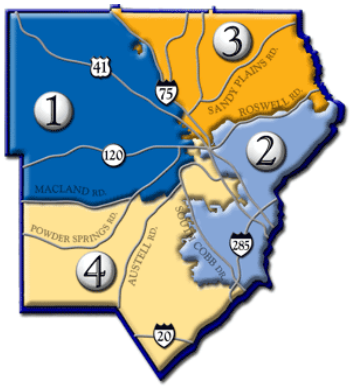
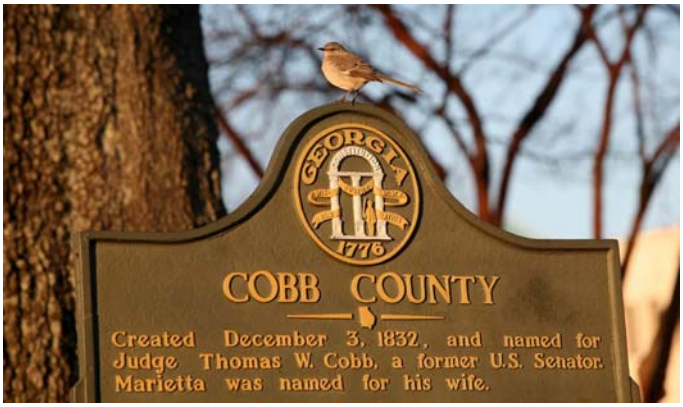


COBB COUNTY GOVERNMENT



2011 Comprehensive Annual Financial Report





For
Fiscal Year Ended
September 30, 2011



Cobb County…Expect the Best!

Cobb County, Georgia
Comprehensive Annual Financial Report

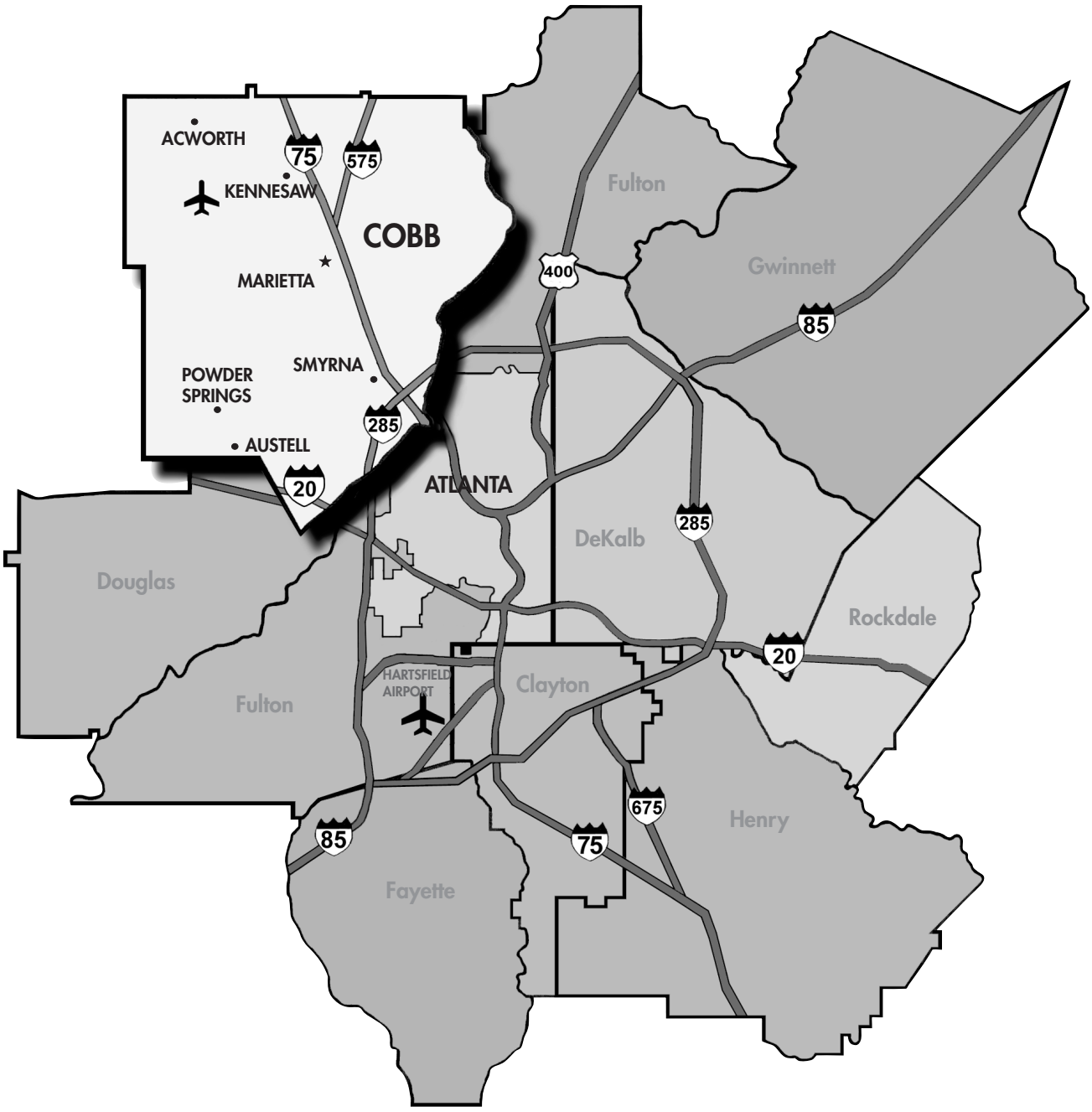
For the Fiscal Year Ended September 30, 2011

James Pehrson, CPA
Finance Director/Comptroller

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

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Metro Atlanta



COBB COUNTY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
SEPTEMBER 30, 2011

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Introductory Section

The Introductory Section includes a transmittal letter from the Director of Finance/Comptroller, a general government organization 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

Jim Pehrson, CPA
Director/Comptroller

100 Cherokee Street, Suite 400
Marietta, Georgia 30090-9610
Phone: (770) 528-1505 Fax: (770) 528-1501

February 10, 2012

The Honorable Tim Lee, 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, 2011, 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, 2011. 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, 2011. 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 19.9% since 2000 when approximately 607,751 people resided in the County. Based on the U.S. Census estimates as of July 2005 and adding a 1.5% growth factor, Cobb's population is estimated at 729,057. 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 was 14.9%, 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 729,057 Cobb citizens residing 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, one component unit is included in these financial statements because of its operational and financial relationships to the County. The Cobb-Marietta Coliseum and Exhibit Hall Authority operate a multi-use exhibit hall and convention facility in the County. Additional information on this legally separate entity can be found under the Basic Financial Statements section.

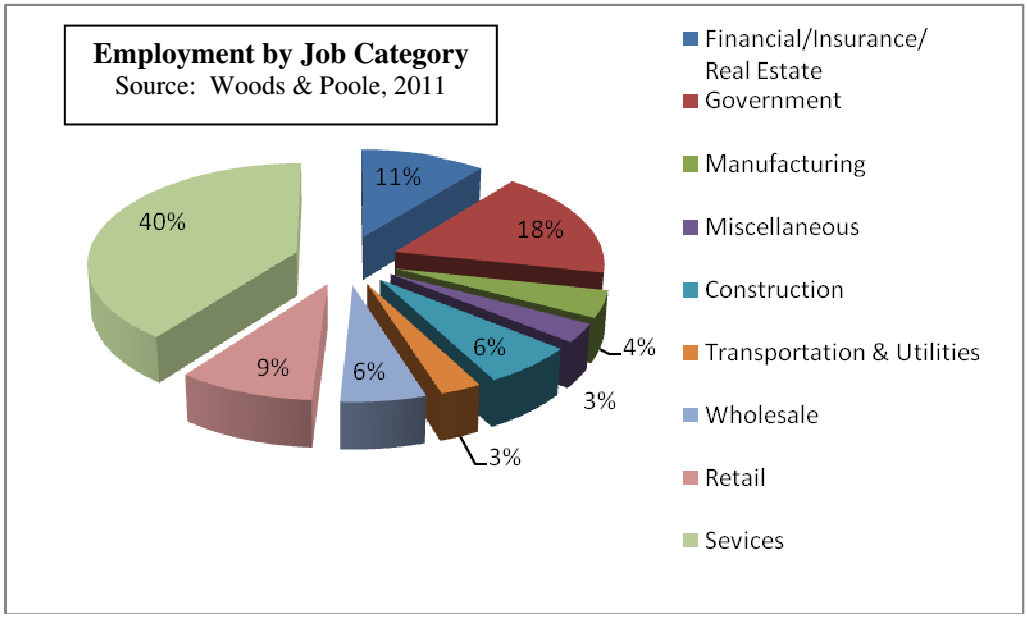
Local Economy

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 fifteenth 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 434,180 within its boundaries and currently, there are approximately 29,000 licensed businesses. The County's unemployment rate was 8.4% which is lower than the State of Georgia (9.9%) and the United States (8.6%).

The County is highly-regarded for its pro-business environment, a product of careful planning, cooperation with other local governments, and progressive leadership which, over the years, has generated a strong and diverse economy that is not dependent on any one industry or sector. Major national and international companies are represented in the County. In addition, several employers including Osmotica (life science/pharmaceuticals), Home Depot (national online customer service center), GE Energy (Smart Grid), CCH Small Firm Services (tax and accounting software), Walmart (regional HQ - retail), and Waste Management (regional office/call center) have relocated or expanded their presence in the County, creating approximately 1,843 new jobs in 2011.

According to Woods & Poole Economics (2011 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.



In fiscal year 2011, the Cobb Galleria Centre, one of the leading convention centers in the nation, had net assets of $116 million. September 2011 marked the fourth 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 254 events with attendance of over 254,000 in 2011. 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: $106.95 million for the expansion of the Cobb County Adult Detention Center, $110 million for thoroughfare improvements, $83.6 million for major roadway safety and operational improvements, $41 million for resurfacing, $34.1 million for miscellaneous municipal projects, $39.6 million for intersection safety and operational improvements, $27.0 million for 800MHz Core Replacement which was interfund transferred to the 800MHz Fund, $23.8 million for bridge rehabilitation\replacement, and $65.3 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 $766 million with expenditures totaling $668 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	$38, 341,262	$52.59	0.05%	0.13%
Total General Obligation Direct Debt	$47,070,000	$64.56	0.06%	0.16%
Total Primary Government Debt	$402,643,190	$552.28	0.54%	1.36%

Outstanding General Obligation Bonds at September 30, 2011 totaled $47,070,000.

Cobb's legal General Obligation Bond debt limitation by state law is 10% of the taxable digest or $2,971,064,563. Cobb County currently is utilizing 1.58% of this limitation with its $47,070,000 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 in FY2009. Two additional loans in the amount of $10 million and $25 million were requested in FY 2010. Two additional loans in the amount of $24.25 million and $35 million were requested in FY 2011 [however, only $49.2 million was received in FY2011].
The length of the project will be approximately 6 years with each loan having a 20 year term. The current outstanding balance of these loans from GEFA, as of September 30, 2011, is $132,316,898 million.

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.

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 was completed in FY2011.

Cobb County recently broke ground on the much-anticipated Big Shanty Extension; a two-mile roadway designed to provide significant congestion relief for the northwest sector of Cobb. Through a partnership of the Georgia Department of Transportation, Cobb DOT, the Town Center Area Community Improvement District, Kennesaw State University and the American Recovery and Reinvestment Act, phase I began construction in the fall 2010, phase II began construction in January 2010 and phase III began in 2011. The total project should be completed by 2012.

A $51 million limited access connector designed to help alleviate traffic congestion in west Cobb opened at the end of August. The Windy Hill Road-Macland Road Connector is a bit different than most road projects. Instead of being crowded it with crossings and traffic lights, the road is designed to limit these entanglements. West Cobb residents who drive to Interstate 75 and U.S. Route 41 will then have a faster and more direct route to get where they are going. Meanwhile, the new road will help draw traffic away from area thoroughfares such as Powder Springs Road and Austell Road. The 2.1-mile connector—which runs from Macland Road at Powder Springs Road to Windy Hill Road—is one of the many projects funded through the Special Purpose Local Option Sales Tax passed by voters in 2005. It brings with it other unusual aspects, including bridge-like

structures constructed at Jim R. Miller Park so the road would not cut apart the public facility and decrease the number of parking places there.

The Special Purpose Local Option Sales Tax (SPLOST) program that was approved by voters in September 2005 funded various improvements around the County. The SPLOST program has an Oversight Committee that is made up of 15 citizens appointed by each of the members of the Board of Commissioners. The committee meets on a bi-monthly basis.

With the SPLOST program proceeding ahead of the original schedule and on track for completion within eight years, improvements to Cobb County's transportation system steadily move along. The SPLOST program to date has approximately 312 transportation projects that are underway or completed. Of these, 7 are in the engineering phase, 13 are in the right-of way acquisition phase, 29 are in the construction phase and 263 have been completed

SPLOST Project Updates	
The First Four Years	***290 of 330 projects have started construction*** ***263 projects are complete which include:*** ▪ School Zone Projects (2 deferred projects) ▪ 34 Bridge Rehabilitation Projects ▪ 40 Intersection Improvements ▪ 78 Drainage Improvement Projects ▪ 311 miles of Road Resurfacing
Current On-Going Projects	❖ Barrett Parkway – complete June 2013 ❖ Big Shanty Road, Phase 2 – complete July 2012 ❖ Jamerson Road/Wigley Road – complete May 2012 ❖ Jiles Road, Phase 3 – complete July 2013 ❖ Lower Roswell Road (East) – complete August 2013 ❖ Sandy Plains Road @ East Piedmont Road – complete June 2012
Upcoming Projects	➢ Six Flags Drive Sidewalks – Bids 1/26 ➢ Freedom Grant Sidewalks at Blairs Bridge/South Gordon – Bids 2/23 ➢ Hicks Road Sidewalks – Bids 2/23 ➢ County Services Road Sidewalks – Bids 2/23 ➢ Floyd Road Improvements – Bids 3/22

Cobb County Public Safety: New Superior Court Building The SPLOST Program has provided significant improvements in many areas of the County, including transportation improvements, the new jail and the new courthouse project. Cobb County's Superior Courts processes more than 18,000 civil and criminal cases each year. As the volume of cases in all county courts continues to grow, judges, prosecutors and clerks find themselves with insufficient space to do their jobs. The new courthouse provides them with that space. SPLOST funds enabled the building of the new courthouse that combines all of the county's court services on one campus. This almost $63 million project was completely funded by the Special Local Option Sales Tax and the design is reminiscent of the old courthouse, complete with a clock tower. The 229,000 square foot building contains 11 courtrooms and a seventh floor for future growth. The new building also provides state-of-the-art security and a larger jury assembly room to house jurors. The building was sealed in mid-April, which is necessary to heat and cool the courthouse. The ribbon cutting took place in December. In January, the offices were moved over to the new facility. Once they are up and running, the next group will be moved and so on. On April 14, the Board of Commissioners approved a final Guaranteed Maximum Price contract for $57,175,436. The courthouse was fully operational in Spring 2011.

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 2011, CCT riders took nearly 4.4 million trips, displaying a continued increase in ridership. CCT continues with the Breeze Fare Collection System which allows CCT passengers to be able to easily transfer between CCT and MARTA.

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, 2010. This represented the twenty-fifth 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 2011, Cobb County received the Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) for the fourth 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 seventeenth 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.

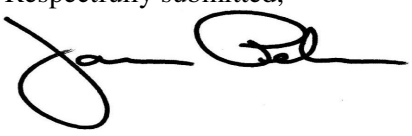
The Water System Fund received several awards throughout FY11. These awards include the Georgia Association of Water Professionals (GAWP) 2011 Water Distribution System of the Year Award, the GAWP Platinum Award - NPDES Permit Compliance for both the Northwest and R.L. Sutton Water Reclamation Facilities and the GAWP Gold Award - NPDES Permit Compliance for the Noonday Water Reclamation Facility. The U.S. Environmental Protection Agency recently honored Cobb as one of five national WaterSense Partners of the Year. Since 2006 more than 2,500 partner helped Americans saved 125 billion gallons of water. Cobb County Water System was honored as the 2011 Promotional Partner of the Year.

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,



Jim Pehrson, CPA
Director of Finance/Comptroller

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Award for Outstanding Achievement in Popular Annual Financial Reporting

PRESENTED TO

Cobb County
Georgia

for the Fiscal Year Ended

September 30, 2010

GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA CORPORATION SEAL CHICAGO

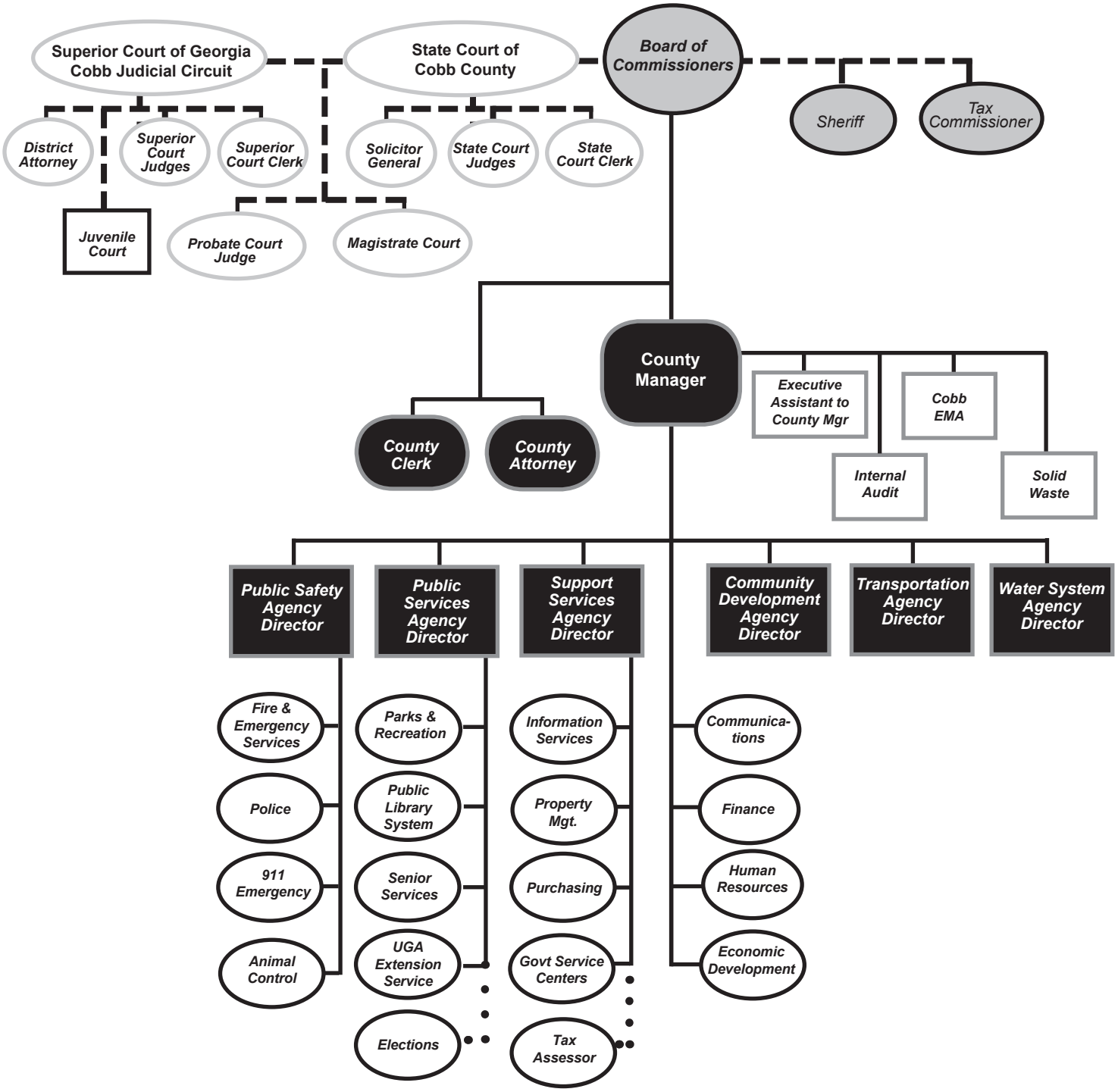
Linda C. Davidson
President

Jeffrey L. Esser
Executive Director

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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.

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Helen Goreham
Commissioner
District 1



Tim Lee
Chairman



Bob Ott
Commissioner
District 2



JoAnn Birrell
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 .....James Pehrson, CPA

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

Finance Division Manager.....Roxane Rush

Finance Division Manager.....Bill Volckmann

Budget Administrator ..... Dan Streett

Accounting Manager..... Tari Phillips

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 Tim Lee, 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, 2011, 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, 2011, 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 13, 2012 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

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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 16 and pages 79 through 81 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 13, 2012



Management's Discussion & Analysis

COBB COUNTY GOVERNMENT
Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2011

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, 2011. 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.

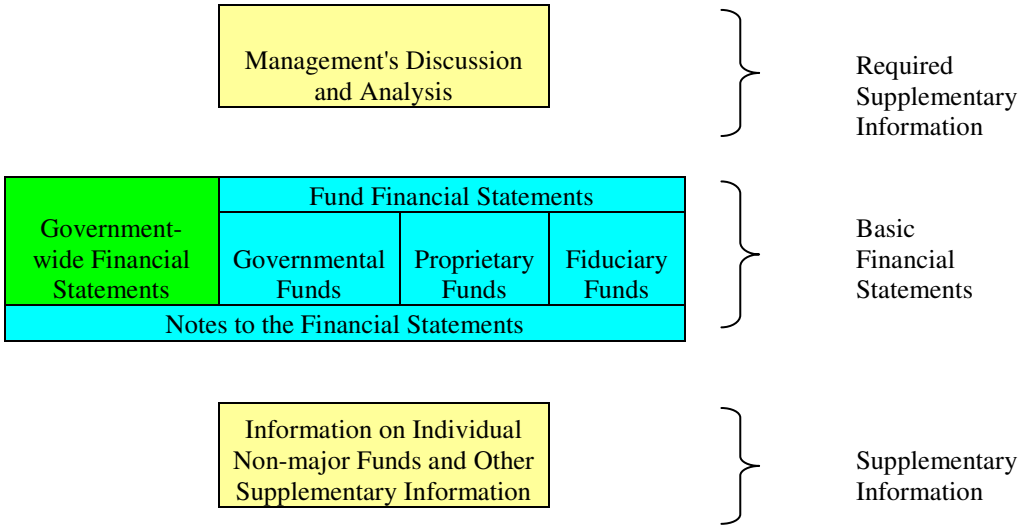
Financial Highlights

Key financial highlights for FY11 are as follows:

- The County's combined net assets totaled $4.4 billion. Of this amount, unrestricted net assets of $31.2 million may be used to meet the government's ongoing obligations to citizens and creditors.
- Combined revenue totaled $818.3 million of which governmental activities totaled $603.2 million and business-type activities totaled $215.1 million.
- Overall expenses totaled $699.9 million of which governmental activities totaled $513.3 million and business-type activities totaled $186.6 million.
- At the end of September 30, 2011, governmental activities expenses exceeded program revenues, resulting in the use of $367 million in general revenues (mostly taxes).
- Cobb County's total long term debt increased by $21.4 million (4.26%) during the current fiscal year.
- At September 30, 2011, the County's General Fund reported an unassigned fund balance of $35.4 million.

Overview of the Financial Statements

This is the ninth 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:



COBB COUNTY GOVERNMENT
Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2011

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 for which the government is financially accountable. Financial information for this component unit 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, Street Light District, Law Library, Community Services, Grant, Housing and Urban Development Grant, 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, 2006 SPLOST and the Parking Deck Construction). 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 19-24.

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 information for the Water and Sewer Fund which is considered to be a major fund of the County. The basic proprietary fund financial statements can be found on pages 25-29 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 30-31 of this report.

Component Units

Cobb County has two potential component units Cobb–Marietta Coliseum and Exhibit Hall Authority and the Cobb County Board of Health. Cobb–Marietta Coliseum and Exhibit Hall Authority is included in the financial statements because of its operational and financial relationship to the County. The Board of Health is considered immaterial and is not included in the presentation. The financial statements include the financial data for the County's component unit as reflected in its most recent audited financial statements. The information presented for the Cobb–Marietta Coliseum and Exhibit Hall Authority are as of and for the year ended September 30, 2011.

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 23-24. 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 32-78 of this report.

COBB COUNTY GOVERNMENT
Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2011

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 $4.4 billion at September 30, 2011.

The following table provides a summary of the County's governmental and business-type net assets for fiscal years 2011 and 2010:

Cobb County, Georgia
Statement of Net Assets

	Governmental Activities 2011	Governmental Activities 2010	Business-type Activities 2011	Business-type Activities 2010	Total 2011	Total 2010
Assets:						
Current assets	$ 397,601,373	$ 351,562,446	$ 41,783,328	$ 88,679,214	$ 439,384,701	$ 440,241,660
Other - noncurrent	3,991,455	2,379,551	70,734,117	48,909,165	74,725,572	51,288,716
Capital assets - net	3,037,345,681	3,023,592,559	1,580,945,696	1,505,379,588	4,618,291,377	4,528,972,147
Unamortized issuance costs	126,615	33,963	4,356,228	3,195,781	4,482,843	3,229,744
Total assets	$ 3,439,065,124	$ 3,377,568,519	$ 1,697,819,369	$ 1,646,163,748	$ 5,136,884,493	$ 5,023,732,267
Liabilities						
Current liabiities	$ 153,173,309	$ 171,913,093	$ 40,615,993	$ 48,580,685	$ 193,789,302	$ 220,493,778
Long-term liabilities (net)	142,243,416	151,866,866	382,287,582	351,215,579	524,530,998	503,082,445
Total liabilities	$ 295,416,725	$ 323,779,959	$ 422,903,575	$ 399,796,264	$ 718,320,300	$ 723,576,223
Net Assets						
Invested in capital assets, net of related debt	$ 2,964,844,393	$ 2,937,351,872	$ 1,216,295,546	$ 1,213,125,239	$ 4,181,139,939	$ 4,150,477,111
Restricted	148,602,863	85,902,876	57,377,091	41,766,430	205,979,954	127,669,306
Unrestricted	30,201,143	30,533,812	1,243,157	(8,524,185)	31,444,300	22,009,627
Total net assets	$ 3,143,648,399	$ 3,053,788,560	$ 1,274,915,794	$ 1,246,367,484	$ 4,418,564,193	$ 4,300,156,044

94.63% 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. Investments in capital assets net of related debt increased by $30.7 million (0.74%) in FY11.

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 the governmental activities.

COBB COUNTY GOVERNMENT
Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2011

Changes in Net Assets

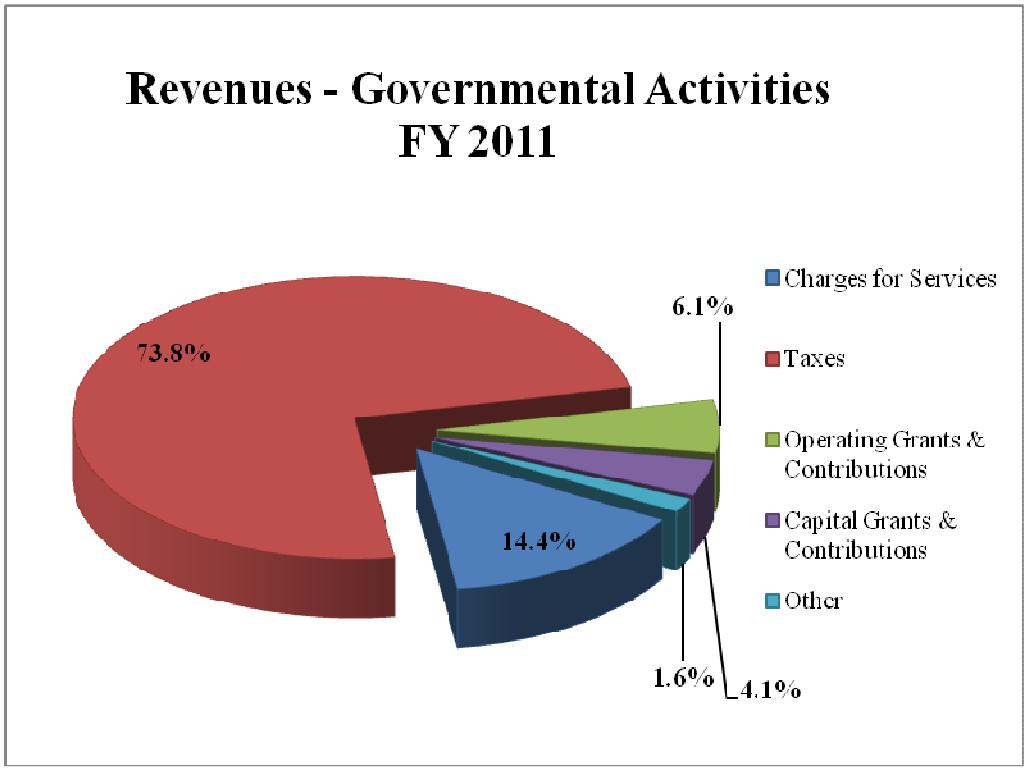
Governmental and business-type activities increased the County's net assets by $118.4 million in FY11. The following table indicates the changes in net assets for governmental and business-type activities in FY11 and FY10:

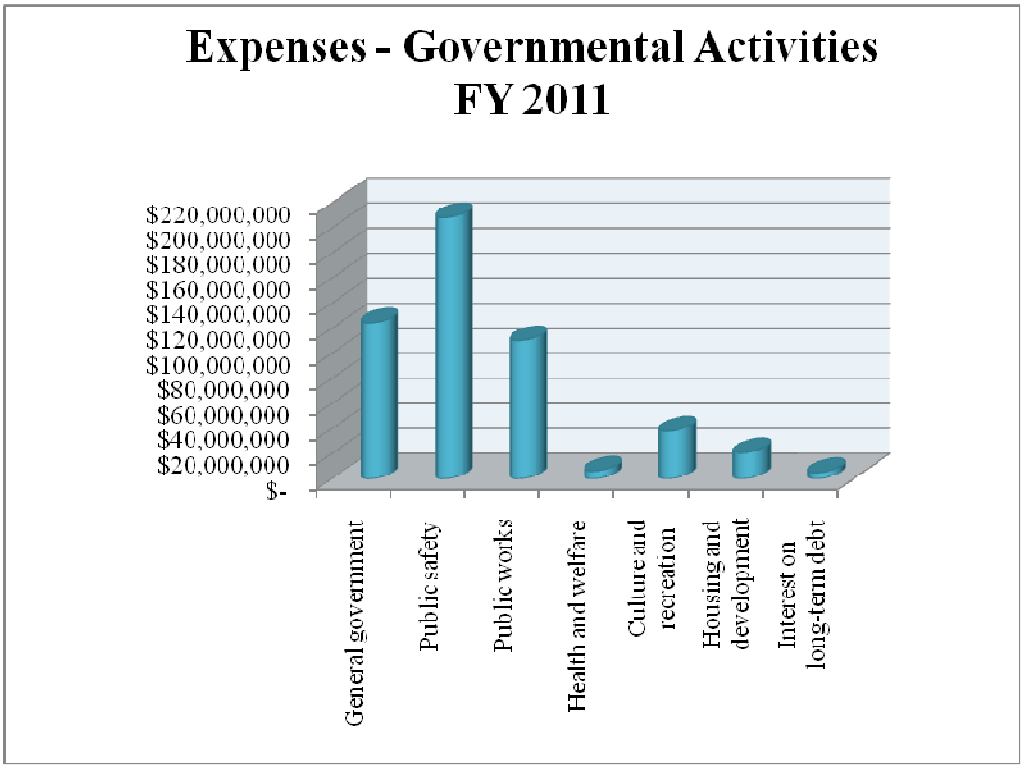
Cobb County, Georgia
Changes in Net Assets

	Governmental Activities 2011	Governmental Activities 2010	Business-type Activities 2011	Business-type Activities 2010	Total 2011	Total 2010
Revenues:						
Program Revenues:						
Charges for Services	$ 85,788,623	$ 88,883,154	$ 204,944,118	$ 189,353,879	$ 290,732,741	$ 278,237,033
Operating Grants & Contributions	36,156,256	33,068,410	-	-	36,156,256	33,068,410
Capital Grants & Contributions	24,297,732	41,288,426	15,225,107	21,178,823	39,522,839	62,467,249
General Revenues:						
Property Taxes	266,292,261	242,217,484	-	-	266,292,261	242,217,484
Other Taxes	175,239,613	170,252,003	-	-	175,239,613	170,252,003
Grants and contributions not restricted to specific programs	-	-	-	-	-	-
Other	9,726,732	12,562,794	611,349	1,349,974	10,338,081	13,912,768
Total Revenues	$ 597,501,217	$ 588,272,271	$ 220,780,574	$ 211,882,676	$ 818,281,791	$ 800,154,947
Expenses:						
General government	$ 124,434,470	$ 135,559,677	$ -	$ -	$ 124,434,470	$ 135,559,677
Public safety	208,553,530	226,008,723	-	-	208,553,530	226,008,723
Public works	110,401,097	112,031,838	-	-	110,401,097	112,031,838
Health and welfare	6,152,176	8,288,145	-	-	6,152,176	8,288,145
Culture and recreation	38,136,019	43,049,762	-	-	38,136,019	43,049,762
Housing and development	20,739,086	20,588,418	-	-	20,739,086	20,588,418
Interest on long-term debt	4,875,524	5,228,323	-	-	4,875,524	5,228,323
Water and Sewer	-	-	160,087,751	163,448,806	160,087,751	163,448,806
Solid Waste	-	-	1,042,053	2,079,765	1,042,053	2,079,765
Transit	-	-	23,823,838	24,765,622	23,823,838	24,765,622
Cobblestone Golf Course	-	-	1,628,098	1,537,850	1,628,098	1,537,850
Total Expenses:	$ 513,291,902	$ 550,754,886	$ 186,581,740	$ 191,832,043	$ 699,873,642	$ 742,586,929
Increase in net assets before transfers	$ 84,209,315	$ 37,517,385	$ 34,198,834	$ 20,050,633	$ 118,408,149	$ 57,568,018
Transfers	5,650,524	6,603,007	(5,650,524)	(6,603,007)	-	-
Increase in net assets	$ 89,859,839	$ 44,120,392	$ 28,548,310	$ 13,447,626	$ 118,408,149	$ 57,568,018
Net Assets - beginning	$ 3,053,788,560	$ 3,009,668,168	$ 1,246,367,484	$ 1,232,919,858	$ 4,300,156,044	$ 4,242,588,026
Net Assets - ending	$ 3,143,648,399	$ 3,053,788,560	$ 1,274,915,794	$ 1,246,367,484	$ 4,418,564,193	$ 4,300,156,044

Governmental Activities

Governmental activities increased the County's net assets by $89.9 million thereby accounting for 75.89% of the total growth in net assets.


Revenues - Governmental Activities
FY 2011
73.8%
6.1%
14.4%
1.6%
4.1%
Charges for Services
Taxes
Operating Grants & Contributions
Capital Grants & Contributions
Other


Expenses - Governmental Activities
FY 2011
$220,000,000
$200,000,000
$180,000,000
$160,000,000
$140,000,000
$120,000,000
$100,000,000
$80,000,000
$60,000,000
$40,000,000
$20,000,000
$-
General government
Public safety
Public works
Health and welfare
Culture and recreation
Housing and development
Interest on long-term debt

Business-type Activities
Business-type activities increased the County's net assets by $28.5 million thereby accounting for 24.11% of the total growth in net assets.

Changes in Overall Net Assets from Operating Results
Revenues
The County's total revenue increased 2.3%, or $18.1 million, in FY11. Revenue received from taxes increased a total of $29.1 million 7.05%) overall, primarily due to an increase in the property taxes which collected $266.3 million, a 9.94% increase from FY10. Revenue received for the 2006 Special Purpose Local Option Sales Tax (SPLOST) program totaled $133.8 million overall in its sixth year. Capital Grants and Contributions decreased $22.9 million in FY11. Key elements of this decrease are a result of fewer subdivision road donations by various developers in the amount of $12.9 million as well as a $0.3 million decrease in water and sewer lines from developer contributions.

Expenses
The County's total expenses decreased 5.8%, or $42.7 million, in FY11. The largest decrease is in the Public Safety function. Public Safety decreased $17.5 million over the prior year and the majority of that decrease was related to a $6.0 million reduction in personnel services and $3.2 million decrease in Public Safety SPLOST projects as those projects were completed in FY11. General Government decreased $11.1 million and the majority of that decrease was related to a decrease in personnel services of $4.0 million and a reduction in stimulus grant expenditure regarding Cobb Works of $2.5 million. Water and Sewer expenses decreased $3.4 million over the prior year and $2.1 million of the decrease was the result of interest expenses.

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 FY11 with strong fund balances in its governmental funds. The combined balance of all the governmental funds is $213.1 million. Of this total, $35.4 million or 16.6% constitutes unassigned fund balance, which is available for spending in the coming year. The remainder of fund balance is nonspendable, restricted, committed or assigned to indicate that it is not available for new spending because it has already been designated: 1) to liquidate contracts, purchase orders and inventories of the prior period 2) to pay debt service and 3) for a variety of other restricted purposes.

Major Funds:
General Fund
The General Fund is the primary operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was $35.4 million, and total fund balance was $64.3 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 12.2% of total general fund operating expenditures and total fund balance represents 55.04% of that same amount.

The fund balance of the General Fund increased $24.6 million in FY11 for a total of $64.3 million, and the Board of Commissioners made a collaborative effort to focus on maintaining the county's excellent financial position. Tax revenues increased $12.1 million as a result of a increasing the millage rate by 0.9 mills, however the total assessed value decreased 5.5%. Operating expenditures decreased approximately $22.0 million (7.0%). The largest decreases were in Public Works and General Government.

Total transfers out in the General Fund of $20.8 million represent the appropriation of funds to the Public Facilities Fund, Transit Fund, Solid Waste Fund, Water System Funds, the 800 MHz Fund, 2006 SPLOST Fund and the Grant Fund. $6.5 million of transfers out are transferred to the Public Facilities Fund for various capital projects including $2.4 million in road resurfacing projects, intersection improvements and building renovations; $4.1 million for PC replacements and other computer technology upgrades. Transfers out of $13.0 million represent the appropriation of funds to subsidize Transit and Solid Waste. $2.5 million for fiscal year 2011 debt service requirements. $0.7 million was transferred to the 800 MHz Fund for Core Replacement and $0.6 million was appropriated for local match on various grants and other projects.

Fire Fund
The Fire Fund is used to account for the operation of the fire department within the County. The total fund's total fund balance of $14.2 is reported as committed for special programs. The fund balance increased by $8.2 million during the current fiscal year due to a millage rate increase of 0.5 mill which, however the total assessed value decreased by 5.5% While total assets increased by $9.9 million, total liabilities also decreased by $1.7million.

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 a fund balance of $108.7 million all of which is restricted for specific construction projects. Operating revenues exceeded expenditures by $43.9 million. Of the $89.9 million in expenditures, $8.4 million was spent on the new courthouse complex which broke ground in May of 2009, $1.8 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 $79.7 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 or committed to expenditures for specified purposes. Included in this classification are: Law Library Fund, Community Services Fund, Grant Fund, Housing and Urban Development Grant Fund, Hotel/Motel Tax Fund, Emergency 911 Fund, Parking Deck Facility Fund and the 800 MHz Fund.

Nonmajor Special Revenue Funds' operating revenue totaled $61.3 million for the fiscal year ended September 30, 2011. Total operating revenues increased by $8.2 million (15.5%).

Operating expenditures of the nonmajor Special Revenue Funds totaled $59.1 million for FY11. Total Nonmajor Special Revenue Funds' operating expenditures increased by $9.2 million (18.5%). The increase in expenditures was in part due to the reclassification of the Streetlight District Fund from a part of the General Fund to a Special Revenue Fund in FY11.

The fund balance of the nonmajor Special Revenue Funds totaled $13.9 million. This was an increase of $1.1 million from FY10.

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 $8.7 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 four nonmajor Capital Projects Funds: the Road Sales Tax Extension 1994 Fund, Parks Bond Fund, Parking Deck Construction Fund and the Public Facilities Fund. The nonmajor Capital Projects Funds overall fund balance is $3.3 million all of which is committed or assigned or for specific construction and improvement projects and capital acquisitions.

Operating expenditures exceeded operating revenues by $19.2 million for the nonmajor capital project funds which was offset by a transfer in of $8.6 million, a transfer out of $8.9 million and the proceeds from issuance of a capital lease for $1.8 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 and 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 Fund:
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 $29.2 million. Total net assets increased $26.4 million in FY11.

Nonmajor Funds:
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 $24.8 million; however, they generated a net gain of $3.3 million in FY11 due to transfers in amounting to $4.0 million for fiscal year 2011 from the General to Solid Waste for debt service and post-closure care. 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 FY11 landfill liability is $25.5 million.

The Cobblestone Golf Course Fund accounts for the operations and maintenance of the County's golf course. It ended FY11 with a net income (loss) from operations of $0.3 million. However, overall net income (loss) (including non-operating revenues and expenses) was $160,234 for FY11. Net assets totaled $2.6 million. The number of rounds of golf increased 66.9.1% from the prior year and contributed to an increase of $0.7 million in operating revenues. The increase in the golf rounds was in part to course renovations which took place during FY10 year such as new greens and irrigation.

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 $1.0 million (20.5%) from FY10 and total operating expenses decreased by $1.0 million (4.8%). Net assets totaled $42.2 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 expenditure amendments are summarized as follows:
Public Safety

- Public Safety had an overall $1.3 million decrease. Personal services decreased $1.9 million due to the IRI program, management of overtime, and a hiring freeze. Capital expenditures for the Police Department increased $0.6 million for safety equipment including replacing body armor that had expired, firearms and weapons and vehicle purchases. The majority of these purchases were offset with funding from local agencies including False Alarm revenues.

Public works:

- Public works had an overall $3.9 million decrease. The decrease is a part of personal services, operating expenditures and capital outlay. Personal services decreased $0.4 million as a result of the IRI program, management of overtime, and a hiring freeze. There was a decrease in operating expenditures $3.6 million as operating budgets were reduce by 10% to adjust for a declining tax digest and the streetlight district program was moved out of the General Fund and into a Special Revenue during the fiscal year. Capital outlay increased by $0.1 million for traffic control equipment.

Culture and recreation:

- Culture and recreation had an overall decrease of $1.4 million. The decrease is a part of personal services and operating expenditures. Personal services decreased $0.9 million as a result of the IRI program, management of overtime, and a hiring freeze. There was a decrease in operating expenditures $0.5 million as operating budgets were reduce by 10% to adjust for a declining tax digest. Capital outlay increased by $0.1 million for traffic control equipment.

Interfund transfers out:

- Interfund transfers out increased $1.1 million. Of this amount, $0.6 million was transferred to the Capital Projects Fund for Community Development application system, and $0.4 million transferred to the Grant Fund for local match for various grants, and $0.1 million to the 2006 SPLOST Fund for local match.

The County's final budget less reserves projected a loss of $1.3 million in the General Fund with the fund reporting an actual increase of $23.5 million. This variance can be attributed to a $12.1 million tax increase which was a result of a increasing the millage rate by 0.9 mills, however the total assessed value decreased 5.5%. Operating expenditures decreased approximately $22.0 million (7.0%). Overall revenues ended the year $17.6 million over budget while operating expenditures ended the fiscal year $7.2 million under budget. Expenditure control was very important in the FY11 budget and will continue to remain the focus for the future while we look for innovative ways to maintain consistent levels of service with a commitment to the community to be more efficient and accessible.

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, 2011 amounts to $4.2 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	
	2011	2010	2011	2010	2011	2010
Land	$ 918,373	904,981	$ 76,974	$ 75,975	$ 995,347	$ 980,956
Buildings and structures	399,264	229,035	35,537	35,762	434,801	264,797
Improvements	15,905	17,298	-	-	15,905	17,298
Sewerage Plants	-	-	522,629	540,963	522,629	540,963
Machinery and equipment	39,541	43,978	15,790	19,355	55,331	63,333
Infrastructure	1,505,319	1,525,675	591,250	594,633	2,096,569	2,120,308
Construction in progress	158,944	302,626	338,766	238,692	497,710	541,318
Total	$ 3,037,346	$ 3,023,593	$ 1,580,946	$ 1,505,380	$ 4,618,292	$ 4,528,973

The County's total net increase in capital assets for the current fiscal year was 2.0%.

Governmental assets that were moved from construction in progress to the asset records during the year totaled approximately $212 million. Some of the major projects for FY11 consisted of the following: road construction or improvements, pedestrian bridge, sidewalks and renovations to Powder Spring Station. 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 312 transportation projects that are underway or completed. Of these, 7 are in the engineering phase, 13 are in the right-of way acquisition phase, 29 are in the construction phase and 263 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 $13.1 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.

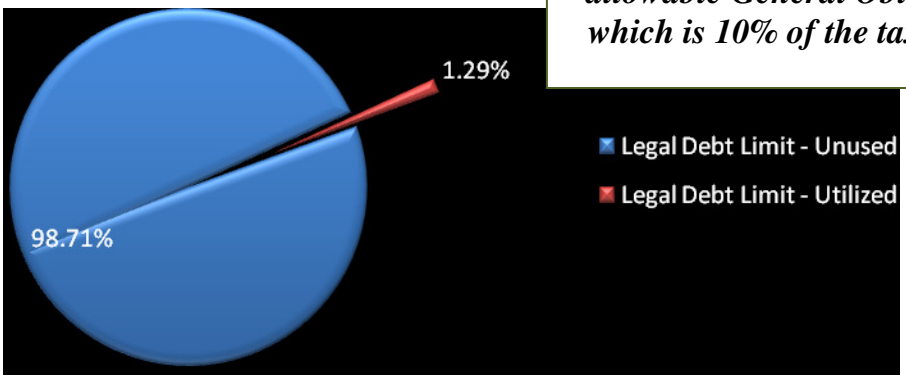
Additional information on the County's capital assets can be found in Note 5 of the Basic Financial Statements section of this report.

Long-Term Debt

As of September 30, 2011, Cobb County had a net of $524.0 million in outstanding long-term debt, which does not include interest expense. Of this amount, $40.9 million (net of current debt less discount) comprises general obligation debt backed by the full faith and credit of the government and $210.5 million (net of current debt, bond discount and loss on refunding) in revenue bonds. The County did not issue any new general obligation debt or revenue bonds, but retired $18.6 million of outstanding bonds in FY11.

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.



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

For the ninth 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 twelfth consecutive years of perfect permit compliance at R.L. Sutton Water Reclamation Facility and tenth 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 fifteen 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 beginning effects of a economic recovery . Tourism revenue showed a increase of 4.6% over the prior year; and, the one percent sales tax (SPLOST) generated $126.9 million in tax revenue which is a $5.7 million increase compared to FY10. Single family residential permits again showed an increase 24.0% this past year along with other new residential construction permits for an overall increase of 4.0%.

In September, 2009, a historic 500 year flood hit Cobb County and caused millions of dollars in damages to county parks, facilities and 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. As of the end of FY 2011, the County incurred $4.5 million in costs associated with the Flood damage, with revenues reimbursed from GEMA and FEMA totaling $2.3 million and outstanding receivables totaling $3.9 million.

Many factors were taken into consideration when preparing the FY12 budget. The FY12 adopted budget had a 1.88% decrease compared to the FY11 adopted budget. The FY11 budget had significant budget amendments throughout the year, and these tight controls carried forward into the FY12 budget process. 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. Other budget reductions included 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 unit can be obtained directly from their administrative office. The addresses for the administrative offices are as follows: Cobb-Marietta Coliseum and Exhibit Hall Authority, Two Galleria Parkway Atlanta, Georgia 30339.

Basic Financial Statements

Cobb County, Georgia
Statement of Net Assets
For the Fiscal Year Ended September 30, 2011

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Cobb-Marietta Coliseum and Exhibit Hall September 30, 2011
Assets				
Cash and cash equivalents	$ 204,960,138	$ 18,756,324	$ 223,716,462	$ 1,247,463
Investments, at fair value	31,002,571	300,000	31,302,571	-
Receivables	133,441,787	23,066,601	156,508,388	878,039
Internal balances	2,471,380	(2,471,380)	-	-
Due from external parties	6,444	-	6,444	-
Due from component unit	327,561	-	327,561	-
Due from primary government	-	-	-	913,195
Due from other governments and agencies	23,852,034	882,861	24,734,895	75,243
Inventories	1,375,358	1,244,141	2,619,499	89,196
Prepaid items	164,100	4,781	168,881	169,366
Net OPEB asset	3,991,455	442,096	4,433,551	1,177,982
Restricted assets	-	70,292,021	70,292,021	82,335,664
Capital assets not being depreciated	1,077,316,994	415,740,292	1,493,057,286	38,768,989
Capital assets being depreciated, net	1,960,028,687	1,165,205,404	3,125,234,091	138,717,460
Unamortized note costs	-	3,271,250	3,271,250	-
Unamortized costs	126,615	1,084,978	1,211,593	-
Total assets	$ 3,439,065,124	$ 1,697,819,369	$ 5,136,884,493	$ 264,372,597
Liabilities				
Accounts payable	$ 17,024,427	$ 33,037,391	$ 50,061,818	$ 1,437,843
Accrued payroll	7,378,540	766,646	8,145,186	-
Arbitrage liability	-	54,882	54,882	-
Due to primary government	-	-	-	351,383
Due to component unit	913,195	-	913,195	-
Due to external parties	342,962	1,142	344,104	-
Due to other governments and agencies	436,747	23,056	459,803	36,103
Claims and judgments	14,032,923	-	14,032,923	-
Customer deposits	-	4,105,800	4,105,800	1,358,537
Notes payable-current	110,509,430	-	110,509,430	-
Accrued interest payable	1,811,788	2,598,900	4,410,688	2,288,478
Unearned revenue	723,297	28,176	751,473	781,324
Noncurrent liabilities				
Due within one year	25,790,806	19,548,804	45,339,610	5,923,085
Due in more than one year	116,452,610	362,738,778	479,191,388	136,193,729
Total liabilities	$ 295,416,725	$ 422,903,575	$ 718,320,300	$ 148,370,482
Net Assets				
Invested in capital assets, net of related debt	$ 2,964,844,393	$ 1,216,295,546	$ 4,181,139,939	$ 53,830,370
Restricted for:				
Renewal and expansion	-	57,377,091	57,377,091	14,719,238
Debt service	8,728,738	-	8,728,738	53,588,106
Splost projects	108,671,794	-	108,671,794	-
Completion of projects	14,660,523	-	14,660,523	-
Fund Special programs	16,541,808	-	16,541,808	4,219,250
Unrestricted	30,201,143	1,243,157	31,444,300	(10,354,849)
Total net assets	$ 3,143,648,399	$ 1,274,915,794	$ 4,418,564,193	$ 116,002,115

See accompanying notes to financial statements.

Cobb County, Georgia

Statement of Activities

For the Fiscal Year Ended September 30, 2011

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 Unit: Cobb-Marietta Coliseum and Exhibit Hall September 30, 2010
Primary Government								
Governmental Activities:								
General government	$ 124,434,470	$ 41,456,332	$ 7,815,284	$ -	$ (75,162,854)	$ -	$ (75,162,854)	$ -
Public safety	208,553,530	15,369,970	4,174,220	296,165	(188,713,175)	-	(188,713,175)	-
Public works	110,401,097	5,226,015	6,574,856	23,757,406	(74,842,820)	-	(74,842,820)	-
Health and welfare	6,152,176	108,067	2,185,874	-	(3,858,235)	-	(3,858,235)	-
Culture and recreation	38,136,019	3,443,827	969,098	244,161	(33,478,933)	-	(33,478,933)	-
Housing and development	20,739,086	20,184,412	14,436,924	-	13,882,250	-	13,882,250	-
Interest on long-term debt	4,875,524	-	-	-	(4,875,524)	-	(4,875,524)	-
Total governmental activities	513,291,902	85,788,623	36,156,256	24,297,732	(367,049,291)	-	(367,049,291)	-
Business-type Activities:								
Water and Sewer	$ 160,087,751	$ 196,795,218	$ -	$ 8,818,399	$ -	$ 45,525,866	$ 45,525,866	$ -
Solid Waste	1,042,053	297,272	-		-	(744,781)	(744,781)	-
Transit	23,823,838	6,061,173	-	6,406,708	-	(11,355,957)	(11,355,957)	-
Cobblestone Golf Course	1,628,098	1,790,455	-		-	162,357	162,357	-
Total business-type activities	186,581,740	204,944,118	-	15,225,107	-	33,587,485	33,587,485	-
Total primary government	$ 699,873,642	$ 290,732,741	$ 36,156,256	$ 39,522,839	$ (367,049,291)	$ 33,587,485	$ (333,461,806)	$ -
Component Units								
Cobb-Marietta Coliseum and Exhibit Hall Authority	$ 34,406,583	$ 20,734,473	$ 11,373,173	$ 2,898,822	$ -	$ -	$ -	$ 599,885
General revenues:								
Property taxes					$ 266,292,261	$ -	$ 266,292,261	$ -
Sales taxes					126,853,951	-	126,853,951	-
Insurance premium tax					21,696,998	-	21,696,998	-
Alcoholic beverage tax					4,724,926	-	4,724,926	-
Hotel/Motel tax					9,887,246	-	9,887,246	-
Real estate transfer tax					818,501	-	818,501	-
Miscellaneous taxes					11,257,991	-	11,257,991	-
Miscellaneous					8,430,128	399,651	8,829,779	-
Gain from sale of capital assets					-	90,422	90,422	-
Unrestricted investment earnings					1,296,604	121,276	1,417,880	33,167
Transfers					5,650,524	(5,650,524)	-	-
Total general revenues and transfers					456,909,130	(5,039,175)	451,869,955	33,167
Change in net assets					89,859,839	28,548,310	118,408,149	633,052
Net assets - beginning of year					3,053,788,560	1,246,367,484	4,300,156,044	115,369,063
Net assets - end of year					$ 3,143,648,399	$ 1,274,915,794	$ 4,418,564,193	$ 116,002,115

See accompanying notes to financial statements.

Cobb County, Georgia
Governmental Funds
Balance Sheet
September 30, 2011

	General Fund	Fire District Fund	2006 SPLOST Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 62,220,416	$ 31,740,814	$ 73,644,765	$ 20,794,176	$ 188,400,171
Investments, at fair value	-	-	31,002,571	-	31,002,571
Receivables:					
Taxes and penalties	90,346,926	30,821,420	-	4,174,298	125,342,644
Accrued interest	2,040	-	89,349	1	91,390
Other	4,326,396	697,625	849,634	2,136,060	8,009,715
Due from other funds	3,458,452	-	-	1,632,863	5,091,315
Due from component units	-	-	-	327,561	327,561
Due from others	4,966	-	-	21,151	26,117
Due from other governments and agencies	1,144,625	-	14,102,482	8,604,927	23,852,034
Advances to other funds	2,471,380	-	-	-	2,471,380
Inventories	1,375,358	-	-	-	1,375,358
Prepaid items and other assets	19,540	-	-	150,710	170,250
Total assets	$ 165,370,099	$ 63,259,859	$ 119,688,801	$ 37,841,747	$ 386,160,506
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	$ 2,032,267	$ 2,600	$ 10,797,738	$ 3,509,397	$ 16,342,002
Accrued payroll	5,728,010	1,436,477	-	206,285	7,370,772
Due to other funds	15,932,583	-	-	3,463,990	19,396,573
Due to others	329,739	6,628	-	-	336,367
Due to component unit-Cobb Marietta Coliseum & Exhibit Hall Authority	913,195	-	-	-	913,195
Due to other governments and agencies	235,582	-	219,269	3,047	457,898
Notes payable, net	65,904,717	44,604,713	-	-	110,509,430
Accrued interest payable	399,523	270,399	-	-	669,922
Deferred revenue	9,619,284	2,726,347	-	4,729,881	17,075,512
Total liabilities	$ 101,094,900	$ 49,047,164	$ 11,017,007	$ 11,912,600	$ 173,071,671
Fund Balances:					
Nonspendable:					
Inventories and prepaid items	$ 1,394,898	$ -	$ -	$ 150,710	$ 1,545,608
Advances	2,471,380	-	-	-	2,471,380
Restricted for:					
Debt Services	-	-	-	8,728,738	8,728,738
Construction and capital outlay	-	14,212,695	108,671,794	-	122,884,489
Special programs	2,142,090	-	-	13,620,024	15,762,114
Committed for:					
Construction and capital outlay	1,015,815	-	-	1,627,891	2,643,706
Special programs	21,837,236	-	-	-	21,837,236
Debt Services	-	-	-	234,828	234,828
Assigned for:					
Construction and capital outlay	-	-	-	1,566,956	1,566,956
Special programs	38,137	-	-	-	38,137
Unassigned	35,375,643	-	-	-	35,375,643
Total fund balances	$ 64,275,199	$ 14,212,695	$ 108,671,794	$ 25,929,147	$ 213,088,835
Total liabilities and fund balances	$ 165,370,099	$ 63,259,859	$ 119,688,801	$ 37,841,747	$ 386,160,506

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, 2011

Total fund balances - governmental funds	$	213,088,835
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		3,037,345,681
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:		
Property tax		11,755,790
Grants and contributions		4,589,830
Net other post employment benefits assets		3,991,455
Unamortized bond issue costs		28,467
Unamortized certificates of participation issue costs		98,148
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.		16,126,337
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Net pension asset (obligation)		(472,214)
Accrued interest payable		(1,141,866)
Intergovernmental contract payable		(49,635,000)
Unmatured bonds		(47,070,000)
Unamortized bond issuance discounts		109,475
Unamortized deferred loss on refunding		264,029
Unamortized bond premiums		(892,157)
Certificates of participation		(10,490,000)
Capital leases payable		(10,766,312)
Compensated absences		(23,282,099)
Net assets of governmental activities	$	3,143,648,399

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, 2011

	General Fund	Fire District Fund	2006 SPLOST Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	$ 227,881,087	$ 69,990,429	$ 126,853,951	$ 18,828,190	$ 443,553,657
Licenses and permits	20,422,226	275,112	-	-	20,697,338
Intergovernmental	4,189,101	-	6,557,326	33,993,798	44,740,225
Charges for services	34,967,577	1,017,758	-	16,262,212	52,247,547
Fines and forfeits	12,842,713	-	-	-	12,842,713
Interest earned	1,019,020	193,369	299,076	54,167	1,565,632
Miscellaneous	4,852,384	51,662	75,485	3,446,631	8,426,162
Total revenues	$ 306,174,108	$ 71,528,330	$ 133,785,838	$ 72,584,998	$ 584,073,274
Expenditures:					
Current:					
General government	$ 110,729,422	$ -	$ -	$ 7,256,042	$ 117,985,464
Public safety	125,952,953	62,875,172	-	12,392,414	201,220,539
Public works	12,852,637	-	-	8,218,862	21,071,499
Health and welfare	5,046,633	-	-	1,026,615	6,073,248
Culture and recreation	28,542,815	-	-	6,680,171	35,222,986
Housing and development	6,973,385	-	-	17,260,588	24,233,973
Capital outlay	-	-	69,371,724	16,104,330	85,476,054
Debt service:					
Principal retirement	193,546	-	-	15,278,527	15,472,073
Interest and fiscal charges	168,281	91,132	-	4,961,938	5,221,351
Intergovernmental	-	-	20,541,070	-	20,541,070
Total expenditures	$ 290,459,672	$ 62,966,304	$ 89,912,794	$ 89,179,487	$ 532,518,257
Excess (deficiency) of revenues over (under) other expenditures	$ 15,714,436	$ 8,562,026	$ 43,873,044	$ (16,594,489)	$ 51,555,017
Other financing sources (uses):					
Transfers in	$ 29,357,927	$ 31,399	$ 121,808	$ 10,243,151	$ 39,754,285
Transfers out	(20,837,042)	(398,042)	-	(11,551,739)	(32,786,823)
Proceeds from sale of capital assets	330,000	14,152	-	-	344,152
Proceeds from issuance of capital lease	-	-	-	1,778,899	1,778,899
Total other financing sources (uses)	$ 8,850,885	$ (352,491)	$ 121,808	$ 470,311	$ 9,090,513
Net changes in fund balances	$ 24,565,321	$ 8,209,535	$ 43,994,852	$ (16,124,178)	$ 60,645,530
Fund balances at beginning of year	39,709,878	6,003,160	64,676,942	42,053,325	152,443,305
Fund balances at end of year	$ 64,275,199	$ 14,212,695	$ 108,671,794	$ 25,929,147	$ 213,088,835

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, 2011

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	60,645,530
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 ($86,380,465) were greater than depreciation ($83,105,476) in the current period.		3,274,989
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		(2,021,783)
Charges for services		243,186
Intergovernmental revenues		4,346,644
Write off of accounts receivable recognized on the statement of net assets in the prior year		
The net effect of various miscellaneous transactions involving capital assets (donations) is to increase net assets.		10,825,882
The gain on disposition of capital assets is not reported in the fund statements.		(347,749)
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		6,410,000
Capital lease proceeds		(1,778,899)
Capital lease principal payments		7,780,533
Intergovernmental contract payable		1,285,000
Certificates of participation payable		240,000
The current years reduction to the net pension asset reduced the net expenses of pensionable functions on the statement of activities.		(2,838,634)
The current years reduction to the net other post employment benefits asset reduced the net expense of other post employment benefits functions on the statement of activities.		4,081,379
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		(3,939,827)
Amortization for bond and capital lease discounts, deferred amounts, premiums		88,402
Accrued interest expense		13,965
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.		1,551,221
Changes in net assets of governmental activities.	$	89,859,839

See accompanying notes to financial statements.

Cobb County, Georgia
General Fund
For the Fiscal Year Ended September 30, 2011
Changes in Fund Balances - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2011

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Taxes	$ 216,379,734	$ 204,939,942	$ 227,881,087	$ 22,941,145
Licenses and permits	124,434,470	18,844,783	20,422,226	1,577,443
Intergovernmental	3,377,600	3,569,380	4,189,101	619,721
Charges for services	44,255,986	37,547,950	34,967,577	(2,580,373)
Fines and forfeits	16,423,688	14,231,892	12,842,713	(1,389,179)
Interest earned	1,292,426	1,293,144	1,019,020	(274,124)
Miscellaneous	4,610,539	7,073,252	4,852,384	(2,220,868)
Total revenues	$ 306,771,316	$ 287,500,343	$ 306,174,108	$ 18,673,765
Expenditures:				
Current:				
General government	$ 1,042,053	$ 114,119,756	$ 110,980,899	$ 3,138,857
Public safety	129,657,571	128,367,415	126,194,660	2,172,755
Public works	17,703,897	13,798,035	13,347,050	450,985
Health and welfare	5,427,199	5,071,033	5,049,320	21,713
Culture and recreation	31,279,249	29,876,158	28,599,535	1,276,623
Housing and development	7,226,206	7,077,963	6,973,437	104,526
Debt service:				
Principal retirement	385,598	193,641	193,546	95
Interest and fiscal charges	614,596	168,187	168,281	(94)
Total expenditures	$ 193,336,369	$ 298,672,188	$ 291,506,728	$ 7,165,460
Excess (deficiency) of revenues over (under) other expenditures	$ 113,434,947	$ (11,171,845)	$ 14,667,380	$ 25,839,225
Other financing sources (uses):				
Transfers in	$ 20,802,387	$ 30,295,196	$ 29,357,927	$ (937,269)
Transfers out	(19,825,803)	(20,898,251)	(20,837,042)	61,209
Proceeds from sale of capital assets	435,433	458,433	330,000	(128,433)
Total other financing sources (uses)	$ 1,412,017	$ 9,855,378	$ 8,850,885	$ (1,004,493)
Net changes in fund balance	$ 114,846,964	$ (1,316,467)	$ 23,518,265	$ 24,834,732
Fund balances at beginning of year			$ 39,709,878	
Fund balances at end of year - budgetary basis			$ 63,228,143	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			1,047,056	
Fund balance at end of year - GAAP basis			$ 64,275,199	

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, 2011

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Taxes	$ 63,625,285	$ 62,347,978	$ 69,990,429	$ 7,642,451
Licenses and permits	1,265	1,265	275,112	273,847
Intergovernmental	35,000	35,000	-	(35,000)
Charges for services	1,678,928	1,678,928	1,017,758	(661,170)
Interest earned	250,892	250,892	193,369	(57,523)
Miscellaneous	20,000	34,000	51,662	17,662
Total revenues	$ 65,611,370	$ 64,348,063	$ 71,528,330	$ 7,180,267
Expenditures:				
Current:				
Personal services	$ 57,617,583	$ 56,378,135	$ 55,456,101	$ 922,034
Operating expenditures	7,325,555	7,389,510	7,382,641	6,869
Capital outlay	118,470	126,750	98,827	27,923
Debt service:				
Interest and fiscal charges	150,000	150,000	91,132	58,868
Total expenditures	$ 65,211,608	$ 64,044,395	$ 63,028,701	$ 1,015,694
Excess (deficiency) of revenues over (under) other expenditures	$ 399,762	$ 303,668	$ 8,499,629	$ 8,195,961
Other financing sources (uses):				
Transfers in	$ -	$ 31,399	$ 31,399	$ -
Transfers out	(399,762)	(399,762)	(398,042)	1,720
Proceeds from sale of capital assets	-	-	14,152	14,152
Total other financing sources (uses)	$ (399,762)	$ (368,363)	$ (352,491)	$ 15,872
Net changes in fund balance	$ -	$ (64,695)	$ 8,147,138	$ 8,211,833
Fund balance at beginning of year			6,003,160	
Fund balance at end of year - budgetary basis			14,150,298	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			62,397	
Fund balance at end of year - GAAP basis			$ 14,212,695	

See accompanying notes to financial statements.

Cobb County, Georgia
Proprietary Funds
Statement of Net Assets
September 30, 2011

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water and Sewer Fund	Other Enterprise Funds	Total	
Assets				
Current assets:				
Cash	$ 18,268,447	$ 487,877	$ 18,756,324	$ 16,559,967
Restricted cash and investments	70,292,021	-	70,292,021	-
Investments, at fair value	300,000	-	300,000	-
Receivables:				
Accounts, net	20,286,914	22,876	20,309,790	-
Other	2,520,578	236,233	2,756,811	438
Due from other funds	-	-	-	14,305,258
Due from others	-	-	-	1,478
Current due from other governments and agencies	91,478	791,383	882,861	-
Inventories	1,244,141	-	1,244,141	-
Prepaid items	1,509	3,272	4,781	-
Net OPEB asset	442,096	-	442,096	-
Total current assets	$ 113,447,184	$ 1,541,641	$ 114,988,825	$ 30,867,141
Noncurrent assets:				
Property, plant and equipment:				
Capital assets not being depreciated	$ 395,213,188	$ 20,527,104	$ 415,740,292	$ -
Capital assets being depreciated, net	1,127,765,408	37,439,996	1,165,205,404	-
Net property, plant and equipment	$ 1,522,978,596	$ 57,967,100	$ 1,580,945,696	$ -
Other assets:				
Unamortized note costs	$ 3,271,250	$ -	$ 3,271,250	$ -
Unamortized bond costs	1,014,333	70,645	1,084,978	-
Total noncurrent assets	$ 1,527,264,179	$ 58,037,745	$ 1,585,301,924	$ -
Total assets	$ 1,640,711,363	$ 59,579,386	$ 1,700,290,749	$ 30,867,141

Continued on next page.

See accompanying notes to financial statements.

Cobb County, Georgia
Proprietary Funds
Statement of Net Assets
September 30, 2011

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water and Sewer Fund	Other Enterprise Funds	Total	
Liabilities and Fund Equity				
Liabilities:				
Current liabilities (payable from current assets):				
Accounts payable	$ 31,436,862	$ 1,600,529	$ 33,037,391	$ 690,975
Accrued payroll	706,560	60,086	766,646	-
Arbitrage liability	54,882	-	54,882	7,768
Due to others	-	1,142	1,142	-
Customer deposits	4,105,800	-	4,105,800	-
Due to other governments and agencies	-	23,056	23,056	-
Accrued interest payable	2,478,462	120,438	2,598,900	-
Deferred revenues	-	28,176	28,176	-
Current portion of revenue bonds	10,015,000	2,370,000	12,385,000	-
Current portion of note payable	5,891,155	-	5,891,155	-
Current portion of compensated absences	972,629	23,360	995,989	-
Current portion of closure and post closure care	-	276,660	276,660	9,138
Estimated liability for claims and judgments	-	-	-	14,032,923
Total current liabilities	$ 55,661,350	$ 4,503,447	$ 60,164,797	$ 14,740,804
Long-term liabilities:				
Revenue bonds (net of current portion, bond discount, and loss on refunding)	$ 203,124,673	$ 7,387,591	$ 210,512,264	$ -
Notes payable (net of current portion)	126,425,723	-	126,425,723	-
Compensated absences (net of current portion)	504,394	23,177	527,571	-
Closure and post closure care (net of current portion)	-	25,220,752	25,220,752	-
Net pension obligation	52,468	-	52,468	
Advances from other funds	-	2,471,380	2,471,380	-
Total long-term liabilities	$ 330,107,258	$ 35,102,900	$ 365,210,158	$ -
Total liabilities	$ 385,768,608	$ 39,606,347	$ 425,374,955	$ 14,740,804
Net Assets				
Invested in capital assets, net of related debt	$ 1,168,363,740	$ 47,931,806	$ 1,216,295,546	$ -
Restricted for:				
Debt service	57,377,091	-	57,377,091	-
Unrestricted	29,201,924	(27,958,767)	1,243,157	16,126,337
Total net assets	$ 1,254,942,755	$ 19,973,039	$ 1,274,915,794	$ 16,126,337

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, 2011

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water and Sewer Fund	Other Enterprise Funds	Total	
Operating revenues:				
Charges for services	$ 196,795,218	$ 8,148,900	$ 204,944,118	$ 67,908,142
Miscellaneous income	354,585	45,066	399,651	699
Total operating revenues	$ 197,149,803	$ 8,193,966	$ 205,343,769	$ 67,908,841
Operating expenses:				
Personnel services	$ 26,641,274	$ 909,995	$ 27,551,269	$ 260,019
Other operating expenses	84,769,405	19,999,191	104,768,596	16,852,196
Benefits and claims	-	-	-	47,962,483
Total operating expenses	$ 111,410,679	$ 20,909,186	$ 132,319,865	$ 65,074,698
Operating income (loss) before depreciation	$ 85,739,124	$ (12,715,220)	$ 73,023,904	$ 2,834,143
Less depreciation	(39,145,731)	(5,093,012)	(44,238,743)	-
Operating income (loss)	$ 46,593,393	$ (17,808,232)	$ 28,785,161	$ 2,834,143
Nonoperating revenues (expenses):				
Interest income	$ 119,585	$ 1,691	$ 121,276	$ 34,016
Interest and fiscal charges	(9,949,247)	(508,139)	(10,457,386)	-
Amortization	417,906	16,348	434,254	-
Gain (loss) on sale of capital assets	77,990	12,432	90,422	-
Total nonoperating revenues (expenses)	$ (9,333,766)	$ (477,668)	$ (9,811,434)	$ 34,016
Net income (loss) before transfers and capital contributions	$ 37,259,627	$ (18,285,900)	$ 18,973,727	$ 2,868,159
Capital contributions	$ 8,818,399	$ 6,406,708	$ 15,225,107	$ -
Total capital contributions	$ 8,818,399	$ 6,406,708	$ 15,225,107	$ -
Transfers:				
Transfers in	$ 102,313	$ 14,110,946	$ 14,213,259	$ -
Transfers out	(19,805,206)	(58,577)	(19,863,783)	(1,316,938)
Total transfers	$ (19,702,893)	$ 14,052,369	$ (5,650,524)	$ (1,316,938)
Changes in net assets	$ 26,375,133	$ 2,173,177	$ 28,548,310	$ 1,551,221
Fund net assets - beginning	$ 1,228,567,622	$ 17,799,862	$ 1,246,367,484	$ 14,575,116
Fund net assets - ending	$ 1,254,942,755	$ 19,973,039	$ 1,274,915,794	$ 16,126,337

See accompanying notes to financial statements.

Cobb County, Georgia
Proprietary Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended September 30, 2011

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water and Sewer Fund	Other Enterprise Funds	Total	
Cash flows from operating activities:				
Cash received from customers	$ 197,892,439	$ 9,125,317	$ 207,017,756	$ 57,909,665
Cash payments for goods and services	(92,158,426)	(23,036,765)	(115,195,191)	(16,345,217)
Cash payments for employee services and fringe benefits	(26,445,968)	(918,869)	(27,364,837)	(259,095)
Cash payments for benefits and claims	-	-	-	(45,824,572)
Net cash from operating activities	$ 79,288,045	$ (14,830,317)	$ 64,457,728	$ (4,519,219)
Cash flows from noncapital financing activities:				
Transfers in	$ 102,313	$ 14,110,946	$ 14,213,259	$ -
Transfers out	(19,805,206)	(58,577)	(19,863,783)	(1,316,938)
Net cash from noncapital financing activities	$ (19,702,893)	$ 14,052,369	$ (5,650,524)	$ (1,316,938)
Cash flows from capital and related financing activities:				
Payments on capital leases	$ -	$ (17,401)	$ (17,401)	$ -
Proceeds from sale of capital assets	77,990	44,330	122,320	-
Payments for capital acquisitions	(116,236,151)	(2,668,860)	(118,905,011)	-
Bond principal payments	(9,665,000)	(2,520,000)	(12,185,000)	-
Capital contributions	7,107,455	6,406,708	13,514,163	-
Proceeds from note issuance	49,940,929	-	49,940,929	-
Payments on notes	(4,248,290)	-	(4,248,290)	-
Cost of note issuance	(600,000)	-	(600,000)	-
Advances from other funds	-	542,880	542,880	-
Interest and fiscal charges	(10,059,485)	(534,441)	(10,593,926)	-
Net cash from capital and related financing activities	$ (83,682,552)	$ 1,253,216	$ (82,429,336)	$ -
Cash flows from investing activities:				
Interest received	$ 119,585	$ 1,691	$ 121,276	$ 34,016
Investment (purchases) sales	3,000,000	-	3,000,000	-
Net cash from investing activities	$ 3,119,585	$ 1,691	$ 3,121,276	$ 34,016
Net increase (decrease) in cash and cash equivalents	$ (20,977,815)	$ 476,959	$ (20,500,856)	$ (5,802,141)
Cash and cash equivalents at beginning of year	109,538,282	10,918	109,549,200	22,362,108
Cash and cash equivalents at end of year	$ 88,560,467	$ 487,877	$ 89,048,344	$ 16,559,967
Reconciliation to Combining Balance Sheet				
Cash	$ 18,268,447	$ 487,877	$ 18,756,324	$ 16,559,967
Cash (included in restricted assets)	70,292,021	-	70,292,021	-
	$ 88,560,468	$ 487,877	$ 89,048,345	$ 16,559,967

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, 2011

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water and Sewer Fund	Other Enterprise Funds	Total	
Reconciliation of operating income (loss) to net cash from operating activities:				
Operating income (loss)	$ 46,593,393	$ (17,808,232)	$ 28,785,161	$ 2,834,143
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation	$ 39,145,731	$ 5,093,012	$ 44,238,743	$ -
Change in assets and liabilities:				
Decrease (increase) in accounts receivables	208,906	99,931	308,837	-
Decrease (increase) in other receivables	(129,027)	55,501	(73,526)	(438)
Decrease (increase) in due from other funds	616,191	347,071	963,262	(10,000,000)
Decrease (increase) in due from other governments	46,566	428,848	475,414	-
Decrease (increase) in due from others	-	-	-	1,262
Decrease (increase) in inventories	(178,783)	-	(178,783)	-
Decrease (increase) in other assets	(442,096)	-	(442,096)	-
Decrease (increase) in prepaid expenses	1,261	-	1,261	802
Increase (decrease) in accounts payable	(7,643,649)	(1,684,706)	(9,328,355)	506,177
Increase (decrease) in accrued liabilities	-	(38,618)	(38,618)	-
Increase (decrease) in accrued payroll	86,131	49,014	135,145	976
Increase (decrease) in accrued vacation payable	109,175	(39,570)	69,605	(52)
Increase (decrease) in due to other funds	-	(240,600)	(240,600)	-
Increase (decrease) in due to others	-	1,142	1,142	-
Increase (decrease) in customer deposits	558,842	-	558,842	-
Increase (decrease) in due to other governments	-	10,756	10,756	-
Increase (decrease) in estimated liability for claims and judgments	-	-	-	2,137,911
Increase (decrease) in closure/postclosure care	-	(1,116,501)	(1,116,501)	-
Increase (decrease) in other liabilities	315,404	-	315,404	-
Increase (decrease) in unearned revenues	-	12,635	12,635	-
Total adjustments	$ 32,694,652	$ 2,977,915	$ 35,672,567	$ (7,353,362)
Net cash provided (used) by operating activities	$ 79,288,045	$ (14,830,317)	$ 64,457,728	$ (4,519,219)
Schedule of noncash capital and related financing activities:				
Contribution of capital assets	$ 960,944	$ -	$ 960,944	$ -
GEFA debt forgiveness	750,000	-	750,000	-
Total noncash capital and related financing activities	$ 1,710,944	$ -	$ 1,710,944	$ -
Supplemental disclosure of cashflow information:				
Cash paid for interest	$ 12,679,344	$ -	$ 12,679,344	$ -
Interest capitalized	2,619,859	-	2,619,859	-
Total supplemental disclosure of cashflow information	$ 15,299,203	$ -	$ 15,299,203	$ -

Continued from preceding page.

Cobb County, Georgia
Fiduciary Funds
Statement of Fiduciary Net Assets
September 30, 2011

	Pension Trust Fund	OPEB Trust Fund	
	Employee Retirement System	Other Post Employment Benefits	Agency Funds
Assets:			
Cash and cash equivalents	$ 17,023	$ -	$ 164,501,415
Investments, at fair value			
Common stock	76,316,785	-	-
Mutual funds	204,743,394	43,467,305	-
Bond Corp.	49,426,166	-	-
Government and agency bonds	8,736,200		-
Group annunity contracts	3,303,601		
Money market	6,189,361		
Receivables			
Taxes and penalties	-	-	311,537,840
Accrued interest	804,800	-	-
Other	-	-	1
Due from others	822	-	-
Total assets	$ 349,538,152	$ 43,467,305	$ 476,039,256
Liabilities:			
Bank overdraft	$ -	-	$ 1
Unremitted tax collections due to other governments and agencies	-	-	141,644,474
Taxes payable to others upon collection	-	-	311,537,840
Unremitted payroll tax and withholdings	-	-	219,652
Funds held in trust for others	-	-	22,637,289
Total liabilities	$ -	$ -	$ 476,039,256
Net assets held in trust for			
Pension benefits	$ 349,538,152	$ -	
Other post employment benefits	-	43,467,305	
Total net assets held in trust	$ 349,538,152	$ 43,467,305	

(See Schedule of Funding Progress on pages 79-81 for additional information)

Cobb County, Georgia
Fiduciary Funds
Statement of Changes in Fiduciary Net Assets
For the Fiscal Year Ended September 30, 2011

	Pension Trust Fund	OPEB Trust Fund
	Employee Retirement System	Other Post Employment Benefits
Additions		
Contributions:		
Employer	$ 26,842,025	$ 23,894,458
Employee	10,917,824	3,936,571
Total contributions	$ 37,759,849	$ 27,831,029
Investment earnings:		
Net appreciation (depreciation) in fair value of assets	$ (10,642,776)	$ (972,953)
Interest	8,149,658	-
Total investment earnings	$ (2,493,118)	$ (972,953)
Less investment expense	(1,158,955)	-
Net investment earnings	$ (3,652,073)	$ (972,953)
Miscellaneous revenue	$ 58,976	$ -
Total additions	$ 34,166,752	$ 26,858,076
Deductions		
Benefits and claims	$ 41,324,431	$ 18,831,028
Total deductions	$ 41,324,431	$ 18,831,028
Change in net assets	$ (7,157,679)	$ 8,027,048
Net assets held in trust		
Beginning of year	$ 356,695,831	$ 35,440,257
End of year	$ 349,538,152	$ 43,467,305

See accompanying notes to financial statements.

COBB COUNTY, GEORGIA
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September 30, 2011

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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 unit. The component units discussed below are considered for inclusion 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 considered for inclusion as discretely presented component units. The Cobb-Marietta Coliseum and Exhibit Hall Authority is reported in a separate column in the government-wide statements to emphasize it is legally separate from the primary government. Information presented for the Cobb-Marietta Coliseum and Exhibit Hall Authority is as of and for the year ended September 30, 2011. Cobb County Board of Health is considered immaterial to the County's financials and is not included in the presentation. A brief description of the potential 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, 2011, 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 Authority and the Board of Health 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 unit. 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 unit 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. 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. The **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 for 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 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 of $70,292,020 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, 2011 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. 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 unit, 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. Categories and Classifications of Fund Balance

The County has implemented of GASB 54 during fiscal year 2010 [Note 10. Fund Balance Determinations and Classifications]. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, under GASB 54, are Nonspendable, Restricted, Committed, Assigned, and Unassigned.

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, Hotel/Motel Tax, Emergency 911, Parking Deck Facility and 800 MHz 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. 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	$ 23,518,265	$ 8,147,138	$ (1,315,354)
Encumbrances 9/30/11	1,047,056	62,397	107,264
Grant-length Plans	-	-	2,296,028
GAAP Basis	$ 24,565,321	$ 8,209,535	$ 1,087,938

	Fund Balances at End of Year		
	General Fund	Fire Fund	Nonmajor Special Revenue Funds
Budgetary Basis	$ 63,228,143	$ 14,150,298	$ 13,666,289
Encumbrances 9/30/11	1,047,056	62,397	107,264
Grant-length Plans	-	-	81,307
GAAP Basis	$ 64,275,199	$ 14,212,695	$ 13,854,860

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, 2011, none of the County's deposits were exposed to custodial credit risk.

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, 2011, the County's reporting entity had the following investments:

Type of Investment	Rating	Fair Value	Investment Maturities (in Years)			
			Less than 1	1-5	6-10	More than 10
PRIMARY GOVERNMENT						
Georgia Fund I	AAA	$ 189,252,256	$ 189,252,256	$ -	$ -	$ -
U.S. Agencies	AAA	27,002,571	9,021,588	17,980,983	-	-
Total Primary Government (non-fiduciary)		$ 216,254,827	$ 198,273,844	$ 17,980,983	$ -	$ -
FIDUCIARY FUNDS						
Pension Trust Fund:						
Common Stocks		$ 76,316,785	n/a	n/a	n/a	n/a
Mutual Funds		204,743,394	204,743,394	-	-	-
Bond Corp.	AAA	49,426,166	207,558	5,740,876	407,188	3,145,914
	AA+		504,799	-	-	-
	AA		-	1,750,694	865,944	91,326
	AA-		236,511	2,457,955	260,206	854,254
	A+		506,502	2,018,327	1,369,456	790,084
	A		1,247,233	6,997,556	1,269,710	2,106,716
	A-		600,196	5,447,718	1,369,632	473,650
	BAA+		202,352	2,023,468	699,863	512,609
	BAA		101,216	2,484,924	1,688,625	792,168
	BAA-		-	-	200,936	-
Government and Agency Bonds	AAA	8,736,200	876,610	1,761,397	1,649,654	4,448,539
Group Annuity Contracts		3,303,601	-	3,303,601	-	-
Georgia Fund I	AAA	17,023	17,023	-	-	-
Money Market		6,189,361	6,189,361	-	-	-
Total Pension Trust Fund		$ 348,732,530	$ 215,432,755	$ 33,986,516	$ 9,781,214	$ 13,215,260
OPEB Trust Fund:						
Mutual Funds		$ 27,355,943	$ 27,355,943	$ -	$ -	$ -
Bond Mutual Funds		16,111,362	-	16,111,362	-	-
Total OPEB Trust Fund		$ 43,467,305	$ 27,355,943	$ 16,111,362	$ -	$ -

Investments of the primary government and fiduciary funds include $189,252,256 and $17,023 grouped in cash and cash equivalents and exclude $4,300,000 of nonnegotiable certificates of deposits.

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

Credit Risk - Investments
As of September 30, 2011 the County's investment in U.S. Agencies that are implicitly guaranteed were as follows: Federal National Mortgage Association $3,000,615, Federal Home Loan Bank $6,018,483, Federal Home Loan Mortgage Corporation $5,999,949, and Federal Farm Credit Banks $11,983,524. 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.

Component unit

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, 2011, none of the Authority's public deposits of $5,286,157 were exposed to custodial credit risk. The Performing Arts Centre Foundation maintains deposits which are not public funds, but are subject to F.D.I.C. coverage. As of September 30, 2011, the Foundation's deposits exceeded the federally insured limits by $63,276.

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, 2011, 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	$ 21,584,680	$ -	$ -	$ -
Total investments		$ 21,584,680	$ -	$ -	$ -

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; funds restricted for debt service in the Performing Arts Centre; 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	$ 13,979,325	$ -	$ 13,979,325
Performing Arts Centre Foundation:			
Restricted by donors	300,276	-	300,276
Debt Service Fund:			
Restricted for debt service	9,489,186	-	9,489,186
Total governmental funds	$ 23,768,787	$ -	$ 23,768,787

In the governmental activities column of the statement of net assets, an additional $6,308,277 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	$ 50,888	$ -	$ 50,888
Performing Arts Centre:			
Ticket sales deposits	1,413,954	-	1,413,954
Restricted for debt service	603,814	-	603,814
Due from primary government	-	50,189,944	50,189,944
Total enterprise funds	$ 2,068,656	$ 50,189,944	$ 52,258,600

Note 5. Capital Assets

Capital asset activity for the year ended September 30, 2011 was as follows:

Primary Government:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 904,980,729	$ 13,392,039	$ (1)	$ 918,372,767
Construction in progress	302,626,030	68,662,149	(212,343,952)	158,944,227
Total capital assets, not being depreciated	$ 1,207,606,759	$ 82,054,188	$ (212,343,953)	$ 1,077,316,994
Capital assets, being depreciated:				
Buildings	$ 321,064,408	$ 176,931,318	$ (111,532)	$ 497,884,194
Improvements other than buildings	30,658,666	91,901	-	30,750,567
Machinery and equipment	225,025,097	11,514,468	(6,819,828)	229,719,737
Infrastructure	2,337,369,077	38,958,423	-	2,376,327,500
Total capital assets, being depreciated	$ 2,914,117,248	$ 227,496,110	$ (6,931,360)	$ 3,134,681,998
Less accumulated depreciation for:				
Buildings	$ (92,029,595)	$ (6,640,494)	$ 49,999	$ (98,620,090)
Improvements other than buildings	(13,361,119)	(1,484,006)	-	(14,845,125)
Machinery and equipment	(181,047,399)	(15,665,387)	6,533,614	(190,179,172)
Infrastructure	(811,693,335)	(59,315,589)	-	(871,008,924)
Total accumulated depreciation	$ (1,098,131,448)	$ (83,105,476)	$ 6,583,613	$ (1,174,653,311)
Total capital assets, being depreciated, net	1,815,985,800	144,390,634	(347,747)	1,960,028,687
Governmental activities capital assets, net	$ 3,023,592,559	$ 226,444,822	$ (212,691,700)	$ 3,037,345,681
Business-type activities:				
Capital assets, not being depreciated:				
Land and improvements	$ 75,974,855	$ 999,337	-	$ 76,974,192
Construction in progress	238,692,389	113,207,829	(13,134,118)	338,766,100
Total capital assets, not being depreciated	$ 314,667,244	$ 114,207,166	$ (13,134,118)	$ 415,740,292
Capital assets, being depreciated:				
Buildings and structures	$ 48,634,245	$ 1,192,932	$ -	$ 49,827,177
Sewerage plants	780,153,922	536,044	-	780,689,966
Machinery and equipment	71,623,271	1,383,997	(3,034,624)	69,972,644
Infrastructure:				
Sewer lines	520,229,642	2,757,948	-	522,987,590
Water lines and meters	375,953,890	12,921,987	-	388,875,877
Total capital assets, being depreciated	$ 1,796,594,970	$ 18,792,908	$ (3,034,624)	$ 1,812,353,254

Note 5. Capital Assets (Continued)

Less accumulated depreciation for:				
Buildings and structures	$ (12,872,705)	$ (1,417,512)	$ -	$ (14,290,217)
Sewerage plants	(239,191,239)	(18,869,510)	-	(258,060,749)
Machinery and equipment	(52,268,147)	(4,888,498)	2,973,519	(54,183,126)
Infrastructure:				
Sewer lines	(164,002,956)	(10,223,721)	-	(174,226,677)
Water lines and meters	(137,547,579)	(8,839,502)	-	(146,387,081)
Total accumulated depreciation	$ (605,882,626)	$ (44,238,743)	$ 2,973,519	$ (647,147,850)
Total capital assets, being depreciated, net	1,190,712,344	(25,445,835)	(61,105)	1,165,205,404
Business-type activities capital assets, net	$ 1,505,379,588	$ 88,761,331	$ (13,195,223)	$ 1,580,945,696

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

Governmental activities:	
General government	$ 5,093,682
Public safety	7,756,282
Public works	66,796,875
Health and welfare	80,886
Culture and recreation	2,922,695
Housing and development	455,056
Total depreciation expense - governmental activities	$ 83,105,476
Business-type activities:	
Water and Sewer	$ 39,145,731
Solid Waste	469,139
Golf Course	65,583
Transit System	4,558,290
Total depreciation expense - business-type activities	$ 44,238,743

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 $650,000 per occurrence for workers' compensation. Amounts exceeding this are covered by an excess workers' compensation policy. The County added $3,000,000 in cyber coverage, increased fiduciary cover by $15,000,000, and increase property coverage by $150,000,000. 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 $14,032,923 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
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
2010	10,088,529	46,505,221	44,698,738	11,895,012
2011	11,895,012	47,962,483	45,824,572	14,032,923

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	Total Business-type Activities
Land	$ 3,584,101	$ -
Building	6,329,202	150,183
Machinery and equipment	30,363,929	-
Less: Accumulated depreciation	(22,461,641)	(119,853)
Total	$ 17,815,591	$ 30,330

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, 2011:

	Total Governmental Activities
2012	5,593,152
2013	4,326,331
2014	960,644
2015	333,074
Total minimum lease payments	$ 11,213,200
Less: Amount representing interest	446,888
Present value of minimum lease payments	$ 10,766,312

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.

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, 2009, 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.

Note 7. Leases (Continued)

In April, 2009, a lease agreement was entered into with Sun Microsystems Global Financial Services for replacement of one 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.

In March, 2010, a lease agreement was entered into with SunTrust for a data domain system. The lease agreement is for 48 months. The lease agreement qualifies as a capital lease and has been recorded in the General Fund.

In November, 2010, a lease agreement was entered into with Dell Financial Services to finance the replacement of up to 720 personal computers in the second quarter of FY11. The lease agreement is for 48 months. The lease agreement qualifies as a capital lease and has been recorded in the Public Facilities Fund.

In February, 2011, a lease agreement was entered into with Dell Financial Services to finance the replacement of up to 1,095 personal computers in the third quarter of FY11. The lease agreement is for 48 months. The lease agreement qualifies as a capital lease and has been recorded in the Public Facilities Fund.

In June, 2011, a lease agreement was entered into with Dell Financial Services to finance the replacement of up to 500 personal computers in the fourth quarter of FY11. 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, 2011 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 ($13,310,000 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.

   $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 ($21,940,000 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.

Note 8. Long-Term Debt (Continued)

$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 ($11,820,000 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.

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 ($118,700,000 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 ($84,155,000 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 2010. 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, 2011 was $202,855,000 and $82,695,825 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 ($8,000,000 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.

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, 2011 was $8,000,000 and $810,000 respectively.

Note 8. Long-Term Debt (Continued)

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 ($1,635,000 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, 2011 was $1,635,000 and $125,126 respectively.

The annual requirements to amortize all General Obligation and Revenue bonds outstanding at September 30, 2011 including interest payments of $153,112,787 are as follows:

	Governmental Activites		Business-Type Activities	
	General Obligation Bonds		Revenue Bonds	
Year Ending September	Principal	Interest	Principal	Interest
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	7,625,000	929,238	13,285,000	7,660,875
2016	7,950,000	607,412	11,755,000	7,134,375
2017-2021	10,490,000	292,624	66,820,000	27,719,375
2022-2026	-	-	54,825,000	12,220,762
2027-2029	-	-	26,925,000	2,309,313
	$ 47,070,000	$ 6,489,436	$ 212,490,000	$ 83,630,951

	Component Unit	
	Revenue Bonds	
Year Ending September 30	Principal	Interest
2012	4,775,000	6,171,255
2013	5,035,000	5,963,035
2014	5,335,000	5,740,366
2015	5,755,000	5,504,224
2016	6,005,000	5,220,747
2017-2021	35,630,000	21,451,239
2022-2026	47,230,000	11,481,955
2027-2029	18,695,000	1,459,580
	$ 128,460,000	$ 62,992,400

Note 8. Long-Term Debt (Continued)

The annual requirements to amortize all Water and Sewer Revenue Bonds outstanding at September 30, 2011 are as follows:

	Outstanding Parity Bonds		
	Principal	Interest	Total
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	11,285,000	7,610,875	18,895,875
2016	11,755,000	7,134,375	18,889,375
2017-2021	66,820,000	27,719,375	94,539,375
2022-2026	54,825,000	12,220,762	67,045,762
2027-2029	26,925,000	2,309,313	29,234,313
	$ 202,855,000	$ 82,695,825	$ 285,550,825

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 require 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.

$8,728,738 is available in the Debt Service Fund to service the general obligation bonds.

4. Prior Years' Advance Refundings

On September 30, 2011 there were no bonds outstanding that are considered defeased.

G.O. Bonds:

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.

Note 8. Long-Term Debt (Continued)

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.

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.

Note 8. Long-Term Debt (Continued)

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 ($49,635,000 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.

	Intergovernmental Contract Payable		
	Principal	Interest	Total
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	1,730,000	2,032,062	3,762,062
2016	1,880,000	1,941,812	3,821,812
2017-2021	11,925,000	8,073,435	19,998,435
2022-2026	16,835,000	4,691,955	21,526,955
2027-2029	12,820,000	863,188	13,683,188
Total	$ 49,635,000	$ 24,052,234	$ 73,687,234

6. Certificates of Participation

$10,730,000 Series 2010 Certificates of Participation is due in annual installments of $240,000 to $780,000 through January 1, 2031; interest at 2.25 to 4.00 percent ($10,490,000 outstanding). The contract obligates Cobb County to pay the debt service obligations on the Cobb County Courthouse Parking Deck Project Certificates of Participation until the bonds are repaid.

	Certificate of Participation		
	Principal	Interest	Total
2012	$ 230,000	$ 347,725	$ 577,725
2013	270,000	342,100	612,100
2014	320,000	335,063	655,063
2015	400,000	326,062	726,062
2016	420,000	315,813	735,813
2017-2021	2,360,000	1,391,300	3,751,300
2022-2026	2,895,000	985,688	3,880,688
2027-2031	3,595,000	385,387	3,980,387
Total	$ 10,490,000	$ 4,429,138	$ 14,919,138

Note 8. Long-Term Debt (Continued)

7. Notes Payable

$35,000,000 2008 Notes Payable is due in monthly installments of $195,401.91 through December 1, 2028; interest at 3.00 percent (with $31,546,423 outstanding). The loan is financing the construction of various water tunnels and pump stations.

$35,000,000 2009 Notes Payable is due in monthly installments of $194,109.16 through October 1, 2022 (with one final payment of $76,256.98 payable on November 1, 2022); interest at 3.00 percent (with $21,995,404 outstanding). The loan is financing the construction of various water tunnels and pump stations. This note was restructured upon securing the 2010 Note Payable for $6,000,000.

$6,000,000 2010 Notes Payable is due in monthly installments of $33,377.52 to $50,044.19 through February 1, 2030 (with one final payment of $7,778.89 payable on February 1, 2030); interest at 3.00 percent (with $5,662,915 outstanding). The loan is financing the construction of various water tunnels and pump stations. This loan represents the restructuring of the prior 2009 Note Payable for a $10,000,000 loan in which $4,000,000 was forgiven during fiscal year 2010.

$25,000,000 2010 Notes Payable is due in monthly installments of $138,649.40 through August 1, 2030; interest at 3.00 percent (with $23,995,072 outstanding). The loan is financing the construction of various water tunnels and pump stations.

$25,000,000 2011 Notes Payable is due in monthly installments of $176,156.59 through August 1, 2031; interest at 3.00 percent (with $24,176,135 outstanding). The loan is financing the construction of various water tunnels and pump stations. $750,000 of the loan was forgiven during fiscal year 2011.

$24,940,929 2011 Notes Payable is due in monthly installments of $138,321.80 through December 1, 2031; interest at 3.00 percent (with $24,940,929 outstanding). The loan is financing the construction of various water tunnels and pump stations.

	Note Payable		
	Principal	Interest	Total
2012	$ 5,891,153	$ 3,706,078	$ 9,597,231
2013	6,307,151	3,705,046	10,012,197
2014	6,497,409	3,514,788	10,012,197
2015	6,695,033	3,317,163	10,012,196
2016	6,897,396	3,114,801	10,012,197
2017-2021	37,772,305	12,288,676	50,060,981
2022-2026	34,293,176	6,720,932	41,014,108
2027-2031	27,550,357	1,851,401	29,401,758
2032	412,898	2,066	414,964
Total	$ 132,316,878	$ 38,220,951	$ 170,537,829

Note 8. Long-Term Debt (Continued)

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

Bonds payable are comprised of the following individual issues at September 30, 2011:

$47,320,000 series 1993 term bonds, of which $37,825,000 was outstanding at September 30, 2011, that come due with the applicable fixed rates from 5.5% to 5.625%

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.

$16,730,000 series 1999 serial bonds, of which $2,505,000 was unrefunded and outstanding at September 30, 2011. 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 $2,005,000 was outstanding at September 30, 2011. 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, 2011, those are subject to mandatory redemption requirements beginning October 1, 2017. The term bonds come due with the applicable fixed rates from 5.25% to 5.5%.

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

$14,335,000 series 2009 serial bonds, of which $13,275,000 was outstanding at September 30, 2011. The serial bonds are due in future annual installments of $690,000 to $1,130,000 with interest at fixed rates from 2.5 to 4.0 percent

The purpose of the 2009 issue was to refund the variable rate 1996 issue, which was originally issued to finance the purchase of approximately eleven acres of land for future expansion capabilities.

$44,180,000 series 2004 serial bonds, of which $36,815,000 was outstanding at September 30, 2011. The serial bonds are due in future annual installments of $1,375,000 to $3,790,000 through January 1, 2026 with interest at fixed rates from 3.0 to 5.0 percent.

$12,820,000 series 2004 term bonds, all of which was outstanding at September 30, 2011, those 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.

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.

Note 8. Long-Term Debt (Continued)

$10,000,000 series 2007 term bonds, of which $9,205,000 was outstanding at September 30, 2011. The serial bonds are due in future annual installments of $420,000 to $760,000 through October 1, 2026, with interest at a fixed rate of 3.99 percent.

The purpose of 2007 issue was to provide additional financing for the construction, renovation, equipping, and other such activities for the Performing Arts Center.

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, 2011:

Governmental Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
GO Bonds:					
2008 Parks	$ 15,000,000	$ -	$ (1,690,000)	$ 13,310,000	$ 1,735,000
2007 Parks	25,000,000	-	(3,060,000)	21,940,000	3,215,000
2005 Refunding	13,480,000	-	(1,660,000)	11,820,000	1,750,000
Total bonds before discounts and premiums	$ 53,480,000	$ -	$ (6,410,000)	$ 47,070,000	$ 6,700,000
Less:					
Original issuance discounts	$ (131,735)	$ -	$ 22,260	$ (109,475)	$ -
Deferred amounts on refunding	(316,472)	-	52,443	(264,029)	-
Add:					
Bond premiums	1,065,665	-	(173,508)	892,157	-
Total bonds payable	$ 54,097,458	$ -	$ (6,508,805)	$ 47,588,653	$ 6,700,000
Capital leases before discounts	$ 16,767,946	$ 1,778,899	$ (7,780,533)	$ 10,766,312	$ 5,307,525
Intergovernmental contract payable	$ 50,920,000	$ -	$ (1,285,000)	$ 49,635,000	$ 1,375,000
Certificate of Participation	10,730,000	-	(240,000)	10,490,000	230,000
Net pension obligation	-	472,214	-	472,214	-
Compensated absences	19,351,462	16,107,018	(12,167,243)	23,291,237	12,178,281
Total other liabilities	$ 97,769,408	$ 18,358,131	$ (21,472,776)	$ 94,654,763	$ 19,090,806
Governmental Activities Long-term Liabilities	$ 151,866,866	$ 18,358,131	$ (27,981,581)	$ 142,243,416	$ 25,790,806

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, $9,138 of the Internal Service Fund's compensated absences is 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, Parking Deck Fund, Law Library Fund, E-911 Fund and the Grants Fund. The compensated absences of the component unit are typically liquidated in the general fund.

Note 8. Long-Term Debt (Continued)

Business-type Activities:					
Revenue Bonds:					
2009 Water & Sewer Serial	$ 122,930,000	$ -	$ (4,230,000)	$ 118,700,000	$ 4,395,000
2003 Water & Sewer Serial Bond	89,590,000	-	(5,435,000)	84,155,000	5,620,000
2004 Solid Waste Management Authority Refunding	10,030,000	-	(2,030,000)	8,000,000	1,850,000
1997 Refunding Recreation Authority	2,125,000	-	(490,000)	1,635,000	520,000
Total Bonds before discounts and premiums	$ 224,675,000	$ -	$ (12,185,000)	$ 212,490,000	$ 12,385,000
Add: Bond premiums	$ 11,351,080	$ -	$ (741,959)	$ 10,609,121	$ -
Less:					
Original issuance discount	(6,653)	-	1,698	(4,955)	-
Deferred amount on refunding	(263,356)	-	66,454	(196,902)	-
Total bonds payable	$ 235,756,071	$ -	$ (12,858,807)	$ 222,897,264	$ 12,385,000
Capital leases	$ 17,401	$ -	$ (17,401)	$ -	$ -
Notes payable	87,374,239	49,940,929	(4,998,290)	132,316,878	5,891,155
Net pension obligation	-	52,468	-	52,468	-
Closure and postclosure	26,613,913	-	(1,116,501)	25,497,412	276,660
Compensated absences	1,453,955	1,523,560	(1,453,955)	1,523,560	995,989
Total other liabilities	$ 115,459,508	$ 51,516,957	$ (7,586,147)	$ 159,390,318	$ 7,163,804
Business-type Activities Long-term Liabilities	$ 351,215,579	$ 51,516,957	$ (20,444,954)	$ 382,287,582	$ 19,548,804

Cobb-Marietta Coliseum and Exhibit Hall Authority

Governmental Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Bonds payable:					
Revenue Bonds:	$ 72,470,000	$ -	$ (2,850,000)	$ 69,620,000	$ 2,980,000
Add: Uamortized issuance premium	1,920,622	-	(186,443)	1,734,179	-
Less deferred amounts:					
On refunding	(2,868,011)	-	284,493	(2,583,518)	-
For issuance discount	(240,622)	-	25,471	(215,151)	-
Total bonds payable	71,281,989	-	(2,726,479)	68,555,510	2,980,000
Line of credit	4,300,000	-	(2,000,000)	2,300,000	-
Compensated absences	129,046	180,993	(169,589)	140,450	112,360
Governmental Activities Long-term Liabilities	$ 75,711,035	$ 180,993	$ (4,896,068)	$ 70,995,960	$ 3,092,360
Business-type Activities:					
Bonds payable:					
Revenue bonds	$ 60,530,000	$ -	$ (1,690,000)	$ 58,840,000	$ 1,795,000
Add: Unamortized issuance premium	931,541	-	(80,972)	850,569	-
Total bonds payable	61,461,541	-	(1,770,972)	59,690,569	1,795,000
Compensated absences	28,846	61,074	(52,292)	37,628	30,102
Unearned revenue	12,324,518	172,123	(1,103,984)	11,392,657	1,005,623
Business-type Activities Long-term Liabilities	$ 73,814,905	$ 233,197	$ (2,927,248)	$ 71,120,854	$ 2,830,725

Note 9. Short-Term Tax Anticipation Notes

In April 2011, the County issued $110.3 million in tax anticipation notes to finance the general operations of the County through October 2011. The notes bear interest at a rate of 1.25 percent and are due on December 31, 2011. These notes were paid on December 31, 2011 from 2011 property tax revenues collected between September and December. Total payments of principal and interest on December 31, 2011 amounted to $111,260,625.

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

	Principal	Premium	Total
General Fund	$ 65,750,000	$ 458,935	$ 66,208,935
Fire District Special Revenue Fund	44,500,000	310,610	44,810,610
	$110,250,000	$ 769,545	$ 111,019,545

Short-term debt activity for the year ended September 30, 2011, was as follows:

	Beginning Balance	Issued	Reductions	Ending Balance
Tax anticipation notes	$ 113,500,000	$ 110,250,000	$ (113,500,000)	$ 110,250,000
Premium on notes	344,370	769,545	(854,485)	259,430
Total tax anticipation notes payable	$ 113,844,370	$ 111,019,545	$ (114,354,485)	$ 110,509,430

Note 10. Fund Balance Determinations and Classifications

A. Primary Government:

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term "proceeds of specific revenue sources" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. Restricted or committed specific revenue sources should comprise a *substantial portion* of the fund's resources. If revenues are initially received in another fund, they should not be reported as revenues in the fund receiving them; instead, they should be recognized in the special revenue fund where they will be spent. *The proceeds from these special revenue sources should be expected to continue to comprise a substantial portion of inflows.*

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays. Capital projects' funds exclude those types of capital related outflows financed by proprietary funds.

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

The following classifications are used by the County:

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

Note 10. Fund Balance Determinations and Classifications (Continued)

a. *Nonspendable Fund Balance*: the portion of a fund balance that includes amounts that cannot be spent because they are either not in a spendable form [prepaid items, inventories of supplies, or loans receivable] or be legally or contractually required to be maintained in tact.

b. *Restricted Fund Balance*: the portion of a fund balance that reflects constraints placed on the use of resources other than nonspendable items that are either externally imposed by creditors [debt agreements, grantors contributors, or laws or regulations of other governments], or be imposed by law through constitutional provisions or enabling legislation.

c. *Committed Fund Balance*: the portion of a fund balance that includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners and remain binding unless removed in the same manner.

d. *Assigned Fund Balance*: the portion of a fund balance that includes amounts that are constrained by the government's intent to be used for specific purposes but that are neither restricted nor committed, as established by the County Manager.

e. *Unassigned Fund Balance*: that portion of a fund balance that includes amounts that do not fall into one of the above four categories. The General Fund is the only fund that should report a positive unassigned balance.

The County uses restricted amounts to be spent first when both restricted and unrestricted fund balances are available, unless there are legal documents/contracts that prohibit the use of restricted fund balance, such as grant agreements that require a dollar match. Additionally, the County would then use committed, assigned and lastly unassigned amounts from the unrestricted fund balance when expending funds.

The County does not have a formal minimum fund balance policy; however the Board of Commission address various targeted reserve positions and the Finance Department calculates targets and actuals and reports the results to the Board of Commissioners on an annual basis.

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.

Note 10. Fund Balance Determinations and Classifications (Continued)

The composition of the Special Programs Fund Balance Classification is as follows:

Special Program Classification: Restricted Fund Balance

Special Programs:	General Fund	Nonmajor Governmental Funds	Total
800MHz	$ -	$ 8,019,738	$ 8,019,738
Community Services	-	10,635	10,635
Courts	1,486,613	-	1,486,613
E-911	-	5,321,321	5,321,321
Grants	-	62,528	62,528
Housing	-	18,779	18,779
Library	-	102,514	102,514
Parks	308,331	-	308,331
Public Safety	269,393	-	269,393
Streetlight District	-	84,509	84,509
Transportation	77,753	-	77,753
Total	$ 2,142,090	$ 13,620,024	$ 15,762,114

Special Program Classification: Committed Fund Balance

Special Programs:	General Fund	Nonmajor Governmental Funds	Total
Community Development	$ 395,371	$ -	$ 395,371
Courts	129,821	-	129,821
General Government	19,479,856	-	19,479,856
Library	105,540	-	105,540
Medical Examiner	632	-	632
Parks	41,936	-	41,936
Public Safety	611,689	-	611,689
Senior Services	70,380	-	70,380
Tax Commissioner	133,456	-	133,456
Transportation	868,555	-	868,555
Total	$ 21,837,236	$ -	$ 21,837,236

Special Program Classification: Assigned Fund Balance

Special Programs:	General Fund	Nonmajor Governmental Funds	Total
General Government	$ 38,137	$ -	$ 38,137

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. FY11 property taxes were levied on July 26, 2011 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 2011 to provide for financing of County operations for the fiscal year ended September 30, 2011.

Note 12. Interfund Balances and Transfers

A. Primary Government

Individual fund interfund receivable and payable balances for the fiscal year ended September 30, 2011 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	$ 3,458,452
Nonmajor Governmental Funds	General Fund	1,627,325
	Nonmajor Governmental Funds	5,538
		1,632,863
Internal Service Fund	General Fund	14,305,258
		$ 19,396,573

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, 2011.

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, 2011.

Advance from/to other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Business-Type Funds	$ 2,471,380

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.

Note 12. Interfund Balances and Transfers (Continued)

	Transfer In						
Transfer out:	General Fund	Fire District Fund	2006 SPLOST Fund	Water and Sewer Fund	Nonmajor Governmental Funds	Nonmajor Business-Type Funds	Total
General Fund	$ -	$ -	$ 118,408	$ -	$ 7,691,837	$ 13,026,797	$ 20,837,042
Fire District Fund	-	-	-	-	398,042	-	398,042
Water and Sewer Fund	19,183,715	-	3,400	-	618,091	-	19,805,206
Internal Service Fund	178,935	-	-	-	1,138,003	-	1,316,938
Nonmajor Governmental Funds	9,995,277	31,399	-	102,313	338,601	1,084,149	11,551,739
Nonmajor Business-Type Funds	-	-	-	-	58,577	-	58,577
Total transfers out	$ 29,357,927	$ 31,399	$ 121,808	$ 102,313	$ 10,243,151	$ 14,110,946	$ 53,967,544

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 and solid waste facility. 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 and solid waste at September 30, 2011:

	Cobblestone Golf Course Fund	Solid Waste Disposal Fund
Condensed Statement of Net Assets		
Assets:		
Current assets	$ 412,283	$ 178,296
Noncurrent assets:		
Capital assets	6,315,507	8,900,611
Other assets	10,586	60,059
Total assets	$ 6,738,376	$ 9,138,966
Liabilities:		
Current liabilities	$ 696,620	$ 2,299,361
Noncurrent liabilities	3,479,442	31,623,458
Total liabilities	$ 4,176,062	$ 33,922,819

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

Net Assets:		
Invested in capital assets, net of related debt	$ 4,680,507	$ 671,082
Unrestricted	(2,118,193)	(25,454,935)
Total net assets	$ 2,562,314	$ (24,783,853)
Condensed Statement of Revenues, Expenses and Changes in Net Assets		
Operating revenues	$ 1,790,492	$ 297,468
Operating expenses	1,434,533	209,105
Operating income before depreciation	$ 355,959	$ 88,363
Depreciation	$ (65,583)	$ (469,139)
Operating income	$ 290,376	$ (380,776)
Nonoperating revenues, (expenses), net	(127,878)	(355,220)
Net income (loss) before transfers	$ 162,498	$ (735,996)
Transfers in (out), net	(2,264)	4,027,055
Changes in net assets	$ 160,234	$ 3,291,059
Beginning net assets	2,402,080	(28,074,912)
Ending net assets	$ 2,562,314	$ (24,783,853)
Condensed Statement of Cash Flows		
Net cash provided (used) by:		
Operating activities	$ 457,191	$ (1,516,752)
Noncapital financing activities	(2,264)	4,027,055
Capital and related financing activities	(58,362)	(2,431,116)
Investing activities	104	1,003
Net increase (decrease)	396,669	80,190
Beginning cash and cash equivalents	$ 2,299	$ 8,619
Ending cash and cash equivalents	$ 398,968	$ 88,809

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

Fund	Deficit Fund Balance/ Net Assets
Solid Waste Disposal Enterprise Fund	$ 24,783,853

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 post closure care costs. Although the total equity of the Solid Waste Disposal Fund at September 30, 2011 was a deficit of $24,783,853, the estimate for the required landfill closure and post closure costs represents $25,497,412 of this amount.

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.

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	$ 43,087		
Cobb County Board of Health	1,042		
City of Acworth, Georgia	15,518		
City of Austell, Georgia	895,571		
City of Kennesaw, Georgia	6,068		
City of Marietta, Georgia	99,425		
City of Powder Springs, Georgia	15,770		
City of Smyrna, Georgia	17,984		
State of Georgia, Department of Human Resources	700		
State of Georigia, Department of Revenue	49,460		
Total General Fund			$ 1,144,625
Special Revenue Funds:			
Community Services Fund:			
State of Georgia, Department of Human Resources		$ 223,863	
Grant Fund:			
Cobb County Board of Education	$ 14,000		
State of Georgia, Criminal Justice Coordinating Council	3,060		
State of Georgia, Department of Human Resources	69,764		
State of Georgia, Department of Labor	82,403		
State of Georgia, Department of Transportation	1,340,312		
State of Georgia, Emergency Management Agency	247,761		
Federal Aviation Administration	100,851		
United States, Department of Housing and Urban Development	157,373		
United States, Department of Energy	437,476	$ 2,453,000	
Housing and Urban Development Fund:			
United States, Department of Housing and Urban Development		1,246,120	
800MHz Fund			
Cobb County Board of Education	$ 14,083		
City of Austell, Georgia	14,083	28,166	
Total Special Revenue Funds			$ 3,951,149
Capital Projects Funds:			
2006 SPLOST Fund:			
State of Georgia, Department of Transportation		$ 14,102,482	
Public Facilities Fund:			
Federal Emergency Management Agency	$ 757,239		
State of Georgia, Emergency Management Agency	3,438,123		
State of Georgia, Department of Transportation	458,416	4,653,778	
Total Capital Projects Funds			$ 18,756,260

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

Proprietary Funds:			
Water System Fund:			
City of Powder Springs, Georgia	$ 89,753		
Cobb Marietta Water Authority	1,725	$ 91,478	
Public Transit System Fund:			
Federal Transit Administration	$ 466,627		
State of Georgia, Department of Transportation	324,756	791,383	
Total Proprietary Funds			$ 882,861
Total Due from Other Governments and Agencies - Primary Government			$ 24,734,895

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 that 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, 2011 membership in the plan is comprised of the following:

Group	January 1, 2011
Active participants	4,191
Retirees and beneficiaries	1,165
Total	5,356

The January 1, 2010 valuation is used to determine the recommended contribution for fiscal year 2011.

Valuation date:	01/01/10
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.

Note 18. Other Post Employment Benefits (Continued)

Actuarial Assumptions Utilized:	
Investment rate of return:	8.0%
Pre-Medicare Medical cost trend rate:	10.5%
Medicare Eligible Medical cost trend rate:	8.5%
Ultimate trend rate	5.0%
Year of ultimate trend rate:	2017
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 65 with 5 years of service.

C. Contributions

In 2011 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 OPEB Percentage of Annual OPEB Cost

Actuarial Valuation Date	Annual OPEB Cost	% of Annual OPEB Contributed	Net OPEB Asset (Liability)
1/1/2008	$ 19,472,704	103%	$ 835,981
1/1/2009	20,290,570	95%	(89,924)
1/1/2010	19,370,983	123%	4,433,551

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	$ 19,370,533
Interest on net OPEB obligation	(6,744)
Adjustment to annual required contribution	7,194
Annual OPEB cost (expense)	19,370,983
Contributions made	23,894,458
Decrease in net OPEB asset	4,523,475
Net OPEB asset (obligation)—beginning of year	(89,924)
Net OPEB asset (obligation)—end of year	$ 4,433,551

Note 18. Other Post Employment Benefits (Continued)

In accordance with the recommendation of its actuary, pursuant to their plan evaluation as of January 1, 2010, the County contributed $23,894,458 to the Plan. This contribution consisted of $6,203,987 (2.63% of covered payroll) for normal costs, $17,690,471 (7.50% 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.

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%
1/1/2010	24,986,062	240,883,547	10.4%	215,897,485	235,893,031	91.5%
1/1/2011	40,746,271	246,021,834	16.6%	205,275,563	214,119,567	95.9%

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. The plan does not issue separate financial statements.

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.

Note 18. Other Post Employment Benefits (Continued)

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.

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.

Note 19. Employee Retirement System (Continued)

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, 2010 was $230,878,997 As of January 1, 2011 membership in the plan is comprised of the following:

Group	January 1, 2011
Retirees and beneficiaries currently receiving benefits	1,726
Vested terminated employees	795
Fully vested and non-vested active employees	4,088

The January 1, 2010 valuation is used to determine the recommended contribution for fiscal year 2011.

Valuation date:	01/01/10
Actuarial cost method:	Projected unit credit cost method
Amortization method:	Level percentage of projected payroll
Remaining amortization period:	30 years, open
Asset valuation method:	Five-year smoothed market value

The amortization period for this plan is open.

Actuarial Assumptions Utilized:	
Investment rate of return:	8.0%
Projected salary increases:	3.00% to 5.00%
Includes inflation at:	3.0%
Cost-of-living adjustments:	None

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%
1/1/2010	371,624,563	675,606,839	55.0%	303,982,276	230,878,997	131.7%
1/1/2011	381,328,282	708,335,034	53.8%	327,006,752	209,608,824	156.0%

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.

Note 19. Employee Retirement System (Continued)

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, 2010, the County contributed $26,724,124 to the Plan. This contribution consisted of $10,966,752 (4.75% of covered payroll) for normal costs, $15,757,372(6.82% 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. Effective February 2010 the employee contribution rate increased from 5.00% to 5.50%. Effective February 2011 the employee contribution rate increased from 5.50% to 5.75%.For fiscal year 2011, these contributions totaled $10,917,824.

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.
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.

Note 19. Employee Retirement System (Continued)

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.
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.

Note 19. Employee Retirement System (Continued)

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 Assets (Obligation)

The annual pension cost and net pension asset (obligation) for the year were as follows:

Annual required contribution	$27,841,853
Interest on net pension asset	(210,348)
Adjustment to annual required contribution	173,261
Annual pension cost	27,804,766
Contributions made	24,650,728
Increase (decrease) in net pension asset	(3,154,038)
Net pension asset as of beginning of year	2,629,356
Net pension obligation as of end of year	$ (524,682)

5. Annual Pension Cost

Annual Pension Percentage of Annual Pension Cost (APC)

Actuarial Valuation Date	APC	% of APC Contributed	Net Pension Asset (Obligation)
1/1/2008	$ 24,366,829	92%	$ 5,411,721
1/1/2009	30,240,288	91%	2,629,356
1/1/2010	27,804,766	89%	(524,682)

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, 2011, there were 137 plan members. 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.

Note 19. Employee Retirement System (Continued)

The Authority made actual contributions during the year of $433,662. 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, 2011, there were 18 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 $31,895. 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, 2011 are presented below:

Source:	
Developers	$ 960,944
Grants	6,406,708
Donations	7,857,455
Total Capital Contributions	$ 15,225,107

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, 2011, Cobb County has incurred a liability totaling $25,497,412.

Note 22. Closure and Postclosure Care Costs (Continued)

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, 2010. 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, 2011, no amount of assets has 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, 2011 follows:

Lodging tax receipts	$ 9,887,246
Disbursements to bond Trustee on behalf of the Cobb-Marietta Coliseum and Exhibit Hall Authority	(6,179,529)
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	$ 3,707,717

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, 2011 total approximately $69,943,545.

Encumbrances outstanding at year end are as follows:

	General Fund	Fire District Fund	2006 SPLOST Fund	Nonmajor Governmental Funds	Total
Total Encumbrances	$ 1,047,057	$ 62,397	$ 73,454,779	$ 6,110,912	$ 80,675,145

Note 25. Joint Venture

Under Georgia law, the County, in conjunction with other cities and counties in the ten county metropolitan Atlanta, Georgia areas, are members of the Atlanta Regional Commission (ARC). Membership in a RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The County paid dues in the amount of $685,480 to the ARC for the year ended September 30, 2011. The RC 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 RC. 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.

Required Supplemental Information

COBB COUNTY, GEORGIA
EMPLOYEE RETIREMENT SYSTEM
Required Supplementary Information
September 30, 2011

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
01/01/06	$300,073,081	$425,334,915	70.6%	$125,261,834	$182,934,101	68.5%
01/01/07	323,459,345	478,438,561	67.6%	154,979,216	188,088,292	82.4%
01/01/08	349,225,417	578,100,471	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%
01/01/10	371,624,563	675,606,839	55.0%	303,982,276	230,878,997	131.7%
01/01/11	381,328,282	708,335,034	53.8%	327,006,752	209,608,824	156.0%

PENSION TRUST FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS

Annual Required Contribution [ARC]

Fiscal Year	ARC	% of ARC Contributed
9/30/2007	$18,187,260	113%
9/30/2008	21,173,010	106%
9/30/2009	24,469,259	98%
9/30/2010	30,316,622	89%
9/30/2011	27,841,853	96%

COBB COUNTY, GEORGIA
EMPLOYEE RETIREMENT SYSTEM
Required Supplementary Information
September 30, 2011

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:	01/01/10
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:	3.00 % to 5.00%
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, 2011

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%
01/01/10	24,986,062	240,883,547	10.4%	215,897,485	235,893,031	91.5%
01/01/11	40,746,271	246,021,834	16.6%	205,275,563	214,119,567	95.9%

OPEB TRUST FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year	ARC	% of ARC Contributed
9/30/2008	$ 19,472,701	101%
9/30/2009	19,472,701	103%
9/30/2010	19,667,365	98%
9/30/2011	19,370,533	123%

Non-major 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 **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.

The **Streetlight District Fund** accounts for the operation, maintenance and collection of monies for the streetlight districts within Cobb County.

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.

The **Parking Deck Construction Fund** accounts for proceeds from the 2010 Certificates of Participation issuance for the purpose of constructing a parking deck facility.

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.

The **Solid Waste Disposal Fund** accounts for the revenues and expenses relating to the disposal of solid waste.

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, 2011

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Project Funds	Debt Service Fund	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	$ 14,413,222	$ 452,668	$ 5,928,286	$ 20,794,176
Receivables:				
Taxes	-	-	4,174,298	4,174,298
Accrued interest	1	-	-	1
Other	2,066,208	2,400	67,452	2,136,060
Due from other funds	5,538	1,627,325	-	1,632,863
Due from component units	327,561	-	-	327,561
Due from others	21,151	-	-	21,151
Due from other governments and agencies	3,951,149	4,653,778	-	8,604,927
Prepaid expenditures	8	150,702	-	150,710
Total assets	$ 20,784,838	$ 6,886,873	$ 10,170,036	$ 37,841,747
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	$ 2,494,523	$ 1,014,874	$ -	$ 3,509,397
Accrued payroll	206,285	-	-	206,285
Due to other funds	2,383,763	-	1,080,227	3,463,990
Due to other governments and agencies	-	3,047	-	3,047
Deferred revenue	1,845,407	2,523,403	361,071	4,729,881
Total liabilities	$ 6,929,978	$ 3,541,324	$ 1,441,298	$ 11,912,600
Fund balances:				
Nonspendable				
Inventories and prepaid items	$ 8	$ 150,702	$ -	$ 150,710
Restricted for:				
Debt Service	-	-	8,728,738	8,728,738
Special programs	13,620,024	-	-	13,620,024
Committed for:				
Debt Service	234,828	-	-	234,828
Construction and capital outlay	-	1,627,891	-	1,627,891
Assigned for:				
Construction and capital outlay	-	1,566,956	-	1,566,956
Total fund balances	$ 13,854,860	$ 3,345,549	$ 8,728,738	$ 25,929,147
Total liabilities and fund balances	$ 20,784,838	$ 6,886,873	$ 10,170,036	$ 37,841,747

Cobb County, Georgia
All Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended September 30, 2011

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Project Funds	Debt Service Fund	Total Nonmajor Governmental Funds
Revenues:				
Taxes	$ 9,887,246	$ -	$ 8,940,944	$ 18,828,190
Intergovernmental	32,151,541	1,842,257	-	33,993,798
Charges for services	16,165,794	-	96,418	16,262,212
Interest earned	18,070	4,595	31,502	54,167
Miscellaneous	3,036,521	410,110	-	3,446,631
Total revenues	$ 61,259,172	$ 2,256,962	$ 9,068,864	$ 72,584,998
Expenditures:				
Current:				
General government	$ 7,150,474	$ -	$ 105,568	$ 7,256,042
Public safety	12,392,414	-	-	12,392,414
Public works	8,218,862	-	-	8,218,862
Health and welfare	1,026,615	-	-	1,026,615
Culture and recreation	6,680,171	-	-	6,680,171
Housing and development	17,260,588	-	-	17,260,588
Capital outlay	-	16,104,330	-	16,104,330
Debt Service:				
Principal	3,915,000	4,953,527	6,410,000	15,278,527
Interest and fiscal charges	2,449,324	385,465	2,127,149	4,961,938
Total expenditures	$ 59,093,448	$ 21,443,322	$ 8,642,717	$ 89,179,487
Excess (deficiency) of revenues over (under) expenditures	$ 2,165,724	$ (19,186,360)	$ 426,147	$ (16,594,489)
Other financing sources (uses):				
Transfers in	$ 1,570,394	$ 8,614,440	$ 58,317	$ 10,243,151
Transfers out	(2,648,180)	(8,903,559)	-	(11,551,739)
Proceeds from capital lease	-	1,778,899	-	1,778,899
Total other financing sources (uses)	$ (1,077,786)	$ 1,489,780	$ 58,317	$ 470,311
Net change in fund balances	$ 1,087,938	$ (17,696,580)	$ 484,464	$ (16,124,178)
Fund balances at beginning of year	12,766,922	21,042,129	8,244,274	42,053,325
Fund balances at end of year	$ 13,854,860	$ 3,345,549	$ 8,728,738	$ 25,929,147

Cobb County, Georgia
Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet
September 30, 2011

	Law Library Fund	Community Services Fund	Grant Fund	Housing & Urban Development Grant Fund
Assets				
Cash and cash equivalents	$ 103,645	$ 10,320	$ 1,408,138	$ 94,966
Receivables:				
Accrued interest	-	-	-	1
Other	34,900	-	639,338	13,862
Due from other funds	-	-	5,538	-
Due from component units	-	-	-	-
Due from others	-	-	21,151	-
Due from other governments and agencies	-	223,863	2,453,000	1,246,120
Prepaid expenditures	-	-	-	-
Total assets	$ 138,545	$ 234,183	$ 4,527,165	$ 1,354,949
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	$ 29,361	$ 210,272	$ 1,420,627	$ 552,100
Accrued payroll	6,670	-	11,772	-
Due to other funds	-	13,276	1,206,106	765,820
Deferred revenue	-	-	1,826,132	18,250
Total liabilities	$ 36,031	$ 223,548	$ 4,464,637	$ 1,336,170
Fund balances:				
Nonspendable				
Inventories and prepaid items	$ -	$ -	$ -	$ -
Restricted				
Special Programs	102,514	10,635	62,528	18,779
Committed				
Debt Services	-	-	-	-
Total fund balances	$ 102,514	$ 10,635	$ 62,528	$ 18,779
Total liabilities and fund balances	$ 138,545	$ 234,183	$ 4,527,165	$ 1,354,949

Hotel/Motel Tax Fund	Emergency 911 Fund	Parking Deck Facility Fund	800 MHz Fund	Streetlight District Fund	Total Nonmajor Special Revenue Funds
$ -	$ 4,537,500	$ 237,166	$ 7,927,658	$ 93,829	$ 14,413,222
-	-	-	-	-	1
-	1,313,821	373	63,914	-	2,066,208
-	-	-	-	-	5,538
327,561	-	-	-	-	327,561
-	-	-	-	-	21,151
-	-	-	28,166	-	3,951,149
-	8	-	-	-	8
$ 327,561	$ 5,851,329	$ 237,539	$ 8,019,738	$ 93,829	$ 20,784,838
$ -	$ 273,822	$ 1,521	$ -	$ 6,820	$ 2,494,523
-	185,178	165	-	2,500	206,285
327,561	71,000	-	-	-	2,383,763
-	-	1,025	-	-	1,845,407
$ 327,561	$ 530,000	$ 2,711	$ -	$ 9,320	$ 6,929,978
$ -	$ 8	$ -	$ -	$ -	$ 8
-	5,321,321	-	8,019,738	84,509	13,620,024
-	-	234,828	-	-	234,828
$ -	$ 5,321,329	$ 234,828	$ 8,019,738	$ 84,509	$ 13,854,860
$ 327,561	$ 5,851,329	$ 237,539	$ 8,019,738	$ 93,829	$ 20,784,838

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, 2011

	Law Library Fund	Community Services Fund	Grant Fund	Housing & Urban Development Grant Fund
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Intergovernmental	-	673,146	21,778,858	9,565,210
Charges for services	454,830	-	24,341	-
Interest earned	287	46	837	-
Miscellaneous	5,845	-	899,121	2,128,441
Total revenues	$ 460,962	$ 673,192	$ 22,703,157	$ 11,693,651
Expenditures:				
Current:				
General government	$ 692,605	$ -	$ 6,457,869	$ -
Public safety	-	-	2,067,540	-
Public works	-	-	3,625,953	-
Health and welfare	-	631,138	395,477	-
Culture and recreation	-	-	500,642	-
Housing and development	-	-	4,853,449	12,407,139
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	$ 692,605	$ 631,138	$ 17,900,930	$ 12,407,139
Excess (deficiency) of revenues over (under) expenditures	$ (231,643)	$ 42,054	$ 4,802,227	$ (713,488)
Other financing sources (uses):				
Transfers in	$ -	$ -	$ 607,629	$ -
Transfers out	-	(42,007)	(2,400,340)	-
Total other financing sources (uses)	$ -	$ (42,007)	$ (1,792,711)	$ -
Net change in fund balances	$ (231,643)	$ 47	$ 3,009,516	$ (713,488)
Fund balances at beginning of year	334,157	10,588	(2,946,988)	732,267
Fund balances at end of year	$ 102,514	$ 10,635	$ 62,528	$ 18,779

Hotel/Motel Tax Fund	Emergency 911 Fund	Parking Deck Facility Fund	800 MHz Fund	Streetlight District Fund	Total Nonmajor Special Revenue Funds
$ 9,887,246	$ -	$ -	$ -	$ -	$ 9,887,246
-	-	-	134,327	-	32,151,541
-	10,634,133	489,364	-	4,563,126	16,165,794
-	7,134	309	9,020	437	18,070
-	2,856	258	-	-	3,036,521
$ 9,887,246	$ 10,644,123	$ 489,931	$ 143,347	$ 4,563,563	$ 61,259,172
$ -	$ -	$ -	$ -	$ -	$ 7,150,474
-	10,324,874	-	-	-	12,392,414
-	-	136,021	-	4,456,888	8,218,862
-	-	-	-	-	1,026,615
6,179,529	-	-	-	-	6,680,171
-	-	-	-	-	17,260,588
1,285,000	-	2,630,000	-	-	3,915,000
2,239,050	-	210,274	-	-	2,449,324
$ 9,703,579	$ 10,324,874	$ 2,976,295	$ -	$ 4,456,888	$ 59,093,448
$ 183,667	$ 319,249	$ (2,486,364)	$ 143,347	$ 106,675	$ 2,165,724
$ -	$ -	$ -	$ 962,765	$ -	$ 1,570,394
(183,667)	-	-	-	(22,166)	(2,648,180)
$ (183,667)	$ -	$ -	$ 962,765	$ (22,166)	$ (1,077,786)
$ -	$ 319,249	$ (2,486,364)	$ 1,106,112	$ 84,509	$ 1,087,938
-	5,002,080	2,721,192	6,913,626	-	12,766,922
$ -	$ 5,321,329	$ 234,828	$ 8,019,738	$ 84,509	$ 13,854,860

Cobb County, Georgia
Nonmajor Governmental Funds - Capital Projects Funds
Combining Balance Sheet
September 30, 2011

	Road Sales Tax Extension 1994	Parks Bond	Public Facilities	Parking Deck	Total Nonmajor Capital Project Funds
Assets					
Cash and cash equivalents	$ -	$ -	$ 126,143	$ 326,525	$ 452,668
Receivables:					
Other	-	-	-	2,400	2,400
Due from other funds	-	-	1,627,325	-	1,627,325
Due from other governments and agencies	-	-	4,653,778	-	4,653,778
Prepaid expenditures	-	-	150,702	-	150,702
Total assets	$ -	$ -	$ 6,557,948	$ 328,925	$ 6,886,873
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	$ -	$ -	$ 1,014,874	$ -	$ 1,014,874
Due to other governments and agencies	-	-	3,047	-	3,047
Deferred revenue	-	-	2,523,403	-	2,523,403
Total liabilities	$ -	$ -	$ 3,541,324	$ -	$ 3,541,324
Fund balances:					
Nonspendable					
Inventories and prepaid items	$ -	$ -	$ 150,702	$ -	$ 150,702
Committed					
Construction and capital outlay	-	-	1,627,891	-	1,627,891
Assigned					
Construction and capital outlay	-	-	1,238,031	328,925	1,566,956
Total fund balance	$ -	$ -	$ 3,016,624	$ 328,925	$ 3,345,549
Total liabilities and fund balances	$ -	$ -	$ 6,557,948	$ 328,925	$ 6,886,873

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, 2011

	Road Sales Tax Extension 1994	Parks Bond	Public Facilities	Parking Deck	Total Nonmajor Capital Project Funds
Revenues:					
Intergovernmental	$ -	$ -	$ 1,842,257	$ -	$ 1,842,257
Interest earned	-	102	1,223	3,270	4,595
Miscellaneous	-	-	410,110	-	410,110
Total revenues	$ -	$ 102	$ 2,253,590	$ 3,270	$ 2,256,962
Expenditures:					
Current:					
Capital outlay	$ 1,464	$ -	$ 12,554,463	$ 3,548,403	$ 16,104,330
Debt Service:					
Principal	-	-	4,953,527	-	4,953,527
Interest and fiscal charges	-	17	385,448	-	385,465
Total expenditures	$ 1,464	$ 17	$ 17,893,438	$ 3,548,403	$ 21,443,322
Excess (deficiency) of revenues over expenditures	$ (1,464)	$ 85	$ (15,639,848)	$ (3,545,133)	$ (19,186,360)
Other financing sources (uses):					
Transfers in	$ -	$ -	$ 8,614,440	$ -	$ 8,614,440
Transfers out	-	(58,317)	(8,729,242)	(116,000)	(8,903,559)
Proceeds from capital lease	-	-	1,778,899	-	1,778,899
Total other financing sources (uses)	$ -	$ (58,317)	$ 1,664,097	$ (116,000)	$ 1,489,780
Net change in fund balances	$ (1,464)	$ (58,232)	$ (13,975,751)	$ (3,661,133)	$ (17,696,580)
Fund balances at beginning of year	1,464	58,232	16,992,375	3,990,058	21,042,129
Fund balances at end of year	$ -	$ -	$ 3,016,624	$ 328,925	$ 3,345,549

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, 2011

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	$ 6,523,964	$ 6,523,964	$ 8,940,944	$ 2,416,980
Charges for services	100,000	100,000	96,418	(3,582)
Interest earned	60,000	60,000	31,502	(28,498)
Total revenues	$ 6,683,964	$ 6,683,964	$ 9,068,864	$ 2,384,900
Expenditures:				
Current:				
General government	$ 105,140	$ 105,140	$ 105,568	$ (428)
Debt service:				
Principal retirement	6,410,000	6,410,000	6,410,000	-
Interest and fiscal charges	2,129,172	2,129,172	2,127,149	2,023
Total expenditures	$ 8,644,312	$ 8,644,312	$ 8,642,717	$ 1,595
Excess (deficiency) of revenues over expenditures	$ (1,960,348)	$ (1,960,348)	$ 426,147	$ 2,386,495
Other financing sources (uses):				
Transfers in	$ -	$ 54,658	$ 58,317	$ 3,659
Transfers out	-	(2,425,454)	-	2,425,454
Total other financing sources (uses)	$ -	$ (2,370,796)	$ 58,317	$ 2,429,113
Net change in fund balance	$ (1,960,348)	$ (4,331,144)	$ 484,464	$ 4,815,608
Fund balance at beginning of year			8,244,274	
Fund balance at end of year - budgetary basis			$ 8,728,738	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			-	
Fund balance at end of year - GAAP basis			$ 8,728,738	

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, 2011

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Charges for services	$ 700,943	$ 700,943	$ 454,830	$ (246,113)
Interest earned	1,500	1,500	287	(1,213)
Miscellaneous	5,300	5,380	5,845	465
Total revenues	$ 707,743	$ 707,823	$ 460,962	$ (246,861)
Expenditures:				
Current:				
Personal services	$ 267,823	$ 260,211	$ 249,221	$ 10,990
Operating expenditures	439,920	443,592	443,500	92
Total expenditures	$ 707,743	$ 703,803	$ 692,721	$ 11,082
Net change in fund balance	$ -	$ 4,020	$ (231,759)	$ (235,779)
Fund balance at beginning of year			334,157	
Fund balance at end of year - budgetary basis			$ 102,398	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			116	
Fund balance at end of year-GAAP basis			$ 102,514	

Cobb County, Georgia
Street Light Disctrict Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2011

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Charges for services	$ -	$ 4,653,366	$ 4,563,126	$ (90,240)
Interest earned	-	-	437	437
Total revenues	$ -	$ 4,653,366	$ 4,563,563	$ (89,803)
Expenditures:				
Current:				
Personal services	$ -	$ 88,285	$ 88,284	$ 1
Operating expenditures	-	4,331,391	4,331,011	380
Capital outlay	-	41,372	41,372	-
Total expenditures	$ -	$ 4,461,048	$ 4,460,667	$ 381
Excess of revenues over expenditures	$ -	$ 192,318	$ 102,896	$ (89,422)
Other financing sources (uses):				
Transfers out	$ -	$ (138,595)	$ (22,166)	$ 116,429
Total other financing sources (uses)	$ -	$ (138,595)	$ (22,166)	$ 116,429
Net change in fund balance	$ -	$ 53,723	$ 80,730	$ 27,007
Fund balance at beginning of year			-	
Fund balance at end of year - budgetary basis			$ 80,730	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			3,779	
Fund balance at end of year-GAAP basis			$ 84,509	

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, 2011

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	$ 661,337	$ 691,216	$ 673,146	$ (18,070)
Interest earned	-	45	46	1
Total revenues	$ 661,337	$ 691,261	$ 673,192	$ (18,069)
Expenditures:				
Current:				
Operating expenditures	$ 661,337	$ 649,253	$ 631,138	$ 18,115
Total expenditures	$ 661,337	$ 649,253	$ 631,138	$ 18,115
Excess of revenues over expenditures	$ -	$ 42,008	$ 42,054	$ 46
Other financing sources (uses):				
Transfers out	$ -	$ (42,008)	$ (42,007)	$ 1
Net change in fund balance	$ -	$ -	$ 47	$ 47
Fund balance at beginning of year			10,588	
Fund balance at end of year - budgetary basis			$ 10,635	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			-	
Fund balance at end of year - GAAP basis			$ 10,635	

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, 2011

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	$ 9,100,000	$ 9,887,246	$ 9,887,246	$ -
Total revenues	$ 9,100,000	$ 9,887,246	$ 9,887,246	$ -
Expenditures:				
Current:				
Operating expenditures	$ 5,575,950	$ 6,179,529	$ 6,179,529	$ -
Debt service:				
Principal retirement	1,285,000	1,285,000	1,285,000	-
Interest and fiscal charges	2,239,050	2,239,050	2,239,050	-
Total expenditures	$ 9,100,000	$ 9,703,579	$ 9,703,579	$ -
Excess of revenues over expenditures	$ -	$ 183,667	$ 183,667	$ -
Other financing sources (uses):				
Transfers out	$ -	$ (183,667)	$ (183,667)	$ -
Total other financing sources (uses)	$ -	$ (183,667)	$ (183,667)	$ -
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, 2011

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for services	$ 9,894,384	$ 9,894,384	$ 10,634,133	$ 739,749
Interest earned	30,000	30,000	7,134	(22,866)
Miscellaneous	-	-	2,856	2,856
Total revenues	$ 9,924,384	$ 9,924,384	$ 10,644,123	$ 719,739
Expenditures:				
Current:				
Personnel services	$ 7,705,701	$ 7,568,325	$ 7,187,802	$ 380,523
Operating expenditures	2,047,758	3,076,404	3,060,867	15,537
Capital outlay	170,925	242,121	178,747	63,374
Total expenditures	$ 9,924,384	$ 10,886,850	$ 10,427,416	$ 459,434
Excess (deficiency) of revenues over (under) expenditures	$ -	$ (962,466)	$ 216,707	$ 1,179,173
Other financing sources (uses):				
Transfers in	$ -	$ 50,000	$ -	$ (50,000)
Total other financing sources (uses)	$ -	$ 50,000	$ -	$ (50,000)
Net change in fund balance	$ -	$ (912,466)	$ 216,707	$ 1,129,173
Fund balance at beginning of year			5,002,080	
Fund balance at end of year - budgetary basis			$ 5,218,787	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			102,542	
Fund balance at end of year - GAAP basis			$ 5,321,329	

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, 2011

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for services	$ 582,000	$ 582,000	$ 489,364	$ (92,636)
Interest earned	2,000	2,000	309	(1,691)
Miscellaneous	600	600	258	(342)
Total revenues	$ 584,600	$ 584,600	$ 489,931	$ (94,669)
Expenditures:				
Current:				
Personnel services	$ 36,018	$ 65,736	$ 50,375	$ 15,361
Operating expenditures	64,184	98,199	81,473	16,726
Capital outlay	5,000	5,000	5,000	-
Debt service:				
Principal	215,000	2,629,665	2,630,000	(335)
Interest and fiscal charges	114,017	210,615	210,274	341
Total expenditures	$ 434,219	$ 3,009,215	$ 2,977,122	$ 32,093
Excess (deficiency) of revenues over (under) expenditures	$ 150,381	$ (2,424,615)	$ (2,487,191)	$ (62,576)
Other financing sources (uses):				
Transfers in	$ -	$ 2,425,454	$ -	$ (2,425,454)
Total other financing sources (uses)	$ -	$ 2,425,454	$ -	$ (2,425,454)
Net change in fund balance	$ 150,381	$ 839	$ (2,487,191)	$ (2,488,030)
Fund balance at beginning of year			2,721,192	
Fund balance at end of year - budgetary basis			$ 234,001	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			827	
Fund balance at end of year - GAAP basis			$ 234,828	

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, 2011

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Interest earned	$ -	$ -	$ 9,020	$ 9,020
Intergovernmental	156,235	156,235	134,327	(21,908)
Total revenues	$ 156,235	$ 156,235	$ 143,347	$ (12,888)
Excess (deficiency) of revenues over (under) expenditures	$ 156,235	$ 156,235	$ 143,347	$ (12,888)
Other financing sources (uses):				
Transfers in	$ 955,733	$ 955,733	$ 962,765	$ 7,032
Total other financing sources (uses)	$ 955,733	$ 955,733	$ 962,765	$ 7,032
Net change in fund balance	$ 1,111,968	$ 1,111,968	$ 1,106,112	$ (5,856)
Fund balance at beginning of year			6,913,626	
Fund balance at end of year - budgetary basis			$ 8,019,738	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			-	
Fund balance at end of year - GAAP basis			$ 8,019,738	

Cobb County, Georgia
Nonmajor Business-Type Enterprise Funds
Combining Balance Sheet
September 30, 2011

	Cobblestone Golf Course Fund	Public Transit System Fund	Solid Waste Disposal Fund	Totals
Assets				
Current assets:				
Cash	$ 398,968	$ 100	$ 88,809	$ 487,877
Receivables:				
Accounts (net of allowance for uncollectibles)	-	-	22,876	22,876
Other	10,043	159,579	66,611	236,233
Due from other governments and agencies	-	791,383	-	791,383
Prepaid items	3,272	-	-	3,272
Total current assets	$ 412,283	$ 951,062	$ 178,296	$ 1,541,641
Property, plant and equipment:				
Capital assets not being depreciated	$ 5,453,615	$ 11,295,103	$ 3,778,386	$ 20,527,104
Capital assets being depreciated, net	861,892	31,455,879	5,122,225	37,439,996
Net property, plant and equipment	$ 6,315,507	$ 42,750,982	$ 8,900,611	$ 57,967,100
Unamortized bond costs	$ 10,586	$ -	$ 60,059	$ 70,645
Total noncurrent assets	$ 6,326,093	$ 42,750,982	$ 8,960,670	$ 58,037,745
Total assets	$ 6,738,376	$ 43,702,044	$ 9,138,966	$ 59,579,386

Continued on next page.

Cobb County, Georgia
Nonmajor Business-Type Enterprise Funds
Combining Balance Sheet
September 30, 2011

	Cobblestone Golf Course Fund	Public Transit System Fund	Solid Waste Disposal Fund	Totals
Liabilities and Fund Equity				
Liabilities:				
Current liabilities (payable from current assets):				
Accounts payable	$ 103,808	$ 1,455,654	$ 41,067	$ 1,600,529
Accrued payroll	-	49,994	10,092	60,086
Due to other	1,142	-	-	1,142
Due to other governments and agencies	23,056	-	-	23,056
Accrued interest payable	20,438	-	100,000	120,438
Deferred revenues	28,176	-	-	28,176
Current portion of revenue bonds	520,000	-	1,850,000	2,370,000
Current portion of compensated absences	-	1,818	21,542	23,360
Current portion of postclosure care	-	-	276,660	276,660
Total current liabilities	$ 696,620	$ 1,507,466	$ 2,299,361	$ 4,503,447
Long-term liabilities:				
Revenue bonds (net of current portion, bond discount, and loss on refunding)	$ 1,008,062	$ -	$ 6,379,529	$ 7,387,591
Compensated absences (net of current portion)	-	-	23,177	23,177
Advances from other funds	2,471,380	-	-	2,471,380
Closure and postclosure care (net of current portion)	-	-	25,220,752	25,220,752
Total long-term liabilities	$ 3,479,442	$ -	$ 31,623,458	$ 35,102,900
Total liabilities	$ 4,176,062	$ 1,507,466	$ 33,922,819	$ 39,606,347
Net Assets:				
Invested in capital assets, net of related debt	$ 4,680,507	$ 42,580,217	$ 671,082	$ 47,931,806
Unrestricted	(2,118,193)	(385,639)	(25,454,935)	(27,958,767)
Total net assets	$ 2,562,314	$ 42,194,578	$ (24,783,853)	$ 19,973,039

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, 2011

	Cobblestone Golf Course Fund	Public Transit System Fund	Solid Waste Disposal Fund	Totals
Operating revenues:				
Charges for services	$ 1,790,455	$ 6,061,173	$ 297,272	$ 8,148,900
Miscellaneous income	37	44,833	196	45,066
Total operating revenues	$ 1,790,492	$ 6,106,006	$ 297,468	$ 8,193,966
Operating expenses:				
Personnel services	$ -	$ 700,890	$ 209,105	$ 909,995
Other operating expenses	1,434,533	18,564,658	-	19,999,191
Total operating expenses	$ 1,434,533	$ 19,265,548	$ 209,105	$ 20,909,186
Operating income (loss) before depreciation	$ 355,959	$ (13,159,542)	$ 88,363	$ (12,715,220)
Less depreciation	(65,583)	(4,558,290)	(469,139)	(5,093,012)
Operating income (loss)	$ 290,376	$ (17,717,832)	$ (380,776)	$ (17,808,232)
Nonoperating revenues (expenses):				
Interest income	$ 104	$ 584	$ 1,003	$ 1,691
Interest and fiscal charges	(87,839)	-	(420,300)	(508,139)
Gain on sale of capital assets	-	4,846	7,586	12,432
Amortization of bond costs	(40,143)	-	56,491	16,348
Total nonoperating revenues (expenses)	$ (127,878)	$ 5,430	$ (355,220)	$ (477,668)
Net income (loss) before transfers and capital contributions	$ 162,498	$ (17,712,402)	$ (735,996)	$ (18,285,900)
Capital contributions	$ -	$ 6,406,708	$ -	$ 6,406,708
Transfers:				
Transfers in	$ -	$ 10,083,891	$ 4,027,055	$ 14,110,946
Transfers out	(2,264)	(56,313)	-	(58,577)
Total transfers	$ (2,264)	$ 10,027,578	$ 4,027,055	$ 14,052,369
Net change in net assets	$ 160,234	$ (1,278,116)	$ 3,291,059	$ 2,173,177
Total net assets - beginning	$ 2,402,080	$ 43,472,694	$ (28,074,912)	$ 17,799,862
Total net assets - ending	$ 2,562,314	$ 42,194,578	$ (24,783,853)	$ 19,973,039

Cobb County, Georgia
Nonmajor Business-Type Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended September 30, 2011

	Cobblestone Golf Course Fund	Public Transit System Fund	Solid Waste Disposal Fund	Totals
Cash flows from operating activities:				
Cash received from customers	$ 1,819,740	$ 6,983,356	$ 322,221	$ 9,125,317
Cash payments for goods and services	(1,362,549)	(20,055,220)	(1,618,996)	(23,036,765)
Cash payments for employee services and fringe benefits	-	(698,892)	(219,977)	(918,869)
Net cash from (to) operating activities	$ 457,191	$ (13,770,756)	$ (1,516,752)	$ (14,830,317)
Cash flows from noncapital financing activities:				
Transfers in	$ -	$ 10,083,891	$ 4,027,055	$ 14,110,946
Transfers out	(2,264)	(56,313)	-	(58,577)
Net cash from (to) noncapital financing activities	$ (2,264)	$ 10,027,578	$ 4,027,055	$ 14,052,369
Cash flows from capital and related financing activities:				
Payments on capital leases	$ (17,401)	$ -	$ -	$ (17,401)
Capital contributions	-	6,406,708	-	6,406,708
Advances from other funds	542,880	-	-	542,880
Proceeds from sale of fixed assets	-	4,846	39,484	44,330
Payments for capital acquisitions	-	(2,668,860)	-	(2,668,860)
Bond principal payments	(490,000)	-	(2,030,000)	(2,520,000)
Bond interest and fiscal charges	(93,841)	-	(440,600)	(534,441)
Net cash from (to) capital and related financing activities	$ (58,362)	$ 3,742,694	$ (2,431,116)	$ 1,253,216
Cash flows from investing activities:				
Interest received	$ 104	$ 584	1,003	$ 1,691
Net increase (decrease) in cash and cash equivalents	$ 396,669	$ 100	$ 80,190	$ 476,959
Cash and cash equivalents at beginning of year	2,299	-	8,619	10,918
Cash and cash equivalents at end of year	$ 398,968	$ 100	$ 88,809	$ 487,877

Continued on next page.

Cobb County, Georgia
Nonmajor Business-Type Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended September 30, 2011

	Cobblestone Golf Course Fund	Public Transit System Fund	Solid Waste Disposal Fund	Totals
Reconciliation of operating income (loss) to net cash from operating activities:				
Operating income (loss)	$ 290,376	$ (17,717,832)	$ (380,776)	$ (17,808,232)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation	$ 65,583	$ 4,558,290	$ 469,139	$ 5,093,012
Change in assets and liabilities:				
Decrease (increase) in accounts receivables	-	101,431	(1,500)	99,931
Decrease (increase) in other receivables	29,248	-	26,253	55,501
Decrease (increase) in due from other funds	-	347,071	-	347,071
Decrease (increase) in due from other governments	-	428,848	-	428,848
Increase (decrease) in accounts payable	47,451	(1,490,562)	(241,595)	(1,684,706)
Increase (decrease) in accrued liabilities	-	(18,318)	(20,300)	(38,618)
Increase (decrease) in accrued payroll	-	49,994	(980)	49,014
Increase (decrease) in accrued vacation payable	-	(29,678)	(9,892)	(39,570)
Increase (decrease) in due to other funds	-	-	(240,600)	(240,600)
Increase (decrease) in due to others	1,142	-	-	1,142
Increase (decrease) in due to other governments	10,756	-	-	10,756
Increase (decrease) in closure/post closure care	-	-	(1,116,501)	(1,116,501)
Increase (decrease) in deferred revenues	12,635	-	-	12,635
Total adjustments	$ 166,815	$ 3,947,076	$ (1,135,976)	$ 2,977,915
Net cash provided (used) by operating activities	$ 457,191	$ (13,770,756)	$ (1,516,752)	$ (14,830,317)

Continued from preceding page.

Agency Funds
Cobb County, Georgia
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended September 30, 2011

	Balance October 1, 2010	Additions	Deductions	Balance September 30, 2011
Clerk of State Court				
Assets				
Cash and cash equivalents	$ 4,734,617	$ 34,442,531	$ 33,614,802	$ 5,562,346
Liabilities				
Funds held in trust for others	$ 4,734,617	$ 34,442,531	$ 33,614,802	$ 5,562,346
Clerk of Juvenile Court				
Assets				
Cash	$ 2,316	$ 21,597	$ 22,183	$ 1,730
Liabilities				
Funds held in trust for others	$ 2,316	$ 21,597	$ 22,183	$ 1,730
Sheriff				
Assets				
Cash and cash equivalents	$ 3,826,600	$ 6,212,082	$ 4,755,379	$ 5,283,303
Liabilities				
Funds held in trust for others	$ 3,826,600	$ 6,212,082	$ 4,755,379	$ 5,283,303
Clerk of Superior Court				
Assets				
Cash and cash equivalents	$ 11,152,308	$ 62,609,945	$ 62,030,875	$ 11,731,378
Liabilities				
Funds held in trust for others	$ 11,152,308	$ 62,609,945	$ 62,030,875	$ 11,731,378
Clerk of Probate Court				
Assets				
Cash	$ -	$ 1,398,365	$ 1,398,365	$ -
Liabilities				
Due to other funds	$ -	$ 1,398,365	$ 1,398,365	$ -
Tax Commissioner				
Assets				
Cash	$ 40,244,647	$ 925,758,353	$ 824,358,526	$ 141,644,474
Taxes and penalties receivable	466,832,558	619,111,997	774,406,715	311,537,840
	$ 507,077,205	$ 1,544,870,350	$ 1,598,765,241	$ 453,182,314
Liabilities				
Unremitted tax collections	$ 40,244,647	$ 925,758,353	$ 824,358,526	$ 141,644,474
Taxes payable to others upon collection	466,832,558	619,111,997	774,406,715	311,537,840
	$ 507,077,205	$ 1,544,870,350	$ 1,598,765,241	$ 453,182,314

Continued on next page.

Cobb County, Georgia
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended September 30, 2011

	Balance October 1, 2010	Additions	Deductions	Balance September 30, 2011
Accounts Payable Fund				
Assets				
Accounts receivable	$ 1	$ 53,478,905	$ 53,478,905	$ 1
Liabilities				
Bank overdraft	$ 1	$ 53,478,905	$ 53,478,905	$ 1
Payroll Fund				
Assets				
Cash and cash equivalents	$ -	$ 240,814,822	$ 240,595,170	$ 219,652
Accounts receivable	44,908	-	44,908	-
	$ 44,908	$ 240,814,822	$ 240,640,078	$ 219,652
Liabilities				
Bank overdraft	$ 44,908	$ -	$ 44,908	$ -
Unremitted payroll tax and withholdings	-	240,814,822	240,595,170	219,652
	$ 44,908	$ 240,814,822	$ 240,640,078	$ 219,652
Child Support, Witness and Jurors' Fees				
Assets				
Cash	$ 61,669	$ 3,841,619	$ 3,844,757	$ 58,532
Liabilities				
Funds held in trust for others	$ 61,669	$ 3,841,619	$ 3,844,757	$ 58,532
Total assets	$ 526,899,625	$ 1,947,690,218	$ 1,998,550,586	$ 476,039,256
Total liabilities	$ 526,899,625	$ 1,947,690,216	$ 1,998,550,586	$ 476,039,256

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, 2011

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	$ 216,379,734	$ 204,939,942	$ 227,881,087	$ 22,941,145
Licenses and permits	20,431,343	18,844,783	20,422,226	1,577,443
Intergovernmental	3,377,600	3,569,380	4,189,101	619,721
Charges for services	44,255,986	37,547,950	34,967,577	(2,580,373)
Fines and forfeits	16,423,688	14,231,892	12,842,713	(1,389,179)
Interest earned	1,292,426	1,293,144	1,019,020	(274,124)
Miscellaneous	4,610,539	7,073,252	4,852,384	(2,220,868)
Total revenues	$ 306,771,316	$ 287,500,343	$ 306,174,108	$ 18,673,765
Expenditures:				
Current				
General government:				
Legislative:				
Board of Commissioners				
Personnel services	$ 837,329	$ 754,389	$ 754,389	$ -
Operating expenditures	61,350	55,215	42,320	12,895
	898,679	809,604	796,709	12,895
Other Governmental				
Operating expenditures	1,802,592	1,687,814	1,486,810	201,004
Non-Profit				
Operating expenditures	1,080,000	1,022,814	974,702	48,112
Total legislative	3,781,271	3,520,232	3,258,221	262,011
Judicial:				
Clerk of State Court				
Personnel services	4,266,623	4,201,929	4,108,854	93,075
Operating expenditures	104,092	96,537	80,946	15,591
Capital outlay	-	999	999	-
	4,370,715	4,299,465	4,190,799	108,666
Clerk of Superior Court				
Personnel services	5,018,369	5,002,503	4,801,277	201,226
Operating expenditures	140,867	210,721	220,808	(10,087)
Capital outlay	-	21,785	15,317	6,468
	5,159,236	5,235,009	5,037,402	197,607
District Attorney				
Personnel services	5,938,409	6,515,210	6,217,114	298,096
Operating expenditures	291,580	345,197	292,544	52,653
Capital outlay	-	58,106	56,827	1,279
	6,229,989	6,918,513	6,566,485	352,028
Chief Magistrate				
Personnel services	2,986,254	2,947,193	2,916,374	30,819
Operating expenditures	89,092	89,801	67,892	21,909
	3,075,346	3,036,994	2,984,266	52,728

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, 2011

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Juvenile Court				
Personnel services	4,951,475	4,707,356	4,707,357	(1)
Operating expenditures	128,077	235,362	235,362	-
	5,079,552	4,942,718	4,942,719	(1)
State Court Division II				
Personnel services	1,455,677	1,417,405	1,373,364	44,041
Operating expenditures	107,350	101,615	94,486	7,129
	1,563,027	1,519,020	1,467,850	51,170
Probate Court				
Personnel services	1,107,512	1,100,878	1,100,877	1
Operating expenditures	74,425	71,568	71,569	(1)
	1,181,937	1,172,446	1,172,446	-
Solicitor				
Personnel services	4,731,601	5,344,833	5,343,674	1,159
Operating expenditures	41,767	60,031	51,420	8,611
	4,773,368	5,404,864	5,395,094	9,770
State Court				
Personnel services	4,829,921	4,799,663	4,770,354	29,309
Operating expenditures	419,215	408,552	399,848	8,704
	5,249,136	5,208,215	5,170,202	38,013
Superior Court				
Personnel services	4,967,195	5,101,658	5,022,163	79,495
Operating expenditures	1,101,410	1,014,770	1,003,058	11,712
	6,068,605	6,116,428	6,025,221	91,207
Circuit Defender				
Personnel services	681,525	709,772	709,773	(1)
Operating expenditures	4,580,625	5,093,271	5,093,271	-
	5,262,150	5,803,043	5,803,044	(1)
Total judicial	48,013,061	49,656,715	48,755,528	901,187
Executive and administrative:				
County Manager				
Personnel services	1,202,379	1,060,380	1,060,377	3
Operating expenditures	102,762	93,633	75,625	18,008
Capital outlay	850	-	-	-
	1,305,991	1,154,013	1,136,002	18,011

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, 2011

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Juvenile Court				
Personnel services	4,951,475	4,707,356	4,707,357	(1)
Operating expenditures	128,077	235,362	235,362	-
	5,079,552	4,942,718	4,942,719	(1)
State Court Division II				
Personnel services	1,455,677	1,417,405	1,373,364	44,041
Operating expenditures	107,350	101,615	94,486	7,129
	1,563,027	1,519,020	1,467,850	51,170
Probate Court				
Personnel services	1,107,512	1,100,878	1,100,877	1
Operating expenditures	74,425	71,568	71,569	(1)
	1,181,937	1,172,446	1,172,446	-
Solicitor				
Personnel services	4,731,601	5,344,833	5,343,674	1,159
Operating expenditures	41,767	60,031	51,420	8,611
	4,773,368	5,404,864	5,395,094	9,770
State Court				
Personnel services	4,829,921	4,799,663	4,770,354	29,309
Operating expenditures	419,215	408,552	399,848	8,704
	5,249,136	5,208,215	5,170,202	38,013
Superior Court				
Personnel services	4,967,195	5,101,658	5,022,163	79,495
Operating expenditures	1,101,410	1,014,770	1,003,058	11,712
	6,068,605	6,116,428	6,025,221	91,207
Circuit Defender				
Personnel services	681,525	709,772	709,773	(1)
Operating expenditures	4,580,625	5,093,271	5,093,271	-
	5,262,150	5,803,043	5,803,044	(1)
Total judicial	48,013,061	49,656,715	48,755,528	901,187
Executive and administrative:				
County Manager				
Personnel services	1,202,379	1,060,380	1,060,377	3
Operating expenditures	102,762	93,633	75,625	18,008
Capital outlay	850	-	-	-
	1,305,991	1,154,013	1,136,002	18,011

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, 2011

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
General Administrative				
Personnel services	23,000	24,448	1,448	23,000
Operating expenditures	5,950,511	5,782,679	5,746,124	36,555
	5,973,511	5,807,127	5,747,572	59,555
Information Services				
Personnel services	9,101,070	8,958,592	8,640,263	318,329
Operating expenditures	4,031,891	3,876,097	3,727,824	148,273
Capital outlay	-	970	970	-
	13,132,961	12,835,659	12,369,057	466,602
Drug Treatment				
Personnel services	259,552	259,552	258,392	1,160
Operating expenditures	220,300	220,610	204,881	15,729
	479,852	480,162	463,273	16,889
Finance				
Personnel services	2,606,752	2,504,988	2,504,986	2
Operating expenditures	260,480	234,432	231,081	3,351
	2,867,232	2,739,420	2,736,067	3,353
Purchasing				
Personnel services	3,777,889	3,532,654	3,471,436	61,218
Operating expenditures	3,096,865	3,156,879	3,093,747	63,132
Capital outlay	750,000	329,000	321,168	7,832
	7,624,754	7,018,533	6,886,351	132,182
Tax Assessor				
Personnel services	3,650,077	3,600,969	3,338,831	262,138
Operating expenditures	1,565,559	1,408,985	1,291,269	117,716
	5,215,636	5,009,954	4,630,100	379,854
Internal Audit				
Personnel services	303,827	287,010	287,008	2
Operating expenditures	4,115	3,662	1,718	1,944
	307,942	290,672	288,726	1,946
Human Resources				
Personnel services	1,800,549	1,637,484	1,637,484	-
Operating expenditures	498,919	493,031	349,926	143,105
Capital outlay	-	843	843	-
	2,299,468	2,131,358	1,988,253	143,105
Ethics Board				
Operating expenditures	1,130	1,130	-	1,130
Property Management				
Personnel services	4,340,797	4,226,987	4,097,095	129,892
Operating expenditures	4,895,708	4,713,421	4,707,537	5,884
Capital outlay	3,250	17,695	5,532	12,163
	9,239,755	8,958,103	8,810,164	147,939

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, 2011

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Tax Commissioner				
Personnel services	6,866,905	6,791,377	6,791,379	(2)
Operating expenditures	483,963	459,958	386,755	73,203
Capital outlay	-	19,304	16,891	2,413
	7,350,868	7,270,639	7,195,025	75,614
Public Services				
Personnel services	266,497	218,082	90,015	128,067
Operating expenditures	8,345	2,345	-	2,345
	274,842	220,427	90,015	130,412
Communications				
Personnel services	1,000,949	949,469	949,468	1
Operating expenditures	197,960	343,125	301,422	41,703
Capital outlay	-	28,195	28,195	-
	1,198,909	1,320,789	1,279,085	41,704
Support Services				
Personnel services	368,175	560,705	550,055	10,650
Operating Services	20,912	19,308	18,420	888
	389,087	580,013	568,475	11,538
Elections & Registration				
Personnel services	2,023,952	2,257,854	2,092,446	165,408
Operating expenditures	556,230	691,976	642,846	49,130
Capital outlay	-	26,927	-	26,927
	2,580,182	2,976,757	2,735,292	241,465
County Clerk				
Personnel services	275,892	270,641	270,640	1
Operating expenditures	36,445	30,105	19,830	10,275
Capital outlay	-	2,850	2,850	-
	312,337	303,596	293,320	10,276
Law Department				
Personnel services	1,450,043	1,429,196	1,429,197	(1)
Operating expenditures	465,824	415,261	321,176	94,085
	1,915,867	1,844,457	1,750,373	94,084
Total executive and administrative	62,470,324	60,942,809	58,967,150	1,975,659
Total general government	114,264,656	114,119,756	110,980,899	3,138,857
Public Safety:				
P S Training Center				
Personnel services	1,043,761	1,081,183	1,081,183	-
Operating expenditures	210,608	178,950	178,949	1
Capital outlay	15,625	153,445	153,445	-
	1,269,994	1,413,578	1,413,577	1
Police Department				
Personnel services	51,652,996	50,628,555	50,050,138	578,417
Operating expenditures	3,107,031	3,186,492	3,196,429	(9,937)
Capital outlay	163,977	413,395	369,655	43,740
	54,924,004	54,228,442	53,616,222	612,220

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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, 2011

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Countywide-800MHZ				
Personnel services	246,396	243,765	243,765	-
Operating expenditures	1,454,593	1,278,295	1,184,244	94,051
Capital outlay	-	35,000	35,000	-
	1,700,989	1,557,060	1,463,009	94,051
Animal Control				
Personnel services	2,237,014	2,199,604	2,191,909	7,695
Operating expenditures	394,476	435,038	424,102	10,936
Capital outlay	-	7,400	7,400	-
	2,631,490	2,642,042	2,623,411	18,631
Public Safety				
Personnel services	1,429,771	1,322,577	1,280,167	42,410
Operating expenditures	75,412	67,102	62,083	5,019
	1,505,183	1,389,679	1,342,250	47,429
Safety Village				
Personnel services	111,698	110,955	113,902	(2,947)
Operating expenditures	172,493	154,142	99,026	55,116
	284,191	265,097	212,928	52,169
Sheriff				
Personnel services	19,278,204	18,990,447	18,652,578	337,869
Operating expenditures	1,109,236	1,417,772	1,805,046	(387,274)
Capital outlay	63,500	198,350	45,378	152,972
	20,450,940	20,606,569	20,503,002	103,567
Corrections				
Personnel services	30,275,091	29,810,302	29,579,199	231,103
Operating expenditures	15,530,975	15,383,024	14,371,089	1,011,935
	45,806,066	45,193,326	43,950,288	1,243,038
Medical Examiner				
Personnel services	583,141	557,319	557,320	(1)
Operating expenditures	501,573	498,303	498,303	-
Capital outlay	-	16,000	14,350	1,650
	1,084,714	1,071,622	1,069,973	1,649
Total public safety	129,657,571	128,367,415	126,194,660	2,172,755
Public Works:				
Department of Transportation				
Personnel services	10,857,249	10,414,873	10,097,107	317,766
Operating expenditures	6,696,648	3,079,391	2,998,233	81,158
Capital outlay	150,000	303,771	251,710	52,061
	17,703,897	13,798,035	13,347,050	450,985
Total public works	17,703,897	13,798,035	13,347,050	450,985
Culture and Recreation				
Extension Service				
Personnel services	454,788	448,403	446,895	1,508
Operating expenditures	25,965	23,369	21,823	1,546
	480,753	471,772	468,718	3,054

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, 2011

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Countywide-800MHZ				
Personnel services	246,396	243,765	243,765	-
Operating expenditures	1,454,593	1,278,295	1,184,244	94,051
Capital outlay	-	35,000	35,000	-
	1,700,989	1,557,060	1,463,009	94,051
Animal Control				
Personnel services	2,237,014	2,199,604	2,191,909	7,695
Operating expenditures	394,476	435,038	424,102	10,936
Capital outlay	-	7,400	7,400	-
	2,631,490	2,642,042	2,623,411	18,631
Public Safety				
Personnel services	1,429,771	1,322,577	1,280,167	42,410
Operating expenditures	75,412	67,102	62,083	5,019
	1,505,183	1,389,679	1,342,250	47,429
Safety Village				
Personnel services	111,698	110,955	113,902	(2,947)
Operating expenditures	172,493	154,142	99,026	55,116
	284,191	265,097	212,928	52,169
Sheriff				
Personnel services	19,278,204	18,990,447	18,652,578	337,869
Operating expenditures	1,109,236	1,417,772	1,805,046	(387,274)
Capital outlay	63,500	198,350	45,378	152,972
	20,450,940	20,606,569	20,503,002	103,567
Corrections				
Personnel services	30,275,091	29,810,302	29,579,199	231,103
Operating expenditures	15,530,975	15,383,024	14,371,089	1,011,935
	45,806,066	45,193,326	43,950,288	1,243,038
Medical Examiner				
Personnel services	583,141	557,319	557,320	(1)
Operating expenditures	501,573	498,303	498,303	-
Capital outlay	-	16,000	14,350	1,650
	1,084,714	1,071,622	1,069,973	1,649
Total public safety	129,657,571	128,367,415	126,194,660	2,172,755
Public Works:				
Department of Transportation				
Personnel services	10,857,249	10,414,873	10,097,107	317,766
Operating expenditures	6,696,648	3,079,391	2,998,233	81,158
Capital outlay	150,000	303,771	251,710	52,061
	17,703,897	13,798,035	13,347,050	450,985
Total public works	17,703,897	13,798,035	13,347,050	450,985
Culture and Recreation				
Extension Service				
Personnel services	454,788	448,403	446,895	1,508
Operating expenditures	25,965	23,369	21,823	1,546
	480,753	471,772	468,718	3,054

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, 2011

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Library				
Personnel services	8,233,338	8,000,943	7,963,255	37,688
Operating expenditures	2,985,555	2,711,334	2,711,107	227
	11,218,893	10,712,277	10,674,362	37,915
Parks and Recreation				
Personnel services	13,211,764	12,516,855	11,962,926	553,929
Operating expenditures	6,367,839	6,155,689	5,482,846	672,843
Capital outlay	-	19,565	10,683	8,882
	19,579,603	18,692,109	17,456,455	1,235,654
Total culture and recreation	31,279,249	29,876,158	28,599,535	1,276,623
Health and welfare:				
Senior Services				
Personnel services	3,693,174	3,508,202	3,491,008	17,194
Operating expenditures	646,736	584,271	579,752	4,519
	4,339,910	4,092,473	4,070,760	21,713
Cobb County Board of Health				
Operating expenditures	1,087,289	978,560	978,560	-
Total health and welfare	5,427,199	5,071,033	5,049,320	21,713
Housing and development:				
Community Development				
Personnel services	6,878,448	6,723,700	6,669,887	53,813
Operating expenditures	347,758	353,053	302,340	50,713
Capital outlay	-	1,210	1,210	-
	7,226,206	7,077,963	6,973,437	104,526
Total housing and development	7,226,206	7,077,963	6,973,437	104,526
Total current	$ 305,558,778	$ 298,310,360	$ 291,144,901	$ 7,165,459
Debt service:				
Principal retirement	$ 385,598	$ 193,641	$ 193,546	$ 95
Interest and fiscal charges	614,596	168,187	168,281	(94)
Total debt service	$ 1,000,194	$ 361,828	$ 361,827	$ 1
Total expenditures	$ 306,558,972	$ 298,672,188	$ 291,506,728	$ 7,165,460
Excess (deficiency) of revenues over expenditures	$ 212,344	$ (11,171,845)	$ 14,667,380	$ 25,839,225

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, 2011

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Other financing sources (uses):				
Transfers in	$ 20,802,387	$ 30,295,196	$ 29,357,927	$ (937,269)
Proceeds from sale of capital assets	435,433	458,433	330,000	(128,433)
Transfers out	(19,825,803)	(20,898,251)	(20,837,042)	61,209
Total other financing sources (uses)	$ 1,412,017	$ 9,855,378	$ 8,850,885	$ (1,004,493)
Net change in fund balance	$ 1,624,361	$ (1,316,467)	$ 23,518,265	$ 24,834,732
Fund balance at beginning of year			39,709,878	
Fund balance at end of year - budgetary basis			$ 63,228,143	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			1,047,056	
Fund balance at end of year - GAAP basis			$ 64,275,199	

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 date 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 basic financial statements.

COBB COUNTY, GEORGIA
STATISTICAL SECTION
September 30, 2011

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 115-120

Revenue Capacity

These schedules contain information to help the user assess the County's major revenue sources. Pages 121-124

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 125-130

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 131-132

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 133-135

Cobb County, Georgia
Net Assets by Component
Unaudited

	2011	2010	2009	2008	2007
Governmental activities					
Invested in capital assets, net of related debt	$ 2,964,844,393	$ 2,937,351,872	$ 2,845,141,332	$ 2,697,785,423	$ 2,519,108,757
Restricted	148,602,863	85,902,876	107,900,772	173,324,280	183,127,588
Unrestricted	30,201,143	30,533,812	56,626,064	61,584,531	76,623,771
Total governmental activities net assets	$ 3,143,648,399	$ 3,053,788,560	$ 3,009,668,168	$ 2,932,694,234	$ 2,778,860,116
Business-type activities					
Invested in capital assets, net of related debt	$ 1,216,295,546	$ 1,213,125,239	$ 1,214,901,904	$ 1,221,223,766	$ 1,184,655,823
Restricted	57,377,091	41,766,430	-	-	-
Unrestricted	-	(8,524,185)	18,017,954	7,356,104	26,521,995
Total business-type activities net assets	$ 1,273,672,637	$ 1,246,367,484	$ 1,232,919,858	$ 1,228,579,870	$ 1,211,177,818
Primary government					
Invested in capital assets, net of related debt	$ 4,181,139,939	$ 4,150,477,111	$ 4,060,043,236	$ 3,919,009,189	$ 3,703,765,580
Restricted	205,979,954	127,669,306	107,900,772	173,324,280	183,127,588
Unrestricted	30,201,143	22,009,627	74,644,018	68,940,635	103,145,766
Total primary government net assets	$ 4,417,321,036	$ 4,300,156,044	$ 4,242,588,026	$ 4,161,274,104	$ 3,990,038,934

	2006	2005	2004	2003	2002
Governmental activities					
Invested in capital assets, net of related debt	$ 2,480,941,152	$ 2,476,786,038	$ 2,462,887,568	$ 2,443,180,328	$ 2,448,721,064
Restricted	85,045,197	4,501,533	102,020,091	75,568,888	82,922,156
Unrestricted	82,350,806	70,015,602	29,981,942	58,464,900	45,642,328
Total governmental activities net assets	$ 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	$ 1,160,044,646	$ 1,113,718,561	$ 959,605,058	$ 949,944,450	$ 815,807,798
Restricted	-	-	144,528,897	111,445,686	177,793,801
Unrestricted	4,806,173	2,306,436	(25,510,809)	(39,411,425)	(42,748,221)
Total business-type activities net assets	$ 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	$ 3,640,985,798	$ 3,590,504,599	$ 3,422,492,626	$ 3,393,124,778	$ 3,264,528,862
Restricted	85,045,197	4,501,533	246,548,988	187,014,574	260,715,957
Unrestricted	87,156,979	72,322,038	4,471,133	19,053,475	2,894,107
Total primary government net assets	$ 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

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Expenses										
Governmental activities:										
General government	$ 124,434,470	$ 135,559,677	$ 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	208,553,530	226,008,723	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	110,401,097	112,031,838	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	6,152,176	8,288,145	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	38,136,019	43,049,762	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	20,739,086	20,588,418	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	4,875,524	5,228,323	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	$ 513,291,902	$ 550,754,886	$ 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	$ 160,087,751	$ 163,448,806	$ 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	1,042,053	2,079,765	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	23,823,838	24,765,622	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	1,628,098	1,537,850	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	$ 186,581,740	$ 191,832,043	$ 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	$ 699,873,642	$ 742,586,929	$ 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	$ 41,456,332	$ 48,147,632	$ 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	15,369,970	15,237,639	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	5,226,015	5,168,770	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	108,067	80,686	82,003	80,917	74,041	80,017	79,569	72,894	73,935	68,902
Culture and recreation	3,443,827	3,792,402	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	20,184,412	16,456,025	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	36,156,256	33,068,410	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	24,297,732	41,288,426	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	$ 146,242,611	$ 163,239,990	$ 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	$ 196,795,218	$ 183,146,980	$ 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	297,272	181,662	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	6,061,173	4,997,340	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	1,790,455	1,027,897	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	15,225,107	21,178,823	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	$ 220,169,225	$ 210,532,702	$ 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	$ 366,411,836	$ 373,772,692	$ 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	$ (367,049,291)	$ (387,514,896)	$ (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	33,587,485	18,700,659	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	$ (333,461,806)	$ (368,814,237)	$ (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

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes	$ 266,292,261	$ 242,217,484	$ 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	126,853,951	121,143,588	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	21,696,998	22,308,881	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	4,724,926	4,766,808	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	9,887,246	9,450,045	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	818,501	735,743	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	11,257,991	11,846,938	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	8,430,128	9,375,895	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 on sale of capital assets	-	967,324	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	1,296,604	2,219,575	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	5,650,524	6,603,007	(1,084,273)	567,004	4,439,403	2,643,338	6,057,506	1,563,897	226,372	(785,032)
Total governmental activities	$ 456,909,130	$ 431,635,288	$ 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	$ 399,651	$ 615,141	$ 721,233	$ 942,405	$ 913,102	$ 1,487,088	$ -	$ -	$ -	$ -
Gain on sale of capital assets	90,422	375,196	(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	121,276	359,637	492,335	1,988,896	3,569,886	5,371,893	3,677,132	2,395,842	2,295,482	5,842,748
Transfers	(5,650,524)	(6,603,007)	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	$ (5,039,175)	$ (5,253,033)	$ 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	$ 451,869,955	$ 426,382,255	$ 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	$ 89,859,839	$ 44,120,392	$ 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	28,548,310	13,447,626	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	$ 118,408,149	$ 57,568,018	$ 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	$ 89,859,839	$ 44,120,392	$ 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	28,548,310	13,447,626	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 governmen	$ 118,408,149	$ 57,568,018	$ 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

	2011	2010	2009	2008	2007
General Fund					
Nonspendable	$ 3,866,278	$ 3,377,881	$ -	$ -	$ -
Restricted	2,142,090	1,909,472	5,744,747	6,035,817	7,085,586
Committed	22,853,051	4,395,900	-	-	-
Assigned	38,137	895,727			
Unassigned	35,375,643	29,130,898	42,189,697	40,743,565	51,628,912
Total General Fund	$ 64,275,199	$ 39,709,878	$ 47,934,444	$ 46,779,382	$ 58,714,498
All Other Governmental Funds					
Nonspendable	$ 150,710	$ 1,983	$ -	$ -	$ -
Restricted	145,233,251	93,562,980	133,774,416	136,002,073	90,325,264
Committed	1,862,719	7,338,797	-	-	-
Assigned	1,566,956	20,576,836	-	-	-
Unassigned	-	(8,747,169)	-	-	-
Special Revenue Funds	-	-	426,956	17,907,147	26,838,435
Capital Projects Funds	-	-	17,165,427	72,154,167	142,747,333
Total all other governmental funds	$ 148,813,636	$ 112,733,427	$ 151,366,799	$ 226,063,387	$ 259,911,032

	2006	2005	2004	2003	2002
General Fund					
Reserved	$ 6,763,639	$ 6,893,207	$ 5,632,515	$ 5,097,575	$ 5,097,575
Unreserved	53,847,873	49,737,523	40,439,209	63,125,053	63,125,053
Total General Fund	$ 60,611,512	$ 56,630,730	$ 46,071,724	$ 68,222,628	$ 68,222,628
All Other Governmental Funds					
Reserved	$ 56,453,588	$ 8,678,307	$ 2,060,457	$ 6,074,340	$ 6,074,340
Unreserved					
Special Revenue Funds	27,327,858	23,536,835	17,698,893	17,290,675	17,290,675
Capital Projects Funds	78,621,544	47,925,922	73,864,196	43,870,351	43,870,351
Total all other governmental funds	$ 162,402,990	$ 80,141,064	$ 93,623,546	$ 67,235,366	$ 67,235,366

Source: Basic Financial Statements

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

	2011	2010	2009	2008	2007
Revenues					
Taxes	$ 443,553,657	$ 415,633,188	$ 420,576,822	$ 430,494,106	$ 421,478,808
Licenses and permits	20,697,338	16,659,309	16,895,893	20,002,557	21,757,476
Intergovernmental	44,740,225	50,635,105	41,864,297	47,620,520	43,927,165
Charges for services	52,247,547	58,462,632	59,486,597	58,031,429	59,521,098
Fines and forfeits	12,842,713	13,761,213	15,801,352	17,961,770	17,747,175
Interest earned	1,565,632	2,174,725	5,339,066	11,702,780	13,130,180
Contributions	-	-	-	-	-
Increase (decrease) in fair value of investments	-	-	-	-	-
Miscellaneous	8,426,162	10,053,251	10,034,725	6,435,465	7,369,832
Total revenues	$ 584,073,274	$ 567,379,423	$ 569,998,752	$ 592,248,627	$ 584,931,734
Expenditures					
General government	$ 117,985,464	$ 125,328,297	$ 123,341,205	$ 125,709,498	$ 133,657,911
Public safety	201,220,539	216,262,152	207,638,521	205,020,261	199,303,102
Public works	21,071,499	19,089,629	37,719,789	30,598,324	89,477,872
Health and welfare	6,073,248	8,199,261	7,738,451	7,769,638	7,413,307
Culture and recreation	35,222,986	39,403,023	39,065,599	42,377,184	52,030,237
Housing and development	24,233,973	20,834,947	14,074,012	15,183,400	15,150,457
Debt service					
Principal retirement	15,472,073	10,666,662	12,913,462	13,961,512	16,548,903
Interest and fiscal charges	5,221,351	5,640,833	6,157,146	6,742,631	6,977,162
Capital outlay	85,476,054	177,623,740	218,458,686	207,489,112	-
Intergovernmental	20,541,070	-	-	-	-
Total expenditures	$ 532,518,257	$ 623,048,544	$ 667,106,871	$ 654,851,560	$ 520,558,951
Excess of revenues over (under) expenditures	$ 51,555,017	$ (55,669,121)	$ (97,108,119)	$ (62,602,933)	$ 64,372,783
Other financing sources (uses)					
Transfers in	$ 39,754,285	$ 48,899,093	$ 39,580,576	$ 60,545,358	$ 80,462,127
Transfers out	(32,786,823)	(41,516,848)	(40,312,340)	(59,309,482)	(82,436,523)
Capital lease proceeds	1,778,899	280,310	12,567,168	291,405	6,975,011
Proceeds from sale of capital assets	344,152	1,871,876	174,369	292,891	310,697
Bonds issued	-	10,730,000	-	15,000,000	25,000,000
Premium on bonds issued	-	-	-	-	926,933
Premium on issance of certificates	-	103,572	-	-	-
Total other financing sources (uses)	$ 9,090,513	$ 20,368,003	$ 12,009,773	$ 16,820,172	$ 31,238,245
Net change in fund balances before restatement	$ 60,645,530	$ (35,301,118)	$ (85,098,346)	$ (45,782,761)	$ 95,611,028
Restatement	$ -	$ 30,328	$ -	$ -	$ -
Net change in fund balances after restatement	$ 60,645,530	$ (35,270,790)	$ (85,098,346)	$ (45,782,761)	$ 95,611,028
Debt service as a percentage of noncapital expenditures	8.54%	7.81%	7.81%	8.18%	5.30%

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

2006	2005	2004	2003	2002
$ 365,649,916	$ 243,253,752	$ 233,912,522	$ 219,514,807	$ 209,332,705
21,477,431	21,952,259	20,081,455	18,073,485	17,714,856
40,119,513	45,972,924	45,024,359	33,188,602	39,870,040
57,707,513	53,948,110	51,881,834	55,541,607	52,303,368
17,337,209	19,439,582	16,781,751	16,307,448	15,738,490
6,717,914	2,684,393	1,679,490	1,903,733	3,114,946
-	73,565	230,213	190,505	79,018
-	-	(1,319)	2,038	(84,471)
9,046,114	6,249,544	8,560,148	7,029,846	5,890,938
$ 518,055,610	$ 393,574,129	$ 378,150,453	$ 351,752,071	$ 343,959,890
$ 121,042,343	$ 136,122,674	$ 108,899,536	$ 97,376,226	$ 97,303,459
184,595,327	167,931,065	164,439,721	144,972,677	135,378,095
57,385,232	40,980,529	47,421,144	42,145,316	58,546,137
6,578,840	6,284,246	5,118,992	4,708,724	4,919,873
39,809,495	32,471,529	33,045,343	28,915,435	33,029,275
15,105,680	16,859,368	17,401,587	17,335,630	15,906,049
10,944,224	7,123,315	7,614,617	7,607,097	6,297,335
6,963,792	3,859,569	3,310,637	3,560,168	4,682,003
-	-	-	-	-
-	-	-	-	-
$ 442,424,933	$ 411,632,295	$ 387,251,577	$ 346,621,273	$ 356,062,226
$ 75,630,677	$ (18,058,166)	$ (9,101,124)	$ 5,130,798	$ (12,102,336)
$ 58,146,991	$ 41,216,609	$ 80,629,289	$ 45,041,284	$ 33,954,139
(55,394,987)	(34,830,124)	(79,635,859)	(37,383,272)	(34,729,810)
7,019,390	-	12,344,970	3,787,719	2,748,771
840,637	1,515,000	-	-	-
-	19,245,880	-	34,218,180	-
-	-	-	-	-
-	(19,144,311)	-	(33,808,908)	-
$ 10,612,031	$ 8,003,054	$ 13,338,400	$ 11,855,003	$ 1,973,100
$ 86,242,708	$ (10,055,112)	$ 4,237,276	$ 16,985,801	$ (10,129,236)
$ -	$ 7,131,636	$ -	$ -	$ -
$ 86,242,708	$ (2,923,476)	$ 4,237,276	$ 16,985,801	$ (10,129,236)
4.50%	3.20%	3.41%	3.74%	6.79%

Cobb County, Georgia
Assessed Value and Actual Value
Unaudited

Fiscal Year	Real Property						Personal Property		Total Assessed Value	Total Direct Tax Rate (1)	Estimated Actual Value	Assessed Value as of a Percentage of Actual Value
	Residential Property		Commercial Property		Other							
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value				
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%
2010	18,078,841,365	45,197,103,413	7,720,793,266	19,301,983,165	2,430,590,424	6,076,476,060	3,198,128,714	7,995,321,785	31,428,353,769	9.60	78,570,884,423	40%
2011	17,078,999,812	42,697,499,530	7,109,351,351	17,773,378,378	2,531,565,795	6,328,914,488	2,990,728,676	7,476,821,690	29,710,645,634	11.11	74,276,614,085	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									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Cobb County Direct Rates										
General	7.72	6.82	6.82	6.82	6.82	6.82	6.85	6.85	6.85	6.80
Fire District	3.06	2.56	2.56	2.56	2.56	2.56	2.65	2.65	2.65	2.65
Debt Service	0.33	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.27
Total direct rates	11.11	9.60	9.60	9.60	9.60	9.60	9.72	9.72	9.72	9.72
City Rates										
Acworth	36.47	36.35	36.35	36.35	36.35	37.44	37.74	37.24	37.32	37.37
Austell	30.32	29.31	29.31	29.31	29.31	30.31	30.34	30.34	30.34	30.72
Kennesaw	39.76	38.25	38.25	38.25	38.25	38.00	36.62	36.62	36.62	36.62
Marietta	31.50	30.49	29.94	29.94	29.94	29.94	29.97	29.97	29.97	29.47
Powder Springs	38.76	37.25	37.25	37.25	37.25	38.25	38.37	38.37	36.87	36.87
Smyrna	36.19	35.18	35.18	35.18	35.18	36.36	36.79	36.87	37.07	37.07
School District										
Cobb County Board of Education	18.90	18.90	18.90	18.90	18.90	19.90	19.90	19.90	19.90	19.90
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

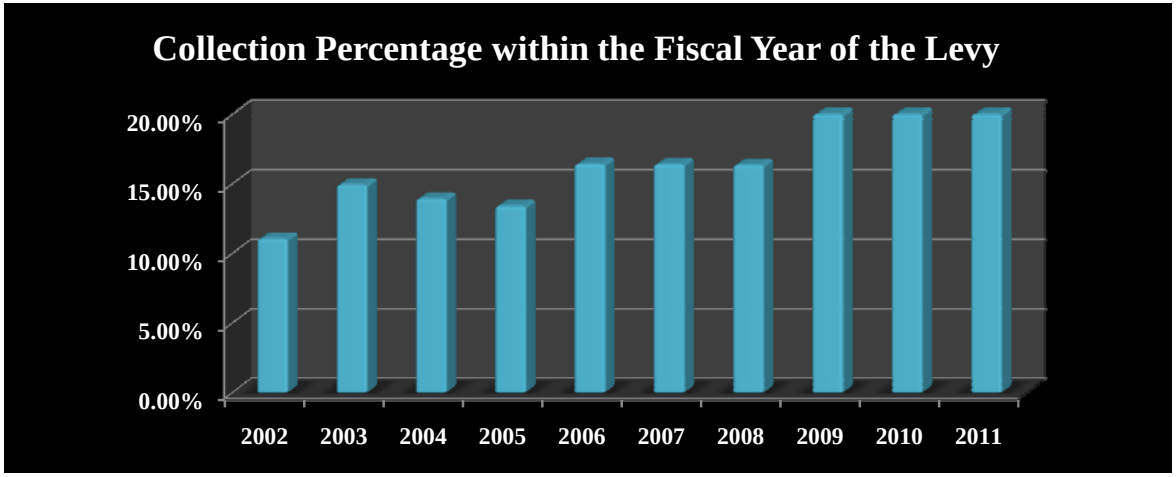
Cobb County, Georgia
Principal Property Tax Payers
Unaudited

	Fiscal Year 2011			Fiscal Year 2002		
Taxpayer	Taxes Levied	Rank	Percentage of Total County Taxes Levied	Taxes Levied	Rank	Percentage of Total County Taxes Levied
AMLI Land Development	$			$ 1,868,441	8	1.29%
BellSouth Telecommunication	1,445,820	10	0.59%	3,188,299	4	2.21%
Cobb EMC	2,975,949	5	1.20%	1,982,973	7	1.37%
Crow Companies				1,412,742	10	0.98%
Georgia Power Co.	12,223,811	1	4.95%	2,390,134	6	1.65%
Home Depot	4,185,851	2	1.69%	3,529,063	3	2.44%
Interstate North Office Park LP	1,478,331	9	0.60%			
Lockheed Martin Corp	2,615,068	6	1.06%	2,440,629	5	1.69%
Ohio Teacher's Retirement Fund	4,050,617	3	1.64%			
Post Properties				3,929,288	2	2.72%
State of California Public Employees				1,508,954	9	1.04%
SP4	2,977,871	4	1.21%			
Walton Communities	1,514,926	8	0.61%			
Wildwood Properties	1,561,377	7	0.63%	6,048,833	1	4.19%

Source: Cobb County Tax Commissioner's Office

Cobb County, Georgia
Property Tax Levies and Collections
Unaudited

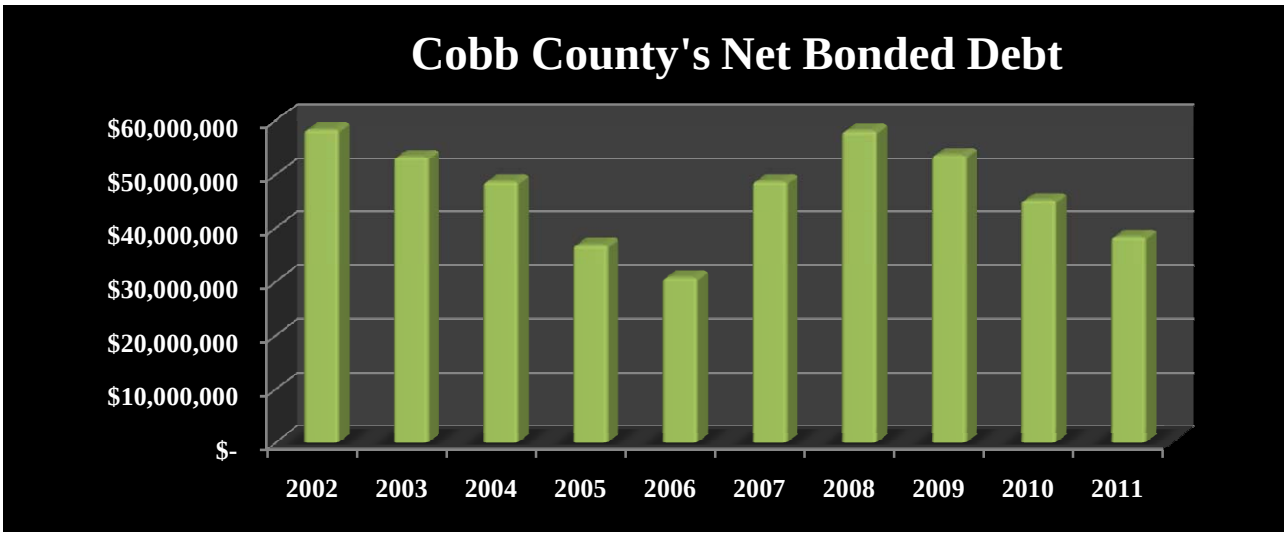
Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)	Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2002	$ 168,071,481	$ (5,028,006)	$ 163,043,475	$ 18,581,936	11.06%	$ 143,561,760	$ 162,143,696	99.45%
2003	173,817,379	(2,783,868)	171,033,511	25,963,777	14.94%	143,967,797	169,931,574	99.36%
2004	182,667,127	(2,080,556)	180,586,571	25,450,248	13.93%	154,274,326	179,724,574	99.52%
2005	197,751,595	(1,841,598)	195,909,997	26,498,532	13.40%	168,374,385	194,872,917	99.47%
2006	211,393,308	(1,137,603)	210,255,705	34,705,014	16.42%	173,800,691	208,505,705	99.17%
2007	226,524,907	(1,246,479)	225,278,428	37,148,299	16.40%	186,844,855	223,993,154	99.43%
2008	240,393,700	(1,195,186)	239,198,514	39,301,350	16.35%	197,924,636	237,225,986	99.18%
2009	239,646,001	(2,650,394)	236,995,607	79,131,484	33.02%	156,222,800	235,354,284	99.31%
2010	224,451,029	(3,263,579)	221,187,450	59,693,126	26.60%	158,486,240	218,179,366	98.64%
2011	246,978,483	(2,126,916)	244,851,567	124,618,748	50.46%	-	124,618,748	50.90%



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
2002	$ 60,785,000	$ 2,459,518	$ 58,325,482	0.28%	0.10%	$ 92.43
2003	55,355,000	1,985,667	53,369,333	0.26%	0.09%	84.09
2004	50,545,000	1,863,735	48,681,265	0.22%	0.07%	76.02
2005	44,895,000	8,058,583	36,836,417	0.16%	0.05%	56.96
2006	39,095,000	8,366,821	30,728,179	0.13%	0.04%	46.42
2007	58,070,000	9,380,967	48,689,033	0.18%	0.06%	72.62
2008	66,815,000	8,732,742	58,082,258	0.21%	0.07%	85.44
2009	60,300,000	6,617,567	53,682,433	0.19%	0.06%	78.39
2010	53,480,000	8,244,274	45,235,726	0.17%	0.06%	65.74
2011	47,070,000	8,728,738	38,341,262	0.14%	0.05%	55.17



Source: Basic Financial Statements

Cobb County, Georgia
Direct and Overlapping Governmental Activities Debt
Unaudited
As of September 30, 2011

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Cities			
Austell	$ 5,205,000	3%	$ 156,150
Kennesaw	12,580,000	15%	1,887,000
Marietta	59,423,790	39%	23,175,278
Powder Springs	9,021,038	5%	451,052
Total cities			$ 25,669,480
Development Authorities			
Acworth	$ 10,655,000	10%	$ 1,065,500
Marietta	55,844,438	39%	21,779,331
Smyrna	51,740,000	29%	15,004,600
Total development authorities			$ 37,849,431
Subtotal, overlapping debt			$ 63,518,911
Total direct debt			$ 227,080,000
Total direct and overlapping debt			$ 290,598,911

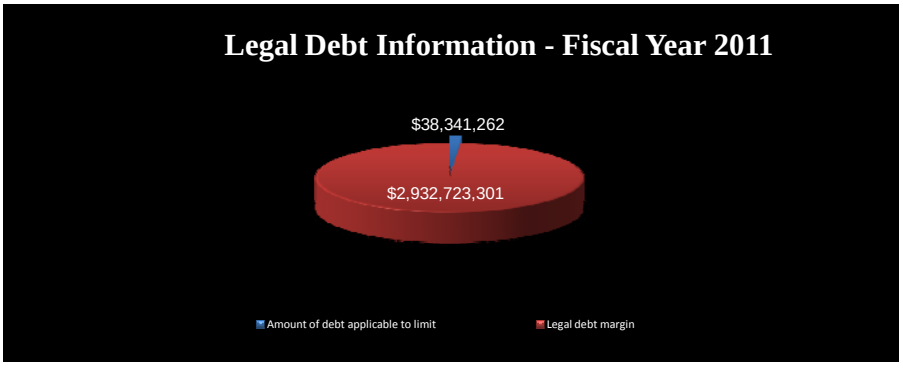
Note: The percentage of overlapping debt applicable is estimated using a percentage of the total gross digest.

Cobb County, Georgia
Legal Debt Margin Information
Unaudited

	Fiscal Year				
	2011	2010	2009	2008	2007
Assessed value of property	$ 29,710,645,634	$ 31,428,353,769	$ 33,757,593,994	$ 33,818,897,411	$ 32,572,081,456
Debt limit, 10% of assessed value	2,971,064,563	3,142,835,377	3,375,759,399	3,381,889,741	3,257,208,146
Amount of debt applicable to limit	38,341,262	45,235,726	53,682,433	58,082,258	48,689,033
General Obligation Bonds	47,070,000	53,480,000	60,300,000	66,815,000	58,070,000
Less: Resources restricted to paying principal	(8,728,738)	(8,244,274)	(6,617,567)	(8,732,742)	(9,380,967)
Total net debt applicable to limit	38,341,262	45,235,726	53,682,433	58,082,258	48,689,033
Legal debt margin	$ 2,932,723,301	$ 3,097,599,651	$ 3,322,076,966	$ 3,323,807,483	$ 3,208,519,113
Total net debt applicable to the limit as a percentage of debt limit	1.29%	1.44%	1.59%	1.72%	1.49%

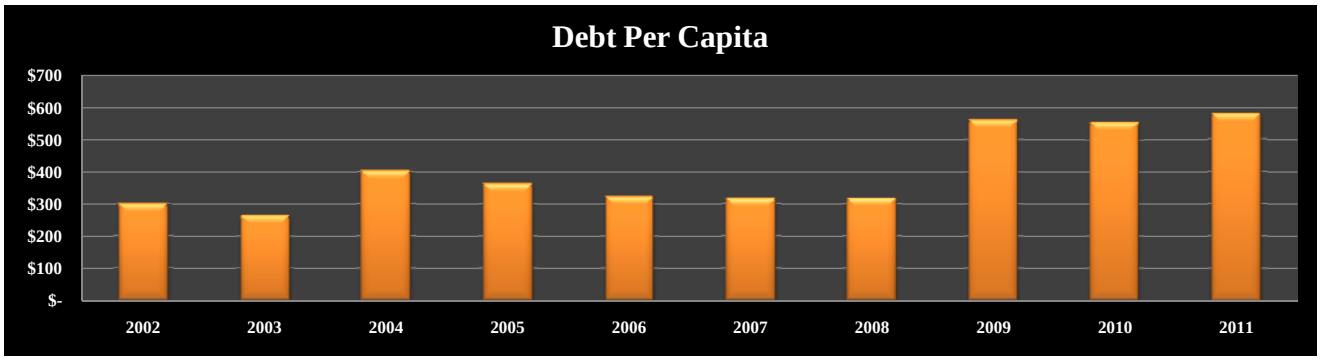
	Fiscal Year				
	2006	2005	2004	2003	2002
Assessed value of property	$ 30,286,408,554	$ 28,102,028,818	$ 26,088,528,583	$ 24,620,200,329	$ 23,714,500,523
Debt limit, 10% of assessed value	3,028,640,855	2,810,202,882	2,608,852,858	2,462,020,033	2,371,450,052
Amount of debt applicable to limit	30,728,179	36,836,417	48,681,265	53,369,333	58,325,482
General Obligation Bonds	39,095,000	44,895,000	50,545,000	55,355,000	60,785,000
Less: Resources restricted to paying principal	(8,366,821)	(8,058,583)	(1,863,735)	(1,985,667)	(2,459,518)
Total net debt applicable to limit	30,728,179	36,836,417	48,681,265	53,369,333	58,325,482
Legal debt margin	$ 2,997,912,676	$ 2,773,366,465	$ 2,560,171,593	$ 2,408,650,700	$ 2,313,124,570
Total net debt applicable to the limit as a percentage of debt limit	1.01%	1.31%	1.87%	2.17%	2.46%

Source: Cobb County Tax Commissioner's Office



Cobb County, Georgia
Ratios of Outstanding Debt By Type
Unaudited

	Governmental Activities		Business - Type Activities					
Fiscal Year	General Obligation Bonds	Capital Leases	Revenue Bonds	Capital Leases	Notes Payable	Total Primary Government	Percentage of Personal Income	Per Capita
2002	$ 60,785,000	$ 8,003,194	$ 119,305,000	$ 213,920	$ -	$ 188,307,114	0.91%	$ 298.42
2003	55,355,000	8,779,865	103,455,000	100,058	240,190	167,930,113	0.81%	264.61
2004	50,545,000	19,123,133	187,455,000	-	136,615	257,259,748	1.19%	401.75
2005	44,895,000	17,744,916	171,815,000	-	136,615	234,591,531	1.04%	362.72
2006	39,095,000	20,600,870	153,835,000	144,381	27,978	213,703,229	0.91%	322.86
2007	58,070,000	18,136,978	135,565,000	108,769	-	211,880,747	0.77%	316.03
2008	66,815,000	11,766,872	116,950,000	190,709	20,759,274	216,481,855	0.79%	318.44
2009	60,300,000	19,055,578	236,025,000	102,032	69,257,915	384,740,525	1.45%	561.85
2010	53,480,000	16,767,946	224,675,000	17,401	87,374,239	382,314,586	1.40%	555.63
2011	47,070,000	10,766,312	212,490,000	-	132,316,878	402,643,190	1.44%	579.38



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
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
2010	184,733,255	113,271,988	71,461,267	8,915,000	9,202,344	18,117,344	3.94
2011	197,794,263	111,410,679	86,383,584	9,665,000	9,485,689	19,150,689	4.51

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
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
2010	3,607,290	1,132,822	2,474,468	1,970,000	510,750	2,480,750	1.00
2011	4,389,603	209,105	4,180,498	2,030,000	440,600	2,470,600	1.69

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
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
2010	1,092,320	1,279,959	(187,639)	465,000	117,153	582,153	(0.32)
2011	1,790,596	1,436,797	353,799	490,000	93,841	583,841	0.61

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

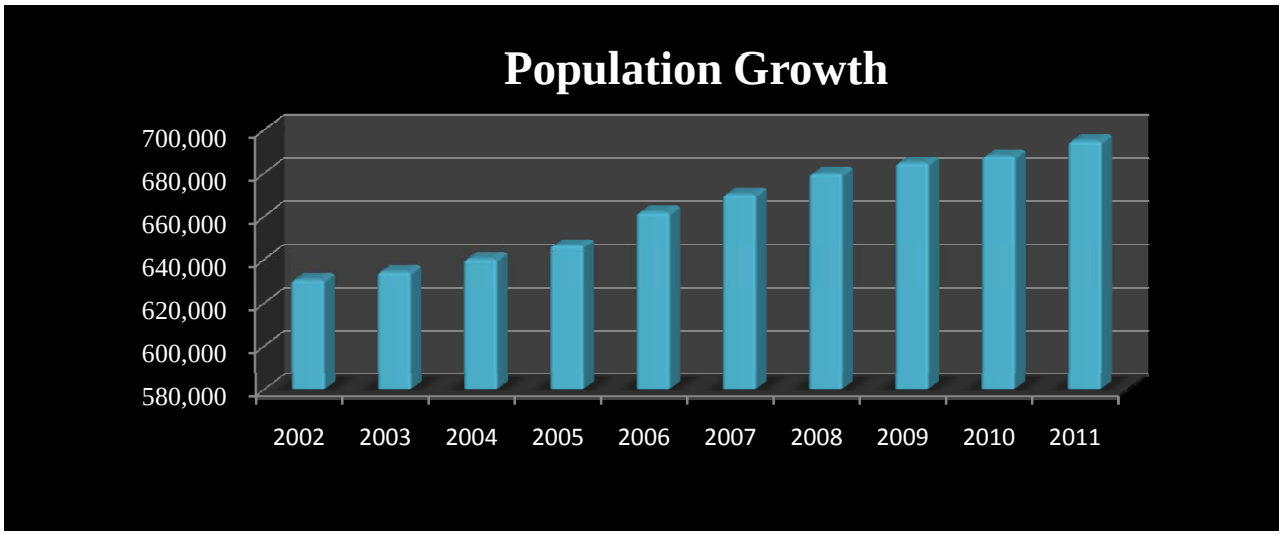
Cobb County, Georgia
Annual Debt Service Requirements
Unaudited

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
2012	6,700,000	1,853,362	12,385,000	9,467,325	4,775,000	6,171,255
2013	6,995,000	1,559,018	13,040,000	8,885,150	5,035,000	5,963,035
2014	7,310,000	1,247,782	13,455,000	8,233,776	5,335,000	5,740,366
2015	7,625,000	929,238	13,285,000	7,660,875	5,755,000	5,504,224
2016	7,950,000	607,412	11,755,000	7,134,375	6,005,000	5,220,747
2017-2021	10,490,000	292,624	66,820,000	27,719,375	35,630,000	21,451,239
2022-2026	-	-	54,825,000	12,220,762	47,230,000	11,481,955
2027-2029	-	-	26,925,000	2,309,313	18,695,000	1,459,580
	$ 47,070,000	$ 6,489,436	$ 212,490,000	$ 83,630,951	$ 128,460,000	$ 62,992,400

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
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	7,625,000	929,238	13,285,000	7,660,875	20,910,000	8,590,113
2016	7,950,000	607,412	11,755,000	7,134,375	19,705,000	7,741,787
2017-2021	10,490,000	292,624	66,820,000	27,719,375	77,310,000	28,011,999
2022-2026	-	-	54,825,000	12,220,762	54,825,000	12,220,762
2027-2029	-	-	26,925,000	2,309,313	26,925,000	2,309,313
	$ 47,070,000	$ 6,489,436	$ 212,490,000	$ 83,630,951	$ 259,560,000	$ 90,120,387

Cobb County, Georgia
Demographic and Economic Statistics
Unaudited

Year	Population (1)	Personal Income (2)	Per Capita Personal Income (2)	County Unemployment Rate (3)
2002	631,018	20,729,560,000	32,850.98	4.6%
2003	634,638	20,724,110,000	32,655.01	4.2%
2004	640,346	21,645,330,000	33,802.55	4.1%
2005	646,754	22,504,970,000	34,796.80	4.3%
2006	661,913	23,511,880,000	35,521.10	4.0%
2007	670,438	27,669,090,000	41,270.17	3.5%
2008	679,822	27,538,100,000	40,507.81	6.2%
2009	684,776	26,482,600,000	38,673.38	9.6%
2010	688,078	27,274,880,000	39,639.23	9.5%
2011	694,959	28,044,990,000	40,354.90	8.4%



Source:
(1) Estimated from April 2010 Census using 1% growth rate
(2) Woods & Poole Economics 2011 Data Pamphlet
(3) Office of Economic Development and Cobb Chamber of Commerce

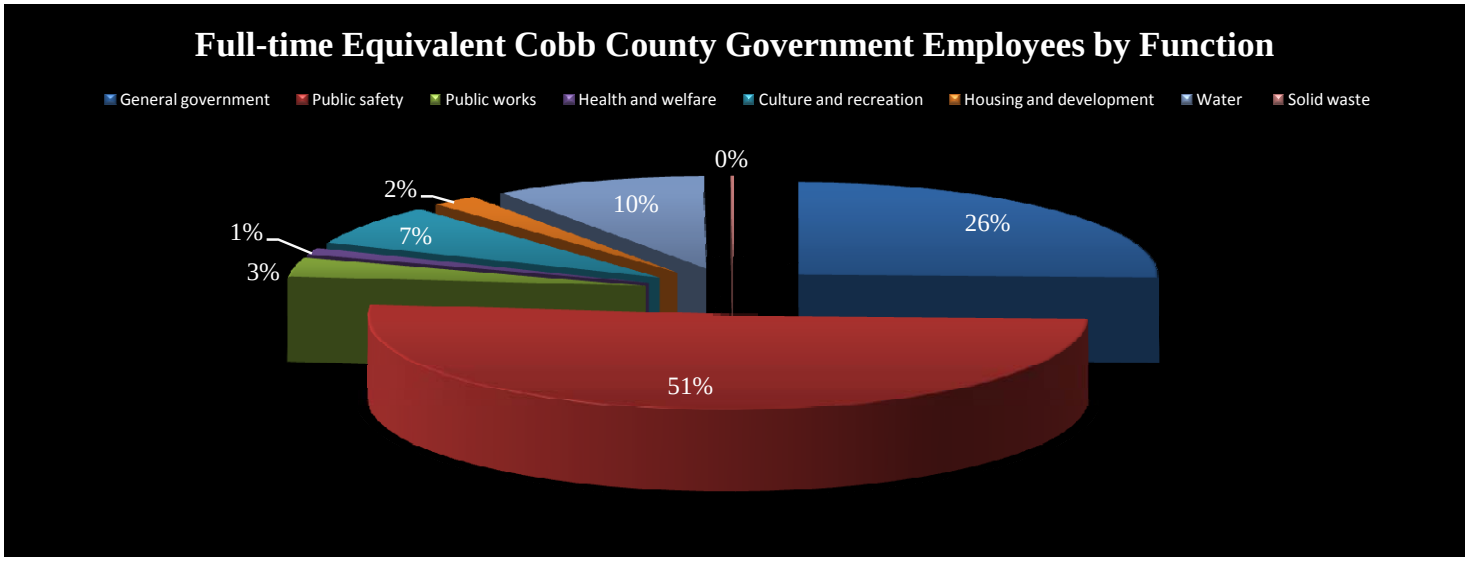
Cobb County, Georgia
Principal Employers
Unaudited

	2011		2002	
Employer	Employees	Percentage of Total County Employment	Employees	Percentage of Total County Employment
Cobb County Government	4,964	1.34%	4,613	1.18%
Cobb County Schools	18,914	5.09%	11,400	2.91%
Home Depot	11,784	3.17%	4,651	1.19%
IBM Corporation			2,600	0.66%
Kennesaw State University	4,758	1.28%		
Kroger Co.	2,618	0.70%		
Lockheed Martin	8,100	2.18%	7,000	1.78%
Medaphis Corporation				
Publix Super Markets	3,097	0.83%	3,416	0.87%
Ryla Teleservices Inc	1,800	0.48%		
Six Flags Over Georgia	2,031	0.55%	2,600	0.66%
Sprint PCS			2,296	0.59%
Walmart	2,338	0.63%		
Wellstar Health System	12,492	3.36%	7,800	1.99%
Worldspan			3,200	0.82%

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	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General government	1,141	1,143	1,170	1,175	1,169	1,145	1,105	1,075	1,068	1,061
Public safety	2,294	2,294	2,291	2,251	2,174	2,095	2,072	2,044	2,025	1,979
Public works	148	148	174	179	179	174	167	165	165	165
Health and welfare	53	53	59	58	57	57	56	56	56	54
Culture and recreation	318	318	331	338	336	331	324	313	313	302
Housing and development	92	93	103	112	112	108	108	106	106	107
Water	429	429	434	439	439	419	417	398	401	397
Solid waste	6	7	58	58	58	58	57	57	62	63
Total	4,481	4,485	4,620	4,610	4,524	4,387	4,306	4,214	4,196	4,128



Source: Cobb County Human Resources Department
* Information not available

Cobb County, Georgia
Operating Indicators by Function
Unaudited

Function/Program	Fiscal Year 2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General government										
Vehicle tags issued	695,116	681,339	679,519	696,900	717,060	703,127	689,536	673,521	647,487	636,370
Public safety										
E-911 calls	380,090	382,357	392,177	358,375	367,507	399,423	387,682	358,350	348,454	348,422
Police service calls	457,878	488,890	502,275	425,049	494,134	529,557	520,575	544,658	534,984	454,320
Fire/EMS dispatches	64,854	61,841	61,763	64,006	64,697	63,572	62,013	66,008	63,006	62,125
Public works										
Miles of road resurfacing	64.00	35.93	45.00	77.00	71.89	55.36	59.00	88.00	83.06	55.00
Health and welfare										
Number of child support cases	7,587	7,814	8,108	7,953	8,058	7,873	7,747	7,580	7,053	*
Culture and recreation										
Golf rounds played	40,385	24,198	40,414	46,715	47,242	47,834	44,692	45,536	*	*
Housing and development										
Building permits issued	5,730	5,508	9,014	11,912	10,032	10,204	9,879	9,703	8,345	8,058
Water										
Water accounts	176,406	175,688	175,075	174,709	173,725	171,609	164,323	161,115	157,509	154,325
Daily average consumption - 1,000 gal units	56,909	56,312	54,027	54,100	67,925	66,644	61,705	62,513	59,150	64,828
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
**At the end of FY2009, Solid Waste was privitized

Cobb County, Georgia
Capital Asset Statistics by Function
Unaudited

Function/Program	Fiscal Year 2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General government										
Vehicles	236	234	238	235	242	231	237	224	219	*
Public safety										
Police stations	6	6	6	6	6	6	6	6	6	5
Fire stations	31	31	29	29	28	27	27	27	27	27
Public works										
Miles of road	3,451	3,418	3,393	2,434	2,492	2,472	2,434	2,307	2,307	2,307
Miles of sidewalks	1,160	1,146	1,130	1,100	1,080	1,060	1,030	1,100	1,100	1,100
Health and welfare										
Senior service centers	4	5	5	5	5	5	5	5	5	4
Culture and recreation										
County parks	77	77	75	74	66	66	65	49	49	49
County libraries	17	17	17	17	17	17	17	17	17	17
County golf courses	2	2	2	2	2	2	2	2	2	2
Housing and development										
HUD homes built	2	1	1	1	2	3	1	1	1	1
Water										
Miles of water mains**	2,900	3,121	3,086	3,062	3,023	2,987	2,945	2,907	2,855	2,820
Miles of sewers**	2,596	2,611	2,582	2,576	2,558	2,529	2,493	2,477	2,430	2,380
Solid waste										
Facilities	***	***	2	2	2	2	2	2	2	2

Source: Department managers within each function/program.

* Information not available

**In 2010, Water began utilizing our Geographical Information System [GIS] to calculate assets. Historical data have been revised revised based on 2010 GIS quantities

***At the end of FY2009, Solid Waste was privitized

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, 2011

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
1994:						
Road Improvement Program Total	$ 377,875,873	$ 407,408,347	$ 407,408,347	$ -	$ 407,408,347	100.00%
2006:						
Public Safety						
Jail Expansion	$ 110,000,000	$ 110,000,000	$ 106,944,999	$ 1,838,798	$ 108,783,797	98.89%
New Court House	55,000,000	63,000,000	53,884,112	8,428,690	62,312,802	98.91%
800Mhz Communication System:						
Cobb County	22,625,636	23,556,090	23,556,090	-	23,556,090	100.00%
City of Acworth 800Mhz	208,728	229,395	229,395	-	229,395	100.00%
City of Austell 800Mhz	160,334	192,681	192,681	-	192,681	100.00%
City of Kennesaw 800 Mhz	353,942	428,767	428,767	-	428,767	100.00%
City of Marietta 800 Mhz	2,519,952	1,409,151	1,409,151	-	1,409,151	100.00%
City of Powder Springs 800 Mhz	281,340	253,476	253,476	-	253,476	100.00%
City of Smyrna 800 Mhz	850,068	930,440	930,440	-	930,440	100.00%
Transportation:						
Cobb County	525,324,286	548,238,216	284,908,541	63,302,488	348,211,029	63.51%
City of Acworth	11,090,749	10,718,781	8,010,599	1,436,634	9,447,233	88.14%
City of Austell	2,042,132	2,042,132	1,616,688	13,131	1,629,819	79.81%
City of Kennesaw	9,931,674	8,710,726	7,461,609	495,884	7,957,493	91.35%
City of Marietta	58,273,797	56,269,247	41,776,427	7,882,739	49,659,166	88.25%
City of Powder Springs	13,212,326	12,394,356	8,958,018	1,673,327	10,631,345	85.78%
City of Smyrna	42,725,391	40,463,490	29,840,630	4,841,103	34,681,733	85.71%
Total 2006	$ 854,600,355	$ 878,836,948	$ 570,401,623	$ 89,912,794	$ 660,314,417	75.14%

Cobb County, Georgia
Water and Sewer Enterprise Fund
Comparative Statements of Revenues and Expenses
For the Fiscal Years Ended September 30, 2011 and 2010

	2011	2010
Operating revenues:		
Water sales	$ 89,932,972	$ 82,614,026
Sewer sales	100,182,143	95,172,633
Water connection charges	5,049,323	4,780,162
Sewer connection charges	1,111,048	490,145
Other	874,317	537,043
Total operating revenues	$ 197,149,803	$ 183,594,009
Operating expenses:		
Administrative	$ 18,234,377	$ 19,547,363
Engineering	2,676,597	2,848,156
Water operations	53,108,922	49,131,627
Sewer operations	37,390,783	41,744,842
Total operating expenses	$ 111,410,679	$ 113,271,988
Operating income before depreciation	$ 85,739,124	$ 70,322,021
Less depreciation	(39,145,731)	(38,660,105)
Operating income	$ 46,593,393	$ 31,661,916
Nonoperating revenues (expenses):		
Intergovernmental	$ -	$ -
Interest income	119,585	356,576
Interest and fiscal charges	(9,949,247)	(12,086,285)
Amortization of bond costs	417,906	569,572
Gain from sale of capital assets	77,990	95,743
Total nonoperating revenues (expenses)	$ (9,333,766)	$ (11,064,394)
Net income before transfers and capital contributions	$ 37,259,627	$ 20,597,522
Capital contributions	$ 8,818,399	$ 9,337,943
Total capital contributions	$ 8,818,399	$ 9,337,943
Transfers:		
Transfers in	$ 102,313	$ 117,355
Transfers out	(19,805,206)	(19,117,910)
Total transfers	$ (19,702,893)	$ (19,000,555)
Change in net assets	$ 26,375,133	$ 10,934,910

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

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

The Honorable Tim Lee, 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, 2011, which collectively comprise Cobb County, Georgia's basic financial statements and have issued our report thereon dated February 13, 2012. 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

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Compliance and Other Matters

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

February 13, 2012

MOORE & CUBBEDGE LLP
Certified Public Accountants & Advisors

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

The Honorable Tim Lee, Chairman
Members of the Cobb County Board of Commissioners
Cobb County, Georgia

Compliance

We have audited Cobb County, Georgia's compliance with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Cobb County, Georgia's major federal programs for the year ended September 30, 2011. 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2011.

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Internal Control Over Compliance

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 major federal programs in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Cobb County, Georgia's internal control over compliance.

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

Our consideration of 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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the 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 13, 2012

Cobb County, Georgia
Schedule of Findings and Questioned Costs
Year Ended September 30, 2011

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
14.218 & 14.253	CDBG/Entitlement and CDBG/Entitlement – ARRA
14.228	CDBG/Neighborhood Stabilization Program
14.257	Homelessness Prevention and Rapid Rehousing Program – ARRA
17.258, 17.259 & 17.260	WIA Cluster
20.507	Federal Transit - Formula Grants
81.128	Energy Efficiency and Conservation Block Grant – ARRA

Dollar threshold used to distinguish between Type A and Type B programs:	$ 824,096		
Auditee qualified as low-risk auditee?	X yes	_____	no

Cobb County, Georgia
Schedule of Findings and Questioned Costs
Year Ended September 30, 2011

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, 2011

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
U. S. Department of Defense			
Pass-through Ga. Office of Treasury and Fiscal Services:			
Payments to States in Lieu of Real Estate Taxes	12.112	--	$ 19,486
U. S. Department of Energy			
Direct Grant:			
Energy Efficiency and Conservation Block Grant			
EECBG - ARRA	ARRA - 81.128	EE-0000803	3,619,315
U. S. Department of Homeland Security			
Pass-through Georgia Emergency Management Agency:			
GA Dept of Homeland Security Grant - SHSP Program	97.073	2008-GE-T8-0017	181,944
GA Dept of Homeland Security Grant - SHSG Program	97.073	2008-GE-T8-0017	2,347
GA Dept of Homeland Security Grant - SHSG Program	97.073	2009-SS-T9-0047	3,044
GA Dept of Homeland Security Grant - SHSG Program	97.073	2009-SS-T9-0047	37,033
GA Dept of Homeland Security Grant - SHSG Program	97.073	2010-SS-T0-0034	133,995
GA Dept of Homeland Security Grant - SHSG Program	97.073	2010-SS-T0-0034	63,050
			421,413
GA Dept of Homeland Security Grant - CERT Program	97.067	2009-SS-T9-0047	15,598
GA Dept of Homeland Security Grant - CERT Program	97.067	2010-SS-T0-0034	2,035
			17,633
GA Dept of Homeland Security Grant - EMPG Program	97.042	OEM10-034	98,403
GA Dept of Homeland Security Grant - EMPG-SRR Program	97.042	OEM10-034	24,787
GA Dept of Homeland Security Grant - EMPG-SRR Program	97.042	OEM10-034	2,000
GA Dept of Homeland Security Grant - EMPG Program	97.042	OEM11-034	16,235
			141,425
Total for U. S. Department of Homeland Security			580,471
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	673,146
Child Support Enforcement	93.563	401-000000-3193	57,444
Child Support Enforcement	93.563	42700-401-0000004859	37,614
			95,058
Pass-through Atlanta Regional Commission:			
Social Services Block Grant	93.667	AG1112	101,001

Cobb County, Georgia
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended September 30, 2011

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
Aging Cluster:			
Special Programs for the Aging - Title III, Part B	93.044	AG1112	166,991
Special Programs for the Aging - Title III, Part C	93.045	AG1112	287,716
ARRA - Aging Congregate Nutrition Services for States	ARRA - 93.707	AG0942	2,802
Nutrition Services Incentive Program	93.053	AG1112	28,970
			486,479
National Family Caregiver Support Title III, Part E	93.052	AG1112	50,725
Total for U. S. Department of Health and Human Services			1,406,409
U.S. Department of Housing and Urban Development			
Direct Grants:			
Homelessness Prevention and Rapid Re-Housing Program - ARRA	ARRA - 14.257	S-09-UY-13-000G	636,847
Community Development Block Grant/ Entitlement	14.218	B-10-UC-13-0002	4,059,831
Entitlement/ ARRA	ARRA - 14.253	B-09-UY-13-0002	388,485
			4,448,316
Home Investment Partnership	14.239	M-10-DC-13-201	2,899,012
Emergency Shelter Grants Program	14.231	S-10-UC-13-0008	152,195
CDBG - State -Administered CDBG Cluster:			
Community Development Block Grant/ Neighborhood Stabilization Program	14.228	B-08-UN-13-0002	858,131
Pass thru the Department of Community Affairs:			
Neighborhood Stabilization Program DCA	14.228	08-NS-5056	1,615,606
			2,473,737
Total for U. S. Department of Housing and Urban Development			10,610,107
U.S. Department of Justice			
Pass-through Georgia Council of Juvenile Court Judges:			
Purchases of Services 10	16.523	2008-JB-FX-0050	9,935
National CASA 2011	16.547	GA10109-10-0710-U1	43,787
Pass-through Georgia Criminal Justice Coordinating Council:			
Victims of Crime	16.575	C09-8-042	3,324

Cobb County, Georgia
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended September 30, 2011

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
Victims of Crime	16.575	C10-8-042	49,343
			52,667
Victim Witness Assistance	16.803	B82-8-007	13,618
VAWA Recovery	16.588	W82-8-011	14,336
Pass-through Metro Atlanta Project Pact:			
JAG Program Cluster			
Local Law Enforcement Block			
Local Law Enforcement Block	16.738	2008-DJ-BX-0200	1,763
Local Law Enforcement Block	16.738	2009-DJ-BX-0516	34,257
Local Law Enforcement Block	16.738	2010-DJ-BX-1411	111,201
Local Law Enforcement Block	16.803	2009-SU-B9-0003	143,247
Local Law Enforcement Block	16.738	2009-SB-B9-0913	162,577
			453,045
Total for U. S. Department of Justice			587,388
U.S. Department of Labor			
Pass through Georgia Department of Labor			
Workforce Investment Act (WIA) Cluster			
Adult Program	17.258	10-09-11-03-004	13,990
	17.258	11-10-11-03-004	407,776
	17.258	10-10-11-03-004	192,521
	17.258	11-11-11-03-004	772,636
	17.258	10-11-11-03-004	106,980
Youth Program	17.259	15-09-11-03-004	253,435
	17.259	15-10-11-03-004	585,498
Dislocated Worker Program	17.260	31-10-11-03-004	(5,680)
	17.260	30-10-11-03-004	173,083
	17.260	31-11-11-03-004	1,155,465
	17.260	30-11-11-03-004	203,142
ARRA - Adult Program	ARRA - 17.258	32-09-11-03-004	93,830
ARRA - Youth Program	ARRA - 17.259	33-09-11-03-004	15,000
ARRA - Dislocated Worker Program	ARRA - 17.260	34-09-11-03-004	200,230
	ARRA - 17.260	35-10-09-03-004	264,809
	ARRA - 17.260	35-11-09-03-004	250,000
Total for U. S. Department of Labor			4,682,715
U.S. Department of Transportation			
Direct Grants:			
Federal Aviation Administration			
Runway Improvement Project	20.106	--	362,246
Federal Transit Administration -			
New Freedom Program	20.521	--	67,737

Cobb County, Georgia
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended September 30, 2011

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
Capital Improvement, Sect.9	20.507	--	1,481,239
Operating	20.507	--	460,000
Planning	20.507	--	116,796
Surface Transportation Program	20.507	--	286,887
Job Access and Reverse Commute Program	20.507	--	69,179
Mobility Management	20.507	--	89,042
Discretionary	20.507	--	80,000
Capital Improvements	20.507	--	1,806,705
ARRA - Urbanized Area Formula Program	ARRA - 20.507	GA-96-X002-01	1,079,560
			5,469,408
Pass-through Georgia Dept. Motor Vehicle Safety			
Motor Carrier Safety Assistance	20.218	MC-05-13-1	17,184
Total for U.S. Department of Transportation			5,916,575
U. S. Department of Treasury			
Social Security-Inmate Reporting Incentives			47,400
Total Federal Financial Awards			$ 27,469,866

Cobb County, Georgia
Notes To Schedule Of Expenditures Of Federal Awards
For The Fiscal Year Ended September 30, 2011

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, 2011

NONE REPORTED

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Finance Department
Cobb County Government
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Cobb County…Expect the Best!