

Discretely Presented Component Units

	Health Department	Library System	Water & Sewerage Authority	Airport Authority	Development Authority
Receivables:					
Accounts	$ -	$ 118,356	$ 1,763,827	$ 77,148	$ 5,154
Intergovernmental	79,832	3,333	-	614,825	-
Total Gross Receivables	79,832	121,689	1,763,827	691,973	5,154
Less: Allowance for Uncollectibles	-	(106,396)	(341,033)	-	-
Total Net Receivables	$ 79,832	$ 15,293	$ 1,422,794	$ 691,973	$ 5,154

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2010 was as follows:

Governmental Activities:	Beginning Balance	Change in Accounting Principle	Adjusted Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Non-Depreciable Assets:							
Land and improvements	$ 13,177,074	$ -	$ 13,177,074	$ 1,000	$ -	$ 1,244,853	$ 14,422,927
Infrastructure land and improvements	-	-	-	865,286	-	(865,286)	-
Construction in progress	17,604,755	(3,535,472)	14,069,283	15,420,687	(5,262)	(7,845,202)	21,639,506
Total non-depreciable capital assets	30,781,829	(3,535,472)	27,246,357	16,286,973	(5,262)	(7,465,635)	36,062,433
Depreciable Assets:							
Buildings and improvements	109,663,495	-	109,663,495	35,402	-	391,134	110,090,031
Machinery and equipment	16,631,159	-	16,631,159	493,469	-	-	17,124,628
Vehicles	12,145,881	-	12,145,881	5,619,302	(164,285)	1	17,600,899
Infrastructure	557,471,792	(50,115,826)	507,355,966	4,224,634	-	7,074,501	518,655,101
Total depreciable capital assets	695,912,327	(50,115,826)	645,796,501	10,372,807	(164,285)	7,465,636	663,470,659
Less Accumulated Depreciation for:							
Buildings and improvements	(22,301,661)	-	(22,301,661)	(3,288,375)	-	-	(25,590,036)
Machinery and equipment	(10,101,528)	-	(10,101,528)	(1,626,938)	-	-	(11,728,466)
Vehicles	(8,015,799)	-	(8,015,799)	(1,271,636)	103,476	1	(9,183,958)
Infrastructure	(157,914,853)	(87,809,326)	(245,724,179)	(19,501,432)	-	-	(265,225,611)
Total accumulated depreciation	(198,333,841)	(87,809,326)	(286,143,167)	(25,688,381)	103,476	1	(311,728,071)
Total depreciable capital assets, net	497,578,486	(137,925,152)	359,653,334	(15,315,574)	(60,809)	7,465,637	351,742,588
Governmental activities capital assets, net	$ 528,360,315	$ (141,460,624)	$ 386,899,691	$ 971,399	$ (66,071)	$ 2	$ 387,805,021

On October 1, 2009, the County changed its method of calculating depreciation expense for road infrastructure assets. As a result, the cumulative effect of applying the new method decreased beginning net assets by $141,460,624. See Note 16 for additional details.

Additions to governmental activities capital assets for fiscal year ending September 30, 2010 consist of the following:

Capital Outlay	$ 20,274,172
Infrastructure, donated	5,520,323
Donated roads, nondepreciable	865,285
Total	$ 26,659,780

Non-depreciable capital assets additions	$ 16,286,973
Depreciable capital assets additions	10,372,807
Total	$ 26,659,780

Business-type Activities:	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Depreciable Assets:					
Buildings and improvements	$ 1,058,301	$ -	$ -	$ -	$ 1,058,301
Machinery and equipment	1,860,237	-	-	-	1,860,237
Vehicles	78,710	-	-	-	78,710
Total depreciable capital assets	2,997,248	-	-	-	2,997,248
Less Accumulated Depreciation for:					
Buildings and improvements	(346,962)	(21,348)	-	-	(368,310)
Machinery and equipment	(1,753,787)	(42,466)	-	65	(1,796,188)
Vehicles	(78,710)	-	-	-	(78,710)
Total accumulated depreciation	(2,179,459)	(63,814)	-	65	(2,243,208)
Total depreciable capital assets, net	817,789	(63,814)	-	65	754,040
Business-type activities capital assets, net	$ 817,789	$ (63,814)	$ -	$ 65	$ 754,040

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

Governmental Activities:	
General Government	$ 1,852,630
Judicial	42,901
Public Safety	2,414,039
Public Works	19,919,996
Public Health and Welfare	311
Recreation and Culture	1,430,198
Housing and Development	28,306
Total depreciation expense-governmental activities	$ 25,688,381
Business-type Activities:	
Solid Waste	$ 63,814
Total depreciation expense-business-type activities	$ 63,814

The County has authorized construction projects. The remaining costs are split between the portion of the contracts that have been entered into for which the work had not been done prior to September 30, 2010 and the remainder of the authorized project expenditure for which contracts have not been entered into as of year end. The source of financing for the remaining project cost is noted below:

	Expended To Date	Remaining Committment	Source
Governmental Activities:			
Road projects	$ 7,707,714	$ 8,280,924	SPLOST / Operations / Impact Fees
Health Services Building	1,319,101	(23,134)	Grant
Fire Stations	2,711,587	-	Bonds / SPLOST
Libraries	1,363,176	433,076	SPLOST / Grant
Andrew Bailey Park	369,300	-	SPLOST
Historic Courthouse	7,312,023	-	SPLOST
Site Development/Robinson	342,102	-	SPLOST
Various Other Projects	514,503	-	SPLOST / Operations / Bonds / Impact Fees
	$ 21,639,506	$ 8,690,866	

Discretely Presented Component Units

Activity for the Health Department for the year ended June 30, 2010, was as follows:

	Beginning Balance	Additions	Ending Balance
Governmental Activities:			
Depreciable Assets:			
Machinery and Equipment	$ 178,831	$ -	$ 178,831
Less Accumulated Depreciation	(164,722)	(7,663)	(172,385)
Capital Assets, net	$ 14,109	$ (7,663)	$ 6,446

Activity for the Library for the year ended, was as follows:

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Governmental Activities:					
Construction in progress	$ -	$ 19,664	$ -	$ -	$ 19,664
Total non-depreciable capital assets	-	19,664	-	-	19,664
Depreciable Assets:					
Machinery and equipment	$ 360,158	$ -	$ -	$ 101,256	$ 461,414
Books and collections	3,015,816	312,103	(39,560)	-	3,288,359
Total depreciable capital assets	3,375,974	312,103	(39,560)	101,256	3,749,773
Less Accumulated Depreciation for:					
Machinery and equipment	(16,441)	(74,429)	-	(101,256)	(192,126)
Books and collections	(1,735,065)	(298,268)	39,560	-	(1,993,773)
Total accumulated depreciation	(1,751,506)	(372,697)	39,560	(101,256)	(2,185,899)
Total depreciable capital assets, net	1,624,468	(60,594)	-	-	1,563,874
Capital Assets, net	$ 1,624,468	$ (40,930)	$ -	$ -	$ 1,583,538

The Library uses the composite method of depreciation for its books and collections. Under this method a full year of depreciation is taken in the year of acquisition and any asset disposed is considered to be fully depreciated.

Activity for the Water and Sewerage Authority for the year ended June 30, 2010, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Business-type Activities:				
Land and land improvements	$ 6,516,861	$ 595,611	$ (14,000)	$ 7,098,472
Construction in progress	18,402,025	6,064,453	(20,091,919)	4,374,559
Total non-depreciable capital assets	24,918,886	6,660,064	(20,105,919)	11,473,031
Depreciable Assets:				
Site improvements	2,077,674	33,751	-	2,111,425
Infrastructure	113,487,328	3,479,447	(431,590)	116,535,185
Buildings	18,698,028	16,471,319	(56,245)	35,113,102
Capitalized interest	369,258	-	-	369,258
Machinery and equipment	2,366,327	253,683	(18,821)	2,601,189
Total depreciable capital assets	136,998,615	20,238,200	(506,656)	156,730,159
Less Accumulated Depreciation for:				
Site improvements	(779,231)	(150,318)	-	(929,549)
Infrastructure	(22,641,038)	(2,171,485)	242,481	(24,570,042)
Buildings	(1,885,297)	(613,150)	-	(2,498,447)
Capitalized interest	-	(114,470)	-	(114,470)
Machinery and equipment	(1,637,799)	(250,081)	18,821	(1,869,059)
Total accumulated depreciation	(26,943,365)	(3,299,504)	261,302	(29,981,567)
Total depreciable capital assets, net	110,055,250	16,938,696	(245,354)	126,748,592
Capital Assets, net	$ 134,974,136	$ 23,598,760	$ (20,351,273)	$ 138,221,623

Activity for the Airport Authority for the year ended September 30, 2010, was as follows:

	Beginning Balance	Additions	Transfers	Ending Balance
Business-type Activities:				
Non-depreciable assets				
Land and improvements	$ 1,012,498	$ -	$ -	$ 1,012,498
Construction in progress	853,716	823,017	-	1,676,733
Total non-depreciable capital assets	1,866,214	823,017	-	2,689,231
Depreciable Assets:				
Buildings and improvements	9,208,817	-	-	9,208,817
Machinery and Equipment	126,574	-	-	126,574
Total depreciable capital assets	9,335,391	-	-	9,335,391
Less Accumulated Depreciation for:				
Building and improvements	(2,308,462)	(188,228)	-	(2,496,624)
Machinery and Equipment	(73,209)	(1,650)	-	(74,859)
Total accumulated depreciation	(2,381,671)	(189,878)	-	(2,571,483)
Total depreciable capital assets, net	6,953,720	(189,878)	-	6,763,908
Capital Assets, net	$ 8,819,934	$ 633,139	$ -	$ 9,453,139

Activity for the Development Authority for the year ended September 30, 2010, was as follows:

	Beginning Balance	Additions	Transfers	Ending Balance
Business-type Activities:				
Non-depreciable assets				
Land and land improvements	$ 1,496,595	$ -	$ -	$ 1,496,595
Total non-depreciable capital assets	1,496,595	-	-	1,496,595
Depreciable Assets:				
Machinery and equipment	18,388	-	-	18,388
Buildings and improvements	594,311	-	-	594,311
Total depreciable capital assets	612,699	-	-	612,699
Less Accumulated Depreciation for:				
Machinery and equipment	(18,388)	-	-	(18,388)
Buildings and improvements	(9,853)	(18,455)	-	(28,308)
Total accumulated depreciation	(28,241)	(18,455)	-	(46,696)
Total depreciable capital assets, net	584,458	(18,455)	-	566,003
Capital Assets, net	$ 2,081,053	$ (18,455)	$ -	$ 2,062,598

NOTE 6 - LONG-TERM DEBT

Long-term liability activity for the year ended September 30, 2010 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Governmental Activities:						
Bonds payable	$ 55,000,000	$ -	$ (8,640,000)	$ 46,360,000	$ 9,045,000	$ 37,315,000
Plus: original issue premium	1,439,259	-	(269,759)	1,169,500	269,760	899,740
Total general obligation bonds	56,439,259	-	(8,909,759)	47,529,500	9,314,760	38,214,740
Certificates of participation	5,010,000	-	(1,185,000)	3,825,000	1,220,000	2,605,000
Plus: original issue premium	265,493	-	(66,374)	199,119	66,373	132,746
Total certificates of participation	5,275,493	-	(1,251,374)	4,024,119	1,286,373	2,737,746
Capital leases	2,138,251	-	(256,902)	1,881,349	267,821	1,613,528
Net OPEB obligation	4,663,000	4,898,000	-	9,561,000	-	9,561,000
Net pension obligation	762,205	-	(35,459)	726,746	-	726,746
Compensated absences	3,004,465	2,014,236	(3,004,465)	2,014,236	1,409,965	604,271
Landfill closure/post-closure cost	284,806	488,269	(70,700)	702,375	47,000	655,375
Governmental activities long-term liabilities	$ 72,567,479	$ 7,400,505	$ (13,528,659)	$ 66,439,340	$ 12,325,919	$ 54,113,406
Business-type Activities:						
Compensated absences	$ 38,819	$ 24,101	$ (38,819)	$ 24,101	$ 24,101	$ -
Landfill closure/postclosure	596,724	-	38,285	635,009	40,000	595,009
Business-type activities long-term liabilities	$ 635,543	$ 24,101	$ (534)	$ 659,110	$ 64,101	$ 595,009

Compensated absences are generally liquidated by the general fund.

General Obligation Bonds

The County issued general obligation bonds, Series 2006, to provide funds for the acquisition and construction of major capital projects. General obligation bonds have been issued for governmental activities and are paid from the special local option sales tax fund. The original amount of the general obligation bonds was $35,000,000. The bonds carry an interest rate of 3.9% per annum and mature on September 30, 2013.

The County issued general obligation bonds, Series 2009, to provide funds to finance fire protection facilities and equipment. The Bonds are direct and general obligation of the County payable from an ad valorem tax, unlimited as to rate or amount, to be levied upon all taxable property within the fire bond district. The original amount of the general obligation bonds was $20,000,000. The bonds carry interest rates between 2.0-4.4% per annum and mature on September 30, 2029.

Bond debt service requirements are as follows:

September 30,	Principal	Interest	Total
2011	$ 9,045,000	$ 1,900,946	$ 10,945,946
2012	9,440,000	1,461,364	10,901,364
2013	9,865,000	994,483	10,859,483
2014	700,000	736,283	1,436,283
2015	775,000	711,533	1,486,533
2016 - 2020	4,545,000	3,053,377	7,598,377
2021 - 2025	5,945,000	1,914,517	7,859,517
2026 - 2029	6,045,000	540,797	6,585,797
	$ 46,360,000	$11,313,300	$ 57,673,300

The County has pledged future Special Purpose Local Option sales tax proceeds (SPLOST) to repay an original debt of $35,000,000 related to the 2006 general obligation bonds. The total principal and interest remaining to be paid is $28,734,532 and is payable through 2013. Interest payments in the amount of $1,521,521 were paid during 2010 which was approximately 8.04% of SPLOST revenues.

Certificates of Participation

The County annually renews Certificates of Participation, original amount $6,170,000, under a lease with the Association County Commissioners of Georgia. Through this, the County has financed construction of the Juvenile Justice Center. These lease agreements are being repaid through the SPLOST fund. These agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through certificates of participation are as follows:

	Governmental Activities
Buildings	$ 6,170,000
Less accumulated depreciation	(493,704)
	$ 5,676,296

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2010, were as follows:

September 30,	Principal
2011	$ 1,364,152
2012	1,356,637
2013	1,358,619
Total minimum lease payments	4,079,408
Less: amount representing interest @ 3.50%	(254,408)
Present value of minimum lease payments	$ 3,825,000

Capital Leases

The County has entered into capital leases, original amount $2,621,062, for the purpose of financing energy efficiency improvements to various County facilities. The leases are being repaid through the Capital Projects fund.

The assets acquired through capital leases are as follows:

	Governmental Activities
Building renovations	$ 2,730,173
Less accumulated depreciation	(379,191)
	$ 2,350,982

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2010, were as follows:

September 30,	Principal
2011	$ 344,312
2012	344,312
2013	344,312
2014	344,312
2015	344,312
2016	344,312
Total minimum lease payments	2,065,872
Less: amount representing interest at 4.35%	(184,523)
Present value of minimum lease payments	$ 1,881,349

Discretely Presented Component Units

During the year September 30, 2010, the following changes occurred in liabilities reported in long-term debt of the Development Authority, the Airport Authority, the Department of Public Health and the Water and Sewerage Authority component units:

Component Units	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Health Department						
Compensated absences	$ 119,976	$ 12,638	$ -	$ 132,614	$ -	$ 132,614
Airport Authority						
Notes Payable	$ 643,403	$ -	$ (56,477)	$ 586,926	$ 60,100	$ 526,826
Compensated absences	17,000	18,163	(17,000)	18,163	18,163	-
Total Airport Authority	$ 660,403	$ 18,163	$ (73,477)	$ 605,089	$ 78,263	$ 526,826

Component Units	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Water and Sewerage Authority						
Revenue Bonds	$ 78,125,000	$ -	$ (2,075,000)	$ 76,050,000	$2,265,000	$ 73,785,000
Less: Loss on Refunding	(2,608,076)	-	154,162	(2,453,914)	-	(2,453,914)
Plus: Original Issue Premium	3,432,410	-	(186,234)	3,246,176	-	3,246,176
Total Revenue Bonds	78,949,334	-	(2,107,072)	76,842,262	2,265,000	74,577,262
Notes Payable	4,859,554	-	(921,135)	3,938,419	929,055	3,009,364
Capital Leases	1,702,528	-	(198,647)	1,503,881	206,739	1,297,142
Deposits	1,238,405	34,562	-	1,272,967	-	1,272,967
Compensated Absences	251,837	24,767	-	276,604	-	276,604
Total Water and Sewerage Authority	$ 87,001,658	$ 59,329	$ (3,226,854)	$ 83,834,133	$3,400,794	$ 80,433,339

Revenue Bonds

The Water and Sewerage Authority, a discretely presented component unit of the County, issues revenue bonds to construct and maintain the water and sewerage system of Coweta County. Income derived from the acquired or constructed assets are used to pay debt service. The original amount of revenue bonds issued in prior years is $84,040,000.

The Water and Sewerage Authority issued revenue bonds currently outstanding at June 30, 2010 are:

Series 2001 Revenue Bonds – The Water and Sewerage Authority issued revenue bonds to be used for acquisition of water and sewerage systems and the refunding of revenue bonds. The bonds bear interest at rates from 3.00% to 5.50%.

Series 2005 Revenue Bonds – The Water and Sewerage Authority issued revenue bonds to be used for acquisition of water and sewerage systems and the addition and improvement of the water and sewerage system. The bonds bear interest at rates from 3.50% to 5.00%.

Series 2005 Refunded Revenue Bonds – The Water and Sewerage Authority issued revenue bonds to be used for the partial refunding of the 2001 bond issue. The bonds bear interest at rates from 2.70% to 5.00%.

Series 2007 Revenue Bonds – The Water and Sewerage Authority issued revenue bonds to be used for acquisition of water and sewerage systems and the addition and improvement of the water and sewerage system. The bonds bear interest at rates from 4.00% to 5.00%.

Revenue bond debt service requirements to maturity are as follows:

June 30,	Principal	Interest	Total
2011	$ 2,265,000	$ 3,634,840	$ 5,899,840
2012	2,375,000	3,541,998	5,916,998
2013	2,480,000	3,457,248	5,937,248
2014	2,595,000	3,359,073	5,954,073
2015	2,820,000	3,254,897	6,074,897
2016 - 2020	16,780,000	14,094,347	30,874,347
2021 - 2025	21,825,000	9,527,937	31,352,937
2026 - 2030	11,250,000	4,699,087	15,949,087
2031 - 2035	9,400,000	2,535,000	11,935,000
2036 - 2038	4,260,000	318,500	4,578,500
	$ 76,050,000	$48,422,927	$ 124,472,927

Capital Lease

The Water and Sewerage Authority has entered into capital lease for the purpose of financing energy efficiency improvements to various County facilities.

The assets acquired through capital leases are as follows:

	Business-Type Activities
Building renovations	$ 2,011,933

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2010, were as follows:

June 30,	Principal
2011	$ 265,328
2012	265,328
2013	265,328
2014	265,328
2015	265,328
2016 - 2018	663,320
Total minimum lease payments	1,989,960
Less: amount representing interest @4.03%	(486,079)
Present value of minimum lease payments	$ 1,503,881

Notes Payable

The Airport Authority issues notes payable to provide funds for improvements to the Newnan-Coweta Airport. The notes payable, which bear interest of 5.83%, mature September 1, 2018. Notes payable requirements to maturity are as follows:

September 30,	Principal	Interest	Total
2011	$ 60,100	$ 32,615	$ 92,715
2012	63,615	29,100	92,715
2013	67,508	25,206	92,714
2014	71,551	21,164	92,715
2015	75,835	16,879	92,714
2016 - 2018	248,317	22,327	270,644
	$ 586,926	$ 147,291	$ 734,217

The Water and Sewerage Authority issues notes payable to provide funds for constructing and operating the water and sewerage system of Coweta County, as well as land acquisition for a future reservoir. The original amount of notes payable issued in prior years was $3,889,901. The notes payable bear interest from 4.0% to 5.0%. Notes payable requirements to maturity are as follows:

June 30,	Principal	Interest	Total
2011	$ 929,055	$ 173,502	$ 1,102,557
2012	937,311	128,538	1,065,849
2013	211,728	83,223	294,951
2014	220,698	74,252	294,950
2015	230,049	64,902	294,951
2016 - 2020	1,304,994	169,768	1,474,762
2021 - 2022	104,584	1,666	106,250
	$ 3,938,419	$ 695,851	$ 4,634,270

NOTE 7 - INTERFUND BALANCES AND ACTIVITY

The composition of interfund balances as of September 30, 2010, is as follows:

	Due From					
Due To	General Fund	Fire District	SPLOST	Other nonmajor governmental funds	Solid Waste	Total
General Fund	$ -	$ 1,065,106	$ 42,166	$ 664,127	$ 61,870	$ 1,833,269
Other nonmajor governmental funds	121	-	520	98,802	-	99,443
Total	$ 121	$ 1,065,106	$ 42,686	$ 762,929	$ 61,870	$ 1,932,712

These balances resulted from (1) the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, (2) the time lag between the dates that transactions are recorded in the accounting system, (3) the time lag between the dates that payments between funds are made, (4) short-term loans, and (5) to fund capital projects.

Interfund transfers as of the year ended September 30, 2010 are as follows:

	Transfers out		
Transfers in	General Fund	Other nonmajor governmental funds	Total
General Fund	$ -	$ 117,700	$ 117,700
Solid Waste	496,900	-	496,900
Total	$ 496,900	$ 117,700	$ 614,600

Transfers are used to supplement operating budgets.

NOTE 8 - RETIREMENT PLANS

DEFINED BENEFIT PENSION PLAN

(A) PLAN DESCRIPTION

The County contributes to the Coweta County Pension Plan, which is a single employer public employee retirement system. The plan issues a stand-alone report. This report may be obtained from: PENCOR/Data Plans, Inc., 1361 13th Avenue, South, Suite 250, Jacksonville Beach, FL 32250.

The Plan was established by resolution of the Board of Commissioners. It may also be amended by resolution of same.

The plan, which is administered by Securian Retirement Services, covers all full-time employees of the County who were eligible to participate prior to July 1, 2006. The plan was frozen as of July 1, 2006, and employees hired subsequent to this date are not eligible to participate in the plan. The County's payroll for employees participating in the plan as of July 1, 2010, (the most recent actuarial valuation date) was $18,245,783 (based on covered earnings of the preceding year.)

All full-time employees who met the eligibility requirements prior to July 1, 2006, are eligible to participate in the plan, except for full-time employees participating in any other retirement plan operated by any federal, state or local government, or instrumentality thereof. Benefits are fully vested after twenty-five years of service.

Participants become eligible to retire at age 65 with 10 years of participation in the plan or age plus service of 85 with 25 or more years of credited service or completion of 35 years of credited service. Currently, 27 retirees receive post-employment benefits. Upon eligibility to retire, participants are entitled to an annual benefit in the amount of 1.5% of Average Monthly Compensation for each of the first 15 years of participation, plus 2% for each year of participation from 16 to 25 years, plus 3% for each year of participation over 25 years up to a maximum of 39 years or completion of 35 years of credited service.

The Average Monthly Compensation is the participant's reported base earnings in the highest paid three years of employment divided by 36. Service is limited to 39 years. The plan also provides benefits in the event of death or disability. These benefit provisions were established by an adoption agreement executed by the County Board of Commissioners.

County employees are required to contribute to the plan 2.75% of compensation. The County matches the employee contribution. In addition, the County contributes the remaining cost, using the actuarial basis described in the annual valuation report.

The plan's financial statements are prepared on a cash basis, modified to include unrealized gains or losses on marketable securities owned by the plan and increments to the cash value of death benefits.

Investments in securities are valued at current market prices. The trust fund is invested 100% in a Guaranteed Investment Contract of Securian, Inc.

Plan assets do not include any loans, notes, bonds, or other instruments or securities of the County or related parties.

(B) FUNDING POLICY

The County is required to contribute at an actuarially determined rate. Section 47-20 of the Georgia code sets forth minimum funding standards for state and local governmental pension plans. Net investment expense and administrative expenses are not paid from County's pension plan. The Plan's administrator invests proceeds received from the plan at a higher rate of interest that what the County receives as interest compensation. The difference is considered to be the investment expense and administrative expense charged by the plan's administrator.

Plan funding policy provides for contributions made under the *Aggregate Cost Method* actuarial cost method. The actuarial cost method does not identify or separately amortize unfunded actuarial accrued liabilities.

Contributions totaling $3,471,407 ($2,995,778 employer and $475,629 employee) were made in accordance with contribution requirements determined by an actuarial valuation performed as of July 1, 2010. The employer contribution represents 16.42% of current year covered payroll.

(C) ANNUAL PENSION COST

The County's contributions for the years ended September 30, 2010, 2009, and 2008 are as follows.

Fiscal Year Ending September 31,	Annual Pension Cost	Actual County Contributions	Percentage of ARC Contributed	Net Pension Obligation
2010	$ 3,435,948	$ 3,471,407	101.0 %	$ 726,746
2009	3,139,273	2,709,850	86.3 %	762,205
2008	$ 2,670,142	$ 2,207,526	82.7 %	$ 332,782

Participants as of July 1, 2010, (the most recent actuarial valuation date) are shown below:

Frozen participants	50
Retirees and beneficiaries	59
Terminated plan participants entitled to but not yet receiving benefits	2
Active employees participating in the plan	371
Total number of plan participants	482

The information was determined as part of the actuarial valuation as of July 1, 2010. Additional information as of the latest actuarial valuation follows:

Valuation date	July 1, 2010
Actuarial cost method	Aggregate cost method
Amortization method	N/A
Remaining amortization period	N/A
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate return	6.00%
Projected salary increases	2.50%
Inflation rate assumption	2.50%
Cost-of-living adjustments	2.50%

The County's annual pension cost and net pension obligation for the pension plan were determined as follows:

	2010
Normal Costs	$ 3,435,948
Contributions	(3,471,407)
Increase (decrease) in net pension obligation	(35,459)
Net pension obligation, Beginning of year	762,205
Net pension obligation, End of year	$ 726,746

Due to the aggregate cost method, interest on net pension obligation and adjustments to annual required contributions are not required.

Total actuarial accrued liability to County employees was $37,796,333 at July 1, 2010, as follows:

Actuarial accrued liability:	
Retirees currently receiving benefits	$ 16,021,672
Active participants vested benefits	12,945,724
Total vested	28,967,396
Active non-vested accrued benefits	8,026,909
Total accumulated benefit liability	36,994,305
Benefit obligation related to assumed future pay increases	4,616,325
Total accrued liability	41,610,630
Actuarial value of assets of (83.01% total accrued liability)	35,070,636
Total unfunded (surplus) actuarial liability	$ (6,539,994)

This is 35.84% of covered payroll

(D) FUNDED STATUS AND FUNDING PROGRESS

The Schedule of Funding Progress included in the required supplementary information 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. Because the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial accrued liabilities, the schedule of funding progress has been prepared using the entry age actuarial cost method to serve as a surrogate for the funded status and funding progress of the plan. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations. The data for the current year and the two preceding years are as follows:

Actuarial Valuation Date July 1,	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL) - Entry Age Method (2)	Unfunded AAL (2-1)	Funded Ratio (1/2)	Annual Covered Payroll (prior year) (3)	UAAL as a Percentage of Covered Payroll (2-1)/3
2010	$ 35,070,636	$ 56,806,521	$ 21,735,885	61.74 %	$18,245,783	(119.13)%
2009	31,376,098	52,011,930	20,635,832	60.32 %	19,305,615	(106.89)%
2008	$ 28,105,719	$ 46,972,452	$ 18,866,733	59.83 %	$19,489,905	(96.80)%

DEFINED CONTRIBUTION PLAN

(A) PLAN DESCRIPTION

The County has a defined contribution plan which is administered by MG Trust Company. The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to County employees hired after July 1, 2006 and permits them to defer a portion of their salary until future years. The County matches employee contributions on a 1:1 ratio up to a maximum of five percent. In the year ended September 30, 2010, employee contributions were $483,383 and County contributions were $428,857. Plan provisions and contribution requirements are established and amended by a resolution of the County Commissioners.

OTHER POST-EMPLOYMENT BENEFITS

(A) PLAN DESCRIPTION

The Coweta County, Georgia Post-Retirement Medical Plan is a single-employer defined benefit healthcare plan. The plan does not issue a stand-alone report. The County provides post-employment single coverage healthcare, life insurance, dental, accidental death and dismemberment coverage benefits, in accordance with commission resolution, to all employees participating in the defined benefit plan and defined contribution plan who attain age 65 with 10 or more years of credited service or completion of 35 years of credited service. Currently, 27 retirees receive post-employment benefits.

The plan was established by resolution of the Board of Commissioners. It may also be amended by resolution of same.

(B) FUNDING POLICY

The post-retirement medical insurance benefits are currently funded on a pay-as-you-go basis. The County currently funds on a cash basis as benefits are paid. No assets have been segregated and restricted to provide post-retirement benefits. For fiscal year 2010, the County contributed $302,541 to the plan. In fiscal year 2010, **total member contributions were $**17,103.

(C) ANNUAL OPEB COST AND NET OPEB OBLIGATION

The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution by the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation:

	2010
Annual required contribution	$ 5,285,000
Interest on net OPEB obligation	187,000
Adjustment to annual required contribution	(198,000)
Annual OPEB cost	5,274,000
Employer contributions made with interest	(376,000)
Increase (decrease) in net OPEB obligation	4,898,000
Net OPEB obligation, Beginning of year	4,663,000
Net OPEB obligation, End of year	$ 9,561,000

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 and 2009 is as follows:

Fiscal Year Ending September 30,	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2010	$ 5,274,000	$ 376,000	7.1 %	$ (9,561,000)
2009	$ 4,974,000	$ 311,000	6.3 %	$ (4,663,000)

(D) FUNDED STATUS AND FUNDING PROGRESS

As of July 1, 2007 the most recent actuarial valuation date, the plan was 0 percent funded. The actuarial accrued liability for benefits was $52,809,000, and the actuarial value of assets was $ 0 , resulting in an unfunded actuarial accrued liability (UAAL) of $52,809,000. The covered payroll (annual payroll of active employees covered by the benefits) was $22,979,000, and the ratio of the UAAL to the covered payroll was 190.5 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, present 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.

(E) ACTUARIAL METHODS AND ASSUMPTIONS

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with long-term perspective of the calculations.

The information was determined as part of the actuarial valuation as of July 1, 2007. Additional information as of the latest actuarial valuation follows:

Valuation date	July 1, 2007
Actuarial cost method	Entry Age Normal
Amortization method	30-year open period; level percent of pay
Asset valuation method	N/A
Actuarial assumptions:	
Investment rate return	4.00%
Includes inflation at	2.50%
Healthcare cost trend rate(s):	
Select rates	10.00% for medical to 5.00% for 2013
Ultimate rate	5.00%

Post retirement benefit increase	N/A
Projected salary increases	N/A

DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all County employees and permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

As of December 31, 1998, all assets were transferred into a trust for the exclusive benefit of employees and beneficiaries and are no longer solely the property of the County, subject only to claims of the County's general creditors. Due to this transfer, these assets are no longer reflected on the County's books.

OTHER PLANS

In addition to the above pension plans, the following pension and retirement plans cover County employees but the County is not legally responsible for contributions to the pension plans. Other governmental entities are legally responsible for these contributions as well as required disclosures.

(A.) PROBATE JUDGES' RETIREMENT FUND OF GEORGIA
The Probate Judge is covered under a pension plan which requires that certain sums from marriage licenses and fines or bond forfeitures be remitted to the pension plan before the payment of any costs or other claims.

(B.) CLERK OF SUPERIOR COURT AND CLERK OF STATE COURT RETIREMENT FUND
The Clerk of Superior Court and Clerk of State Court are covered under a pension plan which requires that certain sums from fees and fines or bond forfeitures be remitted to the pension plan before the payment of any costs or other claims.

(C.) SHERIFFS' RETIREMENT FUND/PEACE OFFICERS' ANNUITY AND BENEFIT FUND
The Sheriff and Sheriff's Deputies are covered under separate pension plans which require that certain sums from fines or bond forfeitures be remitted by the Probate Judge or Clerk of Superior Court and Clerk of State Court to the pension plans before the payment of any costs or other claims.

(D.) JUDICIAL RETIREMENT SYSTEM
State, Superior, and Juvenile Court Judges along with the Solicitor General are eligible to participate in the Georgia Judicial Retirement System. The Georgia Judicial Retirement System was created by legislation and made effective July 1,

1998. This System is for current and future members/retirees of the Superior Court Judges Retirement System, the District Attorneys Retirement System, and the Trial Judges and Solicitors Retirement Fund (referred to as "predecessor systems') and certain employees of the Attorney General/Legislative Counsel.

The Georgia Judicial Retirement System is administered by the Board of Trustees of the Employees' Retirement System and three additional members appointed by the Governor — each of whom shall be either a superior court judge, a state court judge, a district attorney, a state court solicitor-general, or a juvenile court judge

(E.) EMPLOYEES' RETIREMENT SYSTEM

Employees of the Coweta County Tax Commissioners office are eligible to participate in the Employees' Retirement System. Employees' Retirement System (ERS) was established and began administering retirement benefits for State of Georgia employees on January 1, 1950, as provided by laws enacted through the Georgia General Assembly.

Laws governing ERS provide for service retirements, death and disability benefits, or refunds of contributions and interest to members who leave State employment. Employee and employer contributions are paid into the retirement fund for the welfare of members and their beneficiaries. All benefits are paid from this fund

NOTE 9 - RISK MANAGEMENT

The County is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The County provides health insurance for its employees under a plan of partial self-insurance. Under this plan, the County covers claim settlements and judgments out of its General Fund resources. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. At September 30, 2010, the County included $1,134,434 for unpaid claims in accrued expenses. This liability was determined based on actual claims received for the first two months after year end plus projected claims based on prior years' activity. These claims are expected to be paid within 12 months of the year end.

The County purchases commercial insurance for claims in excess of coverage provided by the County. During the year ended September 30, 2010, excess coverage was obtained for any individual claim in excess of $90,000 or aggregate claims in excess of $1,000,000.

Year ended September 30,	Beginning of Year	Incurred Claims	Claims Payments	End of Year
2009	$ 574,747	$ 9,825,252	$ (9,651,852)	$ 748,147
2010	$ 748,147	$ 10,435,058	$ (10,048,771)	$ 1,134,434

WORKERS' COMPENSATION

The County purchases insurance for workers' compensation from independent carriers. The County pays all claims up to $350,000 for each accident and $350,000 for each employee for injury by disease, and the policy provides coverage for any individual claim in excess of $350,000 up to $1,000,000 per claim. Under this plan, the County covers claim settlements and judgments out of its General Fund resources. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. At September 30, 2010, the County included $96,131 for unpaid claims in accrued expenses. This liability was determined based on actual claims received for the first two months after year end plus projected claims based on prior years' activity. These claims are expected to be paid within 12 months of the year end.

Year ended September 30,	Beginning of Year	Incurred Claims	Claims Payments	End of Year
2009	$ 71,368	$ 206,232	$ (140,100)	$ 137,500
2010	$ 137,500	$ 26,210	$ (67,579)	$ 96,131

OTHER

The County purchases insurance for property losses from independent carriers. The County has in effect property insurance coverage up to $175,294,060 for building, $13,272,488 for personal property and $2,983,973 for equipment with a $25,000 deductible per incident.

The County maintains a $1 million comprehensive general liability policy with a $25,000 deductible per incident. The County maintains a $1 million combined automobile policy with a $25,000 deductible per incident. The County maintains a $1 million public entity management liability coverage with a $25,000 deductible per incident. In addition, the County also maintains a policy providing $5,000,000 in excess coverage over these limits.

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. Settled claims in the past three years have not exceeded the coverages.

NOTE 10 - CONTINGENT LIABILITIES

Amounts received or receivable for grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

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

In September of 2009, the County accepted a Community Development Block Grant from the Department of Community Affairs in the amount of $500,000 for the construction of a new Health Department. As a condition of the grant, the County must agree to use the facility for the approved purpose throughout the life of the facility. Should the facility be converted to an ineligible use, the Department of Community Affairs will require repayment of the grant. The repayment will be based on 20-year straight-line depreciation, except 100% repayment of the grant funds will be required to be repaid if the facility is converted during the first five years after the grant closeout date. The period for calculating the repayment amount began upon closeout of the grant in October 2010 and continue until approximately October 2030.

NOTE 11 - LANDFILL CLOSURE AND POSTCLOSURE CARE COST

State and Federal laws and regulations require the County to place a final cover on a landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The County recognizes a portion of the closure and postclosure care costs in each operating period even though actual payouts will not occur until the landfill is closed. The amount recognized each year is based on the landfill capacity used as of the balance sheet date.

As of September 30, 2010, the County has recorded a liability for the Ishman Ballard Road municipal solid waste landfill of $702,375, which represents the estimated postclosure costs and remediation costs based on 100% of landfill capacity used to date. All estimated liabilities for these costs have been recognized since the landfill is no longer used. This liability is annually reduced by post-closure costs being repaid through the County's General fund.

As of September 30, 2010, the County has recorded a liability for the construction and demolition landfill of $635,009, which represents the estimated postclosure costs based on 40.54% of landfill capacity used to date. The County will recognize the remaining estimated cost of closure and post-closure care of $931,366 in the Solid Waste Fund, as the remaining estimated capacity is filled. These amounts are based on what it will cost to perform all closure and post-closure care in 2010. The County expects to close the landfill in the year 2025. The estimated

costs are subject to changes such as the effects of inflation, revision of laws and other variables.

The estimated liability for the closure, post-closure and remediation costs have been estimated using figures provided by the Coweta County consulting engineer.

The County is also required to demonstrate financial assurance that the postclosure care cost can be paid in the future. The County has fulfilled this requirement for the period ended September 30, 2010, using the financial ratio tests.

NOTE 12 - THREE RIVERS REGIONAL COMMISSION

Under Georgia law, the County, in conjunction with other cities and counties in the area, is a member of the Three Rivers Regional Commission and is required to pay annual dues thereto. During its year ended September 30, 2010, the County paid $84,700 in such dues.

Membership in a regional commission is required by the official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the regional commission in Georgia. The Three Rivers Regional Commission Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the governments are liable for any debts or obligations of a regional commission. Separate financial statements may be obtained by request mailed to:

Three Rivers Regional Commission
P.O. Box 818
Griffin, Georgia 30224-2607

NOTE 13 - CERTAIN SIGNIFICANT ESTIMATES

As discussed in NOTE 1, estimates are used in the preparation of these financial statements. Several of the estimates qualified as a significant estimate, in that it is reasonably possible that the estimate will change in the near term due to one or more future confirming events and this change will have a material effect on the financial statements.

The estimate for the closure/postclosure costs of the County's landfill qualifies as a significant estimate.

The estimate for allowance for doubtful accounts related to fines receivable qualifies as a significant estimate. The estimate is calculated based on prior years' collection experience.

The estimates for claims payable for health insurance and workers compensation as discussed in NOTE 9 qualify as significant estimates.

The estimate for accumulated depreciation on capital assets qualifies as a significant estimate. This estimate is based on the original or estimated cost of the assets, depreciated over the

estimated useful lives using the straight line method.

NOTE 14 - HOTEL/MOTEL TAX

During the year ended September 30, 2010, the County collected $196,166 of which $78,466 was required to be spent to promote tourism, conventions, and trade shows. The County actually spent $115,825. This was 148% of tax receipts to be expended for these purposes under OCGA-48-13-51. The County complied with the requirements of this law.

NOTE 15 - JOINT VENTURE

The County Board of Commissioners participate in a joint venture with the Newnan City Council. The joint board is called the Newnan/Coweta Emergency Services Training Facility Board. This joint board oversees the day-to-day operations of the training facility. The board is comprised of department heads from the participating agencies and they are as follows: Newnan Fire Department, Newnan Police Department, Coweta County Chapter American Red Cross, Coweta County E-911/EMA, Coweta County Sheriff's Office, and the Coweta County Fire Department.

NOTE 16 - CHANGE IN ACCOUNTING PRINCIPLE

On October 1, 2009, the County changed its method of calculating depreciation expense for road infrastructure assets. In all prior periods, the straight-line depreciation method was used for calculating depreciation expense for the road surface component and the component for road base was not depreciated. The new method combines all components of a road together and applies a composite rate of depreciation. Management considers this method preferable because the method simplifies the financial reporting process of road infrastructure assets for the County. As a result, the cumulative effect of applying the new method decreased beginning net assets by $141,460,624.

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COWETA COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

COWETA COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
For the Year Ended September 30, 2010
"Unaudited"

DEFINED BENEFIT PENSION PLAN

Actuarial Valuation Date (7/1)	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Annual Covered Payroll (prior year)	(6) UAAL as a Percentage of Covered Payroll (4) / (5)
2008	$ 28,105,719	$ 46,972,452	59.83 %	$ 18,866,733	$ 19,489,905	96.80 %
2009	31,376,098	52,011,930 *	60.32 %	20,635,832	19,305,615	106.89 %
2010	$ 35,070,636	$ 56,806,521	61.74 %	$ 21,735,885	$ 18,245,783	119.13 %

The information presented in the above required supplementary schedule was determined as part of the actuarial valuations at the dates indicated. Because the aggregate actuarial cost method used in the valuation does not identify or separately amortize unfunded actuarial liabilities, the information above is presented using the entry age actuarial cost method, as required by GASB Statement No. 25, amended by GASB Statement No. 50.

See Note 8 for the actuarial methods and significant assumptions used to determine the Actuarial Required Contribution for the current year and the funded status of the plan.

*The 2009 AAL has been revised from the 2009 amount previously reported. At the time when the 2009 report was produced, it was intended that the cost of living assumption be increased from 2.50% to 3.15%. However, this change was not adopted so the 2009 AAL has been revised accordingly.

OTHER POST-EMPLOYMENT BENEFITS

Actuarial Valuation Date (7/1)	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Annual Covered Payroll (prior year)	(6) UAAL as a Percentage of Covered Payroll (4) / (5)
2009	$ -	$ 48,173,000	$ - %	$ 48,173,000	$ 22,979,000	209.64 %
2010	$ -	$ 52,809,000	$ - %	$ 52,809,000	$ 22,979,000	229.81 %

2009 was the first year that this plan was effective and the actuarial valuation covered fiscal year ending September 30, 2009 and 2010.

COWETA COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
DEFINED BENEFIT PENSION PLAN
For the Year Ended September 30, 2010
"Unaudited"

Fiscal Year Ended	Annual Required Contribution	Percentage Contributed
2010	$ 3,435,948	101 %
2009	3,139,273	86 %
2008	2,670,142	83 %
2007	2,312,489	105 %
2006	2,249,474	100 %
2005	2,013,184	101 %
2004	$ 1,909,024	99 %

COWETA COUNTY, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended September 30, 2010
(Required Supplementary Information)

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year as restated	$ 28,306,417	$ 28,306,417	$ 28,306,417	$ -
RESOURCES (INFLOWS)				
Taxes	48,569,100	48,934,100	48,938,836	4,736
Licenses and permits	1,617,000	2,067,000	2,090,535	23,535
Intergovernmental	120,000	598,680	611,254	12,574
Fines and forfeitures	4,002,000	5,602,000	5,609,364	7,364
Charges for services	4,662,250	5,362,250	5,382,720	20,470
Contributions and donations	-	-	6,830	6,830
Investment income	100,000	260,000	266,291	6,291
Miscellaneous	51,500	157,153	153,804	(3,349)
Sale of county property	-	-	8,502	8,502
Transfers in	-	-	117,700	117,700
Total Resources (Inflows)	59,121,850	62,981,183	63,185,836	204,653
AMOUNTS AVAILABLE FOR APPROPRIATION	87,428,267	91,287,600	91,492,253	204,653
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
General Government				
Commissioners	201,899	201,899	195,475	6,424
Administrator	698,271	698,271	556,863	141,408
Elections	284,593	284,593	207,563	77,030
Financial administration	814,428	814,428	710,021	104,407
Business license	174,181	174,386	174,387	(1)
County attorney	325,000	325,000	278,907	46,093
Information technology	922,229	922,229	831,674	90,555
Human resources	214,267	217,267	217,261	6
Tax commissioner	1,016,343	1,031,563	1,031,550	13
Tax assessor	1,400,601	1,402,231	1,402,230	1
Insurance	1,525,000	2,582,000	2,581,841	159
Public buildings	2,755,525	2,805,655	2,651,860	153,795
Information officer	118,644	118,644	108,442	10,202
General county	2,012,215	2,434,315	2,434,271	44
Appropriations	82,917	84,717	84,700	17
Registrar	150,765	150,765	141,676	9,089
Total General Government	12,696,878	14,247,963	13,608,721	639,242
Judicial				
Superior court	66,528	69,278	64,601	4,677
Clerk of superior court	1,117,986	1,141,986	1,141,224	762
District attorney	529,363	529,363	526,517	2,846
State court	469,541	484,941	456,894	28,047
Magistrate court	706,245	706,538	706,538	-
Probate court	493,996	493,996	457,812	36,184
Clerk of of state court	493,402	493,402	455,588	37,814
Juvenile court	628,243	628,243	578,955	49,288
Supplemental courts	576,000	576,000	505,144	-
Solicitor	755,884	768,184	768,130	54
Victim witness	177,470	179,870	176,306	3,564
Indigent defense	552,678	555,178	509,019	46,159
Appropriations	1,200	1,200	824	376
Pretrial services	25,000	25,000	7,155	17,845
Total Judicial	6,593,536	6,653,179	6,354,707	227,616
Public Safety				
Public safety administration	13,860	13,860	10,013	3,847
Sheriff	10,525,883	10,764,883	10,764,815	68
Jail	4,827,411	5,362,411	5,361,924	487
Work release center	598,291	598,291	536,850	61,441
Community service	2,500	2,500	2,483	17
Correctional institute	3,453,197	3,453,197	3,380,817	72,380
Emergency management	78,793	78,793	75,490	3,303
Ambulance services	576,800	614,700	614,668	32

COWETA COUNTY, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended September 30, 2010
(Required Supplementary Information)

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
CONTINUED.....				
Coroner	76,265	76,265	64,015	12,250
Drug abuse treatment	65,000	65,000	33,866	31,134
School resource officers	622,753	622,753	619,847	2,906
Adult probation	440,294	453,894	453,888	6
Animal control	530,152	532,252	532,225	27
Total Public Safety	21,811,199	22,638,799	22,450,901	187,898
Public Works				
Public works	3,573,072	3,573,072	3,354,370	218,702
Roadway construction	4,928,414	5,600,300	5,600,573	(273)
Community lighting/service	102,000	112,510	112,501	9
Equipment expense	92,000	102,000	101,975	25
Storm water division	649,473	650,571	513,576	136,995
Solid waste and recycling	-	70,700	70,700	-
Heavy equipment shop	350,700	453,000	452,871	129
Auto shop	98,100	99,300	99,265	35
Engineering	952,163	1,027,679	853,589	174,090
Total Public Works	10,745,922	11,689,132	11,159,420	529,712
Public Health and Welfare				
Health department	197,500	197,500	197,500	-
Mental health	33,000	33,610	33,605	5
Family and children services	158,000	158,000	158,000	-
Total Public Health and Welfare	388,500	389,110	389,105	5
Recreation and Culture				
Recreation	1,891,512	2,349,187	2,286,869	62,318
Library	1,946,254	1,953,614	1,953,612	2
Total Recreation and Culture	3,837,766	4,302,801	4,240,481	62,320
Housing and development				
Forestry	6,870	9,470	9,439	31
Building department	1,156,328	1,156,328	1,087,984	68,344
Planning and zoning	769,323	776,173	776,136	37
Ordinance enforcement	132,423	134,973	134,956	17
Appropriations	14,100	14,250	14,233	17
County agent	166,150	166,150	149,945	16,205
Development Authority	242,251	242,251	242,251	-
Airport	33,360	33,360	-	33,360
GIS mapping	133,644	133,644	130,846	2,798
Total Housing and Development	2,654,449	2,666,599	2,545,790	120,809
Transfers out	567,600	567,600	496,900	70,700
TOTAL CHARGES TO APPROPRIATIONS	59,295,850	63,155,183	61,246,025	1,838,302
CHANGE IN FUND BALANCE	(174,000)	(174,000)	1,939,811	2,113,811
FUND BALANCE, End of year	$ 28,132,417	$ 28,132,417	$ 30,246,228	$ 2,113,811

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

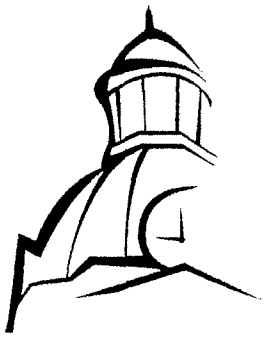
COWETA COUNTY, GEORGIA
BUDGETARY COMPARISON SCHEDULE
FIRE DISTRICT
For the Year Ended September 30, 2010
(Required Supplementary Information)

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 26,789,485	$ 26,789,485	$ 26,789,485	$ -
RESOURCES (INFLOWS)				
Taxes	8,762,200	10,499,200	10,499,168	(32)
Contributions and donations	2,500	2,500	386	(2,114)
Investment income	50,000	325,000	322,821	(2,179)
Miscellaneous	500	80,500	79,182	(1,318)
Total Resources (Inflows)	8,815,200	10,907,200	10,901,557	(5,643)
AMOUNTS AVAILABLE FOR APPROPRIATION	35,604,685	37,696,685	37,691,042	(5,643)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	10,325,715	18,810,715	18,794,756	15,959
TOTAL CHARGES TO APPROPRIATIONS	10,325,715	18,810,715	18,794,756	15,959
CHANGE IN FUND BALANCE	(1,510,515)	(7,903,515)	(7,893,199)	10,316
FUND BALANCE, End of year	$ 25,278,970	$ 18,885,970	$ 18,896,286	$ 10,316

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

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COWETA COUNTY

NON-MAJOR GOVERNMENTAL FUNDS

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Emergency E911 Telephone Service - to account for the cost of providing service to the County as provided in title 46, Chapter 5 of the Official Code of Georgia Annotated.

Hotel/Motel Tax - to account for taxes charged on rental of hotel/motel rooms as provided in title 48, Chapter 13 of the Official Code of Georgia Annotated. These funds are used for the promotion of tourism, conventions and trade shows in the County.

Law Library - to account for funds collected from fines and forfeitures to be used to maintain the Law Library as provided in title 36, Chapter 15 of the Official Code of Georgia Annotated.

Sheriff's Law Enforcement - to account for funds from seizures to be used for law enforcement activities.

CAPITAL PROJECTS FUNDS

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

Capital Expenditures Fund - to account for capital projects primarily funded with general revenue sources. Management believes that the government can more effectively account for these projects through a separate capital projects fund.

Impact Fees Fund – to account for capital projects funded by impact fees.

CDBG - to account for financial resources to be used for the new construction of the new County Health Department.

COWETA COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2010

	SPECIAL REVENUE FUNDS				
	EMERGENCY E911 TELEPHONE SERVICES	HOTEL/MOTEL	LAW LIBRARY	SHERIFF'S PROGRAMS	SUBTOTAL SPECIAL REVENUE FUNDS
ASSETS					
Cash	$ 1,305,427	$ 49,740	$ 59,338	$ 2,969,064	$ 4,383,569
Investments	1,000,000	-	32,826	-	1,032,826
Receivables (net of allowance for uncollectibles)	388,506	45,143	-	-	433,649
Due from other funds	-	17	-	-	17
Due from component units	-	-	-	-	-
Prepaid items	994	99	-	-	1,093
TOTAL ASSETS	$ 2,694,927	$ 94,999	$ 92,164	$ 2,969,064	$ 5,851,154
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	$ 9,950	$ 2,020	$ -	$ -	$ 11,970
Other accrued items	48,399	1,873	-	-	50,272
Due to other funds	166,147	43,879	-	-	210,026
Due to component units	-	-	-	-	-
TOTAL LIABILITIES	224,496	47,772	-	-	272,268
FUND BALANCES					
Reserved:					
Prepaid expenditure	994	99	-	-	1,093
Impact fee projects	-	-	-	-	-
Unreserved, undesignated:					
Capital Projects Funds	-	-	-	-	-
Special Revenue Funds	2,469,437	47,128	92,164	2,969,064	5,577,793
TOTAL FUND BALANCES	2,470,431	47,227	92,164	2,969,064	5,578,886
TOTAL LIABILITIES AND FUND BALANCES	$ 2,694,927	$ 94,999	$ 92,164	$ 2,969,064	$ 5,851,154

COWETA COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2010

	CAPITAL PROJECTS FUNDS				
	CAPITAL EXPENDITURES FUND	IMPACT FEES FUND	CDBG	SUBTOTAL CAPITAL PROJECTS FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS					
Cash	$ 281,630	$ 4,997,111	$ 74,919	$ 5,353,660	$ 9,737,229
Investments	-	-	-	-	1,032,826
Receivables (net of allowance for uncollectibles)	225,980	-	706,701	932,681	1,366,330
Due from other funds	74,775	24,651	-	99,426	99,443
Due from component units	100,556	-	-	100,556	100,556
Prepaid items	-	-	-	-	1,093
TOTAL ASSETS	$ 682,941	$ 5,021,762	$ 781,620	$ 6,486,323	$ 12,337,477
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	$ 129,325	$ 1,972	$ 479,539	$ 610,836	$ 622,806
Other accrued items	5,607	-	-	5,607	55,879
Due to other funds	230,887	19,935	302,081	552,903	762,929
Due to component units	181,555	-	-	181,555	181,555
TOTAL LIABILITIES	547,374	21,907	781,620	1,350,901	1,623,169
FUND BALANCES					
Reserved:					
Prepaid expenditure	-	-	-	-	1,093
Impact fee projects	-	4,999,855	-	4,999,855	4,999,855
Unreserved, undesignated:					
Capital Projects Funds	135,567	-	-	135,567	135,567
Special Revenue Funds	-	-	-	-	5,577,793
TOTAL FUND BALANCES	135,567	4,999,855	-	5,135,422	10,714,308
TOTAL LIABILITIES AND FUND BALANCES	$ 682,941	$ 5,021,762	$ 781,620	$ 6,486,323	$ 12,337,477

COWETA COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2010

	SPECIAL REVENUE FUNDS				
REVENUES	EMERGENCY E911 TELEPHONE SERVICE	HOTEL/MOTEL	LAW LIBRARY	SHERIFF'S PROGRAMS	SUBTOTAL SPECIAL REVENUE FUNDS
Taxes	$ -	$ 196,166	$ -	$ -	$ 196,166
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	196,589	196,589
Fines and forfeitures	-	-	42,591	2,650,279	2,692,870
Charges for services	2,326,430	6,346	-	95,698	2,428,474
Contributions and donations	-	-	-	15,524	15,524
Interest income	4,498	59	363	20	4,940
TOTAL REVENUES	2,330,928	202,571	42,954	2,958,110	5,534,563
EXPENDITURES					
Current Expenditures					
General government	-	-	-	-	-
Judicial	-	-	30,906	-	30,906
Public safety	2,258,808	-	-	309,568	2,568,376
Public works	-	-	-	-	-
Recreation and culture	-	-	-	-	-
Housing and development	-	115,825	-	-	115,825
Capital outlay	89,313	-	-	67,723	157,036
TOTAL EXPENDITURES	2,348,121	115,825	30,906	377,291	2,872,143
EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	(17,193)	86,746	12,048	2,580,819	2,662,420
OTHER FINANCING SOURCES (USES)					
Sale of county property	-	-	-	-	-
Transfers out	-	(117,700)	-	-	(117,700)
TOTAL OTHER FINANCING SOURCES (USES)	-	(117,700)	-	-	(117,700)
NET CHANGE IN FUND BALANCES	(17,193)	(30,954)	12,048	2,580,819	2,544,720
FUND BALANCES, Beginning of year	2,487,624	78,181	80,116	388,245	3,034,166
FUND BALANCES, End of year	$ 2,470,431	$ 47,227	$ 92,164	$ 2,969,064	$ 5,578,886

COWETA COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2010

	CAPITAL PROJECTS FUND				
	CAPITAL EXPENDITURES FUND	IMPACT FEES FUND	CDBG	SUBTOTAL CAPITAL PROJECTS FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES					
Taxes	$ -	$ -	$ -	$ -	$ 196,166
Licenses and permits	-	1,236,857	-	1,236,857	1,236,857
Intergovernmental	-	-	1,046,076	1,046,076	1,242,665
Fines and forfeitures	-	-	-	-	2,692,870
Charges for services	-	-	-	-	2,428,474
Contributions and donations	-	-	-	-	15,524
Interest income	462	4,754	-	5,216	10,156
TOTAL REVENUES	462	1,241,611	1,046,076	2,288,149	7,822,712
EXPENDITURES					
Current Expenditures					
General government	216,481	31,081	-	247,562	247,562
Judicial	-	-	-	-	30,906
Public safety	36,531	-	-	36,531	2,604,907
Public works	27,355	-	-	27,355	27,355
Recreation and culture	165,000	-	-	165,000	165,000
Housing and development	805	-	-	805	116,630
Capital outlay	1,058,662	148,574	1,046,076	2,253,312	2,410,348
TOTAL EXPENDITURES	1,504,834	179,655	1,046,076	2,730,565	5,602,708
EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	(1,504,372)	1,061,956	-	(442,416)	2,220,004
OTHER FINANCING SOURCES (USES)					
Sale of county property	84,288	-	-	84,288	84,288
Transfers out	-	-	-	-	(117,700)
TOTAL OTHER FINANCING SOURCES (USES)	84,288	-	-	84,288	(33,412)
NET CHANGE IN FUND BALANCES	(1,420,084)	1,061,956	-	(358,128)	2,186,592
FUND BALANCES, Beginning of year	1,555,651	3,937,899	-	5,493,550	8,527,716
FUND BALANCES, End of year	$ 135,567	$ 4,999,855	$ -	$ 5,135,422	$ 10,714,308

COWETA COUNTY, GEORGIA
EMERGENCY E911 TELEPHONE SYSTEM SPECIAL REVENUE FUND
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
For the Year Ended September 30, 2010

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 2,487,624	$ 2,487,624	$ 2,487,624	$ -
RESOURCES (INFLOWS)				
Charges for services	2,412,850	2,326,050	2,326,430	380
Investment income	-	4,500	4,498	(2)
Total Resources (Inflows)	2,412,850	2,330,550	2,330,928	378
AMOUNTS AVAILABLE FOR APPROPRIATION	4,900,474	4,818,174	4,818,552	378
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	2,217,983	2,348,483	2,348,121	362
TOTAL CHARGES TO APPROPRIATIONS	2,217,983	2,348,483	2,348,121	362
CHANGE IN FUND BALANCE	194,867	(17,933)	(17,193)	740
FUND BALANCE, End of year	$ 2,682,491	$ 2,469,691	$ 2,470,431	$ 740

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

COWETA COUNTY, GEORGIA
HOTEL MOTEL SPECIAL REVENUE FUND
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
For the Year Ended September 30, 2010

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 78,181	$ 78,181	$ 78,181	$ -
RESOURCES (INFLOWS)				
Taxes	90,000	200,000	196,166	(3,834)
Charges for services	14,522	14,522	6,346	(8,176)
Investment income	-	60	60	-
Total Resources (Inflows)	104,522	214,582	202,572	(12,010)
AMOUNTS AVAILABLE FOR APPROPRIATION	182,703	292,763	280,753	(12,010)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Housing and development	104,522	116,522	115,826	696
Transfers out	-	117,700	117,700	-
TOTAL CHARGES TO APPROPRIATIONS	104,522	234,222	233,526	696
CHANGE IN FUND BALANCE	-	(19,640)	(30,954)	(11,314)
FUND BALANCE, End of year	$ 78,181	$ 58,541	$ 47,227	$ (11,314)

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

COWETA COUNTY, GEORGIA
LAW LIBRARY SPECIAL REVENUE FUND
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
For the Year Ended September 30, 2010

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 80,116	$ 80,116	$ 80,116	$ -
RESOURCES (INFLOWS)				
Fines and forfeitures	35,000	35,000	42,591	7,591
Investment income	-	-	363	363
Total Resources (Inflows)	35,000	35,000	42,954	7,954
AMOUNTS AVAILABLE FOR APPROPRIATION	115,116	115,116	123,070	7,954
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Judicial	35,000	35,000	30,906	4,094
TOTAL CHARGES TO APPROPRIATIONS	35,000	35,000	30,906	4,094
CHANGE IN FUND BALANCE	-	-	12,048	12,048
FUND BALANCE, End of year	$ 80,116	$ 80,116	$ 92,164	$ 12,048

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

COWETA COUNTY, GEORGIA
SHERIFF'S PROGRAMS SPECIAL REVENUE FUND
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
For the Year Ended September 30, 2010

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 388,245	$ 388,245	$ 388,245	$ -
RESOURCES (INFLOWS)				
Intergovernmental	-	197,000	196,589	(411)
Fines and forfeitures	320,000	2,651,000	2,650,279	(721)
Charges for services	20,000	95,000	95,698	698
Contributions and donations	-	15,500	15,524	24
Investment income	-	-	18	18
Total Resources (Inflows)	340,000	2,958,500	2,958,108	(392)
AMOUNTS AVAILABLE FOR APPROPRIATION	728,245	3,346,745	3,346,353	(392)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	320,000	378,000	377,289	711
TOTAL CHARGES TO APPROPRIATIONS	320,000	378,000	377,289	711
CHANGE IN FUND BALANCE	20,000	2,580,500	2,580,819	319
FUND BALANCE, End of year	$ 408,245	$ 2,968,745	$ 2,969,064	$ 319

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

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COWETA COUNTY

FIDUCIARY FUNDS

FIDUCIARY FUNDS

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.

Tax Commissioner-to account for the collection of property taxes, motor vehicle tag and title fees and mobile home fees, etc. which are disbursed to various taxing units.

Clerk of Superior Court-to account for the collection of various fines, forfeitures, jury fund receipts, real estate transfer taxes, recording of intangibles, fees, civil awards, etc. which are disbursed to various taxing units and other parties.

Probate Court- to account for the collection of fees for firearms, licenses, certificates, marriage licenses, etc. which are disbursed to various taxing units and other parties.

Magistrate Court- to account for the collection of fees for garnishments and small claims, etc. which are disbursed to various taxing units and other parties.

Clerk of State Court-to account for the collection of various fines, forfeitures, fees, etc., which are disbursed to various taxing units and other parties.

Sheriff-to account for the collection of cash bonds, fines, forfeitures, fifas, etc. which are disbursed to various taxing units and other parties.

COWETA COUNTY, GEORGIA
COMBINING STATEMENT OF ASSETS AND LIABILITIES
ALL AGENCY FUNDS
September 30, 2010

	TAX COMMISSIONER	CLERK OF SUPERIOR COURT	PROBATE COURT	MAGISTRATE COURT	CLERK OF STATE COURT	SHERIFF	TOTAL
ASSETS							
Cash	$ 1,046,511	$ 767,777	$ 2,999	$ 53,956	$ 288,294	$ 169,218	$ 2,328,755
TOTAL ASSETS	$ 1,046,511	$ 767,777	$ 2,999	$ 53,956	$ 288,294	$ 169,218	$ 2,328,755
LIABILITIES							
Amounts held in trust	$ 1,046,511	$ 767,777	$ 2,999	$ 53,956	$ 288,294	$ 169,218	$ 2,328,755
TOTAL LIABILITIES	$ 1,046,511	$ 767,777	$ 2,999	$ 53,956	$ 288,294	$ 169,218	$ 2,328,755

COWETA COUNTY, GEORGIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Year Ended September 30, 2010

	TAX COMMISSIONER	CLERK OF SUPERIOR COURT	PROBATE COURT	MAGISTRATE COURT	CLERK OF STATE COURT	SHERIFF	TOTAL
ASSETS							
Cash							
Balance, October 1, 2009	$ 493,116	$ 850,782	$ 3,324	$ 62,345	$ 252,744	$ 161,132	$ 1,823,443
Additions	123,056,027	4,314,336	261,364	697,929	4,631,237	1,303,166	134,264,059
Deductions	(122,502,632)	(4,397,341)	(261,689)	(706,318)	(4,595,687)	(1,295,080)	(133,758,747)
Balance, September 30, 2010	1,046,511	767,777	2,999	53,956	288,294	169,218	2,328,755
TOTAL ASSETS	$ 1,046,511	$ 767,777	$ 2,999	$ 53,956	$ 288,294	$ 169,218	$ 2,328,755
LIABILITIES							
Due to County							
Balance, October 1, 2009	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additions	31,415,661	1,174,651	219,604	286,990	2,847,702	875,127	36,819,735
Deductions	(31,415,661)	(1,174,651)	(219,604)	(286,990)	(2,847,702)	(875,127)	(36,819,735)
Balance,, September 30, 2010	-	-	-	-	-	-	-
Amounts held in trust							
Balance, October 1, 2009	493,116	850,782	3,324	62,345	252,744	161,132	1,823,443
Additions	91,640,366	3,139,685	41,760	410,939	1,783,535	428,039	97,444,324
Deductions	(91,086,971)	(3,222,690)	(42,085)	(419,328)	(1,747,985)	(419,953)	(96,939,012)
Balance, September 30, 2010	1,046,511	767,777	2,999	53,956	288,294	169,218	2,328,755
Total Liabilities							
Balance, October 1, 2009	493,116	850,782	3,324	62,345	252,744	161,132	1,823,443
Additions	123,056,027	4,314,336	261,364	697,929	4,631,237	1,303,166	134,264,059
Deductions	(122,502,632)	(4,397,341)	(261,689)	(706,318)	(4,595,687)	(1,295,080)	(133,758,747)
TOTAL LIABILITIES	$ 1,046,511	$ 767,777	$ 2,999	$ 53,956	$ 288,294	$ 169,218	$ 2,328,755

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COWETA COUNTY

SUPPLEMENTAL INFORMATION

COWETA COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
Year Ended September 30, 2010

PROJECT	ORIGINAL ESTIMATED COSTS	CURRENT ESTIMATED COSTS	EXPENDITURES PRIOR YEARS	EXPENDITURES CURRENT YEAR	
Special Local Option Sales Tax V - 2002					
Court complex	$ 35,000,000	$ 32,700,000	$ 32,692,660	$ -	(1)
Recreation	5,000,000	5,000,000	4,904,835	-	
Library	8,000,000	8,000,000	8,902,928	448,389	(2)
Public safety buildings and equipment	9,000,000	9,000,000	9,120,923	90,932	(2)
Roads and bridges	20,405,300	20,405,300	8,808,441	(229,660)	(3)
Intergovernmental					
Newnan	15,750,000	12,690,961	12,254,055	-	
Senola	1,789,200	1,441,694	1,392,061	-	
Grantville	1,486,802	1,198,028	1,156,784	-	
Moreland	459,902	370,578	357,820	-	
Palmetto	409,499	329,965	318,605	-	
Sharpsburg	283,496	228,434	220,570	-	
Turin	239,399	192,902	186,261	-	
Haralson	176,401	142,139	137,246	-	
Total Intergovernmental	20,594,700	16,594,700	16,023,402	-	
	$ 98,000,000	$ 91,700,000	$ 80,453,189	$ 309,661	
Special Local Option Sales Tax VI - 2007					
Court complex	$ 10,000,000	$ 10,000,000	$ 7,746,517	$ 221,105	(1)
Recreation	9,000,000	9,000,000	6,513,327	914,355	(4)
Public safety buildings and equipment	6,500,000	6,500,000	570,272	1,054,681	
Historic courthouse rehabilitation	7,500,000	7,500,000	3,881,779	3,430,245	(5)
Roads and bridges	53,582,690	53,582,690	23,117,812	3,507,653	(3)
Geographic information system	750,000	750,000	637,403	71,682	
Record retention center	1,250,000	1,250,000	1,479,712	-	(6)
Intergovernmental					
Newnan	31,990,391	31,990,391	13,060,170	4,450,793	
Senola	3,634,110	3,634,110	1,483,636	505,610	
Grantville	3,019,895	3,019,895	1,232,881	420,155	
Moreland	934,120	934,120	381,357	129,963	
Palmetto	831,752	831,752	339,565	115,721	
Sharpsburg	575,827	575,827	235,083	80,114	
Turin	486,253	486,253	198,514	67,652	
Haralson	358,293	358,293	146,274	49,849	
Total Intergovernmental	41,830,640	41,830,640	17,077,480	5,819,858	
	$ 130,413,330	$ 130,413,330	$ 61,024,302	$ 15,019,579	

Reconciliation to the Financial Statements :

Total SPLOST expenditures	$ 15,329,240
Debt service - principal	9,460,000
State Grant - library	729,856
Contributions from developers	18,089
Total expenditures reported in the financial statements	$ 25,537,185

(1) Reallocated court complex prior year expenditures between SPLOST V and SPLOST VI.
Also added interest expense in the amount $1,422,705 to prior year amounts.
(2) Added interest expense to prior year expenditures. Library increased by $934,212 and public safety and equipment increased by $302,208.
(3) Transfer road and bridges project cost to SPLOST VI road and bridges.
(4) Added interest expense in the amount of $310,164 to prior year amount.
(5) Added interest expense in the amount of $3,381,383 to prior year amount.
(6) Adjusted prior year amount by $12.

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COWETA COUNTY

STATISTICAL SECTION

STATISTICAL SECTION

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

Contents **Table**

Financial Trends

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

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Changes in Net Assets	2
Fund Balances of Governmental Funds	3
Changes in Fund Balances of Governmental Funds	4
General Governmental Tax Revenues by Source	5

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax and another significant local revenue source, sales taxes.

Assessed Value and Estimated Actual Value of Taxable Property	6
Property Tax Rates (Direct and Overlapping Governments)	7
Principal Property Taxpayers	8
Property Tax Levies and Collections	9
Taxable Sales and Sales Taxes	10

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Ratios of Outstanding Debt by Type	11
Ratios of Net General Bonded Debt Outstanding	12
Direct and Overlapping Governmental Activities Debt	13
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Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Demographic and Economic Statistics	16
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Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Full-Time Equivalent County Government Employees by Function	18
Operating Indicators by Function	19
Capital Asset Statistics by Function	20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Note: Tables may not add and may differ from basic financial statements due to rounding.

COWETA COUNTY, GEORGIA
NET ASSETS BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010
GOVERNMENTAL ACTIVITIES								
Invested in capital assets, net of related debt	$ 62,560,188	$ 74,543,928	$ 93,357,021	$ 60,607,981	$ 463,362,859	$ 481,925,623	$ 498,943,890	$ 354,329,113
Restricted:								
Capital outlay	20,382,176	19,135,522	14,811,165	60,496,100	52,764,940	47,798,836	25,476,936	21,481,275
Debt Service							2,293,380	5,711,158
Impact Fees							3,937,899	4,999,855
Public safety	8,377,182	-	-	-	-	-	3,270,560	5,869,944
Judicial							335,634	445,144
Housing and Development/Other program	34,174	-	-	-	-	-	78,181	47,227
Unrestricted:	21,946,818	30,147,717	32,480,917	22,394,038	29,043,770	33,792,619	32,580,053	31,368,325
Total governmental activities net assets	$ 113,300,538	$ 123,827,167	$ 140,649,103	$ 143,498,119	$ 545,171,569	$ 563,517,078	$ 566,916,533	$ 424,252,041
BUSINESS-TYPE ACTIVITIES								
Invested in capital assets, net of related debt	$ 1,146,250	$ 1,062,639	$ 1,131,374	$ 1,062,916	$ 976,094	$ 894,741	$ 817,789	$ 754,040
Unrestricted	(434,844)	(460,110)	(539,989)	(471,889)	3,561	(195,572)	(204,732)	(165,587)
Total business-type activities net assets	$ 711,406	$ 602,529	$ 591,385	$ 591,027	$ 979,655	$ 699,169	$ 613,057	$ 588,453
PRIMARY GOVERNMENT								
Invested in capital assets, net of related debt	$ 63,706,438	$ 75,606,567	$ 94,488,395	$ 61,670,897	$ 464,338,953	$ 482,820,364	$ 499,761,679	$ 355,083,153
Restricted	28,793,532	19,135,522	14,811,165	60,496,100	52,764,940	47,798,836	35,392,590	38,554,603
Unrestricted	21,511,974	29,687,607	31,940,928	21,922,149	29,047,331	33,597,047	32,375,321	31,202,738
Total primary government net assets	$ 114,011,944	$ 124,429,696	$ 141,240,488	$ 144,089,146	$ 546,151,224	$ 564,216,247	$ 567,529,590	$ 424,840,494

The County adopted GASB 34 in 2003. Data for years prior to this are not available.
The County implemented retroactive infrastructure reporting in 2007.
Certain reclassifications were made in 2009 to reflect the County's implementation of DCA Uniform Chart of Accounts.
Invested in capital assets, net of related debt decreased in 2010 due to change in accounting principle.

COWETA COUNTY, GEORGIA
CHANGES IN NET ASSETS
Last Ten Fiscal Years
(accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010
EXPENSES								
Governmental activities:								
General government	$ 9,962,464	$ 14,153,525	$ 14,171,336	$ 9,775,958	$ 18,897,677	$ 20,109,435	$ 14,277,056	$ 13,740,205
Judicial	7,848,759	4,548,966	4,689,408	6,304,056	6,661,454	6,797,699	6,624,593	6,631,159
Public safety	21,631,485	24,042,859	25,467,672	21,129,935	30,671,300	33,903,877	38,001,981	38,030,010
Public works	3,226,577	6,040,763	6,622,195	5,922,327	22,326,365	18,964,665	24,678,660	24,679,010
Intergovernmental	2,794,002	-	-	-	-	-		
Housing and development	1,687,198	1,976,716	2,279,964	1,756,261	2,315,216	2,342,277	2,848,633	2,722,716
Culture and recreation	1,176,657	2,220,239	2,667,455	2,139,456	3,404,278	4,691,238	6,812,175	6,898,408
Health and welfare	-	565,386	-	-	-	-	415,565	415,565
Interest on long-term debt	-	773,800	628,211	689,270	2,411,345	2,290,739	2,681,925	2,681,925
Total governmental activities expenses	48,327,142	54,322,254	56,526,241	47,717,263	86,687,635	89,099,930	96,340,588	95,798,996
Business-type activities:								
Solid Waste	1,397,264	1,273,651	1,287,101	1,306,877	1,207,764	1,566,437	1,217,766	1,262,522
Total business-type activities expenses	1,397,264	1,273,651	1,287,101	1,306,877	1,207,764	1,566,437	1,217,766	1,262,522
Total primary government expenses	$ 49,724,406	$ 55,595,905	$ 57,813,342	$ 49,024,140	$ 87,895,399	$ 90,666,367	$ 97,558,354	$ 97,061,519
PROGRAM REVENUES								
Governmental activities:								
Charges for services/Fees, fines and forfeitures:								
General government	$ 27,238	$ 1,804,902	$ 3,128,274	$ 2,365,632	$ 4,113,900	$ 3,825,945	$ 2,424,061	$ 2,424,061
Judicial	-	4,072,018	4,010,207	2,529,146	3,400,035	2,895,035	4,777,520	4,777,520
Public safety	1,491,588	4,018,431	2,511,117	2,962,578	7,733,838	7,717,545	5,820,023	5,820,023
Public works	17,702	578,055	1,998	-	1,390	1,057	76,315	76,315
Intergovernmental	-	-	-	-	-	-		
Housing and development	764,880	888,803	-	1,079,124	1,352,430	862,644	2,258,455	2,258,455
Culture and recreation	309,054	235,139	290,263	259,650	392,216	417,601	421,106	421,106
Total charges for services	2,610,462	11,597,348	9,941,859	9,196,130	16,993,809	15,719,827	15,777,480	15,777,479
Operating grants and contributions	2,268,534	308,022	2,948,637	1,784,936	5,891,677	2,802,233	282,605	316,343
Capital grants and contributions	403,668	401,389	121,799	217,769	2,067,117	6,292,428	3,310,515	8,754,186
Total governmental activities program revenues	5,282,664	12,306,759	13,012,295	11,198,835	24,952,603	24,814,488	19,370,600	24,848,008
Business-type activities:								
Charges for services:								
Solid Waste	746,645	603,686	629,730	631,954	957,141	652,964	631,283	741,018
Total charges for services	746,645	603,686	629,730	631,954	957,141	652,964	631,283	741,018
Operating grants and contributions	-	-	-	-	-	-		-
Capital grants and contributions	-	-	-	-	-	-		-
Total business-type activities program revenues	746,645	603,686	629,730	631,954	957,141	652,964	631,283	741,018
Total primary government program revenues	$ 6,029,309	$ 12,910,445	$ 13,642,025	$ 11,830,789	$ 25,909,744	$ 25,467,452	$ 20,001,883	$ 25,589,026

The County implemented GASB 34 in 2003

In 2006 Coweta County changed its fiscal year end from December 31 to September 30. The major reason for this change was to recognize property tax revenues in the year in which they are to be used to fund operations. Information reported for 2006 represents 9 months, January through September, of financial activity.

Certain reclassifications were made in 2009 to reflect the County's implementation of DCA Uniform Chart of Accounts.

COWETA COUNTY, GEORGIA
CHANGES IN NET ASSETS
Last Ten Fiscal Years
(accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010
Net (expense)/revenue								
Governmental activities	$ (43,044,478)	$ (42,015,495)	$ (43,513,946)	$ (36,518,428)	$ (61,735,032)	$ (64,285,442)	$ (76,969,988)	$ (70,950,988)
Business-type activities	(650,619)	(669,965)	(394,298)	(692,923)	(250,623)	(913,473)	(586,483)	(521,504)
Total primary government net expense	$ (43,695,097)	$ (42,685,460)	$ (43,908,244)	$ (37,211,351)	$ (61,985,655)	$ (65,198,915)	$ (77,556,471)	$ (71,472,493)
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS								
Governmental activities:								
Taxes								
Property taxes	$ 18,833,634	$ 19,667,978	$ 23,311,270	$ 4,406,043	$ 29,940,636	$ 36,730,299	$ 37,639,563	$ 41,345,425
Hotel-motel taxes	85,268	-	-	-	-	-	-	
Sales taxes	23,731,075	26,353,634	29,934,862	28,008,825	35,315,842	36,512,462	32,079,539	32,678,871
Insurance premium tax	-	2,828,863	3,020,879	3,165,790	3,328,868	3,410,007	3,361,113	3,268,926
Real Estate Taxes							1,220,343	904,771
Motor vehicle and mobile home taxes	-	1,840,185	1,797,060	1,747,876	2,724,972	3,205,084	-	-
Alcoholic beverage taxes	-	499,275	507,736	389,969	557,414	517,965	-	-
Business licenses and taxes	1,558,380	-	-	-	-	-	-	-
Other taxes	3,215,018	279,826	318,337	207,459	358,254	257,354	1,548,499	1,504,978
Total taxes	47,423,375	51,469,761	58,890,144	37,925,962	72,225,986	80,633,171	75,849,057	79,702,971
Fines and forfeitures	4,722,324	-	-	-	-	-	-	
Unrestricted investment earnings	730,094	853,337	1,061,296	1,680,223	4,271,336	2,471,278	722,917	722,909
Grants and contributions not restricted							2,177,043	-
Gain/(Loss) on sale of capital assets	(41,204)	-	-	-	(82,163)	(426,460)	-	92,790
Miscellaneous	534,658	780,062	965,990	447,509	1,005,800	572,965	-	
Transfers	(552,402)	(561,036)	(581,548)	(686,250)	(619,996)	(620,003)	(500,370)	(496,900)
Total governmental activities	52,816,845	52,542,124	60,335,882	39,367,444	76,800,963	82,630,951	78,248,647	80,021,769
Business-type activities:								
Unrestricted investment earnings	704	52	2,562	6,315	19,255	12,984	1	-
Transfers	552,402	561,036	643,665	686,250	619,996	620,003	500,370	496,900
Total business-type activities	553,106	561,088	646,227	692,565	639,251	632,987	500,371	496,900
Total primary government	$ 53,369,951	$ 53,103,212	$ 60,982,109	$ 40,060,009	$ 77,440,214	$ 83,263,938	$ 78,749,018	$ 80,518,669
CHANGE IN NET ASSETS								
Governmental activities	$ 9,772,367	$ 10,526,629	$ 16,821,936	$ 2,849,016	$ 15,065,931	$ 18,345,509	$ 1,278,659	$ 9,070,781
Business-type activities	(97,513)	(108,877)	251,929	(358)	388,628	(280,486)	(86,112)	(24,604)
Total primary government	$ 9,674,854	$ 10,417,752	$ 17,073,865	$ 2,848,658	$ 15,454,559	$ 18,065,023	$ 1,192,547	$ 9,046,178

The County adopted GASB 34 in 2003. Data for years prior to this are not available.

In 2006 Coweta County changed its fiscal year end from December 31 to September 30. The major reason for this change was to recognize property tax revenues in the year in which they are to be used to fund operations. Information reported for 2006 represents 9 months, January through September, of financial activity.

Certain reclassifications were made in 2009 to reflect the County's implementation of DCA Uniform Chart of Accounts.

COWETA COUNTY, GEORGIA
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General fund										
Reserved										
Inventories	$ 203,996	$ 226,928	$ 133,764	$ 150,965	$ 194,983	$ 230,668	$ 215,011	$ 207,239	$ 260,183	$ 255,536
Prepaid expenditures	506,019	1,020,012	1,165,354	1,214,712	650,474	723,417	117,878	116,097	176,168	166,732
Capital improvements	-	-	-	-	-	-	-	-	335,634	-
Public safety programs									394,691	430,449
Other programs	429,602	662,169	-	-	-	-	-	-	-	445,144
Total reserved	1,139,617	1,909,109	1,299,118	1,365,677	845,457	954,085	332,889	323,336	1,166,676	1,297,861
Unreserved	23,236,973	24,477,676	23,462,954	21,495,061	23,726,325	15,957,243	22,295,207	27,449,964	27,139,741	28,948,367
Total general fund	$ 24,376,590	$ 26,386,785	$ 24,762,072	$ 22,860,738	$ 24,571,782	$ 16,911,328	$ 22,628,096	$ 27,773,300	$ 28,306,417	$ 30,246,228
All other governmental funds										
Reserved:										
Prepaid expenditures	$ -	$ -	$ -	$ -	$ 10,000	$ -	$ 4,920	$ 5,899	$ 6,248	$ 6,816
Debt service									2,566,915	5,932,629
Capital improvements	17,187,194	17,127,565	39,492,030	19,931,858	14,871,165	60,496,100	52,764,940	47,798,836	61,278,662	44,592,299
Impact fee projects									3,937,899	4,999,855
Total reserved	17,187,194	17,127,565	39,492,030	19,931,858	14,881,165	60,496,100	52,769,860	47,804,735	67,789,724	55,531,599
Unreserved:										
Unreserved, reported in:										
Special revenue funds	6,907,910	7,363,838	1,150,890	1,283,692	1,716,712	1,973,786	2,782,614	2,627,223	9,349,604	11,510,040
Capital projects	-	-	7,260,466	8,236,847	8,950,750	5,440,487	6,392,638	6,802,671	1,555,651	135,567
Total unreserved	6,907,910	7,363,838	8,411,356	9,520,539	10,667,462	7,414,273	9,175,252	9,429,894	10,905,255	11,645,607
Total all other governmental funds	$ 24,095,104	$ 24,491,403	$ 47,903,386	$ 29,452,397	$ 25,548,627	$ 67,910,373	$ 61,945,112	$ 57,234,629	$ 78,694,979	$ 67,177,206
Total reserved	$ 18,326,811	$ 19,036,674	$ 40,791,148	$ 21,297,535	$ 15,726,622	$ 61,450,185	$ 53,102,749	$ 48,128,071	$ 68,956,400	$ 56,829,460
Total unreserved	$ 30,144,883	$ 31,841,514	$ 31,874,310	$ 31,015,600	$ 34,393,787	$ 23,371,516	$ 31,470,459	$ 36,879,858	$ 38,044,996	$ 40,593,974
Total all funds	$ 48,471,694	$ 50,878,188	$ 72,665,458	$ 52,313,135	$ 50,120,409	$ 84,821,701	$ 84,573,208	$ 85,007,929	$ 107,001,396	$ 97,423,434

COWETA COUNTY, GEORGIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
REVENUES										
Taxes (see table 5)	$ 43,713,441	$ 43,999,144	$ 45,864,995	$ 51,469,761	$ 58,890,144	$ 37,205,371	$ 72,036,162	$ 79,497,550	$ 73,910,538	$ 78,551,929
Licenses and permits	1,769,642	2,081,132	2,323,260	2,606,168	3,048,193	3,348,519	5,332,260	4,798,996	2,487,620	3,327,392
Fines and forfeitures	3,463,933	3,590,204	4,722,324	4,387,854	4,935,188	3,923,527	5,539,953	5,271,423	5,124,732	8,302,234
Charges for services	1,660,105	2,008,094	1,845,582	1,902,258	1,958,478	1,717,171	3,672,261	3,684,467	7,909,352	7,811,194
Contributions and donations									546,896	40,829
Investment earnings	2,954,160	1,063,762	730,094	853,337	1,061,296	1,680,223	4,271,336	2,471,278	722,915	659,583
Intergovernmental	3,553,299	3,588,135	2,672,202	3,410,479	3,070,436	1,952,088	10,083,668	5,005,935	3,471,522	2,583,775
Miscellaneous	903,458	402,378	534,720	780,062	965,990	390,725	1,029,209	694,311	99,334	232,986
Total revenues	58,018,038	56,732,849	58,693,177	65,409,919	73,929,725	50,217,624	101,964,849	101,423,960	94,272,909	101,509,922
EXPENDITURES										
General government	7,530,371	8,780,703	9,651,472	13,807,856	13,349,820	9,201,386	17,329,931	19,186,379	11,192,714	13,532,423
Judicial	3,147,002	3,622,391	4,261,325	4,504,436	4,642,131	6,168,748	5,728,155	5,819,703	6,310,552	6,397,371
Public safety	16,950,835	18,011,701	19,833,379	22,227,677	23,928,041	19,872,695	28,923,926	32,001,313	33,800,218	36,214,981
Public works	7,954,611	7,813,919	5,931,039	5,457,884	6,083,679	5,473,894	6,372,831	7,364,242	6,892,954	8,195,307
Intergovernmental	4,433,881	2,742,580	2,794,002	-	-	-	-	-	5,686,226	5,819,858
Culture and recreation	1,237,941	1,480,852	1,654,807	1,650,597	2,073,337	1,659,426	2,378,702	3,522,765	3,995,310	4,519,540
Housing and development	1,063,244	1,146,552	1,590,925	1,938,733	2,250,476	1,739,110	2,277,521	2,308,681	2,656,173	2,662,421
Health and welfare	-	-	-	565,386	-	-	-	-	415,254	389,105
Landfill closure/post-closure cos	-	-	30,473	-	-	-	-	-	-	-
Capital Outlay	9,523,365	7,839,782	9,715,938	32,504,421	20,714,266	9,155,646	34,152,524	20,704,031	17,125,727	20,274,172
Principal on long-term debt	9,090,000	-	-	1,720,000	1,820,000	-	2,018,411	7,171,383	1,406,429	10,081,902
Interest on long-term debt	499,355	-	-	824,216	679,153	593,990	2,411,345	2,290,739	2,453,699	2,596,694
Debt issuance costs	-	-	(104,010)	-	-	(284,610)	-	-	245,236	-
Total expenditures	61,430,605	51,438,480	55,359,350	85,201,206	75,540,903	53,580,285	101,593,346	100,369,236	92,180,492	110,683,774
Excess of revenues over (under) expenditures	(3,412,567)	5,294,369	3,333,827	(19,791,287)	(1,611,178)	(3,362,661)	371,503	1,054,724	2,092,417	(9,173,852)
OTHER FINANCING SOURCES (USES)										
Sale of county property	-	-	-	-	-	-	-	-	-	92,790
Transfers in	1,597,943	122,971	1,602,770	3,914,330	4,413,196	1,883,105	3,664,670	3,317,349	1,797,426	117,700
Transfers out	(2,178,217)	(998,547)	(2,155,172)	(4,475,366)	(4,994,744)	(2,569,355)	(4,284,666)	(3,937,352)	(2,297,796)	(614,600)
Issuance of bond debt	-	-	18,555,000	-	-	35,000,000	-	-	20,000,000	-
Premium on bonds issued	-	-	658,865	-	-	1,589,949	-	-	472,788	-
Capital leases	-	-	-	-	-	2,729,473	-	-	-	-
Total other financing sources (uses)	(580,274)	(875,576)	18,661,463	(561,036)	(581,548)	38,633,172	(619,996)	(620,003)	19,972,418	(404,110)
Net change in fund balances	$ (3,992,841)	$ 4,418,793	$ 21,995,290	$ (20,352,323)	$ (2,192,726)	$ 35,270,511	$ (248,493)	$ 434,721	$ 22,064,835	$ (9,577,962)
Debt service as a percentage of noncapital expenditures	18.5%	0.0%	-0.2%	4.8%	4.6%	0.7%	6.6%	11.9%	5.5%	11.5%

In 2006 Coweta County changed its fiscal year end from December 31 to September 30. The major reason for this change was to recognize property tax revenues in the year in which they are to be used to fund operations. Information reported for 2006 represents 9 months, January through September, of financial activity.

Certain reclassifications were made in 2009 to reflect the County's implementation of DCA Uniform Chart of Accounts.

COWETA COUNTY, GEORGIA
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Property Taxes	Special Local Option Sales Tax (SPLOST)	Local Option Sales Tax (LOST)	Insurance Premium Tax	Alcoholic Beverage Tax	Other Taxes	Total
2001	$ 16,252,771	$ 13,956,187	$ 10,073,619	$ 2,217,954	$ 457,887	$ 755,023	$ 43,713,441
2002	17,393,966	13,982,765	9,484,707	2,449,049	464,816	223,841	43,999,144
2003	18,833,635	14,244,931	9,486,143	2,614,430	472,687	213,169	45,864,995
2004	21,508,163	15,649,183	10,704,451	2,828,863	499,275	279,826	51,469,761
2005	25,108,330	17,529,493	12,405,369	3,020,879	507,736	318,337	58,890,144
2006	5,433,328	16,384,216	11,624,609	3,165,790	389,969	207,459	37,205,371
2007	32,544,722	20,502,871	14,812,971	3,328,868	557,414	289,316	72,036,162
2008	38,799,762	21,138,932	15,373,530	3,410,007	517,965	257,354	79,497,550
2009	35,701,043	18,571,472	13,508,068	3,361,113	522,705	2,246,137	73,910,538
2010	$ 40,194,384	$ 18,917,759	$ 13,761,112	$ 3,268,926	$ 537,461	$ 1,872,289	$ 78,551,929

In 2006 Coweta County changed its fiscal year end from December 31 to September 30. The major reason for this change was to recognize property tax revenues in the year in which they are to be used to fund operations. Information reported for 2006 represents 9 months, January through September, of financial activity.

Certain reclassifications were made in 2009 to reflect the County's implementation of DCA Uniform Chart of Accounts.

COWETA COUNTY, GEORGIA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

Fiscal Year	Tax Year	Real Property					Personal Property				Less Exemptions:		Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value (3)	Assessed Value as a Percentage of Actual Value
		Residential Property	Agricultural Property (1)	Commercial & Industrial	Public Utilities	Heavy Truck Equipment	Inventory & Equipment (4)	Other (2)	Motor Vehicles	Mobile Homes	Real Property	Personal Property				
2001	2000	$ 1,027,430,191	$ 108,336,129	$ 265,185,963	$ 125,547,870	$ -	$ 287,347,441	$ 3,532,978	$ 209,818,644	$ 2,512,617	$ 122,851,537	$ 78,417,614	$ 1,828,442,682	5.21	$ 4,571,106,705	40.00%
2002	2001	1,535,820,316	230,475,338	295,719,755	135,717,126	218,375	291,727,276	3,138,210	240,740,900	4,790,322	165,887,727	88,033,530	2,484,426,361	4.26	6,211,065,903	40.00%
2003	2002	1,643,424,401	230,606,746	310,340,528	137,168,841	-	316,124,708	4,631,926	253,989,530	5,324,824	194,098,024	93,819,711	2,613,693,769	3.93	6,534,234,423	40.00%
2004	2003	1,762,435,669	221,599,507	384,031,678	138,798,194	55,110	301,538,095	4,111,599	266,414,720	5,234,699	302,291,898	86,772,062	2,695,155,311	3.93	6,737,888,278	40.00%
2005	2004	1,871,758,321	241,454,378	401,310,540	148,073,804	26,400	286,058,218	6,981,233	269,328,010	5,481,696	315,547,940	75,326,445	2,839,598,215	3.91	7,098,995,538	40.00%
2006	2005	2,174,780,460	340,333,822	436,749,423	148,799,392	30,840	313,785,894	27,729,997	270,714,770	5,543,107	385,327,913	79,287,847	3,253,851,945	5.15	8,134,629,863	40.00%
2007	2006	2,526,628,826	327,651,015	467,477,951	164,235,972	2,026,054	204,297,006	28,297,433	265,919,220	5,069,265	398,047,404	98,494,878	3,495,060,460	6.15	8,737,651,150	40.00%
2008	2007	2,609,517,076	326,656,030	485,806,238	184,148,578	7,800,565	380,692,201	34,952,363	297,925,420	5,003,860	412,066,155	109,317,539	3,811,118,637	7.15	9,527,796,593	40.00%
2009	2008	2,765,063,770	328,636,090	567,264,304	183,729,501	775,647	426,620,172	33,837,587	317,301,160	4,819,100	426,123,719	143,180,851	4,058,742,761	6.98	10,146,856,903	40.00%
2010	2009	$ 2,805,064,401	$ 328,899,500	$ 591,292,170	$ 167,610,816	$ 130,797	$ 398,044,708	$ 32,305,242	$ 330,438,270	$ 4,696,928	$ 438,160,213	$ 128,658,313	$ 4,091,664,306	6.93	$ 10,229,160,765	40.00%

Source: Coweta County Tax Commissioner

(1) Includes conservation use property and timber.
(2) Includes aircraft, boats, and miscellaneous personal property.
(3) Property that is exempt from taxation has not been included. That is typically property owned by governments and not-for-profit organizations like churches.
(4) Includes furniture and fixtures.

COWETA COUNTY, GEORGIA
Property Tax Rates - Mills
Last Ten Fiscal Years
(Mills - Rate per $1,000 of taxable assessed value)

Tax Year / *Fiscal Year*	*2000* / *2001*	*2001* / *2002*	*2002* / *2003*	*2003* / *2004*	*2004* / *2005*	*2005* / *2006*	*2006* / *2007*	*2007* / *2008*	*2008* / *2009*	*2009* / *2010*
Unincorporated Districts										
County-Unincorporated	5.21	4.26	3.93	3.93	3.91	5.15	6.15	7.15	6.98	6.93
Coweta County Schools	17.87	15.61	17.94	18.61	18.59	18.59	18.59	18.59	18.59	18.59
Coweta County Schools Bond	2.25	1.60								
State of Georgia	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Fire District	2.50	2.05	2.05	2.50	2.50	2.50	2.50	2.50	2.49	2.50
Fire Bond District									0.47	0.47
Total Coweta County Unincorporated	**28.080**	**23.770**	**24.170**	**25.290**	**25.250**	**26.490**	**27.490**	**28.490**	**28.780**	**28.740**
Incorporated Districts										
County - Incorporated	6.20	5.02	5.00	5.13	5.12	6.31	6.74	7.76	7.66	7.66
Coweta County Schools	17.87	15.61	17.94	18.61	18.59	18.59	18.59	18.59	18.59	18.59
Coweta County Schools Bond	2.25	1.60								
State of Georgia	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Fire Bond District*										0.47

To calculate the Incorporated rate, add the rate for Municipality in which the property is located.

The cities of Moreland, Sharpsburg, and Turin are included in the Fire District. Residents of those cities pay the Fire District millage rate, in addition to the city millage rate.

Areas annexed by the cities of Newnan, Senoia, Grantville, and Palmetto subsequent to the formation of the Fire District are still included in the Fire District. Residents of these annexed areas pay the Fire District millage rate, in addition to the city millage rate.

The original city limits of Senoia, Grantville and Haralson, prior to the creation of the fire district, are not a part of the fire district. Under contract, these cities levy the fire district millage rate and remit to the County in exchange for fire services.

**The City of Newnan is not included in the fire bond district, thus residents do not pay the fire bond district millage rate.*

Municipalities										
City of Newnan	4.70	3.80	3.78	4.50	4.50	4.40	4.34	4.32	4.32	4.32
City of Senoia	7.03	6.11	6.08	6.01	6.00	5.90	6.11	6.11	6.11	6.11
City of Senoia Fire District	2.50	2.05	2.05	2.50	2.50	2.50	2.50	2.50	2.50	2.50
City of Grantville	5.00	3.79	3.79	2.79	2.78	2.56	2.56	4.00	3.99	1.52
City of Grantville Fire District	2.50	2.05	2.05	2.50	2.50	2.50	2.50	2.50	2.50	2.50
City of Moreland	3.00	2.17	2.17	2.16	2.15	2.07	2.07	3.75	3.75	3.75
City of Palmetto	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	8.50	8.50
City of Haralson	3.40	2.45	2.45	2.40	2.40	2.16	2.70	2.70	2.57	2.71
City of Sharpsburg				3.00	2.99	2.80	2.80	2.80	2.80	2.80

Source: Coweta County Tax Commissioner

In 2006 Coweta County changed its fiscal year end from December 31 to September 30. The major reason for this change was to recognize property tax revenues in the year in which they are to be used to fund operations. Information reported for 2006 represents 9 months, January through September, of financial activity.

COWETA COUNTY, GEORGIA
PRINCIPAL PROPERTY TAXPAYERS
September 30, 2010

Fiscal Year	*2010*			*2001*		
Tax Year	*2009*			*2000*		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
Georgia Power Company	$ 91,594,036	1	2.26%	$ 71,156,414	1	4.15%
Yamaha Motor MFG Corp	52,708,296	2	1.30%	30,589,389	2	1.78%
Coweta Fayette EMC	35,575,903	3	0.88%	16,914,491	4	0.99%
Fourth Quarter Properties 166 LLC	21,200,000	4	0.52%	13,442,231	8	
Beehawk Aviations Inc	20,952,400	5	0.52%			
Rite Aid	20,079,206	6	0.49%			
Kmart Express LLC	14,161,793	7	0.35%	19,556,219	3	1.14%
Transcontinental Pipeline	13,932,133	8	0.34%			
Georgia Transmission	13,376,842	9	0.33%			
APP Lakeside Operating LLC	11,849,832	10	0.29%			
Yokogawa				14,831,634	6	0.87%
Georgia Mart Partnership				14,161,793	7	0.83%
Eckerd Corporation				16,087,207	5	0.94%
Bellsouth Telecommunications				13,214,829	9	0.77%
Graphic Packaging Corp				11,205,957	10	0.65%
Totals	$ 295,430,441		7.28%	$ 221,160,164		12.12%

Source: Coweta County Tax Commissioner, Coweta County Development Authority

COWETA COUNTY, GEORGIA
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year	Tax Year	Amount Levied on October 1	Adjustments	Adjusted Levy	Collections within the Fiscal Year of the Levy		Collection in Subsequent Years	Total Collections to Date		Uncollected Balance
					Amount	Percentage of Original Levy		Amount	Percentage of Original Levy	
2002	2001	$ 9,303,536	$ (146,048)	$ 9,157,488	$ 1,684,877	18.11%	$ 7,454,391	$ 9,139,268	98.23%	$ 18,220
2003	2002	9,050,157	(19,464)	9,030,693	7,490,145	82.76%	1,529,709	9,019,854	99.67%	10,839
2004	2003	9,478,390	(85,915)	9,392,475	7,860,157	82.93%	1,524,211	9,384,368	99.01%	8,107
2005	2004	10,039,746	(73,772)	9,965,974	9,152,383	91.16%	797,977	9,950,360	99.11%	15,614
2006	2005	15,125,750	91,663	15,217,413	14,746,690	97.49%	329,986	15,076,676	99.68%	140,737
2007	2006	19,065,448	1,271,750	20,337,198	19,711,944	103.39%	448,243	20,160,187	105.74%	177,011
2008	2007	24,075,083	1,436,920	25,512,003	24,567,336	102.04%	613,217	25,180,553	104.59%	331,450
2009	2008	25,248,784	1,259,688	26,508,472	25,071,029	99.30%	777,619	25,848,648	102.38%	659,824
2010	2009	$ 26,877,126	$ 44,545	$ 26,921,671	$ 25,633,626	95.37%	$ -	$ 25,633,626	95.37%	$ 1,288,045

Taxes levied include real and personal property only.
Property taxes levied during the calendar year 2009 are recorded as revenues in the financial statements in 2010 since they are levied and collected in the County's fiscal year 2010 to finance that year's expenditures.
Property taxes are normally billed in the fall of each year based on assessed values as of January 1 of that year.
The County changed fiscal year ends, from December 31 to September 30, in fiscal year 2006. Fiscal year 2006 ran from January 1, 2006 to September 30, 2006, which included only nine months. As taxes are levied on October 1st and are due December 1st of each year, no taxes were levied or collected in fiscal year 2006.

COWETA COUNTY, GEORGIA
TAXABLE SALES AND SALES TAXES
Last Ten Fiscal Years

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Taxable sales	$ 1,129,285,279	$ 1,093,092,200	$ 904,036,319	$ 989,980,000	$ 968,237,300	$ 1,273,701,800	$ 2,037,199,100	$ 2,108,093,200	$ 1,857,147,200	$ 1,891,775,900
County direct sales tax rate (LOST)	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
County SPLOST tax rate	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
SPLOST (2)	$ 11,292,853	$ 10,930,922	$ 9,040,363	$ 9,899,800	$ 9,682,373	$ 12,737,018	$ 20,371,991	$ 21,080,932	$ 18,571,472	$ 18,917,759
Portion of taxes collected for :										
Newnan	3,178,528	2,633,573	2,143,248	2,347,377	2,295,454	3,019,911	5,092,998	5,270,233	4,642,868	4,729,440
Senoia	244,111	275,335	243,473	266,662	260,764	343,062	578,565	598,698	527,430	537,264
Grantville	300,053	227,772	202,323	221,592	216,691	285,080	480,779	497,510	438,287	446,459
Moreland	92,813	73,852	62,583	68,543	67,027	88,181	148,716	153,891	135,572	138,100
Palmetto	82,642	65,758	55,724	61,032	59,682	78,158	132,418	137,026	120,715	122,965
Sharpsburg	57,214	45,525	38,578	42,253	41,318	54,358	91,674	94,864	83,572	85,130
Turin	48,314	38,443	32,577	35,680	34,891	45,903	77,414	80,108	70,572	71,887
Haralson	35,600	28,327	24,005	26,291	25,709	33,823	57,042	59,027	52,000	52,970
Municipalities Total	$4,039,273	$3,388,586	$2,802,513	$3,069,431	$3,001,536	$3,948,475	$6,659,604	$6,891,357	$6,071,016	$6,184,215
Municipalities %	35.77%	31.00%	31.00%	31.00%	31.00%	31.00%	32.69%	32.69%	32.69%	32.69%

Source:
Rates - State Department of Revenue (DOR)
Taxable sales - These figures are unavailable. They have been estimated based on the amount of taxes received from the DOR.

Notes:
(1) The Local Option Sales Tax (LOST) is approved by the voters of the County. It is collected until repealed. Property taxes are reduced by the amount of LOST collected. The LOST may be used for any purpose. A portion of this tax is distributed directly to the cities by DOR. The portion that the cities receive is renegotiated every 10 years. First collection of Local Option Sales Tax in Coweta began on July 1, 1976.

(2) The Special Purpose Local Option Sales Tax is approved periodically by the voters of the County. It is limited to use for capital outlay projects or to repay debt specified in the resolution. It is collected for a number of years (currently 6) or until the amount specified in the resolution is collected. By agreement, a portion of the tax received by the County from DOR is earmarked for City projects. A report on the expenditures of SPLOST is included in the Comprehensive Annual Financial Report. First collection April 1, 1986. Municipalities % total share changed with the 2002 Splost and renewed with the 2007 Splost.

COWETA COUNTY, GEORGIA
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

	Governmental Activities			Business-Type Activities					
Fiscal Year	General Obligation Bonds	Notes Payable	Capital Leases	Contracts Payable	Notes Payable	Capital Leases	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2001	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.00%	-
2002	-	-	-	-	-	-	-	0.00%	-
2003	-	-	18,555,000	-	-	-	18,555,000	0.66%	184
2004	-	-	16,835,000	-	-	-	16,835,000	0.56%	161
2005	-	-	15,015,000	-	-	-	15,015,000	0.47%	138
2006	35,000,000	-	17,744,473	-	-	-	52,744,473	1.53%	463
2007	35,000,000	-	15,726,062	-	-	-	50,726,062	1.33%	428
2008	35,000,000	-	8,554,679	-	-	-	43,554,679	1.11%	354
2009	55,000,000	-	7,148,250	-	-	-	62,148,250	1.53%	489
2010	$ 46,360,000	$ -	$ 5,706,348	$ -	$ -	$ -	$ 52,066,348	1.25%	409

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.
(1) See the Schedule of Demographic and Economic Statistics on Table 16 for personal income and population data.

COWETA COUNTY, GEORGIA
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Restricted to Repaying Principal	Total	Percentage of Personal Income (2)	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
2001	$ -	$ -	$ -	0.00%	0.00%	-
2002	-	-	-	0.00%	0.00%	-
2003	-	-	-	0.00%	0.00%	-
2004	-	-	-	0.00%	0.00%	-
2005	-	-	-	0.00%	0.00%	-
2006	35,000,000	-	35,000,000	1.01%	0.43%	307
2007	35,000,000	-	35,000,000	0.92%	0.40%	295
2008	35,000,000	-	35,000,000	0.89%	0.37%	285
2009	55,000,000	-	55,000,000	1.36%	0.54%	433
2010	$ 46,360,000	$ -	$ 46,360,000	1.11%	0.45%	364

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.
(1) See Table 6 for property value data.
(2) See Table 16 for population data.

COWETA COUNTY, GEORGIA
Direct and Overlapping Governmental Activities Debt
As of September 30, 2010

Governmental Unit	*General Obligation Bonded Debt Outstanding*	*Percentage Applicable to Government*	*Amount Applicable to Government*
Direct:			
Coweta County General Obligation Bonds	$ 46,360,000	100%	$ 46,360,000
Capital Leases	5,706,348	100%	5,706,348
Intergovernmental Contracts	76,050,000	100%	76,050,000 *
Total Direct Debt	$ 128,116,348		$ 128,116,348
Overlapping:			
Coweta County School District	$ 37,000,000	100%	$ 37,000,000
City of Newnan	95,963,338	100%	95,963,338
Total Overlapping Debt	$ 132,963,338		$ 132,963,338
Total direct and overlapping debt	$ 261,079,686		$ 261,079,686

Source: Debt outstanding data provided by Coweta County School System, City of Newnan and Coweta Water & Sewerage Authority.

** The Coweta County Water & Sewerage Authority fiscal year end was June 30, 2010. After the date of the audited financial statements, the Authority issued and refinanced their debt. The new debt amount is $101,475,000, which increased from the $76,050,000 reported as of the Authority's year end on June 30, 2010.*

COWETA COUNTY, GEORGIA
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Assessed value of property	$ 2,029,711,833	$ 2,738,347,618	$ 2,901,611,504	$ 3,084,219,271	$ 3,230,472,600	$ 3,718,467,705	$ 3,991,602,742	$ 4,332,502,331	$ 4,628,047,331	$ 4,658,482,832
Debt limit (10% of total assessed value)	202,971,183	273,834,762	290,161,150	308,421,927	323,047,260	371,846,771	399,160,274	433,250,233	462,804,733	465,848,283
Amount of Debt applicable to limit:										
General obligation bonds	-	-	-	-	-	35,000,000	35,000,000	35,000,000	55,000,000	46,360,000
Less: Resources restricted to paying principal	-	-	-	-	-	-	-	-	-	-
Total net debt applicable to limit	-	-	-	-	-	35,000,000	35,000,000	35,000,000	55,000,000	46,360,000
Legal debt margin	$ 202,971,183	$ 273,834,762	$ 290,161,150	$ 308,421,927	$ 323,047,260	$ 336,846,771	$ 364,160,274	$ 398,250,233	$ 407,804,733	$ 419,488,283
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	9.41%	8.77%	8.08%	11.88%	9.95%

COWETA COUNTY, GEORGIA
PLEDGED REVENUE COVERAGE
Last Ten Fiscal Years

	Sales Tax Increment Bonds [1]			
Fiscal Year	Sales Tax Increment	Debt Service Principal	Debt Service Interest	Coverage
2001	$ -	$ -	$ -	-
2002	-	-	-	-
2003	-	-	-	-
2004	-	-	-	-
2005	-	-	-	-
2006	-	-	-	-
2007	-	-	-	-
2008	-	-	-	-
2009	-	-	-	-
2010	$ 18,917,759	$ 8,275,000	$ 1,521,521	1.93

[1] Sales tax increment bonds are backed by the sales tax revenue produced by the sales tax rate in effect when the bonds were issued.

Details regarding the government's outstanding debt can be found in the notes to the financial statements.

General obligation bonds were issued in fiscal year 2005 and the first principal payment was not due until fiscal year 2010.

COWETA COUNTY, GA
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Fiscal Year	Population [a]	Personal Income (amounts expressed in thousands) [b]	Per Capita Personal Income [b]	Median Age [a]	Education Level as a Percent of Population 25 yrs & Older [c] High School or Higher	College or Higher	School Enrollment [d]	Unemployment Rate [e]
2001	93,746	$ 2,629,016	$ 28,044	33.6	66.0%	N/A	17,515	3.40%
2002	97,386	2,701,262	27,738	33.6	63.8%	N/A	18,389	4.30%
2003	100,614	2,832,005	28,147	33.7	69.4%	N/A	19,035	4.40%
2004	104,387	2,994,420	28,686	33.8	74.6%	N/A	19,685	4.10%
2005	108,694	3,216,361	29,591	33.9	73.6%	N/A	20,519	4.80%
2006	113,863	3,452,368	30,320	34.0	76.0%	N/A	21,352	4.10%
2007	118,452	3,799,840	32,079	34.1	82.2%	N/A	21,790	4.00%
2008	122,924	3,940,814	32,059	34.2	81.7%	N/A	22,151	7.50%
2009	127,111	4,059,038	31,933	34.2	82.0%	21.0%	22,560	9.50%
2010	127,317	$ 4,180,810	$ 32,838	34.2	82.3%	20.7%	22,501	9.60%

Data sources:
(a) United States Bureau of Census
(b) United States Department of Commerce, Bureau of Economic Analysis
(c) Georgia Department of Education and United States Census Bureau
(d) Coweta County Board Of Education
(e) Georgia Department of Labor (Yearly Average Labor Force Estimates Table)

Education level: College or higher information not available for years 2001 thru 2008.
Estimates were used for certain stats in 2009 and 2010 based on historical trends.

COWETA COUNTY, GEORGIA
PRINCIPAL EMPLOYERS
Current Year

Employer		2010 Employees	Rank	2010 Percentage of Total County Employment	2001 Employees	Rank	2001 Percentage of Total County Employment
Coweta County School System	Education	3,136	1	5.32%	2,316		4.88%
Yamaha Motor Manufacturing	Manufacturing	1,000	2	1.70%	812		1.71%
Coweta County	Government	850	3	1.44%	557		1.17%
Pet Smart Distribution Center	Distribution Warehouse	500	4	0.85%			N/A
Newnan Walmart	Retailer	500	5	0.85%			N/A
Cargill Meat Solutions	Packaging	360	6	0.61%	303		0.64%
Georgia Power - Plant Yates	Utilities	350	7	0.59%	350		0.74%
Yokogawa Corporation	Manufacturing	321	8	0.54%	610		1.29%
K-Mart Distribution Center	Retail Distribution	278	9	0.47%	650		1.37%
EGO North America, Inc	Manufacturing	260	10	0.44%			
Kason Industries	Manufacturing	250	11	0.42%	260		0.55%
Bon-L Manufacturing	Manufacturing	249	12	0.42%	750		1.58%
Dan Rivers	Manufacturing				500		1.05%
Eckerd Drug Distribution	Distribution Warehouse				360		0.76%
All other employers		50,871		86.33%	39,969		84.26%
Total Labor Force		58,925		100.00%	47,437		100.00%
County Unemployment Rate		9.60%					3.30%
GA Unemployment Rate		10.20%					4.00%

Source: Newnan-Coweta Chamber of Commerce, Georgia Department of Labor, Coweta Development Authority

COWETA COUNTY, GEORGIA
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

	Full-time Equivalent Employees as of September 30									
Function	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
General government	74	79	81	83	86	92	92	98	94	105
Public safety										
Sheriff										
Officers	106	111	117	111	112	134	140	141	149	146
Civilians	55	57	57	60	65	63	64	70	68	71
Fire										
Firefighters	82	83	86	95	102	112	116	114	121	142
Civilians	2	2	2	2	2	2	2	2	2	2
Other Public Safety	26	27	27	26	31	29	35	33	37	38
Court system	55	57	57	62	59	61	68	70	68	67
Prison	35	33	35	37	44	45	46	47	47	49
Animal Control	5	5	5	6	7	7	7	7	7	7
Public works	45	46	49	53	59	61	70	73	69	68
Recreation and culture	9	10	12	10	13	13	17	36	38	41
Housing and development	21	21	21	24	23	24	26	26	25	25
Solid Waste	6	6	5	7	8	8	7	7	7	7
Total	521	537	554	576	611	651	690	724	732	768

Source: Coweta County Finance 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 average labor hours by 2,080.

COWETA COUNTY, GEORGIA
OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Police										
Physical arrests	5,178	5,157	5,470	5,647	5,816	6,423	6,019	5,742	5,979	6316
Traffic violations	N/A	N/A	N/A	N/A	N/A	N/A	N/A	7,433	9,184	7510
Fire										
Number of calls answered	4,753	5,230	5,778	6,600	6,884	7,453	8,047	8,175	7,529	8193
Inspections	77	45	42	3	81	122	69	42	253	941
Highways and streets										
Street resurfacing (miles)	N/A	N/A	N/A	31	37	46	19	15	23	22
Potholes repaired	N/A	N/A	N/A	N/A	N/A	N/A	N/A	25	72	325
Sanitation										
Refuse collected (tons/day)	N/A	3,715	19,022	14,686	13,095	13,750	11,762	N/A	N/A	17,934
Recyclables collected (tons/day)	N/A	N/A	N/A	N/A	609	611	492	289	348	365
Building										
Inspections Performed	N/A	N/A	N/A	N/A	N/A	N/A	26,139	15,526	10,686	11949
Permits Issued	3,039	3,104	3,774	4,166	4,422	4,693	3,868	2,393	3,879	3907
Culture and recreation										
Athletic field permits issued	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Community center admissions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Sources: Various County departments.

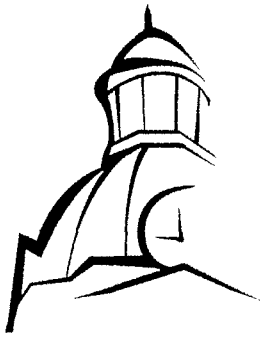
Traffic violation information not available prior to 2008.
Street resurfacing information not available prior to 2004.
New software for tracking fire safety inspections was implemented in 2010.
Potholes repaired information not available prior to 2008. New software for tracking pothole workorders implemented in 2010.
Refuse collected information not available prior to 2002 or after 2007.
Recyclables collected information not available prior to 2005.
Building inspection information not available prior to 2007.
The County Recreation Department does not issue permits for the use of recreational facilities.
Community center admissions information not available.

COWETA COUNTY, GEORGIA
CAPITAL ASSET STATISTICS BY FUNCTION
Last Ten Fiscal Years

Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Public safety										
Sheriff headquarters &/or precincts	1	1	1	1	1	1	1	1	2	3
Patrol Units	86	88	96	97	117	128	131	154	155	175
Fire Stations	14	14	14	14	14	14	14	14	14	15
Firetrucks	14	14	14	16	16	16	16	16	16	24
Solid Waste										
Compactor Sites	12	12	12	12	12	12	12	12	12	12
Transfer Station	1	1	1	1	1	1	1	1	1	1
C&D (inert) Landfill	1	1	1	1	1	1	1	1	1	1
Highways and streets										
Streets (miles) *	N/A	N/A	N/A	N/A	N/A	913	913	917	917	922
Streetlights	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	548	548
Traffic signals	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4	4
Culture and recreation										
Parks acreage	234	234	234	234	234	234	234	234	234	234
Parks	5	5	5	5	5	5	5	5	5	5
Tennis courts	12	12	12	12	12	12	12	12	12	12
Community centers	2	2	4	4	4	4	4	6	6	6
Intergovernmental										
Libraries	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	4	4

Sources: Various County departments.

* Street miles represent County maintained roads only.
Street miles information not available prior to 2006.
Streetlights information not available prior to 2009.
Traffic signal information not available prior to 2009.
The first library constructed in unincorporated Coweta County began operations in fiscal year 2008. In fiscal year 2009, all four libraries within Coweta County consolidated financially as the Coweta Public Library System.



COWETA COUNTY

COMPLIANCE AND INTERNAL CONTROL REPORTS

COWETA COUNTY , GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For Year Ended September 30, 2010

FEDERAL GRANTOR/ PASS-THRU GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT/ CONTRACT NUMBER	PROGRAM OR AWARD AMOUNT	EXPENDITURES
U.S. DEPARTMENT OF JUSTICE				
State Criminal Alien Assistance Program (SCAAP)	16.606	2008-F2601-GA-AP	$ 33,711	$ 33,711
Federal Seized Funds - Justice Funds	16.NA	2010	173,743	93,052
ARRA - Edward Byrne JAG Grant	16.738	2009-SB-B9-0967	117,367	114,200
Bulletproof Vest Partnership	16.607	2006BUBX06132341	9,978	9,978
Passed through GA Judicial Council				
Purchase of Services for Juvenile Offenders	16.523	07-ST-0004	7,500	7,500
Total U.S. Department of Justice			342,299	258,440
U.S. DEPARTMENT OF TREASURY				
Federal Seized Funds - Treasury Funds	21.NA	2010	2,811,733	103,538
Total U.S. Department of Treasury			2,811,733	103,538
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed-through the Georgia Department of Community Affairs				
ARRA CDBG - Stimulus Program	14.219	09-cr-5105	500,000	500,000
Total U.S. Department of Housing and Urban Development			500,000	500,000
U.S. DEPARTMENT OF TRANSPORTATION				
Passed-through the Georgia Department of Transportation				
Airport Grant	20.106	AP100-9016-29(77)	732,605	655,606
Transit Operating Assistance Grant	20.509	T002366	38,839	22,507
Passed-through the Georgia Department of Public Safety				
State and Community Highway Safety	20.600	GA-2010-38-00376	82,430	75,928
Total U.S. Department of Transportation			853,874	754,041
DEPARTMENT OF HOMELAND SECURITY				
Passed-through the Georgia Emergency Management Agency				
Performance Partnership Agreement	97.042	E06-8-040	27,515	27,515
Total Department of Homeland Security			27,515	27,515
US DEPARTMENT OF AGRICULTURE				
Passed - through Georgia Nutrition and WIC Unit				
Nutrition Services Administrative Funds	10.578	SFP 15-01-01(GA)FY2011	403,197	254,221
Total United States Department of Agriculture			403,197	254,221
GRAND TOTAL			$ 4,938,617	$ 1,897,754

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
1. This schedule is prepared on the modified accrual basis of accounting.

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

March 28, 2011

Board of Commissioners
Coweta County, Georgia
Newnan, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of COWETA COUNTY, GEORGIA as of, and for the year ended September 30, 2010, which collectively comprise the COWETA COUNTY, GEORGIA's basic financial statements and have issued our report thereon dated March 28, 2011. Our report was modified to include a reference to 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. Other auditors audited the financial statements of the COWETA COUNTY HEALTH DEPARTMENT and the COWETA COUNTY WATER & SEWERAGE AUTHORITY, as described in our report on COWETA COUNTY, GEORGIA's basic financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered COWETA COUNTY, GEORGIA's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of COWETA COUNTY, GEORGIA's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of COWETA COUNTY, GEORGIA's internal control over financial reporting.

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

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

weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting, findings 10-01 through 10-03. 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.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether COWETA COUNTY, GEORGIA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests did not disclose any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of COWETA COUNTY, GEORGIA, in a separate letter dated March 28, 2011

COWETA COUNTY, GEORGIA response to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit COWETA COUNTY, GEORGIA response, and accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Commissioners, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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PO DRAWER 2396
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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

March 28, 2011

Board of Commissioners
COWETA COUNTY, GEORGIA
Newnan, Georgia

Compliance

We have audited the compliance of COWETA COUNTY, GEORGIA with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2010. COWETA COUNTY, GEORGIA's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of COWETA COUNTY, GEORGIA's management. Our responsibility is to express an opinion on COWETA COUNTY, GEORGIA's compliance based on our audit.

COWETA COUNTY, GEORGIA's basic financial statements include the operations of legally separate component units, Coweta County Health Department and the Coweta County Water & Sewerage Authority. Any amounts of federal awards received by those component units are not included in the accompanying schedule of expenditures of federal awards. Our audit, described below, did not include the operations of Coweta County Health Department or Coweta County Water & Sewerage Authority because those component units engaged other auditors to perform any audit required in accordance with OMB Circular A-133.

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 States, 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 COWETA COUNTY, GEORGIA's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on COWETA COUNTY, GEORGIA's compliance with those requirements.

In our opinion, COWETA COUNTY, GEORGIA complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2010.

Internal Control Over Compliance

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

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

This report is intended solely for the information and use of management, the Board of Commissioners, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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FX 770.536.5223
525 CANDLER STREET, NE
PO DRAWER 2396
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COWETA COUNTY, GEORGIA
AUDITORS' SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended September 30, 2010

I SUMMARY OF AUDITORS' RESULTS:

1. Report issued on Financial Statements – Unqualified opinion.
2. Compliance (financial statements) – No material instances of noncompliance.
3. Internal Control (financial statements) – Three significant deficiencies, no material weaknesses.
4. Compliance (major programs) – Unqualified opinion, no instances of noncompliance.
5. Internal control (major programs) – No material weaknesses.
6. Audit findings required to be reported under A133 Section 510(a)
    i) Significant deficiencies in internal controls over major programs – None reported
    ii) Material noncompliance related to major programs – None reported
    iii) Known questioned costs greater than $10,000 for major programs – None reported
    iv) Known questioned costs greater than $10,000 for a program not audited as major – None reported
    v) Circumstances if report on compliance is other than unqualified – N/A
    vi) Known fraud – N/A
    vii) Misrepresentation in schedule of prior audit findings – None reported
7. Major programs for the year – CDBG - Entitlement Grants, CFDA 14.219; Airport Improvement Program 20.106.
8. Dollar threshold used to distinguish between Type A and Type B programs – $300,000.
9. Does the auditee qualify as a low risk auditee under A133 Section 530 – No.

II AUDIT FINDINGS - GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS

Finding Number

SIGNIFICANT DEFICIENCY

Sheriff's Department

10-01

Statement of Condition:

It was noted at the Sheriff's Department that the yearly summary report ending balance did not agree with ending balance on bank reconciliation. The total receipts and disbursements on the summary also could not be reconciled back to the proof of cash and there was no detailed list of who the listed ending balance on the yearly summary of $4,778 was owed to at year end.

Criteria:

All constitutional officers must have a proper function of receiving funds, recording the receipt of funds, and timely and properly remitting such funds to the appropriate agencies upon their disposition in accordance with State of Georgia laws.

Effect of Condition:

By not properly reconciling this account, differences could go undetected by the respective offices. The risk of misappropriation of the funds increases significantly when information is not maintained accurately.

Cause of Condition:

All records are kept manually rather than in some type of accounting software. There is a significant number of transactions to maintain in the bond account which made it difficult to properly maintain.

Recommendation:

We recommend that all transactions be maintained in some type of accounting software such as Quicken or Quickbooks. This would reduce the number of manual calculations and provide a better way of tracking, disbursing, and maintaining the funds.

Response:

The account is now being maintained in excel which should decrease number or errors.

Magistrate Court

10-02

Statement of Condition:

Appropriate segregation of duties does not exist among custody, receipting, recording, distribution, reconciliation of cash accounts and other operational functions in the Magistrate Court.

Criteria:
Internal controls should be in place which provide reasonable assurance that an individual can not misappropriate funds without such actions being detected during the normal course of business.

Effect of Condition:
Failure to properly segregate duties among custody, receipting, recording, distribution, and reconciliation of accounts can lead to misappropriation of funds that is not detected in a timely manner by employees in the normal course of performing their assigned functions.

Cause of Condition:
This is caused by the limited number of employees in each office to perform all of the duties.

Recommendation:
We recommend the County segregate duties relative to the custody, receipting, recording, distribution, and reconciliation of accounts.

Response:
All of the clerks are trained to handle all that we deal with on a daily basis in the Magistrate Court, both civil and criminal. That includes processing receipts, handling the money, and accounting records. We cannot limit any clerk of the court to one certain task.

Tax Commissioner

10-03 ***Statement of Condition:***
Appropriate segregation of duties does not exist among recording, distribution, and reconciliation of cash accounts.

Criteria:
Internal controls should be in place which provide reasonable assurance that an individual can not misappropriate funds without such actions being detected during the normal course of business.

Effect of Condition:
Failure to properly segregate duties among custody, receipting, recording, distribution, and reconciliation of accounts can lead to misappropriation of funds that is not detected in a timely manner by employees in the normal course of performing their assigned functions.

Cause of Condition:
Unknown.

Recommendation:
We recommend that the Tax Commissioner segregate these duties by training other staff in the office.

Response:
There are segregation of duties already in place but I will review these duties and make adjustments if warranted.

III FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

There were no findings or questioned cost relating to Federal awards reported for the year ended September 30, 2010.