COBB COUNTY GOVERNMENT

Marietta, Georgia



CAFR

For Fiscal Year ending September 30, 2012

Comprehensive Annual Financial Report

Cobb County…Expect the Best!

COBB COUNTY, GEORGIA

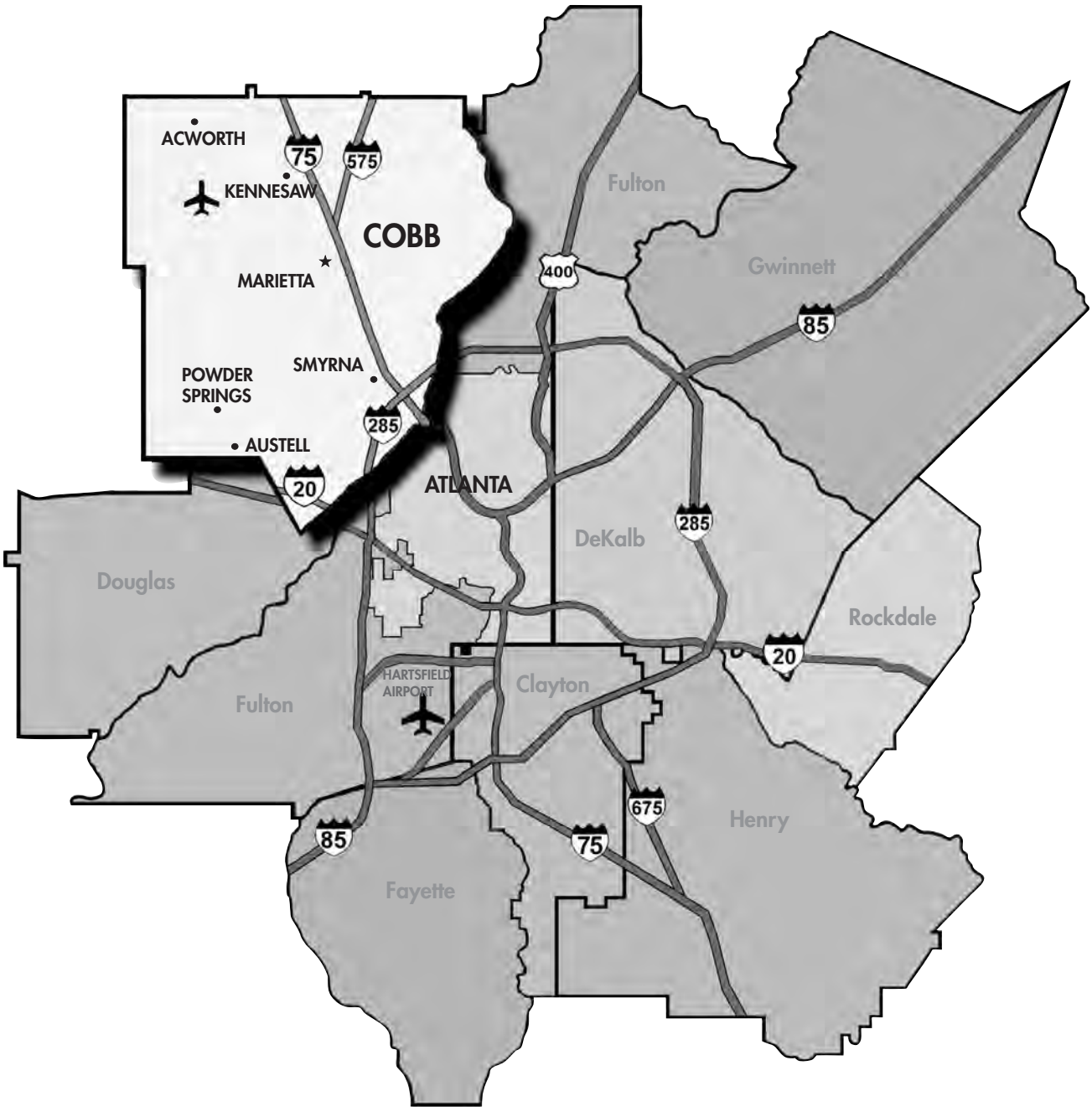
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2012

James Pehrson, CPA
Director of Finance/Comptroller

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

Metro Atlanta



COBB COUNTY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
SEPTEMBER 30, 2012

TABLE OF CONTENTS

INTRODUCTORY SECTION

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

FINANCIAL SECTION

Independent Auditors' Opinion 1-2
Management's Discussion and Analysis 3-16

Basic Financial Statements:
Government-Wide Financial Statements:
Statement of Net Assets 17
Statement of Activities 18

Governmental Fund Financial Statements:
Balance Sheet – Governmental Funds 19
Reconciliation of the Governmental Balance Sheet to the Statement of Net Assets 20
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds 21
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities 22
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Budgetary Basis) – General Fund 23
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Budgetary Basis) – Fire District 24

Proprietary Fund Financial Statements:
Statement of Net Assets – Proprietary Funds 25-26
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds 27
Combining Statement of Cash Flows – Proprietary Funds 28-29

Fiduciary Fund Financial Statements:
Statement of Fiduciary Net Assets – Fiduciary Funds 30
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds 31

Notes to Financial Statements 32-80

TABLE OF CONTENTS

Required Supplemental Information:

Pension Schedule of Funding Progress and Schedule of Employer Contributions 81
Notes to Required Supplementary Information..... 82
OPEB Schedule of Funding Progress..... 83

Nonmajor Funds:

Nonmajor Governmental Fund Descriptions 84-85
Combining Balance Sheet – All Nonmajor Governmental Funds 86
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – All Nonmajor Governmental Funds 87
Combining Balance Sheet – Special Revenue Funds..... 88-89
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Special Revenue Funds..... 90-91
Combining Balance Sheet – Capital Projects Funds..... 92
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Capital Projects Funds 93
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual - Debt Service Fund 94
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – Law Library 95
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Street Light District Fund 96
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Community Services..... 97
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Hotel/Motel Tax 98
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – Emergency 911 99
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – Parking Deck Facility 100
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – 800 MHz 101
Combining Balance Sheet – Nonmajor Enterprise Funds..... 102-103
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets – Nonmajor Enterprise Funds..... 104
Combining Statement of Cash Flows – Nonmajor Enterprise Funds 105-106
Combining Statement of Changes in Assets and Liabilities – Agency Funds 107-108

Supplemental Information:

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – General Fund 109-115

COBB COUNTY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
SEPTEMBER 30, 2012

TABLE OF CONTENTS

STATISTICAL SECTION

Statistical Section Description 116
Net Assets by Component 117
Changes in Net Assets 118-119
Fund Balances, Governmental Funds 120
Changes in Fund Balance, Governmental Funds 121-122
Assessed Value and Actual Value 123
Direct and Overlapping Property Tax Rates 124
Principal Property Tax Payers 125
Property Tax Levies and Collections 126
Ratios of General Bonded Debt Outstanding 127
Direct and Overlapping Governmental Activities Debt 128
Legal Debt Margin Information 129
Ratios of Outstanding Debt by Type 130
Revenue Bond Coverage 131
Annual Debt Service Requirements 132
Demographic and Economic Statistics 133
Principal Employers 134
Full Time Equivalent Cobb County Government Employees by Function 135
Operating Indicators by Function 136
Capital Asset Statistics by Function 137

COMPLIANCE SECTION

Schedule of Projects Constructed with Special Sales Tax Proceeds 138
Water and Sewer Fund Comparative Statement of Revenues and Expenses 139
Independent Auditors' Report on Compliance and on Internal Controls Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* 140-141
Independent Auditors' Report on Compliance with Requirements Applicable To Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 142-143
Schedule of Findings and Questioned Costs 144-145
Schedule of Expenditures of Federal Awards 146-149
Notes to Schedule of Expenditures of Federal Awards 150
Summary Schedule of Prior Year Findings 151

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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

James D. Pehrson, CPA
Director/Comptroller

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

February 25, 2013

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, 2012, 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.

Crace Galvis McGrath, LLC, Certified Public Accountants, have issued an unqualified opinion on the Cobb County financial statements for the fiscal year ended September 30, 2012. 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, 2012. 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 14.8% since 2000 when approximately 607,751 people resided in the County. Based on the U.S. Census estimates as of July 2010 and adding a 1.5% growth factor, Cobb's population is estimated at 697,553. 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 697,553 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, two component units are 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. The Cobb County Board of Health provides a variety of health related services in the County. Additional information on these legally separate entities can be found under the Basic Financial Statements section.

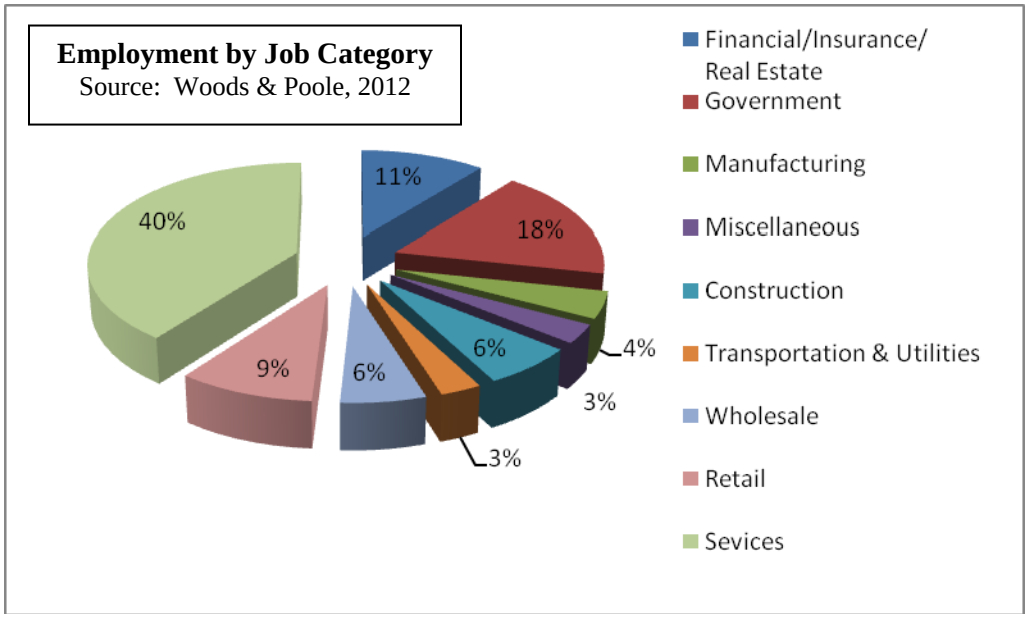
Local Economy

Cobb County is part of a very select group that includes less than 1% of counties nationwide to have achieved a Triple-Triple A credit rating, and this achievement has been accomplished for the 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 379,715within its boundaries and currently, there are approximately 29,988 licensed businesses. The County's unemployment rate was 7.3% which is lower than the State of Georgia (8.5%) and the United States (7.7%).

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. Some of the top employers in Cobb County include, the Home Depot, Cobb County Schools, WellStar, Lockheed Martin and Kennesaw State University to name a few.

According to Woods & Poole Economics (2012 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 2012, the Cobb Galleria Centre, one of the leading convention centers in the nation, had net assets of $115 million. September 2012 marked the fifth 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. 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 March 2011, 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: $9,961,927 Transportation Projects; $1,820,250 Parks Projects; $2,449,196 Support Services Projects and $3,307,107 for Public Safety Projects. This SPLOST program runs from January 2012 until December 2016. A complete list of the projects and further details regarding the program is available at the Web site www.cobbcounty.org/SPLOST. Total revenue generated for the SPLOST program since this SPLOST began is $97,608,177 million with expenditures totaling $43,242,375 million.

In September 2005, voters approved a one cent the Special Purpose Local Option Sales Tax (SPLOST) that ceased collections in December 2011. Since this SPLOST began, the improvements total: $109 million for the expansion of the Cobb County Adult Detention Center, $130 million for thoroughfare improvements, $95.7 million for major roadway safety and operational improvements, $47 million for resurfacing, $34.3 million for miscellaneous municipal projects, $41.2 million for intersection safety and operational improvements, $27.0 million for 800MHz Core Replacement which was interfund transferred to the 800MHz Fund, $24 million for bridge rehabilitation\replacement, and $62.4 million for courthouse construction. Total revenue generated for the SPLOST program since this SPLOST began is $831 million with expenditures totaling $727 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	$31,121,859	$44.62	0.04%	0.11%
Total General Obligation Direct Debt	$40,370,000	$57.87	0.06%	0.14%
Total Primary Government Debt	$409,005,048	$586.34	0.56%	1.41%

Outstanding General Obligation Bonds at September 30, 2012 totaled $40,370,000.

Cobb's legal General Obligation Bond debt limitation by state law is 10% of the taxable digest or $2,900,002,743. Cobb County currently is utilizing 1.39% of this limitation with its $40,370,000 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 $25 million and $35 million were requested in FY 2011 [however, only $49.9 million was received in FY2011]. One additional loan in the amount of $35 million was requested in FY 2012 [however, only $27.1 million was received in FY2012]. 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, 2012, is $163,412,065 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 2010, work began on the Barrett Parkway Thoroughfare Improvements (US41 to Dallas Highway). The purpose of the project is to improve capacity to address current and future traffic demands along Barrett Parkway. The consideration is to widen the existing four-lane divided highway to a six-lane divided highway in order to improve the traffic operations, and overall efficiency of the road. In addition, a 10' wide multi-use trail is proposed adjacent to the roadway on the west side between Old 41 Highway and Cobb Parkway and along the east side between Stilesboro Road and Old 41 Highway. It is scheduled for completion in summer 2013. In 2012, Cobb County completed the 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.

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 299 transportation projects that are underway or completed. Of these, 287 have been completed and the County anticipates constructing a portion of the 18 deferred projects from savings from completed projects.

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 2012, CCT riders took nearly 3.8 million trips, displaying a slight decrease in ridership. CCT continues with the Breeze Fare Collection System which allows CCT passengers to be able to easily transfer between CCT and MARTA.

The 2011 SPLOST Program has added various opportunities for DOT to pursue projects not approved during the 2005 SPLOST Program conception phase. Every project funded by the 2011-15 SPLOST will improve the quality of life in Cobb County by maintaining, improving and enhancing County parks, transportation, infrastructure, public safety, libraries, senior services, judicial, and public health facilities. Projects include infrastructure preservation (resurfacing, bridges and drainage), pedestrian improvements, transit, traffic congestion relief, safety and operational improvements (roadways, intersections, and school zones), and federal/state matching funds.

2011 SPLOST Transportation Project Updates	
The First Year	***Construction projects completed in the first three quarts of inception:*** ***5 planned – 15 projects are complete which include:*** o Holly Springs Road at Davis Road Roundabout o Woodland Brook Drive o Mark Ave Bridge Replacement o Paper Mill Road at Sope Creek Elementary School o 4 Drainage projects
Current On-Going Projects	**Transportation Project Status** o 83 Pre-Construction Projects underway o 31 Construction Projects o 15 Projects completed
Upcoming Projects	**Planned Engineering Starts** o Cedar Brook Drive over Noonday Creek Tributary o Burnt Hickory Road over Mud Creek o Pitner Road over Little Allatoona Creek o Cobb Parkway at Windy Hill Road o Paper Mill Road Bridge Replacement over Sope Creek o Pedestrian Bridge Locations and Inspection o I-75 at Wade Green Road DDI (GDOT funding) o US 41 at SR 92 North Intersection Improvements (GDOT funding) o Cheatham Hill Road at John Ward Road Intersection Improvements

Cobb County Public Safety: Every project funded by the 2011-15 SPLOST will improve the quality of life in Cobb County by maintaining, improving and enhancing County parks, transportation, infrastructure, public safety, libraries, senior services, judicial, and public health facilities. Public Safety enhancements include upgrading communication systems, purchase of essential fire, Emergency Medical Services (EMS) and police apparatus and equipment, as well as the renovation of existing facilities.

2011 SPLOST Public Safety Project Updates	
The First Year	***800 MHz/911 Communications completed Projects:*** o The operator consoles have been installed at the Cobb County Water Department and at the 911 dispatch centers for the cities of Kennesaw, Acworth, Austell, and Smyrna. o New Astro 25 repeater – Jail: All repeater equipment was installed and communication has been enhanced at that facility
Current On-Going Projects	***Police Department projects:*** o Police Equipment – Patrol Rifle Systems – Contract awarded to a firearm vendor ***Fire & Emergency Services projects:*** o Apparatus (Air 30 support apparatus): Advertised for bids. o Apparatus (Engine): Conducted final inspection of 3 engines prior to delivery
Upcoming Projects	***800 MHz/911 Communications*** o Upgrade operator consoles: Punch list items will be completed. o New Astro 25 repeater Jail: Some electrical and HVAC equipment will be added to help protect repeater equipment ***Police Department projects:*** o Police Equipment – Patrol Rifle Systems – Transition training for officers to begin after first shipment is received ***Fire & Emergency Services projects:*** o Apparatus (Engine): Accept delivery for 3 engines October 2012. o Apparatus (Air 30 support apparatus): Request BOC approval to award bid for air 30 support apparatus. o Apparatus (Air 27 support apparatus): Projected delivery of air & light support apparatus. o Apparatus (Rescue): Develop specifications for rescue trucks.

Cobb County Parks, Recreation and Cultural Affairs: Every project funded by the 2011-15 SPLOST will improve the quality of life in Cobb County by maintaining, improving and enhancing County parks, transportation, infrastructure, public safety, libraries, senior services, judicial, and public health facilities. Funding for these projects will be geared toward revitalization of existing parks, and renovations to existing park buildings and facilities to benefit the citizens of Cobb County.

2011 SPLOST Parks Recreation & Cultural Affairs Project Updates	
The First Year	***Construction projects completed in the first three quarts of inception:*** o Anderson Theater Fly System – project complete *[New Hand Lines and Locks, Floor Blocks]* o Mountain View Aquatic Center – Air Quality and Interior Improvements *[10/15/2012 Reopening]*
Current On-Going Projects	o Tennis Center Buildings at Harrison Park, Terrell Mill Park, Kennworth Park: *Architectural, Engineering Designs Underway* o Fullers Park Crosstie Wall Replacement, Additional Parking- *Construction documents complete, Contractor Award Consideration* o Lions Park, Wallace Park Crosstie Wall Replacement – *Design/Build Project Underway, Scheduled for completion 2/1/2013* o Noonday Creek Park Redevelopment – *Design/Build Project Underway, Scheduled for completion 7/26/2013* o Hyde Farm – Received and ranked proposals for Historical Architect o **Powder Springs Park -** Master Planning Underway ***[****Add parking, re-orient fields to minimize flood impacts; Eliminate swimming pool, replace with feature at Wild Horse Creek]*
Upcoming Projects	**Planned Engineering Starts** o Wallace Park Redevelopment – Design Contract Awarded o Sewell Park Field Redevelopment – Design Contract Awarded o Kennworth Park Redevelopment – Design Contract Awarded o Sewell Park Pool Design/Build Redevelopment – Contract Award - BOC (10/23/12) o Sandy Plains Park Redevelopment – Design Proposals Received o Wildhorse Creek Park Water Feature – Design Proposals Received **Solicit proposals for and begin in the following projects:** o **Civic Center** – Facility Analysis and Improvement Assessment o **Hurt Road Park** – Design for Redevelopment o **Fullers Park** – Design for Replacement of 3 Concession/Restroom Buildings o **Jim Miller Park** – Infrastructure Condition Assessment and Replacement Design o **Shaw Park -** Design for Redevelopment o **Al Bishop Park** – Design for Replacement of Concession/Restroom Building

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 within restricted, committed, or assigned 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, 2011. This represented the twenty-sixth 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 2012, Cobb County received the Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) for the fifth 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 eighteenth consecutive GFOA Award for Distinguished Budget Presentation for its biennial operating budget presented in the FY 13/14 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 FY12. These awards include the Georgia Association of Water Professionals (GAWP) 2012 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 Water Sense Partners have helped Americans save 125 billion gallons of water. Cobb County Water System was honored as the 2012 Promotional Partner of the Year.

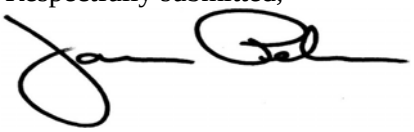
We wish to acknowledge the outstanding efforts of the Finance Department staff in the preparation of this report. Their dedication and contributions to the preparation of this report, along with the direction and

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

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Cobb County

Georgia

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

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

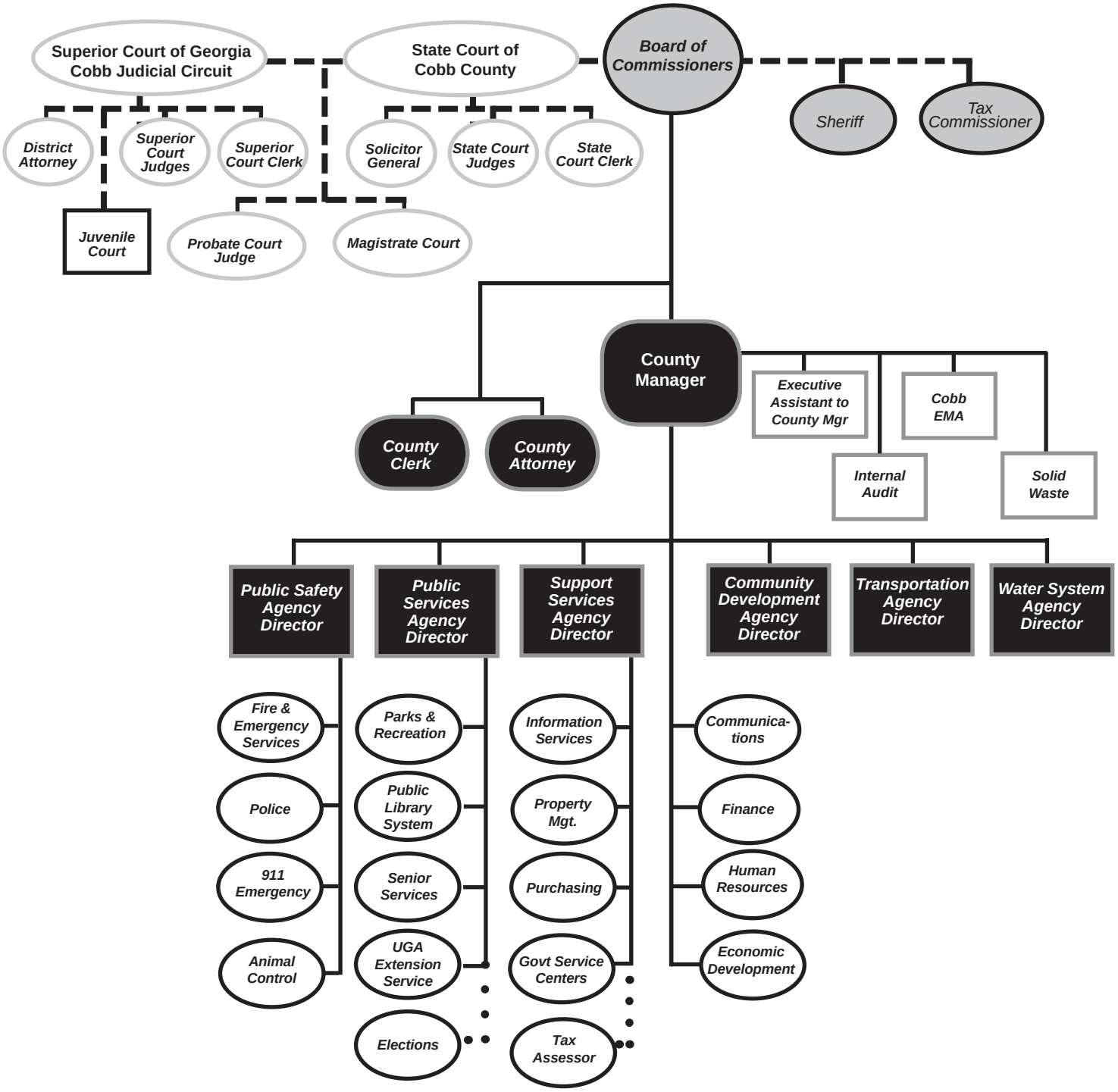


Christopher P Morrill
President

Jeffrey R. Esser
Executive Director

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.

BACK TO TABLE OF CONTENTS



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

Associate Comptroller.....Bill Volckmann

Finance Division Manager.....Roxane Rush

Budget Administrator ..... Dan Streett

Accounting Manager..... Tari Phillips

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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.

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, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the 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, 2012, 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 Fire District 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 25, 2013 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.

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Accounting principles generally accepted in the United States of America require that 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 81 through 83 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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, the water and sewer fund comparative statement of revenues and expenses, and the schedule of expenditures of federal awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund 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 is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Crace Galvis McGrath, LLC

February 25, 2013



MANAGEMENT'S DISCUSSION & ANALYSIS

The Management's Discussion and Analysis of Cobb County Government's Comprehensive Annual Financial Report (CAFR) provides an overall narrative and analysis of the County's financial statements for the fiscal year ended September 30, 2012. 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.

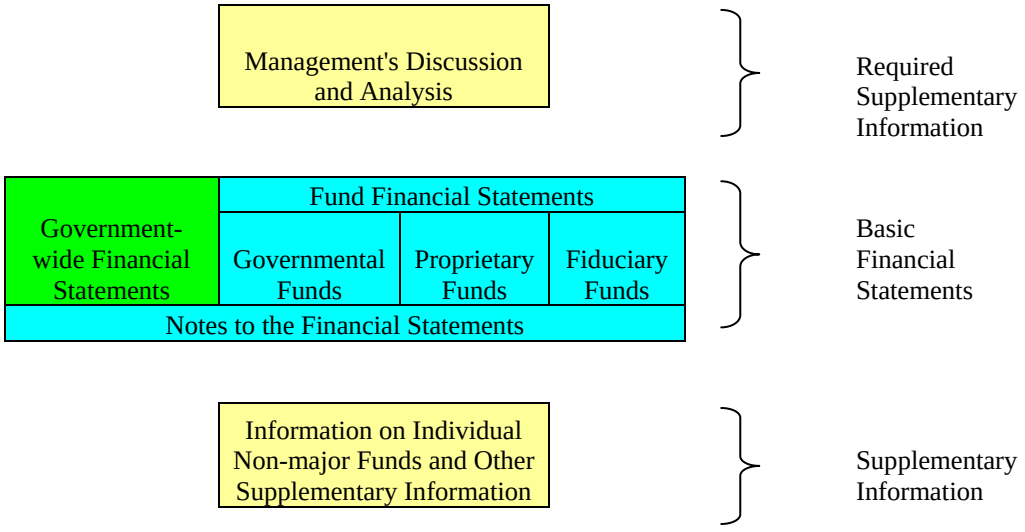
Financial Highlights

Key financial highlights for FY12 are as follows:

- The County's combined net assets totaled $4.5 billion. Of this amount, unrestricted net assets of $58 million may be used to meet the government's ongoing obligations to citizens and creditors.
- Combined revenue totaled $835.6 million of which governmental activities totaled $608.5 million and business-type activities totaled $227.1 million.
- Overall expenses totaled $708.6 million of which governmental activities totaled $522.4 million and business-type activities totaled $186.2 million.
- At the end of September 30, 2012, governmental activities expenses exceeded program revenues, resulting in the use of $368 million in general revenues (mostly taxes).
- Cobb County's total long term debt increased by $2.3 million (0.4%) during the current fiscal year.
- At September 30, 2012, the County's General Fund reported an unassigned fund balance of $44.2 million.

Overview of the Financial Statements

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



This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

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

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

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

Both of the government-wide financial statements distinguish functions of Cobb County Government that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities include general government, public safety, public works, health and welfare, culture and recreation and housing and development. The business-type activities include Water and Sewer, Solid Waste operations, Transit and Golf Course operations.

The government-wide financial statements include not only Cobb County Government itself but also a legally separate Coliseum and Exhibit Hall Authority and a separate Board of Health for which the government is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

Fund Financial Statements

A Fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

Governmental Funds

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

The County maintains four governmental fund types: the General Fund; Special Revenue Funds (Fire District, 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, 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 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 eleven fiduciary funds; nine 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, the Child Support, Witness and Jurors' Fees, and two trust funds for the Pension Fund, and the Other Post Employment Benefit Fund. The basic fiduciary funds financial statements can be found on pages 30-31 of this report.

Component Units

Cobb County has two component units; the Cobb–Marietta Coliseum and Exhibit Hall Authority and the Cobb County Board of Health. The two component units are included in the financial statements because of their operational and financial relationship to the County. The financial statements include the financial data for the County's component units as reflected in their most recent audited financial statements. The information presented for the Cobb–Marietta Coliseum and Exhibit Hall Authority and the Cobb County Board of Health are as of and for the year ended September 30, 2012 and June 30, 2012, respectively.

Budgetary Comparisons

Cobb County adopts an annual appropriated budget for the General Fund, Special Revenue Funds, and the Debt Service Fund. A budgetary comparison statement has been provided for the General Fund and Fire District Special Revenue Fund and can be found on pages 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 32-80 of this report.

Government-wide Financial Analysis

Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The County's combined net assets (government and business-type activities) totaled $4.5 billion at September 30, 2012.

The following table provides a summary of the County's governmental and business-type net assets for fiscal years 2012 and 2011:

Cobb County, Georgia
Statement of Net Assets

	Governmental Activities 2012	Governmental Activities 2011	Business-type Activities 2012	Business-type Activities 2011	Total 2012	Total 2011
Assets:						
Current assets	$ 449,458,874	$ 397,601,373	$ 43,533,254	$ 41,783,328	$ 492,992,128	$ 439,384,701
Other - noncurrent	6,686,068	3,991,455	76,043,016	70,734,117	82,729,084	74,725,572
Capital assets - net	3,055,208,651	3,037,345,681	1,620,914,841	1,580,945,696	4,676,123,492	4,618,291,377
Unamortized issuance costs	116,212	126,615	4,190,138	4,356,228	4,306,350	4,482,843
Total assets	$ 3,511,469,805	$ 3,439,065,124	$ 1,744,681,249	$ 1,697,819,369	$ 5,256,151,054	$ 5,136,884,493
Liabilities						
Current liabiities	$ 147,321,945	$ 153,173,309	$ 36,387,683	$ 40,615,993	$ 183,709,628	$ 193,789,302
Long-term liabilities (net)	127,477,204	142,243,416	399,393,348	382,287,582	526,870,552	524,530,998
Total liabilities	$ 274,799,149	$ 295,416,725	$ 435,781,031	$ 422,903,575	$ 710,580,180	$ 718,320,300
Net Assets						
Invested in capital assets, net of related debt	$ 2,993,197,551	$ 2,964,844,393	$ 1,234,745,764	$ 1,216,295,546	$ 4,227,943,315	$ 4,181,139,939
Restricted	190,983,262	148,602,863	68,412,045	57,377,091	259,395,307	205,979,954
Unrestricted	52,489,843	30,201,143	5,742,409	1,243,157	58,232,252	31,444,300
Total net assets	$ 3,236,670,656	$ 3,143,648,399	$ 1,308,900,218	$ 1,274,915,794	$ 4,545,570,874	$ 4,418,564,193

93% 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 $46.8 million (1.1%) in FY12.

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.

Changes in Net Assets

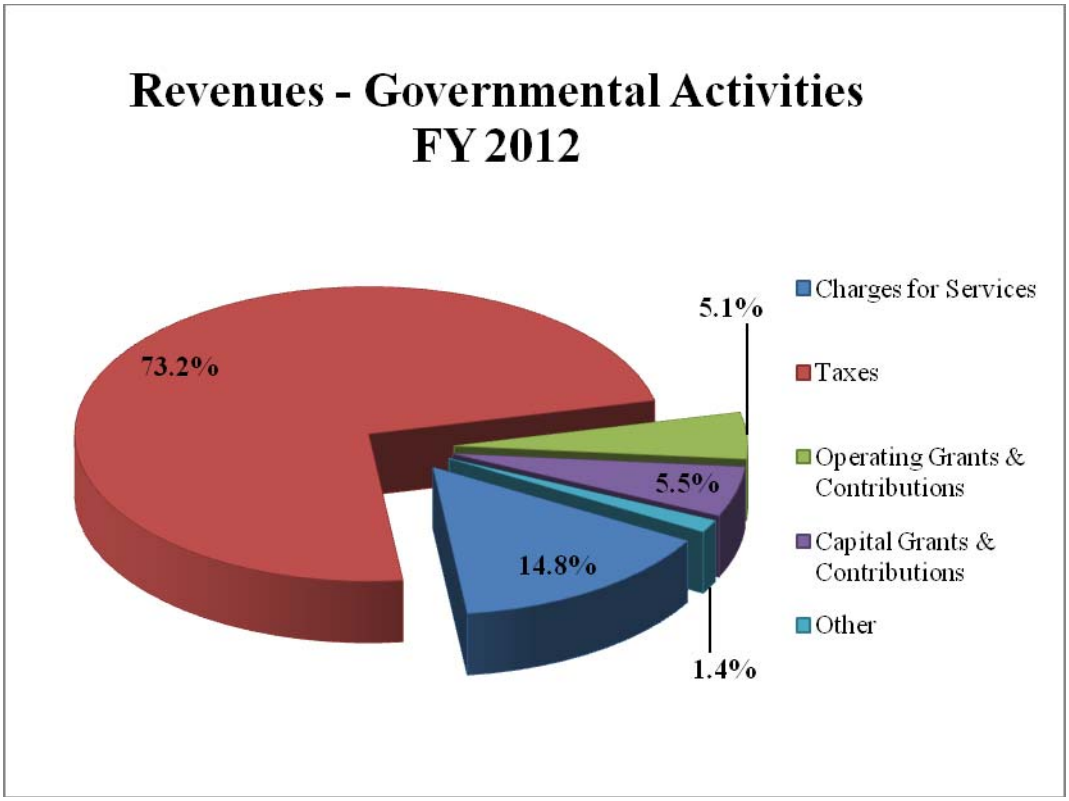
Governmental and business-type activities increased the County's net assets by $127 million in FY12. The following table indicates the changes in net assets for governmental and business-type activities in FY12 and FY11:

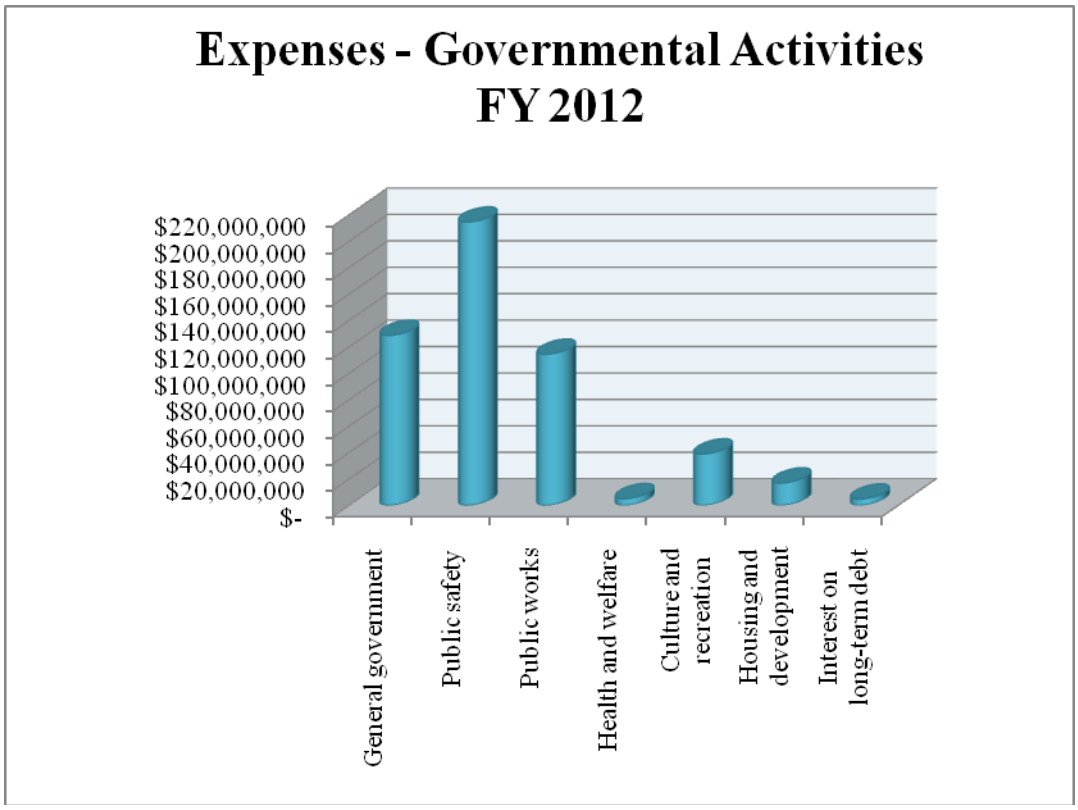
Cobb County, Georgia
Changes in Net Assets

	Governmental Activities 2012	Governmental Activities 2011	Business-type Activities 2012	Business-type Activities 2011	Total 2012	Total 2011
Revenues:						
Program Revenues:						
Charges for Services	$ 89,871,022	$ 85,788,623	$ 208,502,785	$ 204,944,118	$ 298,373,807	$ 290,732,741
Operating Grants & Contributions	30,918,003	36,156,256	-	-	30,918,003	36,156,256
Capital Grants & Contributions	33,672,286	24,297,732	18,250,239	15,225,107	51,922,525	39,522,839
General Revenues:						
Property Taxes	266,092,328	266,292,261	-	-	266,092,328	266,292,261
Other Taxes	179,649,447	175,239,613	-	-	179,649,447	175,239,613
Grants and contributions not restricted to specific programs	-	-	-	-	-	-
Other	8,331,801	9,726,732	328,155	611,349	8,659,956	10,338,081
Total Revenues	$ 608,534,887	$ 597,501,217	$ 227,081,179	$ 220,780,574	$ 835,616,066	$ 818,281,791
Expenses:						
General government	$ 128,569,788	$ 124,434,470	$ -	$ -	$ 128,569,788	$ 124,434,470
Public safety	214,304,007	208,553,530	-	-	214,304,007	208,553,530
Public works	114,304,649	110,401,097	-	-	114,304,649	110,401,097
Health and welfare	4,959,244	6,152,176	-	-	4,959,244	6,152,176
Culture and recreation	38,769,474	38,136,019	-	-	38,769,474	38,136,019
Housing and development	16,821,511	20,739,086	-	-	16,821,511	20,739,086
Interest on long-term debt	4,661,298	4,875,524	-	-	4,661,298	4,875,524
Water and Sewer	-	-	161,143,254	160,087,751	161,143,254	160,087,751
Solid Waste	-	-	1,268,190	1,042,053	1,268,190	1,042,053
Transit	-	-	22,105,963	23,823,838	22,105,963	23,823,838
Cobblestone Golf Course	-	-	1,702,007	1,628,098	1,702,007	1,628,098
Total Expenses:	$ 522,389,971	$ 513,291,902	$ 186,219,414	$ 186,581,740	$ 708,609,385	$ 699,873,642
Increase in net assets before transfers	$ 86,144,916	$ 84,209,315	$ 40,861,765	$ 34,198,834	$ 127,006,681	$ 118,408,149
Transfers	6,877,341	5,650,524	(6,877,341)	(5,650,524)	-	-
Increase in net assets	$ 93,022,257	$ 89,859,839	$ 33,984,424	$ 28,548,310	$ 127,006,681	$ 118,408,149
Net Assets - beginning	$ 3,143,648,399	$ 3,053,788,560	$ 1,274,915,794	$ 1,246,367,484	$ 4,418,564,193	$ 4,300,156,044
Net Assets - ending	$ 3,236,670,656	$ 3,143,648,399	$ 1,308,900,218	$ 1,274,915,794	$ 4,545,570,874	$ 4,418,564,193

Governmental Activities

Governmental activities increased the County's net assets by $93 million thereby accounting for 73.2% of the total growth in net assets.


Revenues - Governmental Activities
FY 2012
73.2%
5.1%
5.5%
14.8%
1.4%
Charges for Services
Taxes
Operating Grants & Contributions
Capital Grants & Contributions
Other


Expenses - Governmental Activities
FY 2012
$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 $33.98 million thereby accounting for 26.8% of the total growth in net assets.

Changes in Overall Net Assets from Operating Results
Revenues
The County's total revenue increased 2.1%, or $17.3 million, in FY12. Revenue received from taxes increased by a total of $4.2 million overall, primarily due to an increase in the sales taxes which collected $130.6 million, a 3% increase from FY11. Revenue received for the 2006 Special Purpose Local Option Sales Tax (SPLOST) program totaled $48.9 million overall in its seventh year; while the 2011 Special Purpose Local Option Sales Tax (SPLOST) program earned revenue totaling $98 million in its first year of operations. Capital Grants and Contributions increased by $12.4 million in FY12. Key elements of this increase are a result of the timing by Cobb DOT in its federal draw reimbursements as well as a $2 million increase in subdivision road donations by various developers.

Expenses
The County's total expenses increased 1.3%, or $8.7 million, in FY12. The largest increase is in the Public Safety function. Public Safety increased $5.75 million over the prior year, while general government increased $4.1 million. The majority of these increases are related to an increase in personnel services of $1 million, which was the net result of a $2.8 million increase in pension contributions and a $1.8 million decrease in health premiums. Water and Sewer expenses increased $1.1 million over the prior year and which was a result of increase expenditures for repairs and maintenance of sewer lines by contractors.

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 unassigned 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 FY12 with strong fund balances in its governmental funds. The combined balance of all the governmental funds is $267.9 million. Of this total, $44.2 million or 16.5% 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 $44.2 million, and total fund balance was $78.5 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 14.9% of total general fund operating expenditures and total fund balance represents 26.5% of that same amount.

The fund balance of the General Fund increased $14.2 million in FY12 for a total of $78.5 million. The Board of Commissioners made a collaborative effort to focus on maintaining the county's excellent financial position. Charges for services increased $4.8 million, while operating expenditures increased approximately $6.2 million (2.1%). The largest increases were in General Government and Public Safety.

Total transfers out in the General Fund of $16.7 million represent the appropriation of funds to the Public Facilities Fund, Transit Fund, Solid Waste Fund, Water System Funds, the 800 MHz Fund, SPLOST Fund and the Grant Fund. $7.9 million of transfers out are transferred to the Public Facilities Fund for various capital projects including $2.8 million for the lease payments for Powder Springs Station, $1.4 million for road resurfacing projects and intersection improvements; $3.2 million for PC replacements and other computer technology upgrades. Transfers out of $6.6 million represent the appropriation of funds to subsidize Transit and Solid Waste. $1.1 million for fiscal year 2012 debt service requirements. $0.65 million was transferred to the 800 MHz Fund for Core Replacement and $0.4 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 $18.9 million is reported as restricted for construction and capital outlay. The fund balance increased by $4.7 million during the current fiscal year because the property tax digest did not decrease by as much as budgeted. While total assets increased by $1.2 million, total liabilities also decreased by $3.5million.

SPLOST Fund
The SPLOST Fund accounts for the financial resources provided from the 2006 and 2011one percent Special Purpose Local Option Sales Tax. Such funds were approved by voter referendum for public safety and transportation projects, as well as parks, recreational and cultural affairs, and support services. At the end of the current fiscal year, the SPLOST Fund reported a fund balance of $146 million all of which is restricted for specific construction projects. Revenues exceeded expenditures by $37.4 million. Of the $110.5 million in expenditures, $2.5 million was spent on facility projects by the County's Property Management Division, to include $1 million for the new Senior Wellness Center, $1.8 million for various parks projects, $3.3 million for Public Safety projects to include $1.75 million to complete the ongoing 800Mhz Communication Systems upgrade, and $76.9 million was spent on various DOT safety and improvement road, bridge and sidewalk projects. The remaining $25 million represents payments to the cities for their portion of SPLOST proceeds.

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, 800 MHz Fund, and Streetlight District Fund.

Nonmajor Special Revenue Funds' operating revenue totaled $55 million for the fiscal year ended September 30, 2012. Total operating revenues decreased by $6.3 million (10.3%).

Operating expenditures of the nonmajor Special Revenue Funds totaled $51.9 million for FY12. Total Nonmajor Special Revenue Funds' operating expenditures decreased by $7.2 million (12.2%). The decrease in expenditures is mainly reflected in the reduction of $5.9 million expenditures for Housing and Development Programs. Of this total $2.6 million was a decrease in the Housing and Urban Development Grant Fund, in part due to the reduction in acquisitions for the Neighborhood Stabilization Program.

The fund balance of the nonmajor Special Revenue Funds totaled $14.3 million. This was an increase of $441 thousand from FY11.

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 $9.2 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 two nonmajor Capital Projects Funds: the Public Facilities Fund and the Parking Deck Construction Fund. The nonmajor Capital Projects Funds overall fund balance is $881 thousand all of which is non spendable or committed for specific construction and improvement projects and capital acquisitions.

Operating expenditures exceeded operating revenues by $10.6 million for the nonmajor capital project funds which was offset by a transfer in of $9.8 million, a transfer out of $2.2 million and the proceeds from issuance of a capital lease for $527 thousand. 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.

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 $33.8 million. Total net assets increased $30.5 million in FY12.

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 $22.5 million; however, they generated a net gain of $2.3 million in FY12 due to transfers in amounting to $3.3 million for fiscal year 2012 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 FY12 landfill liability is $25 million.

The Cobblestone Golf Course Fund accounts for the operations and maintenance of the County's golf course. It ended FY12 with a net income from operations before depreciation of $0.5 million. However, overall net income (including depreciation, non-operating revenues and expenses) was $236,996 for FY12. Net assets totaled $2.8 million. The number of rounds of golf increased 11% from the prior year and contributed to an increase of $0.15 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 $0.242 million (4%) from FY11 and total operating expenses decreased by $1.7 million (8.8%). Net assets totaled $43.1 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:

General Government

- General government had an overall $7.5 million increase. The final budget is a result of increases in personal services ($0.8 million), operating expenditures ($4.7 million) and capital outlays ($2). The judicial departments recognized an overall $1.8 million increase in the final budgets for personal service and operating expenditures. The executive and administrative departments recognized an overall $5.7 million increase in the final budgets for personal service, operating expenditures and capital outlay. Most notably, the Purchasing Department increased its operating budget by $.6 million and capital outlay budget by $1.8 million and overall General Administrative Departments increased the operating budget by $2.8 million.

Public Safety

- Public Safety had an overall $1.2 million increase. Personal services decreased $.5 million due to the reduction in health plan premiums; however, this was somewhat offset by the additional contribution to the pension plan. Operating expenditures increased by $0.6 million for the Police Department. 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. Capital expenditures also increased for the Sheriff and Corrections Department by $0.3 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 $0.8 million increase. This increase is a part of personal services, operating expenditures and capital outlay. Personal services increased $0.155 million as a net result due to the reduction in health plan premiums; offset by the additional contribution to the pension plan. There was a increase in operating expenditures $.4 million and capital outlay increased by $0.24 million for traffic control equipment.

Culture and recreation:

- Culture and recreation had an overall increase of $1 million. This increase is a part of personal services, operating expenditures and capital outlay. Personal services decreased $.3 million due to the reduction in health plan premiums. There was an increase in operating expenditures $0.5 million to order provide increased landscaping and other grounds and maintenance services at the various park locations. Capital outlay increased by $0.8 million for land improvements.

The County's final budget less reserves projected a loss of $4.9 million in the General Fund with the fund reporting an actual increase of $10.9 million. Overall revenues ended the year $5.9 million over budget while operating expenditures ended the fiscal year $11.2 million under budget. Expenditure control was very important in the FY12 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, 2012 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	
	2012	2011	2012	2011	2012	2011
Land	$ 973,121	962,823	$ 77,823	$ 76,974	$ 1,050,944	$ 1,039,797
Buildings and structures	395,185	399,264	34,473	35,537	429,658	434,801
Improvements	14,954	15,905	-	-	14,954	15,905
Sewerage Plants	-	-	538,438	522,629	538,438	522,629
Machinery and equipment	38,712	39,541	16,148	15,790	54,860	55,331
Infrastructure	1,441,783	1,460,869	601,504	591,250	2,043,287	2,052,119
Construction in progress	191,454	158,944	352,528	338,766	543,982	497,710
Total	$ 3,055,209	3,037,346	$ 1,620,914	$ 1,580,946	$ 4,676,123	$ 4,618,292

The County's total net increase in capital assets for the current fiscal year was 1.0%.

Governmental assets that were moved from construction in progress to the asset records during the year totaled approximately $42 million. Some of the major projects for FY12 consisted of the following: road construction or improvements, pedestrian bridge, sidewalks and renovations to Powder Spring Station. In addition, both of the Special Purpose Local Option Sales Tax (SPLOST) programs that were approved by voters in September 2005 and subsequently in March 2011 funded various improvements around the County. The 2005 program to date has approximately 299 transportation projects that are underway or completed. The 2011 SPLOST Program has added various opportunities for DOT to pursue projects not approved during the 2005 SPLOST Program conception phase. Every project funded by the 2011-15 SPLOST will improve the quality of life in Cobb County by maintaining, improving and enhancing County parks, transportation, infrastructure, public safety, libraries, senior services, judicial, and public health facilities. Projects include infrastructure preservation (resurfacing, bridges and drainage), pedestrian improvements, transit, traffic congestion relief, safety and operational improvements (roadways, intersections, and school zones), and federal/state matching funds. A complete list of the projects and further details regarding the 2011-2015 SPLOST program is available on the County's website.

Business-type assets moved from construction in progress to the asset records during the year totaled approximately $60.4 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.

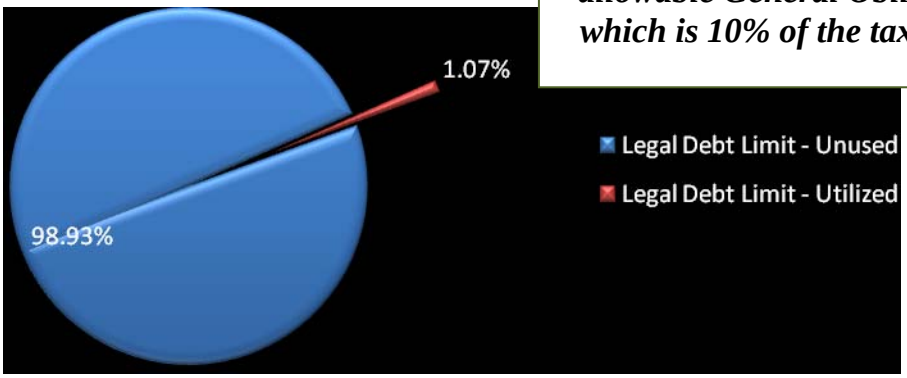
Additional information on the County's capital assets can be found in Note 5 of the Basic Financial Statements section of this report.

Long-Term Debt

As of September 30, 2012, Cobb County had a net of $526.9 million in outstanding long-term debt, which does not include interest expense. Of this amount, $33.8 million (net of current debt less discount) comprises general obligation debt backed by the full faith and credit of the government and $196.3 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 $20.2 million of outstanding bonds in FY12.

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 tenth 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 thirteen consecutive years of perfect permit compliance at R.L. Sutton Water Reclamation Facility and eleventh 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 sixteen 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 an economic recovery. Tourism revenue showed a increase of 4.8% over the prior year; and, the one percent sales tax (SPLOST) generated

$130.7 million in tax revenue which is a $3.8 million increase compared to FY11. Single family residential permits again showed an increase 1.0% this past year while other new residential construction permits decreased 1.3% displaying overall stagnant growth.

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 2012, the County incurred $5.24 million in costs associated with the Flood damage, with revenues reimbursed from GEMA and FEMA totaling $2.1 million and outstanding receivables totaling $2.9 million.

Many factors were taken into consideration when preparing the FY13 budget. The FY13 adopted budget had a 2% increase compared to the FY12 adopted budget. The FY12 budget had significant budget amendments throughout the year, and these tight controls carried forward into the FY13 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 some capital projects and finding more innovative ways to do more with less. Other budget reductions included were fringe benefits in the reduction of health premiums, as well as office supplies, capital purchases, employee travel and training, fuel costs and various professional, legal and maintenance services.

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

Requests for Information

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

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



BASIC FINANCIAL STATEMENTS

Cobb County, Georgia
Statement of Net Assets
September 30, 2012

	Primary Government			Component Unit	
	Governmental Activities	Business-type Activities	Total	Cobb-Marietta Coliseum and Exhibit Hall September 30, 2012	Cobb County Board of Health June 30, 2012
Assets					
Cash and cash equivalents	$ 207,386,460	$ 19,312,988	$ 226,699,448	$ 1,509,065	$ 1,963,601
Investments, at fair value	43,072,939	300,000	43,372,939	-	1,384,862
Receivables	171,136,085	22,954,796	194,090,881	501,330	538,913
Internal balances	3,089,139	(3,089,139)	-	-	-
Due from external parties	34,410	-	34,410	-	-
Due from component unit	285,042	-	285,042	-	-
Due from primary government	-	-	-	801,649	-
Due from other governments and agencies	22,812,732	2,702,492	25,515,224	87,027	1,409,226
Inventories	1,306,378	1,343,974	2,650,352	77,800	164,631
Prepaid items	335,689	8,143	343,832	180,018	-
Other assets	6,686,068	687,746	7,373,814	1,089,464	-
Restricted assets	-	75,355,270	75,355,270	78,915,844	-
Capital assets not being depreciated	1,164,574,898	430,351,198	1,594,926,096	38,768,989	-
Capital assets being depreciated, net	1,890,633,753	1,190,563,643	3,081,197,396	136,680,327	1,451,778
Unamortized note costs	-	3,200,000	3,200,000	-	-
Unamortized costs	116,212	990,138	1,106,350	-	-
Total assets	$ 3,511,469,805	$ 1,744,681,249	$ 5,256,151,054	$ 258,611,513	$ 6,913,011
Liabilities					
Accounts payable	$ 21,432,138	$ 28,470,309	$ 49,902,447	$ 1,869,755	$ 386,635
Accrued payroll	7,535,803	713,802	8,249,605	-	258,712
Arbitrage liability	-	54,882	54,882	-	-
Due to primary government	-	-	-	306,122	-
Due to component unit	801,650	-	801,650	-	-
Due to external parties	332,340	1,071	333,411	32,489	-
Due to other governments and agencies	3,144,839	24,135	3,168,974	40,557	236,949
Claims and judgments	13,499,509	-	13,499,509	-	-
Customer deposits	-	4,462,391	4,462,391	1,425,986	-
Notes payable-current	98,221,685	-	98,221,685	-	-
Accrued interest payable	1,751,561	2,631,645	4,383,206	2,171,860	-
Unearned revenue	602,420	29,448	631,868	724,208	92,148
Noncurrent liabilities					
Due within one year	26,859,109	21,191,217	48,050,326	7,165,966	725,195
Due in more than one year	100,618,095	378,202,131	478,820,226	129,345,808	3,673
Total liabilities	$ 274,799,149	$ 435,781,031	$ 710,580,180	$ 143,082,751	$ 1,703,312
Net Assets					
Invested in capital assets, net of related debt	$ 2,993,197,551	$ 1,234,745,764	$ 4,227,943,315	$ 56,529,498	$ 1,451,778
Restricted for:					
Renewal and expansion	-	68,412,045	68,412,045	12,788,041	-
Debt service	9,248,141	-	9,248,141	52,319,462	-
Splost projects	146,048,811	-	146,048,811	-	-
Completion of projects	14,541,934	-	14,541,934	-	-
Special programs	21,144,376	-	21,144,376	4,028,767	179,069
Unrestricted	52,489,843	5,742,409	58,232,252	(10,137,006)	3,578,852
Total net assets	$ 3,236,670,656	$ 1,308,900,218	$ 4,545,570,874	$ 115,528,762	$ 5,209,699

See accompanying notes to financial statements.

Cobb County, Georgia
Statement of Activities
For the Fiscal Year Ended September 30, 2012

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) 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, 2012	Component Unit: Cobb County Board of Health June 30, 2012
Primary Government									
Governmental Activities:									
General government	$ 128,569,788	$ 44,083,506	$ 7,905,030	$ -	$ (76,581,252)	$ -	$ (76,581,252)	$ -	$ -
Public safety	214,304,007	15,782,214	3,207,222	147,801	(195,166,770)	-	(195,166,770)	-	-
Public works	114,304,649	5,686,233	4,913,573	33,082,192	(70,622,651)	-	(70,622,651)	-	-
Health and welfare	4,959,244	125,741	2,995,429	-	(1,838,074)	-	(1,838,074)	-	-
Culture and recreation	38,769,474	3,730,765	1,045,796	442,293	(33,550,620)	-	(33,550,620)	-	-
Housing and development	16,821,511	20,462,563	10,850,953	-	14,492,005	-	14,492,005	-	-
Interest on long-term debt	4,661,298	-	-	-	(4,661,298)	-	(4,661,298)	-	-
Total governmental activities	522,389,971	89,871,022	30,918,003	33,672,286	(367,928,660)	-	(367,928,660)	-	-
Business-type Activities:									
Water and Sewer	$ 161,143,254	$ 199,908,029	$ -	$ 6,984,727	$ -	$ 45,749,502	$ 45,749,502	$ -	$ -
Solid Waste	1,268,190	319,350	-	-	-	(948,840)	(948,840)	-	-
Transit	22,105,963	6,334,856	-	11,265,512	-	(4,505,595)	(4,505,595)	-	-
Cobblestone Golf Course	1,702,007	1,940,550	-	-	-	238,543	238,543	-	-
Total business-type activities	186,219,414	208,502,785	-	18,250,239	-	40,533,610	40,533,610	-	-
Total primary government	$ 708,609,385	$ 298,373,807	$ 30,918,003	$ 51,922,525	$ (367,928,660)	$ 40,533,610	$ (327,395,050)	$ -	$ -
Component Units									
Cobb-Marietta Coliseum and Exhibit Hall Authority	$ 33,357,486	$ 18,507,081	$ 11,896,962	$ 2,452,159	$ -	$ -	$ -	$ (501,284)	$ -
Cobb County Board of Health	26,804,415	8,818,675	18,428,932	-	-	-	-	-	443,192
Total component units	$ 60,161,901	$ 27,325,756	$ 30,325,894	$ 2,452,159	$ -	$ -	$ -	$ (501,284)	$ 443,192
General revenues:									
Property taxes					$ 266,092,328	$ -	$ 266,092,328	$ -	$ -
Sales taxes					130,658,337	-	130,658,337	-	-
Insurance premium tax					21,312,299	-	21,312,299	-	-
Alcoholic beverage tax					4,611,903	-	4,611,903	-	-
Hotel/Motel tax					10,366,262	-	10,366,262	-	-
Real estate transfer tax					964,058	-	964,058	-	-
Miscellaneous taxes					11,736,588	-	11,736,588	-	-
Miscellaneous					7,274,977	193,332	7,468,309	600	-
Gain from sale of capital assets					11,123	34,395	45,518	-	-
Unrestricted investment earnings					1,045,701	100,428	1,146,129	27,331	-
Transfers					6,877,341	(6,877,341)	-	-	-
Total general revenues and transfers					460,950,917	(6,549,186)	454,401,731	27,931	-
Change in net assets					93,022,257	33,984,424	127,006,681	(473,353)	443,192
Net assets - beginning of year					3,143,648,399	1,274,915,794	4,418,564,193	116,002,115	4,766,507
Net assets - end of year					$ 3,236,670,656	$ 1,308,900,218	$ 4,545,570,874	$ 115,528,762	$ 5,209,699

See accompanying notes to financial statements.

Cobb County, Georgia
Governmental Funds
Balance Sheet
September 30, 2012

	General Fund	Fire District Fund	SPLOST Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 28,004,072	$ 21,998,137	$ 104,982,675	$ 17,654,138	$ 172,639,022
Investments, at fair value	-	-	43,072,939	-	43,072,939
Receivables:					
Taxes and penalties	114,707,839	41,549,183	-	5,430,022	161,687,044
Accrued interest	2,985	-	58,570	-	61,555
Other	3,007,165	906,610	348,812	4,363,617	8,626,204
Due from other funds	1,798,093	-	1,619	273,340	2,073,052
Due from component units	-	-	-	285,042	285,042
Due from others	1,758	-	-	-	1,758
Due from other governments and agencies	886,982	-	15,700,243	6,225,507	22,812,732
Advances to other funds	4,069,609	-	-	-	4,069,609
Inventories	1,306,378	-	-	-	1,306,378
Prepaid items and other assets	12,522	339	-	322,828	335,689
Total assets	$ 153,797,403	$ 64,454,269	$ 164,164,858	$ 34,554,494	$ 416,971,024
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	$ 1,553,814	$ 7,637	$ 15,101,506	$ 2,986,481	$ 19,649,438
Accrued payroll	5,751,293	1,493,162	-	283,581	7,528,036
Due to other funds	672,395	-	128,507	2,252,620	3,053,522
Due to others	332,340	-	-	-	332,340
Due to component unit-Cobb Marietta Coliseum & Exhibit Hall Authority	801,650	-	-	-	801,650
Due to other governments and agencies	255,758	-	2,886,034	3,047	3,144,839
Notes payable, net	57,128,939	41,092,746	-	-	98,221,685
Accrued interest payable	403,750	290,417	-	-	694,167
Deferred revenue	8,415,779	2,641,451	-	4,604,009	15,661,239
Total liabilities	$ 75,315,718	$ 45,525,413	$ 18,116,047	$ 10,129,738	$ 149,086,916
Fund Balances:					
Nonspendable:					
Inventories and prepaid items	$ 1,318,900	$ 339	$ -	$ 322,828	$ 1,642,067
Advances	4,069,609	-	-	-	4,069,609
Restricted for:					
Debt Services	-	-	-	9,248,141	9,248,141
Construction and capital outlay	-	18,928,517	146,048,811	-	164,977,328
Special programs	2,003,534	-	-	13,960,890	15,964,424
Committed for:					
Debt Services	-	-	-	334,571	334,571
Construction and capital outlay	3,391,099	-	-	558,326	3,949,425
Special programs	23,447,247	-	-	-	23,447,247
Assigned for:					
Special programs	38,137	-	-	-	38,137
Unassigned	44,213,159	-	-	-	44,213,159
Total fund balance	$ 78,481,685	$ 18,928,856	$ 146,048,811	$ 24,424,756	$ 267,884,108
Total liabilities and fund balances	$ 153,797,403	$ 64,454,269	$ 164,164,858	$ 34,554,494	$ 416,971,024

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, 2012

Total fund balances - governmental funds	$	267,884,108
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		3,055,208,651
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:		
Property tax		11,299,303
Grants and contributions		3,759,516
Net other post employment benefits assets		2,920,154
Net pension asset		3,765,914
Unamortized bond issue costs		22,971
Unamortized certificates of participation issue costs		93,241
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.		20,240,899
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Accrued interest payable		(1,057,394)
Intergovernmental contract payable		(48,260,000)
Unmatured bonds		(40,370,000)
Unamortized bond issuance discounts		87,215
Unamortized deferred loss on refunding		211,586
Unamortized bond premiums		(718,649)
Certificates of participation		(10,260,000)
Capital leases payable		(5,907,329)
Compensated absences		(22,249,530)
Net assets of governmental activities	$	3,236,670,656

See accompanying notes to financial statements.

Cobb County, Georgia
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended September 30, 2012

	General Fund	Fire District Fund	SPLOST Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	$ 227,081,944	$ 69,069,646	$ 130,658,337	$ 19,388,335	$ 446,198,262
Licenses and permits	20,732,504	375,221	-	-	21,107,725
Intergovernmental	4,793,533	-	15,807,373	26,425,628	47,026,534
Charges for services	39,729,613	1,349,717	-	16,721,677	57,801,007
Fines and forfeits	10,963,315	-	-	-	10,963,315
Interest earned	746,391	217,899	328,783	44,254	1,337,327
Miscellaneous	5,091,547	27,539	15,259	2,374,624	7,508,969
Total revenues	$ 309,138,847	$ 71,040,022	$ 146,809,752	$ 64,954,518	$ 591,943,139
Expenditures:					
Current:					
General government	$ 115,360,177	$ -	$ -	$ 7,042,706	$ 122,402,883
Public safety	127,752,460	65,852,446	-	14,107,273	207,712,179
Public works	12,776,755	-	-	7,357,376	20,134,131
Health and welfare	3,953,986	-	-	1,121,391	5,075,377
Culture and recreation	29,551,166	-	-	6,828,457	36,379,623
Housing and development	6,998,080	-	-	11,366,561	18,364,641
Capital outlay	-	-	78,002,998	5,863,245	83,866,243
Debt service:					
Principal retirement	133,797	-	-	13,557,598	13,691,395
Interest and fiscal charges	94,267	55,987	-	4,683,918	4,834,172
Intergovernmental	-	-	32,479,600	-	32,479,600
Total expenditures	$ 296,620,688	$ 65,908,433	$ 110,482,598	$ 71,928,525	$ 544,940,244
Excess (deficiency) of revenues over (under) other expenditures	$ 12,518,159	$ 5,131,589	$ 36,327,154	$ (6,974,007)	$ 47,002,895
Other financing sources (uses):					
Transfers in	$ 18,351,568	$ 18,297	$ 1,049,863	$ 12,361,109	$ 31,780,837
Transfers out	(16,671,477)	(445,110)	-	(7,418,905)	(24,535,492)
Proceeds from sale of capital assets	8,236	11,385	-	-	19,621
Proceeds from issuance of capital lease	-	-	-	527,412	527,412
Total other financing sources (uses)	$ 1,688,327	$ (415,428)	$ 1,049,863	$ 5,469,616	$ 7,792,378
Net changes in fund balances	$ 14,206,486	$ 4,716,161	$ 37,377,017	$ (1,504,391)	$ 54,795,273
Fund balances at beginning of year	64,275,199	14,212,695	108,671,794	25,929,147	213,088,835
Fund balances at end of year	$ 78,481,685	$ 18,928,856	$ 146,048,811	$ 24,424,756	$ 267,884,108

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, 2012

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	54,795,273
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 ($89,108,607) were greater than depreciation ($89,067,737) in the current period.		40,870
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		(456,487)
Charges for services		1,025
Intergovernmental revenues		(831,339)
The net effect of various miscellaneous transactions involving capital assets (donations) is to increase net assets.		17,822,100
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		6,700,000
Capital lease proceeds		(527,412)
Capital lease principal payments		5,386,395
Intergovernmental contract payable		1,375,000
Certificates of participation payable		230,000
The current years increase to the net pension asset reduced the net expenses of pensionable functions on the statement of activities.		4,238,128
The current years reduction to the net other post employment benefits asset increased the net expense of other post employment benefits functions on the statement of activities.		(1,071,301)
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		1,032,569
Amortization for bond and capital lease discounts, deferred amounts, premiums		88,402
Accrued interest expense		84,472
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.		4,114,562
Changes in net assets of governmental activities.	$	93,022,257

See accompanying notes to financial statements.

Cobb County, Georgia
General Fund
Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2012

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Taxes	$ 224,999,136	$ 225,186,136	$ 227,081,944	$ 1,895,808
Licenses and permits	19,640,000	19,650,566	20,732,504	1,081,938
Intergovernmental	3,692,478	3,949,817	4,793,533	843,716
Charges for services	36,458,636	37,255,557	39,729,613	2,474,056
Fines and forfeits	11,050,500	11,859,980	10,963,315	(896,665)
Interest earned	930,000	930,864	746,391	(184,473)
Miscellaneous	3,589,268	4,435,550	5,091,547	655,997
Total revenues	$ 300,360,018	$ 303,268,470	$ 309,138,847	$ 5,870,377
Expenditures:				
Current:				
General government	$ 114,549,634	$ 122,113,263	$ 116,664,918	$ 5,448,345
Public safety	130,427,239	131,578,368	128,351,098	3,227,270
Public works	13,269,296	14,079,999	13,324,705	755,294
Health and welfare	4,907,022	5,060,465	4,988,445	72,020
Culture and recreation	29,556,064	30,601,317	29,339,702	1,261,615
Housing and development	7,192,166	7,304,242	7,011,301	292,941
Debt service:				
Principal retirement	135,033	135,033	133,797	1,236
Interest and fiscal charges	262,322	262,332	94,267	168,065
Total expenditures	$ 300,298,776	$ 311,135,019	$ 299,908,233	$ 11,226,786
Excess (deficiency) of revenues over (under) other expenditures	$ 61,242	$ (7,866,549)	$ 9,230,614	$ 17,097,163
Other financing sources (uses):				
Transfers in	$ 21,538,170	$ 22,427,648	$ 18,351,568	$ (4,076,080)
Transfers out	(19,820,167)	(19,533,904)	(16,671,477)	2,862,427
Proceeds from sale of capital assets	50,000	63,625	8,236	(55,389)
Total other financing sources (uses)	$ 1,768,003	$ 2,957,369	$ 1,688,327	$ (1,269,042)
Net changes in fund balance	$ 1,829,245	$ (4,909,180)	$ 10,918,941	$ 15,828,121
Fund balances at beginning of year			$ 64,275,199	
Fund balances at end of year - budgetary basis			$ 75,194,140	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			3,287,545	
Fund balance at end of year - GAAP basis			$ 78,481,685	

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, 2012

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	$ 68,064,129	$ 68,064,129	$ 69,069,646	$ 1,005,517
Licenses and permits	163,000	163,000	375,221	212,221
Charges for services	902,400	902,400	1,349,717	447,317
Interest earned	236,000	236,000	217,899	(18,101)
Miscellaneous	3,500	3,500	27,539	24,039
Total revenues	$ 69,369,029	$ 69,369,029	$ 71,040,022	$ 1,670,993
Expenditures:				
Current:				
Personal services	$ 58,508,400	$ 58,508,400	$ 56,006,459	$ 2,501,941
Operating expenditures	10,002,049	10,026,031	9,779,199	246,832
Capital outlay	258,775	315,487	280,905	34,582
Debt service:				
Interest and fiscal charges	150,000	150,000	55,987	94,013
Total expenditures	$ 68,919,224	$ 68,999,918	$ 66,122,550	$ 2,877,368
Excess of revenues over other expenditures	$ 449,805	$ 369,111	$ 4,917,472	$ 4,548,361
Other financing sources (uses):				
Transfers in	$ -	$ 18,297	$ 18,297	$ -
Transfers out	(449,805)	(449,805)	(445,110)	4,695
Proceeds from sale of capital assets	-	-	11,385	11,385
Total other financing sources (uses)	$ (449,805)	$ (431,508)	$ (415,428)	$ 16,080
Net changes in fund balance	$ -	$ (62,397)	$ 4,502,044	$ 4,564,441
Fund balance at beginning of year			14,212,695	
Fund balance at end of year - budgetary basis			18,714,739	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			214,117	
Fund balance at end of year - GAAP basis			$ 18,928,856	

See accompanying notes to financial statements.

Cobb County, Georgia
Proprietary Funds
Statement of Net Assets
September 30, 2012

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water and Sewer Fund	Other Enterprise Funds	Total	
Assets				
Current assets:				
Cash	$ 18,730,610	$ 582,378	$ 19,312,988	$ 34,747,438
Restricted cash and investments	75,355,270	-	75,355,270	-
Investments, at fair value	300,000	-	300,000	-
Receivables:				
Accounts, net	20,501,256	30,783	20,532,039	-
Other	2,220,916	201,841	2,422,757	761,282
Due from other funds	22,842	959,247	982,089	-
Due from others	-	-	-	32,652
Due from other governments and agencies	84,214	2,618,278	2,702,492	-
Inventories	1,343,974	-	1,343,974	-
Prepaid items	4,816	3,327	8,143	-
Total current assets	$ 118,563,898	$ 4,395,854	$ 122,959,752	$ 35,541,372
Noncurrent assets:				
Property, plant and equipment:				
Capital assets not being depreciated	$ 408,498,538	$ 21,852,660	$ 430,351,198	$ -
Capital assets being depreciated, net	1,154,153,424	36,410,219	1,190,563,643	-
Net property, plant and equipment	$ 1,562,651,962	$ 58,262,879	$ 1,620,914,841	$ -
Other assets:				
Unamortized note costs	$ 3,200,000	$ -	$ 3,200,000	$ -
Unamortized bond costs	950,100	40,038	990,138	-
Net pension asset	360,939		360,939	
Net OPEB asset	326,807	-	326,807	-
Total noncurrent assets	$ 1,567,489,808	$ 58,302,917	$ 1,625,792,725	$ -
Total assets	$ 1,686,053,706	$ 62,698,771	$ 1,748,752,477	$ 35,541,372

Continued on next page.

Cobb County, Georgia
Proprietary Funds
Statement of Net Assets
September 30, 2012

	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	$ 25,433,573	$ 3,036,736	$ 28,470,309	$ 1,782,700
Accrued payroll	699,953	13,849	713,802	7,767
Arbitrage liability	54,882	-	54,882	-
Due to other funds	-	1,619	1,619	-
Due to others	-	1,071	1,071	-
Customer deposits	4,462,391	-	4,462,391	-
Due to other governments and agencies	-	24,135	24,135	-
Accrued interest payable	2,554,770	76,875	2,631,645	-
Unearned revenues	-	29,448	29,448	-
Current portion of revenue bonds	10,395,000	2,100,000	12,495,000	-
Current portion of note payable	7,351,191	-	7,351,191	-
Current portion of compensated absences	990,594	61,827	1,052,421	10,497
Current portion of capital lease payable	-	66,812	66,812	-
Current portion of closure and post closure care	-	225,793	225,793	-
Estimated liability for claims and judgments	-	-	-	13,499,509
Total current liabilities	$ 51,942,354	$ 5,638,165	$ 57,580,519	$ 15,300,473
Long-term liabilities:				
Revenue bonds (net of current portion, bond discount, and loss on refunding)	$ 192,095,866	$ 4,203,017	$ 196,298,883	$ -
Notes payable (net of current portion)	156,060,874	-	156,060,874	-
Compensated absences (net of current portion)	500,539	37,167	537,706	-
Closure and post closure care (net of current portion)	-	25,045,826	25,045,826	-
Capital lease payable (net of current portion)	-	258,842	258,842	-
Advances from other funds	-	4,069,609	4,069,609	-
Total long-term liabilities	$ 348,657,279	$ 33,614,461	$ 382,271,740	$ -
Total liabilities	$ 400,599,633	$ 39,252,626	$ 439,852,259	$ 15,300,473
Net Assets				
Invested in capital assets, net of related debt	$ 1,183,253,233	$ 51,492,531	$ 1,234,745,764	$ -
Restricted for:				
Capital projects	68,412,045	-	68,412,045	-
Unrestricted	33,788,795	(28,046,386)	5,742,409	20,240,899
Total net assets	$ 1,285,454,073	$ 23,446,145	$ 1,308,900,218	$ 20,240,899

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, 2012

	Business-type Activities - Enterprise Funds			Governmental Activities -
	Water and Sewer Fund	Other Enterprise Funds	Total	Internal Service Fund
Operating revenues:				
Charges for services	$ 199,908,029	$ 8,594,756	$ 208,502,785	$ 65,291,605
Miscellaneous income	178,856	14,476	193,332	-
Total operating revenues	$ 200,086,885	$ 8,609,232	$ 208,696,117	$ 65,291,605
Operating expenses:				
Personnel services	$ 26,952,332	$ 1,144,741	$ 28,097,073	$ 270,882
Other operating expenses	87,231,330	18,435,016	105,666,346	14,507,236
Benefits and claims	-	-	-	46,067,749
Total operating expenses	$ 114,183,662	$ 19,579,757	$ 133,763,419	$ 60,845,867
Operating income (loss) before depreciation	$ 85,903,223	$ (10,970,525)	$ 74,932,698	$ 4,445,738
Less depreciation	(39,017,461)	(5,060,023)	(44,077,484)	-
Operating income (loss)	$ 46,885,762	$ (16,030,548)	$ 30,855,214	$ 4,445,738
Nonoperating revenues (expenses):				
Interest income	$ 98,975	$ 1,453	$ 100,428	$ 36,828
Interest and fiscal charges	(8,290,455)	(375,349)	(8,665,804)	-
Amortization	348,324	(61,031)	287,293	-
Gain (loss) on sale of capital assets	34,395	-	34,395	-
Total nonoperating revenues (expenses)	$ (7,808,761)	$ (434,927)	$ (8,243,688)	$ 36,828
Net income (loss) before transfers and capital contributions	$ 39,077,001	$ (16,465,475)	$ 22,611,526	$ 4,482,566
Capital contributions	$ 6,984,727	$ 11,265,512	$ 18,250,239	$ -
Transfers:				
Transfers in	$ 1,107,503	$ 8,729,673	$ 9,837,176	$ -
Transfers out	(16,657,913)	(56,604)	(16,714,517)	(368,004)
Total transfers	$ (15,550,410)	$ 8,673,069	$ (6,877,341)	$ (368,004)
Changes in net assets	$ 30,511,318	$ 3,473,106	$ 33,984,424	$ 4,114,562
Fund net assets - beginning	$ 1,254,942,755	$ 19,973,039	$ 1,274,915,794	$ 16,126,337
Fund net assets - ending	$ 1,285,454,073	$ 23,446,145	$ 1,308,900,218	$ 20,240,899

See accompanying notes to financial statements.

Cobb County, Georgia
Proprietary Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended September 30, 2012

	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	$ 199,811,139	$ 5,849,575	$ 205,660,714	$ 78,804,845
Cash payments for goods and services	(92,046,303)	(17,220,758)	(109,267,061)	(13,947,567)
Cash payments for employee services and fringe benefits	(26,944,829)	(1,138,521)	(28,083,350)	(270,882)
Cash payments for benefits and claims	-	-	-	(46,067,749)
Net cash from operating activities	$ 80,820,007	$ (12,509,704)	$ 68,310,303	$ 18,518,647
Cash flows from noncapital financing activities:				
Transfers in	$ 1,107,503	$ 8,729,673	$ 9,837,176	$ -
Transfers out	(16,657,913)	(56,604)	(16,714,517)	(368,004)
Net cash from noncapital financing activities	$ (15,550,410)	$ 8,673,069	$ (6,877,341)	$ (368,004)
Cash flows from capital and related financing activities:				
Payments on capital leases	$ -	$ (17,048)	$ (17,048)	$ -
Proceeds from sale of capital assets	34,395	-	34,395	-
Payments for capital acquisitions	(72,578,772)	(5,013,100)	(77,591,872)	-
Bond principal payments	(10,015,000)	(3,485,000)	(13,500,000)	-
Capital contributions	5,612,572	11,265,512	16,878,084	-
Proceeds from note issuance	37,156,111	-	37,156,111	-
Payments on notes	(6,060,924)	-	(6,060,924)	-
Cost of note issuance	(1,037,500)	-	(1,037,500)	-
Advances from other funds	-	1,598,229	1,598,229	-
Interest and fiscal charges	(12,954,041)	(418,910)	(13,372,951)	-
Net cash from capital and related financing activities	$ (59,843,159)	$ 3,929,683	$ (55,913,476)	$ -
Cash flows from investing activities:				
Interest received	$ 98,975	$ 1,453	$ 100,428	$ 36,828
Net cash from investing activities	$ 98,975	$ 1,453	$ 100,428	$ 36,828
Net increase (decrease) in cash and cash equivalents	$ 5,525,413	$ 94,501	$ 5,619,914	$ 18,187,471
Cash and cash equivalents at beginning of year	88,560,467	487,877	89,048,344	16,559,967
Cash and cash equivalents at end of year	$ 94,085,880	$ 582,378	$ 94,668,258	$ 34,747,438
Reconciliation to Combining Balance Sheet				
Cash	$ 18,730,610	$ 582,378	$ 19,312,988	$ 34,747,438
Cash (included in restricted assets)	75,355,270	-	75,355,270	-
	$ 94,085,880	$ 582,378	$ 94,668,258	$ 34,747,438

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, 2012

	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)	$ 46,885,762	$ (16,030,548)	$ 30,855,214	$ 4,445,738
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation	$ 39,017,461	$ 5,060,023	$ 44,077,484	$ -
Change in assets and liabilities:				
Decrease (increase) in accounts receivables	(214,342)	(7,907)	(222,249)	-
Decrease (increase) in other receivables	299,662	34,392	334,054	(760,844)
Decrease (increase) in due from other funds	(22,842)	(959,247)	(982,089)	14,305,258
Decrease (increase) in due from other governments	7,264	(1,826,895)	(1,819,631)	-
Decrease (increase) in due from others	-	-	-	(31,174)
Decrease (increase) in inventories	(99,833)	-	(99,833)	-
Decrease (increase) in other assets	(245,655)	-	(245,655)	-
Decrease (increase) in prepaid expenses	(3,307)	(55)	(3,362)	-
Increase (decrease) in accounts payable	(5,115,789)	1,436,207	(3,679,582)	1,091,725
Increase (decrease) in accrued payroll	(6,607)	(46,237)	(52,844)	-
Increase (decrease) in accrued vacation payable	14,110	52,457	66,567	1,359
Increase (decrease) in due to other funds	-	1,619	1,619	-
Increase (decrease) in due to others	-	(71)	(71)	-
Increase (decrease) in customer deposits	356,591	-	356,591	-
Increase (decrease) in due to other governments	-	1,079	1,079	-
Increase (decrease) in estimated liability for claims and judgments	-	-	-	(533,414)
Increase (decrease) in closure/postclosure care	-	(225,793)	(225,793)	-
Increase (decrease) in other liabilities	(52,468)	-	(52,468)	-
Increase (decrease) in unearned revenues	-	1,272	1,272	-
Total adjustments	$ 33,934,245	$ 3,520,844	$ 37,455,089	$ 14,072,909
Net cash provided (used) by operating activities	$ 80,820,007	$ (12,509,704)	$ 68,310,303	$ 18,518,647
Schedule of noncash capital and related financing activities:				
Contribution of capital assets	$ 1,372,155	$ -	$ 1,372,155	$ -
Capital assets acquired under capital lease	-	342,707	342,707	-
Total noncash capital and related financing activities	$ 1,372,155	$ 342,707	$ 1,714,862	$ -
Supplemental disclosure of cashflow information:				
Cash paid for interest	$ 12,954,041	$ 418,910	$ 13,372,951	$ -
Interest capitalized	(4,739,894)	-	(4,739,894)	-
Total supplemental disclosure of cashflow information	$ 8,214,147	$ 418,910	$ 8,633,057	$ -

Continued from preceding page.

Cobb County, Georgia
Fiduciary Funds
Statement of Fiduciary Net Assets
September 30, 2012

	Pension Trust Fund	OPEB Trust Fund	
	Employee Retirement System	Other Post Employment Benefits	Agency Funds
Assets:			
Cash and cash equivalents	$ 18,849	$ -	$ 86,168,669
Investments, at fair value			
Common stock	116,540,021	-	-
Mutual funds	226,852,951	57,935,427	-
Bond Corp.	48,537,563	-	-
Government and agency bonds	10,925,735	-	-
Group annunity contracts	2,964,130	-	
Money market	9,102,780	142,363	
Receivables			
Taxes and penalties	-	-	400,364,204
Accrued interest	807,978	-	-
Other	-	-	546
Total assets	$ 415,750,007	$ 58,077,790	$ 486,533,419
Liabilities:			
Bank overdraft	$ -	-	$ 1
Unremitted tax collections due to other governments and agencies	-	-	62,105,358
Taxes payable to others upon collection	-	-	400,364,204
Unremitted payroll tax and withholdings	-	-	117,550
Funds held in trust for others	-	-	23,946,306
Total liabilities	$ -	$ -	$ 486,533,419
Net assets held in trust for			
Pension benefits	$ 415,750,007	$ -	
Other post employment benefits	-	58,077,790	
Total net assets held in trust	$ 415,750,007	$ 58,077,790	

(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, 2012

	Pension Trust Fund	OPEB Trust Fund
	Employee Retirement System	Other Post Employment Benefits
Additions		
Contributions:		
Employer	$ 35,157,010	$ 18,519,280
Employee	11,323,948	2,683,162
Total contributions	$ 46,480,958	$ 21,202,442
Investment earnings:		
Net appreciation (depreciation) in fair value of assets	$ 54,300,613	$ 8,610,485
Interest	8,971,067	-
Total investment earnings	$ 63,271,680	$ 8,610,485
Less investment expense	(1,075,163)	-
Net investment earnings	$ 62,196,517	$ 8,610,485
Miscellaneous revenue	$ (35,792)	$ -
Total additions	$ 108,641,683	$ 29,812,927
Deductions		
Benefits and claims	$ 42,429,828	$ 15,202,442
Total deductions	$ 42,429,828	$ 15,202,442
Change in net assets	$ 66,211,855	$ 14,610,485
Net assets held in trust		
Beginning of year	$ 349,538,152	$ 43,467,305
End of year	$ 415,750,007	$ 58,077,790

See accompanying notes to financial statements.

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COBB COUNTY, GEORGIA
INDEX TO NOTES TO FINANCIAL STATEMENTS
September 30, 2012

Note Title	Note Number	Page Number
Arbitrage Liability	20	78
Budgetary Information	2	40-42
Capital Assets	5	46-47
Capital Contributions	21	78
Cash and Cash Equivalents and Investments	3	42-44
Closure and Postclosure Care Costs	22	78-79
Contingent Liabilities	15	67
Deferred Compensation Plan	16	68
Deficit Fund Balances/Retained Earnings of Individual Funds	14	67
Due From Other Governments and Agencies	17	68-69
Employee Retirement System	19	73-78
Fund Balance Determinations and Classifications	10	61-63
Hotel/Motel Lodging Tax	23	79
Interfund Balances and Transfers	12	64-65
Joint Venture	25	80
Leases	7	48-50
Long-Term Debt	8	50-61
Other Commitments	24	79
Other Post Employment Benefits	18	70-73
Property Taxes	11	64
Related Organization	26	80
Restricted Assets	4	45
Risk Management	6	47-48
Segment Information – Nonmajor Enterprise Funds	13	66-67
Short-Term Tax Anticipation Notes	9	61
Summary of Significant Accounting Policies	1	33-40

Note 1. Summary of Significant Accounting Policies

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

A. Reporting Entity

The financial statements of the reporting entity include those of Cobb County, Georgia (the primary government) and its component units. The component units discussed below are 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 included as discretely presented component units. The discretely presented component units are reported in separate columns in the government-wide statements to emphasize they are legally separate from the primary government. Information presented for the Cobb-Marietta Coliseum and Exhibit Hall Authority and the Cobb County Board of Health are as of and for the year ended September 30, 2012 and June 30, 2012, respectively. A brief description of the discretely presented component units is as follows:

1. Cobb-Marietta Coliseum and Exhibit Hall Authority

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

2. Cobb County Board of Health

The Cobb County Board of Health was created by a state legislative act. During the fiscal year ended June 30, 2012, 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 units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

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

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 **SPLOST Fund** is used to account for the proceeds of a 1 percent local option sales tax 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.

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 December 1, 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. Project-length budgets are adopted for the Grant Fund and the Housing and Urban Development Special Revenue Fund. 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 $75,355,270 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, 2012 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, Streetlight District 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, 800 MHz Special Revenue Funds and Streetlight District Fund, 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	$ 10,918,941	$ 4,502,044	$ (117,285)
Encumbrances 9/30/12	3,287,545	214,117	22,757
Grant-length Plans	-	-	535,138
GAAP Basis	$ 14,206,486	$ 4,716,161	$ 440,610

	Fund Balances at End of Year		
	General Fund	Fire Fund	Nonmajor Special Revenue Funds
Budgetary Basis	$ 75,194,140	$ 18,714,739	$ 13,656,268
Encumbrances 9/30/12	3,287,545	214,117	22,757
Grant-length Plans	-	-	616,445
GAAP Basis	$ 78,481,685	$ 18,928,856	$ 14,295,470

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, 2012, $80,219 of the County's agency fund deposits was exposed to custodial credit risk because it was uninsured and uncollateralized.

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, 2012, 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	$ 221,230,200	$ 221,230,200	$ -	$ -	$ -
U.S. Agencies	AAA	41,072,939	6,002,868	35,070,071	-	-
Total Primary Government (non-fiduciary)		$ 262,303,139	$ 227,233,068	$ 35,070,071	$ -	$ -
FIDUCIARY FUNDS						
Pension Trust Fund:						
Common Stocks		$ 116,540,021	n/a	n/a	n/a	n/a
Mutual Funds		226,852,951	226,852,951	-	-	-
Bond Corp.	AAA	23,766,478	2,698,480	12,073,128	4,437,391	4,557,479
	AA	11,886,007	2,582,203	5,006,340	2,223,466	2,073,998
	A	5,691,614	1,212,614	2,004,470	1,286,509	1,188,021
	BAA	7,193,464	1,248,346	3,292,066	1,800,487	852,565
Government and Agency Bonds	AAA	6,103,845	182,255	2,907,173	169,815	2,844,602
	Not Rated	4,821,890	-	245,935	2,819,063	1,756,892
Group Annuity Contracts		2,964,130	-	2,964,130	-	-
Georgia Fund I	AAA	18,849	18,849	-	-	-
Money Market		9,102,780	9,102,780	-	-	-
Total Pension Trust Fund		$ 414,942,029	$ 243,898,478	$ 28,493,242	$ 12,736,731	$ 13,273,557
OPEB Trust Fund:						
Mutual Funds		$ 57,935,427	$ 57,935,427	$ -	$ -	$ -
Money Market		142,363	142,363	-	-	-
Total OPEB Trust Fund		$ 58,077,790	$ 58,077,790	$ -	$ -	$ -

Investments of the primary government and fiduciary funds include $221,230,200 and $18,849 grouped in cash and cash equivalents and exclude $2,300,000 of nonnegotiable certificates of deposits.

Credit Risk - Investments
As of September 30, 2012 the County's investment in U.S. Agencies that are implicitly guaranteed were as follows: Federal National Mortgage Association $12,014,496, Federal Home Loan Bank $11,041,487, Federal Home Loan Mortgage Corporation $3,005,283, and Federal Farm Credit Banks $15,011,673. All of the U.S. Agencies that the County has investments with are rated AAA.

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

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 State Treasurer 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, 2012, none of the Authority's public deposits of $4,463,919 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, 2012, the Foundation's deposits were covered by the federal deposit insurance.

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, 2012, the Authority had the following investments:

Type of Investment	Rating	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
Georgia Fund I	AAA	$ 20,811,699	$ -	$ -	$ -
Total investments		$ 20,811,699	$ -	$ -	$ -

B. Cobb County Board of Health

At June 30, 2012 the Board's cash deposits were insured or collateralized with securities held by the Board or by its agent in the Board's name.

The following is a summary of the Board's investments at June 30, 2012:

Description	Rating	Fair Value	Weighted Average Maturity
Georgia Fund I	AAAm	$657,989	48 days
Money Market	-	$726,873	Less than 1 Year

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	$ 12,431,282	$ -	$ 12,431,282
Performing Arts Centre Foundation:			
Restricted by donors	243,022	-	243,022
Debt Service Fund:			
Restricted for debt service	9,551,875	-	9,551,875
Total governmental funds	22,226,179	-	22,226,179
Additional amounts reported for governmental activities	-	5,906,294	5,906,294
Total governmental activities	$ 22,226,179	$ 5,906,294	$ 28,132,473

In the governmental activities column of the statement of net assets, an additional $5,906,294 in long-term contributions 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	$ 52,388	$ -	$ 52,388
Performing Arts Centre:			
Ticket sales deposits	1,344,293	-	1,344,293
Restricted for debt service	582,918	-	582,918
Due from primary government	-	48,803,772	48,803,772
Total enterprise funds	$ 1,979,599	$ 48,803,772	$ 50,783,371

Note 5. Capital Assets

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

Primary Government:

	Beginning Balance*	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 962,822,463	$ 10,298,677	$ -	$ 973,121,140
Construction in progress	158,944,227	74,757,094	(42,247,563)	191,453,758
Total capital assets, not being depreciated	$ 1,121,766,690	$ 85,055,771	$ (42,247,563)	$ 1,164,574,898
Capital assets, being depreciated:				
Buildings	$ 497,884,194	$ 9,089,214	$ (3,663)	$ 506,969,745
Improvements other than buildings	30,750,567	488,261	-	31,238,828
Machinery and equipment	229,719,737	13,663,377	(3,109,955)	240,273,159
Infrastructure	2,331,877,804	40,881,647	-	2,372,759,451
Total capital assets, being depreciated	$ 3,090,232,302	$ 64,122,499	$ (3,113,618)	$ 3,151,241,183
Less accumulated depreciation for:				
Buildings	$ (98,620,090)	$ (13,168,514)	$ 3,663	$ (111,784,941)
Improvements other than buildings	(14,845,125)	(1,439,398)	-	(16,284,523)
Machinery and equipment	(190,179,172)	(14,492,343)	3,109,955	(201,561,560)
Infrastructure	(871,008,924)	(59,967,482)	-	(930,976,406)
Total accumulated depreciation	$ (1,174,653,311)	$ (89,067,737)	$ 3,113,618	$ (1,260,607,430)
Total capital assets, being depreciated, net	1,915,578,991	(24,945,238)	-	1,890,633,753
Governmental activities capital assets, net	$ 3,037,345,681	$ 60,110,533	$ (42,247,563)	$ 3,055,208,651
Business-type activities:				
Capital assets, not being depreciated:				
Land and improvements	$ 76,974,192	$ 848,565	$ -	$ 77,822,757
Construction in progress	338,766,100	74,180,185	(60,417,844)	352,528,441
Total capital assets, not being depreciated	$ 415,740,292	$ 75,028,750	$ (60,417,844)	$ 430,351,198
Capital assets, being depreciated:				
Buildings and structures	$ 49,827,177	$ 410,130	$ -	$ 50,237,307
Sewerage plants	780,689,966	34,435,335	-	815,125,301
Machinery and equipment	69,972,644	5,090,459	(668,982)	74,394,121
Infrastructure:				
Sewer lines	522,987,590	8,813,237	-	531,800,827
Water lines and meters	388,875,877	20,686,562	-	409,562,439
Total capital assets, being depreciated	$ 1,812,353,254	$ 69,435,723	$ (668,982)	$ 1,881,119,995

*The beginning balances have been reclassified to properly reflect the asset categories between land and infrastructure.

Note 5. Capital Assets (Continued)

Less accumulated depreciation for:				
Buildings and structures	$ (14,290,217)	$ (1,473,980)	$ -	$ (15,764,197)
Sewerage plants	(258,060,749)	(18,626,156)	-	(276,686,905)
Machinery and equipment	(54,183,126)	(4,731,918)	668,982	(58,246,062)
Infrastructure:				
Sewer lines	(174,226,677)	(10,196,421)	-	(184,423,098)
Water lines and meters	(146,387,081)	(9,049,009)	-	(155,436,090)
Total accumulated depreciation	$ (647,147,850)	$ (44,077,484)	$ 668,982	$ (690,556,352)
Total capital assets, being depreciated, net	1,165,205,404	25,358,239	-	1,190,563,643
Business-type activities capital assets, net	$ 1,580,945,696	$ 100,386,989	$ (60,417,844)	$ 1,620,914,841

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

Governmental activities:	
General government	$ 9,376,783
Public safety	14,510,126
Public works	61,081,643
Health and welfare	22,105
Culture and recreation	3,213,788
Housing and development	863,292
Total depreciation expense - governmental activities	$ 89,067,737
Business-type activities:	
Water and Sewer	$ 39,017,461
Solid Waste	436,318
Golf Course	89,121
Transit System	4,534,584
Total depreciation expense - business-type activities	$ 44,077,484

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 $13,499,509 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
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
2012	14,032,923	46,067,749	46,601,163	13,499,509

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	-
Machinery and equipment	30,996,680	492,885
Less: Accumulated depreciation	(27,528,358)	(141,205)
Total	$ 13,381,625	$ 351,680

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, 2012:

	Total Governmental Activities	Total Business -Type Activities
2013	$ 4,498,995	$ 72,420
2014	1,104,544	72,420
2015	476,973	72,420
2016	22,931	122,855
Total minimum lease payments	$ 6,103,443	$ 340,115
Less: Amount representing interest	196,114	14,461
Present value of minimum lease payments	$ 5,907,329	$ 325,654

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

In April, 2009, a lease agreement was entered into with Sun 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.

Note 7. Leases (Continued)

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.

In April, 2012, a lease agreement was entered into with Dell Financial Services to finance the replacement of up to 84 personal computers in the third quarter of FY12. 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 July, 2012, a lease agreement was entered into with Dell Financial Services to finance the replacement of up to 639 personal computers in the third quarter of FY12. 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 July, 2012, a lease agreement was entered into with John Deere Financial to finance the purchase of nine lawn mowers and associated lawn equipment. The lease agreement is for 48 months. The lease agreement qualifies as a capital lease and has been recorded in the Golf Course Fund.

Note 8. Long-Term Debt

A. Primary Government

Bonds payable at September 30, 2012 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 ($11,575,000 outstanding). The Bonds were issued to finance the costs of acquiring park land within the County to be owned by the County for so long as any Series 2008 Bonds remain outstanding and to be used as park land in perpetuity, and paying the costs of the issuance of the Series 2008 Bonds.

Note 8. Long-Term Debt (Continued)

$25,000,000 2007 Park serial bonds due in annual installments of $3,060,000 to $4,130,000 through January 1, 2017; interest at 4.25 to 5.00 percent ($18,725,000 outstanding). The Bonds were issued to finance the costs of acquiring park land within the County to be owned by the County for so long as any Series 2007 Bonds remain outstanding and to be used as park land in perpetuity, and paying the costs of the issuance of the Series 2007 Bonds.

$18,345,000 2005 refunding serial bonds due in annual installments of $100,000 to $2,200,000 through January 1, 2017; interest at 3.00 to 5.00 percent ($10,070,000 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 ($114,305,000 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 ($78,535,000 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. During the current year, principal and interest paid and total net pledged revenues were $19,059,825 and $85,903,223 respectively. The total principal and interest remaining to be paid on the bonds as of September 30, 2012 was $192,840,000 and $73,651,000 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 ($6,150,000 outstanding). The Bonds were issued for the purpose of refunding, defeasing and optionally redeeming all of the Authority's outstanding Revenue Bonds, Series 1995 and paying the costs of issuance of the Series 2004 Bonds.

Note 8. Long-Term Debt (Continued)

The County has pledged future solid waste customer revenues, net of specified operating expenses, to repay $19.8 million in solid waste revenue bonds issued from 2004. Proceeds from the bonds provided financing for the solid waste and compost facility. The bonds are payable from solid waste customer net revenues and are payable through 2015. During the current year, principal and interest paid and total net pledged revenues and general fund transfers in were $2,203,750 and $3,026,943 respectively. The general fund provides annual transfers to fund expenses in excess of funds available after payment of debt service. The total principal and interest remaining to be paid on the bonds as of September 30, 2012 was $6,150,000 and $456,250 respectively.

c. Cobblestone Golf Course

$6,905,000 1997 Recreation Authority refunding serial bonds due in annual installments of $355,000 to $570,000 through January 1, 2014; interest at 4.45 to 5.00 percent ($0 outstanding). The bonds were paid in full during fiscal year 2012. The Bonds were issued to provide funds to refund the Series 1992 Bonds and to pay expenses necessary to accomplish the foregoing. The County 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 series 1992 bonds provided financing for the construction of the Cobblestone Golf Course facility. The bonds were payable from golf course customer net revenues.

The annual requirements to amortize all General Obligation and Revenue bonds outstanding at September 30, 2012 including interest payments of $132,504,305 are as follows:

	Governmental Activites		Business-Type Activities	
	General Obligation Bonds		Revenue Bonds	
Year Ending September	Principal	Interest	Principal	Interest
2013	$ 6,995,000	$ 1,559,018	$ 12,495,000	$ 8,843,025
2014	7,310,000	1,247,782	12,885,000	8,219,525
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	8,305,000	257,118	12,250,000	6,637,950
2018-2022	2,185,000	35,506	69,820,000	24,744,137
2023-2027	-	-	48,185,000	9,691,600
2028-2029	-	-	18,315,000	1,175,763
	$ 40,370,000	$ 4,636,074	$ 198,990,000	$ 74,107,250

	Component Unit	
	Revenue Bonds	
Year Ending September 30	Principal	Interest
2013	$ 5,035,000	$ 5,807,455
2014	5,335,000	5,568,815
2015	5,755,000	5,317,193
2016	6,005,000	5,032,063
2017	6,345,000	4,750,806
2018-2022	37,730,000	18,699,714
2023-2027	48,685,000	8,194,576
2028-2029	8,795,000	390,359
	$ 123,685,000	$ 53,760,981

Note 8. Long-Term Debt (Continued)

The annual requirements to amortize all Water and Sewer Revenue Bonds outstanding at September 30, 2012 are as follows:

	Outstanding Parity Bonds		
	Principal	Interest	Total
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	12,250,000	6,637,950	18,887,950
2018-2022	69,820,000	24,744,137	94,564,137
2023-2027	48,185,000	9,691,600	57,876,600
2028-2029	18,315,000	1,175,763	19,490,763
	$ 192,840,000	$ 73,651,000	$ 266,491,000

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.

$9,248,141 is available in the Debt Service Fund to service the general obligation bonds.

4. Prior Years' Advance Refundings

On September 30, 2012 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

Note 8. Long-Term Debt (Continued)

requirement by $1,284,390 which resulted in an economic gain (difference between the present value of the debt service payments on the Refunded Bonds and the 2005 Bonds) of $1,020,494.

Revenue Bonds:

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

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 ($48,260,000 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
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	2,035,000	1,843,937	3,878,937
2018-2022	12,850,000	7,454,060	20,304,060
2023-2027	17,900,000	3,940,222	21,840,222
2028-2029	8,795,000	390,359	9,185,359
Total	$ 48,260,000	$ 21,854,802	$ 70,114,802

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 ($10,260,000 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
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	435,000	305,125	740,125
2018-2022	2,460,000	1,319,753	3,779,753
2023-2027	3,005,000	888,497	3,893,497
2028-2031	2,950,000	249,000	3,199,000
Total	$ 10,260,000	$ 4,081,413	$ 14,341,413

Note 8. Long-Term Debt (Continued)

7. Notes Payable

$35,000,000 2008 Notes Payable is due in monthly installments of $195,402 through December 1, 2028; interest at 3.00 percent (with $30,129,402 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 through October 1, 2022 (with one final payment of $76,256.98 payable on November 1, 2022); interest at 3.00 percent (with $20,303,340 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 $33,378 [payments were $50,044] through February 1, 2030 (with one final payment of $7,778.89 payable on February 1, 2030); interest at 3.00 percent (with $5,429,394 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 through August 1, 2030; interest at 3.00 percent (with $23,038,043 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 $134,490 through August 1, 2031; interest at 3.00 percent (with $23,275,220 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.

$35,000,000 2011 Notes Payable is due in monthly installments of $194,106 through January 1, 2032; interest at 3.00 percent (with $34,139,626 outstanding). The loan is financing the construction of various water tunnels and pump stations.

$35,000,000 2012 Notes Payable is due in monthly installments of $158,548 through January 1, 2033; interest at 3.00 percent (with $27,097,040 outstanding). The loan is financing the construction of various water tunnels and pump stations.

Note 8. Long-Term Debt (Continued)

	Note Payable		
	Principal	Interest	Total
2013	$ 7,351,191	$ 4,598,801	$ 11,949,992
2014	7,911,278	4,672,906	12,584,184
2015	8,151,907	4,432,277	12,584,184
2016	8,398,581	4,185,602	12,584,183
2017	8,656,455	3,927,729	12,584,184
2018-2022	47,389,279	15,531,639	62,920,918
2023-2027	42,812,554	8,732,181	51,544,735
2028-2032	32,143,441	2,542,380	34,685,821
2033-2037	597,379	28,653	626,032
Total	$ 163,412,065	$ 48,652,168	$ 212,064,233

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

Bonds payable are comprised of the following individual issues at September 30, 2012:

$47,965,000 series 1993 term bonds, of which $36,290,000 was outstanding at September 30, 2012, 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, 2012. 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, 2012. 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, 2012, 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 $12,585,000 was outstanding at September 30, 2012. The serial bonds are due in future annual installments of $700,000 to $1,130,000 with interest at fixed rates from 3.0 to 4.0 percent

Note 8. Long-Term Debt (Continued)

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 $35,440,000 was outstanding at September 30, 2012. The serial bonds are due in future annual installments of $1,475,000 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, 2012, 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.

$10,000,000 series 2007 term bonds, of which $8,785,000 was outstanding at September 30, 2012. The serial bonds are due in future annual installments of $440,000 to $760,000 through January 1, 2027, originally with interest at a fixed rate of 3.99 percent, which was reduced to 2.88 percent effective June 1, 2012.

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.

Note 8. Long-Term Debt (Continued)

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, 2012:

Governmental Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
GO Bonds:					
2008 Parks	$ 13,310,000	$ -	$ (1,735,000)	$ 11,575,000	$ 1,785,000
2007 Parks	21,940,000	-	(3,215,000)	18,725,000	3,380,000
2005 Refunding	11,820,000	-	(1,750,000)	10,070,000	1,830,000
Total bonds before discounts and premiums	$ 47,070,000	$ -	$ (6,700,000)	$ 40,370,000	$ 6,995,000
Less:					
Original issuance discounts	$ (109,475)	$ -	$ 22,260	$ (87,215)	$ -
Deferred amounts on refunding	(264,029)	-	52,443	(211,586)	-
Add:					
Bond premiums	892,157	-	(173,508)	718,649	-
Total bonds payable	$ 47,588,653	$ -	$ (6,798,805)	$ 40,789,848	$ 6,995,000
Capital leases before discounts	$ 10,766,312	$ 527,412	$ (5,386,395)	$ 5,907,329	$ 4,354,522
Intergovernmental contract payable	$ 49,635,000	$ -	$ (1,375,000)	$ 48,260,000	$ 1,475,000
Certificate of Participation	10,490,000	-	(230,000)	10,260,000	270,000
Net pension obligation	472,214	-	(472,214)	-	-
Compensated absences	23,291,237	12,733,377	(13,764,587)	22,260,027	13,764,587
Total other liabilities	$ 94,654,763	$ 13,260,789	$ (21,228,196)	$ 86,687,356	$ 19,864,109
Governmental Activities Long-term Liabilities	$ 142,243,416	$ 13,260,789	$ (28,027,001)	$ 127,477,204	$ 26,859,109

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, $10,497 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:	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Revenue Bonds:					
2009 Water & Sewer Serial	$ 118,700,000	$ -	$ (4,395,000)	$ 114,305,000	$ 4,575,000
2003 Water & Sewer Serial Bond	84,155,000	-	(5,620,000)	78,535,000	5,820,000
2004 Solid Waste Management Authority Refunding	8,000,000	-	(1,850,000)	6,150,000	2,100,000
1997 Refunding Recreation Authority	1,635,000	-	(1,635,000)	-	-
Total Bonds before discounts and premiums	$ 212,490,000	$ -	$ (13,500,000)	$ 198,990,000	$ 12,495,000
Add: Bond premiums	$ 10,609,121	$ -	$ (741,956)	$ 9,867,165	$ -
Less:					
Original issuance discount	(4,955)	-	4,955	-	-
Deferred amount on refunding	(196,902)	-	133,620	(63,282)	-
Total bonds payable	$ 222,897,264	$ -	$ (14,103,381)	$ 208,793,883	$ 12,495,000
Capital leases	$ -	$ 342,702	$ (17,048)	$ 325,654	$ 66,812
Notes payable	132,316,878	37,156,111	(6,060,924)	163,412,065	7,351,191
Net pension obligation	52,468	-	(52,468)	-	-
Closure and postclosure	25,497,412	-	(225,793)	25,271,619	225,793
Compensated absences	1,523,560	1,050,126	(983,559)	1,590,127	1,052,421
Total other liabilities	$ 159,390,318	$ 38,548,939	$ (7,339,792)	$ 190,599,465	$ 8,696,217
Business-type Activities Long-term Liabilities	$ 382,287,582	$ 38,548,939	$ (21,443,173)	$ 399,393,348	$ 21,191,217

Cobb-Marietta Coliseum and Exhibit Hall Authority

Governmental Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Bonds payable:					
Revenue Bonds:	$ 69,620,000	$ -	$ (2,980,000)	$ 66,640,000	$ 3,120,000
Add: Uamortized issuance premium	1,734,179	-	(183,918)	1,550,261	-
Less deferred amounts:					
On refunding	(2,583,518)	-	276,407	(2,307,111)	-
For issuance discount	(215,151)	-	24,310	(190,841)	-
Total bonds payable	68,555,510	-	(2,863,201)	65,692,309	3,120,000
Line of credit	2,300,000	-	(283,334)	2,016,666	733,336
Compensated absences	140,450	196,759	(188,708)	148,501	118,801
Governmental Activities Long-term Liabilities	$ 70,995,960	$ 196,759	$ (3,335,243)	$ 67,857,476	$ 3,972,137
Business-type Activities:					
Bonds payable:					
Revenue bonds	$ 58,840,000	$ -	$ (1,795,000)	$ 57,045,000	$ 1,915,000
Add: Unamortized issuance premium	850,569	-	(78,780)	771,789	-
Total bonds payable	59,690,569	-	(1,873,780)	57,816,789	1,915,000
Compensated absences	37,628	73,982	(73,422)	38,188	30,550
Unearned revenue	11,392,657	247,050	(840,386)	10,799,321	1,248,279
Business-type Activities Long-term Liabilities	$ 71,120,854	$ 321,032	$ (2,787,588)	$ 68,654,298	$ 3,193,829

Note 8. Long-Term Debt (Continued)

Cobb County Board of Health

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Compensated Absences	$ 816,173	$ 637,890	$ (725,195)	$ 728,868	$ 725,195

Note 9. Short-Term Tax Anticipation Notes

In April 2012, the County issued $98.0 million in tax anticipation notes to finance the general operations of the County through October 2012. The notes bear interest at a rate of 1.50 percent and are due on December 31, 2012. These notes were paid on November 30, 2012 from 2012 property tax revenues collected between September and December. Total payments of principal and interest on November 30, 2012 amounted to $98,891,668.

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

	Principal	Premium	Total
General Fund	$ 57,000,000	$ 500,460	$ 57,500,460
Fire District Special Revenue Fund	41,000,000	359,980	41,359,980
	$ 98,000,000	$ 860,440	$ 98,860,440

Short-term debt activity for the year ended September 30, 2012, was as follows:

	Beginning Balance	Issued	Reductions	Ending Balance
Tax anticipation notes	$ 110,250,000	$ 98,000,000	$ (110,250,000)	$ 98,000,000
Premium on notes	259,430	860,440	(898,185)	221,685
Total tax anticipation notes payable	$ 110,509,430	$ 98,860,440	$ (111,148,185)	$ 98,221,685

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.

Note 10. Fund Balance Determinations and Classifications (Continued)

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:

    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 intact.

    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, 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. Board of Commissioners' resolution is required in order to establish, modify or rescind a fund balance commitment. This is the highest level of authoritative action at the local level.

    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	$ -	$ 8,090,130	$ 8,090,130
Courts	1,549,911	-	1,549,911
E-911	-	5,042,329	5,042,329
Grants	-	468,251	468,251
Housing	-	148,194	148,194
Library	-	39,034	39,034
Parks	244,126	-	244,126
Public Safety	209,497	-	209,497
Streetlight District	-	172,952	172,952
Total	$ 2,003,534	$ 13,960,890	$ 15,964,424

Special Program Classification: Committed Fund Balance

Special Programs:	General Fund	Nonmajor Governmental Funds	Total
Community Development	$ 164,265	$ -	$ 164,265
Courts	186,151	-	186,151
General Government	18,189,573	-	18,189,573
Fleet	953,934	-	953,934
Information Services	140,543	-	140,543
Library	519,618	-	519,618
Parks	905,621	-	905,621
Public Safety	1,144,222	-	1,144,222
Senior Services	79,437	-	79,437
Tax Commissioner	222,200	-	222,200
Transportation	941,683	-	941,683
Total	$ 23,447,247	$ -	$ 23,447,247

Special Program Classification: Assigned Fund Balance

Special Programs:	General Fund	Nonmajor Governmental Funds	Total
General Government	$ 38,137	$ -	$ 38,137
Total transfers out	$ 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. FY12 property taxes were levied on July 24, 2012 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 2012 to provide for financing of County operations for the fiscal year ended September 30, 2012.

Note 12. Interfund Balances and Transfers

A. Primary Government

Individual fund interfund receivable and payable balances for the fiscal year ended September 30, 2012 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	$ 1,762,247
	SPLOST Fund	35,846
		1,798,093
SPLOST Fund	Nonmajor Business-Type Funds	1,619
		1,619
Water and Sewer Fund	SPLOST Fund	22,842
		22,842
Nonmajor Governmental Funds	General Fund	33,241
	SPLOST Fund	69,819
	Nonmajor Governmental Funds	170,280
		273,340
Nonmajor Business-Type Funds	General Fund	639,154
	Nonmajor Governmental Funds	320,093
		959,247
		$ 3,055,141

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, 2012.

Note 12. Interfund Balances and Transfers (Continued)

Advance from/to other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Business-Type Funds	$ 4,069,609

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

	Transfer In						
Transfer out:	General Fund	Fire District Fund	SPLOST Fund	Water and Sewer Fund	Nonmajor Governmental Funds	Nonmajor Business-Type Funds	Total
General Fund	$ -	$ -	$ -	$ 1,068,151	$ 8,862,257	$ 6,741,069	$ 16,671,477
Fire District Fund	-	-	-	-	445,110	-	445,110
Water and Sewer Fund	16,205,650	-	-	-	452,263	-	16,657,913
Internal Service Fund	333,360	18,297	-	16,347		-	368,004
Nonmajor Governmental Funds	1,812,558	-	1,049,863	23,005	2,544,875	1,988,604	7,418,905
Nonmajor Business-Type Funds	-	-	-	-	56,604		56,604
Total transfers out	$ 18,351,568	$ 18,297	$ 1,049,863	$ 1,107,503	$ 12,361,109	$ 8,729,673	$ 41,618,013

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, 2012:

	Cobblestone Golf Course Fund	Solid Waste Disposal Fund
Condensed Statement of Net Assets		
Assets:		
Current assets	$ 573,999	$ 743,686
Noncurrent assets:		
Capital assets	6,803,707	8,464,293
Other assets	-	40,038
Total assets	$ 7,377,706	$ 9,248,017
Liabilities:		
Current liabilities	$ 249,945	$ 2,428,927
Noncurrent liabilities	4,328,451	29,286,010
Total liabilities	$ 4,578,396	$ 31,714,937
Net Assets:		
Invested in capital assets, net of related debt	$ 6,478,053	$ 2,161,276
Unrestricted	(3,678,743)	(24,628,196)
Total net assets	$ 2,799,310	$ (22,466,920)
Condensed Statement of Revenues, Expenses and Changes in Net Assets		
Operating revenues	$ 1,940,952	$ 319,775
Operating expenses	1,450,640	557,738
Operating income before depreciation	$ 490,312	$ (237,963)
Depreciation	$ (89,121)	$ (436,318)
Operating income	$ 401,191	$ (674,281)
Nonoperating revenues, (expenses), net	(161,931)	(273,692)
Net income (loss) before transfers	$ 239,260	$ (947,973)
Transfers in (out), net	(2,264)	3,264,906
Changes in net assets	$ 236,996	$ 2,316,933
Beginning net assets	2,562,314	(24,783,853)
Ending net assets	$ 2,799,310	$ (22,466,920)

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

Condensed Statement of Cash Flows		
Net cash provided (used) by:		
Operating activities	$ 494,611	$ (1,106,161)
Noncapital financing activities	(2,264)	3,264,906
Capital and related financing activities	(353,598)	(2,203,750)
Investing activities	315	442
Net increase (decrease)	139,064	(44,563)
Beginning cash and cash equivalents	$ 398,968	$ 88,809
Ending cash and cash equivalents	$ 538,032	$ 44,246

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

Fund	Deficit Fund Balance/ Net Assets
Solid Waste Disposal Enterprise Fund	$ 22,466,920

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, 2012 was a deficit of $22,466,920, the estimate for the required landfill closure and post closure costs represents $25,271,619 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	$ 41,867	
Cobb County Board of Health	1,830	
City of Acworth, Georgia	5,100	
City of Austell, Georgia	651,271	
City of Kennesaw, Georgia	8,922	
City of Marietta, Georgia	85,938	
City of Powder Springs, Georgia	5,674	
City of Smyrna, Georgia	8,120	
Chattahoochee Tech	5,154	
State of Georgia, Department of Human Resources	1,000	
State of Georigia, Department of Revenue	72,106	
Total General Fund		$ 886,982

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

Special Revenue Funds:			
Community Services Fund:			
State of Georgia, Department of Human Resources		$ 198,990	
Grant Fund:			
Cobb County Board of Education	$ 9,878		
City of Powder Springs, Georgia	768		
State of Georgia, Criminal Justice Coordinating Council	60,986		
State of Georgia, Department of Human Resources	202,111		
State of Georgia, Department of Labor	22,500		
State of Georgia, Department of Transportation	1,200,739		
State of Georgia, Emergency Management Agency	486,048		
State of Georgia, Public Safety	30,417		
Atlanta Regional Commission	299,025		
United States, Department of Energy	154,445	$ 2,466,917	
Housing and Urban Development Fund:			
United States, Department of Housing and Urban Development		$ 399,446	
800MHz Fund			
Cobb County Board of Education	$ 13,873		
City of Austell, Georgia	14,407	$ 28,280	
Total Special Revenue Funds			$ 3,093,633
Capital Projects Funds:			
SPLOST Fund:			
State of Georgia, Department of Transportation		$ 15,700,243	
Public Facilities Fund:			
State of Georgia, Emergency Management Agency		$ 2,966,495	
Cumberland Community Improvement District		165,379	
Total Capital Projects Funds		$ 3,131,874	$ 18,832,117
Proprietary Funds:			
Water System Fund:			
City of Powder Springs, Georgia	$ 76,073		
Cobb Marietta Water Authority	8,141	$ 84,214	
Public Transit System Fund:			
Federal Transit Administration	$ 2,234,758		
State of Georgia, Department of Transportation	383,520	$ 2,618,278	
Total Proprietary Funds			$ 2,702,492
Total Due from Other Governments and Agencies - Primary Government			$ 25,515,224

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, 2012 membership in the plan is comprised of the following:

Group	January 1, 2012
Active participants	4,158
Retirees and beneficiaries	1,182
Total	5,340

The January 1, 2011 valuation is used to determine the recommended contribution for fiscal year 2012.

Valuation date:	01/01/11
Actuarial cost method:	Projected unit credit cost method
Amortization method:	Level percentage of pay, open
Remaining amortization period:	30 years
Asset valuation method:	Market value of assets

The amortization period for this plan is open.

Actuarial Assumptions Utilized:	
Investment rate of return:	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:	2018
Includes inflation at:	2.5%

Note 18. Other Post Employment Benefits (Continued)

B. Eligibility

Effective January 1, 2007:
All full-time employees with seven or more years of services as of January 1, 2007 will be eligible to continue medical coverage with ten years of service at termination of employment.

All full-time employees with less than seven year of service as of January 1, 2007 will be eligible to continue medical coverage with fifteen years of service at termination of employment.

Effective January 1, 2009
All full-time new hires will be eligible to continue medical coverage with thirty years of service at termination of employment.

C. Funding Policy

The contribution requirements of plan members and the County are established and may be amended by the Pension Fund Board of Trustees. Plan members receiving benefits under the PPO plan contribute $137.72 per month for retiree, $371.02 per month for employee and spouse coverage, $352.48 per month for employee and child(ren) coverage, and $520.44 per month for family coverage. Plan members receiving benefits under the EPO/HMO plan contribute $56.38 per month for retiree, $191.34 per month for employee and spouse coverage, $181.79 per month for employee and child(ren) coverage, and $269.26 per month for family coverage Plan members receiving benefits under the CDHP plan contribute $58.18 per month for retiree, $209.46 per month for employee and spouse coverage, and $294.89 per month for family coverage. Plan members receiving benefits under the Medicare Advantage plan contribute $50.77 per month for retiree and $181.76 per month for employee and spouse coverage. Plan members receiving benefits under the Kaiser Signature plan contribute $44.03 per month for retiree, $157.59 per month for employee and spouse coverage, $149.72 per month for employee and child(ren) coverage, and $220.61 per month for family coverage The County is required to contribute at a rate that is based on an actuarial valuation that is prepared in accordance within certain parameters. The current rate is 8.88% of annual covered payroll.

D. Contributions

In 2012 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

Fiscal Year Ended	Annual OPEB Cost	% of Annual OPEB Contributed	Net OPEB Asset (Liability)
9/30/2010	$ 20,290,570	95%	$ (89,924)
9/30/2011	19,372,240	116%	3,090,468
9/30/2012	18,362,787	101%	3,246,961

Note 18. Other Post Employment Benefits (Continued)

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	$	18,411,193
Interest on net OPEB obligation		(247,237)
Adjustment to annual required contribution		198,831
Annual OPEB cost (expense)		18,362,787
Contributions made		18,519,280
Increase in net OPEB asset		156,493
Net OPEB asset (obligation)—beginning of year, revised		3,090,468
Net OPEB asset (obligation)—end of year	$	3,246,961

In accordance with the recommendation of its actuary, pursuant to their plan evaluation as of January 1, 2011, the County contributed $18,519,280 to the Plan. This contribution consisted of $5,203,105 (2.43% of covered payroll) for normal costs, $13,316,175 (6.21% 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
1/1/2010	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%
1/1/2012	46,486,981	247,611,907	18.8%	201,124,926	208,621,922	96.4%

Note 18. Other Post Employment Benefits (Continued)

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.

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.

Note 19. Employee Retirement System (Continued)

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

2. Plan Description and Provisions:

County Commissioners, their direct appointees, and substantially all other full-time employees participate in the Plan, a single-employer, contributory, defined benefit pension plan. The payroll for employees covered by the Retirement System for the plan year ended December 31, 2011 was $209,608,824 As of January 1, 2012 membership in the plan is comprised of the following:

Group	January 1, 2012
Retirees and beneficiaries currently receiving benefits	1,795
Vested terminated employees	800
Fully vested and non-vested active employees	4,049

The January 1, 2011 valuation is used to determine the recommended contribution for fiscal year 2012.

Valuation date:	01/01/11
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:	2.5% to 4.00%
Includes inflation at:	2.5%
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
1/1/2010	$ 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%
1/1/2012	395,959,512	733,366,015	54.0%	337,406,503	203,902,310	165.5%

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, 2011, the County contributed $35,157,010 to the Plan. This contribution consisted of $8,384,353 (4.00% of covered payroll) for normal costs, $26,772,657 (12.78% 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%. Effective February 2012 the employee contribution rate increased from 5.75% to 6.00%. For fiscal year 2012, these contributions totaled $11,323,948.

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.

Note 19. Employee Retirement System (Continued)

Minimum Benefits:	76 times years of credited service.
Early:	For employees hired before 1/1/09: Eligibility Age 55 with 7 years of service. For employees hired after 1/1/09: Eligibility Age 55 with 10 years of service.
Benefit Formula	Normal Retirement Benefit accrued to early retirement actuarially reduced for the number of months Annuity Commencement Date precedes Normal Retirement Date.
Special Provision	Participant age 60 and has 25 years of service or is 60 and disabled with consent of the Board of Commissioners may retire early. Normal retirement benefit accrued to early retirement, reduced 1/12 of 1% for each month that Annuity Commencement Date precedes Normal Retirement Date.
Vested:	For employees hired before 1/1/09: Eligibility – 7 years of service equals 100% vested. For employees hired after 1/1/09: 10 years of services equals 100% vested
Benefit Formula	Benefit accrued to date of termination.
Supplemental Benefits:	
Pre-Retirement Spouse Benefits:	
Active Employees	
Eligibility	Age 30 with 7 years of service; married one full year prior to death. Immediate eligibility if participant killed in the line of duty.
Benefit Formula	45% of Projected Normal Retirement Benefit unreduced commencing immediately. Benefit is reduced if the spouse is more than ten years younger than the participant.
Terminated Vested Participant	
Eligibility	Terminated participant who had a vested right to retirement income and has attained age 21, married one full year prior to death.
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	$31,105,949
Interest on net pension asset	(6,000)
Adjustment to annual required contribution	5,211
Annual pension cost	31,105,160
Contributions made	35,157,010
Increase (decrease) in net pension asset	4,051,850
Net pension asset as of beginning of year, revised	75,003
Net pension asset as of end of year	$ 4,126,853

5. Annual Pension Cost

Annual Pension Percentage of Annual Pension Cost (APC)

Fiscal Year Ended	APC	% of APC Contributed	Net Pension Asset (Obligation)
9/30/2010	30,240,288	91%	2,629,356
9/30/2011	27,804,766	89%	75,003
9/30/2012	31,105,160	115%	4,126,853

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, 2012, there were 133 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 $425,882. 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, 2012, 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 $32,134. 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, 2012 are presented below:

Source:	
Developers	$ 1,372,155
Grants	11,265,512
Donations	5,612,572
Total Capital Contributions	$ 18,250,239

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, 2012, Cobb County has incurred a liability totaling $25,271,619.

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, 2012, 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, 2012 follows:

Lodging tax receipts	$ 10,366,262
Disbursements to bond Trustee on behalf of the Cobb-Marietta Coliseum and Exhibit Hall Authority	(6,478,914)
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	$ 3,887,348

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, 2012 total approximately $43,336,375.00.

Encumbrances outstanding at year end are as follows:

	General Fund	Fire District Fund	SPLOST Fund	Nonmajor Governmental Funds	Total
Total Encumbrances	$ 3,287,545	$ 214,117	$ 73,158,787	$ 5,411,022	$ 82,071,471

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 $695,600 to the ARC for the year ended September 30, 2012. 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, 2012

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
01/01/07	$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%
01/01/12	395,959,512	733,366,015	54.0%	337,406,503	203,902,310	165.5%

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%
9/30/2012	31,105,949	113%

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:	01/01/11
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:	2.5 % to 4.00%
Includes inflation at	2.5%
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.

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%. Effective February 2012 the employee contribution rate increased from 5.75% to 6.00%.

COBB COUNTY, GEORGIA
EMPLOYEE RETIREMENT SYSTEM
Required Supplementary Information
September 30, 2012

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%
01/01/12	46,486,981	247,611,907	18.8%	201,124,926	208,621,922	96.4%

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	20,290,570	95%
9/30/2011	19,372,240	123%
9/30/2012	18,411,193	101%

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

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, 2012

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Project Funds	Debt Service Fund	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	$ 12,812,962	$ 799,059	$ 4,042,117	$ 17,654,138
Receivables:				
Taxes	-	-	5,430,022	5,430,022
Other	4,230,696	-	132,921	4,363,617
Due from other funds	95,819	177,521	-	273,340
Due from component units	285,042	-	-	285,042
Due from other governments and agencies	3,093,633	3,131,874	-	6,225,507
Prepaid expenditures	9	322,819	-	322,828
Total assets	$ 20,518,161	$ 4,431,273	$ 9,605,060	$ 34,554,494
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	$ 2,405,895	$ 580,586	$ -	$ 2,986,481
Accrued payroll	283,581	-	-	283,581
Due to other funds	2,252,620	-	-	2,252,620
Due to other governments and agencies	-	3,047	-	3,047
Deferred revenue	1,280,595	2,966,495	356,919	4,604,009
Total liabilities	$ 6,222,691	$ 3,550,128	$ 356,919	$ 10,129,738
Fund balances:				
Nonspendable				
Inventories and prepaid items	$ 9	$ 322,819	$ -	$ 322,828
Restricted for:				
Debt Service	-	-	9,248,141	9,248,141
Special programs	13,960,890	-	-	13,960,890
Committed for:				
Debt Service	334,571	-	-	334,571
Construction and capital outlay	-	558,326	-	558,326
Total fund balances	$ 14,295,470	$ 881,145	$ 9,248,141	$ 24,424,756
Total liabilities and fund balances	$ 20,518,161	$ 4,431,273	$ 9,605,060	$ 34,554,494

Cobb County, Georgia
All Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended September 30, 2012

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Project Funds	Debt Service Fund	Total Nonmajor Governmental Funds
Revenues:				
Taxes	$ 10,366,262	$ -	$ 9,022,073	$ 19,388,335
Intergovernmental	26,074,977	350,651	-	26,425,628
Charges for services	16,582,684	-	138,993	16,721,677
Interest earned	14,138	1,694	28,422	44,254
Miscellaneous	1,918,896	455,728	-	2,374,624
Total revenues	$ 54,956,957	$ 808,073	$ 9,189,488	$ 64,954,518
Expenditures:				
Current:				
General government	$ 6,925,984	$ -	$ 116,722	$ 7,042,706
Public safety	14,107,273	-	-	14,107,273
Public works	7,357,376	-	-	7,357,376
Health and welfare	1,121,391	-	-	1,121,391
Culture and recreation	6,828,457	-	-	6,828,457
Housing and development	11,366,561	-	-	11,366,561
Capital outlay	-	5,863,245	-	5,863,245
Debt Service:				
Principal retirement	1,605,000	5,252,598	6,700,000	13,557,598
Interest and fiscal charges	2,545,152	285,403	1,853,363	4,683,918
Total expenditures	$ 51,857,194	$ 11,401,246	$ 8,670,085	$ 71,928,525
Excess (deficiency) of revenues over (under) expenditures	$ 3,099,763	$ (10,593,173)	$ 519,403	$ (6,974,007)
Other financing sources (uses):				
Transfers in	$ 2,586,520	$ 9,774,589	$ -	$ 12,361,109
Transfers out	(5,245,673)	(2,173,232)	-	(7,418,905)
Proceeds from capital lease	-	527,412	-	527,412
Total other financing sources (uses)	$ (2,659,153)	$ 8,128,769	$ -	$ 5,469,616
Net change in fund balances	$ 440,610	$ (2,464,404)	$ 519,403	$ (1,504,391)
Fund balances at beginning of year	13,854,860	3,345,549	8,728,738	25,929,147
Fund balances at end of year	$ 14,295,470	$ 881,145	$ 9,248,141	$ 24,424,756

Cobb County, Georgia
Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet
September 30, 2012

	Law Library Fund	Community Services Fund	Grant Fund	Housing & Urban Development Grant Fund
Assets				
Cash and cash equivalents	$ 139,007	$ -	$ 1,020,475	$ 153,574
Receivables:				
Other	34,934	-	949,219	595,906
Due from other funds	3,737	-	92,082	-
Due from component units	-	-	-	-
Due from other governments and agencies	-	198,990	2,466,917	399,446
Prepaid expenditures	-	-	-	-
Total assets	$ 177,678	$ 198,990	$ 4,528,693	$ 1,148,926
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	$ 131,387	$ 178,990	$ 810,123	$ 999,392
Accrued payroll	7,257	-	91,786	-
Due to other funds	-	20,000	1,879,313	1,340
Deferred revenue	-	-	1,279,220	-
Total liabilities	$ 138,644	$ 198,990	$ 4,060,442	$ 1,000,732
Fund balances:				
Nonspendable				
Inventories and prepaid items	$ -	$ -	$ -	$ -
Restricted				
Special Programs	39,034	-	468,251	148,194
Committed				
Debt Services	-	-	-	-
Total fund balances	$ 39,034	$ -	$ 468,251	$ 148,194
Total liabilities and fund balances	$ 177,678	$ 198,990	$ 4,528,693	$ 1,148,926

Hotel/Motel Tax Fund	Emergency 911 Fund	Parking Deck Facility Fund	800 MHz Fund	Streetlight District Fund	Total Nonmajor Special Revenue Funds
$ 29,875	$ 3,168,346	$ 335,613	$ 7,966,072	$ -	$ 12,812,962
-	2,336,338	513	95,778	218,008	4,230,696
-	-	-	-	-	95,819
285,042	-	-	-	-	285,042
-	-	-	28,280	-	3,093,633
-	9	-	-	-	9
$ 314,917	$ 5,504,693	$ 336,126	$ 8,090,130	$ 218,008	$ 20,518,161
$ -	$ 281,320	$ -	$ -	$ 4,683	$ 2,405,895
-	179,548	180	-	4,810	283,581
314,917	1,487	-	-	35,563	2,252,620
-	-	1,375	-	-	1,280,595
$ 314,917	$ 462,355	$ 1,555	$ -	$ 45,056	$ 6,222,691
$ -	$ 9	$ -	$ -	$ -	$ 9
-	5,042,329	-	8,090,130	172,952	13,960,890
-	-	334,571	-	-	334,571
$ -	$ 5,042,338	$ 334,571	$ 8,090,130	$ 172,952	$ 14,295,470
$ 314,917	$ 5,504,693	$ 336,126	$ 8,090,130	$ 218,008	$ 20,518,161

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, 2012

	Law Library Fund	Community Services Fund	Grant Fund	Housing & Urban Development Grant Fund
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Intergovernmental	-	559,760	16,537,745	8,829,671
Charges for services	457,039	-	74,639	-
Interest earned	51	12	1,214	-
Miscellaneous	5,056	-	743,303	1,149,695
Total revenues	$ 462,146	$ 559,772	$ 17,356,901	$ 9,979,366
Expenditures:				
Current:				
General government	$ 525,626	$ -	$ 6,400,358	$ -
Public safety	-	-	2,159,047	-
Public works	-	-	2,326,841	-
Health and welfare	-	550,407	570,984	-
Culture and recreation	-	-	349,543	-
Housing and development	-	-	1,516,610	9,849,951
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	$ 525,626	$ 550,407	$ 13,323,383	$ 9,849,951
Excess (deficiency) of revenues over (under) expenditures	$ (63,480)	$ 9,365	$ 4,033,518	$ 129,415
Other financing sources (uses):				
Transfers in	$ -	$ -	$ 1,259,956	$ -
Transfers out	-	(20,000)	(4,887,751)	-
Total other financing sources (uses)	$ -	$ (20,000)	$ (3,627,795)	$ -
Net change in fund balances	$ (63,480)	$ (10,635)	$ 405,723	$ 129,415
Fund balances at beginning of year	102,514	10,635	62,528	18,779
Fund balances at end of year	$ 39,034	$ -	$ 468,251	$ 148,194

Hotel/Motel Tax Fund	Emergency 911 Fund	Parking Deck Facility Fund	800 MHz Fund	Streetlight District Fund	Total Nonmajor Special Revenue Funds
$ 10,366,262	$ -	$ -	$ -	$ -	$ 10,366,262
-	-	-	147,801	-	26,074,977
-	10,575,997	520,595	-	4,954,414	16,582,684
-	4,188	333	8,308	32	14,138
-	3,294	380	-	17,168	1,918,896
$ 10,366,262	$ 10,583,479	$ 521,308	$ 156,109	$ 4,971,614	$ 54,956,957
$ -	$ -	$ -	$ -	$ -	$ 6,925,984
-	10,912,470	-	1,035,756	-	14,107,273
-	-	170,369	-	4,860,166	7,357,376
-	-	-	-	-	1,121,391
6,478,914	-	-	-	-	6,828,457
-	-	-	-	-	11,366,561
-	-	-	-	-	-
1,375,000	-	230,000	-	-	1,605,000
2,197,431	-	347,721	-	-	2,545,152
$ 10,051,345	$ 10,912,470	$ 748,090	$ 1,035,756	$ 4,860,166	$ 51,857,194
$ 314,917	$ (328,991)	$ (226,782)	$ (879,647)	$ 111,448	$ 3,099,763
$ -	$ 50,000	$ 326,525	$ 950,039	$ -	$ 2,586,520
(314,917)	-	-	-	(23,005)	(5,245,673)
$ (314,917)	$ 50,000	$ 326,525	$ 950,039	$ (23,005)	$ (2,659,153)
$ -	$ (278,991)	$ 99,743	$ 70,392	$ 88,443	$ 440,610
-	5,321,329	234,828	8,019,738	84,509	13,854,860
$ -	$ 5,042,338	$ 334,571	$ 8,090,130	$ 172,952	$ 14,295,470

Cobb County, Georgia
Nonmajor Governmental Funds - Capital Projects Funds
Combining Balance Sheet
September 30, 2012

	Public Facilities	Parking Deck	Total Nonmajor Capital Project Funds
Assets			
Cash and cash equivalents	$ 799,059	$ -	$ 799,059
Due from other funds	177,521	-	177,521
Due from other governments and agencies	3,131,874	-	3,131,874
Prepaid expenditures	322,819	-	322,819
Total assets	$ 4,431,273	$ -	$ 4,431,273
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	$ 580,586	$ -	$ 580,586
Due to other governments and agencies	3,047	-	3,047
Deferred revenue	2,966,495	-	2,966,495
Total liabilities	$ 3,550,128	$ -	$ 3,550,128
Fund balances:			
Nonspendable			
Prepaid items	$ 322,819	$ -	$ 322,819
Committed			
Construction and capital outlay	558,326	-	558,326
Total fund balance	$ 881,145	$ -	$ 881,145
Total liabilities and fund balances	$ 4,431,273	$ -	$ 4,431,273

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, 2012

	Public Facilities	Parking Deck	Total Nonmajor Capital Project Funds
Revenues:			
Intergovernmental	$ 350,651	$ -	$ 350,651
Interest earned	1,694	-	1,694
Miscellaneous	455,728	-	455,728
Total revenues	$ 808,073	$ -	$ 808,073
Expenditures:			
Current:			
Capital outlay	$ 5,860,845	$ 2,400	$ 5,863,245
Debt Service:			
Principal	5,252,598	-	5,252,598
Interest and fiscal charges	285,403	-	285,403
Total expenditures	$ 11,398,846	$ 2,400	$ 11,401,246
Excess (deficiency) of revenues over expenditures	$ (10,590,773)	$ (2,400)	$ (10,593,173)
Other financing sources (uses):			
Transfers in	$ 9,774,589	$ -	$ 9,774,589
Transfers out	(1,846,707)	(326,525)	(2,173,232)
Proceeds from capital lease	527,412	-	527,412
Total other financing sources (uses)	$ 8,455,294	$ (326,525)	$ 8,128,769
Net change in fund balances	$ (2,135,479)	$ (328,925)	$ (2,464,404)
Fund balances at beginning of year	3,016,624	328,925	3,345,549
Fund balances at end of year	$ 881,145	$ -	$ 881,145

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, 2012

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Taxes	$ 8,998,176	$ 8,998,176	$ 9,022,073	$ 23,897
Charges for services	102,000	102,000	138,993	36,993
Interest earned	32,000	32,000	28,422	(3,578)
Total revenues	$ 9,132,176	$ 9,132,176	$ 9,189,488	$ 57,312
Expenditures:				
Current:				
General government	$ 118,575	$ 118,575	$ 116,722	$ 1,853
Debt service:				
Principal retirement	6,700,000	6,700,000	6,700,000	-
Interest and fiscal charges	1,853,364	1,853,364	1,853,363	1
Total expenditures	$ 8,671,939	$ 8,671,939	$ 8,670,085	$ 1,854
Excess (deficiency) of revenues over expenditures	$ 460,237	$ 460,237	$ 519,403	$ 59,166
Net change in fund balance	$ 460,237	$ 460,237	$ 519,403	$ 59,166
Fund balance at beginning of year			8,728,738	
Fund balance at end of year - GAAP basis			$ 9,248,141	

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, 2012

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Charges for services	$ 420,892	$ 457,039	$ 457,039	$ -
Interest earned	300	50	51	1
Miscellaneous	-	5,057	5,056	(1)
Total revenues	$ 421,192	$ 462,146	$ 462,146	$ -
Expenditures:				
Current:				
Personal services	$ 145,516	$ 128,134	$ 128,134	$ -
Operating expenditures	271,655	399,194	399,115	79
Total expenditures	$ 417,171	$ 527,328	$ 527,249	$ 79
Net change in fund balance	$ 4,021	$ (65,182)	$ (65,103)	$ 79
Fund balance at beginning of year			102,514	
Fund balance at end of year - budgetary basis			$ 37,411	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			1,623	
Fund balance at end of year-GAAP basis			$ 39,034	

Cobb County, Georgia
Street Light Disctrict Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended September 30, 2012

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Charges for services	$ 4,872,310	$ 4,736,406	$ 4,954,414	$ 218,008
Interest earned	-	32	32	-
Miscellaneous	-	17,169	17,168	(1)
Total revenues	$ 4,872,310	$ 4,753,607	$ 4,971,614	$ 218,007
Expenditures:				
Current:				
Personal services	$ 162,342	$ 131,611	$ 131,611	$ -
Operating expenditures	4,571,373	4,722,924	4,722,908	16
Capital outlay	-	5,647	5,647	-
Total expenditures	$ 4,733,715	$ 4,860,182	$ 4,860,166	$ 16
Excess of revenues over expenditures	$ 138,595	$ (106,575)	$ 111,448	$ 218,023
Other financing sources (uses):				
Transfers out	$ (138,595)	$ (23,005)	$ (23,005)	$ -
Total other financing sources (uses)	$ (138,595)	$ (23,005)	$ (23,005)	$ -
Net change in fund balance	$ -	$ (129,580)	$ 88,443	$ 218,023
Fund balance at beginning of year			84,509	
Fund balance at end of year-GAAP basis			$ 172,952	

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, 2012

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	$ 640,123	$ 1,273,846	$ 559,760	$ (714,086)
Interest earned	-	12	12	-
Total revenues	$ 640,123	$ 1,273,858	$ 559,772	$ (714,086)
Expenditures:				
Current:				
Operating expenditures	$ 640,123	$ 1,253,858	$ 550,407	$ 703,451
Total expenditures	$ 640,123	$ 1,253,858	$ 550,407	$ 703,451
Excess of revenues over expenditures	$ -	$ 20,000	$ 9,365	$ (10,635)
Other financing sources (uses):				
Transfers out	$ -	$ (20,000)	$ (20,000)	$ -
Net change in fund balance	$ -	$ -	$ (10,635)	$ (10,635)
Fund balance at beginning of year			10,635	
Fund balance at end of year - GAAP basis			$ -	

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, 2012

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	$ 9,500,000	$ 10,366,262	$ 10,366,262	$ -
Total revenues	$ 9,500,000	$ 10,366,262	$ 10,366,262	$ -
Expenditures:				
Current:				
Operating expenditures	$ 5,927,569	$ 6,478,914	$ 6,478,914	$ -
Debt service:				
Principal retirement	1,375,000	1,375,000	1,375,000	-
Interest and fiscal charges	2,197,431	2,197,431	2,197,431	-
Total expenditures	$ 9,500,000	$ 10,051,345	$ 10,051,345	$ -
Excess of revenues over expenditures	$ -	$ 314,917	$ 314,917	$ -
Other financing sources (uses):				
Transfers out	$ -	$ (314,917)	$ (314,917)	$ -
Total other financing sources (uses)	$ -	$ (314,917)	$ (314,917)	$ -
Net change in fund balance	$ -	$ -	$ -	$ -
Fund balance at beginning 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, 2012

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Charges for services	$ 10,253,242	$ 10,253,242	$ 10,575,997	$ 322,755
Interest earned	3,646	3,646	4,188	542
Miscellaneous	-	-	3,294	3,294
Total revenues	$ 10,256,888	$ 10,256,888	$ 10,583,479	$ 326,591
Expenditures:				
Current:				
Personnel services	$ 8,087,030	$ 7,962,602	$ 7,151,488	$ 811,114
Operating expenditures	1,998,933	3,029,351	3,029,347	4
Capital outlay	170,925	2,278,411	750,865	1,527,546
Total expenditures	$ 10,256,888	$ 13,270,364	$ 10,931,700	$ 2,338,664
Excess (deficiency) of revenues over (under) expenditures	$ -	$ (3,013,476)	$ (348,221)	$ 2,665,255
Other financing sources (uses):				
Transfers in	$ -	$ -	$ 50,000	$ 50,000
Total other financing sources (uses)	$ -	$ -	$ 50,000	$ 50,000
Net change in fund balance	$ -	$ (3,013,476)	$ (298,221)	$ 2,715,255
Fund balance at beginning of year			5,321,329	
Fund balance at end of year - budgetary basis			$ 5,023,108	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			19,230	
Fund balance at end of year - GAAP basis			$ 5,042,338	

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, 2012

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for services	$ 764,122	$ 764,122	$ 520,595	$ (243,527)
Interest earned	2,000	2,000	333	(1,667)
Miscellaneous	600	600	380	(220)
Total revenues	$ 766,722	$ 766,722	$ 521,308	$ (245,414)
Expenditures:				
Current:				
Personnel services	$ 71,982	$ 73,607	$ 73,506	$ 101
Operating expenditures	112,015	111,217	98,767	12,450
Capital outlay	5,000	5,000	-	5,000
Debt service:				
Principal retirement	230,000	230,000	230,000	-
Interest and fiscal charges	347,725	347,725	347,721	4
Total expenditures	$ 766,722	$ 767,549	$ 749,994	$ 17,555
Excess (deficiency) of revenues over (under) expenditures	$ -	$ (827)	$ (228,686)	$ (227,859)
Other financing sources (uses):				
Transfers in	$ -	$ -	$ 326,525	$ 326,525
Total other financing sources (uses)	$ -	$ -	$ 326,525	$ 326,525
Net change in fund balance	$ -	$ (827)	$ 97,839	$ 98,666
Fund balance at beginning of year			234,828	
Fund balance at end of year - budgetary basis			$ 332,667	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			1,904	
Fund balance at end of year - GAAP basis			$ 334,571	

Cobb County, Georgia
800 MHz Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended September 30, 2012

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	$ 156,238	$ 156,238	$ 147,801	$ (8,437)
Interest earned	-	-	8,308	8,308
Total revenues	$ 156,238	$ 156,238	$ 156,109	$ (129)
Expenditures:				
Current:				
Capital outlay	$ -	$ 1,035,758	$ 1,035,756	$ 2
Total expenditures	$ -	$ 1,035,758	$ 1,035,756	$ 2
Excess (deficiency) of revenues over (under) expenditures	$ 156,238	$ (879,520)	$ (879,647)	$ (127)
Other financing sources (uses):				
Transfers in	$ 955,730	$ 955,730	$ 950,039	$ (5,691)
Total other financing sources (uses)	$ 955,730	$ 955,730	$ 950,039	$ (5,691)
Net change in fund balance	$ 1,111,968	$ 76,210	$ 70,392	$ (5,818)
Fund balance at beginning of year			8,019,738	
Fund balance at end of year - GAAP basis			$ 8,090,130	

Cobb County, Georgia
Nonmajor Business-Type Enterprise Funds
Combining Balance Sheet
September 30, 2012

	Cobblestone Golf Course Fund	Public Transit System Fund	Solid Waste Disposal Fund	Totals
Assets				
Current assets:				
Cash	$ 538,032	$ 100	$ 44,246	$ 582,378
Receivables:				
Accounts (net of allowance for uncollectibles)	-	30,783	-	30,783
Other	32,695	108,860	60,286	201,841
Due from other funds	-	320,093	639,154	959,247
Due from other governments and agencies	-	2,618,278	-	2,618,278
Prepaid items	3,272	55	-	3,327
Total current assets	$ 573,999	$ 3,078,169	$ 743,686	$ 4,395,854
Property, plant and equipment:				
Capital assets not being depreciated	$ 5,453,615	$ 12,620,659	$ 3,778,386	$ 21,852,660
Capital assets being depreciated, net	1,350,092	30,374,220	4,685,907	36,410,219
Net property, plant and equipment	$ 6,803,707	$ 42,994,879	$ 8,464,293	$ 58,262,879
Unamortized bond costs	$ -	$ -	$ 40,038	$ 40,038
Total noncurrent assets	$ 6,803,707	$ 42,994,879	$ 8,504,331	$ 58,302,917
Total assets	$ 7,377,706	$ 46,073,048	$ 9,248,017	$ 62,698,771

Continued on next page.

Cobb County, Georgia
Nonmajor Business-Type Enterprise Funds
Combining Balance Sheet
September 30, 2012

	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	$ 128,479	$ 2,907,277	$ 980	$ 3,036,736
Accrued payroll	-	1,462	12,387	13,849
Due to other funds	-	1,619	-	1,619
Due to other	1,071	-	-	1,071
Due to other governments and agencies	24,135	-	-	24,135
Accrued interest payable	-	-	76,875	76,875
Deferred revenues	29,448	-	-	29,448
Current portion of revenue bonds	-	-	2,100,000	2,100,000
Current portion of compensated absences	-	48,935	12,892	61,827
Current portion of postclosure care	-	-	225,793	225,793
Current portion of capital lease payable	66,812	-	-	66,812
Total current liabilities	$ 249,945	$ 2,959,293	$ 2,428,927	$ 5,638,165
Long-term liabilities:				
Revenue bonds (net of current portion, bond discount, and loss on refunding)	$ -	$ -	$ 4,203,017	$ 4,203,017
Compensated absences (net of current portion)	-	-	37,167	37,167
Advances from other funds	4,069,609	-	-	4,069,609
Closure and postclosure care (net of current portion)	-	-	25,045,826	25,045,826
Capital lease payable (net of current portion)	258,842	-	-	258,842
Total long-term liabilities	$ 4,328,451	$ -	$ 29,286,010	$ 33,614,461
Total liabilities	$ 4,578,396	$ 2,959,293	$ 31,714,937	$ 39,252,626
Net Assets:				
Invested in capital assets, net of related debt	$ 6,478,053	$ 42,853,202	$ 2,161,276	$ 51,492,531
Unrestricted	(3,678,743)	260,553	(24,628,196)	(28,046,386)
Total net assets	$ 2,799,310	$ 43,113,755	$ (22,466,920)	$ 23,446,145

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, 2012

	Cobblestone Golf Course Fund	Public Transit System Fund	Solid Waste Disposal Fund	Totals
Operating revenues:				
Charges for services	$ 1,940,550	$ 6,334,856	$ 319,350	$ 8,594,756
Miscellaneous income	402	13,649	425	14,476
Total operating revenues	$ 1,940,952	$ 6,348,505	$ 319,775	$ 8,609,232
Operating expenses:				
Personnel services	$ -	$ 705,412	$ 439,329	$ 1,144,741
Other operating expenses	1,450,640	16,865,967	118,409	18,435,016
Total operating expenses	$ 1,450,640	$ 17,571,379	$ 557,738	$ 19,579,757
Operating income (loss) before depreciation	$ 490,312	$ (11,222,874)	$ (237,963)	$ (10,970,525)
Less depreciation	(89,121)	(4,534,584)	(436,318)	(5,060,023)
Operating income (loss)	$ 401,191	$ (15,757,458)	$ (674,281)	$ (16,030,548)
Nonoperating revenues (expenses):				
Interest income	$ 315	$ 696	$ 442	$ 1,453
Interest and fiscal charges	(44,724)	-	(330,625)	(375,349)
Amortization of bond costs	(117,522)	-	56,491	(61,031)
Total nonoperating revenues (expenses)	$ (161,931)	$ 696	$ (273,692)	$ (434,927)
Net income (loss) before transfers and capital contributions	$ 239,260	$ (15,756,762)	$ (947,973)	$ (16,465,475)
Capital contributions	$ -	$ 11,265,512	$ -	$ 11,265,512
Transfers:				
Transfers in	$ -	$ 5,464,767	$ 3,264,906	$ 8,729,673
Transfers out	(2,264)	(54,340)	-	(56,604)
Total transfers	$ (2,264)	$ 5,410,427	$ 3,264,906	$ 8,673,069
Net change in net assets	$ 236,996	$ 919,177	$ 2,316,933	$ 3,473,106
Total net assets - beginning	$ 2,562,314	$ 42,194,578	$ (24,783,853)	$ 19,973,039
Total net assets - ending	$ 2,799,310	$ 43,113,755	$ (22,466,920)	$ 23,446,145

Cobb County, Georgia
Nonmajor Business-Type Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended September 30, 2012

	Cobblestone Golf Course Fund	Public Transit System Fund	Solid Waste Disposal Fund	Totals
Cash flows from operating activities:				
Cash received from customers	$ 1,918,300	$ 4,221,453	$ (290,178)	$ 5,849,575
Cash payments for goods and services	(1,423,689)	(15,412,780)	(384,289)	(17,220,758)
Cash payments for employee services and fringe benefits	-	(706,827)	(431,694)	(1,138,521)
Net cash from (to) operating activities	$ 494,611	$ (11,898,154)	$ (1,106,161)	$ (12,509,704)
Cash flows from noncapital financing activities:				
Transfers in	$ -	$ 5,464,767	$ 3,264,906	$ 8,729,673
Transfers out	(2,264)	(54,340)	-	(56,604)
Net cash from (to) noncapital financing activities	$ (2,264)	$ 5,410,427	$ 3,264,906	$ 8,673,069
Cash flows from capital and related financing activities:				
Payments on capital leases	$ (17,048)	$ -	$ -	$ (17,048)
Capital contributions	-	11,265,512	-	11,265,512
Advances from other funds	1,598,229	-	-	1,598,229
Payments for capital acquisitions	(234,619)	(4,778,481)	-	(5,013,100)
Bond principal payments	(1,635,000)	-	(1,850,000)	(3,485,000)
Bond interest and fiscal charges	(65,160)	-	(353,750)	(418,910)
Net cash from (to) capital and related financing activities	$ (353,598)	$ 6,487,031	$ (2,203,750)	$ 3,929,683
Cash flows from investing activities:				
Interest received	$ 315	$ 696	442	$ 1,453
Net increase (decrease) in cash and cash equivalents	$ 139,064	$ -	$ (44,563)	$ 94,501
Cash and cash equivalents at beginning of year	398,968	100	88,809	487,877
Cash and cash equivalents at end of year	$ 538,032	$ 100	$ 44,246	$ 582,378

Continued on next page.

Cobb County, Georgia
Nonmajor Business-Type Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended September 30, 2012

	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)	$ 401,191	$ (15,757,458)	$ (674,281)	$ (16,030,548)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation	$ 89,121	$ 4,534,584	$ 436,318	$ 5,060,023
Change in assets and liabilities:				
Decrease (increase) in accounts receivables	-	(30,783)	22,876	(7,907)
Decrease (increase) in other receivables	(22,652)	50,719	6,325	34,392
Decrease (increase) in due from other funds	-	(320,093)	(639,154)	(959,247)
Decrease (increase) in due from other governments	-	(1,826,895)	-	(1,826,895)
Increase (decrease) in accounts payable	24,671	1,451,623	(40,087)	1,436,207
Increase (decrease) in prepaid expenses	-	(55)	-	(55)
Increase (decrease) in accrued payroll	-	(48,532)	2,295	(46,237)
Increase (decrease) in accrued vacation payable	-	47,117	5,340	52,457
Increase (decrease) in due to other funds	-	1,619	-	1,619
Increase (decrease) in due to other governments	1,079	-	-	1,079
Increase (decrease) in due to others	(71)	-	-	(71)
Increase (decrease) in closure/post closure care	-	-	(225,793)	(225,793)
Increase (decrease) in unearned revenues	1,272	-	-	1,272
Total adjustments	$ 93,420	$ 3,859,304	$ (431,880)	$ 3,520,844
Net cash provided (used) by operating activities	$ 494,611	$ (11,898,154)	$ (1,106,161)	$ (12,509,704)
Schedule of noncash capital and related financing activities:				
Capital assets acquired under capital lease	$ 342,707	$ -	$ -	$ 342,707

Continued from preceding page.

Agency Funds
Cobb County, Georgia
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended September 30, 2012

	Balance October 1, 2011	Additions	Deductions	Balance September 30, 2012
Clerk of State Court				
Assets				
Cash and cash equivalents	$ 5,562,346	$ 34,912,227	$ 35,409,339	$ 5,065,234
Liabilities				
Funds held in trust for others	$ 5,562,346	$ 34,912,227	$ 35,409,339	$ 5,065,234
Clerk of Juvenile Court				
Assets				
Cash	$ 1,730	$ 17,170	$ 16,827	$ 2,073
Liabilities				
Funds held in trust for others	$ 1,730	$ 17,170	$ 16,827	$ 2,073
Sheriff				
Assets				
Cash and cash equivalents	$ 5,283,303	$ 7,158,865	$ 5,129,699	$ 7,312,469
Liabilities				
Funds held in trust for others	$ 5,283,303	$ 7,158,865	$ 5,129,699	$ 7,312,469
Clerk of Superior Court				
Assets				
Cash and cash equivalents	$ 11,731,378	$ 83,293,321	$ 83,513,192	$ 11,511,507
Liabilities				
Funds held in trust for others	$ 11,731,378	$ 83,293,321	$ 83,513,192	$ 11,511,507
Clerk of Probate Court				
Assets				
Cash	$ -	$ 1,490,581	$ 1,490,581	$ -
Liabilities				
Due to other funds	$ -	$ 1,490,581	$ 1,490,581	$ -
Tax Commissioner				
Assets				
Cash	$ 141,644,474	$ 725,267,914	$ 804,807,030	$ 62,105,358
Taxes and penalties receivable	311,537,840	600,714,173	511,887,809	400,364,204
	$ 453,182,314	$ 1,325,982,087	$ 1,316,694,839	$ 462,469,562
Liabilities				
Unremitted tax collections	$ 141,644,474	$ 725,267,914	$ 804,807,030	$ 62,105,358
Taxes payable to others upon collection	311,537,840	600,714,173	511,887,809	400,364,204
	$ 453,182,314	$ 1,325,982,087	$ 1,316,694,839	$ 462,469,562

Continued on next page.

Cobb County, Georgia
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended September 30, 2012

	Balance October 1, 2011	Additions	Deductions	Balance September 30, 2012
Accounts Payable Fund				
Assets				
Accounts receivable	$ 1	$ 73,376,813	$ 73,376,813	$ 1
Liabilities				
Bank overdraft	$ 1	$ 73,376,813	$ 73,376,813	$ 1
Payroll Fund				
Assets				
Cash and cash equivalents	$ 219,262	$ 250,213,939	$ 250,316,196	$ 117,005
Accounts receivable	-	1,475	930	545
	$ 219,262	$ 250,215,414	$ 250,317,126	$ 117,550
Liabilities				
Bank overdraft	$ -	$ -	$ -	$ -
Unremitted payroll tax and withholdings	219,262	250,215,414	250,317,126	117,550
	$ 219,262	$ 250,215,414	$ 250,317,126	$ 117,550
Child Support, Witness and Jurors' Fees				
Assets				
Cash	$ 58,533	$ 3,331,361	$ 3,334,870	$ 55,024
Liabilities				
Funds held in trust for others	$ 58,533	$ 3,331,361	$ 3,334,870	$ 55,024
Total assets	$ 476,038,867	$ 1,779,777,839	$ 1,769,283,286	$ 486,533,419
Total liabilities	$ 476,038,867	$ 1,779,777,839	$ 1,769,283,286	$ 486,533,419

Continued from preceding 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, 2012

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Taxes	$ 224,999,136	$ 225,186,136	$ 227,081,944	$ 1,895,808
Licenses and permits	19,640,000	19,650,566	20,732,504	1,081,938
Intergovernmental	3,692,478	3,949,817	4,793,533	843,716
Charges for services	36,458,636	37,255,557	39,729,613	2,474,056
Fines and forfeits	11,050,500	11,859,980	10,963,315	(896,665)
Interest earned	930,000	930,864	746,391	(184,473)
Miscellaneous	3,589,268	4,435,550	5,091,547	655,997
Total revenues	$ 300,360,018	$ 303,268,470	$ 309,138,847	$ 5,870,377
Expenditures:				
Current				
General government:				
Legislative:				
Board of Commissioners				
Personnel services	$ 761,209	$ 761,209	$ 758,035	$ 3,174
Operating expenditures	55,215	55,215	38,599	16,616
	816,424	816,424	796,634	19,790
Other Governmental				
Operating expenditures	1,474,466	1,474,466	1,459,552	14,914
Non-Profit				
Operating expenditures	963,695	964,023	950,420	13,603
Total legislative	3,254,585	3,254,913	3,206,606	48,307
Judicial:				
Clerk of State Court				
Personnel services	4,260,017	4,260,017	4,048,667	211,350
Operating expenditures	93,672	87,757	47,872	39,885
Capital outlay	-	5,915	5,898	17
	4,353,689	4,353,689	4,102,437	251,252
Clerk of Superior Court				
Personnel services	5,063,480	5,063,144	4,918,617	144,527
Operating expenditures	201,997	240,828	227,969	12,859
Capital outlay	2,750	7,640	4,480	3,160
	5,268,227	5,311,612	5,151,066	160,546
District Attorney				
Personnel services	5,940,417	6,615,666	6,337,189	278,477
Operating expenditures	217,430	313,776	274,135	39,641
Capital outlay	-	1,846	327	1,519
	6,157,847	6,931,288	6,611,651	319,637
Chief Magistrate				
Personnel services	3,126,853	3,126,853	3,025,996	100,857
Operating expenditures	79,114	89,548	82,972	6,576
	3,205,967	3,216,401	3,108,968	107,433

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, 2012

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Juvenile Court				
Personnel services	5,090,191	5,090,191	4,612,052	478,139
Operating expenditures	115,093	174,359	154,741	19,618
	5,205,284	5,264,550	4,766,793	497,757
Probate Court				
Personnel services	1,119,461	1,119,461	1,104,689	14,772
Operating expenditures	130,554	130,554	112,692	17,862
	1,250,015	1,250,015	1,217,381	32,634
Solicitor				
Personnel services	4,919,760	5,432,335	5,427,132	5,203
Operating expenditures	36,333	63,756	62,842	914
	4,956,093	5,496,091	5,489,974	6,117
State Court				
Personnel services	6,378,198	6,395,389	6,137,188	258,201
Operating expenditures	404,803	564,918	478,703	86,215
	6,783,001	6,960,307	6,615,891	344,416
Superior Court				
Personnel services	5,239,693	5,410,465	5,103,311	307,154
Operating expenditures	1,033,505	1,057,668	1,036,269	21,399
Capital outlay	-	4,148	4,148	-
	6,273,198	6,472,281	6,143,728	328,553
Circuit Defender				
Personnel services	713,717	713,717	703,582	10,135
Operating expenditures	4,580,625	4,580,638	4,555,423	25,215
	5,294,342	5,294,355	5,259,005	35,350
Total judicial	48,747,663	50,550,589	48,466,894	2,083,695
Executive and administrative:				
County Manager				
Personnel services	1,128,320	1,124,801	1,020,128	104,673
Operating expenditures	93,192	96,711	94,848	1,863
Capital outlay	-	23,783	23,784	(1)
	1,221,512	1,245,295	1,138,760	106,535

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, 2012

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
General Administrative				
Personnel services	23,000	25,134	-	25,134
Operating expenditures	5,867,987	8,750,729	8,750,728	1
	5,890,987	8,775,863	8,750,728	25,135
Information Services				
Personnel services	9,012,988	8,475,713	8,474,181	1,532
Operating expenditures	3,835,160	4,225,580	4,220,948	4,632
	12,848,148	12,701,293	12,695,129	6,164
Drug Treatment				
Personnel services	274,633	274,633	253,450	21,183
Operating expenditures	220,300	221,740	211,230	10,510
	494,933	496,373	464,680	31,693
Finance				
Personnel services	2,519,257	2,519,257	2,499,027	20,230
Operating expenditures	249,432	251,126	196,687	54,439
	2,768,689	2,770,383	2,695,714	74,669
Purchasing				
Personnel services	3,478,728	3,420,855	3,401,391	19,464
Operating expenditures	2,966,460	3,518,690	3,443,174	75,516
Capital outlay	729,000	2,560,626	2,553,416	7,210
	7,174,188	9,500,171	9,397,981	102,190
Tax Assessor				
Personnel services	3,549,087	3,505,837	3,381,201	124,636
Operating expenditures	1,654,699	2,178,335	1,633,803	544,532
	5,203,786	5,684,172	5,015,004	669,168
Internal Audit				
Personnel services	292,511	292,511	267,164	25,347
Operating expenditures	3,661	3,661	2,168	1,493
	296,172	296,172	269,332	26,840
Human Resources				
Personnel services	1,619,900	1,638,204	1,638,203	1
Operating expenditures	449,919	464,759	361,270	103,489
Capital outlay	1,200	1,200	-	1,200
	2,071,019	2,104,163	1,999,473	104,690
Ethics Board				
Operating expenditures	1,130	1,130	-	1,130
Property Management				
Personnel services	4,374,927	4,424,129	4,211,866	212,263
Operating expenditures	5,161,373	5,119,576	4,429,904	689,672
Capital outlay	3,250	27,661	27,661	-
	9,539,550	9,571,366	8,669,431	901,935

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, 2012

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Tax Commissioner				
Personnel services	7,068,148	7,068,148	6,704,609	363,539
Operating expenditures	483,963	472,738	450,348	22,390
Capital outlay	-	29,689	29,690	(1)
	7,552,111	7,570,575	7,184,647	385,928
Public Services				
Personnel services	90,633	91,655	91,655	-
Operating expenditures	2,345	1,323	-	1,323
	92,978	92,978	91,655	1,323
Communications				
Personnel services	993,867	993,867	928,357	65,510
Operating expenditures	162,960	162,960	72,871	90,089
Capital outlay	-	65,376	65,376	-
	1,156,827	1,222,203	1,066,604	155,599
Support Services				
Personnel services	572,552	563,052	547,771	15,281
Operating Services	19,308	29,294	27,782	1,512
	591,860	592,346	575,553	16,793
Elections & Registration				
Personnel services	2,684,550	2,710,280	2,176,973	533,307
Operating expenditures	782,030	788,912	746,554	42,358
Capital outlay	-	4,320	4,301	19
	3,466,580	3,503,512	2,927,828	575,684
County Clerk				
Personnel services	278,275	278,275	274,039	4,236
Operating expenditures	32,783	32,115	21,285	10,830
Capital outlay	-	3,518	3,518	-
	311,058	313,908	298,842	15,066
Law Department				
Personnel services	1,523,730	1,523,730	1,457,206	66,524
Operating expenditures	342,128	342,128	292,851	49,277
	1,865,858	1,865,858	1,750,057	115,801
Total executive and administrative	62,547,386	68,307,761	64,991,418	3,316,343
Total general government	114,549,634	122,113,263	116,664,918	5,448,345
Public Safety:				
P S Training Center				
Personnel services	1,103,959	1,114,156	1,114,155	1
Operating expenditures	204,233	196,346	192,160	4,186
Capital outlay	69,625	69,625	17,560	52,065
	1,377,817	1,380,127	1,323,875	56,252
Police Department				
Personnel services	51,707,395	51,286,929	50,761,777	525,152
Operating expenditures	3,107,031	3,630,994	3,630,997	(3)
Capital outlay	395,477	963,687	786,861	176,826
	55,209,903	55,881,610	55,179,635	701,975

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, 2012

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Countywide-800MHZ				
Personnel services	252,091	252,091	246,785	5,306
Operating expenditures	1,309,042	1,309,372	1,258,521	50,851
	1,561,133	1,561,463	1,505,306	56,157
Animal Control				
Personnel services	2,386,156	2,352,348	2,282,472	69,876
Operating expenditures	412,831	453,298	453,299	(1)
Capital outlay	-	30,839	30,839	-
	2,798,987	2,836,485	2,766,610	69,875
Public Safety				
Personnel services	1,255,100	1,255,100	1,181,918	73,182
Operating expenditures	67,102	67,102	51,890	15,212
	1,322,202	1,322,202	1,233,808	88,394
Safety Village				
Personnel services	114,895	114,895	110,918	3,977
Operating expenditures	155,244	155,569	136,453	19,116
	270,139	270,464	247,371	23,093
Sheriff				
Personnel services	19,269,813	19,244,460	18,924,404	320,056
Operating expenditures	1,422,025	1,437,164	1,355,214	81,950
Capital outlay	79,300	280,615	280,615	-
	20,771,138	20,962,239	20,560,233	402,006
Corrections				
Personnel services	30,410,417	30,410,417	29,655,314	755,103
Operating expenditures	15,651,975	15,756,623	14,760,402	996,221
Capital outlay	-	135,035	56,839	78,196
	46,062,392	46,302,075	44,472,555	1,829,520
Medical Examiner				
Personnel services	554,986	567,886	567,887	(1)
Operating expenditures	498,542	493,817	493,818	(1)
	1,053,528	1,061,703	1,061,705	(2)
Total public safety	130,427,239	131,578,368	128,351,098	3,227,270
Public Works:				
Department of Transportation				
Personnel services	10,272,158	10,427,158	10,200,121	227,037
Operating expenditures	2,925,138	3,340,147	2,837,952	502,195
Capital outlay	72,000	312,694	286,632	26,062
	13,269,296	14,079,999	13,324,705	755,294
Total public works	13,269,296	14,079,999	13,324,705	755,294
Culture and Recreation				
Extension Service				
Personnel services	528,597	528,597	470,329	58,268
Operating expenditures	23,369	23,369	22,798	571
	551,966	551,966	493,127	58,839

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, 2012

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Library				
Personnel services	8,094,997	7,990,324	7,677,244	313,080
Operating expenditures	2,726,399	2,729,844	2,729,844	-
	10,821,396	10,720,168	10,407,088	313,080
Parks and Recreation				
Personnel services	12,632,865	12,438,263	11,950,993	487,270
Operating expenditures	5,549,837	6,047,338	5,644,912	402,426
Capital outlay	-	843,582	843,582	-
	18,182,702	19,329,183	18,439,487	889,696
Total culture and recreation	29,556,064	30,601,317	29,339,702	1,261,615
Health and welfare:				
Senior Services				
Personnel services	3,414,674	3,412,598	3,343,095	69,503
Operating expenditures	513,788	655,858	653,862	1,996
Capital outlay	-	13,449	12,928	521
	3,928,462	4,081,905	4,009,885	72,020
Cobb County Board of Health				
Operating expenditures	978,560	978,560	978,560	-
Total health and welfare	4,907,022	5,060,465	4,988,445	72,020
Housing and development:				
Community Development				
Personnel services	6,905,322	6,905,682	6,652,723	252,959
Operating expenditures	286,844	394,350	354,368	39,982
Capital outlay	-	4,210	4,210	-
	7,192,166	7,304,242	7,011,301	292,941
Total housing and development	7,192,166	7,304,242	7,011,301	292,941
Total current	$ 299,901,421	$ 310,737,654	$ 299,680,169	$ 11,057,485
Debt service:				
Principal retirement	$ 135,033	$ 135,033	$ 133,797	$ 1,236
Interest and fiscal charges	262,322	262,332	94,267	168,065
Total debt service	$ 397,355	$ 397,365	$ 228,064	$ 169,301
Total expenditures	$ 300,298,776	$ 311,135,019	$ 299,908,233	$ 11,226,786
Excess (deficiency) of revenues over expenditures	$ 61,242	$ (7,866,549)	$ 9,230,614	$ 17,097,163

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, 2012

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Other financing sources (uses):				
Transfers in	$ 21,538,170	$ 22,427,648	$ 18,351,568	$ (4,076,080)
Proceeds from sale of capital assets	50,000	63,625	8,236	(55,389)
Transfers out	(19,820,167)	(19,533,904)	(16,671,477)	2,862,427
Total other financing sources (uses)	$ 1,768,003	$ 2,957,369	$ 1,688,327	$ (1,269,042)
Net change in fund balance	$ 1,829,245	$ (4,909,180)	$ 10,918,941	$ 15,828,121
Fund balance at beginning of year			64,275,199	
Fund balance at end of year - budgetary basis			$ 75,194,140	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			3,287,545	
Fund balance at end of year - GAAP basis			$ 78,481,685	

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SUPPLEMENTAL INFORMATION

COBB COUNTY, GEORGIA
STATISTICAL SECTION
September 30, 2012

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 117-122

Revenue Capacity

These schedules contain information to help the user assess the County's major revenue sources. Pages 123-126

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 127-132

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 133-134

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 135-137

Cobb County, Georgia
Net Assets by Component
Unaudited

	2012	2011	2010	2009	2008
Governmental activities					
Invested in capital assets, net of related debt	$ 2,993,197,551	$ 2,964,844,393	$ 2,937,351,872	$ 2,845,141,332	$ 2,697,785,423
Restricted	190,983,262	148,602,863	85,902,876	107,900,772	173,324,280
Unrestricted	52,489,843	30,201,143	30,533,812	56,626,064	61,584,531
Total governmental activities net assets	$ 3,236,670,656	$ 3,143,648,399	$ 3,053,788,560	$ 3,009,668,168	$ 2,932,694,234
Business-type activities					
Invested in capital assets, net of related debt	$ 1,234,745,764	$ 1,216,295,546	$ 1,213,125,239	$ 1,214,901,904	$ 1,221,223,766
Restricted	68,412,045	57,377,091	41,766,430	-	-
Unrestricted	5,742,409	1,243,157	(8,524,185)	18,017,954	7,356,104
Total business-type activities net assets	$ 1,308,900,218	$ 1,274,915,794	$ 1,246,367,484	$ 1,232,919,858	$ 1,228,579,870
Primary government					
Invested in capital assets, net of related debt	$ 4,227,943,315	$ 4,181,139,939	$ 4,150,477,111	$ 4,060,043,236	$ 3,919,009,189
Restricted	259,395,307	205,979,954	127,669,306	107,900,772	173,324,280
Unrestricted	58,232,252	31,444,300	22,009,627	74,644,018	68,940,635
Total primary government net assets	$ 4,545,570,874	$ 4,418,564,193	$ 4,300,156,044	$ 4,242,588,026	$ 4,161,274,104

	2007	2006	2005	2004	2003
Governmental activities					
Invested in capital assets, net of related debt	$ 2,519,108,757	$ 2,480,941,152	$ 2,476,786,038	$ 2,462,887,568	$ 2,443,180,328
Restricted	183,127,588	85,045,197	4,501,533	102,020,091	75,568,888
Unrestricted	76,623,771	82,350,806	70,015,602	29,981,942	58,464,900
Total governmental activities net assets	$ 2,778,860,116	$ 2,648,337,155	$ 2,551,303,173	$ 2,594,889,601	$ 2,577,214,116
Business-type activities					
Invested in capital assets, net of related debt	$ 1,184,655,823	$ 1,160,044,646	$ 1,113,718,561	$ 959,605,058	$ 949,944,450
Restricted	-	-	-	144,528,897	111,445,686
Unrestricted	26,521,995	4,806,173	2,306,436	(25,510,809)	(39,411,425)
Total business-type activities net assets	$ 1,211,177,818	$ 1,164,850,819	$ 1,116,024,997	$ 1,078,623,146	$ 1,021,978,711
Primary government					
Invested in capital assets, net of related debt	$ 3,703,765,580	$ 3,640,985,798	$ 3,590,504,599	$ 3,422,492,626	$ 3,393,124,778
Restricted	183,127,588	85,045,197	4,501,533	246,548,988	187,014,574
Unrestricted	103,145,766	87,156,979	72,322,038	4,471,133	19,053,475
Total primary government net assets	$ 3,990,038,934	$ 3,813,187,974	$ 3,667,328,170	$ 3,673,512,747	$ 3,599,192,827

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Expenses										
Governmental activities:										
General government	$ 128,569,788	$ 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
Public safety	214,304,007	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
Public works	114,304,649	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
Health and welfare	4,959,244	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
Culture and recreation	38,769,474	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
Housing and development	16,821,511	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
Interest on long-term debt	4,661,298	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
Total governmental activities expenses	$ 522,389,971	$ 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
Business-type activities:										
Water and Sewer	$ 161,143,254	$ 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
Solid Waste	1,268,190	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
Transit	22,105,963	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
Cobblestone Golf Course	1,702,007	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
Mable House Barnes Amphitheatre	-	-	-	-	-	-	1,621,898	1,370,258	1,294,694	1,213,026
Total business-type activities expenses	$ 186,219,414	$ 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
Total primary government expenses	$ 708,609,385	$ 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
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 44,083,506	$ 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
Public safety	15,782,214	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
Public works	5,686,233	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
Health and welfare	125,741	108,067	80,686	82,003	80,917	74,041	80,017	79,569	72,894	73,935
Culture and recreation	3,730,765	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
Housing and development	20,462,563	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
Operating grants and contributions	30,918,003	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
Capital grants and contributions	33,672,286	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
Total governmental activities program revenues	$ 154,461,311	$ 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
Business-type activities:										
Charges for services:										
Water and Sewer	$ 199,908,029	$ 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
Solid Waste	319,350	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
Transit	6,334,856	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
Cobblestone Golf Course	1,940,550	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
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	-	-	-
Capital grants and contributions	18,250,239	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
Total business-type activities program revenues	$ 226,753,024	$ 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
Total primary government program revenues	$ 381,214,335	$ 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
Net (Expense)/Revenue										
Governmental activities	$ (367,928,660)	$ (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)
Business-type activities	40,533,610	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
Total primary government net (expense)/revenue	$ (327,395,050)	$ (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)

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Cobb County, Georgia
Changes in Net Assets
Unaudited

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes	$ 266,092,328	$ 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
Sales taxes	130,658,337	126,853,951	121,143,588	113,364,227	132,348,036	134,143,700	100,562,325	161,617	485,445	150,785
Insurance and premium tax	21,312,299	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
Alcoholic beverage tax	4,611,903	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
Hotel/Motel tax	10,366,262	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
Real estate transfer tax	964,058	818,501	735,743	805,210	1,285,897	2,381,465	2,565,691	2,449,347	1,908,363	3,962,093
Miscellaneous taxes	11,736,588	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
Miscellaneous	7,274,977	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
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
Gain on sale of capital assets	11,123	-	967,324	43,858	248,756	160,675	812,344	392,556	166,281	(81,086)
Increase/decrease in fair market value	-	-	-	-	-	-	-	-	(1,319)	2,038
Unrestricted investment earnings	1,045,701	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
Extraordinary gain - donated roads	-	-	-	-	-	-	-	-	-	21,939,200
Extraordinary gain - capital contributions	-	-	-	-	-	-	-	-	-	769,129
Transfers	6,877,341	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
Total governmental activities	$ 460,950,917	$ 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
Business-type activities:										
Miscellaneous	$ 193,332	$ 399,651	$ 615,141	$ 721,233	$ 942,405	$ 913,102	$ 1,487,088	$ -	$ -	$ -
Gain on sale of capital assets	34,395	90,422	375,196	(1,060,661)	31,240	47,478	-	157,878	985,040	(143,065)
Increase/decrease in fair market value	-	-	-	-	-	-	-	(18)	(2,543)	7,325
Unrestricted investment earnings	100,428	121,276	359,637	492,335	1,988,896	3,569,886	5,371,893	3,677,132	2,395,842	2,295,482
Transfers	(6,877,341)	(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)
Total business-type activities	$ (6,549,186)	$ (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
Total primary government	$ 454,401,731	$ 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
Change in Net Assets Before Restatement										
Governmental activities	$ 93,022,257	$ 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)
Business-type activities	33,984,424	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
Total primary government	$ 127,006,681	$ 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
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	$ 93,022,257	$ 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)
Business-type activities	33,984,424	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
Total primary governmen	$ 127,006,681	$ 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

Continued from proceeding page

Cobb County, Georgia
Fund Balances, Governmental Funds
Unaudited

	2012	2011	2010	2009	2008
General Fund					
Nonspendable	$ 5,388,509	$ 3,866,278	$ 3,377,881	$ -	$ -
Restricted	2,003,534	2,142,090	1,909,472	5,744,747	6,035,817
Committed	26,838,346	22,853,051	4,395,900	-	-
Assigned	38,137	38,137	895,727		
Unassigned	44,213,159	35,375,643	29,130,898	42,189,697	40,743,565
Total General Fund	$ 78,481,685	$ 64,275,199	$ 39,709,878	$ 47,934,444	$ 46,779,382
All Other Governmental Funds					
Nonspendable	$ 323,167	$ 150,710	$ 1,983	$ -	$ -
Restricted	188,186,359	145,233,251	93,562,980	133,774,416	136,002,073
Committed	892,897	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
Capital Projects Funds	-	-	-	17,165,427	72,154,167
Total all other governmental funds	$ 189,402,423	$ 148,813,636	$ 112,733,427	$ 151,366,799	$ 226,063,387

	2007	2006	2005	2004	2003
General Fund					
Reserved	$ 7,085,586	$ 6,763,639	$ 6,893,207	$ 5,632,515	$ 5,097,575
Unreserved	51,628,912	53,847,873	49,737,523	40,439,209	63,125,053
Total General Fund	58,714,498	$ 60,611,512	$ 56,630,730	$ 46,071,724	$ 68,222,628
All Other Governmental Funds					
Reserved	$ 90,325,264	$ 56,453,588	$ 8,678,307	$ 2,060,457	$ 6,074,340
Unreserved					
Special Revenue Funds	26,838,435	27,327,858	23,536,835	17,698,893	17,290,675
Capital Projects Funds	142,747,333	78,621,544	47,925,922	73,864,196	43,870,351
Total all other governmental funds	$ 259,911,032	$ 162,402,990	$ 80,141,064	$ 93,623,546	$ 67,235,366

Source: Basic Financial Statements

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

	2012	2011	2010	2009	2008
Revenues					
Taxes	$ 446,198,262	$ 443,553,657	$ 415,633,188	$ 420,576,822	$ 430,494,106
Licenses and permits	21,107,725	20,697,338	16,659,309	16,895,893	20,002,557
Intergovernmental	47,026,534	44,740,225	50,635,105	41,864,297	47,620,520
Charges for services	57,801,007	52,247,547	58,462,632	59,486,597	58,031,429
Fines and forfeits	10,963,315	12,842,713	13,761,213	15,801,352	17,961,770
Interest earned	1,337,327	1,565,632	2,174,725	5,339,066	11,702,780
Contributions	-	-	-	-	-
Increase (decrease) in fair value of investments	-	-	-	-	-
Miscellaneous	7,508,969	8,426,162	10,053,251	10,034,725	6,435,465
Total revenues	$ 591,943,139	$ 584,073,274	$ 567,379,423	$ 569,998,752	$ 592,248,627
Expenditures					
General government	$ 122,402,883	$ 117,985,464	$ 125,328,297	$ 123,341,205	$ 125,709,498
Public safety	207,712,179	201,220,539	216,262,152	207,638,521	205,020,261
Public works	20,134,131	21,071,499	19,089,629	37,719,789	30,598,324
Health and welfare	5,075,377	6,073,248	8,199,261	7,738,451	7,769,638
Culture and recreation	36,379,623	35,222,986	39,403,023	39,065,599	42,377,184
Housing and development	18,364,641	24,233,973	20,834,947	14,074,012	15,183,400
Debt service					
Principal retirement	13,691,395	15,472,073	10,666,662	12,913,462	13,961,512
Interest and fiscal charges	4,834,172	5,221,351	5,640,833	6,157,146	6,742,631
Capital outlay	83,866,243	85,476,054	177,623,740	218,458,686	207,489,112
Intergovernmental	32,479,600	20,541,070	-	-	-
Total expenditures	$ 544,940,244	$ 532,518,257	$ 623,048,544	$ 667,106,871	$ 654,851,560
Excess of revenues over (under) expenditures	$ 47,002,895	$ 51,555,017	$ (55,669,121)	$ (97,108,119)	$ (62,602,933)
Other financing sources (uses)					
Transfers in	$ 31,780,837	$ 39,754,285	$ 48,899,093	$ 39,580,576	$ 60,545,358
Transfers out	(24,535,492)	(32,786,823)	(41,516,848)	(40,312,340)	(59,309,482)
Capital lease proceeds	527,412	1,778,899	280,310	12,567,168	291,405
Proceeds from sale of capital assets	19,621	344,152	1,871,876	174,369	292,891
Bonds issued	-	-	10,730,000	-	15,000,000
Premium on bonds issued	-	-	-	-	-
Premium on issance of certificates	-	-	103,572	-	-
Total other financing sources (uses)	$ 7,792,378	$ 9,090,513	$ 20,368,003	$ 12,009,773	$ 16,820,172
Net change in fund balances before restatement	$ 54,795,273	$ 60,645,530	$ (35,301,118)	$ (85,098,346)	$ (45,782,761)
Restatement	$ -	$ -	$ 30,328	$ -	$ -
Net change in fund balances after restatement	$ 54,795,273	$ 60,645,530	$ (35,270,790)	$ (85,098,346)	$ (45,782,761)
Debt service as a percentage of noncapital expenditures	4.06%	4.64%	3.43%	4.12%	4.50%

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

2007	2006	2005	2004	2003
$ 421,478,808	$ 365,649,916	$ 243,253,752	$ 233,912,522	$ 219,514,807
21,757,476	21,477,431	21,952,259	20,081,455	18,073,485
43,927,165	40,119,513	45,972,924	45,024,359	33,188,602
59,521,098	57,707,513	53,948,110	51,881,834	55,541,607
17,747,175	17,337,209	19,439,582	16,781,751	16,307,448
13,130,180	6,717,914	2,684,393	1,679,490	1,903,733
-	-	73,565	230,213	190,505
-	-	-	(1,319)	2,038
7,369,832	9,046,114	6,249,544	8,560,148	7,029,846
$ 584,931,734	$ 518,055,610	$ 393,574,129	$ 378,150,453	$ 351,752,071
$ 133,657,911	$ 121,042,343	$ 136,122,674	$ 108,899,536	$ 97,376,226
199,303,102	184,595,327	167,931,065	164,439,721	144,972,677
89,477,872	57,385,232	40,980,529	47,421,144	42,145,316
7,413,307	6,578,840	6,284,246	5,118,992	4,708,724
52,030,237	39,809,495	32,471,529	33,045,343	28,915,435
15,150,457	15,105,680	16,859,368	17,401,587	17,335,630
16,548,903	10,944,224	7,123,315	7,614,617	7,607,097
6,977,162	6,963,792	3,859,569	3,310,637	3,560,168
-	-	-	-	-
-	-	-	-	-
$ 520,558,951	$ 442,424,933	$ 411,632,295	$ 387,251,577	$ 346,621,273
$ 64,372,783	$ 75,630,677	$ (18,058,166)	$ (9,101,124)	$ 5,130,798
$ 80,462,127	$ 58,146,991	$ 41,216,609	$ 80,629,289	$ 45,041,284
(82,436,523)	(55,394,987)	(34,830,124)	(79,635,859)	(37,383,272)
6,975,011	7,019,390	-	12,344,970	3,787,719
310,697	840,637	1,515,000	-	-
25,000,000	-	19,245,880	-	34,218,180
926,933	-	-	-	-
-	-	(19,144,311)	-	(33,808,908)
$ 31,238,245	$ 10,612,031	$ 8,003,054	$ 13,338,400	$ 11,855,003
$ 95,611,028	$ 86,242,708	$ (10,055,112)	$ 4,237,276	$ 16,985,801
$ -	$ -	$ 7,131,636	$ -	$ -
$ 95,611,028	$ 86,242,708	$ (2,923,476)	$ 4,237,276	$ 16,985,801
5.30%	4.50%	3.20%	3.41%	3.74%

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				
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%
2012	15,982,982,729	39,957,456,823	7,447,369,118	18,618,422,795	2,667,891,919	6,669,729,798	2,901,783,664	7,254,459,160	29,000,027,430	11.11	72,500,068,575	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									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Cobb County Direct Rates										
General	7.72	7.72	6.82	6.82	6.82	6.82	6.82	6.85	6.85	6.85
Fire District	3.06	3.06	2.56	2.56	2.56	2.56	2.56	2.65	2.65	2.65
Debt Service	0.33	0.33	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22
Total direct rates	11.11	11.11	9.60	9.60	9.60	9.60	9.60	9.72	9.72	9.72
City Rates										
Acworth	37.81	36.47	36.35	36.35	36.35	36.35	37.44	37.74	37.24	37.32
Austell	31.15	30.32	29.31	29.31	29.31	29.31	30.31	30.34	30.34	30.34
Kennesaw	39.71	39.76	38.25	38.25	38.25	38.25	38.00	36.62	36.62	36.62
Marietta	31.45	31.50	30.49	29.94	29.94	29.94	29.94	29.97	29.97	29.97
Powder Springs	38.71	38.76	37.25	37.25	37.25	37.25	38.25	38.37	38.37	36.87
Smyrna	36.14	36.19	35.18	35.18	35.18	35.18	36.36	36.79	36.87	37.07
School District										
Cobb County Board of Education	18.90	18.90	18.90	18.90	18.90	18.90	19.90	19.90	19.90	19.90
State of Georgia	0.20	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

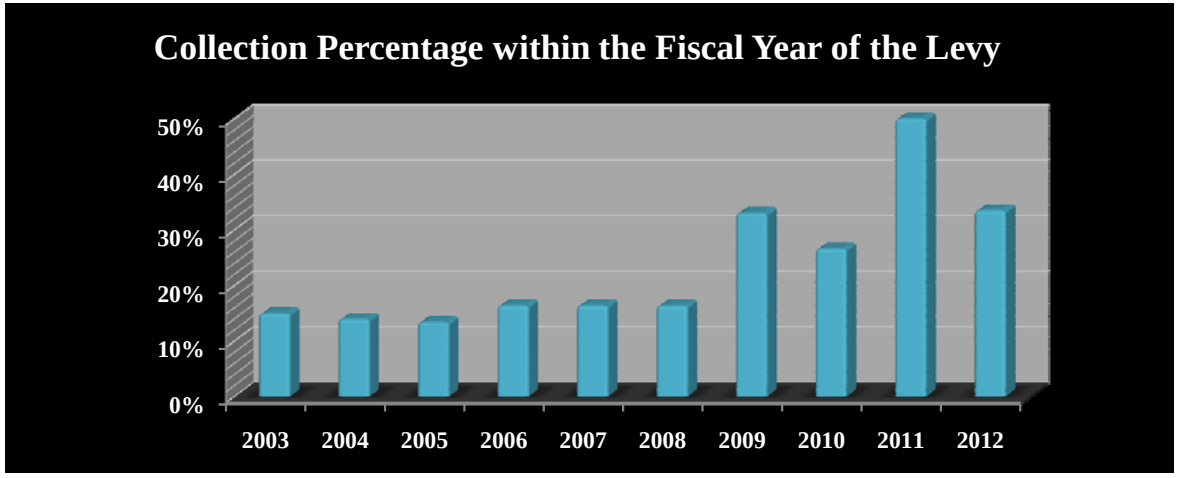
Cobb County, Georgia
Principal Property Tax Payers
Unaudited

	Fiscal Year 2012			Fiscal Year 2003		
Taxpayer	Taxes Levied	Rank	Percentage of Total County Taxes Levied	Taxes Levied	Rank	Percentage of Total County Taxes Levied
AMLI Land Development	$ -			$ 2,007,581	8	1.39%
BellSouth Telecommunication				3,392,044	4	2.35%
CP Venture Five, LLC	1,804,254	7	0.73%			
Cobb EMC	2,975,949	4	1.20%	2,284,712	7	1.58%
Crow Companies				1,794,380	9	1.24%
CRP	1,685,315	9	0.68%			
Georgia Power Co.	12,223,811	1	4.95%	2,580,318	5	1.79%
Home Depot	5,721,916	2	2.32%	3,672,648	3	2.54%
Lockheed Martin Corp	2,658,196	6	1.08%	2,472,063	6	1.71%
Ohio Teacher's Retirement Fund	2,922,360	5	1.18%			
Post Properties				4,267,083	2	2.95%
SP4	3,270,913	3	1.32%			
Trizechahn Properties				1,460,126	10	1.01%
UK Lasalle Inc.	1,684,695	10	0.68%			
Walton Communities	1,789,561	8	0.72%			
Wildwood Properties				5,765,141	1	3.99%

Source: Cobb County Tax Commissioner's Office

Cobb County, Georgia
Property Tax Levies and Collections
Unaudited

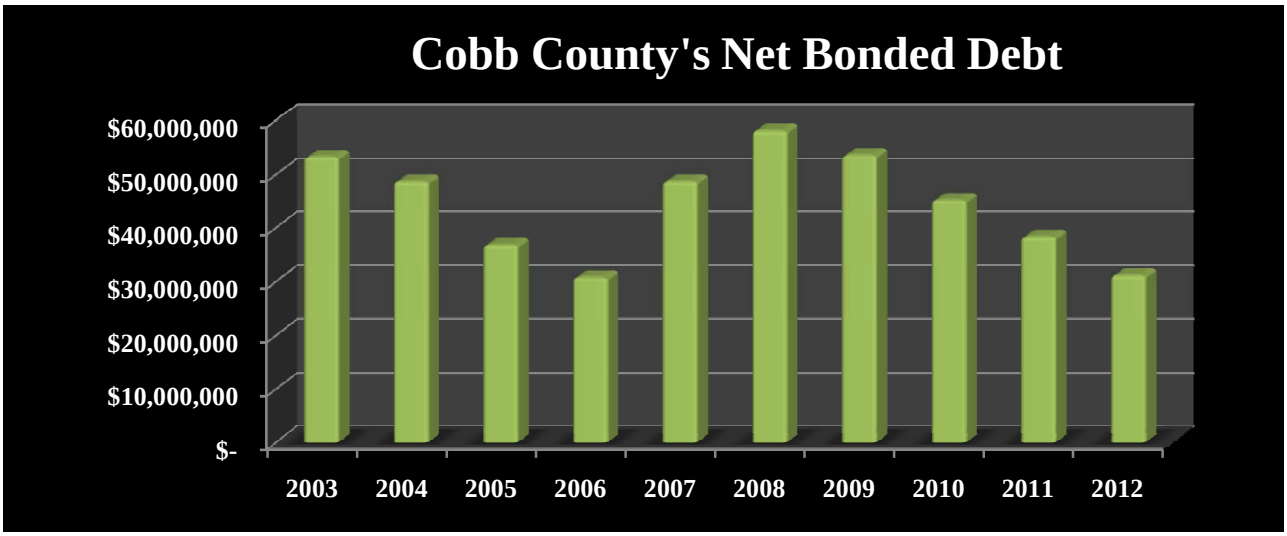
Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)	Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2003	$ 173,817,379	$ (2,783,868)	$ 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%	168,383,383	194,881,915	99.48%
2006	211,393,308	(1,137,603)	210,255,705	34,705,014	16.42%	173,817,068	208,522,082	99.18%
2007	226,524,907	(1,246,479)	225,278,428	37,148,299	16.40%	186,884,758	224,033,057	99.45%
2008	240,393,700	(1,195,186)	239,198,514	39,301,350	16.35%	198,041,942	237,343,292	99.22%
2009	239,646,001	(2,650,394)	236,995,607	79,131,484	33.02%	156,715,960	235,847,444	99.52%
2010	224,451,029	(3,263,579)	221,187,450	59,693,126	26.60%	160,059,436	219,752,562	99.35%
2011	246,978,483	(2,126,916)	244,851,567	124,618,748	50.46%	117,273,092	241,891,840	98.79%
2012	242,052,858	(4,729,609)	237,323,248	81,038,859	33.48%	-	81,038,859	34.15%



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
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
2012	40,370,000	9,248,141	31,121,859	0.11%	0.04%	44.62



Source: Basic Financial Statements

Cobb County, Georgia
Direct and Overlapping Governmental Activities Debt
Unaudited
As of September 30, 2012

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Direct and Overlapping Debt
Cities			
Austell	$ -	100%	$ -
Kennesaw	12,125,000	100%	12,125,000
Marietta	53,564,180	100%	53,564,180
Powder Springs	8,015,000	100%	8,015,000
Total cities			$ 73,704,180
Development Authorities			
Acworth	$ 9,757,117	100%	$ 9,757,117
Marietta	30,085,000	100%	30,085,000
Smyrna	50,370,000	100%	50,370,000
Total development authorities			$ 90,212,117
Subtotal, overlapping debt			$ 163,916,297
Total direct debt			
Tax Anticipation Notes	98,000,000		
General Obligation Debt	40,370,000		
Certificates of Participation	10,260,000		
Intergovernmental Contract Payable	48,260,000		
Total direct debt			$ 196,890,000
Total direct and overlapping debt			$ 360,806,297

Note: (1) Entities are situated entirely within the geographic boundaries of the County

Cobb County, Georgia
Legal Debt Margin Information
Unaudited

	Fiscal Year 2012	2011	2010	2009	2008
Assessed value of property	$ 29,000,027,430	$ 29,710,645,634	$ 31,428,353,769	$ 33,757,593,994	$ 33,818,897,411
Debt limit, 10% of assessed value	2,900,002,743	2,971,064,563	3,142,835,377	3,375,759,399	3,381,889,741
Amount of debt applicable to limit	31,121,859	38,341,262	45,235,726	53,682,433	58,082,258
General Obligation Bonds	40,370,000	47,070,000	53,480,000	60,300,000	66,815,000
Less: Resources restricted to paying principal	(9,248,141)	(8,728,738)	(8,244,274)	(6,617,567)	(8,732,742)
Total net debt applicable to limit	31,121,859	38,341,262	45,235,726	53,682,433	58,082,258
Legal debt margin	$ 2,868,880,884	$ 2,932,723,301	$ 3,097,599,651	$ 3,322,076,966	$ 3,323,807,483
Total net debt applicable to the limit as a percentage of debt limit	1.07%	1.29%	1.44%	1.59%	1.72%

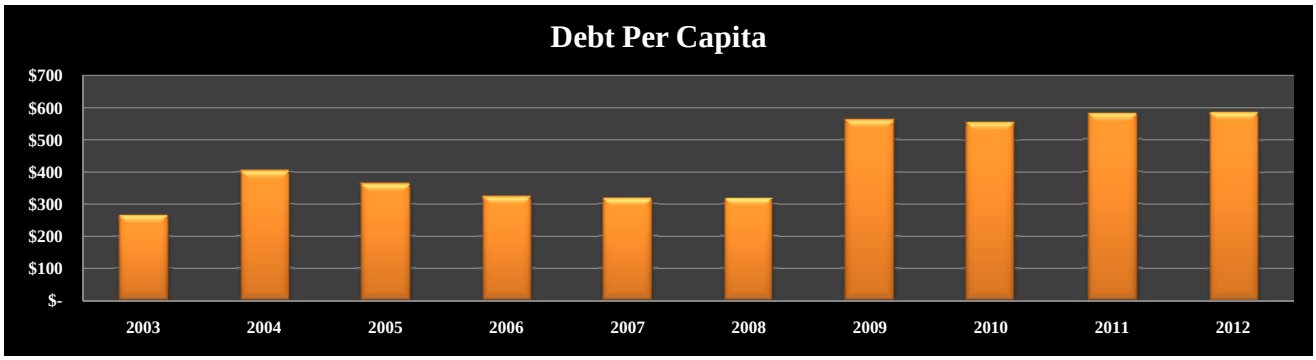
	Fiscal Year 2007	2006	2005	2004	2003
Assessed value of property	$ 32,572,081,456	$ 30,286,408,554	$ 28,102,028,818	$ 26,088,528,583	$ 24,620,200,329
Debt limit, 10% of assessed value	3,257,208,146	3,028,640,855	2,810,202,882	2,608,852,858	2,462,020,033
Amount of debt applicable to limit	48,689,033	30,728,179	36,836,417	48,681,265	53,369,333
General Obligation Bonds	58,070,000	39,095,000	44,895,000	50,545,000	- 55,355,000
Less: Resources restricted to paying principal	(9,380,967)	(8,366,821)	(8,058,583)	(1,863,735)	(1,985,667)
Total net debt applicable to limit	48,689,033	30,728,179	36,836,417	48,681,265	53,369,333
Legal debt margin	$ 3,208,519,113	$ 2,997,912,676	$ 2,773,366,465	$ 2,560,171,593	$ 2,408,650,700
Total net debt applicable to the limit as a percentage of debt limit	1.49%	1.01%	1.31%	1.87%	2.17%

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
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
2012	40,370,000	5,907,329	198,990,000	325,654	163,412,065	409,005,048	1.28%	586.34



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
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
2012	201,676,082	114,183,662	87,492,420	10,015,000	9,044,825	19,059,825	4.59

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
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
2012	3,641,614	557,738	3,083,876	1,850,000	353,750	2,203,750	1.40

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
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
2012	1,941,267	1,450,640	490,627	1,635,000	65,160	1,700,160	0.29

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

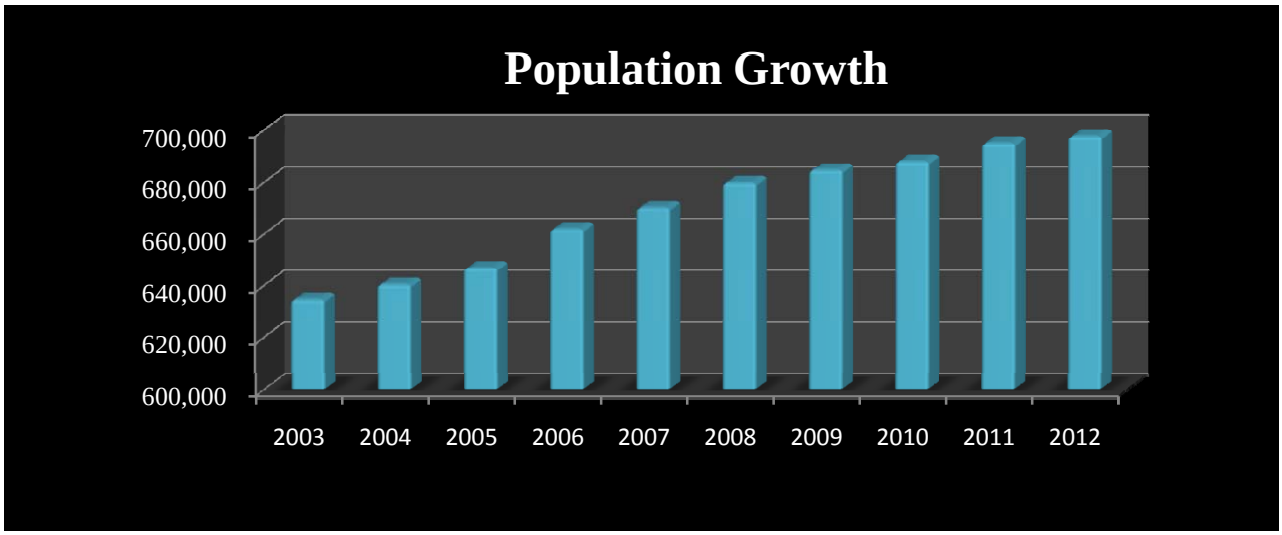
Cobb County, Georgia
Annual Debt Service Requirements
Unaudited

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
2013	6,995,000	1,247,782	12,495,000	8,843,025	5,035,000	5,807,455
2014	7,310,000	929,238	12,885,000	8,219,525	5,335,000	5,568,815
2015	7,625,000	607,412	13,285,000	7,134,375	5,755,000	5,317,193
2016	7,950,000	257,118	11,755,000	6,637,950	6,005,000	5,032,063
2017	8,305,000	257,118	12,250,000	6,637,950	6,345,000	4,750,806
2018-2022	2,185,000	35,506	69,820,000	24,744,137	37,730,000	18,699,714
2023-2027	-	-	48,185,000	9,691,600	48,685,000	8,194,576
2028-2030	-	-	18,315,000	1,175,763	8,795,000	390,359
	$ 40,370,000	$ 3,334,174	$ 198,990,000	$ 73,084,325	$ 123,685,000	$ 53,760,981

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
2013	6,995,000	1,559,018	12,495,000	8,843,025	19,490,000	10,402,043
2014	7,310,000	1,247,782	12,885,000	8,219,525	20,195,000	9,467,307
2015	7,625,000	929,238	13,285,000	7,134,375	20,910,000	8,063,613
2016	7,950,000	607,412	11,755,000	6,637,950	19,705,000	7,245,362
2017	8,305,000	257,118	12,250,000	6,637,950	20,555,000	6,895,068
2018-2022	2,185,000	35,506	69,820,000	24,744,137	72,005,000	24,779,643
2023-2027	-	-	48,185,000	9,691,600	48,185,000	9,691,600
2028-2030	-	-	18,315,000	1,175,763	18,315,000	1,175,763
	$ 40,370,000	$ 4,636,074	$ 198,990,000	$ 73,084,325	$ 239,360,000	$ 77,720,399

Cobb County, Georgia
Demographic and Economic Statistics
Unaudited

Year	Population (1)	Personal Income (2)	Per Capita Personal Income (2)	County Unemployment Rate (3)
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%
2012	697,553	32,033,726,419	45,923.00	7.3%



Source:
(1) Estimated from April 2010 Census using 1% growth rate
(2) Woods & Poole Economics 2012 Data Pamphlet
(3) Office of Economic Development and Cobb Chamber of Commerce

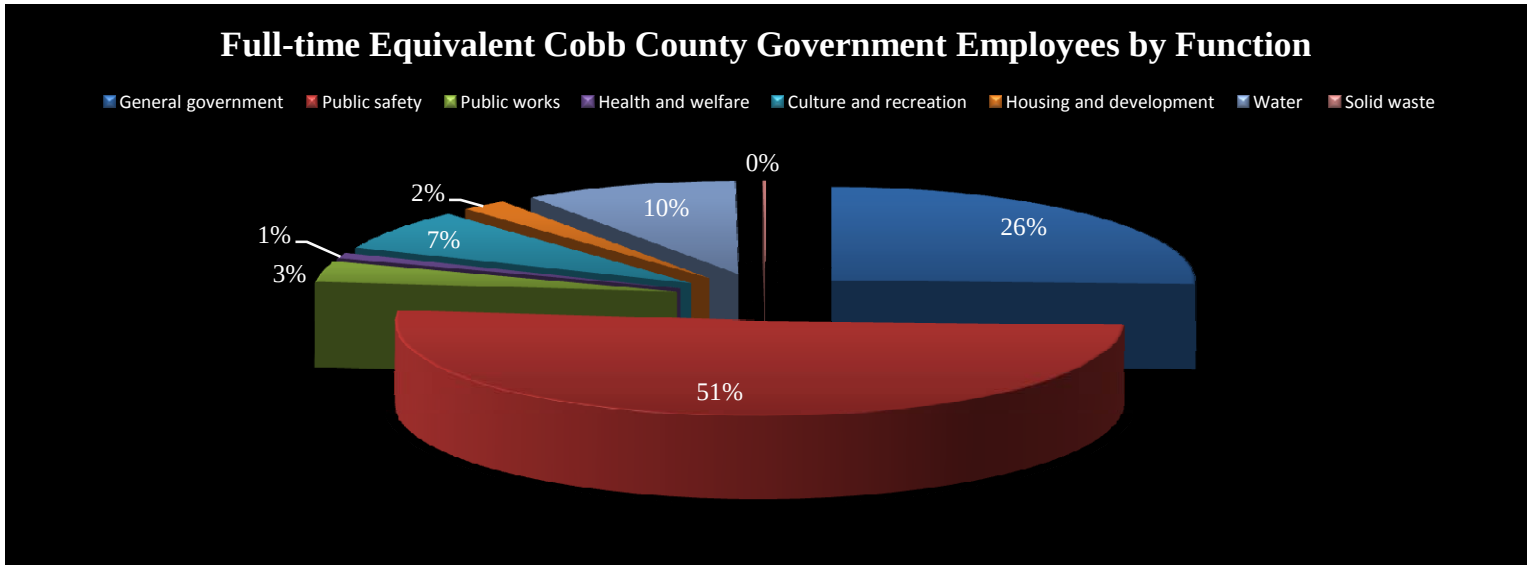
Cobb County, Georgia
Principal Employers
Unaudited

	2012		2003	
Employer	Employees	Percentage of Total County Employment	Employees	Percentage of Total County Employment
Alorica Inc. [forerly Ryla Teleservices Inc]	1,950	0.52%		
Cobb County Government	4,210	1.13%	4,551	1.11%
Cobb County Schools	18,751	5.05%	13,788	3.38%
Dobbins Air Force Base	2,547	0.69%		
Home Depot	20,000	5.38%	8,367	2.05%
IBM Corporation				
Kennesaw State University	4,404	1.19%	2,646	0.65%
Kroger Co.	2,383	0.64%	2,025	
Lockheed Martin	6,900	1.86%	7,816	1.91%
Medaphis Corporation				
Publix Super Markets	2,988	0.80%	3,950	0.97%
Six Flags Over Georgia	2,010	0.54%	2,600	0.64%
Sprint PCS			2,000	0.49%
Walmart	2,258	0.61%		
Wellstar Health System	12,746	3.43%	7,511	1.84%
Worldspan				

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	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General government	1,150	1,141	1,143	1,170	1,175	1,169	1,145	1,105	1,075	1,068
Public safety	2,294	2,294	2,294	2,291	2,251	2,174	2,095	2,072	2,044	2,025
Public works	159	148	148	174	179	179	174	167	165	165
Health and welfare	43	53	53	59	58	57	57	56	56	56
Culture and recreation	318	318	318	331	338	336	331	324	313	313
Housing and development	92	92	93	103	112	112	108	108	106	106
Water	429	429	429	434	439	439	419	417	398	401
Solid waste	6	6	7	58	58	58	58	57	57	62
Total	4,491	4,481	4,485	4,620	4,610	4,524	4,387	4,306	4,214	4,196



Source: Cobb County Human Resources Department

Cobb County, Georgia
Operating Indicators by Function
Unaudited

Function/Program	Fiscal Year 2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General government										
Vehicle tags issued	632,813	695,116	681,339	679,519	696,900	717,060	703,127	689,536	673,521	647,487
Public safety										
E-911 calls	393,208	380,090	382,357	392,177	358,375	367,507	399,423	387,682	358,350	348,454
Police service calls	458,160	457,878	488,890	502,275	425,049	494,134	529,557	520,575	544,658	534,984
Fire/EMS dispatches	64,823	64,854	61,841	61,763	64,006	64,697	63,572	62,013	66,008	63,006
Public works										
Miles of road resurfacing	92.00	64.00	35.93	45.00	77.00	71.89	55.36	59.00	88.00	83.06
Health and welfare										
Number of child support cases	7,500	7,587	7,814	8,108	7,953	8,058	7,873	7,747	7,580	7,053
Culture and recreation										
Golf rounds played	44,848	40,385	24,198	40,414	46,715	47,242	47,834	44,692	45,536	*
Housing and development										
Building permits issued	5,667	5,730	5,508	9,014	11,912	10,032	10,204	9,879	9,703	8,345
Water										
Water accounts	174,837	176,406	175,688	175,075	174,709	173,725	171,609	164,323	161,115	157,509
Daily average consumption - 1,000 gal units	56,709	56,909	56,312	54,027	54,100	67,925	66,644	61,705	62,513	59,150
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 2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General government										
Vehicles	243	236	234	238	235	242	231	237	224	219
Public safety										
Police stations	6	6	6	6	6	6	6	6	6	6
Fire stations	30	31	31	29	29	28	27	27	27	27
Public works										
Miles of road***	3,256	3,451	3,418	3,393	2,434	2,492	2,472	2,434	2,307	2,307
Miles of sidewalks	1,174	1,160	1,146	1,130	1,100	1,080	1,060	1,030	1,100	1,100
Health and welfare										
Senior service centers	5	4	5	5	5	5	5	5	5	5
Culture and recreation										
County parks	77	77	77	75	74	66	66	65	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	14	2	1	1	1	2	3	1	1	1
Water										
Miles of water mains*	3,133	3,130	3,121	3,086	3,062	3,023	2,987	2,945	2,907	2,855
Miles of sewers*	2,605	2,596	2,611	2,582	2,576	2,558	2,529	2,493	2,477	2,430
Solid waste										
Facilities	**	**	**	2	2	2	2	2	2	2

Source: Department managers within each function/program.
*In 2010, Water began utilizing our Geographical Information System [GIS] to calculate assets. Historical data has been revised based on 2010 GIS quantities
**At the end of FY2009, Solid Waste was privitized
***In 2012, the miles of roads indicator was reduced so as to not include private roads.

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, 2012

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures Prior Years	Expenditures Current Year	Expenditures Total	Estimated Percentage of Completion
2006 SPLOST:						
Public Safety						
Jail Expansion	$ 110,000,000	$ 110,000,000	$ 108,783,797	$ 172,890	$ 108,956,687	99.05%
New Court House	55,000,000	63,000,000	62,312,802	46,046	62,358,848	98.98%
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	348,211,029	60,245,687	408,456,716	74.50%
City of Acworth	11,090,749	10,718,781	9,447,233	527,437	9,974,670	93.06%
City of Austell	2,042,132	2,042,132	1,629,819	113,451	1,743,270	85.37%
City of Kennesaw	9,931,674	8,710,726	7,957,493	30,986	7,988,479	91.71%
City of Marietta	58,273,797	56,269,247	49,659,166	2,874,188	52,533,354	93.36%
City of Powder Springs	13,212,326	12,394,356	10,631,345	905,842	11,537,187	93.08%
City of Smyrna	42,725,391	40,463,490	34,681,733	2,323,799	37,005,532	91.45%
Program Total	$ 854,600,355	$ 878,836,948	$ 660,314,417	$ 67,240,326	$ 727,554,743	82.79%
2011 SPLOST:						
Facilities	$ 16,748,420	$ 18,150,220	$ -	$ 2,449,196	$ 2,449,196	13.49%
Parks	82,023,000	83,522,882	-	1,820,250	1,820,250	2.18%
Public Safety						
Equipment	10,931,400	9,529,600	-	1,550,569	1,550,569	16.27%
800Mhz Communication System	1,965,000	1,965,000	-	1,756,538	1,756,538	89.39%
Transportation:						
Cobb County	250,885,000	260,131,664	-	9,961,927	9,961,927	3.83%
City of Acworth	13,323,141	7,403,141	-	2,644,133	2,644,133	35.72%
City of Austell	4,672,186	2,803,312	-	927,250	927,250	33.08%
City of Kennesaw	22,107,998	16,580,999	-	4,387,590	4,387,590	26.46%
City of Marietta	44,799,421	37,919,421	-	8,890,969	8,890,969	23.45%
City of Powder Springs	10,678,598	6,796,827	-	1,744,293	1,744,293	25.66%
City of Smyrna	33,934,318	29,229,814	-	7,109,662	7,109,662	24.32%
Program Total	$ 492,068,482	$ 474,032,880	$ -	$ 43,242,377	$ 43,242,377	9.12%

Cobb County, Georgia
Water and Sewer Enterprise Fund
Comparative Statements of Revenues and Expenses
For the Fiscal Years Ended September 30, 2012 and 2011

	2012	2011
Operating revenues:		
Water sales	$ 93,143,253	$ 89,932,972
Sewer sales	100,273,961	100,182,143
Water connection charges	5,314,482	5,049,323
Sewer connection charges	860,913	1,111,048
Other	494,276	874,317
Total operating revenues	$ 200,086,885	$ 197,149,803
Operating expenses:		
Administrative	$ 18,377,322	$ 18,234,377
Engineering	2,711,480	2,676,597
Water operations	55,878,340	53,108,922
Sewer operations	37,216,520	37,390,783
Total operating expenses	$ 114,183,662	$ 111,410,679
Operating income before depreciation	$ 85,903,223	$ 85,739,124
Less depreciation	(39,017,461)	(39,145,731)
Operating income	$ 46,885,762	$ 46,593,393
Nonoperating revenues (expenses):		
Interest income	$ 98,975	$ 119,585
Interest and fiscal charges	(8,290,455)	(9,949,247)
Amortization of bond costs	348,324	417,906
Gain from sale of capital assets	34,395	77,990
Total nonoperating revenues (expenses)	$ (7,808,761)	$ (9,333,766)
Net income before transfers and capital contributions	$ 39,077,001	$ 37,259,627
Capital contributions	$ 6,984,727	$ 8,818,399
Total capital contributions	$ 6,984,727	$ 8,818,399
Transfers:		
Transfers in	$ 1,107,503	$ 102,313
Transfers out	(16,657,913)	(19,805,206)
Total transfers	$ (15,550,410)	$ (19,702,893)
Change in net assets	$ 30,511,318	$ 26,375,133

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).

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, 2012, which collectively comprise Cobb County, Georgia's basic financial statements and have issued our report thereon dated February 25, 2013. 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

Management of Cobb County, Georgia is responsible for establishing and maintaining effective 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 over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.

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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.

Crace Galvis McGrath, LLC

February 25, 2013

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, 2012. 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, 2012.

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tel: 770.422.0598 | fax: 678.214.2355 | www.cgmcpa.com

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

The purpose of this report is solely to describe the scope of our testing of compliance with the types of compliance requirements applicable to each of Cobb County, Georgia's major programs and our testing of internal control over compliance and the results of our testing, and to provide an opinion on Cobb County, Georgia's compliance but not to provide an opinion on the effectiveness of Cobb County, Georgia's internal control over compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Cobb County, Georgia's compliance with requirements applicable to each major program and its internal control over compliance. Accordingly, this report is not suitable for any other purpose.

Crace Galvis McGrath, LLC

February 25, 2013

COBB COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended September 30, 2012

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
93.887	Health Care and Other Facilities
14.218 & 14.253	CDBG/Entitlement and ARRA - CDBG/Entitlement
14.239	Home Investment Partnership
14.264	CDBG/Neighborhood Stabilization Program
17.258, 17.259 & 17.260	WIA Cluster
20.507	Federal Transit - Formula Grants
66.458	Capitalization Grants for Clean Water State Revolving Funds

Dollar threshold used to distinguish between Type A and Type B programs:	$ 1,842,395		
Auditee qualified as low-risk auditee?	X yes	_____ no	

COBB COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended September 30, 2012

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, 2012

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		$ 42,285
U. S. Department of Energy			
Direct Grant:			
ARRA - Energy Efficiency and Conservation Block Grant	81.128	EE-0000803	998,911
U. S. Department of Homeland Security			
Pass-through Georgia Emergency Management Agency:			
GA Dept of Homeland Security Grant - SHSP Program	97.073	2008-EO-T8-0021	247,500
GA Dept of Homeland Security Grant - SHSG Program	97.073	2009-SS-T9-0047	621
GA Dept of Homeland Security Grant - SHSG Program	97.073	2010-SS-T0-0034	265,056
GA Dept of Homeland Security Grant - SHSG Program	97.073	2010-SS-T0-0034	1,124
			514,301
GA Dept of Homeland Security Grant - CERT Program	97.067	2010-SS-T0-0034	12,549
GA Dept of Homeland Security Grant - EMPG Program	97.042	OEM11-034	83,765
Direct Grant:			
Flood Mitigation Assistance - Flood Damage Recovery	97.029		223,540
Emergency Food and Shelter National Board Program	97.024	LR0-005	5,335
Total for U. S. Department of Homeland Security			839,490
U.S. Department of Health and Human Services			
Direct Grant:			
Health Care and Other Facilities	93.887	C76HF21574	1,022,737
Pass-through Georgia Department of Human Resources:			
Community Services Block Grant	93.569	427-93-09090968-99	559,347
Child Support Enforcement	93.563	401-000000-3193	656,127
Child Support Enforcement	93.563	42700-401-0000004859	202,111
			858,238

COBB COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended September 30, 2012

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
Pass-through Atlanta Regional Commission:			
Social Services Block Grant	93.667	AG1112	77,669
Aging Cluster:			
Special Programs for the Aging - Title III, Part B	93.044	AG1112	252,257
Special Programs for the Aging - Title III, Part C	93.045	AG1112	473,715
Nutrition Services Incentive Program	93.053	AG1112	72,516
			798,488
National Family Caregiver Support Title III, Part E	93.052	AG1112	58,653
Total for U. S. Department of Health and Human Services			3,375,132
U.S. Department of Housing and Urban Development			
Direct Grants:			
ARRA - Homelessness Prevention and Rapid Re-Housing Program	14.257	S-09-UY-13-000G	59,101
Community Development Block Grant/Entitlement	14.218	B-10-UC-13-0002	4,145,242
ARRA - Community Development Block Grant/Entitlement	14.253	B-10-UC-13-0002	593,772
			4,739,014
Home Investment Partnership	14.239	M-10-DC-13-201	2,813,147
Emergency Solutions Grant Program	14.231	S-10-UC-13-0008	66,589
CDBG - State -Administered CDBG Cluster:			
Neighborhood Stabilization Program	14.264	B-08-UN-13-0002	1,250,477
Pass-through the Department of Community Affairs:			
Neighborhood Stabilization Program	14.264	B-11-UN-13-0002	177,513
Neighborhood Stabilization Program	14.264	11-NS-6001	376,703
			1,804,693
Total for U. S. Department of Housing and Urban Development			9,482,544
U.S. Department of Justice			
Direct Grants:			
ARRA - Public Safety Partnership and Community Policing Grant	16.710	2010CKWX0346	298,769
Equitable Sharing Program	16.922	GA0330200	102,181

COBB COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended September 30, 2012

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
Pass-through Administrative Office of the Courts:			
Drug Court Discretionary Grant Program	16.585	2009-DC-BX-0104	55,168
Pass-through Georgia Council of Juvenile Court Judges:			
Juvenile Accountability Block Grants	16.523	2009-JB-FX-0075	7,500
National CASA 2011	16.547	GA10109-10-0710-U1	36,007
Pass-through Georgia Criminal Justice Coordinating Council:			
Crime Victim Assistance	16.575	C10-8-042	31,195
Crime Victim Assistance	16.575	C11-8-042	84,496
			115,691
Pass-through Metro Atlanta Project Pact:			
JAG Program Cluster:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2010-DJ-BX-1411	45,774
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2011-DJ-BX-3491	64,156
ARRA - Edward Byrne Memorial Justice Assistance Grant Program	16.803	2009-SU-B9-0003	159,145
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2009-SB-B9-0913	49,556
			318,631
Total for U. S. Department of Justice			933,947
U.S. Department of Labor			
Pass through Georgia Department of Labor:			
Workforce Investment Act (WIA) Cluster			
Adult Program	17.258	10-10-11-03-004	2,454
	17.258	11-11-11-03-004	42,844
	17.258	10-11-11-03-004	19,045
	17.258	11-12-11-03-004	1,068,676
	17.258	11-12-12-03-004	64,262
Youth Program	17.259	15-11-11-03-004	451,609
	17.259	15-12-11-03-004	1,092,139
	17.259	31-12-12-03-004	44,776
ARRA - Dislocated Worker Program	17.260	31-11-11-03-004	239,725
	17.260	30-11-11-03-004	123,704
	17.260	31-12-11-03-004	1,457,399
	17.260	31-12-12-03-004	177,755
			4,784,388
Pass-through Atlanta Regional Commission:			
Senior Community Service Employment Program	17.235	AG1112	435
Total for U. S. Department of Labor			4,784,823

COBB COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended September 30, 2012

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
U.S. Department of Transportation			
Direct Grants:			
Federal Transit Administration - New Freedom Program	20.521	--	289,174
Capital Improvement, Sect.9	20.507	--	1,555,351
Operating	20.507	--	4,677,223
Planning	20.507	--	1,465,148
Surface Transportation Program	20.507	--	960,000
Job Access and Reverse Commute Program	20.507	--	407,227
Mobility Management	20.507	--	74,163
Discretionary	20.507	--	171,202
Capital Improvements	20.507	--	652,385
ARRA - Urbanized Area Formula Program	20.507	GA-96-X002-01	2,507,917
			12,470,616
Pass-through Atlanta Regional Commission:			
Metropolitan Transportation Planning	20.505	Subgrant No. UP1106	105,365
Total for U.S. Department of Transportation			12,865,155
U.S. Environmental Protection Agency			
Pass-through Georgia Environmental Finance Authority:			
Capitalization Grants for Clean Water State Revolving Funds	66.458	CWSRF 07-001(6)	28,000,000
U. S. Department of Treasury			
Direct Grants:			
Asset Forfeiture Program			10,295
Social Security-Inmate Reporting Incentives			80,600
Total for U.S. Department of Treasury			90,895
Total Federal Financial Awards			$ 61,413,182

COBB COUNTY, GEORGIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended September 30, 2012

Note 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.

Note 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.

Note 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
For the Fiscal Year Ended September 30, 2012

NONE REPORTED

Finance Department

Cobb County Government
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