Comprehensive Annual Financial Report

For fiscal year ended September 30, 2004

COBB COUNTY, GEORGIA

COBB COUNTY, GEORGIA COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Fiscal Year Ended September 30, 2004

Brad Bowers, CPA
Finance Director - Comptroller

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

Metro Atlanta



COBB COUNTY, GEORGIA COMPREHENSIVE ANNUAL FINANCIAL REPORT SEPTEMBER 30, 2004

TABLE OF CONTENTS

INTRODUCTORY SECTION

Transmittal Letter	
Certificate of Achievement in Financial Reporting	xvii
General Government Organization Chart	xviii
County Officials	xviiii
Department of Finance	xx
FINANCIAL SECTION	
Independent Auditors' Opinion	1.2
Management's Discussion and Analysis	
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets	
Statement of Activities	17
Governmental Fund Financial Statements:	
Balance Sheet – Governmental Funds	18
Statement of Revenues, Expenditures and Changes in Fund Balances –	
Governmental Funds	19
Reconciliation of the Statement of Revenues, Expenditures and	
Changes in Fund Balances of Governmental Funds to the	
Statement of Activities	20
Statements of Revenues, Expenditures and Changes in Fund Balances –	
Budget and Actual (Budgetary Basis)	21
Schedule of Revenues, Expenditures and Changes in Fund Balances –	22
Budget and Actual (Budgetary Basis) – Fire District	22
Proprietary Fund Financial Statements:	
Statement of Net Assets – Proprietary Funds	23-24
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets –	
Proprietary Funds	25
Combining Statement of Cash Flows – Proprietary Funds	
Fiduciary Fund Financial Statements:	
Statement of Fiduciary Net Assets – Fiduciary Funds	
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds	29
Notes to Financial Statements	30-81

COBB COUNTY, GEORGIA COMPREHENSIVE ANNUAL FINANCIAL REPORT SEPTEMBER 30, 2004

TABLE OF CONTENTS

Required Supplemental Information:	
Analysis of Funding Progress and Schedule of Funding Progress	
Notes to Required Supplementary Information.	83
Schedule of Revenues, Expenditures and Changes in Fund Balance –	
Budget and Actual (Budgetary Basis) – General Fund	84-90
Nonmajor Funds:	
Nonmajor Governmental Fund Descriptions	91-92
Combining Balance Sheet – All Nonmajor Governmental Funds	93
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -	
All Nonmajor Governmental Funds	
Combining Balance Sheet – Special Revenue Funds	95-96
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Special Revenue Funds	97-98
Combining Balance Sheet – Capital Projects Funds	99
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Capital Projects Funds	100
Schedule of Revenues, Expenditures and Changes in Fund Balances –	
Budget and Actual - (Budgetary Basis) Debt Service Fund	101
Schedule of Revenues, Expenditures and Changes in Fund Balance –	
Budget and Actual (Budgetary Basis) – Law Library	102
Schedule of Revenues, Expenditures and Changes in Fund Balance –	
Budget and Actual (Budgetary Basis) - Community Services	103
Schedule of Revenues, Expenditures and Changes in Fund Balance –	
Budget and Actual (Budgetary Basis) – Cobb Senior Services	104
Schedule of Revenues, Expenditures and Changes in Fund Balance –	105
Budget and Actual (Budgetary Basis) – Hotel/Motel Tax	105
Schedule of Revenues, Expenditures and Changes in Fund Balance –	106
Budget and Actual (Budgetary Basis) – Emergency 911 Schedule of Revenues, Expenditures and Changes in Fund Balance –	106
Budget and Actual (Budgetary Basis) – Parking Deck Facility	107
Combining Balance Sheet – Nonmajor Enterprise Funds	
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets –	100-107
Nonmajor Enterprise Funds	110
Combining Statement of Cash Flows – Nonmajor Enterprise Funds	
Balance Sheet – Claims Internal Service	
Statement of Revenues, Expenses and Changes in Retained Earnings –	
Claims Internal Service	114
Statement of Cash Flows – Claims Internal Service	
Combining Statement of Changes in Assets and Liabilities –	
Agency Funds	116-117
Combining Statement of Changes in Assets and Liabilities –	116-117

COBB COUNTY, GEORGIA COMPREHENSIVE ANNUAL FINANCIAL REPORT SEPTEMBER 30, 2004

TABLE OF CONTENTS	
Schedule of Changes by Function and Activity	120
STATISTICAL SECTION	
General Governmental Expenditures by Function	121
General Governmental Revenues by Source	
General Governmental Tax Revenues by Source	123
Property Tax Levies and Collections	
Assessed and Estimated Actual Value of Taxable Property	125
Tax Digest	
Total Property Tax Rates - All Direct and Overlapping Governments	
Principal Taxpayers	128
Computation of Legal Debt Margin	
Ratio of Net General Obligation Bonded Debt to Assessed Value	
and Net Bonded Debt Per Capita	130
Ratio of Annual Debt Service Expenditures for General Bonded Debt	
to Total General Expenditures	131
Direct General Obligation, Overlapping General Obligation and	
Guaranteed Revenue Debt	132
Revenue Bond Coverage	133
Demographic Statistics	134
Property Value, Construction and Bank Deposits	135
Miscellaneous Statistics	136
Water and Sewerage Systems	137
COMPLIANCE SECTION	
Schedule of Projects Constructed with Special Sales Tax Proceeds	138
Water and Sewer Fund Comparative Statement of Revenues and Expenses	139
Independent Auditors' Report on Compliance and on Internal Controls	
Over Financial Reporting Based on an Audit of Financial Statements	
Performed in Accordance with Government Auditing Standards	140-141
Independent Auditors' Report on Compliance with Requirements Applicable	
To Each Major Program and Internal Control Over Compliance in	
Accordance with OMB Circular A-133	142-143
Schedule of Expenditures of Federal Awards	144-147
Notes to Schedule of Expenditures of Federal Awards	
Illustrative Schedule of Findings and Questioned Costs	149

Introductory Section

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

COBB COUNTY FINANCE DEPARTMENT



Brad Bowers, CPA

Director/Comptroller

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

January 31, 2005

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

Ladies and Gentlemen:

The Comprehensive Annual Financial Report of Cobb County, Georgia for the fiscal year ended September 30, 2004, is submitted herewith. Responsibility for both the accuracy of the data and the completeness and fairness of presentation, including all 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.

The Comprehensive Annual Financial Report is presented in four sections: an Introductory Section, a Financial Section, a Statistical Section and a Compliance Section. The Introductory Section includes a letter of transmittal from the Director of Finance/Comptroller, a general governmental organization chart, and a list of principal officials. The transmittal letter includes summarized financial information about the County, with an analysis of the past year's operation of general government and major enterprise activities, a discussion of the County's current and future economic picture, and the major initiatives and financial accomplishments for the year.

The Financial Section includes the auditor's report on the financial statements, management's discussion and analysis, the basic audited financial statements with notes and combining fund statements. This section also includes Required Supplementary Information.

The Statistical Section contains selected historical financial data, debt statistics and miscellaneous social and economic data on the County generally presented on a multi-year basis.

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 September 30, 2004. The required reports on supplementary information, compliance, internal controls, and various supplementary schedules are now included under the Compliance Section.

REPORTING ENTITY

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 667,300 residents living in the 340.2 square mile area include: public safety (fire, EMS, police, 911 emergency, animal control, and corrections), community development, community services, transportation, and other general governmental services. The County also provides water, sewer, and solid waste disposal services to the public.

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

The financial statements contained herein include all activities and functions of Cobb County that are under the jurisdiction of the Board of Commissioners, as set forth in state and local law. Additionally, two component units are included in these financial statements because of their operational and financial relationships to the County. The Cobb-Marietta Coliseum and Exhibit Hall Authority 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.

Generally Accepted Accounting Principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This

letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Cobb County Government's MD&A can be found on page 3 immediately following the report of the independent auditors.

HISTORICAL INFORMATION

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 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 Force Base and the Lockheed Martin Aeronautical Systems Company.

POPULATION

Cobb's population has grown 48.0% since 1990 when approximately 450,800 people resided in the County. Based on the U.S Census of 2003 and adding a 2.5% growth factor, Cobb's population is estimated at 667,300. This makes Cobb County one of the fastest growing counties in the nation. According to the U.S. Census Bureau and the Atlanta Regional Commission, the U.S. population increase from 1970 to 2003 was 43.0%, compared with Georgia's 89.1% increase for the same period. In contrast, Cobb County's population increase for the same period was 230.8%.

Within the County, population growth varies. The East Cobb Planning Area had the highest growth rate from 1970-1990; however, from 1990-2010 the highest growth area will be the West Cobb Planning Area.

A Closer Look	
Population (2004 estimated)	667,300
Population Per Square Mile (2004)	1,961
Number of Households (2004)	259,290
Per Capita Income (2004)	\$41,575
Household Income (2004)	\$94,462
Number of Vehicle Registrations (2004)	673,521
College Graduates	44.8%
Ŭ	

ECONOMIC CONDITION AND OUTLOOK

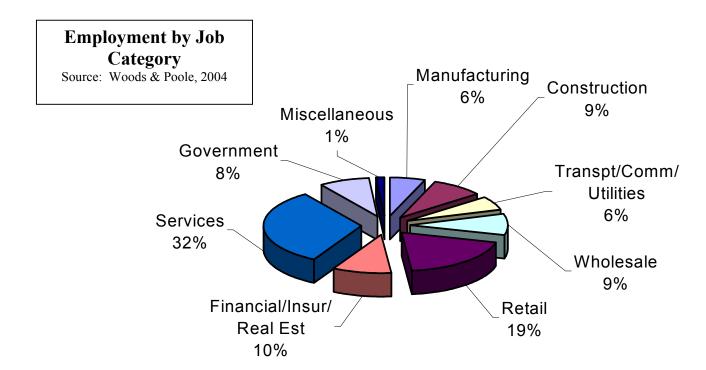
Cobb County is part of a very select group that includes less than 1% of counties nationwide to have achieved a Triple-Triple A credit rating and this achievement has been accomplished for the eighth year in a row. In 1995, Moody's Investor Services awarded Cobb its first Aaa rating citing strong economic 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 solid independent ratings verify that Cobb's sound fiscal policies and conservative management philosophy will guide Cobb into the future.

Historically, Cobb has been perceived as a bedroom community supporting the businesses located in the City of Atlanta. Thanks in large part to the foresight and stewardship of County leadership, today Cobb County is the leader in the metro area employing more than 433,140 within its boundaries.

Currently, there are more than 41,324 businesses licensed in Cobb County resulting in job growth in the County that has outpaced the growth in population. In 1980, there was approximately one job per every three people living in Cobb. By 2003, this had improved to ratio of one job per one every 1.72 people. As a result, the 3.5% unemployment rate in Cobb County is lower than both the state of Georgia (4.1%) and the United States (5.4%).

Although the top ten major employers in the community account for only 12.8% of all those employed in Cobb County, the national recognition they bring to the County cannot be overstated. There are three Fortune 500 companies that have their headquarters in Cobb County, with 22 international companies having a presence and contributing to our dynamic business environment. The companies include Lockheed Martin, The Home Depot, AT&T, Georgia Pacific and IBM. Breaking ground in 2004, Federal Express began building a new regional package handling facility near McCollum Air Field. This \$80 million project is expected to employ 650 people. Each of these companies represents a different type of commercial enterprise that has found the environment within the County to be conducive to future growth.

According to Woods & Poole Economics, the Atlanta Georgia Metro Statistical Area will generate more jobs than any other Metro Statistical area in the Southeast region over the next two decades. The expected increase in employment will be strong in the manufacturing sector but will also be distributed over several different categories of jobs including transportation, communications, public utilities, retail trade, finance, insurance and real estate. Hartsfield-Jackson International Airport and an extensive road program have made the Atlanta area a hub for distribution facilities and a regional center for commerce and trade in the Southeast.



Employment by Job Category Cobb County

Thousands Source: Woods & Poole, 2004

Job Category	1970	1980	1990	2000	2004
Manufacturing	30	20	23	28	25
Construction	5	9	18	29	37
Transpt/Comm/Utilities	3	6	13	24	26
Wholesale	1	6	25	37	38
Retail	10	25	51	76	83
Financial/Insur/Real Est	4	13	21	33	42
Services	10	24	67	119	140
Government	12	18	28	37	36
Miscellaneous	1	1	3	5	6
Total	76	122	249	388	433

In 2004, the Cobb Galleria Convention Centre celebrated its 10th year of exceptional operation continuing to provide economic growth for Cobb County and the entire region. Over the last ten years, the Cobb Galleria Centre has had a \$1.06 billion economic impact on Cobb County and a \$1.53 billion economic impact on the State of Georgia. Additionally, they have provided an average of 1,705 jobs each year to Cobb County. In fiscal year 2004, they realized an operating profit of over \$1.6 million, twice their operating profit from 2003. This year, the Centre hosted a total of 1,088 events with an attendance of 468,000. In January 2005, they broke ground on a Performing Arts Center that will include a 2,750-seat theatre, 10,000 square feet of meeting space, a 700-seat recital hall and a 200-seat black box teaching theatre. The Performing Arts Center, which will open in 2006, promises to be one of the most spectacular performance theaters in the country.

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. Cobb County's superior service delivery and infrastructure improvements are effectively managed to maintain the lowest comparative property tax burden in the Metro Atlanta area.

<u>Cobb's Number One Priority...Public Safety</u> The Board of Commissioners has always made the safety of Cobb County residents its highest priority. In 2004, the Department of Public Safety joined agreements with both the Georgia Bureau of Investigation and the Georgia Search and Rescue Task Force-Metro. As part of the cooperative agreements, Cobb County received \$750,000 in equipment and training. Public Safety also received over \$3.9 million in Federal Homeland Security grant funds for additional training and equipment making Cobb County better prepared for emergencies and disasters.

<u>Call on 911</u> Cobb County E-911 has state of the art radio and communications systems along with an extensive training program to ensure the integrity of its 911 services. Continued upgrades and higher standards have been rewarded when Cobb County E-911 Communications became the first center of its kind to be nationally accredited by the Commission on Accreditation for Law Enforcement Agencies (CALEA). In 2004, we invested over \$5 million in technological upgrades for E-911 and its 800 MHz radio operating system. These upgrades will provide seamless communications with other agency first responders and will expand the radio system coverage by adding two additional repeater sites where population growth has required consistent public safety service.

<u>Taking the Time to Enjoy Life in Cobb</u> The Cobb County Parks, Recreation and Cultural Affairs Department is a collaborative effort, involving employees and volunteers, government and business, organized sports and art groups, whose primary goal is quality leisure time. In 2004, Cobb County broke ground on a \$3 million aquatic center in South Cobb funded through a Community Development Block Grant. Additionally, we opened the \$650,000 Jean and Elwood Wright Environmental Center on 19 acres of greenspace where Cobb County joined a private-public partnership with the Chattahoochee Nature Center to teach science field study classes.

Moving Forward with Water/Sewer Challenged with meeting the demands of a large growing service area of 340 square miles and more than 660,000 in population, the Cobb County Water System has maintained and expanded their infrastructure while keeping a close eye on the environment. This year the Water System earned numerous awards from the Georgia Water and Pollution Control Association. Also, construction on their largest project, the \$113.5 million Chattahoochee Tunnel was completed in 2004. The deep hard rock tunnel, which is 18 feet in diameter and more than nine miles long, is designed to carry sewerage flows to one of the water reclamation facilities. Operating simultaneously with the tunnel is the \$128 million new, replacement of the R.L. Sutton Water Reclamation Facility. Along with the expansions of the Noonday and Northwest facilities which are expected to be completed in 2005, the Cobb County Water System will have a total wastewater treatment capacity of 132 million gallons a day. This is projected to be sufficient for our needs through 2030. These projects were funded with system development fees and system profits. The Water System uses a 20-Year Financing Plan to help plan the timing of improvement and replacement projects and the funding for those projects. Years of sound fiscal management and strong operational performance combined with advanced planning to support the County's growth and development have earned the Cobb County Water System the first un-enhanced bond rating in the nation of Triple A from all three premier rating agencies.

<u>Road to Progress</u> Cobb County DOT oversees one of Georgia's largest county-owned road networks. Cobb DOT coordinated with the Atlanta Regional Commission and federal and state agencies to produce *Mobility 2030*, the long-range plan for the Atlanta region, containing more than \$50 billion in transportation investments. During this process applications were developed that secured \$3.2 billion of federal grants that will finance many Cobb County transportation projects including roadway, transit, trails, sidewalks and planning projects during the next 25 years.

<u>Georgia's Largest County-Owned Transit System</u> Cobb Community Transit, which began operations in July 1989, continues to meet its goals of providing the citizens of Cobb County with a safe, reliable, attractive and cost effective public transportation system. In 2004, Transit replaced 20 buses with Federal Transit Grants improving reliability and comfort. This gave them the ability to add new routes to better serve the citizens of Cobb County. By continuing to provide a valuable service, CCT experienced a 10% increase in ridership in 2004.

<u>Airport News</u> Cobb County Airport-McCollum Field is one of the busiest single runway airports in Georgia with approximately 110,000 takeoffs and landings per year. For 2004, construction began on a 950 foot runway extension which will upgrade the runway safety overruns to FAA standards in a continuing effort to improve safety and services.

<u>Protection Under the Law</u> Cobb County law enforcement services through the Sheriff's Department and the many Judicial Services provided by the various courts of Cobb County serve its citizens with protection under federal, state and local laws and statutes. Fiscal year 2004 saw continued improvements in the Cobb County Sheriff's offices. The Sheriff's Department is responsible for operating the Adult Detention facility, which installed a 3D facial recognition system at the Detention Center as a means to identify inmates coming into custody and to prevent improper release. In addition, a new judgeship was added to the Cobb County State Court this year along with additional staff members in the Solicitor General's Office to accommodate the added courtroom workload.

FOR THE FUTURE

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 (nongeneral obligation backed) water system in the nation. The quality of our leadership was recognized when our County Manager, David Hankerson, was given the Top County Appointed Official Excellence in Public Service Award from the Carl Vinson Institute of Government.

The major focus of the FY 04 operating budget is to provide continued high service levels in conjunction with continued population growth and the recruitment of quality employees. The capital improvement budget maintains its focus on the Water System and Department of Transportation improvement projects.

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.

Maintaining the high quality of life Cobb residents enjoy today will remain the primary focus of County government as Cobb progresses into the 21st century. As an integral part of the metropolitan Atlanta region, Cobb County works closely, through the ARC (Atlanta Regional Commission) and other agencies, to develop regional solutions to common problems and to plan from a broader perspective for the future.

FINANCIAL HIGHLIGHTS

Cobb County's continued financial strength is clearly indicated in the financial statements presented herein. The financial highlights of the fiscal year include:

<u>Cobb's Triple A Award Reaffirmed!</u> Cobb is among only 1% of counties in the country to have the Triple-Triple A credit rating. That is, a Triple A credit rating from each of the three premier rating agencies. Cobb County's sound financial management, strong economy, low debt burden, conservative leadership, long term strategic financial and capital planning are some positive factors cited by these agencies.

Maintaining Competitive Tax Rates The key to Cobb's balanced budget success has been a strategy designed to keep revenues diversified and less dependent on property taxes while holding down expenditure growth. After reducing the tax millage rate for ten consecutive years, the Board of Commissioners has maintained the millage rate of 9.72 for the past four years. Cobb's property taxes continue to be the lowest of the major metro Atlanta governments. The estimated total value of County property grew from \$61.5 billion in 2003 to \$65.2 billion in 2004, a 6.02% annual growth rate. Property is assessed for tax purposes at 40% of fair market value. Cobb's homeowners also enjoy one of the state's highest homestead exemptions of \$10,000 per residential household. In addition, homeowners can take advantage of the Cobb County Taxpayer Reassessment Relief Act that automatically increases the Homestead Exemption amount in the County General tax by the same amount when a residential property is reassessed at a higher value.

<u>FY 04 Results</u> By maintaining expenditures within budgets, Cobb County finished FY 04 (October 1, 2003 – September 30, 2004) in excellent financial condition.

Improvement Program (CIP) is the primary means for funding General Fund capital needs. As a result of capital expenditure and hiring freezes during FY 2003, Cobb County saw a \$27 million surplus. This surplus was invested into various capital projects resulting in over \$65 million countywide in capital replacement and improvement projects in FY 04. These projects included funding for computer, server and printer replacements; numerous DOT sidewalk, intersection and road improvements in addition to \$3 million dollars in road resurfacing; additional funding for a new regional library, E-911 and 800 MHz technology upgrades and 800 MHz core replacement projects. Projects such as water reclamation facility improvements and expansion, water and sewer main replacements and construction, meter installations, street improvements and utility relocations are the primary reasons Cobb County remains a leader in the metropolitan area.

<u>Biennial Budget</u> Cobb adopted its Biennial Operating Budget for FY 03 and FY 04. This is the fifth two-year budget adopted by the County. Since State Law only allows for the adoption of a single year budget by a local government, the FY 03 budget was adopted and the FY 04 budget was adopted in concept on the same date. However, on September 9, 2003 the amended FY 04 budget was adopted by the Board. The Biennial Budget aids in the planning process, as departments must plan for two years of operating expenditures. Additionally, the Biennial Budget has saved the departments many hours normally reserved for completing budget requests.

<u>Stable, Productive Portfolio</u> Interest revenues derived from the County's temporarily idle funds aggregated \$4.1 million during FY 04. This represents a decrease of \$200,000 from the prior year due to a decline in the short-term interest rates. However, FY 04 results were again in excess of benchmark comparison criteria as established by the County's Investment policy.

FINANCIAL INFORMATION

ACCOUNTING AND BUDGETARY CONTROLS

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

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

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

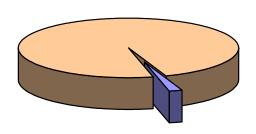
DEBT ADMINISTRATION

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 debt position:

					Debt to	Debt to
]	Debt Per	Actual	Assessed
		Amount		Capita	Value	Value
Net Obligation Direct Debt	\$	48,681,265	\$	72.95	0.07%	0.19%
Direct Debt	Ф	40,001,200	Ф	12.93	0.07 /6	0.19 /0
Total General Obligation						
Direct Debt	\$	50,545,000	\$	75.75	0.08%	0.19%
Net General Obligation						
Direct and Overlapping						
Debt	\$	472,978,140	\$	708.79	0.73%	1.81%

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

97.97 % of Legal Debt Limit -Unused



2.03 % of Legal Debt Limit -Utilized Outstanding General Obligation Bonds at September 30, 2004 totaled \$50,545,000.

Cobb's legal General Obligation Bond debt limitation by state law is 10% of the taxable digest or \$2,491,577,831. Cobb County currently is utilizing 2.03% of this limitation with its \$50,545,000 outstanding General Obligation Bonds.

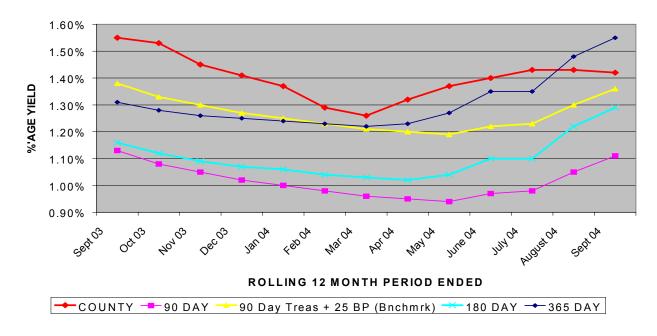
CASH MANAGEMENT

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 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. The Investment Policy also prescribes selection criteria for financial institutions, investment instruments and maturities of investments.

During the year, temporarily idle funds were invested in obligations of the U.S. Treasury, certain governmental agencies, the State of Georgia's Local Government Investment Pool (Georgia Fund 1) and numerous interest-bearing bank accounts. Interest income for FY 04 (excluding the Pension Trust Fund that is externally managed) totaled approximately \$4.1 million, a yield of 1.42%. This compares with the FY 03 results of \$4.3 million and 1.55%, respectively. The decline in interest earnings and yield in FY 04 is attributable to the continued deterioration in the short-term interest rate environment offset by a slight increase in the portfolio. The FY 04 results exceeded the benchmark criteria established by the County's investment policy and are presented on the next page:

(This Area Intentionally Left Blank)

INTEREST YIELD COMPARISON



	<u>FY 04</u>	<u>FY 03</u>
Average Portfolio Balance (in millions)	\$285.6	\$274.8
Average Investment Yield	1.42%	1.55%
Total Investment Earnings (in millions)	\$ 4.1	\$ 4.3

RISK MANAGEMENT

The County Risk Management Division was formed in late 1985. With the erosion of available and affordable insurance, the County became self-funded on claims effective September 1985. Risk Management's goal is to minimize the adverse effects of accidental losses to the County through the process of analyzing loss exposures, determining the best techniques to reduce these exposures, implementing the techniques, and monitoring results. This division of Finance works closely with County attorneys, department heads, and others to communicate and accomplish this objective.

OTHER INFORMATION

INDEPENDENT AUDIT

Georgia Code requires an annual audit of the books of account, financial records, and transactions of all administrative departments of the County by independent certified public accountants selected by the County Board of Commissioners. This requirement has been met and the Auditor's unqualified opinion has been included in this report.

AWARDS

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, 2003. This represented the eighteenth 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.

The County also received its thirteenth consecutive GFOA Award for Distinguished Budget Presentation for its biennial operating budget presented in their FY 03/04 Biennial Budget document. To qualify for the Distinguished Budget Presentation Award, the County's budget document was judged to be proficient in several categories including policy documentation, financial planning, operations guide, and a communications medium.

ACKNOWLEDGEMENTS

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

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

Respectfully submitted,

Brad Bowers, CPA

Director of Finance/Comptroller

Grad Howers

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, 2003

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

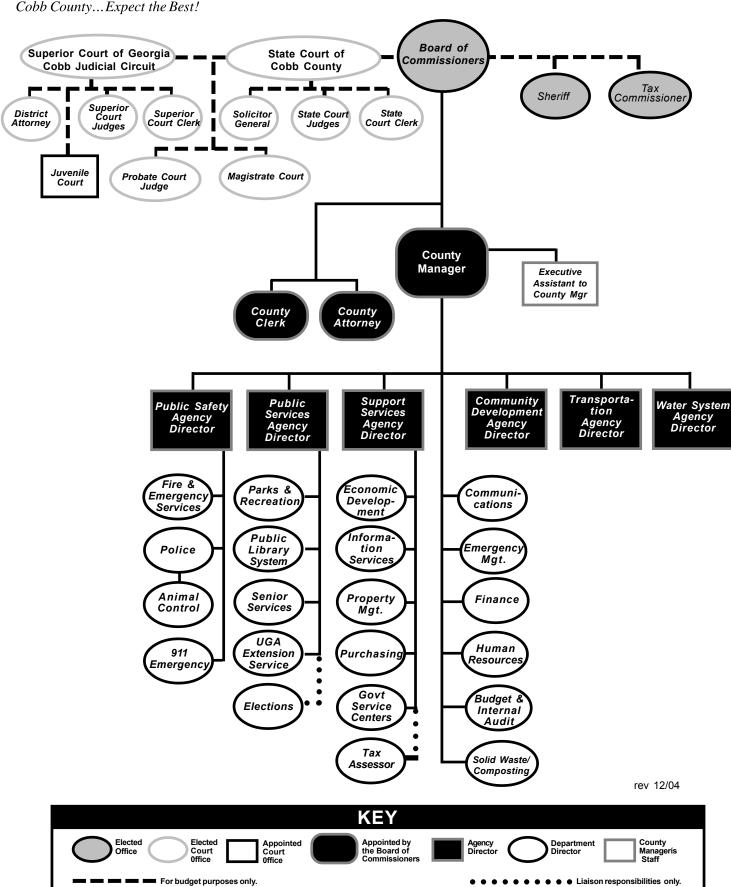
CANDAL DE LA CONTROL DE LA CON

(any L. Ziel President

Executive Director



Cobb County Government Organizational Chart







Helen GorehamCommissioner
District 1



Sam Olens Chairman



Joe L. Thompson Commissioner District 2



Tim LeeCommissioner
District 3



David Hankerson
County Manager
appointed by
Board of Commissioners



G. Woody Thompson, Jr. Commissioner District 4

Cobb County, Georgia

County Manager David Hankerson

Finance Department

Director of Finance/Comptroller	Brad Bowers, CPA
Assistant Comptroller	James Pehrson, CPA
Treasury Division Manager	John Bergey, CPA
Finance Division Manager	Judie Mazih
Risk Manager	Dolly Moy, ARM
Accounting Supervisor	Roxane Rush
Accounting Supervisor	Jennifer Wilson, CPA

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.



Anderson, Hunt & Company, LLC

1100 Circle 75 Parkway, Suite 420 Atlanta, Georgia 30339 (770) 952-6557 (770) 951-2674 fax

Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, 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, 2004, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Cobb County, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the component unit, Cobb County Board of Health, which represent 2% and 48%, respectively, of the assets and revenues of the component units. Those financial statements as of June 30, 2004, were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Cobb County Board of Health is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cobb County, Georgia as of September 30, 2004, and the respective changes in financial position, cash flows, and the respective budgetary comparison for the General Fund and the Special Revenue Funds, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated January 21, 2005 on our consideration of Cobb County, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis (pages 3 through 15), Employees Retirement System – Analysis of Funding Progress, Schedule of Funding Progress (page 82) and the Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund (pages 84 through 90), are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Cobb County, Georgia's basic financial statements. The Comparative Schedule of Revenues, Expenses and Changes in Retained Earnings – Water Sewer Enterprise Fund, Schedule of Projects Constructed with Sales Tax Proceeds, Schedule of Expenditures of Federal Awards as required by US Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and statistical tables and data listed in the Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information, except for the statistical tables and data listed in the Statistical Section, have been subjected to the auditing procedures applied by us and other auditors in the audit of the basic financial statements, and in our opinion, based on our audit and the report of other auditors, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The statistical tables and data listed in the Statistical Section have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Cludenon, Hunt & Company, LLC
Atlanta, Georgia
January 21, 2005



Management's Discussion and Analysis For the Fiscal Year Ended September 30, 2004

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, 2004. This discussion and analysis is designed to look at the County's financial performance as a whole. Readers should also review the additional information provided in the transmittal letter, which can be found preceding this narrative, and with the complete financial statements, with notes, to enhance their understanding of Cobb County's financial performance.

Financial Highlights

Key financial highlights for FY04 are as follows:

- ◆ The County's combined net assets totaled \$3.7 billion. Of this amount, unrestricted net assets of \$4.5 million may be used to meet the government's ongoing obligations to citizens and creditors.
- ◆ Combined Revenue including transfers totaled \$710.1 million of which governmental activities totaled \$488.5 million and business-type activities totaled \$221.6 million.
- Overall expenses totaled \$634.8 million of which governmental activities totaled \$470.8 million and business-type activities totaled \$163.9 million.
- ◆ At the end of September 30, 2004, governmental activities expenses exceeded program revenue, resulting in the use of \$239.3 million in general revenues (mostly taxes).
- ◆ Cobb County's total debt increased by \$77,510,000 (56.2%) during the current fiscal year. The key factor in this increase was the issuance of \$100,000,000 in revenue bonds for the Water System.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Cobb County Government'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.

Management's Discussion and Analysis For the Fiscal Year Ended September 30, 2004

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. The government-wide financial statements include two statements:

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

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

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

The government-wide financial statements include not only Cobb County Government itself but also a legally separate coliseum and exhibit hall and a legally separate board of health for which the government is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

Fund Financial Statements

A Fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other

Management's Discussion and Analysis For the Fiscal Year Ended September 30, 2004

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 has four governmental fund types: the General Fund, Special Revenue Funds, Debt Service Fund and the Capital Projects Funds. Only three individual funds are being considered major funds – the General Fund, the Fire District Fund and the 1994 Road Sales Tax Fund. 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 major funds. Data from the other governmental funds are combined into a single, aggregated presentation based on fund type.

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 six proprietary funds: Water and Sewer Fund, Solid Waste Disposal Fund, Cobblestone Golf Course Fund, Mable House Amphitheatre Fund, Public Transit System Fund and the Claims Internal Service Funds. The Claims Internal Service Funds, which account for services performed by a central service department for other

Management's Discussion and Analysis For the Fiscal Year Ended September 30, 2004

departments or agencies of the governmental unit are comprised of the Health and Dental Fund, the Casualty and Liability Fund, and the Workmen's Compensation Fund. The Water and Sewer Fund is the only one being considered a major fund for presentation purposes.

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.

Component Units

Two component units are included in the financial statements because of their operational and financial relationships to the County. The financial statements include the financial data for the County's component units as reflected in their most recent audited financial statements. The information presented for the Cobb—Marietta Coliseum and Exhibit Hall Authority and the Cobb County Board of Health are as of and for the year ended September 30, 2004 and June 30, 2004, respectively.

Government-wide Financial Analysis

The County's combined net assets (government and business-type activities) totaled \$3.7 billion at the end of September 30, 2004.

The largest portion of the County's net assets (93.2%) reflects its investment in capital assets such as land, buildings, equipment and infrastructure (road, bridges, sidewalks, water lines and sewer lines) less any related debt used to acquire those assets that is still outstanding. Investment in capital assets net of related debt increased by \$29.4 million (.87%) in FY04.

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.

Management's Discussion and Analysis For the Fiscal Year Ended September 30, 2004

Cobb County, Georgia Statement of Net Assets

	Governmental Governmental		Business-type		Business-type			m . 1		T	
	 Activities	_	Activities	Activities Activities Total			Total				
	 2004		2003		2004		2003		2004		2003
Assets:											
Current assets	\$ 256,246,882	\$	261,207,278	\$	60,304,843	\$	67,563,884	\$	316,551,725	\$	328,771,162
Restricted assets - noncurrent	-		-		160,804,569		126,197,518		160,804,569		126,197,518
Capital Assets - net	2,527,969,155		2,503,933,037		1,151,130,407		1,053,506,014		3,679,099,562		3,557,439,051
Unamortized bond costs	 				915,789		680,538		915,789		680,538
Total assets	\$ 2,784,216,037	\$	2,765,140,315	\$	1,373,155,608	\$	1,247,947,954	\$	4,157,371,645	\$	4,013,088,269
Liabilities											
Current liabilities	\$ 100,356,912	\$	106,765,663	\$	56,119,822	\$	77,192,616	\$	156,476,734	\$	183,958,279
Current liabilities (payable from											
restricted assets)	8,552,743		6,077,562		36,468,830		33,957,693		45,021,573		40,035,255
Long-term Liabilities (net)	 80,416,781		75,082,974		201,943,810		114,818,934		282,360,591		189,901,908
Total Liabilities	\$ 189,326,436	\$	187,926,199	\$	294,532,462	\$	225,969,243	\$	483,858,898	\$	413,895,442
Net Assets											
Invested in capital assets,											
net of related debt	\$ 2,462,887,568	\$	2,443,180,328	\$	959,605,058	\$	949,944,450	\$	3,422,492,626	\$	3,393,124,778
Restricted	102,020,091		75,568,888		144,528,897		111,445,686		246,548,988		187,014,574
Unrestricted	29,981,942		58,464,900		(25,510,809)		(39,411,425)		4,471,133		19,053,475
Total net assets	\$ 2,594,889,601	\$	2,577,214,116	\$	1,078,623,146	\$	1,021,978,711	\$	3,673,512,747	\$	3,599,192,827

An additional portion of the County's net assets (6.7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County is able to report positive balances in all three categories of net assets for the governmental activities. However, the business-type activities report positive balances in the net capital asset investments and the restricted assets but report a deficit balance in unrestricted assets. This deficit balance is the result of the application of the generally accepted accounting principles for enterprise funds.

The County's net assets increased by \$74.3 million or 2.0%.

Management's Discussion and Analysis For the Fiscal Year Ended September 30, 2004

Cobb County, Georgia Changes in Net Assets

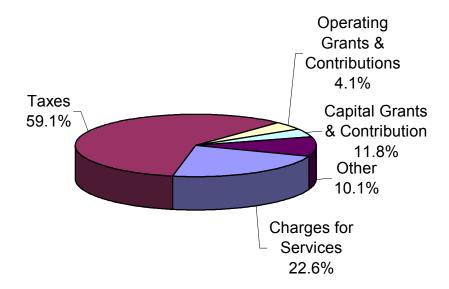
_	Governmental Activities	 Governmental Activities	1	Business-type Activities	 Business-type Activities	Total	 Total
	2004	2003		2004	2003	2004	2003
Revenues:							<u> </u>
Program Revenues:							
Charges for Services	\$ 89,525,482	\$ 90,587,541	\$	153,065,509	\$ 143,934,869	\$ 242,590,991	\$ 234,522,410
Operating Grants & Contrib	16,131,983	8,539,450		-	-	16,131,983	8,539,450
Capital Grants & Contrib	46,758,335	11,975,118		53,387,271	65,726,743	100,145,606	77,701,861
General Revenues:							
Property Taxes	195,394,493	181,170,485		-	-	195,394,493	181,170,485
Other Taxes	37,903,849	36,901,987		-	-	37,903,849	36,901,987
Grants and contributions not						-	-
restricted to specific programs	12,594,993	14,044,620		-	-	12,594,993	14,044,620
Other	9,562,051	29,667,610		3,378,339	2,159,742	12,940,390	31,827,352
Total Revenues	\$ 407,871,186	\$ 372,886,811	\$	209,831,119	\$ 211,821,354	\$ 617,702,305	\$ 584,708,165
Expenses:							
General government	\$ 108,191,828	\$ 99,766,869	\$	-	\$ -	\$ 108,191,828	\$ 99,766,869
Public safety	163,535,307	154,774,012		-	-	163,535,307	154,774,012
Public works	66,385,387	66,256,600		-	-	66,385,387	66,256,600
Health and welfare	5,919,160	4,932,192		-	-	5,919,160	4,932,192
Culture and recreation	30,360,077	28,921,885		-	-	30,360,077	28,921,885
Housing and development	14,232,310	15,213,345		-	-	14,232,310	15,213,345
Interest on long-term debt	3,135,529	3,319,712		-	-	3,135,529	3,319,712
Water and Sewer	-	-		121,115,557	112,023,923	121,115,557	112,023,923
Other Programs	-	-		30,507,230	27,281,769	30,507,230	27,281,769
Total Expenses:	\$ 391,759,598	\$ 373,184,615	\$	151,622,787	\$ 139,305,692	\$ 543,382,385	\$ 512,490,307
Increase in net assets before transfers	\$ 16,111,588	\$ (297,804)	\$	58,208,332	\$ 72,515,662	\$ 74,319,920	\$ 72,217,858
Transfers	1,563,897	226,372		(1,563,897)	(1,290,340)	-	(1,063,968)
Increase in net assets	\$ 17,675,485	\$ (71,432)	\$	56,644,435	\$ 71,225,322	\$ 74,319,920	\$ 71,153,890
Net Assets - beginning	\$ 2,577,214,116	\$ 2,577,285,548	\$	1,021,978,711	\$ 950,753,389	\$ 3,599,192,827	\$ 3,528,038,937
Net Assets - ending	\$ 2,594,889,601	\$ 2,577,214,116	\$	1,078,623,146	\$ 1,021,978,711	\$ 3,673,512,747	\$ 3,599,192,827

Governmental Activities

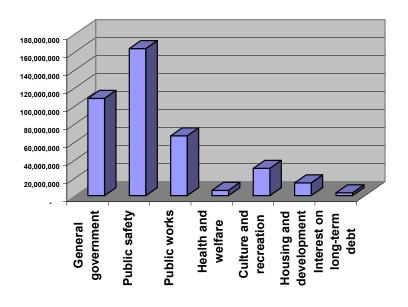
Approximately 59.1% of the County's total revenue came from taxes, while 15.9% resulted from grants and contributions (restricted and non-restricted). Charges for various goods and services provided 22.6% of the total revenues. The County's expenses cover a range of services. The largest expenses are related to providing public safety, which includes the Sheriff's department, Police and Fire, E-911 services, animal control, 800 MHz operations and the Medical Examiner's Office.

At the end of September 30, 2004, governmental activities expenses exceeded program revenues, resulting in the use of \$239.3 million in general revenues (mostly taxes).

Revenues - Governmental Activities FY 2004



Expenses - Governmental Activities FY 2004



Management's Discussion and Analysis For the Fiscal Year Ended September 30, 2004

Business-type Activities

Of the six proprietary Funds, the Water and Sewer Fund is by far the largest, with operating revenues of \$142.0 million earned during FY04. This fund provides for operating of the water distribution system and sewage processing plants.

Net revenues from all business-type activities exceeded net expenses by \$56.6 million. The change in Net Assets before transfers for all business-type activities decreased by \$14.3 million over the change in FY03. Key elements of this decrease are the result of the Water and Sewer Fund receiving less capital grants and contribution in FY04 by \$12.3 million (18.8%). Total operating expenditures increased \$12.3 million (8.8%) from FY03.

Financial Analysis of the County's Individual Funds

Cobb County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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 financial requirements. In particular, the unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The County ended FY04 with strong fund balances in its governmental funds. The combined balance of all the governmental funds is \$139.7 million. Of this total, \$57.8 million or 41.4% constitutes unreserved fund balance, which is available for spending in the coming year. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts, purchase orders and inventories of the prior period (\$4.4 million); 2) to pay debt service (\$1.9 million); 3) to pay for construction and capital outlay (\$74.2 million); or 4) for a variety of other restricted purposes (\$1.5 million).

Major Funds: General Fund

The General Fund is the primary operating fund of the County. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$40.4 million, and total fund balance was \$46.1 million. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 13.2% of total general fund expenditures and total fund balance represents 15.1% of that same amount.

Management's Discussion and Analysis For the Fiscal Year Ended September 30, 2004

The fund balance of the General Fund decreased \$22.2 million (32.5%) in FY04 as the Board of Commissioners made a collaborative effort to appropriate available funds to Capital Projects while maintaining the county's excellent financial position. Key factors to this fund balance decrease are as follows:

Total transfer outs in the General Fund increased \$37.5 million in FY04. This is primarily the result of the Board of Commissioners appropriating the available funds to the Capital Projects Fund during FY04. Such capital projects included: \$3 million in road resurfacing projects; \$1.1 million Atlanta Regional Transportation projects; \$2 million Luther Ward Road; \$2.45 Northwest Corridor Intersection projects; \$3.1 million South Cobb Regional Library; \$2.2 million in various HVAC upgrades and replacements; \$1.7 million 800 MHz Core Replacement; \$1 million Road Sales Tax Program; \$2.3 million for the purchase of the West-Park Plaza; \$1.2 million West-Park Plaza renovation/construction; \$2 million Macland @ Barrett Soccer Field development; \$1.6 million Fire Station 11; \$3.1 million CAD upgrade.

Fire Fund

The Fire Fund is used to account for the operation of the fire departments within the County. The unreserved fund balance for FY04 was \$14.6 million while total fund balance was \$14.8 million. The fund balance increased by only \$29,196 during the current fiscal year. While total assets increased by \$1.9 million, total liabilities decreased by \$1.9 million. Reserved fund balance decreased \$3.9 million (95.2%) in FY04.

Road Sales Tax 1994 Fund

The Road Sales Tax 1994 Fund has total fund balance of \$23.2 million all of which is reserved for the construction and improvement of roads. The net decrease in fund balance during the current year was \$6.9 million as numerous Road Sales Tax projects were completed.

Water and Sewer Fund

Unrestricted net assets of the Water and Sewer Fund at the end of the year amounted to \$28.4 million. Total net assets increased \$52.2 million in FY04.

Nonmajor Funds:

Special Revenue Funds

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

Nonmajor Special Revenue Funds' operating revenue totaled \$37.6 million for the fiscal year ended September 30, 2004. Total revenues increased by \$7.7 million (25.9%), which is primarily due to an increase in intergovernmental revenues in the Grant Fund of

Management's Discussion and Analysis For the Fiscal Year Ended September 30, 2004

\$6.7 million. In FY02, a new fund (Hotel/Motel Tax Fund) was added as a result of the Georgia General Assembly passing the Local Government Uniform Chart of Accounts and Reporting Act (HB 491). This fund accounts for a special taxing district. As a result, 6% of overall taxes are represented by the collections for this special tax.

Operating expenditures of the nonmajor Special Revenue Funds totaled \$38.1 million for the fiscal year ended September 30, 2004. In FY04, total Special Revenue Fund expenditures increased by \$8.4 million (28.1%). This is primarily the result of an increase in expenditures in the Grant Fund of \$7.2 million – due to several new projects: Georgia Regional Transportation Authority project, the Silver Comet Trail, the Sandy Plains Pedestrian Bridge, Runway 9 Safety Over-Run project, and the Universal COPS Program.

The unreserved-undesignated fund balances of the nonmajor Special Revenue Funds totaled \$2.8 million. This was a decrease of \$2.6 million from FY03.

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 \$1.9 million, all of which is reserved for the payment of debt service.

Capital Projects Funds

The County uses Capital Projects Funds to account for the acquisition and construction of major capital facilities that are not financed by Proprietary Funds. The proceeds of General Obligation Bond issues and sales tax revenue are accounted for in the Capital Projects Funds until improvement projects are completed.

There are two nonmajor Capital Projects Funds: Road Sales Tax Extension Fund and the Public Facilities Fund. The nonmajor Capital Projects Funds overall fund balance is \$50.7 million all of which is reserved for specific construction and improvement projects and capital acquisitions.

Capital Projects Funds' revenues totaled \$5.1 million for the fiscal year ended September 30, 2004. Revenues for the Capital Projects Funds increased \$1.5 million (42.8%) in FY04.

Expenditures of the Capital Projects Funds totaled \$35.0 million for the fiscal year ended September 30, 2004. Capital Projects Funds' expenditures increased by \$13.0 million (58.8%) in FY04. This increase is primarily attributable to the start of several new FY04 projects – Sandtown Soccer Field, Cumberland CID Project, South Cobb Regional Library, and E911 & 800 MHz System Technology.

Management's Discussion and Analysis For the Fiscal Year Ended September 30, 2004

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.

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 \$57.1 million (a net loss of \$773 thousand for FY04) due in large part to landfill closure and post-closure costs and operational costs in FY04. 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 Cobblestone Golf Course Fund accounts for the operations and maintenance of the County's course. It ended FY04 with a net income from operations of \$0.4 million. However, overall net income (including non-operating revenues and expenses) was \$0.1 million for FY04. Retained earnings totaled \$1.5 million.

The Mable House Amphitheatre accounts for the operation and maintenance of an outdoor entertainment facility. Operations began in May 2003, and operating revenues of \$0.4 million were generated as of September 30, 2004. FY04 reported a net loss from operations of \$0.8 million. Retained earning totaled \$5.4 million.

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. The Public Transit System Fund's charges for services revenue increased by \$0.1 million (3.6%) from FY03. Total operating expenses increased by \$3.5 million due to increased service hours per weekday for improved customer service and increased costs from additional maintenance and equipment contracts. Retained earnings totaled \$35.0 million at the end of the fiscal year.

General Fund Budgetary Highlights

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each legally adopted annual operating budget is at the category level within departments. The most significant budgeted fund is the General Fund. The Board of Commissioners amended the General Fund budget throughout FY04. The amended budget appropriations totaled \$11.8 million. The most significant expenditure amendments are summarized as follows:

◆ A \$5.9 million increase in Judicial, allocated to various departments for increased personnel service expenses and capital outlay.

Management's Discussion and Analysis For the Fiscal Year Ended September 30, 2004

- ◆ A \$3.1 million in Public Safety also allocated to various departments for increased personnel service expense and capital outlay. The majority of the personnel services are attributed to the Police Department for officers who were hired through grant funds for community policing and then assigned position within the department once the grant ended. Also, there was an increase in the Correction's department personnel services.
- ◆ Culture and Recreation had an increase of \$2.9 million. The library contributed \$0.7 million in personnel services while parks and recreation contributed \$0.6 million in personnel services. Capital outlay also increased in parks and recreation due the new soccer field at Sandtown.

The County's final budget projected a loss of \$39.7 million in the General Fund. In addition, the fund reported an actual deficit of \$25.3 million. This deficit can be attributed to the decision to use prior years fund balance for one-time capital projects.

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, 2004 amounts to \$3.7 billion (net of accumulated depreciation). 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.

The total net increase in the County's investment in capital assets for the current fiscal year was 3.4% (a slight increase for governmental activities of 1.0% and a 9.3% increase for business-type activities). Some of the major capital asset events for the current year include the continued expansion of a tunnel project, continued upgrade and expansion of a water reclamation facility and construction on the replacement of a water reclamation facility. Other capital asset events are a variety of road and bridge construction or reconstruction projects. Additional information on the County's capital assets can be found in Note 6 of the notes to the financial statements of this report.

Long-Term Debt

As of September 30, 2004, Cobb County had a net of \$282.4 million in outstanding long-term debt, which does not include interest expense. Of this amount, \$50.6 million (net of current debt less discount) comprises general obligation debt backed by the full faith and credit of the government and \$187.5 million (net of current debt, bond discount and loss on refunding) in revenue bonds. The County retired \$26.1 million of outstanding bonds in FY04.

Management's Discussion and Analysis For the Fiscal Year Ended September 30, 2004

In December 2003, Cobb County issued Revenue Bonds (\$100,000,000), namely: Cobb County Water & Sewerage Improvement Bonds, Series 2003 for the purpose of providing funds to be used to pay a portion of the costs of certain additions, betterments, replacements, extensions and improvements to the Water System.

In April 2004, Cobb County issued Revenue Bonds (\$34,520,000). 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.

Additional information on Cobb County's long-term debt can be found in Note 10 of the Basic Financial Statements section of this report.

Economic Factors

During the last eight years, Cobb County has maintained its Tripe-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 and has increased the reserves so that we can remain a leader and provide the best place to live, work and play.



Cobb County, Georgia Statement of Net Assets September 30, 2004

							Componen	t Uı	nits
						_	Cobb-Marietta		Cobb County
	_	Primary (Coliseum and		Board of
	•	Governmental	Business-type				Exhibit Hall		Health
		Activities	 Activities		Total	_	September 30, 2004		June 30, 2004
Assets									
Cash and cash equivalents	\$	63,151,668	\$ 25,432,714	\$	88,584,382	\$, ,	\$	2,286,096
Investments, at fair value		14,508,724	8,186,227		22,694,951		72,176,275		250 425
Receivables, net		167,732,608	21,597,788		189,330,396		2,094,191		258,435
Internal balances		1,230,741	(1,230,741)				-		-
Due from external parties		45,109	10,756		55,865		-		-
Due from other governments and agencies		8,524,678	4,812,867		13,337,545		-		564,460
Due from other governments and agencies Inventories					2,385,759		79,723		156,942
Prepaid items and other assets		998,338 55,016	1,387,421 107,811		162,827		72,924		130,942
Restricted assets - noncurrent		33,010					104,524		-
Capital assets - (net of accumulated		-	160,804,569		160,804,569		104,324		-
*									
depreciation): Land		727 719 091	52 902 120		700 (11 220		26 905 710		
		736,718,081	52,893,139		789,611,220		36,805,719		-
Buildings and structures		214,246,545	369,428,861		583,675,406		50,820,323		-
Improvements other than buildings		5,846,507	- 22 274 766		5,846,507		2 202 170		412.402
Machinery and equipment		38,086,051	23,274,766		61,360,817		2,392,170		412,482
Infrastructure		1,496,698,302	390,438,048		1,887,136,350		-		-
Construction in progress		36,373,669	315,095,593		351,469,262		1,915,332		-
Unamortized bond costs	_		 915,789	_	915,789	_	340,108		-
Total assets	\$	2,784,216,037	\$ 1,373,155,608	\$	4,157,371,645	\$	179,693,097	\$	3,678,415
Liabilities									
Bank overdraft	\$	596,587	\$ 857,549	\$	1,454,136	\$	-	\$	-
Accounts payable		13,643,720	11,376,888		25,020,608		365,083		385,608
Accrued liabilities		2,679,662	2,301,071		4,980,733		813,284		552,338
Due to primary government		-	-				284,174		· -
Due to others		5,221,099	1,062,624		6,283,723		214,143		419,685
Due to external parties		2,448,222	200,347		2,648,569		· -		-
Customer deposits		-	3,474,194		3,474,194		_		-
Claims and judgments		13,708,860	· · · ·		13,708,860		-		-
Due to restricted assets		· · ·	36,626,842		36,626,842		-		-
Notes payable - current		59,662,476	103,575		59,766,051		-		-
Capital lease payable - current		165,000	100,058		265,058		_		_
Deferred revenue		2,231,286	16,674		2,247,960		886,095		_
Current liabilities (payable from restricted assets))				, ,		,		
Retainage due on contracts		1,738,618	17,171,214		18,909,832		_		_
Arbitrage liability		-	54,882		54,882		_		-
Accrued bond interest		1,234,125	2,192,734		3,426,859		2,531,031		-
Bonds payable		5,580,000	17,050,000		22,630,000		2,855,000		-
Long-term Liabilities		-,,	,,		,,		_,,,,,,,,		
Capital lease payable (net of current portion)		18,862,239	_		18,862,239		_		_
Compensated absences		15,335,194	420,925		15,756,119		9,359		92,188
Closure and postclosure care		-	27,147,594		27,147,594		-		,2,100
Notes payable (net of current portion)		_	136,615		136,615		_		_
Bonds payable (net of current portion)		46,219,348	174,238,676		220,458,024		138,260,419		_
Total liabilities	\$	189,326,436	\$ 294,532,462	\$	483,858,898	\$	146,218,588	\$	1,449,819
Net Assets									
Invested in capital assets,									
net of related debt	\$	2,462,887,568	\$ 959,605,058	\$	3,422,492,626	\$	14,465,644	\$	412,482
Restricted for:									
Capital projects		50,451,748	139,597,129		190,048,877		12,720,074		_
Debt service		2,199,931	4,931,768		7,131,699		5,553,377		_
Road projects		23,412,448	-		23,412,448		-,,-//		_
Other purposes		25,955,964	_		25,955,964		_		303,383
Unrestricted		29,981,942	(25,510,809)		4,471,133		735,414		1,512,731
Total net assets	\$	2,594,889,601	\$ 1,078,623,146	\$	3,673,512,747	\$	33,474,509	\$	2,228,596

Cobb County, Georgia Statement of Activities For the Year Ended September 30, 2004

Net (Expense) Revenue and Changes in Net Assets Component Units **Program Revenues** Cobb-Marietta Cobb County Operating Capital **Primary Government** Coliseum and Board of Grants and Governmental Business-type Exhibit Hall Health Charges for Grants and Functions/Programs Contributions Contributions Activities September 30, 2004 June 30, 2004 Expenses Services Activities Total Primary Government Governmental Activities: 49,574,327 \$ (55,063,730) \$ (55,063,730) \$ General government 108,191,828 \$ 3,553,771 \$ 163,535,307 1,509,417 (148,909,332) Public safety 12,138,789 977,769 (148,909,332) 42,225,407 Public works 66,385,387 4,463,356 (19,696,624) (19,696,624) 1.734.709 Health and welfare 5,919,160 72.894 (4,111,557) (4,111,557) Culture and recreation 30,360,077 3,078,532 997,499 2,517,658 (23,766,388) (23,766,388) Housing and development 14.232.310 20.197.584 8,336,587 1,037,501 15.339.362 15.339.362 Interest on long-term debt 3,135,529 (3,135,529) (3,135,529) Total governmental activities 391,759,598 89,525,482 16,131,983 46,758,335 (239,343,798) (239,343,798) Business-type activities: Water and Sewer 121,115,557 141,959,651 42,629,015 63,473,109 63,473,109 Other Programs 30,507,230 11,105,858 10,758,256 (8,643,116) (8,643,116) 153,065,509 53,387,271 54,829,993 54,829,993 Total business-type activities 151,622,787 _ 543,382,385 242,590,991 16,131,983 100,145,606 (239,343,798) \$ 54,829,993 (184,513,805) \$ Total primary government Component Units Cobb-Marietta Coliseum and Exhibit Hall Authority 12,100,687 \$ 9,435,984 \$ 22,630,884 \$ \$ \$ \$ - \$ (1,094,213) \$ Cobb County Board of Health 19.642.236 2,396,710 17,741,841 496.315 Total component units 42.273.120 \$ 14.497.397 \$ 27,177,825 (1,094,213) \$ 496.315 General revenues: Property taxes 195,394,493 \$ 195,394,493 \$ Sales taxes 485,445 485,445 Insurance premium tax 17,352,880 17,352,880 Alcoholic beverage tax 4,548,280 4,548,280 Hotel/Motel tax 3,038,009 3,038,009 Real Estate Transfer tax 1,908,363 1,908,363 Miscellaneous taxes 10,570,872 10.570.872 Miscellaneous 7,651,872 7,651,872 Grants and contributions not restricted to specific programs 12.594.993 12.594.993 Special item - Gain (loss) on sale of capital assets 166,281 985,040 1,151,321 Increase/decrease in fair market value (1,319)(2,543)(3,862)Unrestricted investment earnings 1,745,217 2,395,842 4,141,059 733,522 Other 230,996 Transfers 1,563,897 (1,563,897) 257,019,283 1,814,442 258,833,725 Total general revenues and transfers 964,518 Change in net assets 17,675,485 56,644,435 74.319.920 (129.695) 496.315 Net assets - beginning of year 2,577,214,116 1,021,978,711 3,599,192,827 33,604,204 1,732,281 Net assets - end of year 2,594,889,601 1,078,623,146 3,673,512,747 \$ 33,474,509 2,228,596

Cobb County, Georgia Governmental Funds Balance Sheet September 30, 2004

		General Fund		Fire District Fund		Road Sales Tax Fund 1994		Other Governmental Funds		Total Governmental Funds
Assets										
Cash and cash equivalents Equity in pooled investments, at fair value	\$	17,577,844 4,780,757	\$	4,257,861 698,558	\$	18,724,937 5,842,237	\$	21,619,620 1,820,072	\$	62,180,262 13,141,624
Receivables, net Taxes and penalties		114,798,705		43.488.484		_		4.419.450		162,706,639
Accrued interest		15,496		242		-		4,419,430		16,154
Other		1,597,113		25,088		_		2,687,200		4,309,401
Due from other funds		3,285,256		-		114,000		41,865,644		45,264,900
Due from component unit		-		-		-		-		-
Due from others		167,104		-		-		183,522		350,626
Due from other governments and agencies		961,241		-		634,041		6,623,870		8,219,152
Advances to other funds		1,476,219		-		-		-		1,476,219
Inventories		998,338		-		-		-		998,338
Prepaid items and other assets	•	43,805	•	3,893	•	25 215 215	6	5,490	•	53,188
Total assets	3	145,701,878	3	48,474,126	2	25,315,215	\$	79,225,284	\$	298,716,503
Liabilities and Fund Balances Liabilities:										
Bank overdraft	\$	-	\$	-		-	\$	596,587	\$	596,587
Accounts payable		2,461,390		762,957		1,944,572		8,364,174		13,533,093
Retainage payable		-		-		194,952		1,543,666		1,738,618
Accrued liabilities		2,014,728		487,920		-		141,223		2,643,871
Due to other funds		43,608,019		6,626,210		-		3,595,429		53,829,658
Due to others		6,432,741		102,030		-		368,768		6,903,539
Due to component unit-Cobb Marietta		720.057								720.057
Coliseum & Exhibit Hall Authority Notes payable		729,957 36,599,670		23,062,806		-		-		729,957 59,662,476
Accrued interest payable		352,833		222,333		-		658,959		1,234,125
Capital lease payable - current		332,833		-		_		165,000		165,000
Bonds payable (due within one year)		_		_		_		5,580,000		5,580,000
Deferred revenue		7,430,816		2,406,011		-		2,567,482		12,404,309
Total liabilities	\$	99,630,154	\$	33,670,267	\$	2,139,524	\$	23,581,288	\$	159,021,233
Fund Balances:										
Reserved for encumbrances	\$	3,114,153	\$	191,454	\$	-	\$	-	\$	3,305,607
Reserved for inventories and prepaid items		1,042,143		3,893		-		1,375		1,047,411
Reserved for advances		1,476,219		-		23,175,691		-		1,476,219
Reserved for construction and capital outlay Reserved for debt service		-		-		23,173,091		50,988,864 1,863,735		74,164,555 1,863,735
Unreserved, reported in:		-		-		-		1,805,755		1,005,755
General Fund		40,439,209		_		_		_		40,439,209
Fire District Fund		-		14,608,512		_		_		14,608,512
Special Revenue Funds		-		-		-		2,790,022		2,790,022
Total fund balances	\$	46,071,724	\$	14,803,859	\$	23,175,691	\$	55,643,996	\$	139,695,270
Total liabilities and fund balances	\$	145,701,878	\$	48,474,126	\$	25,315,215	\$	79,225,284	\$	298,716,503
			To	tal fund balance	s - go	vernmental fun	ds		\$	139,695,270
Amounts reported for governmental activities are different because: Capital assets used in governmental ac										
resources and, therefore, are not r Other long-term assets are not availab	eporte le to p	d in the funds. ay for current-pe								2,527,923,706
expenditures and, therefore, are d Internal service funds are used by man to individual funds. The assets an	nagem d liabil	ent to charge the ities of the interna	al serv	rice						10,173,023
funds are included in governmenta Long-term liabilities, including bonds period and therefore are not repor	payab	le, are not due in								(2,485,617) (80,416,781)
Net assets of governmental activities	111	runus.							•	2,594,889,601
rect assets of governmental activities									φ	2,077,007,001

Cobb County, Georgia Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances For the Fiscal Year Ended September 30, 2004

		General Fund		Fire District Fund		Road Sales Tax Fund 1994		Other Governmental Funds		Total Governmental Funds
Revenues:	_		_				_		_	
Taxes	\$	169,542,862	\$	54,560,647	\$	485,445	\$	9,323,568	\$	233,912,522
Licenses and permits Intergovernmental		20,081,455 11,675,835		2,873,806		- 2,943,767		27,530,951		20,081,455 45,024,359
Charges for services		42,245,566		2,600		2,943,707		9,633,668		51,881,834
Fines and forfeits		15,318,836		2,000		-		1,462,915		16,781,751
Interest earned		1,006,989		156,599		329,876		186,026		1,679,490
Contributions		1,000,767		130,377		100,000		130,213		230,213
Increase (decrease) in fair value of investments		_		_		(1,319)		-		(1,319)
Miscellaneous		3,718,797		448,357		1,834,926		2,558,068		8,560,148
Total revenues	\$	263,590,340	\$	58,042,009	\$	5,692,695	\$	50,825,409	\$	378,150,453
Expenditures:										
Current:										
General government	\$	97,229,395	\$	-	\$	-	\$	11,670,141	\$	108,899,536
Public safety		92,782,490		54,310,776		-		17,346,455		164,439,721
Public works		16,510,375		-		11,240,114		19,670,655		47,421,144
Health and welfare		-		-		-		5,118,992		5,118,992
Culture and recreation		26,426,979		-		-		6,618,364		33,045,343
Housing and development Debt service:		6,516,242		-		-		10,885,345		17,401,587
Principal retirement		392,146						7,222,471		7.614.617
Interest and fiscal charges		392,146		163,067		-		2,843,369		7,614,617 3,310,637
interest and fiscal charges		304,201		103,007	-	<u>-</u>	_	2,843,309	_	3,310,037
Total expenditures	\$	240,161,828	\$	54,473,843	\$	11,240,114	\$	81,375,792	\$	387,251,577
Excess (deficiency) of revenues										
over (under) other expenditures	\$	23,428,512	\$	3,568,166	\$	(5,547,419)	\$	(30,550,383)	\$	(9,101,124)
Other financing sources (uses):										
Transfers in	\$	18,970,919	\$	77,088	\$	114,000	\$	61,467,282	\$	80,629,289
Transfers out		(64,271,674)		(3,616,058)		(1,438,198)		(9,256,715)		(78,582,645)
Capital lease proceeds		774,553		-		-		11,570,417		12,344,970
Expense transfer out - Component Unit		(1,053,214)		-			_		_	(1,053,214)
Total other financing sources (uses)	\$	(45,579,416)	\$	(3,538,970)	\$	(1,324,198)	\$	63,780,984	\$	13,338,400
Excess (deficiency) of revenues and other sources over (under) expenditures and										
other uses	\$	(22,150,904)	\$	29,196	\$	(6,871,617)	\$	33,230,601	\$	4,237,276
Fund balance at beginning of year		68,222,628	_	14,774,663		30,047,308		22,413,395	_	135,457,994
Fund balances at end of year	\$	46,071,724	\$	14,803,859	\$	23,175,691	\$	55,643,996	\$	139,695,270

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, 2004

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ 4,237,276
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 were less than depreciation in the current period.	(5.989,808)
	(3,767,606)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(614,180)
The net effect of various miscellaneous transactions involving capital assets (sales and donations) is to increase net assets.	30,041,205
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while payment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(5,333,807)
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.	(4,665,201)
Changes in net assets of governmental activities.	\$ 17,675,485

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, 2004

								Variance with Final Budget -
		Budgeted	Amou					Positive
_		Original		Final	-	Actual		(Negative)
Revenues:	Φ.	172 (52 070	•	170 200 040	•	160 540 060	Φ.	(0.766.070)
Taxes	\$	173,652,970	\$	179,308,940	\$	169,542,862	\$	(9,766,078)
Licenses and permits		17,490,841		19,401,092		20,081,455		680,363
Intergovernmental		1,873,160		3,406,145		11,675,835		8,269,690
Charges for services Fines and forfeits		38,719,138		40,131,929		42,245,566		2,113,637
		13,286,699		14,312,232		15,318,836		1,006,604
Interest earned		550,000		550,000		1,006,989		456,989
Miscellaneous		1,516,507		2,898,970		3,718,797		819,827
Total revenues	\$	247,089,315	\$	260,009,308	\$	263,590,340	\$	3,581,032
Expenditures:								
Current:								
General government	\$	99,310,609	\$	105,777,985	\$	98,780,386	\$	6,997,599
Public safety		91,988,690		95,052,193		93,089,633		1,962,560
Public works		17,766,140		17,847,641		17,605,643		241,998
Culture and recreation		25,049,349		27,906,935		26,587,730		1,319,205
Housing and development		6,573,277		6,882,902		6,516,242		366,660
Debt service:								
Principal retirement		403,609		403,609		392,146		11,463
Interest and fiscal charges		1,310,151		343,147		304,201		38,946
Total expenditures	\$	242,401,825	\$	254,214,412	\$	243,275,981	\$	10,938,431
Excess of revenues over expenditures	\$	4,687,490	\$	5,794,896	\$	20,314,359	\$	14,519,463
Other financing sources (uses):								
Transfers in	\$	18,186,777	\$	18,959,438	\$	18,970,919	\$	11,481
Transfers out	Ф	(24,504,948)	Ψ	(64,139,279)	Ψ	(64,271,674)	Ψ	(132,395)
Expense transfers out - Component Unit		(1,053,214)		(1,053,214)		(1,053,214)		(132,373)
Capital lease proceeds		-		774,553		774,553		
Total other financing sources (uses)	\$	(7,371,385)	\$	(45,458,502)	\$	(45,579,416)	\$	(120,914)
Excess (deficiency) of revenues and other								
sources over expenditures and other uses	\$	(2,683,895)	\$	(39,663,606)	\$	(25,265,057)	\$	14,398,549
other uses	Ψ	(2,003,073)	Ψ	(37,003,000)	Ψ	(23,203,037)	Ψ	14,370,347
Fund balances at beginning of year						68,222,628		
Fund balances at end of year - budgetary basis					\$	42,957,571		
Reconciliation to GAAP basis: Elimination of encumbrances outstanding at								
end of year						3,114,153		
Fund balances at end of year - GAAP basis					\$	46,071,724		

Cobb County, Georgia

Fire District Special Revenue Fund

Schedule of Revenues, Expenditures and

Changes in Fund Balance - Budget and Actual (Budgetary Basis) For the Fiscal Year Ended September 30, 2004

		Budgeted	l Amou	nts				Variance with Final Budget - Positive
		Original		Final		Actual		(Negative)
Revenues:								
Taxes	\$	53,501,216	\$	53,501,216	\$	54,560,647	\$	1,059,431
Intergovernmental		3,100		3,100		2,873,806		2,870,706
Charges for services		5,000		5,000		2,600		(2,400)
Interest earned		120,000		120,000		156,599		36,599
Miscellaneous		2,500		2,500		448,357		445,857
Total revenues	\$	53,631,816	\$	53,631,816	\$	58,042,009	\$	4,410,193
Expenditures:								
Current:								
Personal services	\$	40,463,540	\$	41,472,113	\$	40,412,144	\$	1,059,969
Operating expenditures		7,186,988		7,525,636		7,934,765		(409,129)
Capital outlay		3,999,607		9,079,711		6,155,321		2,924,390
Debt service:								
Interest and fiscal charges		884,000		884,000		163,067		720,933
Total expenditures	\$	52,534,135	\$	58,961,460	\$	54,665,297	\$	4,296,163
Excess of revenues over expenditures	\$	1,097,681	\$	(5,329,644)	\$	3,376,712	\$	8,706,356
Other financing sources (uses):								
Transfers in	\$	_	\$	77,088	\$	77,088	\$	
Transfers out	\$	(1,097,681)	\$	(3,737,777)	\$	(3,616,058)	\$	121,719
Transfers out	Ψ	(1,077,001)	Ψ	(3,737,777)	Ψ	(3,010,030)	Ψ	121,717
Total other financing sources (uses)	\$	(1,097,681)	\$	(3,660,689)	\$	(3,538,970)	\$	121,719
Excess (deficiency) of revenues and other sources over (under) expenditures								
and other uses	\$	-	\$	(8,990,333)	\$	(162,258)	\$	8,828,075
Fund balance at beginning of year						14,774,663		
Fund balance at end of year - budgetary basis					\$	14,612,405		
Reconciliation to GAAP basis: Elimination of encumbrances outstanding at end of year						191,454		
Fund balance at end of year - GAAP basis					\$	14,803,859		

Cobb County, Georgia Proprietary Funds Statement of Net Assets September 30, 2004

	Business-type Activities - Enterprise Funds							Governmental	
				Other				Activities -	
		Water and		Enterprise				Internal Service	
		Sewer Fund		Funds		Total		Funds	
Assets									
Current assets:									
Cash	\$	24,207,437	\$	1,225,277	\$	25,432,714	\$	971,406	
Equity in pooled investments, at									
fair value		7,615,921		570,306		8,186,227		1,367,100	
Receivables:									
Accounts (net of allowance for uncollectibles)		12,888,088		263,281		13,151,369		-	
Accrued interest		178		-		178		-	
Other		8,380,159		66,082		8,446,241		700,414	
Due from other funds		27,255,857		-		27,255,857		8,498,714	
Due from others		-		10,756		10,756		9	
Due from other governments		112,105		4,700,762		4,812,867		-	
Inventories		1,387,421		-		1,387,421		-	
Other current assets		107,072		739		107,811		1,828	
Total current assets	\$	81,954,238	\$	6,837,203	\$	88,791,441	\$	11,539,471	
Noncurrent assets:									
Restricted assets, cash and investments:									
Revenue bond construction account	\$	110,373,718	\$	3.104.790	\$	113,478,508	\$	_	
Revenue bond debt service account	,	6,767,068	•	56,054	•	6,823,122	•	_	
Revenue bond contingency (renewal and		.,,		,		-,,			
replacement account)		43,344,717				43,344,717			
Total restricted assets	\$	160,485,503	\$	3,160,844	\$	163,646,347	\$		
Property, plant and equipment:									
Land and improvements	\$	39,145,033	\$	13,748,106	\$	52,893,139	\$	_	
Buildings and structures	Ψ	12,053,309	Ψ.	35.056.139	•	47,109,448	Ψ	_	
Sewerage plants		467,219,358		-		467,219,358		_	
Water lines and meters		249,658,492		_		249,658,492		_	
Sewerage lines		342,418,347		_		342,418,347		_	
Machinery and equipment		28,033,029		43,649,116		71,682,145		150,021	
Construction in progress		315,095,593		-		315,095,593			
2000-2010-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-	\$	1,453,623,161	\$	92,453,361	\$	1,546,076,522	\$	150,021	
Less: accumulated depreciation		(361,455,811)		(33,490,304)		(394,946,115)		(104,572)	
Net property, plant and equipment	\$	1,092,167,350	\$	58,963,057	\$	1,151,130,407	\$	45,449	
Total noncurrent assets	\$	1,252,652,853	\$	62,123,901	\$	1,314,776,754	\$	45,449	
Other assets:									
Unamortized bond costs	\$	709,593	\$	206,196	\$	915,789	\$		
Total assets	\$	1,335,316,684	\$	69,167,300	\$	1,404,483,984	\$	11,584,920	

Continued on next page.

Cobb County, Georgia Proprietary Funds Statement of Net Assets September 30, 2004

	Business-type Activities - Enterprise Funds							Governmental	
		Water and Sewer Fund		Other Enterprise Funds		Total	1	Activities - Internal Service Funds	
Liabilities and Fund Equity		Sewei Fund		Tulius		Total		Tunus	
Liabilities:									
Current liabilities (payable from current assets):									
Bank overdraft	\$	-	\$	857,549	\$	857,549	\$	-	
Accounts payable		10,754,304		1,784,594		12,538,898		110,627	
Accrued liabilities		997,056		142,005		1,139,061		35,791	
Due to other funds		911,106		28,941,051		29,852,157		179,434	
Customer deposits		3,474,194		-		3,474,194		-	
Due to other governments		1,056,076		6,548		1,062,624		-	
Due to others		185,435		14,912		200,347		35.825	
Due to restricted assets		36,626,842		-		36,626,842		-	
Deferred revenues				16,674		16,674		_	
Capital lease payable		_		100,058		100,058		_	
Note payable		_		103,575		103,575		_	
Estimated liability for claims and judgements				105,575		105,575		13,708,860	
Total current liabilities (payable from					-			13,700,000	
current assets)	\$	54,005,013	\$	31,966,966	\$	85,971,979	\$	14,070,537	
,	<u> </u>	34,003,013	J.	31,900,900	3	63,971,979	Þ	14,070,337	
Current liabilities (payable from restricted assets):									
Retainage due on contracts	\$	17,171,214	\$	-	\$	17,171,214	\$	-	
Arbitrage liability		54,882		-		54,882		-	
Accrued revenue bond interest		1,835,300		357,434		2,192,734		-	
Current portion of revenue bonds		15,425,000		1,625,000		17,050,000		-	
Total current liabilities (payable from									
restricted assets)	\$	34,486,396	\$	1,982,434	\$	36,468,830	\$		
Long-term liabilities:									
Revenue bonds (net of current portion,									
bond discount, and loss on refunding)	\$	152,517,092	\$	21,721,584	\$	174,238,676	\$	_	
Accrued vacation payable	Ψ	307,234	Ψ	113,691	Ψ	420,925	Ψ	_	
Closure and postclosure care		507,254		27,147,594		27,147,594			
Advances from other funds		_		1,476,219		1,476,219		_	
Note payable (net of current portion)		-		136,615		136,615		-	
Note payable (net of current portion)						130,013		<u> </u>	
Total long-term liabilities	\$	152,824,326	\$	50,595,703	\$	203,420,029	\$		
Total liabilities	\$	241,315,735	\$	84,545,103	\$	325,860,838	\$	14,070,537	
Net Assets									
Invested in capital assets, net of related debt	\$	924,225,258	\$	35,379,800	\$	959,605,058	\$	45,449	
Restricted for:		, , , , , ,		,,		, , , , , , , , , , , , , , , , , , , ,		.,	
Capital projects		136,492,339		3,104,790		139,597,129		_	
Debt service		4,931,768		-,,,		4,931,768		_	
Other purposes		-,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		_		-,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		(2,531,066)	
Total restricted assets		141,424,107		3,104,790	-	144,528,897		(2,531,066)	
Unrestricted assets		28,351,584		(53,862,393)		(25,510,809)		(2,331,000)	
Total net assets	<u></u>	1,094,000,949	\$	(15,377,803)	\$	1,078,623,146	\$	(2,485,617)	
1 Otal fiel assets	3	1,074,000,747	φ	(13,377,003)	Ф	1,070,023,140	Ф	(2,403,017)	

Continued from preceding page.

Cobb County, Georgia Proprietary Funds Combining Statement of Revenues, Expenses and Changes in Fund Net Assets For the Fiscal Year Ended September 30, 2004

		Busines	ss-typ	e Activities - Ente	erprise l	Funds	Governmental	
		Water and		Other Enterprise	•	Table	In	Activities - ternal Service
Operating revenues:	_	Sewer Fund		Funds		Total		Funds
Charges for services	\$	141,787,043	\$	11,007,483	\$	152,794,526	\$	38,881,957
Miscellaneous income		172,608	_	98,375		270,983		-
Total operating revenues	\$	141,959,651	\$	11,105,858	\$	153,065,509	\$	38,881,957
Operating expenses:								
Personnel services	\$	20,829,002	\$	3,519,672	\$	24,348,674	\$	367,207
Other operating expenses		67,170,835		20,245,013		87,415,848		4,553,326
Benefits and claims		-		-	-	<u>-</u>		38,194,327
Total operating expenses	\$	87,999,837	\$	23,764,685	\$	111,764,522	\$	43,114,860
Operating income (loss)								
before depreciation	\$	53,959,814	\$	(12,658,827)	\$	41,300,987	\$	(4,232,903)
Less depreciation		(26,739,129)		(5,187,314)		(31,926,443)		(15,280)
Operating income (loss)	\$	27,220,685	\$	(17,846,141)	\$	9,374,544	\$	(4,248,183)
Nonoperating revenues (expenses):								
Interest income	\$	2,296,189	\$	99,653	\$	2,395,842	\$	66,053
Intergovernmental		13,475,480		10,758,256		24,233,736		-
Interest and fiscal charges		(6,376,591)		(1,532,938)		(7,909,529)		-
Amortization of bond costs		-		(22,293)		(22,293)		-
Decrease in fair value of investments		(2,525)		(18)		(2,543)		(325)
Loss from sale of fixed assets		1,012,237		(27,197)		985,040		
Total nonoperating revenues (expenses)	\$	10,404,790	\$	9,275,463	\$	19,680,253	\$	65,728
Net income (loss) before transfers								
and capital contributions	\$	37,625,475	\$	(8,570,678)	\$	29,054,797	\$	(4,182,455)
Capital contributions	\$	29,153,535	\$		\$	29,153,535	\$	
Total capital contributions	\$	29,153,535	\$	-	\$	29,153,535	\$	
Transfers:								
Transfers in	\$	5,020,711	\$	13,269,377	\$	18,290,088	\$	-
Transfers out		(19,614,179)	_	(239,806)		(19,853,985)		(482,746)
Total transfers	\$	(14,593,468)	\$	13,029,571	\$	(1,563,897)	\$	(482,746)
Changes in net assets	\$	52,185,542	\$	4,458,893	\$	56,644,435	\$	(4,665,201)
Fund net assets - beginning	\$	1,041,815,407	\$	(19,836,696)	\$	1,021,978,711	\$	2,179,584
Fund net assets - ending	\$	1,094,000,949	\$	(15,377,803)	\$	1,078,623,146	\$	(2,485,617)

Cobb County, Georgia Proprietary Funds Combining Statement of Cash Flows For the Fiscal Year Ended September 30, 2004

		unds		Governmental				
				Other				Activities -
		Water and		Enterprise				Internal Service
		Sewer Fund		Funds		Total		Funds
Cash flows from operating activities:								
Cash received from customers	\$	137,421,691	\$	7,929,114	\$	145,350,805	\$	37,705,793
Cash payments for goods and services		(76,741,089)		(19,716,216)		(96,457,305)		(4,533,379)
Cash payments for employee services								
and fringe benefits		(20,572,959)		(3,484,055)		(24,057,014)		(355,408)
Cash payments for benefits and claims		<u> </u>	-				_	(35,717,321)
Net cash from operating activities	\$	40,107,643	\$	(15,271,157)	\$	24,836,486	\$	(2,900,315)
Cash flows from noncapital financing activities:								
Operating transfers in	\$	5,020,711	\$	13,072,558	\$	18,093,269	\$	-
Operating transfers out		(19,614,179)		(239,806)		(19,853,985)		(482,746)
Federal/State Grants		-		10,758,257		10,758,257		-
Net interfund borrowings (repayments)		_		-		-		_
Net cash from noncapital							-	
financing activities	\$	(14,593,468)	\$	23,591,009	\$	8,997,541	\$	(482,746)
Cash flows from capital and								
related financing activities:								
Principal payments on notes payables	\$	_	\$	(98,749)	\$	(98,749)	\$	-
Proceeds from outside contributions		13,475,480		-		13,475,480		_
Payments on capital leases		-		(113,862)		(113,862)		-
Proceeds from sale of fixed assets		1,860,942		-		1,860,942		-
Payments for capital acquisitions		(91,682,986)		(8,145,847)		(99,828,833)		(294)
Bond principal payments		(14,510,000)		(1,535,000)		(16,045,000)		(2).)
Proceeds from bond issuance		102,654,153		(1,555,000)		(10,015,000)		_
Cost of bond issuance		(231,654)		_		(231,654)		_
Bond interest and fiscal charges		(4,612,903)		(1,506,510)		(6,119,413)		
Bond interest and fiscal charges		(4,012,703)		(1,500,510)		(0,117,415)		
Net cash from capital and related								
financing activities	\$	6,953,032	\$	(11,399,968)	\$	(107,101,089)	\$	(294)
Cash flows from investing activities:								
Proceeds from investment maturities	\$	-	\$	(92,778)	\$	(92,778)	\$	-
Interest received		2,296,189		99,653		2,395,842		66,053
Increase in fair market value		(2,525)		(18)		(2,543)		(325)
Investment purchases		(3,292,710)		(534,325)		(3,827,035)	_	(964,109)
Net cash from investing activities	\$	(999,046)	\$	(527,468)	\$	(1,526,514)	\$	(898,381)
Net increase (decrease) in cash and								
cash equivalents	\$	31,468,161	\$	(3,607,584)	\$	(74,793,576)	\$	(4,281,736)
Cash and cash equivalents at beginning of year		111,989,070		4,889,736		116,878,806		5,253,142
Cash and cash equivalents at end of year	\$	143,457,231	\$	1,282,152	\$	42,085,230	\$	971,406
Reconciliation to Combining Balance Sheet								
Cash	\$	24,207,437	\$	1,225,277	\$	25,432,714	\$	971,406
Cash (included in restricted assets)	~	119,249,794	-	56,875	-	119,306,669	-	-
(\$	143,457,231	\$	1,282,152	\$	144,739,383	\$	971,406
	<u> </u>	2 - 19 - 2 -	_	, . ,	<u> </u>	,,	÷	

Continued on next page.

Cobb County, Georgia Proprietary Funds Combining Statement of Cash Flows For the Fiscal Year Ended September 30, 2004

	Business-	nds	Governmental		
		Other			Activities -
	Water and	Enterprise			Internal Service
	 Sewer Fund	 Funds		Total	 Funds
Reconciliation of operating income (loss)					
to net cash from operating activities:					
Operating income (loss)	\$ 27,220,685	\$ (17,846,141)	\$	9,374,544	\$ (4,248,183)
Adjustments to reconcile operating income					
(loss) to net cash from operating activities:					
Depreciation	\$ 26,739,129	\$ 5,187,314	\$	31,926,443	\$ 15,280
Change in assets and liabilities:					
Decrease (increase) in accounts receivables	(1,561,739)	4,179		(1,557,560)	(519,926)
Decrease (increase) in accrued interest receivables	(137)	-		(137)	
Decrease (increase) in other receivables	(2,993,157)	(2,373,759)		(5,366,916)	-
Decrease (increase) in due from other funds	-	854		854	(656,880)
Decrease (increase) in due from other governments	16,896	(797,262)		(780,366)	-
Decrease (increase) in due from others	177	(10,756)		(10,579)	642
Decrease (increase) in inventories	(563,073)	-		(563,073)	-
Increase (decrease) in advances from other funds	-	-		-	(593)
Increase (decrease) in bank overdraft	-	664,794		664,794	-
Increase (decrease) in accounts payable	(3,061,671)	139,359		(2,922,312)	(25,835)
Increase (decrease) in prepaid expenses	(100,733)	834		(99,899)	-
Increase (decrease) in accrued liabilities	-	-		-	2,379
Increase (decrease) in accrued payroll	99,340	27,170		126,510	9,420
Increase (decrease) in accrued vacation payable	156,703	8,447		165,150	26,755
Increase (decrease) in due to other funds	247,167	(42,865)		204,302	-
Increase (decrease) in customer deposits	357,201	-		357,201	-
Increase (decrease) in due to					-
other governments	(2,293,987)	(3,252)		(2,297,239)	-
Increase (decrease) in due to others	(4,155,158)	(220,194)		(4,375,352)	19,620
Increase (decrease) in estimated liability					-
for claims and judgments	-	-		-	2,477,006
Increase (decrease) in closure/postclosure care	_	(12,863)		(12,863)	-
Increase (decrease) in unearned revenues	 	 2,984		2,984	 -
Total adjustments	\$ 12,886,958	\$ 2,574,984	\$	15,461,942	\$ 1,347,868

Continued from preceding page.

Cobb County, Georgia Fiduciary Funds Statement of Fiduciary Net Assets September 30, 2004

	Per	Pension Trust Fund Employee Retirement System Agency Funds		
Assets:	\$	236,490	\$	110,343,816
Cash and cash equivalents Investments, at fair value	Ф	241,058,250	Ф	110,343,810
Receivables		241,036,230		-
Taxes and penalties				445,187,526
Other		_		443,167,320
Due from other funds		900,271		_
Total assets	\$	242,195,011	\$	555,531,342
Liabilities: Bank overdraft Unremitted tax collections due to other governments and agencies Taxes payable to others upon	\$	-	\$	1,488,206 87,754,221
collection		-		445,187,526
Unremitted payroll tax and withholdings Funds held in trust for others		- 55,845		430,742 20,670,647
Total liabilities	\$	55,845	\$	555,531,342
Net assets held in trust for pension benefits	\$	242,139,166		

Cobb County, Georgia Fiduciary Funds Statements of Changes in Fiduciary Net Assets For the Fiscal Year Ended September 30, 2004

	Pen	Pension Trust Fund Employee Retirement	
		System	
Additions			
Contributions:			
Employer	\$	16,099,061	
Employee	4	7,080,907	
Plan member		12,821	
i idii incinoci		12,621	
Total contributions	<u>\$</u>	23,192,789	
Investment earnings:			
Net appreciation (depreciation) in fair value of assets	\$	13,350,116	
Interest		4,063,314	
Total investment earnings	\$	17,413,430	
Less investment expense		(729,277)	
Net investment earnings	\$	16,684,153	
Total additions	\$	39,876,942	
Deductions			
Administrative expenses	\$	93,171	
Benefits and claims		17,277,060	
Total deductions	\$	17,370,231	
Change in net assets	\$	22,506,711	
Net assets held in trust for pension benefits			
Beginning of year		219,632,455	
End of year	\$	242,139,166	

Note Title	Note <u>Number</u>	Page <u>Number</u>
Arbitrage Liability	21	78-79
Budgetary Information	2	40-43
Capital Assets	6	48-50
Capital Contributions	22	79
Capital Leases	9	51-52
Closure and Postclosure Care Costs	23	79-80
Contingent Liabilities	16	71
Deferred Compensation Plan	17	71-72
Deficit Fund Balances/Retained Earnings of Individual Funds	15	70-71
Deposits and Investments	3	43-46
Due From Other Governments and Agencies	18	72-73
Employee Retirement System	20	74-78
Fund Balances/Retained Earnings Reserves and Designations	12	64-66
Hotel/Motel Lodging Tax	24	80
Interfund Balances and Transfers	13	66-68
Joint Venture	25	80-81
Long-Term Debt	10	52-63
Operating Leases	8	51
Post Employment Health Care Benefits	19	73
Receivables	4	46-47
Related Organization	26	81
Restricted Assets	5	47-48
Risk Management	7	50
Segment Information – Nonmajor Enterprise Funds	14	68-70
Short-Term Tax Anticipation Notes	11	63-64
Subsequent Event	27	81
Summary of Significant Accounting Policies	1	30-40

Note 1. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

In conformity with generally accepted accounting principles, as set forth in the Statement of Governmental Accounting Standards No. 14, "The Financial Reporting Entity", which was adopted by the County as of October 1, 1994, the financial statements of the component units have been included as discretely presented component units. The discretely presented component units are reported in separate columns in the government-wide statements to emphasize they are legally separate from the primary government. Information presented for the Cobb-Marietta Coliseum and Exhibit Hall Authority and the Cobb County Board of Health are as of and for the year ended September 30, 2004 and June 30 2004, 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 culture growth, public welfare, and education. The Authority operates and maintains a multi-use coliseum and convention facility in Cobb County. A majority of the Authority's board members are appointed, either directly or indirectly, by the Cobb County Board of Commissioners. The Authority is prohibited from issuing bonded debt without the approval of the Board of Commissioners.

2. Cobb County Board of Health

The Cobb County Board of Health was created by a state legislative act. During the fiscal year ended June 30, 2004, 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 County Commissioners.

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

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

Cobb County Board of Health 1650 County Services Parkway Marietta, Georgia 30080

B. Government-Wide Statements and fund financial statements

The government-wide financial statements (i.e., the statements of net assets and the statement of changes in the net assets) report information on all the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

The government-wide Statement of Activities reports both the gross and net cost of each of the County's functions and business-type activities. The functions are also supported by general government 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 includes operating-specific and discretionary grants while the capital grants reflect capital-specific grants. The net cost (by function or business-type activity) is normally covered by general revenue. Historically, the previous model did not summarize or present net cost by function or activity.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The measurement focus describes the type of transactions and events that are reported in a fund's operating statement. Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the *economic* resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. 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.

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

The focus of the Governmental Funds' measurement in the funds statement is upon determination of financial position and changes in financial positions (sources, uses, and balances of financial resources) rather than upon net income. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The County considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for revenue recognition for all other governmental revenues. 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 early in the following year.

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 **Road Sales Tax 1994 Fund** is utilized to account for the proceeds of a 1 percent local option sales tax approved in 1994 for construction and improvements of roads throughout the County.

B. Business-type Fund:

The **Water and Sewer Fund** accounts for the operating revenue and expense 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.

3. Fiduciary Fund Types:

- A. **Agency Funds** account for assets held by the County as an agent for individuals, private organizations, other governments and other County departments.
- B. A **Pension Trust Fund** is used to account for activities related to the public employees retirement system. The County maintains an Employee Retirement System Trust Fund that accounts for the assets and activities of the County's pension plan.

4. Non-Current Governmental Assets and Liabilities:

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County applies all applicable FASB pronouncements issued on or after November 30, 1989 in accounting and reporting for its enterprise operations, unless they conflict with GASB guidance.

The focus for proprietary fund measurement is upon determination of operating income, changes in net assets, financial position and cash flow. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the enterprise funds and the internal service fund include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The generally accepted accounting principles applicable are those similar to business in the private sector.

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

The County's fiduciary funds are presented in the fiduciary fund financial statements by type. Since by definition, these assts 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. Annual appropriated budgets are adopted for the General Fund, some Special Revenue funds, and the Debt Service fund. Project length budgets, which differ from the County's fiscal year end, are adopted for the Grant, Housing and Urban Development Special Revenue Funds. Project-length financial plans are adopted for the capital project funds. All encumbered appropriations are carried forward in the following year's budget.

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

E. Cash and Cash Equivalents and Investments

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

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

domestic common stocks, equity real estate, and international common stocks through pooled investment accounts.

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.

F. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., 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."

G. 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 individual items are purchased. Reported inventories in the General funds 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.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond September 30, 2004 are recorded as prepaid items.

I. Restricted Assets

Proceeds from the sale of revenue bonds plus interest earned on the investment of these funds are restricted to financing improvements to water and sewerage system and the solid waste disposal operations of the County and are classified as restricted assets on the government-wide financial statements and proprietary type fund financial statement balance sheets.

All monies in excess of those required to maintain the working capital of the water sewerage system's operations are transferred to a renewal, extension and improvement account as provided by the bond resolutions.

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 of the related fixed assets, as applicable. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

<u>Assets</u>	<u>Years</u>
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 bonus.

L. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. Fund Equity

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

N. Interfund Transactions

All interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

O. Contributed Capital and Capital Contributions – Proprietary Funds

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

P. Net Assets

- Invested in capital assets, net of related debt This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction or improvement of the assets.
- 2. Restricted net assets This amount is restricted by external creditors, grantors, contributors or laws or regulations of other governments.
- 3. Unrestricted net assets This amount is all net assets that do not meet the definition of "invested in capital assets, net of related debt" or "restricted net assets"

Note 2. Budgetary Information

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

- **A.** Prior to August 1, the Chairman of the Board of Commissioners and the County Manager submit to the Board of Commissioners a proposed operating budget and capital projects budget for the fiscal year commencing the following October 1. The operating and capital projects budgets include proposed expenditures and the means of financing them.
- **B.** Public hearings are conducted to obtain taxpayer comments.

- **C.** At a date no later than the second Board meeting of September, the budget is formally approved.
- **D.** All budget transfers must be approved by the Budget Administrator, County Manager and/or the Board of Commissioners depending on the type and/or amount of expenditure:

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

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

The actual results of operations on the budgetary basis excluding the non-budgeted funds are presented in the Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Budgetary Basis) General, Special Revenue and Debt Service funds in order to provide a meaningful comparison of actual results with the budget.

The major difference between the budget basis and GAAP is that encumbrances are recognized as expenditures for budgetary purposes.

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	Fire	Nonmajor Special	D	ebt Service						
	 Fund	Fund	Revenue Funds		Fund						
Budgetary Basis	\$ (25,265,057) \$	(162,258) \$	(3,296,515)	\$	(121,932)						
Encumbrances 9/30/04	3,114,153	191,454	-		-						
Grant-length Plans	 	<u> </u>	1,259,036		-						
GAAP Basis	\$ (22,150,904) \$	29,196 \$	(2,037,479)	\$	(121,932)						

	Fund Balances at End of Year										
		General	Γ	Debt Service							
		Fund		Fund Revenue Fur		Revenue Funds	Fund				
Budgetary Basis Encumbrances 9/30/04 Grant-length Plans	\$	42,957,571 3,114,153	\$	14,612,405 191,454	\$	1,832,720 - 1,259,036	\$	1,863,735			
GAAP Basis	\$	46,071,724	\$	14,803,859	\$	3,091,756	\$	1,863,735			

Individual fund budgetary comparison schedules are presented for the General, Special Revenue and Debt Service funds at the legal level of control.

Material excesses (if both over 5 percent and greater than \$25,000) of expenditures over appropriations at the object level within departments (the legal level of control) are presented below:

Variance with

	Budgete	d Amou	ınts		F	inal Budget - Positive	
	 Original		Final	 Actual	(Negative)		
General Fund:							
General government:							
Elections & Registration							
Operating Expenditures	\$ 428,610	\$	887,209	\$ 1,134,576	\$	(247,367)	
Public safety:							
Sheriff							
Operating Expenditures	678,160		743,499	1,020,320		(276,821)	
Public works:							
Department of Transportation							
Personnel Services	8,678,191		8,208,582	8,358,414		(149,832)	
Capital Outlay	210,635		323,549	2,114,480		(1,790,931)	
Fire Fund:							
Operating Expenditures	\$ 7,186,988	\$	7,525,636	\$ 7,934,765	\$	(409,129)	

Note 3. Deposits and Investments

A. Deposits

The amount of the total bank balance is classified into three categories of credit risk: 1) FDIC insured or collateralized with securities held by the County or by its agent in its name; 2) collateralized with securities held by the pledging financial institution's trust department or agency in the County's name; and, 3) uncollateralized bank accounts including any bank balance that is collateralized with securities held by the pledging institution's trust department or agent but not in the County's name.

The County's, Cobb-Marietta Coliseum & Exhibit Hall's, and Cobb County Board of Health's deposits are classified as follows at September 30, 2004:

		C	Category			
	1		2	3	 Bank Balance	Carrying Amount
Primary Government	\$ 211,154,715	\$	-	\$ -	\$ 211,154,715	\$ 149,914,098
Component Unit:						
Cobb-Marietta Coliseum						
& Exhibit Hall	2,132,928		-	-	2,132,928	1,932,512
Cobb County						
Board of Health	1,459,577		-	 1,254,990	 2,714,567	 2,284,121
Total Reporting Entity	\$ 214,747,220	\$	-	\$ 1,254,990	\$ 216,002,210	\$ 154,130,731

The County has a zero balance maintenance arrangement with its primary financial institution whereby the bank accounts of the Accounts Payable and Payroll Agency Funds are funded on a daily basis for checks presented for payment. The funding is provided from monies in the County's Concentration account, which earns competitive interest rates.

B. Investments

The County's investments are categorized into three categories of credit risk:

1) insured or registered with securities held by the County or its agent in the County's name; 2) uninsured and unregistered for which the securities are held by the financial institution's trust department or agent in the County's name; or, 3) uninsured and unregistered for which the securities are held by the financial institution's trust department or agent but not in the County's name.

		Fair				
	1	 2		3		 Value
Primary Government:						
U.S. Agency Obligations	\$ 27,213,748	\$ -	<u>\$</u>		-	\$ 27,213,748
Georgia Fund I						56,522,816
Total Primary Government						\$ 83,736,564

Cobb Marietta Coliseum & Exhibit Hall:

			Cat	egory				Fair
		1	2 3					Value
U.S. Agency Obligations	\$	72,176,275	\$	=	\$	-	_ \$	72,176,275
Pension Plan Trust - mutual fund investments								1,497,230
Georgia Fund I (Included in ca	sh eq	uivalents)						11,051,520
Total Component Unit							\$	84,725,025
Total Reporting Entity							\$	168,368,811

A reconciliation of cash and investments as shown on the Statement of Net Assets for the **primary government** follows:

	Deposits	Investments
Footnote Information		
Carrying Amount	\$ 149,914,098	\$ -
Investments included in cash equivalents	56,522,816	(56,522,816)
Fair Value	_ _	83,736,564
	\$ 206,436,914	\$ 27,213,748
	Deposits	Investments
Statement of Net Assets		
Cash and Cash Equivalents	\$ 88,584,382	\$ -
Cash and Cash Equivalents included in		
restricted assets	119,306,668	-
Investments	-	22,694,950
Investments included in restricted assets	-	4,518,798
Overdraft	(1,454,136)	-
	\$ 206,436,914	\$ 27,213,748
Fair Value at September 30, 2004		\$ 27,213,748
Add: Proceeds of investments sold		27,260,160
Less: Cost of investments purchased		(40,500,000)
Less: Fair value at September 30, 2003		(13,980,921)
Change in fair value of investments		\$ (7,013)

"Georgia Fund 1", created by OCGA 36-83-8, is a stable net asset value investment pool that follows Standard and Poor's criteria for AAA rated money market funds. However, the State of Georgia Office of Treasury operates Georgia Fund 1 in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on \$1.00 per share.

Note 4. Receivables

Receivables at September 30, 2004 consist of the following:

		General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service			Total
Primary Government: Taxes Accrued interest Accounts Other	\$	114,798,705 15,496 - 1,597,113	\$ 43,488,484 411 - 2,880,243	\$ 4,419,450 247 -	\$ - - 1,128,837	\$ - 178 13,151,369 8,446,641	\$	- - 700,414	\$	162,706,639 16,332 13,151,369 14,753,248
Gross receivables Less: allowance for	\$	116,411,314	\$ 46,369,138	\$ 4,419,697	\$ 1,128,837	\$ 21,598,188	\$	700,414	\$	190,627,588
uncollectibles	\$	-	\$ -	\$ -	\$ -	\$ -	\$	-	\$	-
Net total receivables	\$	116,411,314	\$ 46,369,138	\$ 4,419,697	\$ 1,128,837	\$ 21,598,188	\$	700,414	\$	190,627,588
Component Units: Taxes Accrued interest Accounts Other	\$	916,189 95,736 - 1,071,250	\$ 258,435	\$ - - -	\$ - - -	\$ - - - 16,816	\$	- - - -	\$	916,189 95,736 258,435 1,088,066
Gross receivables Less: allowance for	\$	2,083,175	\$ 258,435	\$ -	\$ -	\$ 16,816	\$	-	\$	2,358,426
uncollectibles	_	5,800	 -	 -	 -	 -		-		5,800
Net total receivables	\$	2,077,375	\$ 258,435	\$ -	\$ -	\$ 16,816	\$	-	\$	2,352,626
Total reporting entity	\$	118,488,689	\$ 46,627,573	\$ 4,419,697	\$ 1,128,837	\$ 21,615,004	\$	700,414	\$	192,980,214

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. FY04 property taxes were levied in July 2004 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 2004 to provide for financing of County operations for the fiscal year ended September 30, 2004.

Note 5. Restricted Assets

Restricted assets reported in the enterprise funds are comprised of the following:

Revenue bond construction: Water and Sewer: Cash Investments Other receivables	\$	107,375,084 2,832,434 166,200 110,373,718
Solid Waste Disposal: Cash Investments Accounts Receivable Due from other funds	\$ <u>\$</u>	821 92,778 169,414 2,841,778 3,104,791
Revenue bond debt service: Water and Sewer: Cash	<u>\$</u>	6,767,068
Golf Course: Cash	\$	56,054

Revenue bond contingency:

Water and Sewer:

 Cash
 \$ 5,107,641

 Investments
 1,593,586

 Due from current assets
 36,626,842

 Other receivables
 16,248

 \$ 43,344,317

 Total restricted assets
 \$ 163,645,948

Note 6. Capital Assets

Capital asset activity for the year ended September 30, 2004 was as follows:

Primary Government:

Transay Government.	Beginning Balance	Increases	Decreases		Ending Balance
Governmental activities:				•	
Capital assets, not being depreciated					
Land	\$ 719,086,338	\$ 17,631,743	\$ -	\$	736,718,081
Construction in progress	25,095,544	13,989,816	(2,711,691)		36,373,669
Total capital assets, not being depreciated	\$ 744,181,882	\$ 31,621,559	\$ (2,711,691)	\$	773,091,750
Capital assets, being depreciated					
Buildings	\$ 267,915,466	\$ 2,703,692	\$ (124,001)	\$	270,495,157
Improvements other than buildings	13,371,547	3,136	-		13,374,683
Machinery and equipment	136,391,166	20,611,312	(5,209,268)		151,793,210
Infrastructure	 1,946,298,893	39,924,250			1,986,223,143
Total capital assets being depreciated	2,363,977,072	63,242,390	(5,333,269)		2,421,886,193
Less accumulated depreciation for:					
Buildings	\$ (50,951,127)	\$ (5,374,416)	\$ 76,931	\$	(56,248,612)
Improvements other than buildings	(6,738,629)	(789,547)	-		(7,528,176)
Machinery and equipment	(105,748,820)	(13,025,351)	5,067,012		(113,707,159)
Infrastructure	 (440,787,341)	 (48,737,500)	 		(489,524,841)
Total accumulated depreciation	 (604,225,917)	(67,926,814)	 5,143,943		(667,008,788)
Total capital assets, being depreciated, net	 1,759,751,155	 (4,684,424)	 (189,326)		1,754,877,405
Governmental activities capital assets, net	\$ 2,503,933,037	\$ 26,937,135	\$ (2,901,017)	\$	2,527,969,155

	 Beginning Balance	 Increases	Decreases	 Ending Balance
Business-type activities	 _		 _	
Capital assets, not being depreciated				
Land and improvements	\$ 48,367,216	\$ 4,951,321	\$ (425,398)	\$ 52,893,139
Construction in progress	 229,068,928	94,857,205	 (8,830,540)	315,095,593
Total capital assets, not being depreciated	\$ 277,436,144	\$ 99,808,526	\$ (9,255,938)	\$ 367,988,732
Capital assets, being depreciated				
Buildings and structures	\$ 45,200,483	\$ 1,908,965	\$ -	\$ 47,109,448
Sewerage plants	465,417,157	1,802,201	-	467,219,358
Machinery and equipment	64,314,674	9,207,077	(1,839,606)	71,682,145
Infrastructure:				
Sewer lines	328,223,654	14,194,693	-	342,418,347
Water lines and meters	237,744,752	11,913,740	-	249,658,492
Total capital assets being depreciated	\$ 1,140,900,720	\$ 39,026,676	\$ (1,839,606)	\$ 1,178,087,790
Less accumulated depreciation for:				
Buildings and structures	\$ (6,054,876)	\$ (1,087,341)	\$ -	\$ (7,142,217)
Sewerage plants	(125,676,818)	(12,080,910)	-	(137,757,728)
Machinery and equipment Infrastructure:	(43,556,274)	(6,662,283)	1,811,178	(48,407,379)
Sewer lines	(102,252,932)	(6,508,296)	-	(108,761,228)
Water lines and meters	(87,289,950)	(5,587,613)	-	(92,877,563)
Total accumulated depreciation	\$ (364,830,850)	\$ (31,926,443)	\$ 1,811,178	\$ (394,946,115)
Total capital assets, being depreciated, net	 776,069,870	 7,100,233	 (28,428)	783,141,675
Business-type activities capital assets, net	\$ 1,053,506,014	\$ 106,908,759	\$ (9,284,366)	\$ 1,151,130,407

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

Governmental Activities:	
General government	\$ 5,793,961
Public safety	8,609,318
Public works	50,258,217
Health and welfare	759,695
Culture and recreation	2,417,431
Housing and development	 88,192
Total depreciation expense - governmental activities	\$ 67,926,814

Business-type activities	
W aterand sewer	\$ 26,739,129
Solid W aste	3,015,943
GolfCourse	104,780
Amphitheatre	141,230
Transit System	1,925,361
Total depreciation expense - business-type activities	\$ 31,926,443

Note 7. Risk Management

The County established a risk management program for casualty, liability and medical claims in 1985. Premiums are paid into the Claims Internal Service Fund by other funds and are available to pay claims and administrative costs. The County is self insured up to \$450,000 per occurrence for workers' compensation. Amounts exceeding this are covered by an excess workers' compensation policy. The County also maintains an excess coverage policy for medical claims that covers individual claims in excess of \$1,000,000. This policy provides for a \$200,000 deductible for each occurrence. The County has not experienced any significant decreases in insurance coverage from the previous year nor has it paid any settlements in excess of insurance coverage in the past three fiscal years.

Incurred but not reported claims of \$13,708,860 have been accrued as a liability in the Claims Internal Service Fund based primarily upon an actuary's estimate. Interfund premiums are based primarily upon the insured funds' claims experience.

September 30	I	Beginning Balance		Claims Incurred	Claims Paid	Ending Balance		
1997	\$	5,561,433	\$	16,653,222	\$ 15,617,131	\$	6,597,524	
1998		6,597,524		17,290,226	17,113,265		6,774,485	
1999		6,774,485		17,115,024	16,991,724		6,897,785	
2000		6,897,785		20,507,366	20,187,716		7,217,435	
2001		7,217,435		23,357,985	22,521,847		8,053,573	
2002		8,053,573		29,640,647	28,246,667		9,447,553	
2003		9,447,553		34,144,632	32,360,331		11,231,854	
2004		11,231,854		40,671,333	38,194,327		13,708,860	

Note 8. Operating Leases

The County is committed under various leases that are considered for accounting purposes to be operating leases.

Future minimum lease payments are as follows:

2005	\$ 16,740
2006	16,740
2007	16,740
2008	16,740
2009	16,740
2010-2014	83,700
2015-2016	 25,920
	\$ 193,320

Note 9. Capital Leases

A. Primary Government

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:

	- G	Total Sovernmental Activities	Busi	Total ness-type etivities
Asset:				
Buildings	\$	3,912,751	\$	-
Machinery and equipment		9,028,374		266,705
Less: Accumulated Deprecia	ition	(6,174,164)		(197,657)
Total	\$	6,766,961	\$	69,048

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, 2004:

		Total		Total		
	Go	overnmental	Βι	Business-type		
		Activities		Activities		
2005	\$	5,091,697	\$	102,742		
2006		4,893,341		-		
2007		4,628,805		-		
2008		3,866,736		-		
2006		376,398		-		
2010-2014		1,633,067		-		
2015-2019		1,631,002		-		
Total minimum lease payments	\$	22,121,046	\$	102,742		
Less: Amount						
representing interest		2,832,913		2,684		
Present value of						
minimum lease payments	\$	19,288,133	\$	100,058		

Note 10. Long-Term Debt

A. Primary Government

Bonds payable at September 30, 2004 are comprised of the following individual issues:

1. General Obligation Bonds

\$31,640,000 2003 refunding serial bonds due in annual installments of \$3,600,000 to \$5,220,000 through January 1, 2010; interest at 3.00 to 5.00 percent (\$28,040,000 outstanding).

\$30,000,000 1996 Parks and Recreation serial bonds due in annual installments of \$1,210,000 to \$2,310,000 through January 1, 2017; interest at 5.00 to 5.125 percent (\$22,505,000 outstanding).

2. Revenue Bonds

a. Arts Center

\$890,000 1997 Recreation Authority refunding serial bonds due in annual installments of \$95,000 to \$110,000 through January 1, 2007; interest at 4.45 to 4.60 percent (\$310,000 outstanding).

b. Water and Sewerage

\$36,545,000 2003 refunding serial bonds due in annual installments of \$7,590,000 to \$9,405,000 through July 1, 2008; interest at 3.00 to 5.00 percent (\$28,955,000 outstanding).

\$100,000,000 2003 serial bonds due in annual installments of \$5,135,000 to \$8,740,000 through July 1, 2023; interest at 4.00 to 5.000 percent (\$100,000,000 outstanding).

\$34,520,000 2004 refunding serial bonds due in annual installments of \$10,730,000 to \$6,925,000 through July 1, 2008; interest at 2.00 to 5.000 percent (\$34,520,000 outstanding).

c. Solid Waste Disposal

\$25,930,000 1995 serial bonds due in annual installments of \$1,180,000 to \$2,325,000 through January 1, 2015; interest at 6.00 to 6.40 percent (\$19,025,000 outstanding).

d. Cobblestone Golf Course

\$6,905,000 1997 Recreation Authority refunding serial bonds due in annual installments of \$355,000 to \$570,000 through January 1, 2014; interest at 4.45 to 5.00 percent (\$4,645,000 outstanding).

The annual requirements to amortize all General Obligation and Revenue bonds outstanding at September 30, 2004 including interest payments of \$85,534,111 is as follows:

		General Obligation							
		2003 R	efun	ding		1996 Pa	rk B	ond	
Year Ending									
September 30		Principal		Interest		Principal		Interest	
2005	\$	4,210,000		1,254,650	\$	1,270,000	\$	1,101,732	
2006		4,370,000		1,082,250		1,330,000		1,036,732	
2007		4,535,000		859,625		1,390,000		968,732	
2008		4,745,000		627,625		1,460,000		897,481	
2009		4,960,000		385,000		1,535,000		822,606	
2010-2014		5,220,000		130,500		8,935,000		2,849,780	
2015-2019		<u> </u>		· -	_	6,585,000		518,009	
	•	28 040 000	©	4 339 650	Q	22 505 000	•	8 105 072	

						Revenu	e B	onds					
Year Ending	Art (Cent	er	Golf (Cours	e		Water	Syst	em	Solid	Was	ste
September 30	Principal		Interest	Principal		Interest		Principal		Interest	Principal		Interest
2005	\$ 100,000	\$	11,935	\$ 375,000	\$	215,686	\$	15,425,000	\$	7,341,200	\$ 1,250,000		1,167,703
2006	100,000		7,360	390,000		198,185		15,770,000		6,891,850	1,325,000		1,089,146
2007	110,000		2,530	410,000		179,785		15,950,000		6,103,350	1,405,000		1,004,496
2008	-		-	430,000		160,250		16,330,000		5,305,850	1,495,000		913,498
2009	-		-	450,000		139,345		5,135,000		4,489,350	1,590,000		815,923
2010-2014	-		-	2,590,000		336,034		28,185,000		18,439,750	9,635,000		2,364,000
2015-2019	-		-	-		-		33,930,000		11,811,500	2,325,000		74,400
2020-2023	 -		-	-		-		32,750,000		3,936,263			
	\$ 310,000	\$	21,825	\$ 4,645,000	\$	1,229,285	\$	163,475,000	\$	64,319,113	\$ 19,025,000	\$	7,429,166

Year Ending	 Total G	ΟВ	onds	Total Revenue					Total All Bonds			
September 30	Principal		Interest		Principal		Interest		Principal		Interest	
2005	\$ 5,480,000	\$	2,356,382	\$	17,150,000	\$	8,736,524	\$	22,630,000	\$	11,092,906	
2006	5,700,000		2,118,982		17,585,000		8,186,541		23,285,000		10,305,523	
2007	5,925,000		1,828,357		17,875,000		7,290,161		23,800,000		9,118,518	
2008	6,205,000		1,525,106		18,255,000		6,379,598		24,460,000		7,904,704	
2009	6,495,000		1,207,606		7,175,000		5,444,618		13,670,000		6,652,224	
2010-2014	14,155,000		2,980,280		40,410,000		21,139,784		54,565,000		24,120,064	
2015-2019	6,585,000		518,009		36,255,000		11,885,900		42,840,000		12,403,909	
2020-2023	-				32,750,000		3,936,263		32,750,000		3,936,263	
	\$ 50,545,000	\$	12,534,722	\$	187,455,000	\$	72,999,389	\$	238,000,000	\$	85,534,111	

The annual requirements to amortize all outstanding Water and Sewer Revenue Bonds outstanding at September 30, 2004 are as follows:

	 Outstanding Parity Bonds						
	Principal		Interest		Totals		
2005	\$ 15,425,000	\$	7,341,200	\$	22,766,200		
2006	15,770,000		6,891,850		22,661,850		
2007	15,950,000		6,103,350		22,053,350		
2008	16,330,000		5,305,850		21,635,850		
2009	5,135,000		4,489,350		9,624,350		
2010-2014	28,185,000		18,439,750		46,624,750		
2015-2019	33,930,000		11,811,500		45,741,500		
2020-2023	 32,750,000		3,936,263		36,686,263		
	\$ 163,475,000	\$	64,319,113	\$	227,794,113		

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

3. Compliance

The 1985 Series Water and Sewerage Bond Resolution requires the establishment of a Debt Service Reserve Account within the Water and Sewerage Sinking Fund in an amount at least equal to the highest annual debt service on the Series 1985 Bonds. However, 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.

\$1,985,667 is available in the Debt Service Fund to service the general obligation bonds.

4. Prior Years' Advance Refundings

In prior years, the County advance refunded certain water and sewerage revenue and recreation authority revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. On September 30, 2004, \$34,380,000 of bonds outstanding are considered defeased.

G.O. Bonds:

During the fiscal year ending September 30, 2003, the County issued Series 2003 General Obligation Refunding Bonds of \$31,640,000 with interest rates of 3.0 percent to 5.0 percent to advance refund \$32,490,000 of the 1993 Detention Facility and Animal Control Center serial bonds with interest rates of 4.70 to 5.50 percent. The 2003 General Obligation Refunding Bonds were issued at a premium of \$2,495,008.60, less an underwriting discount of \$13,530.53, plus accrued interest on the Bonds from their dated date to the date of delivery of \$83,171.67. After paying the issuance costs of \$66,959.97 the net proceeds were \$33,808,907.67. The net proceeds from the issuance were used to purchase U.S. government securities and those securities were deposited into an irrevocable trust with an escrow agent to provide debt service payments on the 1993 bond issue maturing in 2010. The advance refunding met the requirements of an insubstance defeasance, thus the refunded portions of the 1993 bonds are no longer included in the Governmental Activities Statement of Net Assets bond payable balance. As a result of the advanced refunding, the County reduced its total debt service requirements by \$2,570,241 that resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$2,351,427.14.

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 \$3,149,555.95, less an underwriting discount of \$52,259.35, plus accrued interest on the Bonds from their dated date to the date of delivery of \$97,734.58. After paying the issuance costs of \$81,931.22 the net proceeds were \$51,460,127.50. The net proceeds from

the issuance were used to purchase U.S. government securities and those securities were deposited into an irrevocable trust with an escrow agent to provide debt service payments on the 1993 bond issue maturing in 2008. The advance refunding met the requirements of an in-substance defeasance, thus the refunded portions of the 1993 bonds are no longer included in the Water and Sewer Fund Statement of Net Assets bond payable balance. As a result of the advanced refunding, the County reduced its total debt service requirements by \$2,899,908.55, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$2,683,435.81.

5. Current Year Advance Refundings

Revenue Bonds:

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

The \$34,520,000 2004 Bonds were issued at a premium of \$2,514,152.60 less an underwriter's discount of \$59,053.85 and issuance costs of \$172,600.00 resulting in total net proceeds of \$36,802,498.75. The net proceeds from the issuance were used, together with \$6,239,088.76 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 \$1,776,985.85, which resulted in an economic gain (difference between the present value of the debt service payments on the Refunded Bonds and 2004 Bonds) of \$1,737,544.50.

6. Notes Payable

Solid Waste Disposal

\$895,321 Note payable due in quarterly installments of \$28,315 beginning January 1997 through October 2006; interest at 4.8 percent.

The annual requirements to amortize the Georgia Environmental Facilities Authority Note Payable at September 30, 2004 are as follows:

	 Interest	 Principal	 Totals
2005	\$ 9,683	\$ 103,575	\$ 113,258
2006	4,621	108,636	113,257
2007	336	27,979	 28,315
	\$ 14,640	\$ 240,190	\$ 254,830

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

1. Bonds payable are comprised of the following individual issues at September 30, 2004:

\$7,315,000 1993 Coliseum and Exhibit Hall Authority serial bonds due in annual installments of \$180,000 to \$1,305,000 through October 1, 2008; interest at 4.70 to 5.50 percent (5,900,000 outstanding). The purpose of the Series 1993 Bonds was to refund a portion of the Series 1991 Bonds.

\$40,650,000 1993 term bonds due as follows:

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

Interest is at 5.50 to 5.625 percent (\$40,650,000 outstanding). The term bonds are subject to mandatory redemption provisions beginning in the year 2009.

\$19,000,000 1996 A Coliseum and Exhibit Hall Authority junior lien revenue bonds due in annual installments of \$350,000 to \$1,235,000 through October 1, 2026; interest at variable rates (\$17,500,000 outstanding). The purpose of the Series 1996A Bonds was to purchase approximately eleven acres of land for future expansion capabilities.

\$7,220,000 1999 Coliseum and Exhibit Hall Authority serial bonds due in annual installments of \$495,000 to \$980,000 through October 1, 2016; interest at 4.25 to 5.50 percent (\$6,210,000 outstanding). The purpose of the Series 1999 Bonds was to provide for the expansion of the Cobb Galleria Centre and the construction of a new parking deck.

\$16,730,000 1999 term bonds due as follows:

October 1, 2014	\$ 3,240,000
October 1, 2019	3,300,000
October 1, 2026	10,190,000
	\$16,730,000

Interest at 5.37 to 5.82 percent (\$16,730,000 outstanding). The term bonds are subject to mandatory redemption provisions in the year 2009.

The annual requirements to amortize the debt outstanding at September 30, 2004 are as follows:

Year Ending

September 30	Principal	 Interest	Total
2005	\$ 2,015,000	\$ 4,684,191	\$ 6,699,191
2006	2,120,000	4,581,974	6,701,974
2007	2,225,000	4,473,243	6,698,243
2008	2,340,000	4,357,433	6,697,433
2009	2,460,000	4,233,558	6,693,558
2010-2014	14,385,000	19,007,939	33,392,939
2015-2019	18,775,000	14,524,508	33,299,508
2020-2024	24,485,000	8,667,576	33,152,576
2025-2029	18,185,000	 1,630,957	 19,815,957
	\$ 86,990,000	\$ 66,161,379	\$ 153,151,379

Revenue bonds payable are comprised of the following individual issues at September 30, 2004:

\$57,000,000 2004 Coliseum and Exhibit Hall Authority (Performing Arts Center Project) revenue bonds due in future annual installments of \$840,000 to \$4,525,000 through January 1, 2029; interest at 2.00 to 4.375 percent (\$57,000,000 outstanding). The purpose of the Series 2004 Bonds was to finance a portion of the costs of acquiring, constructing and equipping a new performing arts center to be owned and operated by the Authority.

2. Compliance

There are a number of limitations and restrictions contained in the revenue bond indenture. The Authority is in compliance with all significant limitations and restrictions. The Authority has \$5,562,925 available in the Debt Service Fund to service the revenue bonds.

3. Prior Years' Advance Refunding

In prior years, the Authority advance refunded certain revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Authority's financial statements. At September 30, 2004, revenue bonds outstanding of \$42,925,000 are considered defeased.

C. Changes in Long-Term Obligations

The following is a summary of changes in long-term obligations of the County's Governmental Funds for the fiscal year September 30, 2004:

Primary Government:								Amounts
	Beginning					Ending]	Due Within
Governmental Activities:	 Balance		Additions Reductions		 Balance	One Year		
GO Bonds:								
2003 Refunding	\$ 28,040,000	\$	-	\$	(4,210,000)	\$ 23,830,000	\$	4,210,000
1996 Recreation Authority	22,505,000		-		(1,270,000)	21,235,000		1,270,000
Revenue Bonds:								
1997 Recreation Authority Refunding	310,000				(100,000)	210,000		100,000
Total Bonds before discounts and premiums	\$ 50,855,000	\$	-	\$	(5,580,000)	\$ 45,275,000	\$	5,580,000
Less:								
Original issuance discounts	\$ (496,714)	\$	-	\$	57,155	\$ (439,559)	\$	-
Deferred amounts on refunding	(568,575)		-		81,225	(487,350)		-
Add:								
Bond premiums	 2,183,133				(311,876)	1,871,257		-
Total bonds payable	\$ 51,972,844	\$	-	\$	(5,753,496)	\$ 46,219,348	\$	5,580,000
Capital Leases before discounts	\$ 8,779,865	\$	12,605,864	\$	(2,262,596)	\$ 19,123,133	\$	165,000
Less:								
Original issuance discounts	 		(260,894)		-	(260,894)		-
Total Capital Lease Payable	\$ 8,779,865	\$	12,344,970	\$	(2,262,596)	\$ 18,862,239	\$	165,000
Compensated Absences	14,330,265		1,004,929		-	15,335,194		-
Total Other Liabilities	\$ 23,110,130	\$	13,349,899	\$	(2,262,596)	\$ 34,197,433	\$	165,000
Governmental Activities Long-term Liabilities	\$ 75,082,974	\$	13,349,899	\$	(8,016,092)	\$ 80,416,781	\$	5,745,000

Business-type Activities:		Beginning Balance		Additions		Reductions		Ending Balance	Amounts Due Within One Year		
Revenue Bonds:	Φ.		Φ.	24.520.000	•	(10.720.000)	•	22 700 000	Φ.	10.720.000	
2004 Water & Sewer Refunding 2003 Water & Sewer Serial Bond	\$	-	\$	34,520,000	\$	(10,730,000)	\$	23,790,000	\$	10,730,000	
		-		100,000,000		- (4.605.000)		100,000,000		-	
2003 Water & Sewer Refunding		28,955,000		-		(4,695,000)		24,260,000		4,695,000	
1996 Serial bond		34,380,000		-		(34,380,000)		-		-	
1997 Refunding Recreation Authority		4,645,000		-		(375,000)		4,270,000		375,000	
1995 Serial bond		19,025,000		-		(1,250,000)		17,775,000		1,250,000	
Add: Bond premiums		2,260,549		6,260,308		(1,004,669)		7,516,188			
Total Bonds before discounts and premiums	\$	89,265,549	\$	140,780,308	\$	(52,434,669)	\$	177,611,188	\$	17,050,000	
Less:											
Original issuance discount	\$	(213,164)	\$	-	\$	196,328	\$	(16,836)	\$	-	
Deferred amount on refunding	_	(1,989,931)		(2,314,620)		948,875		(3,355,676)		-	
Total bonds payable	\$	87,062,454	\$	138,465,688	\$	(51,289,466)	\$	174,238,676	\$	17,050,000	
Capital Leases	\$	100,058	\$	-	\$	(100,058)	\$	-	\$	100,058	
Closure and postclosure		27,160,457		-		(12,863)		27,147,594		-	
Note Payable		240,190		-		(103,575)		136,615		103,575	
Compensated Absences		255,775		165,150				420,925		853,689	
Total Other Liabilities	\$	27,756,480	\$	165,150	\$	(216,496)	\$	27,705,134	\$	1,057,322	
Business-type Activities Long-term Liabilities	\$	114,818,934	\$	138,630,838	\$	(51,505,962)	\$	201,943,810	\$	18,107,322	

Component	U	nit	*:
-----------	---	-----	----

•						Amounts
	Beginning			Ending]	Due Within
Governmental Activities:	Balance	 Additions	Reductions	Balance		One Year
Revenue bonds	\$ 88,905,000	\$ -	\$ (1,915,000)	\$ 86,990,000	\$	2,015,000
Less:						
Deferred amount on refundings	\$ (3,263,857)	\$ -	\$ 141,907	\$ (3,121,950)	\$	-
Original issue discount	(440,304)	-	19,143	(421,161)		-
Underwriter's discount	 (340,760)	 	 14,815	 (325,945)		
	\$ (4,044,921)	\$ -	\$ 175,865	\$ (3,869,056)	\$	-
Total bonds payable	\$ 84,860,079	\$ 	\$ (1,739,135)	\$ 83,120,944	\$	2,015,000
Other liabilities:	 	 		 _		
Compensated absences	\$ 92,533	\$ 148,992	\$ (126,538)	\$ 114,987	\$	105,628
Total other liabilities	92,533	148,992	(126,538)	114,987		105,628
Total governmental activities	\$ 84,952,612	\$ 148,992	\$ (1,865,673)	\$ 83,235,931	\$	2,120,628
						Amounts
	Beginning			Ending]	Due Within
Business-type Activities:	 Balance	 Additions	 Reductions	 Balance		One Year
Revenue bonds	\$ -	\$ 57,000,000	\$ -	\$ 57,000,000	\$	840,000
Less:						
Original issuance costs	\$ -	\$ (350,000)	\$ 9,892	\$ (340,108)	\$	-
Add:						
Original issue premium	 	 1,023,400	(28,925)	 994,475		-
Total bonds payable	\$ -	\$ 57,673,400	\$ (19,033)	\$ 57,654,367	\$	840,000

^{*}Cobb-Marietta Coliseum and Exhibit Hall Authority only.

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end, \$18,860 of internal service funds compensated absences are included in the above amounts. Also, for the governmental activities, claims and judgments and compensated absences are generally liquidated by the general fund, fire fund, senior services fund, parking deck fund, law library fund, E-911 fund and the grants fund.

Note 11. Short-Term Tax Anticipation Notes

In April 2004, the County issued \$59.5 million in tax anticipation notes to finance the general operations of the County through October 2004. The notes bear interest at a rate of 2.0 percent and are due on December 31, 2004. These notes were paid on December 31, 2004 from 2004 property tax revenues collected between September and December. Total payments of principal and interest on December 31, 2004 amounted to \$60,372,667.

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

General Fund	\$36,500,000
Fire District Special Revenue Fund	23,000,000
_	\$59,500,000

Short-term debt activity for the year ended September 30, 2004, was as follows:

	Beginning			Ending		
	 Balance	Issued	 Redeemed	Balance		
Tax anticipation notes	\$ 65,000,000	\$ 59,500,000	\$ 65,000,000	\$	59,500,000	

Note 12. Fund Balances/Retained Earnings Reserves and Designations

A. Primary Government

Reserves are used to indicate that a portion of the fund balance or retained earnings is not appropriable for expenditure or is legally segregated for a special future use. The following reserves are used by the County:

- 1. General, Special Revenue and Capital Projects Funds
 - a. Reserved for encumbrances restricted for payment of open commitments.
 - b. Reserved for inventories and prepaid expenditures restricted for inventory and contracts already purchased.
 - c. Reserved for debt service restricted for payment of bond principal and interest.
 - d. Reserved for advances restricted for payment of advance funding.
 - e. Reserved for construction and capital outlay restricted for projects financed by general obligation bond proceeds, sales tax revenues and transfers from the General Fund and the Fire District Special Revenue Fund.

2. Enterprise Funds

- a. Reserved for revenue bond debt service restricted for payment of bond principal and interest.
- b. Reserved for revenue bond contingency restricted for renewal, extension and improvement to water and sewerage system as required by revenue bond resolutions.
- c. Reserved for construction and capital outlay restricted for projects financed by revenue bond proceeds and for capital outlay in subsequent years.

3. Fiduciary Funds Types:

- a. Reserved for employees' pension benefit restricted for payment of future employee pension benefit distributors.
- b. Designations of fund balances are not legally required segregations but are segregated for a specific purpose. The following designations of fund balance are used by the County:

General, Special Revenue and Capital Projects Funds

c. Designated for subsequent years' expenditures – designated for future capital outlays.

B. Component Units:

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

- 1. General, Debt Service, Special Revenue and Capital Projects Funds
 - a. Reserved for encumbrances restricted for payment of open commitments.
 - b. Reserved for inventory restricted for inventory already purchased.
 - c. Reserved for renewal and expansion restricted for construction, operation and maintenance.
 - d. Reserved for debt service restricted for payment of bond principal and interest.

2. Fiduciary Fund Types:

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

3. Proprietary Fund Type:

Retained earnings – reserved for construction and capital outlay – restricted for projects and capital outlay in subsequent years.

Note 13. Interfund Balances and Transfers

A. Primary Government

Individual fund interfund receivable and payable balances for the fiscal year ended September 30, 2004 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Fire District Fund	\$ 1,217,096
	Internal Service Fund	179,434
	Nonmajor Governmental Funds	338,727
	Nonmajor Business-Type Funds	 1,550,000
		3,285,257
Road Sales Tax 1994 Fund	Fire District Fund	114,000
Water and Sewer Funds	Nonmajor Business-Type Funds	27,255,857
Debt Service Fund	General Fund	254,726
Nonmajor Governmental Funds	General Fund	34,780,257
	Fire District Fund	3,716,247
	Water and Sewer Funds	174,262
	Nonmajor Governmental Funds	2,940,152
	•	41,610,918
Nonmajor Business-Type Funds	General Fund	2,841,778

Internal Service Funds	General Fund		5,731,259
	Fire District Fund		1,578,867
	Water and Sewer Funds		736,844
	Nonmajor Governmental Funds		334,804
	Nonmajor Business-Type Funds	_	116,940
			8,498,713
		\$	83,861,249
Advances from/to other funds:			
Receivable Fund	Payable Fund		Amount
General	Nonmajor Business-Type Funds	\$	1,476,219

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, 2005.

Transfer In

					1 ran	sier i	n						
							Nonmajor		Water and		Nonmajor		
	General	Fi	ire District	R	oad Sales	G	overnmental		Sewer	В	usiness-Type		
	 Fund		Fund	Tax	Fund 1994		Funds		Fund		Funds		Total
Transfer out:							_				_		
General Fund	\$ -	\$	-	\$	-	\$	51,569,131	\$	20,711	\$	12,681,832	\$	64,271,674
Fire District Fund	749,457		-		114,000		2,752,601		-		-		3,616,058
Road Sales Tax Fund 1994	-		-		-		1,438,198		-		-		1,438,198
Nonmajor Governmental Funds	3,753,214		-		-		5,147,563		-		355,940		9,256,717
Water and Sewer Fund	14,095,876		77,088		-		411,157		8,065,413		30,058		22,679,592
Nonmajor Business-Type Funds	 367,861						153,144	_			201,547	_	722,552
Total transfer out	\$ 18,966,408	\$	77,088	\$	114,000	\$	61,471,794	\$	8,086,124	\$	13,269,377	\$	101,984,791
				_									

Transfers and payments within the reporting entity are substantially for the purposes of subsidizing operating functions, funding capital projects and asset acquisitions, maintaining debt service on a routine basis, or in accordance with budgetary authorizations.

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

The composition of interfund balances as of September 30, 2004 is as follows:

Receivable Fund	able Fund Payable Fund		Amount
Galleria Mall	General Fund	\$	77,069
Debt Service	General Fund		34,160
Total		\$	111,229

These balances resulted from loans made to the Galleria Mall Fund from the General Fund to provide working capital for operations or projects and from the General Fund to Debt Service Fund to cover bond insurance policies.

Interfund transfers:

	Transfer In						
	Genera		I	Debt Service	Per	forming Arts	
		Fund		Fund	C	enter Fund	 Total
Transfer out:							
General Fund	\$	-	\$	6,155,059	\$	635,369	\$ 6,790,428
Debt Service Fund		89,952		-			 89,952
Total transfer out	\$	89,952	\$	6,155,059	\$	635,369	\$ 6,880,380

C. Due From/To Restricted Assets

The unrestricted Water and Sewer account owes \$1,764,027 to the Water and Sewer Revenue Bonds Contingency account (included in restricted assets). This balance of \$1,764,027 is excess working capital of the unrestricted Water and Sewer account that will be transferred to the construction and contingency accounts as required by the revenue bond indentures.

Note 14. Segment Information – Nonmajor Enterprise Funds

The County issued revenue bonds to finance its solid waste operation and golf course. However, investors in the revenue bonds rely solely on the revenue generated by the individual activities for repayment. Summary financial information for the solid waste and golf course at September 30, 2004:

Solid Waste							
Fund			Solid Waste		Cobblestone		
Condensed Statement of Net Assets			Disposal		Golf Course		
Assets:			Fund		Fund		Totals
Current Assets \$ 334,982 \$ 310,821 \$ 845,803 Restricted assets 3,104,790 \$6,054 3,160,844 Capital assets 15,503,148 6,534,775 22,037,923 Other assets 170,193 36,003 206,196 Total assets \$ 19,313,113 \$ 6,937,653 \$ 26,250,766 Liabilities *** *** *** *** \$ 26,250,766 Liabilities *** *** *** *** \$ 26,250,766 ***	Condensed Statement of Net Assets						
Restricted assets 3,104,790 56,054 3,160,844 Capital assets 15,503,148 6,534,775 22,037,923 Other assets 170,193 36,003 206,196 Total assets \$ 19,313,113 \$ 6,937,653 \$ 26,250,766 Liabilities \$ 814,400 \$ 121,696 936,096 Due to other funds 27,370,223 952,575 28,322,798 Current liabilities payable from restricted assets 1,551,380 431,054 1,982,434 Noncurrent liabilities 46,682,504 3,911,244 50,593,748 Total liabilities \$ 76,418,507 \$ 5,416,569 \$ 81,835,076 NE Assets: Invested in capital assets, 1 (51,43,334) 1 (51,43,334) 1 (51,43,334) Restricted 3,012,013 - 3,012,013 1 (51,45,334) 1 (51,45,334) 1 (51,545,334) 1 (51,545,334) 1 (51,545,334) 1 (51,545,334) 1 (51,545,334) 1 (51,545,334) 1 (51,545,334) 1 (51,545,334) 1 (51,545,334) 1 (51,545,334) 1 (51,545,334) 1 (51,545,334) 1 (51,5	Assets:						
Capital assets 15,503,148 6,534,775 22,037,923 Other assets 170,193 36,003 206,196 Total assets \$ 19,313,113 \$ 6,937,653 \$ 26,250,766 Liabilities Current liabilities \$ 814,400 \$ 121,696 936,096 Due to other funds 27,370,223 952,575 28,322,798 Current liabilities payable from restricted assets 1,551,380 431,054 1,982,434 Noneurrent liabilities 46,682,504 3,911,244 50,593,748 Total liabilities \$ 76,418,507 \$ 5,416,569 \$ 81,835,076 Net Assets: Invested in capital assets, net of related debt \$ (3,797,631) \$ 2,252,297 \$ (1,545,334) Restricted 3,012,013 - 3,012,013 (57,050,989) Total net assets \$ (56,319,776) (731,213) (57,050,989) Total net assets \$ 5,994,436 \$ 1,521,084 \$ 55,584,310 Operating revenues \$ 5,994,436 \$ 1,222,315 \$ 7,916,751 Operating income (loss) \$ (3,050,043) \$ 503,425 \$ (2,546,618) <td>Current Assets</td> <td>\$</td> <td>534,982</td> <td>\$</td> <td>310,821</td> <td>\$</td> <td>845,803</td>	Current Assets	\$	534,982	\$	310,821	\$	845,803
Other assets 170,193 36,003 206,196 Total assets \$19,313,113 \$6,937,653 \$26,250,766 Liabilities: \$814,400 \$121,696 936,096 Due to other funds \$27,370,223 \$952,575 28,322,798 Current liabilities payable from restricted assets \$1,551,380 431,054 \$1,982,434 Noncurrent liabilities \$6,682,504 \$3,911,244 \$50,593,748 Total liabilities \$76,418,507 \$5,416,569 \$81,835,076 Noncurrent liabilities \$3,797,631 \$2,252,297 \$(1,545,334) Total liabilities \$3,397,631 \$2,252,297 \$(1,545,334) Net Assets \$3,012,013 \$3,012,013 \$3,012,013 Restricted \$3,012,013 \$1,521,084 \$(55,584,310) Unrestricted \$5,571,05,394 \$1,521,084 \$(55,584,310) Operating revenues \$5,994,346 \$1,922,315 \$7,916,751 Operating revenues \$5,994,36 \$1,922,315 \$7,916,751 Operating expenses \$9,944,479 \$1,418,890	Restricted assets		3,104,790		56,054		3,160,844
Total assets	Capital assets		15,503,148		6,534,775		22,037,923
Current liabilities	Other assets		170,193		36,003		206,196
Current liabilities \$ 814,400 \$ 121,696 936,096 Due to other funds 27,370,223 952,575 28,322,798 Current liabilities payable from restricted assets 1,551,380 431,054 1,982,434 Noncurrent liabilities 46,682,504 3,911,244 50,593,748 Total liabilities 5,6418,507 5,5416,569 81,835,076 Net Assets: Invested in capital assets, net of related debt 3,079,631) 5,2252,297 (1,545,334) Restricted 3,012,013 - 3,012,013 Unrestricted (56,319,776) (731,213) (57,050,989) Total net assets \$ (57,105,394) \$ 1,521,084 \$ (55,584,310) Condensed Statement of Revenues, Expenses and Changes in Net Assets Operating revenues \$ 5,994,436 \$ 1,922,315 \$ 7,916,751 Operating expenses 9,044,479 1,418,890 10,463,369 Operating income (loss) \$ (3,050,043) \$ 503,425 \$ (2,546,618) Depreciation \$ (3,050,943) \$ 503,425 \$ (2,546,618) Operating income (loss)<	Total assets	\$	19,313,113	\$	6,937,653	\$	26,250,766
Due to other funds 27,370,223 952,575 28,322,798 Current liabilities payable from restricted assets 1,551,380 431,054 1,982,434 Noncurrent liabilities 46,682,504 3,911,244 50,593,748 Total liabilities \$ 76,418,507 \$ 5,416,569 \$ 81,835,076 Net Assets: Invested in capital assets, net of related debt \$ (3,797,631) \$ 2,252,297 \$ (1,545,334) Restricted 3,012,013 - 3,012,013 Unrestricted (56,319,776) (731,213) (57,059,989) Total net assets \$ (57,105,394) \$ 1,521,084 \$ (55,584,310) Condensed Statement of Revenues, Expenses and Changes in Net Assets Operating revenues \$ 5,994,436 \$ 1,922,315 \$ 7,916,751 Operating expenses 9,044,479 1,418,890 10,463,369 Operating income (loss) \$ (3,050,043) \$ 503,425 \$ (2,546,618) Depreciation \$ (3,015,943) \$ (104,780) \$ (3,120,723) Operating income (loss) \$ (6,065,986) \$ 398,645 \$ (5,667,341) <t< td=""><td>Liabilities:</td><td></td><td></td><td></td><td></td><td></td><td></td></t<>	Liabilities:						
Current liabilities payable from restricted assets 1,551,380 431,054 1,982,434 Noncurrent liabilities 46,682,504 3,911,244 50,593,748 Total liabilities \$ 76,418,507 \$ 5,416,569 \$ 81,835,076 Net Assets: Invested in capital assets, net of related debt \$ (3,797,631) \$ 2,252,297 \$ (1,545,334) Restricted 3,012,013 - 3,012,013 Unrestricted (56,319,776) (731,213) (57,050,989) Total net assets \$ (57,105,394) \$ 1,521,084 \$ (55,584,310) Condensed Statement of Revenues, Expenses and Changes in Net Assets Operating revenues \$ 5,994,436 \$ 1,922,315 \$ 7,916,751 Operating expenses 9,044,479 1,418,890 10,463,369 Operating income (loss) \$ (3,050,043) \$ 503,425 \$ (2,546,618) Depreciation \$ (3,015,943) \$ (104,780) \$ (3,120,723) Operating income (loss) \$ (6,065,986) \$ 398,645 \$ (5,667,341) Nonoperating revenues, (expenses), net (1,277,111) (267,263) <	Current liabilities	\$	814,400	\$	121,696		936,096
from restricted assets 1,551,380 431,054 1,982,434 Noncurrent liabilities 46,682,504 3,911,244 50,593,748 Total liabilities 76,418,507 5,416,569 81,835,076 Net Assets: Invested in capital assets, net of related debt 3,0797,631) \$2,252,297 \$(1,545,334) Restricted 3,012,013 - 3,012,013 Unrestricted (56,319,776) (731,213) (57,050,989) Total net assets \$(57,105,394) \$1,521,084 \$(55,584,310) Condensed Statement of Revenues, Expenses and Changes in Net Assets Operating revenues \$9,944,36 \$1,922,315 \$7,916,751 Operating expenses 9,044,479 1,418,890 10,463,369 Operating income (loss) \$(3,050,043) \$503,425 \$(2,546,618) Depreciation \$(3,015,943) \$(104,780) \$(3,120,723) Operating income (loss) \$(6,065,986) \$398,645 \$(5,667,341) Net income (loss) before \$(1,277,111) (267,263) \$(1,544,374) Tra	Due to other funds		27,370,223		952,575		28,322,798
Noncurrent liabilities 46,682,504 3,911,244 50,593,748 Total liabilities \$ 76,418,507 \$ 5,416,569 \$ 81,835,076 Net Assets: Invested in capital assets, net of related debt \$ (3,797,631) \$ 2,252,297 \$ (1,545,334) Restricted 3,012,013 - 3,012,013 Unrestricted (56,319,776) (731,213) (57,050,989) Total net assets \$ (57,105,394) \$ 1,521,084 \$ (55,584,310) Condensed Statement of Revenues, Expenses and Changes in Net Assets Operating revenues \$ 5,994,436 \$ 1,922,315 \$ 7,916,751 Operating gexpenses 9,044,479 1,418,890 10,463,369 Operating income (loss) \$ (3,050,043) \$ 503,425 \$ (2,546,618) Depreciation \$ (3,050,043) \$ 503,425 \$ (2,546,618) Operating income (loss) \$ (6,065,986) \$ 398,645 \$ (5,667,341) Nonoperating revenues, (expenses), net \$ (1,277,111) \$ (267,263) \$ (1,544,374) Net income (loss) before transfers	Current liabilities payable						
Total liabilities \$ 76,418,507 \$ 5,416,569 \$ 81,835,076 Net Assets: Invested in capital assets, net of related debt \$ (3,797,631) \$ 2,252,297 \$ (1,545,334) Restricted 3,012,013 - 3,012,013 (57,050,989) Total net assets \$ (57,105,394) \$ 1,521,084 \$ (55,584,310) Condensed Statement of Revenues, Expenses and Changes in Net Assets Condensed Statement of Revenues, Expenses and Changes in Net Assets Operating revenues \$ 5,994,436 \$ 1,922,315 \$ 7,916,751 Operating expenses 9,044,479 1,418,890 10,463,369 Operating income (loss) \$ (3,050,043) \$ 503,425 \$ (2,546,618) Depreciation \$ (3,015,943) \$ (104,780) \$ (3,120,723) Operating income (loss) \$ (6,065,986) \$ 398,645 \$ (5,667,341) Nonoperating revenues, (expenses), net \$ (1,277,111) \$ (267,263) \$ (7,211,715) Transfers \$ (7,343,097) \$ 131,382 \$ (7,211,715) Transfers \$ (7,343,097) \$ 131,382 \$ (7,211,715) Transfers	from restricted assets		1,551,380		431,054		1,982,434
Total liabilities \$ 76,418,507 \$ 5,416,569 \$ 81,835,076 Net Assets: Invested in capital assets, net of related debt \$ (3,797,631) \$ 2,252,297 \$ (1,545,334) Restricted 3,012,013 - 3,012,013 (57,050,989) Total net assets \$ (57,105,394) \$ 1,521,084 \$ (55,584,310) Condensed Statement of Revenues, Expenses and Changes in Net Assets Coperating revenues \$ 5,994,436 \$ 1,922,315 \$ 7,916,751 Operating expenses 9,044,479 1,418,890 10,463,369 Operating income (loss) \$ (3,050,043) \$ 503,425 \$ (2,546,618) Depreciation \$ (3,015,943) \$ (104,780) \$ (3,120,723) Operating income (loss) \$ (6,065,986) \$ 398,645 \$ (5,667,341) Nonoperating revenues, (expenses), net \$ (1,277,111) \$ (267,263) \$ (1,544,374) Net income (loss) before transfers \$ (7,343,097) \$ 131,382 \$ (7,211,715) Transfers in (out), net \$ (56,99,994) \$ (654) \$ 6,569,340 Changes in net assets \$ (773,103) \$ 130,728	Noncurrent liabilities		46,682,504		3,911,244		50,593,748
Net Assets: Invested in capital assets, net of related debt \$ (3,797,631) \$ 2,252,297 \$ (1,545,334) Restricted 3,012,013 - 3,012,013 Unrestricted (56,319,776) (731,213) (57,050,989) Total net assets \$ (57,105,394) \$ 1,521,084 \$ (55,584,310) Condensed Statement of Revenues, Expenses and Changes in Net Assets Operating revenues \$ 5,994,436 \$ 1,922,315 \$ 7,916,751 Operating expenses 9,044,479 1,418,890 10,463,369 Operating income (loss) before depreciation \$ (3,050,043) \$ 503,425 \$ (2,546,618) Depreciation \$ (3,015,943) \$ (104,780) \$ (3,120,723) Operating income (loss) \$ (6,065,986) \$ 398,645 \$ (5,667,341) Nonoperating revenues, (expenses), net (1,277,111) (267,263) (1,544,374) Transfers in (out), net 6,569,994 (654) 6,569,340 Changes in net asset	Total liabilities	\$		<u> </u>	5,416,569	- \$	
net of related debt \$ (3,797,631) \$ 2,252,297 \$ (1,545,334) Restricted 3,012,013 - 3,012,013 Unrestricted (56,319,776) (731,213) (57,050,989) Total net assets \$ (57,105,394) \$ 1,521,084 \$ (55,584,310) Condensed Statement of Revenues, Expenses and Changes in Net Assets Operating revenues \$ 5,994,436 \$ 1,922,315 \$ 7,916,751 Operating expenses 9,044,479 1,418,890 10,463,369 Operating income (loss) before depreciation \$ (3,050,043) \$ 503,425 \$ (2,546,618) Depreciation \$ (3,015,943) \$ (104,780) \$ (3,120,723) Operating income (loss) \$ (6,065,986) \$ 398,645 \$ (5,667,341) Nonoperating revenues, (expenses), net (1,277,111) (267,263) (1,544,374) Net income (loss) before transfers \$ (7,343,097) \$ 131,382 \$ (7,211,715) Transfers in (out), net 6,569,994 (654) 6,569,340	Net Assets:		, ,	<u> </u>	, ,		, ,
net of related debt \$ (3,797,631) \$ 2,252,297 \$ (1,545,334) Restricted 3,012,013 - 3,012,013 Unrestricted (56,319,776) (731,213) (57,050,989) Total net assets \$ (57,105,394) \$ 1,521,084 \$ (55,584,310) Condensed Statement of Revenues, Expenses and Changes in Net Assets Operating revenues \$ 5,994,436 \$ 1,922,315 \$ 7,916,751 Operating expenses 9,044,479 1,418,890 10,463,369 Operating income (loss) \$ (3,050,043) \$ 503,425 \$ (2,546,618) Depreciation \$ (3,015,943) \$ (104,780) \$ (3,120,723) Operating income (loss) \$ (6,065,986) \$ 398,645 \$ (5,667,341) Nonoperating revenues, (expenses), net \$ (1,277,111) \$ (267,263) \$ (1,544,374) Net income (loss) before transfers \$ (7,343,097) \$ 131,382 \$ (7,211,715) Transfers in (out), net \$ (5,69,994) \$ (654) \$ 6,569,340 Changes in net assets \$ (773,103) \$ 130,728 \$ (642,375) Beginning net assets	Invested in capital assets,						
Restricted 3,012,013 - 3,012,013 Unrestricted (56,319,776) (731,213) (57,050,989) Total net assets \$ (57,105,394) \$ 1,521,084 \$ (55,584,310) Condensed Statement of Revenues, Expenses and Changes in Net Assets Operating revenues \$ 5,994,436 \$ 1,922,315 \$ 7,916,751 Operating expenses 9,044,479 1,418,890 10,463,369 Operating income (loss) \$ (3,050,043) \$ 503,425 \$ (2,546,618) Depreciation \$ (3,015,943) \$ (104,780) \$ (3,120,723) Operating income (loss) \$ (6,065,986) \$ 398,645 \$ (5,667,341) Nonoperating revenues, (expenses), net (1,277,111) (267,263) (1,544,374) Net income (loss) before transfers \$ (7,343,097) \$ 131,382 \$ (7,211,715) Transfers \$ (7,343,097) \$ 131,382 \$ (7,211,715) Transfers \$ (7,343,097) \$ 131,382 \$ (7,211,715) Changes in net assets \$ (773,103) \$ 130,728 \$ (642,375) Beginning net assets \$ (56,332,291) <td></td> <td>\$</td> <td>(3,797,631)</td> <td>\$</td> <td>2,252,297</td> <td>\$</td> <td>(1,545,334)</td>		\$	(3,797,631)	\$	2,252,297	\$	(1,545,334)
Unrestricted (56,319,776) (731,213) (57,050,989) Total net assets \$ (57,105,394) \$ 1,521,084 \$ (55,584,310) Condensed Statement of Revenues, Expenses and Changes in Net Assets Operating revenues \$ 5,994,436 \$ 1,922,315 \$ 7,916,751 Operating expenses 9,044,479 1,418,890 10,463,369 Operating income (loss) \$ (3,050,043) \$ 503,425 \$ (2,546,618) Depreciation \$ (3,015,943) \$ (104,780) \$ (3,120,723) Operating income (loss) \$ (6,065,986) \$ 398,645 \$ (5,667,341) Nonoperating revenues, (expenses), net \$ (1,277,111) (267,263) \$ (1,544,374) Net income (loss) before transfers \$ (7,343,097) \$ 131,382 \$ (7,211,715) Transfers in (out), net 6,569,994 (654) 6,569,340 Changes in net assets \$ (773,103) \$ 130,728 \$ (642,375) Beginning net assets (56,332,291) 1,390,356 (54,941,935)	Restricted				-		
Condensed Statement of Revenues, Expenses and Changes in Net Assets S. (57,105,394) \$ 1,521,084 \$ (55,584,310) Condensed Statement of Revenues, Expenses and Changes in Net Assets S. 5,994,436 \$ 1,922,315 \$ 7,916,751 Operating revenues \$ 5,994,436 \$ 1,922,315 \$ 7,916,751 Operating expenses 9,044,479 1,418,890 10,463,369 Operating income (loss) \$ (3,050,043) \$ 503,425 \$ (2,546,618) Depreciation \$ (3,015,943) \$ (104,780) \$ (3,120,723) Operating income (loss) \$ (6,065,986) \$ 398,645 \$ (5,667,341) Nonoperating revenues, (expenses), net (1,277,111) (267,263) (1,544,374) Net income (loss) before transfers \$ (7,343,097) \$ 131,382 \$ (7,211,715) Transfers in (out), net 6,569,994 (654) 6,569,340 Changes in net assets \$ (773,103) \$ 130,728 \$ (642,375) Beginning net assets (56,332,291) 1,390,356 (54,941,935)					(731.213)		
Condensed Statement of Revenues, Expenses and Changes in Net Assets Operating revenues \$ 5,994,436 \$ 1,922,315 \$ 7,916,751 Operating expenses 9,044,479 1,418,890 10,463,369 Operating income (loss) \$ (3,050,043) \$ 503,425 \$ (2,546,618) Depreciation \$ (3,015,943) \$ (104,780) \$ (3,120,723) Operating income (loss) \$ (6,065,986) \$ 398,645 \$ (5,667,341) Nonoperating revenues, (expenses), net \$ (1,277,111) \$ (267,263) \$ (1,544,374) Net income (loss) before transfers \$ (7,343,097) \$ 131,382 \$ (7,211,715) Transfers in (out), net \$ (5,569,994) \$ (654) \$ 6,569,340 Changes in net assets \$ (773,103) \$ 130,728 \$ (642,375) Beginning net assets \$ (56,332,291) \$ 1,390,356 \$ (54,941,935)		\$		<u> </u>		- <u>\$</u>	
Operating revenues \$ 5,994,436 \$ 1,922,315 \$ 7,916,751 Operating expenses 9,044,479 1,418,890 10,463,369 Operating income (loss) before depreciation \$ (3,050,043) \$ 503,425 \$ (2,546,618) Depreciation \$ (3,015,943) \$ (104,780) \$ (3,120,723) Operating income (loss) \$ (6,065,986) \$ 398,645 \$ (5,667,341) Nonoperating revenues, (expenses), net (1,277,111) (267,263) (1,544,374) Net income (loss) before transfers \$ (7,343,097) \$ 131,382 \$ (7,211,715) Transfers in (out), net 6,569,994 (654) 6,569,340 Changes in net assets \$ (773,103) \$ 130,728 \$ (642,375) Beginning net assets (56,332,291) 1,390,356 (54,941,935)							
Operating expenses 9,044,479 1,418,890 10,463,369 Operating income (loss) \$ (3,050,043) \$ 503,425 \$ (2,546,618) Depreciation \$ (3,015,943) \$ (104,780) \$ (3,120,723) Operating income (loss) \$ (6,065,986) \$ 398,645 \$ (5,667,341) Nonoperating revenues, (expenses), net \$ (1,277,111) \$ (267,263) \$ (1,544,374) Net income (loss) before transfers \$ (7,343,097) \$ 131,382 \$ (7,211,715) Transfers in (out), net \$ (5,569,994) \$ (654) \$ (5,569,340) Changes in net assets \$ (773,103) \$ 130,728 \$ (642,375) Beginning net assets \$ (56,332,291) \$ 1,390,356 \$ (54,941,935)		_	_		1 922 315	\$	7 916 751
Operating income (loss) \$ (3,050,043) \$ 503,425 \$ (2,546,618) Depreciation \$ (3,015,943) \$ (104,780) \$ (3,120,723) Operating income (loss) \$ (6,065,986) \$ 398,645 \$ (5,667,341) Nonoperating revenues, (expenses), net (1,277,111) (267,263) (1,544,374) Net income (loss) before transfers \$ (7,343,097) \$ 131,382 \$ (7,211,715) Transfers in (out), net 6,569,994 (654) 6,569,340 Changes in net assets \$ (773,103) \$ 130,728 \$ (642,375) Beginning net assets (56,332,291) 1,390,356 (54,941,935)		Ψ		Ψ			
before depreciation \$ (3,050,043) \$ 503,425 \$ (2,546,618) Depreciation \$ (3,015,943) \$ (104,780) \$ (3,120,723) Operating income (loss) \$ (6,065,986) \$ 398,645 \$ (5,667,341) Nonoperating revenues, (expenses), net \$ (1,277,111) \$ (267,263) \$ (1,544,374) Net income (loss) before transfers \$ (7,343,097) \$ 131,382 \$ (7,211,715) Transfers \$ (7,343,097) \$ 131,382 \$ (7,211,715) Transfers \$ (773,103) \$ 130,728 \$ (642,375) Beginning net assets \$ (56,332,291) \$ 1,390,356 \$ (54,941,935)			7,044,477		1,410,070		10,403,307
Depreciation \$ (3,015,943) \$ (104,780) \$ (3,120,723) Operating income (loss) \$ (6,065,986) \$ 398,645 \$ (5,667,341) Nonoperating revenues, (expenses), net (1,277,111) (267,263) (1,544,374) Net income (loss) before transfers \$ (7,343,097) \$ 131,382 \$ (7,211,715) Transfers in (out), net 6,569,994 (654) 6,569,340 Changes in net assets \$ (773,103) \$ 130,728 \$ (642,375) Beginning net assets (56,332,291) 1,390,356 (54,941,935)		\$	(3.050.043)	\$	503.425	\$	(2.546.618)
Operating income (loss) \$ (6,065,986) \$ 398,645 \$ (5,667,341) Nonoperating revenues, (expenses), net (1,277,111) (267,263) (1,544,374) Net income (loss) before transfers \$ (7,343,097) \$ 131,382 \$ (7,211,715) Transfers in (out), net 6,569,994 (654) 6,569,340 Changes in net assets \$ (773,103) \$ 130,728 \$ (642,375) Beginning net assets (56,332,291) 1,390,356 (54,941,935)					•		• • • • • • • • • • • • • • • • • • • •
Nonoperating revenues, (expenses), net (1,277,111) (267,263) (1,544,374) Net income (loss) before transfers \$ (7,343,097) \$ 131,382 \$ (7,211,715) Transfers in (out), net 6,569,994 (654) 6,569,340 Changes in net assets \$ (773,103) \$ 130,728 \$ (642,375) Beginning net assets (56,332,291) 1,390,356 (54,941,935)	-						
(expenses), net (1,277,111) (267,263) (1,544,374) Net income (loss) before transfers \$ (7,343,097) \$ 131,382 \$ (7,211,715) Transfers in (out), net 6,569,994 (654) 6,569,340 Changes in net assets \$ (773,103) \$ 130,728 \$ (642,375) Beginning net assets (56,332,291) 1,390,356 (54,941,935)		Ψ	(0,000,000)	Ψ	370,013	Ψ	(3,007,311)
Net income (loss) before transfers \$ (7,343,097) \$ 131,382 \$ (7,211,715) Transfers in (out), net 6,569,994 (654) 6,569,340 Changes in net assets \$ (773,103) \$ 130,728 \$ (642,375) Beginning net assets (56,332,291) 1,390,356 (54,941,935)			(1 277 111)		(267 263)		(1 544 374)
transfers \$ (7,343,097) \$ 131,382 \$ (7,211,715) Transfers in (out), net 6,569,994 (654) 6,569,340 Changes in net assets \$ (773,103) \$ 130,728 \$ (642,375) Beginning net assets (56,332,291) 1,390,356 (54,941,935)	(expenses), net		(1,277,111)		(207,203)		(1,544,574)
Transfers in (out), net 6,569,994 (654) 6,569,340 Changes in net assets \$ (773,103) \$ 130,728 \$ (642,375) Beginning net assets (56,332,291) 1,390,356 (54,941,935)	Net income (loss) before						
in (out), net 6,569,994 (654) 6,569,340 Changes in net assets \$ (773,103) \$ 130,728 \$ (642,375) Beginning net assets (56,332,291) 1,390,356 (54,941,935)	transfers	\$	(7,343,097)	\$	131,382	\$	(7,211,715)
Changes in net assets \$ (773,103) \$ 130,728 \$ (642,375) Beginning net assets (56,332,291) 1,390,356 (54,941,935)	Transfers						
Beginning net assets (56,332,291) 1,390,356 (54,941,935)	in (out), net	_	6,569,994		(654)	_	6,569,340
Beginning net assets (56,332,291) 1,390,356 (54,941,935)	Changes in net assets	\$	(773,103)	\$	130,728	\$	(642,375)
			(56,332,291)		1,390,356		(54,941,935)
		\$	(57,105,394)	\$	1,521,084	\$	(55,584,310)

Condensed Statement of Cash Flows			
Net cash provided (used) by:			
Operating activities	\$ (3,308,778)	\$ 505,361	\$ (2,803,417)
Noncapital financing activities	6,373,175	(654)	6,372,521
Capital and related financing activities	(2,733,910)	(592,807)	(3,326,717)
Investing activities	 (83,468)	 (41,587)	 (125,055)
Net increase (decrease)	247,019	(129,687)	117,332
Beginning cash and cash equivalents	\$ 9,650	\$ 414,190	\$ 423,840
Ending cash and cash equivalents	\$ 256,669	\$ 284,503	\$ 541,172

Note 15. Deficit Fund Balances/Retained Earnings of Individual Funds

	Defici	t Fund Balance/
<u>Fund</u>	Reta	ined Earnings
Cobb Senior Services Special Revenue Fund	\$	21,823
Solid Waste Disposal Enterprise Fund	\$	57,105,394
Claims Internal Service Fund	\$	2,485,617

In FY02, expenditures exceeded revenues in the Senior Services Special Revenue Fund and caused a deficit fund balance. The federal government reduced certain types of grants that supported operational costs. Thus, in order to address the revenue shortfall, the interfund subsidy was increased in FY03. This subsidy allowed FY03 to end with an excess of revenues and other financing sources over expenditures and other uses and decreased the prior year deficit fund balance. The budget and expenditures were analyzed on a monthly basis in FY04 and the interfund subsidy was increased by 7%. In FY04, the prior year deficit fund balance decreased from \$287,669 to \$21,823 and Cobb County will address the remaining deficit balance by continuing to analyze the budget and expenditures on a monthly basis.

The deficit in the Solid Waste Disposal Enterprise Fund arises because of the application of generally accepted accounting principles to the financial reporting for enterprise funds in which an expense provision and related liability are being recognized based on the future closure and postclosure care costs. Also, revenues have decreased over the past few years due to a decrease in tonnage received at the landfill. The decrease in revenues has been addressed, and a new management plan was put into place in FY04. The total equity (contributed capital and retained earnings) of the Solid Waste Disposal Enterprise Fund at September 30, 2004 was a deficit of \$57,105,394.

The deficit in the Claims Internal Service Fund arises from the application of generally accepted accounting principles in which an expense provision and related liability are being recognized based on estimated future claims costs. The estimated liability for claims and judgments at September 30, 2004 was \$13,708,860, which resulted in a deficit of \$2,485,617.

Note 16. Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amount, if any, to be immaterial.

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

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 17. 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 18. Due From Other Governments and Agencies

0				
General Fund:				
Cobb County Board of Education	\$ 26,607			
Cobb County Board of Health	497			
Cobb County Community Services Board	31,622			
City of Acworth, Georgia	10,000			
City of Austell, Georgia	866,420			
City of Marietta, Georgia	10,000			
City of Smyrna, Georgia	11,200			
Chattahoochee Tech	3,245			
State of Georgia, Department of Human Resources	1,650			
Total General Fund			\$ 961,241	
Special Revenue Funds:				
Community Services Fund:				
State of Georgia, Department of Human				
Resources		\$ 147,586		
Grant Fund:				
Cobb-Douglas Board of Health	\$ 32,736			
Cobb Housing, Inc.	5,000			
United States, Department of Justice	123,149			
United States, Federal Aviation Administration	928,117			
United States, Federal Emergency Management Agency	101,737			
State of Georgia, Child and Youth Council	194,086			
State of Georgia, Council of Juvenile Court Judges	1,500			
State of Georgia, Criminal Justice Coordinating Council	17,284			
State of Georgia, Department of Community Affairs	63,145			
State of Georgia, Department of Human Resources	234,000			
State of Georgia, Department of Transportation	2,088,976			
State of Georgia, Emergency Management Agency	\$ 612,603			
State of Georgia, Office of Highway Safety				
Council	59,294			
State of Georgia, Public Safety Training Center	 55,384	\$ 4,517,011		

Housing and Urban Development Fund:			
United States, Department of Housing and Urban			
Development		422,723	
Senior Services Fund:		,,	
Atlanta Regional Commission		727,099	
Total Special Revenue Funds		 ,	\$ 5,814,419
Capital Projects Funds:			
Road Sales Tax 1994 Fund:			
City of Acworth, Georgia	\$ 166,478		
City of Austell, Georgia	144,719		
City of Kennesaw, Georgia	219,826		
City of Powder Springs, Georgia	 103,018	\$ 634,041	
Total Capital Projects Funds			
Public Facilities Fund:			
City of Acworth, Georgia	\$ 131,456		
City of Austell, Georgia	105,045		
City of Kennesaw, Georgia	388,772		
City of Powder Springs, Georgia	99,600		
Georgia Department of Transportation	 84,578	\$ 809,451	
Total Capital Projects Funds			 1,443,492
Proprietary Funds:			
Water System Fund:			
City of Powder Springs, Georgia		\$ 112,105	
Public Transit System Fund:			
Federal Transit Administration	\$ 3,598,911		
State of Georgia, Department of Transportation	 1,101,851	 4,700,762	
Total Proprietary Funds			\$ 4,812,867
Total Due from Other Governments and Agencies			
- Primary Government			\$ 13,032,019

Note 19. Post Employment Health Care Benefits

In addition to providing pension benefits, the County provides certain health care benefits for retired employees. Substantially all of the County's employees may become eligible for those benefits if they reach normal retirement age while working for the County with a minimum of ten years of service. At September 30, 2004, there were 797 retirees eligible for the benefits. The cost of retiree health care benefits is recognized as an expense as claims are incurred. For fiscal year 2004, those costs were approximately \$5.1 million.

Note 20. Employee Retirement System

A. Primary Government

The County maintains a single-employer, contributory, defined benefit 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 four employees and one citizen who represents the interest of the taxpayers of the County. The Board of Trustees reports to the Board of Commissioners.

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

Basis of Accounting:

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

Valuation of Investments:

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

2. Plan Description and Provisions:

County Commissioners, their direct appointees, and substantially all other full-time employees participate in the Plan, a single-employer, and contributory, defined benefit pension plan. The payroll for employees covered by the PERS for the plan year ended December 31, 2003 was \$161,900,582. Current membership in the plan is comprised of the following:

<u>Group</u>	January 1, 2004
Retirees and beneficiaries	
currently receiving benefits	1,037
Vested terminated employees	616
Fully vested and non-vested	
active employees	3,812

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 Benefit Unit Credit actuarial funding 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, 2004, the County contributed \$16,099,061 to the Plan during the fiscal year. This contribution consisted of \$8,646,806 (5.3% of covered payroll) for normal cost, and \$7,452,255 (4.6% 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 January 1, 2004 the employee contribution amount was increased to 4.25% For fiscal year 2004, these contributions totaled \$7,080,907.

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

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

COBB COUNTY, GEORGIA NOTES TO FINANCIAL STATEMENTS

September 30, 2004

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% of their salaries to the plan on April 1, 1998, and for those employees hired after April 1, 1998, the benefit formula is 2.5% of final earnings (as defined) multiplied by years of credited service, up to a maximum of 35 years. Unreduced early retirement is offered to participants with age and service totaling 80.

Minimum Benefits: Early:

\$76 times years of credited service. Eligibility Age 55 with 7 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:

Eligibility – Seven years of service equals 100% vested.

Benefit Formula

Benefit accrued to date of termination.

COBB COUNTY, GEORGIA NOTES TO FINANCIAL STATEMENTS

September 30, 2004

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

that 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 the

participant could have first retired.

Refund of Contributions If a participant who is non-vested

terminates, he or she receives a refund of

contributions and interest.

4 Investments:

The securities listed below each comprised more than 5% of the net assets available for pension benefits as of September 30, 2004:

Security Description	Total Market Value	% of Net Assets Available
Vanguard Institutional	1	
Index Fund	\$14,903,190	6.2%
Clipper Fund, Inc.	\$18,910,841	7.8%

B. Component Unit

Defined Contribution Plan

The Authority administers and contributes to the Cobb-Marietta Coliseum and Exhibit Hall Authority Profit-Sharing Plan, which is a defined contribution plan – RCMA Profit-Sharing Plan.

A defined contribution plan provides retirement benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and forfeitures of other participants' benefits that may be allocated to such participant's account. As established by resolution of the Authority, all employees who have performed one (1) hour of service are eligible to participate in the plan. Contributions made by the Authority vest 100% after three (3) years of vesting service. A participant that leaves the employment of the Authority is entitled to their account balance, if vesting requirements are satisfied. The employer contribution for each plan year shall be such an amount, if any, as determined by the employer for the plan year ending.

The Authority's total payroll for fiscal year 2004 was \$4,800,539.

The plan held no securities of the Authority or other related parties during the year.

Note 21. 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 (included in payable from restricted assets)

\$54,882

Note 22. 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 Statement of Revenues, Expenses and Changes in Retained Earnings.

Capital Contributions recognized as revenue for the fiscal year ending September 30, 2004 are presented below:

 Source
 \$18,201,427

 Donations
 10,952,108

 Total Capital Contributions
 \$29,153,535

Note 23. Closure and Postclosure Care Costs

State and federal laws and regulations require that the County place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and postclosure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closures and postclosure care costs is based on the amount of the landfill used during the year. The estimated liability of landfill closure and postclosure care costs had a balance of \$27,147,594 and \$27,160,457 as of September 30, 2004 and 2003, respectively, which is based on 99% usage (filled) of the landfill. In accordance with GASB 18, the estimated total current cost of the landfill closure and postclosure care is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of September 30, 2004. However, the actual cost of closure and postclosure care 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, 2004, no amount of assets have been

restricted for the payment of closure and postclosure care costs. The remaining portion of anticipated future inflation costs and additional costs that might arise from changes in postclosure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users, taxpayers, or both.

Note 24. Hotel/Motel Lodging Tax

Cobb County has levied an 8% lodging tax. A summary of the transactions for the year ending September 30, 2004 follows:

Lodging tax receipts \$ 8,041,064

Disbursements to bond Trustee on behalf of the Cobb-Marietta Coliseum and Exhibit

Hall Authority (7,343,561)

Balance of lodging tax on hand at end of year

\$ 697,503

Balance on hand at the end of the year was distributed to bond trustee of Cobb-Marietta Coliseum and Exhibit Hall Authority in October 2004 per contractual agreement.

Cobb County has received an audit report from the Cobb-Marietta Coliseum and Exhibit Hall Authority covering the lodging tax monies. 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.

The Cobb-Marietta Coliseum and Exhibit Hall Authority is contractually obligated to remit back to Cobb County 37.5% of collected amounts. During the fiscal year this amounted to \$3,038,009. Cobb County expended these monies for the promotion of tourism as required by OCGA 48-13-51.

Note 25. Joint Venture

Under Georgia law, the County, in conjunction with other cities and counties in the ten County metropolitan Atlanta, Georgia area, are members of the Atlanta Regional Commission (ARC). Membership in a RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RDC in Georgia. The County paid dues in the amount of \$638,675 to the ARC for the year ended September 30, 2004. The RDC

Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a RDC. Separate financial statements may be obtained from: Atlanta Regional Commission, 40 Courtland Street N.E., Atlanta, Georgia 30303.

Note 26. Related Organization

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

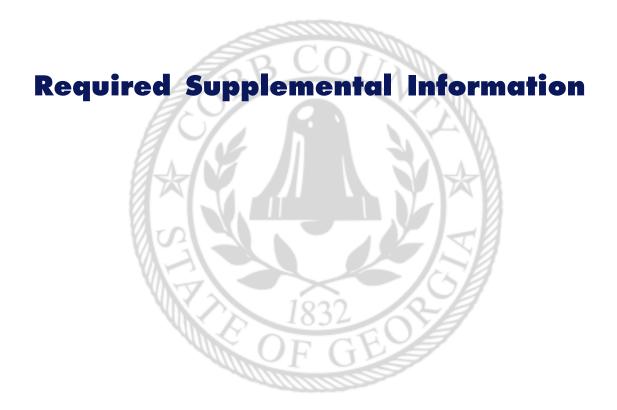
Note 27. Subsequent Event

Primary Government:

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% which is payable semiannually over 10 years on July 1 and January 1 of each year beginning July 1, 2005.

Component Unit: Cobb-Marietta Coliseum and Exhibit Hall Authority

In March 2005, the Authority is scheduled to issue approximately \$16 million in Revenue Refunding Bonds. The bonds are being issued for the purpose of refunding a portion of the Series 1999 Bonds in order to achieve debt service savings.



COBB COUNTY, GEORGIA EMPLOYEE RETIREMENT SYSTEM

Required Supplementary Information September 30, 2004

ANALYSIS 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
01/01/98	130,800,036	189,909,736	68.9%	59,109,700	109,579,000	53.9%
01/01/99	154,816,357	216,839,757	71.4%	62,023,400	125,387,800	49.5%
01/01/00	182,828,526	245,056,064	74.6%	62,227,500	129,270,400	48.1%
01/01/01	206,583,782	278,247,428	74.2%	71,663,646	139,614,800	51.3%
01/01/02	225,817,894	304,281,994	74.2%	78,464,100	147,495,869	53.2%
01/01/03	235,567,228	338,233,628	69.6%	102,666,400	155,793,500	65.9%
01/01/04	254,922,779	370,880,412	68.7%	115,957,633	161,900,582	71.6%

SCHEDULE OF FUNDING PROGRESS

Annual Pension Cost (APC)

Fiscal Year		Employer ntributions	Employee Contributions	% Of APC Contributed	Net Pension Obligation
09/30/97	1	7,476,015		100%	\$
09/30/98	2	8,748,764	2,325,982	100%	
09/30/99	3	9,187,867	5,099,922	100%	
09/30/00		10,555,333	5,399,483	126%	(2,211,300)
09/30/01		11,436,463	5,820,896	101%	(2,276,600)
09/30/02		12,481,461	6,131,527	101%	(2,336,600)
09/30/03		14,013,022	6,466,423	100%	(2,387,600)
09/30/04		16,099,061	7,080,907	101%	(2,464,000)

- 1 This amount includes \$175,710 of imputed interest.
- 2 This amount includes \$192,156 of imputed interest.
- 3 This amount includes \$214,176 of imputed interest.

COBB COUNTY, GEORGIA EMPLOYEE RETIREMENT SYSTEM

Required Supplementary Information September 30, 2004

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: 01/01/04

Actuarial cost method: Projected unit credit cost method

Amortization method: Level percentage of payroll amortization

Remaining amortization period: 30 years

Asset valuation method: 5 year smoothed market value method

The amortization period for this plan is open.

Actuarial Assumptions Utilized:

Investment rate of return: 8.5%

Projected salary increases: 4.0 % to 7.0%

Includes inflation at 4.0% Cost-of-living adjustments None

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

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

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

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

In plan year 2003, the Board of Commissioners adopted an increase of the County's contribution to the plan of .31% becoming effective October 1, 2002. This increased the County's total contribution to 8.56%. For plan year 2004 beginning October 1, 2003, the County's contribution rate increased by an additional .75% bringing the County's total contribution to 9.31%. In addition, effective January 1, 2004 the employees' contribution amount increased by .25% increasing the employees' total contribution to 4.25%.

Schedule of Revenues, Expenditures and

Changes in Fund Balance - Budget and Actual (Budgetary Basis) For the Fiscal Year Ended September 30, 2004

								Variance with Final Budget -
		Budgeted	l Amoui					Positive
D.		Original		Final		Actual		(Negative)
Revenues: Taxes	\$	172 652 070	\$	179,308,940	\$	169,542,862	\$	(0.766.079)
Licenses and permits	3	173,652,970 17,490,841	\$	179,308,940	Э	20,081,455	э	(9,766,078) 680,363
Intergovernmental		1,873,160		3,406,145		11,675,835		8,269,690
Charges for services		38,719,138		40,131,929		42,245,566		2,113,637
Fines and forfeits		13,286,699		14,312,232		15,318,836		1,006,604
Interest earned		550,000		550,000		1,006,989		456,989
Miscellaneous		1,516,507		2,898,970		3,718,797		819,827
Wiscentificous		1,310,307		2,070,770	-	3,710,777	-	617,627
Total revenues	\$	247,089,315	\$	260,009,308	\$	263,590,340	\$	3,581,032
Expenditures:								
Current								
General government:								
Legislative:								
Board of Commissioners								
Personnel Services	\$	656,286	\$	689,018	\$	700,102	\$	(11,084)
Operating Expenditures		54,796		55,147		60,709		(5,562)
		711,082		744,165		760,811		(16,646)
Other Governmental		1.050.600		1 204 200		1 202 004		1.207
Operating Expenditures		1,273,633		1,284,300		1,282,904		1,396
Non-Profit Service Agency		1.126.622		1 170 245		1 145 404		24.051
Operating Expenditures		1,126,623	-	1,170,345		1,145,494		24,851
Total legislative		3,111,338		3,198,810		3,189,209		9,601
Judicial:								
Pre-Trial Services								
Personnel Services		484,463		489,939		444,261		45,678
Operating Expenditures		21,143		26,288		29,456		(3,168)
		-		7,000		-		7,000
		505,606		523,227		473,717		49,510
Clerk of State Court								
Personnel Services		3,120,735		3,188,351		3,154,701		33,650
Operating Expenditures		147,693		152,403		127,762		24,641
Capital Outlay		88,436 3,356,864		89,326 3,430,080		82,132 3,364,595		7,194 65,485
Clerk of Superior Court		3,330,804		3,430,080		3,304,393		03,483
Personnel Services		4,009,559		4,105,727		3,936,643		169,084
Operating Expenditures		159,279		162,214		171,198		(8,984)
Capital Outlay		12,555		10,520		1/1,196		10,520
Capital Outlay		4,181,393		4,278,461		4,107,841		170,620
District Attorney	-	.,101,575		1,270,101		.,107,011		170,020
Personnel Services		4,109,547		4,894,860		4,923,394		(28,534)
Operating Expenditures		265,166		345,145		345,037		108
Capital Outlay		- ·		871,972				871,972
		4,374,713		6,111,977		5,268,431		843,546
		4,374,713		0,111,977	-	3,200,431	-	643,340

Schedule of Revenues, Expenditures and

Changes in Fund Balance - Budget and Actual (Budgetary Basis) For the Fiscal Year Ended September 30, 2004

				Variance with Final Budget -	
	Budgeted Ame Original	ounts Final	Actual	Positive (Negative)	
Chief Magistrate		1 mai	1 lotturi	(Freguive)	
Personnel Services	2,064,353	2,103,987	2,067,190	36,797	
Operating Expenditures	105,312	124,350	130,161	(5,811)	
Capital Outlay	12,583	20,725	5,035	15,690	
1	2,182,248	2,249,062	2,202,386	46,676	
Juvenile Court					
Personnel Services	3,493,256	3,576,228	3,576,069	159	
Operating Expenditures	152,713	274,541	286,332	(11,791)	
Capital Outlay	7,499	88,003	50,751	37,252	
	3,653,468	3,938,772	3,913,152	25,620	
State Court Division II					
Personnel Services	883,273	921,277	954,330	(33,053)	
Operating Expenditures	51,648	86,125	89,021	(2,896)	
	934,921	1,007,402	1,043,351	(35,949)	
Probate Court					
Personnel Services	822,710	835,837	818,300	17,537	
Operating Expenditures	67,608	72,872	72,876	(4)	
	890,318	908,709	891,176	17,533	
Solicitor					
Personnel Services	3,090,143	3,621,813	3,626,030	(4,217)	
Operating Expenditures	49,981	134,498	130,627	3,871	
Capital Outlay	75,228	486,820	72,764	414,056	
	3,215,352	4,243,131	3,829,421	413,710	
State Court					
Personnel Services	3,189,307	3,240,139	3,358,957	(118,818)	
Operating Expenditures	372,678	496,808	489,713	7,095	
	3,561,985	3,736,947	3,848,670	(111,723)	
Superior Court					
Personnel Services	3,388,050	3,470,047	3,430,401	39,646	
Operating Expenditures	815,529	895,748	877,594	18,154	
Capital Outlay	5,681	245,732	9,741	235,991	
	4,209,260	4,611,527	4,317,736	293,791	
Circuit Defender					
Personnel Services	507,047	519,190	518,424	766	
Operating Expenditures	2,888,407	4,767,649	4,545,671	221,978	
	3,395,454	5,286,839	5,064,095	222,744	
Total judicial	34,461,582	40,326,134	38,324,571	2,001,563	
Executive and administrative:					
County Manager	515.070	540 247	570.000	(22.921)	
Personnel Services	515,078	549,247	572,068	(22,821)	
Operating Expenditures	38,180	32,780	36,035	(3,255)	
Capital Outlay		94,101		94,101	
	553,258	676,128	608,103	68,025	

Schedule of Revenues, Expenditures and

Changes in Fund Balance - Budget and Actual (Budgetary Basis) For the Fiscal Year Ended September 30, 2004

Variance with

	Budgeted Am	ounts		Final Budget - Positive		
	Original	Final	Actual	(Negative)		
General Administrative						
Personnel Services	222,721	38,834	13,280	25,554		
Operating Expenditures	4,958,019	5,991,067	6,000,401	(9,334)		
Capital Outlay	6,445,862	669,117	1,657	667,460		
•	11,626,602	6,699,018	6,015,338	683,680		
Information Services						
Personnel Services	7,119,694	7,308,842	7,237,679	71,163		
Operating Expenditures	3,837,403	3,817,733	3,445,326	372,407		
Capital Outlay	23,883	447,846	296,447	151,399		
•	10,980,980	11,574,421	10,979,452	594,969		
Drug Treatment						
Personnel Services	254,952	259,671	220,629	39,042		
Operating Expenditures	128,709	225,442	220,535	4,907		
Capital Outlay	-	66,478	-	66,478		
•	383,661	551,591	441,164	110,427		
Finance		· ·				
Personnel Services	2,034,841	2,089,540	2,025,163	64,377		
Operating Expenditures	255,234	255,234	129,635	125,599		
Capital Outlay		646,285	- -	646,285		
	2,290,075	2,991,059	2,154,798	836,261		
Purchasing		,,,,,,,	, , ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			
Personnel Services	2,856,874	2,922,903	2,877,402	45,501		
Operating Expenditures	2,225,578	2,446,240	2,240,656	205,584		
Capital Outlay	2,466,828	3,378,456	3,220,485	157,971		
1	7,549,280	8,747,599	8,338,543	409,056		
Tax Assessor						
Personnel Services	2,642,416	2,704,279	2,685,862	18,417		
Operating Expenditures	1,734,843	3,017,228	2,358,104	659,124		
Capital Outlay	4,850	4,850	-	4,850		
	4,382,109	5,726,357	5,043,966	682,391		
Internal Audit						
Personnel Services	694,869	714,329	683,409	30,920		
Operating Expenditures	22,545	22,545	14,278	8,267		
° F • • • • • • • • • • • • • • • • • •	717,414	736,874	697,687	39,187		
Human Resources		,.,.				
Personnel Services	1,508,127	1,572,555	1,570,961	1,594		
Operating Expenditures	397,770	402,587	367,259	35,328		
operating Enperationes	-	96,888	-	96,888		
	1,905,897	2,072,030	1,938,220	133,810		
Ethics Board	1,500,057	2,072,000	1,750,220	155,010		
Operating Expenditures	1,130	1,130	_	1,130		
operating Enperationes	1,130	1,130		1,130		
Property Management		1,150		1,150		
Personnel Services	3,206,568	3,321,532	3,282,760	38,772		
Operating Expenditures	3,979,465	3,938,588	3,797,468	141,120		
Capital Outlay	32,600	176,578	88,798	87,780		
Capital Gallay	7,218,633	7,436,698	7,169,026	267,672		
	7,210,000	7,.50,070	7,207,020	201,012		

Schedule of Revenues, Expenditures and

Changes in Fund Balance - Budget and Actual (Budgetary Basis) For the Fiscal Year Ended September 30, 2004

Variance with

	D 1 . 14			Final Budget -
_	Budgeted Am Original	Final	Actual	Positive (Negative)
Tax Commissioner	Original	Tillai	Actual	(Negative)
Personnel Services	4,609,328	4,706,101	4,685,271	20,830
Operating Expenditures	416,535	383,695	332,747	50,948
Capital Outlay	10,788	124,060	82,264	41,796
_	5,036,651	5,213,856	5,100,282	113,574
Public Services				
Personnel Services	198,607	204,956	197,198	7,758
Operating Expenditures	6,024	6,024	4,557	1,467
_	204,631	210,980	201,755	9,225
Communications				
Personnel Services	691,856	712,937	706,590	6,347
Operating Expenditures	260,398	271,248	271,170	78
Capital Outlay	131,719	873,906	431,708	442,198
	1,083,973	1,858,091	1,409,468	448,623
Support Services Personnel Services	684,958	700.956	677,081	22 775
	, , , , , , , , , , , , , , , , , , ,	709,856	1,494,332	32,775
Operating Services Capital Outlay	1,652,044	1,655,844	1,494,332	161,512
Capital Outlay	2,337,002	2,365,700	2,171,413	194,287
Elections & Registration	2,337,002	2,303,700	2,1/1,413	194,207
Personnel Services	2,736,450	2,130,935	1,860,498	270,437
Operating Expenditures	428,610	887,209	1,134,576	(247,367
Capital Outlay	310,606	311,005	27,390	283,615
<u>_</u>	3,475,666	3,329,149	3,022,464	306,685
County Clerk				
Personnel Services	241,227	253,925	258,784	(4,859
Operating Expenditures	53,796	44,580	46,757	(2,177
Capital Outlay	926	8,378	<u> </u>	8,378
<u>-</u>	295,949	306,883	305,541	1,342
Law Department				
Personnel Services	1,210,189	1,270,814	1,249,025	21,789
Operating Expenditures	483,639	483,568	420,216	63,352
Capital Outlay	950	1,095	145	950
_	1,694,778	1,755,477	1,669,386	86,091
Total executive and administrative	61,737,689	62,253,041	57,266,606	4,986,435
Total general government	99,310,609	105,777,985	98,780,386	6,997,599
rublic Safety:				
P S Training Center				
Personnel Services	1,315,301	1,330,638	1,345,448	(14,810
Operating Expenditures	235,789	228,389	206,697	21,692
Capital Outlay	3,500	3,500		3,500
_	1,554,590	1,562,527	1,552,145	10,382
Police Department				
Personnel Services	36,992,306	37,825,544	38,126,966	(301,422
Operating Expenditures	2,701,421	2,716,905	2,768,837	(51,932
Capital Outlay	91,481	477,496	302,517	174,979
tinued on next page.	39,785,208	41,019,945	41,198,320	(178,375

Schedule of Revenues, Expenditures and

Changes in Fund Balance - Budget and Actual (Budgetary Basis) For the Fiscal Year Ended September 30, 2004

				Variance with Final Budget -
	Budgeted Am	ounts		Positive
	Original	Final	Actual	(Negative)
Countywide-800MHZ				
Personnel Services	102,887	117,004	117,998	(994)
Operating Expenditures	1,098,359	1,086,732	810,448	276,284
Capital Outlay	11,765	982,861		982,861
Animal Control	1,213,011	2,186,597	928,446	1,258,151
Personnel Services	1 501 012	1 (10 222	1.5(4.711	52 522
	1,591,813	1,618,233	1,564,711	53,522
Operating Expenditures	367,592	365,272	298,247	67,025
Capital Outlay	1,959,405	20,286 2,003,791	1,862,958	20,286 140,833
Public Safety	1,939,403	2,003,791	1,002,936	140,633
Personnel Services	1,106,683	1,134,673	1,129,179	5,494
Operating Expenditures	73,068	70,868	62,356	8,512
Capital Outlay	1,100	8,686	02,550	8,686
Capital Outlay	1,180,851	1,214,227	1,191,535	22,692
Sheriff		1,211,227	1,1,1,000	22,072
Personnel Services	13,111,820	13,450,819	13,368,012	82,807
Operating Expenditures	678,160	743,499	1,020,320	(276,821)
Capital Outlay	6,900	40,520	35,879	4,641
1	13,796,880	14,234,838	14,424,211	(189,373)
Corrections				
Personnel Services	19,954,688	20,513,375	20,834,582	(321,207)
Operating Expenditures	11,666,046	11,352,068	10,267,748	1,084,320
Capital Outlay	34,386	111,026	19,566	91,460
	31,655,120	31,976,469	31,121,896	854,573
Medical Examiner				
Personnel Services	416,110	426,484	390,793	35,691
Operating Expenditures	427,515	427,315	419,329	7,986
	843,625	853,799	810,122	43,677
Total public safety	91,988,690	95,052,193	93,089,633	1,962,560
ablic works:				
Department of Transportation				
Personnel Services	8,678,191	8,208,582	8,358,414	(149,832)
Operating Expenditures	8,877,314	9,315,510	7,132,749	2,182,761
Capital Outlay	210,635	323,549	2,114,480	(1,790,931)
	17,766,140	17,847,641	17,605,643	241,998
Total public works	17,766,140	17,847,641	17,605,643	241,998
ulture and Recreation				
Extension Service				
Personnel Services	438,890	445,306	363,763	81,543
Operating Expenditures	34,921	34,921	35,010	(89)
	473,811	480,227	398,773	81,454

Schedule of Revenues, Expenditures and

Changes in Fund Balance - Budget and Actual (Budgetary Basis) For the Fiscal Year Ended September 30, 2004

Variance with Final Budget -Positive **Budgeted Amounts** Original Final (Negative) Actual Library 248,026 Personnel Services 6,673,863 7,331,826 7,083,800 Operating Expenditures 1,741,372 2,071,182 2,097,303 (26,121)403,263 Capital Outlay 403,263 413,098 8,828,333 9,806,271 9,181,103 625,168 Parks and Recreation Personnel Services 9,869,622 10,464,994 10,393,045 71,949 Operating Expenditures 5,317,844 6,066,831 6,075,465 (8,634)549,2<u>68</u> Capital Outlay 559,739 539,344 1,088,612 17,620,437 17,007,854 612,583 15,747,205 Total culture and recreation 25,049,349 27,906,935 26,587,730 1,319,205 Housing and development: Economic Development 215,921 227,448 Personnel Services 224,680 (2,768)Operating Expenditures 16,057 41,057 10,705 30,352 231,978 265,737 238,153 27,584 Community Development Personnel Services 6,055,538 6,182,037 5,976,415 205,622 Operating Expenditures 284,561 314,045 296,674 17,371 Capital Outlay 1,200 121,083 5,000 116,083 6,341,299 6,617,165 6,278,089 339,076 Total housing and development 6,882,902 366,660 6,573,277 6,516,242 Total current 240,688,065 253,467,656 242,579,634 10,888,022 Debt service: Principal retirement \$ 403,609 403,609 392,146 \$ \$ \$ 11,463 Interest and fiscal charges 343,147 304,201 38,946 1,310,151 Total debt service \$ 746,756 \$ 696,347 50,409 1,713,760 \$ \$ Total expenditures 242,401,825 254,214,412 243,275,981 10,938,431 Excess (deficiency) of revenues over 14,519,463 expenditures 5,794,896 20,314,359 4,687,490

Schedule of Revenues, Expenditures and

		Budgeted	Amour	nts			Variance with Final Budget - Positive
	Original Final				Actual	(Negative)	
Other financing sources (uses):					-		
Transfers in	\$	18,186,777	\$	18,959,438	\$	18,970,919	\$ 11,481
Capital lease proceeds		-		774,553		774,553	-
Transfers out		(24,504,948)		(64,139,279)		(64,271,674)	(132,395)
Expense transfers out - Component Unit		(1,053,214)		(1,053,214)		(1,053,214)	 -
Total other financing sources (uses)	\$	(7,371,385)	\$	(45,458,502)	\$	(45,579,416)	\$ (120,914)
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$	(2,683,895)	\$	(39,663,606)	\$	(25,265,057)	\$ 14,398,549
Fund balances at beginning of year						68,222,628	
Fund balances at end of year - budgetary basis					\$	42,957,571	
Reconciliation to GAAP basis:							
Elimination of encumbrances outstanding at end of year						3,114,153	
Fund balances at end of year - GAAP basis					\$	46,071,724	



COBB COUNTY, GEORGIA SEPTEMBER 30, 2004

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

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

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

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

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

Capital Projects Funds

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

The **Road Sales Tax Extension Fund** accounts for the proceeds of a 1 percent local option sales tax approved in 1990 for construction and improvements of roads throughout the County.

The **Parks and Recreation Fund** accounts for the proceeds of 1996 General Obligation Bonds for the acquisition and construction of parks facilities.

COBB COUNTY, GEORGIA SEPTEMBER 30, 2004

The **Public Facilities Fund** accounts for the monies transferred from various governmental funds for the purpose of construction 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 **Solid Waste Disposal Fund** accounts for the operating revenue and expense relating to the disposal of solid waste.

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

The **Mable House Amphitheatre Fund** accounts for the operation and maintenance of an outdoor entertainment facility.

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

Internal Service Funds

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

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

Fiduciary Funds Agency Funds

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

Cobb County, Georgia All Nonmajor Governmental Funds Combining Balance Sheet September 30, 2004

	otal Nonmajor ecial Revenue Funds	tal Nonmajor apital Project Funds	Debt Service Fund		Total Nonmajor Governmental Funds	
Assets						
Cash and cash equivalents	\$ 5,272,113	\$ 12,625,705	\$	3,721,802	\$	21,619,620
Equity in pooled investments, at fair value	1,451,691	368,381		-		1,820,072
Receivables:						
Taxes	-	-		4,419,450		4,419,450
Accrued interest	169	-		247		416
Other	1,558,363	1,128,837		-		2,687,200
Due from other funds	159,943	41,450,975		254,726		41,865,644
Due from others	183,522	809,451		-		992,973
Due from other governments and agencies	5,814,419	-		-		5,814,419
Prepaid expenditures	 1,375	 4,115		-		5,490
Total assets	\$ 14,441,595	\$ 56,387,464	\$	8,396,225	\$	79,225,284
Liabilities and Fund Balances						
Liabilities:						
Bank overdraft	\$ 596,587	\$ _	\$	-	\$	596,587
Accounts payable	4,332,605	4,031,569		-		8,364,174
Retainage payable	-	1,543,666		-		1,543,666
Accrued payroll	141,223	-		-		141,223
Due to other funds	3,595,429	-		-		3,595,429
Due to others	245,044	123,724		-		368,768
Capital lease payable	165,000	-		-		165,000
Accrued interest payable	42,665	-		616,294		658,959
Bonds payable (due within one year)	-	-		5,580,000		5,580,000
Deferred revenue	 2,231,286	 -		336,196		2,567,482
Total liabilities	\$ 11,349,839	\$ 5,698,959	\$	6,532,490	\$	23,581,288
Fund balances:						
Reserved for inventories and						
prepaid expenditures	\$ 1,375	\$ -	\$	-	\$	1,375
Reserved for construction						
and capital outlay	300,359	50,688,505		-		50,988,864
Reserved for debt service	-	-		1,863,735		1,863,735
Unreserved:						
Undesignated	 2,790,022	 -		-		2,790,022
Total fund balances	\$ 3,091,756	\$ 50,688,505	\$	1,863,735	\$	55,643,996
Total liabilities and fund balances	\$ 14,441,595	\$ 56,387,464	\$	8,396,225	\$	79,225,284

Cobb County, Georgia All Nonmajor Governmental Funds Combining Statement of Revenues, Expenditures and Changes in Fund Balances For the Fiscal Year Ended September 30, 2004

Taxes		Total Nonmajor Special Revenue Funds		Total Nonmajor Capital Project Funds		Debt Service Fund		Total Nonmajor Governmental Funds	
Intergovernmental 23,342,577 4,188,374 27,530,951 Charges for services 9,426,411 - 207,257 9,633,668 Fines and forfeits - 1,462,915 1,462,91	Revenues:								
Charges for services	Taxes	\$ 3,038,009	\$	-	\$	6,285,559	\$	9,323,568	
Fines and forfeits	Intergovernmental	23,342,577		4,188,374		-		27,530,951	
Interest earned	Charges for services	9,426,411		-		207,257		9,633,668	
Contributions 130,213 130,213 130,213 Miscellaneous 1,556,280 888,420 113,368 2,558,068 Total revenues \$ 37,605,648 \$ 5,091,643 \$ 8,128,118 \$ 5,0825,409 Expenditures: Current: State of the control of	Fines and forfeits	-		-		1,462,915		1,462,915	
Miscellaneous	Interest earned	112,158		14,849		59,019		186,026	
Expenditures:	Contributions	130,213		-		-		130,213	
Expenditures: Current: General government \$ 3,531,230 \$ 7,980,779 \$ 158,132 \$ 11,670,141 Public safety 11,487,589 \$,888,866 - 17,346,455 Public works 5,394,280 14,276,375 - 19,670,655 Health and welfare 5,118,992 5,118,992 Culture and recreation 12,003,42 5,418,022 - 6,618,364 Housing and development 10,885,345 - 10,885,345 Debt Service: Principal 329,189 1,313,282 5,580,000 7,222,471 Interest and fiscal charges 1777,311 154,140 2,511,918 2,843,369 Total expenditures \$ 38,124,278 \$ 35,001,464 \$ 8,250,050 \$ 81,375,792 \$ Excess (deficiency) of revenues over (under) expenditures \$ \$ (518,630) \$ (29,909,821) \$ (121,932) \$ (30,550,383) \$ COther financing sources (uses): Transfers in \$ \$ 5,191,978 \$ 56,275,304 \$ - \$ 61,467,282 Transfers out (8,186,277) (1,070,438) - 9,256,715) \$ Capital lease proceeds - 11,570,417 - 11,570,417 Total other financing sources (uses) \$ (2,994,299) \$ 66,775,283 \$ - \$ 63,780,984 \$ Excess (deficiency) of revenues and other sources over (under) expenditures \$ \$ (3,512,929) \$ 36,865,462 \$ (121,932) \$ 33,230,601 \$ Eucles at beginning of year \$ 66,604,685 \$ 13,823,043 \$ 1,985,667 \$ 22,413,395 \$ \$ 66,004,685 \$ 13,823,043 \$ 1,985,667 \$ 22,413,395 \$ 66,004,685 \$ 13,823,043 \$ 1,985,667 \$ 22,413,395 \$ 66,004,685 \$ 13,823,043 \$ 1,985,667 \$ 22,413,395 \$ 66,004,685 \$ 13,823,043 \$ 1,985,667 \$ 22,413,395 \$ 66,004,685 \$ 13,823,043 \$ 1,985,667 \$ 22,413,395 \$ 66,004,685 \$ 13,823,043 \$ 1,985,667 \$ 22,413,395 \$ 66,004,685 \$ 13,823,043 \$ 1,985,667 \$ 22,413,395 \$ 66,004,685 \$ 13,823,043 \$ 1,985,667 \$ 22,413,395 \$ 66,004,685 \$ 13,823,043 \$ 1,985,667 \$ 22,413,395 \$ 66,004,685 \$ 13,823,043 \$ 1,985,667 \$ 22,413,395 \$ 66,004,685 \$ 13,823,043 \$ 1,985,667 \$ 22,413,395 \$ 66,004,685 \$ 13,823,043 \$ 1,985,667 \$ 22,413,395 \$ 66,004,685 \$ 13,823,043 \$ 1,985,667 \$ 22,413,395 \$ 66,004,685 \$ 13,823,043 \$ 1,985,667 \$ 22,413,395 \$ 66,004,685 \$ 13,823,043 \$ 1,985,667 \$ 22,413,395 \$ 66,004,685 \$ 13,823,043 \$ 1,985,667 \$ 22,413,395 \$ 66,004,685 \$ 13,823,043 \$ 1,985,667 \$ 22,413,395 \$ 66,004,685 \$ 13,823,043 \$ 1,985,667 \$ 2	Miscellaneous	 1,556,280		888,420		113,368		2,558,068	
Current: Current: General government \$ 3,531,230 \$ 7,980,779 \$ 158,132 \$ 11,670,141 Public safety 11,487,589 5,888,866 - 17,346,455 Public works 5,394,280 14,276,375 - 19,670,655 Health and welfare 5,118,992 - - 5,118,992 Culture and recreation 1,200,342 5,418,022 - 6,618,364 Housing and development 10,885,345 - - 10,885,345 Debt Service: Trincipal 329,189 1,313,282 5,580,000 7,222,471 Interest and fiscal charges 177,311 154,140 2,511,918 2,843,369 Total expenditures \$ 38,124,278 \$ 35,001,464 \$ 8,250,050 \$ 81,375,792 Excess (deficiency) of revenues over (under) expenditures \$ (518,630) \$ (29,909,821) \$ (121,932) \$ (30,550,383) Other financing sources (uses): Transfers in \$ 5,191,978 \$ 56,275,304 \$ - \$ 61,467,282 Transfers out (8,186,277) (1,070,438)	Total revenues	\$ 37,605,648	\$	5,091,643	\$	8,128,118	\$	50,825,409	
Sacratic	Expenditures:								
Public safety 11,487,589 5,858,866 - 17,346,455 Public works 5,394,280 14,276,375 - 19,670,655 Health and welfare 5,118,992 - - 5,118,992 Culture and recreation 1,200,342 5,418,022 - - 6,618,364 Housing and development 10,885,345 - - - 10,885,345 Debt Service: Principal 329,189 1,313,282 5,580,000 7,222,471 Interest and fiscal charges 177,311 154,140 2,511,918 2,843,369 Total expenditures \$ 38,124,278 \$ 35,001,464 \$ 8,250,050 \$ 81,375,792 Excess (deficiency) of revenues over (under) expenditures \$ (518,630) \$ (29,909,821) \$ (121,932) \$ (30,550,383) Other financing sources (uses): \$ (518,630) \$ (29,909,821) \$ (121,932) \$ (30,550,383) Other financing sources (uses): \$ (518,630) \$ (29,909,821) \$ (121,932) \$ (30,550,383) Transfers out (8,186,277) (1,070,438)	Current:								
Public works	General government	\$ 3,531,230	\$	7,980,779	\$	158,132	\$	11,670,141	
Health and welfare	Public safety	11,487,589		5,858,866		-		17,346,455	
Culture and recreation 1,200,342 5,418,022 - 6,618,364 Housing and development 10,885,345 - - 10,885,345 Debt Service: Principal 329,189 1,313,282 5,580,000 7,222,471 Interest and fiscal charges 177,311 154,140 2,511,918 2,843,369 Total expenditures \$ 38,124,278 \$ 35,001,464 \$ 8,250,050 \$ 81,375,792 Excess (deficiency) of revenues over (under) expenditures \$ (518,630) \$ (29,909,821) \$ (121,932) \$ (30,550,383) Other financing sources (uses): Transfers in \$ 5,191,978 \$ 56,275,304 \$ - \$ 61,467,282 Transfers out (8,186,277) (1,070,438) - 9,256,715 Capital lease proceeds - 11,570,417 - 11,570,417 Total other financing sources (uses) \$ (2,994,299) \$ 66,775,283 \$ - \$ 63,780,984 Excess (deficiency) of revenues and other sources over (under) expenditures and other uses \$ (3,512,929) \$ 36,865,462 \$ (121,932) \$ 33,230,601 <t< td=""><td>Public works</td><td>5,394,280</td><td></td><td>14,276,375</td><td></td><td>-</td><td></td><td>19,670,655</td></t<>	Public works	5,394,280		14,276,375		-		19,670,655	
Housing and development 10,885,345 10,885,345 Debt Service: Principal 329,189 1,313,282 5,580,000 7,222,471 Interest and fiscal charges 177,311 154,140 2,511,918 2,843,369 Total expenditures \$ 38,124,278 \$ 35,001,464 \$ 8,250,050 \$ 81,375,792 Excess (deficiency) of revenues over (under) expenditures \$ (518,630) \$ (29,909,821) \$ (121,932) \$ (30,550,383) Other financing sources (uses): Transfers in \$ 5,191,978 \$ 56,275,304 \$ - \$ 61,467,282 Transfers out (8,186,277) (1,070,438) - 9,256,715) Capital lease proceeds - 11,570,417 - 11,570,417 Total other financing sources (uses) \$ (2,994,299) \$ 66,775,283 \$ - \$ 63,780,984 Excess (deficiency) of revenues and other sources over (under) expenditures and other uses \$ (3,512,929) \$ 36,865,462 \$ (121,932) \$ 33,230,601 Fund balances at beginning of year 6,604,685 13,823,043 1,985,667 22,413,395	Health and welfare	5,118,992		_		-		5,118,992	
Debt Service: Principal 329,189 1,313,282 5,580,000 7,222,471 Interest and fiscal charges 177,311 154,140 2,511,918 2,843,369 Total expenditures \$ 38,124,278 \$ 35,001,464 \$ 8,250,050 \$ 81,375,792 Excess (deficiency) of revenues over (under) expenditures \$ (518,630) \$ (29,909,821) \$ (121,932) \$ (30,550,383) Other financing sources (uses): \$ 5,191,978 \$ 56,275,304 \$ - \$ 61,467,282 Transfers out (8,186,277) (1,070,438) - 9,256,715 Capital lease proceeds - 11,570,417 - 11,570,417 Total other financing sources (uses) \$ (2,994,299) \$ 66,775,283 \$ - \$ 63,780,984 Excess (deficiency) of revenues and other uses \$ (3,512,929) \$ 36,865,462 \$ (121,932) \$ 33,230,601 Fund balances at beginning of year 6,604,685 13,823,043 1,985,667 22,413,395	Culture and recreation	1,200,342		5,418,022		-		6,618,364	
Principal Interest and fiscal charges 329,189 177,311 1,313,282 2,518,000 5,580,000 7,222,471 Total expenditures \$ 38,124,278 \$ 35,001,464 \$ 8,250,050 \$ 81,375,792 Excess (deficiency) of revenues over (under) expenditures \$ (518,630) \$ (29,909,821) \$ (121,932) \$ (30,550,383) Other financing sources (uses): Transfers in \$ 5,191,978 \$ 56,275,304 \$ - \$ 61,467,282 Transfers out (8,186,277) (1,070,438) - 9,256,715 Capital lease proceeds - 11,570,417 - 11,570,417 Total other financing sources (uses) \$ (2,994,299) \$ 66,775,283 - \$ 63,780,984 Excess (deficiency) of revenues and other uses \$ (3,512,929) \$ 36,865,462 \$ (121,932) \$ 33,230,601 Fund balances at beginning of year 6,604,685 13,823,043 1,985,667 22,413,395	Housing and development	10,885,345		-		-		10,885,345	
Interest and fiscal charges 177,311 154,140 2,511,918 2,843,369 Total expenditures \$ 38,124,278 \$ 35,001,464 \$ 8,250,050 \$ 81,375,792 Excess (deficiency) of revenues over (under) expenditures \$ (518,630) \$ (29,909,821) \$ (121,932) \$ (30,550,383) Other financing sources (uses): \$ 5,191,978 \$ 56,275,304 \$ - \$ 61,467,282 Transfers out (8,186,277) (1,070,438) - (9,256,715) Capital lease proceeds - 11,570,417 - 11,570,417 Total other financing sources (uses) \$ (2,994,299) \$ 66,775,283 \$ - \$ 63,780,984 Excess (deficiency) of revenues and other sources over (under) expenditures and other uses \$ (3,512,929) \$ 36,865,462 \$ (121,932) \$ 33,230,601 Fund balances at beginning of year 6,604,685 13,823,043 1,985,667 22,413,395	Debt Service:								
Total expenditures \$ 38,124,278 \$ 35,001,464 \$ 8,250,050 \$ 81,375,792 Excess (deficiency) of revenues over (under) expenditures \$ (518,630) \$ (29,909,821) \$ (121,932) \$ (30,550,383) Other financing sources (uses): Transfers in \$ 5,191,978 \$ 56,275,304 \$ - \$ 61,467,282 Transfers out (8,186,277) (1,070,438) - (9,256,715) Capital lease proceeds - 11,570,417 - 11,570,417 Total other financing sources (uses) \$ (2,994,299) \$ 66,775,283 \$ - \$ 63,780,984 Excess (deficiency) of revenues and other sources over (under) expenditures and other uses \$ (3,512,929) \$ 36,865,462 \$ (121,932) \$ 33,230,601 Fund balances at beginning of year 6,604,685 13,823,043 1,985,667 22,413,395	Principal	329,189		1,313,282		5,580,000		7,222,471	
Excess (deficiency) of revenues over (under) expenditures \$ (518,630) \$ (29,909,821) \$ (121,932) \$ (30,550,383) Other financing sources (uses): Transfers in \$ 5,191,978 \$ 56,275,304 \$ - \$ 61,467,282 Transfers out (8,186,277) (1,070,438) - (9,256,715) Capital lease proceeds - 11,570,417 - 11,570,417 Total other financing sources (uses) \$ (2,994,299) \$ 66,775,283 \$ - \$ 63,780,984 Excess (deficiency) of revenues and other sources over (under) expenditures and other uses \$ (3,512,929) \$ 36,865,462 \$ (121,932) \$ 33,230,601 Fund balances at beginning of year 6,604,685 13,823,043 1,985,667 22,413,395	Interest and fiscal charges	 177,311		154,140		2,511,918		2,843,369	
over (under) expenditures \$ (518,630) \$ (29,909,821) \$ (121,932) \$ (30,550,383) Other financing sources (uses): Transfers in \$ 5,191,978 \$ 56,275,304 \$ - \$ 61,467,282 Transfers out (8,186,277) (1,070,438) - (9,256,715) Capital lease proceeds - 11,570,417 - 11,570,417 Total other financing sources (uses) \$ (2,994,299) \$ 66,775,283 \$ - \$ 63,780,984 Excess (deficiency) of revenues and other sources over (under) expenditures and other uses \$ (3,512,929) \$ 36,865,462 \$ (121,932) \$ 33,230,601 Fund balances at beginning of year 6,604,685 13,823,043 1,985,667 22,413,395	Total expenditures	\$ 38,124,278	\$	35,001,464	\$	8,250,050	\$	81,375,792	
over (under) expenditures \$ (518,630) \$ (29,909,821) \$ (121,932) \$ (30,550,383) Other financing sources (uses): Transfers in \$ 5,191,978 \$ 56,275,304 \$ - \$ 61,467,282 Transfers out (8,186,277) (1,070,438) - (9,256,715) Capital lease proceeds - 11,570,417 - 11,570,417 Total other financing sources (uses) \$ (2,994,299) \$ 66,775,283 \$ - \$ 63,780,984 Excess (deficiency) of revenues and other sources over (under) expenditures and other uses \$ (3,512,929) \$ 36,865,462 \$ (121,932) \$ 33,230,601 Fund balances at beginning of year 6,604,685 13,823,043 1,985,667 22,413,395	Excess (deficiency) of revenues								
Transfers in \$ 5,191,978 \$ 56,275,304 \$ - \$ 61,467,282 Transfers out (8,186,277) (1,070,438) - (9,256,715) Capital lease proceeds - 11,570,417 - 11,570,417 Total other financing sources (uses) \$ (2,994,299) \$ 66,775,283 \$ - \$ 63,780,984 Excess (deficiency) of revenues and other sources over (under) expenditures and other uses \$ (3,512,929) \$ 36,865,462 \$ (121,932) \$ 33,230,601 Fund balances at beginning of year 6,604,685 13,823,043 1,985,667 22,413,395	`	\$ (518,630)	\$	(29,909,821)	\$	(121,932)	\$	(30,550,383)	
Transfers in \$ 5,191,978 \$ 56,275,304 \$ - \$ 61,467,282 Transfers out (8,186,277) (1,070,438) - (9,256,715) Capital lease proceeds - 11,570,417 - 11,570,417 Total other financing sources (uses) \$ (2,994,299) \$ 66,775,283 \$ - \$ 63,780,984 Excess (deficiency) of revenues and other sources over (under) expenditures and other uses \$ (3,512,929) \$ 36,865,462 \$ (121,932) \$ 33,230,601 Fund balances at beginning of year 6,604,685 13,823,043 1,985,667 22,413,395	Other financing sources (uses):								
Capital lease proceeds - 11,570,417 - 11,570,417 Total other financing sources (uses) \$ (2,994,299) \$ 66,775,283 \$ - \$ 63,780,984 Excess (deficiency) of revenues and other sources over (under) expenditures and other uses \$ (3,512,929) \$ 36,865,462 \$ (121,932) \$ 33,230,601 Fund balances at beginning of year 6,604,685 13,823,043 1,985,667 22,413,395		\$ 5,191,978	\$	56,275,304	\$	-	\$	61,467,282	
Capital lease proceeds - 11,570,417 - 11,570,417 Total other financing sources (uses) \$ (2,994,299) \$ 66,775,283 \$ - \$ 63,780,984 Excess (deficiency) of revenues and other sources over (under) expenditures and other uses \$ (3,512,929) \$ 36,865,462 \$ (121,932) \$ 33,230,601 Fund balances at beginning of year 6,604,685 13,823,043 1,985,667 22,413,395	Transfers out	(8,186,277)				_			
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses \$ (3,512,929) \$ 36,865,462 \$ (121,932) \$ 33,230,601 Fund balances at beginning of year 6,604,685 13,823,043 1,985,667 22,413,395	Capital lease proceeds	 -				-			
and other sources over (under) expenditures and other uses \$ (3,512,929) \$ 36,865,462 \$ (121,932) \$ 33,230,601 Fund balances at beginning of year 6,604,685 13,823,043 1,985,667 22,413,395	Total other financing sources (uses)	\$ (2,994,299)	\$	66,775,283	\$		\$	63,780,984	
expenditures and other uses \$ (3,512,929) \$ 36,865,462 \$ (121,932) \$ 33,230,601 Fund balances at beginning of year 6,604,685 13,823,043 1,985,667 22,413,395	• • • • • • • • • • • • • • • • • • • •								
beginning of year 6,604,685 13,823,043 1,985,667 22,413,395		\$ (3,512,929)	\$	36,865,462	\$	(121,932)	\$	33,230,601	
	Fund balances at								
Fund balances at end of year <u>\$ 3,091,756</u> <u>\$ 50,688,505</u> <u>\$ 1,863,735</u> <u>\$ 55,643,996</u>	beginning of year	 6,604,685		13,823,043		1,985,667		22,413,395	
	Fund balances at end of year	\$ 3,091,756	\$	50,688,505	\$	1,863,735	\$	55,643,996	

Cobb County, Georgia Nonmajor Governmental Funds - Special Revenue Funds Combining Balance Sheet September 30, 2004

	Law Library Fund		Community Services Fund		Grant Fund	sing & Urban evelopment Grant
Assets						
Cash and cash equivalents	\$ 194,125	\$	2,801	\$	492,480	\$ 671,310
Equity in pooled investments,	60.022					
at fair value	60,032		-		-	-
Receivables:			4			165
Accrued interest Other	44,403		4		- 352,789	165
Due from other funds	-		_		155,866	-
Due from others	_		_		138,433	_
Due from other governments					150,155	
and agencies	_		147,586		4,517,011	422,723
Prepaid expenditures	 				288	
Total assets	\$ 298,560	\$	150,391	\$	5,656,867	\$ 1,094,198
Liabilities and Fund Balances						
Liabilities:						
Bank overdraft	\$ -	\$	-	\$	-	\$ -
Accounts payable	8,070		89,488		1,355,923	527,484
Accrued payroll	1,116		-		54,332	-
Due to other funds	926		4,077		1,145,690	4,537
Due to others	16,081		46,390		105,852	67,177
Capital lease payable	=		-		-	-
Accrued interest payable	-		-		-	-
Deferred revenue	 				2,036,393	 194,641
Total liabilities	\$ 26,193	\$	139,955	\$	4,698,190	\$ 793,839
Fund balances:						
Reserved for inventories and						
prepaid expenditures	\$ -	\$	-	\$	288	\$ -
Reserved for construction						
and capital outlay	-		-		-	300,359
Unreserved:						
Undesignated	 272,367		10,436		958,389	 -
Total fund balances	\$ 272,367	\$	10,436	\$	958,677	\$ 300,359
Total liabilities and						
fund balances	\$ 298,560	\$	150,391	\$	5,656,867	\$ 1,094,198

	bb Senior Services Fund		el/Motel c Fund		Emergency 911 Fund		king Deck Facility Fund		tal Nonmajor ecial Revenue Funds
\$	-	\$		\$	3,692,459	\$	218,938	\$	5,272,113
	-		-		1,326,169		65,490		1,451,691
	-		-		-		-		169
	9,126		-		1,152,042		3		1,558,363
	4,077		-		-		-		159,943
	840		-		44,025		224		183,522
	727,099		_		_		_		5,814,419
	1,087		-				_		1,375
_						_			
\$	742,229	\$	-	\$	6,214,695	\$	284,655	\$	14,441,595
\$	596,587	\$	_	\$	_	\$		\$	596,587
Ф	30,338	Þ	-	Ф	2,321,282	Þ	20	Ф	4,332,605
	29,335		-		56,440		-		141,223
	105,026		_		2,332,972		2,201		3,595,429
	2,766		_		6,763		15		245,044
	-		-		-		165,000		165,000
	-		-		-		42,665		42,665
			-		-		252		2,231,286
\$	764,052	\$	-	\$	4,717,457	\$	210,153	\$	11,349,839
\$	1,087	\$	-	\$	-	\$	-	\$	1,375
	-		-		-		-		300,359
	(22,910)		-		1,497,238		74,502		2,790,022
\$	(21,823)	\$	-	\$	1,497,238	\$	74,502	\$	3,091,756
¢	742 220	¢		ø	(214 (05	ø	204 655	φ	14 441 505
\$	742,229	\$	-	3	6,214,695	3	284,655	3	14,441,595

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, 2004

	Law Library Fund	brary Services					ousing & Urban Development Grant
Revenues:							
Taxes	\$ -	\$	-	\$	-	\$	-
Intergovernmental	-		395,615		14,338,671		7,482,982
Charges for services	498,583		-		-		-
Interest earned	3,699		115		31,377		9,032
Contributions	-		-		-		-
Miscellaneous	4,211				771,249		653,757
Total revenues	\$ 506,493	\$	395,730	\$	15,141,297	\$	8,145,771
Expenditures:							
Current:							
General government	\$ -	\$	-	\$	3,531,230	\$	-
Public safety	-		-		3,765,519		-
Public works	-		-		5,291,054		-
Health and welfare	-		343,259		-		-
Culture and recreation	441,814		-		758,528		-
Housing and development	-		-		2,428,685		8,456,660
Debt service:							
Principal retirement	-		-		-		-
Interest and fiscal charges	 						-
Total expenditures	\$ 441,814	\$	343,259	\$	15,775,016	\$	8,456,660
Excess (deficiency) of revenues							
over (under) expenditures	\$ 64,679	\$	52,471	\$	(633,719)	\$	(310,889)
Other financing sources (uses):							
Operating transfers in	\$ -	\$	-	\$	1,543,544	\$	-
Operating transfers out	 (92,262)		(50,901)		(814,029)		(1,321)
Total other financing							
sources (uses)	\$ (92,262)	\$	(50,901)	\$	729,515	\$	(1,321)
Excess (deficiency) of revenues and other sources over (under)							
expenditures and other uses	\$ (27,583)	\$	1,570	\$	95,796	\$	(312,210)
Fund balances at beginning of year	299,950		8,866		862,881		612,569
Fund balances at end of year	\$ 272,367	\$	10,436	\$	958,677	\$	300,359

C	obb Senior Services Fund		Iotel/Motel Tax Fund	Emergency 911 Fund	Parking Deck Facility Fund		tal Nonmajor ecial Revenue Funds
\$	1,125,309 72,894 - 130,213 125,568	\$	3,038,009	\$ - 8,361,690 65,350 - 1,165	\$	- 493,244 2,585 - 330	\$ 3,038,009 23,342,577 9,426,411 112,158 130,213 1,556,280
\$	1,453,984	\$	3,038,009	\$ 8,428,205	\$	496,159	\$ 37,605,648
\$	- - 4,775,733 - - - - 4,775,733	\$	- - - - - -	\$ 7,722,070 164,189 4,851 7,891,110	\$	103,226 - - - 165,000 172,460 440,686	\$ 3,531,230 11,487,589 5,394,280 5,118,992 1,200,342 10,885,345 329,189 177,311 38,124,278
\$	(3,321,749)	\$	3,038,009	\$ 537,095	\$	55,473	\$ (518,630)
\$	3,648,434 (60,839)	\$	(3,038,009)	\$ (4,078,911)	\$	(50,005)	\$ 5,191,978 (8,186,277)
\$	3,587,595	\$	(3,038,009)	\$ (4,078,911)	\$	(50,005)	\$ (2,994,299)
\$	265,846	\$	-	\$ (3,541,816)	\$	5,468	\$ (3,512,929)
Φ.	(21, 823)	Ф.		 5,039,054	Ф.	69,034	 6,604,685
\$	(21,823)	\$	-	\$ 1,497,238	\$	74,502	\$ 3,091,756

Cobb County, Georgia Nonmajor Governmental Funds - Capital Projects Funds Combining Balance Sheet September 30, 2004

Assets	Road Sales Tax Extension			Public Facilities		otal Nonmajor apital Project Funds
	•	260 622	Φ.	12.256.002	•	12 (25 705
Cash and cash equivalents	\$	269,623	\$	12,356,082	\$	12,625,705
Equity in pooled investments, at fair value Receivables:		84,591		283,790		368,381
Other		_		1,128,837		1,128,837
Due from other funds		-		41,450,975		41,450,975
Due from others governments and agencies		-		809,451		809,451
Prepaid expenditures				4,115		4,115
Total assets	\$ 354,214			56,033,250	\$	56,387,464
Total assets	Φ	334,214	\$	30,033,230	Ą	30,387,404
Liabilities and Fund Balances Liabilities:						
Accounts payable	\$	117,457	\$	3,914,112	\$	4,031,569
Retainage payable	Ψ	-	Ψ	1,543,666	Ψ	1,543,666
Due to other funds				123,724		123,724
Total liabilities	\$	117,457	\$	5,581,502	\$	5,698,959
Fund balances:						
Reserved for construction and						
capital outlay	\$	236,757	\$	50,451,748	\$	50,688,505
Total liabilities and fund balances	\$	354,214	\$	56,033,250	\$	56,387,464

Cobb County, Georgia Nonmajor Governmental Funds - Capital Projects Funds Combining Statement of Revenues, Expenditures and Changes in Fund Balances For the Fiscal Year Ended September 30, 2004

	Road Sales ax Extension	Public Facilities	otal Nonmajor apital Project Funds
Revenues:			
Intergovernmental	\$ 4,825	\$ 4,183,549	\$ 4,188,374
Interest earned	4,545	10,304	14,849
Miscellaneous	 55,000	 833,420	 888,420
Total revenues	\$ 64,370	\$ 5,027,273	\$ 5,091,643
Expenditures - capital projects:			
Current:			
General government	\$ -	\$ 7,980,779	\$ 7,980,779
Public safety	-	5,858,866	5,858,866
Public works	1,165,901	13,110,474	14,276,375
Culture and recreation	-	5,418,022	5,418,022
Debt Service:			
Principal	-	1,313,282	1,313,282
Interest and fiscal charges	 	 154,140	 154,140
Total expenditures	\$ 1,165,901	\$ 33,835,563	\$ 35,001,464
Excess (deficiency) of revenues			
over expenditures	\$ (1,101,531)	\$ (28,808,290)	\$ (29,909,821)
Other financing sources (uses):			
Transfers in	\$ 1,000,000	\$ 55,275,304	\$ 56,275,304
Transfers out	-	(1,070,438)	(1,070,438)
Capital lease proceeds	-	11,570,417	 11,570,417
Total other financing sources (uses)	\$ 1,000,000	\$ 65,775,283	\$ 66,775,283
Excess (deficiency) of revenues			
and other sources over (under)			
expenditures and other uses	\$ (101,531)	\$ 36,966,993	\$ 36,865,462
Fund balances at			
beginning of year	 338,288	 13,484,755	 13,823,043
Fund balances at end of year	\$ 236,757	\$ 50,451,748	\$ 50,688,505

Debt Service Fund

Schedule of Revenues, Expenditures and

Changes in Fund Balance - Budget and Actual (Budgetary Basis) For the Fiscal Year Ended September 30, 2004

Variance with Final Budget -Positive **Budgeted Amounts** Original Final Actual (Negative) Revenues: \$ 5,363,831 \$ \$ \$ Taxes 5,363,831 6,285,559 921,728 Charges for services 370,000 370,000 207,257 (162,743)Fines and forfeits 1,300,000 1,462,915 162,915 1,300,000 Interest earned 40,000 40,000 59,019 19,019 Miscellaneous 110,000 110,000 113,368 3,368 Total revenues 7,183,831 7,183,831 8,128,118 944,287 Expenditures: Current: General government \$ 163,926 \$ 162,426 \$ 158,132 4,294 Debt service: Principal retirement 5,310,000 5,580,011 5,580,000 11 Interest and fiscal charges 2,734,363 2,509,363 2,511,918 (2,555)8,208,289 8,250,050 Total expenditures 1,750 8,251,800 Excess (deficiency) of revenues over expenditures (1,024,458)(1,067,969)(121,932)946,037 Fund balance at beginning of year 1,985,667 Fund balance at end of year - budgetary basis 1,863,735 Reconciliation to GAAP basis: Elimination of encumbrances outstanding at end of year

Fund balance at end of year - GAAP basis

1,863,735

Law Library Special Revenue Fund

Schedule of Revenues, Expenditures and

		Dedector	1 4	_			Variance with Final Budget - Positive
		Budgeted Original	1 Amouni	Final		Actual	(Negative)
Revenues:	-	Originar		T HILL	-	Hotau	 (riegative)
Charges for services	\$	484,000	\$	484,000	\$	498,583	\$ 14,583
Interest earned		5,000		5,000		3,699	(1,301)
Miscellaneous		5,000		5,000		4,211	 (789)
Total revenues	\$	494,000	\$	494,000	\$	506,493	\$ 12,493
Expenditures:							
Current:							
Personal services	\$	95,979	\$	96,868	\$	96,867	\$ 1
Operating expenditures		302,040		343,231		344,947	(1,716)
Capital outlay		2,002		-		-	
Total expenditures	\$	400,021	\$	440,099	\$	441,814	\$ (1,715)
Excess (deficiency) of revenues over							
(under) expenditures	\$	93,979	\$	53,901	\$	64,679	\$ 10,778
Other financing sources (uses):							
Transfers out	\$	(93,979)	\$	(93,979)	\$	(92,262)	\$ 1,717
Total other financing sources (uses)	\$	(93,979)	\$	(93,979)	\$	(92,262)	\$ 1,717
Excess (deficiency) of revenues and other							
sources over (under) expenditures and other uses	\$		\$	(40,078)	\$	(27,583)	\$ 12,495
Fund balance at beginning of year						299,950	
Fund balances at end of year - budgetary basis					\$	272,367	
Reconciliation to GAAP basis: Elimination of encumbrances outstanding at end of year						_	
					\$	272,367	
Fund balance at end of year-GAAP basis					Þ	212,301	

Community Services Special Revenue Fund

$Schedule\ of\ Revenues,\ Expenditures\ and$

		Budgeted A	Amour	ıts		Variance with Final Budget - Positive		
		Original		Final	Actual		(Negative)	
Revenues:	-							
Intergovernmental	\$	393,829	\$	430,270	\$ 395,615	\$	(34,655)	
Interest earned		-		-	 115		115	
Total revenues	\$	393,829	\$	430,270	\$ 395,730	\$	(34,540)	
Expenditures: Current:								
Operating expenditures	\$	333,800	\$	335,369	\$ 343,259	\$	(7,890)	
Total expenditures	\$	333,800	\$	335,369	\$ 343,259	\$	(7,890)	
Excess of revenues over expenditures	\$	60,029	\$	94,901	\$ 52,471	\$	(42,430)	
Other financing sources (uses):								
Transfers out	\$	(60,029)	\$	(94,901)	\$ (50,901)	\$	44,000	
Excess (deficiency) of revenues over								
(under) expenditures and other uses	\$		\$		\$ 1,570	\$	(42,430)	
Fund balance at beginning of year					 8,866			
Fund balances at end of year - budgetary basis					\$ 10,436			
Reconciliation to GAAP basis: Elimination of encumbrances outstanding at end of year					 			
Fund balances at end of year - GAAP basis					\$ 10,436			

Cobb Senior Services Special Revenue Fund

Schedule of Revenues, Expenditures and

					Variance with Final Budget -
	 Budgeted Original	l Amou	nts Final	Actual	Positive (Negative)
Revenues:	 Original		Filiai	 Actual	 (Negative)
Intergovernmental	\$ 1,034,138	\$	1,034,138	\$ 1,125,309	\$ 91,171
Charges for services	71,800		71,800	72,894	1,094
Interest earned	-		-	-	-
Contributions	62,800		125,140	130,213	5,073
Miscellaneous	 98,900		98,900	 125,568	 26,668
Total revenues	\$ 1,267,638	\$	1,329,978	\$ 1,453,984	\$ 124,006
Expenditures:					
Current:					
Personnel services	\$ 3,071,484	\$	3,127,515	\$ 3,081,434	\$ 46,081
Operating expenditures	1,673,210		1,684,980	1,670,116	14,864
Capital outlay	 140,152		146,798	 24,183	 122,615
Total expenditures	\$ 4,884,846	\$	4,959,293	\$ 4,775,733	\$ 183,560
Excess (deficiency) of revenues over expenditures	\$ (3,617,208)	\$	(3,629,315)	\$ (3,321,749)	\$ 307,566
Other financing sources (uses):					
Transfers in	\$ 3,656,603	\$	3,657,562	\$ 3,648,434	\$ (9,128)
Transfers out	 (39,395)		(60,839)	 (60,839)	 -
Total other financing sources (uses)	\$ 3,617,208	\$	3,596,723	\$ 3,587,595	\$ (9,128)
Excess (deficiency) of revenues and other sources					
over (under) expenditures and other uses	\$ 	\$	(32,592)	\$ 265,846	\$ 298,438
Fund balance at beginning of year				 (287,669)	
Fund balances at end of year - budgetary basis				\$ (21,823)	
Reconciliation to GAAP basis: Elimination of encumbrances outstanding at end of year				<u> </u>	
Fund balances at end of year - GAAP basis				\$ (21,823)	

Cobb County, Georgia Hotel/Motel Tax Special Revenue Fund Schedule of Revenues, Expenditures and

	Budgeted .	Amour	nts		Variance with Final Budget - Positive
	Original		Final	 Actual	 (Negative)
Revenues:					
Taxes	\$ 2,900,000	\$	3,038,009	\$ 3,038,009	\$ -
Total revenues	\$ 2,900,000	\$	3,038,009	\$ 3,038,009	\$
Excess of revenues over expenditures	\$ 2,900,000	\$	3,038,009	\$ 3,038,009	\$ -
Other financing sources (uses): Transfers out	 (2,900,000)		(3,038,009)	 (3,038,009)	-
Total other financing sources (uses)	\$ (2,900,000)	\$	(3,038,009)	\$ (3,038,009)	\$ -
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	\$ 	\$	<u>-</u>	\$ -	\$
Fund balance at beginning of year				 -	
Fund balances at end of year - budgetary basis				\$ -	
Reconciliation to GAAP basis: Elimination of encumbrances outstanding at end of year				 	
Fund balances 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, 2004

	Budgeted :	Amou	nts		Variance with Final Budget - Positive	
	 Original	inou	Final	Actual		(Negative)
Revenues:	- <u>0</u>			_		(*** 8 ***)
Charges for services	\$ 8,500,289	\$	8,500,289	\$ 8,361,690	\$	(138,599)
Interest earned	60,000		60,000	65,350		5,350
Miscellaneous	 600		600	 1,165		565
Total revenues	\$ 8,560,889	\$	8,560,889	\$ 8,428,205	\$	(132,684)
Expenditures:						
Current:						
Personnel services	\$ 5,807,752	\$	5,912,118	\$ 4,898,099	\$	1,014,019
Operating expenditures	2,246,097		2,850,552	2,807,720		42,832
Capital outlay	236,472		178,222	16,251		161,971
Debt Service:	160.040		160.040	164 100		4.071
Principal	169,040		169,040	164,189		4,851
Interest and fiscal charges	 4,851		4,851	 4,851		-
Total expenditures	\$ 8,464,212	\$	9,114,783	\$ 7,891,110	\$	1,223,673
Excess of revenues over (under) expenditures	\$ 96,677	\$	(553,894)	\$ 537,095	\$	1,090,989
Other financing sources (uses):						
Transfers out	 (460,480)		(4,078,911)	 (4,078,911)		
Total other financing sources (uses)	\$ (460,480)	\$	(4,078,911)	\$ (4,078,911)	\$	
Excess (deficiency) of revenues and other sources						
over (under) expenditures and other uses	\$ (363,803)	\$	(4,632,805)	\$ (3,541,816)	\$	1,090,989
Fund balance at beginning of year				 5,039,054		
Fund balances at end of year - budgetary basis				\$ 1,497,238		
Reconciliation to GAAP basis: Elimination of encumbrances outstanding at end of year						
Fund balances at end of year - GAAP basis				\$ 1,497,238		

Parking Deck Facility Special Revenue Fund

Schedule of Revenues, Expenditures and

	 Budgeted A	Amount	s			ariance with nal Budget - Positive
	 Original		Final	 Actual	((Negative)
Revenues:						
Charges for services	\$ 448,500	\$	448,500	\$ 493,244	\$	44,744
Interest earned	1,500		1,500	2,585		1,085
Miscellaneous	 		-	 330		330
Total Revenues	\$ 450,000	\$	450,000	\$ 496,159	\$	46,159
Expenditures:						
Current:						
Personnel services	\$ 42,413	\$	43,087	\$ 35,839	\$	7,248
Operating expenditures	71,388		70,714	67,387		3,327
Debt service:						
Principal	165,000		165,000	165,000		-
Interest and fiscal charges	 172,460		172,460	 172,460		
Total expenditures	\$ 451,261	\$	451,261	\$ 440,686	\$	10,575
Excess (deficiency) of revenues over						
(under) expenditures	\$ (1,261)	\$	(1,261)	\$ 55,473	\$	56,734
Other financing sources (uses):						
Transfers in	\$ 1,423	\$	1,423	\$ _		(1,423)
Transfers out	 (50,005)		(50,005)	 (50,005)		-
Total other financing sources (uses)	\$ (48,582)	\$	(48,582)	\$ (50,005)	\$	(1,423)
Excess (deficiency) of revenues and other sources						
over (under) expenditures and other uses	\$ (49,843)	\$	(49,843)	\$ 5,468	\$	55,311
Fund balance at beginning of year				 69,034		
Fund balances at end of year - budgetary basis				\$ 74,502		
Reconciliation to GAAP basis: Elimination of encumbrances outstanding at end of year						
Fund balances at end of year - GAAP basis				\$ 74,502		

Cobb County, Georgia Nonmajor Business-Type Enterprise Funds Combining Balance Sheet September 30, 2004

	Solid Waste Disposal Fund	C	Cobblestone Golf Course Fund	Public Mable House Transit Amphitheatre System Fund Fund			Totals	
Assets	 Tunu		T unu	Tunu		Tunu	 Totals	
Current assets:								
Cash	\$ 255,848	\$	228,449	\$ -	\$	740,980	\$ 1,225,277	
Equity in pooled investments, at								
fair value	-		79,133	-		491,173	570,306	
Accounts (net of allowance for uncollectibles)	263,281		-	-		-	263,281	
Accrued interest	-		-	-		-	-	
Other	4,598		3,239	-		58,245	66,082	
Due from others	10,756		-	-		-	10,756	
Due from other governments	-		-	-		4,700,762	4,700,762	
Other current assets	 499		-	 		240	 739	
Total current assets	\$ 534,982	\$	310,821	\$ 	\$	5,991,400	\$ 6,837,203	
Noncurrent assets:								
Restricted assets, cash and investments:								
Revenue bond construction account	\$ 3,104,790	\$	-	\$ -	\$	-	\$ 3,104,790	
Revenue bond debt service account	-		56,054	-		-	56,054	
Total restricted assets	\$ 3,104,790	\$	56,054	\$ -	\$	-	\$ 3,160,844	
Property, plant and equipment:								
Land and improvements	\$ 3,778,386	\$	5,453,615	-	\$	4,516,105	\$ 13,748,106	
Buildings and structures	12,806,004		1,183,046	7,192,204		13,874,885	35,056,139	
Machinery and equipment	18,918,516		1,035,590	-		23,695,010	43,649,116	
	\$ 35,502,906	\$	7,672,251	\$ 7,192,204	\$	42,086,000	\$ 92,453,361	
Less: accumulated depreciation	 (19,999,758)		(1,137,476)	 (319,118)		(12,033,952)	(33,490,304)	
Net property, plant and equipment	\$ 15,503,148	\$	6,534,775	\$ 6,873,086	\$	30,052,048	\$ 58,963,057	
Unamortized bond costs	\$ 170,193	\$	36,003	\$ 	\$		\$ 206,196	
Total noncurrent assets	\$ 18,778,131	\$	6,626,832	\$ 6,873,086	\$	30,052,048	\$ 62,330,097	
Total assets	\$ 19,313,113	\$	6,937,653	\$ 6,873,086	\$	36,043,448	\$ 69,167,300	

Cobb County, Georgia Nonmajor Business-Type Enterprise Funds Combining Balance Sheet September 30, 2004

Liabilities and Fund Equity		Solid Waste Disposal Fund		Cobblestone Golf Course Fund		Mable House Amphitheatre Fund		Public Transit System Fund		Totals	
Liabilities:											
Current liabilities (payable from current assets):											
Bank overdraft	\$	-	\$	-	\$	857,549	\$	-	\$	857,549	
Accounts payable		475,068		101,557		45,959		1,162,010		1,784,594	
Accrued liabilities		124,920		(2,640)		-		19,725		142,005	
Due to other funds		27,370,223		952,575		600,000		18,253		28,941,051	
Due to other governments		-		4,147		2,401		-		6,548	
Due to others		10,779		1,958		-		2,175		14,912	
Deferred revenues		-		16,674		-		-		16,674	
Capital lease payable		100,058		-		-		-		100,058	
Note payable		103,575								103,575	
Total current liabilities (payable from											
current assets)	\$	28,184,623	\$	1,074,271	\$	1,505,909	\$	1,202,163	\$	31,966,966	
Current liabilities (payable from restricted assets):											
Accrued revenue bond interest	\$	301,380	\$	56,054	\$	-	\$	-	\$	357,434	
Current portion of revenue bonds		1,250,000		375,000		-		-		1,625,000	
Total current liabilities (payable from											
restricted assets)	\$	1,551,380	\$	431,054	\$	-	\$	-	\$	1,982,434	
Long-term liabilities:											
Revenue bonds (net of current portion,											
bond discount, and loss on refunding)	\$	17.814.106	\$	3,907,478	\$		\$		\$	21,721,584	
Accrued vacation payable	Ф	107,970	Ф	3,766	Ф	_	Ф	1,955	Ф	113,691	
Closure and postclosure care		27,147,594		5,700				1,755		27,147,594	
Advances from other funds		1,476,219		-		_		_		1,476,219	
Note payable (net of current portion)		136,615		-		_		_		136,615	
Total long-term liabilities	\$	46,682,504	\$	3,911,244	\$		\$	1,955	\$	50,595,703	
-			-	3,711,211	Ψ			1,,,,,			
Total liabilities	\$	76,418,507	\$	5,416,569	\$	1,505,909	\$	1,204,118	\$	84,545,103	
Net Assets:											
Invested in capital assets, net of related debt	\$	(3,797,631)	\$	2,252,297	\$	6,873,086	\$	30,052,048	\$	35,379,800	
Restricted for:											
Capital projects		3,104,790		-		-		-		3,104,790	
Total restricted assets		3,104,790		- (531.313)				- 4 505 400		3,104,790	
Unrestricted	_	(56,412,553)	_	(731,213)	_	(1,505,909)	_	4,787,282		(53,862,393)	
Total net assets	\$	(57,105,394)	\$	1,521,084	\$	5,367,177	\$	34,839,330	\$	(15,377,803)	

Continued from preceding page.

Cobb County, Georgia Nonmajor Business-Type Enterprise Funds Combining Statement of Revenues, Expenses and Changes in Fund Net Assets For the Fiscal Year Ended September 30, 2004

		Solid Waste Disposal Fund		Cobblestone Golf Course Fund		Mable House Amphitheatre Fund		Public Transit System Fund		Totals
Operating revenues:										
Charges for services	\$	5,929,685	\$	1,917,768	\$	374,800	\$	2,785,230	\$	11,007,483
Miscellaneous income		64,751		4,547		17,600		11,477		98,375
Total operating revenues	\$	5,994,436	\$	1,922,315	\$	392,400	\$	2,796,707	\$	11,105,858
Operating expenses:										
Personnel services	\$	3,079,459	\$	48,484	\$	-	\$	391,729	\$	3,519,672
Other operating expenses		5,965,020		1,370,406		1,153,464		11,756,123		20,245,013
Total operating expenses	\$	9,044,479	\$	1,418,890	\$	1,153,464	\$	12,147,852	\$	23,764,685
Operating income (loss)										
before depreciation	\$	(3,050,043)	\$	503,425	\$	(761,064)	\$	(9,351,145)	\$	(12,658,827)
Less depreciation		(3,015,943)		(104,780)		(141,230)		(1,925,361)		(5,187,314)
Operating income (loss)	\$	(6,065,986)	\$	398,645	\$	(902,294)	\$	(11,276,506)	\$	(17,846,141)
Nonoperating revenues (expenses):										
Interest income	\$	9,310	\$	1,565	\$	66,231	\$	22,547	\$	99,653
Intergovernmental	*	-	-	-,	*	-		10,758,256		10,758,256
Interest and fiscal charges		(1,269,456)		(263,482)		_		-		(1,532,938)
Decrease in fair value of investments		-		(18)		_		-		(18)
Loss from sale of fixed assets		-		- '		_		(27,197)		(27,197)
Amortization of bond costs		(16,965)		(5,328)		-		-		(22,293)
Total nonoperating revenues (expenses)	\$	(1,277,111)	\$	(267,263)	\$	66,231	\$	10,753,606	\$	9,275,463
Net income (loss) before										
transfers and capital contributions	\$	(7,343,097)	\$	131,382	\$	(836,063)	\$	(522,900)	\$	(8,570,678)
Transfers:										
Transfers in	\$	6,616,271	\$	_	\$	_		6,653,106	\$	13,269,377
Transfers out		(46,277)		(654)		-		(192,875)		(239,806)
Total transfers	\$	6,569,994	\$	(654)	\$		\$	6,460,231	\$	13,029,571
Net income (loss)	\$	(773,103)	\$	130,728	\$	(836,063)	\$	5,937,331	\$	4,458,893
Fund net assets - beginning	\$	(56,332,291)	\$	1,390,356	\$	6,203,240	\$	28,901,999	\$	(19,836,696)
Fund net assets - ending	\$	(57,105,394)	\$	1,521,084	\$	5,367,177	\$	34,839,330	\$	(15,377,803)

Cobb County, Georgia Nonmajor Business-Type Enterprise Funds Combining Statement of Cash Flows For the Fiscal Year Ended September 30, 2004

_		Solid Waste Disposal Fund		Cobblestone Golf Course Fund		Mable House Amphitheatre Fund		Public Transit System Fund		Total
Cash flows from operating activities:										
Cash received from customers	\$	5,987,792	\$	1,928,154	\$	392,400	\$	(379,232)	\$	7,929,114
Cash payments for goods and services		(6,261,242)		(1,376,512)		(460,538)		(11,617,924)		(19,716,216)
Cash payments for employee services										
and fringe benefits		(3,035,328)		(46,281)				(402,446)		(3,484,055)
Net cash from operating activities	\$	(3,308,778)	\$	505,361	\$	(68,138)	\$	(12,399,602)	\$	(15,271,157)
Cash flows from noncapital financing activities:										
Operating transfers in	\$	6,419,452	\$	-	\$	-	\$	6,653,106	\$	13,072,558
Operating transfers out		(46,277)		(654)		-		(192,875)		(239,806)
Federal/State Grants		-		-		-		10,758,257		10,758,257
Net interfund borrowings (repayments)		-		-		-		-		<u> </u>
Net cash from noncapital										
financing activities	\$	6,373,175	\$	(654)	\$		\$	17,218,488	\$	23,591,009
Cash flows from capital and										
related financing activities:										
Principal payments on notes payables	\$	(98,749)	\$	-	\$	-	\$	-	\$	(98,749)
Payments on capital leases		(113,862)		-		-		-		(113,862)
Payments for capital acquisitions		(72,578)		-		(4,450)		(8,068,819)		(8,145,847)
Bond principal payments		(1,180,000)		(355,000)		-		-		(1,535,000)
Bond interest and fiscal charges		(1,268,721)		(237,789)		-				(1,506,510)
Net cash from capital and related										
financing activities	\$	(2,733,910)	\$	(592,789)	\$	(4,450)	\$	(8,068,819)	\$	(11,399,968)
		(),	<u> </u>	(**), **)		() /		(-)		()
Cash flows from investing activities:										
Proceeds from investment maturities	\$	(92,778)	\$	-	\$	-	\$	-	\$	(92,778)
Interest received		9,310		1,565		66,231		22,547		99,653
Increase in fair market value		-		(18)		-		-		(18)
Investment purchases		-		(43,152)				(491,173)		(534,325)
Net cash from investing activities	\$	(83,468)	\$	(41,605)	\$	66,231	\$	(468,626)	\$	(527,468)
Net increase (decrease) in cash and										
cash equivalents	\$	247,019	\$	(129,687)	\$	(6,357)	\$	(3,718,559)	\$	(3,607,584)
Cash and cash equivalents at beginning of year		9,650		414,190		6,357		4,459,539		4,889,736
Cash and cash equivalents at end of year	\$	256,669	\$	284,503	\$	-	\$	740,980	\$	1,282,152
Reconciliation to Combining Balance Sheet										
Cash	\$	255,848	\$	228,449	\$		\$	740,980	\$	1,225,277
Cash (included in restricted assets)	-	821	•	56,054		_	•	-	-	56,875
,,	\$	256,669	\$	284,503	\$		\$	740,980	\$	1,282,152
	<u> </u>		_	- ,	_		_			, , , , -

Cobb County, Georgia Nonmajor Business-Type Enterprise Funds Combining Statement of Cash Flows For the Fiscal Year Ended September 30, 2004

		Solid Waste Disposal Fund		Cobblestone Golf Course Fund		Mable House Amphitheatre Fund		Public Transit System Fund		Total
Reconciliation of operating income (loss)										
to net cash from operating activities:										
Operating income (loss)	\$	(6,065,986)	\$	398,645	\$	(902,294)	\$	(11,276,506)	\$	(17,846,141)
Adjustments to reconcile operating income										
(loss) to net cash from operating activities:										
Depreciation	\$	3,015,943	\$	104,780	\$	141,230	\$	1,925,361	\$	5,187,314
Change in assets and liabilities:										
Decrease (increase) in accounts receivables		4,179		-		-		-		4,179
Decrease (increase) in other receivables		(67)		4,985		-		(2,378,677)		(2,373,759)
Decrease (increase) in due from other funds		-		854		-		-		854
Decrease (increase) in due from others		(10,756)		-		-		-		(10,756)
Decrease (increase) in due from other governments		-		-		-		(797,262)		(797,262)
Decrease (increase) in other assets		-		-		-		-		-
Increase (decrease) in bank overdraft		-		-		664,794		-		664,794
Increase (decrease) in accounts payable		(99,895)		50,553		33,086		155,615		139,359
Increase (decrease) in prepaid expenses		249		-		-		585		834
Increase (decrease) in accrued payroll		20,948		560		-		5,662		27,170
Increase (decrease) in accrued vacation payable		23,183		1,643		-		(16,379)		8,447
Increase (decrease) in due to other funds		8,464		(52,386)		-		1,057		(42,865)
Increase (decrease) in advances from other funds		-		-		-		-		-
Increase (decrease) in customer deposits		-		-		-		-		-
Increase (decrease) in due to										
other governments		-		(3,252)		-		-		(3,252)
Increase (decrease) in due to others		(192,177)		(4,005)		(4,954)		(19,058)		(220,194)
Increase (decrease) in closure/postclosure care		(12,863)		-		-		-		(12,863)
Increase (decrease) in unearned revenues		<u> </u>		2,984						2,984
Total adjustments	\$	2,757,208	\$	106,716	\$	834,156	\$	(1,123,096)	\$	2,574,984
Net cash provided by operating activities	\$	(3,308,778)	\$	505,361	\$	(68,138)	\$	(12,399,602)	\$	(15,271,157)
Schedule of noncash capital and related financing activities:	ø		e	(10)	¢.		6		e	(10)
Change in fair value of investments	\$	-	\$	(18)	\$	-	\$	-	\$	(18)

Continued from preceding page.

Cobb County, Georgia Claims Internal Service Fund Balance Sheet September 30, 2004

Assets	Total
Current assets:	¢ 071.40 <i>ć</i>
Cash and cash equivalents	\$ 971,406
Equity in pooled investments, at fair value Receivables:	1,367,100
Other	700,414
Due from other funds	8,498,714
Due from others	9
Prepaid expenditures	1,828
1 repaid experientales	
Total current assets	\$ 11,539,471
Property, plant and equipment:	
Machinery and equipment	\$ 150,021
Less: accumulated depreciation	(104,572)
Net property, plant and equipment	\$ 45,449
Total assets	\$ 11,584,920
Liabilities and Fund Equity	
Current liabilities:	
Accounts payable	\$ 110,627
Accrued liabilities	35,791
Due to other funds	179,434
Due to others	35,825
Estimated liability for claims and judgements	13,708,860
Total liabilities	\$ 14,070,537
Fund equity:	
Retained earnings:	
Reserved for contingencies	\$ (2,485,617)
Total liabilities and fund equity	\$ 11,584,920

Cobb County, Georgia

Claims Internal Service Fund

Statement of Revenues, Expenses and Changes in Retained Earnings For the Fiscal Years Ended September 30, 2004

	 Total
Operating revenues:	
Charges for services	\$ 38,881,957
Operating expenses:	
Personnel services	\$ 367,207
Other operating expenses	4,553,326
Benefits and claims	 38,194,327
Total operating expenses	\$ 43,114,860
Operating income (loss) before depreciation	\$ (4,232,903)
Less depreciation	 (15,280)
Operating income (loss)	\$ (4,248,183)
Nonoperating revenues:	
Interest income	 65,728
Net income (loss) before transfers	\$ (4,182,455)
Transfers:	
Transfers out	\$ (482,746)
Total transfers	\$ (482,746)
Net income (loss)	\$ (4,665,201)
Retained earnings at beginning of year	 2,179,584
Retained earnings at end of year	\$ (2,485,617)

Cobb County, Georgia

Claims Internal Service Fund

Statement of Cash Flows

For the Fiscal Years Ended September 30, 2004

	 Total
Cash flows from operating activities: Cash received for services provided Cash payments for goods and services Cash payments for employee services and fringe benefits Cash payments for benefits and claims	\$ 37,705,793 (4,533,379) (355,408) (35,717,321)
Net cash from operating activities	\$ (2,900,315)
Cash flows from noncapital and related financing activities: Transfers in Transfers out	\$ - (482,746)
Net cash flows from noncapital and related financing activities	\$ (482,746)
Cash flows from capital and related financing activities: Proceeds from sale of fixed assets	\$ (294)
Cash flows from investing activities: Proceeds from investment maturities Interest received	\$ (964,109) 65,728
Net cash from investing activities	\$ (898,381)
Net increase (decrease) in cash and cash equivalents	\$ (4,281,736)
Cash and cash equivalents at beginning of year	 5,253,142
Cash and cash equivalents at end of year	\$ 971,406
Reconciliation of operating income (loss) to net cash from operating activities:	
Operating income (loss) Adjustments to reconcile operating income (loss) to net cash from operating activities:	\$ (4,248,183)
Depreciation Change in assets and liabilities:	\$ 15,280
(Increase) decrease in other receivables (Increase) decrease in due from other funds (Increase) decrease in due from others (Increase) decrease in prepaid expenses Increase (decrease) in accounts payable Increase (decrease) in accrued payroll Increase (decrease) in accrued vacation payable Increase (decrease) in due to other funds Increase (decrease) in due to others Increase (decrease) in estimated liability for claims and judgments	(519,926) (656,880) 642 (593) (25,835) 2,379 9,420 26,755 19,620 2,477,006
Total adjustments	\$ 1,347,868
Net cash from operating activities	\$ (2,900,315)

Cobb County, Georgia

Agency Funds Combining Statement of Changes in Assets and Liabilities For the Fiscal Year Ended September 30, 2004

	Oc	Balance tober 1, 2003		Additions		Deductions	Sept	Balance tember 30, 2004
Clerk of State Court Assets								
Cash and cash equivalents	\$	5,565,121	\$	39,733,736	\$	39,488,105	\$	5,810,752
Liabilities Funds held in trust for others	\$	5,565,121	\$	39,733,736	\$	39,488,105	\$	5,810,752
Clerk of Juvenile Court Assets								
Cash	\$	31,307	\$	75,012	\$	94,139	\$	12,180
Liabilities Funds held in trust for others	\$	31,307	\$	75,012	\$	94,139	\$	12,180
Sheriff Assets Cash and cash equivalents	\$	4,202,762	\$	5,708,047	\$	5,613,173	\$	4,297,636
Liabilities	*			2,7 00,0 1,	<u>-</u>		<u>-</u>	.,,,,,,
Funds held in trust for others	\$	4,202,762	\$	5,708,047	\$	5,613,173	\$	4,297,636
Clerk of Superior Court								
Assets Cash and cash equivalents	\$	13,053,331	\$	89,732,586	\$	92,386,517	\$	10,399,400
Liabilities Funds held in trust for others	\$	13,053,331	\$	89,732,586	\$	92,386,517	\$	10,399,400
Clerk of Probate Court								
Assets Cash	\$		\$	721,013	\$	721,013	\$	
Liabilities Due to other funds	\$	<u>-</u>	\$	721,013	\$	721,013	\$	
Tax Commissioner Assets								
Cash Taxes and penalties receivable	\$	69,855,714 264,356,464 334,212,178	\$	1,577,122,446 445,187,526 2,022,309,972	\$	1,559,223,939 264,356,464 1,823,580,403	\$	87,754,221 445,187,526 532,941,747
T 1 1 1 1 2 2	Ψ	71 رسلاسر ۱ در	٧	2,022,307,712	Ψ	1,023,300,403	<u> </u>	332,771,171
Liabilities Unremitted tax collections Taxes payable to others upon collection	\$	69,855,714 264,356,464	\$	1,577,122,446 445,187,526	\$	1,559,223,939 264,356,464	\$	87,754,221 445,187,526
Continued on next page.	\$	334,212,178	\$	2,022,309,972	\$	1,823,580,403	\$	532,941,747

Cobb County, Georgia Agency Funds Combining Statement of Changes in Assets and Liabilities For the Fiscal Year Ended September 30, 2004

	Oc	Balance stober 1, 2003	Additions	Deductions	Sep	Balance tember 30, 2004
Accounts Payable Fund Assets		_				_
Cash and cash equivalents	\$	5,218,764	\$ 1,488,206	\$ 5,218,764	\$	1,488,206
Liabilities						
Bank overdraft	\$	5,218,764	\$ 1,488,206	\$ 5,218,764	\$	1,488,206
Payroll Fund Assets						
Cash and cash equivalents	\$	461,052	\$ 430,742	\$ 461,052	\$	430,742
Liabilities						
Unremitted payroll tax and withholdings	\$	461,052	\$ 430,742	\$ 461,052	\$	430,742
Child Support, Witness and Jurors' Fees Assets						
Cash	\$	57,362	\$ 4,127,818	\$ 4,034,501	\$	150,679
Liabilities			4.425.040	4 02 4 504		4.50.650
Funds held in trust for others	\$	57,362	\$ 4,127,818	\$ 4,034,501	\$	150,679
Total assets	\$	362,801,877	\$ 2,164,327,132	\$ 1,971,597,667	\$	555,531,342
Total liabilities	\$	362,801,877	\$ 2,164,327,132	\$ 1,971,597,667	\$	555,531,342

Continued from preceding page.

Capital Assets Used in the Operation of Governmental Funds

Cobb County, Georgia Capital Assets Used in the Operation of Governmental Funds Comparative Schedules by Source September 30, 2004 and 2003

		2004		2003
General fixed assets:		_		_
Land	\$	736,718,081	\$	719,086,338
Buildings and structural improvements		270,495,157		267,915,466
Improvements other than buildings		13,374,683		13,371,547
Infrastructure		1,986,223,143		1,946,298,893
Furniture, machinery and equipment		151,643,189		136,237,335
Construction in progress		36,373,669		25,095,544
Total general fixed assets	\$	3,194,827,922	\$	3,108,005,123
Investment in general fixed assets by source:				
Capital Projects Funds:	Φ.	100.005.000	•	100 ==1 004
General obligation bonds	\$	198,925,300	\$	198,771,804
Grants		53,609,650		47,084,517
Sales tax revenue		1,008,309,334		996,297,610
General Fund revenue		252,968,256		221,409,436
Special Revenue Funds revenue		42,757,992		36,364,285
Other		502,951		553,771
Donations		1,637,754,439		1,607,523,700
Total investment in general fixed assets	\$	3,194,827,922	\$	3,108,005,123

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

Cobb County, Georgia
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
September 30, 2004

Function and Activity	Land	Buildings and Structural mprovements	Improvements Other Than Buildings		Infrastructure	Furniture, Machinery and Equipment	Construction in Progress	Total
General Government								
Legislative	\$ -	\$ 6,582,997	\$ -	\$	-	\$ 1,662,807	\$ -	\$ 8,245,804
Judicial	-	23,134,768	-		-	19,760,725	-	42,895,493
Executive and Administrative	9,312,250	29,500,860	_			34,387,568		73,200,678
Administrative	9,312,230	29,300,800	-		-	34,387,308	-	73,200,078
Public Works	683,690,899	4,614,552	13,292,578		1,986,223,143	9,058,264	8,978	2,696,888,414
Culture and Recreation	39,049,201	92,716,100	100		-	10,575,588	35,185,472	177,526,461
Public Safety	4,198,611	102,153,268	82,005		-	73,756,352	604,969	180,795,205
	1,000,000	,,	,			,,		,
Community Development	 467,120	 11,792,612	 	_		 2,441,885	 574,250	15,275,867
Total general								
fixed assets	\$ 736,718,081	\$ 270,495,157	\$ 13,374,683	\$	1,986,223,143	\$ 151,643,189	\$ 36,373,669	\$ 3,194,827,922

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

Cobb County, Georgia Capital Assets Used in the Operation of Governmental Funds Schedule of Changes by Function and Activity For the Fiscal Year Ended September 30, 2004

Port Lade		General Fixed Assets	A 1177	D.L.C	,	General Fixed Assets
Function and Activity	Sep	otember 30, 2003	 Additions	 Deletions		September 30, 2004
General Government						
Legislative	\$	8,227,244	\$ 41,766	\$ 23,206	\$	8,245,804
Judicial		41,906,251	1,514,951	525,709		42,895,493
Executive and Administrative		70,764,248	3,080,175	634,767		73,209,656
Public Works		2,669,667,633	62,705,040	307,765		2,732,064,908
Culture and Recreation		135,097,606	8,066,778	218,426		142,945,958
Public Safety		168,192,772	16,143,259	3,571,545		180,764,486
Community Development		14,149,369	 600,289	 48,041		14,701,617
Total general fixed assets	\$	3,108,005,123	\$ 92,152,258	\$ 5,329,459	\$	3,194,827,922

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

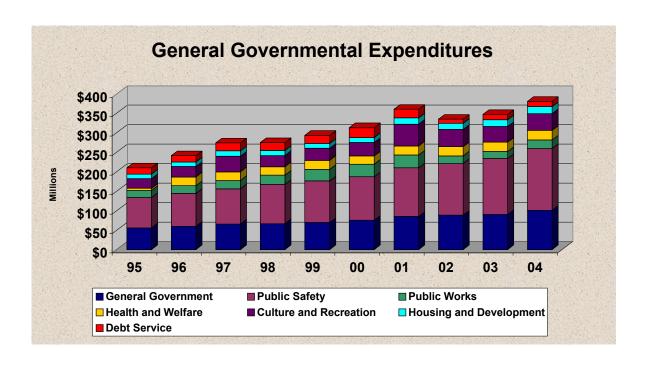
Statistical Section

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

COBB COUNTY, GEORGIA GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (UNAUDITED) LAST TEN FISCAL YEARS

Fiscal Year	<u>G</u>	General overnment (2)			Public Works		_	Health and Welfare	Culture and Recreation		Housing and Development (2)		_	Debt Service	 Total
1995	\$	55,764,034	\$	77,588,281	\$	18,156,649	\$	5,568,650	\$	24,694,750	\$	12,225,274	\$	15,959,268	\$ 209,956,906
1996	(1)	59,800,335		84,325,361		19,843,273		22,315,752		27,010,462		11,281,263		16,613,666	241,190,112
1997	(1)	65,598,441		90,546,065		21,158,382		22,229,257		40,297,710		13,593,418		20,506,288	273,929,561
1998	(1)	66,521,149		100,522,542		23,684,350		21,966,145		28,792,053		12,668,244		20,659,200	274,813,683
1999	(1)	69,386,326		106,929,782		29,450,882		23,322,044		30,625,728		12,753,001		20,803,054	293,270,817
2000	(1)	75,297,649		111,338,360		32,686,109		21,008,333		34,384,061		12,865,601		25,313,112	312,893,225
2001	(1)	84,874,631		124,741,315		32,963,840		23,456,071		55,840,470		16,312,199		21,972,518	360,161,044
2002	(1)	88,320,161		132,464,746		19,845,201		23,339,767		44,223,800		15,906,049		10,767,331	334,867,055
2003	(1)	89,971,201		143,901,003		17,849,851		23,935,649		40,257,757		17,335,630		13,652,995	346,904,086
2004	(1)	100.918.757		158.580.855		21.904.655		24.756.363		43.052.112		17.401.587		13.780.093	380.394.422

⁽¹⁾ Includes General, Special Revenue and Debt Service Funds and Discretely Presented Component Units

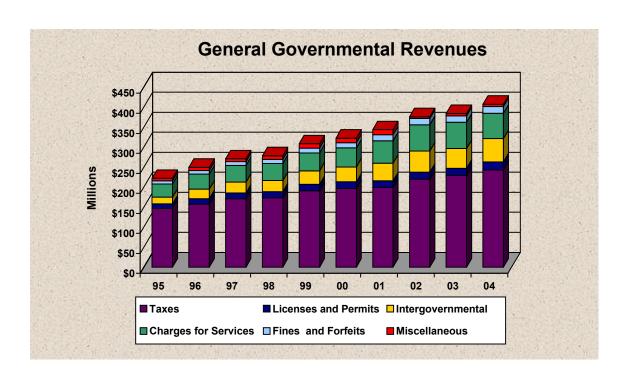


⁽²⁾ In 2002, the Sheriff's Department operations were reclassified as Public Safety from General Government and Economic Development and Community Development were reclassified as Housing and Development from General Government and Public Safety. Prior years have been adjusted accordingly.

COBB COUNTY, GEORGIA GENERAL GOVERNMENTAL REVENUES BY SOURCE (UNAUDITED) LAST TEN FISCAL YEARS

Fiscal Year			Licenses and Inter- Taxes Permits Governme				Charges for Services			Fines and Forfeits	Miso	cellaneous (2)	 Total (3)
1995	\$	146,636,293	\$	11,350,060	\$	16,571,977	\$	33,370,766	\$	7,617,334	\$	6,019,682	\$ 221,566,112
1996	(1)	157,295,369		13,906,004		23,262,506		37,637,413		9,109,956		8,270,425	249,481,673
1997	(1)	170,505,850		14,547,554		27,026,116		41,826,147		9,993,814		6,669,929	270,569,410
1998	(1)	173,124,707		15,153,427		28,130,151		42,191,434		10,482,786		8,992,884	278,075,389
1999	(1)	190,601,735		16,195,202		33,704,175		44,921,335		12,020,994		10,742,379	308,185,820
2000	(1)	196,765,490		16,466,884		37,002,705		47,697,165		12,812,943		11,385,964	322,131,151
2001	(1)	198,694,853		16,527,532		44,015,435		56,562,671		14,469,760		12,919,394	343,189,645
2002	(1)	219,235,910		17,714,856		53,234,237		65,598,461		15,738,490		3,995,148	375,517,102
2003	(1)	228,913,808		18,073,485		48,985,027		65,648,207		16,307,448		5,792,873	383,720,848
2004	(1)	242,863,061		20,081,455		58,030,769		62,820,184		16,781,751		6,198,011	406,775,231

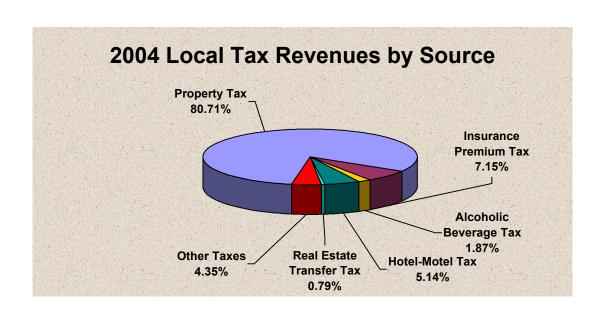
- (1) Includes General, Special Revenue, and Debt Service Funds and Discretely Presented Component Units
- (2) Miscellaneous revenues includes contribution revenues included in Special Revenue Funds
- (3) Interest earned is not included in the total



COBB COUNTY, GEORGIA GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE (UNAUDITED) LAST TEN FISCAL YEARS

Fiscal Year	-17		. ,		Alcoholic Beverage Tax			Hotel-Motel Tax	 Real Estate Transfer Tax	 Other Taxes	 Total
1995	\$	114,954,977	\$	10,215,521	\$	3,817,223	\$	11,182,842	\$ 980,256	\$ 5,485,474	\$ 146,636,293
1996	(1)	123,096,206		10,742,506		4,046,278		12,064,117	932,520	6,413,742	157,295,369
1997	(1)	135,134,945		11,455,244		4,164,147		11,864,388	672,912	7,214,214	170,505,850
1998	(1)	136,729,235		12,054,570		4,576,793		12,869,126	1,165,105	5,729,878	173,124,707
1999	(1)	151,832,341		12,636,016		4,892,897		13,669,407	1,382,842	6,188,232	190,601,735
2000	(1)	156,522,585		12,826,375		4,963,186		14,810,703	1,390,933	6,251,708	196,765,490
2001	(1)	158,284,815		13,523,125		4,464,913		14,865,666	1,492,815	6,063,520	198,694,853
2002	(1)	178,513,880		14,653,816		4,552,006		13,097,946	1,421,517	6,996,745	219,235,910
2003	(1)	182,763,605		16,180,639		4,378,044		12,420,224	3,962,093	9,209,203	228,913,808
2004	(1)	196.008.674		17.352.880		4.548.280		12.473.993	1,908,363	10.570.871	242.863.061

⁽¹⁾ Includes General, Special Revenue, and Debt Service Funds and Discretely Presented Component Unit.



COBB COUNTY, GEORGIA PROPERTY TAX LEVIES AND COLLECTIONS (UNAUDITED) LAST TEN FISCAL YEARS

Fiscal			Collection of Current and Prior Years	Taxes Receivable at End of	Percent of Levy Collected	
Year	ear Levy		 Taxes	 Fiscal Year	at 9/30/04 (2)	
1995	\$	97,587,185	\$ 107,026,772	\$ 66,601,371	99.521%	
1996		109,989,920	107,176,019	72,247,114	99.866%	
1997		115,877,624	88,295,119	99,169,520	99.193%	
1998		120,561,981	121,157,521	98,945,855	99.213%	
1999		132,259,856	114,071,785	117,107,611	99.743%	
2000		140,808,137	126,957,154	129,292,048	99.524%	
2001		147,388,883	148,670,405	126,300,168	99.152%	
2002		168,071,481	142,277,678	150,768,888	99.430%	
2003		173,817,379	172,574,556	147,351,603	98.290%	
2004		182.667.127	172,551,916	157.474.072	13.932% (

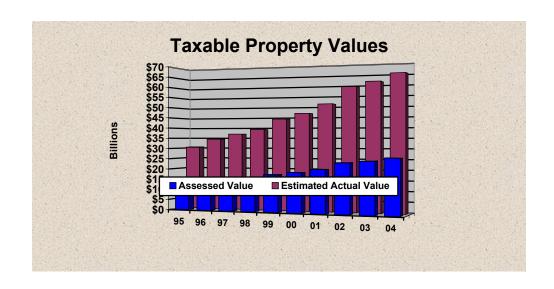
⁽¹⁾ Under the modified accrual basis of accounting, 97.06% of the 2004 tax levy was recognized as revenue for the fiscal year ended September 30, 2004.

⁽²⁾ Percent calculated after levy was adjusted for releases.

COBB COUNTY, GEORGIA ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY UNAUDITED LAST TEN FISCAL YEARS

	Real and Pers	sonal Property	Motor Veh Mobile I		To	Ratio of Total Assessed to Total	
Fiscal Year	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Estimated Actual Value
1995	\$ 11,050,964,611	\$ 27,627,411,527 \$	1,166,928,586	\$ 2,917,321,465	\$ 12,217,893,197	\$ 30,544,732,992	40
1996	12,580,474,679	31,451,186,697	1,319,254,960	3,298,137,400	13,899,729,639	34,749,324,097	40
1997	13,385,206,101	33,463,015,252	1,454,485,808	3,636,214,520	14,839,691,909	37,099,229,772	40
1998	14,545,372,933	36,363,432,332	1,191,776,173 (1) 2,979,440,432 (1) 15,737,149,106	39,342,872,764	40
1999	16,183,564,448	40,458,911,120	1,550,308,980	3,875,772,450	17,733,873,428	44,334,683,570	40
2000	17,236,157,234	43,090,393,085	1,692,964,879	3,875,772,450	18,929,122,113	46,966,165,535	40
2001	18,634,462,070	46,586,155,175	1,891,744,769	4,729,361,923	20,526,206,839	51,315,517,098	40
2002	21,753,120,087	54,382,800,218	1,959,611,029	4,899,027,573	23,712,731,116	59,281,827,791	40
2003	22,662,866,622	56,657,166,555	1,955,727,315	4,889,318,288	24,618,593,937	61,546,484,843	40
2004	24,151,603,729	60,379,009,323	1,934,856,890	4,837,142,225	26,086,460,619	65,216,151,548	40

⁽¹⁾ New tax collection period - based on nine month collection.



COBB COUNTY, GEORGIA TAX DIGEST (UNAUDITED)

	General	Fund	Fire D	istrict	Debt Sen	vice Fund
	2004	2003	2004	2003	2004	2003
Gross property digest	\$23,665,138,227	\$22,168,478,581	\$18,817,875,623	\$17,745,451,705	\$23,665,138,227	\$22,168,478,581
Public service digest	486,465,502	494,388,041	402,084,812	419,068,785	486,465,502	494,388,041
Motor vehicle and mobile home digest	1,934,856,890	1,955,727,315	1,633,798,204	1,646,378,768	1,934,856,890	1,955,727,315
Timber	43,803	69,628	43,803	69,628	43,803	69,628
Heavy Duty Equipment	2,024,161	1,536,764	1,623,652	1,180,284	2,024,161	1,536,764
Gross taxable digest	\$26,088,528,583	\$24,620,200,329	\$20,855,426,094	\$19,812,149,170	\$26,088,528,583	\$24,620,200,329
Less: Exempt property	4,865,356,166	4,213,851,925	348,910,517	343,507,513	1,172,750,212	928,209,211
Net taxable digest	\$21,223,172,417	\$20,406,348,404	\$20,506,515,577	\$19,468,641,657	\$24,915,778,371	\$23,691,991,118
Tax Rates: Property Motor vehicle	\$6.85/M	\$6.85/M	\$2.65/M	\$2.65/M	\$.22/M	\$.22/M
and mobile home	\$6.85/M	\$6.85/M	\$2.65/M	\$2.65/M	\$.22/M	\$.22/M

COBB COUNTY, GEORGIA TOTAL PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS (1) PER \$1,000 ASSESSED VALUE (UNAUDITED) LAST TEN FISCAL YEARS

,										
	2004	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
* Cobb County (with fire)	29.87	29.87	29.87	30.02	29.14	29.27	31.70	32.50	32.65	33.68
* Cobb County (without fire)	27.22	27.22	27.22	27.37	26.37	26.50	28.93	29.53	29.68	30.71
Acworth	37.24	37.32	37.37	37.75	36.94	37.17	39.60	40.40	40.55	41.58
Austell	30.34	30.34	30.72	30.73	29.87	30.00	32.68	33.53	33.93	35.21
Kennesaw	36.62	36.62	36.62	36.77	35.89	36.02	38.45	39.25	39.40	40.43
** Marietta	29.97	29.97	29.47	26.97	27.04	27.18	27.68	28.38	28.88	28.37
Powder Springs	38.37	36.87	36.87	37.02	36.14	36.27	38.70	39.50	39.65	40.93
Smyrna	36.87	37.07	37.07	37.47	36.82	37.20	40.13	40.83	41.08	42.21
Community Improvement District	34.87	34.87	34.87	35.02	34.14	34.27	36.70	37.50	37.65	38.68

^{*} Includes levy for Cobb County Board of Education and State of Georgia

⁽¹⁾ All millage rates presented above, except for Marietta, include a millage rate for the Cobb County Board of Education and State of Georgia as follows:

Cobb County Board	<u>2004</u>	<u>2003</u>	2002	<u>2001</u>	2000	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
of Education	19.90	19.90	19.90	20.05	19.05	21.33	21.63	21.63	22.43	19.77
State of Georgia	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25

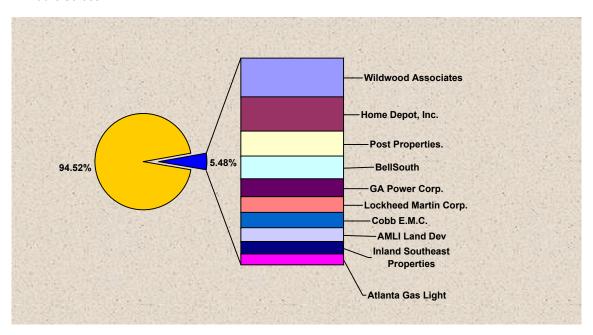
^{**} Includes levy for Marietta Board of Education

COBB COUNTY, GEORGIA PRINCIPAL TAXPAYERS (UNAUDITED) 2004 TAX DIGEST

<u>Taxpayer</u>	Type of Business	Taxes Levied (1)	Percentage of Total Taxes Levied
Wildwood Associates	Real Estate	\$5,883,277	1.05%
Home Depot, Inc.	Retail	5,087,201	0.91%
Post Properties, Inc.	Real Estate	3,713,722	0.66%
BellSouth Telecommunications*	Utilities	3,392,044	0.61%
Georgia Power Company*	Utilities	2,580,318	0.46%
Lockheed Martin Aeronautical Systems	Aircraft	2,348,139	0.42%
Cobb E.M.C.*	Utilities	2,284,712	0.41%
AMLI Land Development	Real Estate	2,085,118	0.37%
Inland Southeast Properties	Real Estate	1,822,540	0.33%
Atlanta Gas Light*	Utilities	1,456,589	0.26%
All others		528,804,837	94.52%
Total		\$559,458,497	100.00%

⁽¹⁾ Total tax assessed for Cobb County and Cobb County Board of Education. Based on 2004 Real & Personal Property Digest and 2003 Public Utility Digest.

^{*} Public Utilities



COBB COUNTY, GEORGIA COMPUTATION OF LEGAL DEBT MARGIN UNAUDITED SEPTEMBER 30, 2004

Gross assessed value	\$ 24,915,778,371
Debt limit - 10 percent of assessed value	2,491,577,837
Amount of debt applicable to debt limit: Total general obligation bonded debt	50,545,000
Legal debt margin	\$ 2,441,032,837

COBB COUNTY, GEORGIA RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA (UNAUDITED) LAST TEN FISCAL YEARS

Fiscal Year	Population*	Assessed Value (in thousands)	Gross Bonded Debt (1)	Debt Service Monies Available	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1995	509,400	\$ 12,217,893	\$ 82,760,000	\$ 991,911	\$ 81,768,089	0.67%	\$ 160.52
1996	521,200	13,899,730	76,310,000	1,485,395	74,824,605	0.54%	143.56
1997	535,000	14,839,692	99,500,000	2,239,448	97,260,552	0.66%	181.80
1998	550,100	15,737,149	92,555,000	3,110,930	89,444,070	0.59%	162.60
1999	567,800	17,733,873	85,260,000	3,962,938	81,297,062	0.46%	143.18
2000	616,548	18,926,869	77,585,000	2,638,987	74,946,013	0.40%	121.56
2001	628,367	19,730,968	69,440,000	1,751,265	67,688,735	0.34%	107.72
2002	641,748	22,886,087	60,785,000	2,459,518	58,325,482	0.26%	90.89
2003	651,027	23,691,991	55,355,000	1,985,667	53,369,333	0.23%	81.98
2004	667,300	24,915,778	50,545,000	1,863,735	48,681,265	0.20%	72.95

^{*} Source - 1994-1999 based on Atlanta Regional Commission estimates; 2000-2004 based on U.S. Census.

⁽¹⁾ Includes all long-term general obligation debt.

COBB COUNTY, GEORGIA RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES UNAUDITED LAST TEN FISCAL YEARS

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to Total General Governmental Expenditures
1995	(1) \$ 7,267,581	\$ 8,691,687	\$ 15,959,268	\$ 209,956,906	7.60%
1996	(1) 8,252,803	8,360,863	16,613,666	241,190,112	6.89%
1997	(1) 9,986,656	10,519,632	20,506,288	273,929,561	7.49%
1998	(1) 10,631,489	10,027,711	20,659,200	274,813,683	7.52%
1999	(1) 11,216,111	9,586,943	20,803,054	293,270,817	7.09%
2000	(1) 13,513,223	11,799,889	25,313,112	312,893,225	8.09%
2001	(1) 11,471,598	10,500,920	21,972,518	312,893,225	7.02%
2002	(1) 8,165,129	9,078,706	17,243,835	360,161,044	4.79%
2003	(1) 7,758,191	7,553,267	15,311,458	334,867,055	4.57%
2004	(1) 9,156,335	7,477,146	16,633,481	380,394,422	4.37%

⁽¹⁾ Includes General, Special Revenue, and Debt Service Funds and Discretely Presented Component Units.

COBB COUNTY, GEORGIA DIRECT GENERAL OBLIGATION OVERLAPPING GENERAL OBLIGATION AND GUARANTEED REVENUE DEBT (UNAUDITED) **SEPTEMBER 30, 2004**

Direct General Obligation, Overlapping General Obligation, and Guaranteed Revenue Debt		
Tax Anticipation Notes Direct General Obligation		\$ 59,500,000 50,545,000
Direct Guaranteed Revenue Debt: Cobb County Solid Waste Disposal Bonds Cobb County Recreation Authority Downtown Marietta Development Authority Cobb-Marietta Coliseum and Exhibit Hall Authority	\$ 19,025,000 4,955,000 3,505,000 57,000,000	
Total Direct Guaranteed Revenue Debt Total Direct Debt		\$ 84,485,000 194,530,000
Overlapping General Obligation Debt: Cobb County School District Municipalities within Cobb County	\$ 127,665,000 77,360,000	
Total Overlapping General Obligation Debt	 77,000,000	\$ 205,025,000
Total Direct and Overlapping General Obligation Debt		\$ 399,555,000
Overlapping Guaranteed Revenue Debt: Acworth Downtown Development Authority Downtown Marietta Development Authority Downtown Smyrna Development Authority	\$ 20,290,000 31,253,140 21,880,000	
Total Overlapping Guaranteed Revenue Debt		\$ 73,423,140
Total Direct, Overlapping General Obligation and Overlapping Guaranteed Revenue Debt		\$ 472,978,140
Cobb County Debt Per Capita* Tax Anticipation Notes		\$ 89.17
Direct General Obligation Debt Direct Guaranteed Revenue Debt		75.75 126.61
Overlapping General Obligation Debt Overlapping Guaranteed Revenue Debt Total Debt per Capita		\$ 307.25 110.03 708.81
	;	

*Based on U.S. Census

2004 population estimate of 667,300

COBB COUNTY, GEORGIA REVENUE BOND COVERAGE (UNAUDITED) LAST TEN FISCAL YEARS

Water and Sewer Bonds:

Fiscal Gross		Gross	Direct Operating			let Revenue vailable for		Debt Service Requirements					
Year		Revenues	E	xpenses (1)	Debt Service		Principal		Interest	Total		Coverage	
1995	\$	111,769,160	\$	46,648,620	\$	65,120,540	\$ 7,470,000	\$	10,411,890	\$	17,881,890	3.64	
1996		120,804,599		51,114,142		69,690,457	7,940,000		9,932,695		17,872,695	3.90	
1997		124,616,952		54,366,671		70,250,281	9,830,000		8,645,855		18,475,855	3.80	
1998		144,252,106		60,307,039		83,945,067	10,580,000		8,196,933		18,776,933	4.47	
1999		145,258,869		64,823,483		80,435,386	11,185,000		7,089,998		18,274,998	4.40	
2000		154,706,735		72,656,849		82,049,886	11,720,000		6,555,828		18,275,828	4.49	
2001		150,748,619		76,912,634		73,835,985	12,285,000		5,987,568		18,272,568	4.04	
2002		164,213,180		79,408,182		84,804,998	12,890,000		5,385,130		18,275,130	4.64	
2003		197,376,530		80,035,368		117,341,162	13,530,000		5,165,293		18,695,293	6.28	
2004		164,190,681		87,999,837		76,190,844	14,510,000		3,783,425		18,293,425	4.16	

Solid Waste Disposal Bonds:

Fiscal	Gross		(Direct Operating		: Revenue ailable for		De	ebt Service Re	auirem	nents	
Year		Revenues	Expenses (1)		Debt Service		 Principal		Interest	Total		Coverage
1995	\$	2,625,153	\$	3,264,856	\$	0	\$ 250,000	\$	828,414	\$	1,078,414	0.00
1996		5,134,428		4,703,909		430,519	0		1,640,578		1,640,578	0.26
1997		6,354,157		4,352,390		2,001,767	0		1,640,578		1,640,578	1.22
1998		9,413,754		27,629,240		0	800,000		1,614,578		2,414,578	0.00
1999		9,892,398		6,578,658		3,313,740	860,000		1,560,628		2,420,628	1.37
2000		11,667,415		9,214,755		2,452,660	920,000		1,502,778		2,422,778	1.01
2001		5,088,975		9,909,856		0	985,000		1,442,096		2,427,096	0.00
2002		10,517,939		9,360,086		1,157,853	1,050,000		1,378,503		2,428,503	0.48
2003		5,636,001		9,246,132		0	1,110,000		1,311,003		2,421,003	0.00
2004		12,620,017		9,044,479		3,575,538	1,180,000		1,240,915		2,420,915	1.48

Golf Course Bonds:

Fiscal	Gross	(Direct Operating		Revenue ailable for		D	ebt Service R	equirer	ments	
Year	Revenues	Ex	penses (1)	Deb	ot Service	 Principal		Interest		Total	Coverage
1995	\$ 2,055,902	\$	1,257,959	\$	797,943	\$ 195,000	\$	421,751	\$	616,751	1.29
1996	2,050,180		1,393,268		656,912	205,000		411,351		616,351	1.07
1997	2,111,192		1,488,094		623,098	215,000		400,431		615,431	1.01
1998	2,226,500		1,401,251		825,249	310,000		286,221		596,221	1.38
1999	2,319,769		1,448,996		870,773	295,000		301,058		596,058	1.46
2000	2,035,607		1,466,623		568,984	305,000		288,905		593,905	0.96
2001	1,845,130		1,551,340		293,790	320,000		275,933		595,933	0.49
2002	1,817,872		1,455,580		362,292	330,000		262,118		592,118	0.61
2003	1,802,803		1,302,627		500,176	345,000		247,519		592,519	0.84
2004	1,923,862		1,418,890		504,972	375,000		215,686		590,686	0.85

⁽¹⁾ Depreciation expense not included.

COBB COUNTY, GEORGIA DEMOGRAPHIC STATISTICS UNAUDITED

		School	Labor	Unemployme	nt Rate
	Population	Enroll.	Force	County	State
Year	(1)	(2)	(3)	(3)	(3)
1995	509,400	90,032	312,862	3.7%	4.9%
1996	521,200	91,874	325,914	3.0%	4.6%
1997	535,000	94,297	338,941	3.2%	4.5%
1998	550,100	94,190	340,949	2.7%	4.2%
1999	567,800	101,300	354,677	2.6%	4.0%
2000	616,548	103,048	367,762	2.5%	3.7%
2001	628,367	104,774	366,575	3.0%	4.0%
2002	641,748	106,682	377,141	4.7%	5.1%
2003	651,027	108,990	386,372	4.2%	4.7%
2004	667,300	111,348	388,307 *	3.6% *	4.1%

	Household	Per Capita Income (Current \$)			
	Income	County	State	Country	
Year	(4)	(4 & 5)	(5 & 6)	(5 & 6)	
1995	69,945	28,202	22,230	23,196	
1996	72,913	29,790	23,586	24,651	
1997	75,127	30,579	24,547	25,874	
1998	77,610	34,417	26,134	27,322	
1999	81,367	36,462	26,536	27,880	
2000	87,613	37,523	27,794	29,469	
2001	91,974	38,150	28,523	30,413	
2002	93,157	39,291	28,821	30,906	
2003	93,732	40,380	29,442	31,632	
2004	94,462	41,575	30,313 **	32,658 **	
Population A	ge Distribution (4):				
	0 - 19	20 - 44	45 - 64	65+	
	28.4%	40.7%	23.7%	7.2%	

SOURCE:

- (1) 1994-1999 Atlanta Regional Commission, 2000-2004 U.S. Census.
- (2) Cobb County and Marietta City Boards of Education
- (3) Georgia Department of Labor
- (4) Woods and Poole Economics, 2004 Data Pamphlet
- (5) Georgia Department of Revenue
- (6) US Dept of Commerce Bureau of Economic Analysis
- * Estimated as of December 2004.

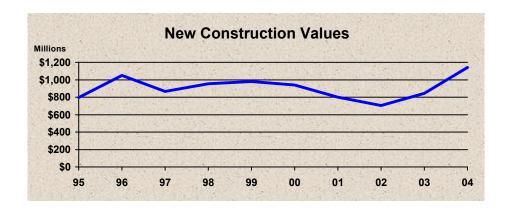
^{**} Estimated

COBB COUNTY, GEORGIA PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS UNAUDITED LAST TEN FISCAL YEARS

	,	gle Fan	•			Total New Construction			
Fiscal Year	Number of Units (1)		Value (1)	Total Number of Permits (1)		Value (1)		Real Property Value (2)	 Bank Deposits (3)
1995	3,386	\$	424,702,365	6,267	\$	794,737,483	\$	22,572,993,800	\$ 4,233,332,000
1996	3,551		508,804,299	6,723		1,051,278,078		23,411,285,261	4,458,978,000
1997	3,461		428,982,656	7,529		865,801,228		25,950,404,476	4,672,034,000
1998	4,242		522,191,462	8,695		955,671,648		29,695,417,500	5,058,860,000
1999	4,084		524,789,748	8,627		980,407,867		33,850,980,783	5,344,506,000
2000	3,505		476,284,752	8,606		939,825,604		36,400,630,295	5,743,446,000
2001	2,631		402,309,633	7,975		799,343,486		39,680,491,563	6,043,610,000
2002	2,392		372,699,455	8,058		706,131,687		47,342,898,793	6,527,602,000
2003	2,470		453,586,573	8,345		843,696,648		49,484,110,543	6,760,408,000
2004	2,684		632,354,567	9,703		1,140,005,238		52,615,028,010	7,424,716,000

Source:

- Cobb County Building Inspections Department
 Cobb County Tax Commissioner
 Georgia Department of Banking and Finance, as of June 30th



COBB COUNTY, GEORGIA MISCELLANEOUS STATISTICS (UNAUDITED) SEPTEMBER 30, 2004

Date Founded	1832	Form of Government E	Board of Commissioners
Website	www.co.cobb.ga.us		
Area	340.2 square miles	Population	667,300
Miles of Streets	2,307		
Miles of Sidewalks	1,100		
Fire Protection:		Police Protection:	
Number of stations	27	Number of precincts	5
Number of sworn firefighters	596	Number of sworn police officers	570
Fire/EMS dispatches (2004)	66,008	Police service calls (2004)	541,773
Education:		Poorcation and Culture (County award for	vilition):
Elementary schools	71	Recreation and Culture (County-owned fac Number of park properties	49
Middle schools	23	Total acreage of parks	3,264
High schools	15	Number of golf courses	2
Special schools	6	Number of gon courses Number of tennis centers	6
Adult education schools	1	Number of cultural affairs centers	3
Schools of higher education:	'	Number of equatic centers	3
Four year colleges	3	Number of Civic Center/Theater Comple	
Vocational technical schools	2	Number of libraries:	17
Number of school students (K - 12)	111,348	Library materials	902.085
Number of school students (K - 12)	111,040	Items checked out	3.7m
County Water System:		County sewer system:	
Daily average consumption - 1,000 gal units	62,513	Number of advanced treatment disposal	plants 4
Water storage capacity - MG	3.8	Number of pumping stations	34
Water supply source	Cobb-Mtta Water Authority	Miles of sewers	2,579
Miles of water mains	3,081	Miles of sewers constructed in FY02	47
Miles of water mains constructed in FY03	52	Number of wastewater accounts	130,560
Number of water accounts	161,115	Sewer treatment capacity - MGD	120
Building Permits:			
Number of permits issued, FYE 9/30/04	9.703	Number of streetlights	97,381
Dollar value	\$1,140,005,238	rumber of odoodinghto	01,001
Employees:			
Full-Time at 9/30/04	4,214		
Part-Time at 9/30/04	4,214 1,057		
Fait-111116 at 3/30/04	1,057		

COBB COUNTY, GEORGIA WATER AND SEWERAGE SYSTEMS (UNAUDITED) SEPTEMBER 30, 2004

Water Purchases and Sales:

(thousands of gallons for 12 months ending September 30)

	 Purchases		Sales	Unaccounted %	
1996	\$ 18,944,575	\$	16,818,567	11.22%	
1997	\$ 19,213,781	\$	16,676,739	13.20%	
1998	\$ 20,689,624	\$	17,996,311	13.02%	
1999	\$ 22,507,083	\$	20,194,451	10.28%	
2000	\$ 23,326,746	\$	21,037,504	9.81%	
2001	\$ 22,200,275	\$	19,483,759	12.24%	
2002	\$ 23,662,134	\$	21,786,436	7.93%	
2003	\$ 21,589,669	\$	18,157,036	15.90%	
2004	\$ 22,817,176	\$	20,006,490	12.32%	

Ten Largest Sewerage (S)/Water and Sewerage (W&S) Customers: (twelve months ending September 30, 2004)

Customer		Consumption Gallons	 Total Billing
City of Marietta	(S)*	3,385,411,000	\$ 8,382,663
Fulton County	(S)*	3,617,762,800	8,301,833
City of Smyrna	(S)*	1,692,773,000	4,165,859
Cobb County School System	(W&S)	206,306,000	1,188,004
Cobb County Government	(W&S)	315,950,000	1,187,377
City of Powder Springs	(S)*	354,202,000	1,032,298
City of Kennesaw	(S)*	382,309,000	972,724
City of Austell	(S)*	536,923,000	961,596
Cherokee County	(S)*	155,007,000	464,936
Six Flags Over Georgia	(W&S)	72,137,000	 419,997
Total:			\$ 27,077,287

^{*} Wholesale Sewerage Customer

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, 2004

Project	Original Estimated Cost	Revised Estimated Cost	Prior Years	Expenditures Current Year	Total	Estimated Percentage of Completion
1985:						
Road Improvement Program	\$ 206,614,000	\$ 278,094,780	\$ 278,094,780	\$ -	\$ 278,094,780	100.00%
1990: Road Improvement Program	\$ 226,000,000	\$ 323,592,401	\$ 287,205,079	\$ 1,165,901	\$ 288,370,980	89.12%
1994:						
Road Improvement Program	\$ 377,875,873	\$ 471,269,133	\$ 361,930,013	\$ 12,678,312	\$ 374,608,325	79.49%

Cobb County, Georgia Water and Sewer Enterprise Fund Comparative Statements of Revenues and Expenses For the Fiscal Years Ended September 30, 2004 and 2003

	2004		2003
Operating revenues:	¢ 55.700.221	¢.	51.066.054
Water sales Sewer sales	\$ 55,799,231 77,279,614	\$	51,966,954 73,113,761
Water connection charges	4,307,715		4,166,967
Sewer connection charges	3,216,515		2,566,610
Other	1,356,576		1,451,990
Other	1,550,570		1,431,770
Total operating revenues	\$ 141,959,651	\$	133,266,282
Operating expenses:			
Administrative	\$ 15,650,280	\$	13,951,531
Engineering	2,288,558		2,126,270
Water operations	31,464,240		30,249,550
Sewer operations	38,596,759		33,708,017
Total operating expenses	\$ 87,999,837	\$	80,035,368
Operating income before depreciation	\$ 53,959,814	\$	53,230,914
Less depreciation	(26,739,129)		(26,183,537)
Operating income	\$ 27,220,685	\$	27,047,377
Nonoperating revenues (expenses):			
Intergovernmental	\$ 13,475,480	\$	42,193,363
Interest income	2,296,189		2,235,847
Interest and fiscal charges	(6,376,591)		(5,805,018)
Increase in fair value of investments	(2,525)		7,325
Loss from sale of fixed assets	(426,413)		-
Proceeds of sale of fixed assets	1,438,650		61,618
Total nonoperating revenues (expenses)	\$ 10,404,790	\$	38,693,135
Net income before operating transfers	\$ 37,625,475	\$	65,740,512
Operating transfers:			
Operating transfers in	\$ 20,711	\$	192,669
Operating transfers out	(19,614,179)		(15,041,031)
Total operating transfers	\$ (19,593,468)	\$	(14,848,362)
Net income	\$ 18,032,007	\$	50,892,150

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).



Anderson, Hunt & Company, LLC

1100 Circle 75 Parkway, Suite 420 Atlanta, Georgia 30339 (770) 952-6557 (770) 951-2674 fax

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROLS OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the financial statements of Cobb County, Georgia, as of and for the year ended September 30, 2004, and have issued our report thereon dated January 21, 2005. 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. We did not audit the financial statements of the component unit, Cobb County Board of Health. Those financial statements, as of June 30, 2004, were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Cobb County Board of Health, is based solely on the report of the other auditors.

Compliance

As part of obtaining reasonable assurance about whether Cobb County, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, non-compliance 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Cobb County, Georgia's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material

weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information of the Members of the Cobb County Board of Commissioners, management, the U.S. Department of Housing and Urban Development, and federal award agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Atlanta, Georgia
January 21, 2005



Anderson, Hunt & Company, LLC

1100 Circle 75 Parkway, Suite 420 Atlanta, Georgia 30339 (770) 952-6557 (770) 951-2674 fax

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

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

Compliance

We have audited the compliance of Cobb County, Georgia with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2004. The Cobb County, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Cobb County, Georgia's management. Our responsibility is to express an opinion on Cobb County, Georgia's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Cobb County, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Cobb County, Georgia's compliance with those requirements.

In our opinion, Cobb County, Georgia complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2004.

Internal Control Over Compliance

The management of Cobb County, Georgia is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Cobb County, Georgia's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information of the Members of the Cobb County Board of Commissioners, management, the U.S. Department of Housing and Urban Development, and federal award agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Atlanta, Georgia
January 21, 2005

	<u> </u>		
Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Grant Revenues Expenditures
<u>U.S. Department of Agriculture</u> Direct Grants:			
Pass-through Atlanta Regional Commission Nutrition Program for the Elderly	10.570	AG0403 & AG0507	24,431
U. S. Department of Defense			
Pass-through Georgia Department of Administrative Services	12.112		15,940
U. S. Department of Homeland Security			
Pass-through United Way of America: Emergency Food and Shelter Grant Pass-through Georgia Emergency Management	97.024	LR0-005	5,000
Agency:	97.042		3,102
Emergency Management Program Grants	97.042		3,102
Cert Off. Domestic Preparedness Grant Homeland Sec Infrast Dev. CERT Classes CERT Equipment Hazard Mitigation - Warning Sirens (GEMA) Local Emergency Operations Plan (GEMA) Citizen's All Hazard Safety Trailer Hazard Mitigation Plan Medical Operations Vehicle 800MHz Department (GEMA) Homeland Secrity Exercises (3) HAZMAT Tractor Trailer Web-based Emergency MGT Software 800MHz Portable Repeater Jump Kits Total for U. S. Department of Homeland Security U.S. Department of Health and Human Services	16.007 16.592 16.007 16.007 53.516 97.051 97.047 16.007 16.007 16.007 16.007 16.007	2004-GE-T4-0012 2003-LB-BX-1560 2004-GE-T4-0012 2004-GE-T4-0012 2003-FG-10819 2003-TE-TX-0181 2003-TE-TX-0181 2003-MU-T3-0010 2003-MU-T3-0010 2003-MU-T3-0010 2003-MU-T3-0010	1,354 36,216 2,717 1,138 (438) 160,840 35,000 - 334,888 660,000 12,000 179,647 99,874 3,448
Pass-through Georgia Department of Human Resources:			
Community Services Block Grant	93.569	427-93-45639	395,615
Child Support Enforcement	93.563 93.563	427-93-45465 427-93-05050698-99	446,582 154,440

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Grant Revenues Expenditures
Pass-through Atlanta Regional Commission:			
Social Services Block Grant	93.667	AG0403 & AG0507	155,132
Special Programs for the Aging - Title III, Part B	93.044	AG0403 & AG0507	213,169
Special Programs for the Aging - Title III, Part C	93.045	AG0403 & AG0507	257,088
National Family Caregiver Support Title III, Part E	93.052	AG0403 & AG0507	49,506
Total for U. S. Department of Health and Human S	Services		1,671,532
U.S. Department of Housing and Urban Developm Direct Grants:	<u>nent</u>		
Community Development Block Grant/ Entitlement	14.218		4,832,845
Super NOFA Supportive Housing Grant	none at presen time	1	12,859
Home Investment Partnership	14.239		2,558,099
Emergency Shelter Grants Program	14.231		105,250
Lead Base Paint	14.900	95LY033000-001	136,198
Total for U. S. Department of Housing and Urban	Development		7,645,251
U.S. Department of Justice Office of Justice Programs:			
Community Oriented Policing Service	16.579 16.579	95-CC-WX-0399 2002-UL-WX-0028	5,648 789,150
Grants to Encourage Arrest Policies	16.574	97-WE-VX-0026	141,170
COPS Technology Initiative	Fed Earmark	2003-CKWX-0024	4,282
Pass-through Georgia Council of Juvenile Court Judges:			
Purchases of Services 03 Purchases of Services 04	16.540 16.540	02B-ST-0002 & 01B-ST-0004 03B-ST-0001	(1,000) 15,000

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Grant Revenues Expenditures
Pass-through Georgia Criminal Justice			
Coordinating Council: Victims of Crime	16.575	C02-8-007	52,766
Children and Youth Coordinating Council : Enforcing Underage Drinking Juvenile Court Service Enhancements 04 JSOT Training	16.542 16.523	02D-12-0006 & 03D-12-0005 02B-IC-0008 03S-12-0301-0002	44,794 289,031 4,928
Pass-through Metro Atlanta Project Pact:			
Local Law Enforcement Block Grant Program Grant Program Grant Program	16.592 16.592 16.592 16.592 16.592	2000-LB-BX-0768 2001-LB-BX-0730 2002-LB-BX-1395 2003-LB-BX-1560 2004-LB-BX-0055	- 40 157,036 155,034 74,606
Total for U. S. Department of Justice			1,732,485
U.S. Department of Labor Pass through Georgia Department of Labor Workforce Investment Act (WIA)			
99 Welfare to Work Program	17.253	80-00-99-03-004	18,588
02 Dislocated Worker Program - Fiscal Year	17.260	31-02-11-03-004	(44)
02 Adult Program - Program Year	17.258 17.260	10-02-11-03-004 30-02-11-03-004	(469) 54,307
02 Dislocated Worker Program - Program Year02 Youth Program	17.259	15-02-11-03-004	91,201
03 Adult Program - Fiscal Year	17.258	11-03-11-03-004	45,102
03 Dislocated Worker Program - Fiscal Year	17.260	31-03-11-03-004	298,650
Summer Jobs for Youth Program - 03	17.259	20-03-SF-03-134	20,524
03 Adult Program - Program Year	17.258	10-03-11-03-004	77,351
03 Dislocated Worker Program - Program Year	17.260	30-03-11-03-004	176,629
03 Youth Program	17.259	15-03-11-03-004	374,134
Summer Jobs for Youth Program - 04	17.259	20-04-SF03-134	34,550
04 Adult Program - Fiscal Year	17.258	11-04-11-03-004	107,117
04 Dislocated Worker Program - Fiscal Year	17.260	31-04-11-03-004	249,383
04 Adult Program - Program Year 04 Dislocated Worker Program - Program Year	17.258 17.260	10-04-11-03-004 30-04-11-03-004	734 12,572
04 GoodWorks Program	17.255	30-0 4 - i 1-03-004	12,572 14,246
04 Youth Program	17.259	15-04-11-03-004	137,620
Total for U. S. Department of Labor			1,712,195

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Grant Revenues Expenditures
U.S. Department of Transportation			
Direct Grants:			
Federal Aviation Administration			
Safety Overrun, Phase II, II	20.106	DTFA0699A80181	-
Runway 9 Safety Overrun	20.106	3-13-0081-17 & 18	2,518,675
So. Parallel Taxiway Phase I	20.106	3-13-0081-14	49,963
Airport Improvements	20.106	3-13-0081-16	9,025
Culvert Phase III	20.106	3-13-0081-13	-
	20.106	3-13-0081-20	109,434
Federal Transit Administration -			
Capital Improvement, Sect.9	20.507		2,488,597
Planning. Sect 9	20.507		85,598
CMAQ	20.507		646,706
UMTA SEC 90			
Discretionary	20.507		2,227,923
Capital Improvements	20.507		4,266,790
Pass-through Georgia Dept Motor Vehicle Safet	у		
Motor Carrier Safety Assistance	20.218		(33,372)
	20.218		62,445
Pass-through Georgia Office Of Highway Safety	:		
Railroad Grade Crossing Collision	20.600	2004-033-402CP	16,521
Safe America HW Safety	20.600	2004-033-402SA	39,975
DUI Task Force	20.600	164-AL-02-108	(987)
DUI Task Force	20.600	2004-033-163AL	123,174
Total for U.S. Department of Transportation			12,610,467
U. S. Department of Treasury			
Social Security-Inmate Reporting Incentives			39,600
Grand Total			26,986,687

Cobb County, Georgia Notes to the Schedule of Expenditures of Federal Awards For the Year Ended September 30, 2004

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Cobb County, Georgia and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Cobb County, Georgia Illustrative Schedule of Findings and Questioned Costs For the Fiscal Year Ended September 30, 2004

Section I. - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unqualified

Internal control over financial reporting:

Material weakness(es) identified?

Reportable condition(s) identified:

Not considered to be material weakness(es)

None Reported

Noncompliance material to financial statements noted?

Federal Awards

Internal Control over major programs:

Material weakness(es) identified?

Reportable condition(s) identified not considered to be

material weaknesses?

Type of auditor's report issued on compliance to major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?

No

Identification of Major Programs:

CFDA Numbers	Name of Federal Program	
14.239	Home Investment Partnership	
16.007	Homeland Security	
17.255	Workforce Investment Act Adult Program	
20.106	Federal Aviation Authority	
20.507	Federal Transit Authority	
Dollar threshold used to distinguish between Type A and Type B programs		\$ 809,600
Auditee qualified as low	r-risk auditee?	No

Section II – Financial Statement Findings

No Financial Statement findings were reported.

Section III - Federal Award Findings and Questioned Costs

No matters were reported.