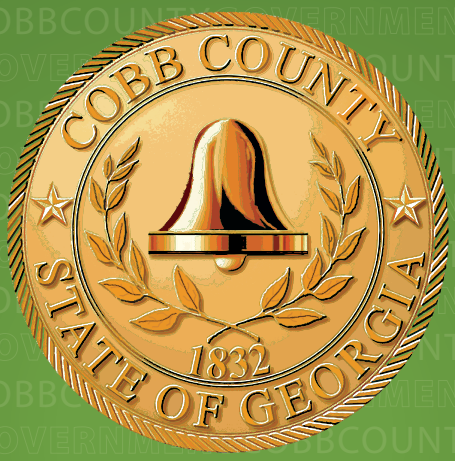


Cobb County Government

Comprehensive Annual Financial Report

For Fiscal Year Ended September 30, 2009

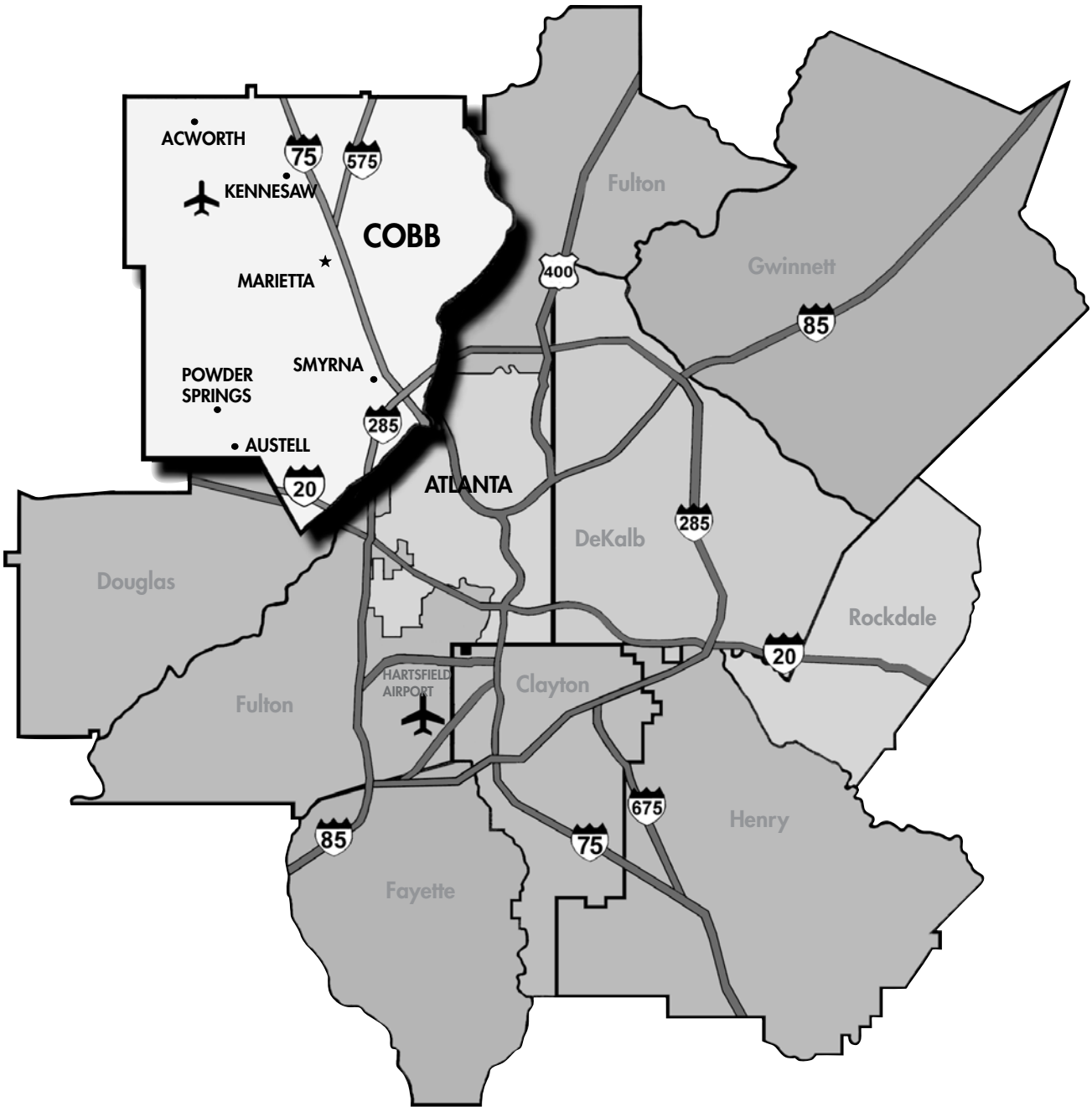
COBB COUNTY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Fiscal Year Ended September 30, 2009

Brad Bowers, CPA
Finance Director - Comptroller

Cobb County Finance Department
100 Cherokee Street - Marietta, Georgia 30090

Metro Atlanta



COBB COUNTY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
SEPTEMBER 30, 2009

TABLE OF CONTENTS

INTRODUCTORY SECTION

Transmittal Letter ..... i-viii
Certificate of Achievement in Financial Reporting iv
General Government Organization Chart x
County Officials xi
Department of Finance xii

FINANCIAL SECTION

Independent Auditors' Opinion 1-2
Management's Discussion and Analysis 3-17

Basic Financial Statements:
Government-Wide Financial Statements:
Statement of Net Assets 18
Statement of Activities 19

Governmental Fund Financial Statements:
Balance Sheet – Governmental Funds 20
Reconciliation of the Governmental Balance Sheet to the Statement of Net Assets 21
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds 22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities 23
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Budgetary Basis) – General Fund 24
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Budgetary Basis) – Fire District 25

Proprietary Fund Financial Statements:
Statement of Net Assets – Proprietary Funds 26-27
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds 28
Combining Statement of Cash Flows – Proprietary Funds 29-30

Fiduciary Fund Financial Statements:
Statement of Fiduciary Net Assets – Fiduciary Funds 31
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds 32

Notes to Financial Statements 33-79

TABLE OF CONTENTS

Required Supplemental Information:

Pension Schedule of Funding Progress and Schedule of Employer Contributions 80
Notes to Required Supplementary Information 81
OPEB Schedule of Funding Progress 82

Nonmajor Funds:

Nonmajor Governmental Fund Descriptions 83-84
Combining Balance Sheet – All Nonmajor Governmental Funds 85
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – All Nonmajor Governmental Funds 86
Combining Balance Sheet – Special Revenue Funds 87-88
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Special Revenue Funds 89-90
Combining Balance Sheet – Capital Projects Funds 91
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Capital Projects Funds 92
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual - Debt Service Fund 93
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – Law Library 94
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Community Services 95
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – Cobb Senior Services 96
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Hotel/Motel Tax 97
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – Emergency 911 98
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – Parking Deck Facility 99
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – 800 MHz 100
Combining Balance Sheet – Nonmajor Enterprise Funds 101-102
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets – Nonmajor Enterprise Funds 103
Combining Statement of Cash Flows – Nonmajor Enterprise Funds 104-105
Combining Statement of Changes in Assets and Liabilities – Agency Funds 106-107

Supplemental Information:

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – General Fund 108-114

TABLE OF CONTENTS

STATISTICAL SECTION

Statistical Section Description 115
Net Assets by Component 116
Changes in Net Assets 117-118
Fund Balances, Governmental Funds 119
Changes in Fund Balance, Governmental Funds 120-121
Assessed Value and Actual Value 122
Direct and Overlapping Property Tax Rates 123
Principal Property Tax Payers 124
Property Tax Levies and Collections 125
Ratios of General Bonded Debt Outstanding 126
Direct and Overlapping Governmental Activities Debt 127
Legal Debt Margin Information 128
Ratios of Outstanding Debt by Type 129
Revenue Bond Coverage 130
Annual Debt Service Requirements 131
Demographic and Economic Statistics 132
Principal Employers 133
Full Time Equivalent Cobb County Government Employees by Function 134
Operating Indicators by Function 135
Capital Asset Statistics by Function 136

COMPLIANCE SECTION

Schedule of Projects Constructed with Special Sales Tax Proceeds 137
Water and Sewer Fund Comparative Statement of Revenues and Expenses 138
Independent Auditors' Report on Compliance and on Internal Controls Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* 139-140
Independent Auditors' Report on Compliance with Requirements Applicable To Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 141-142
Schedule of Findings and Questioned Costs 143-144
Schedule of Expenditures of Federal Awards 145-148
Notes to Schedule of Expenditures of Federal Awards 149
Summary Schedule of Prior Year Findings 150

(THIS PAGE INTENTIONALLY LEFT BLANK)

Introductory Section

The Introductory Section includes a transmittal letter from the Director of Finance/Comptroller, a general government organizational chart and a list of principal officials. The transmittal letter is intended to provide users with general information of the County's structure, the County's current and future economic picture as well as its major initiatives and financial accomplishments.

COBB COUNTY FINANCE DEPARTMENT

100 Cherokee Street, Suite 400
Marietta, Georgia 30090-9610
Phone: (770) 528-1503 • Fax: (770) 528-1501 • TDD/TTY: (678) 581-5429

Brad Bowers, CPA
Director/Comptroller

February 18, 2010

The Honorable Samuel S. Olens, Chairman
Members of the Cobb County Board of Commissioners
And Citizens of Cobb County

Ladies and Gentlemen:

The Comprehensive Annual Financial Report (CAFR) of Cobb County, Georgia for the fiscal year ended September 30, 2009, is submitted herewith. Georgia state law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements.

Responsibility for both the accuracy of the data and the completeness and fairness of presentation, including disclosures, rests with the County. We believe the data presented is accurate in all material respects and that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds. All disclosures necessary to enable interested citizens to gain a reasonable understanding of the County's financial activities have been included.

Moore & Cubbedge, LLP Certified Public Accountants, have issued an unqualified opinion on the Cobb County financial statements for the fiscal year ended September 30, 2009. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Cobb County receives financial assistance through various federal grant programs. As required by the Single Audit Act of 1984, P.L. 98-502 and amendments of 1996 and Office of Management and Budget (OMB) Circular A-133, audits of programs receiving federal grants have been performed for the fiscal year ended September 30, 2009. The required reports on supplementary information, compliance, internal controls, and various supplementary schedules are included under the Compliance Section.

Profile of the Government

Cobb County, Georgia, is a healthy, vibrant community located twenty miles northwest of Atlanta along the scenic Chattahoochee River. Cobb and neighboring Cherokee County were part of the Creek and Cherokee Indian Territories when the first settlers arrived in the early 1800's. The North Georgia Gold Rush brought English and Scotch-Irish settlers in search of riches and farmland. As trade began, enough homesteaders were attracted to the area for the City of Smyrna, one of Cobb's six municipalities, to be settled in 1831. Cobb County was officially organized in December 3, 1832 and named for Thomas Willis Cobb, a United States Senator, Congressman and Superior Court judge. The County seat, Marietta, was officially recognized in 1834. The two cities and the county grew substantially following Reconstruction, especially after World War II with the building of Rickenbacker Field and the Bell Bomber Aircraft Plant – now Dobbins Air Reserve Base and the Lockheed Martin Aeronautical Systems Company.

Cobb's population has grown 15.1% since 2000 when approximately 612,529 people resided in the County. Based on the U.S. Census as of July 2005 and adding a 1.5% growth factor, Cobb's population is estimated at 705,140. According to the U.S. Census Bureau and the Atlanta Regional Commission, the U.S. population increase from April 1, 2000 to July 1, 2008 was14.9%, compared with Georgia's 20.1% increase for the same period. In contrast, Cobb County's population increase for the same period was 9.1%. Cobb ranks third in the Atlanta region's population growth.

A five-member Board of Commissioners governs Cobb County. The Board is comprised of one chairman, elected county wide, and four commissioners, each elected from a separate commission district serving four year staggered terms. A County Manager, who is appointed by and responsible to the Board of Commissioners, directs the daily operation of the County. Services provided to approximately 705,140 Cobb Citizens living in the 340.2 square mile area include: public safety (fire, EMS, police, 911 emergency, animal control, courts and sheriff and detention operations), community development, community services, transportation, and other general governmental services. The County also provides water and sewer. After many years of providing solid waste disposal services to the public, this function was privatized in 2009.

The incorporated areas of Cobb County consist of six municipalities – the cities of Acworth, Austell, Kennesaw, Marietta, Powder Springs and Smyrna. A mayor and city council govern each municipality.

The financial statements contained herein include all activities and functions of Cobb County that are under the jurisdiction of the Board of Commissioners, as set forth in state and local law. Additionally, two component units are included in these financial statements because of their operational and financial relationships to the County. The Cobb-Marietta Coliseum and Exhibit Hall Authority operates a multi-use exhibit hall and convention facility in the County. The Cobb County Board of Health provides a variety of health related services in the County. Additional information on these two legally separate entities can be found under the Basic Financial Statements section.

Local Economy

Cobb County is part of a very select group that includes less than 1% of counties nationwide to have achieved a Triple-Triple A credit rating, and this achievement has been accomplished for the thirteenth consecutive year. In 1995, Moody's Investor Services awarded Cobb its first Aaa rating citing strong economic growth and strong fiscal management. Cobb was the first county in Moody's eight-state southeast region to achieve this highly coveted rating. In April of 1996, Fitch Investors also awarded Cobb with their top rating…AAA. Cobb was also the first county in Fitch's southeast region to achieve their AAA rating. Standard and Poor's upgraded Cobb to AAA in June of 1997. The Triple A rating is the most highly acclaimed indicator of the overall financial strength of a community. These independent ratings produce significant interest savings and verify that Cobb's sound fiscal policies and conservative management philosophy will guide Cobb into the future.

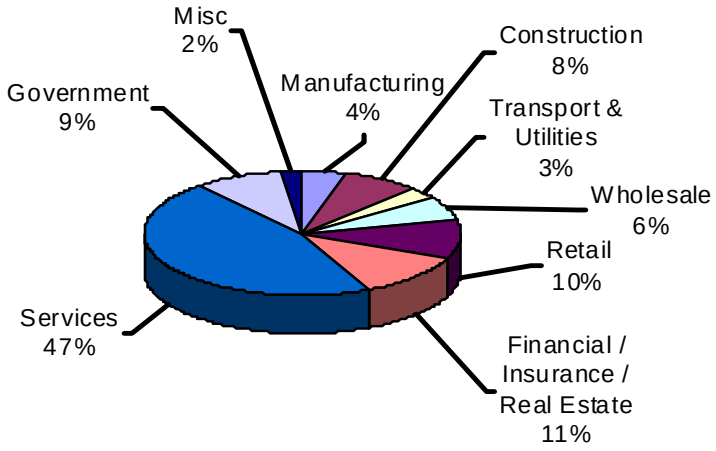
Thanks in large part to the foresight and stewardship of County leadership, Cobb County continues to prosper even during the challenging economic times. Cobb employs more than 428,700 within its boundaries and currently, there are approximately 29,116 licensed businesses. The County's unemployment rate (as of October 2009) was 9.6% which is lower than the State of Georgia (10.2%) and the United States (10.2%).

Although the top ten principal employers in the community account for only 14.1% of all those employed in Cobb County, the national recognition they bring to the County cannot be overstated. There are five Fortune 500 companies that have their headquarters in Cobb County, with 354 international companies having a presence and contributing to our dynamic business environment. The five Fortune 500 companies are The Home Depot, Coca-Cola Enterprises, Genuine Parts (NAPA), Graphic Packaging Holding and BlueLinx Holdings. Each of these companies represents a different type of commercial enterprise that has found the environment within the County to be conducive to future growth.

According to Woods & Poole Economics (2010 Data Pamphlet), the Atlanta Georgia Metro Statistical Area (MSA) will generate the second largest number of jobs of any MSA in the Southeast over the next three

decades. Atlanta is a regional center of trade and commerce for much of the Southeast outside of Florida. Employment is expected to increase in transportation, communications, public utilities, retail trade, finance, insurance, and real estate. Hartsfield-Jackson International Airport and an extensive road program have made the Atlanta area a hub for distribution facilities and a regional center for commerce and trade in the Southeast.

Employment by Job Category
Source: Woods & Poole, 2010



In fiscal year 2009, the Cobb Galleria Centre, one of the leading convention centers in the nation, had net assets of $115.6 million. September 2009 marked the second anniversary of the grand opening of the Cobb Energy Performing Arts Centre, the first major performing arts facility in the Atlanta area in four decades. The $133 million facility includes the 2,750-seat John A. Williams Theatre, 10,000 square foot ballroom, 3,000 square foot terrace and full catering capabilities. The Centre will have a major impact on the surrounding area, both economically and artistically, because the Centre is a premier venue for opera, concerts, Broadway shows, ballet, educational and family shows and other events. The Performing Arts Centre hosted 224 events with attendance of over 231,000 in 2009. In short, this first class facility will greatly enhance the quality of life in the region.

Long-term Financial Planning

Cobb County is recognized as a leader both nationally and locally. Nationally, the three premier bond rating agencies have awarded the County their highest ratings…triple A. Cobb's Water System is the highest rated independent (non-general obligation backed) water system in the nation as they also have a Triple-Triple A rating.

In September 2005, voters approved the Special Purpose Local Option Sales Tax (SPLOST). This one cent sales tax program, which is significantly supported by non-residents, funds various improvements around the County. Since this SPLOST began, the improvements total: $101.9 million for the expansion of the Cobb County Adult Detention Center, $59.1 million for thoroughfare improvements, $44.6 million for major roadway safety and operational improvements, $32.2 million for resurfacing, $28.6 million for miscellaneous municipal projects, $28.3 million for intersection safety and operational improvements, $27.0 million for 800MHz Core Replacement of which $23.6 million were interfund transfers to the 800MHz Fund, $18.2 million for bridge rehabilitation \ replacement, and $12.5 million for courthouse construction. The SPLOST

program runs from January 2006 until December 2011. A complete list of the projects and further details regarding the program is available at the Web site www.cobbcip.org. Total revenue generated for the SPLOST program since this SPLOST began is $512.6 million with expenditures totaling $428.7 million.

The Debt Service Fund reflects the accumulation of monies for, and the payment of, principal and interest on all General Obligation Debt other than that issued specifically for enterprise activities. The following ratios of net bonded debt per capita are useful indicators of the County's strong debt position:

	Amount	Debt Per Capita	Debt to Actual Value	Debt to Assessed Value
Net Bonded Debt	$ 53,682,433	$ 76.13	0.06%	0.16%
Total General Obligation Direct Debt	$ 60,300,000	$ 85.51	0.07%	0.18%
Net General Obligation Direct and Overlapping Debt	$ 424,934,030	$ 602.62	0.50%	1.26%

Outstanding General Obligation Bonds at September 30, 2009 totaled $60,300,000.

Cobb's legal General Obligation Bond debt limitation by state law is 10% of the taxable digest or $3,375,759,399. Cobb County currently is utilizing 1.79% of this limitation with its $60,300,000 outstanding General Obligation Bonds.

The available assets of the various funds are pooled to the extent possible for investment purposes. Investments are made in accordance with state law and the County's Investment Policy that requires bank balances be 110% collateralized and all investments be acquired on a "delivery vs. payment" basis, thereby providing maximum protection to the County. The Investment Policy also prescribes selection criteria for financial institutions, investment instruments and maturities of investments.

On March 13, 2007, the Cobb County Board of Commissioners (BOC) authorized the Water System to submit an application to (Georgia Environmental Facilities Authority) GEFA for partial funding of the South Cobb Tunnel construction and related services. This project entails construction of an approximately 30,000 foot long, deep tunnel with a 27-foot excavation diameter; several connecting tunnels 6 to 10 feet in diameter ranging from 500 to 3,200 feet in length, and a 130 mgd lift station at the South Cobb Water Reclamation Facility. The initial loan in the amount of $35 million was authorized by the BOC on March 11, 2008, and the second loan in the amount of $35 million was authorized on October 28, 2008. Multiple loans will be requested throughout the duration of the project. The length of the project will be approximately 6 years with each loan having a 20 year term. As of September 30, 2009, the BOC has authorized $70 million in loans from GEFA.

Major Initiatives

In order to continue to compete in a global economy and ensure continued economic growth, Cobb County must continue to address the public infrastructure that effectively serves the demands for transportation and air travel, water supply, wastewater treatment and waste disposal. To address these challenges, along with other quality of life issues, Cobb aggressively developed and adopted its first 5-year rolling Capital Improvement

Program (CIP) in 1990. Since that time, Cobb County has successfully completed and implemented the Cobb County Greenprint. This is a Geographic Information Systems modeling program that allows staff to manage and prioritize the remaining undeveloped land and sensitive habitat in the county.

Cobb's Number One Priority…Public Safety The Board of Commissioners has always made the safety of Cobb County residents its highest priority. In July, 2009 the new state-of-the-art $5.2 million Cobb County Safety Village had its Grand Opening. The village was developed into the most comprehensive safety training environment in the region where children can gain safety knowledge through hands on experience. The village contains reduced-scale buildings and lifelike streets on the nearly 8 acre site which features a 27,500-square-foot safety education building with an interactive safety house, classrooms, an auditorium, a multi-purpose banquet room and a three-bay child seat inspection station.

In 2009, the Cobb County Police Department initiated the Reserve Police Officer Program (RPO) to utilize retired Cobb County police officers in a volunteer capacity. The RPO Program is a force multiplier at minimal cost.

In late 2008, the new $3.3 million Fire Station #28 opened in Acworth and includes the fourth vehicle satellite Tag Office in the county. Fire Stations #26 and #30 received new Fire Engines and four older and larger rescue trucks were replaced with smaller, more maneuverable trucks at approximately half the cost of the larger vehicles.

In July 2009, E-911 was again awarded accreditation and was recognized as a Flagship agency. E-911 is one of only two communications agencies in the nation to receive the award consecutively. As of September 2009, the Cobb County Emergency Communications/ E911 Bureau was nearing completion of its planned $1.4 million upgrade and improvement projects. The upgrade included four projects: 1) new dispatching consoles; 2) installation of CODE RED, a reverse 911 system allowing county officials to make mass "emergency" notifications; 3) a 911/Fire wall sized monitor allowing the Fire Command staff of Cobb County and Marietta City Fire to manage the distribution of resources during periods of high call volume; and 4) $100,000 interface with DOT cameras providing dispatchers and call takers real time visual information.

Cobb's Community Emergency Response Team (CERT) was recognized as Georgia's largest CERT program. This program trains volunteers to provide initial aid until public safety personnel can respond to disasters or other emergencies.

On January 1, 2009 Cobb County implemented a new alarm ordinance to combat the ongoing problem of unnecessary police response to false burglar alarms. Of the about 43,000 alarm calls received in a year, almost 99% were false. In 2009, over 46,000 residential and business alarms were registered in the county and there was a 28% reduction in false alarms. The False Alarm Unit is self-supported and does not use taxpayer funding for its operational costs.

Taking the Time to Enjoy Life in Cobb In 2009 Cobb County became the first community in the region to qualify for a Silver Level Green Communities Certification from the Atlanta Regional Commission. It earned this distinction by implementing environmentally-friendly practices and policies in 10 categories, ranging from energy efficiency and green building to transportation and water efficiency. Green Communities set an example by conserving energy, investing in renewable energy, conserving water, conserving fuel, reducing waste and protecting the community's natural resources. As an example, the new Public Safety Village's main building has an Energy Star-rated cool roof and educational materials are posted to inform visitors of the roof and its benefits.

In the 2006 General Election, Cobb residents approved a $40 million bond to purchase land committed to permanent park use. Funding is almost complete and has allowed the acquisition and preservation of scarce land resources including: 95 acres of Hyde Farm (a combined effort with the National Parks Service and The Trust for Public Land) 112 acres of the Bullard Farm-Stockton site which contains an antebellum house that served as a Confederate hospital; more than 137 acres on Brownsville Road; and 16 acres off Veteran's Memorial Highway near the Chattahoochee River. The woodland features historic Civil War earthworks.

In March, 2009, Cobb County held a Historic Property Workshop at Kennesaw State University through a $3,000 grant awarded by the state Historic Preservation Fund to promote preserving and maintaining historic properties.

Also in 2009, Keep Cobb Beautiful was notified by Keep America Beautiful that it earned the first place Outstanding National Affiliate award. In October 2008, Keep Georgia Beautiful presented KCB with a first place Outstanding Georgia Affiliate award, first place Community Improvement - Earth Day in the Park award and a first place Waste Reduction - Electronics Recycling Day award.

Moving Forward with Water/Sewer The 650,000 water customers were relieved when the three-year drought in north Georgia ended in June 2009 and the level 4 water restrictions were lifted. Cobb's comprehensive Drought Response Plan and Water Efficiency Program provided useful resources and materials to assist residents in saving water. Overall water use during the drought was cut by about 20%. Work continued on the $305 million South Cobb Tunnel project, which involves building a six-mile 27-foot diameter tunnel located in hard rock, with depths between 150 and 450 feet. The project is slated for completion in summer 2014.

Road to Progress Cobb County DOT oversees one of Georgia's largest county-owned road networks. During 2009, work began on a major intersection (Johnson Ferry and Abernathy Roads) which will include bridge widening, additional lanes and intersection improvements. It is scheduled for completion in summer 2012. Master Plans for major improvements have begun or were completed for the Powers Ferry corridor and the Austell Road Access Management Plan. The Bicycle and Pedestrian Improvement Plan was completed and identifies ways the County can improve conditions for bicycling and walking. Also, the State Route 120 Loop will be improved by adding a ramp for westbound vehicles turning southbound on the Loop This $7.5 million project is scheduled for completion in summer 2011.

SPLOST Funding allowed the Cobb Department of Transportation to break ground on the Windy Hill Road/Macland Road Connector project with a total cost of nearly $50 million. Other major projects started or in design phases using SPLOST Funds include: Due West Road Area Improvements with the addition of "bike friendly" lanes; Jiles Road Widening – Phase I and II; Austell Road at East-West Connector; Post Oak Tritt Road; and over 220 miles of road resurfacing.

County-Owned Transit System Cobb Community Transit (CCT) continues to meet its goals of providing the citizens of Cobb County with a safe, reliable, attractive and cost effective public transportation system. In 2009, CCT riders took nearly 4.6 million trips – an all time record ridership. CCT continues with the Breeze Fare Collection System which allows CCT passengers to be able to easily transfer between CCT and MARTA. In this same vein of service, Cobb County implemented the "Cobb Freedom" voucher program (sponsored by the County Department of Transportation and Senior Services) aimed at seniors who live in areas that do not have regular paratransit service. The program is being paid for through a federal grant aimed at increasing transportation options for disabled people. Cobb Senior Services, DOT, and CCT developed the program following the results of a Senior Adult Transportation study completed in 2007.

CCT is adding global positioning satellite technology that will provide the public with real time vehicle location and arrival and departure information.

Construction broke ground in 2009 on a new Park and Ride lot in Mableton. This $300,000 contract will offer a bus shelter and 208 parking spaces.

Airport News Cobb County Airport-McCollum Field is one of the busiest single runway airports in Georgia that has gradually transformed from a recreational airport to a business-class airport. In 2009, McCollum Field upgraded the Air Traffic Control tower equipment, funded mainly by federal and state grants, and business operators based at the airport completed construction on 98,000 square-feet of hanger and office space, improving hanger storage capacity at no cost to the county.

Protection Under the Law Cobb County law enforcement services, through the Sheriff's Department and the many Judicial Services provided by the various courts of Cobb County, serve its citizens with protection under federal, state and local laws and statutes. The Sheriff's Office implemented major technology enhancements including video visitation at the county jail. Magistrate Court is working with Information Services to interface civil e-filed suits into the court's case management system, and also improved functionality of the court's Pretrial case management system and Electronic Warrant Interchange System. The Family Dependency Treatment Court Program received a more than $445,000 grant to help break the cycle of substance abuse and neglect while the State Court Clerk's Office upgraded its online ticket payment system.

During the past year, the Solicitor General's Office had a total caseload of 141,269 and filed 7,813 accusations with the State Court Clerk's Office. 407 cases were diverted through the Pre-trial Diversion Program and 2,160 domestic violence cases heard in Magistrate Court.

Relevant Financial Policies

Cobb County's goals were developed within the framework of the Financial Policies established by the County that provide a sound basis for future financial planning and conservative management. Briefly stated, they include (1) a balanced annual operating budget, (2) a stable and diversified revenue structure, (3) maintenance of adequate reserves and designations of fund balances, (4) a multi-year capital improvements program, and (5) debt and investment policies that ensure judicious management of the County's credit and available funds.

In developing and evaluating the County's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary control is maintained at the sub-function level by the encumbrance of estimated purchase amounts before the release of purchase orders to vendors. Purchase orders that result in an overrun of sub-function balances are not released until additional appropriations are made available. Open encumbrances are reported as reservations of fund balances at year-end for governmental funds.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2008. This represented the twenty-third consecutive year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, the County must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements. We are submitting it to GFOA to determine its eligibility for another certificate.

Also in 2009, Cobb County received the Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) for the second consecutive year based on an evaluation of creativity, presentation, understandability and reader appeal. This award is also valid for a period of one year only. We believe that

our current Popular Annual Financial Report continues to meet the Certificate of Achievement Program's requirements. We are submitting it to GFOA to determine its eligibility for another certificate.

In addition the County received its sixteenth consecutive GFOA Award for Distinguished Budget Presentation for its biennial operating budget presented in the FY 09/10 Biennial Budget document. To qualify for the Distinguished Budget Presentation Award, the County's budget document was judged to be proficient in several categories as a policy document, financial plan, operations guide and as a communications device.

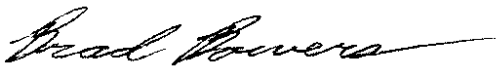
The Water System Fund received several awards throughout FY09. These awards include the Georgia Association of Water Professionals (GAWP) 2009 Water Distribution System of the Year Award, the GAWP Platinum Award - NPDES Permit Compliance for both the Northwest and R.L. Sutton Water Reclamation Facilities and the GAWP Gold Award - NPDES Permit Compliance for the Noonday Water Reclamation Facility.

We wish to acknowledge the outstanding efforts of the Finance Department staff in the preparation of this report. Their dedication and contributions to the preparation of this report, along with the direction and support of the County Manager's Office, form the basis for responsible and progressive financial management in Cobb County.

We also wish to acknowledge the valuable contribution of the Board of Commissioners in its guidance of the financial affairs of the County.

Most of all, we would like to thank the people of Cobb County. Their noteworthy level of community involvement, extending far beyond personal interest, continues to make Cobb County an exciting place in which to live and work.

Respectfully submitted,



Brad Bowers, CPA
Director of Finance/Comptroller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Cobb County

Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2008

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

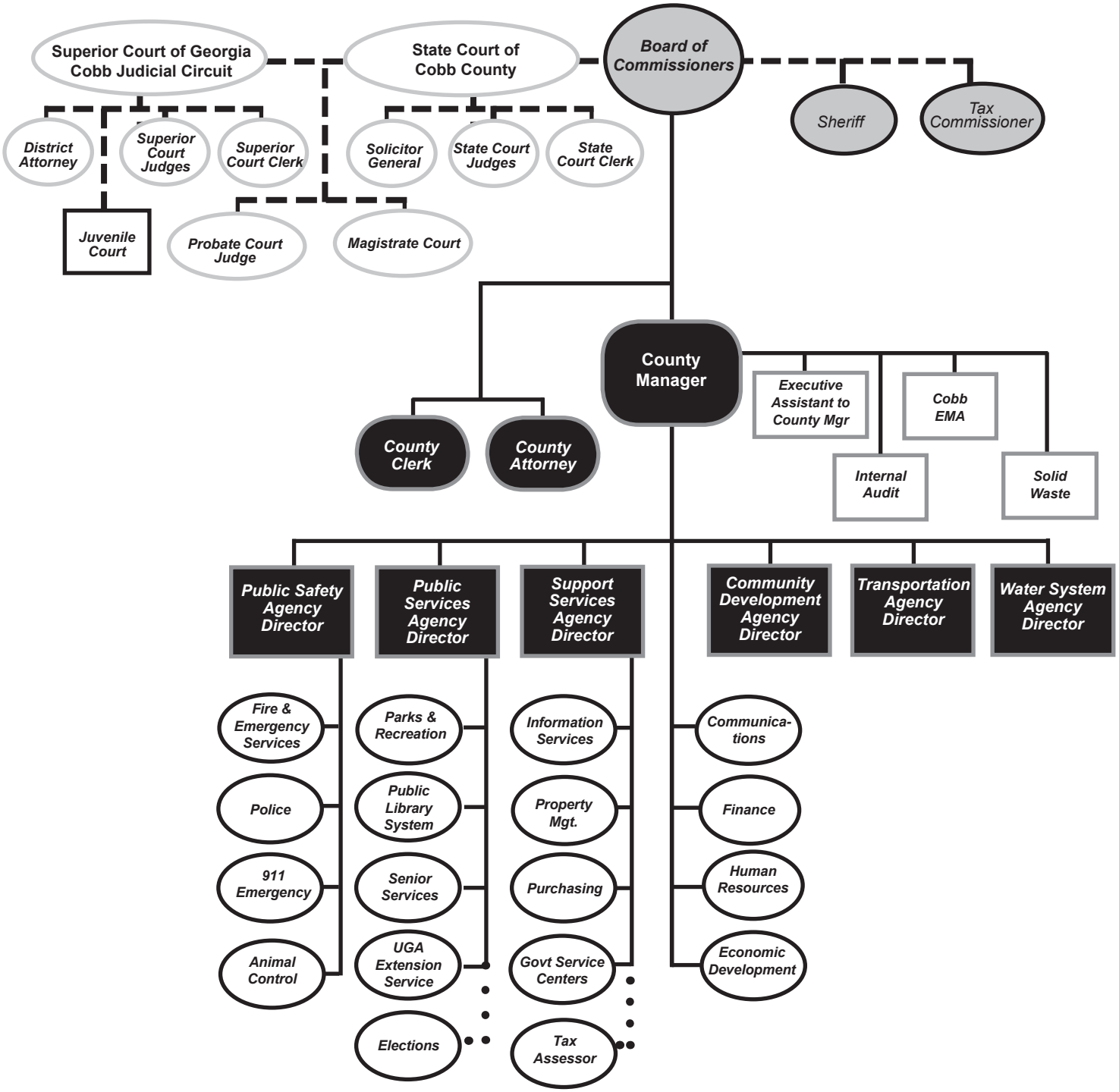


President

Executive Director

Cobb County Government Organizational Chart

Cobb County…Expect the Best!



rev 7/08

KEY

Elected Office | Elected Court Office | Appointed Court Office | Appointed by the Board of Commissioners | Agency Director | Department Director | County Manager's Staff

For budget purposes only. | Liaison responsibilities only.



Helen Goreham
Commissioner
District 1



Sam Olens
Chairman



Bob Ott
Commissioner
District 2



Tim Lee
Commissioner
District 3



David Hankerson
County Manager
appointed by
Board of Commissioners



G. Woody Thompson
Commissioner
District 4

Cobb County, Georgia

County Manager
David Hankerson

Finance Department

Director of Finance/Comptroller ..... Brad Bowers, CPA

Assistant Comptroller .....James Pehrson, CPA

Treasury Division Manager ..... John Bergey, CPA

Finance Division Manager.....Roxane Rush

Accounting Manager.....Jennifer Wilson, CPA

General Accounting Supervisor.....Bill Volckmann

Budget Administrator ..... Dan Streett

Financial Section

The Financial Section includes the Management's Discussion and Analysis (MD&A), the basic financial statements and Required Supplemental Information (RSI) as well as the independent auditor's report. The MD&A is intended to provide users with a narrative introduction, overview and analysis of the financial statements. The RSI is intended to provide users with budgetary comparisons, infrastructure condition and maintenance data and pension trend data.

MOORE & CUBBEDGE LLP
Certified Public Accountants & Advisors

INDEPENDENT AUDITOR'S REPORT

The Honorable Samuel S. Olens, Chairman
Members of the Cobb County Board of Commissioners

We have audited the accompanying financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Cobb County, Georgia, as of and for the year ended September 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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 provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Cobb County, Georgia, as of September 30, 2009, and the respective changes in financial position and the cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the Major Special Revenue Fund 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 our report dated February 18, 2010 on our consideration of Cobb County, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 read in conjunction with this report in considering the results of our audit.

Michael R. Crace Jean K. Hawkins Richard H. Lewis Tammy A. Galvis Donald L. McGrath Jr. Retired: C. Frank Moore Edwin W. Cubbedge III

T 770.422.0500 F 770.421.6440 366 Powder Springs Street Marietta, Georgia 30064 www.moore-cubb.com

FOCUSING ON YOU SINCE 1971

The management's discussion and analysis, the Pension schedule of funding progress and schedule of employer contributions, and the OPEB schedule of funding progress on pages 3 through 17 and pages 80 through 82 are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Cobb County's basic financial statements. The introductory section, the combining and individual nonmajor fund statements and schedules, supplementary information, the statistical tables, the schedule of projects constructed with special sales tax proceeds, and the water and sewer fund comparative statement of revenues and expenses are presented for the purpose of additional analysis and are not a required part of the basic financial statements of Cobb County, Georgia. 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 basic financial statements of Cobb County, Georgia. The combining and individual nonmajor fund statements and schedules, supplementary information, schedule of expenditures of federal awards, the schedule of projects constructed with special sales tax proceeds, and the water and sewer fund comparative statement of revenues and expenses have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Moore & Cubbedge, LLP

Moore & Cubbedge, LLP

February 18, 2010

Management's Discussion & Analysis

The Management's Discussion and Analysis of Cobb County Government's Comprehensive Annual Financial Report (CAFR) provides an overall narrative and analysis of the County's financial statements for the fiscal year ended September 30, 2009. This discussion and analysis is designed to look at the County's financial performance as a whole. Readers should also review the information presented here in conjunction with additional information that we have furnished in the financial statements and the notes to the financial statements to enhance their understanding of Cobb County's financial performance.

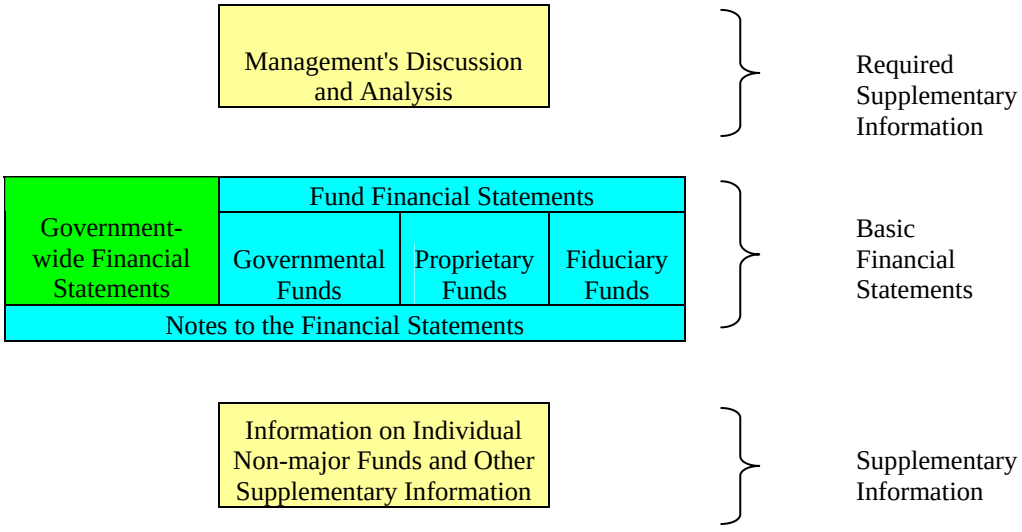
Financial Highlights

Key financial highlights for FY09 are as follows:

- The County's combined net assets totaled $4.2 billion. Of this amount, unrestricted net assets of $74.6 million may be used to meet the government's ongoing obligations to citizens and creditors.
- Combined revenue totaled $802.1 million of which governmental activities totaled $606.4 million and business-type activities totaled $195.7 million.
- Overall expenses totaled $720.8 million of which governmental activities totaled $529.4 million and business-type activities totaled $191.4 million.
- At the end of September 30, 2009, governmental activities expenses exceeded program revenues, resulting in the use of $358.0 million in general revenues (mostly taxes).
- Cobb County's total long term debt increased by $175,603,707 (54.42%) during the current fiscal year.
- At September 30, 2009, the County's General Fund reported an unreserved fund balance of $42.2 million; an increase of $1.5 million from last fiscal year.

Overview of the Financial Statements

This is the eighth Comprehensive Annual Financial Report (CAFR) Cobb County has issued under the Governmental Accounting Standards Board (GASB) Statement 34. The following illustration is provided as a guide for the financial statements:



This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The basic 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 provide a broad view of the County's operations in a manner similar to a private-sector business. The statements provide both short-term and long-term information about the County's financial position, which assists in assessing the economic condition at the end of the fiscal year. These statements are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. This means the statements take into account all revenues and expenses connected with the fiscal year even if cash involved has not been received or paid. There are two Government-wide financial statements, the Statement of Net Assets and the Statement of Activities which are described below.

The Statement of Net Assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave). This statement also presents a comparison between direct expense and program revenues for each function of the County.

Both of the government-wide financial statements distinguish functions of Cobb County Government 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 include general government, public safety, public works, health and welfare, culture and recreation and housing and development. The business-type activities include Water and Sewer, Solid Waste operations, Transit and Golf Course operations.

The government-wide financial statements include not only Cobb County Government itself but also a legally separate Coliseum and Exhibit Hall Authority and a legally separate Board of Health for which the government is financially accountable. Financial information for these component units is reported separately from the 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. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The fund financial statements focus on individual parts of the County government, reporting the County's operations in more detail than the government-wide statements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds. It is important to note that these fund categories use different accounting approaches and should be interpreted differently.

Governmental Funds

Most of the basic services provided by the County are financed through governmental 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, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources. They also focus on the balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the government's near-term financing requirements. This approach is known as using the flow of current financial resources measurement focus and the modified accrual basis of accounting. These statements provide a detailed short-term view of the County's finances that assists in determining whether there will be adequate financial resources available to meet the County's current needs.

The County maintains four governmental fund types: the General Fund; Special Revenue Funds (Fire District, Law Library, Community Services, Grant, Housing and Urban Development Grant, Senior Services, Hotel/Motel Tax, Emergency 911, Parking Deck Facility and 800 MHz); Debt Service Fund; and the Capital Projects Funds (Public Facilities, Parks Bond, Road Sales Tax Extension 1994 and the 2006 SPLOST). 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 Fund and the 2006 SPLOST Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation based on fund type. The basic governmental fund financial statements can be found on pages 20-25.

Proprietary Funds

Proprietary funds are used to account for activities that operate similar to those commercial enterprises found in the private sector. Because these funds charge fees for services provided to outside customers including local governments, they are known as enterprise funds. Proprietary funds use the accrual basis of accounting, thus there is no reconciliation needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements.

The County has five proprietary funds: Water and Sewer Fund, Solid Waste Disposal Fund, Cobblestone Golf Course Fund, Public Transit System Fund and the Claims Internal Service Fund. The Claims Internal Service Fund, which accounts for services performed by a central service department for other departments or agencies of the governmental unit, is comprised of the Health and Dental Fund, the Casualty and Liability Fund, and the Workmen's Compensation Fund. The proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund and the Solid Waste Disposal Fund, which are considered to be major funds of the County. The basic proprietary fund financial statements can be found on pages 26-30 of this report.

Fiduciary Funds

The Fiduciary funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments and other County departments. The County is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and only by those to whom the assets belong. These funds are not reflected in the government-wide financial statements because the resources are not available to support the County's operations or programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Cobb County maintains nine fiduciary funds, called agency funds, for Clerk of State Court, Clerk of Juvenile Court, Sheriff, Clerk of Superior Court, Clerk of Probate Court, Tax Commissioner, Accounts Payable Fund, Payroll Fund and the Child Support, Witness and Jurors' Fees. The basic fiduciary funds financial statements can be found on pages 31-32 of this report.

Component Units

Two component units are included in the financial statements because of their operational and financial relationships to the County. The financial statements include the financial data for the County's component units as reflected in their most recent audited financial statements. The information presented for the Cobb–Marietta Coliseum and Exhibit Hall Authority and the Cobb County Board of Health are as of and for the year ended September 30, 2009 and June 30, 2009, respectively.

Budgetary Comparisons

Cobb County adopts an annual appropriated budget for the General Fund, Special Revenue Funds, and the Debt Service Fund. A budgetary comparison statement has been provided for the General Fund and Fire District Special Revenue Fund and can be found on pages 24-25. Budget to actual comparisons for some of the nonmajor funds are provided in individual schedules elsewhere in 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 33-79 of this report.

Government-wide Financial Analysis

Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The County's combined net assets (government and business-type activities) totaled $4.2 billion at September 30, 2009.

The following table provides a summary of the County's governmental and business-type net assets for fiscal years 2009 and 2008:

Cobb County, Georgia
Statement of Net Assets

	Governmental Activities 2009	Governmental Activities 2008	Business-type Activities 2009	Business-type Activities 2008	Total 2009	Total 2008
Assets:						
Current assets	$ 385,857,940	$ 448,775,311	$ 194,428,116	$ 71,387,819	$ 580,286,056	$ 520,163,130
Other - noncurrent	5,706,530	6,794,977	541,172	864,915	6,247,702	7,659,892
Capital assets - net	2,935,783,829	2,774,826,550	1,414,145,016	1,360,960,060	4,349,928,845	4,135,786,610
Unamortized issuance costs	39,459	44,901	2,424,267	955,640	2,463,726	1,000,541
Total assets	$ 3,327,387,758	$ 3,230,441,739	$ 1,611,538,571	$ 1,434,168,434	$ 4,938,926,329	$ 4,664,610,173
Liabilities						
Current liabiities	$ 165,031,599	$ 144,725,545	$ 32,995,348	$ 35,902,875	$ 198,026,947	$ 180,628,420
Long-term liabilities (net)	152,687,991	153,021,960	345,623,365	169,685,689	498,311,356	322,707,649
Total liabilities	$ 317,719,590	$ 297,747,505	$ 378,618,713	$ 205,588,564	$ 696,338,303	$ 503,336,069
Net Assets						
Invested in capital assets, net of related debt	$ 2,845,141,332	$ 2,697,785,423	$ 1,214,901,904	$ 1,221,223,766	$ 4,060,043,236	$ 3,919,009,189
Restricted	107,900,772	173,324,280	-	-	107,900,772	173,324,280
Unrestricted	56,626,064	61,584,531	18,017,954	7,356,104	74,644,018	68,940,635
Total net assets	$ 3,009,668,168	$ 2,932,694,234	$ 1,232,919,858	$ 1,228,579,870	$ 4,242,588,026	$ 4,161,274,104

95.7% of the County's net assets reflect its investment in capital assets such as land, buildings, equipment and infrastructure (roads, bridges, sidewalks, water lines and sewer lines) less any related debt used to acquire those assets that is still outstanding. Investment in capital assets net of related debt increased by $141.0 million (4.0%) in FY09.

The County uses these capital assets to provide services to its citizens; therefore, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

At the end of the current fiscal year, the County is able to report positive balances in all categories of net assets for both the governmental and business-type activities.

Changes in Net Assets

Governmental and business-type activities increased the County's net assets by $81.3 in FY09. The following table indicates the changes in net assets for governmental and business-type activities in FY09 and FY08:

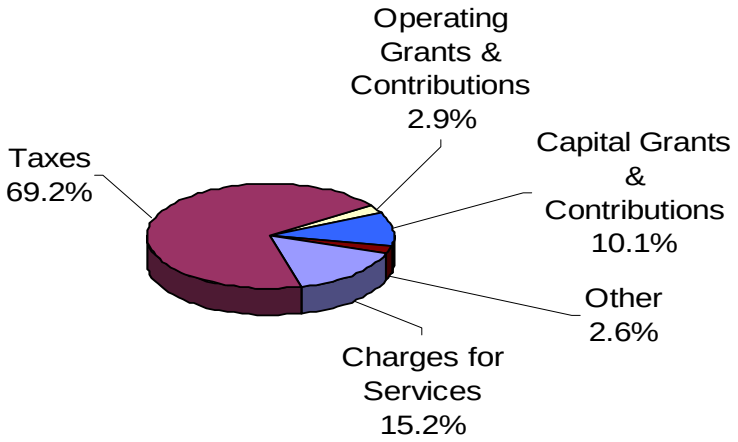
Cobb County, Georgia
Changes in Net Assets

	Governmental Activities 2009	Governmental Activities 2008	Business-type Activities 2009	Business-type Activities 2008	Total 2009	Total 2008
Revenues:						
Program Revenues:						
Charges for Services	$ 92,183,842	$ 95,995,756	$ 183,328,191	$ 163,968,469	$ 275,512,033	$ 259,964,225
Operating Grants & Contributions	17,745,892	17,665,432	638,096	500,989	18,383,988	18,166,421
Capital Grants & Contributions	61,489,833	99,891,365	10,517,614	31,341,068	72,007,447	131,232,433
General Revenues:						
Property Taxes	258,642,957	251,204,278	-	-	258,642,957	251,204,278
Other Taxes	161,819,807	182,692,889	-	-	161,819,807	182,692,889
Grants and contributions not restricted to specific programs	-	11,458,132	-	-	-	11,458,132
Other	15,629,287	19,169,371	152,907	2,962,541	15,782,194	22,131,912
Total Revenues	$ 607,511,618	$ 678,077,223	$ 194,636,808	$ 198,773,067	$ 802,148,426	$ 876,850,290
Expenses:						
General government	$ 130,964,498	$ 129,487,420	$ -	$ -	$ 130,964,498	$ 129,487,420
Public safety	218,818,569	216,428,501	-	-	218,818,569	216,428,501
Public works	110,796,058	104,411,823	-	-	110,796,058	104,411,823
Health and welfare	6,389,272	7,216,169	-	-	6,389,272	7,216,169
Culture and recreation	42,245,820	45,361,751	-	-	42,245,820	45,361,751
Housing and development	14,458,129	15,357,027	-	-	14,458,129	15,357,027
Interest on long-term debt	5,781,065	6,547,418	-	-	5,781,065	6,547,418
Water and Sewer	-	-	156,686,447	144,220,614	156,686,447	144,220,614
Solid Waste	-	-	10,793,537	12,005,039	10,793,537	12,005,039
Transit	-	-	22,227,266	22,799,515	22,227,266	22,799,515
Cobblestone Golf Course	-	-	1,673,843	1,778,843	1,673,843	1,778,843
Total Expenses:	$ 529,453,411	$ 524,810,109	$ 191,381,093	$ 180,804,011	$ 720,834,504	$ 705,614,120
Increase in net assets before transfers	$ 78,058,207	$ 153,267,114	$ 3,255,715	$ 17,969,056	$ 81,313,922	$ 171,236,170
Transfers	(1,084,273)	567,004	1,084,273	(567,004)	-	-
Increase in net assets	$ 76,973,934	$ 153,834,118	$ 4,339,988	$ 17,402,052	$ 81,313,922	$ 171,236,170
Net Assets - beginning	$ 2,932,694,234	$ 2,778,860,116	$ 1,228,579,870	$ 1,211,177,818	$ 4,161,274,104	$ 3,990,037,934
Net Assets - ending	$ 3,009,668,168	$ 2,932,694,234	$ 1,232,919,858	$ 1,228,579,870	$ 4,242,588,026	$ 4,161,274,104

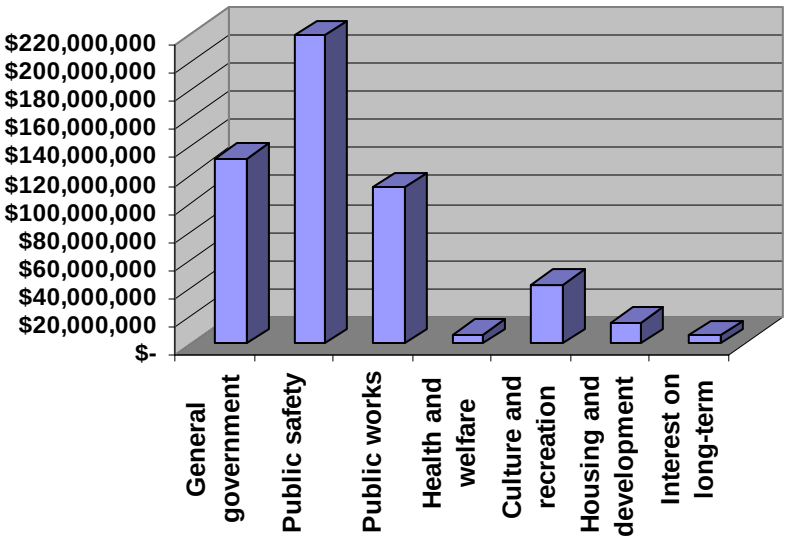
Governmental Activities

Governmental activities increased the County's net assets by $76,973,934 thereby accounting for 94.7% of the total growth in net assets.

Revenues - Governmental Activities FY 2009



Expenses - Governmental Activities FY 2009



Business-type Activities
Business-type activities increased the County's net assets by $4,339,988 thereby accounting for 5.3% of the total growth in net assets.

Changes in Overall Net Assets from Operating Results
Revenues
The County's total revenue decreased 8.5%, or $74.7 million, in FY09. Revenues from Other Taxes, Capital Grants & Contributions and Grants and Contributions not restricted to specific programs accounted for the majority of the County's decrease in revenue. Revenue received from taxes decreased $13.4 million (3.1%) overall due to a decrease in the revenue received for the 2006 Special Purpose Local Option Sales Tax (SPLOST) program which collected $119.1 million overall in its fourth year. Capital Grants and Contributions decreased $59.2 million in FY09. Key elements of this decrease are a result of fewer subdivision road donations by various developers in the amount of $43.5 million as well as a $5.6 million decrease in water and sewer lines from developer contributions. Additionally, an interlocal agreement between Cobb and Fulton County for Phase II of a solids handling contract was completed in FY08. The decrease in Grants and Contributions not restricted to specific programs is due to the fact that the Governor's Tax Credit was not funded by State legislature in FY09.

Expenses
The County's total expenses increased 2.2%, or $15.2 million, in FY09. The largest increase is in the Public Works function. Public Works increased $6.4 million over the prior year with the majority of the expenses being charged for the SPLOST DOT projects which includes infrastructure preservation, drainage system improvements, intersection safety and operational improvements as well as congestion relief. Public Safety increased $2.4 million with the continuation of the construction of the 1,152 bed expansion of the Cobb County jail facility. The largest business-type activities expenses increase was in the Water and Sewer Fund. It increased by $12.5 million in FY09. This increase can be attributed to a 38.5% increase in rates for water purchases from the Cobb County-Marietta Water Authority. These purchases are reflected in Other operating expenses which showed an increase of $8.9 million.

Financial Analysis of the County's Individual Funds

Cobb County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Cobb County can be divided into three categories: governmental funds, proprietary funds and fiduciary 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, the unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The County ended FY09 with strong fund balances in its governmental funds. The combined balance of all the governmental funds is $187.7 million. Of this total, $48.2 million or 25.7% constitutes unreserved fund balance, which is available for spending in the coming year. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed: 1) to liquidate contracts, purchase orders and inventories of the prior period ($130.5 million); 2) to pay debt service ($7.8 million); and 3) for a variety of other restricted purposes ($1.2 million).

Major Funds:

General Fund

The General Fund is the primary operating fund of the County. At the end of the current fiscal year, unreserved fund balance of the General Fund was $42.2 million, and total fund balance was $47.9 million. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 12.6% of total general fund expenditures and total fund balance represents 14.3% of that same amount.

The fund balance of the General Fund increased $1.2 million in FY09 for a total of $47.9 million, and the Board of Commissioners made a collaborative effort to focus on maintaining the county's excellent financial position. Tax revenues increased $8.2 million due to shift from intergovernmental revenue due to the loss of the Governor's Home Owners Tax Relief Credit. Operating expenditures decreased approximately $5.7 million (1.8%). The largest decreases were in General Government and Culture and Recreation.

Total transfers out in the General Fund of $30.3 million represent the appropriation of funds to the Public Facilities Fund, Transit Fund, Senior Services Fund, Fire Fund, Solid Waste Fund, Water System Funds, the 800 MHz Fund, 2006 SPLOST Fund and the Grant Fund. $8.3 million of transfers out are transferred to the Public Facilities Fund for various capital projects including $2.2 million in road resurfacing projects and intersection improvements; $2.7 million for PC replacements and other computer technology upgrades; $0.7 for the library's Integrated Library System database and $0.8 million for park renovations and parking lot improvements. The remaining $1.9 million was used for the Public Safety Village parking lot improvements, a fire suppression system, and library renovations. Transfers out of $18.9 million represent the appropriation of funds to subsidize Transit, Senior Services and Solid Waste. $0.7 million was transferred to the 800 MHz Fund for Core Replacement and $0.2 million was appropriated for various projects at the new Public Safety Village. An additional $2.1 million was appropriated to the Grant and SPLOST Funds as required matching local funds.

Fire Fund

The Fire Fund is used to account for the operation of the fire department within the County. The unreserved fund balance for FY09 was $13.6 million while total fund balance was $13.8 million. The fund balance decreased by $0.7 million during the current fiscal year due to the use of prior year appropriated fund balance for capital projects such as new fire station construction and relocations along with equipment purchases. While total assets increased by $0.7 million, total liabilities also increased by $1.4 million. Reserved fund balance decreased $0.7 million in FY09.

2006 SPLOST Fund

The 2006 SPLOST Fund accounts for the financial resources provided from the 2006 one percent Special Purpose Local Option Sales Tax. Such funds were approved by voter referendum for public safety and transportation projects. At the end of the current fiscal year, the 2006 SPLOST Fund reported an unreserved fund balance of ($33.9) million. Operating expenditures exceeded revenues by $62.2 million. Of the $181.3 million in expenditures, $12.8 million was spent on the new courthouse complex which broke ground in May, $50.0 million was spent on the jail expansion including the completion of the visitor and administrative building as well as the laundry and kitchen area renovations and $118.5 million was spent on various DOT safety and improvement road, bridge and sidewalk projects.

Nonmajor Funds:

Special Revenue Funds

The County uses Special Revenue Funds to account for the collection and disbursement of specific revenues that are legally restricted to expenditures for specified purposes. Included in this classification are: Law Library Fund, Community Services Fund, Grant Fund, Housing and Urban Development Grant Fund, Cobb Senior Services Fund, Hotel/Motel Tax Fund, Emergency 911 Fund, Parking Deck Facility Fund and the 800 MHz Fund.

Nonmajor Special Revenue Funds' operating revenue totaled $56.2 million for the fiscal year ended September 30, 2009. Total operating revenues increased by $6.9 million (13.9%).

Operating expenditures of the nonmajor Special Revenue Funds totaled $61.2 million for FY09. Total Nonmajor Special Revenue Funds' operating expenditures increased by $5.9 million (10.6%). The increase in expenditures is primarily in the Grant Fund for Right of Way acquisition and concrete paving and other land improvements for the runway widening and overlay of the taxiway.

The unreserved-undesignated fund balances of the nonmajor Special Revenue Funds totaled $8.9 million. This was an increase of $7.2 million from FY08.

Debt Service Fund
The Debt Service Fund reflects the accumulation of monies for, and the payment of, principal and interest on all General Obligation Debt other than that issued specifically for enterprise activities. The Debt Service Fund has a total fund balance of $6.6 million, all of which is reserved for the payment of debt service.

Capital Projects Funds
The County uses Capital Projects Funds to account for the acquisition, construction and improvement of major capital projects that are not financed by Proprietary Funds. The proceeds of General Obligation Bond issues and sales tax revenue are accounted for in the Capital Projects Funds until improvement projects are completed. There are three nonmajor Capital Projects Funds: the Road Sales Tax Extension 1994 Fund, Parks Bond Fund and the Public Facilities Fund. The nonmajor Capital Projects Funds overall fund balance is $25.1 million of which $17.2 million is designated for specific construction and improvement projects and capital acquisitions and $7.9 million is reserved for encumbrances.

Operating expenditures exceeded operating revenues by $38.4 million which was offset by a transfer in of $11.1 million, a transfer out of $3.8 million and the proceeds from capital leases for $11.9 million. These expenditures represent ROW acquisitions, engineering, construction costs and sidewalks in the 1994 Road Sales Tax Extension Fund. In the Public Facilities Fund, the primary expenditures are accounted for in Public Safety projects such as warning sirens, an E-911 computer aided dispatch memory upgrade, and records management system replacement for both the police and sheriff's departments, library computer system replacement, various Information Services computer replacement projects, renovations and construction at several Parks properties, street resurfacing, intersection improvement projects and airport improvements, and county building construction and renovation projects. Expenditures exceeded revenues for the 1994 Road Sales Tax Extension Fund because we are continuing to complete the projects approved for this fund. The revenues generated from the 1994 SPLOST were collected for four years, but many of the road projects take several years to complete once the construction begins. The Parks Bond Fund also has expenditures that exceed revenues because we received the bond proceeds in FY07 and purchased most of the Park land/greenspace acreage in FY08 along with an additional $9.5 million spent on land acquisition in FY09.

Proprietary Funds
The activities of the County that render services to the general public on a user charge basis, or that require periodic determination of revenues for public policy are accounted for as Proprietary Funds. The Proprietary Fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

Major Funds:
Water and Sewer Fund
The Water and Sewer Fund accounts for the operation of the water distribution system and sewage processing plants. Unrestricted net assets of the Water and Sewer Fund at the end of the year amounted to $44.6 million. Total net assets decreased $15.7 million in FY09.

Solid Waste Disposal Fund
The Solid Waste Disposal Fund accounts for the operation of the County's public landfills and solid waste processing. The County's Solid Waste Disposal Facility generated an inception-to-date net loss of $29.5 million; however, they generated a net gain of $19.5 million in FY09 due to transfers in amounting to $17.9 million to write off loans from the Water System to Solid Waste. According to GASB Statement No. 18, once a landfill stops accepting waste, it is required to be closed and the liability of closure and post-closure is recorded as of the balance sheet date even though the expenses will be paid out over 30 years. The FY09 landfill liability is $26.9 million.

Nonmajor Funds:
The Cobblestone Golf Course Fund accounts for the operations and maintenance of the County's golf course. It ended FY09 with a net income from operations of $0.2 million. However, overall net income (including non-operating revenues and expenses) was $39,821 for FY09. Net assets totaled $2.8 million. The number of rounds of golf decreased 13.6% from the prior year and contributed to a decrease of 17.5% in revenues.

The Public Transit System Fund accounts for the operation of the local public transit system through user fees and funds received from the Federal Transit Authority and the Georgia Department of Transportation. The Public Transit System Fund's operating revenue increased $0.3 million (5.0%) from FY08 and total operating expenses decreased by $0.7 million (4.1%). Net assets totaled $42.0 million at the end of the fiscal year.

General Fund Budgetary Highlights

Cobb County operated under an annual balanced budget (budgeted revenues equal budgeted expenditures), which is adopted by resolution and administered in accordance to State law. The legal level of control (the level at which expenditures may not legally exceed appropriations) for each legally adopted annual operating budget is at the category level within departments.

The most significant budgeted fund for the County is the General Fund. The Board of Commissioners amended the General Fund budget throughout FY09. These amended budget appropriations including interfund transfers out netted $0.8 million. The most significant expenditure amendments are summarized as follows:
General government:

- General government had an overall $0.2 million decrease. On November 14, 2008, all agency and department directors were requested to review their current budgets and submit budgetary savings. These savings were recognized through position reductions or by deferring hiring for vacant positions. In addition, travel and operation expenses such as printing and office supplies were reduced

Public works:

- Public works had an overall $1.2 million decrease. The largest portion of the decrease was in road maintenance contracts. Several contractual services such as shoulder widening and median mowing were reduced, and these services will now be performed in house with extended cycles.

Culture and recreation:

- Culture and recreation had an overall decrease of $0.7 million. This decrease is in personal services and is a result of eliminating vacant positions and reducing the number of part time positions in the various parks.

Debt service:

- Debt service had an overall decrease of $0.8 million. The note interest expense budget was reduced once it was determined that the estimates were overstated.

Interfund transfers out:

- Interfund transfers out increased $4.0 million. $1.4 million was transferred to Solid Waste to pay off its loan; $1.3 million was transferred to cover the local share for DOT capital projects; $1.0 million was transferred for Quiet Train Zones and Railroad Crossing improvements, county facility renovations and parking lot improvements and $0.3 million to fund the local share for various grants.

The County's final budget less reserves projected a loss of $2.3 million in the General Fund with the fund reporting an actual decrease of $0.6 million. This small decrease can be attributed to the foresight of tight budget controls so that even though the County had a decline in revenues such as intergovernmental revenues and fines and forfeits, and overall revenues coming in $5.0 million under budget, operating expenditures were held intact with and decreased $5.8 million compared to the prior year. In addition, operating expenditures had a positive variance coming in $6.6 million under budget.

Capital Assets and Debt Administration

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of September 30, 2009 amounts to $4.1 billion (net of accumulated depreciation and related debt). This investment in capital assets includes land, buildings, improvements, equipment, infrastructure and construction in progress. Infrastructure assets are items that are normally immovable and of value only to the County, such as roads, bridges, streets and sidewalks, drainage systems and other similar items.

Cobb County's Capital Assets
(Net of Depreciation)
(in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Land	$ 894,264	$ 831,783	$ 70,955	$ 68,016	$ 965,219	$ 899,799
Buildings and structures	235,404	232,771	35,358	34,632	270,762	267,403
Improvements	16,988	17,250	-	-	16,988	17,250
Sewerage Plants	-	-	554,870	567,916	554,870	567,916
Machinery and equipment	46,069	51,519	20,325	24,806	66,394	76,325
Infrastructure	1,543,018	1,523,834	585,117	572,370	2,128,135	2,096,204
Construction in progress	200,041	117,669	147,520	93,220	347,561	210,889
Total	$ 2,935,784	$ 2,774,826	$ 1,414,145	$ 1,360,960	$ 4,349,929	$ 4,135,786

The County's total net increase in capital assets for the current fiscal year was 5.2%.

Governmental assets that were moved from construction in progress to the asset records during the year totaled approximately $87.4 million. Some of the major projects for FY09 consisted of the following: roof repairs and lighting services at various parks, refurbishing a building purchased for expansion of services for seniors, HVAC renovations for Superior Court building, library expansion and renovations, fire station renovations, tactical equipment for the Sheriff's Department and Quiet Train Zones for railroad crossings. In addition, the Special Purpose Local Option Sales Tax (SPLOST) program that was approved by voters in September 2005 funded various improvements around the County. The program to date has approximately 268 transportation projects that are underway or completed. Of these, 10 are in the right-of way acquisition phase, 53 are in the construction phase and 167 have been completed. A complete list of the projects and further details regarding the program is available at the Web site www.cobbcip.org.

Business-type assets moved from construction in progress to the asset records during the year totaled approximately $32.0 million. Some of the major capital asset events for the business-type activities for the current year included various sewer replacement and rehabilitations, water line and water main replacements, continuation of a sewer conveyance capacity and equalization tunnel system as well as the continued construction, upgrades and expansion of several water reclamation facilities.

Additional information on the County's capital assets can be found in Note 5 of the Basic Financial Statements section of this report.

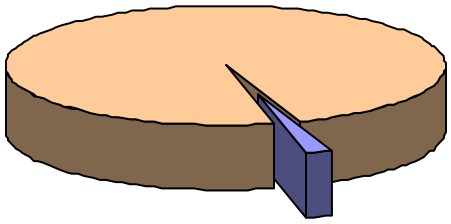
Long-Term Debt

As of September 30, 2009, Cobb County had a net of $498.3 million in outstanding long-term debt, which does not include interest expense. Of this amount, $54.4 million (net of current debt less discount) comprises general obligation debt backed by the full faith and credit of the government and $236.4 million (net of current debt, bond discount and loss on refunding) in revenue bonds. The County did not issue any new general obligation debt but did issue $126.6 million in revenue bonds and retired $14.0 million of outstanding bonds in FY09.

Additional information on Cobb County's long-term debt can be found in Note 8 of the Basic Financial Statements section of this report.

Cobb uses only a fraction of the State allowable General Obligation Debt which is 10% of the taxable digest.

98.21 % of Legal Debt Limit - Unused



1.79 % of Legal Debt Limit - Utilized

Awards, Economic Factors and Next Year's Budget and Rates

For the eighth year in a row, the Cobb County Water System has maintained its Triple-Triple "A" ratings from the nation's top three credit rating agencies. The Water System earned numerous honors from the Georgia Association of Water Professionals including Wastewater Collection System of the Year and Distribution System of the Year for large systems. Platinum awards were also received for 10 consecutive years of perfect permit compliance at R.L. Sutton Water Reclamation Facility and eight consecutive years at Northwest Water Reclamation Facility. Noonday Creek was honored with a Gold Award for compliance. The design of the R.L. Sutton facility earned an Engineering Excellence Award from the Georgia Engineering Alliance.

During the last thirteen years, Cobb County has maintained its Triple-Triple "A" credit rating and has remained financially strong. The Board of Commissioners have continued to aggressively address the current and future needs of the County by focusing on sound financial management, the reserve policy, the use of current resources for capital expenditures and the practice of biennial budgeting.

With a growing, diverse population, the challenge is to continue to improve the quality of life by concentrating on the demands placed on the public infrastructure such as transportation, water supply, wastewater treatment, the demands of revitalization of many business areas and the demands of greenspace conservation. Although the nation and surrounding counties are facing financial difficulties, Cobb County is able to maintain low property tax rates and low debt levels so that we can remain a leader and provide the best place to live, work and play.

Although the County continues to maintain its strong financial position during these current economic challenges, other economic indicators are showing the effects of the slowdown. Tourism revenue showed a large decrease of 21.0% over the prior year and the one percent sales tax (SPLOST) generated $113.4 million in tax revenue which is a $19.0 million decrease compared to FY08. Single family residential permits again showed a considerable decrease (60%) this past year along with other new residential construction permits. Commercial and industrial permits decreased 35%.

After voters approved a $40 million parks bond in November, 2006, over 400 acres of greenspace have been acquired to enhance Cobb's quality of life. In FY09, four additional land tracks were purchased, and a master plan was approved by the Board of Commissioners for the 112 acre site to include a network of trails, passive open fields, garden and green home areas and a playground and gazebo. Each of these land purchases are for greenspace use and will help prevent future overdevelopment.

In September, 2009, a historic 500 year flood hit Cobb County and caused millions of dollars in damages to county parks, facilities and infrastructure. Countless hours were spent in rescue operations, aiding flood victims and inspecting the infrastructure. The County is working with insurance and FEMA to rebuild and restore the buildings and infrastructure in order to continue to provide the services and natural resources for Cobb's residents.

Many factors were taken into consideration when preparing the FY10 budget. The FY10 adopted budget had a 4.6% decrease compared to the FY09 adopted budget. The FY09 budget had significant budget amendments throughout the year, and these tight controls carried forward into the FY10 budget process. The Solid Waste Disposal Fund decreased the most with the anticipated privatization of the facility. In addition, the operating budgets of Central Support, Community Services, Contingency and Insurance, Court Services and Infrastructure and Development all reduced their budgets based on deferring capital projects and finding more innovative ways to do more with less. During the January 12, 2010 board meeting, the Board of Commissioners further amended the FY10 budget with an estimated decrease of $8.7 million by reducing departmental budgets to include the selective elimination of various vacant positions and authorizing an offer of early retirement to those employees who have already reached or will reach by 12/31/2011 the normal retirement ("Rule of 80" Provisions). Other budget reductions included on this agenda were salaries and fringe benefits, office supplies, capital purchases, employee travel and training, fuel costs and various professional, legal and maintenance services.

With the uncertainty of future county revenues during these tough economic times, these proactive steps are necessary and prudent measures to protect the County's financial resources while continuing to remain committed to improving the County's quality of life.

Requests for Information

This financial report is designed to provide a general overview of Cobb County finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Director of Finance / Comptroller, 100 Cherokee Street, Suite 400 Marietta, Georgia 30090-9610.

Complete financial statements of the discretely presented component units can be obtained directly from their administrative offices. The addresses for the administrative offices are as follows: Cobb-Marietta Coliseum and Exhibit Hall Authority, Two Galleria Parkway Atlanta, Georgia 30339 and Cobb County Board of Health, 1650 County Services Parkway Marietta, Georgia 30008.

(THIS PAGE INTENTIONALLY LEFT BLANK)

Basic Financial Statements

Cobb County, Georgia
Statement of Net Assets
September 30, 2009

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Cobb-Marietta Coliseum and Exhibit Hall September 30, 2009	Cobb County Board of Health June 30, 2009
Assets					
Cash and cash equivalents	$ 134,532,081	$ 163,787,660	$ 298,319,741	$ 1,366,601	$ 1,075,608
Restricted cash	-	620,575	620,575	-	-
Investments, at fair value	55,834,076	400,000	56,234,076	-	2,549,865
Receivables	170,910,231	20,358,832	191,269,063	980,818	395,921
Internal balances	(6,149,673)	6,149,673	-	-	-
Due from external parties	14,973	-	14,973	-	-
Due from component unit	296,185	-	296,185	-	-
Due from primary government	-	-	-	827,106	-
Due from other governments and agencies	28,778,669	2,170,581	30,949,250	79,727	704,360
Inventories	1,532,882	931,884	2,464,766	89,549	200,563
Prepaid items	108,516	8,911	117,427	143,935	-
Other assets	5,706,530	541,172	6,247,702	1,147,540	-
Restricted assets	-	-	-	86,916,902	-
Capital assets not being depreciated	1,094,304,376	218,475,460	1,312,779,836	38,809,954	-
Capital assets being depreciated, net	1,841,479,453	1,195,669,556	3,037,149,009	146,426,112	906,666
Unamortized note costs	-	1,166,667	1,166,667	-	-
Unamortized bond costs	39,459	1,257,600	1,297,059	-	-
Total assets	$ 3,327,387,758	$ 1,611,538,571	$ 4,938,926,329	$ 276,788,244	$ 5,832,983
Liabilities					
Accounts payable	$ 24,044,213	$ 26,456,797	$ 50,501,010	$ 998,319	$ 466,609
Accrued payroll	6,594,048	643,990	7,238,038	-	287,963
Arbitrage liability	-	54,882	54,882	-	-
Due to primary government	-	-	-	317,795	-
Due to component unit	827,106	-	827,106	-	-
Due to external parties	345,972	-	345,972	40,685	-
Due to other governments and agencies	1,237,429	40,540	1,277,969	47,574	23,786
Claims and judgments	10,088,529	-	10,088,529	-	-
Customer deposits	-	3,492,605	3,492,605	854,571	-
Notes payable-current	115,228,955	-	115,228,955	-	-
Accrued interest payable	1,952,976	2,303,702	4,256,678	2,435,398	-
Unearned revenue	4,712,371	2,832	4,715,203	582,279	32,001
Noncurrent liabilities					
Due within one year	23,529,815	15,172,109	38,701,924	10,914,765	682,071
Due in more than one year	129,158,176	330,451,256	459,609,432	144,955,246	126,671
Total liabilities	$ 317,719,590	$ 378,618,713	$ 696,338,303	$ 161,146,632	$ 1,619,101
Net Assets					
Invested in capital assets, net of related debt	$ 2,845,141,332	$ 1,214,901,904	$ 4,060,043,236	$ 52,837,338	$ 906,666
Restricted for:					
Renewal and expansion	-	-	-	14,295,297	-
Debt service	6,617,567	-	6,617,567	55,660,270	-
Splost projects	89,194,291	-	89,194,291	-	-
Completion of projects	11,674,503	-	11,674,503	-	-
Special programs	414,411	-	414,411	3,317,502	203,585
Unrestricted	56,626,064	18,017,954	74,644,018	(10,468,795)	3,103,631
Total net assets	$ 3,009,668,168	$ 1,232,919,858	$ 4,242,588,026	$ 115,641,612	$ 4,213,882

See accompanying notes to financial statements.

Cobb County, Georgia
Statement of Activities
For the Year Ended September 30, 2009

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units: Cobb-Marietta Coliseum and Exhibit Hall September 30, 2009	Component Units: Cobb County Board of Health June 30, 2009
Primary Government									
Governmental Activities:									
General government	$ 130,964,498	$ 50,767,215	$ 3,163,610	$ 108,398	$ (76,925,275)	$ -	$ (76,925,275)	$ -	$ -
Public safety	218,818,569	15,131,886	2,147,680	1,017,212	(200,521,791)	-	(200,521,791)	-	-
Public works	110,796,058	5,282,949	274,325	59,133,425	(46,105,359)	-	(46,105,359)	-	-
Health and welfare	6,389,272	82,003	1,709,735	54,633	(4,542,901)	-	(4,542,901)	-	-
Culture and recreation	42,245,820	4,163,871	823,970	1,066,840	(36,191,139)	-	(36,191,139)	-	-
Housing and development	14,458,129	16,755,918	9,626,572	109,325	12,033,686	-	12,033,686	-	-
Interest on long-term debt	5,781,065		-	-	(5,781,065)	-	(5,781,065)	-	-
Total governmental activities	529,453,411	92,183,842	17,745,892	61,489,833	(358,033,844)	-	(358,033,844)	-	-
Business-type Activities									
Water and Sewer	$ 156,686,447	$ 170,690,750	$ 638,096	$ 4,246,962	$ -	$ 18,889,361	$ 18,889,361	$ -	$ -
Solid Waste	10,793,537	5,578,983	-	-	-	(5,214,554)	(5,214,554)	-	-
Transit	22,227,266	5,347,538	-	6,270,652	-	(10,609,076)	(10,609,076)	-	-
Cobblestone Golf Course	1,673,843	1,710,920	-	-	-	37,077	37,077	-	-
Total business-type activities	191,381,093	183,328,191	638,096	10,517,614	-	3,102,808	3,102,808	-	-
Total primary government	$ 720,834,504	$ 275,512,033	$ 18,383,988	$ 72,007,447	$ (358,033,844)	$ 3,102,808	$ (354,931,036)	$ -	$ -
Component Units									
Cobb-Marietta Coliseum and Exhibit Hall Authority	$ 32,896,133	$ 17,380,691	$ 11,020,086	$ 2,668,090	$ -	$ -	$ -	$ (1,827,266)	$ -
Cobb County Board of Health	23,526,201	6,887,367	16,689,508		-	-	-	-	50,674
Total component units	$ 56,422,334	$ 24,268,058	$ 27,709,594	$ 2,668,090	$ -	$ -	$ -	$ (1,827,266)	$ 50,674
General revenues:									
Property taxes					$ 258,642,957	$ -	$ 258,642,957	$ -	$ -
Sales taxes					113,364,227	-	113,364,227	-	-
Insurance premium tax					22,633,407	-	22,633,407	-	-
Alcoholic beverage tax					4,743,585	-	4,743,585	-	-
Hotel/Motel tax					9,327,241	-	9,327,241	-	-
Real estate transfer tax					805,210	-	805,210	-	-
Miscellaneous taxes					10,946,137	-	10,946,137	-	-
Miscellaneous					10,034,725	721,233	10,755,958	-	-
Gain from sale of capital assets					43,858	(1,060,661)	(1,016,803)	-	-
Unrestricted investment earnings					5,550,704	492,335	6,043,039	10,664	-
Transfers					(1,084,273)	1,084,273	-	-	-
Total general revenues and transfers					435,007,778	1,237,180	436,244,958	10,664	-
Change in net assets					76,973,934	4,339,988	81,313,922	(1,816,602)	50,674
Net assets - beginning of year					2,932,694,234	1,228,579,870	4,161,274,104	117,458,214	4,163,208
Net assets - end of year					$ 3,009,668,168	$ 1,232,919,858	$ 4,242,588,026	$ 115,641,612	$ 4,213,882

See accompanying notes to financial statements.

Cobb County, Georgia
Governmental Funds
Balance Sheet
September 30, 2009

	General Fund	Fire District Fund	2006 SPLOST Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 50,563,201	$ 18,410,164	$ 34,787,111	$ 29,029,444	$ 132,789,920
Investments, at fair value	-	-	55,834,076	-	55,834,076
Receivables:					
Taxes and penalties	118,212,743	41,575,254	-	4,387,844	164,175,841
Accrued interest	3,036	-	289,695	46	292,777
Other	2,697,153	696,336	285,656	2,762,332	6,441,477
Due from other funds	1,802,131	45,000	1,000,737	15,724,442	18,572,310
Due from component units	-	-	-	296,185	296,185
Due from other governments and agencies	1,416,433	-	12,170,174	15,192,062	28,778,669
Advances to other funds	1,200,000	-	-	-	1,200,000
Inventories	1,532,882	-	-	-	1,532,882
Prepaid items and other assets	64,058	1,211	-	41,981	107,250
Total assets	$ 177,491,637	$ 60,727,965	$ 104,367,449	$ 67,434,336	$ 410,021,387
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	$ 1,327,605	$ 36,728	$ 18,768,907	$ 3,690,405	$ 23,823,645
Accrued payroll	5,008,016	1,249,260	-	330,904	6,588,180
Due to other funds	28,797,135	6,388,903	461,306	16,229,897	51,877,241
Due to others	344,074	-	1,250	648	345,972
Due to component unit-Cobb Marietta Coliseum & Exhibit Hall Authority	827,106	-	-	-	827,106
Due to other governments and agencies	54,418	-	1,183,011	-	1,237,429
Notes payable, net	80,159,273	35,069,682	-	-	115,228,955
Accrued interest payable	483,333	211,458	-	-	694,791
Deferred revenue	12,556,233	3,980,069	-	5,117,343	21,653,645
Total liabilities	$ 129,557,193	$ 46,936,100	$ 20,414,474	$ 25,369,197	$ 222,276,964
Fund Balances:					
Reserved for:					
Encumbrances	$ 1,747,807	$ 205,898	$ 117,879,276	$ 9,028,483	$ 128,861,464
Inventories and prepaid items	1,596,940	1,211	-	41,981	1,640,132
Advances	1,200,000	-	-	-	1,200,000
Debt service	1,200,000	-	-	6,617,567	7,817,567
Unreserved, designated for construction and capital outlay, reported in:					
General Fund	3,182,479	-	-	-	3,182,479
Special Revenue Funds	-	157,393	-	-	157,393
Capital Projects Funds	-	-	-	17,165,427	17,165,427
Unreserved, designated for debt service, reported in:					
Special Revenue Funds	-	-	-	269,563	269,563
Unreserved, designated for special programs, reported in:					
General Fund	5,522,450	-	-	-	5,522,450
Unreserved, undesignated reported in:					
General Fund	33,484,768	-	-	-	33,484,768
Special Revenue Funds	-	13,427,363	-	8,942,118	22,369,481
Capital Projects Funds	-	-	(33,926,301)	-	(33,926,301)
Total fund balances	$ 47,934,444	$ 13,791,865	$ 83,952,975	$ 42,065,139	$ 187,744,423
Total liabilities and fund balances	$ 177,491,637	$ 60,727,965	$ 104,367,449	$ 67,434,336	$ 410,021,387

See accompanying notes to financial statements.

Cobb County, Georgia
Governmental Funds
Reconciliation of the Governmental Balance Sheet to the Statement of Net Assets
September 30, 2009

Total fund balances - governmental funds	$	187,744,423
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		2,935,777,989
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:		
Property tax		16,941,274
Net pension asset		4,870,549
Net other post employment asset		835,981
Unamortized bond issue costs		39,459
Internal service funds are used by management to charge the cost for claims to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		17,397,121
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Accrued interest payable		(1,258,185)
Intergovernmental contract payable		(52,115,000)
Unmatured bonds		(60,300,000)
Unamortized bond issuance discounts		187,652
Unamortized deferred loss on refunding		450,140
Unamortized bond premiums		(1,551,050)
Capital leases payable		(19,055,578)
Compensated absences		(20,296,607)
Net assets of governmental activities	$	3,009,668,168

See accompanying notes to financial statements.

Cobb County, Georgia
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended September 30, 2009

	General Fund	Fire District Fund	2006 SPLOST Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	$ 223,209,258	$ 67,620,260	$ 113,364,227	$ 16,383,077	$ 420,576,822
Licenses and permits	16,894,518	1,375	-	-	16,895,893
Intergovernmental	3,781,187	36,064	2,448,621	35,598,425	41,864,297
Charges for services	46,731,726	1,160,952	-	11,593,919	59,486,597
Fines and forfeits	15,801,352	-	-	-	15,801,352
Interest earned	1,548,310	364,020	3,176,115	250,621	5,339,066
Miscellaneous	6,328,910	4,911	135,298	3,565,606	10,034,725
Total revenues	$ 314,295,261	$ 69,187,582	$ 119,124,261	$ 67,391,648	$ 569,998,752
Expenditures:					
Current:					
General government	$ 116,708,788	$ -	$ -	$ 6,632,417	$ 123,341,205
Public safety	126,265,253	68,839,384	-	12,533,884	207,638,521
Public works	18,791,908	-	-	18,927,881	37,719,789
Health and welfare	1,308,774	-	-	6,429,677	7,738,451
Culture and recreation	32,204,295	-	-	6,861,304	39,065,599
Housing and development	7,953,010	-	-	6,121,002	14,074,012
Capital outlay	-	-	181,344,138	37,114,548	218,458,686
Debt service:					
Principal retirement	230,659	-	-	12,682,803	12,913,462
Interest and fiscal charges	462,034	189,948	-	5,505,164	6,157,146
Total expenditures	$ 303,924,721	$ 69,029,332	$ 181,344,138	$ 112,808,680	$ 667,106,871
Excess (deficiency) of revenues over (under) other expenditures	$ 10,370,540	$ 158,250	$ (62,219,877)	$ (45,417,032)	$ (97,108,119)
Other financing sources (uses):					
Transfers in	$ 20,198,040	$ 542,704	$ 897,400	$ 17,942,432	$ 39,580,576
Transfers out	(30,302,133)	(1,381,739)	(1,175,448)	(7,453,020)	(40,312,340)
Proceeds from sale of capital assets	171,447	2,922	-	-	174,369
Proceeds from capital lease	717,168	-	-	11,850,000	12,567,168
Total other financing sources (uses)	$ (9,215,478)	$ (836,113)	$ (278,048)	$ 22,339,412	$ 12,009,773
Net changes in fund balances	$ 1,155,062	$ (677,863)	$ (62,497,925)	$ (23,077,620)	$ (85,098,346)
Fund balances at beginning of year	46,779,382	14,469,728	146,450,900	65,142,759	272,842,769
Fund balances at end of year	$ 47,934,444	$ 13,791,865	$ 83,952,975	$ 42,065,139	$ 187,744,423

See accompanying notes to financial statements.

Cobb County, Georgia
Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended September 30, 2009

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	(85,098,346)
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 ($204,600,329) were greater than depreciation ($80,874,664) in the current period.		123,725,665
The net effect of revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property tax		(114,058)
The net effect of various miscellaneous transactions involving capital assets (donations) is to increase net assets.		37,371,428
The gain on disposition of capital assets is not reported in the fund statements.		(132,907)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal and bond costs are expenditures in the governmental funds, but the repayment reduces long-term liabilities and bond costs are capitalized in the statement of net assets:		
Bond principal payments		6,515,000
Capital lease proceeds		(12,567,168)
Capital lease principal payments		5,278,462
Intergovernmental contract payable		1,120,000
The current years reduction to the net pension asset reduced the net expenses of pensionable functions on the statement of activities.		(1,665,118)
The current years additions to the net other post employment benefits asset reduced the net expense of other post employment benefits functions on the statement of activities.		576,671
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 the governmental funds:		
Accrued compensated absences		(323,075)
Amortization for bond and capital lease discounts, deferred amounts, premiums		290,360
Accrued interest expense		85,721
Internal service funds are used by management to charge the cost of claims to individual funds. This amount is the net activity of the claims internal service fund.		1,911,299
Changes in net assets of governmental activities.	$	76,973,934

Cobb County, Georgia
General Fund
Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Taxes	$ 226,621,586	$ 215,800,182	$ 223,209,258	$ 7,409,076
Licenses and permits	20,466,000	17,889,820	16,894,518	(995,302)
Intergovernmental	11,782,236	11,958,500	3,781,187	(8,177,313)
Charges for services	48,023,347	46,002,703	46,731,726	729,023
Fines and forfeits	15,455,339	17,755,436	15,801,352	(1,954,084)
Interest earned	5,112,073	3,527,073	1,548,310	(1,978,763)
Miscellaneous	3,086,650	6,395,730	6,328,910	(66,820)
Total revenues	$ 330,547,231	$ 319,329,444	$ 314,295,261	$ (5,034,183)
Expenditures:				
Current:				
General government	$ 119,573,567	$ 119,330,500	$ 116,956,580	$ 2,373,920
Public safety	129,046,098	128,930,520	126,594,335	2,336,185
Public works	21,186,241	19,987,617	19,550,364	437,253
Health and welfare	1,342,332	1,308,774	1,308,774	-
Culture and recreation	34,665,905	33,993,770	32,597,026	1,396,744
Housing and development	8,128,865	8,012,712	7,958,698	54,014
Debt service:				
Principal retirement	87,615	278,780	244,717	34,063
Interest and fiscal charges	1,436,616	462,034	462,034	-
Total expenditures	$ 315,467,239	$ 312,304,707	$ 305,672,528	$ 6,632,179
Excess (deficiency) of revenues over (under) other expenditures	$ 15,079,992	$ 7,024,737	$ 8,622,733	$ 1,597,996
Other financing sources (uses):				
Transfers in	$ 19,047,021	$ 20,223,828	$ 20,198,040	$ (25,788)
Transfers out	(26,519,064)	(30,504,846)	(30,302,133)	202,713
Proceeds from capital lease	-	717,168	717,168	-
Proceeds from sale of capital assets	250,000	250,000	171,447	(78,553)
Total other financing sources (uses)	$ (7,222,043)	$ (9,313,850)	$ (9,215,478)	$ 98,372
Net changes in fund balance	$ 7,857,949	$ (2,289,113)	$ (592,745)	$ 1,696,368
Fund balances at beginning of year			46,779,382	
Fund balances at end of year - budgetary basis			$ 46,186,637	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			1,747,807	
Fund balances at end of year - GAAP basis			$ 47,934,444	

See accompanying notes to financial statements.

Cobb County, Georgia
Fire District Special Revenue Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Taxes	$ 67,570,754	$ 66,265,300	$ 67,620,260	$ 1,354,960
Licenses and permits	1,800	1,800	1,375	(425)
Intergovernmental	2,800,000	2,800,000	36,064	(2,763,936)
Charges for services	1,503,700	1,503,700	1,160,952	(342,748)
Interest earned	450,000	450,000	364,020	(85,980)
Miscellaneous	27,076	28,576	4,911	(23,665)
Total revenues	$ 72,353,330	$ 71,049,376	$ 69,187,582	$ (1,861,794)
Expenditures:				
Current:				
Personal services	$ 58,608,128	$ 58,597,323	$ 57,550,765	$ 1,046,558
Operating expenditures	10,637,593	10,770,631	10,260,021	510,610
Capital outlay	1,113,789	1,435,664	1,234,496	201,168
Debt service:				
Interest and fiscal charges	600,000	600,000	189,948	410,052
Total expenditures	$ 70,959,510	$ 71,403,618	$ 69,235,230	$ 2,168,388
Excess (deficiency) of revenues over (under) other expenditures	$ 1,393,820	$ (354,242)	$ (47,648)	$ 306,594
Other financing sources (uses):				
Transfers in	$ -	$ 542,704	$ 542,704	$ -
Transfers out	(566,930)	(1,381,989)	(1,381,739)	250
Proceeds from sale of capital assets	-	-	2,922	2,922
Total other financing sources (uses)	$ (566,930)	$ (839,285)	$ (836,113)	$ 3,172
Net changes in fund balance	$ 826,890	$ (1,193,527)	$ (883,761)	$ 309,766
Fund balance at beginning of year			14,469,728	
Fund balance at end of year - budgetary basis			$ 13,585,967	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			205,898	
Fund balance at end of year - GAAP basis			$ 13,791,865	

See accompanying notes to financial statements.

Cobb County, Georgia
Proprietary Funds
Statement of Net Assets
September 30, 2009

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water and Sewer Fund	Solid Waste Disposal Fund	Other Enterprise Funds	Total	
Assets					
Current assets:					
Cash	$ 163,360,702	$ 77,984	$ 348,974	$ 163,787,660	$ 1,742,161
Restricted cash	620,575	-	-	620,575	-
Investments, at fair value	400,000	-	-	400,000	-
Receivables:					
Accounts, net	17,222,243	263,526	-	17,485,769	-
Other	2,595,067	12,395	265,601	2,873,063	136
Due from other funds	6,966,191	-	653,632	7,619,823	25,955,258
Due from others	-	-	-	-	14,973
Current due from other governments and agencies	168,267	-	2,002,314	2,170,581	-
Inventories	931,884	-	-	931,884	-
Prepaid items	5,389	-	3,522	8,911	1,266
Other assets	541,172	-	-	541,172	-
Total current assets	$ 192,811,490	$ 353,905	$ 3,274,043	$ 196,439,438	$ 27,713,794
Noncurrent assets:					
Property, plant and equipment:					
Capital assets not being depreciated	$ 201,368,266	$ 3,778,386	$ 13,328,808	$ 218,475,460	$ -
Capital assets being depreciated, net	1,155,879,124	6,193,010	33,597,422	1,195,669,556	5,840
Net property, plant and equipment	$ 1,357,247,390	$ 9,971,396	$ 46,926,230	$ 1,414,145,016	$ 5,840
Other assets:					
Unamortized note costs	$ 1,166,667	$ -	$ -	$ 1,166,667	$ -
Unamortized bond costs	1,139,651	100,101	17,848	1,257,600	-
Total noncurrent assets	$ 1,359,553,708	$ 10,071,497	$ 46,944,078	$ 1,416,569,283	$ 5,840
Total assets	$ 1,552,365,198	$ 10,425,402	$ 50,218,121	$ 1,613,008,721	$ 27,719,634

Continued on next page.

Cobb County, Georgia
Proprietary Funds
Statement of Net Assets
September 30, 2009

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water and Sewer Fund	Solid Waste Disposal Fund	Other Enterprise Funds	Total	
Liabilities and Fund Equity					
Liabilities:					
Current liabilities (payable from current assets):					
Accounts payable	$ 24,708,258	$ 180,776	$ 1,567,763	$ 26,456,797	$ 220,568
Accrued payroll	607,190	22,998	13,802	643,990	5,868
Arbitrage liability	54,882	-	-	54,882	-
Due to other funds	-	270,150	-	270,150	-
Customer deposits	3,492,605	-	-	3,492,605	-
Due to other governments and agencies	-	-	40,540	40,540	-
Accrued interest payable	2,136,491	135,075	32,136	2,303,702	-
Deferred revenues	-	-	2,832	2,832	-
Current portion of revenue bonds	8,915,000	1,970,000	465,000	11,350,000	-
Current portion of note payable	2,521,761	-	-	2,521,761	-
Current portion of compensated absences	1,017,554	44,900	19,376	1,081,830	7,548
Current portion of capital leases	-	-	84,631	84,631	-
Current portion of closure and post closure care	-	133,887	-	133,887	-
Estimated liability for claims and judgments	-	-	-	-	10,088,529
Total current liabilities	$ 43,453,741	$ 2,757,786	$ 2,226,080	$ 48,437,607	$ 10,322,513
Long-term liabilities:					
Revenue bonds (net of current portion, bond discount, and loss on refunding)	$ 224,072,287	$ 10,412,553	$ 1,945,039	$ 236,429,879	$ -
Notes payable (net of current portion)	66,736,155	-	-	66,736,155	-
Compensated absences (net of current portion)	470,303	40,832	-	511,135	-
Closure and post closure care	-	26,756,686	-	26,756,686	-
Advances from other funds	-	-	1,200,000	1,200,000	-
Capital lease payable (net of current portion)	-	-	17,401	17,401	-
Total long-term liabilities	$ 291,278,745	$ 37,210,071	$ 3,162,440	$ 331,651,256	$ -
Total liabilities	$ 334,732,486	$ 39,967,857	$ 5,388,520	$ 380,088,863	$ 10,322,513
Net Assets					
Invested in capital assets, net of related debt	$ 1,173,020,991	$ (2,411,157)	$ 44,292,070	$ 1,214,901,904	$ 5,840
Unrestricted	44,611,721	(27,131,298)	537,531	18,017,954	17,391,281
Total net assets	$ 1,217,632,712	$ (29,542,455)	$ 44,829,601	$ 1,232,919,858	$ 17,397,121

Continued from preceding page.

Cobb County, Georgia
Proprietary Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
For the Fiscal Year Ended September 30, 2009

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water and Sewer Fund	Solid Waste Disposal Fund	Other Enterprise Funds	Total	
Operating revenues:					
Charges for services	$ 170,690,750	$ 5,578,983	$ 7,058,458	$ 183,328,191	$ 59,296,788
Miscellaneous income	610,763	102,930	7,540	721,233	-
Total operating revenues	$ 171,301,513	$ 5,681,913	$ 7,065,998	$ 184,049,424	$ 59,296,788
Operating expenses:					
Personnel services	$ 26,982,861	$ 2,923,466	$ 568,420	$ 30,474,747	$ 338,213
Other operating expenses	84,641,741	6,671,267	18,809,741	110,122,749	17,636,900
Benefits and claims	-	-	-	-	39,263,098
Total operating expenses	$ 111,624,602	$ 9,594,733	$ 19,378,161	$ 140,597,496	$ 57,238,211
Operating income (loss) before depreciation	$ 59,676,911	$ (3,912,820)	$ (12,312,163)	$ 43,451,928	$ 2,058,577
Less depreciation	(38,160,743)	(701,864)	(4,344,462)	(43,207,069)	(6,907)
Operating income (loss)	$ 21,516,168	$ (4,614,684)	$ (16,656,625)	$ 244,859	$ 2,051,670
Nonoperating revenues (expenses):					
Interest income	$ 475,413	$ 8,295	$ 8,627	$ 492,335	$ 211,638
Intergovernmental	638,096	-	-	638,096	-
Interest and fiscal charges	(7,128,528)	(553,431)	(138,343)	(7,820,302)	-
Amortization	227,426	56,491	(40,143)	243,774	-
Gain (loss) on sale of capital assets	47,684	(1,108,345)	-	(1,060,661)	500
Total nonoperating revenues (expenses)	$ (5,739,909)	$ (1,596,990)	$ (169,859)	$ (7,506,758)	$ 212,138
Net income (loss) before transfers and capital contributions	$ 15,776,259	$ (6,211,674)	$ (16,826,484)	$ (7,261,899)	$ 2,263,808
Capital contributions	$ 4,246,962	$ -	$ 6,270,652	$ 10,517,614	$ -
Total capital contributions	$ 4,246,962	$ -	$ 6,270,652	$ 10,517,614	$ -
Transfers:					
Transfers in	$ 638,369	$ 25,723,489	$ 11,167,731	$ 37,529,589	$ 1,944
Transfers out	(36,380,017)	(16,186)	(49,113)	(36,445,316)	(354,453)
Total transfers	$ (35,741,648)	$ 25,707,303	$ 11,118,618	$ 1,084,273	$ (352,509)
Changes in net assets	$ (15,718,427)	$ 19,495,629	$ 562,786	$ 4,339,988	$ 1,911,299
Fund net assets - beginning	$ 1,233,351,139	$ (49,038,084)	$ 44,266,815	$ 1,228,579,870	$ 15,485,822
Fund net assets - ending	$ 1,217,632,712	$ (29,542,455)	$ 44,829,601	$ 1,232,919,858	$ 17,397,121

See accompanying notes to financial statements.

Cobb County, Georgia
Proprietary Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended September 30, 2009

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water and Sewer Fund	Solid Waste Disposal Fund	Other Enterprise Funds	Total	
Cash flows from operating activities:					
Cash received from customers	$ 169,642,991	$ 5,901,371	$ 5,393,391	$ 180,937,753	$ 53,246,111
Cash payments for goods and services	(88,145,678)	(25,981,948)	(18,650,569)	(132,778,195)	(17,651,735)
Cash payments for employee services and fringe benefits	(26,828,899)	(3,101,195)	(560,796)	(30,490,890)	(354,993)
Cash payments for benefits and claims	-	-	-	-	(42,701,479)
Net cash from operating activities	$ 54,668,414	$ (23,181,772)	$ (13,817,974)	$ 17,668,668	$ (7,462,096)
Cash flows from noncapital financing activities:					
Transfers in	$ 638,369	$ 25,723,489	$ 11,167,731	$ 37,529,589	$ 1,944
Transfers out	(18,486,487)	(16,186)	(49,113)	(18,551,786)	(354,453)
Net cash from noncapital financing activities	$ (17,848,118)	$ 25,707,303	$ 11,118,618	$ 18,977,803	$ (352,509)
Cash flows from capital and related financing activities:					
Payments on capital leases	$ -	$ -	$ (88,676)	$ (88,676)	$ -
Proceeds from sale of capital assets	47,684	-	-	47,684	500
Payments for capital acquisitions	(90,313,265)	-	(3,732,719)	(94,045,984)	-
Bond principal payments	(5,135,000)	(1,910,000)	(450,000)	(7,495,000)	-
Capital contributions	1,659,414	-	6,270,652	7,930,066	-
Proceeds from note issuance	49,240,726	-	-	49,240,726	-
Payments on notes	(742,084)	-	-	(742,084)	-
Cost of note issuance	(816,667)	-	-	(816,667)	-
Proceeds from bond issuance	134,606,463	-	-	134,606,463	-
Interest and fiscal charges	(5,886,948)	(566,562)	(143,743)	(6,597,253)	-
Net cash from capital and related financing activities	$ 82,660,323	$ (2,476,562)	$ 1,855,514	$ 82,039,275	$ 500
Cash flows from investing activities:					
Interest received	$ 475,413	$ 8,295	$ 8,627	$ 492,335	$ 211,638
Net cash from investing activities	$ 475,413	$ 8,295	$ 8,627	$ 492,335	$ 211,638
Net increase (decrease) in cash and cash equivalents	$ 119,956,032	$ 57,264	$ (835,215)	$ 119,178,081	$ (7,602,467)
Cash and cash equivalents at beginning of year	44,025,245	20,720	1,184,189	45,230,154	9,344,628
Cash and cash equivalents at end of year	$ 163,981,277	$ 77,984	$ 348,974	$ 164,408,235	$ 1,742,161
Reconciliation to Combining Balance Sheet					
Cash	$ 163,360,702	$ 77,984	$ 348,974	$ 163,787,660	$ 1,742,161
Cash (included in restricted assets)	620,575	-	-	620,575	-
	$ 163,981,277	$ 77,984	$ 348,974	$ 164,408,235	$ 1,742,161

Continued on next page.

See accompanying notes to financial statements.

Cobb County, Georgia
Proprietary Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended September 30, 2009

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water and Sewer Fund	Solid Waste Disposal Fund	Other Enterprise Funds	Total	
Reconciliation of operating income (loss) to net cash from operating activities:					
Operating income (loss)	$ 21,516,168	$ (4,614,684)	$ (16,656,625)	$ 244,859	$ 2,051,670
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Depreciation	$ 38,160,743	$ 701,864	$ 4,344,462	$ 43,207,069	$ 6,907
Change in assets and liabilities:					
Decrease (increase) in accounts receivables	(1,980,157)	226,398	-	(1,753,759)	-
Decrease (increase) in other receivables	252,365	(6,940)	(18,539)	226,886	2,632
Decrease (increase) in due from other funds	69,270	-	-	69,270	(6,050,000)
Decrease (increase) in due from other governments	-	-	(1,000,436)	(1,000,436)	-
Decrease (increase) in due from others	-	-	(653,632)	(653,632)	(3,309)
Decrease (increase) in inventories	407,646	-	-	407,646	-
Decrease (increase) in other assets	185,013	-	-	185,013	-
Decrease (increase) in prepaid expenses	(1,954)	-	325	(1,629)	1,221
Increase (decrease) in accounts payable	(2,467,497)	(29,109)	145,280	(2,351,326)	(16,056)
Increase (decrease) in accrued liabilities	97,124	(43,593)	2,805	56,336	(1,832)
Increase (decrease) in accrued vacation payable	56,838	(177,729)	4,819	(116,072)	(14,948)
Increase (decrease) in due to other funds	(5,418)	(19,104,091)	-	(19,109,509)	-
Increase (decrease) in customer deposits	(565,651)	-	-	(565,651)	-
Increase (decrease) in due to other governments	(1,056,076)	-	36,456	(1,019,620)	-
for claims and judgments	-	-	-	-	(3,438,381)
Increase (decrease) in closure/postclosure care	-	(133,888)	-	(133,888)	-
Increase (decrease) in unearned revenues	-	-	(22,889)	(22,889)	-
Total adjustments	$ 33,152,246	$ (18,567,088)	$ 2,838,651	$ 17,423,809	$ (9,513,766)
Net cash provided (used) by operating activities	$ 54,668,414	$ (23,181,772)	$ (13,817,974)	$ 17,668,668	$ (7,462,096)
Schedule of noncash capital and related financing activities:					
Contribution of capital assets	$ 1,901,043	$ -	$ -	$ 1,901,043	$ -
Non-cash transfers	17,893,530	(19,369,748)	-	(1,476,218)	-
Total noncash capital and related financing activities	$ 19,794,573	$ (19,369,748)	$ -	$ 424,825	$ -

Continued from preceding page.

Cobb County, Georgia
Fiduciary Funds
Statement of Fiduciary Net Assets
September 30, 2009

	Pension Trust Fund	OPEB Trust Fund	
	Employee Retirement System	Other Post Employment Benefits	Agency Funds
Assets:			
Cash and cash equivalents	$ 206,659	$ -	$ 236,201,706
Investments, at fair value			
Common stock	148,190,186	-	-
Mutual funds	135,339,476	24,047,702	-
Group annunity contracts	37,940,104	-	-
Receivables			
Taxes and penalties	-	-	467,876,802
Accrued interest	639,630	-	-
Other	-	-	649
Due from other funds	-	-	-
Due from others	8,050	-	-
Total assets	$ 322,324,105	$ 24,047,702	$ 704,079,157
Liabilities:			
Bank overdraft	$ -	$ -	$ 649
Unremitted tax collections due to other governments and agencies	-	-	206,093,771
Taxes payable to others upon collection	-	-	467,876,802
Unremitted payroll tax and withholdings	-	-	132,720
Funds held in trust for others	-	-	29,975,215
Total liabilities	$ -	$ -	$ 704,079,157
Net assets held in trust for			
Pension benefits	$ 322,324,105	$ -	
Other post employment benefits	-	24,047,702	
Total net assets held in trust	$ 322,324,105	$ 24,047,702	

(See Schedule of Funding Progress on pages 80-82 for additional information)

Cobb County, Georgia
Fiduciary Funds
Statement of Changes in Fiduciary Net Assets
For the Fiscal Year Ended September 30, 2009

	Pension Trust Fund	OPEB Trust Fund
	Employee Retirement System	Other Post Employment Benefits
Additions		
Contributions:		
Employer	$ 23,873,521	$ 20,049,375
Employee	10,666,992	1,920,734
Total contributions	$ 34,540,513	$ 21,970,109
Investment earnings:		
Net appreciation (depreciation) in fair value of assets	$ 9,666,847	$ 1,095,309
Interest	7,340,238	-
Total investment earnings	$ 17,007,085	$ 1,095,309
Less investment expense	(1,062,062)	-
Net investment earnings	$ 15,945,023	$ 1,095,309
Miscellaneous revenue	$ 1,948,875	$ -
Total additions	$ 52,434,411	$ 23,065,418
Deductions		
Administrative expenses	$ 2,801	$ -
Benefits and claims	29,100,020	10,260,109
Total deductions	$ 29,102,821	$ 10,260,109
Change in net assets	$ 23,331,590	$ 12,805,309
Net assets held in trust		
Beginning of year	$ 298,992,515	$ 11,242,393
End of year	$ 322,324,105	$ 24,047,702

See accompanying notes to financial statements.

(THIS PAGE INTENTIONALLY LEFT BLANK)

COBB COUNTY, GEORGIA
INDEX TO NOTES TO FINANCIAL STATEMENTS
September 30, 2009

Note Title	Note Number	Page Number
Arbitrage Liability	20	77
Budgetary Information	2	41-43
Capital Assets	5	47-48
Capital Contributions	21	78
Cash and Cash Equivalents and Investments	3	43-45
Closure and Postclosure Care Costs	22	77
Contingent Liabilities	15	67
Deferred Compensation Plan	16	68
Deficit Fund Balances/Retained Earnings of Individual Funds	14	67
Due From Other Governments and Agencies	17	68-69
Employee Retirement System	19	72-77
Fund Balances/Retained Earnings Reserves and Designations	10	63-64
Hotel/Motel Lodging Tax	23	78
Interfund Balances and Transfers	12	64-65
Joint Venture	25	79
Leases	7	49-51
Long-Term Debt	8	51-62
Other Commitments	24	78
Other Post Employment Benefits	18	70-72
Property Taxes	11	64
Related Organization	26	79
Restricted Assets	4	46
Risk Management	6	48-49
Segment Information – Nonmajor Enterprise Funds	13	66-67
Short-Term Tax Anticipation Notes	9	62
Subsequent Events	27	79
Summary of Significant Accounting Policies	1	34-41

Note 1. Summary of Significant Accounting Policies

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

A. Reporting Entity

The financial statements of the reporting entity include those of Cobb County, Georgia (the primary government) and its component units. The component units discussed below are included in the reporting entity because the Cobb County Board of Commissioners, directly or indirectly, appointed a majority of the component units' board members and/or a financial benefit/burden relationship exists between the component units and the County.

In conformity with generally accepted accounting principles, as set forth in the Statement of Governmental Accounting Standards No. 14, "The Financial Reporting Entity", which was adopted by the County as of October 1, 1994, the financial statements of the component units have been included as discretely presented component units. The discretely presented component units are reported in separate columns in the government-wide statements to emphasize they are legally separate from the primary government. Information presented for the Cobb-Marietta Coliseum and Exhibit Hall Authority and the Cobb County Board of Health are as of and for the year ended September 30, 2009 and June 30, 2009, respectively. A brief description of the discretely presented component units is as follows:

1. Cobb-Marietta Coliseum and Exhibit Hall Authority

The Authority is a corporate and political body created and existing under the laws of the State of Georgia. The fiscal year end is September 30. The Authority was established for the general purpose of developing and promoting cultural growth, public welfare, education and recreation. The Authority operates and maintains a multi-use exhibit hall and convention facility, a performing arts centre, and a specialty mall in Cobb County. A majority of the Authority's board members are appointed, either directly or indirectly, by the Cobb County Board of Commissioners. The Authority is prohibited from issuing bonded debt without the approval of the Board of Commissioners.

2. Cobb County Board of Health

The Cobb County Board of Health was created by a state legislative act. During the fiscal year ended June 30, 2009, it operated under an eight member board and a full-time executive director. The Board of Health was established to provide various health related programs such as immunization, family planning, dental treatment, and nutrition services. The members of the board are jointly appointed by the County Commissioners, one municipality and two school districts. The Board of Health's operational budget must be approved by the Board of Commissioners.

Complete financial statements of the discretely presented component units can be obtained directly from their administrative offices. The addresses for the administrative offices are as follows:

Cobb-Marietta Coliseum and
Exhibit Hall Authority
Two Galleria Parkway
Atlanta, Georgia 30339

Cobb County Board of Health
1650 County Services Parkway
Marietta, Georgia 30008

Note 1. Summary of Significant Accounting Policies (Continued)

B. Government-Wide Statements and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all 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.

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns are presented on a consolidated basis by column, and are reflected on a full accrual, economic resource basis which recognizes all long-term assets and receivables as well as long-term debt and obligations. The County's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

The government-wide Statement of Activities reports both the gross and net cost of each of the County's functions and business-type activities. The functions are also supported by general governmental revenues, which include taxes, interest revenue and other items not properly included among program revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues include charges to customers for goods, services or privileges provided, operating grants and contributions, and capital grants and contributions. Program revenues must be directly associated with the function or business-type activity. Operating grants include operating-specific and discretionary grants while the capital grants reflect capital-specific grants. The net cost (by function or business-type activity) is normally covered by general revenue. Historically, the previous model did not summarize or present net cost by function or activity.

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

The measurement focus describes the type of transactions and events that are reported in a fund's operating statement. Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements 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 and fiduciary funds financial statements. The agency funds financial statements are reported using no measurement focus. 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.

Note 1. Summary of Significant Accounting Policies (Continued)

The emphasis in fund financial statements is on major funds in either the governmental or business-type activity categories. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditure/expenses of either fund category or the governmental and enterprise categories combined) for the determination of major funds. County management may electively add funds as major funds, when it is determined the funds have specific community or management focus.

The focus of the governmental funds' measurement in the funds' statement is upon determination of financial position and changes in financial positions (sources, uses, and balances of financial resources) rather than upon net income. Governmental funds 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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The County considers all revenue except intergovernmental revenue as available if it is collected within 60 days after year-end. Intergovernmental revenue is considered available if it is collected within 9 months after year end. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made within thirty days subsequent to year end.

Those revenues susceptible to accrual are property taxes, sales taxes, licenses, interest revenue and charges for services. Sales taxes collected and held by the state at year-end on behalf of the government also are recognized as revenue. Fines are not susceptible to accrual because generally they are not measurable until received in cash.

The County uses the following major funds:

1. Major Funds:

A. Governmental Funds:

1. 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.
2. The **Fire District Fund** is used to account for monies received from a specific property tax levy and the operation of the fire department within the County.
3. The **2006 SPLOST Fund** is used to account for the proceeds of a 1 percent local option sales tax approved in 2005 for various capital projects throughout the County.

B. Business-type Funds:

1. The **Water and Sewer Fund** accounts for the operating revenues and expenses of the water distribution system and sewage processing plants.
2. The **Solid Waste Disposal Fund** accounts for the operating revenues and expenses relating to the disposal of solid waste.

2. Internal Service Fund:

The **Claims Internal Service Fund** provides self-funding for casualty, liability, medical and dental claims and workmen's compensation.

Note 1. Summary of Significant Accounting Policies (Continued)

3. Fiduciary Fund Types:

A. Agency Funds account for Clerk of State Court, Clerk of Juvenile Court, Sheriff, Clerk of Superior Court, Clerk of Probate Court, Tax Commissioner, Accounts Payable Fund, Payroll Fund, and Child Support, Witness and Juror's Fees are accounted for on the accrual basis of accounting and are used for assets held by the government as an agent for individuals, private organizations, and other governments.

B. A **Pension and OPEB Trust Funds are** used to account for activities related to the public employees retirement system and other post employment benefits in a defined benefit plan. The County maintains Employee Retirement System Trust Funds that accounts the accumulation of resources for pension benefit payments to eligible employees.

4. Non-Current Governmental Assets and Liabilities:

GASB Statement No. 34 eliminates the presentation of Account Groups, but provides for these balances to be maintained and incorporated into the Governmental column of the government-wide Statement of Net Assets.

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 this same limitation. The County applies all applicable FASB pronouncements issued on or after November 30, 1989 in accounting and reporting for its enterprise operations, unless they conflict with GASB guidance.

The focus for proprietary fund measurement is upon determination of operating income, changes in net assets, financial position and cash flow. 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. Operating expenses for the enterprise funds and the internal service fund include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The generally accepted accounting principles applicable are those similar to business in the private sector.

The County's Internal Service Fund is presented in the proprietary funds financial statements. Because principal users of internal services are the County's governmental activities, the financial statement of the Internal Service Funds are consolidated into the Governmental column when presented in the government-wide financial statements. To the extent possible, the costs of these services are reported in the appropriate functional activity.

The County's fiduciary funds are presented in the fiduciary fund financial statements by type. Since by definition, these assets are held for the benefit of a third party and cannot be used to address activities or obligations of the County, these funds are not incorporated into the government-wide statements.

Note 1. Summary of Significant Accounting Policies (Continued)

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

D. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles except encumbrances are treated as budgeted expenditures in the year of the incurrence of the commitment to purchase. Accordingly, encumbrances are included as budgetary expenses in two different years. Annual appropriated budgets are adopted for the General Fund, the Debt Service Fund and the Special Revenue Funds. The Grant Fund and Housing and Urban Development Special Revenue Funds have twelve month annual adopted budgets that differ from the County's fiscal year end. Project-length financial plans are adopted for the Capital Projects Funds. All encumbered appropriations are carried forward in the following year's budget.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting – under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation – is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as reservations of fund balance and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

E. Cash and Cash Equivalents and Investments

For purposes of the statement of cash flows, the proprietary fund type considers all highly liquid investments with a remaining maturity of three months or less when purchased to be cash equivalents.

Cash includes amounts in demand deposits, certificates of deposit, and money market accounts. Statutes authorize the County to invest in U.S. Government obligations, U.S. Government agency obligations, State of Georgia obligations of other counties, municipal corporations and political subdivisions of the State of Georgia which are rated "AA" or better by Moody's Investors Service, Inc., negotiable certificates of deposit issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association, repurchase agreements when collateralized by U.S. Government or agency obligations, and pooled investment programs sponsored by the State of Georgia for the investment of local government funds. The Pension Trust Fund is also authorized to invest in corporate bonds, domestic common stocks, equity real estate, and international common stocks through pooled investment accounts.

The County's investment policy is to apply the "prudent person" standard and shall be applied in the context of managing an overall portfolio. The "prudent person" standard is herewith understood to mean the following: "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

It is also the policy of Cobb County to purchase securities only from those broker/dealers and banks that are included on the County's bid list as approved by the Finance Director-Comptroller. The approved list will be developed in accordance with these Investment Policies.

Note 1. Summary of Significant Accounting Policies (Continued)

Funds of Cobb County will be invested in compliance with the provisions of Georgia Code Section 36-83-4 and in accordance with these policies and written administrative procedures. Certain funds have outstanding bond issues which have specific investment policies contained within the bond ordinances and official statements. Those policies will be adhered to and are not in conflict with the terms of the investment policy.

In accordance with GASB 31, investments are stated at fair value. Fair value of the external investment pool, Georgia Fund 1, is equal to the value of the pool shares. See Note 3 for additional information regarding cash and investments.

F. Restricted Assets

The County's restricted assets in the Water and Sewer Enterprise Fund includes cash totaling $620,575 which is held in a separate account until monies are spent according to the bond covenants.

G. Interfund Receivables/Payables

Activities 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., non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in the applicable governmental fund to indicate that they are not available for appropriation and are not expendable available financial resources. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

H. Inventories

Inventories are valued at cost in the Governmental Fund types and at the lower of cost (first-in, first-out) or market in the Proprietary Fund types. Inventories in the General and Enterprise funds consist of expendable supplies held for consumption and items needed for repairs or improvements to the utility system.

The cost is recorded as an asset at the time the individual items are purchased. Reported inventories in the General Fund are equally offset by a fund balance reserve, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. The consumption method is used to account for inventories within the County's governmental and proprietary fund types.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond September 30, 2009 are recorded as prepaid items.

J. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, 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 government as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. 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.

Note 1. Summary of Significant Accounting Policies (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The County has fully implemented the retroactive reporting of infrastructure.

Capital assets of the primary government, as well as the component units, are depreciated using the straight line method over the following useful lives:

Assets	Years
Buildings and structures	25 – 50
Machinery and equipment	4 – 10
Vehicles	5
Buses	10
Sewerage Plants	10 – 50
Infrastructure	10 – 50

K. Compensated Absences

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Accumulated sick pay benefits have not been recorded as a liability because the payment of the benefits is contingent upon the future illness of an employee. It is not expected that any unrecorded sick pay benefits will exceed a normal year's accumulation.

In accordance with the provisions of Statement of Financial Accounting Standards No. 16, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay bonuses.

L. 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, business-type 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. Bonds payable are reported net of applicable bond premiums or discounts. 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.

Note 1. Summary of Significant Accounting Policies (Continued)

M. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

N. Interfund Transactions

All interfund services provided and used are reported as transfers.

O. Contributed Capital and Capital Contributions – Proprietary Funds

Grants, entitlements and shared revenues restricted for the acquisition or construction of capital assets were recorded as contributed capital prior to the implementation of GASB 33, *Accounting and Financial Reporting for Nonexchange Transactions*. As required by GASB 33, the County has recognized capital contributions as revenue rather than as contributed capital.

P. Net Assets

1. Invested in capital assets, net of related debt – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction or improvement of the assets.

2. Restricted net assets – This amount is restricted by external creditors, grantors, contributors or laws or regulations of other governments.

3. Unrestricted net assets – This amount is all net assets that do not meet the definition of "invested in capital assets, net of related debt" or "restricted net assets."

Note 2. Budgetary Information

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

A. Prior to August 1, the Chairman of the Board of Commissioners and the County Manager submit to the Board of Commissioners a proposed operating budget and capital projects budget for the fiscal year commencing the following October 1. The operating and capital projects budgets include proposed expenditures and the means of financing them.

B. Public hearings are conducted to obtain taxpayer comments.

C. At a date no later than the second Board meeting of September, the budget is formally approved.

D. All budget transfers must be approved by the Budget Administrator, County Manager and/or the Board of Commissioners depending on the type and/or amount of expenditure:

Note 2. Budgetary Information (Continued)

Budget Transfer		Approval Required
1	From overtime and part-time to operating and capital or between overtime and part-time.	Budget Administrator
2	Within operating expenditures in a department.	Budget Administrator
3	From operating expenditures to capital.	Budget Administrator
4	From capital to operating expenditures.	Budget Administrator
5	No budget transfers are to be made between the regular salaries and overtime and part-time budget or the operating expenditures budget in a department without Board approval.	
6	No budget transfers are to be made between the regular salaries and overtime and part-time budget or the capital budget in a department without Board approval.	

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each legally adopted annual operating budget is at the category level within departments.

Formal budgetary integration is employed as a management control device during the year for the General and Debt Service Funds. Annual budgets are also adopted for the Fire District, Law Library, Community Services, Senior Services, Hotel/Motel Tax, Emergency 911, Parking Deck Facility and 800 MHz Special Revenue Funds. Project length budgets are adopted for the Grant and Housing and Urban Development Funds. Budgets for the General, Debt Service and certain Special Revenue funds are adopted on the modified accrual basis except that encumbrances are treated as budgetary expenditures in the year of the incurrence of the commitment to purchase. Actual GAAP expenditures have been adjusted to the non-GAAP budgetary basis for budgetary comparison within this report. Because there were no encumbrances outstanding at the end of the year in the Debt Service Fund, Community Services, Hotel/Motel Tax, and 800 MHz Special Revenue Funds, the budgets for these funds are presented on a GAAP basis.

Budgeted amounts are as originally adopted, or as amended, by the Board of Commissioners. Individual amendments were not material in relation to the original appropriations that were amended. Unencumbered appropriations lapse at year-end. There were no material supplementary appropriations made during the year.

The actual results of operations on the budgetary basis are presented in the Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Budgetary Basis) for the General, and the major and nonmajor Special Revenue funds in order to provide a meaningful comparison of actual results with the budget. Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual are presented as supplementary information for certain nonmajor governmental funds.

The major difference between the budget basis and GAAP is that encumbrances are recognized as expenditures for budgetary purposes. All encumbered appropriations are carried forward in the following year's budget. Accordingly, encumbrances are included as budgetary expenses in two different years.

Note 2. Budgetary Information (Continued)

Adjustments necessary to convert the results of operations and fund balances at the end of the year on the budgetary basis to the GAAP basis are as follows:

	Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses		
	General Fund	Fire Fund	Nonmajor Special Revenue Funds
Budgetary Basis	$ (592,745)	$ (883,761)	$ 1,643,344
Encumbrances 9/30/09	1,747,807	205,898	5,406
Grant-length Plans	-	-	(3,389,138)
GAAP Basis	$ 1,155,062	$ (677,863)	$ (1,740,388)

	Fund Balances at End of Year		
	General Fund	Fire Fund	Nonmajor Special Revenue Funds
Budgetary Basis	$ 46,186,637	$ 13,585,967	$ 12,378,690
Encumbrances 9/30/09	1,747,807	205,898	5,406
Grant-length Plans	-	-	(2,073,308)
GAAP Basis	$ 47,934,444	$ 13,791,865	$ 10,310,788

Note 3. Cash and Cash Equivalents and Investments

PRIMARY GOVERNMENT AND FIDUCIARY FUNDS:

Concentration of Credit Risk
No more than 40% of the entire invested portfolio may be placed with any one bank or security dealer. The longer the maturity of a particular investment, the greater its susceptibility to market price and credit losses. The County seeks to limit such risk by maintaining conservative maturities that are within guidelines recommended by the Government Finance Officers Association (GFOA). These guidelines generally recommend avoiding securities with maturities beyond five years unless the investment is matched and held to a specific maturity.

Custodial credit risk – deposits and investments
Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The County has no formal policy, but reduces its exposure to custodial credit risk by requiring deposits and investments to be collateralized in accordance with State law. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties or municipalities. As of September 30, 2009, none of the agency funds deposits were exposed to custodial credit risk as uninsured and uncollateralized deposits.

Note 3. Cash and Cash Equivalents and Investments (Continued)

Investments are made in accordance with state law and the County's Investment Policy that requires that bank balances be 110% collateralized and that all investments be acquired on a "delivery vs. payment" basis, thereby providing maximum protection to the County.

As of September 30, 2009, the County's reporting entity had the following investments:

Type of Investment	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
PRIMARY GOVERNMENT					
Georgia Fund I	$ 219,357,701	$ 219,357,701	$ -	$ -	$ -
U.S. Agencies	51,400,000	6,000,000	45,400,000	-	-
Total Primary Government (non-fiduciary)	$ 270,757,701	$ 225,357,701	$ 45,400,000	$ -	$ -
FIDUCIARY FUNDS					
Pension Trust Fund:					
Common Stocks	$ 148,190,186	n/a	n/a	n/a	n/a
Mutual Funds	61,962,496	61,962,496	-	-	-
Bond Mutual Funds	73,376,980	-	57,558,840	15,818,140	-
Group Annuity Contracts	37,940,104	-	37,940,104	-	-
Georgia Fund I	206,659	206,659	-	-	-
Total Pension Trust Fund	$ 321,676,425	$ 62,169,155	$ 95,498,944	$ 15,818,140	$ -
OPEB Trust Fund:					
Mutual Funds	$ 18,179,770	$ 18,179,770	$ -	$ -	$ -
Bond Mutual Funds	5,867,932	-	5,867,932	-	-
Total OPEB Trust Fund	$ 24,047,702	$ 18,179,770	$ 5,867,932	$ -	$ -

Investments of the primary government include $219,357,701 grouped in cash and cash equivalents and exclude $4,400,000 of nonnegotiable certificates of deposits.

Credit Risk - Investments
As of September 30, 2009 the County's investments in Georgia Fund 1 were rated AAA. Of the County's investments in bond mutual funds $34,555,874 were rated AAA, $15,818,140 were rated AA2/AA3, and the remaining $28,870,898 were rated AA.

As of September 30, 2009 the County's investment in U.S. Agencies that are implicitly guaranteed were as follows: Federal National Mortgage Association $13,900,000, Federal Home Loan Bank $16,500,000, Federal Home Loan Mortgage Corporation $12,000,000, and Federal Farm Credit Banks $9,000,000. All of the U.S. Agencies that the County has investments with are rated AAA.

Interest Rate Risk - Investments
As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy limits the pension investments to the following maximum percentages: Domestic securities 65%, Non-domestic securities 15%, and Fixed income investments and Cash 40%.

The Office of Treasury and Fiscal Services is the oversight agency for Georgia Fund I.

Note 3. Cash and Cash Equivalents and Investments (Continued)

Component Units

A. Cobb-Marietta Coliseum and Exhibit Hall Authority

Custodial credit risk −deposits

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority limits its exposure to custodial credit risk by requiring deposits to be collateralized in accordance with state law. As of September 30, 2009, none of the Authority's total deposits of $4,040,339 were exposed to custodial credit risk.

Interest rate risk

In accordance with its investment policy, the Authority manages its exposure to the risk of declines in fair values by limiting the maturities of its investments to a maximum of five years for the debt service reserve account, three years for the General Fund renewal and expansion account, and six months or less in the other accounts.

Credit risk

As of September 30, 2009, the Authority had the following investments:

Type of Investment	Rating	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
PRIMARY GOVERNMENT					
Georgia Fund I	AAA	$ 23,170,700	$ -	$ -	$ -
Money Market Mutual Funds	AAAm	322	-	-	-
Total investments		$ 23,171,022	$ -	$ -	$ -

B. Cobb County Board of Health

At June 30, 2009 the Board's cash deposits were insured or collateralized with securities held by the Board or by its agent in the Board's name.

The following is a summary of the Board's investments at June 30, 2009:

Description	Rating	Fair Value	Weighted Average Maturity
Georgia Fund I	AAAm	$2,549,865	41 days

Note 4. Restricted Assets

A. Cobb-Marietta Coliseum and Exhibit Hall Authority

The Authority's restricted assets in the governmental funds include cash and investments held in separate accounts as required by the revenue bond ordinances, and interest and contributions receivable that are restricted in purpose.

In the general fund, cash and investments held in the renewal and expansion account are restricted for renewal and replacement of assets, expansion projects and contingencies. The general fund reports resources restricted for renewal and expansion in accordance with the revenue bond indenture.

Contributions received and pledged to the Performing Arts Centre Foundation that have purpose restrictions are reported as restricted assets.

In the debt service fund, the reserve account is required to be funded for the maximum debt service payment that will come due over the life of the senior lien bonds. Funds accumulated to pay current maturities are reported as restricted.

The Authority's restricted assets in the enterprise funds include refundable security deposits in the mall fund; ticket sales deposits that are refunded to artist and promoters in the Performing Arts Centre fund; and an intergovernmental receivable from Cobb County that is restricted for debt service in the Performing Arts Centre fund.

Governmental Funds	Cash	Receivables	Total
General Fund:			
Restricted for renewal and expansion	$ 13,810,008	$ -	$ 13,810,008
Performing Arts Centre Foundation:			
Restricted by donors	446,939	-	446,939
Debt Service Fund:			
Restricted for debt service	9,822,826	-	9,822,826
Total governmental funds	$ 24,079,773	$ -	$ 24,079,773

In the governmental activities column of the statement of net assets, an additional $8,401,920 in long-term contribution receivable have been restricted by donors for the construction and operation of the Performing Arts Centre and for raising funds to that end. When applicable, these contributions have been discounted at a rate of 6.5 percent.

Enterprise Funds			
Galleria Mall:			
Security deposits	$ 43,538	$ -	$ 43,538
Performing Arts Centre:			
Ticket sales deposits	1,113,816	-	1,113,816
Restricted for debt service	589,535	-	589,535
Due from primary government	-	52,688,320	52,688,320
Total enterprise funds	$ 1,746,889	$ 52,688,320	$ 54,435,209

Note 5. Capital Assets

Capital asset activity for the year ended September 30, 2009 was as follows:

Primary Government:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 831,782,524	$ 62,481,025	$ -	$ 894,263,549
Construction in progress	117,668,526	169,807,546	(87,435,245)	200,040,827
Total capital assets, not being depreciated	$ 949,451,050	$ 232,288,571	$ (87,435,245)	$ 1,094,304,376
Capital assets, being depreciated:				
Buildings	$ 312,619,411	$ 8,752,585	$ -	$ 321,371,996
Improvements other than buildings	27,938,225	1,056,135	-	28,994,360
Machinery and equipment	211,504,141	11,719,897	(9,355,235)	213,868,803
Infrastructure	2,220,799,291	75,589,814	-	2,296,389,105
Total capital assets, being depreciated	$ 2,772,861,068	$ 97,118,431	$ (9,355,235)	$ 2,860,624,264
Less accumulated depreciation for:				
Buildings	$ (79,848,414)	$ (6,119,539)	$ -	$ (85,967,953)
Improvements other than buildings	(10,687,770)	(1,318,051)	-	(12,005,821)
Machinery and equipment	(159,985,138)	(17,037,206)	9,222,328	(167,800,016)
Infrastructure	(696,964,246)	(56,406,775)	-	(753,371,021)
Total accumulated depreciation	$ (947,485,568)	$ (80,881,571)	$ 9,222,328	$ (1,019,144,811)
Total capital assets, being depreciated, net	1,825,375,500	16,236,860	(132,907)	1,841,479,453
Governmental activities capital assets, net	$ 2,774,826,550	$ 248,525,431	$ (87,568,152)	$ 2,935,783,829
Business-type activities:				
Capital assets, not being depreciated:				
Land and improvements	$ 68,015,978	$ 2,939,284	$ -	$ 70,955,262
Construction in progress	93,220,217	86,274,732	(31,974,751)	147,520,198
Total capital assets, not being depreciated	$ 161,236,195	$ 89,214,016	$ (31,974,751)	$ 218,475,460
Capital assets, being depreciated:				
Buildings and structures	$ 45,755,506	$ 3,069,431	$ (1,905,101)	$ 46,919,836
Sewerage plants	769,561,730	5,659,202	-	775,220,932
Machinery and equipment	86,805,079	999,012	(18,728,408)	69,075,683
Infrastructure:				
Sewer lines	497,562,148	9,840,649	-	507,402,797
Water lines and meters	340,138,054	20,692,811	-	360,830,865
Total capital assets, being depreciated	$ 1,739,822,517	$ 40,261,105	$ (20,633,509)	$ 1,759,450,113

Note 5. Capital Assets (Continued)

Less accumulated depreciation for:				
Buildings and structures	$ (11,123,636)	$ (1,256,849)	$ 818,146	$ (11,562,339)
Sewerage plants	(201,646,239)	(18,704,516)	-	(220,350,755)
Machinery and equipment	(61,999,352)	(5,458,400)	18,707,018	(48,750,734)
Infrastructure:				
Sewer lines	(144,261,739)	(9,768,836)	-	(154,030,575)
Water lines and meters	(121,067,686)	(8,018,468)	-	(129,086,154)
Total accumulated depreciation	$ (540,098,652)	$ (43,207,069)	$ 19,525,164	$ (563,780,557)
Total capital assets, being depreciated, net	1,199,723,865	(2,945,964)	(1,108,345)	1,195,669,556
Business-type activities capital assets, net	$ 1,360,960,060	$ 86,268,052	$ (33,083,096)	$ 1,414,145,016

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

Governmental activities:	
General government	$ 6,363,566
Public safety	13,093,922
Public works	57,821,210
Health and welfare	23,067
Culture and recreation	3,137,645
Housing and development	442,161
Total depreciation expense - governmental activities	$ 80,881,571
Business-type activities:	
Water and Sewer	$ 38,160,743
Solid Waste	701,864
Golf Course	167,016
Transit System	4,177,446
Total depreciation expense - business-type activities	$ 43,207,069

Note 6. Risk Management

The County established a risk management program for casualty, liability and medical claims in 1985. Premiums are paid into the Claims Internal Service Fund by other funds and are available to pay claims and administrative costs. The County is self-insured up to $450,000 per occurrence for workers' compensation. Amounts exceeding this are covered by an excess workers' compensation policy. The County also maintains an excess coverage policy for medical claims that covers individual claims in excess of $1,000,000. This policy provides for a $200,000 deductible for each occurrence. The County has not experienced any significant decreases in insurance coverage from the previous year nor has it paid any settlements in excess of insurance coverage in the past three fiscal years. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can reasonably be estimated. Liabilities include an amount for claims that have been incurred but not reported. Incurred but not reported claims of $10,088,529 have been accrued as a liability in the Claims Internal Service Fund based primarily upon a County and actuary's estimate. The entire liability is estimated to be current. Interfund premiums are based primarily upon the insured funds' claims experience.

Note 6. Risk Management (Continued)

September 30	Beginning Balance	Claims Incurred	Claims Paid	Ending Balance
2000	$ 6,897,785	$ 20,187,716	$ 19,868,066	$ 7,217,435
2001	7,217,435	22,521,847	21,685,709	8,053,573
2002	8,053,573	28,246,667	26,852,687	9,447,553
2003	9,447,553	32,360,331	30,576,030	11,231,854
2004	11,231,854	38,194,327	35,717,321	13,708,860
2005	13,708,860	40,961,207	38,035,702	16,634,365
2006	16,634,365	41,226,703	38,379,567	19,481,501
2007	19,481,501	38,230,339	43,648,895	14,062,945
2008	14,062,945	38,284,749	38,820,784	13,526,910
2009	13,526,910	39,263,098	42,701,479	10,088,529

Note 7. Leases

A. Operating Leases

The County has several operating leases for equipment that are not material.

B. Capital Leases

Cobb County is obligated under capital leases initiated in current and prior years covering various types of equipment and building improvements.

The assets acquired through capital leases are as follows:

	Total Governmental Activities
Asset:	
Buildings	$ 3,912,751
Machinery and equipment	33,709,210
Less: Accumulated depreciation	(14,186,305)
Total	$ 23,435,656

Note 7. Leases (Continued)

The following is a schedule of the future minimum lease payments together with the present value of the net minimum lease payments as of September 30, 2009:

	Total Governmental Activities	Total Business-type Activities
2010	$ 3,288,774	$ 86,306
2011	5,851,940	17,487
2012	5,422,828	-
2013	4,096,755	-
2014	765,546	-
2015-2019	1,631,000	-
Total minimum lease payments	$ 21,056,843	$ 103,793
Less: Amount representing interest	2,001,265	1,761
Present value of minimum lease payments	$ 19,055,578	$ 102,032

In October, 1997, a lease agreement was entered into with the Downtown Marietta Development Authority for the parking deck lease. This lease agreement is for 252 months with annual principal payments and semi-annual interest payments. The parking deck is used by Cobb County employees and the general public. The lease agreement qualifies as a capital lease and has been recorded in the Parking Deck Facility Special Revenue Fund.

In January, 2004, a lease agreement was entered into with Xerox Corporation for print shop equipment. The lease agreement is for 60 months. The lease agreement qualifies as a capital lease and has been recorded in the General Fund.

In August, 2004, a lease agreement was entered into with Motorola, Inc. for 800 MHz core equipment. This lease agreement is for 48 months with four annual principal and interest payments. This equipment will service numerous County departments including the Department of Public Safety, Sheriff's Department, Department of Transportation and the Water Department. This lease agreement qualifies as a capital lease and has been recorded in the Public Facilities Fund.

In July, 2006, a lease agreement was entered into with Bank of America Leasing and Capital, LLC. for maintenance equipment. This lease agreement is for 48 months with monthly principal and interest payments. This lease agreement qualifies as a capital lease and has been recorded in the Golf Course Fund.

In February, 2007, a lease agreement was entered into with Bank of America Leasing and Capital, LLC. for a Voice-Over I.P. System. This lease agreement is for 60 months with monthly principal and interest payments. This lease agreement qualifies as a capital lease and has been recorded in the Public Facilities Fund.

Note 7. Leases (Continued)

In March, 2007, a lease agreement was entered into with Bank of America Leasing and Capital, LLC. for a Judicial Court Information System. This lease agreement is for 60 months with monthly principal and interest payments. This lease agreement qualifies as a capital lease and has been recorded in the Public Facilities Fund.

In July, 2007, a lease agreement was entered into with Bank of America Leasing and Capital, LLC. for a Community Development Application System. This lease agreement is for 60 months with monthly principal and interest payments. This lease agreement qualifies as a capital lease and has been recorded in the Public Facilities Fund.

In January, 2008, a lease agreement was entered into with Bank of America Leasing and Capital, LLC. for golf carts. This lease agreement is for 36 months with monthly principal and interest payments. This lease agreement qualifies as a capital lease and has been recorded in the Golf Course Fund.

In April, 2008, a lease agreement was entered into with Xerox Corporation for print shop equipment. The lease agreement is for 72 months. The lease agreement qualifies as a capital lease and has been recorded in the General Fund.

In January, 2006, a lease agreement was entered into with OCE North America Inc for print shop equipment. The lease agreement is for 36 months. The lease agreement qualifies as a capital lease and has been recorded in the General Fund.

In April, 2009, a lease agreement was entered into with Suntrust for a law enforcement records management system. The lease agreement is for 60 months. The lease agreement qualifies as a capital lease and has been recorded in the Public Facilities Fund.

In April, 2009, a lease agreement was entered into with Sun Microsystem Global Financial Services for replacement of on Sun 4800 Server. The lease agreement is for 36 months. The lease agreement qualifies as a capital lease and has been recorded in the Public Facilities Fund.

In September, 2009, a lease agreement was entered into with Bank of America Leasing and Capital, LLC for Powder Springs Station. The lease agreement is for 48 months. The lease agreement qualifies as a capital lease and has been recorded in the Public Facilities Fund.

Note 8. Long-Term Debt

A. Primary Government

Bonds payable at September 30, 2009 are comprised of the following individual issues:

1. General Obligation Bonds

   $15,000,000 2008 Park serial bonds due in annual installments of $1,690,000 to $2,185,000 through January 1, 2018; interest at 2.42 to 3.63 percent ($15,000,000 outstanding). The Bonds were issued to finance the costs of acquiring park land within the County to be owned by the County for so long as any Series 2008 Bonds remain outstanding and to be used as park land in perpetuity, and paying the costs of the issuance of the Series 2008 Bonds.

Note 8. Long-Term Debt (Continued)

$25,000,000 2007 Park serial bonds due in annual installments of $3,060,000 to $4,130,000 through January 1, 2017; interest at 4.25 to 5.00 percent ($25,000,000 outstanding). The Bonds were issued to finance the costs of acquiring park land within the County to be owned by the County for so long as any Series 2007 Bonds remain outstanding and to be used as park land in perpetuity, and paying the costs of the issuance of the Series 2007 Bonds.

$18,345,000 2005 refunding serial bonds due in annual installments of $100,000 to $2,200,000 through January 1, 2017; interest at 3.00 to 5.00 percent ($15,080,000 outstanding). The Bonds were issued for the purpose of advance refunding, defeasing and optionally redeeming the County's outstanding Park and Recreation Bonds, Series 1996 and paying the cost of issuance of the Series 2005 Bonds.

$31,640,000 2003 refunding serial bonds due in annual installments of $3,600,000 to $5,220,000 through January 1, 2010; interest at 3.00 to 5.00 percent ($5,220,000 outstanding). The Bonds were issued to refund the County's Building and Facilities Bonds, Series 1993 and the Animal Control Center Bonds, Series 1993 and to pay expenses necessary to accomplish the foregoing.

2. Revenue Bonds

a. Water and Sewerage

$126,570,000 2009 serial bonds due in annual installments of $3,640,000 to $9,350,000 through July 1, 2029; interest at 3.00 to 4.25 percent ($126,570,000 outstanding). The Bonds were issued to finance a portion of certain additions, betterments, replacements, extensions and improvements to the County's water and sewerage facilities and to pay expenses necessary to accomplish the foregoing.

$100,000,000 2003 serial bonds due in annual installments of $5,135,000 to $8,740,000 through July 1, 2023; interest at 4.00 to 5.00 percent ($94,865,000 outstanding). The Bonds were issued to provide funds to finance a portion of certain additions, betterments, replacements, extensions and improvements to the County's water and sewerage facilities and to pay expenses necessary to accomplish the foregoing.

The County has pledged future water customer revenues, net of specified operating expenses, to repay $226.6 million in water revenue bonds issued from 2003 to 2009. Proceeds from the bonds will provide financing for water and sewer infrastructure. The bonds are payable from water customer net revenues and are payable through 2029. Annual principal and interest payments on the bonds are expected to require less than 7.0% of operating revenues. The total principal and interest remaining to be paid on the bonds as of September 30, 2009 was $221,435,000 and $101,383,945 respectively.

b. Solid Waste Disposal

$19,285,000 2004 refunding serial bonds due in annual installments of $1,720,000 to $2,100,000 through January 1, 2015; interest at 2.75 to 5.00 percent ($12,000,000 outstanding). The Bonds were issued for the purpose of refunding, defeasing and optionally redeeming all of the Authority's outstanding Revenue Bonds, Series 1995 and paying the costs of issuance of the Series 2004 Bonds.

Note 8. Long-Term Debt (Continued)

The County has pledged future solid waste customer revenues, net of specified operating expenses, to repay $19.8 million in solid waste revenue bonds issued from 2004. Proceeds from the bonds provided financing for the solid waste and compost facility. The bonds are payable from solid waste customer net revenues and are payable through 2015. Annual principal and interest payments on the bonds are expected to require less than 30.0% of operating revenues. The total principal and interest remaining to be paid on the bonds as of September 30, 2009 was $12,000,000 and $1,761,350 respectively.

c. Cobblestone Golf Course

$6,905,000 1997 Recreation Authority refunding serial bonds due in annual installments of $355,000 to $570,000 through January 1, 2014; interest at 4.45 to 5.00 percent ($2,590,000 outstanding). The Bonds were issued to provide funds to refund the Series 1992 Bonds and to pay expenses necessary to accomplish the foregoing.

The County has pledged future golf course customer revenues, net of specified operating expenses, to repay $6.9 million in recreation authority revenue bonds issued from 1997. Proceeds from the bonds provided financing for the construction of the Cobblestone Golf Course facility. The bonds are payable from golf course customer net revenues and are payable through 2014. Annual principal and interest payments on the bonds are expected to require less than 30.0% of operating revenues. The total principal and interest remaining to be paid on the bonds as of September 30, 2009 was $2,590,000 and $336,033 respectively.

The annual requirements to amortize all General Obligation and Revenue bonds outstanding at September 30, 2009 including interest payments of $187,808,003 are as follows:

	Governmental Activites		Business-Type Activities	
	General Obligation Bonds		Revenue Bonds	
Year Ending September	Principal	Interest	Principal	Interest
2010	$ 6,820,000	$ 2,412,750	$ 11,350,000	$ 9,830,247
2011	6,410,000	2,126,813	12,185,000	10,020,130
2012	6,700,000	1,853,362	12,385,000	9,467,325
2013	6,995,000	1,559,018	13,040,000	8,885,150
2014	7,310,000	1,247,782	13,455,000	8,233,776
2015-2019	26,065,000	1,829,274	63,385,000	33,134,875
2020-2024	-	-	67,215,000	18,198,012
2025-2029	-	-	43,010,000	5,711,813
	$ 60,300,000	$ 11,028,999	$ 236,025,000	$ 103,481,328

Note 8. Long-Term Debt (Continued)

Year Ending September 30	Component Units Revenue Bonds Principal	Component Units Revenue Bonds Interest
2010	$ 4,190,000	$ 6,292,624
2011	4,430,000	6,124,022
2012	4,680,000	5,942,792
2013	4,960,000	5,740,637
2014	5,260,000	5,526,518
2015-2019	31,600,000	23,720,351
2020-2024	42,300,000	15,289,025
2025-2029	40,445,000	4,661,707
	$ 137,865,000	$ 73,297,676

The annual requirements to amortize all Water and Sewer Revenue Bonds outstanding at September 30, 2009 are as follows:

	Outstanding Parity Bonds Principal	Interest	Total
2010	$ 8,915,000	$ 9,202,344	$ 18,117,344
2011	9,665,000	9,485,775	19,150,775
2012	10,015,000	9,044,825	19,059,825
2013	10,395,000	8,588,025	18,983,025
2014	10,835,000	8,068,275	18,903,275
2015-2019	61,385,000	33,084,875	94,469,875
2020-2024	67,215,000	18,198,012	85,413,012
2025-2029	43,010,000	5,711,813	48,721,813
Total	$ 221,435,000	$ 101,383,944	$ 322,818,944

The preceding information is presented in order to meet continuing disclosure requirements as set forth in the Security and Exchange Commission's Rule 15c2-12(b)(5).

3. Compliance

The 1985 Series Water and Sewerage Bond Resolution requires the establishment of a Debt Service Reserve Account within the Water and Sewerage Sinking Fund in an amount at least equal to the highest annual debt service on the Series 1985 Bonds. The Resolution also authorizes Cobb County to obtain a surety bond in place of funding the Debt Service Reserve Account. The County has obtained a Municipal Bond Insurance Association bond for this purpose. However, the Series 2003 Resolution amends the Prior Resolutions and provides that commencing on December 1, 2003, there shall no longer be a Debt Service Reserve Requirement for any Bonds then outstanding. There are a number of limitations and restrictions contained in the various bond indentures. The County is in compliance with all significant limitations and restrictions.

$6,617,567 is available in the Debt Service Fund to service the general obligation bonds.

Note 8. Long-Term Debt (Continued)

4. Prior Years' Advance Refundings

On September 30, 2009 there were no bonds outstanding that are considered defeased.

G.O. Bonds:

During the fiscal year ending September 30, 2003, the County issued Series 2003 General Obligation Refunding Bonds of $31,640,000 with interest rates of 3.0 percent to 5.0 percent to advance refund $32,490,000 of the 1993 Detention Facility and Animal Control Center serial bonds with interest rates of 4.70 to 5.50 percent. The 2003 General Obligation Refunding Bonds were issued at a premium of $2,495,009, less an underwriting discount of $13,531, plus accrued interest on the Bonds from their dated date to the date of delivery of $83,172. After paying the issuance costs of $66,960 the net proceeds were $33,808,908.

The net proceeds from the issuance were used to purchase U.S. government securities and those securities were deposited into an irrevocable trust with an escrow agent to provide debt service payments on the 1993 bond issue maturing in 2010. The advance refunding met the requirements of an in-substance defeasance, thus the refunded portions of the 1993 bonds are no longer included in the Governmental Activities Statement of Net Assets bond payable balance. As a result of the advanced refunding, the County reduced its total debt service requirements by $2,570,241 that resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of $2,351,427.

The $18,345,000 2005 Parks and Recreation Refunding Bonds were issued at a premium of $900,880 less an underwriting discount of $29,750 and issuance costs of $72,000 resulting in net proceeds of $19,144,130.

These net proceeds, together with $321,704 of sinking funds monies available to pay interest accrued on the Series 1996 Refunding Bonds, were deposited into an irrevocable trust with a defeasance escrow agent to satisfy the defeasance requirement on January 1, 2007. As a result of the refunding and defeasance, the County reduced its total debt service requirement by $1,284,390 which resulted in an economic gain (difference between the present value of the debt service payments on the Refunded Bonds and the 2005 Bonds) of $1,020,494.

Revenue Bonds:

During the fiscal year ending September 30, 2003, the County issued Series 2003 Water and Sewer Refunding Revenue Bonds of $36,545,000 with interest rates of 3.0 percent to 5.0 percent to advance refund $49,430,000 of the 1993 Water and Sewer Revenue Bonds with interest rates of 4.75 to 5.40 percent. The 2003 Water and Sewer Refunding Revenue Bonds were issued at a premium of $3,149,556, less an underwriting discount of $52,259, plus accrued interest on the Bonds from their dated date to the date of delivery of $97,735. After paying the issuance costs of $81,931 the net proceeds were $51,460,128. The net proceeds from the issuance were used to purchase U.S. government securities, and those securities were deposited into an irrevocable trust with an escrow agent to provide debt service payments on the 1993 bond issue maturing in 2008. The advance refunding met the requirements of an in-substance defeasance, thus the refunded portions of the 1993 bonds are no longer included in the Water and Sewer Fund Statement of Net Assets bond payable balance.

Note 8. Long-Term Debt (Continued)

As a result of the advanced refunding, the County reduced its total debt service requirements by $2,899,909, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of $2,683,436.

During the fiscal year ending September 30, 2004, the County issued Series 2004 Water and Sewer Revenue Refunding Bonds in the aggregate principal amount of $34,520,000 with interest rates of 2.0 percent to 5.0 percent. The 2004 Bonds were issued to provide funds to be used, together with other funds available for such purpose, to refund upon optional redemption on July 1, 2004 the outstanding Cobb County Water and Sewerage Revenue Refunding Bonds, Series 1996 (the "Refunded Bonds"), maturing July 1 in each of the years 2005 through and including 2008, outstanding in the aggregate principal amount of $34,380,000 with interest at 5.125% and pay expenses to accomplish the foregoing. In connection with such refunding, the County defeased all outstanding Series 1996 Bonds, including the Refunded Bonds and the Series 1996 Bonds maturing on July 1, 2004.

The $34,520,000 2004 Bonds were issued at a premium of $2,514,153 less an underwriter's discount of $59,054 and issuance costs of $172,600 resulting in total net proceeds of $36,802,499. The net proceeds from the issuance were used, together with $6,239,089 of sinking fund monies available for the July 1, 2004 maturity of the unrefunded portion of the Series 1996 Bonds, to purchase U.S. Government securities that were deposited into an irrevocable trust with a defeasance escrow agent to satisfy the defeasance requirement on July 1, 2004. As a result of the refunding and defeasance, the County reduced its total debt service requirements by $1,776,986, which resulted in an economic gain (difference between the present value of the debt service payments on the Refunded Bonds and 2004 Bonds) of $1,737,545.

In December 2004, the County issued Series 2004 Solid Waste Management Authority Revenue Bonds in the amount of $19,285,000. The bond is repayable over 10 years with the principal payment beginning January 1, 2006 and bears interest at a rate of 3.0 to 5.0 percent which is payable semiannually over 10 years on July 1 and January 1 of each year beginning July 1, 2005.

5. Intergovernmental Contract Payable

$57,000,000 2004 Intergovernmental Contract Payable is due in annual installments of $840,000 to $4,525,000 through January 1, 2029; interest at 2.00 to 5.00 percent ($52,115,000 outstanding). The contract obligates Cobb County to pay the debt service obligations on the Cobb County Coliseum and Exhibit Hall Authority Series 2004 (Performing Arts Center Project) Revenue Bonds until the bonds are repaid.

Note 8. Long-Term Debt (Continued)

	Intergovernmental Contract Payable		
	Principal	Interest	Total
2010	$ 1,195,000	$ 2,274,757	$ 3,469,757
2011	1,285,000	2,239,051	3,524,051
2012	1,375,000	2,197,432	3,572,432
2013	1,475,000	2,151,119	3,626,119
2014	1,595,000	2,101,231	3,696,231
2015-2019	10,220,000	9,179,560	19,399,560
2020-2024	14,795,000	6,120,585	20,915,585
2025-2029	20,175,000	2,302,307	22,477,307
Total	$ 52,115,000	$ 28,566,042	$ 80,681,042

6. Notes Payable

$70,466,193 2008 Notes Payable is due in monthly installments of $105,875 to $193,840 through December 1, 2028; interest at 3.00 percent ($69,257,915 outstanding). The loan is financing the construction of various water tunnels and pump stations.

	Note Payable		
	Principal	Interest	Total
2010	$ 2,521,761	$ 1,958,263	$ 4,480,024
2011	2,709,276	1,964,857	4,674,133
2012	2,789,878	1,884,255	4,674,133
2013	2,878,246	1,795,887	4,674,133
2014	2,964,082	1,710,050	4,674,132
2015-2019	16,228,691	7,141,973	23,370,664
2020-2024	18,850,828	4,519,836	23,370,664
2025-2029	20,121,263	1,489,698	21,610,961
2030	193,890	478	194,368
Total	$ 69,257,915	$ 22,465,297	$ 91,723,212

B. Component Unit: Cobb-Marietta Coliseum and Exhibit Hall Authority

Bonds payable are comprised of the following individual issues at September 30, 2009:

$40,650,000 series 1993 term bonds, all of which was outstanding at September 30, 2009, that come due with the applicable fixed rates as follows:

October 1, 2012	$ 5,975,000	5.5%
October 1, 2018	11,735,000	5.5%
October 1, 2026	22,940,000	5.625%
	$ 40,650,000	

Note 8. Long-Term Debt (Continued)

The purpose of the 1993 issue was to refund a portion of the series 1991 bonds, which were issued to finance the construction of the convention centre.

$19,000,000 series 1996 A serial bonds, of which $15,165,000 was outstanding at September 30, 2009. The bonds are due in annual installments of $515,000 to $1,235,000, with variable interest rates that are reset weekly. Estimated future debt service requirements for the variable interest rate debt are calculated using the interest rate in effect at September 30, 2009 of 1.88 percent.

The purpose of the Series 1996A Bonds was to finance the purchase of approximately eleven acres of land for future expansion capabilities. During 2009, as a result of economic conditions, the Remarketing Agent was unable to place the Authority's Series 1996, variable rate, Junior Lien Revenue Bonds. At September 30, 2009, the liquidity provider now held the bonds. Subsequent to year end on December 3, 2009, the bonds were refunded with $14,335,000 Junior Lien Revenue Refunding Bonds, Series 2009.

$7,220,000 series 1999 serial bonds, of which $1,375,000 was outstanding at September 30, 2009. The serial bonds are due in annual installments of $640,000 to $705,000 through October 1, 2010; interest at 4.6 to 5.0 percent.

$16,730,000 series 1999 serial bonds, of which $3,240,000 was unrefunded and outstanding at September 30, 2009. These bonds are subject to mandatory redemption requirements beginning October 1, 2011. The unrefunded term bonds come due October 1, 2014 at a fixed rate of 6.0 percent.

The purpose of the 1999 issue was to finance the expansion of the Cobb Galleria Centre and the construction of a new parking deck. These bonds were partially advance refunded by the series 2005 revenue refunding bonds.

$2,120,000 series 2005 serial bonds, of which $2,065,000 was outstanding at September 30, 2009. The serial bonds are due in future annual installments of $20,000 to $990,000 through October 1, 2016, with interest at fixed rates from 3.0 to 4.0 percent.

$13,255,000 series 2005 term bonds, all of which was outstanding at September 30, 2009, that are subject to mandatory redemption requirements beginning October 1, 2017. The term bonds come due with the applicable fixed rates as follows:

October 1, 2019	$ 3,255,000	5.25%
October 1, 2026	10,000,000	5.50%
	$ 13,255,000	

The purpose of the 2005 issue was to refund a portion of the series 1999 bonds.

$44,180,000 series 2004 serial bonds, of which $39,295,000 was outstanding at September 30, 2009. The serial bonds are due in future annual installments of $1,120,000 to $3,790,000 through January 1, 2026 with interest at fixed rates from 2.0 to 5.0 percent.

$12,820,000 series 2004 term bonds, all of which was outstanding at September 30, 2009, that are subject to mandatory redemption requirements beginning January 1, 2027. The term bonds come due on January 1, 2029 at a fixed rate of 4.375 percent.

Note 8. Long-Term Debt (Continued)

The purpose of the 2004 issue was to finance the construction of a new Performing Arts Centre and parking garage. The debt service requirements for the 2004 revenue bonds are to be funded through an intergovernmental contract with Cobb County over the term of the debt.

$10,000,000 series 2007 term bonds, all of which was outstanding at September 30, 2009. The serial bonds are due in future annual installments of $390,000 to $760,000 through October 1, 2026, with interest at a fixed rate of 3.99 percent.

Advance refundings

During fiscal year 2005, the Authority issued $15,375,000 of revenue refunding bonds in order to provide resources for the purchase of U.S. government, state, and local government series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments on $15,400,000 of outstanding revenue bonds. As a result, the refunded bonds are considered to be legally defeased for accounting purposes and the liability has been removed from the governmental activities column of the statement of net assets. The reacquisition price of the new debt exceeded the net carrying amount of the old debt by $1,417,645. This amount is being netted against the new debt and will be amortized over the life of the new debt, which is the same as the remaining life of the refunded debt. This advance refunding was undertaken to reduce total debt service payments over the next 22 years by approximately $1,159,265 and resulted in an economic gain of $727,520. The total amount of in-substance defeased debt outstanding that is not reported in the Authority's financial statements as of September 30, 2009 is $15,400,000.

Compliance

There are a number of limitations and restrictions contained in the revenue bond indentures. The Authority is in compliance with all significant limitations and restrictions.

The following is a summary of changes in long-term obligations of the County's and the Component Unit's Governmental Activities and Business-type Activities for the fiscal year September 30, 2009:

Note 8. Long-Term Debt (Continued)

Governmental Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
GO Bonds:					
2008 Parks	$ 15,000,000	$ -	$ -	$ 15,000,000	$ -
2007 Parks	25,000,000	-	-	25,000,000	-
2005 Refunding	16,635,000	-	(1,555,000)	15,080,000	1,600,000
2003 Refunding	10,180,000	-	(4,960,000)	5,220,000	5,220,000
Total bonds before discounts and premiums	$ 66,815,000	$ -	$ (6,515,000)	$ 60,300,000	$ 6,820,000
Less:					
Original issuance discounts	$ (243,566)	$ -	$ 55,914	$ (187,652)	$ -
Deferred amounts on refunding	(583,808)	-	133,668	(450,140)	-
Add:					
Bond premiums	2,036,434	-	(485,384)	1,551,050	-
Total bonds payable	$ 68,024,060	$ -	$ (6,810,802)	$ 61,213,258	$ 6,820,000
Capital leases before discounts	$ 11,766,872	$ 12,567,168	$ (5,278,462)	$ 19,055,578	$ 2,534,413
Intergovernmental contract payable	$ 53,235,000	$ -	$ (1,120,000)	$ 52,115,000	$ 1,195,000
Compensated absences	$ 19,996,028	$ 13,288,529	$ (12,980,402)	$ 20,304,155	$ 12,980,402
Total other liabilities	$ 84,997,900	$ 25,855,697	$ (19,378,864)	$ 91,474,733	$ 16,709,815
Governmental Activities Long-term Liabilities	$ 153,021,960	$ 25,855,697	$ (26,189,666)	$ 152,687,991	$ 23,529,815

The Internal Service Fund predominately serves the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end, $7,548 of the Internal Service Fund's compensated absences are included in the above amounts. Also, for the governmental activities, claims and judgments and compensated absences are generally liquidated by the General Fund, Fire Fund, Senior Services Fund, Parking Deck Fund, Law Library Fund, E-911 Fund and the Grants Fund. The compensated absences of the component units are typically liquidated in the general fund.

Note 8. Long-Term Debt (Continued)

Business-type Activities:

Revenue Bonds:					
2009 Water & Sewer Serial	$ -	$ 126,570,000	$ -	$ 126,570,000	$ 3,640,000
2003 Water & Sewer Serial Bond	100,000,000	-	(5,135,000)	94,865,000	5,275,000
2004 Solid Waste Management Authority Refunding	13,910,000	-	(1,910,000)	12,000,000	1,970,000
1997 Refunding Recreation Authority	3,040,000	-	(450,000)	2,590,000	465,000
Total Bonds before discounts and premiums	$ 116,950,000	$ 126,570,000	$ (7,495,000)	$ 236,025,000	$ 11,350,000
Add: Bond premiums	$ 3,458,519	$ 9,005,021	$ (370,500)	$ 12,093,040	$ -
Less:					
Original issuance discount	(10,049)	-	1,697	(8,351)	-
Deferred amount on refunding	(396,263)	-	66,453	(329,810)	-
Total bonds payable	$ 120,002,208	$ 135,575,021	$ (7,797,349)	$ 247,779,879	$ 11,350,000
Capital leases	$ 190,709	$ -	$ (88,677)	$ 102,032	$ 84,631
Notes Payable	20,759,274	49,473,822	(975,181)	69,257,915	2,521,761
Closure and postclosure	27,024,461	-	(133,888)	26,890,573	133,887
Compensated absences	1,709,037	1,592,966	(1,709,037)	1,592,966	1,081,830
Total other liabilities	$ 49,683,481	$ 51,066,788	$ (2,906,783)	$ 97,843,486	$ 3,822,109
Business-type Activities Long-term Liabilities	$ 169,685,689	$ 186,641,809	$ (10,704,132)	$ 345,623,365	$ 15,172,109

Component Units

Cobb-Marietta Coliseum and Exhibit Hall Authority

Governmental Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Bonds payable:					
Revenue Bonds:	$ 78,230,000	$ -	$ (2,480,000)	$ 75,750,000	$ 2,605,000
Add: Uamortized issuance premium	1,664,076	-	(127,567)	1,536,509	-
Less deferred amounts:					
On refunding	(3,459,541)	-	299,393	(3,160,148)	-
For issuance discount	(294,804)	-	27,612	(267,192)	-
Total bonds payable	76,139,731	-	(2,280,562)	73,859,169	2,605,000
Line of credit	6,175,000	-	(700,000)	5,475,000	5,475,000
Compensated absences	192,872	197,108	(219,816)	170,164	170,164
Governmental Activities Long-term Liabilities	$ 82,507,603	$ 197,108	$ (3,200,378)	$ 79,504,333	$ 8,250,164

Note 8. Long-Term Debt (Continued)

Business-type Activities:					
Bonds payable:					
Revenue bonds	$ 63,235,000	$ -	$ (1,120,000)	$ 62,115,000	$ 1,585,000
Add: Unamortized issuance premium	1,099,484	-	(84,925)	1,014,559	-
Total bonds payable	64,334,484	-	(1,204,925)	63,129,559	1,585,000
Compensated absences	44,448	57,873	(65,741)	36,580	36,580
Unearned revenue	13,741,078	57,021	(598,560)	13,199,539	1,043,021
Business-type Activities Long-term Liabilities	$ 78,120,010	$ 114,894	$ (1,869,226)	$ 76,365,678	$ 2,664,601
Cobb County Board of Health					
Governmental Activities:					
Compensated Absences	$ 768,158	$ 722,655	$ (682,071)	$ 808,742	$ 682,071

Note 9. Short-Term Tax Anticipation Notes

In April 2009, the County issued $115 million in tax anticipation notes to finance the general operations of the County through October 2009. The notes bear interest at a rate of 1.25 percent and are due on December 31, 2009. These notes were paid on December 31, 2009 from 2009 property tax revenues collected between September and December. Total payments of principal and interest on December 31, 2009 amounted to $116,054,167.

The borrowings were allocated to the General Fund and Fire District Special Revenue Fund as follows:

	Principal	Premium	Total
General Fund	$ 80,000,000	$ 467,200	$ 80,467,200
Fire District Special Revenue Fund	35,000,000	204,400	35,204,400
	$115,000,000	$ 671,600	$ 115,671,600

Short-term debt activity for the year ended September 30, 2009, was as follows:

	Beginning Balance	Issued	Reductions	Ending Balance
Tax anticipation notes	$ 87,000,000	$ 115,000,000	$ (87,000,000)	$ 115,000,000
Premium on notes	149,753	671,600	(592,398)	228,955
Total tax anticipation notes payable	$ 87,149,753	$ 115,671,600	$ (87,592,398)	$ 115,228,955

Note 10. Fund Balances Reserves and Designations

A. Primary Government:

Reserves are used to indicate that a portion of the fund balance is not appropriable for expenditures or is legally segregated for a special future use. Designations of fund balances represents tentative management plans that are subject to change. The following reserves and designations are used by the County:

1. General, Special Revenue, Debt Service, and Capital Projects Funds:

    a. Reserved for encumbrances – reserved for payment of open commitments.

    b. Reserved for inventories and prepaid expenditures – reserved for inventory and contracts already purchased.

    c. Reserved for debt service – reserved for payment of bond principal and interest.

    d. Reserved for advances – reserved for payment of advance funding.

    e. Designation for construction and capital outlay – designated for projects financed by general obligation bond proceeds, sales tax revenues and transfers from the General Fund and the Fire District Special Revenue Fund.

    f. Designation for debt service – designated for payment of long-term debt principal and interest.

2. Fiduciary Funds:

    a. Reserved for employees' pension benefit – restricted for payment of future employee pension benefit distributions.

    b. Reserved for employees' other post employee benefit – restricted for payment of future employee other post employment benefit distributions.

B. Component Units:

Reserves represent those portions of the fund equity not appropriated for expenditure or legally segregated for a specific future use. The following are used by the Authority and the Board of Health:

1. General, Debt Service, Special Revenue and Capital Projects Funds:

    a. Reserved for encumbrances – reserved for payment of open commitments.

    b. Reserved for inventory – reserved for inventory already purchased.

    c. Reserved for renewal and expansion – restricted for construction, operation and maintenance.

    d. Reserved for debt service – restricted for payment of bond principal and interest.

Note 10. Fund Balances Reserves and Designations (Continued)

2. Fiduciary Funds:

Reserved for employees' pension benefit – restricted for payment of future employee pension benefit distributions.

Note 11. Property Taxes

The County bills and collects its own property taxes and those taxes for the Cobb County School System and some municipalities within the County. Collections of the County taxes and remittance of them to the General Fund, Fire District Fund, Debt Service Fund, the school system and municipalities are accounted for in the Tax Commissioner Agency Fund. County property tax revenues are recognized when levied to the extent that they result in current receivables.

Property taxes are levied each July based on values as of January 1st and are due on October 15th each year. FY09 property taxes were levied on August 6, 2009 with taxes being due on October 15th of the same year. Collections of property taxes are made throughout the year. Liens may attach to the property for unpaid taxes at any time within three years after the due date of October 15th.

Property tax collections will be used primarily to pay off outstanding tax anticipation notes that were issued in April 2009 to provide for financing of County operations for the fiscal year ended September 30, 2009.

Note 12. Interfund Balances and Transfers

A. Primary Government

Individual fund interfund receivable and payable balances for the fiscal year ended September 30, 2009 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	$ 1,531,981
	Solid Waste Fund	270,150
		1,802,131
Fire District Fund	General Fund	45,000
2006 SPLOST Fund	General Fund	71,040
	Fire District Fund	197,400
	Nonmajor Governmental Funds	732,297
		1,000,737
Water and Sewer Fund	General Fund	6,350,000
	Nonmajor Governmental Funds	616,191
		6,966,191

Note 12. Interfund Balances and Transfers (Continued)

Nonmajor Governmental Funds	General Fund	10,875,837
	Fire District Fund	4,366,503
	2006 SPLOST Fund	461,306
	Nonmajor Governmental Funds	20,796
		15,724,442
Nonmajor Business-Type Funds	Nonmajor Governmental Funds	653,632
Internal Service Fund	General Fund	11,455,258
	Fire District Fund	1,825,000
	Nonmajor Governmental Funds	12,675,000
		25,955,258
		$ 52,147,391

All interfund balances are due either to timing differences or to the elimination of negative cash balances within the various funds. All interfund balances are expected to be repaid during the fiscal year ending September 30, 2009.

Advance from/to other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Business-Type Funds	$ 1,200,000

The amounts payable to the General Fund and the Water and Sewer Fund relate to financing for cash purposes and are not subject to be repaid in the subsequent year.

	Transfer In								
Transfer out:	General Fund	Fire District Fund	2006 SPLOST Fund	Water and Sewer Fund	Solid Waste Fund	Internal Service Fund	Nonmajor Governmental Funds	Nonmajor Business-Type Funds	Total
General Fund	$ -	$ 205,000	$ -	$ 22,178	$ 7,829,959	-	$ 15,410,982	$ 6,834,014	$ 30,302,133
Fire District Fund	33,474	-	197,400	-	-	-	1,150,865	-	1,381,739
2006 SPLOST Fund	865,636	-	-	-	-	-	309,812	-	1,175,448
Water and Sewer Fund	17,660,610	-	-	-	17,893,530	-	825,877	-	36,380,017
Solid Waste Fund	-	-	-	-	-	-	16,186	-	16,186
Internal Service Fund	353,339	-	-	-	-	-	1,114	-	354,453
Nonmajor Governmental Funds	1,284,981	337,704	700,000	616,191	-	1,944	178,483	4,333,717	7,453,020
Nonmajor Business-Type Funds	-	-	-	-	-	-	49,113	-	49,113
Total transfers out	$ 20,198,040	$ 542,704	$ 897,400	$ 638,369	$ 25,723,489	$ 1,944	$ 17,942,432	$ 11,167,731	$ 77,112,109

Interfund transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 13. Segment Information – Nonmajor Enterprise Fund

The County issued revenue bonds to finance its golf course. However, investors in the revenue bonds rely solely on the revenue generated by the individual activities for repayment. Summary financial information for the golf course at September 30, 2009:

	Cobblestone Golf Course Fund
Condensed Statement of Net Assets	
Assets:	
Current assets	$ 227,170
Noncurrent assets:	
Capital assets	6,454,709
Other assets	17,848
Total assets	$ 6,699,727
Liabilities:	
Current liabilities	$ 689,677
Noncurrent liabilities	3,162,440
Total liabilities	$ 3,852,117
Net Assets:	
Invested in capital assets, net of related debt	$ 3,942,638
Unrestricted	(1,095,028)
Total net assets	$ 2,847,610
Condensed Statement of Revenues, Expenses and Changes in Net Assets	
Operating revenues	$ 1,713,320
Operating expenses	1,328,341
Operating income before depreciation	$ 384,979
Depreciation	$ (167,016)
Operating income	$ 217,963
Nonoperating revenues, (expenses), net	(176,204)
Net income (loss) before transfers	$ 41,759
Transfers in (out), net	(1,938)
Changes in net assets	$ 39,821
Beginning net assets	2,807,789
Ending net assets	$ 2,847,610

Note 13. Segment Information – Nonmajor Enterprise Fund (Continued)

Condensed Statement of Cash Flows		
Net cash provided (used) by:		
Operating activities	$	375,298
Noncapital financing activities		(1,938)
Capital and related financing activities		(682,419)
Investing activities		2,282
Net increase (decrease)		(306,777)
Beginning cash and cash equivalents	$	517,967
Ending cash and cash equivalents	$	211,190

Note 14. Deficit Fund Balances/Net Assets of Individual Funds

Fund	Deficit Fund Balance/ Net Assets
Solid Waste Disposal Enterprise Fund	$ 29,542,455
Grant Fund	$ 2,105,661

The deficit in the Solid Waste Disposal Enterprise Fund arises because of the application of generally accepted accounting principles to the financial reporting for enterprise funds in which an expense provision and related liability are being recognized based on the future closure and postclosure care costs. For the past few years, revenues have remained steady and a management plan was adopted so that expenses would not rise above the normal operational costs to run the facilities. Although the total equity of the Solid Waste Disposal Fund at September 30, 2009 was a deficit of $29,542,455, the estimate for the required landfill closure and postclosure costs represents $26,890,573 of this amount.

The deficit in the Grant Fund arises from the timing of the grant revenues and expenditures. As of September 30, 2009 the Grant Fund had deferred revenue of $4,467,842, which management anticipates recognizing in the next fiscal year.

Note 15. 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 County expects such amount, if any, to be immaterial.

The Single Audit, as required by OMB Circular A-133, including the independent auditor's reports on compliance and internal controls, is presented in the compliance section.

Cobb County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the County.

Note 16. Deferred Compensation Plan

Primary Government:

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.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the employees.

Investments are managed by the Plan's trustee under one of the investment options, or a combination thereof. The participants make the choice of the investment option(s).

The County has adopted GASB No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, which rescinded GASB Statement No. 2.

The County has only minor administrative involvement and does not perform any investing for the plan. Due to the fact the County's role in management of the plan assets is basically limited to transmitting amounts withheld from payroll to an outside party responsible for administering the plan, the County does not report the assets of the Deferred Compensation Plan in the County's financial statements.

Note 17. Due From Other Governments and Agencies

General Fund:		
Cobb County Board of Education	$ 30,812	
Cobb County Board of Health	1,057	
City of Acworth, Georgia	14,699	
City of Austell, Georgia	1,134,926	
City of Kennesaw, Georgia	6,589	
City of Marietta, Georgia	96,445	
City of Powder Springs, Georgia	6,284	
City of Smyrna, Georgia	20,595	
Chattahoochee Tech	6,151	
State of Georgia, Department of Human Resources	4,150	
State of Georigia, Department of Revenue	91,843	
United States, Department of Treasury	2,882	
Total General Fund		$ 1,416,433

Note 17. Due From Other Governments and Agencies (Continued)

Special Revenue Funds:			
Community Services Fund:			
State of Georgia, Department of Human Resources		$ 231,111	
Grant Fund:			
State of Georgia, Council of Juvenile Court Judges	$ 4,000		
State of Georgia, Criminal Justice Coordinating Council	11,311		
State of Georgia, Department of Human Resources	237,372		
State of Georgia, Department of Labor	14,365		
State of Georgia, Department of Transportation	13,794,250		
Federal Aviation Administration	210,796	$ 14,272,094	
Housing and Urban Development Fund:			
United States, Department of Housing and Urban Development		391,158	
Senior Services Fund:			
Atlanta Regional Commission		80,022	
800MHz Fund			
Cobb County Board of Education	$ 13,686		
City of Austell, Georgia	14,524	28,210	
Total Special Revenue Funds			$ 15,002,595
Capital Projects Funds:			
Road Sales Tax Extension 1994 Fund:			
State of Georgia, Department of Transportation		$ 74,268	
2006 SPLOST Fund:			
State of Georgia, Department of Transportation		12,170,174	
Public Facilities Fund:			
State of Georgia, Department of Transportation		115,199	
Total Capital Projects Funds			$ 12,359,641
Proprietary Funds:			
Water System Fund:			
City of Powder Springs, Georgia	$ 164,185		
Cobb Marietta Water Authority	4,082	$ 168,267	
Public Transit System Fund:			
Federal Transit Administration	$ 1,574,399		
State of Georgia, Department of Transportation	407,138		
United States, Department of Treasury	20,777	2,002,314	
Total Proprietary Funds			$ 2,170,581
Total Due from Other Governments and Agencies - Primary Government			$ 30,949,250

Note 18. Other Post Employment Benefits

The County implemented GASB 45 prospectively during the fiscal year ending September 30, 2008.

A. Plan Description and Provisions

The Cobb County Government Health Benefit Plan (the "OPEB Plan") is a single employer defined benefit post retirement healthcare plan, or other post employment benefit (OPEB) plan administered by the County. The Cobb County OPEB Trust is an irrevocable trust established pursuant to Section 115 of the Internal Revenue Code for the purpose of pre-funding other post-employment health benefits in accordance with GASB Statement 43 and GASB Statement 45. The trust was established June 10, 2008, by the Board of Commissioners to pre-fund medical and prescription drug benefits for retirees and their eligible dependents who are eligible for such benefits under existing County policy. Benefit provisions and contribution requirements are established and may be amended by the Cobb County Pension Fund Board of Trustees.

As of January 1, 2009 membership in the plan is comprised of the following:

Group	January 1, 2009
Active participants	4,363
Retirees and beneficiaries	945
Total	5,308

The January 1, 2008 valuation is used to determine the recommended contribution for fiscal year 2009.

Valuation date:	01/01/08
Actuarial cost method:	Projected unit credit cost method
Amortization method:	Level percentage of pay, open
Remaining amortization period:	30 years
Asset valuation method:	Market value of assets

The amortization period for this plan is open.

Actuarial Assumptions Utilized:	
Investment rate of return:	7.0%
Medical cost trend rate:	11.0%
Ultimate trend rate	5.0%
Year of ultimate trend rate:	2016
Includes inflation at:	3.0%

B. Eligibility

Eligible employees will include employees retiring from Cobb County and electing coverage at retiree rate.

Age 65 with 5 years of service, or
Age 55 with 7 years of service, or
Age plus service is equal to 80. (For employees hired on or after January 1, 2007, eligibility will additionally require age 55 or 35 years of service.)

Note 18. Other Post Employment Benefits (Continued)

C. Contributions

In 2009 Cobb County contributed an actuarially determined amount to the OPEB Plan trust. The annual required contribution amount is determined using actuarial methods and assumptions approved by the Cobb County Pension Fund Board of Trustees. It is intended to satisfy the minimum contribution requirements as set forth in GASB Statement 45.

Annual Pension Percentage of Annual OPEB Cost (APC)

Actuarial Valuation Date	APC	% of APC Contributed	Net OPEB Asset
1/1/2007	$ 19,472,704	101%	$ 259,310
1/1/2008	$ 19,472,704	103%	$ 835,981

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

Annual required contribution	$ 19,472,704
Interest on net OPEB obligation	(18,152)
Adjustment to annual required contribution	18,152
Annual OPEB cost (expense)	19,472,704
Contributions made	20,049,375
Increase in net OPEB asset	576,671
Net OPEB asset—beginning of year	259,310
Net OPEB asset—end of year	$ 835,981

In accordance with the recommendation of its actuary, pursuant to their plan evaluation as of January 1, 2008, the County contributed $20,049,375 to the Plan. This contribution consisted of $7,219,390 (3.39% of covered payroll) for normal costs, $12,829,985 (6.02% of covered payroll) for amortization of the unfunded actuarial accrued liability

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. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The accompanying schedules of employer contributions present information about the amounts contributed to the plan by employers in comparison to the ARC, an amount that is actuarially determined in accordance with the parameters of GASB Statement 43. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. 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 liabilities for benefits.

Note 18. Other Post Employment Benefits (Continued)

The following is the funding progress of the Plan as of the most recent valuation date:

OPEB Trust Fund
Schedule of Funding Progress

Valuation Date	Actuarial Value Of Assets	Actuarial Accrued Liability	Funded Ratio	Unfunded Actuarial Liability (UAL)	Annual Covered Payroll	UAL As A % Of Covered Payroll
1/1/2009	$ 9,878,363	$ 244,981,996	4.0%	$ 235,103,633	$ 232,989,182	100.9%

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 the long-term perspective of the calculations.

D. Summary of significant accounting policies

The plan financial statements are prepared on the accrual basis of accounting. Contributions from are recognized when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefit payments and refunds are recognized when due and payable in accordance with the terms of the plan.

Investment income is recognized as earned by the pension plan. Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value. The net appreciation (depreciation) in the fair value of investments held by the pension plan is recorded as an increase (decrease) to investment income based on the valuation of investments as of the date of the statement of plan net assets.

There are no investments in, loans to, or leases with parties related to the pension plan. Administrative costs are financed through investment earnings.

Note 19. Employee Retirement System

A. Primary Government

The County maintains a single-employer, contributory, defined benefit pension plan, the Cobb County Employees' Retirement System Pension Plan (the "Plan"), covering the Board of Commissioners and their direct appointees and substantially all other full-time employees. The pension plan financial statements are included in this report. No stand-alone financial report is issued. Pension costs are recorded in the amount of the County's contributions to the Pension Trust Fund. Oversight of the Plan is by a five member Board of Trustees composed of appointees by the Board of Commissioners who represents the interest of the employees and taxpayers of the County. The Board of Trustees provides an annual report to the Board of Commissioners.

Note 19. Employee Retirement System (Continued)

1. Summary of Significant Accounting Policies and Plan Asset Matters:

   Basis of Accounting:
   The Plan's financial statements are prepared on the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The government's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

   Valuation of Investments:
   Plan investments are valued at fair value. Short-term investments are reported at cost that approximates fair value. Fixed income and equity securities are valued at the last reported sales price.

2. Plan Description and Provisions:

   County Commissioners, their direct appointees, and substantially all other full-time employees participate in the Plan, a single-employer, contributory, defined benefit pension plan. The payroll for employees covered by the Retirement System for the plan year ended December 31, 2008 was $212,961,351 As of January 1, 2009 membership in the plan is comprised of the following:

Group	January 1, 2009
Retirees and beneficiaries currently receiving benefits	1,396
Vested terminated employees	741
Fully vested and non-vested active employees	4,245

The January 1, 2008 valuation is used to determine the recommended contribution for fiscal year 2009.

Valuation date:	01/01/08
Actuarial cost method:	Projected unit credit cost method
Amortization method:	Level percentage of projected payroll
Remaining amortization period:	30 years, open
Asset valuation method:	Rate of 8.00%

The amortization period for this plan is open.

Actuarial Assumptions Utilized:	
Investment rate of return:	8.0%
Projected salary increases:	1.03% to 1.05%
Includes inflation at:	3.0%
Cost-of-living adjustments:	None

Note 19. Employee Retirement System (Continued)

Pension Trust Fund
Schedule of Funding Progress

Valuation Date	Actuarial Value Of Assets	Actuarial Accrued Liability	Funded Ratio	Unfunded Actuarial Liability (UAL)	Annual Covered Payroll	UAL As A % Of Covered Payroll
1/1/2009	$ 323,267,022	$ 624,336,018	51.8%	$ 301,068,996	$ 226,351,702	133.0%

The required schedule of funding progress immediately following notes to 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.

3. Contributions:

The County's funding policy is to provide for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The required contribution is determined using the Projected Unit Credit method. The unfunded accrued liability is amortized based on the requirements of the Georgia Public Retirement Systems Standard law (Georgia Code Title 47, Article 20), which sets forth minimum funding requirements for public plans in the state. In addition to the actuarially determined contribution requirement, the County may also make discretionary contributions to the Plan.

In accordance with the recommendation of its actuary, pursuant to their plan evaluation as of January 1, 2008, the County contributed $23,873,521 to the Plan. This contribution consisted of $10,946,213 (5.14% of covered payroll) for normal costs, $12,927,308 (6.07% of covered payroll) for amortization of the unfunded actuarial accrued liability.

Pursuant to plan enhancements adopted by the Board of Commissioners, as of April 1, 1998, all existing employees were given the option to contribute and all new employees were required to contribute 4% of their basic annual compensation in return for improved pension benefits as explained below. Effective October 1, 2005 the employee contribution amount was increased to 4.50%. Effective February 12, 2006 and February 11, 2007 the rate increased to 4.75% and 5.00% respectively. For fiscal year 2009, these contributions totaled $10,666,992.

The authority for the plan, benefits, vesting and contributions is established and can be amended by the Board of Commissioners.

Administrative costs of the plan are paid out of investment earnings.

Pension Benefits: For those participants not electing to contribute 4% of their salaries to the plan on April 1, 1998, the benefit formula is 1.5% of final earnings (as defined) multiplied by years of credited service to January 1, 1989 plus 1.9% of final earnings (as defined) multiplied by years of credited service after January 1, 1989.

Note 19. Employee Retirement System (Continued)

Benefit Formula	For those employees electing to contribute 4.25-5.00%, of their salaries to the plan on April 1, 1998, and for those employees hired after April 1, 1998, the benefit formula is 2.5% of final earnings (as defined) multiplied by years of credited service, up to a maximum of 35 years. Unreduced early retirement is offered to participants with age and service totaling 80.
Minimum Benefits:	$76 times years of credited service.
Early:	For employees hired before 1/1/09: Eligibility Age 55 with 7 years of service. For employees hired after 1/1/09: Eligibility Age 55 with 10 years of service.
Benefit Formula	Normal Retirement Benefit accrued to early retirement actuarially reduced for the number of months Annuity Commencement Date precedes Normal Retirement Date.
Special Provision	Participant age 60 and has 25 years of service or is 60 and disabled with consent of the Board of Commissioners may retire early. Normal retirement benefit accrued to early retirement, reduced 1/12 of 1% for each month that Annuity Commencement Date precedes Normal Retirement Date.
Vested:	For employees hired before 1/1/09: Eligibility – 7 years of service equals 100% vested. For employees hired after 1/1/09: 10 years of services equals 100% vested
Benefit Formula	Benefit accrued to date of termination.
Supplemental Benefits:	
Pre-Retirement Spouse Benefits:	
Active Employees	
Eligibility	Age 30 with 7 years of service; married one full year prior to death. Immediate eligibility if participant killed in the line of duty.
Benefit Formula	45% of Projected Normal Retirement Benefit unreduced commencing immediately. Benefit is reduced if the spouse is more than ten years younger than the participant.
Terminated Vested Participant	
Eligibility	Terminated participant who had a vested right to retirement income and has attained age 21, married one full year prior to death.

Note 19. Employee Retirement System (Continued)

Benefit Formula	Less than 15 years of service, the yearly amount will be 30% of the retirement income which the participant had accrued to date of death payable when participant could have first retired. More than 15 years of service, the yearly amount will be 45% of the retirement income that the participant had accrued to date of death payable when participant could have first retired.
Refund of Contributions	If a participant who is non-vested terminates, he or she receives a refund of contributions and interest.

4. Annual Pension Cost and Net Pension Asset

The annual pension cost and net pension asset for the calendar year ended 1/1/2009 were as follows:

Annual required contribution	$24,469,259
Interest on net pension asset	(580,948)
Adjustment to annual required contribution	478,518
Annual pension cost for 2008	24,366,829
Contributions made for 2008	22,516,698
Increase (decrease) in net pension asset	1,850,131
Net pension asset as of 1/1/2008	7,261,852
Net pension asset as of 1/1/2009	$ 5,411,721

5. Annual Pension Cost

Annual Pension Percentage of Annual Pension Cost (APC)

Actuarial Valuation Date	APC	% of APC Contributed	Net Pension Asset
1/1/2006	$ 18,117,615	114%	$ 6,500,710
1/1/2007	21,141,519	106%	7,261,852
1/1/2008	24,366,829	98%	5,411,721

B. Component Unit

Defined contribution plan

The Authority contributes to the Cobb-Marietta Coliseum and Exhibit Hall Authority Profit-Sharing Plan, which is a defined contribution plan under Section 401(a) of the Internal Revenue Code. The Plan is administered by the ICMA-Retirement Corporation. At September 30, 2009, there were 227 plan members.

Note 19. Employee Retirement System (Continued)

Plan provisions and contribution requirements are established and amended by the Authority. The plan consists solely of employer contributions. All employees who have performed one (1) hour of service are eligible to participate in the plan. Participants become fully vested in the plan after three (3) years of service. A participant that leaves the employment of the Authority is entitled to their account balance if vesting requirements are satisfied. Any forfeitures are used to reduce future employer contributions, or if no contributions are required, forfeited amounts are allocated to participant accounts based on the ratio of each participant's earnings to total earnings for all participants. The employer has elected to contribute 7.5% of each participant's wages, or such amount so as to meet the requirement to qualify for exclusion from participating in Social Security. The Authority made actual contributions during the year of $490,928. The plan held no securities of the Authority or other related parties during the year.

The Authority also contributes to the Cobb-Marietta Coliseum and Exhibit Hall Authority Eligible Deferred Compensation Plan, which is a defined contribution plan under Section 457 of the Internal Revenue Code. The Plan is administered by the ICMA-Retirement Corporation. At September 30, 2009, there were 25 plan members. Plan provisions and contribution requirements are established and amended by the Authority. The plan consists primarily of employee contributions, with employer contributions for key employees. All employees who have performed one (1) hour of service are eligible to participate in the plan, and there are no vesting provisions. The employer contribution to key employees for each plan year is discretionary, with no required minimum contribution. The Authority made actual contributions during the year of $30,605. The plan held no securities of the Authority or other related parties during the year.

Note 20. Arbitrage Liability

Section 148 of the Internal Revenue Code requires that, with certain exceptions, any arbitrage earned on the investment of bond proceeds be paid to the federal government. The term "arbitrage" refers to the ability to invest the proceeds of a relatively low interest rate state or municipal obligation in taxable market securities that bear a higher interest rate. The County has recorded a liability for "arbitrage" in the following fund:

Water and Sewer Enterprise Fund	$54,882

Note 21. Capital Contributions

As reported in Note 1, beginning October 1, 2001, with the implementation of GASB 33, the County now recognizes capital contributions as non-operating revenues in the Proprietary Funds Statement of Revenues, Expenses and Changes in Fund Net Assets.

Capital Contributions recognized as revenue in the Proprietary Funds for the fiscal year ending September 30, 2009 are presented below:

Source:	
Developers	$ 1,705,543
Grants	6,270,652
Donations	2,541,419
Total Capital Contributions	$ 10,517,614

Note 22. Closure and Postclosure Care Costs

State and federal laws and regulations require that the County place a final cover on its landfills when closed and perform certain maintenance and monitoring functions at the landfill sites for thirty years after closure. In addition to operating expenses related to current activities of the landfills, an expense provision and related liability are being recognized based on the future postclosure care costs that are being incurred now that the landfills are no longer accepting waste. Two landfill sites reached capacity on September 6, 2001. The third landfill site reached capacity on September 8, 2002. As of September 30, 2009, Cobb County has incurred a liability totaling $26,890,573.

This liability is recorded in the Solid Waste Disposal Fund and represents the amount of costs reported to date based on 100% of the original landfill capacity. The estimated remaining time for the landfills to be monitored and maintained is 25 years. In accordance with GASB 18, the estimated total current cost is based on the amount that would be paid if all equipment, facilities and services required to close, monitor and maintain the landfills were acquired as of September 30, 2009. However, the actual cost may be higher due to inflation, changes in technology or changes in landfill laws and regulations.

The County will fund the closure and postclosure care costs with subsidies from the General Fund. As of September 30, 2009, no amount of assets have been restricted for the payment of closure and postclosure care costs. The remaining portion of anticipated future inflation costs and additional costs that might arise from changes in postclosure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users, taxpayers, or both.

Note 23. Hotel/Motel Lodging Tax

Cobb County has levied an 8% lodging tax. A summary of the transactions for the year ending September 30, 2009 follows:

Lodging tax receipts	$ 9,327,241
Disbursements to bond Trustee on behalf of the Cobb-Marietta Coliseum and Exhibit Hall Authority	(5,829,526)
Balance of lodging tax was expended for the promotion of tourism and payment of debt service requirements of the Cobb-Marietta Coliseum and Exhibit Hall Authority as required by OCGA 48-13-51	$ 3,497,715

The receipts from Cobb County less 37.5% are pledged as a revenue source for debt service requirements of the Coliseum and Exhibit Hall as required by OCGA 48-13-51.

Note 24. Other Commitments

Commitments for water and sewerage system improvements at September 30, 2009 total approximately $36,972,154.

Note 25. Joint Venture

Under Georgia law, the County, in conjunction with other cities and counties in the ten county metropolitan Atlanta, Georgia area, are members of the Atlanta Regional Commission (ARC). Membership in a RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RDC in Georgia. The County paid dues in the amount of $747,485 to the ARC for the year ended September 30, 2009. The RDC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a RDC. Separate financial statements may be obtained from: Atlanta Regional Commission, 40 Courtland Street N.E., Atlanta, Georgia 30303.

Note 26. Related Organization

The Housing Authority of Cobb County is a related organization of Cobb County. The Housing Authority of Cobb County is excluded from the financial reporting entity because the County's accountability does not extend beyond making appointments. Audited financial statements are available from the Housing Authority.

Note 27. Subsequent Events

A. Primary Government

Subsequent to year end, the County received a $25 million loan from the Clean Water Revolving Fund administered by the Georgia Environmental Facilities Authority.

B. Component Unit

Subsequent to year end, the Cobb-Marietta Coliseum and Exhibit Hall Authority has issued $14,335,000 Junior Lien Revenue Refunding Bands, Series 2009, for the purposes of refunding all of the outstanding Junior Lien Revenue Bonds, Series 1996A.

(THIS PAGE INTENTIONALLY LEFT BLANK)

Required Supplemental Information

COBB COUNTY, GEORGIA
EMPLOYEE RETIREMENT SYSTEM
Required Supplementary Information
September 30, 2009

PENSION TRUST FUND
SCHEDULE OF FUNDING PROGRESS

Valuation Date	Actuarial Value Of Assets	Actuarial Accrued Liability	Funded Ratio	Unfunded Actuarial Liability (UAL)	Annual Covered Payroll	UAL As A % Of Covered Payroll
01/01/04	$ 254,922,779	$ 370,880,412	68.7%	$ 115,957,633	$ 161,900,582	71.6%
01/01/05	277,615,138	381,925,386	72.7%	104,310,248	163,790,058	63.7%
01/01/06	300,073,081	425,334,915	70.6%	125,261,834	182,934,101	68.5%
01/01/07	323,040,964	478,020,180	67.6%	154,979,216	188,088,292	82.4%
01/01/08	348,819,235	577,694,289	60.4%	228,875,054	212,961,351	107.5%
01/01/09	323,267,022	624,336,018	51.8%	301,068,996	226,351,702	133.0%

PENSION TRUST FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS

Annual Required Contribution (ARC)

Fiscal Year	ARC	% of ARC Contributed
09/30/04	$ 13,335,923	121%
09/30/05	15,072,944	117%
09/30/06	14,825,200	128%
09/30/07	18,187,260	113%
09/30/08	21,173,010	106%
09/30/09	24,469,259	98%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date:	01/01/08
Actuarial cost method:	Projected unit credit cost method
Amortization method:	Level percentage of projected payroll
Remaining amortization period:	30 years, open
Asset valuation method:	Rate of 8.00%

The amortization period for this plan is open.

Actuarial Assumptions Utilized:

Investment rate of return:	8.0%
Projected salary increases:	1.03 % to 1.05%
Includes inflation at	3.0%
Cost-of-living adjustments	None

With the exception of the plan years listed below, there were no plan amendments.

In plan year 1995, the plan changed from the "market value" method to the "asset smoothing" method for valuing plan assets. This change in assumption had no effect on the pension benefit obligation but did result in a contribution decrease of $473,922 for that year. Also effective January 1, 1995, the plan was amended to allow for an early retirement window incentive through the period ended December 31, 1994. This incentive allowed for the waiver of the early retirement reduction factor for all eligible members. This amendment had no effect on the pension benefits obligation but did result in a contribution increase of $276,783 for that year.

In plan year 1998, the Board of Commissioners adopted certain changes to the Plan, the most significant of which included the adoption of a "Rule of 80" (combination of years of service and age) and an increase in the benefit formula to 2.5% of final average salary multiplied by years of service from the current 1.5% per year (for service before January 1, 1989). These changes became effective on April 1, 1998.

Employees of the County provide the required additional funding to the Plan. For all employees hired after April 1, 1998, participation is mandatory and requires a contribution of 4% of their salary. For existing employees, a one-time enrollment option was provided, the exercise of which requires a contribution of 4% of their salary. If an existing employee chose not to exercise this one-time option, their retirement benefits remained at the pre-April 1, 1998 level as explained above.

In plan year 2003, the Board of Commissioners adopted an increase of the County's contribution to the plan of .31% becoming effective October 1, 2002. This increased the County's total contribution to 8.56%. For plan year 2004 beginning October 1, 2003, the County's contribution rate increased by an additional .75% bringing the County's total contribution to 9.31%. In addition, effective January 1, 2004 the employees' contribution amount increased by .25% increasing the employees' total contribution to 4.25%. October 1, 2005 the County increased contributions from 9.75% to 10.00% and February 12, 2006 the employees' contributions increased from 4.25% to 4.50%. October 1, 2006 the County increased contributions from 10.00% to 10.25% and February 11, 2007 the employees' contributions increased from 4.50% to 4.75%. October 1, 2007 the County increased contributions from 10.25% to 10.50% and February 11, 2008 the employees' contributions increased from 4.75% to 5.00%. October 1, 2008 the County increased contributions from 10.50% to 11.25%.

COBB COUNTY, GEORGIA
EMPLOYEE RETIREMENT SYSTEM
Required Supplementary Information
September 30, 2009

OPEB TRUST FUND
SCHEDULE OF FUNDING PROGRESS

Valuation Date	Actuarial Value Of Assets	Actuarial Accrued Liability	Funded Ratio	Unfunded Actuarial Liability (UAL)	Annual Covered Payroll	UAL As A % Of Covered Payroll
01/01/08	$ -	$ 223,377,278	0.0%	$ 223,377,278	$ 212,961,351	104.9%
01/01/09	9,878,363	244,981,996	4.0%	235,103,633	232,989,182	100.9%

(THIS PAGE INTENTIONALLY LEFT BLANK)

Nonmajor Funds

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to the expenditures for specific purposes.

The **Law Library Fund** provides for the operation and maintenance of the County's law library.

The **Community Services Fund** accounts for the grant monies received from the Georgia Department of Human Resources.

The **Grant Fund** accounts for grant monies received from various federal and state agencies.

The **Housing and Urban Development Grant Fund** accounts for monies received from the Department of Housing and Urban Development under the Community Development Block Grant Program.

The **Cobb Senior Services Fund** accounts for funds received from various state and local agencies to be expended for social welfare programs including services for senior citizens.

The **Hotel/Motel Tax Fund** accounts for the collection of taxes for a special taxing district.

The **Emergency 911 Fund** accounts for fee collection and the operation of the Emergency 911 system within the County.

The **Parking Deck Facility Fund** accounts for the operation and maintenance of the Marietta Square parking deck.

The **800 MHz Fund** accounts for the operation, maintenance and collection of monies for the 800 MHz core system.

Capital Projects Funds

Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities and improvements – other than those financed by Proprietary Funds.

The **Road Sales Tax Extension 1994 Fund** accounts for the proceeds of a 1 percent local option sales tax approved in 1994 for construction and improvements of roads throughout the County.

The **Public Facilities Fund** accounts for monies transferred for various governmental funds for the purpose of the construction of public facilities throughout the County.

The **Parks Bond Fund** accounts for proceeds from the series 2007 Parks Bond issue for the purpose of acquiring parks and recreation land to be used for Cobb County parks and recreation purposes.

Debt Service Fund

The **Debt Service Fund** is utilized to account for the accumulation and disbursement of money needed to comply with the interest and principal redemption requirements of the governmental fund type general obligation bonds.

NONMAJOR BUSINESS-TYPE FUNDS

Enterprise Funds

The Enterprise Funds account for the activities that are usually self-sustaining, principally through user charges for services rendered. The accounting records are maintained on the same basis as a commercial business.

The **Cobblestone Golf Course Fund** accounts for the operation and maintenance of the Cobblestone Golf Course.

The **Public Transit System Fund** accounts for the operation and maintenance of the local public transit system and accounts for the monies received from the Federal Transit Authority.

Internal Service Funds

The Internal Service Funds account for services performed by a central service department for other departments or agencies of the governmental unit.

The **Claims Internal Service Fund** provides self-funding for casualty, liability, medical and dental claims and workmen's compensation.

Fiduciary Funds
Agency Funds

Agency Funds account for assets held by the County as an agent for individuals, private organizations, other governments and other County departments.

Cobb County, Georgia
All Nonmajor Governmental Funds
Combining Balance Sheet
September 30, 2009

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Project Funds	Debt Service Fund	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	$ 12,102,599	$ 14,324,965	$ 2,601,880	$ 29,029,444
Receivables:				
Taxes	-	-	4,387,844	4,387,844
Accrued interest	46	-	-	46
Other	2,632,793	58,473	71,066	2,762,332
Due from other funds	1,788,202	13,936,240	-	15,724,442
Due from component units	296,185	-	-	296,185
Due from other governments and agencies	15,002,595	189,467	-	15,192,062
Prepaid expenditures	9,685	32,296	-	41,981
Total assets	$ 31,832,105	$ 28,541,441	$ 7,060,790	$ 67,434,336
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	$ 1,601,939	$ 2,088,466	$ -	$ 3,690,405
Accrued payroll	330,904	-	-	330,904
Due to other funds	14,913,706	1,316,191	-	16,229,897
Due to others	648	-	-	648
Deferred revenue	4,674,120	-	443,223	5,117,343
Total liabilities	$ 21,521,317	$ 3,404,657	$ 443,223	$ 25,369,197
Fund balances:				
Reserved for:				
Encumbrances	$ 1,089,422	$ 7,939,061	$ -	$ 9,028,483
Inventories and prepaid expenditures	9,685	32,296	-	41,981
Debt service	-	-	6,617,567	6,617,567
Unreserved designated for:				
Construction and capital outlay	-	17,165,427	-	17,165,427
Debt service	269,563	-	-	269,563
Unreserved undesignated	8,942,118	-	-	8,942,118
Total fund balances	$ 10,310,788	$ 25,136,784	$ 6,617,567	$ 42,065,139
Total liabilities and fund balances	$ 31,832,105	$ 28,541,441	$ 7,060,790	$ 67,434,336

Cobb County, Georgia
All Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended September 30, 2009

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Project Funds	Debt Service Fund	Total Nonmajor Governmental Funds
Revenues:				
Taxes	$ 9,327,241	$ -	$ 7,055,836	$ 16,383,077
Intergovernmental	33,618,200	1,980,225	-	35,598,425
Charges for services	11,483,794	-	110,125	11,593,919
Interest earned	85,948	104,626	60,047	250,621
Miscellaneous	1,722,889	1,842,535	182	3,565,606
Total revenues	$ 56,238,072	$ 3,927,386	$ 7,226,190	$ 67,391,648
Expenditures:				
Current:				
General government	$ 6,528,044	$ -	$ 104,373	$ 6,632,417
Public safety	12,533,884	-	-	12,533,884
Public works	18,927,881	-	-	18,927,881
Health and welfare	6,429,677	-	-	6,429,677
Culture and recreation	6,861,304	-	-	6,861,304
Housing and development	6,121,002	-	-	6,121,002
Capital outlay	-	37,114,548	-	37,114,548
Debt Service:				
Principal	1,320,000	4,847,803	6,515,000	12,682,803
Interest and fiscal charges	2,439,013	344,159	2,721,992	5,505,164
Total expenditures	$ 61,160,805	$ 42,306,510	$ 9,341,365	$ 112,808,680
Excess (deficiency) of revenues over (under) expenditures	$ (4,922,733)	$ (38,379,124)	$ (2,115,175)	$ (45,417,032)
Other financing sources (uses):				
Transfers in	$ 6,846,720	$ 11,095,712	$ -	$ 17,942,432
Transfers out	(3,664,375)	(3,788,645)	-	(7,453,020)
Proceeds from capital lease	-	11,850,000	-	11,850,000
Total other financing sources (uses)	$ 3,182,345	$ 19,157,067	$ -	$ 22,339,412
Net change in fund balances	$ (1,740,388)	$ (19,222,057)	$ (2,115,175)	$ (23,077,620)
Fund balances at beginning of year	12,051,176	44,358,841	8,732,742	65,142,759
Fund balances at end of year	$ 10,310,788	$ 25,136,784	$ 6,617,567	$ 42,065,139

(THIS PAGE INTENTIONALLY LEFT BLANK)

Cobb County, Georgia
Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet
September 30, 2009

	Law Library Fund	Community Services Fund	Grant Fund	Housing & Urban Development Grant Fund
Assets				
Cash and cash equivalents	$ 439,945	$ 6,782	$ 1,075,375	$ 264,176
Receivables:				
Accrued interest	-	-	-	46
Other	68,343	-	1,365,453	30,632
Due from other funds	-	-	937,749	-
Due from component units	-	-	-	-
Due from other governments and agencies	-	231,111	14,272,094	391,158
Prepaid expenditures	-	-	400	-
Total assets	$ 508,288	$ 237,893	$ 17,651,071	$ 686,012
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	$ 87,999	$ 207,610	$ 604,952	$ 434,929
Accrued payroll	5,878	-	98,000	-
Due to other funds	-	19,719	14,585,290	12,512
Due to others	-	-	648	-
Deferred revenue	-	-	4,467,842	206,218
Total liabilities	$ 93,877	$ 227,329	$ 19,756,732	$ 653,659
Fund balances:				
Reserved for encumbrances	$ -	$ -	$ 1,083,821	$ 195
Reserved for inventories and prepaid expenditures	-	-	400	-
Debt service	-	-	-	-
Unreserved	414,411	10,564	(3,189,882)	32,158
Total fund balances	$ 414,411	$ 10,564	$ (2,105,661)	$ 32,353
Total liabilities and fund balances	$ 508,288	$ 237,893	$ 17,651,071	$ 686,012

Cobb Senior Services Fund	Hotel/Motel Tax Fund	Emergency 911 Fund	Parking Deck Facility Fund	800 MHz Fund	Total Nonmajor Special Revenue Funds
$ 2,304	$ -	$ 5,160,952	$ 288,046	$ 4,865,019	$ 12,102,599
-	-	-	-	-	46
218	-	1,083,555	183	84,409	2,632,793
19,719	-	-	-	830,734	1,788,202
-	296,185	-	-	-	296,185
80,022	-	-	-	28,210	15,002,595
4,505	-	4,780	-	-	9,685
$ 106,768	$ 296,185	$ 6,249,287	$ 288,229	$ 5,808,372	$ 31,832,105
$ 2,252	$ -	$ 262,697	$ 1,500	$ -	$ 1,601,939
74,188	-	152,812	26	-	330,904
-	296,185	-	-	-	14,913,706
-	-	-	-	-	648
-	-	-	60	-	4,674,120
$ 76,440	$ 296,185	$ 415,509	$ 1,586	$ -	$ 21,521,317
$ 3,569	$ -	$ 12	$ 1,825	$ -	$ 1,089,422
4,505	-	4,780	-	-	9,685
-	-	-	269,563	-	269,563
22,254	-	5,828,986	15,255	5,808,372	8,942,118
$ 30,328	$ -	$ 5,833,778	$ 286,643	$ 5,808,372	$ 10,310,788
$ 106,768	$ 296,185	$ 6,249,287	$ 288,229	$ 5,808,372	$ 31,832,105

Cobb County, Georgia
Nonmajor Governmental Funds - Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended September 30, 2009

	Law Library Fund	Community Services Fund	Grant Fund	Housing & Urban Development Grant Fund
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Intergovernmental	-	575,542	25,967,992	5,776,979
Charges for services	818,452	-	23,619	-
Interest earned	2,115	50	7,370	1,522
Miscellaneous	6,798	-	1,284,126	193,149
Total revenues	$ 827,365	$ 575,592	$ 27,283,107	$ 5,971,650
Expenditures:				
Current:				
General government	$ 692,773	$ -	$ 5,835,271	$ -
Public safety	-	-	2,904,781	-
Public works	-	-	18,758,199	-
Health and welfare	-	518,435	3,980	-
Culture and recreation	-	-	867,302	-
Housing and development	-	-	147,073	5,973,929
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	$ 692,773	$ 518,435	$ 28,516,606	$ 5,973,929
Excess (deficiency) of revenues over (under) expenditures	$ 134,592	$ 57,157	$ (1,233,499)	$ (2,279)
Other financing sources (uses):				
Transfers in	$ 311	$ -	$ 1,404,905	$ -
Transfers out	-	(57,114)	(3,504,537)	(53,728)
Total other financing sources (uses)	$ 311	$ (57,114)	$ (2,099,632)	$ (53,728)
Net change in fund balances	$ 134,903	$ 43	$ (3,333,131)	$ (56,007)
Fund balances at beginning of year,	279,508	10,521	1,227,470	88,360
Fund balances at end of year	$ 414,411	$ 10,564	$ (2,105,661)	$ 32,353

Cobb Senior Services Fund	Hotel/Motel Tax Fund	Emergency 911 Fund	Parking Deck Facility Fund	800 MHz Fund	Total Nonmajor Special Revenue Funds
$ -	$ 9,327,241	$ -	$ -	$ -	$ 9,327,241
1,184,846	-	-	-	112,841	33,618,200
82,003	-	10,120,808	438,912	-	11,483,794
-	-	35,489	2,451	36,951	85,948
235,138	-	3,133	545	-	1,722,889
$ 1,501,987	$ 9,327,241	$ 10,159,430	$ 441,908	$ 149,792	$ 56,238,072
$ -	$ -	$ -	$ -	$ -	$ 6,528,044
-	-	9,629,103	-	-	12,533,884
-	-	-	169,682	-	18,927,881
5,907,262	-	-	-	-	6,429,677
-	5,994,002	-	-	-	6,861,304
-	-	-	-	-	6,121,002
-	1,120,000	-	200,000	-	1,320,000
-	2,305,188	-	133,825	-	2,439,013
$ 5,907,262	$ 9,419,190	$ 9,629,103	$ 503,507	$ -	$ 61,160,805
$ (4,405,275)	$ (91,949)	$ 530,327	$ (61,599)	$ 149,792	$ (4,922,733)
$ 4,340,945	$ 91,949	$ 21,818	$ 272	$ 986,520	$ 6,846,720
(41,666)	-	(7,330)	-	-	(3,664,375)
$ 4,299,279	$ 91,949	$ 14,488	$ 272	$ 986,520	$ 3,182,345
$ (105,996)	$ -	$ 544,815	$ (61,327)	$ 1,136,312	$ (1,740,388)
136,324	-	5,288,963	347,970	4,672,060	12,051,176
$ 30,328	$ -	$ 5,833,778	$ 286,643	$ 5,808,372	$ 10,310,788

Cobb County, Georgia
Nonmajor Governmental Funds - Capital Projects Funds
Combining Balance Sheet
September 30, 2009

	Road Sales Tax Extension 1994	Parks Bond	Public Facilities	Total Nonmajor Capital Project Funds
Assets				
Cash and cash equivalents	$ 4,034,636	$ 118,655	$ 10,171,674	$ 14,324,965
Receivables:				
Other	-	-	58,473	58,473
Due from other funds	1,204,938	-	12,731,302	13,936,240
Due from other governments and agencies	74,268	-	115,199	189,467
Prepaid expenditures	-	-	32,296	32,296
Total assets	$ 5,313,842	$ 118,655	$ 23,108,944	$ 28,541,441
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	$ 72,526	$ 20,000	$ 1,995,940	$ 2,088,466
Due to other funds	-	-	1,316,191	1,316,191
Total liabilities	$ 72,526	$ 20,000	$ 3,312,131	$ 3,404,657
Fund balances:				
Reserved for encumbrances	$ 1,950,015	$ -	$ 5,989,046	$ 7,939,061
Reserved for prepaid expenditures	-	-	32,296	32,296
Designated for construction and capital outlay	3,291,301	98,655	13,775,471	17,165,427
Total fund balance	$ 5,241,316	$ 98,655	$ 19,796,813	$ 25,136,784
Total liabilities and fund balances	$ 5,313,842	$ 118,655	$ 23,108,944	$ 28,541,441

Cobb County, Georgia
Nonmajor Governmental Funds - Capital Projects Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended September 30, 2009

	Road Sales Tax Extension 1994	Parks Bond	Public Facilities	Total Nonmajor Capital Project Funds
Revenues:				
Intergovernmental	$ -	$ -	$ 1,980,225	$ 1,980,225
Interest earned	45,761	57,962	903	104,626
Miscellaneous	4,798	-	1,837,737	1,842,535
Total revenues	$ 50,559	$ 57,962	$ 3,818,865	$ 3,927,386
Expenditures:				
Capital outlay	$ 1,581,956	$ 9,498,677	$ 26,033,915	$ 37,114,548
Debt Service:				
Principal	-	-	4,847,803	4,847,803
Interest and fiscal charges	-	-	344,159	344,159
Total expenditures	$ 1,581,956	$ 9,498,677	$ 31,225,877	$ 42,306,510
Excess (deficiency) of revenues over expenditures	$ (1,531,397)	$ (9,440,715)	$ (27,407,012)	$ (38,379,124)
Other financing sources (uses):				
Transfers in	$ 188,436	$ -	$ 10,907,276	$ 11,095,712
Transfers out	-	-	(3,788,645)	(3,788,645)
Proceeds from capital lease	-	-	11,850,000	11,850,000
Total other financing sources (uses)	$ 188,436	$ -	$ 18,968,631	$ 19,157,067
Net change in fund balances	$ (1,342,961)	$ (9,440,715)	$ (8,438,381)	$ (19,222,057)
Fund balances at beginning of year	6,584,277	9,539,370	28,235,194	44,358,841
Fund balances at end of year	$ 5,241,316	$ 98,655	$ 19,796,813	$ 25,136,784

Cobb County, Georgia
Debt Service Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended September 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Taxes	$ 10,380,807	$ 10,380,807	$ 7,055,836	$ (3,324,971)
Charges for services	136,000	136,000	110,125	(25,875)
Fines and forfeits	1,400,000	-	-	-
Interest earned	138,000	138,000	60,047	(77,953)
Miscellaneous	175,000	175,000	182	(174,818)
Total revenues	$ 12,229,807	$ 10,829,807	$ 7,226,190	$ (3,603,617)
Expenditures:				
Current:				
General government	$ 107,993	$ 107,993	$ 104,373	$ 3,620
Debt service:				
Principal retirement	6,515,000	6,515,000	6,515,000	-
Interest and fiscal charges	2,229,075	2,721,992	2,721,992	-
Total expenditures	$ 8,852,068	$ 9,344,985	$ 9,341,365	$ 3,620
Net change in fund balance	$ 3,377,739	$ 1,484,822	$ (2,115,175)	$ (3,599,997)
Fund balance at beginning of year			8,732,742	
Fund balance at end of year - budgetary basis			$ 6,617,567	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			-	
Fund balance at end of year - GAAP basis			$ 6,617,567	

Cobb County, Georgia
Law Library Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Charges for services	$ 620,000	$ 598,620	$ 818,452	$ 219,832
Interest earned	5,000	5,000	2,115	(2,885)
Miscellaneous	5,900	5,900	6,798	898
Total revenues	$ 630,900	$ 609,520	$ 827,365	$ 217,845
Expenditures:				
Current:				
Personal services	$ 251,014	$ 247,850	$ 247,850	$ -
Operating expenditures	343,898	444,924	444,923	1
Capital outlay	-	-	-	-
Total expenditures	$ 594,912	$ 692,774	$ 692,773	$ 1
Excess of revenues over expenditures	$ 35,988	$ (83,254)	$ 134,592	$ 217,846
Other financing sources (uses):				
Transfers in	$ -	$ 311	$ 311	-
Transfers out	-	-	-	-
Total other financing sources (uses)	$ -	$ 311	$ 311	$ -
Net change in fund balance	$ 35,988	$ (82,943)	$ 134,903	$ 217,846
Fund balance at beginning of year			279,508	
Fund balance at end of year - budgetary basis			$ 414,411	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			-	
Fund balance at end of year-GAAP basis			$ 414,411	

Cobb County, Georgia
Community Services Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended September 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	$ 394,420	$ 558,624	$ 575,542	$ 16,918
Interest earned	-	-	50	50
Total revenues	$ 394,420	$ 558,624	$ 575,592	$ 16,968
Expenditures:				
Current:				
Operating expenditures	$ 355,908	$ 530,940	$ 518,125	$ 12,815
Capital outlay	1,117	1,117	310	807
Total expenditures	$ 357,025	$ 532,057	$ 518,435	$ 13,622
Excess of revenues over expenditures	$ 37,395	$ 26,567	$ 57,157	$ 30,590
Other financing sources (uses):				
Transfers out	$ (37,395)	$ (57,114)	$ (57,114)	$ -
Net change in fund balance	$ -	$ (30,547)	$ 43	$ 30,590
Fund balance at beginning of year			10,521	
Fund balance at end of year - budgetary basis			$ 10,564	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			-	
Fund balance at end of year - GAAP basis			$ 10,564	

Cobb County, Georgia
Cobb Senior Services Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Intergovernmental	$ 1,208,290	$ 1,175,382	$ 1,184,846	$ 9,464
Charges for services	76,925	66,925	82,003	15,078
Miscellaneous	206,425	190,606	235,138	44,532
Total revenues	$ 1,491,640	$ 1,432,913	$ 1,501,987	$ 69,074
Expenditures:				
Current:				
Personnel services	$ 3,972,846	$ 3,842,931	$ 3,842,928	$ 3
Operating expenditures	2,270,552	2,075,694	2,013,270	62,424
Capital outlay	54,841	54,841	54,633	208
Total expenditures	$ 6,298,239	$ 5,973,466	$ 5,910,831	$ 62,635
(Deficiency) of revenues (under) expenditures	$ (4,806,599)	$ (4,540,553)	$ (4,408,844)	$ 131,709
Other financing sources (uses):				
Transfers in	$ 4,858,541	$ 4,530,032	$ 4,340,945	$ (189,087)
Transfers out	(31,051)	(41,667)	(41,666)	1
Total other financing sources (uses)	$ 4,827,490	$ 4,488,365	$ 4,299,279	$ (189,086)
Net change in fund balance	$ 20,891	$ (52,188)	$ (109,565)	$ (57,377)
Fund balance at beginning of year			136,324	
Fund balance at end of year - budgetary basis			$ 26,759	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			3,569	
Fund balance at end of year - GAAP basis			$ 30,328	

Cobb County, Georgia
Hotel/Motel Tax Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended September 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Taxes	$ 10,975,000	$ 10,908,051	$ 9,327,241	$ (1,580,810)
Total revenues	$ 10,975,000	$ 10,908,051	$ 9,327,241	$ (1,580,810)
Expenditures:				
Current:				
Operating expenditures	$ 7,549,812	$ 7,574,812	$ 5,994,002	$ 1,580,810
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	1,120,000	1,120,000	1,120,000	-
Interest and fiscal charges	2,305,188	2,305,188	2,305,188	-
Total expenditures	$ 10,975,000	$ 11,000,000	$ 9,419,190	$ 1,580,810
Excess of revenues over expenditures	$ -	$ (91,949)	$ (91,949)	$ -
Other financing sources (uses):				
Transfers in	$ -	$ 91,949	$ 91,949	$ -
Transfers out	-	-	-	-
Total other financing sources (uses)	$ -	$ 91,949	$ 91,949	$ -
Net change in fund balance	$ -	$ -	$ -	$ -
Fund balance at beginning of year			-	
Fund balance at end of year - budgetary basis			$ -	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			-	
Fund balance at end of year - GAAP basis			$ -	

Cobb County, Georgia
Emergency 911 Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Charges for services	$ 9,601,872	$ 9,404,618	$ 10,120,808	$ 716,190
Interest earned	150,000	133,915	35,489	(98,426)
Miscellaneous	-	30	3,133	3,103
Total revenues	$ 9,751,872	$ 9,538,563	$ 10,159,430	$ 620,867
Expenditures:				
Current:				
Personnel services	$ 7,315,963	$ 7,654,784	$ 6,867,514	$ 787,270
Operating expenditures	1,666,062	2,611,627	2,611,110	517
Capital outlay	1,500	165,515	150,491	15,024
Total expenditures	$ 8,983,525	$ 10,431,926	$ 9,629,115	$ 802,811
Excess (deficiency) of revenues over (under) expenditures	$ 768,347	$ (893,363)	$ 530,315	$ 1,423,678
Other financing sources (uses):				
Transfers in	$ -	$ 21,818	$ 21,818	$ -
Transfers out	(30,345)	(7,330)	(7,330)	-
Total other financing sources (uses)	$ (30,345)	$ 14,488	$ 14,488	$ -
Net change in fund balance	$ 738,002	$ (878,875)	$ 544,803	$ 1,423,678
Fund balance at beginning of year			5,288,963	
Fund balance at end of year - budgetary basis			$ 5,833,766	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			12	
Fund balance at end of year - GAAP basis			$ 5,833,778	

Cobb County, Georgia
Parking Deck Facility Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for services	$ 447,500	$ 447,500	$ 438,912	$ (8,588)
Interest earned	11,270	11,270	2,451	(8,819)
Miscellaneous	1,285	1,285	545	(740)
Total revenues	$ 460,055	$ 460,055	$ 441,908	$ (18,147)
Expenditures:				
Current:				
Personnel services	$ 57,528	$ 57,528	$ 41,584	$ 15,944
Operating expenditures	67,652	67,652	63,459	4,193
Capital outlay	39,975	66,650	66,464	186
Debt service:				
Principal	200,000	200,000	200,000	-
Interest and fiscal charges	133,825	133,825	133,825	-
Total expenditures	$ 498,980	$ 525,655	$ 505,332	$ 20,323
Excess (deficiency) of revenues over (under) expenditures	$ (38,925)	$ (65,600)	$ (63,424)	$ 2,176
Other financing sources (uses):				
Transfers in	$ -	$ 272	$ 272	$ -
Total other financing sources (uses)	$ -	$ 272	$ 272	$ -
Net change in fund balance	$ (38,925)	$ (65,328)	$ (63,152)	$ 2,176
Fund balance at beginning of year			347,970	
Fund balance at end of year - budgetary basis			$ 284,818	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			1,825	
Fund balance at end of year - GAAP basis			$ 286,643	

Cobb County, Georgia
800 MHz Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Charges for services	$ 99,109	$ 99,109	$ 112,841	$ 13,732
Interest earned	-	-	36,951	36,951
Total revenues	$ 99,109	$ 99,109	$ 149,792	$ 50,683
Expenditures:				
Debt service:				
Principal	$ -	$ -	$ -	$ -
Interest and fiscal charges	-	-	-	-
Total expenditures	$ -	$ -	$ -	$ -
Excess (deficiency) of revenues over (under) expenditures	$ 99,109	$ 99,109	$ 149,792	$ 50,683
Other financing sources (uses):				
Transfers in	$ 988,585	$ 986,524	$ 986,520	$ (4)
Transfer out	-	-	-	-
Total other financing sources (uses)	$ 988,585	$ 986,524	$ 986,520	$ (4)
Net change in fund balance	$ 1,087,694	$ 1,085,633	$ 1,136,312	$ 50,679
Fund balance at beginning of year			4,672,060	
Fund balance at end of year - budgetary basis			$ 5,808,372	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			-	
Fund balance at end of year - GAAP basis			$ 5,808,372	

Cobb County, Georgia
Nonmajor Business-Type Enterprise Funds
Combining Balance Sheet
September 30, 2009

	Cobblestone Golf Course Fund	Public Transit System Fund	Totals
Assets			
Current assets:			
Cash	$ 211,190	$ 137,784	$ 348,974
Receivables:			
Other	12,708	252,893	265,601
Due from other funds	-	653,632	653,632
Due from other governments and agencies	-	2,002,314	2,002,314
Prepaid items	3,272	250	3,522
Total current assets	$ 227,170	$ 3,046,873	$ 3,274,043
Property, plant and equipment:			
Capital assets not being depreciated	$ 5,453,615	$ 7,875,193	$ 13,328,808
Capital assets being depreciated, net	1,001,094	32,596,328	33,597,422
Net property, plant and equipment	$ 6,454,709	$ 40,471,521	$ 46,926,230
Unamortized bond costs	$ 17,848	$ -	$ 17,848
Total noncurrent assets	$ 6,472,557	$ 40,471,521	$ 46,944,078
Total assets	$ 6,699,727	$ 43,518,394	$ 50,218,121

Continued on next page.

Cobb County, Georgia
Nonmajor Business-Type Enterprise Funds
Combining Balance Sheet
September 30, 2009

	Cobblestone Golf Course Fund	Public Transit System Fund	Totals
Liabilities and Fund Equity			
Liabilities:			
Current liabilities (payable from current assets):			
Accounts payable	$ 64,538	$ 1,503,225	$ 1,567,763
Accrued payroll	-	13,802	13,802
Due to other governments and agencies	40,540	-	40,540
Accrued interest payable	32,136	-	32,136
Deferred revenues	2,832	-	2,832
Current portion of revenue bonds	465,000	-	465,000
Current portion of compensated absences	-	19,376	19,376
Current portion of capital lease payable	84,631	-	84,631
Total current liabilities	$ 689,677	$ 1,536,403	$ 2,226,080
Long-term liabilities:			
Revenue bonds (net of current portion, bond discount, and loss on refunding)	$ 1,945,039	$ -	$ 1,945,039
Advances from other funds	1,200,000	-	1,200,000
Capital lease payable (net of current portion)	17,401	-	17,401
Total long-term liabilities	$ 3,162,440	$ -	$ 3,162,440
Total liabilities	$ 3,852,117	$ 1,536,403	$ 5,388,520
Net Assets:			
Invested in capital assets, net of related debt	$ 3,942,638	$ 40,349,432	$ 44,292,070
Unrestricted	(1,095,028)	1,632,559	537,531
Total net assets	$ 2,847,610	$ 41,981,991	$ 44,829,601

Continued from preceding page.

Cobb County, Georgia
Nonmajor Business-Type Enterprise Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
For the Fiscal Year Ended September 30, 2009

	Cobblestone Golf Course Fund	Public Transit System Fund	Totals
Operating revenues:			
Charges for services	$ 1,710,920	$ 5,347,538	$ 7,058,458
Miscellaneous income	2,400	5,140	7,540
Total operating revenues	$ 1,713,320	$ 5,352,678	$ 7,065,998
Operating expenses:			
Personnel services	$ -	$ 568,420	$ 568,420
Other operating expenses	1,328,341	17,481,400	18,809,741
Total operating expenses	$ 1,328,341	$ 18,049,820	$ 19,378,161
Operating income (loss) before depreciation	$ 384,979	$ (12,697,142)	$ (12,312,163)
Less depreciation	(167,016)	(4,177,446)	(4,344,462)
Operating income (loss)	$ 217,963	$ (16,874,588)	$ (16,656,625)
Nonoperating revenues (expenses):			
Interest income	$ 2,282	$ 6,345	$ 8,627
Interest and fiscal charges	(138,343)	-	(138,343)
Amortization of bond costs	(40,143)	-	(40,143)
Total nonoperating revenues (expenses)	$ (176,204)	$ 6,345	$ (169,859)
Net income (loss) before transfers and capital contributions	$ 41,759	$ (16,868,243)	$ (16,826,484)
Capital contributions	$ -	$ 6,270,652	$ 6,270,652
Transfers:			
Transfers in	$ 1,089	$ 11,166,642	$ 11,167,731
Transfers out	(3,027)	(46,086)	(49,113)
Total transfers	$ (1,938)	$ 11,120,556	$ 11,118,618
Net change in net assets	$ 39,821	$ 522,965	$ 562,786
Total net assets - beginning	$ 2,807,789	$ 41,459,026	$ 44,266,815
Total net assets - ending	$ 2,847,610	$ 41,981,991	$ 44,829,601

Cobb County, Georgia
Nonmajor Business-Type Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended September 30, 2009

	Cobblestone Golf Course Fund	Public Transit System Fund	Totals
Cash flows from operating activities:			
Cash received from customers	$ 1,705,622	$ 3,687,769	$ 5,393,391
Cash payments for goods and services	(1,330,324)	(17,320,245)	(18,650,569)
Cash payments for employee services and fringe benefits	-	(560,796)	(560,796)
Net cash from (to) operating activities	$ 375,298	$ (14,193,272)	$ (13,817,974)
Cash flows from noncapital financing activities:			
Transfers in	$ 1,089	$ 11,166,642	$ 11,167,731
Transfers out	(3,027)	(46,086)	(49,113)
Net cash from (to) noncapital financing activities	$ (1,938)	$ 11,120,556	$ 11,118,618
Cash flows from capital and related financing activities:			
Payments on capital leases	$ (88,676)	$ -	$ (88,676)
Capital contributions	-	6,270,652	6,270,652
Payments for capital acquisitions	-	(3,732,719)	(3,732,719)
Bond principal payments	(450,000)	-	(450,000)
Bond interest and fiscal charges	(143,743)	-	(143,743)
Net cash from (to) capital and related financing activities	$ (682,419)	$ 2,537,933	$ 1,855,514
Cash flows from investing activities:			
Interest received	$ 2,282	$ 6,345	$ 8,627
Net cash from investing activities	$ 2,282	$ 6,345	$ 8,627
Net increase (decrease) in cash and cash equivalents	$ (306,777)	$ (528,438)	$ (835,215)
Cash and cash equivalents at beginning of year	517,967	666,222	1,184,189
Cash and cash equivalents at end of year	$ 211,190	$ 137,784	$ 348,974

Continued on next page.

Cobb County, Georgia
Nonmajor Business-Type Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended September 30, 2009

	Cobblestone Golf Course Fund	Public Transit System Fund	Totals
Reconciliation of operating income (loss) to net cash from operating activities:			
Operating income (loss)	$ 217,963	$ (16,874,588)	$ (16,656,625)
Adjustments to reconcile operating income (loss) to net cash from operating activities:			
Depreciation	$ 167,016	$ 4,177,446	$ 4,344,462
Change in assets and liabilities:			
Decrease (increase) in other receivables	(7,698)	(10,841)	(18,539)
Decrease (increase) in due from others	-	(653,632)	(653,632)
Decrease (increase) in due from other governments	-	(1,000,436)	(1,000,436)
Increase (decrease) in accounts payable	(15,550)	160,830	145,280
Increase (decrease) in prepaid expenses	-	325	325
Increase (decrease) in accrued liabilities	-	2,805	2,805
Increase (decrease) in accrued vacation payable	-	4,819	4,819
Increase (decrease) in due to other governments	36,456	-	36,456
Increase (decrease) in deferred revenues	(22,889)	-	(22,889)
Total adjustments	$ 157,335	$ 2,681,316	$ 2,838,651
Net cash provided (used) by operating activities	$ 375,298	$ (14,193,272)	$ (13,817,974)

Continued from preceding page.

Cobb County, Georgia
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended September 30, 2009

	Balance October 1, 2008	Additions	Deductions	Balance September 30, 2009
Clerk of State Court				
Assets				
Cash and cash equivalents	$ 5,447,069	$ 47,245,435	$ 47,958,613	$ 4,733,891
Liabilities				
Funds held in trust for others	$ 5,447,069	$ 47,245,435	$ 47,958,613	$ 4,733,891
Clerk of Juvenile Court				
Assets				
Cash	$ 4,061	$ 48,527	$ 50,719	$ 1,869
Liabilities				
Funds held in trust for others	$ 4,061	$ 48,527	$ 50,719	$ 1,869
Sheriff				
Assets				
Cash and cash equivalents	$ 6,179,955	$ 5,034,818	$ 5,126,208	$ 6,088,565
Liabilities				
Funds held in trust for others	$ 6,179,955	$ 5,034,818	$ 5,126,208	$ 6,088,565
Clerk of Superior Court				
Assets				
Cash and cash equivalents	$ 12,324,753	$ 81,570,199	$ 74,790,499	$ 19,104,453
Liabilities				
Funds held in trust for others	$ 12,324,753	$ 81,570,199	$ 74,790,499	$ 19,104,453
Clerk of Probate Court				
Assets				
Cash	$ -	$ 1,244,124	$ 1,244,124	$ -
Liabilities				
Due to other funds	$ -	$ 1,244,124	$ 1,244,124	$ -
Tax Commissioner				
Assets				
Cash	$ 25,928,412	$ 1,160,691,262	$ 980,525,903	$ 206,093,771
Taxes and penalties receivable	563,079,130	685,101,951	780,304,279	467,876,802
	$ 589,007,542	$ 1,845,793,213	$ 1,760,830,182	$ 673,970,573
Liabilities				
Unremitted tax collections	$ 25,928,412	$ 1,160,691,262	$ 980,525,903	$ 206,093,771
Taxes payable to others upon collection	563,079,130	685,101,951	780,304,279	467,876,802
	$ 589,007,542	$ 1,845,793,213	$ 1,760,830,182	$ 673,970,573

Continued on next page.

Cobb County, Georgia
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended September 30, 2009

	Balance October 1, 2008	Additions	Deductions	Balance September 30, 2009
Accounts Payable Fund				
Assets				
Accounts receivable	$ 43,139	$ 98,342,589	$ 98,385,079	$ 649
Liabilities				
Bank overdraft	$ 43,139	$ 98,342,589	$ 98,385,079	$ 649
Payroll Fund				
Assets				
Cash and cash equivalents	$ 528,384	$ 260,651,016	$ 261,046,680	$ 132,720
Accounts receivable	9,000	161	9,161	-
	$ 537,384	$ 260,651,177	$ 261,055,841	$ 132,720
Liabilities				
Unremitted payroll tax and withholdings	$ 537,384	$ 260,651,177	$ 261,055,841	$ 132,720
Child Support, Witness and Jurors' Fees				
Assets				
Cash	$ 17,336	$ 3,954,782	$ 3,925,681	$ 46,437
Liabilities				
Funds held in trust for others	$ 17,336	$ 3,954,782	$ 3,925,681	$ 46,437
Total assets	$ 613,561,239	$ 2,343,884,864	$ 2,253,366,946	$ 704,079,157
Total liabilities	$ 613,561,239	$ 2,343,884,864	$ 2,253,366,946	$ 704,079,157

Continued from preceding page.

Supplemental Information

Cobb County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	$ 226,621,586	$ 215,800,182	$ 223,209,258	$ 7,409,076
Licenses and permits	20,466,000	17,889,820	16,894,518	(995,302)
Intergovernmental	11,782,236	11,958,500	3,781,187	(8,177,313)
Charges for services	48,023,347	46,002,703	46,731,726	729,023
Fines and forfeits	15,455,339	17,755,436	15,801,352	(1,954,084)
Interest earned	5,112,073	3,527,073	1,548,310	(1,978,763)
Miscellaneous	3,086,650	6,395,730	6,328,910	(66,820)
Total revenues	$ 330,547,231	$ 319,329,444	$ 314,295,261	$ (5,034,183)
Expenditures:				
Current				
General government:				
Legislative:				
Board of Commissioners				
Personnel services	$ 898,183	$ 898,183	$ 851,659	$ 46,524
Operating expenditures	72,140	72,140	65,807	6,333
	970,323	970,323	917,466	52,857
Other Governmental				
Operating expenditures	2,011,963	1,757,412	1,757,412	-
Non-Profit				
Operating expenditures	1,213,316	1,229,066	1,229,045	21
Capital outlay	-	-	-	-
	1,213,316	1,229,066	1,229,045	21
Total legislative	4,195,602	3,956,801	3,903,923	52,878
Judicial:				
Clerk of State Court				
Personnel services	4,311,225	4,302,782	4,177,817	124,965
Operating expenditures	126,453	114,126	110,955	3,171
Capital outlay	-	41,499	33,853	7,646
	4,437,678	4,458,407	4,322,625	135,782
Clerk of Superior Court				
Personnel services	5,127,139	5,075,873	4,843,265	232,608
Operating expenditures	161,034	193,284	172,285	20,999
Capital outlay	-	-	-	-
	5,288,173	5,269,157	5,015,550	253,607
District Attorney				
Personnel services	6,409,381	6,526,532	6,405,975	120,557
Operating expenditures	495,782	420,382	371,501	48,881
Capital outlay	-	-	-	-
	6,905,163	6,946,914	6,777,476	169,438
Chief Magistrate				
Personnel services	3,227,513	3,211,808	2,986,532	225,276
Operating expenditures	101,980	88,265	79,211	9,054
Capital outlay	32,250	33,990	32,250	1,740
	3,361,743	3,334,063	3,097,993	236,070

Continued on next page.

Cobb County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Juvenile Court				
Personnel services	5,045,648	5,035,398	5,035,397	1
Operating expenditures	169,772	303,449	290,716	12,733
Capital outlay	-	-	-	-
	5,215,420	5,338,847	5,326,113	12,734
State Court Division II				
Personnel services	1,427,792	1,414,392	1,406,442	7,950
Operating expenditures	136,307	133,867	106,721	27,146
Capital outlay	-	18,000	10,398	7,602
	1,564,099	1,566,259	1,523,561	42,698
Probate Court				
Personnel services	1,121,362	1,111,218	1,084,768	26,450
Operating expenditures	74,455	85,349	85,349	-
	1,195,817	1,196,567	1,170,117	26,450
Solicitor				
Personnel services	4,651,160	5,507,787	5,507,062	725
Operating expenditures	49,578	63,365	59,253	4,112
Capital outlay	-	-	-	-
	4,700,738	5,571,152	5,566,315	4,837
State Court				
Personnel services	4,708,667	4,708,667	4,700,435	8,232
Operating expenditures	430,387	452,585	333,947	118,638
Capital outlay	-	-	-	-
	5,139,054	5,161,252	5,034,382	126,870
Superior Court				
Personnel services	4,728,575	4,945,138	4,933,325	11,813
Operating expenditures	806,140	951,261	925,009	26,252
Capital outlay	-	2,949	-	2,949
	5,534,715	5,899,348	5,858,334	41,014
Circuit Defender				
Personnel services	745,678	687,169	687,168	1
Operating expenditures	4,891,773	6,214,567	6,214,566	1
	5,637,451	6,901,736	6,901,734	2
Total judicial	48,980,051	51,643,702	50,594,200	1,049,502
Executive and administrative:				
County Manager				
Personnel services	1,169,998	1,169,848	1,097,539	72,309
Operating expenditures	110,661	105,676	102,986	2,690
Capital outlay	-	-	-	-
	1,280,659	1,275,524	1,200,525	74,999

Continued on next page.

Cobb County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
General Administrative				
Personnel services	23,000	20,218	-	20,218
Operating expenditures	6,051,062	3,379,187	3,378,151	1,036
Capital outlay	-	315,335	315,335	-
	6,074,062	3,714,740	3,693,486	21,254
Information Services				
Personnel services	8,970,714	9,062,983	9,062,983	-
Operating expenditures	4,409,676	3,799,162	3,799,162	-
Capital outlay	26,472	88,183	88,183	-
	13,406,862	12,950,328	12,950,328	-
Drug Treatment				
Personnel services	260,011	261,068	261,068	-
Operating expenditures	236,650	229,428	221,782	7,646
	496,661	490,496	482,850	7,646
Finance				
Personnel services	3,120,940	2,854,243	2,854,243	-
Operating expenditures	278,125	250,412	245,577	4,835
Capital outlay	-	-	-	-
	3,399,065	3,104,655	3,099,820	4,835
Purchasing				
Personnel services	3,644,192	3,552,195	3,552,194	1
Operating expenditures	2,408,187	2,314,411	2,215,476	98,935
Capital outlay	1,124,984	1,805,840	1,641,575	164,265
	7,177,363	7,672,446	7,409,245	263,201
Tax Assessor				
Personnel services	3,752,145	3,656,060	3,546,864	109,196
Operating expenditures	1,768,358	1,597,688	1,565,595	32,093
Capital outlay	-	-	-	-
	5,520,503	5,253,748	5,112,459	141,289
Internal Audit				
Personnel services	272,143	296,448	296,448	-
Operating expenditures	5,444	3,815	3,815	-
Capital outlay	-	-	-	-
	277,587	300,263	300,263	-
Human Resources				
Personnel services	1,933,243	1,865,911	1,855,613	10,298
Operating expenditures	525,792	550,210	491,726	58,484
Capital outlay	1,250	1,485	-	1,485
	2,460,285	2,417,606	2,347,339	70,267
Ethics Board				
Operating expenditures	1,130	1,130	-	1,130
	1,130	1,130	-	1,130
Property Management				
Personnel services	4,464,559	4,463,559	4,419,387	44,172
Operating expenditures	4,947,376	4,606,541	4,434,988	171,553
Capital outlay	9,653	14,653	13,587	1,066
	9,421,588	9,084,753	8,867,962	216,791

Continued on next page.

Cobb County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Tax Commissioner				
Personnel services	6,919,265	6,919,265	6,733,373	185,892
Operating expenditures	649,228	569,516	511,441	58,075
Capital outlay	9,050	138,190	96,538	41,652
	7,577,543	7,626,971	7,341,352	285,619
Public Services				
Personnel services	254,360	260,522	260,521	1
Operating expenditures	4,545	8,185	8,185	-
	258,905	268,707	268,706	1
Communications				
Personnel services	1,010,935	1,038,201	1,038,200	1
Operating expenditures	299,345	247,949	247,948	1
Capital outlay	2,000	27,000	26,750	250
	1,312,280	1,313,150	1,312,898	252
Support Services				
Personnel services	906,066	907,386	890,857	16,529
Operating Services	1,142,193	1,060,655	1,031,233	29,422
Capital outlay	-	-	-	-
	2,048,259	1,968,041	1,922,090	45,951
Elections & Registration				
Personnel services	2,405,158	2,954,821	2,954,820	1
Operating expenditures	718,572	801,447	799,132	2,315
Capital outlay	26,927	26,927	26,927	-
	3,150,657	3,783,195	3,780,879	2,316
County Clerk				
Personnel services	343,431	343,431	336,711	6,720
Operating expenditures	54,030	48,317	37,764	10,553
Capital outlay	12,141	18,809	12,292	6,517
	409,602	410,557	386,767	23,790
Law Department				
Personnel services	1,517,593	1,517,593	1,512,988	4,605
Operating expenditures	607,310	576,094	468,500	107,594
Capital outlay	-	-	-	-
	2,124,903	2,093,687	1,981,488	112,199
Total executive and administrative	66,397,914	63,729,997	62,458,457	1,271,540
Total general government	119,573,567	119,330,500	116,956,580	2,373,920
Public Safety:				
P S Training Center				
Personnel services	1,416,113	1,370,763	1,243,972	126,791
Operating expenditures	265,482	226,976	219,420	7,556
Capital outlay	13,295	29,541	16,123	13,418
	1,694,890	1,627,280	1,479,515	147,765
Police Department				
Personnel services	51,146,702	51,863,629	51,863,628	1
Operating expenditures	3,449,459	3,219,962	3,204,226	15,736
Capital outlay	244,625	419,554	391,087	28,467
	54,840,786	55,503,145	55,458,941	44,204

Continued on next page.

Cobb County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Countywide-800MHZ				
Personnel services	245,231	243,698	242,241	1,457
Operating expenditures	1,450,875	1,452,408	1,452,408	-
	1,696,106	1,696,106	1,694,649	1,457
Animal Control				
Personnel services	2,299,236	2,299,236	2,105,518	193,718
Operating expenditures	399,117	404,591	402,687	1,904
Capital outlay	-	1,822	480	1,342
	2,698,353	2,705,649	2,508,685	196,964
Public Safety				
Personnel services	2,469,175	1,721,798	1,370,136	351,662
Operating expenditures	86,458	75,258	61,610	13,648
Capital outlay	-	3,500	-	3,500
	2,555,633	1,800,556	1,431,746	368,810
Sheriff				
Personnel services	19,014,794	19,014,794	18,840,033	174,761
Operating expenditures	1,228,783	1,522,162	1,522,162	-
Capital outlay	63,500	3,297	-	3,297
	20,307,077	20,540,253	20,362,195	178,058
Corrections				
Personnel services	29,066,928	29,066,928	28,799,648	267,280
Operating expenditures	15,137,444	14,945,259	13,813,612	1,131,647
Capital outlay	-	-	-	-
	44,204,372	44,012,187	42,613,260	1,398,927
Medical Examiner				
Personnel services	545,918	559,304	559,304	-
Operating expenditures	495,413	477,561	477,561	-
Capital outlay	7,550	8,479	8,479	-
	1,048,881	1,045,344	1,045,344	-
Total public safety	129,046,098	128,930,520	126,594,335	2,336,185
Public works:				
Department of Transportation				
Personnel services	11,643,638	11,123,764	11,001,644	122,120
Operating expenditures	9,118,528	8,183,063	8,013,534	169,529
Capital outlay	424,075	680,790	535,186	145,604
	21,186,241	19,987,617	19,550,364	437,253
Total public works	21,186,241	19,987,617	19,550,364	437,253
Culture and Recreation				
Extension Service				
Personnel services	560,212	560,212	507,980	52,232
Operating expenditures	26,007	24,706	20,759	3,947
	586,219	584,918	528,739	56,179

Continued on next page.

Cobb County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Library				
Personnel services	9,018,669	8,785,909	8,654,022	131,887
Operating expenditures	2,468,411	2,445,520	2,330,824	114,696
Capital outlay	3,722	18,492	-	18,492
	11,490,802	11,249,921	10,984,846	265,075
Parks and Recreation				
Personnel services	14,210,910	13,776,313	12,941,670	834,643
Operating expenditures	8,328,893	7,866,342	7,647,991	218,351
Capital outlay	49,081	516,276	493,780	22,496
	22,588,884	22,158,931	21,083,441	1,075,490
Total culture and recreation	34,665,905	33,993,770	32,597,026	1,396,744
Health and welfare:				
Cobb County Board of Health				
Operating expenditures	1,342,332	1,308,774	1,308,774	-
Total health and welfare	1,342,332	1,308,774	1,308,774	-
Housing and development:				
Community Development				
Personnel services	7,759,195	7,417,852	7,417,848	4
Operating expenditures	369,670	594,860	540,850	54,010
Capital outlay	-	-	-	-
	8,128,865	8,012,712	7,958,698	54,014
Total housing and development	8,128,865	8,012,712	7,958,698	54,014
Total current	$ 313,943,008	$ 311,563,893	$ 304,965,777	$ 6,598,116
Debt service:				
Principal retirement	$ 87,615	$ 278,780	$ 244,717	$ 34,063
Interest and fiscal charges	1,436,616	462,034	462,034	-
Total debt service	$ 1,524,231	$ 740,814	$ 706,751	$ 34,063
Total expenditures	$ 315,467,239	$ 312,304,707	$ 305,672,528	$ 6,632,179
Excess (deficiency) of revenues over expenditures	$ 15,079,992	$ 7,024,737	$ 8,622,733	$ 1,597,996

Continued on next page

Cobb County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Other financing sources (uses):				
Transfers in	$ 19,047,021	$ 20,223,828	$ 20,198,040	$ (25,788)
Proceeds from sale of capital assets	250,000	250,000	171,447	(78,553)
Proceeds from capital lease	-	717,168	717,168	-
Transfers out	(26,519,064)	(30,504,846)	(30,302,133)	202,713
Total other financing sources (uses)	$ (7,222,043)	$ (9,313,850)	$ (9,215,478)	$ 98,372
Net change in fund balance	$ 7,857,949	$ (2,289,113)	$ (592,745)	$ 1,696,368
Fund balance at beginning of year			46,779,382	
Fund balance at end of year - budgetary basis			$ 46,186,637	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			1,747,807	
Fund balance at end of year - GAAP basis			$ 47,934,444	

(THIS PAGE INTENTIONALLY LEFT BLANK)

Statistical Section

The Statistical Section includes selected financial and general information presented on a multi-year comparative basis. The statistics are used to provide detailed data on the physical, economic, social and political characteristics of the County government. They are intended to provide financial report users with a broader and more complete understanding of the government and its financial affairs than is possible from the basic financial statements.

COBB COUNTY, GEORGIA
STATISTICAL SECTION
September 30, 2009

This part of the County's Comprehensive Annual Financial Report presents detailed information as a context for understanding the financial statements, note disclosures, required supplementary information as well as the overall financial position of the County.

Financial Trends

These schedules contain trend information to help the user understand how the County's financial performance has changed over time. Pages 116-121

Revenue Capacity

These schedules contain information to help the user assess the County's major revenue sources. Pages 122-125

Debt Capacity

These schedules present information to help the user assess the affordability of the County's current level of outstanding debt and the County's ability to issue additional debt in the future. Pages 126-131

Demographic and Economic Information

These schedules present demographic and economic indicators to help the user understand the environment within which the County's financial activities take place. Pages 132-133

Operating Information

These schedules contain staffing, key operating and capital statistics comparisons to help the user understand how the information in the County's financial report relates to the services the County provides and the activities it performs. Pages 134-136

Cobb County, Georgia
Net Assets by Component
Unaudited

	2009	2008	2007	2006	2005	2004	2003	2002
Governmental activities								
Invested in capital assets, net of related debt	$ 2,845,141,332	$ 2,697,785,423	$ 2,519,108,757	$ 2,480,941,152	$ 2,476,786,038	$ 2,462,887,568	$ 2,443,180,328	$ 2,448,721,064
Restricted	107,900,772	173,324,280	183,127,588	85,045,197	4,501,533	102,020,091	75,568,888	82,922,156
Unrestricted	56,626,064	61,584,531	76,623,771	82,350,806	70,015,602	29,981,942	58,464,900	45,642,328
Total governmental activities net assets	$ 3,009,668,168	$ 2,932,694,234	$ 2,778,860,116	$ 2,648,337,155	$ 2,551,303,173	$ 2,594,889,601	$ 2,577,214,116	$ 2,577,285,548
Business-type activities								
Invested in capital assets, net of related debt	$ 1,214,901,904	$ 1,221,223,766	$ 1,184,655,823	$ 1,160,044,646	$ 1,113,718,561	$ 959,605,058	$ 949,944,450	$ 815,807,798
Restricted	-	-	-	-	-	144,528,897	111,445,686	177,793,801
Unrestricted	18,017,954	7,356,104	26,521,995	4,806,173	2,306,436	(25,510,809)	(39,411,425)	(42,748,221)
Total business-type activities net assets	$ 1,232,919,858	$ 1,228,579,870	$ 1,211,177,818	$ 1,164,850,819	$ 1,116,024,997	$ 1,078,623,146	$ 1,021,978,711	$ 950,853,378
Primary government								
Invested in capital assets, net of related debt	$ 4,060,043,236	$ 3,919,009,189	$ 3,703,765,580	$ 3,640,985,798	$ 3,590,504,599	$ 3,422,492,626	$ 3,393,124,778	$ 3,264,528,862
Restricted	107,900,772	173,324,280	183,127,588	85,045,197	4,501,533	246,548,988	187,014,574	260,715,957
Unrestricted	74,644,018	68,940,635	103,145,766	87,156,979	72,322,038	4,471,133	19,053,475	2,894,107
Total primary government net assets	$ 4,242,588,026	$ 4,161,274,104	$ 3,990,038,934	$ 3,813,187,974	$ 3,667,328,170	$ 3,673,512,747	$ 3,599,192,827	$ 3,528,138,926

Source: Basic Financial Statements

Note: Accrual-basis financial information for Cobb County as a whole is available back to 2002 only, the year GASB 34 was implemented.

Cobb County, Georgia
Changes in Net Assets
Unaudited

	2009	2008	2007	2006	2005	2004	2003	2002
Expenses								
Governmental activities:								
General government	$ 130,964,498	$ 129,487,420	$ 120,717,451	$ 115,843,895	$ 107,749,514	$ 108,191,828	$ 99,766,869	$ 95,009,466
Public safety	218,818,569	216,428,501	193,571,694	178,947,049	168,711,238	163,535,307	154,774,012	139,360,166
Public works	110,796,058	104,411,823	104,327,448	90,377,404	69,421,056	66,385,387	66,256,600	68,070,044
Health and welfare	6,389,272	7,216,169	13,616,494	7,478,849	6,684,836	5,919,160	4,932,192	5,073,402
Culture and recreation	42,245,820	45,361,751	35,607,314	39,071,797	30,582,562	30,360,077	28,921,885	27,798,680
Housing and development	14,458,129	15,357,027	14,722,882	13,609,064	16,930,505	14,232,310	15,213,345	15,953,347
Interest on long-term debt	5,781,065	6,547,418	6,685,179	6,592,636	6,300,694	3,135,529	3,319,712	4,743,966
Total governmental activities expenses	$ 529,453,411	$ 524,810,109	$ 489,248,462	$ 451,920,694	$ 406,380,405	$ 391,759,598	$ 373,184,615	$ 356,009,071
Business-type activities:								
Water and Sewer	$ 156,686,447	$ 144,220,614	$ 145,833,553	$ 144,457,437	$ 123,198,230	$ 121,115,557	$ 112,023,923	$ 112,263,460
Solid Waste	10,793,537	12,005,039	11,953,423	11,095,700	12,179,338	13,346,843	13,678,893	13,900,762
Transit	22,227,266	22,799,515	19,686,139	17,477,215	15,362,394	14,073,213	10,685,976	12,014,385
Cobblestone Golf Course	1,673,843	1,778,843	1,741,765	1,677,078	1,881,091	1,792,480	1,703,874	1,871,441
Mable House Barnes Amphitheatre	-	-	-	1,621,898	1,370,258	1,294,694	1,213,026	-
Total business-type activities expenses	$ 191,381,093	$ 180,804,011	$ 179,214,880	$ 176,329,328	$ 153,991,311	$ 151,622,787	$ 139,305,692	$ 140,050,048
Total primary government expenses	$ 720,834,504	$ 705,614,120	$ 668,463,342	$ 628,250,022	$ 560,371,716	$ 543,382,385	$ 512,490,307	$ 496,059,119
Program Revenues								
Governmental activities:								
Charges for services:								
General government	$ 50,767,215	$ 51,978,918	$ 53,256,545	$ 51,709,360	$ 44,800,932	$ 49,574,327	$ 52,953,905	$ 49,078,823
Public safety	15,131,886	14,780,887	14,341,033	14,469,395	13,425,582	12,138,789	11,960,137	12,280,544
Public works	5,282,949	4,949,018	5,582,231	5,320,149	4,796,608	4,463,356	4,448,905	4,481,838
Health and welfare	82,003	80,917	74,041	80,017	79,569	72,894	73,935	68,902
Culture and recreation	4,163,871	4,218,145	4,022,119	3,219,150	3,266,955	3,078,532	3,052,475	2,907,402
Housing and development	16,755,918	19,987,871	21,749,780	21,724,082	22,130,157	20,197,584	18,098,184	17,757,681
Operating grants and contributions	17,745,892	17,665,432	17,442,439	16,342,417	16,700,061	16,131,983	8,539,450	10,107,108
Capital grants and contributions	61,489,833	99,891,365	43,962,989	39,290,010	32,790,400	46,758,335	11,975,118	17,723,508
Total governmental activities program revenues	$ 171,419,567	$ 213,552,553	$ 160,431,177	$ 152,154,580	$ 137,990,264	$ 152,415,800	$ 111,102,109	$ 114,405,806
Business-type activities:								
Charges for services:								
Water and Sewer	$ 170,690,750	$ 150,084,927	$ 174,833,409	$ 167,580,879	$ 143,171,222	$ 141,959,651	$ 133,266,282	$ 158,358,196
Solid Waste	5,578,983	6,711,561	6,215,070	5,868,070	5,929,112	5,994,436	5,609,955	4,829,398
Transit	5,347,538	5,095,171	3,704,693	3,703,228	3,297,030	2,796,707	3,003,725	2,792,849
Cobblestone Golf Course	1,710,920	2,076,810	2,146,252	2,160,557	1,955,870	1,922,315	1,799,798	1,816,019
Mable House Barnes Amphitheater	-	-	-	625,294	591,996	392,400	255,109	-
Operating grants and contributions	638,096	500,989	571,081	1,445,712	-	-	-	248,932
Capital grants and contributions	10,517,614	31,341,068	37,980,311	39,555,767	38,670,446	53,387,271	65,726,743	10,874,104
Total business-type activities program revenues	$ 194,483,901	$ 195,810,526	$ 225,450,816	$ 220,939,507	$ 193,615,676	$ 206,452,780	$ 209,661,612	$ 178,919,498
Total primary government program revenues	$ 365,903,468	$ 409,363,079	$ 385,881,993	$ 373,094,087	$ 331,605,940	$ 358,868,580	$ 320,763,721	$ 293,325,304
Net (Expense)/Revenue								
Governmental activities	$ (358,033,844)	$ (311,257,556)	$ (328,817,285)	$ (299,766,114)	$ (268,390,141)	$ (239,343,798)	$ (262,082,506)	$ (241,603,265)
Business-type activities	3,102,808	15,006,515	46,235,936	44,610,179	39,624,365	54,829,993	70,355,920	38,869,450
Total primary government net (expense)/revenue	$ (354,931,036)	$ (296,251,041)	$ (282,581,349)	$ (255,155,935)	$ (228,765,776)	$ (184,513,805)	$ (191,726,586)	$ (202,733,815)

Continued on next page

Cobb County, Georgia
Changes in Net Assets
Unaudited

	2009	2008	2007	2006	2005	2004	2003	2002
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Property taxes	$ 258,642,957	$ 251,204,278	$ 238,915,529	$ 218,244,514	$ 214,511,969	$ 195,394,493	$ 181,170,485	$ 190,948,717
Sales taxes	113,364,227	132,348,036	134,143,700	100,562,325	161,617	485,445	150,785	1,335,432
Insurance and premium tax	22,633,407	22,094,857	21,012,449	20,050,624	18,776,151	17,352,880	16,180,639	14,653,816
Alcoholic beverage tax	4,743,585	4,896,525	4,786,541	4,115,598	4,524,862	4,548,280	4,378,044	4,552,006
Hotel/Motel tax	9,327,241	11,084,810	10,625,801	10,452,605	3,327,163	3,038,009	3,021,223	3,194,741
Real estate transfer tax	805,210	1,285,897	2,381,465	2,565,691	2,449,347	1,908,363	3,962,093	1,421,517
Miscellaneous taxes	10,946,137	10,982,764	10,213,949	11,190,228	8,990,786	10,570,872	9,209,203	6,996,745
Miscellaneous	10,034,725	6,435,465	7,369,832	9,046,114	4,090,731	7,651,872	5,134,596	2,770,196
Grant and contributions not restricted to specific programs	-	11,458,132	11,291,129	11,256,630	12,289,502	12,594,993	14,044,620	12,533,276
Gain or (loss) on sale of capital assets	43,858	248,756	160,675	812,344	392,556	166,281	(81,086)	74,463
Increase/decrease in fair market value	-	-	-	-	-	(1,319)	2,038	(84,471)
Unrestricted investment earnings	5,550,704	12,485,150	13,999,773	7,251,088	2,881,915	1,745,217	1,903,733	3,309,033
Extraordinary gain - donated roads	-	-	-	-	-	-	21,939,200	88,998,000
Extraordinary gain - capital contributions	-	-	-	-	-	-	769,129	-
Transfers	(1,084,273)	567,004	4,439,403	2,643,338	6,057,506	1,563,897	226,372	(785,032)
Total governmental activities	$ 435,007,778	$ 465,091,674	$ 459,340,246	$ 398,191,099	$ 278,454,105	$ 257,019,283	$ 262,011,074	$ 329,918,439
Business-type activities:								
Miscellaneous	$ 721,233	$ 942,405	$ 913,102	$ 1,487,088	$ -	$ -	$ -	$ -
Gain or (loss) on sale of capital assets	(1,060,661)	31,240	47,478	-	157,878	985,040	(143,065)	79,951
Increase/decrease in fair market value	-	-	-	-	(18)	(2,543)	7,325	(275,732)
Unrestricted investment earnings	492,335	1,988,896	3,569,886	5,371,893	3,677,132	2,395,842	2,295,482	5,842,748
Transfers	1,084,273	(567,004)	(4,439,403)	(2,643,338)	(6,057,506)	(1,563,897)	(1,290,340)	(507,300)
Total business-type activities	$ 1,237,180	$ 2,395,537	$ 91,063	$ 4,215,643	$ (2,222,514)	$ 1,814,442	$ 869,402	$ 5,139,667
Total primary government	$ 436,244,958	$ 467,487,211	$ 459,431,309	$ 402,406,742	$ 276,231,591	$ 258,833,725	$ 262,880,476	$ 335,058,106
Change in Net Assets Before Restatement								
Governmental activities	$ 76,973,934	$ 153,834,118	$ 130,522,961	$ 98,424,985	$ 10,063,964	$ 17,675,485	$ (71,432)	$ 88,315,174
Business-type activities	4,339,988	17,402,052	46,326,999	48,825,822	37,401,851	56,644,435	71,225,322	44,009,117
Total primary government	$ 81,313,922	$ 171,236,170	$ 176,849,960	$ 147,250,807	$ 47,465,815	$ 74,319,920	$ 71,153,890	$ 132,324,291
Restatement								
Governmental activities	$ -	$ -	$ -	$ (1,391,003)	$ (53,650,392)	$ -	$ -	$ -
Business-type activities	-	-	-	-	-	-	(99,989)	-
Total primary government	$ -	$ -	$ -	$ (1,391,003)	$ (53,650,392)	$ -	$ (99,989)	$ -
Change in Net Assets After Restatement								
Governmental activities	$ 76,973,934	$ 153,834,118	$ 130,522,961	$ 97,033,982	$ (43,586,428)	$ 17,675,485	$ (71,432)	$ 88,315,174
Business-type activities	4,339,988	17,402,052	46,326,999	48,825,822	37,401,851	56,644,435	71,125,333	44,009,117
Total primary government	$ 81,313,922	$ 171,236,170	$ 176,849,960	$ 145,859,804	$ (6,184,577)	$ 74,319,920	$ 71,053,901	$ 132,324,291

Source: Basic Financial Statements

Note: Accrual-basis financial information for Cobb County as a whole is available back to 2002 only, the year GASB 34 was implemented.

Continued from proceeding page

Cobb County, Georgia
Fund Balances, Governmental Funds
Unaudited

	2009	2008	2007	2006	2005
General Fund					
Reserved	$ 5,744,747	$ 6,035,817	$ 7,085,586	$ 6,763,639	$ 6,893,207
Unreserved	8,704,929	40,743,565	51,628,912	53,847,873	49,737,523
Total General Fund	$ 14,449,676	$ 46,779,382	$ 58,714,498	$ 60,611,512	$ 56,630,730
All Other Governmental Funds					
Reserved	$ 133,774,416	$ 136,002,073	$ 90,325,264	$ 56,453,588	$ 8,678,307
Unreserved					
Special Revenue Funds	426,956	17,907,147	26,838,435	27,327,858	23,536,835
Capital Projects Funds	17,165,427	72,154,167	142,747,333	78,621,544	47,925,922
Total all other governmental funds	$ 151,366,799	$ 226,063,387	$ 259,911,032	$ 162,402,990	$ 80,141,064

	2004	2003	2003	2002	2001
General Fund					
Reserved	$ 5,632,515	$ 5,097,575	$ 5,097,575	$ 5,059,721	$ 3,573,365
Unreserved	40,439,209	63,125,053	63,125,053	39,395,452	27,570,731
Total General Fund	$ 46,071,724	$ 68,222,628	$ 68,222,628	$ 44,455,173	$ 31,144,096
All Other Governmental Funds					
Reserved	$ 2,060,457	$ 6,074,340	$ 6,074,340	$ 63,336,996	$ 94,433,901
Unreserved					
Special Revenue Funds	17,698,893	17,290,675	17,290,675	10,680,024	5,837,419
Capital Projects Funds	73,864,196	43,870,351	43,870,351	-	-
Total all other governmental funds	$ 93,623,546	$ 67,235,366	$ 67,235,366	$ 74,017,020	$ 100,271,320

Source: Basic Financial Statements
Note: The change in fund balance report for fiscal year 2002 does not account for the entire change in fund balance from 2001 to 2002. Prior to fiscal year 2002, the Transit fund was reported as a governmental fund, but the County changed the fund from a governmental fund to an enterprise fund to comply with the State of Georgia Uniform Chart of Accounts in 2002. The Transit Fund had a fund balance of $2,813,937 at the end of fiscal year 2001.

Cobb County, Georgia
Changes in Fund Balances, Governmental Funds
Unaudited

	2009	2008	2007	2006	2005
Revenues					
Taxes	$ 420,576,822	$ 430,494,106	$ 421,478,808	$ 365,649,916	$ 243,253,752
Licenses and permits	16,895,893	20,002,557	21,757,476	21,477,431	21,952,259
Intergovernmental	41,864,297	47,620,520	43,927,165	40,119,513	45,972,924
Charges for services	59,486,597	58,031,429	59,521,098	57,707,513	53,948,110
Fines and forfeits	15,801,352	17,961,770	17,747,175	17,337,209	19,439,582
Interest earned	5,339,066	11,702,780	13,130,180	6,717,914	2,684,393
Contributions	-	-	-	-	73,565
Increase (decrease) in fair value of investments	-	-	-	-	-
Miscellaneous	10,034,725	6,435,465	7,369,832	9,046,114	6,249,544
Total revenues	$ 569,998,752	$ 592,248,627	$ 584,931,734	$ 518,055,610	$ 393,574,129
Expenditures					
General government	$ 123,341,205	$ 125,709,498	$ 133,657,911	$ 121,042,343	$ 136,122,674
Public safety	207,638,521	205,020,261	199,303,102	184,595,327	167,931,065
Public works	37,719,789	30,598,324	89,477,872	57,385,232	40,980,529
Health and welfare	7,738,451	7,769,638	7,413,307	6,578,840	6,284,246
Culture and recreation	39,065,599	42,377,184	52,030,237	39,809,495	32,471,529
Housing and development	14,074,012	15,183,400	15,150,457	15,105,680	16,859,368
Debt service					
Principal retirement	12,913,462	13,961,512	16,548,903	10,944,224	7,123,315
Interest and fiscal charges	6,157,146	6,742,631	6,977,162	6,963,792	3,859,569
Capital outlay	218,458,686	207,489,112	-	-	-
Total expenditures	$ 667,106,871	$ 654,851,560	$ 520,558,951	$ 442,424,933	$ 411,632,295
Excess of revenues over (under) expenditures	$ (97,108,119)	$ (62,602,933)	$ 64,372,783	$ 75,630,677	$ (18,058,166)
Other financing sources (uses)					
Transfers in	$ 39,580,576	$ 60,545,358	$ 80,462,127	$ 58,146,991	$ 41,216,609
Transfers out	(40,312,340)	(59,309,482)	(82,436,523)	(55,394,987)	(34,830,124)
Capital lease proceeds	12,567,168	291,405	6,975,011	7,019,390	-
Proceeds from sale of capital assets	174,369	292,891	310,697	840,637	1,515,000
Bonds issued	-	15,000,000	25,000,000	-	19,245,880
Premium on bonds issued	-	-	926,933	-	-
Payment to refund bond escrow agent	-	-	-	-	(19,144,311)
Total other financing sources (uses)	$ 12,009,773	$ 16,820,172	$ 31,238,245	$ 10,612,031	$ 8,003,054
Net change in fund balances before restatement	$ (85,098,346)	$ (45,782,761)	$ 95,611,028	$ 86,242,708	$ (10,055,112)
Restatement	$ -	$ -	$ -	$ -	$ 7,131,636
Net change in fund balances after restatement	$ (85,098,346)	$ (45,782,761)	$ 95,611,028	$ 86,242,708	$ (2,923,476)
Debt service as a percentage of noncapital expenditures	7.81%	8.18%	5.30%	4.50%	3.20%

Source: Basic Financial Statements
Note: Capital outlay in caital project funds in years prior to 2008 was classified by function

2004	2003	2002	2001	2000
$ 233,912,522	$ 219,514,807	$ 209,332,705	$ 187,468,350	$ 185,316,379
20,081,455	18,073,485	17,714,856	16,527,532	16,466,884
45,024,359	33,188,602	39,870,040	37,460,731	34,713,764
51,881,834	55,541,607	52,303,368	45,993,473	41,042,206
16,781,751	16,307,448	15,738,490	14,469,760	12,812,943
1,679,490	1,903,733	3,114,946	9,138,181	12,896,557
230,213	190,505	79,018	97,096	228,815
(1,319)	2,038	(84,471)	778,462	346,610
8,560,148	7,029,846	5,890,938	5,061,806	3,989,120
$ 378,150,453	$ 351,752,071	$ 343,959,890	$ 316,995,391	$ 307,813,278
$ 108,899,536	$ 97,376,226	$ 97,303,459	$ 132,410,718	$ 117,019,474
164,439,721	144,972,677	135,378,095	93,595,649	85,536,444
47,421,144	42,145,316	58,546,137	32,963,840	32,686,109
5,118,992	4,708,724	4,919,873	5,576,896	4,417,217
33,045,343	28,915,435	33,029,275	24,353,465	23,047,102
17,401,587	17,335,630	15,906,049	8,854,555	5,776,927
7,614,617	7,607,097	6,297,335	10,146,064	9,556,015
3,310,637	3,560,168	4,682,003	5,603,367	6,135,259
-	-	-	59,663,116	84,950,291
$ 387,251,577	$ 346,621,273	$ 356,062,226	$ 373,167,670	$ 369,124,838
$ (9,101,124)	$ 5,130,798	$ (12,102,336)	$ (56,172,279)	$ (61,311,560)
$ 80,629,289	$ 45,041,284	$ 33,954,139	$ 46,392,091	$ 39,908,587
(79,635,859)	(37,383,272)	(34,729,810)	(35,333,979)	(36,694,666)
12,344,970	3,787,719	2,748,771	-	-
-	-	-	-	-
-	34,218,180	-	-	-
-	-	-	-	-
-	(33,808,908)	-	-	-
$ 13,338,400	$ 11,855,003	$ 1,973,100	$ 11,058,112	$ 3,213,921
$ 4,237,276	$ 16,985,801	$ (10,129,236)	$ (45,114,167)	$ (58,097,639)
$ -	$ -	$ -	$ -	$ -
$ 4,237,276	$ 16,985,801	$ (10,129,236)	$ (45,114,167)	$ (58,097,639)
3.41%	3.74%	6.79%	13.22%	17.47%

Cobb County, Georgia
Assessed Value and Actual Value
Unaudited

Fiscal Year	Real Property: Residential Property Assessed Value	Real Property: Residential Property Estimated Actual Value	Real Property: Commercial Property Assessed Value	Real Property: Commercial Property Estimated Actual Value	Real Property: Other Assessed Value	Real Property: Other Estimated Actual Value	Personal Property Assessed Value	Personal Property Estimated Actual Value	Total Assessed Value	Total Direct Tax Rate (1)	Estimated Actual Value	Assessed Value as of a Percentage of Actual Value
2000	$ 10,000,341,450	$ 25,000,853,625	$ 4,559,910,665	$ 11,399,776,663	$ 2,144,374,530	$ 5,360,936,325	$ 2,224,706,597	$ 5,561,766,493	$ 18,929,333,242	9.84	$ 47,323,333,105	40%
2001	11,228,268,662	28,070,671,655	4,643,927,963	11,609,819,908	2,354,497,123	5,886,242,808	2,301,589,509	5,753,973,773	20,528,283,257	9.72	51,320,708,143	40%
2002	13,095,676,643	32,739,191,608	5,841,482,874	14,603,707,185	2,411,250,813	6,028,127,033	2,366,090,193	5,915,225,483	23,714,500,523	9.72	59,286,251,308	40%
2003	13,869,536,368	34,673,840,920	5,680,625,084	14,201,562,710	2,695,204,513	6,738,011,283	2,374,834,364	5,937,085,910	24,620,200,329	9.72	61,550,500,823	40%
2004	14,958,680,641	37,396,701,603	5,838,567,796	14,596,419,490	2,672,153,123	6,680,382,808	2,619,127,023	6,547,817,558	26,088,528,583	9.72	65,221,321,458	40%
2005	16,509,842,871	41,274,607,178	6,468,662,962	16,171,657,405	2,341,387,292	5,853,468,230	2,782,135,693	6,955,339,233	28,102,028,818	9.72	70,255,072,045	40%
2006	18,163,497,752	45,408,744,380	6,908,697,628	17,271,744,070	2,314,114,953	5,785,287,383	2,900,098,221	7,250,245,553	30,286,408,554	9.60	75,716,021,385	40%
2007	19,808,664,015	49,521,660,038	7,250,705,550	18,126,763,875	2,518,491,916	6,296,229,790	2,994,219,975	7,485,549,938	32,572,081,456	9.60	81,430,203,640	40%
2008	20,221,351,894	50,553,379,735	8,105,159,926	20,262,899,815	2,558,206,943	6,395,517,358	2,934,178,648	7,335,446,620	33,818,897,411	9.60	84,547,243,528	40%
2009	20,135,446,844	50,338,617,110	8,007,177,834	20,017,944,585	2,650,047,807	6,625,119,518	2,964,921,509	7,412,303,773	33,757,593,994	9.60	84,393,984,985	40%

Source: Cobb County Tax Digest
Note: (1) Per $1,000 of assessed value.

Cobb County, Georgia
Direct and Overlapping Property Tax Rates
Unaudited

	Year Taxes Are Payable									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Cobb County Direct Rates										
General	6.82	6.82	6.82	6.82	6.85	6.85	6.85	6.80	6.57	6.57
Fire District	2.56	2.56	2.56	2.56	2.65	2.65	2.65	2.65	2.65	2.77
Debt Service	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.27	0.50	0.50
Total direct rates	9.60	9.60	9.60	9.60	9.72	9.72	9.72	9.72	9.72	9.84
City Rates										
Acworth	36.35	36.35	36.35	37.44	37.74	37.24	37.32	37.37	37.75	36.94
Austell	29.31	29.31	29.31	30.31	30.34	30.34	30.34	30.72	30.73	29.87
Kennesaw	38.25	38.25	38.25	38.00	36.62	36.62	36.62	36.62	36.77	35.89
Marietta	29.94	29.94	29.94	29.94	29.97	29.97	29.97	29.47	26.97	27.04
Powder Springs	37.25	37.25	37.25	38.25	38.37	38.37	36.87	36.87	37.02	36.14
Smyrna	35.18	35.18	35.18	36.36	36.79	36.87	37.07	37.07	37.47	36.82
School District										
Cobb County Board of Education	18.90	18.90	18.90	19.90	19.90	19.90	19.90	19.90	20.05	19.05
State of Georgia	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25

Source: Cobb County Tax Commissioner's Office

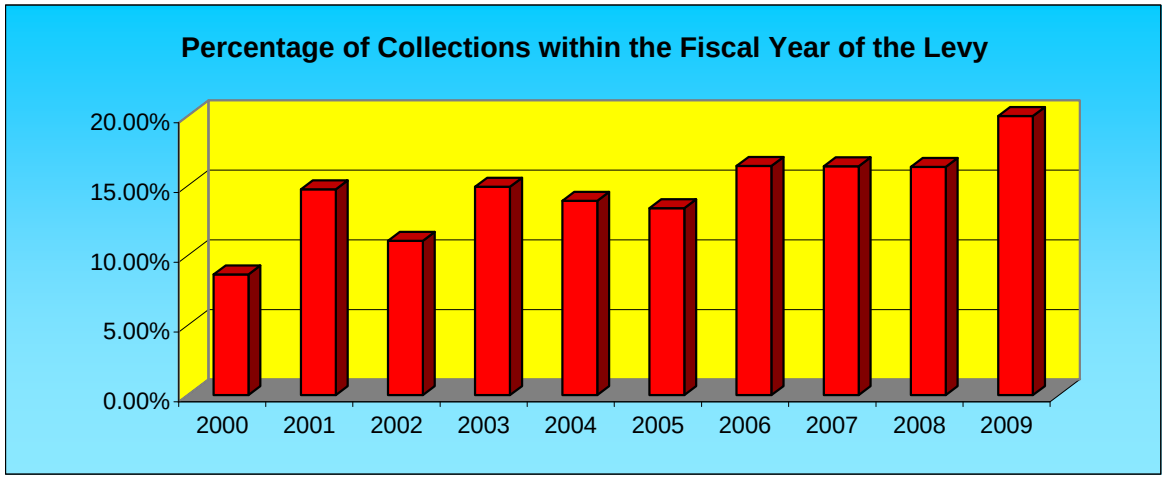
Cobb County, Georgia
Principal Property Tax Payers
Unaudited

	Fiscal Year 2009			Fiscal Year 2000		
Taxpayer	Taxes Levied	Rank	Percentage of Total County Taxes Levied	Taxes Levied	Rank	Percentage of Total County Taxes Levied
Atlanta Gas & Light	$			$ 1,255,847	9	0.92%
BellSouth Telecommunication	2,634,528	5	1.11%	3,230,776	4	2.36%
Cobb EMC	2,852,067	4	1.20%	1,856,686	7	1.35%
Crow Companies				1,333,360	8	0.97%
Diamondrock Waverly Owner, LLC	1,802,886	10	0.76%			
Diversified Development Properties	1,956,292	9	0.83%			
Georgia Power Co.	4,298,678	2	1.81%	2,388,241	5	1.74%
Home Depot	5,786,462	1	2.44%	3,291,424	2	2.40%
Lockheed Martin Corp	2,443,397	7	1.03%	2,272,036	6	1.66%
Ohio Teacher's Retirement Fund	2,577,226	6	1.09%			
Post Properties				3,240,906	3	2.36%
State of California Public Employees				1,222,377	10	0.89%
SP4	3,170,295	3	1.34%			
Wildwood Properties	2,207,716	8	0.93%	4,616,679	1	3.37%

Source: Cobb County Tax Commissioner's Office

Cobb County, Georgia
Property Tax Levies and Collections
Unaudited

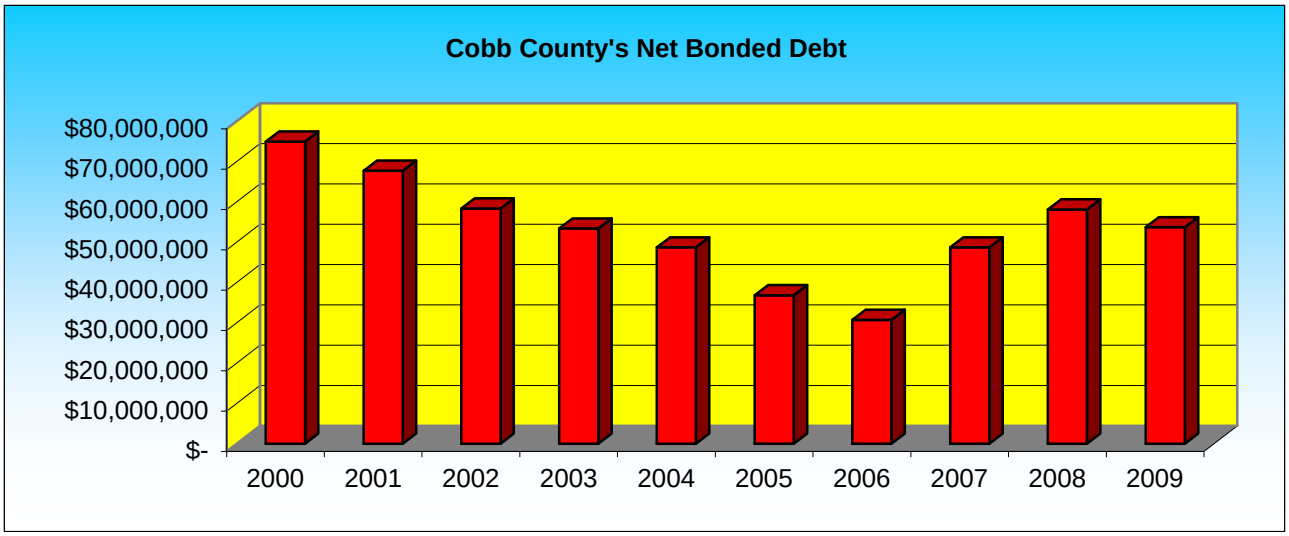
Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)	Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2000	$ 140,808,137	$ (3,688,616)	$ 137,119,521	$ 12,175,099	8.65%	$ 124,293,898	$ 136,468,997	99.53%
2001	147,388,883	(2,929,393)	144,459,490	21,751,878	14.76%	121,544,382	143,296,260	99.19%
2002	168,071,481	(5,028,006)	163,043,475	18,581,936	11.06%	143,558,879	162,140,815	99.45%
2003	173,817,379	(2,783,868)	171,033,511	25,963,777	14.94%	143,949,237	169,913,014	99.34%
2004	182,667,127	(2,080,556)	180,586,571	25,450,248	13.93%	154,233,766	179,684,014	99.50%
2005	197,751,595	(1,841,598)	195,909,997	26,498,532	13.40%	168,271,939	194,770,471	99.42%
2006	211,393,308	(1,137,603)	210,255,705	34,705,014	16.42%	173,319,186	208,024,200	98.94%
2007	226,524,907	(1,246,479)	225,278,428	37,148,299	16.40%	185,130,487	222,278,786	98.67%
2008	240,393,700	(1,195,186)	239,198,514	39,301,350	16.35%	195,275,759	234,577,109	98.07%
2009	239,646,001	(2,650,394)	236,995,607	79,131,484	33.02%	-	79,131,484	33.39%



Source: Cobb County Tax Commissioner's Office

Cobb County, Georgia
Ratios of General Bonded Debt Outstanding
Unaudited

Fiscal Year	General Bonded Debt Outstanding: General Obligation Bonds	Less: Amounts Restricted to Repaying Principal	Net Bonded Debt	Percentage of Personal Income	Percentage Actual Value of Taxable Property	Per Capita
2000	$ 77,585,000	$ 2,638,987	$ 74,946,013	0.36%	0.16%	$ 122.36
2001	69,440,000	1,751,265	67,688,735	0.32%	0.13%	107.98
2002	60,785,000	2,459,518	58,325,482	0.28%	0.10%	91.36
2003	55,355,000	1,985,667	53,369,333	0.26%	0.09%	82.70
2004	50,545,000	1,863,735	48,681,265	0.22%	0.07%	74.45
2005	44,895,000	8,058,583	36,836,417	0.16%	0.05%	55.52
2006	39,095,000	8,366,821	30,728,179	0.13%	0.04%	45.15
2007	58,070,000	9,380,967	48,689,033	0.18%	0.06%	70.37
2008	66,815,000	8,732,742	58,082,258	0.21%	0.07%	82.70
2009	60,300,000	6,617,567	53,682,433	0.20%	0.06%	76.13



Source: Basic Financial Statements

Cobb County, Georgia
Direct and Overlapping Governmental Activities Debt
Unaudited
As of September 30, 2009

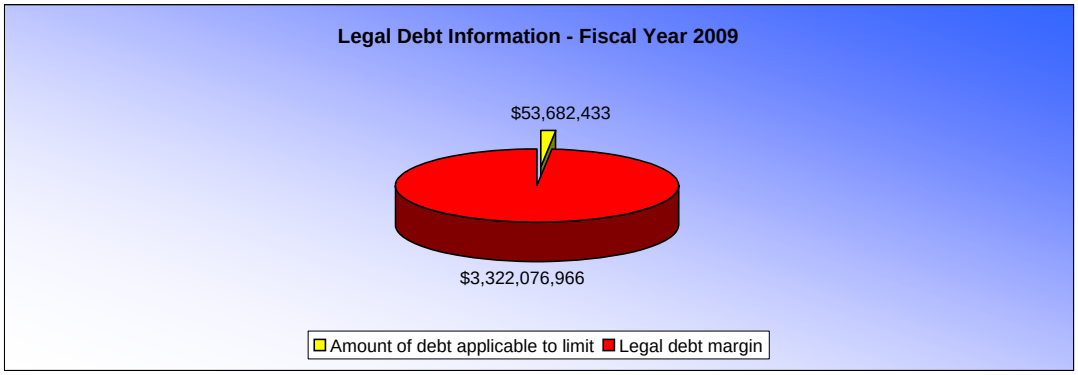
Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Cities			
Austell	$ 5,765,000	100%	$ 5,765,000
Kennesaw	13,440,000	100%	13,440,000
Marietta	53,015,805	100%	53,015,805
Powder Springs	9,603,506	100%	9,603,506
Total cities			$ 81,824,311
Development Authorities			
Acworth	$ 13,660,000	100%	$ 13,660,000
Marietta	46,479,719	100%	46,479,719
Smyrna	38,370,000	100%	38,370,000
Total development authorities			$ 98,509,719
Subtotal, overlapping debt			$ 180,334,030
Total direct debt			$ 244,600,000
Total direct and overlapping debt			$ 424,934,030

Cobb County, Georgia
Legal Debt Margin Information
Unaudited

	Fiscal Year				
	2009	2008	2007	2006	2005
Assessed value of property	$ 33,757,593,994	$ 33,818,897,411	$ 32,572,081,456	$ 30,286,408,554	$ 28,102,028,818
Debt limit, 10% of assessed value	3,375,759,399	3,381,889,741	3,257,208,146	3,028,640,855	2,810,202,882
Amount of debt applicable to limit	53,682,433	58,082,258	48,689,033	30,728,179	36,836,417
General Obligation Bonds	60,300,000	66,815,000	58,070,000	39,095,000	44,895,000
Less: Resources restricted to paying principal	(6,617,567)	(8,732,742)	(9,380,967)	(8,366,821)	(8,058,583)
Total net debt applicable to limit	53,682,433	58,082,258	48,689,033	30,728,179	36,836,417
Legal debt margin	$ 3,322,076,966	$ 3,323,807,483	$ 3,208,519,113	$ 2,997,912,676	$ 2,773,366,465
Total net debt applicable to the limit as a percentage of debt limit	1.59%	1.72%	1.49%	1.01%	1.31%

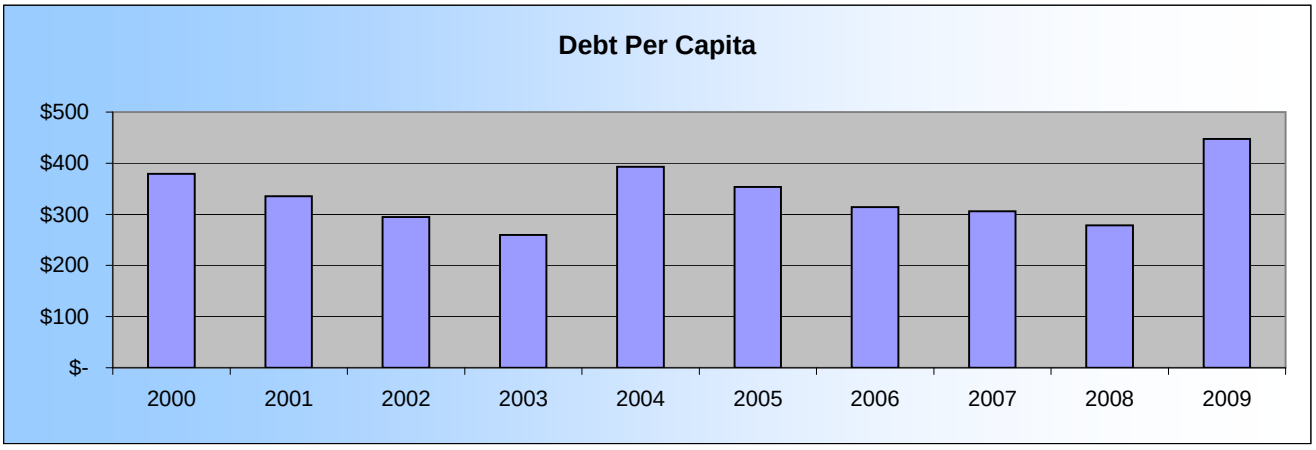
	Fiscal Year				
	2004	2003	2002	2001	2000
Assessed value of property	$ 26,088,528,583	$ 24,620,200,329	$ 23,714,500,523	$ 20,528,283,257	$ 18,929,333,245
Debt limit, 10% of assessed value	2,608,852,858	2,462,020,033	2,371,450,052	2,052,828,326	1,892,933,325
Amount of debt applicable to limit	48,681,265	53,369,333 -	58,325,482 -	67,688,735	74,946,013
General Obligation Bonds	50,545,000	55,355,000	60,785,000	69,440,000	77,585,000
Less: Resources restricted to paying principal	(1,863,735)	(1,985,667)	(2,459,518)	(1,751,265)	(2,638,987)
Total net debt applicable to limit	48,681,265	53,369,333	58,325,482	67,688,735	74,946,013
Legal debt margin	$ 2,560,171,593	$ 2,408,650,700	$ 2,313,124,570	$ 1,985,139,591	$ 1,817,987,312
Total net debt applicable to the limit as a percentage of debt limit	1.87%	2.17%	2.46%	3.30%	3.96%

Source: Cobb County Tax Commissioner's Office



Cobb County, Georgia
Ratios of Outstanding Debt By Type
Unaudited

Fiscal Year	Governmental Activities: General Obligation Bonds	Governmental Activities: Capital Leases	Business - Type Activities: Revenue Bonds	Business - Type Activities: Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita
2000	$ 77,585,000	$ 6,644,265	$ 147,340,000	$ 775,617	$ 232,344,882	1.11%	$ 379.32
2001	69,440,000	6,751,533	133,665,000	321,371	210,177,904	1.00%	335.30
2002	60,785,000	8,003,194	119,305,000	213,920	188,307,114	0.91%	294.96
2003	55,355,000	8,779,865	103,455,000	100,058	167,689,923	0.81%	259.86
2004	50,545,000	19,123,133	187,455,000	-	257,123,133	1.19%	393.25
2005	44,895,000	17,744,916	171,815,000	-	234,454,916	1.04%	353.35
2006	39,095,000	20,600,870	153,835,000	144,381	213,675,251	0.91%	313.93
2007	58,070,000	18,136,978	135,565,000	108,769	211,880,747	0.77%	306.23
2008	66,815,000	11,766,872	116,950,000	190,709	195,722,581	0.71%	278.69
2009	60,300,000	19,055,578	236,025,000	102,032	315,482,610	1.19%	447.40



Cobb County, Georgia
Revenue Bond Coverage
Unaudited

Water and Sewer Bonds:

Fiscal Year	Gross Revenues (2)	Direct Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage
2000	$ 154,706,735	$ 72,656,849	$ 82,049,886	$ 11,720,000	$ 6,555,828	$ 18,275,828	4.49
2001	150,748,619	76,912,634	73,835,985	12,285,000	5,987,568	18,272,568	4.04
2002	164,213,180	79,408,182	84,804,998	12,890,000	5,385,130	18,275,130	4.64
2003	197,376,530	80,035,368	117,341,162	13,530,000	5,165,293	18,695,293	6.28
2004	164,190,681	87,999,837	76,190,844	14,510,000	3,783,425	18,293,425	4.16
2005	153,188,996	88,727,602	64,461,394	15,425,000	7,341,200	22,766,200	2.83
2006	180,208,549	100,559,507	79,649,042	15,770,000	6,891,850	22,661,850	3.51
2007	184,031,381	103,915,935	80,115,446	15,950,000	6,103,350	22,053,350	3.63
2008	155,667,100	102,378,852	53,288,248	16,330,000	5,305,850	21,635,850	2.46
2009	173,328,501	111,624,602	61,703,899	5,135,000	5,503,503	10,638,503	5.80

Solid Waste Disposal Bonds:

Fiscal Year	Gross Revenues (2)	Direct Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage
2000	$ 11,667,415	$ 9,214,755	$ 2,452,660	$ 920,000	$ 1,502,778	$ 2,422,778	1.01
2001	5,088,975	9,909,856	-	985,000	1,442,096	2,427,096	0.00
2002	10,517,939	9,360,086	1,157,853	1,050,000	1,378,503	2,428,503	0.48
2003	5,636,001	9,246,132	-	1,110,000	1,311,003	2,421,003	0.00
2004	12,620,017	9,044,479	3,575,538	1,180,000	1,268,721	2,448,721	1.46
2005	11,094,215	9,403,159	1,691,056	19,025,000	1,090,199	20,115,199	0.08
2006	12,779,670	9,494,382	3,285,288	1,720,000	732,913	2,452,913	1.34
2007	15,311,516	10,566,538	4,744,978	1,800,000	680,113	2,480,113	1.91
2008	16,526,644	10,695,503	5,831,141	1,855,000	607,897	2,462,897	2.37
2009	31,470,188	9,594,733	21,875,455	1,910,000	553,431	2,463,431	8.88

Golf Course Bonds:

Fiscal Year	Gross Revenues (2)	Direct Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage
2000	$ 2,035,607	$ 1,466,623	$ 568,984	$ 305,000	$ 288,905	$ 593,905	0.96
2001	1,845,130	1,551,340	293,790	320,000	275,933	595,933	0.49
2002	1,817,872	1,455,580	362,292	330,000	262,118	592,118	0.61
2003	1,802,803	1,302,627	500,176	345,000	247,519	592,519	0.84
2004	1,923,862	1,418,890	504,972	355,000	232,116	587,116	0.86
2005	1,958,163	1,561,470	396,693	375,000	215,686	590,686	0.67
2006	2,173,064	1,364,593	808,471	390,000	198,185	588,185	1.37
2007	2,164,737	1,441,263	723,474	410,000	179,785	589,785	1.23
2008	2,083,592	1,496,261	587,331	430,000	153,697	583,697	1.01
2009	1,716,691	1,328,341	388,350	450,000	133,945	583,945	0.67

(1) Depreciation expense not included.
(2) Includes non operating revenues and transfers in.

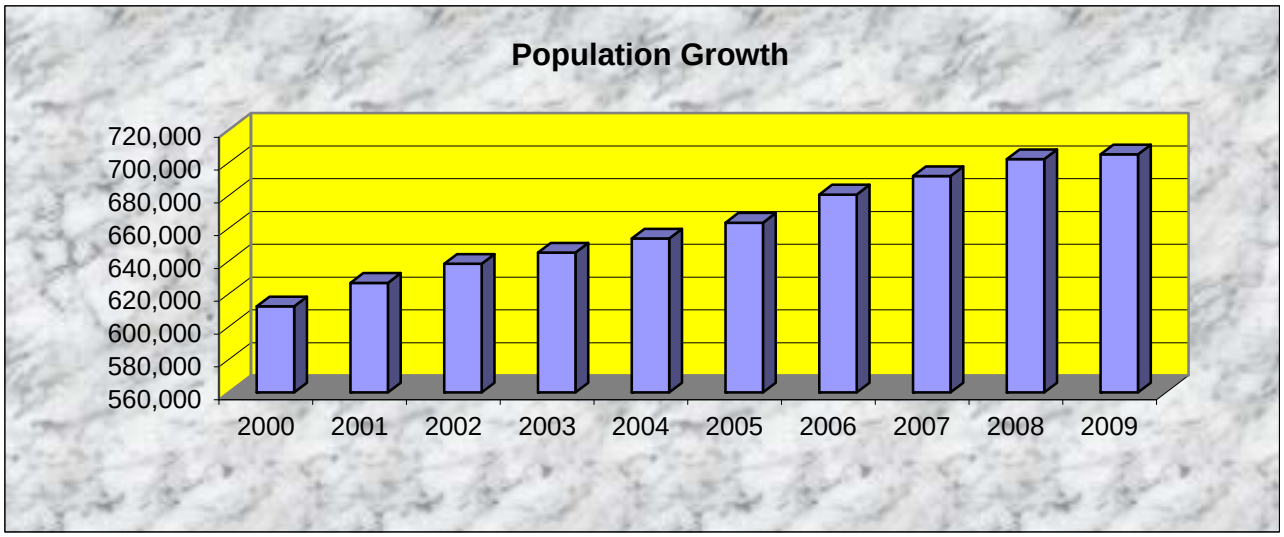
Cobb County, Georgia
Annual Debt Service Requirements
Unaudited

Year Ending September 30	Governmental Activities General Obligation Bonds Principal	Governmental Activities General Obligation Bonds Interest	Business Type Activities Revenue Bonds Principal	Business Type Activities Revenue Bonds Interest	Component Units Revenue Bonds Principal	Component Units Revenue Bonds Interest
2010	$ 6,820,000	$ 2,412,750	$ 11,350,000	$ 9,830,247	$ 4,190,000	$ 6,292,624
2011	6,410,000	2,126,813	12,185,000	10,020,130	4,430,000	6,124,022
2012	6,700,000	1,853,362	12,385,000	9,467,325	4,680,000	5,942,792
2013	6,995,000	1,559,018	13,040,000	8,885,150	4,960,000	5,740,637
2014	7,310,000	1,247,782	13,455,000	8,233,776	5,260,000	5,526,518
2015-2019	26,065,000	1,829,274	63,385,000	33,134,875	31,600,000	23,720,351
2020-2024	-	-	67,215,000	18,198,012	42,300,000	15,289,025
2025-2029	-	-	43,010,000	5,711,813	40,445,000	4,661,707
	$ 60,300,000	$ 11,028,999	$ 236,025,000	$ 103,481,328	$ 137,865,000	$ 73,297,676

Year Ending September 30	Total Primary Government General Obligation Bonds Principal	Total Primary Government General Obligation Bonds Interest	Total Primary Government Revenue Bonds Principal	Total Primary Government Revenue Bonds Interest	Total Principal	Total Interest
2010	$ 6,820,000	$ 2,412,750	$ 11,350,000	9,830,247	$ 18,170,000	$ 12,242,997
2011	6,410,000	2,126,813	12,185,000	10,020,130	18,595,000	12,146,943
2012	6,700,000	1,853,362	12,385,000	9,467,325	19,085,000	11,320,687
2013	6,995,000	1,559,018	13,040,000	8,885,150	20,035,000	10,444,168
2014	7,310,000	1,247,782	13,455,000	8,233,776	20,765,000	9,481,558
2015-2019	26,065,000	1,829,274	63,385,000	33,134,875	89,450,000	34,964,149
2020-2024	-	-	67,215,000	18,198,012	67,215,000	18,198,012
2025-2029	-	-	43,010,000	5,711,813	43,010,000	5,711,813
	$ 60,300,000	$ 11,028,999	$ 236,025,000	$ 103,481,328	$ 296,325,000	$ 114,510,327

Cobb County, Georgia
Demographic and Economic Statistics
Unaudited

Year	Population (1)	Personal Income (2)	Per Capita Personal Income (2)	County Unemployment Rate (3)
2000	612,529	$ 20,880,980,000	$ 34,089.78	2.3%
2001	626,842	21,110,380,000	33,677.35	3.0%
2002	638,411	20,729,560,000	32,470.56	4.6%
2003	645,304	20,724,110,000	32,115.27	4.2%
2004	653,841	21,645,330,000	33,104.88	4.1%
2005	663,528	22,504,970,000	33,917.14	4.3%
2006	680,650	23,511,880,000	34,543.27	4.0%
2007	691,905	27,669,090,000	39,989.72	3.5%
2008	702,284	27,538,100,000	39,212.20	6.2%
2009	705,140	26,482,600,000	37,556.51	9.6%



Source:
(1) Estimated from July 2005 Census using 1.5% growth rate
(2) Woods & Poole Economics 2010 Data Pamphlet
(3) Office of Economic Development and Cobb Chamber of Commerce

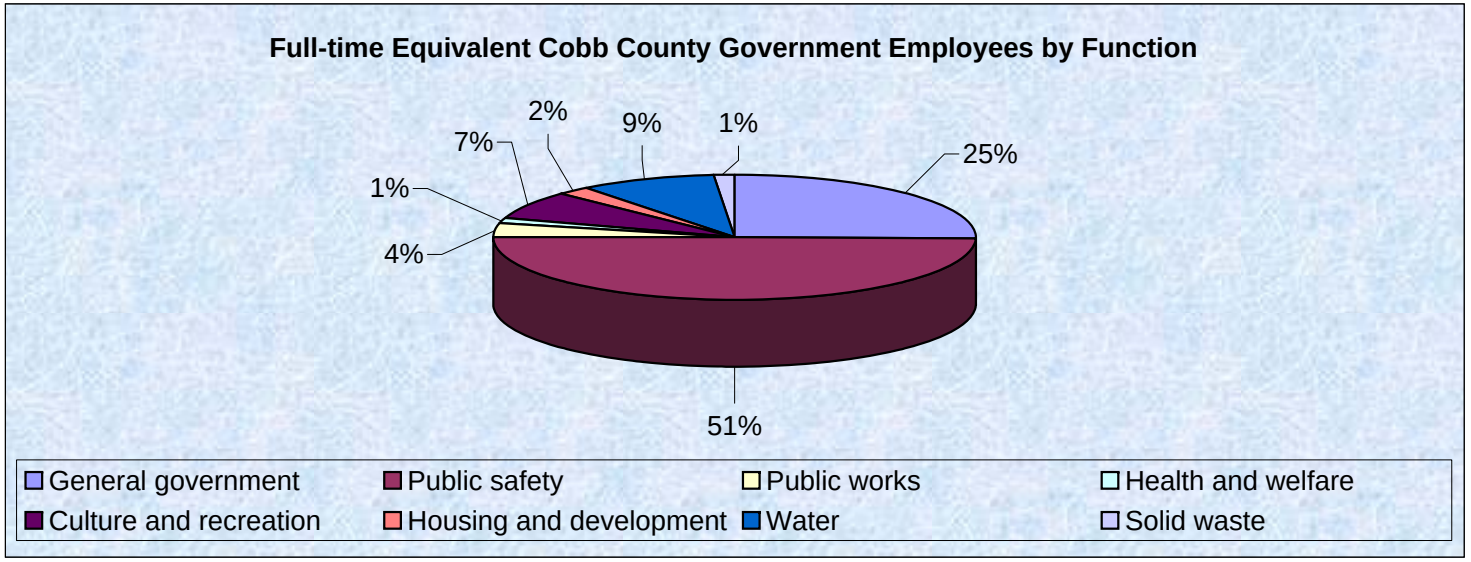
Cobb County, Georgia
Principal Employers
Unaudited

	2009		2000	
Employer	Employees	Percentage of Total County Employment	Employees	Percentage of Total County Employment
Blue Circle America Inc			4,200	1.06%
Cobb County Government	5,288	1.23%	4,613	1.17%
Cobb County Schools	20,133	4.70%	10,300	2.60%
Dobbins Air Force Base	2,521	0.59%		
Home Depot			4,500	1.14%
IBM Corporation			4,000	1.01%
Kennesaw State University	3,107	0.72%		
Kroger Co.				
Lockheed Martin	7,028	1.64%	9,500	2.40%
Medaphis Corporation			9,200	2.32%
Publix Super Markets	4,207	0.98%		
Ryla Teleservices Inc	3,932	0.92%		
Six Flags Over Georgia	2,506	0.58%	2,600	0.66%
Walmart	2,750	0.64%		
Wellstar Health System	9,142	2.13%	6,500	1.64%
Worldspan			3,000	0.76%

Source: Office of Economic Development and Cobb Chamber of Commerce

Cobb County, Georgia
Full-time Equivalent Cobb County Government Employees by Function
Unaudited

	Full-time Equivalent Employees as of September 30									
Function/Program	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General government	1,170	1,175	1,169	1,145	1,105	1,075	1,068	1,061	1,046	1,018
Public safety	2,291	2,251	2,174	2,095	2,072	2,044	2,025	1,979	1,932	1,896
Public works	174	179	179	174	167	165	165	165	162	162
Health and welfare	59	58	57	57	56	56	56	54	53	53
Culture and recreation	331	338	336	331	324	313	313	302	289	285
Housing and development	103	112	112	108	108	106	106	107	104	102
Water	434	439	439	419	417	398	401	397	397	392
Solid waste	58	58	58	58	57	57	62	63	63	63
Total	4,620	4,610	4,524	4,387	4,306	4,214	4,196	4,128	4,046	3,971



Source: Cobb County Human Resources Department
* Information not available

Cobb County, Georgia
Operating Indicators by Function
Unaudited

Function/Program	Fiscal Year 2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General government										
Vehicle tags issued	679,519	696,900	717,060	703,127	689,536	673,521	647,487	636,370	623,730	611,162
Public safety										
E-911 calls	392,177	358,375	367,507	399,423	387,682	358,350	348,454	348,422	387,160	316,348
Police service calls	502,275	425,049	494,134	529,557	520,575	544,658	534,984	454,320	403,379	380,188
Fire/EMS dispatches	61,763	64,006	64,697	63,572	62,013	66,008	63,006	62,125	44,253	43,480
Public works										
Miles of road resurfacing	45.00	77.00	71.89	55.36	59.00	88.00	83.06	55.00	43.96	52.67
Health and welfare										
Number of child support cases	8,108	7,953	8,058	7,873	7,747	7,580	7,053	*	*	*
Culture and recreation										
Golf rounds played	40,414	46,715	47,242	47,834	44,692	45,536	*	*	*	*
Housing and development										
Building permits issued	9,014	11,912	10,032	10,204	9,879	9,703	8,345	8,058	7,975	8,606
Water										
Water accounts	175,075	174,709	173,725	171,609	164,323	161,115	157,509	154,325	150,974	147,283
Daily average consumption - 1,000 gal units	54,027	54,100	67,925	66,644	61,705	62,513	59,150	64,828	60,823	63,909
Solid waste										
Solid waste and compost tonnage	144,661	167,642	156,389	151,137	162,544	168,313	166,414	*	*	*

Source: Department managers within each function/program.
* Information not available

Cobb County, Georgia
Capital Asset Statistics by Function
Unaudited

Function/Program	Fiscal Year 2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General government										
Vehicles	238	235	242	231	237	224	219	*	*	*
Public safety										
Police stations	6	6	6	6	6	6	6	5	5	5
Fire stations	29	29	28	27	27	27	27	27	27	27
Public works										
Miles of road	3,393	2,434	2,492	2,472	2,434	2,307	2,307	2,307	2,307	2,307
Miles of sidewalks	1,130	1,100	1,080	1,060	1,030	1,100	1,100	1,100	1,000	1,000
Health and welfare										
Senior service centers	5	5	5	5	5	5	5	4	4	4
Culture and recreation										
County parks	75	74	66	66	65	49	49	49	47	47
County libraries	17	17	17	17	17	17	17	17	16	16
County golf courses	2	2	2	2	2	2	2	2	2	2
Housing and development										
HUD homes built	1	1	2	3	1	1	1	1	*	*
Water										
Miles of water mains	3,260	3,236	3,197	3,161	3,119	3,081	3,029	2,994	2,938	2,891
Miles of sewers	2,684	2,678	2,660	2,631	2,595	2,579	2,532	2,485	2,423	2,341
Solid waste										
Facilities	2	2	2	2	2	2	2	2	2	2

Source: Department managers within each function/program.

* Information not available

Compliance Section

The Compliance Section includes the Single Audit with the independent auditor's report on compliance, a Schedule of Expenditures of Federal Awards with notes and an Illustrative Schedule of Findings and Questioned Costs. It also contains the special report of the 1 percent Sales and Use Tax and the Water System Comparative Statement of Revenues and Expenses as required by the Security and Exchange Commission's Rule 15c2-12(b)(5).

Cobb County, Georgia
Road Sales Tax Funds
Schedule of Projects Constructed with Special Sales Tax Proceeds
For the Fiscal Year Ended September 30, 2009

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
1994:						
Road Improvement Program	$ 377,875,873	$ 479,144,566	$ 400,497,363	$ 1,580,298	$ 402,077,661	83.92%
2006:						
Public Safety	$ 192,000,000	$ 192,000,000	$ 79,110,651	$ 62,276,497	$ 141,387,148	73.64%
Transportation	662,600,355	601,894,082	157,296,380	117,794,468	275,090,848	45.70%
Total 2006	854,600,355	793,894,082	236,407,031	180,070,965	416,477,996	52.46%

Cobb County, Georgia
Water and Sewer Enterprise Fund
Comparative Statements of Revenues and Expenses
For the Fiscal Years Ended September 30, 2009 and 2008

	2009	2008
Operating revenues:		
Water sales	$ 76,054,675	$ 63,192,343
Sewer sales	90,412,176	81,930,535
Water connection charges	3,353,789	3,713,398
Sewer connection charges	449,544	1,077,657
Other	1,031,329	956,059
Total operating revenues	$ 171,301,513	$ 150,869,992
Operating expenses:		
Administrative	$ 18,172,497	$ 18,418,526
Engineering	2,704,549	2,680,476
Water operations	44,429,487	34,124,977
Sewer operations	46,318,069	47,154,873
Total operating expenses	$ 111,624,602	$ 102,378,852
Operating income before depreciation	$ 59,676,911	$ 48,491,140
Less depreciation	(38,160,743)	(36,418,491)
Operating income	$ 21,516,168	$ 12,072,649
Nonoperating revenues (expenses):		
Intergovernmental	$ 638,096	$ 379,574
Interest income	475,413	1,963,529
Interest and fiscal charges	(7,128,528)	(5,284,294)
Amortization of bond costs	227,426	(138,977)
Gain from sale of capital assets	47,684	16,709
Total nonoperating revenues (expenses)	$ (5,739,909)	$ (3,063,459)
Net income before transfers and capital contributions	$ 15,776,259	$ 9,009,190
Capital contributions	$ 4,246,962	$ 22,721,275
Total capital contributions	$ 4,246,962	$ 22,721,275
Transfers:		
Transfers in	$ 638,369	$ 2,437,296
Transfers out	(36,380,017)	(20,417,086)
Total transfers	$ (35,741,648)	$ (17,979,790)
Change in net assets	$ (15,718,427)	$ 13,750,675

Note: The comparative financial statement above has been prepared in order to meet continuing disclosure requirements as set forth in the Security and Exchange Commission's Rule 15c2-12(b)(5).

MOORE & CUBBEDGE LLP
Certified Public Accountants & Advisors

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

The Honorable Samuel S. Olens, Chairman
Members of the Cobb County Board of Commissioners
Cobb County, 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 Cobb County, Georgia as of and for the year ended September 30, 2009, which collectively comprise Cobb County, Georgia's basic financial statements and have issued our report thereon dated February 18, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Cobb 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 Cobb County, Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Cobb County, Georgia's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Cobb County, Georgia's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Cobb County, Georgia's financial statements that is more than inconsequential will not be prevented or detected by Cobb County, Georgia's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Cobb County, Georgia's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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.

Compliance

As part of obtaining reasonable assurance about whether Cobb County, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants 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*.

This report is intended solely for the information and use of the Board of Commissioners, audit committee, management 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.

Moore & Cubbedge, LLP

Moore & Cubbedge, LLP

February 18, 2010

MOORE & CUBBEDGE LLP
Certified Public Accountants & Advisors

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Honorable Samuel S. Olens, Chairman
Members of the Cobb County Board of Commissioners
Cobb County, Georgia

Compliance

We have audited the compliance of Cobb County, Georgia with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2009. Cobb 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 Cobb County, Georgia's management. Our responsibility is to express an opinion on Cobb County, Georgia's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and OMB Circular A-133, *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 Cobb 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 Cobb County, Georgia's compliance with those requirements.

In our opinion, Cobb 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, 2009.

The management of Cobb 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 Cobb County, Georgia's internal control over compliance with 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, 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 Cobb County, Georgia's internal control over compliance.

A *control deficiency* in the entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

This report is intended solely for the information and use of the Board of Commissioners, audit committee, management, 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.

Moore & Cubbedge, LLP

Moore & Cubbedge, LLP

February 18, 2010

Cobb County, Georgia
Schedule of Findings and Questioned Costs
Year Ended September 30, 2009

Section I—Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	unqualified		
Internal control over financial reporting:			
Material weakness identified?	_____ yes	__X__	no
Significant deficiency identified not considered to be material weaknesses?	_____ yes	__X__	none reported
Noncompliance material to financial statements noted?	_____ yes	__X__	no

Federal Awards

Internal Control over major programs:			
Material weakness identified?	_____ yes	__X__	no
Significant deficiency identified not considered to be material weaknesses?	_____ yes	__X__	none reported
Type of auditor's report issued on compliance for major programs:	unqualified		
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	_____ yes	__X__	no

Identification of major programs:

CFDA Number	Name of Federal Programs
17.258, 17.259 & 17.260	WIA Cluster
20.507	Federal Transit - Formula Grants
14.239	Home Investment Partnerships Program
14.228	CDBG – State's Program
97.067	Homeland Security Grant Program

Dollar threshold used to distinguish between Type A and Type B programs:	$ 789,052		
Auditee qualified as low-risk auditee?	__X__ yes	_____	no

Section II- Financial Statement Findings

None Reported

Section III - Federal Award Findings

None Reported

Cobb County, Georgia
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended September 30, 2009

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through or Grant Number	Expenditures
U. S. Department of Defense			
Pass-through:			
Ga. Office of Treasury and Fiscal Services	12.112	--	$ 17,947
U. S. Department of Homeland Security			
Pass-through United Way of America:			
Emergency Food and Shelter Grant	97.024	LR0-005	7,134
Emergency Food and Shelter Grant Stimulus	97.114	LRD-005	4,540
			11,674
Pass-through Georgia Emergency Management Agency:			
GA Department of Homeland Security Grant - EMPG Program	97.042	P08-9-016	76,121
GA Department of Homeland Security Grant - EMPG Program	97.042	S08-9-003	25,000
			101,121
GA Department of Homeland Security Grant - CERT Program	97.067	2007-GE-T7-0054	12,663
GA Department of Homeland Security Grant - CERT Program	97.067	2008-GE-T8-0017	8,540
GA Department of Homeland Security Grant - LETP Program	97.067	2007-GE-T7-0054	10,000
GA Department of Homeland Security Grant - LETP Program	97.067	2006-GE-T6-0066	277,550
			308,753
GA Department of Homeland Security Grant - PDMG Program	97.047	PDM-PL-04-GA-2008-002	24,360
Total for U. S. Department of Homeland Security			445,908
U.S. Department of Health and Human Services			
Pass-through Georgia Department of Human Resources:			
Community Services Block Grant	93.569	427-93-09090968-99	575,542
Child Support Enforcement	93.563	427-93-09090403-99	474,638
Child Support Enforcement	93.563	401-000000-3193	167,437
			642,075

Cobb County, Georgia
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended September 30, 2009

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through or Grant Number	Expenditures
Pass-through Atlanta Regional Commission:			
Social Services Block Grant	93.667	AG0907 & AG1005	124,524
Aging Cluster			
Special Programs for the Aging - Title III, Part B	93.044	AG0907 & AG1005	202,781
Special Programs for the Aging - Title III, Part C	93.045	AG0907 & AG1005	352,150
ARRA - Aging Congregate Nutrition Services for States	ARRA - 93.707	AG0942	896
ARRA - Aging Home - Delivered Nutrition Services for the States	ARRA - 93.705	AG0942	3,083
Nutrition Services Incentive Program	93.053	AG0907 & AG1005	27,955
			586,865
National Family Caregiver Support Title III, Part E	93.052	AG0907 & AG1005	46,719
Total for U. S. Department of Health and Human Services			1,975,725
U.S. Department of Housing and Urban Development			
Direct Grants:			
Homelessness Prevention and Rapid Re-Housing Program	14.257	--	23,750
Community Development Block Grant/ Entitlement	14.218	--	2,940,776
Neighborhood Stabilization Program	14.228	--	1,437,895
Home Investment Partnership	14.239	--	1,243,657
Emergency Shelter Grants Program	14.231	--	154,637
Total for U. S. Department of Housing and Urban Development			5,800,715
U. S. Department of Energy			
Emergency Efficiency and Conservation Block Grant	81.128	--	25,417

Cobb County, Georgia
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended September 30, 2009

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through or Grant Number	Expenditures
U.S. Department of Justice			
Direct Grants:			
Office of Justice Programs:			
COPS Technology Initiative III	16.710	2008CKWX0626	440,100
Pass-through Georgia Council of Juvenile Court Judges:			
Purchases of Services 09	16.540	2006-JB-FX-0050	10,500
Pass-through Georgia Criminal Justice Coordinating Council:			
Victims of Crime	16.575	C08-8-039	47,156
Pass-through Metro Atlanta Project Pact:			
Local Law Enforcement Block Grant	16.738	2006-DJ-BX-0642	36,252
Local Law Enforcement Block Grant	16.738	2007-DJ-BX-0365	57,544
Local Law Enforcement Block Grant	16.738	2008-DJ-BX-0200	29,625
Local Law Enforcement Block Grant	16.738	2009-DJ-BX-0516	736
Local Law Enforcement Block Grant	16.738	2009-SB-B9-0913	10,433
			134,590
Total for U. S. Department of Justice			632,346
U.S. Department of Labor			
Pass through Georgia Department of Labor			
Workforce Investment Act (WIA)			
WIA Cluster			
Adult Program	17.258	10-07-11-03-004	3,693
	17.258	11-08-11-03-004	380,876
	17.258	10-08-11-03-004	123,873
	17.258	11-09-11-03-004	353,413
	17.258	10-09-11-03-004	2,719
Youth Program	17.259	15-07-11-03-004	121,055
	17.259	15-08-11-03-004	258,278
Dislocated Worker Program	17.260	31-08-11-03-004	287,186
	17.260	30-08-11-03-004	199,984
	17.260	31-09-11-03-004	570,429
	17.260	30-09-11-03-004	216,086
ARRA - Adult Program	ARRA - 17.258	32-09-11-03-004	12,166
ARRA - Youth Program	ARRA - 17.259	33-09-11-03-004	970,378
ARRA - Dislocated Worker Program	ARRA - 17.260	34-09-11-03-004	191,352
Total for U. S. Department of Labor			3,691,488

Cobb County, Georgia
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended September 30, 2009

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through or Grant Number	Expenditures
U.S. Department of Transportation			
Direct Grants:			
Federal Aviation Administration			
Taxiway A Pavement Rehab	20.106	--	107,030
Runway Improvement Project	20.106	--	5,387,386
			5,494,416
Federal Transit Administration			
Capital Improvement, Sect.9	20.507	--	763,158
Operating	20.507	--	82,287
CMAQ	20.507	--	134,718
Surface Transportation Program	20.507	--	1,142,249
Job Access and Reverse Commute Program	20.507	--	645,315
Mobility Management	20.507	--	56,435
Discretionary	20.507	--	107,632
Capital Improvements	20.507	--	1,768,026
ARRA - Urbanized Area Formula Program	ARRA - 20.507	GA-96-X002-01	3,445,488
			8,145,308
New Freedom Program	20.521	--	25,950
			8,171,258
Pass-through Georgia Dept Motor Vehicle Safety			
Motor Carrier Safety Assistance	20.218	MC-05-13-1	6,522
Total for U.S. Department of Transportation			13,672,196
U. S. Department of Treasury			
Social Security-Inmate Reporting Incentives			40,000
Total Federal Financial Awards			$ 26,301,742

Cobb County, Georgia
Notes To Schedule Of Expenditures Of Federal Awards
For The Fiscal Year Ended September 30, 2009

1. General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards received by Cobb County, Georgia. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, is included in this schedule.

2. Basis of Accounting

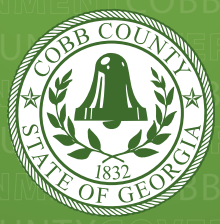
The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1C of the County's financial statements.

3. Relationship to Federal Financial Reports

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports.

Cobb County, Georgia
Summary Schedule of Prior Year Findings
Fiscal Year Ended September 30, 2009

NONE REPORTED



Cobb County…Expect the Best!

This is an official publication
of the Cobb County Board of Commissioners.

Samuel S. Olens, *Chairman*
Helen Goreham, *District One*
Bob Ott, *District Two*
Tim Lee, *District Three*
Woody Thompson, *District Four*
David Hankerson, *County Manager*