

COWETA COUNTY

Comprehensive Annual Financial Report

Fiscal Year Ended September 30, 2012

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, 2012

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COWETA COUNTY

INTRODUCTORY SECTION

Letter of Transmittal
Certificate of Achievement for Excellence in Financial Reporting
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COWETA COUNTY
BOARD OF COMMISSIONERS

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

March 29, 2013

Coweta County Board of Commissioners and Citizens of Coweta County, Georgia

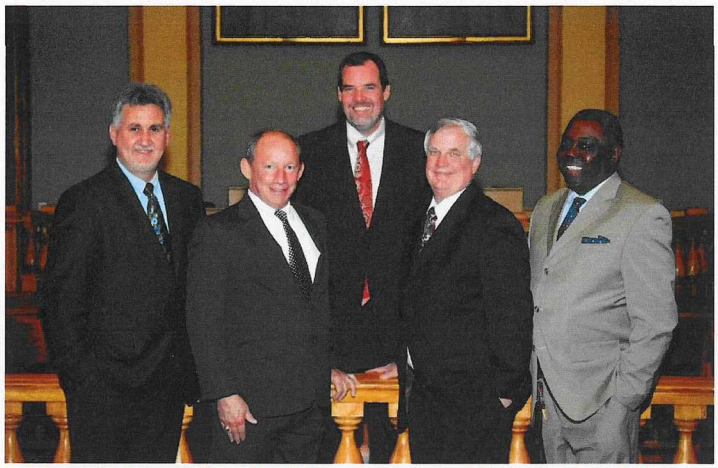
A full accounting of the operations and financial position of government is vital to a strong republic. This Comprehensive Annual Financial Report (CAFR) for Coweta County, Georgia (the "County") is submitted for the fiscal year ended September 30, 2012, to fulfill that need and also to meet the requirements of the State of Georgia and Coweta County.

This CAFR is management's representation of the finances of the County, and County management assumes full responsibility for the completeness of the information presented. The information provided has been compiled within a comprehensive framework of internal controls to provide reasonable assurance that the financial statements are free from material misstatement. To provide further assurance, the financial statements have been independently audited by Bates, Carter & Co. LLP and the independent auditor's report is included in this CAFR.

This report has eight major sections. After the introductory section is the Financial Section, which includes Management's Discussion and Analysis (MD&A). The MD&A is a more complete discussion of the County's financial activities, financial position and different fund and financial issues. The MD&A assists the reader in understanding significant issues specific to Coweta County. Next are the Basic Financial Statements, featuring government-wide statements, fund and component unit statements, and notes to support and clarify those financial statements. The next three sections cover Required Supplementary information, along with Non-major Governmental Funds, Fiduciary Funds, and Component Unit reports. The last section is for Supplemental Information, including statistical information and compliance and internal control reports.

Profile of the Government

Coweta County is just southwest of the City of Atlanta and is bordered by Fulton, Fayette, Meriwether, Spalding, Troup, Heard and Carroll counties and bordered on the northwest corner by the Chattahoochee River. U.S. Interstate 85 bisects the county and seven other U.S. and Georgia highways cross Coweta. The estimated population of Coweta is 129,629, making it the 17th most populous county in the state (out of 159 counties.) Newnan serves as the County Seat for Coweta, which is also home to seven other municipalities – Grantville, Haralson, Moreland, Palmetto, Senoia, Sharpsburg, and Turin.



L-R Coweta County Board of Commissioners – Tim Lassetter, Bob Blackburn, Rodney Brooks, Paul Poole and Al Smith

Coweta County has a five member Board of Commissioners (the Board), each elected to four year terms and representing a single commission district. The district lines are determined by population and are adjusted based on census data. Commissioners are part time and terms are overlapping, with at least two seats up for re-election every two years. The Board elects a chairman and vice chairman for two year terms. Bob Blackburn is the current Chairman, and Tim Lassetter is the current Vice Chairman of the Coweta County Board of Commissioners. The Board hires an administrator to handle the day to day functions of county government. The administrator implements the Board's policies, administers county government, appoints department heads and supervises approximately 875 county employees.

In addition to the five commissioners, every four years county residents also elect the constitutional offices of sheriff, clerk of superior court, tax commissioner, and probate court judge, along with other county or district wide elected positions including magistrate court judge, superior court judges, state court judges, solicitor general, coroner, surveyor, and district attorney.

The County provides a full range of services to Coweta citizens. These include but are not limited to the following:

*Ambulance Service
*Animal Control
*Building Inspection & Code Enforcement
*Development and Engineering
*Emergency Management Agency
*Environmental Management – recycling and refuse management services
*E911 call center and dispatching
*Fire Department, 15 stations serving unincorporated Coweta and six of the municipalities by agreement (Newnan and Palmetto provide their own fire services)
*Judicial and Court Services
*Parks and Recreation
*Planning and Zoning
*Prison & Work Release
*Road Department
*Sheriff's Office – covers all of Coweta County, but supplemented in Newnan, Senoia and Grantville by city police forces.

The County has also established authorities and partnered with other entities to provide some services. These include:

*Convention and Visitors Bureau
*Development Authorities
*Georgia Driver's License Location
*Georgia State Patrol Outpost
*Health Department, Physical and Environmental
*Newnan-Coweta Airport
*Public Library System
*Water and Sewer

Governmental Units

The Coweta County School System is fiscally independent of the County Board of Commissioners with school board members being elected from throughout the county. Consequently, its financial statements are issued separately and not included in this CAFR.

There are five governmental units that are included in the County's CAFR as discretely presented component units. The Coweta County Department of Public Health 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 Coweta County Board of Commissioners appoints four members of a seven member Board of Health. The County Board of Commissioners provides an annual subsidy for operations.

The Coweta County Public Library System serves all citizens of Coweta County through a centrally located library headquarters and three branch facilities. It is governed by a Board of Trustees, appointed by the Coweta County Board of Commissioners. The Library System receives funding from the County Board of Commissioners for operations.

The Coweta County Airport Authority has responsibility over all activities related to the airport in Coweta County. 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 Coweta County Development Authority is the primary point of contact for economic development activities in Coweta County. The Coweta County Development Authority was created in 1966 through a local amendment to the Georgia Constitution. The Development Authority consists of a five-member volunteer board, appointed by the Coweta County Commission. In addition, a seven-member board, the Development Authority of Coweta County, was established by legislation in 1973. These two boards work together to support and enhance economic development in Coweta County. Working with local, regional, state and national partners, the Development Authority works to encourage and promote economic development activity in the county, whether through the location of a new company or through the expansion

of an existing facility. The Development Authority receives funding from the County Board of Commissioners for operations, and collects administrative fees for bonds.

The Coweta County Water and Sewerage Authority manages the water and sewer system of Coweta County. It is governed by a three member board appointed by the Coweta County Board of Commissioners. The Water and Sewerage Authority is financially independent of the County, except that the County is obligated to make revenue bond debt service payments on certain debt issuances in the event of default by the Water and Sewerage Authority.

Budget Process

Coweta County's fiscal year runs from October 1 – September 30. Annual budget planning begins in June and budget requests are reviewed line by line by County management and ultimately by the Board. The County maintains budgetary controls to ensure compliance with state law and local policies. Budgetary control is at the department/fund level, so expenditures may not exceed the total budget for any department within a fund. Transfers of appropriations within a department require approval of the Finance Director, while transfers between or among departments or funds or an increase requested for a department or fund requires Board approval.

Annual budgets are adopted consistent with generally accepted accounting principles for the general and special revenues funds and are integrated into the general ledgers of such funds. The General Fund represents the revenues and expenses required to run the day to day functions of county government. The General Fund receives the vast majority of its revenue from property taxes, sales tax, fines/forfeitures/court fees, charges for services, licenses/permits and other taxes. Special Revenue funds are for funds legally restricted to use for particular purposes and are accounted for separately. These include the Fire District Fund, E-911 Service fund, Hotel/Motel Tax, law library, and Sheriff's law enforcement fund. Project length budgets are adopted for Capital Projects Funds, including Impact Fees Fund, Community Development Block Grants (CDBG), Capital Expenditures Fund, Transportation Fund, and Special Purpose Local Option Sales Tax Fund.

Economic Condition

Coweta County continues to be effected by the economic issues that have impacted our state and nation, but has outperformed many neighboring counties. While the County property tax digest declined nearly 3 between 2011 and 2012, sales taxes were up approximately 8 over the prior year. During 2012, the new Piedmont Newnan Hospital opened on Poplar Road near I-85 with accompanying medical office buildings nearby. Additionally, Cancer Treatment Centers of America opened in the Ashley Park shopping area near I-85. A new Rehabilitation Hospital has applied for a certificate of need and is in the approval stage, as well as proposed additions to CTCA. This along with further development in the Piedmont Hospital area position Coweta County well, as a major center for the healthcare industry.

In addition to the healthcare industry, the television and movie industry has thrived in Georgia since incentives were enacted by the State Legislature a few years ago. Coweta County has certainly been a beneficiary of this new industry, as quite a few movies and television shows

have and continue to film in the County. In particular, AMC's "The Walking Dead", is the most watched drama in basic cable history. There continues to be ongoing interest in filming in the County for upcoming movies as well, which should further benefit our local economy. There are several other commercial and retail ventures that have started or are in the planning stages that will add additional jobs in the County in the coming year.

The County has maintained strong financial reserves, while not increasing property taxes. This has allowed the County to maintain a solid credit rating and not have to borrow funds to temporarily fund the government or make capital purchases. The same cannot be said in other Metro Atlanta counties where double digit property tax digest declines have forced governments to increase property taxes, lay off or furlough workers, reduce services, or all three. Coweta County has not had to implement any of these policies, but does remain vigilant about its budget and will be able to react quickly should the need arise.

The County offers a low cost of living and high quality of life. It has an excellent school system and a well trained workforce. Coweta County has been named by Bloomberg/Business Week as the Best Affordable Place to live in Georgia based on a combination of factors. The County is positioned for continued quality growth due to its close proximity to the world's busiest airport, Hartsfield-Jackson Atlanta International Airport, as well as the County's transportation infrastructure and industrial capacity.

Financial Planning and Policies

Cash Management

Temporarily idle cash earns interest through certificates of deposit or other investments that conform to Georgia code. The General Fund, Fire Fund, E-911 Fund, and Development Authority funds have cash invested in other than money market accounts at September 30, 2012. These funds are typically invested in time lengths of 3, 6, 9, or 12 months, and the average rate of return is currently less than 0.5%. Funds in money market accounts typically earn 0.12% due to the state of the economy and the banking industry.

Debt Management

Coweta County has $31 million in primary government debt. Of this amount, $28.3 million is in general obligation bonds, which is comprised of $18.6 million of general obligation Fire Bonds, $9.25 million of general obligation bonds backed by SPLOST, and $460 thousand in Airport Notes Payable. There were $2.7 million in capital leases as of the fiscal year end. Of this amount, approximately $1.34 million was comprised of Capital Leases, while another $1.33 million was comprised of Certificates of Participation ACCG Leasing Program. As of the date of this report, both the $9.25 million in general obligation debt, and $1.33 million in certificates of participation had been paid in full. This essentially leaves the debt from the general obligation Fire Bonds as the vast majority of the remaining County issued debt. The County's legal debt limit is $445 million as of September 30, 2012. The net debt applicable to the debt limit as a percentage of the limit is 6.26%. This is down from approximately 2% from the prior year when it was at 8.29%. Essentially the County has very little issued debt compared to the allowable

limit. The Coweta County Water and Sewerage Authority has $99.7 million in debt, which is overlapping debt to the County. The Coweta County Water and Sewerage Authority financial statements are as of year ending June 30, 2012. The Coweta County School System has $16.6 million in debt and the City of Newnan has $158.7 million in debt, for a total of $175.3 million in overlapping debt to the County. The City of Newnan debt is attributable to Newnan Utilities, its public utility company. None of the $175.3 million in debt is guaranteed by the County.

Credit Rating

Coweta County's credit rating from Moody's is Aa2 and from Standard & Poor's is AA. Additionally, Fitch's and Standard & Poor's rated Coweta Water & Sewerage Authority as AA.

Risk Management

The County purchases full coverage comprehensive insurance policies at group rates covering the risk exposures for general and automobile liability, property and casualty coverage. These policies are bid out annually by J. Smith Lanier, a general insurance agency. The County is self-insured with stop loss provisions for health insurance and workers compensation. The County pays a portion of the group insurance coverage for employees and Northwestern Benefit Corporation of Georgia manages the Health plan through Blue Cross/Blue Shield of Georgia.

Pension and Post-Employment Benefits

The County has both a defined benefit and deferred compensation plan. The defined benefit plan is managed by a Third Party Administrator, Griffith Financial Services, and is closed to any new participants. The deferred compensation plan is available to all new employees as of 2006. Employees may also participate in a voluntary Section 457 Deferred Compensation Plan. Details of these various plans may be found in Note 8. The County works closely with its actuaries to ensure that the pension plans are financially sound. Both plans allow for retiree healthcare coverage. These Other Post-Employment Benefits (OPEB) are detailed in the financial statements per GASB 45, and also in the notes to the financial statements.

Sales Taxes

On March 6, 2012, the citizens of Coweta County voted to continue the Special Purpose Local Option Sales Tax (SPLOST) for another 6 years. The first collections on the 2013 SPLOST will be received in January 2013. Eighty-two percent of Coweta's portion of revenue projected to come through this SPLOST will be used for County transportation projects. However, the regional Transportation Infrastructure Act (TIA), an additional 1 sales tax, was rejected by voters on July 31, 2012, in the county and region. This tax would have been exclusively used for transportation projects that were approved by the regional board. In 2012, negotiations with Coweta municipalities were completed with respect to the Local Option Sales Tax. This 1 sales tax goes into the general fund and can be used for general government needs, including maintenance and operations of county facilities. It is split between the county and the municipalities based on several criteria and is required to be renegotiated every 10 years in conjunction with the publishing of the census results, or as required by the State of Georgia.

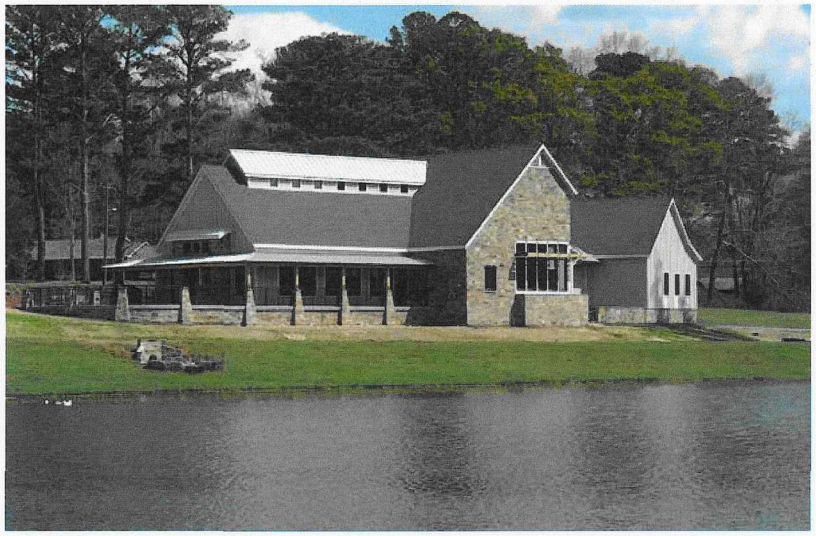
Major Projects Completed in 2012



An expansion of Animal Control was completed in 2012. This expansion, which was partially funded through a grant from the Holland M. Ware Charitable Foundation, provides an intake facility for the animals. This intake facility provides a separate location for new animals to be placed during the holding period, until they can be examined by a veterinarian and determined to be healthy. It also expanded the holding capacity of the facility by approximately 33%.



The jail and investigation expansion project at the Sheriff's office was completed in 2012. It expanded the investigation division and provides for more flexibility in the jail. The total project cost was nearly $2.3 million and was funded through Impact Fees and SPLOST funds.



The Coweta Public Library System added its fourth library with the completion of the Senoia branch in 2012. The library was completed at a cost of nearly $1.7 million dollars. Its picturesque location on Pylant Street in Senoia significantly adds to the scenery in the city and will serve the citizens of that area of the County well for many years to come.

In addition to these projects, the Temple Avenue Gym roof was replaced and accompanying areas renovated. Renovations were also completed at the Powell Library nearby, and were partially funded from State grant funds. There were other county buildings that were renovated or improved including several fire stations. The Western Area Regional Radio System, a public safety communication system, was also completed in 2012, and provided 700 MHz radio communications to all public safety operations.

Transportation projects completed in 2012 included over $2.8 million in full depth reclamation and resurfacing projects throughout the County. International Park and Shenandoah Boulevard were resurfaced using the State LMIG program and County funds. Intersection improvement projects included Greentop Road at Hwy 29, Hammock Road at Hwy 154, and Lower Fayetteville Road at Hwy 154 were completed in 2012. Additionally, the following bridge/culvert projects were completed including Martin Mill Road at Little White Oak Creek, Luther Bailey Road at Double Branch and Dead Oak Creek, Moore Road at White Oak and Little White Oak Tributary, and Reese Road and McIntosh Trail at Keg Creek.

Major initiatives upcoming

With the passage of SPLOST, improving and maintaining our local transportation infrastructure will be the major initiative over the next 7-10 years. While a significant portion of these funds are dedicated to road maintenance and rehabilitation, local funds for the building of the new interstate interchange at Poplar Road are also included. We have already begun the preliminary engineering for the interchange funded with Impact Fees. Additionally, the County is working with the City of Newnan on several projects that are underway or planned. One of those projects will be the Five Points intersection that will link the City to the new Poplar Road interchange. This project is in its early planning stages, but will need to be done in conjunction with the

interchange project. The bypass extension project will begin soon with engineering and other planning stage work. This project is significant as it will extend the Newnan bypass connector south from Turkey Creek road to the Hwy 16/Hwy 29 area near Exit 41 on I-85.

The Newnan-Coweta County Airport will be installing an Instrument Landing System (ILS) along with a new Automated Weather Observer System (AWOS) to enhance operations. The cost of this project will be in excess of $900K, which will be funded by a grant from Georgia Department of Transportation, refinancing of the existing Airport Authority debt, and the County contributing the remaining amount. The project will greatly enhance the safety of the airport and improve the all weather landing capability.

There will also be major improvements to the Justice Center Complex at 72 Greenville Street. Those include additional parking, improved security equipment, courtroom technology upgrades, and the build out of an unfinished courtroom on the 3rd floor of the facility.

During 2013, the Animal Control facility will be adding a surgical center. This facility will allow the veterinarian to work with the animals on site and not incur additional costs to transport them to off site locations. Some of the animals the facility receives are in need of medical care and in some cases, surgical care is required. This center is being funded primarily through a private grant the facility received.

There will be several public safety facilities that will be completed in 2013. Those include a new Fire Station # 6 located in Madras on U.S. Hwy 29, and a Fire Department maintenance facility located behind the headquarters station on Turkey Creek Road. Improvements also include remodeling of other fire stations in the County funded through SPLOST. The new facilities are being funded by the remaining funds from the 2009 GO Bond issue. A new County Morgue will be built on the campus of the E-911 Center.

Recreation opportunities for citizens will be expanded in 2013 with the completion of the expansion at Andrew Bailey Baseball Park, continued work on Central Soccer Park, and the first phase of construction of Brown's Mill Battlefield, including an entrance drive, parking and surrounding trails. The County is also working with the City of Senoia on enhancements and expansion of recreational facilities near the city.

Awards and Acknowledgements

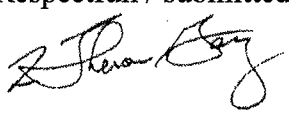
The Coweta County Finance department again received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association.

Jason Ross, Coweta County Sheriff's deputy was honored for his bravery and heroism by the Georgia Sheriff's Association, Peace Officers Association of Georgia, and members of the Georgia Legislature in a ceremony at the State Capital, for rescuing a person from a burning car.

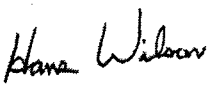
And the county was selected by Bloomberg/Business Week Magazine as the Best Affordable Place in Georgia, recognizing the county's low cost of living and high quality of life.

This CAFR represents a significant cooperative effort between the County's Finance Department and our independent auditor, Bates Carter and Co., LLP. Many thanks go to the County department heads for their assistance and cooperation in contributing to this CAFR. In addition, our sincerest appreciation goes to the Finance Department's staff for their dedication and support in completing this report. Finally, our thanks go to the Board of Commissioners for their unfailing support, for maintaining the highest professional expectations, and for directing the fiscal affairs of the County in a progressive and responsible manner.

Respectfully submitted,



L. Theron Gay
County Administrator



Hans Wilson
County Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Coweta County Georgia

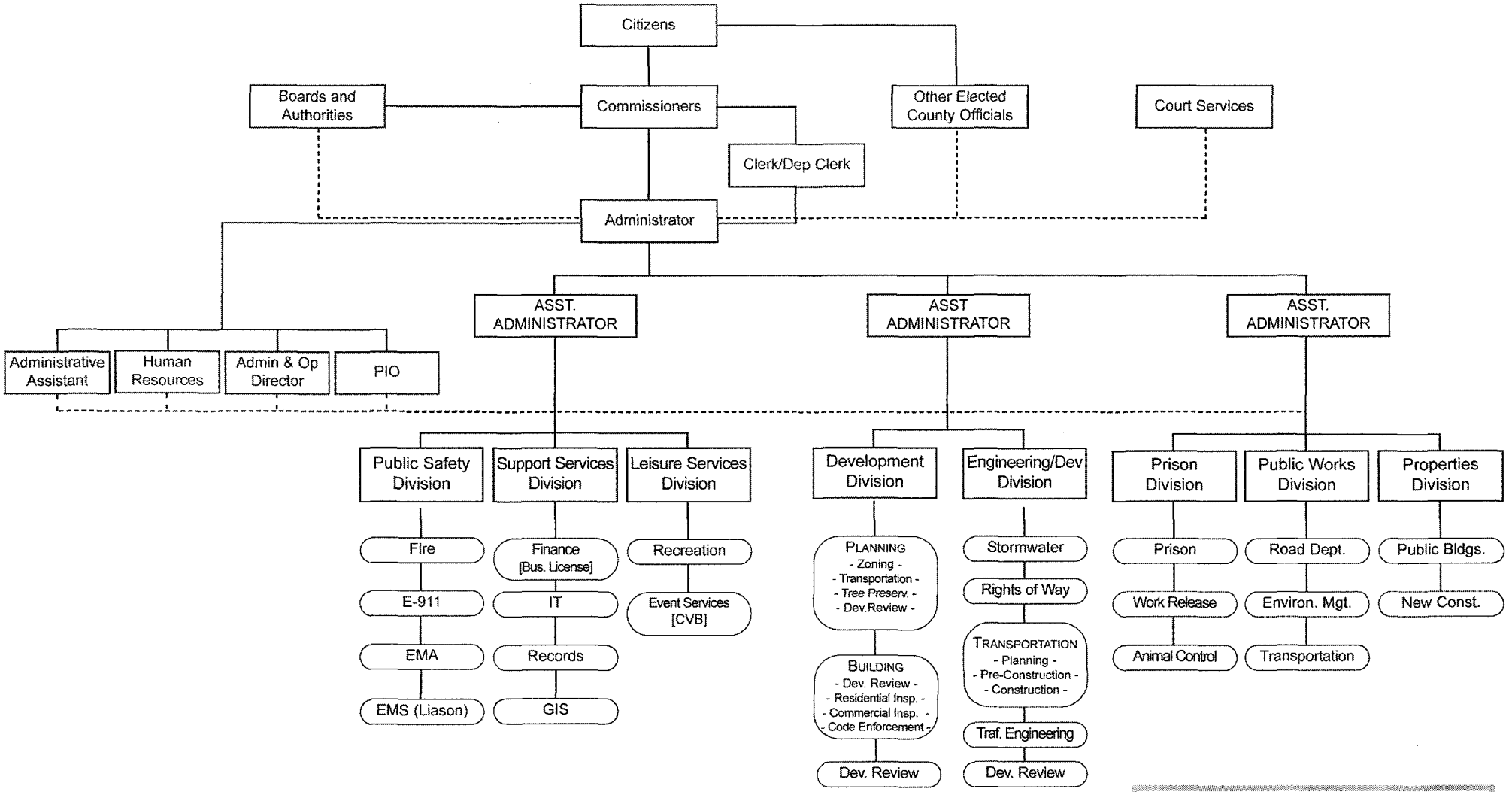
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2011

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



Christopher P Morrill
President

Jeffrey R. Esser
Executive Director



COWETA COUNTY

Officials of Coweta County, Georgia

Legislative Branch

BOARD OF COMMISSIONERS

Paul Poole, Commissioner – District 1
Tim Lassetter, Commissioner - District 2
Bob Blackburn, Commissioner - District 3
Rodney Brooks, Chairman - 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	Michael Fouts
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
Public Safety Division Director	Johnny Teeters

COWETA COUNTY

FINANCIAL SECTION

Independent Auditors' Report
Management's Discussion and Analysis

BatesCarter
Exceeding expectations. Always.

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INDEPENDENT AUDITORS' REPORT

March 29, 2013

Board of Commissioners
COWETA COUNTY, GEORGIA
Newnan, Georgia 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, 2012, 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, 2012 which statements reflected total assets of $405,384 and $164,545,066 respectively, and total revenues of $1,579,538 and $19,380,005, 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, 2012, 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.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 29, 2013, on our consideration of COWETA COUNTY, GEORGIA's internal control over financial reporting and 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, Schedule of Employer Contributions, 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 accompanying schedule of projects constructed with Special Sales Tax Proceeds is presented for purposes of additional analysis as required by Official Code of Georgia 48-8-12. The combining and individual nonmajor fund financial statements, supplemental budgetary comparison schedules, the schedule of expenditures of federal awards, and schedule of projects constructed with Special Sales Tax Proceeds, 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.

Bates, Carter & Co, LLP

of general obligation bonds payable and Certificates of Participation of $(10.1) million and $(1.4) million respectively. The increase in net assets in business type activities is due to an increase in transfer from the general fund for capital purchases.

COWETA COUNTY, GEORGIA
Comparative Schedule of Net Assets
September 30, 2012
($ in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Current and other assets	$ 91,857	$ 97,655	$ 769	$ 790	$ 92,626	$ 98,445
Capital assets (net of depreciation)	371,547	382,871	923	708	372,470	383,579
Total assets	463,404	480,526	1,692	1,498	465,096	482,024
Long-term liabilities outstanding	57,768	62,276	749	709	58,517	62,985
Other liabilities	6,262	6,257	51	60	6,313	6,317
Total liabilities	64,030	68,533	800	769	64,830	69,302
Net assets						
Invested in capital assets, net of related debt	346,439	349,608	923	708	347,362	350,316
Restricted	41,649	44,547	-	-	41,649	44,547
Unrestricted	11,285	17,838	(31)	21	11,254	17,859
Total net assets	$399,373	$411,993	$ 892	$ 729	$400,265	$412,722

At September 30, 2012, the County had $347,361,809 invested in capital assets, net of debt and accumulated depreciation, which represents the largest portion of the County's net assets (86.8%). 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 $400 million and $413 million for 2012 and 2011, respectively.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues						
Charges for services	$ 15,496	$ 15,779	$ 610	$ 678	$ 16,106	$ 16,457
Operating grants and contributions	508	751	-	170	508	921
Capital grants and contributions	3,199	3,600	-	-	3,199	3,600
General revenue						
Property taxes	39,266	38,339	-	-	39,266	38,339
Sales taxes	35,660	32,920	-	-	35,660	32,920
Other taxes	6,652	6,188	-	-	6,652	6,188
Gain on sale of assets	-	81	-	-	-	81
Unrestricted investment earnings	218	390	-	-	218	390
Total revenue	100,999	98,048	610	848	101,609	98,896
Expenses:						
General government	14,491	13,633	-	-	14,491	13,633
Judicial	8,486	8,396	-	-	8,486	8,396
Public safety	45,673	45,167	-	-	45,673	45,167
Public works	33,804	31,883	-	-	33,804	31,883
Public health and welfare	357	376	-	-	357	376
Recreation and culture	6,185	5,840	-	-	6,185	5,840
Housing and development	2,549	2,878	-	-	2,549	2,878
Interest and paying fees	1,287	1,588	-	-	1,287	1,588
Solid waste	-	-	1,234	1,253	1,234	1,253
Total expenses	112,832	109,761	1,234	1,253	114,066	111,014
Increase in net assets before transfers	(11,833)	(11,713)	(624)	(405)	(12,457)	(12,118)
Transfers	(787)	(546)	787	546	-	-
Increase (Decrease) in net assets	(12,620)	(12,259)	163	141	(12,457)	(12,118)
Net assets, beginning of year	411,993	424,252	729	588	412,722	424,840
Net assets, end of year	$ 399,373	$ 411,993	$ 892	$ 729	$ 400,265	$ 412,722

The comparative schedule of changes in net assets denotes a decrease of $(12.5) million in assets. While most categories were similar to the prior year, both total revenues and total expenses increased approximately $3 million in fiscal year 2012 versus prior year. However, in the prior year, total expenses exceeded total revenues by $(12.1) million. The primary drivers of the approximately $(12) million dollar decrease in both years are depreciation expense and OPEB costs.

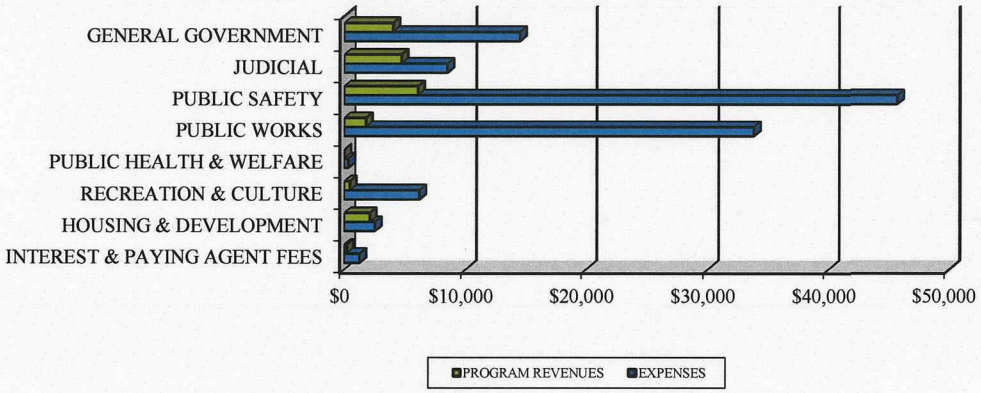
Revenue changed by $2.7 million primarly because of increased sales taxes versus prior year. Expenses increased $3 million versus prior year primarily the result of an increase in Public Works expenses of nearly $2 million versus the prior year as a result of increased road projects and additional depreciation expense incurred. All other Expense categories accounted for a net increase of approximately $1 million versus the prior year. This resulted in $(335) thousand variance of current year revenues compared with expenditures.

Governmental Activities:

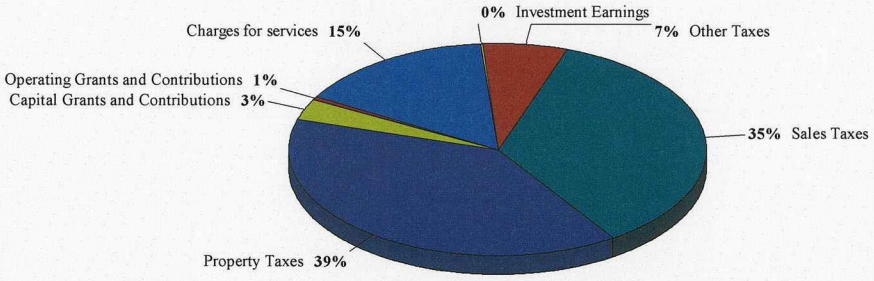
Most areas were essentially the same as the previous year, except for Sales Tax increasing from 34% to 35%, as a result of increases in Local Option Sales Tax and Insurance Premium Tax increases. Property Tax collections decreased by less than 1% compared to the previous year. Charges for services remained essentially flat versus the prior year. Capital Grants and Contributions decreased from 4% to 3% due to fewer Federal and State grants being awarded as compared to the prior year. Investment returns netted only .3% overall due a money market rate of .12% and an average investment rate of .25% in fiscal year 2012.

The following charts show activities by function:

Expenses and Program Revenues - Governmental Activities
FY 2012
(in $ thousands)



Revenues by Sources - Governmental Activities
FY 2012



* Zero Data, Other

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

Business-Type Activities:

Business–type assets increased County's net assets by $163.0 thousand. The Solid Waste Fund had an operating loss of $(624) thousand before taking into account the County Appropriation of $787 thousand, which resulted in a Change in Net Assets of $163 thousand.

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 $238 thousand from the prior year, while expenses decreased by $19 thousand from the prior year, for a net decrease before transfers which resulted in an additional $(219) thousand decrease in excess of prior year operating loss of $(405) thousand. The County increased the transfer to the Solid Waste fund to $787 thousand, nearly $241 thousand more than prior year, primarily because of funding of capital purchases.

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 $81,624,113, a decrease of $6,625,204 in comparison with the prior year. Approximately 38% of the total ending fund balance, $31,262,944, constitutes unassigned 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)

	2012	2011	Inc/Dec	%Inc/Dec
Revenue				
Taxes	$ 80,880	$ 79,869	$ 1,011	1.3 %
License and Permits	2,420	2,654	(234)	(8.8)%
Intergovernmental	3,209	3,656	(447)	(12.2)%
Fines and Forfeitures	5,179	4,927	252	5.1 %
Charges for Services	7,685	7,967	(282)	(3.5)%
Interest income	262	443	(181)	(40.9)%
Miscellaneous	367	939	(572)	(60.9)%
Total Revenues	$ 100,002	$ 100,455	$ (453)	(0.5)%

	2012	2011	Inc/Dec	%Inc/Dec
Expenditures				
General Government	$ 12,745	$ 11,696	$ 1,049	9 %
Judicial	7,049	6,863	186	3 %
Public Health and Welfare	356	376	(20)	(5)%
Public Safety	38,141	37,514	627	2 %
Public Works	9,312	9,620	(308)	(3)%
Recreation and Culture	4,494	4,245	249	6 %
Housing and Development	2,313	2,624	(311)	(12)%
Intergovernmental	6,340	6,751	(411)	(6)%
Capital Outlay	12,487	17,043	(4,556)	(27)%
Debt Service	12,607	12,653	(46)	- %
Total Expenditures	$ 105,844	$ 109,385	$ (3,541)	(33)%

There was an overall decrease in revenue of approximately $(0.5) million. Total tax revenues increased by $1 million over the prior year. This was the net result of 8.3% increase in sales taxes versus prior year, and the effects of a decline in property tax digest with no millage rate increase. Nearly every other revenue category decreased except Fines and Forfeitures. This was primarily the result of Superior Court Recordings and Intangible taxes, Magistrate Court, and State Court Pretrial diversion increases, which offset decreases in State Paid fines.

Total expenditures decreased by $(3.5) million. Capital outlay decreased by $(4.5) million due to nearly $(6) million fewer capitalized projects in the Fire fund, along with an increase of approximately $1.5 million in capitalized projects in the SPLOST and Other Non Major Governmental Funds combined versus prior year. General Government expenditures increased approximately $1 million over the prior year.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, total fund balance was $32,705,765 with unassigned fund balance of $31,262,944. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and transfers out. Fund balance represents 53.7% of total fund expenditures with unassigned representing 51.3 %.

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 $9,374,882, a decrease of $2.3 million from that of fiscal year 2011. This decrease is primarily due to capital outlay from bond proceeds. The portion of this fund balance not restricted by bond funds for capital outlay is $4,257,816. This portion of the fund balance represents 33.7% of total fund expenditures.

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

Coweta County Governmental Funds
Comparison of Fund Balance from Year to Year
($ in thousands)

	2012	2011	Incr/(Decr)	% Incr/-Decr
General Fund	$ 32,706	$ 31,320	$ 1,386	4.4 %
Fire District	9,375	11,652	(2,277)	(19.5)%
SPLOST	31,862	33,982	(2,120)	(6.2)%
Non-Major Funds	7,682	11,295	(3,613)	(32.0)%
Total Fund Balance	$ 81,625	$ 88,249	$ (6,624)	(7.5)%

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
Comparison of Net Assets from Year to Year
($ in thousands)

	2012	2011	Incr/(Decr)	% Incr/-Decr
Solid Waste Disposal	$ 892	$ 729	$ 163	22.4 %
Total Fund Balance	$ 892	$ 729	$ 163	22.4 %

Total net assets of the proprietary funds at the end of the year amounted to $891,601.

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, 2012

	Budget			Variance of
	Original	Final	Actual	Final Budget
General Government	$ 13,220,034	$ 13,096,300	$ 12,827,127	$ 269,173
Judicial	7,223,571	7,403,384	7,027,237	248,780
Public Safety	23,409,374	24,102,625	24,030,464	72,161
Public Works	7,075,893	7,345,463	7,047,760	297,703
Public Health and Welfare	370,500	398,500	356,298	42,202
Recreation and Culture	3,992,336	4,310,586	4,235,307	75,279
Housing and Development	2,588,789	2,488,789	2,245,860	242,929
Transfers	2,985,486	3,171,252	3,171,252	-
Total Charges to Appropriations	$ 60,865,983	$ 62,316,899	$ 60,941,305	$ 1,248,227

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 2012 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, 2012, was $372 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	
	2012	2011	2012	2011	2012	2011
Land and Improvements	$ 15,375	$ 15,008	$ 652	$ 674	$ 16,027	$ 15,682
Construction in Progress	10,932	12,771	-	-	10,932	12,771
Buildings	96,616	97,525	-	-	96,616	97,525
Machinery & Equipment	8,069	5,228	271	34	8,340	5,262
Vehicles	8,193	8,789	-	-	8,193	8,789
Infrastructure	232,362	243,551	-	-	232,362	243,551
Total Assets	$ 371,547	$ 382,872	$ 923	$ 708	$ 372,470	$ 383,580

Governmental assets moved from construction in progress to the asset records during the year totaled approximately $12 million versus $10.4 million in additions to construction in progress. The other category of non-depreciable assets is land and improvements which increased nearly $375 thousand as a result of $444 thousand in additions and $(76) thousand in transfers out. There were no additions to buildings and improvements, however, $2.7 million was transferred in, $(46) thousand retired, and $(3.6) million recorded as depreciation. Approximately, $4.2 million was added or transferred into the machinery and equipment category, with $(1.4) million in depreciation. Vehicles additions and retirements net to an increase of nearly $1 million, with $(1.6) million in net depreciation. The largest decrease in assets was from the infrastructure category with nearly $6 million in transfers in, and $(17) million in depreciation.

Additional information on the County's capital assets can be found in Note 6 of this report.

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, 2012, 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, Hotel Motel Tax, Law Library, and Sheriff's Programs); Capital Projects (SPLOST, Transportation, Capital Expenditures, Impact Fees, and CDBG). 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 14-53 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information on pages 54-58 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 59-77 of this report.

- Coweta County's assets exceeded its liabilities at September 30, 2012, by $400,264,778 (net assets). Of this amount, $347,361,809 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 $52,902,969.

- As of September 30, 2012, the County's governmental funds reported combined ending fund balance of $81,624,113. Of this amount, $31,262,944 remains in the various funds as unassigned.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Coweta County, on an entity-wide basis, had a decrease in net assets during 2012 of $(12.5) million, which is the combination of a $(12.6) million decrease in governmental activities and $0.1 million decrease in business-type activities. Total Assets decreased $(17) million and is comprised of a decrease in Current Assets of $(5.8) million and a decrease in Long Term Assets of $(11.2) million. Much of the decrease in Total Assets government wide can be attributed to a decrease in Cash & Investments of $(1.6) million, decrease in Accounts Receivable of $(700) thousand, increase in Due from Component Units of $850 thousand, and a decrease in Restricted Cash of $(4.2) million. Long Term Assets decrease is comprised of a decrease of Capital Assets not being depreciated of $(1.5) million, an increase in Capital Assets being depreciated of $14 million, and an increase in accumulated depreciation, a contra-asset account, of $(23.7) million. Total Liabilities decreased $(4.5) million, which was all attributable to a decrease in Long Term Liabilities $(4.5) million respectively. The decrease in Total Liabilities government wide can be attributable to an increase in the current portion of general obligation bonds payable of $400 thousand and an increase of Net OPEB obligation of $7.1 million, and a decrease in Net Pension obligation and Capital Leases payable of $(300) thousand respectively, and a decrease in non-current portion

Long–Term Debt. At the end of the current fiscal year, the County had total long-term indebtedness of $58,517,848. 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.

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	
	2012	2011	2012	2011	2012	2011
Bonds Payable	$ 28,505	$ 38,215	$ -	$ -	$ 28,505	$ 38,215
Certificate of Participation	1,396	2,738	-	-	1,396	2,738
Capital Leases	1,334	1,614	-	-	1,334	1,614
Landfill Closure/Postclosure	579	634	726	683	1,305	1,317
Compensated Absences	2,214	2,105	24	26	2,238	2,131
Net Pension Obligation	382	696	-	-	382	696
Net OPEB Obligation	23,357	16,269	-	-	23,357	16,269
Totals	$ 57,767	$ 62,271	$ 750	$ 709	$ 58,517	$ 62,980

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.

While most categories of debt decreased versus the prior year due to debt service payments, etc., compensated absences did increase $100 thousand. Management is addressing this issue in fiscal year 2013 with improvements anticipated as a result.

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 $445,443,486.

Additional information regarding Coweta County's long-term debt can be found in Note 7 of this report .

ECONOMIC OUTLOOK

The economic outlook for Coweta County in fiscal year 2013:

- The unemployment rate in Coweta County is at 7.2%, which is lower than the State of Georgia at 8.9% and slightly lower than the United States at 7.8% as of September 30, 2012. As of the date of this report, the County's rate is stable, with the State at 8.3%, and the United States at 7.7%, without seasonal adjustments.

- LOST and SPLOST revenues for fiscal year 2012 represented an 8.3% increase over the prior year. LOST revenues were above budget by approximately 8.1% in fiscal year 2012. For fiscal year 2013 year to date, SPLOST and LOST revenues are slightly lower than the prior year. The holiday shopping season was less than the prior year possibly because of uncertainties that resulted from the national elections in November. The County budgets for LOST in its General Fund, and the budget is based on prior year actual results and trends. The County is monitoring collections on a monthly basis.

- The real property tax digest valuation decreased by 2.9% from 2011 to 2012 per the new State law requiring annual revaluations. This percentage was the weighted average of a decrease in unincorporated areas of 1.7% and a decrease in incorporated areas of 5.6%. Housing and commercial development was up in fiscal year 2012 compared to the prior year, but continues to be well below activity in prior years due to the economy.

- The housing market continues to slowly improve. As of the date of this report, 30 new residential permits were issued in the current month, making it the most permits issued in many years. For Fiscal Year 2012, the Northgate Preserve Subdivision development construction started, with the first of what will be 184 homes. There are also two new smaller subdivisions being constructed in the eastern part of the County near Hwy 54.

- The County continues to experience steady growth with respect to commercial development. Several new

businesses have refurbished existing buildings in the Hwy 34 and Thomas Crossroads area of the County or built new structures. Another commercial area developing is Hwy 34 and International Park drive area. A new Chrysler dealership is under construction that will feature all the brands of the company, along with several new medical offices and businesses that have located in this area. These projects, together with the Fischer Crossings development whose ownership is in transition, position the Hwy 34 corridor as a major commercial center for the County. The former ADT Adessa auto auction facility on Raymond Hill road has been sold to new owners. The facility is being refurbished and ultimately will be used for a machinery and equipment auction facility. There are a few industrial clients that are looking at the possibility of locating in Coweta County as well.

- Coweta County has certainly been a beneficiary of the television and motion picture industry since financial incentives were put in place by the State of Georgia a few years ago. There have been many movies and television shows filmed in the County in recent years. Lifetime Network's Drop Dead Diva television series filmed in and around Coweta County until its cancellation in early 2013. AMC Network's, The Walking Dead, is the most watched show in basic cable television history. Much of the setting for the series is filmed in Georgia, predominantly in Coweta County. It has been renewed for a fourth season with 16 episodes extending into 2014. Additional movies are in the planning stages, and have inquired about filming in the County.

- Piedmont Newnan Hospital held its grand opening of its new state of the art facility on March 24, 2012. The Hospital is located on Poplar Road near I-85, and has 9 floors and 364,000 sq. ft. The Hospital has 136 inpatient rooms and 23 emergency room beds. Additionally, an 11,000 sq. ft. medical office building adjacent to the hospital on its campus is also open. Cancer Treatment Centers of America (CTCA) opened on August 15, 2012 in the Ashley Park shopping area near I-85. It serves as the Southeastern Regional Campus for CTCA. It is a 226,000 sq. ft. all digital cancer hospital with 25 inpatient rooms, 26 infusion stations, two 650 sq. ft. surgical suites, radiation and infusion therapy, and physical therapy departments. It also has a concierge service and 60 onsite residential accommodation rooms for patients and caregivers. In addition to these facilities, HealthSouth Rehabilitation Hospital has applied for a certificate of need, and is in the approval stages to locate a facility in the County. The company operates 97 other facilities around the country. The hospital will have 50 inpatient rehabilitation beds when completed. The area around Piedmont Newnan Hospital has seen increased medical office construction, and CTCA has announced a planned proposed expansion of their new facility. All of these developments position Coweta County extremely well as a healthcare industry regional center.

- Coweta County Government continues to implement cost saving measures to provide a lean and efficient local government. Management continues to assess the personnel and departments staffing levels to meet changing operational needs. In some cases, departments are being merged or restructured to create efficiencies. This has allowed the County not to layoff or furlough employees, while at the same time maintaining low property tax rates. Management will continue to pay close attention to these areas to ensure that the citizens of the County are getting the most efficient government provided while maintaining the level of services expected.

In closing, Coweta County's economy looks bright for 2013 and beyond. It appears that unemployment rates are declining, and additional job opportunities are being created through industries that were not that significant or existent just a few years ago. While the overall economy appears to be improving, Coweta County maintains adequate fund balances in the event the economy quickly contracts or other significant event was to impact the County financially. Overall, Coweta County is positioned well for significant growth and a healthy 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.

COWETA COUNTY

BASIC FINANCIAL STATEMENTS

COWETA COUNTY, GEORGIA
STATEMENT OF NET ASSETS
September 30, 2012

	PRIMARY GOVERNMENT			
ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
Cash	$ 52,409,206	$ 700,761	$ 53,109,967	$ 6,449,471
Investments	14,042,301	10,000	14,052,301	226,805
Receivables (net of allowance for uncollectibles)	12,142,862	21,130	12,163,992	2,180,614
Internal balances	(37,321)	37,321	-	-
Due from primary government	-	-	-	20,394
Due from component units	2,398,433	-	2,398,433	-
Inventories	427,163	-	427,163	504,171
Prepaid items	165,990	-	165,990	18,060
Restricted assets:				
Cash	10,051,783	-	10,051,783	19,987,984
Investments	527	-	527	-
Non-current assets:				
Deferred charges	255,911	-	255,911	2,227,068
Capital assets:				
Capital assets not being depreciated	26,306,952	-	26,306,952	10,344,515
Capital assets being depreciated	631,478,485	3,273,212	634,751,697	179,188,314
Less: accumulated depreciation	(286,238,668)	(2,350,533)	(288,589,201)	(42,739,784)
Capital assets, net of depreciation	371,546,769	922,679	372,469,448	146,793,045
TOTAL ASSETS	463,403,624	1,691,891	465,095,515	178,407,612
LIABILITIES				
Accounts payable	3,037,398	40,615	3,078,013	916,902
Accrued interest payable	104,931	-	104,931	384,716
Other accrued items	2,618,441	10,227	2,628,668	689,959
Due to other governments	500,933	-	500,933	-
Due to primary government	-	-	-	2,418,482
Due to component units	344	-	344	-
Unearned revenue	-	-	-	92,801
Amounts held in trust	-	-	-	1,851
Noncurrent liabilities:				
Due within one year				
Compensated absences payable	1,549,474	23,787	1,573,261	99,458
Accrued landfill closure / postclosure	45,000	45,000	90,000	-
Notes payable	-	-	-	67,508
Capital leases payable	291,072	-	291,072	-
Certificates of participation	1,396,373	-	1,396,373	-
General obligation bonds payable	10,134,760	-	10,134,760	-
Revenue bonds payable	-	-	-	300,000
Due in more than one year				
Compensated absences payable	664,061	-	664,061	428,424
Net OPEB obligation	23,357,382	-	23,357,382	-
Net pension obligation	382,398	-	382,398	-
Accrued landfill closure / postclosure	534,410	680,661	1,215,071	-
Notes payable	-	-	-	395,972
Capital leases payable	1,043,252	-	1,043,252	-
General obligation bonds payable	18,370,218	-	18,370,218	-
Revenue bonds payable	-	-	-	97,602,323
Deposits payable	-	-	-	1,414,623
TOTAL LIABILITIES	64,030,447	800,290	64,830,737	104,813,019
NET ASSETS				
Invested in capital assets, net of related debt	346,439,130	922,679	347,361,809	48,312,128
Restricted for:				
Debt service	6,248,767		6,248,767	19,987,984
Capital outlay projects	22,808,799	-	22,808,799	-
Impact fee projects	3,219,855	-	3,219,855	-
Judicial programs	445,137	-	445,137	-
Public safety programs	8,687,281	-	8,687,281	-
Health and welfare programs	204,479	-	204,479	293,549
Housing and development programs	34,267	-	34,267	-
Unrestricted	11,285,462	(31,078)	11,254,384	5,000,932
TOTAL NET ASSETS	$ 399,373,177	$ 891,601	$ 400,264,778	$ 73,594,593

The accompanying notes are an integral part of this statement.

COWETA COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2012

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	$ 14,490,922	$ 2,462,307	$ 414,803	$ 1,146,775	$ (10,467,037)	$ -	$ (10,467,037)	$ -
Judicial	8,485,683	4,714,932	-	-	(3,770,751)	-	(3,770,751)	-
Public safety	45,673,376	5,653,080	93,055	309,811	(39,617,430)	-	(39,617,430)	-
Public works	33,804,025	116,861	-	1,671,958	(32,015,206)	-	(32,015,206)	-
Public health and welfare	356,609	-	-	13,497	(343,112)	-	(343,112)	-
Recreation and culture	6,184,988	419,434	-	56,858	(5,708,696)	-	(5,708,696)	-
Housing and development	2,548,643	2,129,603	-	-	(419,040)	-	(419,040)	-
Interest	1,286,561	-	-	-	(1,286,561)	-	(1,286,561)	-
Total Governmental Activities	112,830,807	15,496,217	507,858	3,198,899	(93,627,833)	-	(93,627,833)	-
BUSINESS-TYPE ACTIVITIES								
Solid waste/recycling	1,234,234	609,987	-	-	-	(624,247)	(624,247)	-
Total Business-Type Activities	1,234,234	609,987	-	-	-	(624,247)	(624,247)	-
TOTAL PRIMARY GOVERNMENT	$ 114,065,041	$ 16,106,204	$ 507,858	$ 3,198,899	(93,627,833)	(624,247)	(94,252,080)	-
COMPONENT UNITS								
Health Department	$ 1,548,083	$ 846,240	$ 733,063	$ -	-	-	-	31,220
Library System	2,483,701	41,851	422,384	59,110	-	-	-	(1,960,356)
Water and Sewerage Authority	20,308,447	19,292,513	-	70,165	-	-	-	(945,769)
Airport Authority	1,098,418	832,827	80,492	1,374,206	-	-	-	1,189,107
Development Authority	250,754	6,250	240,602	-	-	-	-	(3,902)
TOTAL COMPONENT UNITS	$ 25,689,403	$ 21,019,681	$ 1,476,541	$ 1,503,481	-	-	-	(1,689,700)
GENERAL REVENUES								
Property taxes					39,266,300	-	39,266,300	-
Sales taxes					35,659,932	-	35,659,932	-
Insurance premium taxes					3,863,206	-	3,863,206	-
Real estate recording taxes					1,192,655	-	1,192,655	-
Other taxes					1,595,570	-	1,595,570	-
Total taxes					81,577,663	-	81,577,663	-
Unrestricted investment earnings					217,984	-	217,984	18,552
Grants and contributions not restricted to a specific program					-	-	-	1,684,927
TRANSFERS					(787,343)	787,343	-	-
TOTAL GENERAL REVENUES					81,008,304	787,343	81,795,647	1,703,479
CHANGES IN NET ASSETS					(12,619,529)	163,096	(12,456,433)	13,779
NET ASSETS, Beginning					411,992,706	728,505	412,721,211	73,580,814
NET ASSETS, Ending					$ 399,373,177	$ 891,601	$ 400,264,778	$ 73,594,593

The accompanying notes are an integral part of this statement.

COWETA COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2012

	GENERAL	FIRE DISTRICT	SPLOST	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash	$ 13,396,785	$ 2,835,923	$ 29,562,929	$ 6,613,570	$ 52,409,207
Investments	11,007,740	2,000,000	-	1,034,560	14,042,300
Receivables (net of allowance for uncollectibles)	9,275,018	610,246	1,649,619	607,979	12,142,862
Due from other funds	1,522,187	-	-	318,973	1,841,160
Due from component units	2,398,433	-	-	-	2,398,433
Prepaid items	165,989	-	-	-	165,989
Inventories	427,163	-	-	-	427,163
Restricted assets:					
Cash	849,668	5,116,539	4,085,576	-	10,051,783
Investments	-	527	-	-	527
TOTAL ASSETS	$ 39,042,983	$ 10,563,235	$ 35,298,124	$ 8,575,082	$ 93,479,424
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	$ 733,168	$ 192,291	$ 1,359,590	$ 752,348	$ 3,037,397
Other accrued items	2,251,068	300,282	-	67,091	2,618,441
Due to other governments	-	-	500,933	-	500,933
Due to other funds	104,031	124,672	1,575,808	73,970	1,878,481
Due to component units	344	-	-	-	344
Deferred revenue	3,248,607	571,108	-	-	3,819,715
TOTAL LIABILITIES	6,337,218	1,188,353	3,436,331	893,409	11,855,311
FUND BALANCES					
Nonspendable:					
Prepaid expenditure	165,989	-	-	-	165,989
Inventories	427,163	-	-	-	427,163
Restricted:					
Debt service	-	-	6,248,767	-	6,248,767
Capital outlay projects	-	5,117,066	25,613,026	-	30,730,092
Impact fee projects	-	-	-	3,219,854	3,219,854
Judicial programs	356,184	-	-	88,953	445,137
Public safety programs	289,006	4,257,816	-	4,140,459	8,687,281
Health and welfare programs	204,479	-	-	-	204,479
Housing and development programs	-	-	-	34,267	34,267
Assigned:					
Capital equipment and infrastructure	-	-	-	198,140	198,140
Unassigned:	31,262,944	-	-	-	31,262,944
TOTAL FUND BALANCES	32,705,765	9,374,882	31,861,793	7,681,673	81,624,113
TOTAL LIABILITIES AND FUND BALANCES	$ 39,042,983	$ 10,563,235	$ 35,298,124	$ 8,575,082	$ 93,479,424

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, 2012

Total Fund Balances for Governmental Funds (page 3)		$ 81,624,113
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.		371,546,769
Some assets are not available in the current period and therefore are not reported in the funds.		
Deferred charge for issuance cost		255,911
Revenues in the statement of activities that do not provide current financial resources are reported as deferred revenues in the funds.		
Property Taxes	3,412,130	
Fines	407,585	
		3,819,715
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	(28,504,978)	
Accrued interest	(104,931)	
Capital leases	(1,334,324)	
Certificate of participation	(1,396,373)	
Accrued landfill closure / postclosure	(579,410)	
Compensated absences	(2,213,535)	
Net pension obligation	(382,398)	
Net OPEB obligation	(23,357,382)	
		(57,873,331)
Total net assets of governmental activities (page 1)		$ 399,373,177

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, 2012

	GENERAL	FIRE DISTRICT	SPLOST	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES					
Taxes	$ 49,764,339	$ 10,280,913	$ 20,643,163	$ 191,262	$ 80,879,677
Licenses and permits	1,912,716	-	-	506,890	2,419,606
Intergovernmental	435,269	-	1,146,775	1,626,777	3,208,821
Fines and forfeitures	4,658,025	-	-	520,901	5,178,926
Charges for services	5,241,435	-	-	2,443,535	7,684,970
Contributions and donations	17,729	-	14,510	254,860	287,099
Interest income	148,480	49,787	44,168	19,712	262,147
Miscellaneous	34,740	43,940	-	1,000	79,680
TOTAL REVENUES	62,212,733	10,374,640	21,848,616	5,564,937	100,000,926
EXPENDITURES					
Current Expenditures					
General government	12,482,814	-	-	261,923	12,744,737
Judicial	7,019,944	-	(2,403)	31,735	7,049,276
Public safety	24,030,464	10,837,787	195,702	3,076,775	38,140,728
Public works	7,047,758	-	1,713,466	550,774	9,311,998
Public health and welfare	356,298	-	-	-	356,298
Recreation and culture	4,235,307	-	247,644	11,180	4,494,131
Housing and development	2,245,860	-	-	66,686	2,312,546
Intergovernmental	-	-	6,339,625	-	6,339,625
Capital outlay	7,292	487,768	4,537,960	7,453,698	12,486,718
Debt service					
Principal	279,204	540,000	10,175,000	-	10,994,204
Interest	65,105	786,270	762,101	-	1,613,476
TOTAL EXPENDITURES	57,770,046	12,651,825	23,969,095	11,452,771	105,843,737
EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	4,442,687	(2,277,185)	(2,120,479)	(5,887,834)	(5,842,811)
OTHER FINANCING SOURCES (USES)					
Sale of county property	-	-	-	4,950	4,950
Transfers in	114,720	-	-	2,383,909	2,498,629
Transfers out	(3,171,252)	-	-	(114,720)	(3,285,972)
TOTAL OTHER FINANCING SOURCES (USES)	(3,056,532)	-	-	2,274,139	(782,393)
NET CHANGE IN FUND BALANCES	1,386,155	(2,277,185)	(2,120,479)	(3,613,695)	(6,625,204)
FUND BALANCES, Beginning of year	31,319,610	11,652,067	33,982,272	11,295,368	88,249,317
FUND BALANCES, End of year	$ 32,705,765	$ 9,374,882	$ 31,861,793	$ 7,681,673	$ 81,624,113

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, 2012

Net change in fund balances (page 5)		$ (6,625,204)
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	12,486,718	
Depreciation expense	(23,850,653)	
		(11,363,935)
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	(50,709)	
Net transfer of land to the Water & Sewer Authority	(76,144)	
		(126,853)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	3,412,130	
Donated assets	166,668	
Fines	407,585	
		3,986,383
Revenues reported in the funds that relate to prior years are not reported as revenue in the statement of activities.		
Property taxes	(2,714,144)	
Fines	(274,550)	
		(2,988,694)
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	10,994,204	
Amortization of bond premium, discounts and issuance cost	267,068	
Landfill closure/postclosure	54,930	
Accrued interest on bonds, prior year	164,781	
Accrued interest on bonds, current year	(104,931)	
		11,376,052
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, prior year	2,111,716	
Compensated absences, current year	(2,213,535)	
		(101,819)
Net pension obligation is not available during the current period and therefore is not reported in the funds.		
Beginning of year	695,792	
End of year	(382,398)	
		313,394
Net OPEB obligation is not available during the current period and therefore is not reported in the funds.		
Net Beginning of year	16,268,526	
End of year	(23,357,382)	
		(7,088,856)
Rounding		3
Changes in net assets of governmental activities (page 2)		$ (12,619,529)

The accompanying notes are an integral part of this statement.

COWETA COUNTY, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUND
September 30, 2012

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS SOLID WASTE DISPOSAL FACILITY
ASSETS	
Current Assets	
Cash	$ 700,761
Investments	10,000
Receivables (net of allowance for uncollectibles)	21,130
Due from other funds	45,310
TOTAL CURRENT ASSETS	777,201
Noncurrent Assets	
Capital assets	
Capital assets being depreciated	3,273,212
Less: accumulated depreciation	(2,350,533)
TOTAL CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)	922,679
TOTAL NONCURRENT ASSETS	922,679
TOTAL ASSETS	1,699,880
LIABILITIES	
Current Liabilities	
Accounts payable	40,615
Other accrued items	10,227
Due to other funds	7,989
Compensated absences payable	23,787
Accrued landfill closure/postclosure	45,000
TOTAL CURRENT LIABILITIES	127,618
Noncurrent Liabilities	
Accrued landfill closure/postclosure	680,661
TOTAL NONCURRENT LIABILITIES	680,661
TOTAL LIABILITIES	808,279
NET ASSETS	
Invested in capital assets	922,679
Unrestricted	(31,078)
TOTAL NET ASSETS	$ 891,601

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, 2012

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS
	SOLID WASTE DISPOSAL FACILITY
OPERATING REVENUES	
Recycling and transfer fees	$ 609,987
Total Operating Revenues	609,987
OPERATING EXPENSES	
Salaries and benefits	384,022
Supplies	26,902
Other services and charges	651,428
Landfill closure/postclosure costs	51,467
Depreciation	56,032
Professional fees	1,746
Repairs and maintenance	62,637
Total Operating Expenses	1,234,234
OPERATING INCOME (LOSS)	(624,247)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(624,247)
Transfer in	787,343
CHANGE IN NET ASSETS	163,096
TOTAL NET ASSETS, Beginning of year	728,505
TOTAL NET ASSETS, End of year	$ 891,601

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, 2012

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS SOLID WASTE DISPOSAL FACILITY
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customer	$ 646,890
Payments to suppliers	(783,946)
Payments to employees	(388,431)
Net cash provided by (used in) operating activities	(525,487)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Transfers in	787,343
Net Cash provided (used) by non-capital financing activities	787,343
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(270,727)
Net cash provided (used) by capital and related financing activities	(270,727)
Net increase (decrease) in cash and cash equivalents	(8,871)
CASH, Beginning of year	709,632
CASH, End of year	$ 700,761
DISPLAYED AS:	
Cash	$ 700,761
TOTAL CASH	$ 700,761
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	$ (624,247)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities	
Depreciation	56,032
(Increase) decrease in:	
Accounts receivable	6,978
Due from other governments	29,925
Prepaid expenses	21
Increase (decrease) in:	
Accounts payable	(7,878)
Compensated absences	(2,465)
Accrued landfill costs	43,132
Other accrued items	(1,944)
Due to other funds	(25,041)
Net cash provided by (used in) operating activities	$ (525,487)

The accompanying notes are an integral part of this statement.

COWETA COUNTY, GEORGIA
STATEMENT OF NET ASSETS
FIDUCIARY FUNDS
September 30, 2012

	PENSION TRUST FUNDS	AGENCY FUNDS
ASSETS		
Cash	$ -	$ 1,460,613
Investments:		
Guaranteed investment contract	42,742,427	-
TOTAL ASSETS	42,742,427	1,460,613
LIABILITIES		
Funds held for others	-	1,460,613
TOTAL LIABILITIES	-	1,460,613
NET ASSETS		
Held in trust for:		
Employees' pension benefits (See Schedule of Funding Progress on page 54)	42,742,427	-
TOTAL NET ASSETS	$ 42,742,427	$ -

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, 2012

	PENSION TRUST FUND
ADDITIONS	
Investment earnings	$ 1,558,117
Employer contributions	3,589,802
Employee contributions	437,449
TOTAL ADDITIONS	5,585,368
DEDUCTIONS	
Benefits	1,815,982
TOTAL DEDUCTIONS	1,815,982
CHANGE IN NET ASSETS	3,769,386
NET ASSETS, Beginning of year	38,973,041
NET ASSETS, End of year	$ 42,742,427

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, 2012

ASSETS	HEALTH DEPARTMENT	LIBRARY SYSTEM	WATER AND SEWERAGE AUTHORITY	AIRPORT AUTHORITY	DEVELOPMENT AUTHORITY	TOTAL
Cash	$ 297,324	$ 88,050	$ 5,775,609	$ 250,722	$ 37,766	$ 6,449,471
Investments	-	-	-	-	226,805	226,805
Receivables (net of allowance for uncollectibles)	105,495	6,681	1,273,948	794,200	290	2,180,614
Due from primary government	-	-	-	344	20,050	20,394
Inventories	-	-	467,681	36,490	-	504,171
Prepaid items	-	18,060	-	-	-	18,060
Restricted assets:						
Cash	-	-	19,987,984	-	-	19,987,984
Non-current assets:						
Deferred charges	-	-	2,227,068	-	-	2,227,068
Capital assets:						
Capital assets not being depreciated	-	-	7,529,428	2,625,937	189,150	10,344,515
Capital assets being depreciated	30,262	3,669,869	164,558,230	10,916,792	13,161	179,188,314
Less: accumulated depreciation	(27,697)	(2,473,631)	(37,274,882)	(2,957,230)	(6,344)	(42,739,784)
Capital assets, net of depreciation	2,565	1,196,238	134,812,776	10,585,499	195,967	146,793,045
TOTAL ASSETS	405,384	1,309,029	164,545,066	11,667,255	480,878	178,407,612
LIABILITIES						
Accounts payable	-	24,354	769,577	119,413	3,558	916,902
Accrued interest payable	-	-	384,716	-	-	384,716
Other accrued items	-	44,004	621,711	9,974	14,270	689,959
Due to primary government	-	29,727	-	2,387,993	762	2,418,482
Unearned revenue	-	-	-	92,801	-	92,801
Amounts held in trust	-	-	-	1,851	-	1,851
Noncurrent liabilities:						
Due within one year						
Compensated absences payable	41,521	44,585	-	13,352	-	99,458
Notes payable	-	-	-	67,508	-	67,508
Revenue bonds payable	-	-	300,000	-	-	300,000
Due in more than one year						
Compensated absences payable	67,749	-	360,675	-	-	428,424
Notes payable	-	-	-	395,972	-	395,972
Revenue bonds payable	-	-	97,602,323	-	-	97,602,323
Deposits payable	-	-	1,414,623	-	-	1,414,623
TOTAL LIABILITIES	109,270	142,670	101,453,625	3,088,864	18,590	104,813,019
NET ASSETS						
Invested in capital assets, net of related debt	2,565	1,196,238	36,910,453	10,006,905	195,967	48,312,128
Restricted for:						
Debt service	-	-	19,987,984	-	-	19,987,984
Public health and welfare	293,549	-	-	-	-	293,549
Unrestricted	-	(29,879)	6,193,004	(1,428,514)	266,321	5,000,932
TOTAL NET ASSETS	$ 296,114	$ 1,166,359	$ 63,091,441	$ 8,578,391	$ 462,288	$ 73,594,593

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, 2012

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	$ 1,548,083	$ 846,240	$ 733,063	$ -	$ 31,220	$ -	$ -	$ -	$ -	$ 31,220
Library System	2,483,701	41,851	422,384	59,110	-	(1,960,356)	-	-	-	(1,960,356)
BUSINESS-TYPE ACTIVITIES										
Water and Sewerage Authority	20,308,447	19,292,513	-	70,165	-	-	(945,769)	-	-	(945,769)
Airport Authority	1,098,418	832,827	80,492	1,374,206	-	-	-	1,189,107	-	1,189,107
Development Authority	250,754	6,250	240,602	-	-	-	-	-	(3,902)	(3,902)
TOTAL COMPONENT UNITS	$ 25,689,403	$ 21,019,681	$ 1,476,541	$ 1,503,481	31,220	(1,960,356)	(945,769)	1,189,107	(3,902)	(1,689,700)
GENERAL REVENUES										
Unrestricted investment earnings					235	72	17,327	53	865	18,552
Grants and contributions not restricted to a specific program					-	1,684,927	-	-	-	1,684,927
TOTAL GENERAL REVENUES AND TRANSFERS					235	1,684,999	17,327	53	865	1,703,479
CHANGES IN NET ASSETS					31,455	(275,357)	(928,442)	1,189,160	(3,037)	13,779
NET ASSETS, Beginning					264,659	1,441,716	64,019,883	7,389,231	465,325	73,580,814
NET ASSETS, Ending					$ 296,114	$ 1,166,359	$ 63,091,441	$ 8,578,391	$ 462,288	$ 73,594,593

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, 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*. The component units are reported in separate columns to emphasize they are 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 presented as a governmental fund type with a June 30 year end. As of June 30 2012, the Health Department received $197,500 from the County Board of Commissioners to subsidize annual operations. As of September 30, 2012, the County paid $224,954 to the Health Department to subsidize annual operations.

COWETA COUNTY PUBLIC LIBRARY SYSTEM (The Library) serves all citizens of Coweta County through library headquarters in Newnan, Georgia and three branch facilities. The Library is governed by a six 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 2012, the County supplemented the Library's budget in the amount of $1,704,103 of which $1,684,927 was to subsidize the operating budget and $19,176 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 the 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 on certain bond issues. The agreement represents a general obligation of the County to which its full faith and credit are pledged.

NEWNAN 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 County guarantees the debt of the Authority. 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 operations of the Development Authority are backed by the full faith and credit of the County. The Development Authority is reported as an enterprise fund with a September 30 year end. During fiscal year 2012, the Development Authority received $240,602 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
70 Hospital Road
Newnan, Georgia 30263

COWETA COUNTY WATER &
SEWERAGE AUTHORITY
545 Corinth 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 Sewerage Authority component unit enterprise fund and Solid Waste Disposal Facility enterprise fund are charges to customers for sales and services. The Water and Sewerage 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

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net assets."

Fund balance - Generally, fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

Nonspendable - Fund balances are reported as nonspendable when the amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash like inventories and prepaid items) or (b) legally or contractually required to be maintained intact.
Restricted - Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
Committed - Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners through the adoption of a resolution prior to the end of the fiscal year. In order to modify or rescind the commitment, the Board of Commissioners must adopt another resolution.
Assigned - Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed.
Unassigned - Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all other governmental funds.

Net Assets - Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any debt used for the acquisition, construction, or improvement of those assets. In determining the outstanding balance of any borrowing, proceeds of that debt which has not been spent is deducted. Accounts payable for costs related to acquisition, construction, or improvement of those capital assets is considered debt for this calculation. Net assets are reported as restricted as described in the fund balance section above. All other net assets are reported as unrestricted.

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

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, 2012 are as follows:

Invested in capital assets, net of related debt:	Governmental Activities	Component Unit Airport Authority
Cost of capital assets	$ 657,785,437	$ 13,542,729
Less accumulated depreciation	(286,238,668)	(2,957,230)
Book value	371,546,769	10,585,499
Plus construction proceeds	7,921,293	-
Less capital related debt	(31,235,675)	(463,480)
Accounts payable related to capital assets	(1,793,257)	(115,114)
Invested in capital assets, net of related debt	$ 346,439,130	$ 10,006,905

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 - FUND BALANCE/NET ASSETS

The government-wide statement of net assets for governmental activities reports $41,648,585 of restricted net assets, of which $7,477,671 is restricted by enabling legislation.

Additional details related to fund balances at the governmental fund level are presented below:

Restricted:

General Fund	
Judicial programs - For unspent funds from various judicial programs restricted by state law.	$ 356,184
Public safety programs - For unspent funds from various public safety programs restricted by state law.	289,006
Public health and welfare programs - For funds received from the Council on Aging to be used for the Senior Center.	204,479
Fire District Fund	
Capital outlay projects - For funds received from issuance of bonds that has not been spent	5,117,066
Public safety programs - For funds restricted for fire services from a separate tax levy.	4,257,816

SPLOST Fund	
Debt service - For unspent funds from bond issues and funds paid into bond sinking funds for future debt payments restricted by creditors	6,248,767
Capital outlay projects - For funds received from the imposition of the Special Purpose Local Option Sales Tax (SPLOST) restricted by the voter approved referendum	25,613,026
Nonmajor Special Revenue Funds	
Impact Fee Programs -	
Impact Fee Fund - For funds received from impact fees that are restricted for certain capital projects	3,219,854
Judicial Programs -	
Law Library - Used to account for surcharges on fines and forfeitures which are for the operation of the County Law Library and other expenditures as restricted by the OCGA-36-15	88,953
Public Safety Programs -	
Emergency E911 Telephone Services Fund - For funds to operate the E911 center as restricted by the OCGA-46-5	2,171,426
Sheriff's Programs Fund - To account for funds from seizures to be used for law enforcement activities	1,969,033
Housing and Development Programs -	
Hotel/Motel Tax Fund - To account for taxes charged on rental of hotel/motel rooms to be used for promotion of tourism, conventions and trade shows as restricted by OCGA-48-13	34,267
Total Restricted Fund Balance	$ 49,569,877
Assigned:	
Nonmajor Capital Projects Funds	
Transportation Fund	
Appropriated as a resource for road projects	198,140
Total Assigned Fund Balance	$ 198,140

NOTE 3 - 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 Board of Commissioners for review. The 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 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 authorized 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 4 - 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.The County only invests in certificates of deposits with local banks.

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	$	53,109,967
Restricted cash		10,051,783
plus investments that are cash equivalents		14,052,828
Cash held by Fiduciary Funds (page 10)		1,460,613
Deposits	$	78,675,191
Investments per Statement of Net Assets (page 1)		
Investments	$	14,052,301
Restricted Investments		527
Investments included in cash equivalents		(14,052,828)
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, 2012, the ratings of its investments are shown below.

Investment Type	Fair Value	Rating	Agency	Maturity (Years)
Minnesota Life- Insurance Contract	$42,742,427	A+	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, 2012, all deposits of the library were adequately insured or collateralized.

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, 2012 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, 2012, the Development Authority had the following investments:

Investment Type	Fair Value	Maturity
Certificate of deposit	$ 226,805	Various

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, 2012 the Airport Authority's deposits were properly collateralized with the depository financial institution.

NOTE 5 - 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	$ 2,940,211	$ 607,353	$ -	$ -
Fines	3,466,741	-	-	-
Accounts	308,537	2,893	13,078	507,320
Intergovernmental	5,488,352	-	1,636,541	100,659
Total Gross Receivables	12,203,841	610,246	1,649,619	607,979
Less: Allowance for Uncollectibles	(2,928,823)	-	-	-
Total Net Receivables	$ 9,275,018	$ 610,246	$ 1,649,619	$ 607,979

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 Disposal Facility
Receivables:	
Accounts	$ 21,130
Total Gross Receivables	21,130
Total Net Receivables	$ 21,130

Property taxes receivable at September 30, 2012, consist of the following:

DIGEST YEAR	GENERAL FUND	FIRE DISTRICT
2012[1]	$ 12,074	$ 3,669
2011	1,127,423	262,505
2010	589,250	116,255
2009	364,194	79,088
2008	338,564	64,279
2007	282,736	53,464
2006	99,659	12,392
2005	71,847	9,170
2004	42,967	4,944
2003	6,470	564
2002 and prior	5,027	1,023
Total	$ 2,940,211	$ 607,353

[1] 2012 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)	$ 2,841,022	$ -
Delinquent property taxes receivable (Fire District Fund)	571,108	-
Probation fines (General Fund)	407,585	-
Total deferred/ unearned revenue for governmental funds	$ 3,819,715	$ -

Discretely Presented Component Units

	Health Department	Library System	Water & Sewerage Authority	Airport Authority	Development Authority
Receivables:					
Accounts	$ -	$ 128,643	$ 1,588,638	$ 794,200	$ 290
Intergovernmental	105,495	-	-	-	-
Total Gross Receivables	105,495	128,643	1,588,638	794,200	290
Less: Allowance for Uncollectibles	-	(121,962)	(314,690)	-	-
Total Net Receivables	$ 105,495	$ 6,681	$ 1,273,948	$ 794,200	$ 290

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2012 was as follows:

Governmental Activities:	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Non-Depreciable Assets:					
Land and improvements	$ 15,007,559	$ 443,664	$ -	$ (76,145)	$ 15,375,078
Construction in progress	12,770,605	10,392,393	(15,117)	(12,216,007)	10,931,874
Total non-depreciable capital assets	27,778,164	10,836,057	(15,117)	(12,292,152)	26,306,952
Depreciable Assets:					
Buildings and improvements	126,540,832	-	(45,493)	2,762,088	129,257,427
Machinery and equipment	18,414,527	655,194	(16,511)	3,546,755	22,599,965
Vehicles	18,215,107	1,162,135	(163,205)	-	19,214,037
Infrastructure	454,499,893	-	(2)	5,907,165	460,407,056
Total depreciable capital assets	617,670,359	1,817,329	(225,211)	12,216,008	631,478,485
Less Accumulated Depreciation for:					
Buildings and improvements	(29,015,595)	(3,625,927)	1	(1)	(32,641,522)
Machinery and equipment	(13,186,710)	(1,359,641)	15,091	1	(14,531,259)
Vehicles	(9,426,363)	(1,757,450)	163,205	(1)	(11,020,609)
Infrastructure	(210,948,966)	(17,107,635)	11,322	1	(228,045,278)
Total accumulated depreciation	(262,577,634)	(23,850,653)	189,619	-	(286,238,668)
Total depreciable capital assets, net	355,092,725	(22,033,324)	(35,592)	12,216,008	345,239,817
Governmental activities capital assets, net	$ 382,870,889	$ (11,197,267)	$ (50,709)	$ (76,144)	$ 371,546,769

Additions to governmental activities capital assets for fiscal year ending September 30, 2012 consist of the following:

Capital Outlay	$ 12,486,718
Infrastructure, donated	56,857
Donated vehicles	109,811
Total	$ 12,653,386

Non-depreciable capital assets additions	$ 10,836,057
Depreciable capital assets additions	1,817,329
Total	$ 12,653,386

Business-type Activities:	Beginning Balance	Additions	Retirements	Ending Balance
Depreciable Assets:				
Buildings and improvements	$ 1,063,538	$ -	$ -	$ 1,063,538
Machinery and equipment	1,860,237	270,727	-	2,130,964
Vehicles	78,710	-	-	78,710
Total depreciable capital assets	3,002,485	270,727	-	3,273,212
Less Accumulated Depreciation for:				
Buildings and improvements	(389,550)	(21,869)	-	(411,419)
Machinery and equipment	(1,826,241)	(34,163)	-	(1,860,404)
Vehicles	(78,710)	-	-	(78,710)
Total accumulated depreciation	(2,294,501)	(56,032)	-	(2,350,533)
Total depreciable capital assets, net	707,984	214,695	-	922,679
Business-type activities capital assets, net	$ 707,984	$ 214,695	$ -	$ 922,679

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

Governmental Activities:	
General Government	$ 1,128,371
Judicial	817,653
Public Safety	2,923,506
Public Works	17,483,991
Public Health and Welfare	311
Recreation and Culture	1,473,906
Housing and Development	22,915
Total depreciation expense-governmental activities	$ 23,850,653

Business-type Activities:	
Solid Waste	$ 56,032
Total depreciation expense-business-type activities	$ 56,032

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, 2012 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	Contracts in Progress	Remaining Commitment	Source
Governmental Activities:				
Road projects	$ 5,948,390	$ 8,689,126	$ 3,434,635	SPLOST / Operations / Impact Fees
Sheriff projects	2,193,590	1,643,451	100,327	Impact fees/SPLOSTt
Fire Stations	563,095	2,549,592	2,258,829	Bonds / SPLOST
Andrew Bailey Park	1,119,687	2,005,000	885,313	SPLOST
Other recreation projects	520,007	278,464	278,464	SPLOST
Various Other Projects	587,105	28,000	22,753	SPLOST / Operations / Bonds / Impact Fees
	$ 10,931,874	$ 15,193,633	$ 6,980,321	

Discretely Presented Component Units

Activity for the Health Department for the year ended June 30, 2012, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
Depreciable Assets:				
Machinery and Equipment	$ 178,831	$ 2,350	$ (150,919)	$ 30,262
Less Accumulated Depreciation	(177,963)	651	149,615	(27,697)
Capital Assets, net	$ 868	$ 3,001	$ (1,304)	$ 2,565

Activity for the Library for the year ended September 30, 2012 was as follows:

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Governmental Activities:					
Depreciable Assets:					
Machinery and equipment	$ 461,413	$ -	$ -	$ -	$ 461,413
Books and collections	3,321,466	243,247	(356,257)	-	3,208,456
Total depreciable capital assets	3,782,879	243,247	(356,257)	-	3,669,869
Less Accumulated Depreciation for:					
Machinery and equipment	(266,555)	(74,429)	-	-	(340,984)
Books and collections	(2,160,407)	(328,497)	356,257	-	(2,132,647)
Total accumulated depreciation	(2,426,962)	(402,926)	356,257	-	(2,473,631)
Total depreciable capital assets, net	1,355,917	(159,679)	-	-	1,196,238
Capital Assets, net	$ 1,355,917	$ (159,679)	$ -	$ -	$ 1,196,238

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, 2012, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Business-type Activities:				
Land and land improvements	$ 7,098,472	$ -	$ -	$ 7,098,472
Construction in progress	259,916	1,151,314	(980,274)	430,956
Total non-depreciable capital assets	7,358,388	1,151,314	(980,274)	7,529,428
Depreciable Assets:				
Site improvements	2,173,021	11,534	-	2,184,555
Infrastructure	121,103,361	980,274	-	122,083,635
Buildings	36,743,298	-	-	36,743,298
Machinery and equipment	1,766,594	81,997	(33,307)	1,815,284
Furniture and fixtures	306,412	-	(5,951)	300,461
Vehicles	981,974	169,924	(90,159)	1,061,739
Capitalized interest	369,258	-	-	369,258
Total depreciable capital assets	163,443,918	1,243,729	(129,417)	164,558,230
Less Accumulated Depreciation for:				
Site improvements	(1,089,688)	(171,330)	-	(1,261,018)
Infrastructure	(26,920,502)	(2,439,412)	-	(29,359,914)
Buildings	(3,296,638)	(833,366)	-	(4,130,004)
Machinery and equipment	(1,162,382)	(226,443)	31,016	(1,357,809)
Furniture and fixtures	(132,129)	(43,502)	5,951	(169,680)
Vehicles	(886,219)	(71,157)	90,159	(867,217)
Capitalized interest	(121,855)	(7,385)	-	(129,240)
Total accumulated depreciation	(33,609,413)	(3,792,595)	127,126	(37,274,882)
Total depreciable capital assets, net	129,834,505	(2,548,866)	(2,291)	127,283,348
Capital Assets, net	$ 137,192,893	$ (1,397,552)	$ (982,565)	$ 134,812,776

Activity for the Airport Authority for the year ended September 30, 2012, was as follows:

	Beginning Balance	Additions	Transfers	Ending Balance
Business-type Activities:				
Non-depreciable assets				
Land and improvements	$ 1,012,500	$ -	$ -	$ 1,012,500
Construction in progress	1,820,337	1,364,924	(1,571,824)	1,613,437
Total non-depreciable capital assets	2,832,837	1,364,924	(1,571,824)	2,625,937
Depreciable Assets:				
Buildings and improvements	9,208,815	-	1,571,825	10,780,640
Machinery and Equipment	136,152	-	-	136,152
Total depreciable capital assets	9,344,967	-	1,571,825	10,916,792
Less Accumulated Depreciation for:				
Building and improvements	(2,684,851)	(191,438)	-	(2,876,290)
Machinery and Equipment	(77,374)	(3,566)	-	(80,940)
Total accumulated depreciation	(2,762,225)	(195,004)	-	(2,957,230)
Total depreciable capital assets, net	6,582,742	(195,004)	1,571,825	7,959,562
Capital Assets, net	$ 9,415,579	$ 1,169,920	$ 1	$ 10,585,499

Activity for the Development Authority for the year ended September 30, 2012, was as follows:

	Beginning Balance	Additions	Transfers	Ending Balance
Business-type Activities:				
Non-depreciable assets				
Land and land improvements	$ 189,150	$ -	$ -	$ 189,150
Total non-depreciable capital assets	189,150	-	-	189,150
Depreciable Assets:				
Machinery and equipment	5,096	-	-	5,096
Buildings and improvements	8,065	-	-	8,065
Total depreciable capital assets	13,161	-	-	13,161
Less Accumulated Depreciation for:				
Machinery and equipment	(5,096)	-	-	(5,096)
Buildings and improvements	(96)	(1,152)	-	(1,248)
Total accumulated depreciation	(5,192)	(1,152)	-	(6,344)
Total depreciable capital assets, net	7,969	(1,152)	-	6,817
Capital Assets, net	$ 197,119	$ (1,152)	$ -	$ 195,967

NOTE 7 - LONG-TERM DEBT

Long-term liability activity for the year ended September 30, 2012 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Governmental Activities:						
Bonds payable	$ 37,315,000	$ -	$ (9,440,000)	$ 27,875,000	$ 9,865,000	$ 18,010,000
Plus: original issue premium	899,739	-	(269,761)	629,978	269,760	360,218
Total general obligation bonds	38,214,739	-	(9,709,761)	28,504,978	10,134,760	18,370,218
Certificates of participation	2,605,000	-	(1,275,000)	1,330,000	1,330,000	-
Plus: original issue premium	132,746	-	(66,373)	66,373	66,373	-
Total certificates of participation	2,737,746	-	(1,341,373)	1,396,373	1,396,373	-
Capital leases	1,613,528	-	(279,204)	1,334,324	291,072	1,043,252
Net OPEB obligation	16,268,526	7,554,000	(465,144)	23,357,382	-	23,357,382
Net pension obligation	695,792	-	(313,394)	382,398	-	382,398
Compensated absences	2,111,716	2,213,535	(2,111,716)	2,213,535	1,549,474	664,061
Landfill closure/post-closure cost	634,340	-	(54,930)	579,410	45,000	534,410
Governmental activities long-term liabilities	$ 62,276,387	$ 9,767,535	$ (14,275,522)	$ 57,768,400	$ 13,416,679	$ 44,351,721
Business-type Activities:						
Compensated absences	$ 26,252	$ 24,101	$ (38,819)	$ 23,787	$ 23,787	$ -
Landfill closure/postclosure	682,529	56,855	(13,723)	725,661	45,000	680,661
Business-type activities long-term liabilities	$ 708,781	$ 80,956	$ (52,542)	$ 749,448	$ 68,787	$ 680,661

Compensated absences, the net pension obligation, and the net OPEB obligation are generally liquidated by the general fund. Other funds contribute a portion of these costs based on the salary expense in their funds.

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 purpose 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 a 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
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	815,000	683,608	1,498,608
2017	860,000	650,108	1,510,108
2018 - 2022	5,060,000	2,625,858	7,685,858
2023 - 2027	6,615,000	1,407,882	8,022,882
2028 - 2031	3,185,000	141,235	3,326,235
	$ 27,875,000	$ 7,950,990	$ 35,825,990

Pledged Revenues

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 $9,476,125 and is payable through 2013. Principal and interest payments in the amount of $9,576,283 were paid during 2012 which was approximately 46.39% 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	(729,212)
	$ 5,440,788

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2012, were as follows:

September 30,	Principal
2013	$ 1,358,263
Total minimum lease payments	1,358,263
Less: amount representing interest @ 3.50%	(28,263)
Present value of minimum lease payments	$ 1,330,000

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	(743,214)
	$ 1,986,959

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2012, were as follows:

September 30,	Principal
2013	$ 344,312
2014	344,312
2015	344,313
2016	344,313
2017	95,702
Total minimum lease payments	1,472,952
Less: amount representing interest at 4.35%	(138,628)
Present value of minimum lease payments	$ 1,334,324

Discretely Presented Component Units

During the year September 30, 2012, 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	$ 130,669	$ 20,122	$ (41,521)	$ 109,270	$ 41,521	$ 67,749
Development Authority						
Compensated absences	$ 8,334	$ -	$ (8,334)	$ -	$ -	$ -
Total Development Authority	$ 8,334	$ -	$ (8,334)	$ -	$ -	$ -
Airport Authority						
Notes Payable	$ 526,964	$ -	$ (63,484)	$ 463,480	$ 67,508	$ 395,972
Compensated absences	19,631	13,352	(19,631)	13,352	13,352	-
Total Airport Authority	$ 546,595	$ 13,352	$ (83,115)	$ 476,832	$ 80,860	$ 395,972

Component Units	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Water and Sewerage Authority						
Revenue Bonds	$ 99,970,000	$ -	$ (265,000)	$ 99,705,000	$ 300,000	$ 99,405,000
Less: Loss on Refunding	(4,803,874)	-	322,036	(4,481,838)	-	(4,481,838)
Plus: Original Issue Premium	2,830,849	-	(151,688)	2,679,161	-	2,679,161
Total Revenue Bonds	97,996,975	-	(94,652)	97,902,323	300,000	97,602,323
Deposits	1,235,661	178,962	-	1,414,623	-	1,414,623
Compensated Absences	319,043	41,632	-	360,675	-	360,675
Total Water and Sewerage Authority	$ 99,551,679	$ 220,594	$ (94,652)	$ 99,677,621	$ 300,000	$ 99,377,621
Library System						
Compensated absences	48,007	44,585	(48,007)	44,585	44,585	-
Total Library System	$ 48,007	$ 44,585	$ (48,007)	$ 44,585	$ 44,585	$ -

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 pledged to pay debt service. The original amount of revenue bonds issued in current and prior years is $131,000,000.

The total principal and interest remaining to be paid is $182,390,680. Principal and interest payments for the year ended June 30, 2011, excluding the principal deceased, was $5,455,548 which was approximately 30.8% of revenues.

The Water and Sewerage Authority issued revenue bonds currently outstanding at June 30, 2012 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 Refunding 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%.

Series 2010A 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 and the refunding of the 2005 bond issue. The bonds bear interest at rates from 4.25% to 4.50%.

Series 2010C Revenue Bonds - The Water and Sewerage Authority issued revenue bonds to be used for the partial refunding of the 2005 bond refunding issue. The bonds bear interest at rates from 3.00% to 5.00%.

The advance refundings increased total debt service payments over the next 29 years by $12.59 million. This results in an economic loss (difference between the present values of the debt service payments on the old and new debt) of $1.39 million.

The Authority's management evaluated a number of factors in determining the feasibility of the advance refunding including: 1. the need for additional capital funding, 2. the need to repay other debts, and 3. the need to smooth future debt service payments.

Revenue bond debt service requirements to maturity are as follows:

June 30,	Principal	Interest	Total
2013	$ 300,000	$ 4,616,595	$ 4,916,595
2014	330,000	4,603,095	4,933,095
2015	465,000	4,587,958	5,052,958
2016	2,695,000	4,567,295	7,262,295
2017	2,825,000	4,446,220	7,271,220
2018 - 2022	16,440,000	20,124,048	36,564,048
2023 - 2027	20,125,000	15,648,319	35,773,319
2028 - 2032	17,920,000	11,201,231	29,121,231
2033 - 2037	22,515,000	6,610,550	29,125,550
2038 - 2041	16,090,000	1,386,774	17,476,774
	$ 99,705,000	$77,792,085	$ 177,497,085

Notes Payable

The Airport Authority issued a note payable to provide funds for improvements to the Newnan-Coweta Airport. The note payable with an original balance of $652,300, bears interest of 5.83%, matures September 1, 2018. Payment requirements to maturity are as follows:

September 30,	Principal	Interest	Total
2013	$ 67,508	$ 25,206	$ 92,714
2014	71,551	21,164	92,715
2015	75,835	16,879	92,714
2016	80,340	12,375	92,715
2017	85,188	7,527	92,715
2018	83,058	2,425	85,483
	$ 463,480	$ 85,576	$ 549,056

Conduit Debt

From time to time, the Development Authority, a discretely presented component unit, has issued Revenue Bonds to provide financial assistance to both private and public sector entities for the acquisition and construction of industrial and commercial facilities deemed to be of public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying leases. Upon repayment on the bonds, ownership of the acquired facilities transfers to the private or public sector entity served by the bond issuance. Neither the Development Authority, the County, State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. There were two series of Revenue Bonds issued in Fiscal Year 2011 totaling $250,000,000. The total amount of those bonds outstanding as of September 30, 2011 was $250,000,000.

NOTE 8 - INTERFUND BALANCES AND ACTIVITY

The composition of interfund balances as of September 30, 2012, is as follows:

	Due From					
Due To	General Fund	Fire District	SPLOST	Other nonmajor governmental funds	Solid Waste	Total
General Fund	$ -	$ 124,672	$ 1,315,556	$ 73,970	$ 7,989	$ 1,522,187
Other nonmajor governmental funds	58,721	-	260,252	-	-	318,973
Solid Waste	45,310	-	-	-	-	45,310
Total	$ 104,031	$ 124,672	$ 1,575,808	$ 73,970	$ 7,989	$ 1,886,470

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, 2012 are as follows:

	Transfers Out		
Transfers In	General Fund	Other nonmajor governmental funds	Total
General Fund	$ -	$ 114,720	$ 114,720
Other nonmajor governmental funds	2,383,909	-	2,383,909
Solid Waste	787,343	-	787,343
Total	$ 3,171,252	$ 114,720	$ 3,285,972

Transfers are used to supplement operating budgets.

NOTE 9 - 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: Stanley, Hunt, Dupree & Rhine, 7823 National Service Road, Greensboro, NC., 27455.

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, 2011, (the most recent actuarial valuation date) was $17,191,528 (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.

Participants become eligible to retire at age 65 with 10 years of participation in the plan or age plus service of 85 or completion of 35 years of credited service. 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 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. Becuase this method does not identify or separately amortized unfunded actuarial accrued liabilities, the funding progress is presented using the entry age actuarial cost method and is intended to serve as a surrogate for the funded status and funding progress of the plan.

Contributions during the plan year totaling $4,064,799 ($3,523,244 employer and $541,555 employee) were made in accordance with contribution requirements determined by an actuarial valuation performed as of July 1, 2011. The employer contribution represents 20.49% of current year covered payroll.

(C) ANNUAL PENSION COST

The County's contributions for the years ended September 30, 2012, 2011, and 2010 based on amounts made during the plan year are as follows.

Fiscal Year Ending September 30,	Actuarial Valuation Date July 1,	Annual Pension Cost	Actual County Contributions	Percentage of ARC Contributed	Net Pension Obligation
2012	2011	$ 3,209,850	$ 3,523,244	109.8 %	$ 382,398
2011	2010	$ 3,054,709	$ 3,085,663	101.0 %	$ 695,792
2010	2009	$ 3,435,948	$ 3,471,407	101.0 %	$ 726,746

Participants as of July 1, 2011, (the most recent actuarial valuation date) are shown below:

Frozen participants	50
Retirees and beneficiaries	77
Terminated plan participants entitled to but not yet receiving benefits	3
Active employees participating in the plan	316
Total number of plan participants	446

The information was determined as part of the actuarial valuation as of July 1, 2011. Additional information follows:

Valuation date	July 1, 2011
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	5.51%
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:

Annual required contribution	$ 3,245,688
Interest on NPO	38,338
NPO adjustment	(74,176)
Annual pension cost	3,209,850
Contributions	(3,523,244)
Increase (decrease) in net pension obligation	(313,394)
Net pension obligation, Beginning of year	695,792
Net pension obligation, End of year	$ 382,398

Total actuarial accrued liability to County employees was $52,254,883 at July 1, 2011, as follows:

Actuarial accrued liability:	
Retirees currently receiving benefits	$ 21,443,137
Active participants vested benefits	20,131,773
Total vested	41,574,910
Active non-vested accrued benefits	5,780,698
Total accumulated benefit liability	47,355,608
Benefit obligation related to assumed future pay increases	4,899,275
Total accrued liability	52,254,883
Actuarial value of assets of (83.01% total accrued liability)	38,702,703
Total unfunded (surplus) actuarial liability	$ 13,552,180

This is (78.83)% 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
2011	$ 38,702,703	$ 64,554,800	$ 25,852,097	59.95 %	$ 17,191,528	150.4 %
2010	$ 35,070,636	$ 56,806,521	$ 21,735,885	61.74 %	$ 18,245,783	119.1 %
2009	$ 31,376,098	$ 52,011,930	$ 20,635,832	60.32 %	$ 19,305,615	106.9 %

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 defined contribution 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, 2012, employee contributions were $627,874 and County contributions were $542,549. 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 a commission resolution, to all employees participating in the defined benefit plan and defined contribution plan. The employees spouse may also obtain coverage at the employee rate. Upon completion of 35 years of credited service, both the retiree and spouse receive the coverage at no cost. Coverage is available to retirees who attain age 65 with 10 years of credited service for a desingated monthly premium. Currently, 39 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-employment 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-employment benefits. For fiscal year 2012, the County contributed $465,144 to the plan. In fiscal year 2012, total member contributions were $27,870.

(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:

	July 1, 2012
Annual required contribution	$ 7,580,000
Interest on net OPEB obligation	651,000
Adjustment to annual required contribution	(677,000)
Annual OPEB cost	7,554,000
Employer contributions made with interest	(465,144)
Increase (decrease) in net OPEB obligation	7,088,856
Net OPEB obligation, Beginning of year	16,268,526
Net OPEB obligation, End of year	$ 23,357,382

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 and the two preceding years is as follows:

Fiscal Year Ending September 30,	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2012	$ 7,554,000	$ 465,144	6.2 %	$23,357,382
2011	$ 7,131,000	$ 423,474	5.9 %	$16,268,526
2010	$ 5,274,000	$ 376,000	7.1 %	$ 9,561,000

(D) FUNDED STATUS AND FUNDING PROGRESS

As of July 1, 2011 the most recent actuarial valuation date updated to July 1, 2012, the plan was 0 percent funded. The actuarial accrued liability for benefits was $75,777,000, and the actuarial value of assets was $ 0 , resulting in an unfunded actuarial accrued liability (UAAL) of $75,777,000. The covered payroll (annual payroll of active employees covered by the benefits) was $30,483,000, and the ratio of the UAAL to the covered payroll was 248.6 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, 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.

(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, 2011 updated to July 1, 2012. Additional information as of the latest actuarial valuation follows:

Valuation date	July 1, 2012
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 2014
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.

The assets are 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. These assets are not 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

(F) TEACHER RETIREMENT SYSTEM OF GEORGIA (TRS)
All full time librarians and clerical personnel employed by the Library System are covered by the Teacher Retirement System of Georgia (TRS), which is a cost-sharing multiple employer public employee retirement system (PERS).

NOTE 10 - 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, 2012, the County included $640,770 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, 2012, excess coverage was obtained for any individual claim in excess of $90,000 or aggregate claims in excess of $10,000,000.

Year ended September 30,	Beginning of Year	Incurred Claims	Claims Payments	End of Year
2011	$ 1,134,434	$ 9,605,134	$ (10,194,714)	$ 544,854
2012	$ 544,854	$ 8,191,742	$ (8,095,826)	$ 640,770

WORKERS' COMPENSATION

The County purchases insurance for workers' compensation from independent carriers. The County pays all claims up to $400,000 for each accident and $400,000 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, 2012, the County included $203,226 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
2011	$ 96,131	$ 246,932	$ (232,722)	$ 110,341
2012	$ 110,341	$ 278,866	$ (185,981)	$ 203,226

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 buildings, $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 11 - CONTINGENT LIABILITIES

Amounts received or receivable from 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 County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the County'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 continues until approximately October 2030.

NOTE 12 - 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, 2012, the County has recorded a liability for the Ishman Ballard Road municipal solid waste landfill of $579,410, 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, 2012, the County has recorded a liability for the construction and demolition landfill of $725,661, which represents the estimated postclosure costs based on 43.14% of landfill capacity used to date. The County will recognize the remaining estimated cost of closure and post-closure care of $899,511 in the Solid Waste Fund, as the remaining estimated

of closure and post-closure care of $899,511 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 2012. The County expects to close the landfill in the year 2038. 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 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, 2012, using the financial ratio tests.

NOTE 13 - 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, 2012, the County paid $82,262 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 commissions 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 14 - 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 10 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 15 - HOTEL/MOTEL TAX

During the year ended September 30, 2012, the County collected $191,262 in Hotel/Motel taxes of which $76,505 was required to be spent to promote tourism, conventions, and trade shows. The County actually spent $66,686. This was 87% of tax receipts to be expended for these purposes under OCGA-48-13-51. The remaining receipts of $9,819 will be spent in fiscal year 2013. The County complied with the requirements of this law.

NOTE 16 - EMERGENCY SERVICES TRAINING FACILITY

The County Board of Commissioners share in the costs of the Newnan/Coweta Emergency Services Training Facility. A board oversees the day-to-day operations of the training facility which is owned by the City of Newnan. The board is comprised of department heads from the agencies that share in the costs of operating this facility. 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 17 -WESTERN AREA REGIONAL RADIO SYSTEM AUTHORITY

The County along with Carroll County, the City of Douglasville, Haralson County, and Heard County are members of the Western Area Regional Radio Authority which was created to provide an interoperable, high quality, and reliable and uninterrupted communication signal for public safety and public services.

The Act creating the Authority provides that obligations of the Authority shall not be deemed to constitute a debt of the establishing local governments nor a pledge of the faith and credit of said establishing local governments. Separate financial statements may be obtained from the Treasurer of the Authority, 423 College Street, Carrollton, Georgia 30117.

COWETA COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
For the Year Ended September 30, 2012
"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)
2007	$ 25,413,637	$ 40,370,672	62.95 %	$ 14,957,035	$ 19,659,971	76.08 %
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 %
2011	$ 38,702,703	$ 64,554,800	59.95 %	$ 25,852,097	$ 17,191,528	150.38 %

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 9 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.

Data for 2006 is not available.

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)
2010	$ -	$ 52,809,000	$ - %	$ 52,809,000	$ 22,979,000	229.81 %
2011	-	69,262,000	- %	69,262,000	30,483,000	227.22 %
2012	$ -	$ 75,777,000	$ - %	$ 75,777,000	$ 30,483,000	248.59 %

2009 was the first year that this plan was effective and the actuarial valuation covered fiscal year ending September 30, 2010 and 2011. The County now has biennial actuarial valuations.

COWETA COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
DEFINED BENEFIT PENSION PLAN
For the Year Ended September 30, 2012
"Unaudited"

Fiscal Year Ended	Annual Required Contribution	Percentage Contributed
2012	$ 3,245,688	109 %
2011	3,054,709	101 %
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, 2012
(Required Supplementary Information)

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year as restated	$ 31,319,610	$ 31,319,610	$ 31,319,610	$ -
RESOURCES (INFLOWS)				
Taxes	47,013,604	49,673,604	49,764,339	90,735
Licenses and permits	1,771,000	1,911,000	1,912,716	1,716
Intergovernmental	352,170	435,170	435,269	99
Fines and forfeitures	4,532,500	4,652,500	4,658,025	5,525
Charges for services	5,242,625	5,337,625	5,241,435	(96,190)
Contributions and donations	25,000	25,000	17,729	(7,271)
Investment income	75,000	140,000	148,487	8,487
Miscellaneous	3,000	28,000	34,740	6,740
Transfers in	114,000	114,000	114,720	720
Total Resources (Inflows)	59,128,899	62,316,899	62,327,460	10,561
AMOUNTS AVAILABLE FOR APPROPRIATION	90,448,509	93,636,509	93,647,070	10,561
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
General Government				
Commissioners	197,773	207,273	206,713	560
Administrator	711,416	737,116	735,134	1,982
Elections	287,889	323,089	319,457	3,632
Financial administration	665,855	665,855	650,965	14,890
Business license	177,324	148,165	130,266	17,899
County attorney	270,000	270,000	224,188	45,812
Information technology	1,015,093	885,093	883,553	1,540
Human resources	225,607	225,607	222,989	2,618
Tax commissioner	1,062,231	1,062,231	1,006,206	56,025
Tax assessor	1,477,752	1,312,752	1,308,887	3,865
Insurance	1,480,500	1,345,500	1,345,304	196
Public buildings	2,908,321	2,811,346	2,697,099	114,247
Information officer	127,187	127,187	124,224	2,963
General county	2,337,525	2,699,525	2,699,252	273
Appropriations	82,262	82,262	82,262	-
Registrar	193,299	193,299	190,628	2,671
Total General Government	13,220,034	13,096,300	12,827,127	269,173
Judicial				
Superior court	76,394	77,894	62,695	15,199
Clerk of superior court	1,186,123	1,186,123	1,139,799	46,324
District attorney	570,773	585,773	585,509	264
State court	487,245	517,245	471,432	45,813
Magistrate court	794,936	794,936	775,899	19,037
Probate court	551,688	551,688	543,397	8,291
Clerk of of state court	527,428	527,428	479,218	48,210
Juvenile court	644,544	644,544	618,214	26,330
Drug court	147,920	147,920	116,399	31,521
Supplemental courts	613,350	600,863	473,496	-
Solicitor	846,541	923,541	918,587	4,954
Victim witness	207,613	244,413	243,779	634
Indigent defense	539,061	554,061	552,938	1,123
Appropriations	1,200	1,200	564	636
Pretrial services	28,755	45,755	45,311	444
Total Judicial	7,223,571	7,403,384	7,027,237	248,780
Public Safety				
Sheriff	11,020,166	11,248,166	11,222,584	25,582
Jail	5,661,453	5,836,453	5,832,066	4,387
Work release center	495,288	495,288	465,930	29,358
Community service	2,000	2,000	893	1,107
Correctional institute	3,771,657	3,758,657	3,753,065	5,592
Emergency management	56,793	68,544	68,411	133
Ambulance services	464,600	492,600	490,975	1,625

COWETA COUNTY, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended September 30, 2012
(Required Supplementary Information)

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
CONTINUED.....				
Coroner	79,400	79,400	79,148	252
Drug abuse treatment	60,000	172,000	171,208	792
School resource officers	698,588	770,888	770,024	864
Adult probation	489,972	503,972	503,541	431
Animal control	609,457	674,657	672,619	2,038
Total Public Safety	23,409,374	24,102,625	24,030,464	72,161
Public Works				
Public works	3,561,308	3,711,308	3,703,619	7,689
Roadway construction	1,141,750	1,141,750	1,068,932	72,818
Community lighting/service	207,425	207,425	188,303	19,122
Equipment expense	116,000	155,500	155,140	360
Storm water division	519,095	519,095	404,464	114,631
Solid waste and recycling	-	44,570	44,570	-
Heavy equipment shop	466,150	491,650	491,265	385
Auto shop	151,500	161,500	161,180	320
Engineering	912,665	912,665	830,287	82,378
Total Public Works	7,075,893	7,345,463	7,047,760	297,703
Public Health and Welfare				
Health department	197,500	225,500	224,954	546
Mental health	33,000	33,000	28,488	4,512
Family and children services	140,000	140,000	102,856	37,144
Total Public Health and Welfare	370,500	398,500	356,298	42,202
Recreation and Culture				
Recreation	2,292,409	2,610,659	2,542,880	67,779
Parks	15,000	15,000	7,500	7,500
Library	1,684,927	1,684,927	1,684,927	-
Total Recreation and Culture	3,992,336	4,310,586	4,235,307	75,279
Housing and development				
Forestry	17,176	17,176	17,176	-
Building department	1,000,387	881,887	799,142	82,745
Planning and zoning	839,291	839,291	796,573	42,718
Ordinance enforcement	132,342	132,342	80,863	51,479
Economic development	-	18,500	18,096	404
Appropriations	14,100	14,100	8,141	5,959
County agent	172,663	172,663	152,125	20,538
Development Authority	240,602	240,602	240,602	-
Airport	80,492	80,492	80,492	-
GIS mapping	91,736	91,736	52,650	39,086
Total Housing and Development	2,588,789	2,488,789	2,245,860	242,929
Transfers out	2,985,486	3,171,252	3,171,252	-
TOTAL CHARGES TO APPROPRIATIONS	60,865,983	62,316,899	60,941,305	1,248,227
CHANGE IN FUND BALANCE	(1,737,084)	-	1,386,155	1,386,155
FUND BALANCE, End of year	$ 29,582,526	$ 31,319,610	$ 32,705,765	$ 1,386,155

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, 2012
(Required Supplementary Information)

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 11,652,067	$ 11,652,067	$ 11,652,067	$ -
RESOURCES (INFLOWS)				
Taxes	9,687,720	10,243,720	10,280,913	37,193
Contributions and donations	1,500	1,500	-	(1,500)
Investment income	100,000	100,000	49,787	(50,213)
Miscellaneous	1,000	1,000	43,940	42,940
Total Resources (Inflows)	9,790,220	10,346,220	10,374,640	28,420
AMOUNTS AVAILABLE FOR APPROPRIATION	21,442,287	21,998,287	22,026,707	28,420
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	12,177,028	12,667,043	12,651,825	15,218
TOTAL CHARGES TO APPROPRIATIONS	12,177,028	12,667,043	12,651,825	15,218
CHANGE IN FUND BALANCE	(2,386,808)	(2,320,823)	(2,277,185)	43,638
FUND BALANCE, End of year	$ 9,265,259	$ 9,331,244	$ 9,374,882	$ 43,638

NOTES TO THE BUDGETARY COMPARISON SCHEDULE
1. The budgetary basis of accounting used in this schedule is the same as GAAP.

COWETA COUNTY

NON-MAJOR GOVERNMENTAL FUNDS

COWETA COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2012

	SPECIAL REVENUE FUNDS				
	EMERGENCY E911 TELEPHONE SERVICES	HOTEL/MOTEL	LAW LIBRARY	SHERIFF'S PROGRAMS	SUBTOTAL SPECIAL REVENUE FUNDS
ASSETS					
Cash	$ 782,924	$ 35,736	$ 55,706	$ 1,969,033	$ 2,843,399
Investments	1,001,313	-	33,247	-	1,034,560
Receivables (net of allowance for uncollectibles)	478,229	20,478	-	-	498,707
Due from other funds	-	-	-	-	-
TOTAL ASSETS	$ 2,262,466	$ 56,214	$ 88,953	$ 1,969,033	$ 4,376,666
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	$ 8,824	$ 1,753	$ -	$ -	$ 10,577
Other accrued items	65,197	1,894	-	-	67,091
Due to other funds	17,019	18,300	-	-	35,319
TOTAL LIABILITIES	91,040	21,947	-	-	112,987
FUND BALANCES					
Restricted:					
Impact fee projects	-	-	-	-	-
Judicial programs	-	-	88,953	-	88,953
Public safety programs	2,171,426	-	-	1,969,033	4,140,459
Housing and development programs	-	34,267	-	-	34,267
Assigned:					
Capital equipment and infrastructure	-	-	-	-	-
TOTAL FUND BALANCES	2,171,426	34,267	88,953	1,969,033	4,263,679
TOTAL LIABILITIES AND FUND BALANCES	$ 2,262,466	$ 56,214	$ 88,953	$ 1,969,033	$ 4,376,666

COWETA COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2012

	CAPITAL PROJECTS FUNDS					
	TRANSPORTATION FUND	CAPITAL EXPENDITURES FUND	IMPACT FEES FUND	CDBG	SUBTOTAL CAPITAL PROJECTS FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS						
Cash	$ 360,055	$ 188,888	$ 3,221,228	$ -	$ 3,770,171	$ 6,613,570
Investments	-	-	-	-	-	1,034,560
Receivables (net of allowance for uncollectibles)	-	90,985	8,612	9,675	109,272	607,979
Due from other funds	55,873	2,848	260,252	-	318,973	318,973
TOTAL ASSETS	$ 415,928	$ 282,721	$ 3,490,092	$ 9,675	$ 4,198,416	$ 8,575,082
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	$ 387,606	$ 95,469	$ 258,696	$ -	$ 741,771	$ 752,348
Other accrued items	-	-	-	-	-	67,091
Due to other funds	-	17,434	11,542	9,675	38,651	73,970
TOTAL LIABILITIES	387,606	112,903	270,238	9,675	780,422	893,409
FUND BALANCES						
Restricted:						
Impact fee projects	-	-	3,219,854	-	3,219,854	3,219,854
Judicial programs	-	-	-	-	-	88,953
Public safety programs	-	-	-	-	-	4,140,459
Housing and development programs	-	-	-	-	-	34,267
Assigned:						
Capital equipment and infrastructure	28,322	169,818	-	-	198,140	198,140
TOTAL FUND BALANCES	28,322	169,818	3,219,854	-	3,417,994	7,681,673
TOTAL LIABILITIES AND FUND BALANCES	$ 415,928	$ 282,721	$ 3,490,092	$ 9,675	$ 4,198,416	$ 8,575,082

COWETA COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2012

	SPECIAL REVENUE FUNDS				
	EMERGENCY E911 TELEPHONE SERVICE	HOTEL/MOTEL	LAW LIBRARY	SHERIFF'S PROGRAMS	SUBTOTAL SPECIAL REVENUE FUNDS
REVENUES					
Taxes	$ -	$ 191,262	$ -	$ -	$ 191,262
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Fines and forfeitures	-	-	27,699	493,202	520,901
Charges for services	2,334,094	1,093	-	108,348	2,443,535
Contributions and donations	-	-	-	39,360	39,360
Interest income	15,480	65	174	(1)	15,718
Miscellaneous	-	-	-	-	-
TOTAL REVENUES	2,349,574	192,420	27,873	640,909	3,210,776
EXPENDITURES					
Current Expenditures					
General government	-	-	-	-	-
Judicial	-	-	31,735	-	31,735
Public safety	2,483,207	-	-	507,072	2,990,279
Public works	-	-	-	-	-
Recreation and culture	-	-	-	-	-
Housing and development	-	66,686	-	-	66,686
Capital outlay	127,875	-	-	677,299	805,174
TOTAL EXPENDITURES	2,611,082	66,686	31,735	1,184,371	3,893,874
EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	(261,508)	125,734	(3,862)	(543,462)	(683,098)
OTHER FINANCING SOURCES (USES)					
Sale of county property	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	(114,720)	-	-	(114,720)
TOTAL OTHER FINANCING SOURCES (USES)	-	(114,720)	-	-	(114,720)
NET CHANGE IN FUND BALANCES	(261,508)	11,014	(3,862)	(543,462)	(797,818)
FUND BALANCES, Beginning of year	2,432,934	23,253	92,815	2,512,495	5,061,497
FUND BALANCES, End of year	$ 2,171,426	$ 34,267	$ 88,953	$ 1,969,033	$ 4,263,679

COWETA COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2012

	CAPITAL PROJECTS FUND					
	TRANSPORTATION FUND	CAPITAL EXPENDITURES FUND	IMPACT FEES FUND	CDBG	SUBTOTAL CAPITAL PROJECTS FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES						
Taxes	$ -	$ -	$ -	$ -	$ -	$ 191,262
Licenses and permits	-	-	506,890	-	506,890	506,890
Intergovernmental	1,613,280	-	-	13,497	1,626,777	1,626,777
Fines and forfeitures	-	-	-	-	-	520,901
Charges for services	-	-	-	-	-	2,443,535
Contributions and donations	-	215,500	-	-	215,500	254,860
Interest income	(1)	1	3,994	-	3,994	19,712
Miscellaneous	-	1,000	-	-	1,000	1,000
TOTAL REVENUES	1,613,279	216,501	510,884	13,497	2,354,161	5,564,937
EXPENDITURES						
Current Expenditures						
General government	-	250,381	11,542	-	261,923	261,923
Judicial	-	-	-	-	-	31,735
Public safety	-	86,496	-	-	86,496	3,076,775
Public works	16,973	75,248	458,553	-	550,774	550,774
Recreation and culture	-	11,180	-	-	11,180	11,180
Housing and development	-	-	-	-	-	66,686
Capital outlay	4,001,781	1,028,012	1,590,542	28,189	6,648,524	7,453,698
TOTAL EXPENDITURES	4,018,754	1,451,317	2,060,637	28,189	7,558,897	11,452,771
EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	(2,405,475)	(1,234,816)	(1,549,753)	(14,692)	(5,204,736)	(5,887,834)
OTHER FINANCING SOURCES (USES)						
Sale of county property	-	4,950	-	-	4,950	4,950
Transfers in	984,225	1,399,684	-	-	2,383,909	2,383,909
Transfers out	-	-	-	-	-	(114,720)
TOTAL OTHER FINANCING SOURCES (USES)	984,225	1,404,634	-	-	2,388,859	2,274,139
NET CHANGE IN FUND BALANCES	(1,421,250)	169,818	(1,549,753)	(14,692)	(2,815,877)	(3,613,695)
FUND BALANCES, Beginning of year	1,449,572	-	4,769,607	14,692	6,233,871	11,295,368
FUND BALANCES, End of year	$ 28,322	$ 169,818	$ 3,219,854	$ -	$ 3,417,994	$ 7,681,673

COWETA COUNTY, GEORGIA
EMERGENCY E911 TELEPHONE SYSTEM SPECIAL REVENUE FUND
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
For the Year Ended September 30, 2012

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 2,432,934	$ 2,432,934	$ 2,432,934	$ -
RESOURCES (INFLOWS)				
Charges for services	2,507,979	2,507,979	2,334,094	(173,885)
Investment income	1,500	1,500	15,480	13,980
Total Resources (Inflows)	2,509,479	2,509,479	2,349,574	(159,905)
AMOUNTS AVAILABLE FOR APPROPRIATION	4,942,413	4,942,413	4,782,508	(159,905)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	2,485,679	2,611,082	2,611,082	-
TOTAL CHARGES TO APPROPRIATIONS	2,485,679	2,611,082	2,611,082	-
CHANGE IN FUND BALANCE	23,800	(101,603)	(261,508)	(159,905)
FUND BALANCE, End of year	$ 2,456,734	$ 2,331,331	$ 2,171,426	$ (159,905)

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, 2012

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 23,253	$ 23,253	$ 23,253	$ -
RESOURCES (INFLOWS)				
Taxes	190,000	190,000	191,262	1,262
Charges for services	-	-	1,093	1,093
Investment income	50	50	66	16
Total Resources (Inflows)	190,050	190,050	192,421	2,371
AMOUNTS AVAILABLE FOR APPROPRIATION	213,303	213,303	215,674	2,371
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Housing and development	76,050	76,050	66,686	9,364
Transfers out	-	115,000	114,720	280
TOTAL CHARGES TO APPROPRIATIONS	76,050	191,050	181,406	9,644
CHANGE IN FUND BALANCE	114,000	(1,000)	11,015	12,015
FUND BALANCE, End of year	$ 137,253	$ 22,253	$ 34,268	$ 12,015

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

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

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.

Transportation Fund – to account for road construction and paving 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.

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
LAW LIBRARY SPECIAL REVENUE FUND
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
For the Year Ended September 30, 2012

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 92,815	$ 92,815	$ 92,815	$ -
RESOURCES (INFLOWS)				
Fines and forfeitures	35,000	35,000	27,699	(7,301)
Investment income	-	-	174	174
Total Resources (Inflows)	35,000	35,000	27,873	(7,127)
AMOUNTS AVAILABLE FOR APPROPRIATION	127,815	127,815	120,688	(7,127)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Judicial	35,000	35,000	31,735	3,265
TOTAL CHARGES TO APPROPRIATIONS	35,000	35,000	31,735	3,265
CHANGE IN FUND BALANCE	-	-	(3,862)	(3,862)
FUND BALANCE, End of year	$ 92,815	$ 92,815	$ 88,953	$ (3,862)

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, 2012

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 2,512,495	$ 2,512,495	$ 2,512,495	$ -
RESOURCES (INFLOWS)				
Fines and forfeitures	250,000	250,000	493,202	243,202
Charges for services	-	-	108,348	108,348
Contributions and donations	-	-	39,360	39,360
Investment income	-	-	(3)	(3)
Total Resources (Inflows)	250,000	250,000	640,907	390,907
AMOUNTS AVAILABLE FOR APPROPRIATION	2,762,495	2,762,495	3,153,402	390,907
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	250,000	1,190,000	1,184,369	5,631
TOTAL CHARGES TO APPROPRIATIONS	250,000	1,190,000	1,184,369	5,631
CHANGE IN FUND BALANCE	-	(940,000)	(543,462)	396,538
FUND BALANCE, End of year	$ 2,512,495	$ 1,572,495	$ 1,969,033	$ 396,538

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

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

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, 2012

	TAX COMMISSIONER	CLERK OF SUPERIOR COURT	PROBATE COURT	MAGISTRATE COURT	CLERK OF STATE COURT	SHERIFF	TOTAL
ASSETS							
Cash	$ 590,419	$ 327,224	$ 2,624	$ 73,536	$ 225,929	$ 240,881	$ 1,460,613
TOTAL ASSETS	$ 590,419	$ 327,224	$ 2,624	$ 73,536	$ 225,929	$ 240,881	$ 1,460,613
LIABILITIES							
Amounts held in trust	$ 590,419	$ 327,224	$ 2,624	$ 73,536	$ 225,929	$ 240,881	$ 1,460,613
TOTAL LIABILITIES	$ 590,419	$ 327,224	$ 2,624	$ 73,536	$ 225,929	$ 240,881	$ 1,460,613

COWETA COUNTY, GEORGIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Year Ended September 30, 2012

	TAX COMMISSIONER	CLERK OF SUPERIOR COURT	PROBATE COURT	MAGISTRATE COURT	CLERK OF STATE COURT	SHERIFF	TOTAL
ASSETS							
Cash							
Balance, October 1, 2011	$ 724,204	$ 477,753	$ 2,843	$ 62,245	$ 216,159	$ 126,861	$ 1,610,065
Additions	117,408,655	4,772,427	345,348	938,642	3,280,728	1,454,613	128,200,413
Deductions	(117,542,440)	(4,922,956)	(345,567)	(927,351)	(3,270,958)	(1,340,593)	(128,349,865)
Balance, September 30, 2012	590,419	327,224	2,624	73,536	225,929	240,881	1,460,613
TOTAL ASSETS	$ 590,419	$ 327,224	$ 2,624	$ 73,536	$ 225,929	$ 240,881	$ 1,460,613
LIABILITIES							
Due to County							
Balance, October 1, 2011	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additions	40,779,036	2,450,696	297,841	487,247	2,253,500	373,282	46,641,602
Deductions	(40,779,036)	(2,450,696)	(297,841)	(487,247)	(2,253,500)	(373,282)	(46,641,602)
Balance,, September 30, 2012	-	-	-	-	-	-	-
Amounts held in trust							
Balance, October 1, 2011	724,204	477,753	2,843	62,245	216,159	126,861	1,610,065
Additions	76,629,619	2,321,731	47,507	451,395	1,027,228	1,081,331	81,558,811
Deductions	(76,763,404)	(2,472,260)	(47,726)	(440,104)	(1,017,458)	(967,311)	(81,708,263)
Balance, September 30, 2012	590,419	327,224	2,624	73,536	225,929	240,881	1,460,613
Total Liabilities							
Balance, October 1, 2011	724,204	477,753	2,843	62,245	216,159	126,861	1,610,065
Additions	117,408,655	4,772,427	345,348	938,642	3,280,728	1,454,613	128,200,413
Deductions	(117,542,440)	(4,922,956)	(345,567)	(927,351)	(3,270,958)	(1,340,593)	(128,349,865)
TOTAL LIABILITIES	$ 590,419	$ 327,224	$ 2,624	$ 73,536	$ 225,929	$ 240,881	$ 1,460,613

COWETA COUNTY

COMPONENT UNITS

COMPONENT UNITS

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable.

This section provides information only for those component units that do NOT prepare separate financial statements.

Library System - to account for the library services provided to all citizens of Coweta County through library headquarters in Newnan, Georgia and three branch facilities.

Airport Authority - to account for all activities related to the airport in Coweta County.

Development Authority - to account for economic development activities within Coweta County.

COWETA COUNTY LIBRARY SYSTEM
(A COMPONENT UNIT OF COWETA COUNTY, GEORGIA)
BALANCE SHEET
September 30, 2012

ASSETS		
Cash	$	88,050
Receivables (net of allowance for uncollectibles)		6,681
Prepaid items		18,060
TOTAL ASSETS	$	112,791
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	$	24,354
Other accrued items		44,004
Due to primary government		29,727
TOTAL LIABILITIES		98,085
FUND BALANCES		
Nonspendable:		
Prepaid expenditure		18,060
Unassigned:		(3,354)
TOTAL FUND BALANCES		14,706
TOTAL LIABILITIES AND FUND BALANCES	$	112,791

COWETA COUNTY LIBRARY SYSTEM
(A COMPONENT UNIT OF COWETA COUNTY, GEORGIA)
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Year Ended September 30, 2012

REVENUES	
Intergovernmental	$ 1,982,518
Fines and forfeitures	41,851
Contributions and donations	18,399
Interest income	72
TOTAL REVENUES	2,042,840
EXPENDITURES	
Current Expenditures	
Recreation and culture	2,084,197
Capital outlay	77,743
TOTAL EXPENDITURES	2,161,940
EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	(119,100)
NET CHANGE IN FUND BALANCES	(119,100)
FUND BALANCES, Beginning of year	133,806
FUND BALANCES, End of year	$ 14,706

COWETA COUNTY AIRPORT AUTHORITY
(A COMPONENT UNIT OF COWETA COUNTY, GEORGIA)
STATEMENT OF NET ASSETS
September 30, 2012

ASSETS		
Current Assets		
Cash	$	250,722
Receivables (net of allowance for uncollectibles)		794,200
Due from primary government		344
Inventories		36,490
TOTAL CURRENT ASSETS		1,081,756
Noncurrent Assets		
Capital assets		
Capital assets not being depreciated		2,625,937
Capital assets being depreciated		10,916,792
Less: accumulated depreciation		(2,957,230)
TOTAL CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)		10,585,499
TOTAL NONCURRENT ASSETS		10,585,499
TOTAL ASSETS		11,667,255
LIABILITIES		
Current Liabilities		
Accounts payable		119,413
Other accrued items		9,974
Due to primary government		2,387,993
Amounts held in trust		1,851
Unearned revenue		92,801
Compensated absences payable		13,352
Notes payable		67,508
TOTAL CURRENT LIABILITIES		2,692,892
Noncurrent Liabilities		
Notes payable		395,972
TOTAL NONCURRENT LIABILITIES		395,972
TOTAL LIABILITIES		3,088,864
NET ASSETS		
Invested in capital assets		10,006,905
Unrestricted		(1,428,514)
TOTAL NET ASSETS	$	8,578,391

COWETA COUNTY AIRPORT AUTHORITY
(A COMPONENT UNIT OF COWETA COUNTY, GEORGIA)
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
For the Year Ended September 30, 2012

OPERATING REVENUES		
Charges for services	$	832,827
Total Operating Revenues		832,827
OPERATING EXPENSES		
Salaries and benefits		253,932
Supplies		2,226
Other services and charges		25,877
Depreciation		195,004
Professional fees		14,413
Repairs and maintenance		20,583
Utilities		26,519
Cost of goods sold		530,337
Total Operating Expenses		1,068,891
OPERATING INCOME (LOSS)		(236,064)
NONOPERATING REVENUES (EXPENSES)		
Investment earnings		53
Interest expense		(29,527)
Operating grant from Coweta County		80,492
Total Nonoperating Revenues (Expenses)		51,018
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS		(185,046)
Capital grants		1,374,206
CHANGE IN NET ASSETS		1,189,160
TOTAL NET ASSETS, Beginning of year		7,389,231
TOTAL NET ASSETS, End of year	$	8,578,391

COWETA COUNTY AIRPORT AUTHORITY
(A COMPONENT UNIT OF COWETA COUNTY, GEORGIA)
STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2012

CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customer	$	818,193
Payments to suppliers		(632,756)
Payments to employees		(260,766)
Net cash provided by (used in) operating activities		(75,329)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Operating grant from Coweta County		985,812
Net Cash provided (used) by non-capital financing activities		985,812
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets		(1,251,346)
Payments from other governments		628,692
Principal payments on debt		(63,485)
Interest paid		(29,527)
Net cash provided (used) by capital and related financing activities		(715,666)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment earnings		53
Net cash provided (used) by investing activities		53
Net increase (decrease) in cash and cash equivalents		194,870
CASH, Beginning of year		55,852
CASH, End of year	$	250,722
DISPLAYED AS:		
Cash	$	250,722
TOTAL CASH	$	250,722
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	$	(236,064)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation		195,004
(Increase) decrease in:		
Accounts receivable		(6,512)
Due from other governments		483
Inventory		31,617
Prepaid expenses		11
Increase (decrease) in:		
Accounts payable		(44,429)
Compensated absences		(6,279)
Other accrued items		(555)
Deferred revenue		(8,605)
Net cash provided by (used in) operating activities	$	(75,329)

COWETA COUNTY DEVELOPMENT AUTHORITY
(A COMPONENT UNIT OF COWETA COUNTY, GEORGIA)
STATEMENT OF NET ASSETS
September 30, 2012

ASSETS		
Current Assets		
Cash	$	37,766
Investments		226,805
Receivables (net of allowance for uncollectibles)		290
Due from primary government		20,050
TOTAL CURRENT ASSETS		284,911
Noncurrent Assets		
Capital assets		
Capital assets not being depreciated		189,150
Capital assets being depreciated		13,161
Less: accumulated depreciation		(6,344)
TOTAL CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)		195,967
TOTAL NONCURRENT ASSETS		195,967
TOTAL ASSETS		480,878
LIABILITIES		
Current Liabilities		
Accounts payable		3,558
Other accrued items		14,270
Due to primary government		762
TOTAL CURRENT LIABILITIES		18,590
TOTAL LIABILITIES		18,590
NET ASSETS		
Invested in capital assets		195,967
Unrestricted		266,321
TOTAL NET ASSETS	$	462,288

COWETA COUNTY DEVELOPMENT AUTHORITY
(A COMPONENT UNIT OF COWETA COUNTY, GEORGIA)
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
For the Year Ended September 30, 2012

OPERATING REVENUES		
Charges for services	$	6,250
Total Operating Revenues		6,250
OPERATING EXPENSES		
Salaries and benefits		169,450
Other services and charges		76,617
Depreciation		1,152
Utilities		3,535
Total Operating Expenses		250,754
OPERATING INCOME (LOSS)		(244,504)
NONOPERATING REVENUES (EXPENSES)		
Investment earnings		865
Operating grant from Coweta County		240,602
Total Nonoperating Revenues (Expenses)		241,467
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS		(3,037)
CHANGE IN NET ASSETS		(3,037)
TOTAL NET ASSETS, Beginning of year		465,325
TOTAL NET ASSETS, End of year	$	462,288

COWETA COUNTY DEVELOPMENT AUTHORITY
(A COMPONENT UNIT OF COWETA COUNTY, GEORGIA)
STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2012

CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customer	$	6,130
Payments to suppliers		(80,477)
Payments to employees		(170,137)
Net cash provided by (used in) operating activities		(244,484)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Operating grant from Coweta County		220,552
Net Cash provided (used) by non-capital financing activities		220,552
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment earnings		2,300
Purchase of investments		(76,578)
Proceeds from sale of investments		100,000
Net cash provided (used) by investing activities		25,722
Net increase (decrease) in cash and cash equivalents		1,790
CASH, Beginning of year		35,976
CASH, End of year	$	37,766
DISPLAYED AS:		
Cash	$	37,766
TOTAL CASH	$	37,766
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	$	(244,504)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation		1,152
(Increase) decrease in:		
Accounts receivable		(120)
Prepaid expenses		7
Increase (decrease) in:		
Accounts payable		1,625
Compensated absences		(8,334)
Other accrued items		7,647
Due to County		(1,957)
Net cash provided by (used in) operating activities	$	(244,484)

COWETA COUNTY

SUPPLEMENTAL INFORMATION

COWETA COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
Year Ended September 30, 20 12

PROJECT	ORIGINAL ESTIMATED COSTS	CURRENT ESTIMATED COSTS	EXPENDITURES PRIOR YEARS	EXPENDITURES CURRENT YEAR
Special Local Option Sales Tax V - January 1, 2002				
Court complex	$ 35,000,000	$ 35,000,000	$ 32,846,429	$ 215,695
Recreation	5,000,000	5,000,000	4,918,035	-
Library	8,000,000	8,000,000	9,867,032	(163,274)
Public safety buildings and equipment	9,000,000	9,000,000	9,293,944	9,353
Roads and bridges	20,405,300	20,405,300	8,578,781	-
Intergovernmental				
Newnan	31,140,000	31,140,000	12,254,055	-
Senoia	3,120,000	3,120,000	1,392,061	-
Grantville	2,868,000	2,868,000	1,156,784	-
Moreland	506,000	506,000	357,820	-
Palmetto	422,000	422,000	318,605	-
Sharpsburg	375,000	375,000	220,570	-
Turin	310,000	310,000	186,261	-
Haralson	203,000	203,000	137,246	-
Total Intergovernmental	38,944,000	38,944,000	16,023,402	-
	$ 116,349,300	$ 116,349,300	$ 81,527,623	$ 61,774
Special Local Option Sales Tax VI - January 1, 2007				
Court complex	$ 10,000,000	$ 8,000,000	$ 7,967,622	$ -
Recreation	9,000,000	9,000,000	7,778,401	1,062,228
Public safety buildings and equipment	6,500,000	6,500,000	3,082,760	1,140,152
Historic courthouse rehabilitation	7,500,000	7,500,000	7,393,629	(4,653)
Roads and bridges	53,582,690	53,582,690	31,067,997	3,721,694
Geographic information system	750,000	750,000	718,732	-
Record retention center	1,250,000	1,250,000	1,479,712	-
Intergovernmental				
Newnan	31,990,393	31,990,393	21,936,622	4,848,291
Senoia	3,634,110	3,634,110	2,492,001	550,766
Grantville	3,019,894	3,019,894	2,070,818	457,679
Moreland	934,119	934,119	640,549	141,570
Palmetto	831,751	831,751	570,353	126,056
Sharpsburg	575,827	575,827	394,859	87,269
Turin	486,253	486,253	333,436	73,694
Haralson	358,292	358,292	245,690	54,301
Total Intergovernmental	41,830,640	41,830,640	28,684,328	6,339,625
	$ 130,413,330	$ 128,413,330	$ 88,173,181	$ 12,259,046

COWETA COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
Year Ended September 30, 20 12

PROJECT	ORIGINAL ESTIMATED COSTS	CURRENT ESTIMATED COSTS	AMOUNT EXPENDED YEAR 1 2012	TOTAL
Special Local Option Sales Tax VII -January 1, 2013				
Transportation projects	$ 66,906,000	$ 66,906,000	$ -	$ -
Recreation projects	6,250,000	6,250,000	-	-
Sheriff projects	4,000,000	4,000,000	311,990	311,990
Fire projects	3,500,000	3,500,000	-	-
Emergency Management projects	400,000	400,000	-	-
Intergovernmental				-
Newnan	31,140,000	31,140,000	-	-
Senoia	3,120,000	3,120,000	-	-
Grantville	2,868,000	2,868,000	-	-
Moreland	506,000	506,000	-	-
Palmetto	422,000	422,000	-	-
Sharpsburg	375,000	375,000	-	-
Turin	310,000	310,000	-	-
Haralson	203,000	203,000	-	-
Total Intergovernmental	38,944,000	38,944,000	-	-
	$ 120,000,000	$ 120,000,000	$ 311,990	$ 311,990

Total	**$ 12,632,810**

Reconciliation to the Financial Statements (page 5) :

	SPLOST expenditures included above	$ 12,632,810
	Payments for debt service - principal since expenditures of debt proceeds were previously reported as SPLOST expenditures	10,175,000
	Expenditures paid from contributions from developers	14,510
	Expenditures paid from state grant	1,146,775
Senoia	Total expenditures reported in the financial statements	$ 23,969,095

COWETA COUNTY

STATISTICAL SECTION

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	$ 349,607,951	$ 346,439,130
Restricted:										
Debt Service							2,293,380	5,711,158	6,083,530	6,248,767
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	21,988,508	22,808,799
Impact Fees							3,937,899	4,999,855	4,769,606	3,219,855
Judicial							335,634	445,144	494,515	445,137
Public safety	8,377,182	-	-	-	-	-	3,270,560	5,869,944	10,983,012	8,687,281
Health and welfare									204,201	204,479
Housing and Development	34,174	-	-	-	-	-	78,181	47,227	23,249	34,267
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	17,838,134	11,285,462
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	$ 411,992,707	$ 399,373,177
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	$ 707,984	$ 922,679
Unrestricted	(434,844)	(460,110)	(539,989)	(471,889)	3,561	(195,572)	(204,732)	(165,587)	20,521	(31,078)
Total business-type activities net assets	$ 711,406	$ 602,529	$ 591,385	$ 591,027	$ 979,655	$ 699,169	$ 613,057	$ 588,453	$ 728,505	$ 891,601
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	$ 350,315,935	$ 347,361,809
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	44,546,621	41,648,585
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	17,858,655	11,254,384
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	$ 412,721,211	$ 400,264,778

The County adopted GASB 34 in 2003.
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.
In 2011, the County implemented GASB 54.

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	$ 16,291,760	$ 13,633,094	$ 14,490,922
Judicial	7,848,759	4,548,966	4,689,408	6,304,056	6,661,454	6,797,699	6,624,593	6,703,127	8,396,403	8,485,683
Public safety	21,631,485	24,042,859	25,467,672	21,129,935	30,671,300	33,903,877	38,001,981	40,589,613	45,166,786	45,673,376
Public works	3,226,577	6,040,763	6,622,195	5,922,327	22,326,365	18,964,665	24,678,660	34,839,493	31,883,119	33,804,025
Intergovernmental	2,794,002	-	-	-	-	-	-	-	-	-
Health and welfare	-	565,386	-	-	-	-	415,565	389,415	375,839	356,609
Culture and recreation	1,176,657	2,220,239	2,667,455	2,139,456	3,404,278	4,691,238	6,812,175	6,115,816	5,839,791	6,184,988
Housing and development	1,687,198	1,976,716	2,279,964	1,756,261	2,315,216	2,342,277	2,848,633	2,846,112	2,877,914	2,548,643
Interest on long-term debt	-	773,800	628,211	689,270	2,411,345	2,290,739	2,681,925	2,277,564	1,588,379	1,286,561
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	110,052,900	109,761,326	112,830,805
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	1,253,851	1,234,234
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	1,253,851	1,234,234
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	$ 111,315,422	$ 111,015,177	$ 114,065,040
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	$ 2,598,381	$ 2,833,101	$ 2,462,307
Judicial	-	4,072,018	4,010,207	2,529,146	3,400,035	2,895,035	4,777,520	5,684,604	4,619,402	4,714,932
Public safety	1,491,588	4,018,431	2,511,117	2,962,578	7,733,838	7,717,545	5,820,023	7,914,120	5,371,877	5,653,080
Public works	17,702	578,055	1,998	-	1,390	1,057	76,315	108,983	112,375	116,861
Culture and recreation	309,054	235,139	290,263	259,650	392,216	417,601	421,106	469,493	448,156	419,434
Housing and development	764,880	888,803	-	1,079,124	1,352,430	862,644	2,258,455	3,104,793	2,393,803	2,129,603
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	19,880,374	15,778,714	15,496,217
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	751,585	507,857
Capital grants and contributions	403,668	401,389	121,799	217,769	2,067,117	6,292,428	3,310,515	8,754,186	3,599,774	3,198,899
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	28,950,903	20,130,074	19,202,973
Business-type activities:										
Charges for services:										
Solid Waste	746,645	603,686	629,730	631,954	957,141	652,964	631,283	741,018	677,920	609,987
Total charges for services	746,645	603,686	629,730	631,954	957,141	652,964	631,283	741,018	677,920	609,987
Operating grants and contributions	-	-	-	-	-	-	-	-	170	-
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	678,090	609,987
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	$ 29,691,921	$ 20,808,164	$ 19,812,960

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.

In 2011, the County implemented GASB 54.

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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)	$ (81,101,997)	$ (89,631,252)	$ (93,627,832)
Business-type activities	(650,619)	(669,965)	(394,298)	(692,923)	(250,623)	(913,473)	(586,483)	(521,504)	(575,761)	(624,247)
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)	$ (81,623,501)	$ (90,207,013)	$ (94,252,080)
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	$ 38,339,081	$ 39,266,300
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	32,919,868	35,659,932
Insurance premium tax	-	2,828,863	3,020,879	3,165,790	3,328,868	3,410,007	3,361,113	3,268,926	3,616,163	3,863,206
Real Estate Taxes							1,220,343	904,771	915,729	1,192,655
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	3,300,286	279,826	318,337	207,459	358,254	257,354	1,548,499	1,504,978	1,656,239	1,595,570
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	77,447,081	81,577,663
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	599,268	390,008	217,984
Grants and contributions not restricted							2,177,043	-	-	-
Gain/(Loss) on sale of capital assets	(41,204)	-	-	-	(82,163)	(426,460)	-	92,790	80,958	-
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)	(546,128)	(787,343)
Total governmental activities	52,816,845	52,542,124	60,335,882	39,367,444	76,800,963	82,630,951	78,248,647	79,898,129	77,371,918	81,008,304
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	546,128	787,343
Total business-type activities	553,106	561,088	646,227	692,565	639,251	632,987	500,371	496,900	546,128	787,343
Total primary government	$ 53,369,951	$ 53,103,212	$ 60,982,109	$ 40,060,009	$ 77,440,214	$ 83,263,938	$ 78,749,018	$ 80,395,029	$ 77,918,046	$ 81,795,647
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	$ (1,203,868)	$ (12,259,334)	$ (12,619,528)
Business-type activities	(97,513)	(108,877)	251,929	(358)	388,628	(280,486)	(86,112)	(24,604)	(29,633)	163,096
Total primary government	$ 9,674,854	$ 10,417,752	$ 17,073,865	$ 2,848,658	$ 15,454,559	$ 18,065,023	$ 1,192,547	$ (1,228,472)	$ (12,288,967)	$ (12,456,431)

The County adopted GASB 34 in 2003.

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In 2011, the County implemented GASB 54.

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General fund										
Reserved	$ 1,299,118	$ 1,365,677	$ 845,457	$ 954,085	$ 332,889	$ 323,336	$ 1,166,676	$ 1,297,861	$ -	$ -
Unreserved	23,462,954	21,495,061	23,726,325	15,957,243	22,295,207	27,449,964	27,139,741	28,948,367	-	-
Nonspendable	-	-	-	-	-	-	-	-	686,240	593,152
Restricted	-	-	-	-	-	-	-	-	1,034,015	849,669
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	29,599,355	31,262,944
Total general fund	$ 24,762,072	$ 22,860,738	$ 24,571,782	$ 16,911,328	$ 22,628,096	$ 27,773,300	$ 28,306,417	$ 30,246,228	$ 31,319,610	$ 32,705,765
All other governmental funds										
Reserved:	$ 39,492,030	$ 19,931,858	$ 14,881,165	$ 60,496,100	$ 52,769,860	$ 47,804,735	$ 67,789,724	$ 55,531,598	$ -	$ -
Unreserved:	8,411,356	9,520,539	10,667,462	7,414,273	9,175,252	9,429,894	10,905,255	11,645,607	-	-
Nonspendable	-	-	-	-	-	-	-	-	592	-
Restricted	-	-	-	-	-	-	-	-	55,479,541	48,720,208
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	1,449,572	198,140
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	$ 47,903,386	$ 29,452,397	$ 25,548,627	$ 67,910,373	$ 61,945,112	$ 57,234,629	$ 78,694,979	$ 67,177,205	$ 56,929,705	$ 48,918,348

In 2011, the County implemented GASB 54.

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
REVENUES										
Taxes (see table 5)	$ 45,864,995	$ 51,469,761	$ 58,890,144	$ 37,205,371	$ 72,036,162	$ 79,497,550	$ 73,910,538	$ 78,551,929	$ 79,868,533	$ 80,879,677
Licenses and permits	2,323,260	2,606,168	3,048,193	3,348,519	5,332,260	4,798,996	2,487,620	3,327,392	2,653,687	2,419,606
Intergovernmental	2,672,202	3,410,479	3,070,436	1,952,088	10,083,668	5,005,935	3,471,522	2,583,775	3,656,272	3,208,820
Fines and forfeitures	4,722,324	4,387,854	4,935,188	3,923,527	5,539,953	5,271,423	5,124,732	8,302,234	4,927,381	5,178,926
Charges for services	1,845,582	1,902,258	1,958,478	1,717,171	3,672,261	3,684,467	7,909,352	7,811,194	7,966,534	7,684,970
Contributions and donations							546,896	40,829	618,854	287,099
Investment earnings	730,094	853,337	1,061,296	1,680,223	4,271,336	2,471,278	722,915	659,583	442,942	262,148
Miscellaneous	534,720	780,062	965,990	390,725	1,029,209	694,311	99,334	232,986	319,575	79,680
Total revenues	58,693,177	65,409,919	73,929,725	50,217,624	101,964,849	101,423,960	94,272,909	101,509,922	100,453,778	100,000,926
EXPENDITURES										
General government	9,651,472	13,807,856	13,349,820	9,201,386	17,329,931	19,186,379	11,192,714	13,532,423	11,699,075	12,744,737
Judicial	4,261,325	4,504,436	4,642,131	6,168,748	5,728,155	5,819,703	6,310,552	6,397,371	6,860,436	7,049,276
Public safety	19,833,379	22,227,677	23,928,041	19,872,695	28,923,926	32,001,313	33,800,218	36,214,981	37,246,611	38,140,728
Public works	5,931,039	5,457,884	6,083,679	5,473,894	6,372,831	7,364,242	6,892,954	8,195,307	9,620,443	9,311,998
Health and welfare	-	565,386	-	-	-	-	415,254	389,105	375,528	356,298
Culture and recreation	1,654,807	1,650,597	2,073,337	1,659,426	2,378,702	3,522,765	3,995,310	4,519,540	4,246,160	4,494,131
Housing and development	1,590,925	1,938,733	2,250,476	1,739,110	2,277,521	2,308,681	2,656,173	2,662,421	2,623,822	2,312,546
Intergovernmental	2,794,002	-	-	-	-	-	5,686,226	5,819,858	6,751,371	6,339,625
Landfill closure/post-closure cos	30,473	-	-	-	-	-	-	-	-	-
Capital Outlay	9,715,938	32,504,421	20,714,266	9,155,646	34,152,524	20,704,031	17,125,727	20,274,172	17,308,039	12,486,718
Principal on long-term debt	-	1,720,000	1,820,000	-	2,018,411	7,171,383	1,406,429	10,081,902	10,532,821	10,994,204
Interest on long-term debt	-	824,216	679,153	593,990	2,411,345	2,290,739	2,453,699	2,596,694	2,120,405	1,613,476
Debt issuance costs	(104,010)	-	-	(284,610)	-	-	245,236	-	-	-
Total expenditures	55,359,350	85,201,206	75,540,903	53,580,285	101,593,346	100,369,236	92,180,492	110,683,772	109,384,711	105,843,737
Excess of revenues over (under) expenditures	3,333,827	(19,791,287)	(1,611,178)	(3,362,661)	371,503	1,054,724	2,092,417	(9,173,850)	(8,930,933)	(5,842,810)
OTHER FINANCING SOURCES (USES)										
Sale of county property	-	-	-	-	-	-	-	92,790.00	302,948.05	4,950
Transfers in	1,602,770	3,914,330	4,413,196	1,883,105	3,664,670	3,317,349	1,797,426	117,700	5,576,412	2,498,629
Transfers out	(2,155,172)	(4,475,366)	(4,994,744)	(2,569,355)	(4,284,666)	(3,937,352)	(2,297,796)	(614,600)	(6,122,540)	(3,285,972)
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)	18,661,463	(561,036)	(581,548)	38,633,172	(619,996)	(620,003)	19,972,418	(404,110)	(243,180)	(782,393)
Net change in fund balances	$ 21,995,290	$ (20,352,323)	$ (2,192,726)	$ 35,270,511	$ (248,493)	$ 434,721	$ 22,064,835	$ (9,577,960)	$ (9,174,113)	$ (6,625,203)
Debt service as a percentage of noncapital expenditures	0.0%	4.8%	4.6%	1.3%	6.6%	11.9%	5.1%	14.0%	13.7%	13.5%

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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
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
2011	40,760,533	19,056,800	13,863,068	3,616,163	604,709	1,967,259	79,868,533
2012	$ 38,568,313	$ 20,643,163	$ 15,016,770	$ 3,863,206	$ 563,435	$ 2,224,790	$ 80,879,677

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

Fiscal Year	Tax Year	Real Property					Personal Property				Less Exemptions:		Total Taxable Assessed Value	Total Direct Tax Rate (5)	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				
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%
2011	2010	2,782,945,561	327,135,364	612,323,301	176,953,054	32,018	377,198,719	35,419,070	291,314,490	4,591,389	443,320,809	132,435,047	4,032,157,110	6.86	10,080,392,775	40.00%
2012	2011	$ 2,644,556,923	$ 319,671,661	$ 598,219,553	$ 179,878,044	$ 67,924	$ 404,114,834	$ 10,086,025	$ 293,449,740	$ 4,490,151	$ 443,223,354	$ 160,617,674	$ 3,850,693,827	6.80	$ 9,626,734,568	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.
(5) The direct rate used is the rate for the unincorporated portion of the county.

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

Tax Year / *Fiscal Year*	*2002* / *2003*	*2003* / *2004*	*2004* / *2005*	*2005* / *2006*	*2006* / *2007*	*2007* / *2008*	*2008* / *2009*	*2009* / *2010*	*2010* / *2011*	*2011* / *2012*
Unincorporated Districts										
County-Unincorporated	3.930	3.930	3.910	5.150	6.150	7.150	6.980	6.930	6.860	6.800
Coweta County Schools	17.940	18.610	18.590	18.590	18.590	18.590	18.590	18.590	18.590	18.590
State of Georgia	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250
Fire District	2.050	2.500	2.500	2.500	2.500	2.500	2.490	2.500	2.500	2.500
Fire Bond District							0.470	0.470	0.390	0.460
Total Coweta County Unincorporated	**24.170**	**25.290**	**25.250**	**26.490**	**27.490**	**28.490**	**28.780**	**28.740**	**28.590**	**28.600**
Incorporated Districts										
County - Incorporated	5.000	5.130	5.120	6.310	6.740	7.760	7.660	7.660	7.790	7.790
Coweta County Schools	17.940	18.610	18.590	18.590	18.590	18.590	18.590	18.590	18.590	18.590
State of Georgia	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250
Fire Bond District*								0.470	0.470	0.460

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 and fire bond millage r 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	3.780	4.500	4.500	4.400	4.340	4.320	4.320	4.320	4.390	4.390
City of Senoia	6.080	6.010	6.000	5.900	6.110	6.110	6.110	6.110	6.110	6.110
City of Senoia Fire District	2.050	2.500	2.500	2.500	2.500	2.500	2.970	2.970	2.890	2.960
City of Grantville	3.790	2.790	2.780	2.560	2.560	4.000	3.990	4.490	4.490	4.560
City of Grantville Fire District	2.050	2.500	2.500	2.500	2.500	2.500	2.970	2.970	2.890	2.960
City of Moreland	2.170	2.160	2.150	2.070	2.070	3.750	3.750	3.750	3.750	3.750
City of Palmetto	4.500	4.500	4.500	4.500	4.500	4.500	8.500	8.500	8.450	8.450
City of Haralson	2.450	2.400	2.400	2.160	2.700	2.700	2.570	2.710	2.710	2.960
City of Haralson Fire District							2.970	2.970	2.890	2.960
City of Sharpsburg		3.000	2.990	2.800	2.800	2.800	2.800	2.800	2.800	2.800

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, 2012

Fiscal Year	*2012*			*2003*		
Tax Year	*2011*			*2002*		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
Georgia Power Company	$ 113,478,575	1	2.95%	$ 72,453,445	1	2.77%
Coweta Fayette EMC	35,555,564	2	0.92%	20,616,162	3	0.79%
Yamaha Motor MFG Corp	57,249,886	3	1.49%	50,364,152	2	1.93%
Georgia Transmission	16,468,061	4	0.43%			
Kmart Express LLC	14,161,793	5	0.37%	20,112,940	9	0.77%
Transcontinental Pipeline	13,509,555	6	0.35%	13,034,643	8	0.50%
DDRTC Newnan Pavilion LLC	10,996,647	7	0.29%			
Winpak Films Inc	11,430,169	8	0.30%			
10 Lakeside Way Holdings LLC	9,139,053	9	0.24%			
Atlanta Gas Light	8,984,764	10	0.23%	8,651,924	10	0.33%
Georgia Mart Partnership (K Mart)				14,161,793	5	0.54%
Eckerd Corporation				20,308,146	4	0.78%
Bellsouth Telecommunications				13,820,574	6	0.53%
Fourth Quarter Properties LLC				12,290,676	7	0.47%
Totals	$ 290,974,067		7.56%	$ 245,814,455		9.40%

Rank is based on the amount of taxes billed since exemptionsthat reduce the assessed value can vary by entity.
Source: Coweta County Tax Commissioner, Coweta County Development Authority

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

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 Adjusted Levy		Amount	Percentage of Adjusted Levy	
2002	$ 9,050,157	$ (24,592)	$ 9,025,565	$ 7,490,145	82.99%	$ 1,534,905	$ 9,025,050	99.99%	$ 515
2003	9,478,390	(89,362)	9,389,028	7,860,157	83.72%	1,526,982	9,387,139	99.98%	1,889
2004	10,039,746	(73,858)	9,965,888	9,152,383	91.84%	798,702	9,951,085	99.85%	14,803
2005	15,125,750	(12,599)	15,113,151	14,746,690	97.58%	339,092	15,085,782	99.82%	27,369
2006	19,065,448	1,145,107	20,210,555	19,711,947	97.53%	458,137	20,170,084	99.80%	40,471
2007	24,075,083	1,354,053	25,429,136	24,567,335	96.61%	698,343	25,265,678	99.36%	163,458
2008	25,248,784	1,166,168	26,414,952	25,071,029	94.91%	1,140,581	26,211,610	99.23%	203,342
2009	26,877,126	(129,293)	26,747,833	25,633,626	95.83%	901,427	26,535,053	99.20%	212,780
2010	26,719,420	(351,929)	26,367,491	25,506,158	96.73%	508,467	26,014,625	98.66%	352,866
2011	$ 25,254,458	$ (165,515)	$ 25,088,943	$ 24,318,318	96.93%	$ -	$ 24,318,318	96.93%	$ 770,625

Taxes levied include real and personal property only.

Property taxes levied during the calendar year 2011 are recorded as revenues in the financial statements in 2012 since they are levied and collected in the County's fiscal year 2012 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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Taxable sales	$ 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	$ 1,905,680,000	$ 2,064,316,300
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)	$ 9,040,363	$ 9,899,800	$ 9,682,373	$ 12,737,018	$ 20,371,991	$ 21,080,932	$ 18,571,472	$ 18,917,759	$ 19,056,800	$ 20,643,163
Portion of taxes collected for :										
Newnan	2,143,248	2,347,377	2,295,454	3,019,911	5,092,998	5,270,233	4,642,868	4,729,440	4,764,200	5,160,791
Senoia	243,473	266,662	260,764	343,062	578,565	598,698	527,430	537,264	541,213	586,266
Grantville	202,323	221,592	216,691	285,080	480,779	497,510	438,287	446,459	449,740	487,179
Moreland	62,583	68,543	67,027	88,181	148,716	153,891	135,572	138,100	139,115	150,695
Palmetto	55,724	61,032	59,682	78,158	132,418	137,026	120,715	122,965	123,869	134,181
Sharpsburg	38,578	42,253	41,318	54,358	91,674	94,864	83,572	85,130	85,756	92,894
Turin	32,577	35,680	34,891	45,903	77,414	80,108	70,572	71,887	72,416	78,444
Haralson	24,005	26,291	25,709	33,823	57,042	59,027	52,000	52,970	53,359	57,801
Municipalities Total	$2,802,513	$3,069,431	$3,001,536	$3,948,475	$6,659,604	$6,891,357	$6,071,016	$6,184,215	$6,229,668	$6,748,251
Municipalities %	31.00%	31.00%	31.00%	31.00%	32.69%	32.69%	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

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)
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
2011	37,315,000	-	4,218,528	-	-	-	41,533,528	0.97%	320
2012	$ 28,504,978	$ -	$ 2,730,697	$ -	$ -	$ -	$ 31,235,675	0.71%	$ 236

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

COWETA COUNTY, GEORGIA
OTHER LONG-TERM LIABILITIES
Last Ten Fiscal Years

Fiscal Year	Governmental Activities Compensated Absences	Governmental Activities Landfill Closure/ Post-closure (2)	Governmental Activities Net OPEB Obligation	Business-Type Activities Compensated Absences	Business-Type Activities Landfill Closure/ Post-closure (3)	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2003	$ 2,288,526	$ 526,728	$ -	$ 171,396	$ 429,483	$ 3,416,133	0.12%	$ 34
2004	2,467,921	505,740	-	183,718	453,358	3,610,737	0.12%	35
2005	2,779,759	466,554	-	194,379	505,474	3,946,166	0.12%	36
2006	2,966,308	436,132	-	199,494	778,013	4,379,947	0.13%	38
2007	3,561,785	393,422	-	33,735	524,414	4,513,356	0.12%	38
2008	3,872,399	322,436	-	39,594	557,329	4,791,758	0.12%	39
2009	3,004,465	284,806	4,663,000	38,819	596,724	8,587,814	0.21%	68
2010	2,014,236	702,375	9,561,000	24,101	635,009	12,936,721	0.31%	102
2011	2,111,716	634,340	16,268,526	26,252	682,529	19,723,363	0.46%	152
2012	$ 2,213,535	$ 579,410	$ 23,357,382	$ 23,787	$ 725,661	$ 26,899,774	0.61%	$ 203

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.
(2) The closure/post-closure costs for the Ishman Ballard municipal solid waste landfill are being paid by the general fund.
(3) The closure/post-closure costs for the Ishman Ballard construction and demolition landfill are being paid by the solid waste fund.

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)
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	1,584,699	33,415,301	0.85%	0.35%	272
2009	55,000,000	2,440,122	52,559,878	1.29%	0.52%	413
2010	46,360,000	5,840,749	40,519,251	0.97%	0.40%	318
2011	37,315,000	6,027,210	31,287,790	0.75%	0.31%	248
2012	$ 28,504,978	$ 6,229,507	$ 22,275,471	0.51%	0.23%	$ 215

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, 2012

Governmental Unit	*General Obligation Bonded Debt Outstanding*	*Percentage Applicable to Government*	*Amount Applicable to Government*
Direct:			
Coweta County General Obligation Bonds	$ 27,875,000	100.00%	$ 27,875,000
Capital Leases	2,664,324	100.00%	2,664,324
Total Direct Debt	$ 30,539,324		$ 30,539,324
Guaranteed Revenue Debt:			
Coweta County Water and Sewerage Authority	$ 99,705,000	100.00%	$ 99,705,000
Coweta County Airport Authority	463,480	100.00%	463,480
Total Guaranteed Revenue Debt	$ 100,168,480		$ 100,168,480
Overlapping:			
Coweta County School District	$ 16,600,000	100.00%	$ 16,600,000
City of Newnan	158,707,149	100.00%	158,707,149
Total Overlapping Debt	$ 175,307,149		$ 175,307,149
Total	$ 306,014,953		$ 306,014,953

Source: Debt outstanding data provided by Coweta County School System, City of Newnan, and Coweta Water & Sewerage Authority.
The amounts shown do not include any premiums, discounts, or amounts deferred for refunding that may be associated with a debt issue.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the county. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the county. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

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

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

	Fiscal Year									
	2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Assessed value of property	$ 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	$ 4,607,912,966	$ 4,454,434,855
Debt limit (10% of total assessed value)	290,161,150	308,421,927	323,047,260	371,846,771	399,160,274	433,250,233	462,804,733	465,848,283	460,791,297	445,443,486
Amount of Debt applicable to limit:										
General obligation bonds	-	-	-	35,000,000	35,000,000	35,000,000	55,000,000	46,360,000	37,315,000	27,875,000
Less: Resources restricted to paying principal	-	-	-	-	-	1,584,699	2,440,122	5,840,749	6,229,507	6,229,507
Total net debt applicable to limit	-	-	-	35,000,000	35,000,000	33,415,301	52,559,878	40,519,251	38,214,739	21,645,493
Legal debt margin	$ 290,161,150	$ 308,421,927	$ 323,047,260	$ 336,846,771	$ 364,160,274	$ 399,834,932	$ 410,244,855	$ 425,329,032	$ 422,576,558	$ 423,797,993
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	9.41%	8.77%	7.71%	11.36%	8.70%	8.29%	4.86%

COWETA COUNTY, GEORGIA
PLEDGED REVENUE COVERAGE
Last Ten Fiscal Years

	Sales Tax Increment Bonds [1]			
Fiscal Year	Sales Tax Increment	Debt Service Principal	Interest	Coverage
2003	-	-	-	-
2004	-	-	-	-
2005	-	-	-	-
2006	-	-	-	-
2007	-	-	-	-
2008	-	-	-	-
2009	-	-	-	-
2010	18,917,759	8,275,000	1,521,521	1.93
2011	19,056,800	8,580,000	1,106,146	1.97
2012	$ 20,643,163	$ 8,900,000	$ 676,283	2.16

[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	Education Level as a Percent of Population 25 yrs & Older [c] College or Higher	School Enrollment [d]	Unemployment Rate [e]
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%
2011	129,794	4,285,750	33,020	34.5	82.6%	20.9%	23,422	9.30%
2012	132,221	$ 4,386,887	$ 33,178	36.7	87.2%	26.2%	22,500	8.70%

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 statistics in 2012 based on historical trends.

COWETA COUNTY, GEORGIA
PRINCIPAL EMPLOYERS
Current Year

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

County Unemployment Rate	7.20%	4.70%
Georgia Unemployment Rate	8.90%	5.10%
US Unemployment Rate	7.80%	5.80%

Source: Newnan-Coweta Chamber of Commerce, Georgia Department of Labor, Coweta Development Authority
2003 ACCG Certificate of Participation

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.

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

	Full-time Equivalent Employees as of September 30									
Function	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
General government	81	83	86	92	92	98	94	105	100	90
Public safety										
Sheriff										
Officers	117	111	112	134	140	141	149	146	158	162
Civilians	57	60	65	63	64	70	68	71	71	73
Fire										
Firefighters	86	95	102	112	116	114	121	142	138	136
Civilians	2	2	2	2	2	2	2	2	1	1
Other Public Safety	27	26	31	29	35	33	37	38	40	48
Court system	57	62	59	61	68	70	68	67	68	60
Prison	35	37	44	45	46	47	47	49	49	49
Animal Control	5	6	7	7	7	7	7	7	6	7
Public works	49	53	59	61	70	73	69	68	55	55
Recreation and culture	12	10	13	13	17	36	38	41	45	50
Housing and development	21	24	23	24	26	26	25	25	26	38
Solid Waste	5	7	8	8	7	7	7	7	7	6
Total	554	576	611	651	690	724	732	768	764	775

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	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Police										
Physical arrests	5,470	5,647	5,816	6,423	6,019	5,742	5,979	6,316	6,771	6,470
Traffic violations	N/A	N/A	N/A	N/A	N/A	7,433	9,184	7,510	7,587	6,868
Fire										
Number of calls answered	5,778	6,600	6,884	7,453	8,047	8,175	7,529	8,193	8,996	9,088
Inspections	42	3	81	122	69	42	253	941	853	867
Highways and streets										
Street resurfacing (miles)	N/A	31	37	46	19	15	23	22	14	31
Potholes repaired	N/A	N/A	N/A	N/A	N/A	25	72	325	133	91
Sanitation										
Refuse collected (tons/day)	19,022	14,686	13,095	13,750	11,762	N/A	N/A	17,934	7,469	6,786
Recyclables collected (tons/day)	N/A	N/A	609	611	492	289	348	365	328	416
Building										
Inspections Performed	N/A	N/A	N/A	N/A	26,139	15,526	10,686	11,949	9,146	9,712
Permits Issued	3,774	4,166	4,422	4,693	3,868	2,393	3,879	3,907	3,120	3,110
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	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Public safety										
Sheriff headquarters &/or precincts	1	1	1	1	1	1	2	3	3	3
Patrol Units	96	97	117	128	131	154	155	175	193	207
Fire Stations	14	14	14	14	14	14	14	15	17	17
Firetrucks	14	16	16	16	16	16	16	24	27	28
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	913	913	917	917	922	922	935
Streetlights	N/A	N/A	N/A	N/A	N/A	N/A	548	548	548	548
Traffic signals	N/A	N/A	N/A	N/A	N/A	N/A	4	4	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	4	4	4	4	4	6	6	6	6	6
Intergovernmental										
Libraries	N/A	N/A	N/A	N/A	N/A	1	4	4	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 , GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For Year Ended September 30, 2012

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	2012H4572-GA-AP	$ 30,236	$ 30,236
Equitable Sharing Program	16.000	2012	26,174	18,328
ARRA - Edward Byrne JAG Grant	16.803	2009-B82-8-102	428,292	74,772
Passed through Criminal Justice Coordinating Council				
Accountability Courts Grant	16.585	2012-SOG-AC-001	4,538	4,538
Passed through GA Judicial Council				
Purchase of Services for Juvenile Offenders	16.523	07-ST-0004	7,450	7,450
Total U.S. Department of Justice			**496,690**	**135,325**
U.S. DEPARTMENT OF TREASURY				
Equitable Sharing Program	21.000	2012	2,757,523	1,001,544
Total U.S. Department of Treasury			**2,757,523**	**1,001,544**
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed-through Three Rivers Commission				
Title III, Part C1, Congregate Meals	93.045	2012	78,352	78,352
Nutrition Services Incentive Program	93.053	2012	26,750	26,750
			105,102	105,102
Social Services Block Grant	93.667	2012	6,903	6,903
			112,005	112,005
Total U.S. Department of Health and Human Services			**112,005**	**112,005**
U.S. DEPARTMENT OF TRANSPORTATION				
Passed-through the Georgia Department of Transportation				
Airport Grant	20.106	AP100-9016-29(77)	732,605	4,003
Airport Grant	20.106	AP100-9019-31(77)	1,348,161	1,333,830
			2,080,766	1,337,833
Transit Operating Assistance Grant	20.509	T004295	38,470	38,470
Total U.S. Department of Transportation			**2,119,236**	**1,376,303**
FEDERAL EMERGENCY MANAGEMENT AGENCY				
Passed-through the Georgia Emergency Management Agency				
Department of Homeland Security	97.039	HGMP-1858-0064	28,500	12,351
Passed-through the Georgia Emergency Management Agency				
Performance Partnership Agreement	97.042	EMW-2012-EP00051-S01	38,195	38,195
Total Federal Emergency Management Agency			**66,695**	**50,546**
GRAND TOTAL			**$ 5,552,149**	**$ 2,675,722**

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

COWETA COUNTY

COMPLIANCE AND INTERNAL CONTROL REPORTS

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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 29, 2013

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, 2012, which collectively comprise the COWETA COUNTY, GEORGIA's basic financial statements and have issued our report thereon dated March 29, 2013. 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

Management of COWETA COUNTY, GEORGIA, is responsible for establishing and maintaining effective 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 the 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 12-01 through 12-04. 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 disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of COWETA COUNTY, GEORGIA, in a separate letter dated March 29, 2013.

COWETA COUNTY, GEORGIA's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit COWETA COUNTY, GEORGIA's 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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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

March 29, 2013

Board of Commissioners
COWETA COUNTY, GEORGIA
Newnan, Georgia

Compliance

We have audited COWETA COUNTY, GEORGIA's compliance with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of COWETA COUNTY, GEORGIA's major federal programs for the year ended September 30, 2012. 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, 2012.

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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COWETA COUNTY, GEORGIA
AUDITORS' SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended September 30, 2012

I SUMMARY OF AUDITORS' RESULTS:

1. Report issued on Financial Statements – Unqualified opinion.
2. Compliance (financial statements) – No instances of noncompliance.
3. Internal Control (financial statements) – Four 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 – Equitable Sharing Program, CFDA 21.000; Department of Transportation Airport Grant 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 – Yes.

II AUDIT FINDINGS - GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS

Finding Number

SIGNIFICANT DEFICIENCY

Magistrate Court

12-01

Statement of Condition:

There is a lack of segregation of duties in the Magistrate Court. The same individual prepares disbursement checks, is the primary check signer, and reconciles the bank accounts on a monthly basis.

Criteria:

To ensure proper controls over cash, no one individual should be able to receive and deposit funds, maintain the related accounting records, and maintain custody of the cash.

Effect of Condition:

The lack of segregation of duties creates opportunities for undetected errors and misappropriation of funds.

Cause of Condition:

Accounting assignments were not redistributed as accounting procedures evolved or positions changed.

Recommendation:

We recommend the person who prepares the bank reconciliation have no check signing authority. A person other than the bookkeeper who receives funds and maintains the accounting records should reconcile the bank statements.

Response:

Pursuant to our conversation this date, we will revise the procedure for accounting in the magistrate court to remove the responsibility for reconciliation of the bank accounts maintained by the Clerk of Magistrate Court from Judge Sondra B. Tiemersma. Effective immediately, we are assigning the job of reconciling each of the accounts to Mrs. Merry P. Arace, Deputy Clerk of Magistrate Court of Coweta County, Georgia. Consistent with the procedure implemented upon the recommendation of County Treasurer Hans Wilson, Judge Jim Stripling will continue to initially receive all the bank account statements in original envelopes unopened. Judge Stripling will review the statements and forward the statements with attachments to Mrs. Arace for her to reconcile the accounts. The reconciled statements will then be given to Judge Tiemersma for her review and preservation as records of the court.

Sheriff's Department

12-02 **Statement of Condition:**

During the course of the audit, it was noted that the Sheriff's office did not have proper controls over the bond and fine account. The following weaknesses were noted:

- No support for deposits.
- Clerk responsible for the accounting of the bond fine account is also signing checks.
- Monthly reports have numerous errors.
- Bank reconciliations are performed incorrectly.

Criteria:

The department should have proper internal control functions for 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:

Bond clerk maintains accounts using manual procedures. When reviewing account detail and bank reconciliations it was noted that the bond clerk has not been maintaining the appropriate receipt and disbursement registers. Additionally, there was no detail for deposits in transit and outstanding checks reported on the year end bank reconciliation. As a result, the bond and fine account was overdrawn by $18,077 at September 30, 2012.

Cause of Condition:

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

Recommendation:

We recommend that all transactions be maintained in some type of accounting software such as Quick Books. This would limit the number of manual calculations and provide a better way of tracking, disbursing, and maintaining the funds. Moreover, this would decrease the opportunity for human error and/or fraudulent activity; which is prevalent in this situation due to the lack of supporting detail present normally used to reconcile the account balance. The finance and sheriff's departments should collaborate to implement software and procedures that are sufficient in properly collecting, maintaining and disbursing all bond revenue. Additionally, these procedures must include adequate reconciling procedures that will accurately disclose the bond account balance and mitigate against fraudulent activity. It is important that this procedure allow a list of amounts not yet disbursed at the end of each month to be prepared. This list should be compared to the reconciled bank balance to be sure they agree.

We recommend that all deposits be recorded in the month the funds are received and that all checks be recorded in the month they are written.

Response:

We are currently working with the County Finance and Information Technology Departments to resolve this matter and implement accounting software that will provide an

adequate level of record keeping and function ability. We will work the Finance Department on official written procedures to ensure that we are properly collecting, maintaining, and disbursing the bond funds. We will increase management review of this area and require dual signature and approval on all disbursements going forward. We will increase training and possibly assign new staff to handle this process. We believe these actions will ensure proper control over this process.

12-03 **Statement of Condition:**

The Sheriff's office is not maintained a detailed ledger for the State Seizure bank account balance of $137,963 as of September 30, 2012. This balance should be itemized to show each individual payee that adds up to the $137,963.

Criteria:

Since all State Seized funds collected by the Sheriff are funds held in trust for some other entity/individual, all such funds should be accurately identified to the ensure disbursement to the proper entity/individual.

Effect of Condition:

By not maintaining an appropriate listing of funds held, differences could go undetected by the Sheriff's office, disbursements could be generated incorrectly or could be completely overlooked.

Cause of Condition:

The Sheriff's office does not have adequate procedures in place to maintain a detailed listing of seizures.

Recommendation:

We recommend that a listing of all seizures be maintained and updated by the Sheriff's office on a continual basis. This listing should reconcile back to the total ending book balance for the account at the end of each month and annual accounting period.

Response:

The Sheriff's Department will immediately develop an itemized ledger of all funds that make up each months ending balance. This report will be reconciled on a monthly basis to ensure accuracy of all seized funds held in this bank account.

Clerk of Superior Court

12-04 **Statement of Condition:**

There is a lack of segregation of duties in the Clerk of Superior Court office. The same individual reconciles the bank accounts and is a second check signer on all accounts.

Criteria:

To ensure proper controls over cash, no one individual should be able to receive and deposit funds, maintain the related accounting records, and maintain custody of the cash.

Effect of Condition:
The lack of segregation of duties creates opportunities for undetected errors and fraud.

Cause of Condition:
Accounting assignments were not redistributed as accounting procedures evolved or positions changed

Recommendation:
We recommend the person who prepares the bank reconciliation have no check signing authority. A person other than the bookkeeper who receives funds and maintains the accounting records should reconcile the bank statements. If staff shortages prohibit this, then a person not involved in those duties should review and sign the bank reconciliation as written evidence of that review.

Response:
The Chief Deputy Clerk will maintain the status of second check signer in the absence of of the Clerk of Superior Court; therefore the Superior Court will immediately re-assign bank reconciliation responsibilities to another Deputy Clerk that does not receive funds, prepare disbursement checks or sign checks.

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, 2012.