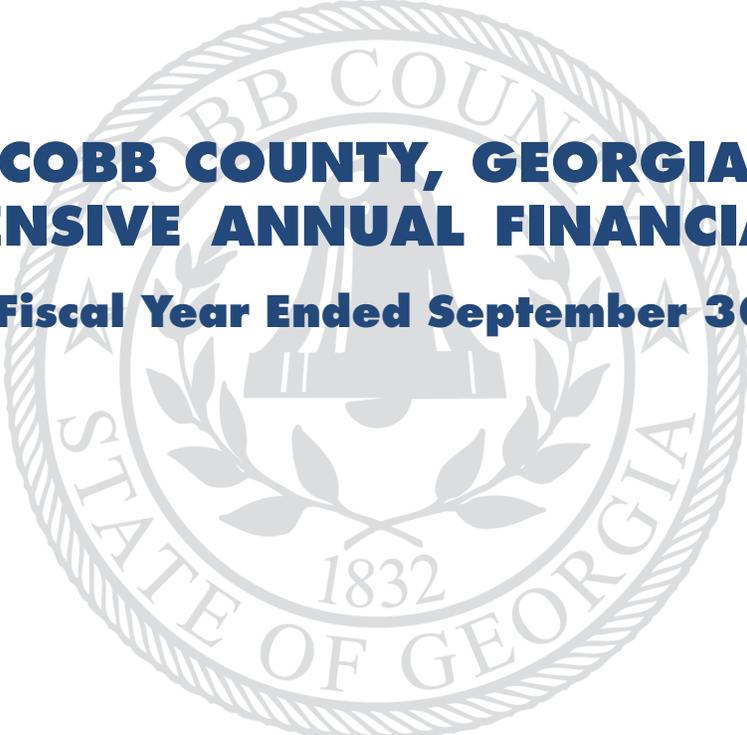


Comprehensive Annual Financial Report

For fiscal year ended September 30, 2003



COBB COUNTY, GEORGIA

The seal of Cobb County, Georgia, is a circular emblem. It features a central figure of a person standing on a pedestal, flanked by two sheaves of wheat. The text "COBB COUNTY" is arched across the top, and "STATE OF GEORGIA" is arched across the bottom. The year "1832" is inscribed at the bottom center. The seal is rendered in a light gray, semi-transparent style.

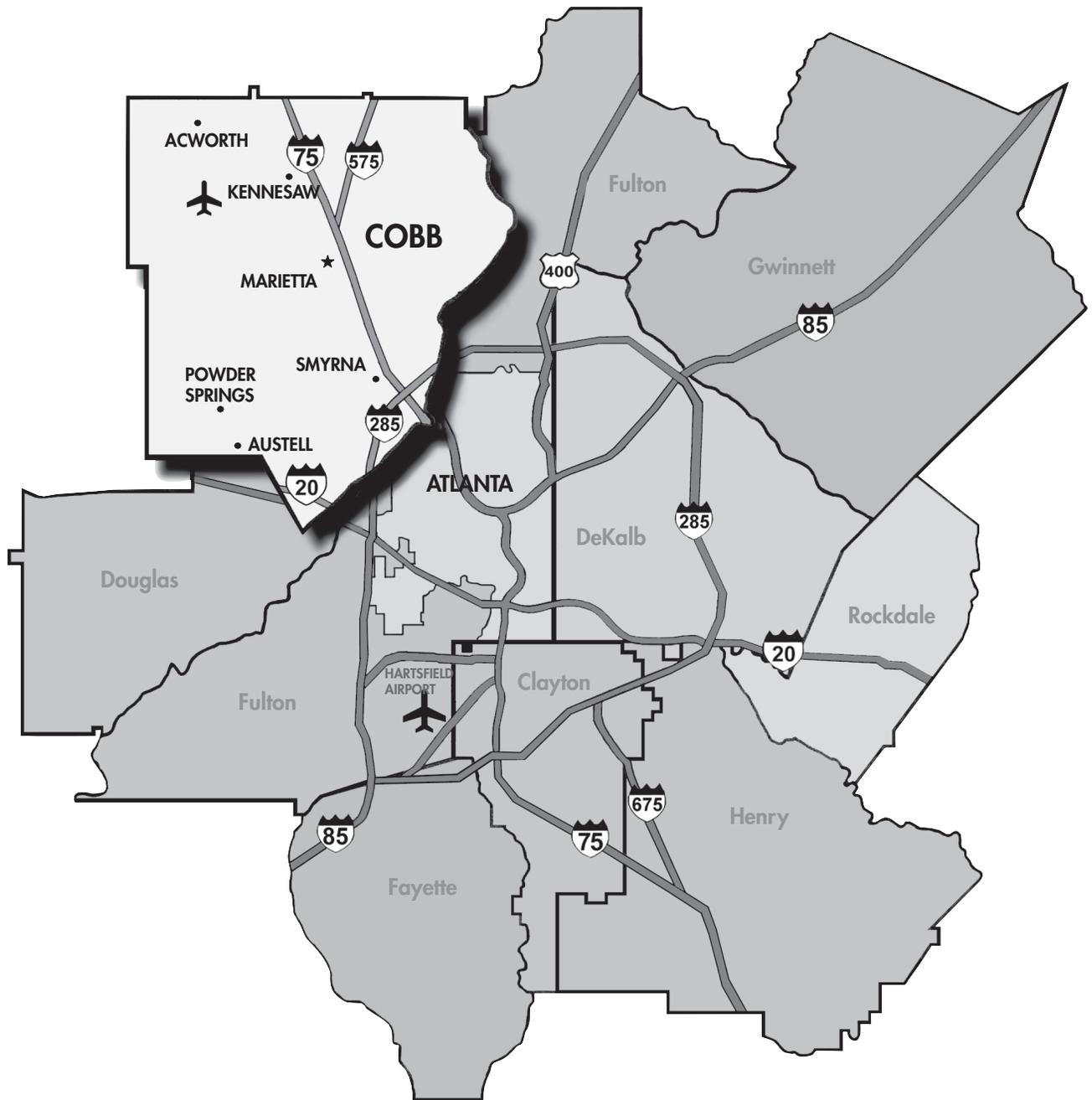
**COBB COUNTY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For The Fiscal Year Ended September 30, 2003

**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, 2003**

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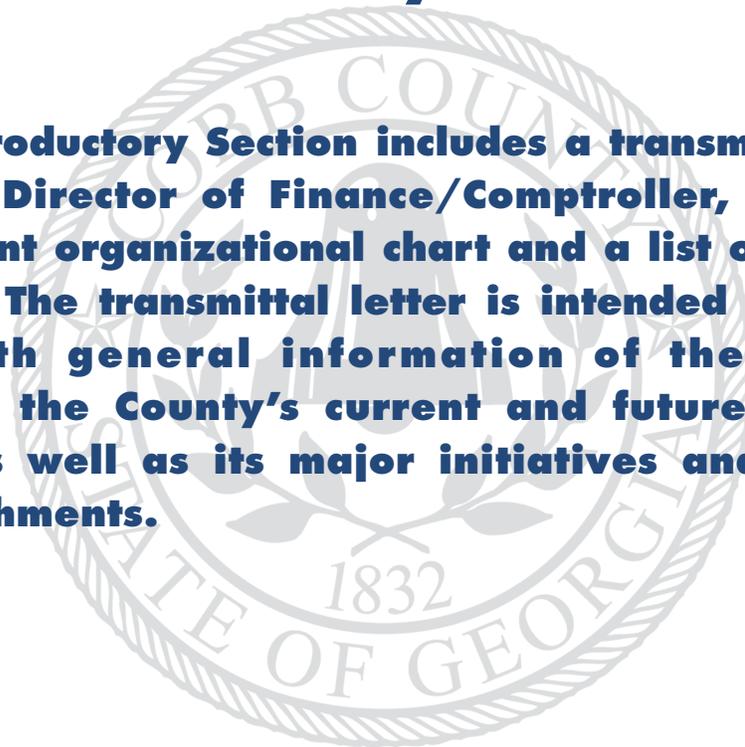
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Introductory Section

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.





FINANCE DEPARTMENT

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Brad Bowers, CPA
DIRECTOR/COMPTROLLER

January 31, 2004

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, 2003, 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 Single Audit 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, 2003. The required reports on supplementary information, compliance, internal controls, and various supplementary schedules are now included under the Single Audit 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 667,772 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.

GAAP 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 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 Aircraft Plant - now Dobbins Air Force Base and the Lockheed Martin Aeronautical Systems Company.

NATURAL FEATURES/LAND USE

The region known today as Cobb County is situated on the Piedmont Plateau of north central Georgia near the foothills of the Appalachian Mountains. Cobb's physical features include hills with broad ridges, sloping uplands and relatively narrow valleys with several creeks and streams that flow south into the Chattahoochee River.

The last three decades have brought intense growth to Cobb County. The County has maintained a well-balanced mix of residential, commercial and industrial land uses. The retention of natural landscape for buffering and privacy is emphasized in the single-family residential areas. Most single-family development has occurred in discrete neighborhoods or subdivisions located on minor roadways. Multi-family development is grouped along arterial streets, while low intensity nonresidential developments such as neighborhood shopping centers are oriented toward high traffic volume roadways and intersections. Community and regional activity

centers like Cumberland Mall – Galleria Specialty Mall area and Town Center at Cobb – Barrett Parkway Complex are close in proximity to highly visible and accessible interstate and highway corridors.

The development mix is also balanced with a commitment to preservation of natural and historical resources that define Cobb’s character. The County has been dedicated to protecting properties that contribute to an understanding of history and culture. Thirty-five (35) properties in Cobb County are listed on the National Register of Historic Places, two of which were recently added and include a small cabin built in 1853.

Cobb County adopted a Comprehensive Land Use Plan in 1991 and was one of the first counties to comply with the state’s new Growth Strategies legislation. The Board of Commissioners enacted several land use policy changes in an effort to effectively manage development while preserving environmentally sensitive areas.

The future of Cobb County depends on the extent to which growth is managed through adherence to this Comprehensive Land Use Plan. The plan identifies areas that have reached maximum capacity of commercial or residential growth. The plan takes into account traffic studies and demands on the water, sewer, public safety and school systems. The Plan is updated yearly, and the County will use the revised plan as a guide to facilitate planning for services, infrastructure and transportation and to project future funding requirements.

POPULATION

Cobb’s population has grown 48.1% since 1990 when approximately 450,800 people resided in the County. As of April 2003, the U.S Census estimates Cobb’s population at 667,772. 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 2000 was 38.5%, compared with Georgia’s 78.4% increase for the same period. In contrast, Cobb County’s population increase for the same period was 209%.

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 (2003 estimated)	667,772
Population Per Square Mile (2003)	1,963
Number of Households (2003)	250,980
Per Capita Income (2003)	\$36,104
Household Income (2003)	\$94,788
State's Highest Number of Vehicle Registrations (2003)	606,160
College Graduates	39%

ECONOMIC CONDITION AND OUTLOOK --- ---

Cobb County is part of a very select group that includes less than one-half of 1% of counties nationwide to have achieved a Triple-Triple A credit rating and this achievement has been accomplished for the seventh 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 424,430 within its boundaries.

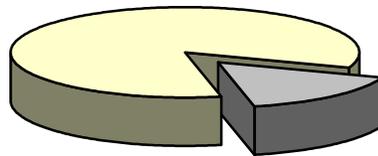
There are more than 28,267 businesses licensed in Cobb County. The twenty-five major employers in the community account for only 16% of all those employed in Cobb County. Job growth in the County has outpaced the growth in population. In 1980, there was approximately one job per every three people living in Cobb. By 2000, this has improved to one job per one and one half people. During this same time, the County experienced an explosion in small business growth. Capitalizing

on Cobb's transportation infrastructure, distribution and wholesale trade, earnings increased by 689% with employment increasing by 399% between 1980 and 2003. Service employment grew by 444% during this period, and the retail trade increased by 374% driven by the presence of two regional shopping centers within the County.

Cobb County's Top 25 Employers

As a Proportion of 2002 Total Employment

All Other
Employers 84%



Top 25
Employers 16%

Although major employers in the County account for just 16% of total jobs, 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, the third largest in Georgia, having a presence and contributing to our dynamic business environment. Lockheed Martin is just one example of the outstanding companies that succeed in Cobb County. An aerospace giant, they are known throughout the world for their quality and leadership within the industry.

The Home Depot has established its headquarters in Cobb County. Home Depot, the world's largest home improvement retailer, has created a multi-building campus in the Vinings area. Both AT&T and Georgia Pacific have located marketing offices in East Cobb, while RLR Industries has moved into South Cobb. To the north, Heidelberg USA, Yamaha and Cryolife Inc. have built facilities. Breaking ground in 2004, Federal Express will be 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.

The Cobb Galleria Convention Centre opened in January 1994 and has continued to add new stimulus for growth while anchoring Cobb's largest economic area. The Centre turned an operational profit in its first year, which is uncommon in its industry. Even during recent economic recession in the fiscal year 2003, they realized a profit of \$.8 million, well above a projected deficit for the year. Fiscal year 2003 is the ninth consecutive year in which the facility has generated an operating profit with the Centre being host to a total of 1,060 events and having an attendance of 509,000. The operations of the Centre pumped over \$100 million into Cobb's economy this year and provided over 1,410 jobs for the County.

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, the third largest gain projected, 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, 2003

Job Category	1970	1980	1990	2000	2003
Manufacturing	30	20	23	28	27
Construction	5	9	18	29	35
Transpt/Comm/Utilities	3	6	13	24	24
Wholesale	1	6	25	37	40
Retail	10	25	51	76	82
Financial/Insur/Real Est	4	13	21	33	40
Services	10	24	67	119	136
Government	12	18	28	37	35
Miscellaneous	1	1	3	5	5
<i>Total</i>	<i>76</i>	<i>122</i>	<i>249</i>	<i>388</i>	<i>424</i>

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.

Cobb's Number One Priority...Public Safety The Board of Commissioners has always made the safety of Cobb County residents its highest priority. In the last few years, a new police precinct has been opened, a new Fire & Emergency Services Headquarters has been built, the Fire training facility has been improved and the Sheriff's Work Release Facility has been opened. In 2003, Cobb County spent over one million dollars in equipment for the Public Safety department in addition to nearly two million dollars for new Fire vehicles and equipment. There have also

been nearly 200 Automatic External Defibrillators installed in county facilities. Cobb is the only county in the metro area to install these lifesaving devices in county buildings. These new facilities and equipment demonstrate Cobb County's continued investment into our number one priority, which is Public Safety.

With prevention being the key to safety, Public Safety upgraded 71 Emergency Warning System Sirens throughout the County last year. Now, at the direction of the Cobb Emergency Management Agency, these sirens will play a role in homeland security. In addition to alerting residences of dangerous weather, the sirens will alert the public to other disasters and emergency situations.

Call on 911 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).

Taking the Time to Enjoy Life in Cobb 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. An example of this cooperative spirit is the East Cobb Park that was purchased by a citizen's group and donated to the county to build and manage. This 13.3-acre park features a playground, trails and other amenities. This past year more than seven million people visited one of our 35 Parks, Recreation and Cultural Affairs Department facilities that spans over 2,000 acres. Those facilities include a top ranked golf course, the Silver Comet Trail that is now part of the national recreation trail system as well as art facilities, soccer fields, aquatic centers and now a \$7 million amphitheater with stadium and lawn seating.

Road to Progress Cobb County DOT oversees one of Georgia's largest county-owned transportation systems. This system includes a vast network of roadways for vehicular automotive travel; sidewalks and pathways for bicycle and pedestrian travel; a transit system that provides public transportation services; and a general aviation airport that serves business and recreational flying needs.

The Department works closely with the Atlanta Regional Commission (ARC), the Georgia Regional Transportation Authority (GRTA), Georgia Department of Transportation (GDOT), Cobb's municipalities, the Cumberland and Town Center

Community Improvement Districts and adjacent counties in the planning and programming of projects to be constructed throughout Cobb County. Once transportation needs have been identified through the planning process, the Department develops the project concept and then manages the projects from design through construction as funding becomes available.

In addition to new transportation construction or improvements to existing infrastructure, the Department maintains the county's roadway systems, including traffic signal systems, pavement markings, signs, and right-of-way infrastructure. The Department also operates an Advanced Traffic Management System (ATMS) which allows DOT staff to monitor and control signal timing operations from a centralized center.

Georgia's Largest County-Owned Transit System 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. CCT has three park and ride lots with a total capacity of over 650 spaces. Since its inception, ridership has climbed to a record 3 million trips in 2003. The system uses 60 buses to operate 13 local and 3 express routes, some of which connect to Metropolitan Atlanta Rapid Transit Authority (MARTA) rail stations. CCT also operates complementary demand-response, paratransit service using 15 small buses. This Countywide service, initiated in 1994, offers a specialized service to individuals with disabilities using radio-dispatched, lift equipped buses. In the summer of 2004, CCT will take delivery of 20 - 40' low floor replacement buses. Automated vehicle enunciators are being installed on all CCT buses to assist individuals with disabilities navigate the transit system, and an information/ticket kiosk is being built at the Marietta Transfer Center, the main transfer center for CCT, to improve customer service, and provide an additional location in which to purchase bus passes.

Airport News Cobb County Airport-McCollum Field is one of the busiest single runway airports in Georgia with approximately 110,000 takeoffs and landings per year. The airport is home to 340 aircraft and 15 aviation service businesses based at the airport that employ approximately 185 people producing an estimated annual economic impact of \$47.2 million to the local economy. The County's annual operating expenses of \$173,570 are offset by \$300,361 of revenue generated through leases and user fees. To improve safety at the airport, the runway lighting system was replaced and an emergency generator was installed for the control tower.

A Responsibility to Enforce the Law The Cobb County Sheriff's office has provided law enforcement services to the citizens of Cobb County since 1833. These enforcement responsibilities include investigating "white-collar" crimes, overseeing the County's Adult Detention Center, providing security for the court system and serving criminal warrants and civil process. In 2003, a \$5 million work release facility was opened. The facility can house up to 384 non-violent and misdemeanor offenders who meet program requirements and can serve their sentence while remaining employed. The inmates will pay restitution and help fund the program. Its construction is about 30% of what a regular jail would cost. The Sheriff's Office is also in the final stages of completing an automated victim notification system that will alert interested parties prior to an offender's release from custody.

Springing Forward with Water/Sewer The Cobb Water System delivers 21 billion gallons of water annually to more than 600,000 people in the unincorporated portions of Cobb County and the City of Acworth. The system also collects and treats 30 billion gallons of wastewater at four treatment facilities of which at least one has won plant of the year for the past six years from the Environmental Protection Agency's National Clean Water Act Recognition Awards Program for Operations and Maintenance Excellence. The water and sewer rates continue to remain competitive with those in the metro area, despite more than \$640 million in improvements over five years. Construction on their largest project, which will be completed by late 2004, is the \$113.5 million Chattahoochee Tunnel project. The deep hard rock tunnel, which will be 18 feet in diameter and nearly nine miles long, is designed to carry sewerage flows to one of the water reclamation facilities. The wastewater tunnel is moving into the home stretch on time and under budget and will soon be serving the needs of a growing east Cobb community. These projects will be 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 Fitch's highest bond rating, AAA, the first achieved to date by an independent, combined water and sewer system. Moody's Investors Service upgraded the Water System's bonds to an Aaa rating in 2002 and in 2003, Standard and Poor's upgraded the bond rating of Cobb to AAA. Cobb Water System was the first and one of only two independent triple AAA rated county water/sewer utility in the country.

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 (non-general obligation backed) water system in the nation. Locally, a poll of metro business and government leaders offered in the *Atlanta Journal-Constitution* found that Cobb County was "best in delivering government services."

The major focus of the FY 03 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 Water System and Department of Transportation improvement projects, staffing for the Sheriff's Work Release Facility, equipment for Sheriff and Police and technological upgrades.

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 will be working closely with its neighbors to develop regional solutions to common problems and to plan from a broader perspective for the future.

The cooperative efforts of both the private and public sectors have made the progress of Cobb County possible over the past years. We anticipate an even more comprehensive and cooperative effort in future years.

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:

Cobb's Triple A Award Reaffirmed! Cobb is one of only fourteen 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. In June 1995, Cobb became only the 26th County in the nation and the first County in Moody's eight southeastern state region to receive a Aaa rating for its General Obligation bonds. Cobb County's sound financial management, strong economy, low debt burden and conservative leadership are some positive factors cited by Moody's. In April of 1996, Fitch Investors awarded Cobb its AAA rating citing the vital economic base and the well thought out long-term capital plan among its reasons for the top rating. Standard and Poor's awarded Cobb its AAA in June of 1997 for the strong financial controls and performance and long term strategic financial and capital planning.

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 same millage for the past three years. The total 9.72 millage rate was, however, reallocated to reflect a .50 millage increase in the General Fund and a .50 millage decrease in the Debt Service Fund. Cobb's property taxes continue to be the lowest of the major metro Atlanta governments. The estimated total value of County property grew from \$59.3 billion in 2002 to \$61.5 billion in 2003, a 3.7% 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.

FY 03 Results By maintaining expenditures within budgets, Cobb County finished FY 03 (October 1, 2002 - September 30, 2003) in excellent financial condition. Thanks to strict budget controls and conservative estimates, revenues were higher than expenditures, and the General Fund's fund balance increased to record levels.

Increased Funding for Capital Replacements – FY 03/04 The Capital Improvement Program (CIP) is the primary means for funding General Fund capital needs. When planning the capital budget for the FY 03/04 Biennial Budget, the merits of capital improvements and capital replacements were considered separately. The result is increased funding for computer, server and printer replacements; numerous DOT sidewalk, intersection and road improvements in addition to three million dollars in road resurfacing; additional funding went to a new regional library and North Cobb Senior Center, GIS Database development, E911 enhancements, a financial & human resources system upgrade, and new equipment for both the Sheriff's department and Public Safety. These and other capital projects totaled \$12.5 million in FY 03.

Maintain a Strong Capital Improvement Program The Capital Improvement Program is often cited as the primary reason Cobb County remains a leader in the metropolitan area. The FY 03/04 Biennial Budget maintained an emphasis on infrastructure improvements for projects such as water reclamation facility improvements and expansion, water and sewer main replacements and construction, meter installations, street improvements and utility relocations.

Biennial Budget 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. 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.

Stable, Productive Portfolio Interest revenues derived from the County's temporarily idle funds aggregated \$4.3 million during FY 03. This represents a decrease of \$4.6 million from the prior year due to a decline in the short-term interest rates. However, FY 03 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.

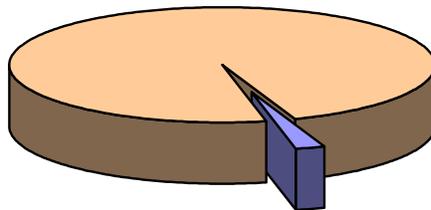
All internal control evaluations occur within the above framework. We believe the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

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:

**97.7 % of
Legal Debt
Limit -
Unused**



**2.7% of Legal
Debt Limit -
Utilized**

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

	<u>Amount</u>	<u>Debt Per Capita</u>	<u>Debt to Actual Value</u>	<u>Debt to Assessed Value</u>
Net Obligation				
Direct Debt	\$ 53,325,482	\$ 79.86	0.09%	0.23%
Total General Obligation				
Direct Debt	\$ 55,355,000	\$ 82.90	0.09%	0.23%
Net General Obligation				
Direct and Overlapping Debt	\$ 463,928,829	\$ 694.74	0.78%	1.96%

Outstanding General Obligation Bonds at September 30, 2003 totaled \$55,355,000.

Cobb's legal General Obligation Bond debt limitation by state law is 10% of the taxable digest or \$2,369,199,112. Cobb County currently is utilizing 2.3% of this limitation with its \$55,355,000 outstanding General Obligation Bonds.

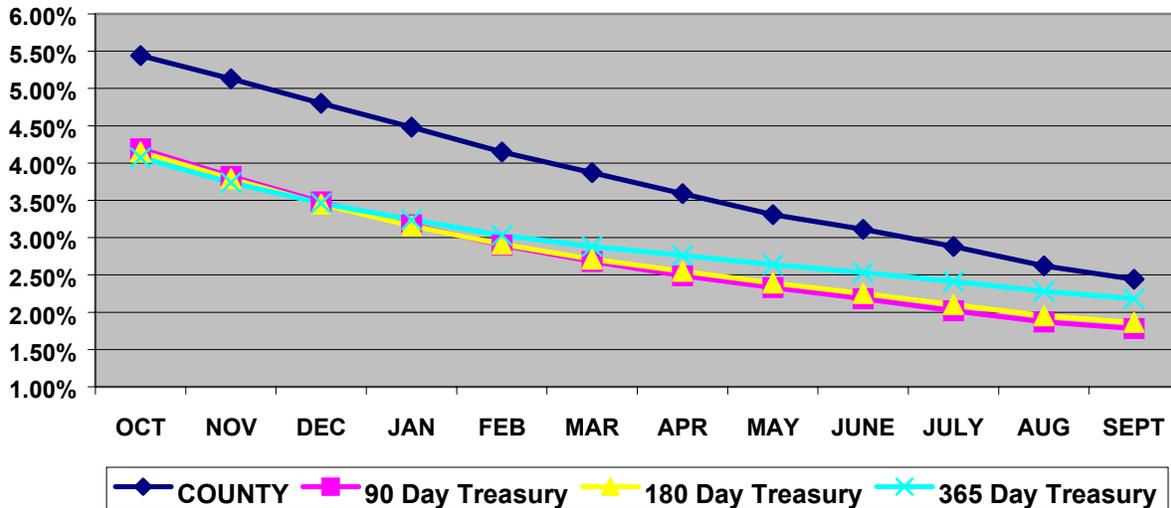
CASH MANAGEMENT

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 I) and numerous interest-bearing bank accounts. Interest income for FY 03 (excluding the Pension Trust Fund that is externally managed) totaled approximately \$4.3 million, a yield of 1.55%. This compares with the FY 02 results of \$8.9 million and 2.44%, respectively. The decline in interest earnings and yield in FY 03 are attributable to two factors: (a) a continued deterioration in the short-term interest rate environment; and (b) reduced funds available for investment due to spending for capital improvements in the Road

Sales Tax and Water System funds. The FY 03 results exceeded the benchmark criteria established by the County's investment policy and are presented below:

INTEREST RATE YIELD COMPARISON



	<u>FY03</u>	<u>FY02</u>
Average Portfolio Balance (in millions).....	\$274.8	\$362.8
Average Investment Yield.....	1.55%	2.44%
Total Investment Earnings (in millions).....	\$ 4.3	\$ 8.9

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.

The function of Risk Management includes claims processing such as investigation, adjustment, and settlements; litigation from third party suits; insurance placement; claims funding; and starting loss control measures through safety and training. Since 1985, Risk Management has been responsible for providing a Drivers Training Course to more than 1,000 employees a year.

An ongoing objective for Risk Management is continued assistance to our employees in passing the written and skills examination for the new Commercial Drivers License. Risk Management helps several departments in developing and monitoring safety procedures and safety committees to address departmental needs. These include Parks, Recreation and Cultural Affairs, the Water System, Solid Waste, and Senior Services. Other Risk Management-sponsored projects include the Defensive Drivers courses, Back Injury Prevention, and Accident Investigation.

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, 2002. This represented the seventeenth 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,

A handwritten signature in black ink, reading "Brad Bowers", is placed on a light gray rectangular background.

Brad Bowers, CPA
Director of Finance/Comptroller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Cobb County,
Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2002

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



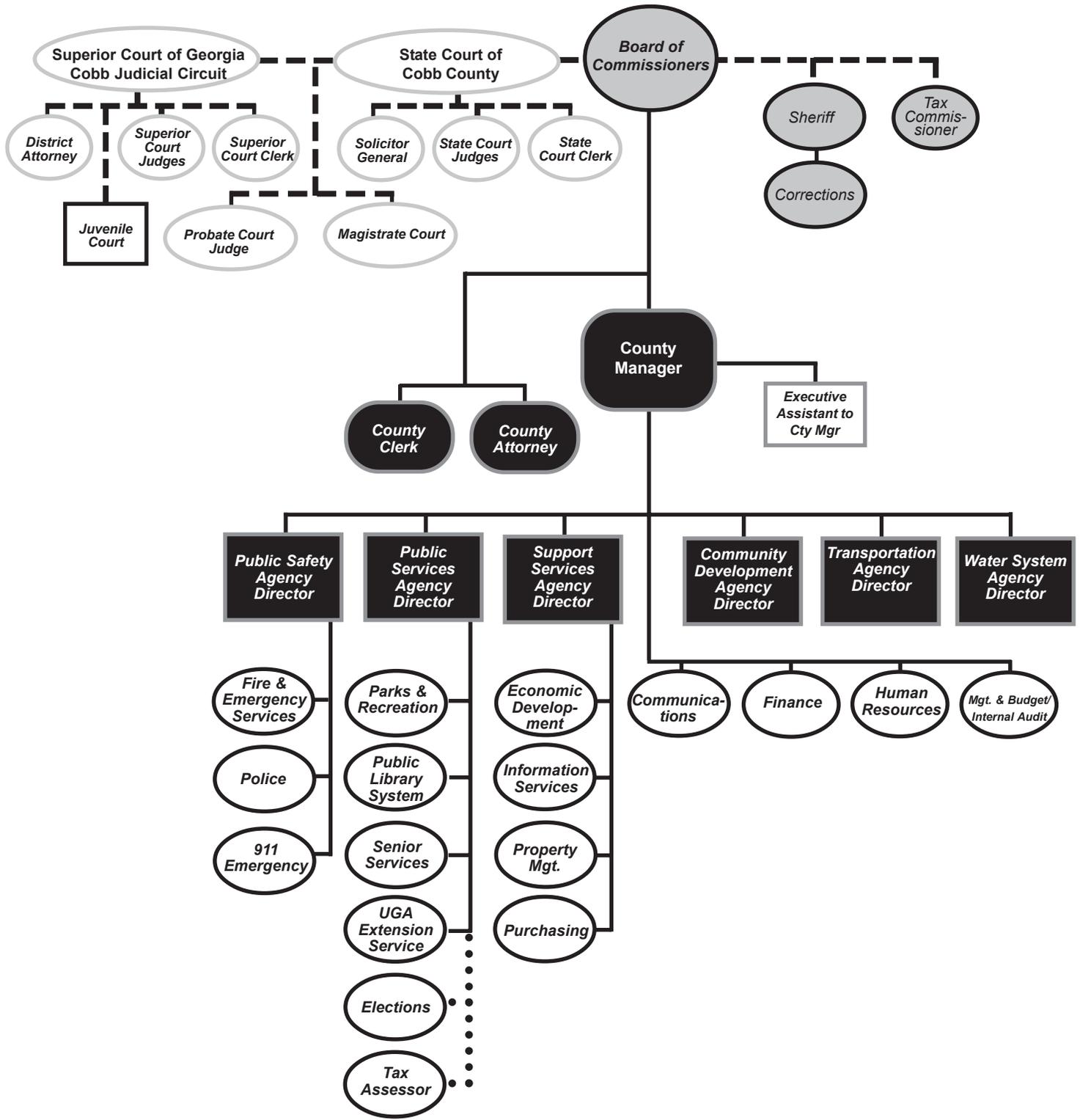
President

Executive Director



Cobb County... Expect the Best!

Cobb County Government Organizational Chart



KEY

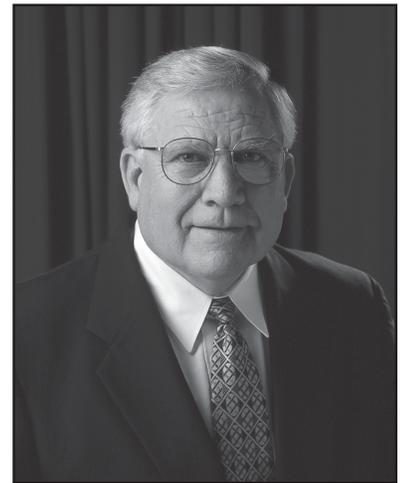
- Elected Office
- Elected Court Office
- Appointed Court Office
- Appointed by the Board of Commissioners
- Agency Director
- Department Director
- County Manager's Staff
- For budget purposes only.
- Liaison responsibilities only.



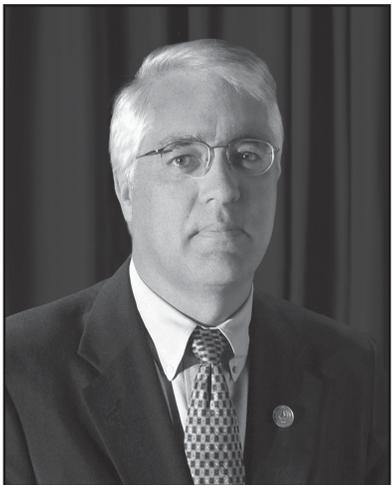
Helen Goreham
Commissioner
District 1



Sam Olens
Chairman



Joe L. Thompson
Commissioner
District 2



Tim Lee
Commissioner
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

Risk Manager Dolly Moy, ARM

Finance Division Manager Judie Mazih

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

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Atlanta, Georgia 30339

(770) 952-6557

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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, 2003, 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 47%, respectively, of the assets and revenues of the component units. Those financial statements as of June 30, 2003, 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.

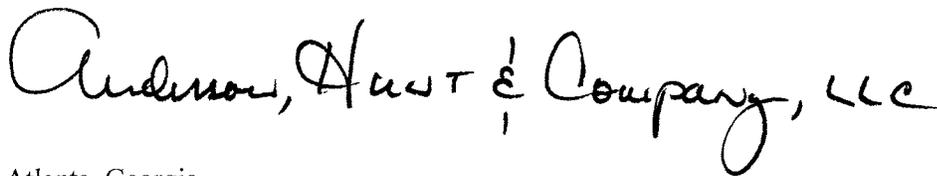
We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and 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, 2003, and the respective changes in financial position and cash flows, where applicable, 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 23, 2004 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 77) and the Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund (pages 79 through 85), 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.

A handwritten signature in black ink that reads "Anderson, Faust & Company, LLC". The signature is written in a cursive, flowing style.

Atlanta, Georgia
January 23, 2004

Management's Discussion & Analysis



COBB COUNTY GOVERNMENT
Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2003

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, 2003. 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 FY03 are as follows:

- ◆ The County's combined net assets totaled \$3.6 billion. Of this amount, unrestricted net assets of \$19.1 million may be used to meet the government's ongoing obligations to citizens and creditors.
- ◆ Combined Revenue including transfers totaled \$613.9 million of which governmental activities totaled \$388.1 million and business-type activities totaled \$225.8 million.
- ◆ Overall expenses totaled \$542.8 million of which governmental activities totaled \$388.2 million and business-type activities totaled \$154.6 million.
- ◆ At the end of September 30, 2003, governmental activities expenses exceeded program revenue, resulting in the use of \$262.1 million in general revenues (mostly taxes).
- ◆ Total Outstanding Long-Term Debt decreased \$17.9 million in FY03.

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.

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

COBB COUNTY GOVERNMENT
Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2003

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 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,

COBB COUNTY GOVERNMENT
Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2003

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 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.

COBB COUNTY GOVERNMENT
Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2003

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, 2003 and June 30, 2003, respectively.

Government-wide Financial Analysis

The County's combined net assets (government and business-type activities) totaled \$3.6 billion at the end of September 30, 2003.

The largest portion of the County's net assets (94.3%) 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 \$128.6 million (4.0%) in FY03.

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.

COBB COUNTY GOVERNMENT
Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2003

Cobb County, Georgia
Statement of Net Assets

	<u>Governmental</u> <u>Activities</u> <u>2003</u>	<u>Governmental</u> <u>Activities</u> <u>2002</u>	<u>Business-type</u> <u>Activities</u> <u>2003</u>	<u>Business-type</u> <u>Activities</u> <u>2002</u>	<u>Total</u> <u>2003</u>	<u>Total</u> <u>2002</u>
Assets:						
Current assets	\$ 261,207,278	\$ 258,991,139	\$ 67,563,884	\$ 71,336,718	\$ 328,771,162	\$ 330,327,857
Restricted assets - noncurrent	-	-	126,197,518	190,698,825	126,197,518	190,698,825
Capital Assets - net	2,503,933,037	2,513,019,173	1,053,506,014	932,496,026	3,557,439,051	3,445,515,199
Unamortized bond costs	-	-	680,538	992,734	680,538	992,734
Total assets	<u>\$ 2,765,140,315</u>	<u>\$ 2,772,010,312</u>	<u>\$ 1,247,947,954</u>	<u>\$ 1,195,524,303</u>	<u>\$ 4,013,088,269</u>	<u>\$ 3,967,534,615</u>
Liabilities						
Current liabilities	\$ 106,765,663	\$ 116,895,096	\$ 77,192,616	\$ 84,516,036	\$ 183,958,279	\$ 201,411,132
Current liabilities (payable from restricted assets)	6,077,562	6,334,361	33,957,693	31,068,425	40,035,255	37,402,786
Long-term Liabilities (net)	75,082,974	71,495,307	114,818,934	129,186,453	189,901,908	200,681,760
Total Liabilities	<u>\$ 187,926,199</u>	<u>\$ 194,724,764</u>	<u>\$ 225,969,243</u>	<u>\$ 244,770,914</u>	<u>\$ 413,895,442</u>	<u>\$ 439,495,678</u>
Net Assets						
Invested in capital assets, net of related debt	\$ 2,443,180,328	\$ 2,448,721,064	\$ 949,944,450	\$ 815,807,798	\$ 3,393,124,778	\$ 3,264,528,862
Restricted	75,568,888	82,922,156	111,445,686	177,793,801	187,014,574	260,715,957
Unrestricted	58,464,900	45,642,329	(39,411,425)	(42,748,221)	19,053,475	2,894,108
Total net assets	<u>\$ 2,577,214,116</u>	<u>\$ 2,577,285,548</u>	<u>\$ 1,021,978,711</u>	<u>\$ 950,853,378</u>	<u>\$ 3,599,192,827</u>	<u>\$ 3,528,138,926</u>

An additional portion of the County's net assets (5.2%) 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 \$71.1 million or 2.0%.

COBB COUNTY GOVERNMENT
Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2003

Cobb County, Georgia
Changes in Net Assets

	<u>Governmental</u> <u>Activities</u> <u>2003</u>	<u>Governmental</u> <u>Activities</u> <u>2002</u>	<u>Business-type</u> <u>Activities</u> <u>2003</u>	<u>Business-type</u> <u>Activities</u> <u>2002</u>	<u>Total</u> <u>2003</u>	<u>Total</u> <u>2002</u>
Revenues:						
Program Revenues:						
Charges for Services	\$ 90,587,541	\$ 86,575,190	\$ 143,934,869	\$ 167,796,462	\$ 234,522,410	\$ 254,371,652
Operating Grants & Contrib	8,539,450	10,107,108	-	248,932	8,539,450	10,356,040
Capital Grants & Contrib	11,975,118	17,723,508	65,726,743	10,874,104	77,701,861	28,597,612
General Revenues:						
Property Taxes	181,170,485	190,948,717	-	-	181,170,485	190,948,717
Other Taxes	36,901,987	32,154,257	-	-	36,901,987	32,154,257
Grants and contributions not restricted to specific programs	14,044,620	12,533,276	-	-	14,044,620	12,533,276
Other	29,667,610	95,067,221	2,159,742	5,646,967	31,827,352	100,714,188
Total Revenues	<u>\$ 372,886,811</u>	<u>\$ 445,109,277</u>	<u>\$ 211,821,354</u>	<u>\$ 184,566,465</u>	<u>\$ 584,708,165</u>	<u>\$ 629,675,742</u>
Expenses:						
General government	\$ 99,766,869	\$ 95,009,466	\$ -	\$ -	\$ 99,766,869	\$ 95,009,466
Public safety	154,774,012	139,360,166	-	-	154,774,012	139,360,166
Public works	66,256,600	68,070,044	-	-	66,256,600	68,070,044
Health and welfare	4,932,192	5,073,402	-	-	4,932,192	5,073,402
Culture and recreation	28,921,885	27,798,680	-	-	28,921,885	27,798,680
Housing and development	15,213,345	15,953,347	-	-	15,213,345	15,953,347
Interest on long-term debt	3,319,712	4,743,966	-	-	3,319,712	4,743,966
Water and Sewer	-	-	112,023,923	112,263,460	112,023,923	112,263,460
Other Programs	-	-	27,281,769	27,786,588	27,281,769	27,786,588
Total Expenses:	<u>\$ 373,184,615</u>	<u>\$ 356,009,071</u>	<u>\$ 139,305,692</u>	<u>\$ 140,050,048</u>	<u>\$ 512,490,307</u>	<u>\$ 496,059,119</u>
Increase in net assets before transfers	\$ (297,804)	\$ 89,100,206	\$ 72,515,662	\$ 44,516,417	\$ 72,217,858	\$ 133,616,623
Transfers	226,372	(785,032)	(1,290,340)	(507,300)	(1,063,968)	(1,292,332)
Increase in net assets	<u>(71,432)</u>	<u>88,315,174</u>	<u>71,225,322</u>	<u>44,009,117</u>	<u>71,153,890</u>	<u>132,324,291</u>
Net Assets - beginning	2,577,285,548	2,488,970,374	950,753,389	906,844,261	3,528,038,937	3,395,814,635
Net Assets - ending	<u>\$ 2,577,214,116</u>	<u>\$ 2,577,285,548</u>	<u>\$ 1,021,978,711</u>	<u>\$ 950,853,378</u>	<u>\$ 3,599,192,827</u>	<u>\$ 3,528,138,926</u>

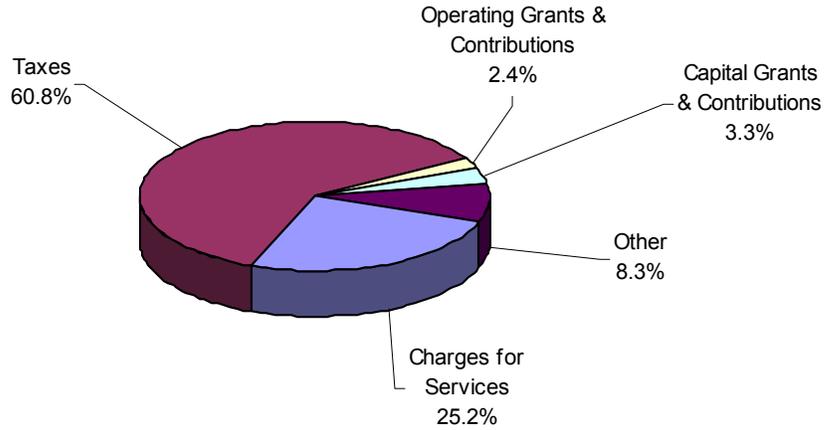
Governmental Activities

Approximately 60.8% of the County's total revenue came from taxes, while 5.7% resulted from grants and contributions (restricted and non-restricted). Charges for various goods and services provided 25.2% 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.

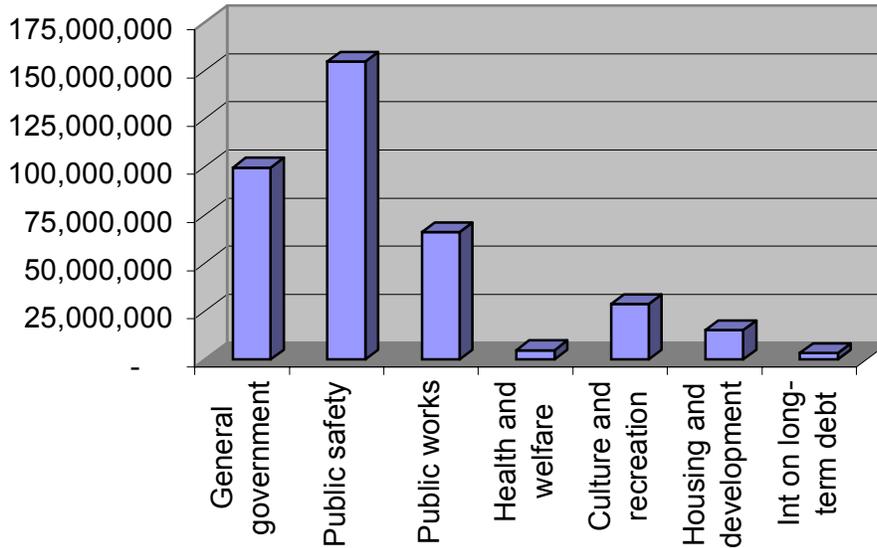
At the end of September 30, 2003, governmental activities expenses exceeded program revenues, resulting in the use of \$262.1 million in general revenues (mostly taxes).

COBB COUNTY GOVERNMENT
 Management's Discussion and Analysis
 For the Fiscal Year Ended September 30, 2003

**Revenues - Governmental Activities
 FY 2003**



**Expenses - Governmental Activities
 FY 2003**



COBB COUNTY GOVERNMENT
Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2003

Business-type Activities

Of the six proprietary Funds, the Water and Sewer Fund is by far the largest, with operating revenues of \$133.3 million earned during FY03. 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 \$71.2 million. The change in Net Assets before transfers for all business-type activities increased by \$28 million over the change in FY02, accounting for 1.0% of the total growth in government-wide Net Assets. Key elements of this increase are the result of the Water and Sewer Fund receiving \$42.2 million in a partnership with Fulton County to help fund a major capital construction project. Total operating expenditures remained relatively constant, decreasing by \$1.6 million (1.1%) from FY02.

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 FY03 with strong fund balances in its governmental funds. The combined balance of all the governmental funds is \$135.5 million. Of this total, \$79.2 million or 58.7% constitutes unreserved fund balance, which is available for spending in the coming year. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts, purchase orders and inventories of the prior period (\$7.7 million); 2) to pay debt service (\$2.0 million); 3) to pay for construction and capital outlay (\$45.1 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 \$63.1 million, and total fund balance was \$68.2 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 25.0% of total general fund expenditures and total fund balance represents 27.0% of that same amount.

COBB COUNTY GOVERNMENT
Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2003

The fund balance of the General Fund increased \$23.8 million (53.5%) in FY03 as the Board of Commissioners made a collaborative effort to focus on maintaining the county's excellent financial position. Key factors to this fund balance increase are as follows:

Total revenue exceeded prior year revenue by \$21.1 million, primarily due to the increase of \$10.0 million in taxes. The 6.6% increase reflects an increase in assessed valuation and modifications to the millage rate. Charges for services also increased \$4.0 million due primarily to a \$1.2 million (2.7%) increase in deed recording fees, and a \$2.4 million (5.4%) increase in intangible recording fees.

Total operating expenditures of \$225.1 million exceeded prior year expenditures by \$10.1 million. This is primarily the result of increased expenditures for personnel services in Public Safety (\$7.3 million) with a focus on Homeland Security and Judicial (\$2.2 million), and increased expenditures in Public Works for Capital Outlay (\$1.9 million).

Fire Fund

The Fire Fund is used to account for the operation of the fire departments within the County. The unreserved fund balance for FY03 was \$10.7 million while total fund balance was \$14.8 million. The fund balance of the Fire Fund increased by \$5.1 million during the current fiscal year. A key factor in this growth resulted from an increase in tax revenues of \$2.6 million.

Road Sales Tax 1994 Fund

The Road Sales Tax 1994 Fund has total fund balance of \$30 million all of which is reserved for the construction and improvement of roads. The net decrease in fund balance during the current year was \$15 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 \$14.2 million. Total net assets increased \$70.3 million in FY03.

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 \$29.9 million for the fiscal year ended September 30, 2003. Total revenues of the nonmajor Special Revenue Funds decreased by \$9.2 million (30.8%), which is primarily due to a decrease in intergovernmental revenues in the Grant Fund of \$7.7 million.

COBB COUNTY GOVERNMENT
Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2003

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 \$29.8 million for the fiscal year ended September 30, 2003. In FY03, total Special Revenue Fund expenditures decreased by \$7.3 million (24.8%). This is primarily the result of a decrease in expenditures in the Grant Fund of \$7.2 million - due to the completion of the Mable House Amphitheatre grant awarded by the state.

The unreserved-undesignated fund balances of the nonmajor Special Revenue Funds totaled \$5.4 million. This was an increase of \$4.0 million from FY02.

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 \$2.0 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 \$13.8 million all of which is reserved for specific construction and improvement projects and capital acquisitions.

Capital Projects Funds' revenues totaled \$3.7 million for the fiscal year ended September 30, 2003. Revenues for the Capital Projects Funds continued to decrease in FY03 as the 1% special purpose local option sales tax monies continue to decline and due to the deteriorating short-term interest rate environment.

Expenditures of the Capital Projects Funds totaled \$22 million for the fiscal year ended September 30, 2003. Capital Projects Funds' expenditures decreased by \$1.4 million (6.0%) in FY03. This decrease is primarily attributable to the completion of numerous projects.

COBB COUNTY GOVERNMENT
Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2003

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 \$56.3 million (a net loss of \$8.1 million for FY03) due to landfill closure and post-closure costs and operational costs. 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 FY03 with a net income from operations of \$0.4 million. However, overall net income (including non-operating revenues and expenses) was \$.1 million for FY03. Retained earnings totaled \$1.3 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 \$0.3 million were generated; however, FY03 ended with a net loss from operations of \$1.0 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 \$.1 million (4.3%) from FY02. Total operating expenses decreased by \$1.2 million with retained earnings totaling \$28.9 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 FY03. The amended budget appropriations totaled \$10.3 million. The most significant expenditure amendments are summarized as follows:

- ◆ A \$4.8 million increase in Judicial, allocated to various departments for increased personnel service expenses and an increase in the Circuit Defender's operating expenses for legal services provided by outside firms or court-appointed attorneys for indigent defendants.

COBB COUNTY GOVERNMENT
Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2003

- ◆ A \$1.7 million decrease in Executive and Administrative for salary contingencies reallocated to other functions.
- ◆ A \$4.0 million increase in Public Safety for Police Department's personnel services of officers who were hired through grant funds for community policing and then assigned positions within the department once the grant ended. Also, there was an increase in the Detention Facility's personnel services and operating expenses as the Sheriff's Department continues to provide increased pre-trial law enforcement services.
- ◆ A \$1.6 million increase in Culture and Recreation was the result of opening a new library that had to be staffed as well as an increase in several of the Libraries' operational hours. The Parks, Recreation and Cultural Affairs department also increased the operating budget for repairs and maintenance to the parks as well as adding additional instructors.

Although the County's final budget projected a loss of \$16.2 million in the General Fund, the fund actually had a surplus of \$21.1 million. This surplus can be attributed to the fact that actual revenues were \$13.3 million over budget from taxes, charges for services and the Governor's Tax Credit of \$8 million. The surplus can also be attributed to the fact that actual expenditures were \$5.3 million lower than budget through efficient operations.

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, 2003 amounts to \$3.6 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 3.3% (a slight decrease for governmental activities and a 13% 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, 2003, Cobb County had a net of \$189.9 million in outstanding long-term debt, which does not include interest expense. Of this amount, \$56.8 million (net of current debt less discount) comprises general obligation debt backed by the full faith and

COBB COUNTY GOVERNMENT
Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2003

credit of the government and \$103 million (net of current debt, bond discount and loss on refunding) in revenue bonds. The County retired \$17.9 million of outstanding bonds in FY03. There was also one general obligation refunding and one revenue bonds refunding issued in FY03.

In April 2003, Cobb County issued General Obligation debt (\$31,640,000) for the purpose of advance refunding existing obligations of the County, namely: the General Obligation Detention Buildings and Facilities Bonds, Series 1993, and the General Obligation Animal Control Center Bonds, Series 1993 outstanding in the aggregate principal amount of \$32,490,000.

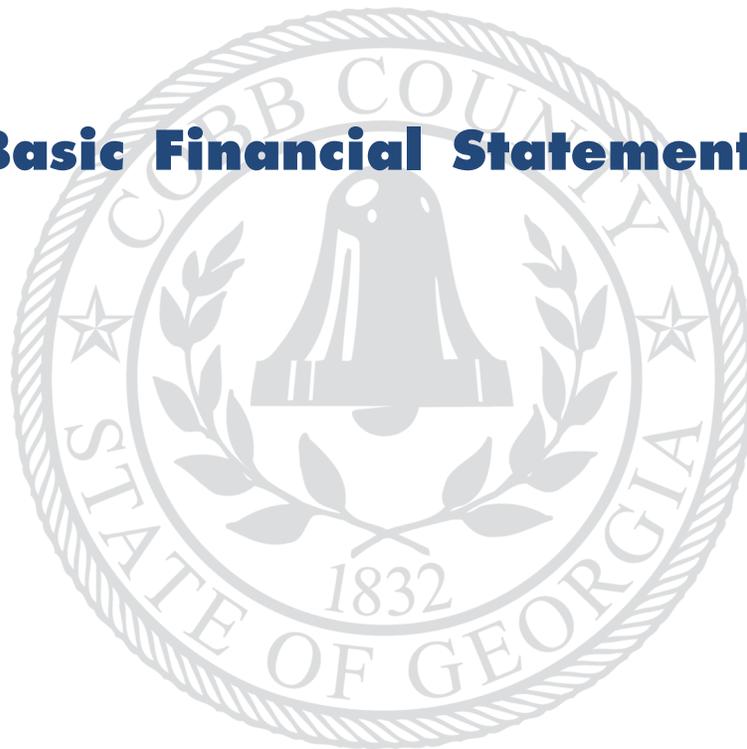
In April 2003, Cobb County issued Revenue Bonds (\$36,545,000) for the purpose of advance refunding existing obligations of the County, namely: Cobb County Water and Sewerage Improvement Bonds, Series 1993 outstanding in the principal amount of \$37,320,000.

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 seven 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.

Basic Financial Statements



Cobb County, Georgia
Statement of Net Assets
September 30, 2003

				Component Units	
				Cobb-Marietta Coliseum and Exhibit Hall	Cobb County Board of Health
	Primary Government			September 30, 2003	June 30, 2003
	Governmental Activities	Business-type Activities	Total		
Assets					
Cash and cash equivalents	\$ 93,167,717	\$ 45,801,479	\$ 138,969,196	\$ 36,983,230	\$ 1,378,224
Investments, at fair value	5,195,710	3,439,818	8,635,528	-	-
Receivables, net	155,377,765	16,895,882	172,273,647	1,696,322	213,251
Internal balances	1,028,229	(1,028,229)	-	-	-
Due from external parties	9,106	1,031	10,137	-	-
Due from component unit	256,757	-	256,757	-	-
Due from other governments and agencies	5,225,403	1,621,646	6,847,049	-	791,904
Inventories	866,303	824,348	1,690,651	65,354	165,347
Prepaid items and other assets	80,288	7,909	88,197	78,499	-
Restricted assets - noncurrent	-	126,197,518	126,197,518	36,083	-
Capital assets - (net of accumulated depreciation):					
Land	719,086,338	48,367,216	767,453,554	29,545,063	-
Buildings and structures	216,964,339	378,885,947	595,850,286	51,811,648	-
Improvements other than buildings	6,632,918	-	6,632,918	-	-
Machinery and equipment	30,642,346	20,758,399	51,400,745	2,218,726	393,235
Infrastructure	1,505,511,552	376,425,524	1,881,937,076	-	-
Construction in progress	25,095,544	229,068,928	254,164,472	-	-
Unamortized bond costs	-	680,538	680,538	-	-
Total assets	<u>\$ 2,765,140,315</u>	<u>\$ 1,247,947,954</u>	<u>\$ 4,013,088,269</u>	<u>\$ 122,434,925</u>	<u>\$ 2,941,961</u>
Liabilities					
Bank overdraft	\$ 267,632	\$ 192,755	\$ 460,387	\$ -	\$ -
Accounts payable	10,831,891	14,453,140	25,285,031	427,319	519,235
Accrued liabilities	1,238,418	2,055,031	3,293,449	68,522	535,201
Due to primary government	-	-	-	256,757	-
Due to others	5,324,316	3,359,245	8,683,561	345,374	26,047
Due to external parties	8,274,458	4,554,758	12,829,216	-	-
Customer deposits	-	3,116,993	3,116,993	-	-
Claims and judgments	11,231,854	-	11,231,854	-	-
Due to restricted assets	-	49,234,393	49,234,393	-	-
Notes payable - current	65,075,405	98,749	65,174,154	-	-
Capital lease payable - current	160,000	113,862	273,862	-	-
Deferred revenue	4,361,689	13,690	4,375,379	815,202	43,984
Current liabilities (payable from restricted assets)					
Retainage due on contracts	-	16,532,940	16,532,940	-	-
Arbitrage liability	-	54,882	54,882	-	-
Accrued bond interest	1,172,562	1,324,871	2,497,433	1,964,936	-
Bonds payable	4,905,000	16,045,000	20,950,000	1,915,000	-
Long-term Liabilities					
Capital lease payable (net of current portion)	8,779,865	100,058	8,879,923	-	-
Compensated absences	14,330,265	255,775	14,586,040	92,533	85,213
Closure and postclosure care	-	27,160,457	27,160,457	-	-
Notes payable (net of current portion)	-	240,190	240,190	-	-
Bonds payable (net of current portion)	51,972,844	87,062,454	139,035,298	82,945,078	-
Total liabilities	<u>\$ 187,926,199</u>	<u>\$ 225,969,243</u>	<u>\$ 413,895,442</u>	<u>\$ 88,830,721</u>	<u>\$ 1,209,680</u>
Net Assets					
Invested in capital assets, net of related debt	\$ 2,443,180,328	\$ 949,944,450	\$ 3,393,124,778	\$ 6,193,284	\$ 393,235
Restricted for:					
Capital projects	13,484,755	107,809,122	121,293,877	21,051,910	-
Debt service	2,353,663	3,636,564	5,990,227	5,562,925	-
Road projects	30,385,596	-	30,385,596	-	-
Other purposes	29,344,874	-	29,344,874	-	200,758
Unrestricted	58,464,900	(39,411,425)	19,053,475	796,085	1,138,288
Total net assets	<u>\$ 2,577,214,116</u>	<u>\$ 1,021,978,711</u>	<u>\$ 3,599,192,827</u>	<u>\$ 33,604,204</u>	<u>\$ 1,732,281</u>

The notes to the financial statements are an integral part of this statement.

Cobb County, Georgia
Statement of Activities
For the Year Ended September 30, 2003

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets							Component Units	
	Program Revenues				Governmental Activities	Primary Government Business-type Activities	Total	Cobb-Marietta Coliseum and Exhibit Hall September 30, 2003	Cobb County Board of Health June 30, 2003
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions					
Primary Government									
Governmental Activities:									
General government	\$ 99,766,869	\$ 52,953,905	\$ 3,849,355	\$ -	\$ (42,963,609)	\$ -	\$ (42,963,609)	\$ -	\$ -
Public safety	154,774,012	11,960,137	304,697	362,587	(142,146,591)	-	(142,146,591)	-	-
Public works	66,256,600	4,448,905	-	3,083,405	(58,724,290)	-	(58,724,290)	-	-
Health and welfare	4,932,192	73,935	1,751,085	-	(3,107,172)	-	(3,107,172)	-	-
Culture and recreation	28,921,885	3,052,475	650,281	1,796,993	(23,422,136)	-	(23,422,136)	-	-
Housing and development	15,213,345	18,098,184	1,984,032	6,732,133	11,601,004	-	11,601,004	-	-
Interest on long-term debt	3,319,712	-	-	-	(3,319,712)	-	(3,319,712)	-	-
Total governmental activities	373,184,615	90,587,541	8,539,450	11,975,118	(262,082,506)	-	(262,082,506)	-	-
Business-type activities:									
Water and Sewer	112,023,923	133,266,282	-	61,612,789	-	82,855,148	82,855,148	-	-
Other Programs	27,281,769	10,668,587	-	4,113,954	-	(12,499,228)	(12,499,228)	-	-
Total business-type activities	139,305,692	143,934,869	-	65,726,743	-	70,355,920	70,355,920	-	-
Total primary government	\$ 512,490,307	\$ 234,522,410	\$ 8,539,450	\$ 77,701,861	\$ (262,082,506)	\$ 70,355,920	\$ (191,726,586)	\$ -	\$ -
Component Units									
Cobb-Marietta Coliseum and Exhibit Hall Authority	\$ 19,923,975	\$ 11,584,299	\$ 9,399,001	\$ -	\$ -	\$ -	\$ -	\$ 1,059,325	\$ -
Cobb County Board of Health	19,226,925	2,323,007	16,992,328	-	-	-	-	-	88,410
Total component units	\$ 39,150,900	\$ 13,907,306	\$ 26,391,329	\$ -	\$ -	\$ -	\$ -	\$ 1,059,325	\$ 88,410
General revenues:									
Property taxes					\$ 181,170,485	\$ -	\$ 181,170,485	\$ -	\$ -
Sales taxes					150,785	-	150,785	-	-
Insurance premium tax					16,180,639	-	16,180,639	-	-
Alcoholic beverage tax					4,378,044	-	4,378,044	-	-
Hotel/Motel tax					3,021,223	-	3,021,223	-	-
Real Estate Transfer tax					3,962,093	-	3,962,093	-	-
Miscellaneous taxes					9,209,203	-	9,209,203	-	-
Miscellaneous					5,134,596	-	5,134,596	-	-
Grants and contributions not restricted to specific programs					14,044,620	-	14,044,620	-	-
Special item - Gain (loss) on sale of capital assets					(81,086)	(143,065)	(224,151)	-	-
Increase/decrease in fair market value					2,038	7,325	9,363	-	-
Unrestricted investment earnings					1,903,733	2,295,482	4,199,215	500,397	-
Extraordinary gain - donation of roads					21,939,200	-	21,939,200	-	-
Extraordinary gain - capital contributions					769,129	-	769,129	-	-
Other					-	-	-	177,233	-
Transfers:									
Transfers in					15,163,369	13,873,029	29,036,398	-	-
Transfers out					(14,936,997)	(15,163,369)	(30,100,366)	-	-
Total general revenues and transfers					262,011,074	869,402	262,880,476	677,630	-
Change in net assets					(71,432)	71,225,322	71,153,890	1,736,955	88,410
Net assets - beginning of year, (Restated see Note 27)					2,577,285,548	950,753,389	3,528,038,937	31,867,249	1,643,871
Net assets - end of year					\$ 2,577,214,116	\$ 1,021,978,711	\$ 3,599,192,827	\$ 33,604,204	\$ 1,732,281

The notes to the financial statements are an integral part of this statement.

Cobb County, Georgia
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended September 30, 2003

	General Fund	Fire District Fund	Road Sales Tax Fund 1994	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 161,755,683	\$ 50,017,990	\$ -	\$ 7,741,134	\$ 219,514,807
Licenses and permits	18,073,485	-	-	-	18,073,485
Intergovernmental	10,962,684	2,798,705	1,272,006	18,155,207	33,188,602
Charges for services	45,455,205	1,375	-	10,085,027	55,541,607
Fines and forfeits	14,908,208	-	-	1,399,240	16,307,448
Interest earned	814,559	162,041	570,660	356,473	1,903,733
Contributions	-	-	125,173	65,332	190,505
Increase (decrease) in fair value of investments	-	-	2,038	-	2,038
Miscellaneous	4,283,104	88,388	207,579	2,450,775	7,029,846
Total revenues	\$ 256,252,928	\$ 53,068,499	\$ 2,177,456	\$ 40,253,188	\$ 351,752,071
Expenditures:					
Current:					
General government	\$ 88,114,668	\$ -	\$ -	\$ 9,261,558	\$ 97,376,226
Public safety	87,704,241	46,357,317	-	10,911,119	144,972,677
Public works	16,783,991	-	15,384,678	9,976,647	42,145,316
Health and welfare	-	-	-	4,708,724	4,708,724
Culture and recreation	25,278,926	-	-	3,636,509	28,915,435
Housing and development	6,188,115	-	-	11,147,515	17,335,630
Debt service:					
Principal retirement	622,630	-	-	6,984,467	7,607,097
Interest and fiscal charges	434,069	261,090	-	2,865,009	3,560,168
Total expenditures	\$ 225,126,640	\$ 46,618,407	\$ 15,384,678	\$ 59,491,548	\$ 346,621,273
Excess (deficiency) of revenues over (under) other expenditures	\$ 31,126,288	\$ 6,450,092	\$ (13,207,222)	\$ (19,238,360)	\$ 5,130,798
Other financing sources (uses):					
Transfers in	\$ 20,442,623	\$ -	\$ 225,000	\$ 24,373,661	\$ 45,041,284
Transfers out	(26,737,487)	(1,368,993)	(2,021,507)	(6,191,316)	(36,319,303)
Capital lease proceeds	-	-	-	3,787,719	3,787,719
Refunding bonds issued	-	-	-	34,218,180	34,218,180
Payment to refund bond escrow agent	-	-	-	(33,808,908)	(33,808,908)
Expense transfer out - Component Unit	(1,063,969)	-	-	-	(1,063,969)
Total other financing sources (uses)	\$ (7,358,833)	\$ (1,368,993)	\$ (1,796,507)	\$ 22,379,336	\$ 11,855,003
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	\$ 23,767,455	\$ 5,081,099	\$ (15,003,729)	\$ 3,140,976	\$ 16,985,801
Fund balance at beginning of year	44,455,173	9,693,564	45,051,037	19,272,419	118,472,193
Fund balances at end of year	\$ 68,222,628	\$ 14,774,663	\$ 30,047,308	\$ 22,413,395	\$ 135,457,994

The notes to the financial statements are an integral part of this statement.

**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, 2003**

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

Net change in fund balances - total governmental funds	\$	16,985,801
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.		(24,483,587)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(1,593,120)
The net effect of various miscellaneous transactions involving capital assets (sales and donations) is to increase net assets.		15,401,235
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.		(3,587,669)
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.		(2,794,092)
Changes in net assets of governmental activities.	<u>\$</u>	<u>(71,432)</u>

The notes to the financial statements are an integral part of this statement.

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, 2003

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 160,448,177	\$ 160,706,066	\$ 161,755,683	\$ 1,049,617
Licenses and permits	16,734,286	16,734,286	18,073,485	1,339,199
Intergovernmental	1,368,807	1,398,807	10,962,684	9,563,877
Charges for services	36,454,837	36,830,216	45,455,205	8,624,989
Fines and forfeits	12,764,417	13,699,633	14,908,208	1,208,575
Interest earned	900,000	965,555	814,559	(150,996)
Miscellaneous	1,717,820	4,130,565	4,283,104	152,539
Total revenues	<u>\$ 230,388,344</u>	<u>\$ 234,465,128</u>	<u>\$ 256,252,928</u>	<u>\$ 21,787,800</u>
Expenditures:				
Current:				
General government	\$ 96,224,585	\$ 99,005,914	\$ 89,257,667	\$ 9,748,247
Public safety	85,825,132	89,859,982	88,003,257	1,856,725
Public works	17,619,984	19,249,883	17,869,135	1,380,748
Culture and recreation	23,986,649	25,634,261	25,435,662	198,599
Housing and development	6,311,250	6,567,425	6,188,115	379,310
Debt service:				
Principal retirement	693,299	693,299	622,630	70,669
Interest and fiscal charges	1,279,542	1,279,542	434,069	845,473
Total expenditures	<u>\$ 231,940,441</u>	<u>\$ 242,290,306</u>	<u>\$ 227,810,535</u>	<u>\$ 14,479,771</u>
Excess of revenues over expenditures	<u>\$ (1,552,097)</u>	<u>\$ (7,825,178)</u>	<u>\$ 28,442,393</u>	<u>\$ 36,267,571</u>
Other financing sources (uses):				
Transfers in	\$ 19,319,169	\$ 19,572,224	\$ 20,442,623	\$ 870,399
Transfers out	(19,425,207)	(26,930,309)	(26,737,487)	192,822
Expense transfers out - Component Unit	(1,063,969)	(1,063,969)	(1,063,969)	-
Total other financing sources (uses)	<u>\$ (1,170,007)</u>	<u>\$ (8,422,054)</u>	<u>\$ (7,358,833)</u>	<u>\$ 1,063,221</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (2,722,104)</u>	<u>\$ (16,247,232)</u>	<u>\$ 21,083,560</u>	<u>\$ 37,330,792</u>
Fund balances at beginning of year			44,455,173	
Fund balances at end of year - budgetary basis			\$ 65,538,733	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			2,683,895	
Fund balances at end of year - GAAP basis			<u>\$ 68,222,628</u>	

The notes to the financial statements are an integral part of this statement.

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, 2003

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 48,739,719	\$ 48,739,719	\$ 50,017,990	\$ 1,278,271
Intergovernmental	3,100	3,100	2,798,705	2,795,605
Charges for services	5,000	5,000	1,375	(3,625)
Interest earned	175,000	175,000	162,041	(12,959)
Miscellaneous	2,500	2,500	88,388	85,888
Total revenues	<u>\$ 48,925,319</u>	<u>\$ 48,925,319</u>	<u>\$ 53,068,499</u>	<u>\$ 4,143,180</u>
Expenditures:				
Current:				
Personal services	\$ 37,262,011	\$ 38,197,833	\$ 37,859,328	\$ 338,505
Operating expenditures	6,259,627	6,602,948	7,273,034	(670,086)
Capital outlay	3,231,002	8,870,540	5,306,802	3,563,738
Debt service:				
Interest and fiscal charges	850,000	850,000	261,090	588,910
Total expenditures	<u>\$ 47,602,640</u>	<u>\$ 54,521,321</u>	<u>\$ 50,700,254</u>	<u>\$ 3,821,067</u>
Excess of revenues over expenditures	<u>\$ 1,322,679</u>	<u>\$ (5,596,002)</u>	<u>\$ 2,368,245</u>	<u>\$ 7,964,247</u>
Other financing sources (uses):				
Transfers out	\$ (1,322,679)	\$ (1,384,574)	\$ (1,368,993)	\$ 15,581
Total other financing sources (uses)	<u>\$ (1,322,679)</u>	<u>\$ (1,384,574)</u>	<u>\$ (1,368,993)</u>	<u>\$ 15,581</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ (6,980,576)</u>	<u>\$ 999,252</u>	<u>\$ 7,979,828</u>
Fund balance at beginning of year			<u>9,693,564</u>	
Fund balance at end of year - budgetary basis			\$ 10,692,816	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			<u>4,081,847</u>	
Fund balance at end of year - GAAP basis			<u>\$ 14,774,663</u>	

The notes to the financial statements are an integral part of this statement.

Cobb County, Georgia
Proprietary Funds
Statement of Net Assets
September 30, 2003

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water and Sewer Fund	Other Enterprise Funds	Total	
Assets				
Current assets:				
Cash	\$ 40,972,849	\$ 4,828,630	\$ 45,801,479	\$ 5,253,142
Equity in pooled investments, at fair value	3,403,837	35,981	3,439,818	402,991
Receivables:				
Accounts (net of allowance for uncollectibles)	11,326,349	116,726	11,443,075	-
Accrued interest	41	-	41	-
Other	5,349,590	103,176	5,452,766	180,195
Due from other funds	27,255,857	-	27,255,857	7,689,155
Due from others	177	854	1,031	642
Due from other governments	129,000	1,492,646	1,621,646	-
Inventories	824,348	-	824,348	-
Other assets	6,336	1,573	7,909	1,235
Total current assets	\$ 89,268,384	\$ 6,579,586	\$ 95,847,970	\$ 13,527,360
Noncurrent assets:				
Restricted assets, cash and investments:				
Revenue bond construction account	\$ 56,205,675	\$ 3,163,028	\$ 59,368,703	\$ -
Revenue bond debt service account	4,582,351	60,004	4,642,355	-
Revenue bond contingency (renewal and replacement account)	65,028,241	-	65,028,241	-
Total restricted assets	\$ 125,816,267	\$ 3,223,032	\$ 129,039,299	\$ -
Property, plant and equipment:				
Land and improvements	\$ 35,900,462	\$ 12,466,754	\$ 48,367,216	\$ -
Buildings and structures	12,053,309	33,147,174	45,200,483	-
Sewerage plants	465,417,157	-	465,417,157	-
Water lines and meters	237,744,752	-	237,744,752	-
Sewerage lines	328,223,654	-	328,223,654	-
Machinery and equipment	26,112,745	38,201,929	64,314,674	153,831
Construction in progress	227,405,418	1,663,510	229,068,928	-
	\$ 1,332,857,497	\$ 85,479,367	\$ 1,418,336,864	\$ 153,831
Less: accumulated depreciation	(335,217,849)	(29,613,001)	(364,830,850)	(93,103)
Net property, plant and equipment	\$ 997,639,648	\$ 55,866,366	\$ 1,053,506,014	\$ 60,728
Total noncurrent assets	\$ 1,123,455,915	\$ 59,089,398	\$ 1,182,545,313	\$ 60,728
Other assets:				
Unamortized bond costs	\$ 453,746	\$ 226,792	\$ 680,538	\$ -
Total assets	\$ 1,213,178,045	\$ 65,895,776	\$ 1,279,073,821	\$ 13,588,088

Continued on next page.

Cobb County, Georgia
Proprietary Funds
Statement of Net Assets
September 30, 2003

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water and Sewer Fund	Other Enterprise Funds	Total	
Liabilities and Fund Equity				
Liabilities:				
Current liabilities (payable from current assets):				
Bank overdraft	\$ -	\$ 192,755	\$ 192,755	\$ -
Accounts payable	13,814,390	1,676,051	15,490,441	136,462
Accrued liabilities	897,716	120,014	1,017,730	23,992
Due to other funds	665,524	28,984,124	29,649,648	-
Customer deposits	3,116,993	-	3,116,993	-
Due to other governments	3,350,063	9,182	3,359,245	-
Due to others	4,340,592	214,166	4,554,758	16,196
Due to restricted assets	49,234,393	-	49,234,393	-
Deferred revenues	-	13,690	13,690	-
Capital lease payable	-	113,862	113,862	-
Note payable	-	98,749	98,749	-
Estimated liability for claims and judgements	-	-	-	11,231,854
Total current liabilities (payable from current assets)	<u>\$ 75,419,671</u>	<u>\$ 31,422,593</u>	<u>\$ 106,842,264</u>	<u>\$ 11,408,504</u>
Current liabilities (payable from restricted assets):				
Retainage due on contracts	\$ 16,532,940	\$ -	\$ 16,532,940	\$ -
Arbitrage liability	54,882	-	54,882	-
Accrued revenue bond interest	945,787	379,084	1,324,871	-
Current portion of revenue bonds	14,510,000	1,535,000	16,045,000	-
Total current liabilities (payable from restricted assets)	<u>\$ 32,043,609</u>	<u>\$ 1,914,084</u>	<u>\$ 33,957,693</u>	<u>\$ -</u>
Long-term liabilities:				
Revenue bonds (net of current portion, bond discount, and loss on refunding)	\$ 63,748,827	\$ 23,313,627	\$ 87,062,454	\$ -
Accrued vacation payable	150,531	105,244	255,775	-
Closure and postclosure care	-	27,160,457	27,160,457	-
Advances from other funds	-	1,476,219	1,476,219	-
Note payable (net of current portion)	-	240,190	240,190	-
Capital lease payable (net of current portion)	-	100,058	100,058	-
Total long-term liabilities	<u>\$ 63,899,358</u>	<u>\$ 52,395,795</u>	<u>\$ 116,295,153</u>	<u>\$ -</u>
Total liabilities	<u>\$ 171,362,638</u>	<u>\$ 85,732,472</u>	<u>\$ 257,095,110</u>	<u>\$ 11,408,504</u>
Net Assets				
Invested in capital assets, net of related debt	\$ 919,380,821	\$ 30,563,629	\$ 949,944,450	\$ 60,728
Restricted for:				
Capital projects	104,646,094	3,163,028	107,809,122	-
Debt service	3,636,564	-	3,636,564	-
Other purposes	-	-	-	2,118,856
Total restricted assets	<u>108,282,658</u>	<u>3,163,028</u>	<u>111,445,686</u>	<u>2,118,856</u>
Unrestricted	14,151,928	(53,563,353)	(39,411,425)	-
Total net assets	<u>\$ 1,041,815,407</u>	<u>\$ (19,836,696)</u>	<u>\$ 1,021,978,711</u>	<u>\$ 2,179,584</u>

Continued from preceding page.

The notes to the financial statements are an integral part of this statement.

Cobb County, Georgia
Proprietary Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
For the Fiscal Year Ended September 30, 2003

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water and Sewer Fund	Other Enterprise Funds	Total	
Operating revenues:				
Charges for services	\$ 133,090,095	\$ 10,278,486	\$ 143,368,581	\$ 34,927,253
Miscellaneous income	176,187	390,101	566,288	-
Total operating revenues	\$ 133,266,282	\$ 10,668,587	\$ 143,934,869	\$ 34,927,253
Operating expenses:				
Personnel services	\$ 19,833,069	\$ 3,540,300	\$ 23,373,369	\$ 319,865
Other operating expenses	60,202,299	16,783,898	76,986,197	4,843,471
Benefits and claims	-	-	-	32,360,331
Total operating expenses	\$ 80,035,368	\$ 20,324,198	\$ 100,359,566	\$ 37,523,667
Operating income (loss) before depreciation	\$ 53,230,914	\$ (9,655,611)	\$ 43,575,303	\$ (2,596,414)
Less depreciation	(26,183,537)	(5,231,919)	(31,415,456)	(9,494)
Operating income (loss)	\$ 27,047,377	\$ (14,887,530)	\$ 12,159,847	\$ (2,605,908)
Nonoperating revenues (expenses):				
Interest income	\$ 2,235,847	\$ 59,635	\$ 2,295,482	\$ 106,750
Intergovernmental	42,193,363	4,113,954	46,307,317	-
Interest and fiscal charges	(5,805,018)	(1,703,359)	(7,508,377)	-
Amortization of bond costs	-	(22,293)	(22,293)	-
Increase in fair value of investments	7,325	-	7,325	-
Loss from sale of fixed assets	-	(204,683)	(204,683)	-
Proceeds from sale of fixed assets	61,618	-	61,618	-
Total nonoperating revenues (expenses)	\$ 38,693,135	\$ 2,243,254	\$ 40,936,389	\$ 106,750
Net income (loss) before transfers and capital contributions	\$ 65,740,512	\$ (12,644,276)	\$ 53,096,236	\$ (2,499,158)
Capital contributions	\$ 19,419,426	\$ 7,136,706	\$ 26,556,132	\$ -
Total capital contributions	\$ 19,419,426	\$ 7,136,706	\$ 26,556,132	\$ -
Transfers:				
Transfers in	\$ 192,669	\$ 6,561,956	\$ 6,754,625	\$ -
Transfers out	(15,041,031)	(140,640)	(15,181,671)	(294,934)
Total transfers	\$ (14,848,362)	\$ 6,421,316	\$ (8,427,046)	\$ (294,934)
Changes in net assets	\$ 70,311,576	\$ 913,746	\$ 71,225,322	\$ (2,794,092)
Fund net assets - beginning	\$ 971,503,831	\$ (20,750,442)	\$ 950,753,389	\$ 4,973,676
Fund net assets - ending	\$ 1,041,815,407	\$ (19,836,696)	\$ 1,021,978,711	\$ 2,179,584

The notes to the financial statements are an integral part of this statement.

Cobb County, Georgia
Proprietary Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended September 30, 2003

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water and Sewer Fund	Other Enterprise Funds	Total	
Cash flows from operating activities:				
Cash received from customers	\$ 129,083,770	\$ 13,812,631	\$ 142,896,401	\$ 36,327,126
Cash payments for goods and services	(62,749,254)	(18,167,863)	(80,917,117)	(4,803,829)
Cash payments for employee services and fringe benefits	(19,733,967)	(3,517,894)	(23,251,861)	(318,358)
Cash payments for benefits and claims	-	-	-	(30,576,030)
Net cash from operating activities	<u>\$ 46,600,549</u>	<u>\$ (7,873,126)</u>	<u>\$ 38,727,423</u>	<u>\$ 628,909</u>
Cash flows from noncapital financing activities:				
Operating transfers in	\$ 192,669	\$ 6,561,956	\$ 6,754,625	\$ -
Operating transfers out	(15,041,031)	(140,640)	(15,181,671)	(294,934)
Federal/State Grants	-	11,272,250	11,272,250	-
Net interfund borrowings (repayments)	-	-	-	-
Net cash from noncapital financing activities	<u>\$ (14,848,362)</u>	<u>\$ 17,693,566</u>	<u>\$ 2,845,204</u>	<u>\$ (294,934)</u>
Cash flows from capital and related financing activities:				
Principal payments on notes payables	\$ -	\$ (94,148)	\$ (94,148)	\$ -
Proceeds from outside contributions	42,193,363	-	42,193,363	-
Payments on capital leases	-	47,929	47,929	-
Proceeds from sale of fixed assets	61,618	-	61,618	-
Payments for capital acquisitions	(119,439,799)	(2,230,098)	(121,669,897)	671
Bond principal payments	(13,640,000)	(1,455,000)	(15,095,000)	-
Cost of bond issuance	(234,428)	-	(234,428)	-
Bond interest and fiscal charges	(3,923,645)	(1,828,317)	(5,751,962)	-
Net cash from capital and related financing activities	<u>\$ (94,982,891)</u>	<u>\$ (5,559,634)</u>	<u>\$ (100,542,525)</u>	<u>\$ 671</u>
Cash flows from investing activities:				
Proceeds from investment maturities	\$ 24,005,862	\$ -	\$ 24,005,862	\$ -
Interest received	2,235,847	59,635	2,295,482	106,499
Proceeds from bond issuance	182,269	-	182,269	-
Increase in fair market value	7,325	-	7,325	-
Investment purchases	(6,393,566)	(24,947)	(6,418,513)	523,894
Net cash from investing activities	<u>\$ 20,037,737</u>	<u>\$ 34,688</u>	<u>\$ 20,072,425</u>	<u>\$ 630,393</u>
Net increase (decrease) in cash and cash equivalents	<u>\$ (43,192,967)</u>	<u>\$ 4,295,494</u>	<u>\$ (38,897,473)</u>	<u>\$ 965,039</u>
Cash and cash equivalents at beginning of year	<u>155,182,037</u>	<u>594,242</u>	<u>155,776,279</u>	<u>4,288,103</u>
Cash and cash equivalents at end of year	<u><u>\$ 111,989,070</u></u>	<u><u>\$ 4,889,736</u></u>	<u><u>\$ 116,878,806</u></u>	<u><u>\$ 5,253,142</u></u>
Reconciliation to Combining Balance Sheet				
Cash	\$ 40,972,849	\$ 4,828,630	\$ 45,801,479	\$ 5,253,142
Cash (included in restricted assets)	71,016,221	61,106	71,077,327	-
	<u><u>\$ 111,989,070</u></u>	<u><u>\$ 4,889,736</u></u>	<u><u>\$ 116,878,806</u></u>	<u><u>\$ 5,253,142</u></u>

Continued on next page.

Cobb County, Georgia
Proprietary Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended September 30, 2003

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water and Sewer Fund	Other Enterprise Funds	Total	
Reconciliation of operating income (loss) to net cash from operating activities:				
Operating income (loss)	\$ 27,047,377	\$ (12,933,560)	\$ 14,113,817	\$ (2,605,908)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation	\$ 26,183,537	\$ 5,231,919	\$ 31,415,456	\$ 9,494
Change in assets and liabilities:				
Decrease (increase) in accounts receivables	(567)	5,253	4,686	-
Decrease (increase) in other receivables	(605,779)	(89,430)	(695,209)	126,907
Decrease (increase) in due from other funds	(3,549,567)	3,192,455	(357,112)	1,269,231
Decrease (increase) in due from other governments	19,610	(3,988,979)	(3,969,369)	-
Decrease (increase) in due from others	5,986	957	6,943	3,735
Decrease (increase) in inventories	(41,751)	-	(41,751)	-
Increase (decrease) in advances from other funds	(52,195)	(28,073)	(80,268)	-
Increase (decrease) in bank overdraft	-	(3,594,845)	(3,594,845)	-
Increase (decrease) in accounts payable	(5,757,474)	(214,036)	(5,971,510)	40,762
Increase (decrease) in prepaid expenses	3,320	2,384	5,704	(571)
Increase (decrease) in accrued liabilities	-	(8,523)	(8,523)	-
Increase (decrease) in accrued payroll	66,381	-	66,381	1,507
Increase (decrease) in accrued vacation payable	32,721	58,123	90,844	-
Increase (decrease) in due to other funds	(421,840)	4,570,209	4,148,369	(4,991)
Increase (decrease) in customer deposits	40,734	-	40,734	-
Increase (decrease) in due to other governments	123,659	9,175	132,834	-
Increase (decrease) in due to others	3,506,397	86,354	3,592,751	4,442
Increase (decrease) in estimated liability for claims and judgments	-	-	-	1,784,301
Increase (decrease) in closure/postclosure care	-	(165,298)	(165,298)	-
Increase (decrease) in unearned revenues	-	(7,211)	(7,211)	-
Total adjustments	\$ 19,553,172	\$ 5,060,434	\$ 24,613,606	\$ 3,234,817
Net cash provided by operating activities	<u>\$ 46,600,549</u>	<u>\$ (7,873,126)</u>	<u>\$ 38,727,423</u>	<u>\$ 628,909</u>
Schedule of noncash capital and related financing activities:				
Change in fair value of investments	<u>\$ 7,325</u>	<u>\$ (25)</u>	<u>\$ 7,300</u>	<u>\$ (362)</u>

Continued from preceding page.

The notes to the financial statements are an integral part of this statement.

Cobb County, Georgia
Fiduciary Funds
Statement of Fiduciary Net Assets
September 30, 2003

	Pension Trust Fund	
	Employee Retirement System	Agency Funds
Assets:		
Cash and cash equivalents	\$ 950,959	\$ 98,445,413
Investments, at fair value	218,681,496	-
Receivables		
Taxes and penalties	-	264,356,464
Other	-	-
Due from other funds	-	-
	<u>\$ 219,632,455</u>	<u>\$ 362,801,877</u>
Total assets		
Liabilities:		
Bank overdraft	\$ -	\$ 5,218,764
Unremitted tax collections due to other governments and agencies	-	69,855,714
Taxes payable to others upon collection	-	264,356,464
Unremitted payroll tax and withholdings	-	461,052
Funds held in trust for others	-	22,909,883
	<u>\$ -</u>	<u>\$ 362,801,877</u>
Total liabilities		
Net assets held in trust for pension benefits	<u>\$ 219,632,455</u>	

The notes to the financial statements are an integral part of this statement.

Cobb County, Georgia
Fiduciary Funds
Statements of Changes in Fiduciary Net Assets
For the Fiscal Year Ended September 30, 2003

	Pension Trust Fund
	Employee Retirement System
Additions	
Contributions:	
Employer	\$ 14,013,022
Employee	6,466,423
Plan member	3,930
Total contributions	\$ 20,483,375
Investment earnings:	
Net appreciation (depreciation) in fair value of assets	\$ 20,438,043
Interest	4,087,637
Total investment earnings	\$ 24,525,680
Less investment expense	(681,436)
Net investment earnings	\$ 23,844,244
Total additions	\$ 44,327,619
Deductions	
Administrative expenses	\$ 62,340
Benefits and claims	15,267,911
Total deductions	\$ 15,330,251
Change in net assets	\$ 28,997,368
Net assets held in trust for pension benefits	
Beginning of year	190,635,087
End of year	\$ 219,632,455

The notes to the financial statements are an integral part of this statement.

COBB COUNTY, GEORGIA
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September 30, 2003

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COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

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 component units' column in the combined financial statements includes the financial data for the County's component units, as reflected in their most recent audited financial statements. Financial information of the components units is reported in a column separate from the County. 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.

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

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, 2003, 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.

The following page presents condensed financial statements of each of the two discretely presented component units. 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, 2003 and June 30 2003, respectively.

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

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

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.

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

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.

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

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:

1. 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:

- A. 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 proprietary 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. Propriety funds distinguish operating revenues and expenses from nonoperating items. Operating

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the enterprise funds and the internal service fund include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The generally accepted accounting principles applicable are those similar to business in the private sector.

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

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

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

E. Cash and Cash Equivalents and Investments

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

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

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.

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond September 30, 2003 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

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

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.

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

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 begun recognizing capital contributions as revenue in the current year rather than as contributed capital.

P. Net Assets

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

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

- 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:

<u>Budget Transfer</u>	<u>Approval Required</u>
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.

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

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 Combined 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 Fund	Fire Fund	Nonmajor Special Revenue Funds	Debt Service Fund
Budgetary Basis	\$ 21,083,560	\$ 999,252	\$ 369,741	\$ (883,123)
Encumbrances 9/30/03	2,683,895	4,081,847	-	-
Grant-length Plans	-	-	1,475,450	-
GAAP Basis	\$ 23,767,455	\$ 5,081,099	\$ 1,845,191	\$ (883,123)

	Fund Balances at End of Year			
	General Fund	Fire Fund	Nonmajor Special Revenue Funds	Debt Service Fund
Budgetary Basis	\$ 65,538,733	\$ 10,692,816	\$ 5,129,235	\$ 1,985,667
Encumbrances 9/30/03	2,683,895	4,081,847	-	-
Grant-length Plans	-	-	1,475,450	-
GAAP Basis	\$ 68,222,628	\$ 14,774,663	\$ 6,604,685	\$ 1,985,667

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

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:

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
General Fund:				
General government:				
Circuit Defender				
Personnel Services	\$ 437,236	\$ 446,682	\$ 475,519	\$ (28,837)
Elections & Registration				
Operating Expenditures	381,642	439,695	519,122	(79,427)
Public safety:				
Police Department				
Capital Outlay	56,591	96,490	310,968	(214,478)
Sheriff				
Operating Expenditures	697,471	677,870	743,361	(65,491)
Corrections				
Personnel Services	17,924,545	18,659,466	19,698,885	(1,039,419)
Public works:				
Department of Transportation				
Capital Outlay	240,761	381,658	2,308,035	(1,926,377)
Fire Fund:				
Operating expenditures	\$ 6,259,627	\$ 6,602,948	\$ 7,273,034	\$ (670,086)

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.

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

The County's, Cobb-Marietta Coliseum & Exhibit Hall's, and Cobb County Board of Health's deposits are classified as follows at September 30, 2003:

	Category			Bank Balance	Carrying Amount
	1	2	3		
Primary Government	\$ 203,799,928	\$ -	\$ -	\$ 203,799,928	\$ 186,228,616
Component Unit:					
Cobb-Marietta Coliseum & Exhibit Hall	1,200,874	-	-	1,200,874	903,825
Cobb County					
Board of Health	1,378,224	-	-	1,378,224	1,378,224
Total Reporting Entity	<u>\$ 206,379,026</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 206,379,026</u>	<u>\$ 188,510,665</u>

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 earn 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.

	Category			Fair Value
	1	2	3	
<i>Primary Government:</i>				
U.S. Agency Obligations	<u>\$ 13,980,921</u>	<u>\$ -</u>	<u>\$ -</u>	\$ 13,980,921
Georgia Fund I				<u>23,357,520</u>
Total Primary Government				<u>\$ 37,338,441</u>

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

Cobb Marietta Coliseum & Exhibit Hall:

	Category			Fair Value
	1	2	3	
Repurchase Agreement	\$ -	\$ -	\$ -	\$ -
Pension Plan Trust - mutual fund investments				1,206,266
Georgia Fund I (Included in cash equivalents)				<u>16,008,469</u>
Total Component Unit				<u>\$ 17,214,735</u>
Total Reporting Entity				<u>\$ 54,553,176</u>

A reconciliation of cash and investments as shown on the Combined Balance Sheet for the **primary government** follows:

	Deposits	Investments
Footnote Information		
Carrying Amount	\$ 186,228,616	\$ -
Investments included in cash equivalents	23,357,520	(23,357,520)
Fair Value	-	37,338,441
	<u>\$ 209,586,136</u>	<u>\$ 13,980,921</u>

	Deposits	Investments
Combined Balance Sheet		
Cash and Cash Equivalents	\$ 138,969,196	\$ -
Cash and Cash Equivalents included in restricted assets	71,077,327	-
Investments	-	8,635,528
Investments included in restricted assets	-	5,345,393
Overdraft	(460,387)	-
	<u>\$ 209,586,136</u>	<u>\$ 13,980,921</u>

Fair Value at September 30, 2003	\$ 13,980,921
Add: Proceeds of investments sold	64,152,874
Less: Cost of investments purchased	(41,393,566)
Less: Fair value at September 30, 2002	<u>(36,741,167)</u>
Change in fair value of investments	<u>\$ (938)</u>

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

“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, 2003 consist of the following:

	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Total
Primary Government:							
Taxes	\$ 108,053,691	\$ 39,949,167	\$ 3,368,885	\$ -	\$ -	\$ -	\$ 151,371,743
Accrued interest	9,815	287	301	-	41	-	10,444
Accounts	-	-	-	-	11,443,075	-	11,443,075
Other	242,603	2,756,409	175,777	640,635	5,452,766	180,195	9,448,385
Gross receivables	\$ 108,306,109	\$ 42,705,863	\$ 3,544,963	\$ 640,635	\$ 16,895,882	\$ 180,195	\$ 172,273,647
Less: allowance for uncollectibles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net total receivables	\$ 108,306,109	\$ 42,705,863	\$ 3,544,963	\$ 640,635	\$ 16,895,882	\$ 180,195	\$ 172,273,647
Component Units:							
Taxes	\$ 802,935	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 802,935
Accrued interest	96,695	-	-	-	-	-	96,695
Accounts	-	213,251	-	-	-	-	213,251
Other	1,011,607	-	-	-	19,172	-	1,030,779
Gross receivables	\$ 1,911,237	\$ 213,251	\$ -	\$ -	\$ 19,172	\$ -	\$ 2,143,660
Less: allowance for uncollectibles	229,429	-	-	-	4,658	-	234,087
Net total receivables	\$ 1,681,808	\$ 213,251	\$ -	\$ -	\$ 14,514	\$ -	\$ 1,909,573
Total reporting entity	\$ 109,987,917	\$ 42,919,114	\$ 3,544,963	\$ 640,635	\$ 16,910,396	\$ 180,195	\$ 174,183,220

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

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. FY03 property taxes were levied in July 2003 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 2003 to provide for financing of County operations for the fiscal year ended September 30, 2003.

Note 5. Restricted Assets

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

Revenue bond construction:

Water and Sewer:

Cash	\$ 51,969,997
Investments	4,029,914
Other receivables	205,764
	<u>\$ 56,205,675</u>

Solid Waste Disposal:

Cash	\$ 1,102
Accounts Receivable	320,148
Due from other funds	2,841,781
	<u>\$ 3,163,031</u>

Revenue bond debt service:

Water and Sewer:

Cash	<u>\$ 4,582,351</u>
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Golf Course:

Cash	<u>\$ 60,004</u>
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COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

Revenue bond contingency:	
Water and Sewer:	
Cash	\$ 14,463,873
Investments	1,315,479
Due from current assets	49,234,393
Other receivables	14,496
	<u>\$ 65,028,241</u>
Total restricted assets	<u>\$ 129,039,302</u>

Note 6. Capital Assets

Capital asset activity for the year ended September 30, 2003 was as follows:

Primary Government:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated	\$	\$	\$	\$
Land	708,521,784	10,951,382	(386,828)	719,086,338
Construction in progress	33,295,416	15,011,155	(23,211,027)	25,095,544
Total capital assets, not being depreciated	<u>\$ 741,817,200</u>	<u>\$ 25,962,537</u>	<u>\$ (23,597,855)</u>	<u>\$ 744,181,882</u>
Capital assets, being depreciated				
Buildings	\$ 259,830,965	\$ 15,272,255	\$ (7,187,754)	\$ 267,915,466
Improvements other than buildings	13,371,547	-	-	13,371,547
Machinery and equipment	129,844,209	9,978,416	(3,431,459)	136,391,166
Infrastructure	1,910,031,764	36,267,129	-	1,946,298,893
Total capital assets being depreciated	<u>2,313,078,485</u>	<u>61,517,800</u>	<u>(10,619,213)</u>	<u>2,363,977,072</u>
Less accumulated depreciation for:				
Buildings	\$ (45,743,258)	\$ (5,258,917)	\$ 51,048	\$ (50,951,127)
Improvements other than buildings	(6,389,360)	(349,269)	-	(6,738,629)
Machinery and equipment	(96,992,900)	(11,936,198)	3,180,278	(105,748,820)
Infrastructure	(392,750,994)	(48,036,347)	-	(440,787,341)
Total accumulated depreciation	<u>(541,876,512)</u>	<u>(65,580,731)</u>	<u>3,231,326</u>	<u>(604,225,917)</u>
Total capital assets, being depreciated, net	<u>1,771,201,973</u>	<u>(4,062,931)</u>	<u>(7,387,887)</u>	<u>1,759,751,155</u>
Governmental activities capital assets, net	<u>\$ 2,513,019,173</u>	<u>\$ 21,899,606</u>	<u>\$ (30,985,742)</u>	<u>\$ 2,503,933,037</u>

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated	\$	\$	\$	\$
Land and improvements	42,561,953	5,805,263	-	48,367,216
Construction in progress	115,452,263	118,363,564	(4,746,899)	229,068,928
Total capital assets, not being depreciated	<u>\$ 158,014,216</u>	<u>\$ 124,168,827</u>	<u>\$ (4,746,899)</u>	<u>\$ 277,436,144</u>
Capital assets, being depreciated				
Buildings and structures	\$ 37,404,015	\$ 7,796,469	\$ -	\$ 45,200,484
Sewerage plants	465,417,157	-	-	465,417,157
Machinery and equipment	62,403,279	4,293,777	(2,382,382)	64,314,674
Infrastructure:				
Sewer lines	317,972,868	10,250,786	-	328,223,654
Water lines and meters	228,616,505	9,128,247	-	237,744,752
Total capital assets being depreciated	<u>1,111,813,824</u>	<u>31,469,279</u>	<u>(2,382,382)</u>	<u>1,140,900,721</u>
Less accumulated depreciation for:				
Buildings and structures	\$ (4,885,999)	\$ (1,168,877)	\$ -	\$ (6,054,876)
Sewerage plants	(113,601,648)	(12,075,170)	-	(125,676,818)
Machinery and equipment	(41,187,083)	(6,285,811)	3,916,619	(43,556,275)
Infrastructure:				
Sewer lines	(95,716,178)	(6,536,754)	-	(102,252,932)
Water lines and meters	(81,941,106)	(5,348,844)	-	(87,289,950)
Total accumulated depreciation	<u>(337,332,014)</u>	<u>(31,415,456)</u>	<u>3,916,619</u>	<u>(364,830,851)</u>
Total capital assets, being depreciated, net	<u>\$ 774,481,810</u>	<u>\$ 53,823</u>	<u>\$ 1,534,237</u>	<u>\$ 776,069,870</u>
Business-type activities capital assets, net	<u>\$ 932,496,026</u>	<u>\$ 124,222,650</u>	<u>\$ (3,212,662)</u>	<u>\$ 1,053,506,014</u>

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

Governmental Activities:	
General government	\$ 6,383,604
Public safety	7,069,772
Public works	49,164,569
Health and welfare	113,948
Culture and recreation	2,387,660
Housing and development	461,178
Total depreciation expense - governmental activities	<u>\$ 65,580,731</u>

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

Business-type Activities:	
Water and sewer	\$ 26,183,537
Solid Waste	3,033,593
Golf Course	117,516
Amphitheatre	126,840
Transit System	<u>1,953,970</u>
Total depreciation expense - business-type activities	<u>\$ 31,415,456</u>

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 \$11,231,854 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	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

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

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:

2004	\$	16,740
2005		16,740
2006		16,740
2007		16,740
2008		16,740
2009-2013		83,700
2014-2016		42,660
		<u>\$ 210,060</u>

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:

	<u>Total Governmental Activities</u>	<u>Total Business-type Activities</u>
Asset:		
Buildings	\$ 3,912,751	\$ -
Machinery and equipment	9,359,434	266,705
Less: Accumulated Depreciation	(5,660,946)	(183,874)
Total	<u>\$ 7,611,239</u>	<u>\$ 82,831</u>

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
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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, 2003:

	Total Governmental Activities	Total Business-type Activities
2004	\$ 2,193,649	\$ 102,742
2005	1,806,665	-
2006	1,469,803	-
2007	1,205,267	-
2008	443,198	-
2009-2013	1,638,417	-
2014-2018	1,633,126	-
2019	<u>324,000</u>	<u>-</u>
Total minimum lease payments	\$ 10,714,125	\$ 102,742
Less: Amount representing interest	<u>1,934,260</u>	<u>2,684</u>
Present value of minimum lease payments	<u>\$ 8,779,865</u>	<u>\$ 100,058</u>

Note 10. Long-Term Debt

A. Primary Government

Bonds payable at September 30, 2003 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 (\$31,640,000 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 (\$23,715,000 outstanding).

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

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 (\$405,000 outstanding).

b. Water and Sewerage

\$79,745,000 1996 serial bonds due in annual installments of \$6,920,000 to \$7,155,000 through July 1, 2008; interest at 5.00 to 5.125 percent (\$41,300,000 outstanding).

\$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 (\$36,545,000 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 (\$20,205,000 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 (\$5,000,000 outstanding).

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

The annual requirements to amortize all General Obligation and Revenue bonds outstanding at September 30, 2003 including interest payments of \$37,159,364 is as follows:

Year Ending	General Obligation			
	2003 Refunding		1996 Park Bond	
September 30	Principal	Interest	Principal	Interest
2004	\$ 3,600,000	\$ 1,371,800	\$ 1,210,000	\$ 1,163,731
2005	4,210,000	1,254,650	1,270,000	1,101,731
2006	4,370,000	1,082,250	1,330,000	1,036,731
2007	4,535,000	859,625	1,390,000	968,731
2008	4,745,000	627,625	1,460,000	897,480
2009-2013	10,180,000	515,500	8,495,000	3,285,531
2014-2016	-	-	6,250,000	845,672
2017	-	-	2,310,000	59,194
	<u>\$ 31,640,000</u>	<u>\$ 5,711,450</u>	<u>\$ 23,715,000</u>	<u>\$ 9,358,802</u>

Year Ending	Revenue Bonds							
	Art Center		Golf Course		Water System		Solid Waste	
September 30	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2004	\$ 95,000	\$ 16,324	\$ 355,000	\$ 232,116	\$ 14,510,000	\$ 3,783,425	\$ 1,180,000	\$ 1,240,915
2005	100,000	11,935	375,000	215,686	15,090,000	3,209,725	1,250,000	1,167,703
2006	100,000	7,360	390,000	198,185	15,645,000	2,442,231	1,325,000	1,089,146
2007	110,000	2,530	410,000	179,785	16,040,000	1,647,156	1,405,000	1,004,496
2008	-	-	430,000	160,250	16,560,000	836,944	1,495,000	913,498
2009-2013	-	-	2,470,000	461,128	-	-	9,045,000	2,961,363
2014-2016	-	-	570,000	14,251	-	-	4,505,000	292,960
	<u>\$ 405,000</u>	<u>\$ 38,149</u>	<u>\$ 5,000,000</u>	<u>\$ 1,461,401</u>	<u>\$ 77,845,000</u>	<u>\$ 11,919,481</u>	<u>\$ 20,205,000</u>	<u>\$ 8,670,081</u>

Year Ending	Total GO Bonds		Total Revenue		Total All Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2004	\$ 4,810,000	\$ 2,535,531	\$ 16,140,000	\$ 5,272,780	\$ 20,950,000	\$ 7,808,311
2005	5,480,000	2,356,381	16,815,000	4,605,049	22,295,000	6,961,430
2006	5,700,000	2,118,981	17,460,000	3,736,922	23,160,000	5,855,903
2007	5,925,000	1,828,356	17,965,000	2,833,967	23,890,000	4,662,323
2008	6,205,000	1,525,105	18,485,000	1,910,692	24,690,000	3,435,797
2009-2013	18,675,000	3,801,031	11,515,000	3,422,491	30,190,000	7,223,522
2014-2016	6,250,000	845,672	5,075,000	307,211	11,325,000	1,152,883
2017	2,310,000	59,194	-	-	2,310,000	59,194
	<u>\$ 55,355,000</u>	<u>\$ 15,070,252</u>	<u>\$ 103,455,000</u>	<u>\$ 22,089,112</u>	<u>\$ 158,810,000</u>	<u>\$ 37,159,364</u>

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

The annual requirements to amortize all outstanding Water and Sewer Revenue Bonds outstanding at September 30, 2003 are as follows:

	Outstanding Parity Bonds		
	Principal	Interest	Totals
2004	\$ 14,510,000	\$ 3,783,425	\$ 18,293,425
2005	15,090,000	3,209,725	18,299,725
2006	15,645,000	2,442,231	18,087,231
2007	16,040,000	1,647,156	17,687,156
2008	16,560,000	836,944	17,396,944
	\$ 77,845,000	\$ 11,919,481	\$ 89,764,481

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

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

liability for the defeased bonds are not included in the County's financial statements. On September 30, 2003, \$11,960,000 of bonds outstanding are considered defeased.

5. Current Year Advance Refundings

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 in-substance defeasance, thus the refunded portions of the 1993 bonds are no longer included in the Governmental Activities Statement of Net Assets bond payable balance. As a result of the advanced refunding, the County reduced its total debt service requirements by \$2,570,241 that resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$2,351,427.14.

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

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

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.

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, 2003 are as follows:

	Interest	Principal	Totals
2004	\$ 14,509	\$ 98,749	\$ 113,258
2005	9,683	103,575	113,258
2006	4,621	108,637	113,258
2007	336	27,979	28,315
	\$ 29,149	\$ 338,940	\$ 368,089

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

1. Bonds payable are comprised of the following individual issues at September 30, 2003:

\$5,275,000 1991 Coliseum and Exhibit Hall Authority serial bonds due in annual installments of \$670,000 to \$795,000 through October 1, 2003; interest at 5.70 to 6.10 percent (\$795,000 outstanding). The purpose of the Series 1991 Bonds was to pay the costs of acquiring, constructing, furnishings and equipping a new convention center.

\$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 (6,105,000 outstanding). The purpose of the Series 1993 Bonds was to refund a portion of the Series 1991 Bonds.

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

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

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

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 (\$17,900,000 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 (\$6,725,000 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	<u>10,190,000</u>
	<u>\$16,730,000</u>

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, 2003 are as follows:

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.

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

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, 2003, revenue bonds outstanding of \$42,925,000 are considered defeased.

C. Changes in Long-Term Obligations

Long-term liability activity for the year ended September 30, 2003 was as follows:

The following is a summary of changes in long-term obligations of the County's Governmental Funds for the fiscal year September 30, 2003:

Primary Government:

Governmental Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
GO Bonds:					
2003 Refunding	\$ -	\$ 31,640,000	\$ (3,600,000)	\$ 28,040,000	\$ 3,600,000
1996 Recreation Authority	23,715,000	-	(1,210,000)	22,505,000	1,210,000
1993 Refunding	32,490,000	-	(32,490,000)	-	-
Revenue Bonds:					
1997 Recreation Authority Refunding	405,000	-	(95,000)	310,000	95,000
Add: Bond Premiums	-	2,495,009	(311,876)	2,183,133	-
Total Bonds before discounts	<u>\$ 56,610,000</u>	<u>\$ 34,135,009</u>	<u>\$ (37,395,000)</u>	<u>\$ 53,038,133</u>	<u>\$ 4,905,000</u>
Less:					
Original issuance discounts	\$ (553,869)	\$ -	\$ 23,501	\$ (530,368)	\$ -
Deferred amounts on refunding	-	(649,800)	114,879	(534,921)	-
Add:					
Total bonds payable	<u>\$ 56,056,131</u>	<u>\$ 33,485,209</u>	<u>\$ (37,256,620)</u>	<u>\$ 51,972,844</u>	<u>\$ 4,905,000</u>
Capital Leases	\$ 7,694,242	\$ 3,787,719	\$ (2,702,096)	\$ 8,779,865	\$ 160,000
Compensated Absences	7,744,934	6,585,331	-	14,330,265	752,986
Total Other Liabilities	<u>\$ 15,439,176</u>	<u>\$ 10,373,050</u>	<u>\$ (2,702,096)</u>	<u>\$ 23,110,130</u>	<u>\$ 912,986</u>
Governmental Activities Long-term Liabilities	<u>\$ 71,495,307</u>	<u>\$ 43,858,259</u>	<u>\$ (39,958,716)</u>	<u>\$ 75,082,974</u>	<u>\$ 5,817,986</u>

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

Business-type Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Revenue Bonds:					
2003 Refunding	\$ -	\$ 36,545,000	\$ (7,590,000)	\$ 28,955,000	\$ 7,590,000
1993 Water	37,320,000	-	(37,320,000)	-	-
1996 Serial bond	41,300,000	-	(6,920,000)	34,380,000	6,920,000
1997 Refunding Recreation Authority	5,000,000	-	(355,000)	4,645,000	355,000
1995 Serial bond	20,205,000	-	(1,180,000)	19,025,000	1,180,000
Add: Bond premiums	46,216	3,149,556	(935,223)	2,260,549	-
Total Bonds before discounts	<u>\$ 103,871,216</u>	<u>\$ 39,694,556</u>	<u>\$ (54,300,223)</u>	<u>\$ 89,265,549</u>	<u>\$ 16,045,000</u>
Less:					
Original issuance discount	\$ (424,696)	-	211,532	\$ (213,164)	-
Deferred amount on refunding	(2,397,760)	(1,701,961)	2,109,790	(1,989,931)	-
Total bonds payable	<u>\$ 101,048,760</u>	<u>\$ 37,992,595</u>	<u>\$ (51,978,901)</u>	<u>\$ 87,062,454</u>	<u>\$ 16,045,000</u>
Capital Leases	\$ 213,920	-	\$ (113,862)	\$ 100,058	-
Closure and postclosure	27,325,755	-	(165,298)	27,160,457	-
Note Payable	433,087	-	(192,897)	240,190	89,761
Compensated Absences	164,931	90,844	-	255,775	47,222
Total Other Liabilities	<u>\$ 28,137,693</u>	<u>\$ 90,844</u>	<u>\$ (472,057)</u>	<u>\$ 27,756,480</u>	<u>\$ 136,983</u>
Business-type Activities Long-term Liabilities	<u>\$ 129,186,453</u>	<u>\$ 38,083,439</u>	<u>\$ (52,450,958)</u>	<u>\$ 114,818,934</u>	<u>\$ 16,181,983</u>

Component Unit*:

Governmental Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Revenue Bonds	\$ 90,730,000	\$ -	\$ (1,825,000)	\$ 88,905,000	\$ 1,915,000
Less:					
Deferred amount on refundings	\$ 3,405,764	-	\$ (141,907)	\$ 3,263,857	-
Original issuance discounts	462,826	-	(22,522)	440,304	-
Underwriter's discount	365,906	-	(25,146)	340,760	-
Total bonds payable	<u>\$ 86,495,504</u>	<u>\$ -</u>	<u>\$ (1,635,425)</u>	<u>\$ 84,860,079</u>	<u>\$ 1,915,000</u>
Compensated Absences	103,846	-	(11,313)	92,533	-
Total Other Liabilities	<u>\$ 103,846</u>	<u>\$ -</u>	<u>\$ (11,313)</u>	<u>\$ 92,533</u>	<u>\$ -</u>
Governmental Activities Long-term Liabilities	<u>\$ 86,599,350</u>	<u>\$ -</u>	<u>\$ (1,646,738)</u>	<u>\$ 84,952,612</u>	<u>\$ 1,915,000</u>

*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, \$5,489 of internal service funds compensated absences are included in the above amounts. Also, for the governmental activities, claims and judgments and compensated absences are

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
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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 2003, the County issued \$65.0 million in tax anticipation notes to finance the general operations of the County through October 2003. The notes bear interest at a rate of 1.5 percent and are due on December 31, 2003. The notes are to be repaid on December 31, 2003 from 2003 property tax revenues collected between September and December. Principal and interest amounts to be repaid are \$65,712,292.

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

General Fund	\$41,000,000
Fire District Special Revenue Fund	<u>24,000,000</u>
	<u>\$65,000,000</u>

Short-term debt activity for the year ended September 30, 2003, was as follows:

	Beginning Balance	Issued	Redeemed	Ending Balance
Tax anticipation notes	\$ 69,500,000	\$ 65,000,000	\$ (69,500,000)	\$ 65,000,000

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.

COBB COUNTY, GEORGIA
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- 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.

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
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- 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. Interfund balances of amounts due to/from other funds at September 30, 2003 and the amount of the operating transfers by fund for the fiscal year ended September 30, 2003 are as follows:

Primary Government:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 3,600,005	\$ 18,759,707	\$ 20,442,623	\$ 26,737,487
Special Revenue Funds:				
Fire District	-	3,524,562	-	1,368,993
Law Library	-	2,516	-	112,968
Community Services	-	15,400	-	60,029
Grant	269,133	1,239,355	1,457,963	80,172
HUD	23,499	136,806	-	16,911
Senior Services	6,157	66,803	3,394,235	39,920
Hotel/Motel Tax	-	256,757	-	3,021,223
Emergency 911	-	78,468	-	955,336
Parking Deck Facility	-	2,164	56,315	2,077
Debt Service Fund	116,767	-	-	-

COBB COUNTY, GEORGIA
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Capital Projects Funds:				
Road Sales Tax Extension	-	-	1,413,519	-
Public Facilities	11,929,832	-	18,051,629	1,875,145
Parks and Recreation	-	-	-	27,536
Road Sales Tax Fund 1994	-	-	225,000	2,021,507
Enterprise Funds:				
Water and Sewer - Unrestricted	27,255,857	665,524	192,669	15,041,031
Solid Waste Disposal - Unrestricted	-	27,361,947	18,302	18,787
Solid Waste Disposal - Restricted	2,841,781	-	-	-
Cobblestone Golf Course - Unrestricted	-	1,004,961	-	8,367
Mable House Amphitheater	-	600,000	-	-
Public Transit System	-	17,216	6,543,654	113,486
Internal Service Fund:				
Claims	<u>7,689,155</u>	<u>-</u>	<u>-</u>	<u>294,934</u>
Totals before transfer expense	<u>\$ 53,732,186</u>	<u>\$ 53,732,186</u>	<u>\$ 51,795,909</u>	<u>\$ 51,795,909</u>
Component Unit	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,063,968</u>
Total Primary Government	<u><u>\$ 53,732,186</u></u>	<u><u>\$ 53,732,186</u></u>	<u><u>\$ 51,795,909</u></u>	<u><u>\$ 52,859,877</u></u>

During the year, existing capital assets related to governmental funds, with a book value of \$7,136,706, were transferred to a proprietary fund. No amounts were reported in the governmental fund statements, as the amount did not involve the transfer of financial resources. However, the proprietary fund did report the transfer as a capital contribution for the capital resources received. In the government-wide financial statements, the transfer is reported as a transfer out of the governmental activities and a transfer in to the business-type activities.

B. Primary Government and Component Units

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Cobb-Marietta Coliseum and Exhibit Hall Authority	<u>\$ 123,342</u>	<u>\$ 123,342</u>	<u>\$ 6,316,217</u>	<u>\$ 6,316,217</u>
	<u><u>\$ 123,342</u></u>	<u><u>\$ 123,342</u></u>	<u><u>\$ 6,316,217</u></u>	<u><u>\$ 6,316,217</u></u>

COBB COUNTY, GEORGIA
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C. Due From/To Restricted Assets

The unrestricted Water and Sewer account owes \$1,040,897 to the Water and Sewer Revenue Bonds Contingency account (included in restricted assets). This balance of \$1,040,897 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.

	<u>Due to Restricted Assets</u>
Water and Sewer – Unrestricted	\$1,040,897

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 is presented below:

	Solid Waste Disposal Fund	Cobblestone Golf Course Fund	Totals
Condensed Statement of Net Assets			
Assets:			
Current Assets	\$ 130,553	\$ 399,245	\$ 529,798
Due from other funds	-	-	-
Restricted assets	3,163,028	60,004	3,223,032
Capital assets	18,250,124	6,639,662	24,889,786
Other assets	187,158	39,634	226,792
Total assets	\$ 21,730,863	\$ 7,138,545	\$ 28,869,408
Liabilities:			
Current liabilities	\$ 1,072,755	\$ 80,135	1,152,890
Due to other funds	27,361,947	1,004,961	28,366,908
Current liabilities payable from restricted assets	1,499,080	415,004	1,914,084
Noncurrent liabilities	48,129,372	4,148,100	52,277,472
Total liabilities	\$ 78,063,154	\$ 5,648,200	\$ 83,711,354
Net Assets:			
Invested in capital assets, net of related debt	\$ (2,451,647)	\$ 2,138,685	\$ (312,962)
Restricted	3,163,028	-	3,163,028

COBB COUNTY, GEORGIA
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	(57,043,672)	(648,340)	(57,692,012)
Unrestricted			
Total net assets	\$ (56,332,291)	\$ 1,490,345	\$ (54,841,946)
Condensed Statement of Revenues, Expenses and Changes in Net Assets			
Operating revenues	\$ 5,609,955	\$ 1,799,798	\$ 7,409,753
Operating expenses	9,246,132	1,302,627	10,548,759
Operating income (loss)			
before depreciation	(3,636,177)	497,171	(3,139,006)
Depreciation	\$ (3,033,593)	\$ (117,516)	\$ (3,151,109)
Operating income (loss)	\$ (6,669,770)	\$ 379,655	\$ (6,290,115)
Nonoperating revenues, (expenses), net	\$ (1,391,424)	\$ (280,726)	\$ (1,672,150)
Net income (loss) before operating transfers	\$ (8,061,194)	\$ 98,929	\$ (7,962,265)
Operating transfers in (out), net	(485)	(8,367)	(8,852)
Changes in net assets	\$ (8,061,679)	\$ 90,562	\$ (7,971,117)
Beginning net assets	(48,270,612)	1,299,794	(46,870,829)
Ending net assets	\$ (56,332,291)	\$ 1,390,356	\$ (54,841,946)
Condensed Statement of Cash Flows			
Net cash provided (used) by:			
Operating activities	\$ 2,772,628	\$ 930,773	\$ 3,703,401
Noncapital financing activities	(485)	(8,367)	(8,852)
Capital and related financing activities	(1,756,536)	(593,360)	(2,349,896)
Investing activities	7,744	(21,942)	(14,198)
Net increase (decrease)	1,023,351	307,104	1,330,455
Beginning cash and cash equivalents	\$ 368,124	\$ 107,086	\$ 475,210
Ending cash and cash equivalents	\$ 1,391,475	\$ 414,190	\$ 1,805,665

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

	Deficit
<u>Fund</u>	<u>Retained Earnings</u>
Cobb Senior Services Special Revenue Fund	\$ 287,669
Solid Waste Disposal Enterprise Fund	\$ 56,332,291

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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 will again be analyzed on a monthly basis in FY04 to address the remaining deficit balance.

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. Funds received from federal grants are not recognized as "other financing sources". These funds are classified as contributed capital. 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 will be put into place in FY04. The total equity (contributed capital and retained earnings) of the Solid Waste Disposal Enterprise Fund at September 30, 2003 was a deficit of \$56,332,291.

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

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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

General Fund:

Cobb County Board of Education	\$	24,251	
Cobb County Board of Health		368	
Cobb County Community Services Board		13,801	
City of Acworth, Georgia		2,842	
City of Austell, Georgia		825,988	
City of Kennesaw, Georgia		6,119	
City of Marietta, Georgia		172,011	
City of Powder Springs, Georgia		5,890	
City of Smyrna, Georgia		6,386	
State of Georgia, Department of Human Resources		1,150	
Total General Fund			\$ 1,058,806

Special Revenue Funds:

Community Services Fund:

State of Georgia, Department of Human Resources		\$ 113,439
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Grant Fund:

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
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United States, Federal Aviation Administration	313		
State of Georgia, Child and Youth Council	80,964		
State of Georgia, Council of Juvenile Court Judges	19,200		
State of Georgia, Department of Human Resources	183,392		
State of Georgia, Department of Transportation	620,024		
State of Georgia, Office of Highway Safety Council	32,866		
State of Georgia, Public Safety Training Center	<u>124,931</u>	1,061,690	
Housing and Urban Development Fund:			
United States, Department of housing and Urban Development		1,144,116	
Senior Services Fund:			
Atlanta Regional Commission		<u>97,167</u>	
Total Special Revenue Funds			2,416,412
Capital Projects Funds:			
Road Sales Tax 1994 Fund:			
City of Acworth, Georgia	\$ 219,583		
City of Austell, Georgia	164,998		
City of Kennesaw, Georgia	313,426		
City of Powder Springs, Georgia	<u>198,447</u>		
Total Capital Projects Funds			896,454
Proprietary Funds:			
Water System Fund:			
City of Powder Springs, Georgia		129,000	
Public Transit System Fund:			
Federal Transit Administration	\$ 1,188,058		
State of Georgia, Department of Transportation	<u>304,588</u>	<u>1,492,646</u>	
Total Proprietary Funds			<u>1,621,646</u>
Total Due from Other Governments and Agencies - Primary Government			<u>\$ 5,993,318</u>

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, 2003, there were 725 retirees eligible for the benefits. The cost of retiree health

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care benefits is recognized as an expense as claims are incurred. For fiscal year 2003, those costs were approximately \$4.6 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, 2002 was \$155,793,482. Current membership in the plan is comprised of the following:

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<u>Group</u>	<u>January 1, 2003</u>
Retirees and beneficiaries	
currently receiving benefits	956
Vested terminated employees	617
Fully vested and non-vested active employees	3,775

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, 2003, the County contributed \$14,013,044 to the Plan during the fiscal year. This contribution consisted of \$8,299,926 (5.3% of covered payroll) for normal cost, and \$5,713,118 (3.7% 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. For fiscal year 2003, these contributions totaled \$6,466,423.

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.

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

Supplemental Benefits:
 Pre-Retirement Spouse Benefits:
 Active Employees

Eligibility

Age 30 with 5 years of service; married one full year prior to death.

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

Benefit Formula	45% of Projected Normal Retirement Benefit unreduced commencing immediately.
Terminated Vested Participant Eligibility	Terminated participant who had a vested right to retirement income and has attained age 30, married one full year prior to death.
Benefit Formula	<p>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.</p> <p>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.</p>

4. Investments:

The securities listed below each comprised more than 5% of the net assets available for pension benefits as of September 30, 2003:

<u>Security Description</u>	<u>Total Market Value</u>	<u>% of Net Assets Available</u>
Vanguard Institutional Index Fund	\$15,441,536	7.0%
Clipper Fund, Inc.	\$17,267,017	7.9%

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.

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

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 2003 was \$4,896,645.

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
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Note 22. Contributed Capital

Contributions received by proprietary funds prior to September 30, 2001 from state and federal agencies, other funds and private corporations and individuals, have been recorded in the Equity Section of the Balance Sheet under the caption "Contributed Capital". As reported in Note 1, beginning October 1, 2001, with the implementation of GASB 33, the County now recognizes such contributions as non-operating revenues in the Statement of Revenues, Expenses and Changes in Retained Earnings.

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

Contributed Capital recognized as revenue for the fiscal year ending September 30, 2003 are presented below:

Source	
Developers	\$11,996,427
Donations	<u>7,629,999</u>
Total Contributed Capital	<u>\$19,626,426</u>

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 \$27,160,457 and \$27,325,755 as of September 30, 2003 and 2002, 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, 2003. 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, 2003, 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 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.

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

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, 2003 follows:

Lodging tax receipts	\$ 8,056,595
Disbursements to bond Trustee on behalf of the Cobb-Marietta Coliseum and Exhibit Hall Authority	<u>(7,371,911)</u>
Balance of lodging tax on hand at end of year	<u>\$ 684,684</u>

Balance on hand at the end of the year was distributed to bond trustee of Cobb-Marietta Coliseum and Exhibit Hall Authority in October 2003 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 \$3,021,223. 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 \$613,685 to the ARC for the year ended September 30, 2003. 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.

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

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. Restatement of Fund Balances/Net Assets

Primary Government:

The prior period adjustment in the Cobblestone Golf Course fund was to reduce fund balance for a prior period overstatement of fixed assets. The adjustment resulted in the following change to fund balance as of September 30, 2002:

Fund balance as previously reported	\$ 1,399,783
Prior period adjustment	<u>(99,989)</u>
Fund balance as adjusted	<u>\$ 1,299,794</u>

Component Unit: Cobb-Marietta Coliseum and Exhibit Hall Authority

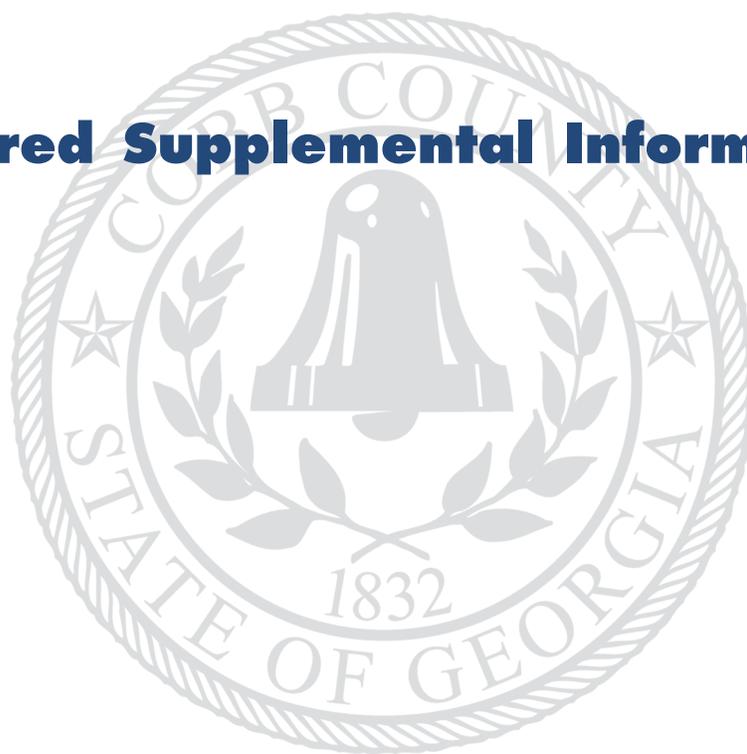
The prior period adjustment in the General Fund was to eliminate an amount incorrectly recorded as revenue and a receivable in a prior year. The adjustment resulted in the following change to fund balance as of September 30, 2003:

Fund balance as previously reported	\$ 27,134,230
Prior period adjustment	<u>(130,709)</u>
Fund balance as adjusted	<u>\$ 27,003,521</u>

Note 28. Subsequent Event

In December 2003, the County issued Series 2003 Water and Sewerage Revenue Improvement Bonds in the amount of \$100,000,000. The bond is repayable over 20 years with the principal payment beginning January 1, 2009 and bears interest at a rate of 4.0% to 5.0% which is payable semiannually over 20 years on July 1 and January 1 of each year beginning July 1, 2004.

Required Supplemental Information



**COBB COUNTY, GEORGIA
EMPLOYEE RETIREMENT SYSTEM
Required Supplementary Information
September 30, 2003**

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
01/01/97	113,230,996	118,648,094	95.4%	5,417,098	101,927,300	5.3%
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%

SCHEDULE OF FUNDING PROGRESS

Annual Pension Cost (APC)

Fiscal Year	Employer Contributions	Employee Contributions	% Of APC Contributed	Net Pension Obligation
09/30/96	\$ 7,604,609	\$ --	100%	\$ --
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	100%	--
09/30/01	11,436,463	5,820,896	100%	--
09/30/02	12,481,461	6,131,527	100%	--
09/30/03	14,085,778	6,466,423	100%	--

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, 2003

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:	01/01/03
Actuarial cost method:	Projected unit credit cost method
Amortization method:	Level percentage of payroll amortization
Remaining amortization period:	40 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 will be increased by an additional .75% bringing the County’s total contribution to 9.31%. In addition, effective January 1, 2004 the employees’ contribution amount will increase by .25% increasing the employees’ total contribution to 4.25%.

Cobb County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 160,448,177	\$ 160,706,066	\$ 161,755,683	\$ 1,049,617
Licenses and permits	16,734,286	16,734,286	18,073,485	1,339,199
Intergovernmental	1,368,807	1,398,807	10,962,684	9,563,877
Charges for services	36,454,837	36,830,216	45,455,205	8,624,989
Fines and forfeits	12,764,417	13,699,633	14,908,208	1,208,575
Interest earned	900,000	965,555	814,559	(150,996)
Miscellaneous	1,717,820	4,130,565	4,283,104	152,539
Total revenues	\$ 230,388,344	\$ 234,465,128	\$ 256,252,928	\$ 21,787,800
Expenditures:				
Current				
General government:				
Legislative:				
Board of Commissioners				
Personnel Services	\$ 564,273	\$ 623,785	\$ 626,492	\$ (2,707)
Operating Expenditures	52,296	52,296	51,117	1,179
	<u>616,569</u>	<u>676,081</u>	<u>677,609</u>	<u>(1,528)</u>
Other Governmental				
Operating Expenditures	1,246,012	1,278,513	1,271,210	7,303
Non-Profit Service Agency				
Operating Expenditures	1,015,177	1,169,610	1,165,029	4,581
Total legislative	<u>2,877,758</u>	<u>3,124,204</u>	<u>3,113,848</u>	<u>10,356</u>
Judicial:				
Pre-Trial Services				
Personnel Services	464,029	471,890	419,467	52,423
Operating Expenditures	21,168	22,843	17,697	5,146
	<u>485,197</u>	<u>494,733</u>	<u>437,164</u>	<u>57,569</u>
Clerk of State Court				
Personnel Services	2,951,175	3,016,610	2,990,431	26,179
Operating Expenditures	151,985	151,987	138,331	13,656
Capital Outlay	6,120	86,165	84,105	2,060
	<u>3,109,280</u>	<u>3,254,762</u>	<u>3,212,867</u>	<u>41,895</u>
Clerk of Superior Court				
Personnel Services	3,736,431	3,933,633	3,765,579	168,054
Operating Expenditures	167,387	166,023	159,976	6,047
Capital Outlay	11,162	10,586	6,409	4,177
	<u>3,914,980</u>	<u>4,110,242</u>	<u>3,931,964</u>	<u>178,278</u>
District Attorney				
Personnel Services	4,101,601	4,532,889	4,523,791	9,098
Operating Expenditures	307,247	363,060	317,613	45,447
Capital Outlay	-	1,267,397	-	1,267,397
	<u>4,408,848</u>	<u>6,163,346</u>	<u>4,841,404</u>	<u>1,321,942</u>

Continued on next page.

Cobb County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Chief Magistrate				
Personnel Services	1,965,185	2,000,164	1,867,150	133,014
Operating Expenditures	93,701	94,455	91,925	2,530
Capital Outlay	29,660	31,686	12,700	18,986
	<u>2,088,546</u>	<u>2,126,305</u>	<u>1,971,775</u>	<u>154,530</u>
Juvenile Court				
Personnel Services	3,176,077	3,250,809	3,407,822	(157,013)
Operating Expenditures	147,137	247,048	234,469	12,579
Capital Outlay	7,281	186,816	-	186,816
	<u>3,330,495</u>	<u>3,684,673</u>	<u>3,642,291</u>	<u>42,382</u>
State Court Division II				
Personnel Services	840,081	841,798	882,743	(40,945)
Operating Expenditures	53,732	62,732	58,173	4,559
	<u>893,813</u>	<u>904,530</u>	<u>940,916</u>	<u>(36,386)</u>
Probate Court				
Personnel Services	769,160	787,534	789,426	(1,892)
Operating Expenditures	68,114	68,114	60,915	7,199
	<u>837,274</u>	<u>855,648</u>	<u>850,341</u>	<u>5,307</u>
Solicitor				
Personnel Services	2,867,365	3,336,939	3,394,233	(57,294)
Operating Expenditures	50,790	103,301	89,627	13,674
Capital Outlay	-	558,036	100,794	457,242
	<u>2,918,155</u>	<u>3,998,276</u>	<u>3,584,654</u>	<u>413,622</u>
State Court				
Personnel Services	3,015,558	3,046,421	3,113,636	(67,215)
Operating Expenditures	373,078	388,242	390,827	(2,585)
	<u>3,388,636</u>	<u>3,434,663</u>	<u>3,504,463</u>	<u>(69,800)</u>
Superior Court				
Personnel Services	3,189,015	3,259,867	3,248,195	11,672
Operating Expenditures	871,681	879,857	843,185	36,672
Capital Outlay	150,000	369,455	14,861	354,594
	<u>4,210,696</u>	<u>4,509,179</u>	<u>4,106,241</u>	<u>402,938</u>
Circuit Defender				
Personnel Services	437,236	446,682	475,519	(28,837)
Operating Expenditures	3,056,016	3,897,559	3,829,481	68,078
	<u>3,493,252</u>	<u>4,344,241</u>	<u>4,305,000</u>	<u>39,241</u>
Total judicial	<u>33,079,172</u>	<u>37,880,598</u>	<u>35,329,080</u>	<u>2,551,518</u>
Executive and administrative:				
County Manager				
Personnel Services	500,844	513,478	518,097	(4,619)
Operating Expenditures	38,365	42,692	44,052	(1,360)
Capital Outlay	-	101,148	-	101,148
	<u>539,209</u>	<u>657,318</u>	<u>562,149</u>	<u>95,169</u>

Continued on next page.

Cobb County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
General Administrative				
Personnel Services	210,117	9,840	-	9,840
Operating Expenditures	3,999,444	4,203,369	4,202,056	1,313
Capital Outlay	9,068,265	3,034,143	-	3,034,143
	13,277,826	7,247,352	4,202,056	3,045,296
Information Services				
Personnel Services	6,631,469	6,819,371	6,895,290	(75,919)
Operating Expenditures	3,874,443	3,819,293	3,579,157	240,136
Capital Outlay	126,191	417,488	23,588	393,900
	10,632,103	11,056,152	10,498,035	558,117
Drug Treatment				
Personnel Services	241,297	247,764	252,286	(4,522)
Operating Expenditures	128,770	177,126	174,912	2,214
Capital Outlay	-	151,338	-	151,338
	370,067	576,228	427,198	149,030
Finance				
Personnel Services	1,926,366	1,973,184	1,942,642	30,542
Operating Expenditures	256,852	254,879	219,893	34,986
Capital Outlay	1,339	649,546	1,973	647,573
	2,184,557	2,877,609	2,164,508	713,101
Purchasing				
Personnel Services	2,742,665	2,804,797	2,689,335	115,462
Operating Expenditures	2,146,632	2,447,194	2,162,825	284,369
Capital Outlay	2,485,311	2,530,313	2,420,326	109,987
	7,374,608	7,782,304	7,272,486	509,818
Tax Assessor				
Personnel Services	2,461,908	2,519,585	2,404,330	115,255
Operating Expenditures	1,528,703	1,554,761	1,572,696	(17,935)
Capital Outlay	6,600	2,056	-	2,056
	3,997,211	4,076,402	3,977,026	99,376
Internal Audit				
Personnel Services	654,535	670,777	677,544	(6,767)
Operating Expenditures	23,060	21,875	12,962	8,913
	677,595	692,652	690,506	2,146
Human Resources				
Personnel Services	1,560,065	1,600,956	1,463,662	137,294
Operating Expenditures	368,678	376,478	342,150	34,328
	1,928,743	1,977,434	1,805,812	171,622
Ethics Board				
Operating Expenditures	1,130	1,130	-	1,130
	1,130	1,130	-	1,130
Property Management				
Personnel Services	3,110,261	3,181,248	3,011,857	169,391
Operating Expenditures	3,949,745	4,072,437	3,868,825	203,612
Capital Outlay	35,200	93,374	35,132	58,242
	7,095,206	7,347,059	6,915,814	431,245

Continued on next page.

Cobb County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Tax Commissioner				
Personnel Services	4,302,814	4,398,280	4,353,149	45,131
Operating Expenditures	448,973	399,981	276,358	123,623
Capital Outlay	30,078	96,298	20,488	75,810
	<u>4,781,865</u>	<u>4,894,559</u>	<u>4,649,995</u>	<u>244,564</u>
Public Services				
Personnel Services	187,819	192,263	198,004	(5,741)
Operating Expenditures	6,214	6,214	4,404	1,810
	<u>194,033</u>	<u>198,477</u>	<u>202,408</u>	<u>(3,931)</u>
Communications				
Personnel Services	636,924	654,576	670,051	(15,475)
Operating Expenditures	260,225	311,227	296,336	14,891
Capital Outlay	-	1,115,705	348,235	767,470
	<u>897,149</u>	<u>2,081,508</u>	<u>1,314,622</u>	<u>766,886</u>
Support Services				
Personnel Services	630,984	650,262	671,083	(20,821)
Operating Services	1,428,879	1,428,249	1,442,845	(14,596)
Capital Outlay	-	4,430	-	4,430
	<u>2,059,863</u>	<u>2,082,941</u>	<u>2,113,928</u>	<u>(30,987)</u>
Elections & Registration				
Personnel Services	1,889,642	1,769,237	1,476,962	292,275
Operating Expenditures	381,642	439,695	519,122	(79,427)
Capital Outlay	104,840	330,377	236,216	94,161
	<u>2,376,124</u>	<u>2,539,309</u>	<u>2,232,300</u>	<u>307,009</u>
County Clerk				
Personnel Services	248,524	252,597	248,800	3,797
Operating Expenditures	54,121	51,990	42,116	9,874
Capital Outlay	-	2,600	926	1,674
	<u>302,645</u>	<u>307,187</u>	<u>291,842</u>	<u>15,345</u>
Law Department				
Personnel Services	1,093,132	1,120,890	1,160,705	(39,815)
Operating Expenditures	484,589	484,601	333,349	151,252
	<u>1,577,721</u>	<u>1,605,491</u>	<u>1,494,054</u>	<u>111,437</u>
Total executive and administrative	<u>60,267,655</u>	<u>58,001,112</u>	<u>50,814,739</u>	<u>7,186,373</u>
Total general government	<u>96,224,585</u>	<u>99,005,914</u>	<u>89,257,667</u>	<u>9,748,247</u>
Public Safety:				
P S Training Center				
Personnel Services	1,252,394	1,282,801	1,233,341	49,460
Operating Expenditures	236,677	203,367	154,015	49,352
Capital Outlay	3,500	106,132	100,000	6,132
	<u>1,492,571</u>	<u>1,592,300</u>	<u>1,487,356</u>	<u>104,944</u>
Police Department				
Personnel Services	33,994,158	36,514,526	34,938,040	1,576,486
Operating Expenditures	2,692,115	2,518,121	2,456,851	61,270
Capital Outlay	56,591	96,490	310,968	(214,478)
	<u>36,742,864</u>	<u>39,129,137</u>	<u>37,705,859</u>	<u>1,423,278</u>

Continued on next page.

Cobb County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Countywide-800MHZ				
Personnel Services	63,200	72,722	80,664	(7,942)
Operating Expenditures	1,044,638	1,025,044	944,386	80,658
Capital Outlay	124,361	882,989	-	882,989
	<u>1,232,199</u>	<u>1,980,755</u>	<u>1,025,050</u>	<u>955,705</u>
Animal Control				
Personnel Services	1,479,799	1,524,106	1,508,729	15,377
Operating Expenditures	357,395	362,205	353,486	8,719
Capital Outlay	-	54,958	28,582	26,376
	<u>1,837,194</u>	<u>1,941,269</u>	<u>1,890,797</u>	<u>50,472</u>
Public Safety				
Personnel Services	1,050,230	1,074,401	1,083,340	(8,939)
Operating Expenditures	74,120	71,920	46,181	25,739
	<u>1,124,350</u>	<u>1,146,321</u>	<u>1,129,521</u>	<u>16,800</u>
Sheriff				
Personnel Services	12,040,920	12,306,984	12,833,741	(526,757)
Operating Expenditures	697,471	677,870	743,361	(65,491)
Capital Outlay	10,280	13,515	-	13,515
	<u>12,748,671</u>	<u>12,998,369</u>	<u>13,577,102</u>	<u>(578,733)</u>
Corrections				
Personnel Services	17,924,545	18,659,466	19,698,885	(1,039,419)
Operating Expenditures	11,900,708	11,564,421	10,609,908	954,513
Capital Outlay	38,909	56,220	71,148	(14,928)
	<u>29,864,162</u>	<u>30,280,107</u>	<u>30,379,941</u>	<u>(99,834)</u>
Medical Examiner				
Personnel Services	355,485	364,287	387,890	(23,603)
Operating Expenditures	427,637	427,437	419,741	7,696
	<u>783,122</u>	<u>791,724</u>	<u>807,631</u>	<u>(15,907)</u>
Total public safety	<u>85,825,133</u>	<u>89,859,982</u>	<u>88,003,257</u>	<u>1,856,725</u>
Public works:				
Department of Transportation				
Personnel Services	8,304,086	8,499,187	8,018,074	481,113
Operating Expenditures	9,075,137	10,369,038	7,543,026	2,826,012
Capital Outlay	240,761	381,658	2,308,035	(1,926,377)
	<u>17,619,984</u>	<u>19,249,883</u>	<u>17,869,135</u>	<u>1,380,748</u>
Total public works	<u>17,619,984</u>	<u>19,249,883</u>	<u>17,869,135</u>	<u>1,380,748</u>
Culture and Recreation				
Extension Service				
Personnel Services	379,824	387,578	323,325	64,253
Operating Expenditures	36,612	34,962	30,145	4,817
	<u>416,436</u>	<u>422,540</u>	<u>353,470</u>	<u>69,070</u>

Continued on next page.

Cobb County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2003

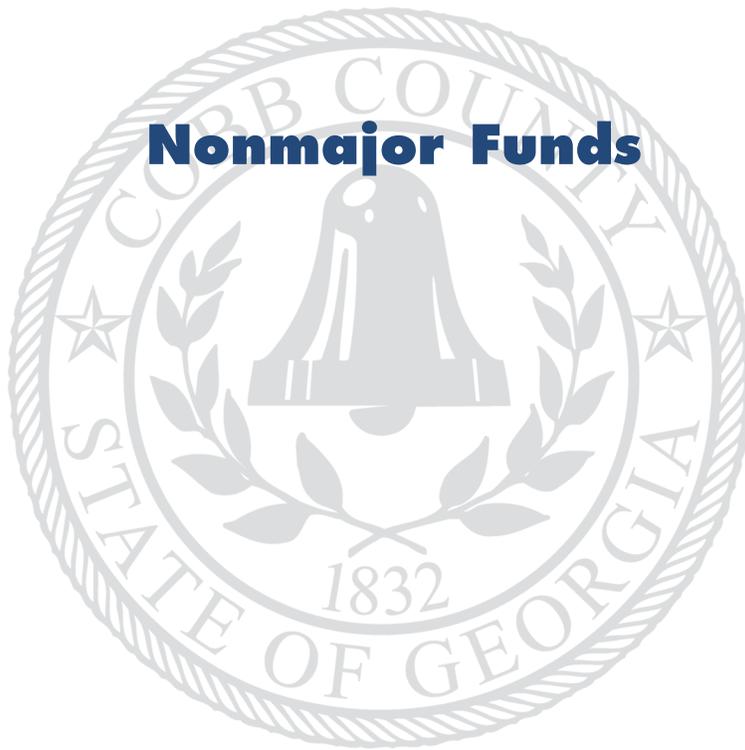
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Library				
Personnel Services	6,317,128	6,596,343	6,913,559	(317,216)
Operating Expenditures	1,703,773	2,070,381	2,069,004	1,377
Capital Outlay	482,130	419,842	12,564	407,278
	<u>8,503,031</u>	<u>9,086,566</u>	<u>8,995,127</u>	<u>91,439</u>
Parks and Recreation				
Personnel Services	9,116,375	9,511,052	9,509,459	1,593
Operating Expenditures	5,327,597	5,759,175	5,959,410	(200,235)
Capital Outlay	623,210	854,928	618,196	236,732
	<u>15,067,182</u>	<u>16,125,155</u>	<u>16,087,065</u>	<u>38,090</u>
Total culture and recreation	<u>23,986,649</u>	<u>25,634,261</u>	<u>25,435,662</u>	<u>198,599</u>
Housing and development:				
Economic Development				
Personnel Services	138,176	188,879	176,077	12,802
Operating Expenditures	11,057	42,567	15,350	27,217
	<u>149,233</u>	<u>231,446</u>	<u>191,427</u>	<u>40,019</u>
Community Development				
Personnel Services	5,867,315	6,003,295	5,749,468	253,827
Operating Expenditures	294,102	304,539	247,220	57,319
Capital Outlay	600	28,145	-	28,145
	<u>6,162,017</u>	<u>6,335,979</u>	<u>5,996,688</u>	<u>339,291</u>
Total housing and development	<u>6,311,250</u>	<u>6,567,425</u>	<u>6,188,115</u>	<u>379,310</u>
Total current	<u>229,967,601</u>	<u>240,317,465</u>	<u>226,753,836</u>	<u>13,563,629</u>
Debt service:				
Principal retirement	693,299	693,299	622,630	70,669
Interest and fiscal charges	1,279,542	1,279,542	434,069	845,473
Total debt service	<u>1,972,841</u>	<u>1,972,841</u>	<u>1,056,699</u>	<u>916,142</u>
Total expenditures	<u>\$ 231,940,442</u>	<u>\$ 242,290,306</u>	<u>\$ 227,810,535</u>	<u>\$ 14,479,771</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (1,552,098)</u>	<u>\$ (7,825,178)</u>	<u>\$ 28,442,393</u>	<u>\$ 36,267,571</u>

Continued on next page

Cobb County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Other financing sources (uses):				
Transfers in	\$ 19,319,169	\$ 19,572,224	\$ 20,442,623	\$ 870,399
Transfers out	(19,425,207)	(26,930,309)	(26,737,487)	192,822
Expense transfers out - Component Unit	(1,063,969)	(1,063,969)	(1,063,969)	-
Total other financing sources (uses)	<u>\$ (1,170,007)</u>	<u>\$ (8,422,054)</u>	<u>\$ (7,358,833)</u>	<u>\$ 1,063,221</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (2,722,105)</u>	<u>\$ (16,247,232)</u>	\$ 21,083,560	<u>\$ 37,330,792</u>
Fund balances at beginning of year			<u>44,455,173</u>	
Fund balances at end of year - budgetary basis			\$ 65,538,733	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			<u>2,683,895</u>	
Fund balances at end of year - GAAP basis			<u>\$ 68,222,628</u>	

Nonmajor Funds



NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

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

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

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

The **Parking Deck Facility** 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.

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, 2003

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Project Funds	Debt Service Fund	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 11,745,236	\$ 2,640,370	\$ 4,256,493	\$ 18,642,099
Equity in pooled investments, at fair value	605,927	175,589	-	781,516
Receivables:				
Taxes	-	-	3,368,885	3,368,885
Accrued interest	287	-	301	588
Other	1,975,689	640,635	175,777	2,792,101
Due from other funds	298,789	11,929,832	116,767	12,345,388
Due from component units	256,757	-	-	256,757
Due from others	20	853,731	-	853,751
Due from other governments and agencies	2,416,412	-	-	2,416,412
Prepaid expenditures	2,555	-	-	2,555
	<u>\$ 17,301,672</u>	<u>\$ 16,240,157</u>	<u>\$ 7,918,223</u>	<u>\$ 41,460,052</u>
Liabilities and Fund Balances				
Liabilities:				
Bank overdraft	\$ 267,632	\$ -	\$ -	\$ 267,632
Accounts payable	3,302,830	2,412,067	5	5,714,902
Accrued payroll	72,444	-	-	72,444
Due to other funds	1,798,269	-	-	1,798,269
Due to others	689,658	5,047	-	694,705
Capital lease payable	160,000	-	-	160,000
Accrued interest payable	44,465	-	659,555	704,020
Bonds payable (due within one year)	-	-	4,905,000	4,905,000
Deferred revenue	4,361,689	-	367,996	4,729,685
	<u>\$ 10,696,987</u>	<u>\$ 2,417,114</u>	<u>\$ 5,932,556</u>	<u>\$ 19,046,657</u>
Fund balances:				
Reserved for encumbrances	\$ 76	\$ -	\$ -	\$ 76
Reserved for inventories and prepaid expenditures	1,410	-	-	1,410
Reserved for construction and capital outlay	612,569	13,823,043	-	14,435,612
Reserved for debt service	-	-	1,985,667	1,985,667
Unreserved:				
Designated for subsequent years' expenditures	612,885	-	-	612,885
Undesignated	5,377,745	-	-	5,377,745
	<u>\$ 6,604,685</u>	<u>\$ 13,823,043</u>	<u>\$ 1,985,667</u>	<u>\$ 22,413,395</u>
Total liabilities and fund balances	<u>\$ 17,301,672</u>	<u>\$ 16,240,157</u>	<u>\$ 7,918,223</u>	<u>\$ 41,460,052</u>

Cobb County, Georgia
All Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended September 30, 2003

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Project Funds	Debt Service Fund	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 3,021,223	\$ -	\$ 4,719,911	\$ 7,741,134
Intergovernmental	15,908,303	2,246,904	-	18,155,207
Charges for services	9,592,989	-	492,038	10,085,027
Fines and forfeits	-	-	1,399,240	1,399,240
Interest earned	211,152	47,296	98,025	356,473
Contributions	65,332	-	-	65,332
Miscellaneous	1,066,639	1,271,959	112,177	2,450,775
Total revenues	\$ 29,865,638	\$ 3,566,159	\$ 6,821,391	\$ 40,253,188
Expenditures:				
Current:				
General government	\$ 1,538,909	\$ 7,405,025	\$ 317,624	\$ 9,261,558
Public safety	9,839,445	1,071,674	-	10,911,119
Public works	1,065,860	8,910,787	-	9,976,647
Health and welfare	4,708,724	-	-	4,708,724
Culture and recreation	941,660	2,694,849	-	3,636,509
Housing and development	11,147,515	-	-	11,147,515
Debt Service:				
Principal	315,561	1,763,906	4,905,000	6,984,467
Interest and fiscal charges	193,025	190,094	2,481,890	2,865,009
Total expenditures	\$ 29,750,699	\$ 22,036,335	\$ 7,704,514	\$ 59,491,548
Excess (deficiency) of revenues over (under) expenditures	\$ 114,939	\$ (18,470,176)	\$ (883,123)	\$ (19,238,360)
Other financing sources (uses):				
Transfers in	\$ 4,908,513	\$ 19,465,148	\$ -	\$ 24,373,661
Transfers out	(4,288,636)	(1,902,680)	-	(6,191,316)
Capital lease proceeds	-	3,787,719	-	3,787,719
Refunding bonds issued	-	-	34,218,180	34,218,180
Payment to refund bond escrow agent	-	-	(33,808,908)	(33,808,908)
Total other financing sources (uses)	\$ 619,877	\$ 21,350,187	\$ 409,272	\$ 22,379,336
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	\$ 734,816	\$ 2,880,011	\$ (473,851)	\$ 3,140,976
Fund balances at beginning of year	5,869,869	10,943,032	2,459,518	19,272,419
Fund balances at end of year	\$ 6,604,685	\$ 13,823,043	\$ 1,985,667	\$ 22,413,395

Cobb County, Georgia
Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet
September 30, 2003

	Law Library Fund	Community Services Fund	Grant Fund	Housing & Urban Development Grant
Assets				
Cash and cash equivalents	\$ 261,926	\$ 28,323	\$ 4,713,733	\$ 1,098,371
Equity in pooled investments, at fair value	27,346	-	83,477	-
Receivables:				
Accrued interest	-	23	-	264
Other	40,318	-	737,942	-
Due from other funds	-	-	269,133	23,499
Due from component units	-	-	-	-
Due from others	-	-	-	-
Due from other governments and agencies	-	113,439	1,061,690	1,144,116
Prepaid expenditures	-	-	1,086	-
 Total assets	 <u>\$ 329,590</u>	 <u>\$ 141,785</u>	 <u>\$ 6,867,061</u>	 <u>\$ 2,266,250</u>
Liabilities and Fund Balances				
Liabilities:				
Bank overdraft	\$ -	\$ -	\$ -	\$ -
Accounts payable	23,868	52,901	486,534	1,042,892
Accrued payroll	513	-	31,291	-
Due to other funds	2,516	15,400	1,239,355	136,806
Due to others	2,743	64,618	260,442	99,648
Capital lease payable	-	-	-	-
Accrued interest payable	-	-	-	-
Deferred revenue	-	-	3,986,558	374,335
 Total liabilities	 <u>\$ 29,640</u>	 <u>\$ 132,919</u>	 <u>\$ 6,004,180</u>	 <u>\$ 1,653,681</u>
Fund balances:				
Reserved for encumbrances	\$ -	\$ -	\$ 76	\$ -
Reserved for inventories and prepaid expenditures	-	-	1,086	-
Reserved for construction and capital outlay	-	-	-	612,569
Unreserved:				
Designated for subsequent years' expenditures	-	-	-	-
Undesignated	299,950	8,866	861,719	-
 Total fund balances	 <u>\$ 299,950</u>	 <u>\$ 8,866</u>	 <u>\$ 862,881</u>	 <u>\$ 612,569</u>
 Total liabilities and fund balances	 <u>\$ 329,590</u>	 <u>\$ 141,785</u>	 <u>\$ 6,867,061</u>	 <u>\$ 2,266,250</u>

Cobb Senior Services Fund	Hotel/Motel Tax Fund	Emergency 911 Fund	Parking Deck Facility Fund	Total Nonmajor Special Revenue Funds
\$ 82,633	\$ -	\$ 5,318,436	\$ 241,814	\$ 11,745,236
-	-	473,515	21,589	605,927
-	-	-	-	287
-	-	1,183,642	13,787	1,975,689
6,157	-	-	-	298,789
-	256,757	-	-	256,757
20	-	-	-	20
97,167	-	-	-	2,416,412
324	-	1,145	-	2,555
<u>\$ 186,301</u>	<u>\$ 256,757</u>	<u>\$ 6,976,738</u>	<u>\$ 277,190</u>	<u>\$ 17,301,672</u>
\$ 267,632	\$ -	\$ -	\$ -	\$ 267,632
22,309	-	1,674,278	48	3,302,830
14,417	-	26,029	194	72,444
66,803	256,757	78,468	2,164	1,798,269
102,809	-	158,308	1,090	689,658
-	-	-	160,000	160,000
-	-	-	44,465	44,465
-	-	601	195	4,361,689
<u>\$ 473,970</u>	<u>\$ 256,757</u>	<u>\$ 1,937,684</u>	<u>\$ 208,156</u>	<u>\$ 10,696,987</u>
\$ -	\$ -	\$ -	\$ -	\$ 76
324	-	-	-	1,410
-	-	-	-	612,569
11,412	-	601,473	-	612,885
(299,405)	-	4,437,581	69,034	5,377,745
<u>\$ (287,669)</u>	<u>\$ -</u>	<u>\$ 5,039,054</u>	<u>\$ 69,034</u>	<u>\$ 6,604,685</u>
<u>\$ 186,301</u>	<u>\$ 256,757</u>	<u>\$ 6,976,738</u>	<u>\$ 277,190</u>	<u>\$ 17,301,672</u>

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, 2003

	Law Library Fund	Community Services Fund	Grant Fund	Housing & Urban Development Grant
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	441,910	7,631,020	6,979,446
Charges for services	488,364	-	-	-
Interest earned	6,866	232	85,369	15,517
Contributions	-	-	-	-
Miscellaneous	4,661	-	509,366	451,630
Total revenues	\$ 499,891	\$ 442,142	\$ 8,225,755	\$ 7,446,593
Expenditures:				
Current:				
General government	\$ -	\$ -	\$ 1,538,909	\$ -
Public safety	-	-	2,491,425	-
Public works	-	-	963,931	-
Health and welfare	-	383,322	-	-
Culture and recreation	415,287	-	526,373	-
Housing and development	-	-	3,865,348	7,282,167
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	\$ 415,287	\$ 383,322	\$ 9,385,986	\$ 7,282,167
Excess (deficiency) of revenues over (under) expenditures	\$ 84,604	\$ 58,820	\$ (1,160,231)	\$ 164,426
Other financing sources (uses):				
Operating transfers in	\$ -	\$ -	\$ 1,457,963	\$ -
Operating transfers out	(112,968)	(60,029)	(80,172)	(16,911)
Total other financing sources (uses)	\$ (112,968)	\$ (60,029)	\$ 1,377,791	\$ (16,911)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	\$ (28,364)	\$ (1,209)	\$ 217,560	\$ 147,515
Fund balances at beginning of year	328,314	10,075	645,321	465,054
Fund balances at end of year	\$ 299,950	\$ 8,866	\$ 862,881	\$ 612,569

Cobb Senior Services Fund	Hotel/Motel Tax Fund	Emergency 911 Fund	Parking Deck Facility Fund	Total Nonmajor Special Revenue Funds
\$ -	\$ 3,021,223	\$ -	\$ -	\$ 3,021,223
855,927	-	-	-	15,908,303
66,768	-	8,598,196	439,661	9,592,989
-	-	99,627	3,541	211,152
65,332	-	-	-	65,332
99,945	-	697	340	1,066,639
<u>\$ 1,087,972</u>	<u>\$ 3,021,223</u>	<u>\$ 8,698,520</u>	<u>\$ 443,542</u>	<u>\$ 29,865,638</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,538,909
-	-	7,348,020	-	9,839,445
-	-	-	101,929	1,065,860
4,325,402	-	-	-	4,708,724
-	-	-	-	941,660
-	-	-	-	11,147,515
-	-	155,561	160,000	315,561
-	-	13,478	179,547	193,025
<u>\$ 4,325,402</u>	<u>\$ -</u>	<u>\$ 7,517,059</u>	<u>\$ 441,476</u>	<u>\$ 29,750,699</u>
<u>\$ (3,237,430)</u>	<u>\$ 3,021,223</u>	<u>\$ 1,181,461</u>	<u>\$ 2,066</u>	<u>\$ 114,939</u>
\$ 3,394,235	\$ -	\$ -	\$ 56,315	\$ 4,908,513
(39,920)	(3,021,223)	(955,336)	(2,077)	(4,288,636)
<u>\$ 3,354,315</u>	<u>\$ (3,021,223)</u>	<u>\$ (955,336)</u>	<u>\$ 54,238</u>	<u>\$ 619,877</u>
\$ 116,885	\$ -	\$ 226,125	\$ 56,304	\$ 734,816
(404,554)	-	4,812,929	12,730	5,869,869
<u>\$ (287,669)</u>	<u>\$ -</u>	<u>\$ 5,039,054</u>	<u>\$ 69,034</u>	<u>\$ 6,604,685</u>

Cobb County, Georgia
Nonmajor Governmental Funds - Capital Projects Funds
Combining Balance Sheet
September 30, 2003

	Road Sales Tax Extension	Parks and Recreation	Public Facilities	Total Nonmajor Capital Project Funds
Assets				
Cash and cash equivalents	\$ 340,220	\$ -	\$ 2,300,150	\$ 2,640,370
Equity in pooled investments, at fair value	76,280	-	99,309	175,589
Receivables:				
Other	-	-	640,635	640,635
Due from other funds	-	-	11,929,832	11,929,832
Due from others	-	-	853,731	853,731
Due from other governments and agencies	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 416,500</u>	<u>\$ -</u>	<u>\$ 15,823,657</u>	<u>\$ 16,240,157</u>
Liabilities and Fund Balances				
Liabilities:				
Contracts payable	\$ 78,212	\$ -	\$ 2,333,855	\$ 2,412,067
Due to other funds	-	-	-	-
Due to others	-	-	5,047	5,047
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>\$ 78,212</u>	<u>\$ -</u>	<u>\$ 2,338,902</u>	<u>\$ 2,417,114</u>
Fund balances:				
Reserved for construction and capital outlay	<u>\$ 338,288</u>	<u>\$ -</u>	<u>\$ 13,484,755</u>	<u>\$ 13,823,043</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 416,500</u>	<u>\$ -</u>	<u>\$ 15,823,657</u>	<u>\$ 16,240,157</u>

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, 2003

	Road Sales Tax Extension	Parks and Recreation	Public Facilities	Total Nonmajor Capital Project Funds
Revenues:				
Intergovernmental	\$ 13,503	\$ -	\$ 2,233,401	\$ 2,246,904
Interest earned	15,364	-	31,932	47,296
Miscellaneous	50,393	-	1,221,566	1,271,959
	<u>79,260</u>	<u>-</u>	<u>3,486,899</u>	<u>3,566,159</u>
Total revenues				
	<u>\$ 79,260</u>	<u>\$ -</u>	<u>\$ 3,486,899</u>	<u>\$ 3,566,159</u>
Expenditures - capital projects:				
Current:				
General government	\$ -	\$ -	\$ 7,405,025	\$ 7,405,025
Public safety	-	-	1,071,674	1,071,674
Public works	1,426,046	-	7,484,741	8,910,787
Culture and recreation	-	-	2,694,849	2,694,849
Debt Service:				
Principal	-	-	1,763,906	1,763,906
Interest and fiscal charges	-	-	190,094	190,094
	<u>1,426,046</u>	<u>-</u>	<u>20,610,289</u>	<u>22,036,335</u>
Total expenditures				
	<u>\$ 1,426,046</u>	<u>\$ -</u>	<u>\$ 20,610,289</u>	<u>\$ 22,036,335</u>
Excess (deficiency) of revenues over expenditures				
	<u>\$ (1,346,786)</u>	<u>\$ -</u>	<u>\$ (17,123,390)</u>	<u>\$ (18,470,176)</u>
Other financing sources (uses):				
Transfers in	\$ 1,413,519	\$ -	\$ 18,051,629	\$ 19,465,148
Transfers out	-	(27,535)	(1,875,145)	(1,902,680)
Capital lease proceeds	-	-	3,787,719	3,787,719
	<u>1,413,519</u>	<u>(27,535)</u>	<u>19,964,203</u>	<u>21,350,187</u>
Total other financing sources (uses)				
	<u>\$ 1,413,519</u>	<u>\$ (27,535)</u>	<u>\$ 19,964,203</u>	<u>\$ 21,350,187</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses				
	<u>\$ 66,733</u>	<u>\$ (27,535)</u>	<u>\$ 2,840,813</u>	<u>\$ 2,880,011</u>
Fund balances at beginning of year				
	<u>271,555</u>	<u>27,535</u>	<u>10,643,942</u>	<u>10,943,032</u>
Fund balances at end of year				
	<u>\$ 338,288</u>	<u>\$ -</u>	<u>\$ 13,484,755</u>	<u>\$ 13,823,043</u>

Cobb County, Georgia
Debt Service Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 7,111,015	\$ 7,111,015	\$ 4,719,911	\$ (2,391,104)
Charges for services	370,000	370,000	492,038	122,038
Fines and forfeits	1,000,000	1,000,000	1,399,240	399,240
Interest earned	85,000	85,000	98,025	13,025
Miscellaneous	110,000	110,000	112,177	2,177
Total revenues	<u>\$ 8,676,015</u>	<u>\$ 8,676,015</u>	<u>\$ 6,821,391</u>	<u>\$ (1,854,624)</u>
Expenditures:				
Current:				
General government	\$ 304,003	\$ 304,003	\$ 317,624	\$ (13,621)
Debt service:				
Principal retirement	4,980,000	4,980,000	4,905,000	75,000
Interest and fiscal charges	2,985,022	2,985,022	2,481,890	503,132
Total expenditures	<u>\$ 8,269,025</u>	<u>\$ 8,269,025</u>	<u>\$ 7,704,514</u>	<u>\$ 564,511</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 406,990</u>	<u>\$ 406,990</u>	\$ (883,123)	<u>\$ (1,290,113)</u>
Other financing sources (uses)				
Refunding bonds issued	-	-	34,218,180	34,218,180
Payment to refund bond escrow agent	-	-	(33,808,908)	(33,808,908)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>409,272</u>	<u>409,272</u>
Excess (deficiency) of revenues and other so sources over (under) expenditures an and other uses	<u>\$ 406,990</u>	<u>\$ 406,990</u>	(473,851)	<u>\$ (880,841)</u>
Fund balance at beginning of year			<u>2,459,518</u>	
Fund balance at end of year - budgetary basis			\$ 1,985,667	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			<u>-</u>	
Fund balance at end of year - GAAP basis			<u>\$ 1,985,667</u>	

Cobb County, Georgia
Law Library Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 500,380	\$ 500,380	\$ 488,364	\$ (12,016)
Interest earned	9,000	9,000	6,866	(2,134)
Miscellaneous	5,000	5,000	4,661	(339)
Total revenues	<u>\$ 514,380</u>	<u>\$ 514,380</u>	<u>\$ 499,891</u>	<u>\$ (14,489)</u>
Expenditures:				
Current:				
Personal services	\$ 85,789	\$ 87,467	\$ 90,529	\$ (3,062)
Operating expenditures	340,239	355,534	324,758	30,776
Capital outlay	1,678	-	-	-
Total expenditures	<u>\$ 427,706</u>	<u>\$ 443,001</u>	<u>\$ 415,287</u>	<u>\$ 27,714</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 86,674</u>	<u>\$ 71,379</u>	<u>\$ 84,604</u>	<u>\$ 13,225</u>
Other financing sources (uses):				
Transfers out	\$ (86,674)	\$ (123,662)	\$ (112,968)	\$ 10,694
Total other financing sources (uses)	<u>\$ (86,674)</u>	<u>\$ (123,662)</u>	<u>\$ (112,968)</u>	<u>\$ 10,694</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ (52,283)</u>	<u>\$ (28,364)</u>	<u>\$ 23,919</u>
Fund balance at beginning of year			<u>328,314</u>	
Fund balances at end of year - budgetary basis			\$ 299,950	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			<u>-</u>	
Fund balance at end of year-GAAP basis			<u>\$ 299,950</u>	

Cobb County, Georgia
Community Services Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 393,829	\$ 450,971	\$ 441,910	\$ (9,061)
Interest earned	-	-	232	232
Total revenues	\$ 393,829	\$ 450,971	\$ 442,142	\$ (8,829)
Expenditures:				
Current:				
Operating expenditures	\$ 331,800	\$ 388,942	\$ 383,322	\$ 5,620
Capital outlay	2,000	2,000	-	2,000
Total expenditures	\$ 333,800	\$ 390,942	\$ 383,322	\$ 7,620
Excess of revenues over expenditures	\$ 60,029	\$ 60,029	\$ 58,820	\$ (1,209)
Other financing sources (uses):				
Transfers out	\$ (60,029)	\$ (60,029)	\$ (60,029)	\$ -
Excess (deficiency) of revenues over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	\$ (1,209)	<u>\$ (1,209)</u>
Fund balance at beginning of year			<u>10,075</u>	
Fund balances at end of year - budgetary basis			\$ 8,866	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			<u>-</u>	
Fund balances at end of year - GAAP basis			<u>\$ 8,866</u>	

Cobb County, Georgia
Cobb Senior Services Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 891,246	\$ 891,246	\$ 855,927	\$ (35,319)
Charges for services	67,970	67,970	66,768	(1,202)
Interest earned	-	-	-	-
Contributions	57,971	62,471	65,332	2,861
Miscellaneous	127,841	127,841	99,945	(27,896)
Total revenues	<u>\$ 1,145,028</u>	<u>\$ 1,149,528</u>	<u>\$ 1,087,972</u>	<u>\$ (61,556)</u>
Expenditures:				
Current:				
Personnel services	\$ 2,827,552	\$ 2,930,815	\$ 2,840,710	\$ 90,105
Operating expenditures	1,489,750	1,542,918	1,478,057	64,861
Capital outlay	221,961	85,867	6,635	79,232
Total expenditures	<u>\$ 4,539,263</u>	<u>\$ 4,559,600</u>	<u>\$ 4,325,402</u>	<u>\$ 234,198</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (3,394,235)</u>	<u>\$ (3,410,072)</u>	<u>\$ (3,237,430)</u>	<u>\$ 172,642</u>
Other financing sources (uses):				
Transfers in	\$ 3,394,235	\$ 3,394,235	\$ 3,394,235	\$ -
Transfers out	-	-	(39,920)	(39,920)
Total other financing sources (uses)	<u>\$ 3,394,235</u>	<u>\$ 3,394,235</u>	<u>\$ 3,354,315</u>	<u>\$ (39,920)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ (15,837)</u>	<u>\$ 116,885</u>	<u>\$ 132,722</u>
Fund balance at beginning of year			(404,554)	
Fund balances at end of year - budgetary basis			\$ (287,669)	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			-	
Fund balances at end of year - GAAP basis			<u>\$ (287,669)</u>	

Cobb County, Georgia
Hotel/Motel Tax Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 3,164,490	\$ 3,164,490	\$ 3,021,223	\$ (143,267)
Total revenues	<u>\$ 3,164,490</u>	<u>\$ 3,164,490</u>	<u>\$ 3,021,223</u>	<u>\$ (143,267)</u>
Excess of revenues over expenditures	\$ 3,164,490	\$ 3,164,490	\$ 3,021,223	\$ (143,267)
Other financing sources (uses):				
Transfers out	<u>(3,164,490)</u>	<u>(3,164,490)</u>	<u>(3,021,223)</u>	<u>(143,267)</u>
Total other financing sources (uses)	<u>\$ (3,164,490)</u>	<u>\$ (3,164,490)</u>	<u>\$ (3,021,223)</u>	<u>\$ (143,267)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	\$ -	<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			<u>\$ -</u>	

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, 2003

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 8,550,089	\$ 8,550,089	\$ 8,598,196	\$ 48,107
Interest earned	100,000	100,000	99,627	(373)
Miscellaneous	800	800	697	(103)
Total revenues	\$ 8,650,889	\$ 8,650,889	\$ 8,698,520	\$ 47,631
Expenditures:				
Current:				
Personnel services	\$ 5,599,288	\$ 5,708,977	\$ 4,845,645	\$ 863,332
Operating expenditures	1,788,513	2,506,443	2,502,375	4,068
Capital outlay	163,018	65,300	-	65,300
Debt Service:				
Principal	169,040	169,040	155,561	13,479
Interest and fiscal charges	13,479	13,479	13,478	1
Total expenditures	\$ 7,733,338	\$ 8,463,239	\$ 7,517,059	\$ 946,180
Excess of revenues over (under) expenditures	\$ 917,551	\$ 187,650	\$ 1,181,461	\$ 993,811
Other financing sources (uses):				
Transfers out	(917,551)	(955,336)	(955,336)	-
Total other financing sources (uses)	\$ (917,551)	\$ (955,336)	\$ (955,336)	\$ -
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	\$ -	\$ (767,686)	\$ 226,125	\$ 993,811
Fund balance at beginning of year			4,812,929	
Fund balances at end of year - budgetary basis			\$ 5,039,054	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			-	
Fund balances at end of year - GAAP basis			\$ 5,039,054	

Cobb County, Georgia
Parking Deck Facility Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 394,129	\$ 394,129	\$ 439,661	\$ 45,532
Interest earned	2,500	2,500	3,541	1,041
Miscellaneous	-	-	340	340
Total Revenues	\$ 396,629	\$ 396,629	\$ 443,542	\$ 46,913
Expenditures:				
Current:				
Personnel services	\$ 44,588	\$ 42,348	\$ 33,022	\$ 9,326
Operating expenditures	66,731	69,610	68,907	703
Debt service:				
Principal	160,000	160,000	160,000	-
Interest and fiscal charges	179,548	179,548	179,547	1
Total expenditures	\$ 450,867	\$ 451,506	\$ 441,476	\$ 10,030
Excess (deficiency) of revenues over (under) expenditures	\$ (54,238)	\$ (54,877)	\$ 2,066	\$ 56,943
Other financing sources (uses):				
Transfers in	\$ 56,315	\$ 56,315	\$ 56,315	-
Transfers out	(2,077)	(2,077)	(2,077)	-
Total other financing sources (uses)	\$ 54,238	\$ 54,238	\$ 54,238	\$ -
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	\$ -	\$ (639)	\$ 56,304	\$ 56,943
Fund balance at beginning of year			12,730	
Fund balances at end of year - budgetary basis			\$ 69,034	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			-	
Fund balances at end of year - GAAP basis			<u>\$ 69,034</u>	

Cobb County, Georgia
Nonmajor Enterprise Funds
Combining Balance Sheet
September 30, 2003

	Solid Waste Disposal Fund	Cobblestone Golf Course Fund	Mable House Amphitheatre Fund	Public Transit System Fund	Totals
Assets					
Current assets:					
Cash	\$ 8,548	\$ 354,186	\$ 6,357	\$ 4,459,539	\$ 4,828,630
Equity in pooled investments, at fair value	-	35,981	-	-	35,981
Receivables:					
Accounts (net of allowance for uncollectibles)	116,726	-	-	-	116,726
Accrued interest	-	-	-	-	-
Other	4,531	8,224	-	90,421	103,176
Due from other funds	-	-	-	-	-
Due from other governments	-	-	-	1,492,646	1,492,646
Due from others	-	854	-	-	854
Inventories	-	-	-	-	-
Other assets	748	-	-	825	1,573
Total current assets	\$ 130,553	\$ 399,245	\$ 6,357	\$ 6,043,431	\$ 6,579,586
Noncurrent assets:					
Restricted assets, cash and investments:					
Revenue bond construction account	\$ 3,163,028	\$ -	\$ -	\$ -	\$ 3,163,028
Revenue bond debt service account	-	60,004	-	-	60,004
Revenue bond contingency (renewal and replacement account)	-	-	-	-	-
Total restricted assets	\$ 3,163,028	\$ 60,004	\$ -	\$ -	\$ 3,223,032
Property, plant and equipment:					
Land and improvements	\$ 3,769,486	\$ 5,453,615	-	\$ 3,243,653	\$ 12,466,754
Buildings and structures	12,806,004	1,183,046	7,187,754	11,970,370	33,147,174
Sewerage plants	-	-	-	-	-
Water lines and meters	-	-	-	-	-
Sewerage lines	-	-	-	-	-
Machinery and equipment	18,676,232	1,039,364	-	18,486,333	38,201,929
Construction in progress	-	-	-	1,663,510	1,663,510
	\$ 35,251,722	\$ 7,676,025	\$ 7,187,754	\$ 35,363,866	\$ 85,479,367
Less: accumulated depreciation	(17,001,598)	(1,036,363)	(177,888)	(11,397,152)	(29,613,001)
Net property, plant and equipment	\$ 18,250,124	\$ 6,639,662	\$ 7,009,866	\$ 23,966,714	\$ 55,866,366
Unamortized bond costs	\$ 187,158	\$ 39,634	\$ -	\$ -	\$ 226,792
Total noncurrent assets	\$ 21,600,310	\$ 6,739,300	\$ 7,009,866	\$ 23,966,714	\$ 59,316,190
Total assets	\$ 21,730,863	\$ 7,138,545	\$ 7,016,223	\$ 30,010,145	\$ 65,895,776

Continued on next page.

Cobb County, Georgia
Enterprise Funds
Combining Balance Sheet
September 30, 2003

	Solid Waste Disposal Fund	Cobblestone Golf Course Fund	Mable House Amphitheatre Fund	Public Transit System Fund	Totals
Liabilities and Fund Equity					
Liabilities:					
Current liabilities (payable from current assets):					
Bank overdraft	\$ -	\$ -	\$ 192,755	\$ -	\$ 192,755
Accounts payable	574,873	51,004	12,873	1,037,301	1,676,051
Accrued liabilities	103,872	2,080	-	14,062	120,014
Due to other funds	27,361,947	1,004,961	600,000	17,216	28,984,124
Due to other governments	-	7,399	-	-	7,399
Due to others	181,399	5,962	1,783	21,233	210,377
Deferred revenues	-	13,690	5,572	-	19,262
Capital lease payable	113,862	-	-	-	113,862
Note payable	98,749	-	-	-	98,749
Total current liabilities (payable from current assets)	<u>\$ 28,434,702</u>	<u>\$ 1,085,096</u>	<u>\$ 812,983</u>	<u>\$ 1,089,812</u>	<u>\$ 31,422,593</u>
Current liabilities (payable from restricted assets):					
Retainage due on contracts	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued revenue bond interest	319,080	60,004	-	-	379,084
Current portion of revenue bonds	1,180,000	355,000	-	-	1,535,000
Total current liabilities (payable from restricted assets)	<u>\$ 1,499,080</u>	<u>\$ 415,004</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,914,084</u>
Long-term liabilities:					
Revenue bonds (net of current portion,					
bond discount, and loss on refunding)	\$ 19,067,661	\$ 4,245,966	-	\$ -	\$ 23,313,627
Accrued vacation payable	84,787	2,123	-	18,334	105,244
Closure and postclosure care	27,160,457	-	-	-	27,160,457
Advances from other funds	1,476,219	-	-	-	1,476,219
Note payable (net of current portion)	240,190	-	-	-	240,190
Capital lease payable (net of current portion)	100,058	-	-	-	100,058
Total long-term liabilities	<u>\$ 48,129,372</u>	<u>\$ 4,248,089</u>	<u>\$ -</u>	<u>\$ 18,334</u>	<u>\$ 52,395,795</u>
Total liabilities	<u>\$ 78,063,154</u>	<u>\$ 5,748,189</u>	<u>\$ 812,983</u>	<u>\$ 1,108,146</u>	<u>\$ 85,732,472</u>
Net Assets:					
Invested in capital assets, net of related debt	\$ (2,451,647)	\$ 2,038,696	7,009,866	\$ 23,966,714	\$ 30,563,629
Restricted for:					
Capital projects	3,163,028	-	-	-	3,163,028
Debt Service	-	-	-	-	-
Total restricted assets	<u>3,163,028</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,163,028</u>
Unrestricted	<u>(57,043,672)</u>	<u>(648,340)</u>	<u>(806,626)</u>	<u>4,935,285</u>	<u>(53,563,353)</u>
Total net assets	<u>\$ (56,332,291)</u>	<u>\$ 1,390,356</u>	<u>\$ 6,203,240</u>	<u>\$ 28,901,999</u>	<u>\$ (19,836,696)</u>

Continued from preceding page.

Cobb County, Georgia
Nonmajor Enterprise Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
For the Fiscal Year Ended September 30, 2003

	Solid Waste Disposal Fund	Cobblestone Golf Course Fund	Mable House Amphitheatre Fund	Public Transit System Fund	Totals
Operating revenues:					
Charges for services	\$ 5,560,381	\$ 1,776,089	\$ 253,827	\$ 2,688,189	\$ 10,278,486
Miscellaneous income	49,574	23,709	1,282	315,536	390,101
Total operating revenues	<u>\$ 5,609,955</u>	<u>\$ 1,799,798</u>	<u>\$ 255,109</u>	<u>\$ 3,003,725</u>	<u>\$ 10,668,587</u>
Operating expenses:					
Personnel services	\$ 3,115,793	\$ 49,689	\$ -	\$ 374,818	\$ 3,540,300
Other operating expenses	6,130,339	1,252,938	1,086,186	8,314,435	16,783,898
Total operating expenses	<u>\$ 9,246,132</u>	<u>\$ 1,302,627</u>	<u>\$ 1,086,186</u>	<u>\$ 8,689,253</u>	<u>\$ 20,324,198</u>
Operating income (loss) before depreciation	\$ (3,636,177)	\$ 497,171	\$ (831,077)	\$ (5,685,528)	\$ (9,655,611)
Less depreciation	<u>(3,033,593)</u>	<u>(117,516)</u>	<u>(126,840)</u>	<u>(1,953,970)</u>	<u>(5,231,919)</u>
Operating income (loss)	<u>\$ (6,669,770)</u>	<u>\$ 379,655</u>	<u>\$ (957,917)</u>	<u>\$ (7,639,498)</u>	<u>\$ (14,887,530)</u>
Nonoperating revenues (expenses):					
Interest income	\$ 7,744	\$ 3,005	\$ 24,451	\$ 24,435	\$ 59,635
Intergovernmental	-	-	-	4,113,954	4,113,954
Interest and fiscal charges	(1,382,203)	(278,403)	-	(42,753)	(1,703,359)
Loss from sale of fixed assets	-	-	-	(204,683)	(204,683)
Amortization of bond costs	(16,965)	(5,328)	-	-	(22,293)
Total nonoperating revenues (expenses)	<u>\$ (1,391,424)</u>	<u>\$ (280,726)</u>	<u>\$ 24,451</u>	<u>\$ 3,890,953</u>	<u>\$ 2,243,254</u>
Net income (loss) before transfers and capital contributions	<u>\$ (8,061,194)</u>	<u>\$ 98,929</u>	<u>\$ (933,466)</u>	<u>\$ (3,748,545)</u>	<u>\$ (12,644,276)</u>
Capital contributions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,136,706</u>	<u>\$ -</u>	<u>\$ 7,136,706</u>
Total capital contributions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,136,706</u>	<u>\$ -</u>	<u>\$ 7,136,706</u>
Transfers:					
Transfers in	\$ 18,302	\$ -	\$ -	6,543,654	\$ 6,561,956
Transfers out	(18,787)	(8,367)	-	(113,486)	(140,640)
Total transfers	<u>\$ (485)</u>	<u>\$ (8,367)</u>	<u>\$ -</u>	<u>\$ 6,430,168</u>	<u>\$ 6,421,316</u>
Net income (loss)	<u>\$ (8,061,679)</u>	<u>\$ 90,562</u>	<u>\$ 6,203,240</u>	<u>\$ 2,681,623</u>	<u>\$ 913,746</u>
Fund net assets - beginning	<u>\$ (48,270,612)</u>	<u>\$ 1,299,794</u>	<u>\$ -</u>	<u>\$ 26,220,376</u>	<u>\$ (20,750,442)</u>
Fund net assets - ending	<u>\$ (56,332,291)</u>	<u>\$ 1,390,356</u>	<u>\$ 6,203,240</u>	<u>\$ 28,901,999</u>	<u>\$ (19,836,696)</u>

Cobb County, Georgia
Nonmajor Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended September 30, 2003

	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	\$ 8,435,155	\$ 1,793,526	\$ 255,109	\$ 3,328,841	\$ 13,812,631
Cash payments for goods and services	(2,562,137)	(815,187)	(273,203)	(14,517,336)	(18,167,863)
Cash payments for employee services and fringe benefits	(3,100,390)	(47,566)	-	(369,938)	(3,517,894)
Net cash from operating activities	<u>\$ 2,772,628</u>	<u>\$ 930,773</u>	<u>\$ (18,094)</u>	<u>\$ (11,558,433)</u>	<u>\$ (7,873,126)</u>
Cash flows from noncapital financing activities:					
Operating transfers in	\$ 18,302	-	-	\$ 6,543,654	\$ 6,561,956
Operating transfers out	(18,787)	(8,367)	-	(113,486)	(140,640)
Federal/State Grants	-	-	-	11,272,250	11,272,250
Net interfund borrowings (repayments)	-	-	-	-	-
Net cash from noncapital financing activities	<u>\$ (485)</u>	<u>\$ (8,367)</u>	<u>\$ -</u>	<u>\$ 17,702,418</u>	<u>\$ 17,693,566</u>
Cash flows from capital and related financing activities:					
Principal payments on notes payables	\$ (94,148)	-	-	-	\$ (94,148)
Payments on capital leases	(107,450)	155,379	-	-	47,929
Payments for capital acquisitions	(444,938)	-	-	(1,785,160)	(2,230,098)
Bond principal payments	(1,110,000)	(345,000)	-	-	(1,455,000)
Bond interest and fiscal charges	(1,381,825)	(403,739)	-	(42,753)	(1,828,317)
Net cash from capital and related financing activities	<u>\$ (3,138,361)</u>	<u>\$ (593,360)</u>	<u>\$ -</u>	<u>\$ (1,827,913)</u>	<u>\$ (5,559,634)</u>
Cash flows from investing activities:					
Proceeds from investment maturities	\$ -	-	-	-	\$ -
Interest received	7,744	3,005	24,451	24,435	59,635
Investment purchases	-	(24,947)	-	-	(24,947)
Net cash from investing activities	<u>\$ 7,744</u>	<u>\$ (21,942)</u>	<u>\$ 24,451</u>	<u>\$ 24,435</u>	<u>\$ 34,688</u>
Net increase (decrease) in cash and cash equivalents	\$ (358,474)	\$ 307,104	\$ 6,357	\$ 4,340,507	\$ 4,295,494
Cash and cash equivalents at beginning of year	<u>368,124</u>	<u>107,086</u>	<u>-</u>	<u>119,032</u>	<u>594,242</u>
Cash and cash equivalents at end of year	<u><u>\$ 9,650</u></u>	<u><u>\$ 414,190</u></u>	<u><u>\$ 6,357</u></u>	<u><u>\$ 4,459,539</u></u>	<u><u>\$ 4,889,736</u></u>
Reconciliation to Combining Balance Sheet					
Cash	\$ 8,548	\$ 354,186	\$ 6,357	\$ 4,459,539	\$ 4,828,630
Cash (included in restricted assets)	1,102	60,004	-	-	61,106
	<u><u>\$ 9,650</u></u>	<u><u>\$ 414,190</u></u>	<u><u>\$ 6,357</u></u>	<u><u>\$ 4,459,539</u></u>	<u><u>\$ 4,889,736</u></u>

Continued on next page.

Cobb County, Georgia
Nonmajor Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended September 30, 2003

	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)	\$ (6,669,770)	\$ 379,655	\$ (957,917)	\$ (5,685,528)	\$ (12,933,560)
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Depreciation	\$ 3,033,593	\$ 117,516	\$ 126,840	\$ 1,953,970	\$ 5,231,919
Change in assets and liabilities:					
Decrease (increase) in accounts receivables	5,253	-	-	-	5,253
Decrease (increase) in other receivables	(49,203)	(5,418)	-	-	(54,621)
Decrease (increase) in due from other funds	2,868,276	(854)	-	325,033	3,192,455
Decrease (increase) in due from others	874	-	-	83	957
Decrease (increase) in due from other governments	-	-	-	(4,023,788)	(4,023,788)
Decrease (increase) in other assets	-	-	-	-	-
Increase (decrease) in bank overdraft	-	-	192,755	(3,787,600)	(3,594,845)
Increase (decrease) in accounts payable	77,385	(17,643)	12,873	(286,651)	(214,036)
Increase (decrease) in prepaid expenses	700	-	-	1,684	2,384
Increase (decrease) in accrued liabilities	-	(879)	-	(7,644)	(8,523)
Increase (decrease) in accrued vacation payable	43,476	2,123	-	12,524	58,123
Increase (decrease) in due to other funds	3,561,728	472,825	600,000	(64,344)	4,570,209
Increase (decrease) in advances from other funds	(28,073)	-	-	-	(28,073)
Increase (decrease) in customer deposits	-	-	-	-	-
Increase (decrease) in due to other governments	(7)	7,399	1,783	-	9,175
Increase (decrease) in due to others	93,694	(16,740)	5,572	3,828	86,354
Increase (decrease) in closure/postclosure care	(165,298)	-	-	-	(165,298)
Increase (decrease) in unearned revenues	-	(7,211)	-	-	(7,211)
Total adjustments	\$ 9,442,398	\$ 551,118	\$ 939,823	\$ (5,872,905)	\$ 5,060,434
Net cash provided by operating activities	\$ 2,772,628	\$ 930,773	\$ (18,094)	\$ (11,558,433)	\$ (7,873,126)
Schedule of noncash capital and related financing activities:					
Change in fair value of investments	\$ -	\$ -	\$ -	\$ (25)	\$ (25)

Continued from preceding page.

Cobb County, Georgia
Claims Internal Service Fund
Balance Sheet
September 30, 2003

Assets	<u>Total</u>
Current assets:	
Cash and cash equivalents	\$ 5,253,142
Equity in pooled investments, at fair value	402,991
Receivables:	
Other	180,195
Due from other funds	7,689,155
Due from others	642
Prepaid expenditures	<u>1,235</u>
Total current assets	<u>\$ 13,527,360</u>
Property, plant and equipment:	
Machinery and equipment	\$ 153,831
Less: accumulated depreciation	<u>(93,103)</u>
Net property, plant and equipment	<u>\$ 60,728</u>
Total assets	<u><u>\$ 13,588,088</u></u>
 Liabilities and Fund Equity	
Current liabilities:	
Accounts payable	\$ 136,462
Accrued liabilities	23,992
Due to others	16,196
Estimated liability for claims and judgements	<u>11,231,854</u>
Total liabilities	<u>\$ 11,408,504</u>
Fund equity:	
Retained earnings:	
Reserved for contingencies	<u>\$ 2,179,584</u>
Total liabilities and fund equity	<u><u>\$ 13,588,088</u></u>

Cobb County, Georgia
Claims Internal Service Fund
Statement of Revenues, Expenses and Changes in Retained Earnings
For the Fiscal Years Ended September 30, 2003

	Total
Operating revenues:	
Charges for services	\$ 34,927,253
Operating expenses:	
Personnel services	\$ 319,865
Other operating expenses	4,843,471
Benefits and claims	32,360,331
Total operating expenses	\$ 37,523,667
Operating income (loss) before depreciation	\$ (2,596,414)
Less depreciation	(9,494)
Operating income (loss)	\$ (2,605,908)
Nonoperating revenues:	
Interest income	106,750
Net income (loss) before transfers	\$ (2,499,158)
Transfers:	
Transfers out	\$ (294,934)
Total transfers	\$ (294,934)
Net income (loss)	\$ (2,794,092)
Retained earnings at beginning of year	4,973,676
Retained earnings at end of year	\$ 2,179,584

Cobb County, Georgia
Claims Internal Service Fund
Statement of Cash Flows
For the Fiscal Years Ended September 30, 2003

	Total
Cash flows from operating activities:	
Cash received for services provided	\$ 36,327,126
Cash payments for goods and services	(4,803,829)
Cash payments for employee services and fringe benefits	(318,358)
Cash payments for benefits and claims	(30,576,030)
Net cash from operating activities	\$ 628,909
Cash flows from noncapital and related financing activities:	
Transfers in	\$ -
Transfers out	(294,934)
Net cash flows from noncapital and related financing activities	\$ (294,934)
Cash flows from capital and related financing activities:	
Proceeds from sale of fixed assets	\$ 671
Cash flows from investing activities:	
Proceeds from investment maturities	\$ 523,894
Interest received	106,499
Net cash from investing activities	\$ 630,393
Net increase (decrease) in cash and cash equivalents	\$ 965,039
Cash and cash equivalents at beginning of year	4,288,103
Cash and cash equivalents at end of year	\$ 5,253,142
Reconciliation of operating income (loss) to net cash from operating activities:	
Operating income (loss)	\$ (2,605,908)
Adjustments to reconcile operating income (loss) to net cash from operating activities:	
Depreciation	\$ 9,494
Change in assets and liabilities:	
(Increase) decrease in other receivables	126,907
(Increase) decrease in due from other funds	1,269,231
(Increase) decrease in due from others	3,735
(Increase) decrease in prepaid expenses	(571)
Increase (decrease) in accounts payable	40,762
Increase (decrease) in accrued payroll	1,507
Increase (decrease) in due to other funds	(4,991)
Increase (decrease) in due to others	4,442
Increase (decrease) in estimated liability for claims and judgments	1,784,301
Total adjustments	\$ 3,234,817
Net cash from operating activities	\$ 628,909

Cobb County, Georgia
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended September 30, 2003

	Balance October 1, 2003	Additions	Deductions	Balance September 30, 2003
Clerk of State Court				
Assets				
Cash and cash equivalents	\$ 4,850,692	\$ 36,052,467	\$ 35,338,038	\$ 5,565,121
Liabilities				
Funds held in trust for others	\$ 4,850,692	\$ 36,052,467	\$ 35,338,038	\$ 5,565,121
Clerk of Juvenile Court				
Assets				
Cash	\$ 15,200	\$ 71,594	\$ 55,487	\$ 31,307
Liabilities				
Funds held in trust for others	\$ 15,200	\$ 71,594	\$ 55,487	\$ 31,307
Sheriff				
Assets				
Cash and cash equivalents	\$ 4,052,966	\$ 3,590,458	\$ 3,440,662	\$ 4,202,762
Liabilities				
Funds held in trust for others	\$ 4,052,966	\$ 3,590,458	\$ 3,440,662	\$ 4,202,762
Clerk of Superior Court				
Assets				
Cash and cash equivalents	\$ 12,985,063	\$ 108,517,092	\$ 108,448,824	\$ 13,053,331
Liabilities				
Funds held in trust for others	\$ 12,985,063	\$ 108,517,092	\$ 108,448,824	\$ 13,053,331
Clerk of Probate Court				
Assets				
Cash	\$ -	\$ 667,071	\$ 667,071	\$ -
Liabilities				
Due to other funds	\$ -	\$ 667,071	\$ 667,071	\$ -
Tax Commissioner				
Assets				
Cash	\$ 54,886,375	\$ 1,739,264,535	\$ 1,724,295,196	\$ 69,855,714
Taxes and penalties receivable	309,669,604	264,356,464	309,669,604	264,356,464
	<u>\$ 364,555,979</u>	<u>\$ 2,003,620,999</u>	<u>\$ 2,033,964,800</u>	<u>\$ 334,212,178</u>
Liabilities				
Unremitted tax collections	\$ 54,886,375	\$ 1,739,264,535	\$ 1,724,295,196	\$ 69,855,714
Taxes payable to others upon collection	309,669,604	264,356,464	309,669,604	264,356,464
	<u>\$ 364,555,979</u>	<u>\$ 2,003,620,999</u>	<u>\$ 2,033,964,800</u>	<u>\$ 334,212,178</u>

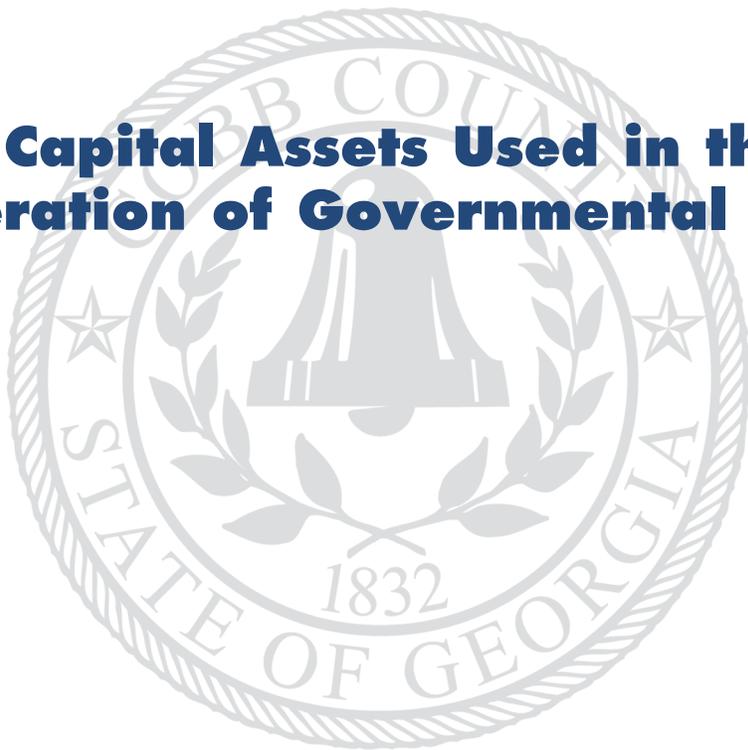
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Cobb County, Georgia
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended September 30, 2003

	Balance October 1, 2003	Additions	Deductions	Balance September 30, 2003
Accounts Payable Fund				
Assets				
Cash and cash equivalents	\$ 7,549,928	\$ 5,218,764	\$ 7,549,928	\$ 5,218,764
Liabilities				
Bank overdraft	\$ 7,549,928	\$ 5,218,764	\$ 7,549,928	\$ 5,218,764
Payroll Fund				
Assets				
Cash and cash equivalents	\$ 1,106,248	\$ 461,052	\$ 1,106,248	\$ 461,052
Liabilities				
Unremitted payroll tax and withholdings	\$ 1,106,248	\$ 461,052	\$ 1,106,248	\$ 461,052
Child Support, Witness and Jurors' Fees				
Assets				
Cash	\$ 13,283	\$ 4,449,055	\$ 4,404,976	\$ 57,362
Liabilities				
Funds held in trust for others	\$ 13,283	\$ 4,449,055	\$ 4,404,976	\$ 57,362
Total assets	\$ 395,129,359	\$ 2,162,648,552	\$ 2,194,976,034	\$ 362,801,877
Total liabilities	\$ 395,129,359	\$ 2,162,648,552	\$ 2,194,976,034	\$ 362,801,877

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**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, 2003 and 2002

	2003	2002
General fixed assets:		
Land	\$ 719,086,338	\$ 708,521,784
Buildings and structural improvements	267,915,466	259,830,965
Improvements other than buildings	13,371,547	13,371,547
Infrastructure	1,946,298,893	1,910,031,764
Furniture, machinery and equipment	136,237,335	129,684,208
Construction in progress	25,095,544	33,295,416
Total general fixed assets	\$ 3,108,005,123	\$ 3,054,735,684
Investment in general fixed assets by source:		
Capital Projects Funds:		
General obligation bonds	\$ 198,771,804	\$ 198,929,685
Grants	47,084,517	46,919,677
Sales tax revenue	996,297,610	994,142,687
General Fund revenue	221,409,436	196,346,285
Special Revenue Funds revenue	36,364,285	31,925,660
Other	553,771	887,190
Donations	1,607,523,700	1,585,584,500
Total investment in general fixed assets	\$ 3,108,005,123	\$ 3,054,735,684

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, 2003

Function and Activity	Land	Buildings and Structural Improvements	Improvements Other Than Buildings	Infrastructure	Furniture, Machinery and Equipment	Construction in Progress	Total
General Government							
Legislative	\$ -	\$ 6,582,997	\$ -	\$ -	\$ 1,644,247	\$ -	\$ 8,227,244
Judicial	-	23,125,027	-	-	18,781,224	-	41,906,251
Executive and Administrative	8,542,783	28,897,139	-	-	33,324,326	-	70,764,248
Public Works	672,977,647	4,471,269	13,289,442	1,946,298,893	7,549,276	25,081,106	2,669,667,633
Culture and Recreation	33,200,641	91,450,016	100	-	10,432,411	14,438	135,097,606
Public Safety	3,959,413	101,908,048	82,005	-	62,243,306	-	168,192,772
Community Development	405,644	11,481,180	-	-	2,262,545	-	14,149,369
Total general fixed assets	<u>\$ 719,086,128</u>	<u>\$ 267,915,676</u>	<u>\$ 13,371,547</u>	<u>\$ 1,946,298,893</u>	<u>\$ 136,237,335</u>	<u>\$ 25,095,544</u>	<u>\$ 3,108,005,123</u>

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.

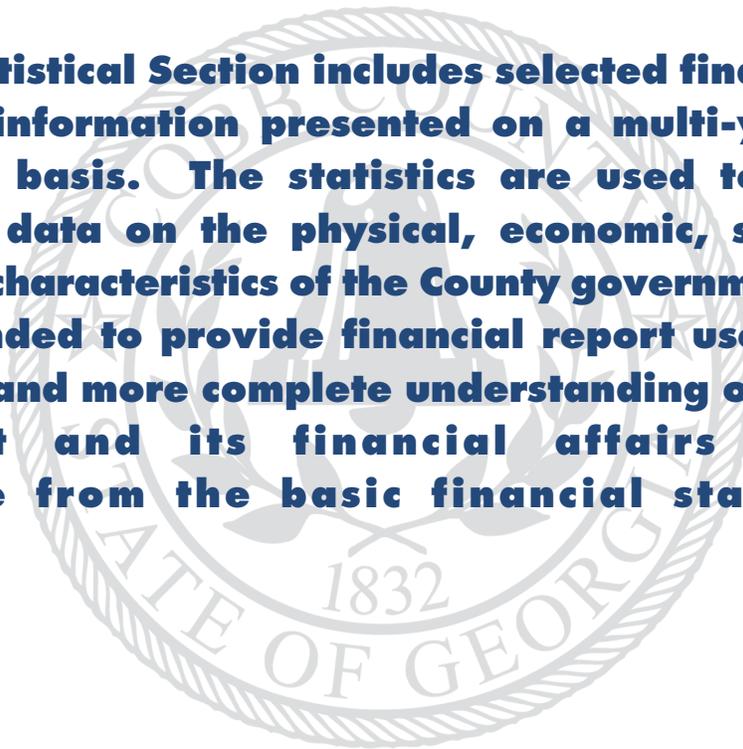
Cobb County, Georgia
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity
For the Fiscal Year Ended September 30, 2003

Function and Activity	General Fixed Assets September 30, 2002	Additions	Deletions	General Fixed Assets September 30, 2003
General Government				
Legislative	\$ 8,509,700	\$ 14,550	\$ 297,006	\$ 8,227,244
Judicial	39,638,585	2,483,346	215,680	41,906,251
Executive and Administrative	69,929,251	2,385,259	1,550,262	70,764,248
Public Works	2,622,427,662	47,693,156	453,185	2,669,667,633
Culture and Recreation	136,117,892	6,439,988	7,460,274	135,097,606
Public Safety	164,494,513	4,693,293	995,034	168,192,772
Community Development	13,618,081	559,718	28,430	14,149,369
Total general fixed assets	<u>\$ 3,054,735,684</u>	<u>\$ 64,269,310</u>	<u>\$ 10,999,871</u>	<u>\$ 3,108,005,123</u>

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

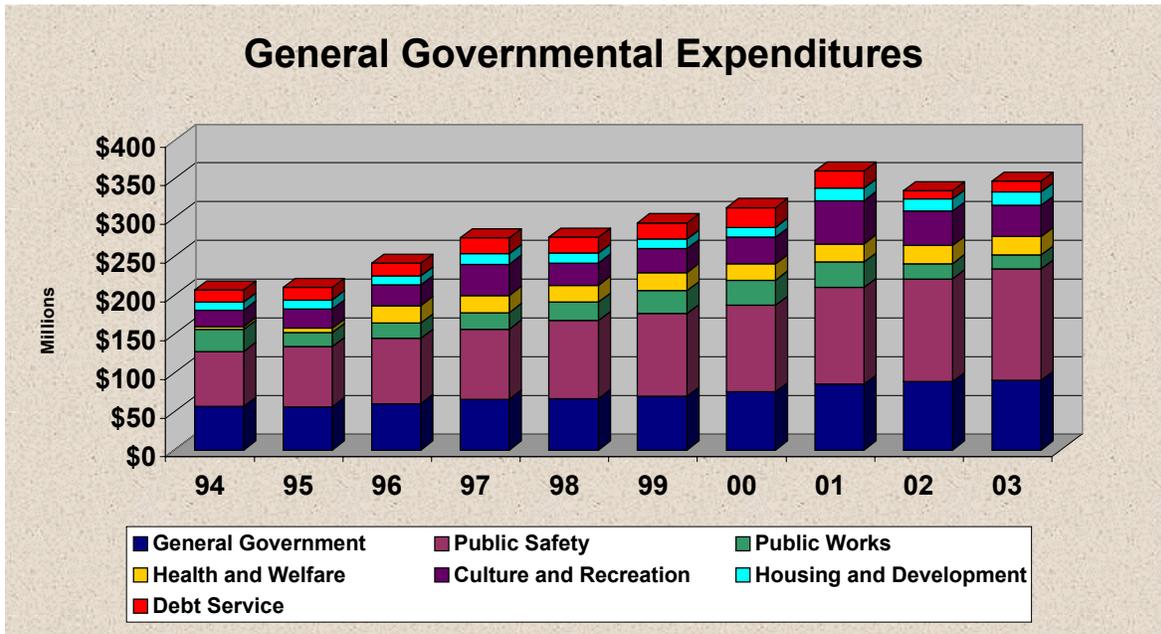
The Statistical Section includes selected financial and general information presented on a multi-year comparative basis. The statistics are used to provide detailed data on the physical, economic, social and political characteristics of the County government. They are intended to provide financial report 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	General Government (2)	Public Safety (2)	Public Works	Health and Welfare	Culture and Recreation	Housing and Development (2)	Debt Service	Total
1994	\$ 56,116,873	\$ 71,109,520	\$ 28,205,614	\$ 3,904,348	\$ 21,282,245	\$ 10,150,935	\$ 15,970,205	\$ 206,739,740
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

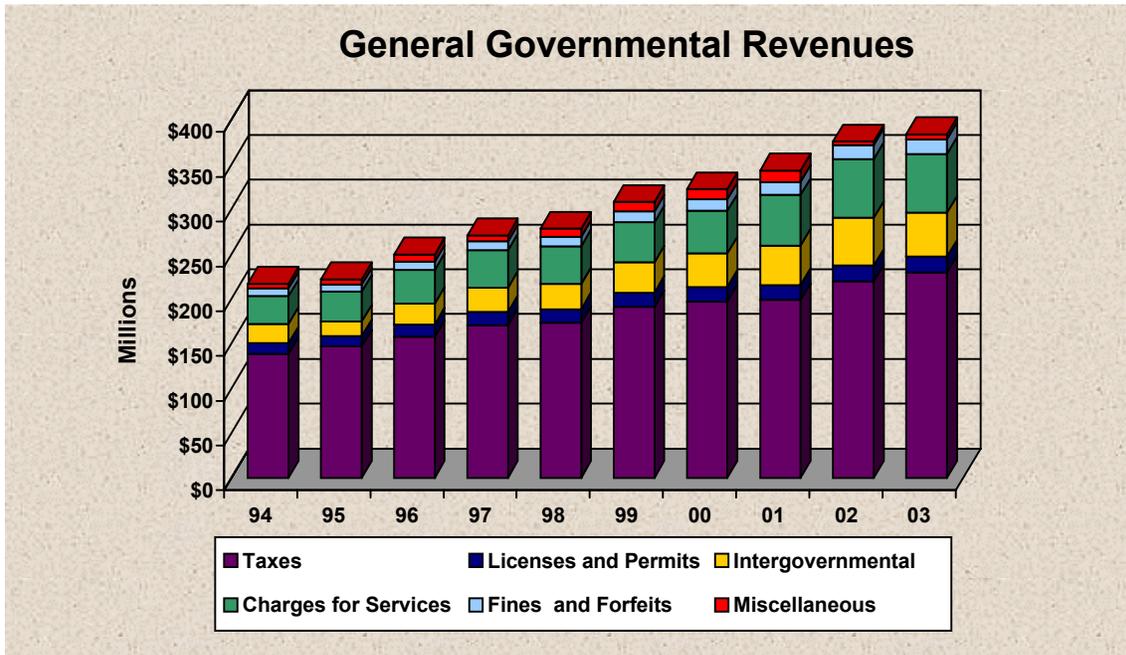
- (1) Includes General, Special Revenue and Debt Service Funds and Discretely Presented Component Units
(2) In 2002, the Sheriff's Department operations were reclassified as Public Safety from General Government and Economic Development and Community Development were reclassified as Housing and Development 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	Taxes	Licenses and Permits	Inter-Governmental	Charges for Services	Fines and Forfeits	Miscellaneous (2)	Total (3)
1994	\$ 138,544,324	\$ 11,531,877	\$ 21,973,210	\$ 30,872,794	\$ 8,290,256	\$ 5,586,920	\$ 216,799,381
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

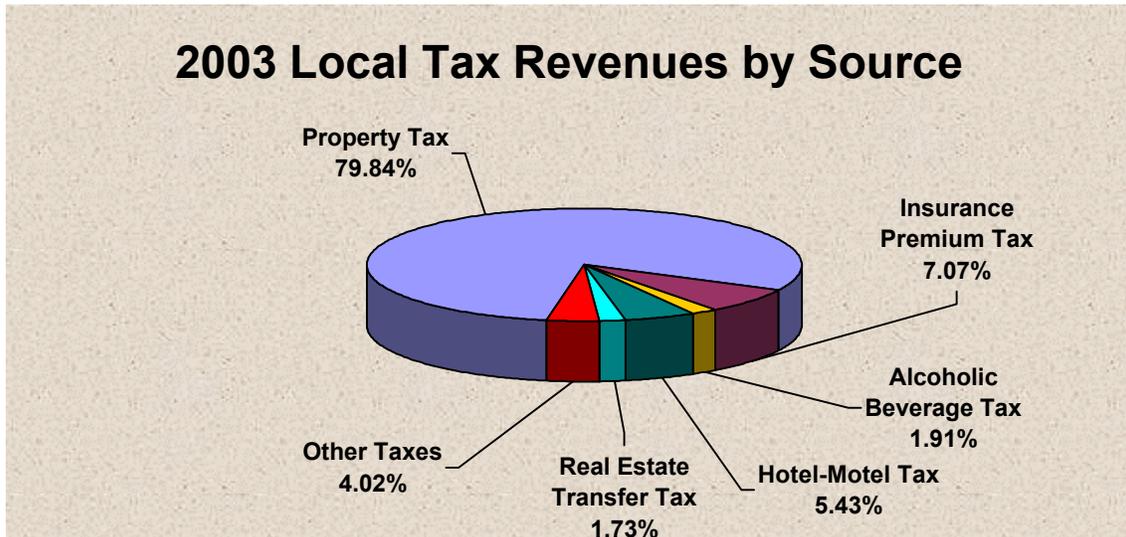
- (1) Includes General, Special Revenue, and Debt Service Funds and Discretely Presented Component Units
- (2) Miscellaneous revenues includes contribution revenues included in Special Revenue Funds
- (3) Interest earned is not included in the total



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

Fiscal Year	Property Tax	Insurance Premium Tax	Alcoholic Beverage Tax	Hotel-Motel Tax	Real Estate Transfer Tax	Other Taxes	Total
1994	\$ 108,843,628	\$ 10,060,894	\$ 3,891,942	\$ 9,872,765	\$ 787,523	\$ 5,087,572	\$ 138,544,324
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

(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 Year	Levy	Collection of Current and Prior Years Taxes	Taxes Receivable at End of Fiscal Year	Percent of Levy Collected at 9/30/03 (2)
1994	\$ 252,961,197	\$ 239,444,834	\$ 242,539,806	99.119%
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	14.937% (1)

1994: Includes taxes levied and collected for the Cobb County Board of Education, State of Georgia and other municipalities within Cobb County

1995-2003: Taxes levied and collected for the reporting entity only.

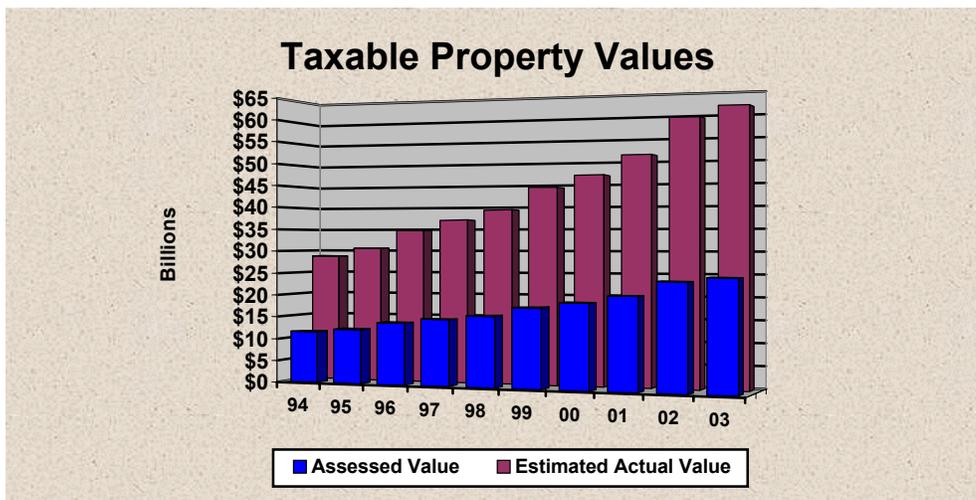
(1) Under the modified accrual basis of accounting, 95.68% of the 2003 tax levy was recognized as revenue for the fiscal year ended September 30, 2003.

(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**

Fiscal Year	Real and Personal Property		Motor Vehicle and Mobile Home		Total		Ratio of Total Assessed to Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1994	\$ 10,537,473,433	\$ 26,343,683,583	\$ 975,156,043	\$ 2,437,890,108	\$ 11,512,629,476	\$ 28,781,573,691	40
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

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



**COBB COUNTY, GEORGIA
TAX DIGEST (UNAUDITED)**

	General Fund		Fire District		Debt Service Fund	
	2003	2002	2003	2002	2003	2002
Gross property digest	\$22,168,478,581	\$21,303,249,710	\$17,745,451,705	\$17,130,541,205	\$22,168,478,581	\$21,303,249,710
Public service digest	494,388,041	449,870,377	419,068,785	379,618,972	494,388,041	449,870,377
Motor vehicle and mobile home digest	1,955,727,315	1,959,611,029	1,646,378,768	1,658,675,562	1,955,727,315	1,959,611,029
Timber	69,628	62,461	69,628	62,461	69,628	62,461
Heavy Duty Equipment	<u>1,536,764</u>	<u>1,706,946</u>	<u>1,180,284</u>	<u>1,288,800</u>	<u>1,536,764</u>	<u>1,706,946</u>
Gross taxable digest	\$24,620,200,329	\$23,714,500,523	\$19,812,149,170	\$19,170,187,000	\$24,620,200,329	\$23,714,500,523
Less: Exempt property	<u>4,213,851,925</u>	<u>3,937,999,542</u>	<u>343,507,513</u>	<u>352,919,578</u>	<u>928,209,211</u>	<u>828,413,370</u>
Net taxable digest	<u>\$20,406,348,404</u>	<u>\$19,776,500,981</u>	<u>\$19,468,641,657</u>	<u>\$18,817,267,422</u>	<u>\$23,691,991,118</u>	<u>\$22,886,087,153</u>
Tax Rates:						
Property	\$6.85/M	\$6.80/M	\$2.65/M	\$2.65/M	\$.22/M	\$.27/M
Motor vehicle and mobile home	\$6.85/M	\$6.80/M	\$2.65/M	\$2.65/M	\$.22/M	\$.27/M

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

	<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>	<u>1994</u>
* Cobb County (with fire)	29.87	29.87	30.02	29.14	29.27	31.70	32.50	32.65	33.68	31.12
* Cobb County (without fire)	27.22	27.22	27.37	26.37	26.50	28.93	29.53	29.68	30.71	28.15
Acworth	37.32	37.37	37.75	36.94	37.17	39.60	40.40	40.55	41.58	39.02
Austell	30.34	30.72	30.73	29.87	30.00	32.68	33.53	33.93	35.21	32.90
Kennesaw	36.62	36.62	36.77	35.89	36.02	38.45	39.25	39.40	40.43	37.87
** Marietta	29.97	29.47	26.97	27.04	27.18	27.68	28.38	28.88	28.37	26.88
Powder Springs	36.87	36.87	37.02	36.14	36.27	38.70	39.50	39.65	40.93	38.62
Smyrna	37.07	37.07	37.47	36.82	37.20	40.13	40.83	41.08	42.21	39.65
Community Improvement District	34.87	34.87	35.02	34.14	34.27	36.70	37.50	37.65	38.68	36.12

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

** Includes levy for Marietta Board of Education

(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:

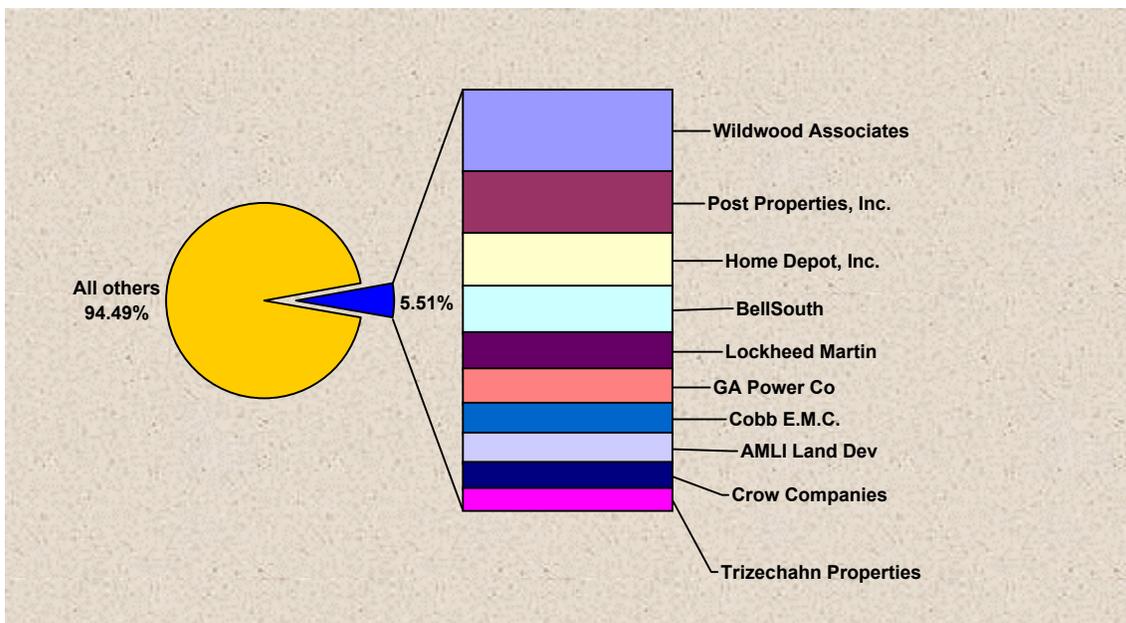
	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>
Cobb County Board of Education	19.90	19.90	20.05	19.05	21.33	21.63	21.63	22.43	19.77	19.77
State of Georgia	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25

**COBB COUNTY, GEORGIA
PRINCIPAL TAXPAYERS (UNAUDITED)
2003 TAX DIGEST**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Taxes Levied (1)</u>	<u>Percentage of Total Taxes Levied</u>
Wildwood Associates	Real Estate	\$5,765,141	1.09%
Post Properties, Inc.	Real Estate	4,267,083	0.81%
Home Depot, Inc.	Retail	3,672,648	0.69%
BellSouth Telecommunications*	Utilities	3,240,538	0.61%
Lockheed Martin Aeronautical Systems	Aircraft	2,472,063	0.47%
Georgia Power Company*	Utilities	2,350,187	0.44%
Cobb E.M.C.*	Utilities	2,144,327	0.40%
AMLI Land Development	Real Estate	2,007,581	0.38%
Crow Companies	Real Estate	1,794,380	0.34%
Trizechahn Properties	Real Estate	1,460,126	0.28%
All others		<u>500,554,404</u>	<u>94.49%</u>
Total		<u>\$529,728,478</u>	<u>100.00%</u>

(1) Total tax assessed for Cobb County and Cobb County Board of Education. Based on 2003 Real & Personal Property Digest and 2002 Public Utility Digest.

* Public Utilities



**COBB COUNTY, GEORGIA
COMPUTATION OF LEGAL DEBT MARGIN
UNAUDITED
SEPTEMBER 30, 2003**

Gross assessed value	\$ 23,691,991,118
Debt limit - 10 percent of assessed value	2,369,199,112
Amount of debt applicable to debt limit:	
Total general obligation bonded debt	<u>55,355,000</u>
Legal debt margin	<u><u>\$ 2,313,844,112</u></u>

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
1994	487,000	\$ 11,506,182	\$ 89,865,000	\$ 1,485,848	\$ 88,379,152	0.77%	\$ 181.48
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	607,751	18,926,869	77,585,000	2,638,987	74,946,013	0.40%	123.32
2001	635,830	19,730,968	69,440,000	1,751,265	67,688,735	0.34%	106.46
2002	651,485	22,886,087	60,785,000	2,459,518	58,325,482	0.26%	89.53
2003	667,772	23,691,991	55,355,000	1,985,667	53,369,333	0.26%	79.92

* Source - 1994-1999 based on Atlanta Regional Commission estimates; 2000-2003 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
1994	\$ 6,175,000	\$ 4,960,201	\$ 11,135,201	\$ 206,739,740	5.39%
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	360,161,044	6.10%
2002	(1) 8,165,129	9,078,706	17,243,835	334,867,055	5.15%
2003	(1) 7,758,191	7,553,267	15,311,458	346,904,086	4.41%

(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, 2003**

Direct General Obligation, Overlapping General Obligation,
and Guaranteed Revenue Debt

Tax Anticipation Notes	\$	65,000,000
Direct General Obligation		55,355,000
Direct Guaranteed Revenue Debt:		
Cobb County Solid Waste Disposal Bonds	\$	20,205,000
Cobb County Recreation Authority		5,405,000
Downtown Marietta Development Authority		3,665,000
Total Direct Guaranteed Revenue Debt	<u>\$</u>	<u>29,275,000</u>
Total Direct Debt	<u>\$</u>	<u>149,630,000</u>
Overlapping General Obligation Debt:		
Cobb County School District	\$	166,580,000
Municipalities within Cobb County		89,305,000
Total Overlapping General Obligation Debt	<u>\$</u>	<u>255,885,000</u>
Total Direct and Overlapping General Obligation Debt	<u>\$</u>	<u>405,515,000</u>
Overlapping Guaranteed Revenue Debt:		
Acworth Downtown Development Authority	\$	20,480,000
Downtown Marietta Development Authority		15,108,829
Downtown Smyrna Development Authority		22,825,000
Total Overlapping Guaranteed Revenue Debt	<u>\$</u>	<u>58,413,829</u>
Total Direct, Overlapping General Obligation and Overlapping Guaranteed Revenue Debt	<u>\$</u>	<u>463,928,829</u>
Cobb County Debt Per Capita*		
Tax Anticipation Notes	\$	97.34
Direct General Obligation Debt		82.90
Direct Guaranteed Revenue Debt		43.84
Overlapping General Obligation Debt		383.19
Overlapping Guaranteed Revenue Debt		87.48
Total Debt per Capita	<u>\$</u>	<u>694.75</u>

*Based on U.S. Census
2003 population estimate of 667,772

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

Water and Sewer Bonds:

Fiscal Year	Gross Revenues	Direct Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1994	\$ 97,183,880	\$ 44,261,702	\$ 52,922,178	\$ 7,040,000	\$ 10,854,960	\$ 17,894,960	2.96
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

Solid Waste Disposal Bonds:

Fiscal Year	Gross Revenues	Direct Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1994	\$ 3,287,066	\$ 14,507,609	\$ 0	\$ 235,000	\$ 20,068	\$ 255,068	0.00
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

Golf Course Bonds:

Fiscal Year	Gross Revenues	Direct Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1994	\$ 2,021,732	\$ 1,289,602	\$ 732,130	\$ 185,000	\$ 431,631	\$ 616,631	1.19
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

(1) Depreciation expense not included.

**COBB COUNTY, GEORGIA
DEMOGRAPHIC STATISTICS
UNAUDITED**

Year	Population (1)	School Enroll. (2)	Labor Force (3)	Unemployment Rate	
				County (3)	State (3)
1994	487,000	86,434	299,226	4.2%	5.2%
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%	4.6%
1998	550,100	94,190	340,949	2.7%	4.1%
1999	567,800	101,300	354,677	2.6%	3.6%
2000	607,751	103,048	367,762	2.3%	3.7%
2001	635,830	104,774	366,575	3.0%	4.0%
2002	651,485	106,682	377,141	4.6%	5.1%
2003	667,772	108,990	386,372 *	3.5% *	4.0% *

Year	Household Income (4)	Per Capita Income		
		County (4 & 5)	State (5 & 6)	County (5 & 6)
1994	\$ 66,944	\$ 27,594	\$ 20,612	\$ 22,047
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	33,405	26,134	27,322
1999	81,367	34,351	26,536	27,880
2000	87,613	35,054	28,103	29,760
2001	88,578	35,470	28,523	30,413
2002	94,170	35,763	28,759	30,664
2003	94,788	36,104	29,033 **	30,956 **

Population Age Distribution (4):

0 - 19	20 - 44	45 - 64	65+
28.2%	41.2%	23.5%	7.1%

SOURCE:

- (1) 1994-1999 Atlanta Regional Commission, 2000-2003 U.S. Census.
- (2) Cobb County and Marietta City Boards of Education
- (3) Georgia Department of Labor
- (4) Woods and Poole Economics, 2003 Data Pamphlet
- (5) Georgia Department of Revenue
- (6) US Dept of Commerce Bureau of Economic Analysis

* Estimated as of December 2003.

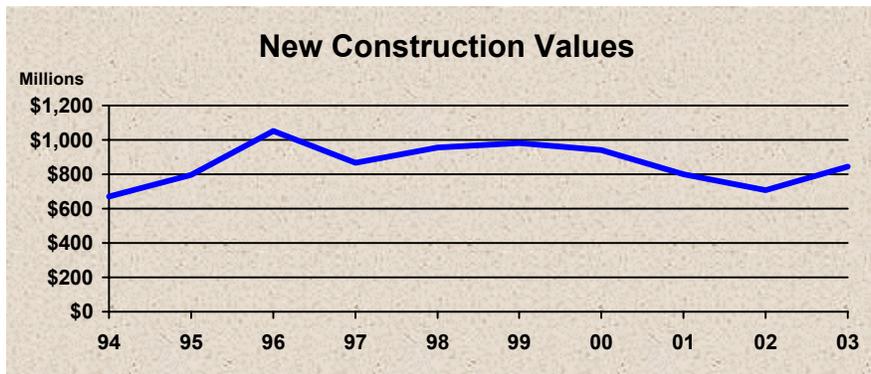
** Estimated

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

Fiscal Year	Single Family Residences		Total New Construction		Real Property Value (2)	Bank Deposits (3)
	Number of Units (1)	Value (1)	Total Number of Permits (1)	Value (1)		
1994	3,871	\$ 468,527,867	6,595	\$ 669,311,633	\$ 21,565,269,700	\$ 4,112,851,000
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

Source:

- (1) Cobb County Building Inspections Department
- (2) Cobb County Tax Commissioner
- (3) Georgia Department of Banking and Finance, as of June 30th



**COBB COUNTY, GEORGIA
MISCELLANEOUS STATISTICS (UNAUDITED)
SEPTEMBER 30, 2003**

Date Founded	1832	Form of Government	Board of Commissioners
Website	www.co.cobb.ga.us		
Area	340.2 square miles	Population	667,772
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	586	Number of sworn police officers	570
Fire/EMS dispatches (2003)	63,006	Police service calls (2003)	525,984
Education:		Recreation and Culture (County-owned facilities):	
Elementary schools	71	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 tennis centers	6
Adult education schools	1	Number of cultural affairs centers	3
Schools of higher education:		Number of aquatic centers	3
Four year colleges	3	Number of Civic Center/Theater Complex	1
Vocational technical schools	2	Number of libraries:	17
Number of school students (K - 12)	108,990	Number of volumes & Audio visual media	945,736
County Water System:		County sewer system:	
Daily average consumption - 1,000 gal units	59,150	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	2,532
Miles of water mains	3,029	Miles of sewers constructed in FY02	47
Miles of water mains constructed in FY03	35	Number of wastewater accounts	129,514
Number of water accounts	157,509	Sewer treatment capacity - MGD	100
Building Permits:		Number of streetlights	106,992
Number of permits issued, FYE 9/30/03	8,345		
Dollar value	\$843,696,648		
Employees:			
Full-Time at 9/30/03	4,196		
Part-Time at 9/30/03	1,005		

**COBB COUNTY, GEORGIA
WATER AND SEWERAGE SYSTEMS (UNAUDITED)
SEPTEMBER 30, 2003**

Water Purchases and Sales:
(thousands of gallons for 12 months ending September 30)

	<u>Purchases</u>	<u>Sales</u>	<u>Unaccounted %</u>
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%

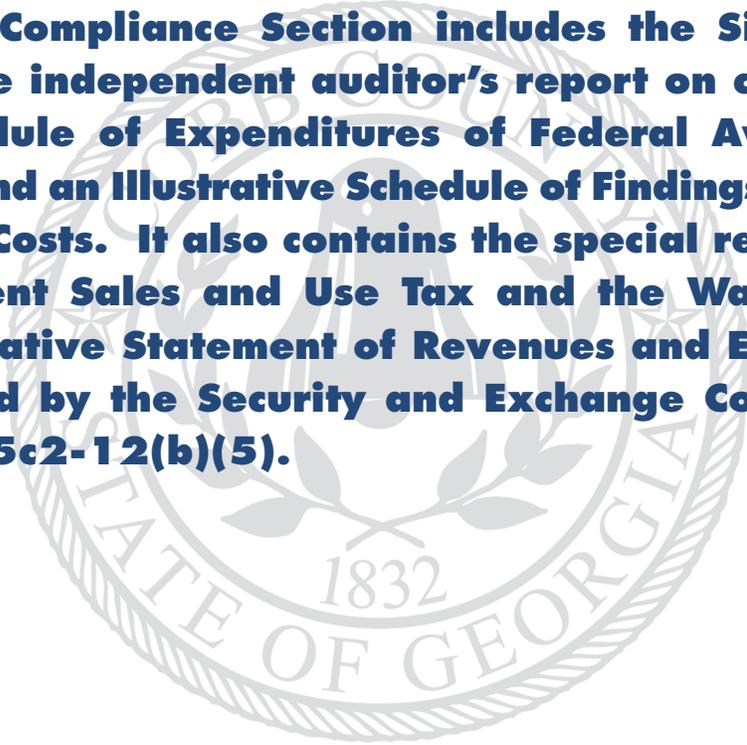
Ten Largest Sewerage (S)/Water and Sewerage (W&S) Customers:
(twelve months ending September 30, 2003)

<u>Customer</u>		<u>Consumption Gallons</u>	<u>Total Billing</u>
Fulton County	(S)*	3,953,525,000	\$8,920,094
City of Marietta	(S)*	3,507,959,000	\$8,160,147
City of Smyrna	(S)*	1,404,821,000	\$3,324,749
Cobb County School System	(W&S)	208,390,000	\$1,211,765
Cobb County Government	(W&S)	319,141,000	\$1,199,133
City of Powder Springs	(S)*	343,357,884	\$960,031
City of Kennesaw	(S)*	383,650,000	\$959,243
City of Austell	(S)*	520,249,000	\$905,232
Six Flags Over Georgia	(W&S)	82,657,000	\$477,917
Cherokee County	(S)*	145,291,000	\$417,707
Total:			<u><u>\$26,536,018</u></u>

* 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).

The seal of the State of Georgia is faintly visible in the background. It features a central figure of a Native American holding a bow and arrow, surrounded by a circular border with the text "STATE OF GEORGIA" and the year "1832".

Cobb County, Georgia
Road Sales Tax Funds
Schedule of Projects Constructed with Special Sales Tax Proceeds
For the Fiscal Year Ended September 30, 2003

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
1985:						
Road Improvement Program	<u>\$ 206,614,000</u>	<u>\$ 278,094,780</u>	<u>\$ 278,094,780</u>	<u>\$ -</u>	<u>\$ 278,094,780</u>	<u>100.00%</u>
1990:						
Road Improvement Program	<u>\$ 226,000,000</u>	<u>\$ 323,592,401</u>	<u>\$ 285,779,035</u>	<u>\$ 1,426,044</u>	<u>\$ 287,205,079</u>	<u>88.76%</u>
1994:						
Road Improvement Program	<u>\$ 377,875,873</u>	<u>\$ 471,269,133</u>	<u>\$ 344,523,828</u>	<u>\$ 17,406,185</u>	<u>\$ 361,930,013</u>	<u>76.80%</u>

Cobb County, Georgia
Water and Sewer Enterprise Fund
Comparative Statements of Revenues and Expenses
For the Fiscal Years Ended September 30, 2003 and 2002

	2003	2002
Operating revenues:		
Water sales	\$ 51,966,954	\$ 54,593,982
Sewer sales	73,113,761	74,082,027
Water connection charges	4,166,967	3,786,419
Sewer connection charges	2,566,610	2,608,951
Other	1,451,990	1,298,052
Total operating revenues	\$ 133,266,282	\$ 136,369,431
Operating expenses:		
Administrative	\$ 13,951,531	\$ 13,145,570
Engineering	2,126,270	2,049,576
Water operations	30,249,550	30,272,109
Sewer operations	33,708,017	33,940,927
Total operating expenses	\$ 80,035,368	\$ 79,408,182
Operating income before depreciation	\$ 53,230,914	\$ 56,961,249
Less depreciation	(26,183,537)	(26,327,099)
Operating income	\$ 27,047,377	\$ 30,634,150
Nonoperating revenues (expenses):		
Intergovernmental	\$ 42,193,363	\$ -
Interest income	2,235,847	5,835,909
Interest and fiscal charges	(5,805,018)	(6,528,179)
Increase in fair value of investments	7,325	(275,732)
Loss from sale of fixed assets	-	-
Proceeds of sale of fixed assets	61,618	79,951
Total nonoperating revenues (expenses)	\$ 38,693,135	\$ (888,051)
Net income before operating transfers	\$ 65,740,512	\$ 29,746,099
Operating transfers:		
Operating transfers in	\$ 192,669	\$ 19,075
Operating transfers out	(15,041,031)	(12,194,258)
Total operating transfers	\$ (14,848,362)	\$ (12,175,183)
Net income	\$ 50,892,150	\$ 17,570,916

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).



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**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, Chairman
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, 2003, and have issued our report thereon dated January 23, 2004. 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, 2003, 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.

Canderson, Hunt & Company, LLC

Atlanta, Georgia
January 23, 2004



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**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, 2003. 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.

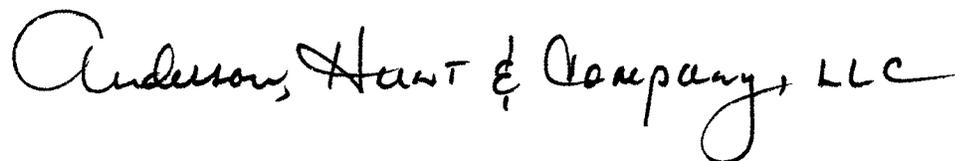
In our opinion, Cobb County, Georgia complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2003.

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.

A handwritten signature in black ink that reads "Anderson, Hunt & Company, LLC". The signature is written in a cursive, flowing style.

Atlanta, Georgia
January 23, 2004

COBB COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Period Ending September 30, 2003

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	--	\$ 25,252
<u>U. S. Department of Defense</u>			
Pass-through Georgia Department of Administrative Services	12.112	--	16,511
<u>Federal Emergency Management Agency</u>			
Pass-through United Way of America: Emergency Food and Shelter Grant	83.523	LR0-005	5,872
Pass-through Georgia Emergency Management Agency:			
Emergency Management Program Grants	83.552		3,102
Hazard Mitigation - Warning Sirens (GEMA)	53.516		438
Warning Siren HMG Grant (GEMA)	53.516	Cobb-2001-S0001	82,908
<u>U.S. Department of Health and Human Services</u>			
Pass-through Georgia Department of Human Resources:			
Community Services Block Grant	93.569	427-93-35909	441,910
Child Support Enforcement	93.563	427-93-36094	444,428
	93.563	427-93-45465	151,312
Pass-through Atlanta Regional Commission:			
Social Services Block Grant	93.667	AG0303 & AG0403	169,923
Special Programs for the Aging - Title III, Part B	93.044	AG0303 & AG0403	121,927
Special Programs for the Aging - Title III, Part C	93.045	AG0303 & AG0403	286,243
Special Programs for the Aging - Title III, Part E		AG0303 & AG0403	30,816

COBB COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Period Ending September 30, 2003

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Grant Revenues Expenditures
<u>U.S. Department of Housing and Urban Development</u>			
Direct Grants:			
Community Development Block Grant/ Entitlement	14.218	--	4,294,489
Super NOFA Supportive Housing Grant	none at present time		325,573
Home Investment Partnership	14.239	--	2,253,432
Emergency Shelter Grants Program	14.231	--	105,950
Lead Base Paint	14.900	95LY033000-001	143,068
<u>U.S. Department of Justice</u>			
Office of Justice Programs:			
Community Oriented Policing Service	16.579	95-CC-WX-0399	130,622
Grants to Encourage Arrest Policies	16.574	97-WE-VX-0026	51,482
Domestic Preparedness Equipment	16.607	2000-TE-CX-0113	-
Pass-through Georgia Council of Juvenile Court Judges:			
Juvenile Justice and Delinquency Prevention	16.540	02B-ST-0002 & 01B-ST-0004	20,500
Pass-through Georgia Criminal Justice Coordinating Council:			
Stop Violence Against Women	16.588	00-WF-VX-0042	-
Stop Violence Against Women	16.588	2001-WF-BX-002	-
Victims of Crime	16.575	2000-VA-GX-0013	(7)
Victims of Crime	16.575	C02-8-007	53,333
Children and Youth Coordinating Council :			
Enforcing Underage Drinking	16.542	OOSD-0002	-
Enforcing Underage Drinking	16.542	01D-12-001	44,581
Juvenile Court Service Enhancements	16.523	00B-IC-0003	243,479
JSOT Training		03S-12-0301-0002	2,089

COBB COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Period Ending September 30, 2003

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Grant Revenues Expenditures
<u>U.S. Department of Justice</u>			
Office of Justice Programs:			
Pass-through Metro Atlanta Project Pact:			
Local Law Enforcement Block			
Grant Program	16.592	2000-LB-BX-0768	-
Grant Program	16.592	2001-LB-BX-0730	149,994
Grant Program	16.592	2002-LB-BX-1395	157,036
Pass-through U.S. Drug Enforcement Adm Asset Forfeiture			32,254
Pass-through Criminal Justice Coordinating Council			117,436
<u>U.S. Department of Labor</u>			
Pass through Georgia Department of Labor			
Workforce Investment Act (WIA)			
99 Youth Program	17.255	15-00-99-03-004	251
99 Welfare to Work Program	17.253	80-00-99-03-004	19,658
00 Adult Program	17.255	10-00-11-03-004	1,117
00 Youth Program	17.255	15-00-11-03-004	80,486
Adult Program FY00	17.255	11-01-11-03-004	(61,629)
Dislocated Worker Program FY01	17.255	31-01-11-03-004	299
01 Adult Program	17.255	10-01-11-03-004	(7,047)
01 Youth Program	17.255	15-01-11-03-004	57,082
01 Dislocated Worker Program	17.255	30-01-11-03-004	(94,759)
02 Adult Program	17.255	11-02-11-03-004	108,784
02 Dislocated Worker Program	17.255	31-02-11-03-004	168,240
Dislocated Worker Statewide Activities	17.255	42-01-00-03-004	111,083
Dislocated Worker Statewide Activities	17.255	42-01-11-03-004	208,217
03 Adult Program	17.255	11-03-11-03-004	121,345
03 Dislocated Worker Program	17.255	31-03-11-03-004	242,873
02 Adult Program	17.255	10-02-11-03-004	52,815
02 Dislocated Worker Program	17.255	30-02-11-03-004	306,200
Summer Jobs for Youth Program	17.255	20-03-SF-03-134	61,076
03 Youth Program	17.255	15-02-11-03-004	265,857
<u>U.S. Department of Transportation</u>			
Direct Grants:			
Federal Aviation Administration			
Safety Overrun, Phase II , II	20.106	DTFA0699A80181	-
Runway 9 Safety Overrun	20.106	3-13-0081-17	-
So. Parallel Taxiway Phase I	20.106	3-13-0081-14	34,466
So. Parallel Taxiway Phase II	20.106	3-13-0081-15	(64,213)
Airport Improvements	20.116	3-13-0081-16	9,579
Culvert Phase III	20.116	3-13-0081-13	3,137

COBB COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Period Ending September 30, 2003

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Grant Revenues Expenditures
Federal Transit Administration - Capital Improvement, Sect.9 Planning. Sect 9 Access to Jobs from FTA thru ARC	20.507 20.507	--	2,299,111 -
			300,000
UMTA SEC 90 Capital Improvements	20.507		884,836 303,665 216,535
 <u>U.S. Department of Transportation</u>			
Pass-through Georgia Dept Motor Vehicle Safety			
Motor Carrier Safety Assistance	20.218 20.218		112,934 94,772
Pass-through Georgia Office Of Highway Safety:			
Railroad Grade Crossing Collision	20.600	402-CP-03-701	11,631
Safe America HW Safety	20.600	402-SA-02-203	63,015
Child & Occupant Seat Belt	20.600	157-PT-03-113	22,566
DUI Task Force	20.600	164-AL-02-108	124,473
 Office Of Public Services:			
Family Literacy		00-CO-005-FALI	-
Vacation Reading Program		00-CO-014-VRP	-
 <u>U. S. Department of Treasury</u>			
Social Security-Inmate Reporting Incentives			48,000
 Grand Total			 \$ 16,012,408

Cobb County, Georgia
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2003

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, 2003

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?	No
Reportable condition(s) identified:	
Not considered to be material weakness(es)	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal Control over major programs:	
Material weakness(es) identified?	No
Reportable condition(s) identified not considered to be material weaknesses?	No
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:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
93.563	Child Support Enforcement
14.218	Community Development Block Grant/Entitlement
14.239	Home Investment Partnership
17.255	Workforce Investment Act Adult Program
20.507	Federal Transit Authority

Dollar threshold used to distinguish between Type A and Type B programs	\$ <u>480,372</u>
---	-------------------

Auditee qualified as low-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.