COBB COUNTY GOVERNMENT

Marietta, Georgia



CAFR

For Fiscal Year Ended September 30, 2013

Comprehensive Annual Financial Report

Cobb County…Expect the Best!

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COBB COUNTY, GEORGIA

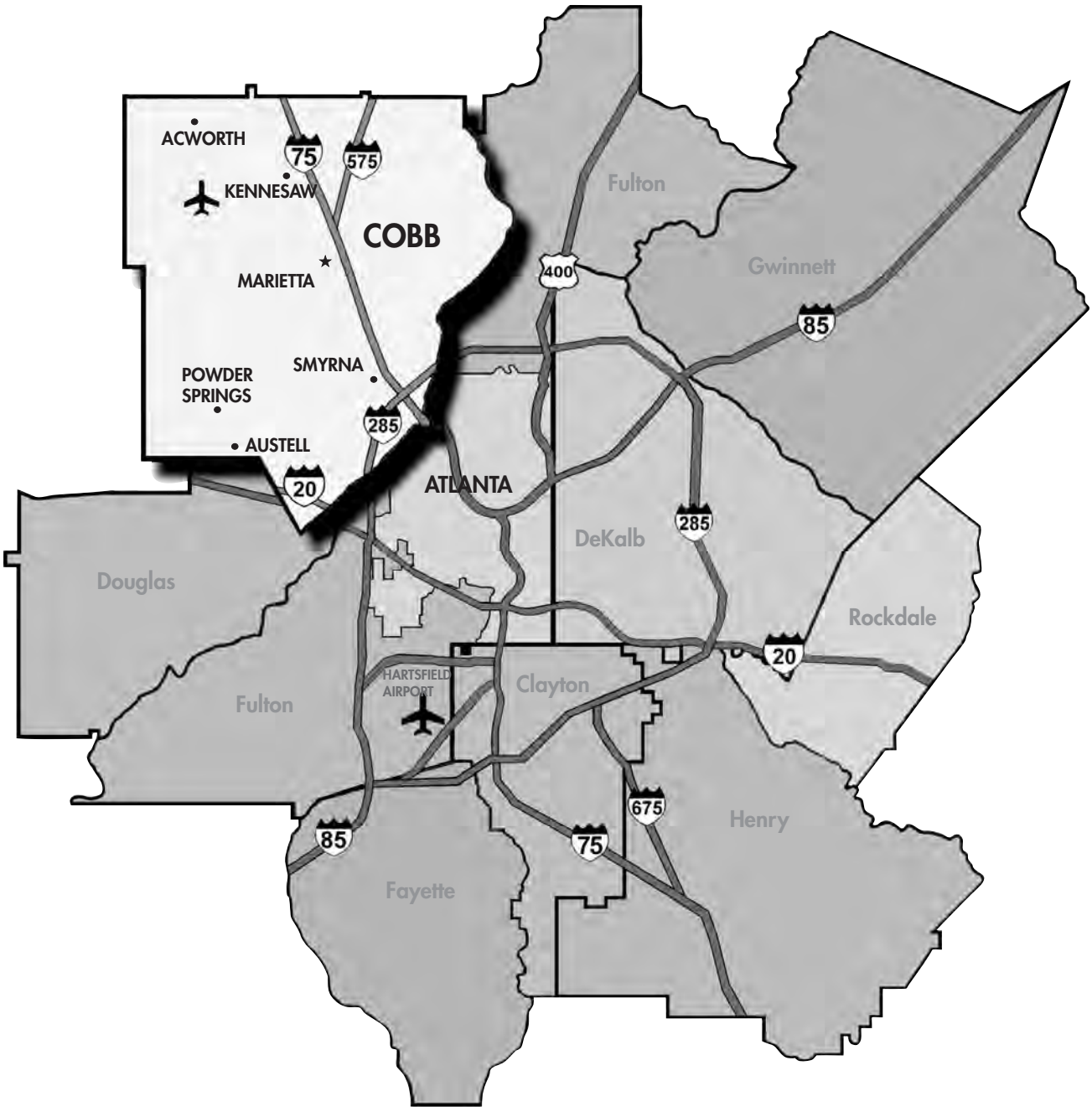
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2013

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, 2013

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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
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Phone: (770) 528-1503 Fax: (770) 528-1503 TDD/TTY: (678) 581–5429

March 14, 2014

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, 2013, 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 unmodified opinion on the Cobb County financial statements for the fiscal year ended September 30, 2013. 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, 2013. 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 18% 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 717,140. 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 717,140 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.

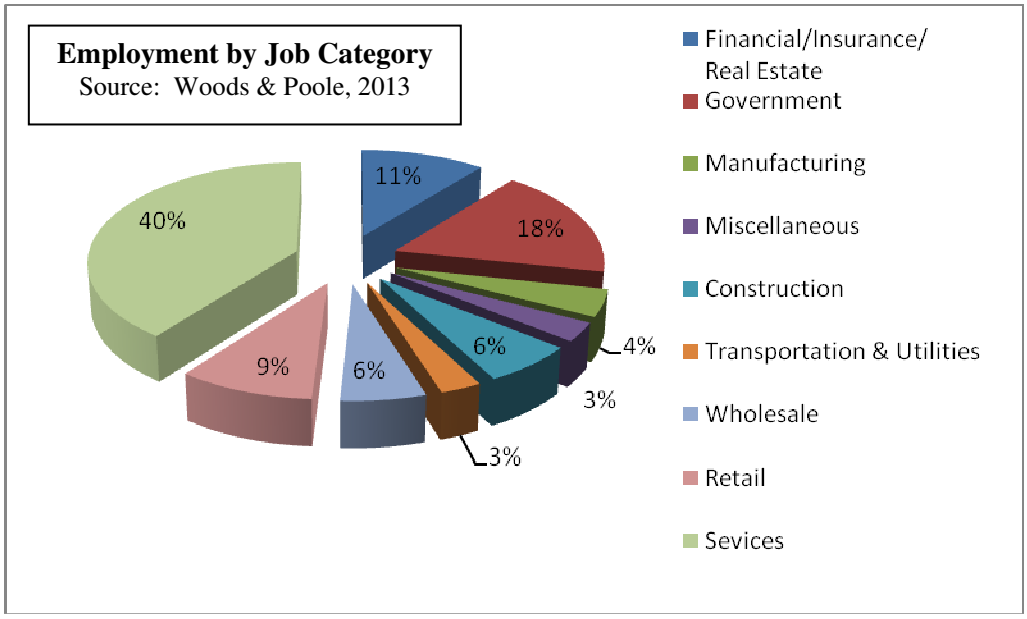
Local Economy

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 sixteenth 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 385,023 within its boundaries and currently, there are approximately 30,000 licensed businesses. The County's unemployment rate was 7.2% which is lower than the State of Georgia (8.3%) and the United States (7.3%).

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 (2013 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 2013, the Cobb Galleria Centre, one of the leading convention centers in the nation, had a net position of $115.5 million. September 2013 marked the sixth 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: $51,095,804 Transportation Projects; $6,651,607 Parks Projects; $7,006,358 Support Services Projects and $6,885,551 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 $226,690,072 million with expenditures totaling $131,314,476 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, $151 million for thoroughfare improvements, $99.8 million for major roadway safety and operational improvements, $49 million for resurfacing, $34.3 million for miscellaneous municipal projects, $43.2 million for intersection safety and operational improvements, $27.0 million for 800MHz Core Replacement which was interfund transferred to the 800MHz Fund, $29.8 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 $763 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	$23,533,226	$32.82	0.03%	0.08%
Total General Obligation Direct Debt	$33,375,000	$46.54	0.05%	0.12%
Total Primary Government Debt	$442,428,170	$616.93	0.61%	1.54%

Outstanding General Obligation Bonds at September 30, 2013 totaled $33,375,000.

Cobb's legal General Obligation Bond debt limitation by state law is 10% of the taxable digest or $2,881,457,820. Cobb County currently is utilizing 1.16% of this limitation with its $33,375,000 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, 2013, is $164,395,534 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 2013, work was completed on the Barrett Parkway Thoroughfare Improvements (US41 to Dallas Highway). The purpose of the project was to improve capacity to address current and future traffic demands along Barrett Parkway by 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 was added 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.

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 471 transportation projects that are underway or completed. Of these, 378 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 2013, CCT riders took nearly 3.6 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 Second Year	***Construction projects completed include:*** ○ Paper Mill Road Bridge Replacement over Scope Creek ○ New Chastain Road Westbound Bridge over Noonday Creek ○ Hopkins Road Bridge over Wildhorse Creek ○ Barrett Parkway at Home Center Drive ○ John Ward Road Sidewalks, Phase 2
Current On-Going Projects	***Transportation Project Status*** ○ 49 Pre-Construction Projects underway ○ 22 Construction Projects ○ 72 Projects completed
Upcoming Projects	***Planned Engineering Starts*** ○ Skipp Spann Connector ○ Six Flags Drive ○ Stout Parkway Bridge over Gothards Creek ○ Burnt Hickory Road over Mud Creek ○ Ebenezer Road Sidewalks ○ Cheatham Hill Road at John Ward Road ○ Pine Mountain Road ○ Windy Hill Road ○ Walker Drive Extension

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 Second Year	***Fire & Emergency Services completed projects:*** o Apparatus (Engine): In Service February 2013 Station 2 o Apparatus (Ladder Trucks): In Service February 2013 Stations 4 & 22 o Apparatus (Air Truck Apparatus): In Service January 2013 Station 27 o Apparatus (Air Bottle Tender): In Service July 2013 ***800 MHz/911 Communications completed projects:*** o Operator dispatch Consoles upgrade completed January 2013 o New Astro repeater for the Jail completed February 2013 ***Police Department completed projects:*** o Police Equipment – Patrol Rifle Systems – completed March 2013
Current On-Going Projects	***Fire & Emergency Services projects:*** o Apparatus (Rescue): In service January 2014 Stations 11, 23, 24, & 30 o Apparatus (Manual Defibrillators): In Service December 2013 o Apparatus (Engine): Developing specifications for new engines o Apparatus (Extrication Equipment): Evaluating Process
Upcoming Projects	***Fire & Emergency Services projects:*** o Apparatus (Rescue): Project delivery April 2014 o Equipment (Thermal Imaging Cameras): Evaluating process starts July 2014

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 Second Year	***Construction projects completed in 2013:*** o Over 100 energy saving LED electronic scoreboards installed in parks throughout our system o Improvements at the Central Aquatics Center: interior painting, air quality improvements, pool resurfacing, water treatment equipment upgrades o Improvements at the South Cobb Aquatics Center: interior painting, pool resurfacing, water treatment equipment upgrades o Major crosstie wall replacement projects at Fullers Park, Lions Park, Wallace Park, Perry Parham Park o Athletic field renovations and lighting upgrades at Noonday Creek Park o Paving projects at Clarkdale Park, Al Bishop Park, Fontaine Road trailhead to the Silver Comet Trail
Current On-Going Projects	o Tennis Center Buildings are under construction at Harrison Park, Terrell Mill Park, and Kennworth Park. Similar buildings are in design for Sweetwater Park and Fair Oaks Park o Swimming pool renovation, new pool house and a new spashpad are nearly complete at Sewell Park. Athletic field renovations and new concession restroom building are under construction o Construction is underway for athletic field and building renovation at Wallace Park o Contractors have been selected for construction at Hurt Road Park and Sandy Plains Park o Designs are complete and construction will bid soon for Al Bishop Park, Kennworth Park, Shaw Park, Lions Park, and the seasonal water feature at Wild Horse Creek Park o Designs are nearing completion for subsurface infrastructure and selected building replacements at Jim Miller Park
Upcoming Projects	o A contract has been awarded for architectural and engineering services for improvements at the Cobb Civic Center o Solicitations for professional design services will be issued for Sweat Mountain Park, Bells Ferry Park, Wild Horse Creek Park athletic fields and buildings, Big Shanty Park, and the Corps of Engineers Property o Design and construction services for improvements to earthen dams at Cato Nature Center and the Bartlett Property o Construction services for the treatment of the historic buildings at Hyde Farm o Paving and other improvements at Lost Mountain Park

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, 2012. This represented the twenty-seventh 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.

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.

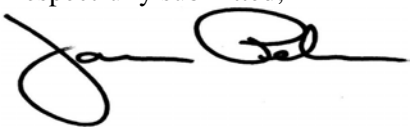
The Water System Fund received several awards throughout FY13. These awards include the Georgia Association of Water Professionals (GAWP) 2012 Water Collections Gold Award for outstanding operation of a large wastewater collection system; the GAWP Platinum Award - NPDES Permit Compliance for the Northwest, Noonday, and South Cobb Water Reclamation Facilities; and the GAWP Gold Award - NPDES Permit Compliance for the R.L. Sutton Reclamation Facility. In addition, the GAWP awarded the Watershed Stewardship Program's Ecological Tips Video Series the 2012 Public Education Innovative Initiative Award for use of an edgy or nonconventional approach to public outreach.

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

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Cobb County

Georgia

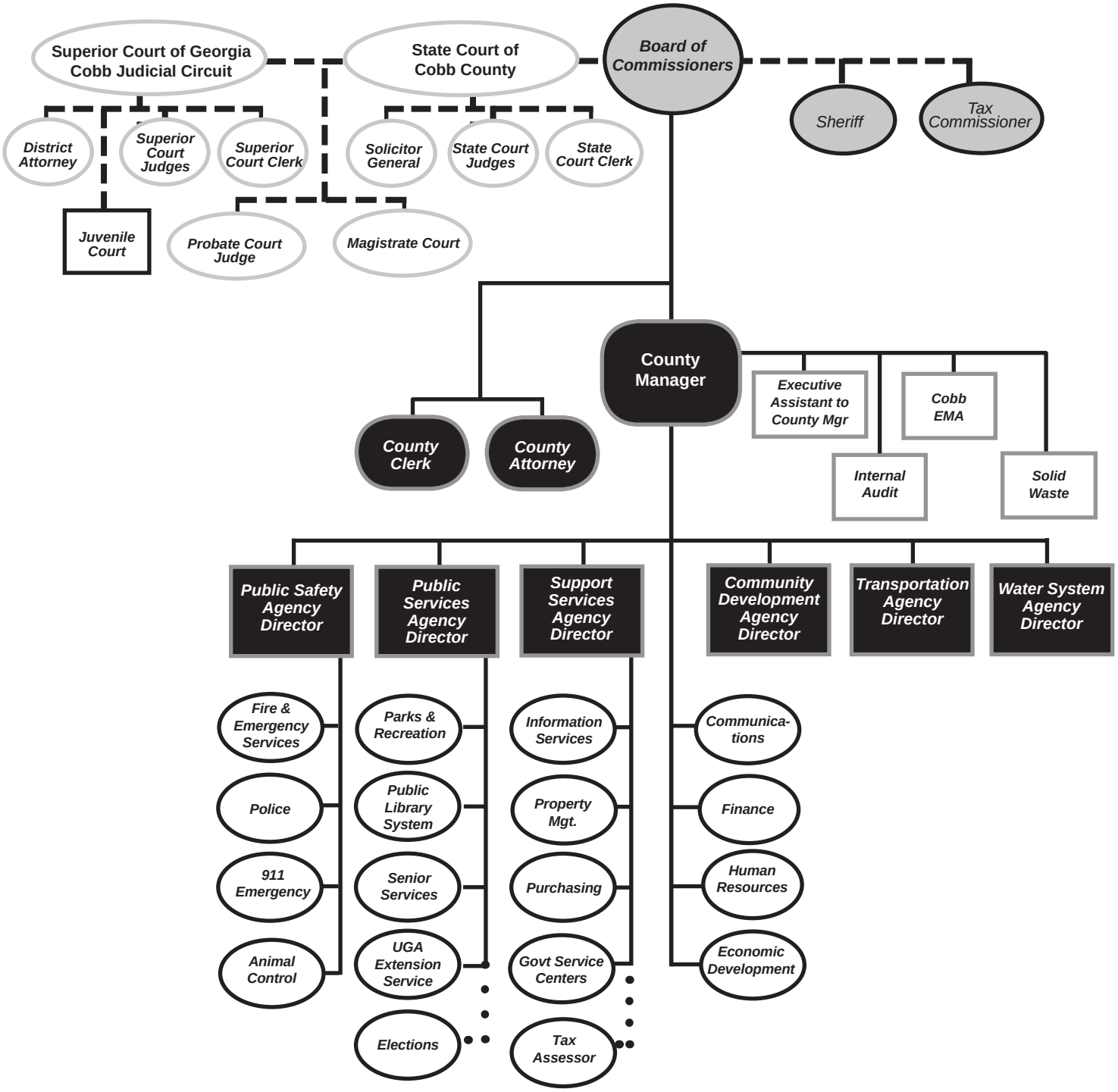
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2012

Executive Director/CEO

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.

COBB COUNTY BOARD OF COMMISSIONERS

100 Cherokee Street, Suite 300 Marietta, GA 30090 • 770.528.2600 • fax:770.528.2606 • www.CobbCounty.org



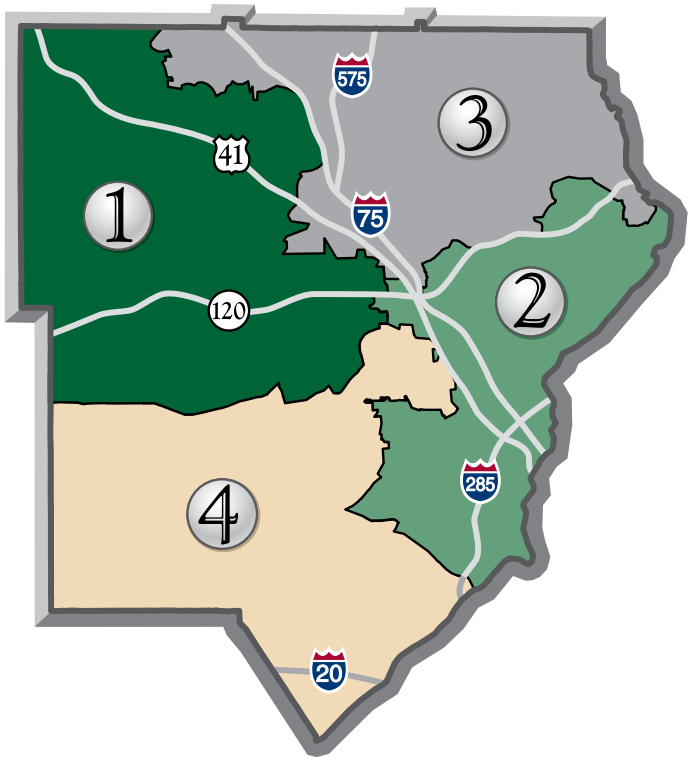
Chairman Tim Lee
770-528-3305
tlee@cobbcounty.org
Assistant: Millie Rogers



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hgoreham@cobbcounty.org
Assistant: Annette Friant



District Three Commissioner
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joann.birrell@cobbcounty.org
Assistant: Inger Eberhart





District Four Commissioner
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lisa.cupid@cobbcounty.org
Assistant: Saleemah Johnson



District Two Commissioner
Bob Ott
770-528-3316
bob.ott@cobbcounty.org
Assistant: Thea Powell



County Manager
David Hankerson
770-528-2612
dhankerson@cobbcounty.org
Assistant: Judy Humphries

Cobb County, Georgia

County Manager
David Hankerson

Finance Department

Director of Finance/Comptroller .....James Pehrson, CPA

Associate Comptroller ..... Bill Volckmann

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

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
Cobb County, Georgia

Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cobb County, Georgia, as of September 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Fire District Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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 4 through 17 and pages 84 through 86 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Cobb County, Georgia's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, supplemental 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 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Projects Constructed with Special Sales Tax Proceeds is presented for purposes of additional analysis as required by the Official Code of Georgia 48-8-121, and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* and is not a required part of the basis financial statements.

The combining and individual nonmajor fund financial statements and schedules, supplemental information, 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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has 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 financial statements and schedules, supplemental information, 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 are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2014, on our consideration of Cobb County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cobb County, Georgia's internal control over financial reporting and compliance.



Crace Galvis McGrath, LLC
Kennesaw, Georgia

March 10, 2014

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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, 2013. 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.

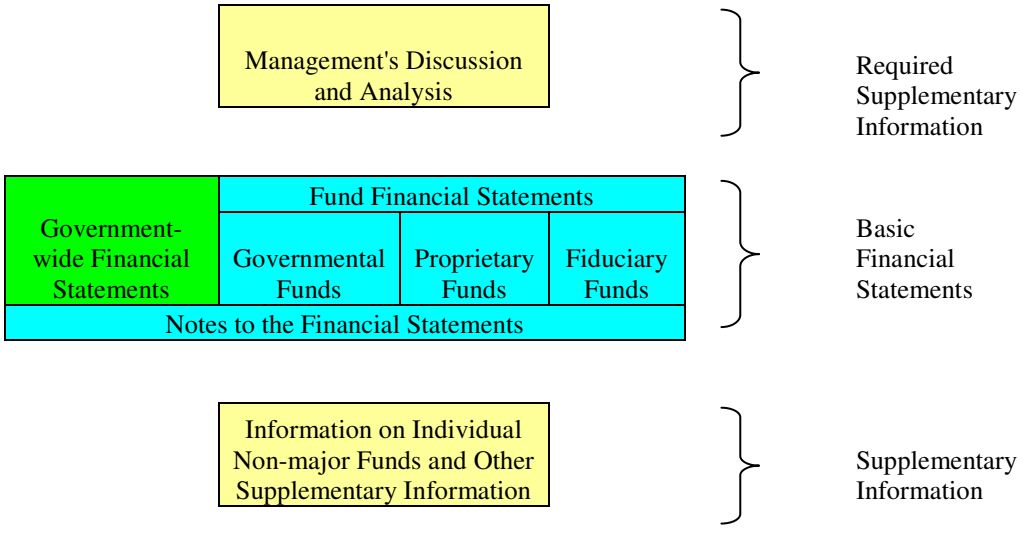
Financial Highlights

Key financial highlights for FY13 are as follows:

- The County's combined net position totaled $4.6 billion. Of this amount, unrestricted net position of $81.1 million may be used to meet the government's ongoing obligations to citizens and creditors.
- Combined revenue totaled $824.3 million of which governmental activities totaled $615.3 million and business-type activities totaled $209.0 million.
- Overall expenses totaled $720.3 million of which governmental activities totaled $532.5 million and business-type activities totaled $187.8 million.
- At the end of September 30, 2013, governmental activities expenses exceeded program revenues, resulting in the use of $389.3 million in general revenues (mostly taxes).
- Cobb County's total long term debt decreased by $28.3 million (5.4%) during the current fiscal year.
- At September 30, 2013, the County's General Fund reported an unassigned fund balance of $54.7 million.

Overview of the Financial Statements

This is the twelfth 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 Position and the Statement of Activities which are described below.

The Statement of Net Position presents information on all of the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with residual of all other elements reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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 are 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. The basic governmental fund financial statements can be found on pages 20-25.

Proprietary Funds

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

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

Fiduciary Funds

The Fiduciary funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments and other County departments. The County is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and only by those to whom the assets belong. These funds are not reflected in the government-wide financial statements because the resources are not available to support the County's operations or programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Cobb County maintains 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 31-32 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, 2013 and June 30, 2013, respectively.

Budgetary Comparisons

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33-83 of this report.

Government-wide Financial Analysis

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The County's combined net position (government and business-type activities) totaled $4.6 billion at September 30, 2013.

The following table provides a summary of the County's governmental and business-type net position for fiscal years 2013 and 2012:

Cobb County, Georgia
Statement of Net Position

	Governmental Activities 2013	Governmental Activities 2012	Business-type Activities 2013	Business-type Activities 2012	Total 2013	Total 2012
Assets:						
Current assets	$ 445,332,419	$ 449,458,874	$ 43,359,778	$ 43,533,254	$ 488,692,197	$ 492,992,128
Other - noncurrent	14,417,197	6,686,068	80,028,331	76,043,016	94,445,528	82,729,084
Capital assets - net	3,079,056,056	3,055,208,651	1,619,170,144	1,620,914,841	4,698,226,200	4,676,123,492
Unamortized issuance costs	-	116,212	-	4,190,138	-	4,306,350
Total assets	$ 3,538,805,672	$ 3,511,469,805	$ 1,742,558,253	$ 1,744,681,249	$ 5,281,363,925	$ 5,256,151,054
Deferred Outflows of Resources						
Deferred charges on bond refunding	$ 159,143	$ -	$ -	$ -	$ 159,143	$ -
Total Assets and Deferred Outflows of Resources	$ 3,538,964,815	$ 3,511,469,805	$ 1,742,558,253	$ 1,744,681,249	$ 5,281,523,068	$ 5,256,151,054
Liabilities						
Current liabiities	$ 104,586,347	$ 147,321,945	$ 30,939,952	$ 36,387,683	$ 135,526,299	$ 183,709,628
Long-term liabilities (net)	115,120,757	127,477,204	383,754,891	399,393,348	498,875,648	526,870,552
Total liabilities	$ 219,707,104	$ 274,799,149	$ 414,694,843	$ 435,781,031	$ 634,401,947	$ 710,580,180
Deferred Inflows of Resources						
Deferred gain on refunding	$ -	$ -	$ 1,942,225	$ -	$ 1,942,225	$ -
Total Liabilities and Deferred Inflows of Resources	$ 219,707,104	$ 274,799,149	$ 416,637,068	$ 435,781,031	$ 636,344,172	$ 710,580,180
Net Position						
Net investment in capital assets	$ 3,028,553,894	$ 2,993,197,551	$ 1,247,891,037	$ 1,234,745,764	$ 4,276,444,931	$ 4,227,943,315
Restricted	216,347,412	190,983,262	71,253,900	68,412,045	287,601,312	259,395,307
Unrestricted	74,356,405	52,489,843	6,776,248	5,742,409	81,132,653	58,232,252
Total net position	$ 3,319,257,711	$ 3,236,670,656	$ 1,325,921,185	$ 1,308,900,218	$ 4,645,178,896	$ 4,545,570,874

92.1% of the County's net position 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. Net investment in capital assets net of related debt increased by $48.5 million (1.2%) in FY13.

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 position for the governmental activities.

Changes in Net Position

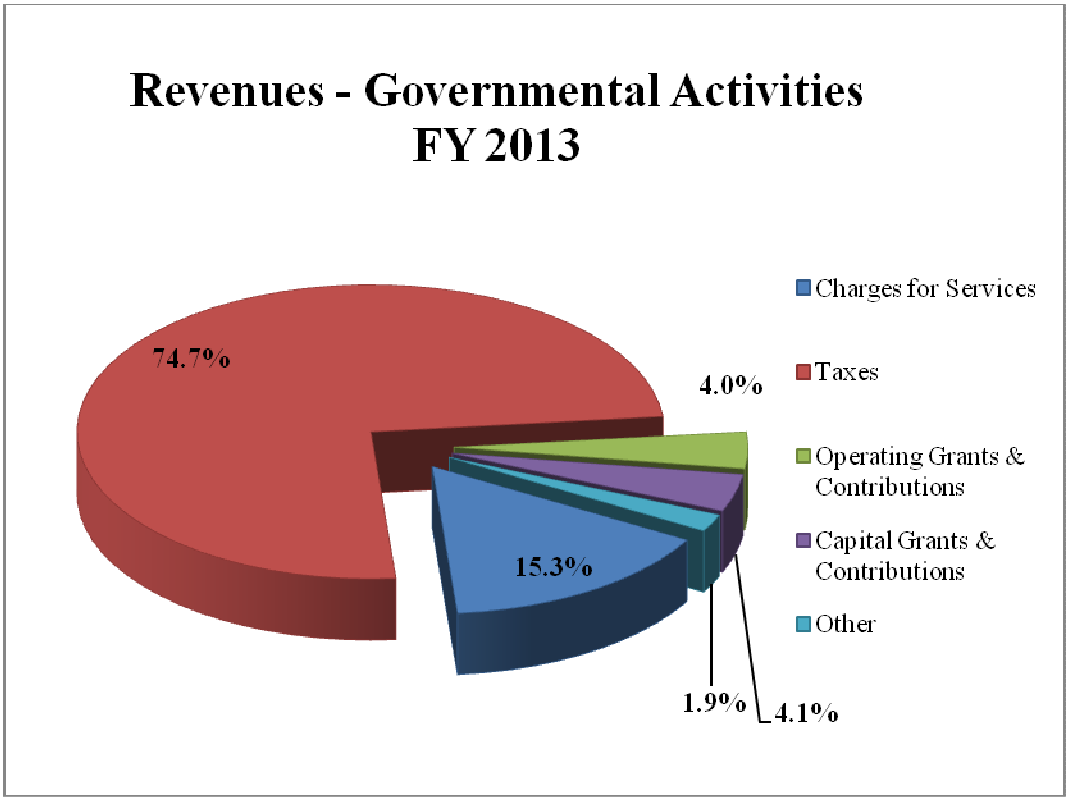
Governmental and business-type activities increased the County's net position by $104.0 million in FY13. The following table indicates the changes in net position for governmental and business-type activities in FY13 and FY12:

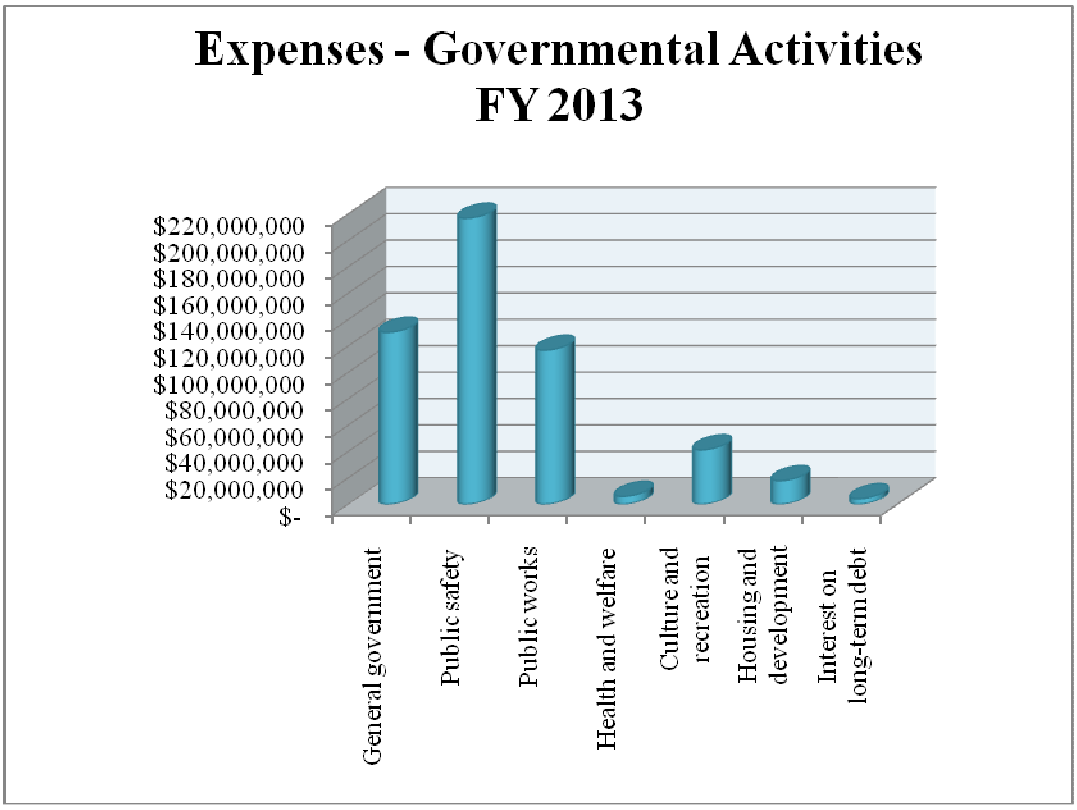
Cobb County, Georgia
Changes in Net Position

	Governmental Activities 2013	Governmental Activities 2012	Business-type Activities 2013	Business-type Activities 2012	Total 2013	Total 2012
Revenues:						
Program Revenues:						
Charges for Services	$ 93,247,880	$ 89,871,022	$ 195,328,603	$ 208,502,785	$ 288,576,483	$ 298,373,807
Operating Grants & Contributions	24,035,310	30,918,003	-	-	24,035,310	30,918,003
Capital Grants & Contributions	25,934,892	33,672,286	19,821,770	18,250,239	45,756,662	51,922,525
General Revenues:					-	-
Property Taxes	271,694,680	266,092,328	-	-	271,694,680	266,092,328
Other Taxes	182,122,652	179,649,447	-	-	182,122,652	179,649,447
Other	11,743,972	8,331,801	403,106	328,155	12,147,078	8,659,956
Total Revenues	$ 608,779,386	$ 608,534,887	$ 215,553,479	$ 227,081,179	$ 824,332,865	$ 835,616,066
Expenses:						
General government	$ 130,306,036	$ 128,569,788	$ -	$ -	$ 130,306,036	$ 128,569,788
Public safety	216,746,332	214,304,007	-	-	216,746,332	214,304,007
Public works	116,643,350	114,304,649	-	-	116,643,350	114,304,649
Health and welfare	5,860,760	4,959,244	-	-	5,860,760	4,959,244
Culture and recreation	41,135,156	38,769,474	-	-	41,135,156	38,769,474
Housing and development	17,753,689	16,821,511	-	-	17,753,689	16,821,511
Interest on long-term debt	4,083,434	4,661,298	-	-	4,083,434	4,661,298
Water and Sewer	-	-	162,598,501	161,143,254	162,598,501	161,143,254
Solid Waste	-	-	899,358	1,268,190	899,358	1,268,190
Transit	-	-	22,708,672	22,105,963	22,708,672	22,105,963
Cobblestone Golf Course	-	-	1,595,990	1,702,007	1,595,990	1,702,007
Total Expenses:	$ 532,528,757	$ 522,389,971	$ 187,802,521	$ 186,219,414	$ 720,331,278	$ 708,609,385
Increase in net position before transfers	$ 76,250,629	$ 86,144,916	$ 27,750,958	$ 40,861,765	$ 104,001,587	$ 127,006,681
Transfers	6,539,853	6,877,341	(6,539,853)	(6,877,341)	-	-
Increase in net position	$ 82,790,482	$ 93,022,257	$ 21,211,105	$ 33,984,424	$ 104,001,587	$ 127,006,681
Net Position - beginning	$ 3,236,670,656	$ 3,143,648,399	$ 1,308,900,218	$ 1,274,915,794	$ 4,545,570,874	$ 4,418,564,193
Restatement	$ (203,427)	$ -	$ (4,190,138)	$ -	$ (4,393,565)	$ -
Net Position - ending	$ 3,319,257,711	$ 3,236,670,656	$ 1,325,921,185	$ 1,308,900,218	$ 4,645,178,896	$ 4,545,570,874

Governmental Activities

Governmental activities increased the County's net position by $82.7 million thereby accounting for 79.6% of the total growth in net position.


Revenues - Governmental Activities
FY 2013
74.7%
4.0%
15.3%
1.9%
4.1%
Charges for Services
Taxes
Operating Grants & Contributions
Capital Grants & Contributions
Other


Expenses - Governmental Activities
FY 2013
$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 position by $21.2 million thereby accounting for 20.6% of the total growth in net position.

Changes in Overall Net Position from Operating Results
Revenues
The County's total revenue decreased 1.4%, or $11.2 million, in FY13. The County's decrease in revenue was caused by a decrease of $6.9 million in Operating Grants and $6.2 million decrease in Capital Grants. These significant decreases were partially offset by an increase to Tax revenue. Despite the County's reduction of the property tax millage of 0.2 mills in FY13, Tax revenue increased by $8.1 million due to the House Bill 386 Title Ad Valorem Tax. The County's Charges for Service revenue and the other sources of revenue decreased by $6.3 million.

Expenses
The County's total expenses increased 1.7%, or $11.7 million, in FY13. The three functions that had the largest increase were Public Safety, Culture and Recreation, and Public Works. Public Safety and Culture and Recreation each increased $2.4 million over the prior year, while Public Works increased $2.3 million. The $11.7 million increase in expenses was caused by the following increases to Personal Services; Salaries increase by $5.4 million, and County's Pension Contribution increased by $5.4 million. These two increases were slightly offset by a decrease in Medical Insurance.

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 FY13 with strong fund balances in its governmental funds. The combined balance of all the governmental funds is $304.7 million. Of this total, $52.9 million or 17.4% 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 $54.7 million, and total fund balance was $86.1 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 17.7% of total general fund operating expenditures and total fund balance represents 27.9% of that same amount.

The fund balance of the General Fund increased $7.6 million in FY13 for a total of $86.1 million. The Board of Commissioners made a collaborative effort to focus on maintaining the county's excellent financial position. Taxes increased $10.2 million, while operating expenditures increased approximately $11.7 million (3.94%). The largest increases were in General Government and Public Safety.

Total transfers out in the General Fund of $23.5 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. $10.3 million of transfers out are transferred to the Public Facilities Fund for various capital projects including $2.9 million for the lease payments for Powder Springs Station, $1.9 million for road resurfacing projects and intersection improvements; $5.2 million for computer technology upgrades, and $0.3 for renovations. Transfers out of $10.7 million represent the appropriation of funds to subsidize Transit and Solid Waste. $0.7 million was transferred to the 800 MHz Fund for Core Replacement and $1.8 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 balance of $20.8 million is reported as restricted for construction and capital outlay. The fund balance increased by $1.9 million during the current fiscal year because savings in Personal Services and Operating Expenditures. While total assets decreased by $4.8 million, total liabilities also decreased by $9.0 million.

SPLOST Fund
The SPLOST Fund accounts for the financial resources provided from the 2006 and 2011 one 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 $168.2 million all of which is restricted for specific construction projects. Revenues exceeded expenditures by $22.1 million. Of the $123.3 million in expenditures, $9.4 million was spent on facility projects by the County's Property Management and Parks Divisions, $3.6 million for Public Safety, and $76.3 million was spent on various DOT safety and improvement road, bridge and sidewalk projects. The remaining $34.0 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.

Non-major Special Revenue Funds' operating revenue totaled $53.2 million for the fiscal year ended September 30, 2013. Total operating revenues decreased by $1.7 million (3.14%).

Operating expenditures of the non-major Special Revenue Funds totaled $53.6 million for FY13. Total Non-major Special Revenue Funds' operating expenditures increased by $1.7 million (3.3%). The increase in expenditures is mainly reflected in the increases in Public Safety and Health and Welfare. Specifically the increase was the result of the increased expenditures in the E911 fund and the County Senior Services Operations.

The fund balance of the nonmajor Special Revenue Funds totaled $14.8 million. This was an increase of $549 thousand from FY12.

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 $9.8 million, all of which is reserved for the payment of debt service.

Capital Projects Fund
The County uses Public Facilities Fund 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 Public Facilities Fund until improvement projects are completed. The non-major Public Facilities Funds overall fund balance is $5.0 million all of which is non spendable or committed for specific construction and improvement projects and capital acquisitions.

Operating expenditures exceeded operating revenues by $7.9 million for the non-major Public Facilities Funds which was offset by a transfer in of $11.2 million, a transfer out of $94 thousand and the proceeds from issuance of a capital lease for $904 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 position of the Water and Sewer Fund at the end of the year amounted to $33.4 million. Total net position increased $13.3 million in FY13, but that increase includes a negative restatement of $4.2 million for GASB 65.

Non-major 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 $21.1 million; however, they generated a positive change in net position of $1.4 million in FY13 due to transfers in amounting to $2.0 million for fiscal year 2013 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 FY13 landfill liability is $24.9 million.

The Cobblestone Golf Course Fund accounts for the operations and maintenance of the County's golf course. It ended FY13 with a net income from operations before depreciation of $0.4 million. However, overall net income (including depreciation, non-operating revenues and expenses) was $228,277 for FY13. Net position totaled $3.0 million. The number of rounds of golf decreased slightly from the prior year, due to the rainy summer, and contributed to a decrease of $115 thousand in operating revenues.

The Public Transit System Fund, accounts for the operation of the local public transit system through user fees and funds received from the Federal Transit Authority and the Georgia Department of Transportation. The Public Transit System Fund's operating revenue decreased $269 thousand (4.2%) from FY12 and total operating expenses increased by $508 thousand (2.9%). Net position totaled $45.3 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 $9.2 million increase. The final budget is a result of increases in personal services ($1.3 million), operating expenditures ($5.5 million) and capital outlays ($2.4 million). The legislative departments recognized an overall $0.3 million increase in the final budgets for personal service and operating expenditures. The judicial departments recognized an overall $2.4 million increase in the final budgets for personal service and operating expenditures. The executive and administrative departments recognized an overall $6.2 million increase in the final budgets for personal service, operating expenditures and capital outlay.

Public Safety

- Public Safety had an overall $3.7 million increase. Operating expenditures increased by $2.3 million for the Public Safety, and capital expenditures increased $1.0 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 $1.5 million increase. This increase is due to operating expenditures and capital outlay. The increase in operating expenditures $1.3 million and capital outlay increased by $0.26 million for traffic control equipment.

Culture and recreation:

- Culture and recreation had an overall increase of $2.3 million. There was an increase in operating expenditures of $1.9 million to provide increased landscaping and other grounds and maintenance services at the various park locations. Capital outlay increased by $0.4 million for land improvements.

The County's final budget less reserves projected a loss of $17.3 million in the General Fund with the fund reporting an actual increase of $2.9 million. Overall revenues ended the year $21.4 million over budget while operating expenditures ended the fiscal year $6.3 million under budget. Expenditure control was very important in the FY13 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, 2013 amounts to $4.3 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	
	2013	2012	2013	2012	2013	2012
Land	$ 988,180	973,121	$ 79,645	$ 77,823	$ 1,067,825	$ 1,066,003
Buildings and structures	386,835	395,185	38,593	34,473	425,428	421,308
Improvements	14,330	14,954	-	-	14,330	14,330
Sewerage Plants	-	-	519,125	538,438	519,125	538,438
Machinery and equipment	40,425	38,712	14,809	16,148	55,234	56,573
Infrastructure	1,484,596	1,441,783	598,312	601,504	2,082,908	2,086,100
Construction in progress	164,690	191,454	368,686	352,528	533,376	517,218
Total	$ 3,079,056	3,055,209	$ 1,619,170	$ 1,620,914	$ 4,698,226	$ 4,699,970

The County's total net decrease in capital assets for the current fiscal year was 0.04%.

Governmental assets that were moved from construction in progress to the asset records during the year totaled approximately $109.2 million. Some of the major projects for FY13 consisted of the following: road construction or improvements, pedestrian bridges, and sidewalks. 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 and 2011 program to date has approximately 471 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 programs are available on the County's website.

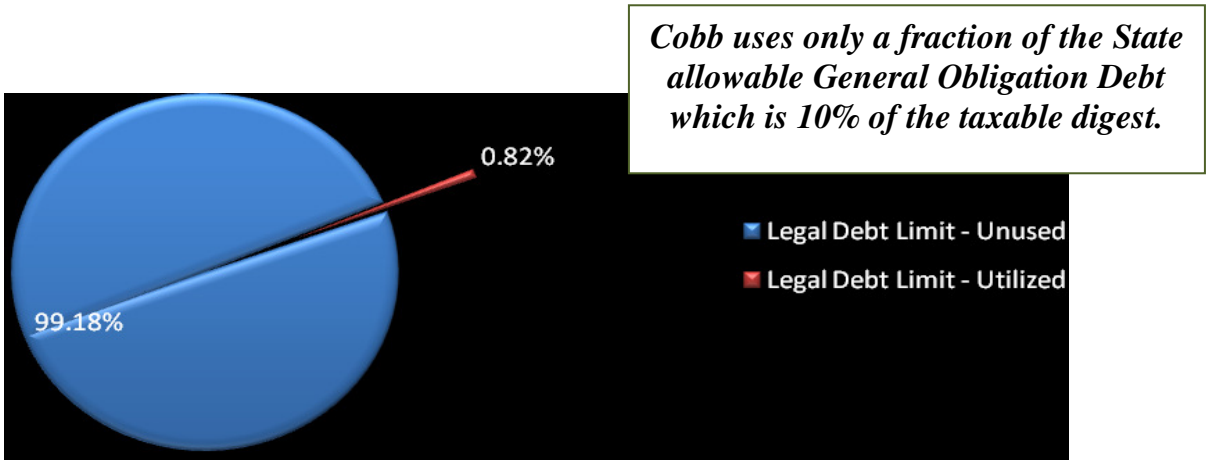
Business-type assets moved from construction in progress to the asset records during the year totaled approximately $18.5 million. Some of the major capital asset events for the business-type activities for the current year included various sewer replacement and rehabilitations, water line and water 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, 2013, Cobb County had a net of $498.7 million in outstanding long-term debt, which does not include interest expense. Of this amount, $33.8 million (net of bond premium and deferred charges on refunding) comprises general obligation debt backed by the full faith and credit of the government and $194.5 million (net of bond discount and loss on refunding) in revenue bonds. The County refunded the 2003 Water & Sewer Serial Bonds in FY13.

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



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

For the eleventh 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 seventeen 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 an increase of 8.47% over the prior year. Additionally the one percent sales tax (SPLOST) generated $128.9 million in tax revenue which is a $1.8 million decrease compared to FY12, but House Bill 386 reduced SPLOST revenue by $5.4 million. The number of building permits issued increased by 652 from the previous year, and all real estate revenue excluding property tax revenue increased.

Many factors were taken into consideration when preparing the FY14 budget. The FY14 adopted budget had a 0.77% increase compared to the FY13 adopted budget. The FY13 budget had significant budget amendments throughout the year, and these tight controls carried forward into the FY14 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.

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BASIC FINANCIAL STATEMENTS

Cobb County, Georgia
Statement of Net Position
September 30, 2013

	Primary Government			Component Unit	
	Governmental Activities	Business-type Activities	Total	Cobb-Marietta Coliseum and Exhibit Hall September 30, 2013	Cobb County Board of Health June 30, 2013
Assets and Deferred Outflows of Resources					
Assets					
Cash and cash equivalents	$ 150,451,638	$ 21,217,709	$ 171,669,347	$ 1,207,989	$ 2,142,578
Investments, at fair value	106,911,370	300,000	107,211,370	-	2,088,786
Receivables	165,714,569	21,781,866	187,496,435	900,202	645,735
Internal balances	3,732,109	(3,732,109)	-	-	-
Due from component unit	410,123	-	410,123	-	-
Due from primary government	-	-	-	1,062,889	-
Due from other governments and agencies	16,259,157	2,322,107	18,581,264	94,252	937,153
Inventories	1,325,767	1,463,208	2,788,975	80,678	148,880
Prepaid items	527,686	6,997	534,683	189,977	-
Other assets	14,417,197	1,601,911	16,019,108	134,200	-
Restricted assets	-	78,426,420	78,426,420	77,599,656	-
Capital assets not being depreciated	1,152,869,605	448,331,695	1,601,201,300	38,768,989	-
Capital assets being depreciated, net	1,926,186,451	1,170,838,449	3,097,024,900	133,639,081	1,002,079
Total assets	3,538,805,672	1,742,558,253	5,281,363,925	253,677,913	6,965,211
Deferred Outflows of Resources					
Deferred charges on bond refunding	159,143	-	159,143	2,039,206	-
Total Assets and Deferred Outflows of Resources	3,538,964,815	1,742,558,253	5,281,523,068	255,717,119	6,965,211
Liabilities and Deferred Inflows of Resources					
Liabilities					
Accounts payable	18,796,495	24,125,806	42,922,301	1,878,067	62,234
Accrued payroll	808,467	86,588	895,055	-	112,092
Arbitrage liability	-	54,882	54,882	-	-
Due to primary government	-	-	-	410,123	-
Due to component unit	1,062,889	-	1,062,889	-	-
Due to others	296,231	1,117	297,348	-	-
Due to other governments and agencies	2,933,631	29,589	2,963,220	44,512	102,311
Claims and judgments	11,509,307	-	11,509,307	-	-
Customer deposits	-	4,956,901	4,956,901	2,800,623	-
Notes payable-current	67,144,580	-	67,144,580	-	-
Accrued interest payable	1,446,071	1,670,427	3,116,498	2,069,000	-
Unearned revenue	588,676	14,642	603,318	827,359	92,148
Noncurrent liabilities					
Due within one year	17,395,545	23,619,601	41,015,146	7,506,304	761,828
Due in more than one year	97,725,212	360,135,290	457,860,502	124,679,565	3,859
Total liabilities	219,707,104	414,694,843	634,401,947	140,215,553	1,134,472
Deferred Inflows of Resources					
Deferred gain on refunding	-	1,942,225	1,942,225	-	-
Total Liabilities and Deferred Inflows of Resources	219,707,104	416,637,068	636,344,172	140,215,553	1,134,472
Net Position					
Net investment in capital assets	3,028,553,894	1,247,891,037	4,276,444,931	58,488,598	1,002,079
Restricted for:					
Renewal and expansion	-	71,253,900	71,253,900	11,661,456	-
Debt service	9,841,774	-	9,841,774	50,975,569	-
Splost projects	168,158,823	-	168,158,823	-	-
Completion of projects	15,690,068	-	15,690,068	-	-
Special programs	22,656,747	-	22,656,747	3,932,448	155,963
Unrestricted	74,356,405	6,776,248	81,132,653	(9,556,505)	4,672,697
Total Net Position	$ 3,319,257,711	$ 1,325,921,185	$ 4,645,178,896	$ 115,501,566	$ 5,830,739

See accompanying notes to financial statements.

Cobb County, Georgia
Statement of Activities
For the Fiscal Year Ended September 30, 2013

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 Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Unit: Cobb-Marietta Coliseum and Exhibit Hall September 30, 2013	Component Unit: Cobb County Board of Health June 30, 2013
Primary Government									
Governmental Activities:									
General government	$ 130,306,036	$ 44,282,012	$ 7,596,695	$ 17,858	$ (78,409,471)	$ -	$ (78,409,471)	$ -	$ -
Public safety	216,746,332	17,729,347	2,939,800	149,846	(195,927,339)	-	(195,927,339)	-	-
Public works	116,643,350	5,592,147	3,588,578	25,746,738	(81,715,887)	-	(81,715,887)	-	-
Health and welfare	5,860,760	159,797	1,788,304	-	(3,912,659)	-	(3,912,659)	-	-
Culture and recreation	41,135,156	3,803,850	1,076,524	20,450	(36,234,332)	-	(36,234,332)	-	-
Housing and development	17,753,689	21,680,727	7,045,409	-	10,972,447	-	10,972,447	-	-
Interest on long-term debt	4,083,434	-	-	-	(4,083,434)	-	(4,083,434)	-	-
Total governmental activities	532,528,757	93,247,880	24,035,310	25,934,892	(389,310,675)	-	(389,310,675)	-	-
Business-type Activities:									
Water and Sewer	$ 162,598,501	$ 187,171,300	$ -	$ 10,060,846	$ -	$ 34,633,645	$ 34,633,645	$ -	$ -
Solid Waste	899,358	281,315	-	-	-	(618,043)	(618,043)	-	-
Transit	22,708,672	6,050,804	-	9,760,924	-	(6,896,944)	(6,896,944)	-	-
Cobblestone Golf Course	1,595,990	1,825,184	-	-	-	229,194	229,194	-	-
Total business-type activities	187,802,521	195,328,603	-	19,821,770	-	27,347,852	27,347,852	-	-
Total primary government	$ 720,331,278	$ 288,576,483	$ 24,035,310	$ 45,756,662	$ (389,310,675)	$ 27,347,852	$ (361,962,823)	$ -	$ -
Component Units									
Cobb-Marietta Coliseum and Exhibit Hall Authority	$ 34,041,547	$ 19,778,840	$ 12,901,151	$ 2,444,450	$ -	$ -	$ -	$ 1,082,894	$ -
Cobb County Board of Health	25,932,784	9,588,290	16,965,534	-	-	-	-	-	621,040
Total component units	$ 59,974,331	$ 29,367,130	$ 29,866,685	$ 2,444,450	$ -	$ -	$ -	$ 1,082,894	$ 621,040
General revenues:									
Property taxes					$ 271,694,680	$ -	$ 271,694,680	$ -	$ -
Sales taxes					128,892,927	-	128,892,927	-	-
Insurance premium tax					22,768,278	-	22,768,278	-	-
Alcoholic beverage tax					4,735,183	-	4,735,183	-	-
Hotel/Motel tax					11,244,163	-	11,244,163	-	-
Real estate transfer tax					1,372,033	-	1,372,033	-	-
Miscellaneous taxes					13,110,068	-	13,110,068	-	-
Miscellaneous					10,517,034	228,151	10,745,185	-	-
Gain from sale of capital assets					154,803	64,731	219,534	-	-
Unrestricted investment earnings					1,072,135	110,224	1,182,359	27,135	-
Transfers					6,539,853	(6,539,853)	-	-	-
Total general revenues and transfers					472,101,157	(6,136,747)	465,964,410	27,135	-
Change in net position					82,790,482	21,211,105	104,001,587	1,110,029	621,040
Net position beginning of year - as restated					3,236,467,229	1,304,710,080	4,541,177,309	114,391,537	5,209,699
Net position - end of year					$ 3,319,257,711	$ 1,325,921,185	$ 4,645,178,896	$ 115,501,566	$ 5,830,739

See accompanying notes to financial statements.

Cobb County, Georgia
Governmental Funds
Balance Sheet
September 30, 2013

	General Fund	Fire District Fund	SPLOST Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 28,582,987	$ 17,724,655	$ 66,033,347	$ 18,832,549	$ 131,173,538
Investments, at fair value	-	-	106,911,370	-	106,911,370
Receivables:					
Taxes and penalties	111,727,749	41,205,251	-	5,422,374	158,355,374
Accrued interest	-	-	120,116	-	120,116
Other	2,781,888	686,949	379,446	3,388,863	7,237,146
Due from other funds	1,579,501	-	-	4,639,653	6,219,154
Due from component unit	27,646	-	-	382,477	410,123
Due from other governments and agencies	954,076	-	11,247,149	4,057,932	16,259,157
Advances to other funds	3,732,109	-	-	-	3,732,109
Inventories	1,325,767	-	-	-	1,325,767
Prepaid items	-	535	-	126,812	127,347
Total assets	$ 150,711,723	$ 59,617,390	$ 184,691,428	$ 36,850,660	$ 431,871,201
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Accounts payable	$ 1,452,047	$ 32,175	$ 13,751,352	$ 1,865,778	$ 17,101,352
Accrued payroll	609,795	163,930	-	33,288	807,013
Due to other funds	22,631,921	-	-	1,587,233	24,219,154
Due to others	296,231	-	-	-	296,231
Due to component unit	1,062,889	-	-	-	1,062,889
Due to other governments and agencies	149,331	-	2,781,253	3,047	2,933,631
Notes payable, net	31,066,895	36,077,685	-	-	67,144,580
Accrued interest payable	220,875	256,500	-	-	477,375
Unearned revenue	159,530	-	-	429,146	588,676
Total liabilities	$ 57,649,514	$ 36,530,290	$ 16,532,605	$ 3,918,492	$ 114,630,901
Deferred Inflows of Resources					
Unavailable revenues	6,960,097	2,289,039	-	3,269,192	12,518,328
Total Liabilities and Deferred Inflows of Resources	64,609,611	38,819,329	16,532,605	7,187,684	127,149,229
Fund Balances					
Nonspendable:					
Inventories and prepaid items	$ 1,325,767	$ 535	$ -	$ 126,812	$ 1,453,114
Advances	3,732,109	-	-	-	3,732,109
Restricted for:					
Debt Services	-	-	-	9,841,774	9,841,774
Construction and capital outlay	-	20,797,526	168,158,823	-	188,956,349
Special programs	1,652,111	-	-	14,763,745	16,415,856
Committed for:					
Construction and capital outlay	-	-	-	5,599,016	5,599,016
Special programs	24,679,900	-	-	1,093,691	25,773,591
Assigned for:					
Special programs	36,617	-	-	-	36,617
Unassigned	54,675,608	-	-	(1,762,062)	52,913,546
Total fund balance	$ 86,102,112	$ 20,798,061	$ 168,158,823	$ 29,662,976	$ 304,721,972
Total liabilities, deferred inflows of resources, and fund balances	$ 150,711,723	$ 59,617,390	$ 184,691,428	$ 36,850,660	$ 431,871,201

See accompanying notes to financial statements.

Cobb County, Georgia
Governmental Funds
Reconciliation of the Governmental Balance Sheet to the Statement of Net Position
September 30, 2013

Total fund balances - governmental funds	$	304,721,972
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		3,079,056,056
Other long-term assets are not available to pay for current-period expenditures and, therefore, are either reported as unavailable or not reported in the funds:		
Property tax		9,562,294
Grants and contributions		2,956,034
Net other post employment benefit assets		4,725,105
Net pension asset		9,692,092
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 position.		24,460,482
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Accrued interest payable		(968,696)
Intergovernmental contract payable		(46,785,000)
Unmatured bonds		(33,375,000)
Unamortized deferred loss on refunding		159,143
Unamortized bond premiums		(545,141)
Certificates of participation		(9,990,000)
Capital leases payable		(2,298,794)
Compensated absences		(22,112,836)
Net position of governmental activities	$	3,319,257,711

Cobb County, Georgia
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended September 30, 2013

	General Fund	Fire District Fund	SPLOST Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	$ 237,266,998	$ 69,144,831	$ 128,892,927	$ 20,249,585	$ 455,554,341
Licenses and permits	22,075,597	382,539	-	-	22,458,136
Intergovernmental	3,794,620	24,583	15,057,128	22,163,880	41,040,211
Charges for services	39,250,325	1,623,426	-	17,547,962	58,421,713
Fines and forfeits	12,368,031	-	-	-	12,368,031
Interest earned	792,979	188,534	319,814	46,776	1,348,103
Miscellaneous	5,650,073	11,780	171,161	4,684,020	10,517,034
Total revenues	$ 321,198,623	$ 71,375,693	$ 144,441,030	$ 64,692,223	$ 601,707,569
Expenditures:					
Current:					
General government	$ 120,558,751	$ -	$ -	$ 7,008,703	$ 127,567,454
Public safety	132,185,015	69,138,619	-	15,222,651	216,546,285
Public works	13,297,328	-	-	7,378,501	20,675,829
Health and welfare	3,731,620	-	-	2,338,381	6,070,001
Culture and recreation	30,890,947	-	-	7,496,498	38,387,445
Housing and development	7,488,475	-	-	9,959,311	17,447,786
Capital outlay	-	-	89,366,900	5,578,137	94,945,037
Debt service:					
Principal retirement	126,654	-	-	13,126,003	13,252,657
Interest and fiscal charges	41,086	35,510	-	4,216,601	4,293,197
Intergovernmental	-	-	33,970,260	-	33,970,260
Total expenditures	$ 308,319,876	$ 69,174,129	$ 123,337,160	$ 72,324,786	$ 573,155,951
Excess (deficiency) of revenues over (under) other expenditures	$ 12,878,747	$ 2,201,564	$ 21,103,870	$ (7,632,563)	$ 28,551,618
Other financing sources (uses):					
Transfers in	$ 18,090,819	$ -	$ 1,006,142	$ 14,007,123	$ 33,104,084
Transfers out	(23,451,976)	(381,588)	-	(2,043,199)	(25,876,763)
Proceeds from sale of capital assets	102,837	49,229	-	2,737	154,803
Proceeds from issuance of capital lease	-	-	-	904,122	904,122
Total other financing sources (uses)	$ (5,258,320)	$ (332,359)	$ 1,006,142	$ 12,870,783	$ 8,286,246
Net changes in fund balances	$ 7,620,427	$ 1,869,205	$ 22,110,012	$ 5,238,220	$ 36,837,864
Fund balances at beginning of year	78,481,685	18,928,856	146,048,811	24,424,756	267,884,108
Fund balances at end of year	$ 86,102,112	$ 20,798,061	$ 168,158,823	$ 29,662,976	$ 304,721,972

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, 2013

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	36,837,864
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 ($99,611,856) were greater than depreciation ($85,497,924) in the current period.		14,113,932
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		(1,737,009)
Intergovernmental revenues		(803,482)
The net effect of various miscellaneous transactions involving capital assets (donations) is to increase net position.		9,733,473
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. 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 position:		
Bond principal payments		6,995,000
Capital lease proceeds		(904,122)
Capital lease principal payments		4,512,657
Intergovernmental contract payable		1,475,000
Certificates of participation payable		270,000
The current years increase to the net pension asset reduced the net expenses of pensionable functions on the statement of activities.		5,926,178
The current years increase to the net other post employment benefits asset reduced the net expense of other post employment benefits functions on the statement of activities.		1,804,951
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		136,694
Amortization for bond deferred amounts and premiums		121,065
Accrued interest expense		88,698
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.		4,219,583
Changes in net position of governmental activities.	$	82,790,482

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, 2013

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Taxes	$ 228,024,776	$ 223,324,776	$ 237,266,998	$ 13,942,222
Licenses and permits	20,109,999	20,160,782	22,075,597	1,914,815
Intergovernmental	3,908,999	4,058,487	3,794,620	(263,867)
Charges for services	35,397,775	36,036,702	39,250,325	3,213,623
Fines and forfeits	9,291,001	11,233,891	12,368,031	1,134,140
Interest earned	874,998	876,012	792,979	(83,033)
Miscellaneous	3,584,696	5,127,822	5,650,073	522,251
Total revenues	$ 301,192,244	$ 300,818,472	$ 321,198,623	$ 20,380,151
Expenditures:				
Current:				
General government	$ 116,042,280	$ 125,246,948	$ 123,008,067	$ 2,238,881
Public safety	131,055,310	134,768,686	132,669,646	2,099,040
Public works	13,629,859	15,149,095	14,561,491	587,604
Health and welfare	3,406,313	3,889,920	3,807,682	82,238
Culture and recreation	29,996,194	32,306,032	31,289,643	1,016,389
Housing and development	7,267,777	7,587,457	7,515,225	72,232
Debt service:	-	-		
Principal retirement	126,347	126,347	126,654	(307)
Interest and fiscal charges	256,558	256,558	41,086	215,472
Total expenditures	$ 301,780,638	$ 319,331,043	$ 313,019,494	$ 6,311,549
Excess (deficiency) of revenues over (under) other expenditures	$ (588,394)	$ (18,512,571)	$ 8,179,129	$ 26,691,700
Other financing sources (uses):				
Transfers in	$ 20,632,626	$ 25,974,536	$ 18,090,819	$ (7,883,717)
Transfers out	(17,562,527)	(24,726,255)	(23,451,976)	1,274,279
Proceeds from sale of capital assets	-	-	102,837	102,837
Total other financing sources (uses)	$ 3,070,099	$ 1,248,281	$ (5,258,320)	$ (6,506,601)
Net changes in fund balance	$ 2,481,705	$ (17,264,290)	$ 2,920,809	$ 20,185,099
Fund balances at beginning of year			$ 78,481,685	
Fund balances at end of year - budgetary basis			$ 81,402,494	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			4,699,618	
Fund balance at end of year - GAAP basis			$ 86,102,112	

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, 2013

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	$ 68,845,384	$ 68,845,384	$ 69,144,831	$ 299,447
Licenses and permits	273,000	273,000	382,539	109,539
Intergovernmental	-	-	24,583	24,583
Charges for services	1,002,200	1,002,200	1,623,426	621,226
Interest earned	211,000	211,000	188,534	(22,466)
Miscellaneous	3,000	4,000	11,780	7,780
Total revenues	$ 70,334,584	$ 70,335,584	$ 71,375,693	$ 1,040,109
Expenditures:				
Current:				
Personal services	$ 59,403,072	$ 59,403,072	$ 58,297,478	$ 1,105,594
Operating expenditures	10,335,122	11,043,360	10,885,247	158,113
Capital outlay	114,200	205,333	115,730	89,603
Debt service:				
Interest and fiscal charges	95,000	95,000	35,510	59,490
Total expenditures	$ 69,947,394	$ 70,746,765	$ 69,333,965	$ 1,412,800
Excess of revenues over other expenditures	$ 387,190	$ (411,181)	$ 2,041,728	$ 2,452,909
Other financing sources (uses):				
Transfers out	$ (387,190)	$ (387,190)	$ (381,588)	$ 5,602
Proceeds from sale of capital assets	-	-	49,229	49,229
Total other financing sources (uses)	$ (387,190)	$ (387,190)	$ (332,359)	$ 54,831
Net changes in fund balance	$ -	$ (798,371)	$ 1,709,369	$ 2,507,740
Fund balance at beginning of year			18,928,856	
Fund balance at end of year - budgetary basis			20,638,225	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			159,836	
Fund balance at end of year - GAAP basis			$ 20,798,061	

See accompanying notes to financial statements.

Cobb County, Georgia
Proprietary Funds
Statement of Net Position
September 30, 2013

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water and Sewer Fund	Other Enterprise Funds	Total	
Assets				
Current assets:				
Cash	$ 18,612,432	$ 2,605,277	$ 21,217,709	$ 19,278,100
Restricted cash and investments	78,426,420	-	78,426,420	-
Investments, at fair value	300,000	-	300,000	-
Receivables:				
Accounts, net	19,269,130	-	19,269,130	-
Other	2,422,202	90,534	2,512,736	1,933
Due from other funds	-	-	-	18,000,000
Due from other governments and agencies	1,016,309	1,305,798	2,322,107	-
Inventories	1,463,208	-	1,463,208	-
Prepaid items	3,670	3,327	6,997	400,339
Total current assets	$ 121,513,371	$ 4,004,936	$ 125,518,307	$ 37,680,372
Noncurrent assets:				
Property, plant and equipment:				
Capital assets not being depreciated	$ 428,294,926	$ 20,036,769	$ 448,331,695	$ -
Capital assets being depreciated, net	1,132,666,142	38,172,307	1,170,838,449	-
Net property, plant and equipment	$ 1,560,961,068	$ 58,209,076	$ 1,619,170,144	$ -
Other assets:				
Net pension asset	$ 1,076,899	$ -	$ 1,076,899	$ -
Net OPEB asset	525,012	-	525,012	-
Total other assets	$ 1,601,911	$ -	$ 1,601,911	$ -
Total noncurrent assets	$ 1,562,562,979	$ 58,209,076	$ 1,620,772,055	$ -
Total assets	$ 1,684,076,350	$ 62,214,012	$ 1,746,290,362	$ 37,680,372

Continued on next page.

Cobb County, Georgia
Proprietary Funds
Statement of Net Position
September 30, 2013

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water and Sewer Fund	Other Enterprise Funds	Total	
Liabilities and Deferred Inflows of Resources				
Liabilities:				
Current liabilities (payable from current assets):				
Accounts payable	$ 22,337,389	$ 1,788,417	$ 24,125,806	$ 1,695,143
Accrued payroll	76,660	9,928	86,588	1,454
Arbitrage liability	54,882	-	54,882	-
Due to others	-	1,117	1,117	-
Customer deposits	4,956,901	-	4,956,901	-
Due to other governments and agencies	7,200	22,389	29,589	-
Accrued interest payable	1,619,802	50,625	1,670,427	-
Unearned revenues	-	14,642	14,642	-
Current portion of revenue bonds	11,770,000	2,050,000	13,820,000	-
Current portion of note payable	8,310,848	-	8,310,848	-
Current portion of compensated absences	1,076,577	21,436	1,098,013	12,155
Current portion of capital lease payable	-	68,093	68,093	-
Current portion of closure and post closure care	-	322,647	322,647	-
Estimated liability for claims and judgments	-	-	-	11,509,307
Total current liabilities	$ 50,210,259	$ 4,349,294	$ 54,559,553	$ 13,218,059
Long-term liabilities:				
Revenue bonds (net of current portion and bond premium)	$ 176,648,983	$ 2,076,505	$ 178,725,488	$ -
Notes payable (net of current portion)	156,084,686	-	156,084,686	-
Compensated absences (net of current portion)	469,622	38,419	508,041	1,831
Closure and post closure care (net of current portion)	-	24,626,326	24,626,326	-
Capital lease payable (net of current portion)	-	190,749	190,749	-
Advances from other funds	-	3,732,109	3,732,109	-
Total long-term liabilities	$ 333,203,291	$ 30,664,108	$ 363,867,399	$ 1,831
Total liabilities	$ 383,413,550	$ 35,013,402	$ 418,426,952	$ 13,219,890
Deferred inflows of resources				
Deferred gain on refunding	$ 1,942,225	$ -	$ 1,942,225	$ -
Total liabilities and deferred inflows of resources	$ 385,355,775	$ 35,013,402	$ 420,369,177	$ 13,219,890
Net Position				
Net investment in capital assets	$ 1,194,086,149	$ 53,804,888	$ 1,247,891,037	$ -
Restricted for:				
Capital projects	71,253,900	-	71,253,900	-
Unrestricted	33,380,526	(26,604,278)	6,776,248	24,460,482
Total net position	$ 1,298,720,575	$ 27,200,610	$ 1,325,921,185	$ 24,460,482

Continued from preceding page.

Cobb County, Georgia
Proprietary Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended September 30, 2013

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water and Sewer Fund	Other Enterprise Funds	Total	
Operating revenues:				
Charges for services	$ 187,171,300	$ 8,157,303	$ 195,328,603	$ 66,733,313
Miscellaneous income	198,213	29,938	228,151	-
Total operating revenues	$ 187,369,513	$ 8,187,241	$ 195,556,754	$ 66,733,313
Operating expenses:				
Personnel services	$ 26,910,265	$ 901,610	$ 27,811,875	$ 453,049
Other operating expenses	86,564,328	18,932,301	105,496,629	15,217,114
Benefits and claims	-	-	-	46,199,945
Total operating expenses	$ 113,474,593	$ 19,833,911	$ 133,308,504	$ 61,870,108
Operating income (loss) before depreciation	$ 73,894,920	$ (11,646,670)	$ 62,248,250	$ 4,863,205
Less depreciation	(40,900,407)	(5,212,262)	(46,112,669)	-
Operating income (loss)	$ 32,994,513	$ (16,858,932)	$ 16,135,581	$ 4,863,205
Nonoperating revenues (expenses):				
Interest income	$ 109,125	$ 1,099	$ 110,224	$ 43,846
Interest and fiscal charges	(8,887,971)	(234,359)	(9,122,330)	-
Amortization	664,470	76,512	740,982	-
Gain (loss) on sale of capital assets	62,706	2,025	64,731	-
Total nonoperating revenues (expenses)	$ (8,051,670)	$ (154,723)	$ (8,206,393)	$ 43,846
Net income (loss) before transfers and capital contributions	$ 24,942,843	$ (17,013,655)	$ 7,929,188	$ 4,907,051
Capital contributions	$ 10,060,846	$ 9,760,924	$ 19,821,770	$ -
Transfers:				
Transfers in	$ 23,536	$ 11,101,855	$ 11,125,391	$ -
Transfers out	(17,610,623)	(54,621)	(17,665,244)	(687,468)
Total transfers	$ (17,587,087)	$ 11,047,234	$ (6,539,853)	$ (687,468)
Changes in net position	$ 17,416,602	$ 3,794,503	$ 21,211,105	$ 4,219,583
Total net position - beginning	$ 1,285,454,073	$ 23,446,145	$ 1,308,900,218	$ 20,240,899
Restatement	(4,150,100)	(40,038)	(4,190,138)	-
Total net position - beginning, as restated	$ 1,281,303,973	$ 23,406,107	$ 1,304,710,080	$ 20,240,899
Total net position - ending	$ 1,298,720,575	$ 27,200,610	$ 1,325,921,185	$ 24,460,482

See accompanying notes to financial statements.

Cobb County, Georgia
Proprietary Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended September 30, 2013

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water and Sewer Fund	Other Enterprise Funds	Total	
Cash flows from (to) operating activities:				
Cash received from customers	$ 188,929,392	$ 10,601,058	$ 199,530,450	$ 49,525,314
Cash payments for goods and services	(89,567,233)	(20,521,391)	(110,088,624)	(15,705,010)
Cash payments for employee services and fringe benefits	(28,392,657)	(944,670)	(29,337,327)	(455,873)
Cash payments for benefits and claims	-	-	-	(48,190,147)
Net cash from (to) operating activities	$ 70,969,502	$ (10,865,003)	$ 60,104,499	$ (14,825,716)
Cash flows from (to) noncapital financing activities:				
Transfers in	$ 23,536	$ 11,101,855	$ 11,125,391	$ -
Transfers out	(17,610,623)	(54,621)	(17,665,244)	(687,468)
Net cash from (to) noncapital financing activities	$ (17,587,087)	$ 11,047,234	$ (6,539,853)	$ (687,468)
Cash flows from (to) capital and related financing activities:				
Payments on capital leases	$ -	$ (66,812)	$ (66,812)	$ -
Proceeds from sale of capital assets	62,706	2,025	64,731	-
Payments for capital acquisitions	(32,084,257)	(5,158,459)	(37,242,716)	-
Bond principal payments	(83,110,000)	(2,100,000)	(85,210,000)	-
Capital contributions	6,661,004	9,760,924	16,421,928	-
Proceeds from note issuance	7,902,959	-	7,902,959	-
Payments on notes	(6,919,491)	-	(6,919,491)	-
Cost of note issuance	(204,167)	-	(204,167)	-
Cost of bond issuance	(407,899)	-	(407,899)	-
Proceeds from bond issuance	71,545,000	-	71,545,000	-
Payments on advances from other funds	-	(337,500)	(337,500)	-
Interest and fiscal charges	(13,984,423)	(260,609)	(14,245,032)	-
Net cash from (to) capital and related financing activities	$ (50,538,568)	$ 1,839,569	$ (48,698,999)	$ -
Cash flows from investing activities:				
Interest received	$ 109,125	$ 1,099	$ 110,224	$ 43,846
Net cash from investing activities	$ 109,125	$ 1,099	$ 110,224	$ 43,846
Net increase (decrease) in cash and cash equivalents	$ 2,952,972	$ 2,022,899	$ 4,975,871	$ (15,469,338)
Cash and cash equivalents at beginning of year	94,085,880	582,378	94,668,258	34,747,438
Cash and cash equivalents at end of year	$ 97,038,852	$ 2,605,277	$ 99,644,129	$ 19,278,100
Reconciliation to Combining Balance Sheet				
Cash	$ 18,612,432	$ 2,605,277	$ 21,217,709	$ 19,278,100
Cash (included in restricted assets)	78,426,420	-	78,426,420	-
	$ 97,038,852	$ 2,605,277	$ 99,644,129	$ 19,278,100

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, 2013

	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)	$ 32,994,513	$ (16,858,932)	$ 16,135,581	$ 4,863,205
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation	$ 40,900,407	$ 5,212,262	$ 46,112,669	$ -
Change in assets and liabilities:				
Decrease (increase) in accounts receivables	1,232,126	30,783	1,262,909	-
Decrease (increase) in other receivables	(201,286)	111,307	(89,979)	759,349
Decrease (increase) in due from other funds	22,842	959,247	982,089	(18,000,000)
Decrease (increase) in due from other governments	11,687	1,312,480	1,324,167	-
Decrease (increase) in due from others	-	-	-	32,652
Decrease (increase) in inventories	(119,234)	-	(119,234)	-
Decrease (increase) in other assets	(914,165)	-	(914,165)	-
Decrease (increase) in prepaid expenses	1,146	-	1,146	(400,339)
Increase (decrease) in accounts payable	(2,892,017)	(1,248,319)	(4,140,336)	(87,557)
Increase (decrease) in accrued payroll	(623,293)	(3,921)	(627,214)	(6,313)
Increase (decrease) in accrued vacation payable	55,066	(39,139)	15,927	3,489
Increase (decrease) in due to other funds	-	(1,619)	(1,619)	-
Increase (decrease) in due to others	-	46	46	-
Increase (decrease) in customer deposits	494,510	-	494,510	-
Increase (decrease) in due to other governments	7,200	(1,746)	5,454	-
Increase (decrease) in estimated liability for claims and judgments	-	-	-	(1,990,202)
Increase (decrease) in closure/postclosure care	-	(322,646)	(322,646)	-
Increase (decrease) in unearned revenues	-	(14,806)	(14,806)	-
Total adjustments	$ 37,974,989	$ 5,993,929	$ 43,968,918	$ (19,688,921)
Net cash provided (used) by operating activities	$ 70,969,502	$ (10,865,003)	$ 60,104,499	$ (14,825,716)
Schedule of noncash capital and related financing activities:				
Contribution of capital assets	$ 2,456,060	$ -	$ 2,456,060	$ -
Total noncash capital and related financing activities	$ 2,456,060	$ -	$ 2,456,060	$ -
Supplemental disclosure of cashflow information:				
Cash paid for interest	$ 13,984,423	$ 260,609	$ 14,245,032	$ -
Interest capitalized	(4,668,697)	-	(4,668,697)	-
Total supplemental disclosure of cashflow information	$ 9,315,726	$ 260,609	$ 9,576,335	$ -

Continued from preceding page.

Cobb County, Georgia
Fiduciary Funds
Statement of Fiduciary Net Position
September 30, 2013

	Pension Trust Fund	OPEB Trust Fund	
	Employee Retirement System	Other Post Employment Benefits	Agency Funds
Assets:			
Cash and cash equivalents	$ 1,257,690	$ -	$ 74,224,045
Investments, at fair value			
Common stock	136,044,796	-	-
Mutual funds	283,221,411	76,235,267	-
Bond Corp.	36,298,371	-	-
Government and agency bonds	8,567,778	-	-
Group annuity contracts	2,644,766	-	
Money market	9,441,761	1,226,896	
Receivables			
Taxes and penalties	-	-	394,423,360
Accrued interest	624,488	-	-
Other	-	-	545
Total assets	$ 478,101,061	$ 77,462,163	$ 468,647,950
Liabilities:			
Unremitted tax collections due to other governments and agencies	$ -	-	$ 42,382,149
Taxes payable to others upon collection	-	-	394,423,360
Unremitted payroll tax and withholdings	-	-	5,628,917
Funds held in trust for others	-	-	26,213,524
Total liabilities	$ -	$ -	$ 468,647,950
Net position held in trust for			
Pension benefits	$ 478,101,061	$ -	
Other post employment benefits	-	77,462,163	
Total net position held in trust	$ 478,101,061	$ 77,462,163	

See accompanying notes to financial statements.

Cobb County, Georgia
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended September 30, 2013

	Pension Trust Fund	OPEB Trust Fund
	Employee Retirement System	Other Post Employment Benefits
Additions		
Contributions:		
Employer	$ 38,530,086	$ 20,483,670
Employee	11,840,163	1,697,620
Total contributions	$ 50,370,249	$ 22,181,290
Investment earnings:		
Net appreciation (depreciation) in fair value of assets	$ 50,055,536	$ 8,384,373
Interest	9,246,338	-
Total investment earnings	$ 59,301,874	$ 8,384,373
Less investment expense	(1,364,812)	-
Net investment earnings	$ 57,937,062	$ 8,384,373
Miscellaneous revenue	$ 633,486	$ -
Total additions	$ 108,940,797	$ 30,565,663
Deductions		
Benefits and claims	$ 46,589,743	$ 11,181,290
Total deductions	$ 46,589,743	$ 11,181,290
Change in net position	$ 62,351,054	$ 19,384,373
Net position held in trust		
Beginning of year	$ 415,750,007	$ 58,077,790
End of year	$ 478,101,061	$ 77,462,163

See accompanying notes to financial statements.

COBB COUNTY, GEORGIA
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September 30, 2013

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Note 1. Summary of Significant Accounting Policies

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

A. Reporting Entity

The financial statements of the reporting entity include those of Cobb County, Georgia (the primary government) and its component 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. 61, "The Financial Reporting Entity," 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, 2013 and June 30, 2013, 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. The County is committed through an intergovernmental agreement to repay a portion of the Authority's debt.

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, 2013, 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 position 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 Position, 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 position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position.

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 and deferred outflows of resources, liabilities and deferred inflows of resources, 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.

The focus for proprietary fund measurement is upon determination of operating income, changes in net position, 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.

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.

Note 1. Summary of Significant Accounting Policies (Continued)

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.

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 $78,426,420 which is held in a separate account until monies are spent according to the bond covenants.

Note 1. Summary of Significant Accounting Policies (Continued)

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, 2013 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.

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.

Note 1. Summary of Significant Accounting Policies (Continued)

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 Position. Bond premiums and discounts 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 recognized as an outflow of resources in the reporting period in which they are incurred.

Debt refunding gains and losses are reported as deferred inflows or outflows of resources on the statements of net position. These gains and losses are deferred and amortized over the shorter of the life of the refunding debt (new debt) and the refunded debt (the old 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 implemented 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 Position

The net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. The net position component, net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the County has not spent) for the acquisition, construction or improvement of those assets. The net position is reported as restricted when there are limitations imposed by creditors, grantors, contributors or laws or regulations of other governments. The balance of the net position is reported as unrestricted.

Q. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources until then. The County has only one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County reports two of these items. One item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: intergovernmental revenues and property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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:

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, and 800 MHz Special Revenue Funds, the budgets for these funds are presented on a GAAP basis.

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

Note 2. Budgetary Information (Continued)

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 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.

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	$ 2,920,809	$ 1,709,369	$ (717,272)
Encumbrances 9/30/13	4,699,618	159,836	63,889
Grant-length Plans	-	-	1,202,394
GAAP Basis	$ 7,620,427	$ 1,869,205	$ 549,011

	Fund Balances at End of Year		
	General Fund	Fire Fund	Nonmajor Special Revenue Funds
Budgetary Basis	$ 81,402,494	$ 20,638,225	$ 12,961,753
Encumbrances 9/30/13	4,699,618	159,836	63,889
Grant-length Plans	-	-	1,818,839
GAAP Basis	$ 86,102,112	$ 20,798,061	$ 14,844,481

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.

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

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, 2013, $534,360 of the County's agency fund deposits was exposed to custodial credit risk because it was uninsured and uncollateralized.

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, 2013, 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	$ 181,212,787	$ 181,212,787	$ -	$ -	$ -
U.S. Agencies	AAA	104,911,370	5,000,156	99,911,214	-	-
Total Primary Government (non-fiduciary)		$ 286,124,157	$ 186,212,943	$ 99,911,214	$ -	$ -
FIDUCIARY FUNDS						
Pension Trust Fund:						
Common Stocks		$ 136,044,796	n/a	n/a	n/a	n/a
Mutual Funds		283,221,411	283,221,411	-	-	-
Bond Corp.	AAA	1,643,727	-	723,790	-	919,937
	AA	3,968,781	413,924	2,259,533	229,862	1,065,462
	A	22,801,544	4,992,523	6,062,816	6,271,079	5,475,126
	BAA	6,609,191	1,130,288	2,287,238	1,560,600	1,631,065
	Not Rated	1,275,128				1,275,128
Government and Agency Bonds	AAA	7,107,630	869,827	-	2,033,976	4,203,827
	Not Rated	1,460,148	125,926		1,334,222	
Group Annuity Contracts		2,644,766	-	2,644,766	-	-
Georgia Fund I	AAA	84,037	84,037	-	-	-
Money Market		9,441,761	9,441,761	-	-	-
Total Pension Trust Fund		$ 476,302,920	$ 300,279,697	$ 13,978,143	$ 11,429,739	$ 14,570,545
OPEB Trust Fund:						
Mutual Funds		$ 76,235,267	$ 76,235,267	$ -	$ -	$ -
Money Market		1,226,896	1,226,896	-	-	-
Total OPEB Trust Fund		$ 77,462,163	$ 77,462,163	$ -	$ -	$ -

Investments of the primary government and fiduciary funds include $181,212,787 and $84,037 grouped in cash and cash equivalents and exclude $2,300,000 of nonnegotiable certificates of deposits.

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

Credit Risk - Investments
As of September 30, 2013 the County's investment in U.S. Agencies that are implicitly guaranteed were as follows: Federal National Mortgage Association $32,987,575, Federal Home Loan Bank $27,946,359, Federal Home Loan Mortgage Corporation $10,998,668, and Federal Farm Credit Banks $32,978,768. All of the U.S. Agencies that the County has investments with are rated AAA.

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

The Office of 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, 2013, none of the Authority's public deposits of $5,756,265 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, 2013, 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, 2013, the Authority had the following investments:

Type of Investment	Rating	Fair Value	Investment Maturities (in Years)			
			Less than 1	1-5	6-10	More than 10
Georgia Fund I	AAA	$ 19,896,157	$ 19,896,157	$ -	$ -	$ -

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

B. Cobb County Board of Health

At June 30, 2013 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, 2013:

Description	Rating	Fair Value	Weighted Average Maturity
Georgia Fund I	AAAf	$1,359,178	43 days

Note 4. Restricted Assets

A. Cobb-Marietta Coliseum and Exhibit Hall Authority

The Authority's restricted assets in the governmental funds include cash and investments held in separate accounts as required by the revenue bond ordinances, and interest and contributions receivable that are restricted in purpose. In the general fund, cash and investments held in the renewal and expansion account are restricted for renewal and replacement of assets, expansion projects and contingencies. The general fund reports resources restricted for renewal and expansion in accordance with the revenue bond indenture. Contributions received and pledged to the Performing Arts Centre Foundation that have purpose restrictions are reported as restricted assets.

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

The Authority's restricted assets in the enterprise funds include refundable security deposits in the mall fund; ticket sales deposits that are refunded to artist and promoters in the Performing Arts Centre fund; 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	$ 11,487,776	$ -	$ 11,487,776
Performing Arts Centre Foundation:			
Restricted by donors	87,751	-	87,751
Debt Service Fund:			
Restricted for debt service	9,621,003	-	9,621,003
Total governmental funds	21,196,530	-	21,196,530
Additional amounts reported for governmental activities	-	5,708,577	5,708,577
Total governmental activities	$ 21,196,530	$ 5,708,577	$ 26,905,107

Note 4. Restricted Assets (Continued)

In the governmental activities column of the statement of net position, an additional $5,708,577 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 and stated at present value.

Enterprise Funds			
Galleria Mall:			
Security deposits	$ 51,488	$ -	$ 51,488
Performing Arts Centre:			
Ticket sales deposits	2,748,929	-	2,748,929
Restricted for debt service	577,344	-	577,344
Due from primary government	-	47,316,788	47,316,788
Total enterprise funds	$ 3,377,761	$ 47,316,788	$ 50,694,549

Note 5. Capital Assets

Capital asset activity for the year ended September 30, 2013 was as follows:

Primary Government:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 973,121,140	$ 15,058,641	$ -	$ 988,179,781
Construction in progress	191,453,758	82,413,683	(109,177,617)	164,689,824
Total capital assets, not being depreciated	$ 1,164,574,898	$ 97,472,324	$ (109,177,617)	$ 1,152,869,605
Capital assets, being depreciated:				
Buildings	$ 506,969,745	$ 2,202,350	(5,087)	$ 509,167,008
Improvements other than buildings	31,238,828	768,590	-	32,007,418
Machinery and equipment	240,273,159	14,719,788	(4,208,273)	250,784,674
Infrastructure	2,372,759,451	103,359,894	-	2,476,119,345
Total capital assets, being depreciated	$ 3,151,241,183	$ 121,050,622	$ (4,213,360)	$ 3,268,078,445
Less accumulated depreciation for:				
Buildings	$ (111,784,941)	$ (10,552,152)	5,087	$ (122,332,006)
Improvements other than buildings	(16,284,523)	(1,393,229)	-	(17,677,752)
Machinery and equipment	(201,561,560)	(13,006,716)	4,208,273	(210,360,003)
Infrastructure	(930,976,406)	(60,545,827)	-	(991,522,233)
Total accumulated depreciation	$ (1,260,607,430)	$ (85,497,924)	$ 4,213,360	$ (1,341,891,994)
Total capital assets, being depreciated, net	1,890,633,753	35,552,698	-	1,926,186,451
Governmental activities capital assets, net	$ 3,055,208,651	$ 133,025,022	$ (109,177,617)	$ 3,079,056,056
Business-type activities:				
Capital assets, not being depreciated:				
Land and improvements	$ 77,822,757	$ 1,822,658	-	$ 79,645,415
Construction in progress	352,528,441	34,640,322	(18,482,483)	368,686,280
Total capital assets, not being depreciated	$ 430,351,198	$ 36,462,980	$ (18,482,483)	$ 448,331,695
Capital assets, being depreciated:				
Buildings and structures	$ 50,237,307	$ 5,615,833	-	$ 55,853,140
Sewerage plants	815,125,301	219,114	-	815,344,415
Machinery and equipment	74,394,121	3,643,871	(581,190)	77,456,802
Infrastructure:				
Sewer lines	531,800,827	2,335,744	-	534,136,571
Water lines and meters	409,562,439	14,572,913	-	424,135,352
Total capital assets, being depreciated	$ 1,881,119,995	$ 26,387,475	$ (581,190)	$ 1,906,926,280

Note 5. Capital Assets (Continued)

Less accumulated depreciation for:				
Buildings and structures	$ (15,764,197)	$ (1,496,289)	-	$ (17,260,486)
Sewerage plants	(276,686,905)	(19,532,047)	-	(296,218,952)
Machinery and equipment	(58,246,062)	(4,983,497)	581,190	(62,648,369)
Infrastructure:				
Sewer lines	(184,423,098)	(10,450,167)	-	(194,873,265)
Water lines and meters	(155,436,090)	(9,650,669)	-	(165,086,759)
Total accumulated depreciation	$ (690,556,352)	$ (46,112,669)	$ 581,190	$ (736,087,831)
Total capital assets, being depreciated, net	1,190,563,643	(19,725,194)	-	1,170,838,449
Business-type activities capital assets, net	$ 1,620,914,841	$ 16,737,786	$ (18,482,483)	$ 1,619,170,144

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

Governmental activities:	
General government	$ 8,135,696
Public safety	11,172,988
Public works	61,671,668
Health and welfare	26,108
Culture and recreation	3,535,224
Housing and development	956,240
Total depreciation expense - governmental activities	$ 85,497,924
Business-type activities:	
Water and Sewer	$ 40,900,407
Solid Waste	410,767
Golf Course	172,496
Transit System	4,628,999
Total depreciation expense - business-type activities	$ 46,112,669

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 $11,509,307 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
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
2013	13,499,509	46,199,945	48,190,147	11,509,307

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	2,928,867	-
Machinery and equipment	5,828,763	342,702
Less: Accumulated depreciation	(3,559,154)	(48,924)
Total	$ 8,782,577	$ 293,778

Amortization expense of assets recorded under capital leases is included with depreciation expense.

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, 2013:

	Total Governmental Activities	Total Business-type Activities
2014	1,350,815	72,420
2015	736,149	72,420
2016	286,670	122,855
2017	34,035	-
Total minimum lease payments	$ 2,407,669	$ 267,695
Less: Amount representing interest	108,875	8,853
Present value of minimum lease payments	$ 2,298,794	$ 258,842

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 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.

Note 7. Leases (continued)

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 October, 2012, a lease agreement was entered into with Dell Financial Services to finance the replacement of up to 210 personal computers in the first quarter of FY13. 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 December, 2012, a lease agreement was entered into with Dell Financial Services to finance the replacement of up to 155 personal computers in the second quarter of FY13. 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, 2013 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 ($9,790,000 outstanding). The Bonds were issued to finance the costs of acquiring park land within the County to be owned by the County for so long as any Series 2008 Bonds remain outstanding and to be used as park land in perpetuity, and paying the costs of the issuance of the Series 2008 Bonds.

$25,000,000 2007 Park serial bonds due in annual installments of $3,060,000 to $4,130,000 through January 1, 2017; interest at 4.25 to 5.00 percent ($15,345,000 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 ($8,240,000 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.

Note 8. Long-term Debt (continued)

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 ($109,730,000 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.

$71,545,000 2013 refunding serial bonds due in annual installments of $6,970,000 to $7,800,000 through July 1, 2023; interest at 2.15 percent ($71,545,000 outstanding). The Bonds were issued for the purpose of advance refunding, defeasing and optionally redeeming the County's outstanding 2003 serial bonds and paying the cost of issuance of the Series 2013 Bonds.

The County has pledged future water customer revenues, net of specified operating expenses, to repay $198.1 million in water revenue bonds issued from 2009 to 2013. 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 $21,274,049 and $73,894,920 respectively. The total principal and interest remaining to be paid on the bonds as of September 30, 2013 was $181,275,000 and $54,568,550 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 ($4,050,000 outstanding). The Bonds were issued for the purpose of refunding, defeasing and optionally redeeming all of the Authority's outstanding Revenue Bonds, Series 1995 and paying the costs of issuance of the Series 2004 Bonds.

The County has pledged future solid waste customer revenues, net of specified operating expenses, to repay $19.3 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 $2,355,000 and $1,953,654 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 $4,050,000 and $201,250 respectively.

Note 8. Long-term Debt (continued)

The annual requirements to amortize all General Obligation and Revenue bonds outstanding at September 30, 2013 including interest payments of $105,800,381 are as follows:

Year Ending September	Governmental Activites General Obligation Bonds Principal	Governmental Activites General Obligation Bonds Interest	Business-Type Activities Revenue Bonds Principal	Business-Type Activities Revenue Bonds Interest
2014	$ 7,310,000	$ 1,247,782	$ 13,820,000	$ 6,329,272
2015	7,625,000	929,238	13,590,000	6,165,538
2016	7,950,000	607,412	11,950,000	5,748,383
2017	8,305,000	257,118	12,330,000	5,368,200
2018	2,185,000	35,506	12,725,000	4,974,325
2019-2023	-	-	70,390,000	18,237,819
2024-2028	-	-	41,170,000	7,548,888
2029-2030	-	-	9,350,000	397,375
	$ 33,375,000	$ 3,077,056	$ 185,325,000	$ 54,769,800

Year Ending September 30	Component Unit Revenue Bonds Principal	Component Unit Revenue Bonds Interest
2014	5,335,000	5,568,815
2015	5,755,000	5,317,192
2016	6,005,000	5,032,063
2017	6,345,000	4,750,806
2018	6,700,000	4,457,998
2019-2023	39,955,000	16,794,467
2024-2028	44,030,000	5,933,200
2029	4,525,000	98,984
	$ 118,650,000	$ 47,953,525

The annual requirements to amortize all Water and Sewer Revenue Bonds outstanding at September 30, 2013 are as follows:

	Outstanding Parity Bonds Principal	Outstanding Parity Bonds Interest	Outstanding Parity Bonds Total
2014	$ 11,770,000	$ 6,178,022	$ 17,948,022
2015	11,590,000	6,115,538	17,705,538
2016	11,950,000	5,748,383	17,698,383
2017	12,330,000	5,368,200	17,698,200
2018	12,725,000	4,974,325	17,699,325
2019-2023	70,390,000	18,237,819	88,627,819
2024-2028	41,170,000	7,548,888	48,718,888
2029-2030	9,350,000	397,375	9,747,375
	$ 181,275,000	$ 54,568,550	$ 235,843,550

Note 8. Long-Term Debt (Continued)

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.

$9,841,774 is available in the Debt Service Fund to service the general obligation bonds.

4. Prior Years' Advance Refundings

On September 30, 2013 there were no bonds outstanding that are considered defeased.

G.O. Bonds:

The $18,345,000 2005 Parks and Recreation Refunding Bonds were issued at a premium of $900,880 less an underwriting discount of $29,750 and issuance costs of $72,000 resulting in net proceeds of $19,144,130. These net proceeds, together with $321,704 of sinking funds monies available to pay interest accrued on the Series 1996 Refunding Bonds, were deposited into an irrevocable trust with a defeasance escrow agent to satisfy the defeasance requirement on January 1, 2007. As a result of the refunding and defeasance, the County reduced its total debt service requirement by $1,284,390 which resulted in an economic gain (difference between the present value of the debt service payments on the Refunded Bonds and the 2005 Bonds) of $1,020,494.

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 Position bond payable balance.

Note 8. Long-Term Debt (Continued)

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

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

In connection with such refunding, the County defeased all outstanding Series 1996 Bonds, including the Refunded Bonds and the Series 1996 Bonds maturing on July 1, 2004.

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

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

During the fiscal year ending September 30, 2013, the County issued Series 2013 Water and Sewer Refunding Revenue Bonds of $71,545,000 with interest rates of 2.15 percent to advance refund $78,535,000 of the 2003 Water and Sewer Revenue Bonds with interest rates of 3.0 to 5.0 percent. The 2013 Water and Sewer Refunding Revenue Bonds were issued at par. After paying the issuance costs of $407,899 the net proceeds were $71,137,101. 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 2003 bond issue maturing in 2023. The advance refunding met the requirements of an in-substance defeasance, thus the refunded portions of the 2003 bonds are no longer included in the Water and Sewer Fund Statement of Net Position bond payable balance.

As a result of the advanced refunding, the County reduced its total debt service requirements by $11,664,426, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of $8,176,686.

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 ($46,785,000 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
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	2,200,000	1,738,062	3,938,062
2019-2023	13,810,000	6,799,410	20,609,410
2024-2028	19,010,000	3,148,185	22,158,185
2029-2030	4,525,000	98,984	4,623,984
Total	$ 46,785,000	$ 19,703,683	$ 66,488,683

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 ($9,990,000 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
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	450,000	292,937	742,937
2019-2023	2,565,000	1,243,363	3,808,363
2024-2028	3,140,000	781,525	3,921,525
2029-2031	2,260,000	139,425	2,399,425
Total	$ 9,990,000	$ 3,739,313	$ 13,729,313

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 $28,667,552 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 $18,558,626 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 $5,188,541 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 $22,051,905 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 $22,346,902 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 $32,816,410 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 $177,222 through July 1, 2033; interest at 3.00 percent (with $34,765,598 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
2014	$ 8,310,848	$ 4,521,426	$ 12,832,274
2015	8,550,947	4,281,327	12,832,274
2016	8,796,802	4,035,471	12,832,273
2017	9,053,553	3,778,720	12,832,273
2018	9,314,257	3,518,017	12,832,274
2019-2023	48,691,243	13,411,181	62,102,424
2024-2028	45,687,384	6,827,436	52,514,820
2029-2033	25,990,500	1,222,838	27,213,338
Total	$ 164,395,534	$ 41,596,416	$ 205,991,950

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

Bonds payable are comprised of the following individual issues at September 30, 2013:

$47,965,000 series 1993 term bonds, of which $34,675,000 was outstanding at September 30, 2013, 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 $1,720,000 was unrefunded and outstanding at September 30, 2013. 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 $1,985,000 was outstanding at September 30, 2013. 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, 2013, 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 $11,885,000 was outstanding at September 30, 2013. 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 $33,965,000 was outstanding at September 30, 2013. The serial bonds are due in future annual installments of $1,595,000 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, 2013, 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 $8,345,000 was outstanding at September 30, 2013. The serial bonds are due in future annual installments of $455,000 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, 2013:

Governmental Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
GO Bonds:					
2008 Parks	$ 11,575,000	$ -	$ (1,785,000)	$ 9,790,000	$ 1,830,000
2007 Parks	18,725,000	-	(3,380,000)	15,345,000	3,555,000
2005 Refunding	10,070,000	-	(1,830,000)	8,240,000	1,925,000
Total bonds before discounts and premiums	$ 40,370,000	$ -	$ (6,995,000)	$ 33,375,000	$ 7,310,000
Add:					
Bond premiums	$ 718,649	$ -	$ (173,508)	$ 545,141	$ -
Total bonds payable	$ 41,088,649	$ -	$ (7,168,508)	$ 33,920,141	$ 7,310,000
Capital leases before discounts	$ 5,907,329	$ 904,122	$ (4,512,657)	$ 2,298,794	$ 1,280,101
Intergovernmental contract payable	$ 48,260,000	$ -	$ (1,475,000)	$ 46,785,000	$ 1,595,000
Certificate of Participation	10,260,000	-	(270,000)	9,990,000	320,000
Compensated absences	22,260,027	6,757,239	(6,890,444)	22,126,822	6,890,444
Total other liabilities	$ 86,687,356	$ 7,661,361	$ (13,148,101)	$ 81,200,616	$ 10,085,545
Governmental Activities Long-term Liabilities	$ 127,776,005	$ 7,661,361	$ (20,316,609)	$ 115,120,757	$ 17,395,545

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, $13,986 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	$ 114,305,000	$ -	$ (4,575,000)	$ 109,730,000	$ 4,800,000
2003 Water & Sewer Serial Bond	78,535,000	-	(78,535,000)	-	-
2013 Water & Sewer Serial Bond	-	71,545,000	-	71,545,000	6,970,000
2004 Solid Waste Management Authority Refunding	6,150,000	-	(2,100,000)	4,050,000	2,050,000
Total Bonds before discounts and premiums	$ 198,990,000	$ 71,545,000	$ (85,210,000)	$ 185,325,000	$ 13,820,000
Add: Bond premiums	$ 9,803,883	$ -	$ (2,583,395)	$ 7,220,488	$ -
Total bonds payable	$ 208,793,883	$ 71,545,000	$ (87,793,395)	$ 192,545,488	$ 13,820,000
Capital leases	$ 325,654	$ -	$ (66,812)	$ 258,842	$ 68,093
Notes payable	163,412,065	7,902,960	(6,919,491)	164,395,534	8,310,848
Closure and postclosure	25,271,619	-	(322,646)	24,948,973	322,647
Compensated absences	1,590,127	1,096,119	(1,080,192)	1,606,054	1,098,013
Total other liabilities	$ 190,599,465	$ 8,999,079	$ (8,389,141)	$ 191,209,403	$ 9,799,601
Business-type Activities Long-term Liabilities	$ 399,393,348	$ 80,544,079	$ (96,182,536)	$ 383,754,891	$ 23,619,601

Cobb-Marietta Coliseum and Exhibit Hall Authority

Governmental Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Bonds payable:					
Revenue Bonds:	$ 66,640,000	$ -	$ (3,120,000)	$ 63,520,000	$ 3,285,000
Add: Uamortized issuance premium	1,550,981	-	(179,910)	1,371,071	-
Total bonds payable	68,190,981	-	(3,299,910)	64,891,071	3,285,000
Line of credit	2,016,666	-	(733,336)	1,283,330	733,336
Compensated absences	148,501	192,533	(207,685)	133,349	106,679
Governmental Activities Long-term Liabilities	$ 70,356,148	$ 192,533	$ (4,240,931)	$ 66,307,750	$ 4,125,015
Business-type Activities:					
Bonds payable:					
Revenue bonds	$ 57,045,000	$ -	$ (1,915,000)	$ 55,130,000	$ 2,050,000
Add: Unamortized issuance premium	771,789	-	(76,428)	695,361	-
Total bonds payable	57,816,789	-	(1,991,428)	55,825,361	2,050,000
Compensated absences	38,188	66,670	(72,762)	32,096	25,677
Unearned revenue	10,799,321	469,620	(1,248,279)	10,020,662	1,305,612
Business-type Activities Long-term Liabilities	$ 68,654,298	$ 536,290	$ (3,312,469)	$ 65,878,119	$ 3,381,289

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	$ 728,868	$ 629,506	$ (592,687)	$ 765,687	$ 761,828

Note 9. Short-Term Tax Anticipation Notes

In April 2013, the County issued $67.0 million in tax anticipation notes to finance the general operations of the County through October 2013. The notes bear interest at a rate of 1.50 percent and are due on December 31, 2013. These notes were paid on November 27, 2013 from 2013 property tax revenues collected between September and November. Total payments of principal and interest on November 27, 2013 amounted to $67,639,292.

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

	Principal	Premium	Total
General Fund	$ 31,000,000	$ 264,120	$ 31,264,120
Fire District Special Revenue Fund	36,000,000	306,720	36,306,720
	$ 67,000,000	$ 570,840	$ 67,570,840

Short-term debt activity for the year ended September 30, 2013, was as follows:

	Beginning Balance	Issued	Reductions	Ending Balance
Tax anticipation notes	$ 98,000,000	$ 67,000,000	$ (98,000,000)	$ 67,000,000
Premium on notes	221,685	570,840	(647,945)	144,580
Total tax anticipation notes payable	$ 98,221,685	$ 67,570,840	$ (98,647,945)	$ 67,144,580

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 based on the Board of Commissioners' direction.

    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	$ -	$ 9,195,577	$ 9,195,577
Courts	1,329,357	-	1,329,357
E-911	-	3,542,754	3,542,754
Grants	-	1,126,895	1,126,895
Housing	-	691,944	691,944
Library	-	155,224	155,224
Parks	237,823	-	237,823
Sheriff	75,009	-	75,009
Senior Services	9,922	-	9,922
Streetlight District	-	51,351	51,351
Total	$ 1,652,111	$ 14,763,745	$ 16,415,856

Special Program Classification: Committed Fund Balance

Special Programs:	General Fund	Nonmajor Governmental Funds	Total
Community Development	$ 1,022,965	$ -	$ 1,022,965
Communications	1,503,208	-	1,503,208
County Attorney	33	-	33
County Clerk	200	-	200
County Manager	5,807	-	5,807
Courts	367,463	-	367,463
General Government	9,718,938	-	9,718,938
Grants	-	974,622	974,622
Elections	406,021	-	406,021
Ethics Board	2,546	-	2,546
Extension	4,434	-	4,434
Finance	1,000	-	1,000
Fleet	1,939,119	-	1,939,119
Human Resources	425,118	-	425,118
Information Services	269,474	-	269,474
Library	155,400	-	155,400
Medical Examiner	3,255	-	3,255
Other Governmental	155,090	-	155,090
Non-Profit	37,325	-	37,325
Parks	2,602,700	-	2,602,700
Parking Deck	-	6,531	6,531
Property Management	780,770	-	780,770
Public Safety	1,634,075	-	1,634,075
Public Services	337		337
Purchasing	1,224	-	1,224

Note 10. Fund Balance Determinations and Classifications (Continued)

Senior Services	179,484	-	179,484
Sheriff	662,723	-	662,723
Streetlight District	-	112,538	112,538
Support Services	513	-	513
Tax Assessor	225,414	-	225,414
Tax Commissioner	141,709	-	141,709
Transportation	2,433,554	-	2,433,554
Total	$ 24,679,900	$ 1,093,691	$ 25,773,591

Special Program Classification: Assigned Fund Balance

Special Programs:	General Fund	Nonmajor Governmental Funds	Total
General Government	$ 36,617	$ -	$ 36,617
Total	$ 36,617	$ -	$ 36,617

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. FY13 property taxes were levied on July 23, 2013 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 2013 to provide for financing of County operations for the fiscal year ended September 30, 2013.

Note 12. Interfund Balances and Transfers

A. Primary Government

Individual fund interfund receivable and payable balances for the fiscal year ended September 30, 2013 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	$ 1,579,501
		1,579,501
Nonmajor Business-Type Funds	General Fund	4,631,921
	Nonmajor Governmental Funds	7,732
		4,639,653
Internal Service Fund	General Fund	18,000,000
		18,000,000
		$ 24,219,154

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, 2013.

Advance from/to other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Business-Type Funds	$ 3,732,109

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	SPLOST Fund	Water and Sewer Fund	Nonmajor Governmental Funds	Nonmajor Business-Type Funds	Total
General Fund	$ -	$ -	$ -	$ 12,709,260	$ 10,742,716	$ 23,451,976
Fire District Fund	-	-	-	381,588	-	381,588
Water and Sewer Fund	17,232,626	-	-	377,997	-	17,610,623
Internal Service Fund	276,468	-	-	411,000	-	687,468
Nonmajor Governmental Funds	581,725	1,006,142	23,536	72,657	359,139	2,043,199
Nonmajor Business-Type Funds	-	-	-	54,621	-	54,621
Total transfers out	$ 18,090,819	$ 1,006,142	$ 23,536	$ 14,007,123	$ 11,101,855	$ 44,229,475

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 solid waste facility. However, investors in the revenue bonds rely solely on the revenue generated by the activities for repayment. Summary financial information for solid waste at September 30, 2013:

	Solid Waste Disposal Fund
Condensed Statement of Revenues, Expenses and Changes in Net Position	
Operating revenues	$ 281,315
Operating expenses	336,353
Operating income before depreciation	$ (55,038)
Depreciation	$ (410,767)
Operating income	$ (465,805)
Nonoperating revenues, (expenses), net	(152,065)
Net income (loss) before transfers	$ (617,870)
Transfers in (out), net	2,008,692
Changes in net position	$ 1,390,822
Beginning net position before restatement	(22,466,920)
Restatement	(40,038)
Beginning net position after restatement	(22,506,958)
Ending net position	$ (21,116,136)

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

Condensed Statement of Cash Flows

Net cash provided (used) by:		
Operating activities	$	302,026
Noncapital financing activities		2,008,692
Capital and related financing activities		(2,355,000)
Investing activities		173
Net increase (decrease)		(44,109)
Beginning cash and cash equivalents	$	44,246
Ending cash and cash equivalents	$	137

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

Fund	Deficit Fund Balance/ Net Position
Solid Waste Disposal Enterprise Fund	$ 21,116,136

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, 2013 was a deficit of $21,116,136, the estimate for the required landfill closure and post closure costs represents $24,948,973 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	$ 6,734	
Cobb County Board of Health	1,075	
City of Acworth, Georgia	4,376	
City of Austell, Georgia	825,823	
City of Kennesaw, Georgia	7,637	
City of Marietta, Georgia	28,483	
City of Powder Springs, Georgia	3,201	
City of Smyrna, Georgia	11,579	
State of Georgia, Department of Human Resources	900	
State of Georigia, Department of Revenue	64,268	
Total General Fund		$ 954,076

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

Special Revenue Funds:			
Community Services Fund:			
State of Georgia, Department of Human Resources		$ 88,308	
Grant Fund:			
Cobb County Board of Education	$ 4,882		
State of Georgia, Council of Juvenile Court Judges	76,079		
State of Georgia, Criminal Justice Coordinating Council	2,998		
State of Georgia, Department of Human Resources	248,431		
State of Georgia, Department of Transportation	1,354,448		
State of Georgia, Public Safety	28,489		
Atlanta Regional Commission	58,179	$ 1,773,506	
Housing and Urban Development Fund:			
United States, Department of Housing and Urban Development		$ 184,713	
800MHz Fund			
Cobb County Board of Education	$ 13,865		
United States, Corps of Engineers	7,999		
City of Austell, Georgia	15,198	$ 37,062	
Total Special Revenue Funds			$ 2,083,589
Capital Projects Funds:			
SPLOST Fund:			
Atlanta Regional Commission	$ 130,040		
State of Georgia, Department of Transportation	11,117,109	$ 11,247,149	
Public Facilities Fund:			
GEMA		$ 931,045	
FEMA		892,100	
Cumberland Community Improvement District		151,198	
Total Capital Projects Funds		$ 1,974,343	$ 13,221,492
Proprietary Funds:			
Water System Fund:			
City of Powder Springs, Georgia	$ 72,527		
FEMA	813,391		
GEMA	130,391	$ 1,016,309	
Public Transit System Fund:			
Federal Transit Administration	$ 1,009,420		
State of Georgia, Department of Transportation	296,378	$ 1,305,798	
Total Proprietary Funds			$ 2,322,107
Total Due from Other Governments and Agencies - Primary Government			$ 18,581,264

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, 2013 membership in the plan is comprised of the following:

Group	January 1, 2013
Active participants	4,138
Retirees and beneficiaries	1,218
Total	5,356

The January 1, 2012 valuation is used to determine the recommended contribution for fiscal year 2013.

Valuation date:	01/01/12
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:	9.5%
Medicare Eligible Medical cost trend rate:	7.5%
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, $352.47 per month for employee and child(ren) coverage, and $520.43 per month for family coverage. Plan members receiving benefits under the EPO/HMO plan contribute $56.37 per month for retiree, $191.34 per month for employee and spouse coverage, $181.78 per month for employee and child(ren) coverage, and $269.25 per month for family coverage Plan members receiving benefits under the CDHP plan contribute $41.34 per month for retiree, $175.76 per month for employee and spouse coverage, $166.98 per month for employee and child(ren) coverage, and $247.71 per month for family coverage. Plan members receiving benefits under the Kaiser Signature plan contribute $29.58 per month for retiree, $128.25 per month for employee and spouse coverage, $121.83 per month for employee and child(ren) coverage, and $179.53 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 2013 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)
9/30/2011	$ 19,372,240	116%	$ 3,090,468
9/30/2012	18,362,787	101%	3,246,961
9/30/2013	18,480,514	111%	5,250,117

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	$	18,531,372
Interest on net OPEB obligation		(259,757)
Adjustment to annual required contribution		208,899
Annual OPEB cost (expense)		18,480,514
Contributions made		20,483,670
Increase in net OPEB asset		2,003,156
Net OPEB asset (obligation)—beginning of year, revised		3,246,961
Net OPEB asset (obligation)—end of year	$	5,250,117

In accordance with the recommendation of its actuary, pursuant to their plan evaluation as of January 1, 2012, the County contributed $20,483,670 to the Plan. This contribution consisted of $5,591,068 (2.68% of covered payroll) for normal costs, $14,892,602 (7.14% 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
1/1/2011	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%
1/1/2013	58,975,301	186,733,213	31.6%	127,757,912	211,553,134	60.4%

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 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 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 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 position.

There are no investments in, loans to, or leases with parties related to the 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, 2012 was $207,329,285 As of January 1, 2013 membership in the plan is comprised of the following:

Group	January 1, 2013
Retirees and beneficiaries currently receiving benefits	1,844
Vested terminated employees	819
Fully vested and non-vested active employees	4,039

The January 1, 2012 valuation is used to determine the recommended contribution for fiscal year 2013.

Valuation date:	01/01/12
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
1/1/2011	$ 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%
1/1/2013	415,560,738	785,084,489	52.9%	369,523,751	207,329,285	178.2%

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, 2012, the County contributed $38,530,086 to the Plan. This contribution consisted of $8,461,946 (4.15% of covered payroll) for normal costs, $30,068,140 (14.75% 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%. Effective February 2013 the employee contribution rate increased from 6.00% to 6.25%. For fiscal year 2013, 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	31,910,712
Interest on net pension asset	(309,514)
Adjustment to annual required contribution	286,750
Annual Pension cost	31,887,948
Contributions made	38,530,086
Increase in net pension asset	6,642,138
Net pension asset as of beginning of year, revised	4,126,853
Net pension asset as of end of year	10,768,991

5. Annual Pension Cost

Annual Pension Percentage of Annual Pension Cost (APC)

Fiscal Year Ended	APC	% of APC Contributed	Net Pension Asset (Obligation)
9/30/2011	27,804,766	89%	75,003
9/30/2012	31,105,160	113%	4,126,853
9/30/2013	31,887,948	121%	10,768,991

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, 2013, there were 139 plan members. Plan provisions and contribution requirements are established and amended by the Authority. The plan consists solely of employer contributions. All employees, full and part time, who have performed one (1) hour of service, are eligible to participate in the plan. On Call employees are not eligible to participate. Participants become fully vested in the plan after three (3) years of service.

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, 2013, there were 139 plan members. Plan provisions and contribution requirements are established and amended by the Authority. The plan consists solely of employer contributions. All employees, full and part time, who have performed one (1) hour of service, are eligible to participate in the plan. On Call employees are not eligible to participate. Participants become fully vested in the plan after three (3) years of service.

Note 19. Employee Retirement System (Continued)

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, 2013, there were 19 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, full and part time, 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 $32,644. The plan does not have a separate audited GAAP-basis plan report. 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 Executive Pension Plan (a 401 Government Money Purchase Plan). The Plan is administered by the ICMA Retirement Corporation. At September 30, 2013, there was one plan member. Plan provisions and contribution requirements are established and amended by the Authority. The plan consists solely of employee contributions. Participants are immediately vested in the plan. The Authority made no contributions to the plan during the year. The plan does not have a separate audited GAAP-basis plan report. The plan held no securities of the Authority or other related parties during the year.

The Authority also maintains a Roth IRA Plan; the Plan is administered by the ICMA-Retirement Corporation. At September 30, 2013, there were 7 plan members. Plan provisions and contribution requirements are established and amended by the Authority. The plan consists solely of employee contributions. Participants are immediately vested in the plan. The Authority made no contributions to the plan during the year. The plan does not have a separate audited GAAP-basis plan report. 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 Position.

Capital Contributions recognized as revenue in the Proprietary Funds for the fiscal year ending September 30, 2013 are presented below:

Source:	
Developers	$ 2,456,060
Grants	10,704,706
Donations	6,661,004
Total Capital Contributions	$ 19,821,770

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, 2013, Cobb County has incurred a liability totaling $24,948,973.

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, 2013, 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, 2013 follows:

Lodging tax receipts	$ 11,244,163
Disbursements to bond Trustee on behalf of the Cobb-Marietta Coliseum and Exhibit Hall Authority	(7,067,602)
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	$ 4,176,561

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, 2013 total approximately $51,139,924.

Encumbrances outstanding at year end are as follows:

	General Fund	Fire District Fund	SPLOST Fund	Nonmajor Governmental Funds	Total
Total Encumbrances	$ 4,699,618	$ 159,836	$ 69,623,141	$ 7,594,677	$ 82,077,272

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 $701,500 to the ARC for the year ended September 30, 2013. 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.

Note 27. Restatement

During fiscal year 2013, the County implemented GASB Statement No. 65 which establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. Previously bond and note issuance costs were amortized over the life of the bond or note but now should be expensed when the transaction takes place with the exception of insurance costs. The effects of the restatement to the County's financial statements are listed below.

	Governmental Activities	Business-type Activities	Cobb-Marietta Coliseum and Exhibit Hall Authority
Net position 9/30/12:			
As previously reported	$ 3,236,670,656	$ 1,308,900,218	$ 115,528,762
Restatement	(203,427)	(4,190,138)	(1,137,225)
As restated	$ 3,236,467,229	$ 1,304,710,080	$ 114,391,537
Net change in Net Position FYE 9/30/12	$ 93,022,257	$ 33,984,424	$ (473,353)
Effect of restatement	32,663	(779,496)	103,215
As restated	$ 93,054,920	$ 33,204,928	$ (370,138)

	Water and Sewer Fund	Nonmajor Enterprise Funds
Net position 9/30/12:		
As previously reported	$ 1,285,454,073	$ 23,446,145
Restatement	(4,150,100)	(40,038)
As restated	$ 1,281,303,973	$ 23,406,107
Net change in Net Position FYE 9/30/12	$ 30,511,318	$ 3,473,106
Effect of restatement	(799,517)	20,021
As restated	$ 29,711,801	$ 3,493,127

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REQUIRED SUPPLEMENTAL INFORMATION

COBB COUNTY, GEORGIA
EMPLOYEE RETIREMENT SYSTEM
Required Supplementary Information
September 30, 2013

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
01/01/08	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%
01/01/13	415,560,738	785,084,489	52.9%	369,523,751	207,329,285	178.2%

PENSION TRUST FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS

Annual Required Contribution [ARC]

Fiscal Year	ARC	% of ARC Contributed
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%
9/30/2013	31,910,712	121%

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:	01/01/12
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, 2013

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%
01/01/13	58,975,301	186,733,213	31.6%	127,757,912	211,553,134	60.4%

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%
9/30/2013	18,531,372	110%

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.

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, 2013

	Total Nonmajor Special Revenue Funds	Public Facilities Fund	Debt Service Fund	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	$ 13,756,740	$ 422,148	$ 4,653,661	$ 18,832,549
Receivables:				
Taxes	-	-	5,422,374	5,422,374
Other	3,309,966	-	78,897	3,388,863
Due from other funds	7,732	4,631,921	-	4,639,653
Due from component units	382,477	-	-	382,477
Due from other governments and agencies	2,083,589	1,974,343	-	4,057,932
Prepaid expenditures	9	126,803	-	126,812
Total assets	$ 19,540,513	$ 7,155,215	$ 10,154,932	$ 36,850,660
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accounts payable	$ 1,513,476	$ 352,302	$ -	$ 1,865,778
Accrued payroll	33,288	-	-	33,288
Due to other funds	1,587,233	-	-	1,587,233
Due to other governments and agencies	-	3,047	-	3,047
Unearned revenue	429,146	-	-	429,146
Total liabilities	$ 3,563,143	$ 355,349	$ -	$ 3,918,492
Deferred inflows of resources				
Unavailable revenues	$ 1,132,889	$ 1,823,145	$ 313,158	$ 3,269,192
Total liabilities and deferred inflows of resources	$ 4,696,032	$ 2,178,494	$ 313,158	$ 7,187,684
Fund balances:				
Nonspendable				
Inventories and prepaid items	$ 9	$ 126,803	$ -	$ 126,812
Restricted for:				
Debt Service	-	-	9,841,774	9,841,774
Special programs	14,763,745	-	-	14,763,745
Committed for:				
Construction and capital outlay	170,000	5,429,016	-	5,599,016
Special programs	1,093,691	-	-	1,093,691
Unassigned	(1,182,964)	(579,098)	-	(1,762,062)
Total fund balances	$ 14,844,481	$ 4,976,721	$ 9,841,774	$ 29,662,976
Total liabilities, deferred inflows of resources, and fund balances	$ 19,540,513	$ 7,155,215	$ 10,154,932	$ 36,850,660

Cobb County, Georgia
All Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended September 30, 2013

	Total Nonmajor Special Revenue Funds	Public Facilities Fund	Debt Service Fund	Total Nonmajor Governmental Funds
Revenues:				
Taxes	$ 11,244,163	$ -	$ 9,005,422	$ 20,249,585
Intergovernmental	20,026,085	2,137,795	-	22,163,880
Charges for services	17,351,910	-	196,052	17,547,962
Interest earned	16,612	2,579	27,585	46,776
Miscellaneous	4,590,321	93,699	-	4,684,020
Total revenues	$ 53,229,091	$ 2,234,073	$ 9,229,059	$ 64,692,223
Expenditures:				
Current:				
General government	$ 6,927,296	$ -	$ 81,407	$ 7,008,703
Public safety	15,222,651	-	-	15,222,651
Public works	7,378,501	-	-	7,378,501
Health and welfare	2,338,381	-	-	2,338,381
Culture and recreation	7,496,498	-	-	7,496,498
Housing and development	9,959,311	-	-	9,959,311
Capital outlay	-	5,578,137	-	5,578,137
Debt Service:				
Principal retirement	1,745,000	4,386,003	6,995,000	13,126,003
Interest and fiscal charges	2,493,219	164,363	1,559,019	4,216,601
Total expenditures	$ 53,560,857	$ 10,128,503	$ 8,635,426	$ 72,324,786
Excess (deficiency) of revenues over (under) expenditures	$ (331,766)	$ (7,894,430)	$ 593,633	$ (7,632,563)
Other financing sources (uses):				
Transfers in	$ 2,829,976	$ 11,177,147	$ -	$ 14,007,123
Transfers out	(1,949,199)	(94,000)	-	(2,043,199)
Proceeds from sale of capital assets	-	2,737	-	2,737
Proceeds from capital lease	-	904,122	-	904,122
Total other financing sources (uses)	$ 880,777	$ 11,990,006	$ -	$ 12,870,783
Net change in fund balances	$ 549,011	$ 4,095,576	$ 593,633	$ 5,238,220
Fund balances at beginning of year	14,295,470	881,145	9,248,141	24,424,756
Fund balances at end of year	$ 14,844,481	$ 4,976,721	$ 9,841,774	$ 29,662,976

Cobb County, Georgia
Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet
September 30, 2013

	Law Library Fund	Community Services Fund	Grant Fund	Housing & Urban Development Grant Fund
Assets				
Cash and cash equivalents	$ 113,139	$ 3,471	$ 2,321,696	$ 1,010,485
Receivables:				
Other	42,460	-	299,855	2,933
Due from other funds	-	-	7,732	-
Due from component units	-	-	-	-
Due from other governments and agencies	-	88,308	1,773,506	184,713
Prepaid expenditures	-	-	-	-
Total assets	$ 155,599	$ 91,779	$ 4,402,789	$ 1,198,131
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accounts payable	$ -	$ 87,803	$ 675,653	$ 505,603
Accrued payroll	375	-	10,321	-
Due to other funds	-	3,976	1,028,950	584
Unearned revenue	-	-	428,081	-
Total liabilities	$ 375	$ 91,779	$ 2,143,005	$ 506,187
Deferred Inflows of Resources				
Unavailable revenues	$ -	$ -	$ 1,132,889	$ -
Total Liabilities and Deferred Inflows of Resources	$ 375	$ 91,779	$ 3,275,894	$ 506,187
Fund balances:				
Nonspendable				
Inventories and prepaid items	$ -	$ -	$ -	$ -
Restricted				
Special Programs	155,224	-	1,126,895	691,944
Committed				
Construction and capital outlay	-	-	-	-
Special programs	-	-	974,622	-
Unassigned	-	-	(974,622)	-
Total fund balances	$ 155,224	$ -	$ 1,126,895	$ 691,944
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 155,599	$ 91,779	$ 4,402,789	$ 1,198,131

Hotel/Motel Tax Fund	Emergency 911 Fund	Parking Deck Facility Fund	800 MHz Fund	Streetlight District Fund	Total Nonmajor Special Revenue Funds
$ -	$ 1,158,014	$ 80,741	$ 9,069,194	$ -	$ 13,756,740
-	2,651,228	1,073	89,321	223,096	3,309,966
-	-	-	-	-	7,732
382,477	-	-	-	-	382,477
-	-	-	37,062	-	2,083,589
-	9	-	-	-	9
$ 382,477	$ 3,809,251	$ 81,814	$ 9,195,577	$ 223,096	$ 19,540,513
$ -	$ 244,417	$ -	$ -	$ -	$ 1,513,476
-	22,071	22	-	499	33,288
382,477	-	-	-	171,246	1,587,233
-	-	1,065	-	-	429,146
$ 382,477	$ 266,488	$ 1,087	$ -	$ 171,745	$ 3,563,143
$ -	$ -	$ -	$ -	$ -	$ 1,132,889
$ 382,477	$ 266,488	$ 1,087	$ -	$ 171,745	$ 4,696,032
$ -	$ 9	$ -	$ -	$ -	$ 9
-	3,542,754	-	9,195,577	51,351	14,763,745
-	-	170,000	-	-	170,000
-	-	6,531	-	112,538	1,093,691
-	-	(95,804)	-	(112,538)	(1,182,964)
$ -	$ 3,542,763	$ 80,727	$ 9,195,577	$ 51,351	$ 14,844,481
$ 382,477	$ 3,809,251	$ 81,814	$ 9,195,577	$ 223,096	$ 19,540,513

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, 2013

	Law Library Fund	Community Services Fund	Grant Fund	Housing & Urban Development Grant Fund
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Intergovernmental	-	567,127	12,414,892	6,894,220
Charges for services	649,245	-	4,675	-
Interest earned	44	-	1,805	1,040
Miscellaneous	4,935	-	1,016,551	3,555,115
Total revenues	$ 654,224	$ 567,127	$ 13,437,923	$ 10,450,375
Expenditures:				
Current:				
General government	$ 538,034	$ -	$ 6,389,262	$ -
Public safety	-	-	2,412,391	-
Public works	-	-	2,233,542	-
Health and welfare	-	553,992	1,784,389	-
Culture and recreation	-	-	428,896	-
Housing and development	-	-	52,686	9,906,625
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	$ 538,034	$ 553,992	$ 13,301,166	$ 9,906,625
Excess (deficiency) of revenues over (under) expenditures	$ 116,190	$ 13,135	$ 136,757	$ 543,750
Other financing sources (uses):				
Transfers in	$ -	$ -	$ 1,883,973	$ -
Transfers out	-	(13,135)	(1,362,086)	-
Total other financing sources (uses)	$ -	$ (13,135)	$ 521,887	$ -
Net change in fund balances	$ 116,190	$ -	$ 658,644	$ 543,750
Fund balances at beginning of year	39,034	-	468,251	148,194
Fund balances at end of year	$ 155,224	$ -	$ 1,126,895	$ 691,944

Hotel/Motel Tax Fund	Emergency 911 Fund	Parking Deck Facility Fund	800 MHz Fund	Streetlight District Fund	Total Nonmajor Special Revenue Funds
$ 11,244,163	$ -	$ -	$ -	$ -	$ 11,244,163
-	-	-	149,846	-	20,026,085
-	11,302,006	545,200	-	4,850,784	17,351,910
-	3,908	217	9,598	-	16,612
-	4,771	668	-	8,281	4,590,321
$ 11,244,163	$ 11,310,685	$ 546,085	$ 159,444	$ 4,859,065	$ 53,229,091
$ -	$ -	$ -	$ -	$ -	$ 6,927,296
-	12,810,260	-	-	-	15,222,651
-	-	187,829	-	4,957,130	7,378,501
-	-	-	-	-	2,338,381
7,067,602	-	-	-	-	7,496,498
-	-	-	-	-	9,959,311
1,475,000	-	270,000	-	-	1,745,000
2,151,119	-	342,100	-	-	2,493,219
$ 10,693,721	$ 12,810,260	$ 799,929	$ -	$ 4,957,130	$ 53,560,857
$ 550,442	$ (1,499,575)	$ (253,844)	$ 159,444	$ (98,065)	$ (331,766)
$ -	$ -	$ -	$ 946,003	$ -	$ 2,829,976
(550,442)	-	-	-	(23,536)	(1,949,199)
$ (550,442)	$ -	$ -	$ 946,003	$ (23,536)	$ 880,777
$ -	$ (1,499,575)	$ (253,844)	$ 1,105,447	$ (121,601)	$ 549,011
-	5,042,338	334,571	8,090,130	172,952	14,295,470
$ -	$ 3,542,763	$ 80,727	$ 9,195,577	$ 51,351	$ 14,844,481

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, 2013

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Taxes	$ 9,002,658	$ 9,002,658	$ 9,005,422	$ 2,764
Charges for services	100,000	100,000	196,052	96,052
Interest earned	29,000	29,000	27,585	(1,415)
Total revenues	$ 9,131,658	$ 9,131,658	$ 9,229,059	$ 97,401
Expenditures:				
Current:				
General government	$ 80,882	$ 91,257	$ 81,407	$ 9,850
Debt service:				
Principal retirement	6,995,000	6,995,000	6,995,000	-
Interest and fiscal charges	1,569,394	1,559,019	1,559,019	-
Total expenditures	$ 8,645,276	$ 8,645,276	$ 8,635,426	$ 9,850
Excess (deficiency) of revenues over expenditures	$ 486,382	$ 486,382	$ 593,633	$ 107,251
Net change in fund balance	$ 486,382	$ 486,382	$ 593,633	$ 107,251
Fund balance at beginning of year			9,248,141	
Fund balance at end of year - GAAP basis			$ 9,841,774	

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, 2013

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Charges for services	$ 598,364	$ 598,364	$ 649,245	$ 50,881
Interest earned	-	-	44	44
Miscellaneous	3,300	3,300	4,935	1,635
Total revenues	$ 601,664	$ 601,664	$ 654,224	$ 52,560
Expenditures:				
Current:				
Personal services	$ 197,200	$ 197,306	$ 197,305	$ 1
Operating expenditures	404,464	406,213	357,938	48,275
Total expenditures	$ 601,664	$ 603,519	$ 555,243	$ 48,276
Net change in fund balance	$ -	$ (1,855)	$ 98,981	$ 100,836
Fund balance at beginning of year			39,034	
Fund balance at end of year - budgetary basis			$ 138,015	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			17,209	
Fund balance at end of year-GAAP basis			$ 155,224	

Cobb County, Georgia
Street Light District Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended September 30, 2013

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Charges for services	$ 4,328,696	$ 4,850,784	$ 4,850,784	$ -
Miscellaneous	-	8,281	8,281	-
Total revenues	$ 4,328,696	$ 4,859,065	$ 4,859,065	$ -
Expenditures:				
Current:				
Personal services	$ 172,214	$ 173,455	$ 173,455	$ -
Operating expenditures	4,133,482	4,783,676	4,784,012	(336)
Total expenditures	$ 4,305,696	$ 4,957,131	$ 4,957,467	$ (336)
Excess of revenues over expenditures	$ 23,000	$ (98,066)	$ (98,402)	$ (336)
Other financing sources (uses):				
Transfers out	$ (23,000)	$ (23,536)	$ (23,536)	$ -
Total other financing sources (uses)	$ (23,000)	$ (23,536)	$ (23,536)	$ -
Net change in fund balance	$ -	$ (121,602)	$ (121,938)	$ (336)
Fund balance at beginning of year			172,952	
Fund balance at end of year - budgetary basis			$ 51,014	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			337	
Fund balance at end of year-GAAP basis			$ 51,351	

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, 2013

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	$ 633,723	$ 633,723	$ 567,127	$ (66,596)
Total revenues	$ 633,723	$ 633,723	$ 567,127	$ (66,596)
Expenditures:				
Current:				
Operating expenditures	$ 633,723	$ 633,723	$ 553,992	$ 79,731
Total expenditures	$ 633,723	$ 633,723	$ 553,992	$ 79,731
Excess of revenues over expenditures	$ -	$ -	$ 13,135	$ 13,135
Other financing sources (uses):				
Transfers out	$ -	$ -	$ (13,135)	$ (13,135)
Net change in fund balance	$ -	$ -	$ -	$ -
Fund balance at beginning of year			-	
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, 2013

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Taxes	$ 9,800,000	$ 11,244,163	$ 11,244,163	$ -
Total revenues	$ 9,800,000	$ 11,244,163	$ 11,244,163	$ -
Expenditures:				
Current:				
Operating expenditures	$ 6,173,881	$ 7,067,602	$ 7,067,602	$ -
Debt service:				
Principal retirement	1,475,000	1,475,000	1,475,000	-
Interest and fiscal charges	2,151,119	2,151,119	2,151,119	-
Total expenditures	$ 9,800,000	$ 10,693,721	$ 10,693,721	$ -
Excess of revenues over expenditures	$ -	$ 550,442	$ 550,442	$ -
Other financing sources (uses):				
Transfers out	$ -	$ (550,442)	$ (550,442)	$ -
Total other financing sources (uses)	$ -	$ (550,442)	$ (550,442)	$ -
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, 2013

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Charges for services	$ 10,306,856	$ 10,306,856	$ 11,302,006	$ 995,150
Interest earned	3,000	3,000	3,908	908
Miscellaneous	1,000	1,000	4,771	3,771
Total revenues	$ 10,310,856	$ 10,310,856	$ 11,310,685	$ 999,829
Expenditures:				
Current:				
Personnel services	$ 7,602,937	$ 7,602,937	$ 7,585,982	$ 16,955
Operating expenditures	2,705,541	3,568,447	3,268,571	299,876
Capital outlay	-	3,500,578	1,995,519	1,505,059
Total expenditures	$ 10,308,478	$ 14,671,962	$ 12,850,072	$ 1,821,890
Excess (deficiency) of revenues over (under) expenditures	$ 2,378	$ (4,361,106)	$ (1,539,387)	$ 2,821,719
Other financing sources (uses):				
Transfers in	$ -	$ -	$ -	$ -
Total other financing sources (uses)	$ -	$ -	$ -	$ -
Net change in fund balance	$ 2,378	$ (4,361,106)	$ (1,539,387)	$ 2,821,719
Fund balance at beginning of year			5,042,338	
Fund balance at end of year - budgetary basis			$ 3,502,951	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			39,812	
Fund balance at end of year - GAAP basis			$ 3,542,763	

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, 2013

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for services	$ 772,220	$ 772,220	$ 545,200	$ (227,020)
Interest earned	300	300	217	(83)
Miscellaneous	-	-	668	668
Total revenues	$ 772,520	$ 772,520	$ 546,085	$ (226,435)
Expenditures:				
Current:				
Personnel services	$ 39,168	$ 79,385	$ 79,385	$ -
Operating expenditures	121,252	123,156	114,975	8,181
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	442,569	270,000	270,000	-
Interest and fiscal charges	169,531	342,100	342,100	-
Total expenditures	$ 772,520	$ 814,641	$ 806,460	$ 8,181
Excess (deficiency) of revenues over (under) expenditures	$ -	$ (42,121)	$ (260,375)	$ (218,254)
Other financing sources (uses):				
Transfers in	$ -	$ -	$ -	$ -
Total other financing sources (uses)	$ -	$ -	$ -	$ -
Net change in fund balance	$ -	$ (42,121)	$ (260,375)	$ (218,254)
Fund balance at beginning of year			334,571	
Fund balance at end of year - budgetary basis			$ 74,196	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			6,531	
Fund balance at end of year - GAAP basis			$ 80,727	

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, 2013

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	$ 104,515	$ 104,515	$ 149,846	$ 45,331
Interest earned	-	-	9,598	9,598
Total revenues	$ 104,515	$ 104,515	$ 159,444	$ 54,929
Expenditures:				
Current:				
Capital outlay	$ -	$ -	$ -	$ -
Total expenditures	$ -	$ -	$ -	$ -
Excess (deficiency) of revenues over (under) expenditures	$ 104,515	$ 104,515	$ 159,444	$ 54,929
Other financing sources (uses):				
Transfers in	$ 1,007,450	$ 1,007,450	$ 946,003	$ (61,447)
Total other financing sources (uses)	$ 1,007,450	$ 1,007,450	$ 946,003	$ (61,447)
Net change in fund balance	$ 1,111,965	$ 1,111,965	$ 1,105,447	$ (6,518)
Fund balance at beginning of year			8,090,130	
Fund balance at end of year - GAAP basis			$ 9,195,577	

Cobb County, Georgia
Nonmajor Business-Type Enterprise Funds
Combining Statement of Net Position
September 30, 2013

	Cobblestone Golf Course Fund	Public Transit System Fund	Solid Waste Disposal Fund	Totals
Assets				
Current assets:				
Cash	$ 610,849	$ 1,994,291	$ 137	$ 2,605,277
Receivables:				
Other	35,539	2,189	52,806	90,534
Due from other governments and agencies	-	1,305,798	-	1,305,798
Prepaid items	3,272	55	-	3,327
Total current assets	$ 649,660	$ 3,302,333	$ 52,943	$ 4,004,936
Property, plant and equipment:				
Capital assets not being depreciated	$ 5,453,615	$ 10,804,768	$ 3,778,386	$ 20,036,769
Capital assets being depreciated, net	1,193,346	32,703,821	4,275,140	38,172,307
Net property, plant and equipment	$ 6,646,961	$ 43,508,589	$ 8,053,526	$ 58,209,076
Total noncurrent assets	$ 6,646,961	$ 43,508,589	$ 8,053,526	$ 58,209,076
Total assets	$ 7,296,621	$ 46,810,922	$ 8,106,469	$ 62,214,012

Continued on next page.

Cobb County, Georgia
Nonmajor Business-Type Enterprise Funds
Combining Statement of Net Position
September 30, 2013

	Cobblestone Golf Course Fund	Public Transit System Fund	Solid Waste Disposal Fund	Totals
Liabilities and Net Position				
Liabilities:				
Current liabilities (payable from current assets):				
Accounts payable	$ 239,935	$ 1,508,307	$ 40,175	$ 1,788,417
Accrued payroll	-	1,573	8,355	9,928
Due to other	1,117	-	-	1,117
Due to other governments and agencies	22,389	-	-	22,389
Accrued interest payable	-	-	50,625	50,625
Unearned revenues	14,642	-	-	14,642
Current portion of revenue bonds	-	-	2,050,000	2,050,000
Current portion of compensated absences	-	11,883	9,553	21,436
Current portion of postclosure care	-	-	322,647	322,647
Current portion of capital lease payable	68,093	-	-	68,093
Total current liabilities	$ 346,176	$ 1,521,763	$ 2,481,355	$ 4,349,294
Long-term liabilities:				
Revenue bonds (net of current portion and bond premium)	$ -	$ -	$ 2,076,505	$ 2,076,505
Compensated absences (net of current portion)	-	-	38,419	38,419
Advances from other funds	3,732,109	-	-	3,732,109
Closure and postclosure care (net of current portion)	-	-	24,626,326	24,626,326
Capital lease payable (net of current portion)	190,749	-	-	190,749
Total long-term liabilities	$ 3,922,858	$ -	$ 26,741,250	$ 30,664,108
Total liabilities	$ 4,269,034	$ 1,521,763	$ 29,222,605	$ 35,013,402
Net Position:				
Net investment in capital assets	$ 6,388,119	$ 43,489,748	$ 3,927,021	$ 53,804,888
Unrestricted	(3,360,532)	1,799,411	(25,043,157)	(26,604,278)
Total net position	$ 3,027,587	$ 45,289,159	$ (21,116,136)	$ 27,200,610

Continued from preceding page.

Cobb County, Georgia
Nonmajor Business-Type Enterprise Funds
Combining Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended September 30, 2013

	Cobblestone Golf Course Fund	Public Transit System Fund	Solid Waste Disposal Fund	Totals
Operating revenues:				
Charges for services	$ 1,825,184	$ 6,050,804	$ 281,315	$ 8,157,303
Miscellaneous income	799	29,139	-	29,938
Total operating revenues	$ 1,825,983	$ 6,079,943	$ 281,315	$ 8,187,241
Operating expenses:				
Personnel services	$ -	$ 628,795	$ 272,815	$ 901,610
Other operating expenses	1,417,885	17,450,878	63,538	18,932,301
Total operating expenses	$ 1,417,885	$ 18,079,673	$ 336,353	$ 19,833,911
Operating income (loss) before depreciation	$ 408,098	$ (11,999,730)	$ (55,038)	$ (11,646,670)
Less depreciation	(172,496)	(4,628,999)	(410,767)	(5,212,262)
Operating income (loss)	$ 235,602	$ (16,628,729)	$ (465,805)	$ (16,858,932)
Nonoperating revenues (expenses):				
Interest income	$ 404	$ 522	$ 173	$ 1,099
Interest and fiscal charges	(5,609)	-	(228,750)	(234,359)
Gain (loss) on sale of capital assets	-	2,025	-	2,025
Amortization	-	-	76,512	76,512
Total nonoperating revenues (expenses)	$ (5,205)	$ 2,547	$ (152,065)	$ (154,723)
Net income (loss) before transfers and capital contributions	$ 230,397	$ (16,626,182)	$ (617,870)	$ (17,013,655)
Capital contributions	$ -	$ 9,760,924	$ -	$ 9,760,924
Transfers:				
Transfers in	$ -	$ 9,093,163	$ 2,008,692	$ 11,101,855
Transfers out	(2,120)	(52,501)	-	(54,621)
Total transfers	$ (2,120)	$ 9,040,662	$ 2,008,692	$ 11,047,234
Change in net position	$ 228,277	$ 2,175,404	$ 1,390,822	$ 3,794,503
Total net position - beginning	$ 2,799,310	$ 43,113,755	$ (22,466,920)	$ 23,446,145
Restatement	-	-	(40,038)	(40,038)
Total net position - beginning, as restated	$ 2,799,310	$ 43,113,755	$ (22,506,958)	$ 23,406,107
Total net position - ending	$ 3,027,587	$ 45,289,159	$ (21,116,136)	$ 27,200,610

Cobb County, Georgia
Nonmajor Business-Type Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended September 30, 2013

	Cobblestone Golf Course Fund	Public Transit System Fund	Solid Waste Disposal Fund	Totals
Cash flows from operating activities:				
Cash received from customers	$ 1,823,139	$ 7,849,970	$ 927,949	$ 10,601,058
Cash payments for goods and services	(1,322,935)	(18,851,467)	(346,989)	(20,521,391)
Cash payments for employee services and fringe benefits	-	(665,736)	(278,934)	(944,670)
Net cash from (to) operating activities	$ 500,204	$ (11,667,233)	$ 302,026	$ (10,865,003)
Cash flows from noncapital financing activities:				
Transfers in	$ -	$ 9,093,163	$ 2,008,692	$ 11,101,855
Transfers out	(2,120)	(52,501)	-	(54,621)
Net cash from (to) noncapital financing activities	$ (2,120)	$ 9,040,662	$ 2,008,692	$ 11,047,234
Cash flows from capital and related financing activities:				
Payments on capital leases	$ (66,812)	$ -	$ -	$ (66,812)
Capital contributions	-	9,760,924	-	9,760,924
Payments on advances from other funds	(337,500)	-	-	(337,500)
Proceeds from sale of capital assets	-	2,025	-	2,025
Payments for capital acquisitions	(15,750)	(5,142,709)	-	(5,158,459)
Bond principal payments	-	-	(2,100,000)	(2,100,000)
Interest and fiscal charges	(5,609)	-	(255,000)	(260,609)
Net cash from (to) capital and related financing activities	$ (425,671)	$ 4,620,240	$ (2,355,000)	$ 1,839,569
Cash flows from investing activities:				
Interest received	$ 404	$ 522	173	$ 1,099
Net cash from investing activities	$ 404	$ 522	$ 173	$ 1,099
Net increase (decrease) in cash and cash equivalents	$ 72,817	$ 1,994,191	$ (44,109)	$ 2,022,899
Cash and cash equivalents at beginning of year	538,032	100	44,246	582,378
Cash and cash equivalents at end of year	$ 610,849	$ 1,994,291	$ 137	$ 2,605,277

Continued on next page.

Cobb County, Georgia
Nonmajor Business-Type Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended September 30, 2013

	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)	$ 235,602	$ (16,628,729)	$ (465,805)	$ (16,858,932)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation	$ 172,496	$ 4,628,999	$ 410,767	$ 5,212,262
Change in assets and liabilities:				
Decrease (increase) in accounts receivables	-	30,783	-	30,783
Decrease (increase) in other receivables	(2,844)	106,671	7,480	111,307
Decrease (increase) in due from other funds	-	320,093	639,154	959,247
Decrease (increase) in due from other governments	-	1,312,480	-	1,312,480
Increase (decrease) in accounts payable	111,456	(1,398,970)	39,195	(1,248,319)
Increase (decrease) in accrued payroll	-	111	(4,032)	(3,921)
Increase (decrease) in accrued vacation payable	-	(37,052)	(2,087)	(39,139)
Increase (decrease) in due to other funds	-	(1,619)	-	(1,619)
Increase (decrease) in due to others	46	-	-	46
Increase (decrease) in due to other governments	(1,746)	-	-	(1,746)
Increase (decrease) in closure/post closure care	-	-	(322,646)	(322,646)
Increase (decrease) in unearned revenues	(14,806)	-	-	(14,806)
Total adjustments	$ 264,602	$ 4,961,496	$ 767,831	$ 5,993,929
Net cash provided (used) by operating activities	$ 500,204	$ (11,667,233)	$ 302,026	$ (10,865,003)
Supplemental disclosure of cashflow information:				
Cash paid for interest	$ 5,609	$ -	$ 255,000	$ 260,609

Continued from preceding page.

Agency Funds
Cobb County, Georgia
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended September 30, 2013

	Balance October 1, 2012	Additions	Deductions	Balance September 30, 2013
Clerk of State Court				
Assets				
Cash and cash equivalents	$ 5,065,234	$ 33,175,734	$ 33,032,348	$ 5,208,620
Liabilities				
Funds held in trust for others	$ 5,065,234	$ 33,175,734	$ 33,032,348	$ 5,208,620
Clerk of Juvenile Court				
Assets				
Cash	$ 2,073	$ 18,026	$ 18,206	$ 1,893
Liabilities				
Funds held in trust for others	$ 2,073	$ 18,026	$ 18,206	$ 1,893
Sheriff				
Assets				
Cash and cash equivalents	$ 7,312,469	$ 9,633,551	$ 9,522,039	$ 7,423,981
Liabilities				
Funds held in trust for others	$ 7,312,469	$ 9,633,551	$ 9,522,039	$ 7,423,981
Clerk of Superior Court				
Assets				
Cash and cash equivalents	$ 11,511,507	$ 82,233,123	$ 80,214,800	$ 13,529,830
Liabilities				
Funds held in trust for others	$ 11,511,507	$ 82,233,123	$ 80,214,800	$ 13,529,830
Clerk of Probate Court				
Assets				
Cash	$ -	$ 1,906,110	$ 1,906,110	$ -
Liabilities				
Due to other funds	$ -	$ 1,906,110	$ 1,906,110	$ -
Tax Commissioner				
Assets				
Cash	$ 62,105,358	$ 804,573,150	$ 824,296,359	$ 42,382,149
Taxes and penalties receivable	400,364,204	582,027,244	587,968,088	394,423,360
	$ 462,469,562	$ 1,386,600,394	$ 1,412,264,447	$ 436,805,509
Liabilities				
Unremitted tax collections	$ 62,105,358	$ 804,573,150	$ 824,296,359	$ 42,382,149
Taxes payable to others upon collection	400,364,204	582,027,244	587,968,088	394,423,360
	$ 462,469,562	$ 1,386,600,394	$ 1,412,264,447	$ 436,805,509

Continued on next page.

Cobb County, Georgia
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended September 30, 2013

	Balance October 1, 2012	Additions	Deductions	Balance September 30, 2013
Accounts Payable Fund				
Assets				
Accounts receivable	$ 1	$ 51,636,048	$ 51,636,049	$ -
Liabilities				
Bank overdraft	$ 1	$ 51,636,048	$ 51,636,049	$ -
Payroll Fund				
Assets				
Cash and cash equivalents	$ 117,005	$ 279,324,360	$ 273,812,993	$ 5,628,372
Accounts receivable	545	-	-	545
	$ 117,550	$ 279,324,360	$ 273,812,993	$ 5,628,917
Liabilities				
Unremitted payroll tax and withholdings	$ 117,550	$ 279,324,360	$ 273,812,993	$ 5,628,917
	$ 117,550	$ 279,324,360	$ 273,812,993	$ 5,628,917
Child Support, Witness and Jurors' Fees				
Assets				
Cash	$ 55,024	$ 3,072,884	$ 3,078,708	$ 49,200
Liabilities				
Funds held in trust for others	$ 55,024	$ 3,072,884	$ 3,078,708	$ 49,200
Total assets	$ 486,533,420	$ 1,847,600,230	$ 1,865,485,700	$ 468,647,950
Total liabilities	$ 486,533,420	$ 1,847,600,230	$ 1,865,485,700	$ 468,647,950

Continued from preceding page.

SUPPLEMENTAL INFORMATION

Cobb County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2013

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Taxes	$ 228,024,776	$ 223,324,776	$ 237,266,998	$ 13,942,222
Licenses and permits	20,109,999	20,160,782	22,075,597	1,914,815
Intergovernmental	3,908,999	4,058,487	3,794,620	(263,867)
Charges for services	35,397,775	36,036,702	39,250,325	3,213,623
Fines and forfeits	9,291,001	11,233,891	12,368,031	1,134,140
Interest earned	874,998	876,012	792,979	(83,033)
Miscellaneous	3,584,696	5,127,822	5,650,073	522,251
Total revenues	$ 301,192,244	$ 300,818,472	$ 321,198,623	$ 20,380,151
Expenditures:				
Current				
General government:				
Legislative:				
Board of Commissioners				
Personnel services	$ 787,406	$ 820,366	$ 820,366	$ -
Operating expenditures	51,350	50,083	50,082	1
	838,756	870,449	870,448	1
Other Governmental				
Operating expenditures	1,474,466	1,607,525	1,554,525	53,000
Non-Profit				
Operating expenditures	963,695	1,068,351	1,061,793	6,558
Total legislative	3,276,917	3,546,325	3,486,766	59,559
Judicial:				
Clerk of State Court				
Personnel services	4,226,702	4,226,702	4,203,395	23,307
Operating expenditures	87,469	87,740	55,057	32,683
Capital outlay	-	55,589	-	55,589
	4,314,171	4,370,031	4,258,452	111,579
Clerk of Superior Court				
Personnel services	5,178,873	5,177,803	5,177,801	2
Operating expenditures	248,136	282,451	282,451	-
	5,427,009	5,460,254	5,460,252	2
District Attorney				
Personnel services	5,819,950	6,361,196	6,345,550	15,646
Operating expenditures	222,507	566,667	546,644	20,023
	6,042,457	6,927,863	6,892,194	35,669
Chief Magistrate				
Personnel services	3,243,444	3,243,444	3,087,800	155,644
Operating expenditures	81,169	92,825	81,193	11,632
	3,324,613	3,336,269	3,168,993	167,276

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, 2013

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Juvenile Court				
Personnel services	4,929,957	4,929,957	4,751,421	178,536
Operating expenditures	120,825	225,426	220,173	5,253
	5,050,782	5,155,383	4,971,594	183,789
Probate Court				
Personnel services	1,142,362	1,142,362	1,116,734	25,628
Operating expenditures	130,965	164,038	164,040	(2)
	1,273,327	1,306,400	1,280,774	25,626
Solicitor				
Personnel services	4,960,655	5,401,258	5,396,946	4,312
Operating expenditures	36,702	67,710	59,590	8,120
	4,997,357	5,468,968	5,456,536	12,432
State Court				
Personnel services	6,222,379	6,288,666	6,188,115	100,551
Operating expenditures	399,853	529,930	516,293	13,637
Capital outlay	-	1,200	1,129	71
	6,622,232	6,819,796	6,705,537	114,259
Superior Court				
Personnel services	5,026,363	5,284,276	5,264,250	20,026
Operating expenditures	1,007,785	1,120,727	1,056,976	63,751
Capital outlay	-	9,083	9,083	-
	6,034,148	6,414,086	6,330,309	83,777
Circuit Defender				
Personnel services	739,274	750,182	750,183	(1)
Operating expenditures	4,580,625	4,788,136	4,788,134	2
	5,319,899	5,538,318	5,538,317	1
Total judicial	48,405,995	50,797,368	50,062,958	734,410
Executive and administrative:				
County Manager				
Personnel services	1,160,462	1,152,353	1,052,924	99,429
Operating expenditures	96,648	107,177	104,471	2,706
Capital outlay	-	23,783	23,783	-
	1,257,110	1,283,313	1,181,178	102,135

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, 2013

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
General Administrative				
Personnel services	23,000	23,000	-	23,000
Operating expenditures	6,799,613	10,310,185	10,049,832	260,353
	6,822,613	10,333,185	10,049,832	283,353
Information Services				
Personnel services	9,338,935	9,411,369	9,411,370	(1)
Operating expenditures	5,973,465	6,022,100	5,967,008	55,092
Capital outlay	-	98,898	98,122	776
	15,312,400	15,532,367	15,476,500	55,867
Drug Treatment				
Personnel services	255,975	285,810	285,811	(1)
Operating expenditures	222,300	167,301	167,301	-
	478,275	453,111	453,112	(1)
Finance				
Personnel services	2,548,229	2,548,229	2,494,399	53,830
Operating expenditures	246,175	251,822	204,701	47,121
	2,794,404	2,800,051	2,699,100	100,951
Purchasing				
Personnel services	2,301,521	2,280,494	2,280,493	1
Operating expenditures	1,413,245	1,761,584	1,761,584	-
Capital outlay	1,500,000	3,435,765	3,405,766	29,999
	5,214,766	7,477,843	7,447,843	30,000
Fleet				
Personnel services	758,881	747,528	747,527	1
Operating expenditures	25,560	33,066	33,066	-
	784,441	780,594	780,593	1
Tax Assessor				
Personnel services	3,469,586	3,469,586	3,387,185	82,401
Operating expenditures	1,673,096	1,851,815	1,831,109	20,706
	5,142,682	5,321,401	5,218,294	103,107
Internal Audit				
Personnel services	264,980	294,360	294,361	(1)
Operating expenditures	3,661	4,183	4,185	(2)
	268,641	298,543	298,546	(3)
Human Resources				
Personnel services	1,666,876	1,724,176	1,724,175	1
Operating expenditures	587,913	562,628	510,883	51,745
	2,254,789	2,286,804	2,235,058	51,746
Ethics Board				
Operating expenditures	1,130	1,130	-	1,130
Property Management				
Personnel services	4,398,386	4,501,476	4,501,478	(2)
Operating expenditures	5,159,895	5,004,199	4,713,238	290,961
Capital outlay	-	17,018	17,018	-
	9,558,281	9,522,693	9,231,734	290,959

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Cobb County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2013

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Tax Commissioner				
Personnel services	7,134,902	7,089,902	6,736,156	353,746
Operating expenditures	516,217	596,998	588,667	8,331
Capital outlay	-	226,396	201,683	24,713
	7,651,119	7,913,296	7,526,506	386,790
Public Services				
Personnel services	228,377	234,145	234,144	1
Operating expenditures	8,145	10,161	10,162	(1)
	236,522	244,306	244,306	-
Communications				
Personnel services	958,282	1,012,941	1,012,941	-
Operating expenditures	126,600	89,787	89,788	(1)
Capital outlay	-	39,952	39,952	-
	1,084,882	1,142,680	1,142,681	(1)
Support Services				
Personnel services	583,928	468,824	468,824	-
Operating Services	19,763	9,439	9,438	1
	603,691	478,263	478,262	1
Elections & Registration				
Personnel services	2,043,954	1,861,789	1,852,334	9,455
Operating expenditures	680,060	954,689	939,365	15,324
	2,724,014	2,816,478	2,791,699	24,779
County Clerk				
Personnel services	279,570	279,570	279,183	387
Operating expenditures	35,648	36,353	22,646	13,707
	315,218	315,923	301,829	14,094
Law Department				
Personnel services	1,510,396	1,491,045	1,491,042	3
Operating expenditures	343,994	410,229	410,228	1
	1,854,390	1,901,274	1,901,270	4
Total executive and administrative	64,359,368	70,903,255	69,458,343	1,444,912
Total general government	116,042,280	125,246,948	123,008,067	2,238,881
Public Safety:				
P S Training Center				
Personnel services	1,183,245	1,240,415	1,240,413	2
Operating expenditures	301,570	320,262	263,888	56,374
Capital outlay	-	20,200	10,790	9,410
	1,484,815	1,580,877	1,515,091	65,786
Police Department				
Personnel services	51,627,557	51,789,510	51,789,517	(7)
Operating expenditures	3,792,966	5,552,050	5,503,467	48,583
Capital outlay	-	546,258	502,696	43,562
	55,420,523	57,887,818	57,795,680	92,138

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Cobb County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2013

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Countywide-800MHZ				
Personnel services	252,140	252,140	247,187	4,953
Operating expenditures	1,427,085	1,438,161	1,308,725	129,436
Capital outlay	-	24,200	3,034	21,166
	1,679,225	1,714,501	1,558,946	155,555
Animal Control				
Personnel services	2,450,219	2,450,219	2,420,351	29,868
Operating expenditures	469,570	514,928	425,362	89,566
Capital outlay	-	76,914	31,914	45,000
	2,919,789	3,042,061	2,877,627	164,434
Public Safety				
Personnel services	1,437,800	1,437,800	1,300,100	137,700
Operating expenditures	75,843	82,550	71,885	10,665
Capital outlay	-	13,000	13,000	-
	1,513,643	1,533,350	1,384,985	148,365
Safety Village				
Personnel services	112,612	112,612	106,854	5,758
Operating expenditures	155,244	170,154	139,457	30,697
	267,856	282,766	246,311	36,455
Sheriff				
Personnel services	19,222,057	19,374,603	19,374,603	-
Operating expenditures	1,504,381	1,825,078	1,825,078	-
Capital outlay	-	34,074	26,532	7,542
	20,726,438	21,233,755	21,226,213	7,542
Corrections				
Personnel services	31,244,119	31,270,338	31,270,339	(1)
Operating expenditures	14,677,615	14,812,634	13,389,209	1,423,425
Capital outlay	-	280,035	274,695	5,340
	45,921,734	46,363,007	44,934,243	1,428,764
Medical Examiner				
Personnel services	600,985	612,965	612,963	2
Operating expenditures	520,302	517,586	517,587	(1)
	1,121,287	1,130,551	1,130,550	1
Total public safety	131,055,310	134,768,686	132,669,646	2,099,040
Public Works:				
Department of Transportation				
Personnel services	10,703,055	10,703,055	10,679,825	23,230
Operating expenditures	2,926,804	4,183,965	3,734,150	449,815
Capital outlay	-	262,075	147,516	114,559
	13,629,859	15,149,095	14,561,491	587,604
Total public works	13,629,859	15,149,095	14,561,491	587,604
Culture and Recreation				
Extension Service				
Personnel services	540,007	527,052	499,860	27,192
Operating expenditures	23,369	36,650	30,127	6,523
	563,376	563,702	529,987	33,715

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, 2013

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Library				
Personnel services	8,069,510	8,069,510	7,956,970	112,540
Operating expenditures	2,719,927	3,152,616	3,150,055	2,561
Capital outlay	-	86,929	53,820	33,109
	10,789,437	11,309,055	11,160,845	148,210
Parks and Recreation				
Personnel services	13,047,553	13,043,269	12,756,424	286,845
Operating expenditures	5,595,828	7,038,755	6,499,911	538,844
Capital outlay	-	351,251	342,476	8,775
	18,643,381	20,433,275	19,598,811	834,464
Total culture and recreation	29,996,194	32,306,032	31,289,643	1,016,389
Health and welfare:				
Senior Services				
Personnel services	1,978,191	2,347,230	2,347,231	(1)
Operating expenditures	449,562	499,664	499,238	426
Capital outlay	-	64,466	64,200	266
	2,427,753	2,911,360	2,910,669	691
Cobb County Board of Health				
Operating expenditures	978,560	978,560	897,013	81,547
Total health and welfare	3,406,313	3,889,920	3,807,682	82,238
Housing and development:				
Community Development				
Personnel services	6,910,759	6,960,374	6,960,375	(1)
Operating expenditures	357,018	627,083	554,850	72,233
	7,267,777	7,587,457	7,515,225	72,232
Total housing and development	7,267,777	7,587,457	7,515,225	72,232
Total current	$ 301,397,733	$ 318,948,138	$ 312,851,754	$ 6,096,384
Debt service:				
Principal retirement	$ 126,347	$ 126,347	$ 126,654	$ (307)
Interest and fiscal charges	256,558	256,558	41,086	215,472
Total debt service	$ 382,905	$ 382,905	$ 167,740	$ 215,165
Total expenditures	$ 301,780,638	$ 319,331,043	$ 313,019,494	$ 6,311,549
Excess (deficiency) of revenues over expenditures	$ (588,394)	$ (18,512,571)	$ 8,179,129	$ 26,691,700

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, 2013

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Other financing sources (uses):				
Transfers in	$ 20,632,626	$ 25,974,536	$ 18,090,819	$ (7,883,717)
Proceeds from sale of capital assets	-	-	102,837	102,837
Transfers out	(17,562,527)	(24,726,255)	(23,451,976)	1,274,279
Total other financing sources (uses)	$ 3,070,099	$ 1,248,281	$ (5,258,320)	$ (6,506,601)
Net change in fund balance	$ 2,481,705	$ (17,264,290)	$ 2,920,809	$ 20,185,099
Fund balance at beginning of year			78,481,685	
Fund balance at end of year - budgetary basis			$ 81,402,494	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			4,699,618	
Fund balance at end of year - GAAP basis			$ 86,102,112	

STATISTICAL SECTION

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

COBB COUNTY, GEORGIA
STATISTICAL SECTION
September 30, 2013

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 118-124

Revenue Capacity

These schedules contain information to help the user assess the County's major revenue sources. Pages 125-127

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 128-133

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 134-136

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 137-140

Cobb County, Georgia
Net Position by Component
Unaudited

	2013	2012	2011	2010	2009
Governmental activities					
Net investment in capital asset	$ 3,028,553,894	$ 2,993,197,551	$ 2,964,844,393	$ 2,937,351,872	$ 2,845,141,332
Restricted	216,347,412	190,983,262	148,602,863	85,902,876	107,900,772
Unrestricted	74,356,405	52,489,843	30,201,143	30,533,812	56,626,064
Total governmental activities net position	$ 3,319,257,711	$ 3,236,670,656	$ 3,143,648,399	$ 3,053,788,560	$ 3,009,668,168
Business-type activities					
Net investment in capital asset	$ 1,247,891,037	$ 1,234,745,764	$ 1,216,295,546	$ 1,213,125,239	$ 1,214,901,904
Restricted	71,253,900	68,412,045	57,377,091	41,766,430	-
Unrestricted	6,776,248	5,742,409	1,243,157	(8,524,185)	18,017,954
Total business-type activities net position	$ 1,325,921,185	$ 1,308,900,218	$ 1,274,915,794	$ 1,246,367,484	$ 1,232,919,858
Primary government					
Net investment in capital asset	$ 4,276,444,931	$ 4,227,943,315	$ 4,181,139,939	$ 4,150,477,111	$ 4,060,043,236
Restricted	287,601,312	259,395,307	205,979,954	127,669,306	107,900,772
Unrestricted	81,132,653	58,232,252	31,444,300	22,009,627	74,644,018
Total primary government net position	$ 4,645,178,896	$ 4,545,570,874	$ 4,418,564,193	$ 4,300,156,044	$ 4,242,588,026

	2008	2007	2006	2005	2004
Governmental activities					
Net investment in capital asset	$ 2,697,785,423	$ 2,519,108,757	$ 2,480,941,152	$ 2,476,786,038	$ 2,462,887,568
Restricted	173,324,280	183,127,588	85,045,197	4,501,533	102,020,091
Unrestricted	61,584,531	76,623,771	82,350,806	70,015,602	29,981,942
Total governmental activities net position	$ 2,932,694,234	$ 2,778,860,116	$ 2,648,337,155	$ 2,551,303,173	$ 2,594,889,601
Business-type activities					
Net investment in capital asset	$ 1,221,223,766	$ 1,184,655,823	$ 1,160,044,646	$ 1,113,718,561	$ 959,605,058
Restricted	-	-	-	-	144,528,897
Unrestricted	7,356,104	26,521,995	4,806,173	2,306,436	(25,510,809)
Total business-type activities net position	$ 1,228,579,870	$ 1,211,177,818	$ 1,164,850,819	$ 1,116,024,997	$ 1,078,623,146
Primary government					
Net investment in capital asset	$ 3,919,009,189	$ 3,703,765,580	$ 3,640,985,798	$ 3,590,504,599	$ 3,422,492,626
Restricted	173,324,280	183,127,588	85,045,197	4,501,533	246,548,988
Unrestricted	68,940,635	103,145,766	87,156,979	72,322,038	4,471,133
Total primary government net position	$ 4,161,274,104	$ 3,990,038,934	$ 3,813,187,974	$ 3,667,328,170	$ 3,673,512,747

Source: Basic Financial Statements

Cobb County, Georgia
Changes in Net Position
Unaudited

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Expenses										
Governmental activities:										
General government	$ 130,306,036	$ 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
Public safety	216,746,332	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
Public works	116,643,350	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
Health and welfare	5,860,760	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
Culture and recreation	41,135,156	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
Housing and development	17,753,689	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
Interest on long-term debt	4,083,434	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
Total governmental activities expenses	$ 532,528,757	$ 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
Business-type activities:										
Water and Sewer	$ 162,598,501	$ 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
Solid Waste	899,358	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
Transit	22,708,672	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
Cobblestone Golf Course	1,595,990	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
Mable House Barnes Amphitheatre	-	-	-	-	-	-	-	1,621,898	1,370,258	1,294,694
Total business-type activities expenses	$ 187,802,521	$ 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
Total primary government expenses	$ 720,331,278	$ 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
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 44,282,012	$ 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
Public safety	17,729,347	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
Public works	5,592,147	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
Health and welfare	159,797	125,741	108,067	80,686	82,003	80,917	74,041	80,017	79,569	72,894
Culture and recreation	3,803,850	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
Housing and development	21,680,727	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
Operating grants and contributions	24,035,310	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
Capital grants and contributions	25,934,892	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
Total governmental activities program revenues	$ 143,218,082	$ 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
Business-type activities:										
Charges for services:										
Water and Sewer	$ 187,171,300	$ 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
Solid Waste	281,315	319,350	297,272	181,662	5,578,983	6,711,561	6,215,070	5,868,070	5,929,112	5,994,436
Transit	6,050,804	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
Cobblestone Golf Course	1,825,184	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
Mable House Barnes Amphitheater	-	-	-	-	-	-	-	625,294	591,996	392,400
Operating grants and contributions	-	-	-	-	638,096	500,989	571,081	1,445,712	-	-
Capital grants and contributions	19,821,770	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
Total business-type activities program revenues	$ 215,150,373	$ 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
Total primary government program revenues	$ 358,368,455	$ 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
Net (Expense)/Revenue										
Governmental activities	$ (389,310,675)	$ (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)
Business-type activities	27,347,852	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
Total primary government net (expense)/revenue	$ (361,962,823)	$ (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)

Continued on next page

Cobb County, Georgia
Changes in Net Position
Unaudited

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	$ 271,694,680	$ 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
Sales taxes	128,892,927	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
Insurance and premium tax	22,768,278	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
Alcoholic beverage tax	4,735,183	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
Hotel/Motel tax	11,244,163	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
Real estate transfer tax	1,372,033	964,058	818,501	735,743	805,210	1,285,897	2,381,465	2,565,691	2,449,347	1,908,363
Miscellaneous taxes	13,110,068	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
Miscellaneous	10,517,034	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
Grant and contributions not restricted to specific programs	-	-	-	-	-	11,458,132	11,291,129	11,256,630	12,289,502	12,594,993
Gain on sale of capital assets	154,803	11,123	-	967,324	43,858	248,756	160,675	812,344	392,556	166,281
Increase/decrease in fair market value	-	-	-	-	-	-	-	-	-	(1,319)
Unrestricted investment earnings	1,072,135	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
Transfers	6,539,853	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
Total governmental activities	$ 472,101,157	$ 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
Business-type activities:										
Miscellaneous	$ 228,151	$ 193,332	$ 399,651	$ 615,141	$ 721,233	$ 942,405	$ 913,102	$ 1,487,088	$ -	$ -
Gain on sale of capital assets	64,731	34,395	90,422	375,196	(1,060,661)	31,240	47,478	-	157,878	985,040
Increase/decrease in fair market value	-	-	-	-	-	-	-	-	(18)	(2,543)
Unrestricted investment earnings	110,224	100,428	121,276	359,637	492,335	1,988,896	3,569,886	5,371,893	3,677,132	2,395,842
Transfers	(6,539,853)	(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)
Total business-type activities	$ (6,136,747)	$ (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
Total primary government	$ 465,964,410	$ 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
Change in Net Position										
Governmental activities	$ 82,790,482	$ 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
Business-type activities	21,211,105	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
Total primary government	$ 104,001,587	$ 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
Restatement										
Governmental activities	$ (203,427)	$ -	$ -	$ -	$ -	$ -	$ -	$ (1,391,003)	$ (53,650,392)	$ -
Business-type activities	(4,190,138)	-	-	-	-	-	-	-	-	-
Total primary government	$ (4,393,565)	$ -	$ -	$ -	$ -	$ -	$ -	$ (1,391,003)	$ (53,650,392)	$ -
Change in Net Position and Restatement										
Governmental activities	$ 82,587,055	$ 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
Business-type activities	17,020,967	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
Total primary government	$ 99,608,022	$ 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

Continued from proceeding page

Cobb County, Georgia
Fund Balances, Governmental Funds
Unaudited

	2013	2012	2011	2010	2009
General Fund					
Nonspendable	$ 5,057,876	$ 5,388,509	$ 3,866,278	$ 3,377,881	$ -
Restricted	1,652,111	2,003,534	2,142,090	1,909,472	5,744,747
Committed	24,679,900	26,838,346	22,853,051	4,395,900	-
Assigned	36,617	38,137	38,137	895,727	
Unassigned	54,675,608	44,213,159	35,375,643	29,130,898	42,189,697
Total General Fund	$ 86,102,112	$ 78,481,685	$ 64,275,199	$ 39,709,878	$ 47,934,444
All Other Governmental Funds					
Nonspendable	$ 127,347	$ 323,167	$ 150,710	$ 1,983	$ -
Restricted	213,561,868	188,186,359	145,233,251	93,562,980	133,774,416
Committed	6,692,707	892,897	1,862,719	7,338,797	-
Assigned	-	-	1,566,956	20,576,836	-
Unassigned	(1,762,062)	-	-	(8,747,169)	-
Special Revenue Funds	-	-	-	-	426,956
Capital Projects Funds	-	-	-	-	17,165,427
Total all other governmental funds	$ 218,619,860	$ 189,402,423	$ 148,813,636	$ 112,733,427	$ 151,366,799

	2008	2007	2006	2005	2004
General Fund					
Reserved	$ 6,035,817	$ 7,085,586	$ 6,763,639	$ 6,893,207	$ 5,632,515
Unreserved	40,743,565	51,628,912	53,847,873	49,737,523	40,439,209
Total General Fund	46,779,382	58,714,498	$ 60,611,512	$ 56,630,730	$ 46,071,724
All Other Governmental Funds					
Reserved	$ 136,002,073	$ 90,325,264	$ 56,453,588	$ 8,678,307	$ 2,060,457
Unreserved					
Special Revenue Funds	17,907,147	26,838,435	27,327,858	23,536,835	17,698,893
Capital Projects Funds	72,154,167	142,747,333	78,621,544	47,925,922	73,864,196
Total all other governmental funds	$ 226,063,387	$ 259,911,032	$ 162,402,990	$ 80,141,064	$ 93,623,546

Source: Basic Financial Statements

Note: The County implemented GASB 54 in FY 2010, thus the fund balance classifications were changed in reporting for 2010 and subsequent years.

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

	2013	2012	2011	2010	2009
Revenues					
Taxes	$ 455,554,341	$ 446,198,262	$ 443,553,657	$ 415,633,188	$ 420,576,822
Licenses and permits	22,458,136	21,107,725	20,697,338	16,659,309	16,895,893
Intergovernmental	41,040,211	47,026,534	44,740,225	50,635,105	41,864,297
Charges for services	58,421,713	57,801,007	52,247,547	58,462,632	59,486,597
Fines and forfeits	12,368,031	10,963,315	12,842,713	13,761,213	15,801,352
Interest earned	1,348,103	1,337,327	1,565,632	2,174,725	5,339,066
Contributions	-	-	-	-	-
Increase (decrease) in fair value of investments	-	-	-	-	-
Miscellaneous	10,517,034	7,508,969	8,426,162	10,053,251	10,034,725
Total revenues	$ 601,707,569	$ 591,943,139	$ 584,073,274	$ 567,379,423	$ 569,998,752
Expenditures					
General government	$ 127,567,454	$ 122,402,883	$ 117,985,464	$ 125,328,297	$ 123,341,205
Public safety	216,546,285	207,712,179	201,220,539	216,262,152	207,638,521
Public works	20,675,829	20,134,131	21,071,499	19,089,629	37,719,789
Health and welfare	6,070,001	5,075,377	6,073,248	8,199,261	7,738,451
Culture and recreation	38,387,445	36,379,623	35,222,986	39,403,023	39,065,599
Housing and development	17,447,786	18,364,641	24,233,973	20,834,947	14,074,012
Debt service					
Principal retirement	13,252,657	13,691,395	15,472,073	10,666,662	12,913,462
Interest and fiscal charges	4,293,197	4,834,172	5,221,351	5,640,833	6,157,146
Capital outlay	94,945,037	83,866,243	85,476,054	177,623,740	218,458,686
Intergovernmental	33,970,260	32,479,600	20,541,070	-	-
Total expenditures	$ 573,155,951	$ 544,940,244	$ 532,518,257	$ 623,048,544	$ 667,106,871
Excess of revenues over (under) expenditures	$ 28,551,618	$ 47,002,895	$ 51,555,017	$ (55,669,121)	$ (97,108,119)
Other financing sources (uses)					
Transfers in	$ 33,104,084	$ 31,780,837	$ 39,754,285	$ 48,899,093	$ 39,580,576
Transfers out	(25,876,763)	(24,535,492)	(32,786,823)	(41,516,848)	(40,312,340)
Capital lease proceeds	904,122	527,412	1,778,899	280,310	12,567,168
Proceeds from sale of capital assets	154,803	19,621	344,152	1,871,876	174,369
Bonds issued	-	-	-	10,730,000	-
Premium on bonds issued	-	-	-	-	-
Premium on issance of certificates	-	-	-	103,572	-
Total other financing sources (uses)	$ 8,286,246	$ 7,792,378	$ 9,090,513	$ 20,368,003	$ 12,009,773
Net change in fund balances before restatement	$ 36,837,864	$ 54,795,273	$ 60,645,530	$ (35,301,118)	$ (85,098,346)
Restatement	$ -	$ -	$ -	$ 30,328	$ -
Net change in fund balances after restatement	$ 36,837,864	$ 54,795,273	$ 60,645,530	$ (35,270,790)	$ (85,098,346)
Debt service as a percentage of noncapital expenditures	3.71%	4.06%	4.64%	3.43%	4.12%

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

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

2008	2007	2006	2005	2004
$ 430,494,106	$ 421,478,808	$ 365,649,916	$ 243,253,752	$ 233,912,522
20,002,557	21,757,476	21,477,431	21,952,259	20,081,455
47,620,520	43,927,165	40,119,513	45,972,924	45,024,359
58,031,429	59,521,098	57,707,513	53,948,110	51,881,834
17,961,770	17,747,175	17,337,209	19,439,582	16,781,751
11,702,780	13,130,180	6,717,914	2,684,393	1,679,490
-	-	-	73,565	230,213
-	-	-	-	(1,319)
6,435,465	7,369,832	9,046,114	6,249,544	8,560,148
$ 592,248,627	$ 584,931,734	$ 518,055,610	$ 393,574,129	$ 378,150,453
$ 125,709,498	$ 133,657,911	$ 121,042,343	$ 136,122,674	$ 108,899,536
205,020,261	199,303,102	184,595,327	167,931,065	164,439,721
30,598,324	89,477,872	57,385,232	40,980,529	47,421,144
7,769,638	7,413,307	6,578,840	6,284,246	5,118,992
42,377,184	52,030,237	39,809,495	32,471,529	33,045,343
15,183,400	15,150,457	15,105,680	16,859,368	17,401,587
13,961,512	16,548,903	10,944,224	7,123,315	7,614,617
6,742,631	6,977,162	6,963,792	3,859,569	3,310,637
207,489,112	-	-	-	-
-	-	-	-	-
$ 654,851,560	$ 520,558,951	$ 442,424,933	$ 411,632,295	$ 387,251,577
$ (62,602,933)	$ 64,372,783	$ 75,630,677	$ (18,058,166)	$ (9,101,124)
$ 60,545,358	$ 80,462,127	$ 58,146,991	$ 41,216,609	$ 80,629,289
(59,309,482)	(82,436,523)	(55,394,987)	(34,830,124)	(79,635,859)
291,405	6,975,011	7,019,390	-	12,344,970
292,891	310,697	840,637	1,515,000	-
15,000,000	25,000,000	-	19,245,880	-
-	926,933	-	-	-
-	-	-	(19,144,311)	-
$ 16,820,172	$ 31,238,245	$ 10,612,031	$ 8,003,054	$ 13,338,400
$ (45,782,761)	$ 95,611,028	$ 86,242,708	$ (10,055,112)	$ 4,237,276
$ -	$ -	$ -	$ 7,131,636	$ -
$ (45,782,761)	$ 95,611,028	$ 86,242,708	$ (2,923,476)	$ 4,237,276
4.50%	5.30%	4.50%	3.20%	3.41%

Cobb County, Georgia
Assessed Value and Actual Value
Unaudited

Fiscal Year	Real Property: Residential Property Assessed Value	Real Property: Residential Property Estimated Actual Value	Real Property: Commercial Property Assessed Value	Real Property: Commercial Property Estimated Actual Value	Real Property: Other Assessed Value	Real Property: Other Estimated Actual Value	Personal Property Assessed Value	Personal Property Estimated Actual Value	Total Assessed Value	Total Direct Tax Rate (1)	Estimated Actual Value	Assessed Value as of a Percentage of Actual Value
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%
2013	15,811,957,069	39,529,892,673	7,082,047,086	17,705,117,715	2,914,805,850	7,287,014,625	3,005,768,196	7,514,420,490	28,814,578,201	10.91	72,036,445,503	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									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Cobb County Direct Rates										
General	7.52	7.72	7.72	6.82	6.82	6.82	6.82	6.82	6.85	6.85
Fire District	3.06	3.06	3.06	2.56	2.56	2.56	2.56	2.56	2.65	2.65
Debt Service	0.33	0.33	0.33	0.22	0.22	0.22	0.22	0.22	0.22	0.22
Total direct rates	10.91	11.11	11.11	9.60	9.60	9.60	9.60	9.60	9.72	9.72
City Rates										
Acworth	37.56	37.81	36.47	36.35	36.35	36.35	36.35	37.44	37.74	37.24
Austell	30.90	31.15	30.32	29.31	29.31	29.31	29.31	30.31	30.34	30.34
Kennesaw	39.46	39.71	39.76	38.25	38.25	38.25	38.25	38.00	36.62	36.62
Marietta	30.73	31.45	31.50	30.49	29.94	29.94	29.94	29.94	29.97	29.97
Powder Springs	38.46	38.71	38.76	37.25	37.25	37.25	37.25	38.25	38.37	38.37
Smyrna	35.89	36.14	36.19	35.18	35.18	35.18	35.18	36.36	36.79	36.87
School District										
Cobb County Board of Education	18.90	18.90	18.90	18.90	18.90	18.90	18.90	19.90	19.90	19.90
State of Georgia	0.15	0.20	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25

Source: Cobb County Tax Commissioner's Office

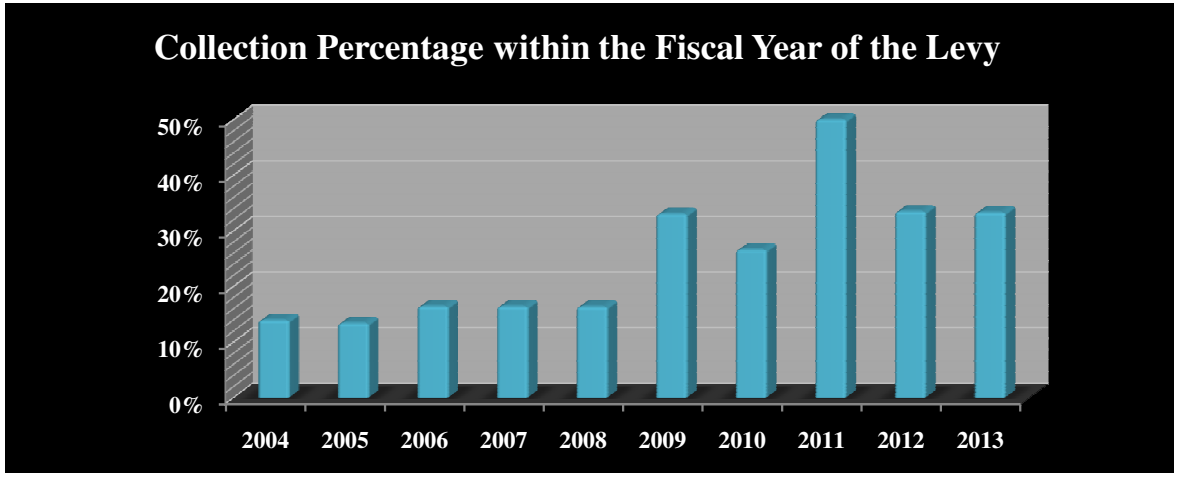
Cobb County, Georgia
Principal Property Tax Payers
Unaudited

Taxpayer	Fiscal Year 2013 Taxes Levied	Fiscal Year 2013 Percentage of Total County Taxes Levied	Fiscal Year 2004 Taxes Levied	Fiscal Year 2004 Percentage of Total County Taxes Levied
AMLI Land Development	$ -		$ 2,085,118	1.15%
Georgia Power Co.	15,786,879	6.82%	2,580,318	1.43%
Home Depot	6,173,826	2.67%	5,087,201	2.82%
Ohio Teacher's Retirement Fund	3,452,721	1.49%	-	
SP4	3,327,096	1.44%	-	
Cobb EMC	3,096,541	1.34%	2,284,712	1.27%
Lockheed Martin Corp	2,861,352	1.24%	2,348,139	1.30%
CP Venture Five, LLC	1,840,734	0.80%	-	
BellSouth Telecommunication	1,719,849	0.74%	3,392,044	1.88%
Post Properties	-		3,713,722	2.06%
Walton Communities	1,660,064	0.72%	-	
Inland Properties	1,651,160	0.71%	1,822,540	1.01%
Wildwood Properties	-		5,883,277	3.26%
Atlanta Gas Light	-		1,456,589	0.81%

Source: Cobb County Tax Commissioner's Office

Cobb County, Georgia
Property Tax Levies and Collections
Unaudited

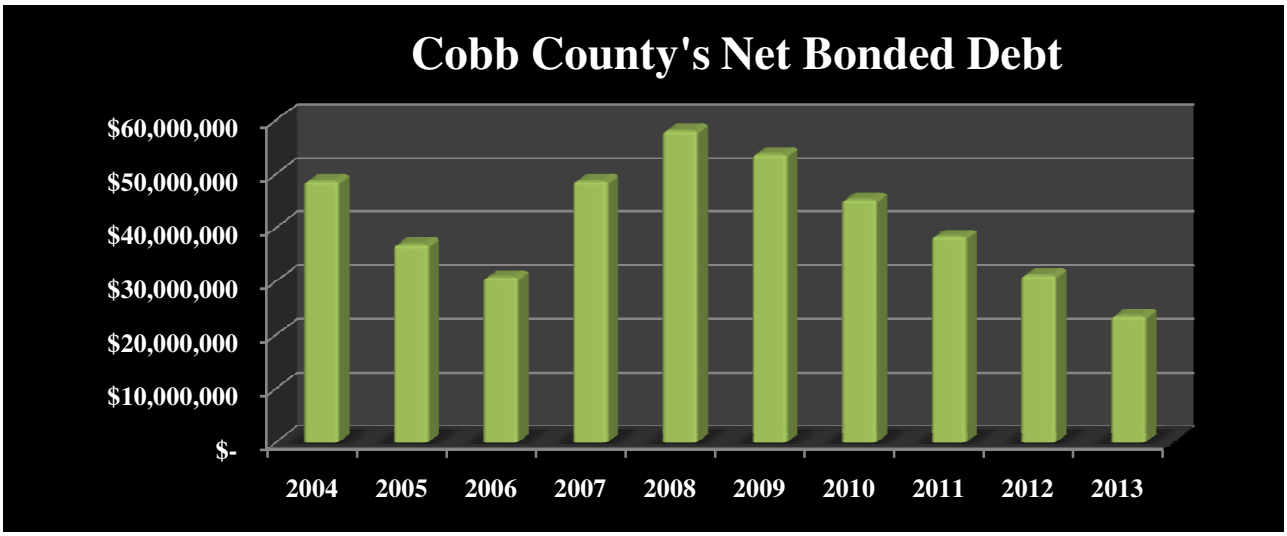
Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)	Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2004	$ 182,667,127	$ (2,080,556)	$ 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%	173,819,883	208,522,082	99.18%
2007	226,524,907	(1,246,479)	225,278,428	37,148,299	16.40%	186,898,340	224,033,057	99.45%
2008	240,393,700	(1,195,186)	239,198,514	39,301,350	16.35%	198,061,151	237,343,292	99.22%
2009	239,646,001	(2,650,394)	236,995,607	79,131,484	33.02%	156,792,106	235,847,444	99.52%
2010	224,451,029	(3,263,579)	221,187,450	59,693,126	26.60%	160,298,697	219,752,562	99.35%
2011	246,978,483	(2,126,916)	244,851,567	124,618,748	50.46%	118,925,736	241,891,840	98.79%
2012	242,052,858	(4,729,609)	237,323,248	81,038,859	33.48%	153,303,335	234,342,194	98.74%
2013	233,824,893	(2,335,597)	231,489,296	77,847,895	33.29%	-	77,847,895	33.63%



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
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
2013	33,375,000	9,841,774	23,533,226	0.07%	0.03%	32.82



Source: Basic Financial Statements

Cobb County, Georgia
Direct and Overlapping Governmental Activities Debt
Unaudited
As of September 30, 2013

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Direct and Overlapping Debt
Cities			
Austell	$ -	100%	$ -
Kennesaw	11,650,000	100%	11,650,000
Marietta	47,970,914	100%	47,970,914
Powder Springs	7,560,000	100%	7,560,000
Total cities			$ 67,180,914
Development Authorities			
Acworth	$ 7,950,000	100%	$ 7,950,000
Kennesaw	3,230,000	100%	3,230,000
Marietta	27,895,000	100%	27,895,000
Smyrna	48,945,000	100%	48,945,000
Total development authorities			$ 88,020,000
Subtotal, overlapping debt			$ 155,200,914
Total direct debt			
Tax Anticipation Notes	67,000,000		
General Obligation Debt	33,375,000		
Certificates of Participation	9,990,000		
Intergovernmental Contract Payable	46,785,000		
Total direct debt			$ 157,150,000
Total direct and overlapping debt			$ 312,350,914

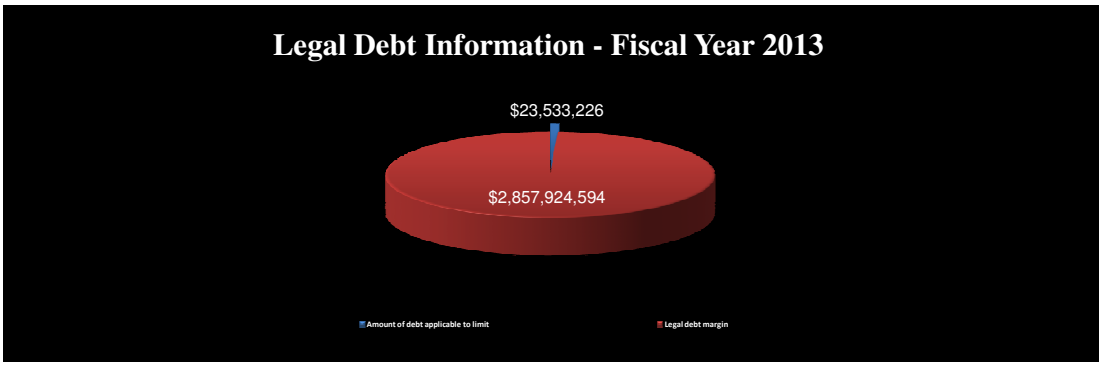
Note: (1) Entities are situated entirely within the geographic boundaries of the County

Cobb County, Georgia
Legal Debt Margin Information
Unaudited

	Fiscal Year				
	2013	2012	2011	2010	2009
Assessed value of property	$ 28,814,578,201	$ 29,000,027,430	$ 29,710,645,634	$ 31,428,353,769	$ 33,757,593,994
Debt limit, 10% of assessed value	2,881,457,820	2,900,002,743	2,971,064,563	3,142,835,377	3,375,759,399
Amount of debt applicable to limit	23,533,226	31,121,859	38,341,262	45,235,726	53,682,433
General Obligation Bonds	33,375,000	40,370,000	47,070,000	53,480,000	60,300,000
Less: Resources restricted to paying principal	(9,841,774)	(9,248,141)	(8,728,738)	(8,244,274)	(6,617,567)
Total net debt applicable to limit	23,533,226	31,121,859	38,341,262	45,235,726	53,682,433
Legal debt margin	$ 2,857,924,594	$ 2,868,880,884	$ 2,932,723,301	$ 3,097,599,651	$ 3,322,076,966
Total net debt applicable to the limit as a percentage of debt limit	0.82%	1.07%	1.29%	1.44%	1.59%

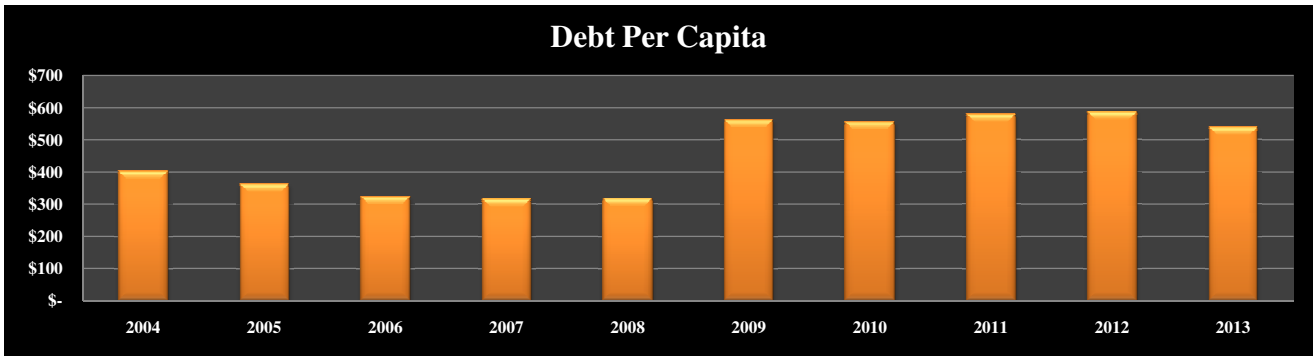
	Fiscal Year				
	2008	2007	2006	2005	2004
Assessed value of property	$ 33,818,897,411	$ 32,572,081,456	$ 30,286,408,554	$ 28,102,028,818	$ 26,088,528,583
Debt limit, 10% of assessed value	3,381,889,741	3,257,208,146	3,028,640,855	2,810,202,882	2,608,852,858
Amount of debt applicable to limit	58,082,258	48,689,033	30,728,179	36,836,417	48,681,265
General Obligation Bonds	66,815,000	58,070,000	39,095,000	44,895,000	50,545,000
Less: Resources restricted to paying principal	(8,732,742)	(9,380,967)	(8,366,821)	(8,058,583)	(1,863,735)
Total net debt applicable to limit	58,082,258	48,689,033	30,728,179	36,836,417	48,681,265
Legal debt margin	$ 3,323,807,483	$ 3,208,519,113	$ 2,997,912,676	$ 2,773,366,465	$ 2,560,171,593
Total net debt applicable to the limit as a percentage of debt limit	1.72%	1.49%	1.01%	1.31%	1.87%

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
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
2013	33,375,000	2,298,794	185,325,000	258,842	164,395,534	385,653,170	1.32%	537.77



Source: Overlapping debt for cities xls

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
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
2013	188,229,350	113,474,593	74,754,757	10,395,000	8,588,025	18,983,025	3.94

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
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
2013	2,366,692	336,353	2,030,339	2,100,000	255,000	2,355,000	0.86

(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
2014	7,310,000	1,247,782	13,820,000	6,329,272	5,335,000	5,568,815
2015	7,625,000	929,238	13,590,000	6,165,538	5,755,000	5,317,192
2016	7,950,000	607,412	11,950,000	5,748,383	6,005,000	5,032,063
2017	8,305,000	257,118	12,330,000	5,368,200	6,345,000	4,750,806
2018	2,185,000	35,506	12,725,000	4,974,325	6,700,000	4,457,998
2019-2023	-	-	70,390,000	18,237,819	39,955,000	16,794,467
2024-2028	-	-	41,170,000	7,548,888	44,030,000	5,933,200
2029-2030	-	-	9,350,000	397,375	4,525,000	98,984
	$ 33,375,000	$ 3,077,056	$ 185,325,000	$ 54,769,800	$ 118,650,000	$ 47,953,525

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
2014	7,310,000	1,247,782	13,820,000	6,329,272	21,130,000	7,577,054
2015	7,625,000	929,238	13,590,000	6,165,538	21,215,000	7,094,776
2016	7,950,000	607,412	11,950,000	5,748,383	19,900,000	6,355,795
2017	8,305,000	257,118	12,330,000	5,368,200	20,635,000	5,625,318
2018	2,185,000	35,506	12,725,000	4,974,325	14,910,000	5,009,831
2019-2023	-	-	70,390,000	18,237,819	70,390,000	18,237,819
2024-2028	-	-	41,170,000	7,548,888	41,170,000	7,548,888
2029-2030	-	-	9,350,000	397,375	9,350,000	397,375
	$ 33,375,000	$ 3,077,056	$ 185,325,000	$ 54,769,800	$ 218,700,000	$ 57,846,856

Cobb County, Georgia
Demographic and Economic Statistics
Unaudited

Year	Population (1)	Personal Income (2)	Per Capita Personal Income (2)	County Unemployment Rate (3)
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%
2013	717,140	29,280,826,200	40,830.00	7.1%

City	Population
Acworth	20,425
Austell	6,581
Kennesaw	29,783
Marietta	56,579
Powder Springs	13,940
Smyrna	51,271
Total	178,579

Source:
(1) Estimated from April 2013 Census using 1% growth rate
(2) Woods & Poole Economics 2013 Data Pamphlet
(3) Office of Economic Development and Cobb Chamber of Commerce

Cobb County, Georgia
Principal Employers
Unaudited

		2013		2004	
Employer	Industry	Employees	Percentage of Total County Employment	Employees	Percentage of Total County Employment
Cobb County Schools	Government	19,520	5.25%	13,784	3.26%
Wellstar Health System	Healthcare	10,961	2.95%	8,409	1.99%
Home Depot	Retail	8,000	2.15%	8,421	1.99%
Lockheed Martin	Aircraft/Defense	6,200	1.67%	7,800	1.85%
Kennesaw State University	Education	5,207	1.40%		
Cobb County Government	Government	4,499	1.21%	5,413	1.28%
Publix Super Markets	Retail	3,285	0.88%	3,151	0.75%
Dobbins Air Force Base	Defense	2,380	0.64%		
Kroger Co.	Retail	2,226	0.60%		
Six Flags Over Georgia	Theme Park	2,166	0.58%	2,765	0.65%
General Electric	Retail	1,600	0.43%		
Cbeyond	Technology	1,536	0.41%		
Genuine Parts	Retail	1,355	0.36%	2,000	0.47%
Marietta City Schools	Government	1,137	0.31%		
Southern Polytechnic	Education	1,087	0.29%	-	0.00%
IBM Corporation	Retail	775	0.21%		

Source: Office of Economic Development and Cobb Chamber of Commerce

Cobb County, Georgia
Buiilding Permits and Construction
Unaudited

	Single Family Residence		Commerical Industrial, Other		Total New Construction	
Year	Permits	Values	Permits	Values	Permits	Values
2013	1,077	316,049,472	5,243	395,524,902	6,320	711,574,374
2012	734	203,691,614	4,933	377,565,829	5,667	581,257,443
2011	586	157,087,812	5,144	466,193,085	5,730	623,280,897
2010	467	107,288,665	5,041	267,126,934	5,508	374,415,599
2009	248	59,240,178	4,842	183,535,565	5,090	242,775,743
2008	617	159,861,048	7,232	503,751,188	7,849	663,612,236
2007	1,514	388,899,310	8,518	505,347,410	10,032	894,246,720
2006	2,200	618,290,028	8,004	463,781,522	10,204	1,082,071,550
2005	2,712	639,717,589	7,167	602,899,368	9,879	1,242,616,957
2004	2,684	632,354,567	7,019	507,650,671	9,703	1,140,005,238

Source: Cobb County Building Inspections Department

Cobb County, Georgia
Commercial and Saving Bank Deposit
Unaudited

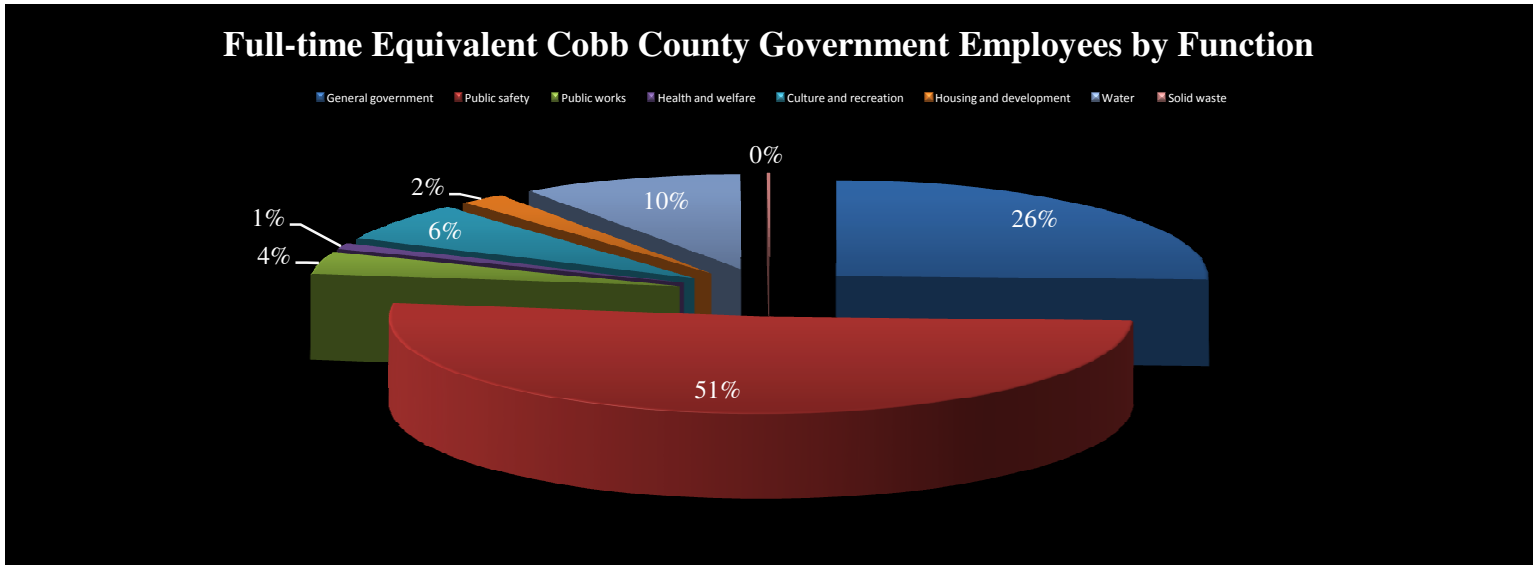
Combined Financial Institutional Statistics

Year	Total Deposits (in thousands)
2013	$ 10,269,243
2012	$ 10,102,532
2011	$ 9,489,929
2010	$ 9,467,972
2009	$ 10,542,221
2008	$ 10,739,032
2007	$ 10,026,064
2006	$ 9,368,719
2005	$ 8,478,070
2004	$ 7,424,716

Source: Federal Deposit Insurance Corporation

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

	Full-time Equivalent Employees as of September 30									
Function/Program	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General government	1,148	1,150	1,141	1,143	1,170	1,175	1,169	1,145	1,105	1,075
Public safety	2,304	2,294	2,294	2,294	2,291	2,251	2,174	2,095	2,072	2,044
Public works	165	159	148	148	174	179	179	174	167	165
Health and welfare	45	43	53	53	59	58	57	57	56	56
Culture and recreation	291	318	318	318	331	338	336	331	324	313
Housing and development	88	92	92	93	103	112	112	108	108	106
Water	429	429	429	429	434	439	439	419	417	398
Solid waste	4	6	6	7	58	58	58	58	57	57
Total	4,474	4,491	4,481	4,485	4,620	4,610	4,524	4,387	4,306	4,214



Source: Cobb County Human Resources Department

Cobb County, Georgia
Operating Indicators by Function
Unaudited

Function/Program	Fiscal Year 2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General government										
Vehicle tags issued	698,010	632,813	695,116	681,339	679,519	696,900	717,060	703,127	689,536	673,521
Public safety										
E-911 calls	381,924	393,208	380,090	382,357	392,177	358,375	367,507	399,423	387,682	358,350
Police service calls	454,620	458,160	457,878	488,890	502,275	425,049	494,134	529,557	520,575	544,658
Fire/EMS dispatches	68,021	64,823	64,854	61,841	61,763	64,006	64,697	63,572	62,013	66,008
Public works										
Miles of road resurfacing	124.00	92.00	64.00	35.93	45.00	77.00	71.89	55.36	59.00	88.00
Health and welfare										
Number of child support cases	6,217	7,500	7,587	7,814	8,108	7,953	8,058	7,873	7,747	7,580
Culture and recreation										
Golf rounds played	42,014	44,848	40,385	24,198	40,414	46,715	47,242	47,834	44,692	45,536
Housing and development										
Building permits issued	6,319	5,667	5,730	5,508	9,014	11,912	10,032	10,204	9,879	9,703
Water										
Water accounts	177,837	174,837	176,406	175,688	175,075	174,709	173,725	171,609	164,323	161,115
Water Purchase	45,611,090	47,698,883	44,919,089	40,513,474	35,430,555	24,963,608	28,851,891	26,821,705	23,825,006	23,394,114
Sales	86,189,236	93,143,253	89,932,972	82,614,026	76,054,675	63,192,343	71,775,004	68,823,230	56,406,582	55,799,231
Daily average consumption										
- 1,000 gal units	51,552	56,709	56,909	56,312	54,027	54,100	67,925	66,644	61,705	62,513
Solid waste										
Solid waste and compost tonnage	**	**	**	**	144,661	167,642	156,389	151,137	162,544	168,313

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 2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General government										
Vehicles	143	243	236	234	238	235	242	231	237	224
Public safety										
Police stations	6	6	6	6	6	6	6	6	6	6
Fire stations	30	30	31	31	29	29	28	27	27	27
Public works										
Miles of road***	3,275	3,256	3,451	3,418	3,393	2,434	2,492	2,472	2,434	2,307
Miles of sidewalks	1,186	1,174	1,160	1,146	1,130	1,100	1,080	1,060	1,030	1,100
Health and welfare										
Senior service centers	6	5	4	5	5	5	5	5	5	5
Culture and recreation										
County parks	77	77	77	77	75	74	66	66	65	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	28	14	2	1	1	1	2	3	1	1
Water										
Miles of water mains*	3,150	3,133	3,130	3,121	3,086	3,062	3,023	2,987	2,945	2,907
Miles of sewers*	2,603	2,605	2,596	2,611	2,582	2,576	2,558	2,529	2,493	2,477
Solid waste										
Facilities	**	**	**	**	2	2	2	2	2	2

Source: Department managers within each function/program.
*In 2010, Water began utilizing 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, 2013

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	$ 108,956,687	$ 22,215	$ 108,978,902	99.07%
New Court House	55,000,000	63,000,000	62,358,848	-	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	538,592,796	408,456,716	35,243,844	443,700,560	82.38%
City of Acworth	11,090,749	9,974,670	9,974,670	-	9,974,670	100.00%
City of Austell	2,042,132	1,743,270	1,743,270	-	1,743,270	100.00%
City of Kennesaw	9,931,674	7,988,479	7,988,479	-	7,988,479	100.00%
City of Marietta	58,273,797	52,533,354	52,533,354	-	52,533,354	100.00%
City of Powder Springs	13,212,326	11,537,187	11,537,187	-	11,537,187	100.00%
City of Smyrna	42,725,391	37,005,532	37,005,532	-	37,005,532	100.00%
Program Total	$ 854,600,355	$ 859,375,288	$ 727,554,743	$ 35,266,059	$ 762,820,802	88.76%
2011 SPLOST:						
Facilities	$ 16,748,420	$ 18,437,517	$ 2,449,196	$ 4,557,162	$ 7,006,358	38.00%
Parks	82,023,000	83,523,000	1,820,250	4,831,358	6,651,608	7.96%
Public Safety						
Equipment	10,931,400	9,529,600	1,550,569	3,373,480	4,924,049	51.67%
800Mhz Communication System	1,965,000	1,965,000	1,756,538	204,964	1,961,502	99.82%
Transportation:						
Cobb County	250,885,000	293,137,689	9,961,927	41,133,877	51,095,804	17.43%
City of Acworth	13,323,141	7,403,141	2,644,133	3,494,485	6,138,618	82.92%
City of Austell	4,672,186	2,803,312	927,250	1,225,453	2,152,703	76.79%
City of Kennesaw	22,107,998	16,580,999	4,387,590	5,798,638	10,186,228	61.43%
City of Marietta	44,799,421	37,919,421	8,890,969	11,750,301	20,641,270	54.43%
City of Powder Springs	10,678,598	6,796,827	1,744,293	2,300,856	4,045,149	59.52%
City of Smyrna	33,934,318	29,229,814	7,109,662	9,400,527	16,510,189	56.48%
Program Total	$ 492,068,482	$ 507,326,320	$ 43,242,377	$ 88,071,101	$ 131,313,478	25.88%

Cobb County, Georgia
Water and Sewer Enterprise Fund
Comparative Statements of Revenues and Expenses
For the Fiscal Years Ended September 30, 2013 and 2012

	2013	2012 (As Restated)
Operating revenues:		
Water sales	$ 86,189,236	$ 93,143,253
Sewer sales	94,566,596	100,273,961
Water connection charges	4,991,910	5,314,482
Sewer connection charges	1,261,174	860,913
Other	360,597	494,276
Total operating revenues	$ 187,369,513	$ 200,086,885
Operating expenses:		
Administrative	$ 18,899,366	$ 18,377,322
Engineering	2,648,747	2,711,480
Water operations	53,824,828	55,878,340
Sewer operations	38,101,652	37,216,520
Total operating expenses	$ 113,474,593	$ 114,183,662
Operating income before depreciation	$ 73,894,920	$ 85,903,223
Less depreciation	(40,900,407)	(39,017,461)
Operating income	$ 32,994,513	$ 46,885,762
Nonoperating revenues (expenses):		
Interest income	$ 109,125	$ 98,975
Interest and fiscal charges	(8,887,971)	(9,327,955)
Amortization	664,470	586,307
Gain from sale of capital assets	62,706	34,395
Total nonoperating revenues (expenses)	$ (8,051,670)	$ (8,608,278)
Net income before transfers and capital contributions	$ 24,942,843	$ 38,277,484
Capital contributions	$ 10,060,846	$ 6,984,727
Total capital contributions	$ 10,060,846	$ 6,984,727
Transfers:		
Transfers in	$ 23,536	$ 1,107,503
Transfers out	(17,610,623)	(16,657,913)
Total transfers	$ (17,587,087)	$ (15,550,410)
Change in net position	$ 17,416,602	$ 29,711,801

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).

INDEPENDENT AUDITOR'S 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, in accordance with the 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, 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, 2013, and the related notes to the financial statements, which collectively comprise Cobb County, Georgia's basic financial statements and have issued our report thereon dated March 10, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Cobb County, Georgia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of Cobb County, Georgia's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

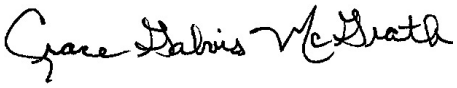
Crace Galvis McGrath, LLC | 1825 Barrett Lakes Blvd | Suite 200 | Kennesaw, GA 30144
tel: 770.422.0598 | fax: 678.214.2355 | www.cgmcpa.com

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cobb County, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Crace Galvis McGrath, LLC
Kennesaw, Georgia

March 10, 2014

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

Compliance

Report on Compliance for Each Major Federal Program

We have audited Cobb County, Georgia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended September 30, 2013. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Cobb County, Georgia's compliance.

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Opinion on Each Major Federal Program

In our opinion, Cobb County, Georgia, complied, in all material respects, with the types of 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, 2013.

Report on Internal Control Over Compliance

Management of Cobb County, Georgia, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Cobb County, Georgia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Crace Galvis McGrath, LLC
Kennesaw, Georgia

March 14, 2014

COBB COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended September 30, 2013

Section I—Summary of Auditor's Results

Financial Statements

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

Identification of major programs:

CFDA Number	Name of Federal Programs
14.218	CDBG/Entitlement
14.239	Home Investment Partnership
17.258, 17.259 & 17.260	WIA Cluster
20.507	Federal Transit - Formula Grants
97.039	Hazard Mitigation Grant Program

Dollar threshold used to distinguish between Type A and Type B programs:	$ 812,748		
Auditee qualified as low-risk auditee?	X yes	_____ no	

Section II- Financial Statement Findings

None Reported

Section III - Federal Award Findings

None Reported

COBB COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended September 30, 2013

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
U. S. Department of Interior			
Pass-through Ga. Office of Treasury and Fiscal Services:			
Payments to States in Lieu of Real Estate Taxes	15.226		$ 40,372
U. S. Department of Energy			
Direct Grant:			
ARRA - Energy Efficiency and Conservation Block Grant	81.128	EE-0000803	255
U. S. Department of Homeland Security			
Pass-through Georgia Emergency Management Agency:			
GA Dept of Homeland Security Grant - IED Canine Program	97.073	2010-SS-T0-0034	2,365
GA Dept of Homeland Security Grant - HSG Program CBRNE	97.073	2010-SS-T0-0034	9,946
GA Dept of Homeland Security Grant - GEMA FY11 HSGP	97.073	2011-SS-00081-S01	20,461
GA Dept of Homeland Security Grant - HSG Program CBRNE	97.073	2011-SS-00081-S01	9,861
GA Dept of Homeland Security Grant - Comp Upgrade to Bomb Unit	97.073	2009-SS-T9-0047	173,000
GA Dept of Homeland Security Grant - SHSG Program	97.073	2009-SS-T9-0047	33,015
GA Dept of Homeland Security Grant - SHSG Program	97.073	2009-SS-T9-0047	71,042
			319,690
GA Dept of Homeland Security Grant - CERT Program	97.067	2010-SS-T0-0034	416
GA Dept of Homeland Security Grant - EMPG Program	97.042	OEM12-034	117,169
Hazard Mitigation Grant Program	97.039	HMGP 1973-0045	813,391
Hazard Mitigation Grant Program	97.039	HMGP 1858-0013	912,422
			1,725,813
Direct Grant:			
Emergency Food and Shelter National Board Program	97.024	LR0-005	6,305
Total for U. S. Department of Homeland Security			2,169,393
U.S. Department of Health and Human Services			
Pass-through Georgia Department of Human Resources:			
Community Services Block Grant	93.569	42700-040-0000009912	567,127
Child Support Enforcement	93.563	42700-401-0000008593	500,101
Child Support Enforcement	93.563	42700-401-0000020315	170,663
			670,764
Pass-through Atlanta Regional Commission:			
Social Services Block Grant	93.667	AG1302/AG1402	32,390
Aging Cluster:			
Special Programs for the Aging - Title III, Part B	93.044	AG1302/AG1402	273,825
Special Programs for the Aging - Title III, Part C	93.045	AG1302/AG1402	350,422
Nutrition Services Incentive Program	93.053	AG1302/AG1402	20,415
			644,662

COBB COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended September 30, 2013

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
National Family Caregiver Support - Title III, Part E	93.052	AG1302/AG1402	43,195
Total for U. S. Department of Health and Human Services			1,958,138
U.S. Department of Housing and Urban Development			
Direct Grants:			
Community Development Block Grant/Entitlement	14.218	B-13-UC-13-0002	3,461,843
Community Development Block Grant/Entitlement	14.218	B-08-UN-13-0002	52,350
Community Development Block Grant/Entitlement	14.218	B-12-UN-13-0002	1,550,023
Pass-through the Department of Community Affairs:			
Neighborhood Stabilization Program	14.218	11-NS-6001	484,514
			5,548,730
Home Investment Partnership	14.239	M-13-DC-13-201	1,015,626
Emergency Solutions Grant Program	14.231	S-13-UC-13-0008	329,863
Total for U. S. Department of Housing and Urban Development			6,894,219
U.S. Department of Justice			
Direct Grants:			
ARRA - Public Safety Partnership and Community Policing Grant	16.710	2010CKWX0346	597,537
Pass-through Administrative Office of the Courts:			
Drug Court Discretionary Grant Program	16.585	2009-DC-BX-0104	40,197
Pass-through Georgia Council of Juvenile Court Judges:			
National CASA 2011	16.756	GA10109-10-0710-U1	6,143
Pass-through Georgia Criminal Justice Coordinating Council:			
Crime Victim Assistance	16.575	C12-8-042	55,449
Pass-through Metro Atlanta Project Pact:			
JAG Program Cluster:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2010-DJ-BX-1411	14,771
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2011-DJ-BX-3491	57,075
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2011-DJ-BX-3491	40,417
ARRA - Edward Byrne Memorial Justice Assistance Grant Program	16.803	2009-SU-B9-0003	10,205
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2009-SB-B9-0913	4,375
			126,843
Total for U. S. Department of Justice			826,169
U.S. Department of Labor			
Pass through Georgia Governor's Office of Workforce Development:			
Workforce Investment Act (WIA) Cluster			
Adult Program	17.258	11-12-11-03-004	32,400
	17.258	11-12-12-03-004	35,082
	17.258	11-12-13-03-004	1,192,243
Youth Program	17.259	15-11-11-03-004	134,794

COBB COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended September 30, 2013

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
	17.259	15-12-12-03-004	1,295,071
	17.259	15-13-11-03-004	385,294
ARRA - Dislocated Worker Program	17.260	31-12-11-03-004	68,268
	17.260	31-12-12-03-004	81,142
	17.260	31-12-13-03-004	1,475,039
			4,699,333
Pass-through Atlanta Regional Commission:			
Senior Community Service Employment Program - Title V	17.235	AG1302/AG1402	12,801
Total for U. S. Department of Labor			4,712,134
U.S. Department of Transportation			
Direct Grants:			
Federal Transit Administration -			
New Freedom Program	20.521	--	320,202
Capital Improvement, Sect.9	20.507	--	1,085,728
Operating	20.507	--	1,735,110
Planning	20.507	--	249,311
Job Access and Reverse Commute Program	20.507	--	787,882
Mobility Management	20.507	--	65,449
Discretionary	20.507	--	703,998
Capital Improvements	20.507	--	4,162,902
Urbanized Area Formula Program	20.507	GA-96-X002-01	1,099,591
			9,889,971
Federal Transit Administration -			
Airport Improvement - Taxiway A&B Design	20.106	--	123,791
Airport Improvement - Taxiway A&B Construction	20.106	--	79,239
			203,030
Total for U.S. Department of Transportation			10,413,203
U. S. Department of Treasury			
Direct Grants:			
Equitable Sharing/Asset Forfeiture Program	16.922		28,512
Social Security-Inmate Reporting Incentives	16.UNKNOWN		49,200
Total for U.S. Department of Treasury			77,712
Total Federal Financial Awards			$ 27,091,595

COBB COUNTY, GEORGIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended September 30, 2013

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, 2013

NONE REPORTED