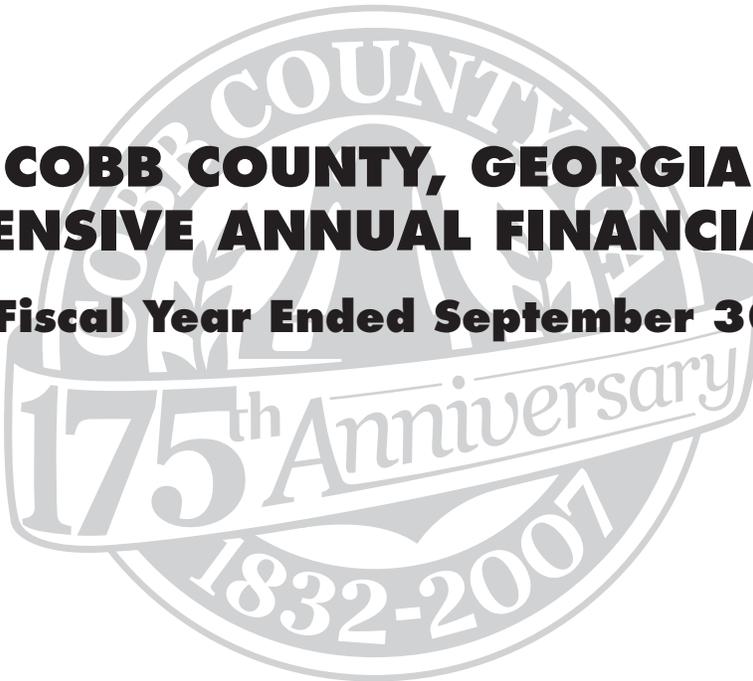




COBB COUNTY, GEORGIA

*Comprehensive Annual
Financial Report*

For Fiscal Year Ended September 30, 2007

The seal of Cobb County, Georgia, is a circular emblem. It features a central figure, likely a Native American, surrounded by agricultural symbols like a plow and sheaves of wheat. The words "COBB COUNTY" are arched across the top, and "GEORGIA" is arched across the bottom. A banner across the center reads "175th Anniversary" and the years "1832-2007" are at the very bottom.

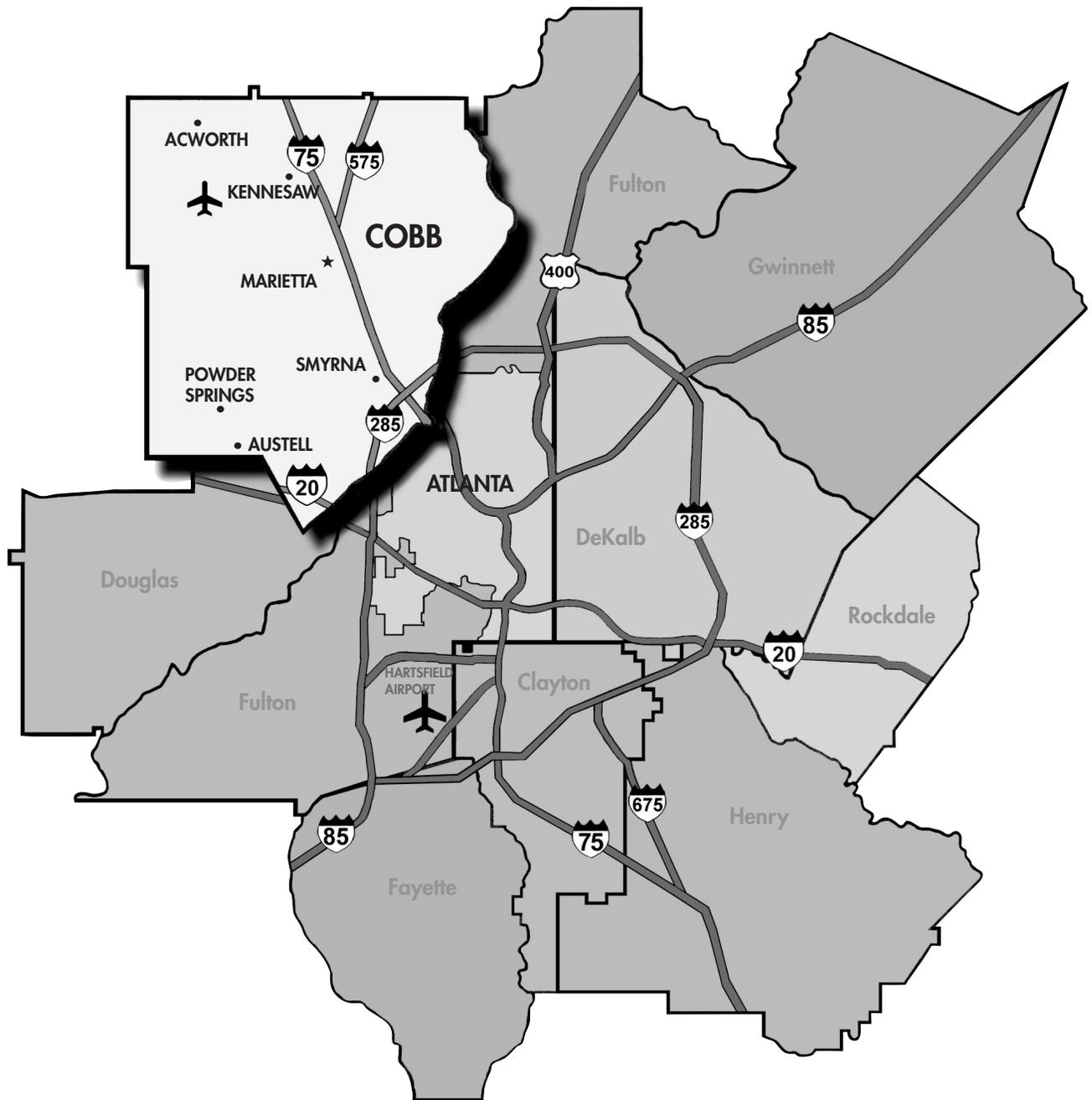
**COBB COUNTY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For The Fiscal Year Ended September 30, 2007

**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, 2007**

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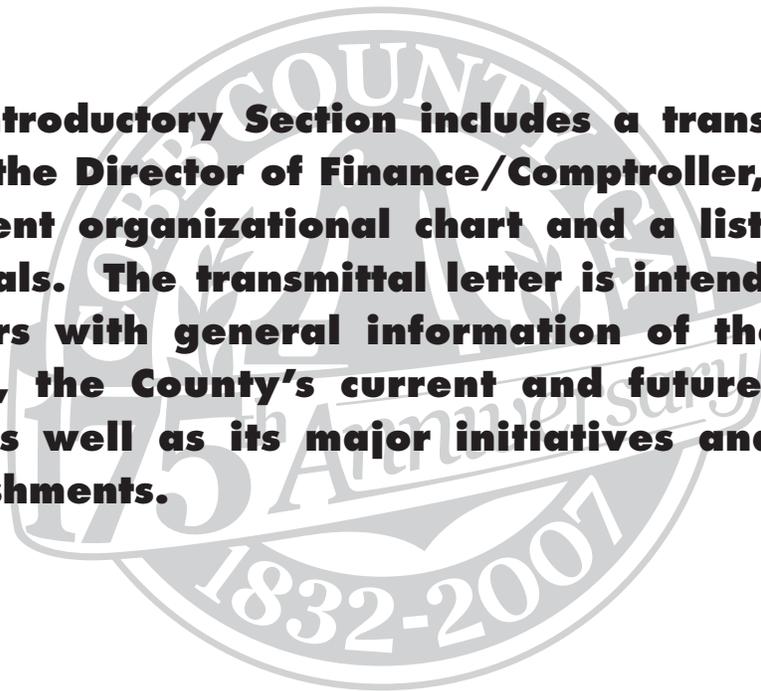
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Introductory Section

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.





COBB COUNTY FINANCE DEPARTMENT

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

Brad Bowers, CPA
Director/Comptroller

February 25, 2008

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 (CAFR) of Cobb County, Georgia for the fiscal year ended September 30, 2007, is submitted herewith. Georgia state law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements.

Responsibility for both the accuracy of the data and the completeness and fairness of presentation, including disclosures, rests with the County. We believe the data presented is accurate in all material respects and that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds. All disclosures necessary to enable interested citizens to gain a reasonable understanding of the County's financial activities have been included.

Moore & Cubbedge, LLP Certified Public Accountants, have issued an unqualified opinion on the Cobb County financial statements for the fiscal year ended September 30, 2007. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Cobb County receives financial assistance through various federal grant programs. As required by the Single Audit Act of 1984, P.L. 98-502 and amendments of 1996 and Office of Management and Budget (OMB) Circular A-133, audits of programs receiving federal grants have been performed for the fiscal year ended September 30, 2007. The required reports on supplementary information, compliance, internal controls, and various supplementary schedules are included under the Compliance Section.

Profile of the Government

Cobb County, Georgia, is a healthy, vibrant community located twenty miles northwest of Atlanta along the scenic Chattahoochee River. Cobb and neighboring Cherokee County were part of the Creek and Cherokee Indian Territories when the first settlers arrived in the early 1800's. The North Georgia Gold Rush brought English and Scotch-Irish settlers in search of riches and farmland. As trade began, enough homesteaders were attracted to the area for the City of Smyrna, one of Cobb's six municipalities, to be settled in 1831. Cobb County was officially organized in December 3, 1832 and named for Thomas Willis Cobb, a United States Senator, Congressman and Superior Court judge. The County seat, Marietta, was officially recognized in 1834. The two cities and the county grew substantially following Reconstruction, especially after World War II with the building of Rickenbacker Field and the Bell Bomber Aircraft Plant – now Dobbins Air Force Base and the Lockheed Martin Aeronautical Systems Company.

Cobb's population has grown 11.8% since 2000 when approximately 607,751 people resided in the County. Based on the U.S. Census as of July 2006 and adding a 1.5% growth factor, Cobb's population is estimated at 689,515. According to the U.S. Census Bureau and the Atlanta Regional Commission, the U.S. population increase from July 1, 1970 to July 1, 2006 was 45.70%, compared with Georgia's 103.62% increase for the same period. In contrast, Cobb County's population increase for the same period was 245.20%. This makes Cobb County one of the fastest growing counties in the nation since 1970 even though the growth rate has declined more recently.

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 689,515 residents living in the 340.2 square mile area include: public safety (fire, EMS, police, 911 emergency, animal control, and sheriff and detention operations), 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 operates a multi-use exhibit hall and convention facility in the County. The Cobb County Board of Health provides a variety of health related services in the County. Additional information on these two legally separate entities can be found under the Basic Financial Statements section.

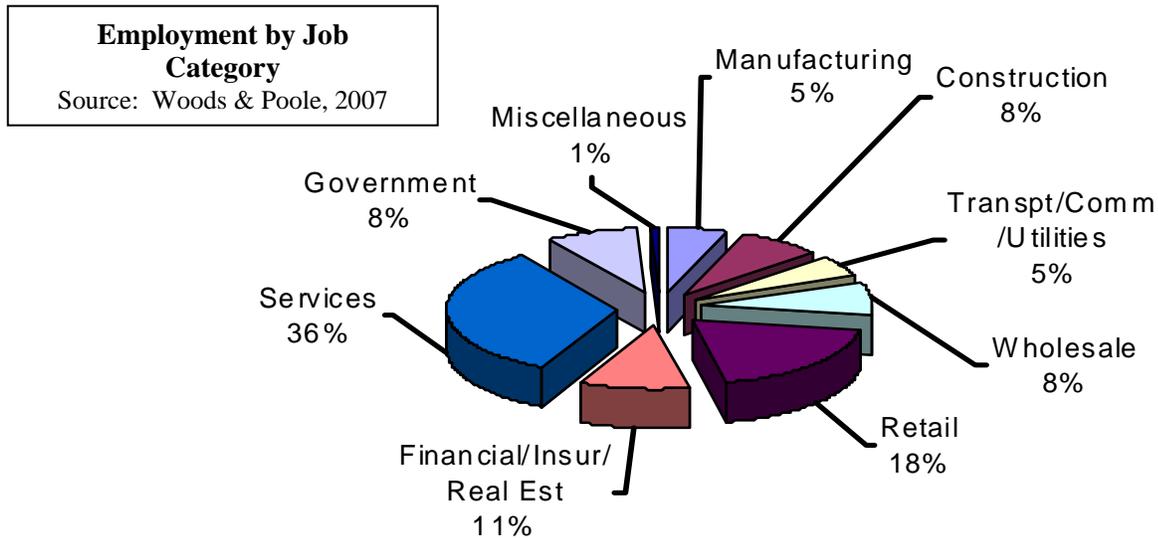
Local Economy

Cobb County is part of a very select group that includes less than 1% of counties nationwide to have achieved a Triple-Triple A credit rating, and this achievement has been accomplished for the eleventh 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 coveted independent ratings verify that Cobb's sound fiscal policies and conservative management philosophy will guide Cobb into the future.

Thanks in large part to the foresight and stewardship of County leadership, today Cobb County is the leader in the metro area employing more than 452,920 within its boundaries. Currently, there are approximately 30,324 businesses licensed in Cobb County. The County's unemployment rate is 3.5% which is lower than both the state of Georgia (4.7%) and the United States (4.5%).

Although the top ten major employers in the community account for only 12.9% of all those employed in Cobb County, the national recognition they bring to the County cannot be overstated. There are four Fortune 500 companies that have their headquarters in Cobb County, with 212 international companies having a presence and contributing to our dynamic business environment. The companies include BlueLinx Holdings, Coca-Cola Enterprises, Genuine Parts (NAPA), and The Home Depot. Each of these companies represents a different type of commercial enterprise that has found the environment within the County to be conducive to future growth.

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



In fiscal year 2007, the Cobb Galleria Centre, one of the leading convention centers in the nation, had net assets of \$111.0 million. September 2007 marked the grand opening of the Cobb Energy Performing Arts Centre, the first major performing arts facility in the Atlanta area in four decades. The \$145 million facility includes the 2,750-seat John A. Williams Theatre, 120,000 square foot ballroom, 9,500 square foot terrace and full catering capabilities. The Centre will have a major impact on the surrounding area, both economically and artistically, because the Centre is a premier venue for opera, concerts, Broadway shows, ballet, educational and family shows and other events. In short, this first class facility will greatly enhance the quality of life in the region.

Long-term Financial Planning

Cobb County is recognized as a leader both nationally and locally. Nationally, the three premier bond rating agencies have awarded the County their highest ratings...triple A. Cobb's Water System is the highest rated independent (non-general obligation backed) water system in the nation as they also have a Triple-Triple A rating.

In September 2005, voters approved the Special Purpose Local Option Sales Tax (SPLOST). This one cent sales tax program, which will be significantly supported by non-residents, will fund various improvements around the County. These improvements include: \$27 million replacement of the 800 MHz Communications System, \$110 million expansion of the Cobb County Adult Detention Center, \$55 million courthouse, \$325 million allocation for major road improvements, \$267 million reserved for safety and operational improvements such as intersection improvements, \$79 million dedicated for infrastructure preservation including work on roads and bridges, and \$35 million concentrated on sidewalk additions and multi-use trails. The program will run from January 2006 until December 2011. A complete list of the projects and further details regarding the program is available at the Web site www.cobbcip.org. Total revenue generated for the SPLOST program in FY07 was \$145.5 million with expenditures totaling \$75.7 million.

The Debt Service Fund reflects the accumulation of monies for, and the payment of, principal and interest on all General Obligation Debt other than that issued specifically for enterprise activities. The following ratios of net bonded debt per capita are useful indicators of the County's strong debt position:

	<u>Amount</u>	<u>Debt Per Capita</u>	<u>Debt to Actual Value</u>	<u>Debt to Assessed Value</u>
Net Bonded				
Debt	\$ 48,689,033	\$ 70.61	0.06%	0.15%
Total General Obligation				
Direct Debt	\$ 58,070,000	\$ 84.22	0.07%	0.18%
Net General Obligation				
Direct and Overlapping				
Debt	\$ 394,161,719	\$ 571.65	0.48%	1.21%

Outstanding General Obligation Bonds at September 30, 2007 totaled \$58,070,000.

Cobb's legal General Obligation Bond debt limitation by state law is 10% of the taxable digest or \$3,257,208,146. Cobb County currently is utilizing 1.78% of this limitation with its \$58,070,000 outstanding General Obligation Bonds.

The available assets of the various funds are pooled to the extent possible for investment purposes. Investments are made in accordance with state law and the County's Investment Policy that requires bank balances be 110% collateralized and all investments be acquired on a "delivery vs. payment" basis, thereby providing maximum protection to the County. The Investment Policy also prescribes selection criteria for financial institutions, investment instruments and maturities of investments.

Major Initiatives

In order to continue to compete in a global economy and ensure continued economic growth, Cobb County must continue to address the public infrastructure that effectively serves the demands for transportation and air travel, water supply, wastewater treatment and waste disposal. To address these challenges, along with other quality of life issues, Cobb aggressively developed and adopted its first 5-year rolling Capital Improvement Program (CIP) in 1990. Since that time, Cobb County has successfully completed and implemented the Cobb County Greenprint. This is a Geographic Information Systems modeling program that allows staff to manage and prioritize the remaining undeveloped land and sensitive habitat in the county.

Cobb's Number One Priority...Public Safety The Board of Commissioners has always made the safety of Cobb County residents its highest priority. In 2007, the Department of Public Safety successfully implemented a Police E-Mail Notification System program where homeowners and business owners are advised of crime trends, suspect lookouts and other important information. Also in 2007, the Georgia Emergency Management Agency was awarded a \$345,876 grant to buy a hazardous material response vehicle and related chemical and biological equipment for the police department. Cobb Fire and Emergency Services opened up a facility, designated Station 30, on the south side of the Marietta/Cobb border by utilizing an inactive building that previously was a fire station to cover the response zones where the city no longer automatically dispatches. Construction has also begun on the relocation of the Austell fire station and the new fire station in the Acworth area.

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. New in 2007 was the opening of the Mud Creek Soccer Complex on Barrett Parkway. The 26-acre \$4.5 million complex has five lighted soccer fields, a concession and restroom building, a playground, abundant parking and a half-mile long concrete walking loop. Also new in 2007 was the completion and grand openings of the renovated Cobb County Gymnastics Center and the Ron Anderson Recreation Center. In addition, the County also issued General Obligation Bonds for \$25 million in July 2007. This is from the November 2006 approved referendum that will allow the County to issue \$40 million in bond funds to purchase land that will be used specifically for public parks. The second bond for the remaining \$15 million will be issued in 2008.

Moving Forward with Water/Sewer In 2007 the \$29 million Northwest Water Reclamation Facility expansion was completed. This renovation will increase the plant treatment capacity to 12 million gallons per day which increases the county's total wastewater treatment capacity to 132 million gallons a day – a projection that would meet our needs through the year 2030. Design for the South Cobb Tunnel was also completed and construction will begin in 2008 with a projected completion date sometime in 2013.

Road to Progress Cobb County DOT oversees one of Georgia's largest county-owned road networks. In 2007 Cobb DOT successfully completed the conversion of traffic signals countywide to new LED signal lamps, which are 60% more efficient than traditional lamps. This project will save more than 2 million kilowatt hours annually. Also in 2007, Cobb DOT completed the Atlanta Road at Cumberland project. This project added triple left lanes from Atlanta Road to westbound Cumberland Parkway, thus reducing congestion. In addition, the acquisition for the Mableton Park and Ride Lot is nearing completion and will allow for construction to begin.

County-Owned Transit System Cobb Community Transit (CCT) continues to meet its goals of providing the citizens of Cobb County with a safe, reliable, attractive and cost effective public transportation system. In 2007, CCT increased ridership for the fifth consecutive year to an all time high of 4.4 million trips, which represents a 4.8% increase over FY06. In 2007 they also added more than 13,000 annual hours of service to local bus routes, including an expansion of the paratransit service area. CCT also added a Georgia Regional Transportation Authority bus route that provides express service from Austell and Six Flags to the MARTA Civic Center.

Airport News Cobb County Airport-McCollum Field is one of the busiest single runway airports in Georgia that has gradually transformed from a recreational airport to a business-class airport. In 2007 a \$2.87 million federal grant was used to rehabilitate the airport's parallel Taxiway A and upgrade the runway safety areas by installing a storm water drainage system and grading the shoulders.

Protection Under the Law Cobb County law enforcement services through the Sheriff's Department and the many Judicial Services provided by the various courts of Cobb County serve its citizens with protection under federal, state and local laws and statutes. In 2007, the Sheriff's Office successfully upgraded the security monitoring and control infrastructure for the county Courthouse Complex. The system provides closed-circuit digital video and audio monitoring and was paid for by using federal grant funds. Also in 2007, Information Services improved access to documents, allowing departments to share information more easily with a comprehensive document imaging solution for Juvenile Court, Magistrate Court, DOT, Water System, the Sheriff's department and Fire and Emergency Services. Additionally, Wi Fi Internet was made available to the Jury Assembly room and reporting information for jurors was placed on its web page.

Relevant Financial Policies

Cobb County's goals were developed within the framework of the Financial Policies established by the County that provide a sound basis for future financial planning and conservative management. Briefly stated, they include (1) a balanced annual operating budget, (2) a stable and diversified revenue structure, (3) maintenance of adequate reserves and designations of fund balances, (4) a multi-year capital improvements program, and (5) debt and investment policies that ensure judicious management of the County's credit and available funds.

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

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

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

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2006. This represented the twenty-first 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 Water System Fund also received several awards throughout FY07. The Georgia Association of Water Professionals (GAWP) 2007 Fox McCarthy Water Wise Award, the GAWP 2007 Laboratory Quality Assurance Award, the GAWP Platinum Award, and the Georgia Environmental Protection Division Adopt-A Stream in Action Award are just a few of the awards received.

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

We also wish to acknowledge the valuable contribution of the Board of Commissioners in its guidance of the financial affairs of the County.

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

Respectfully submitted,



Brad Bowers, CPA
Director of Finance/Comptroller

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, 2006

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.



Chloe S. Cox

President

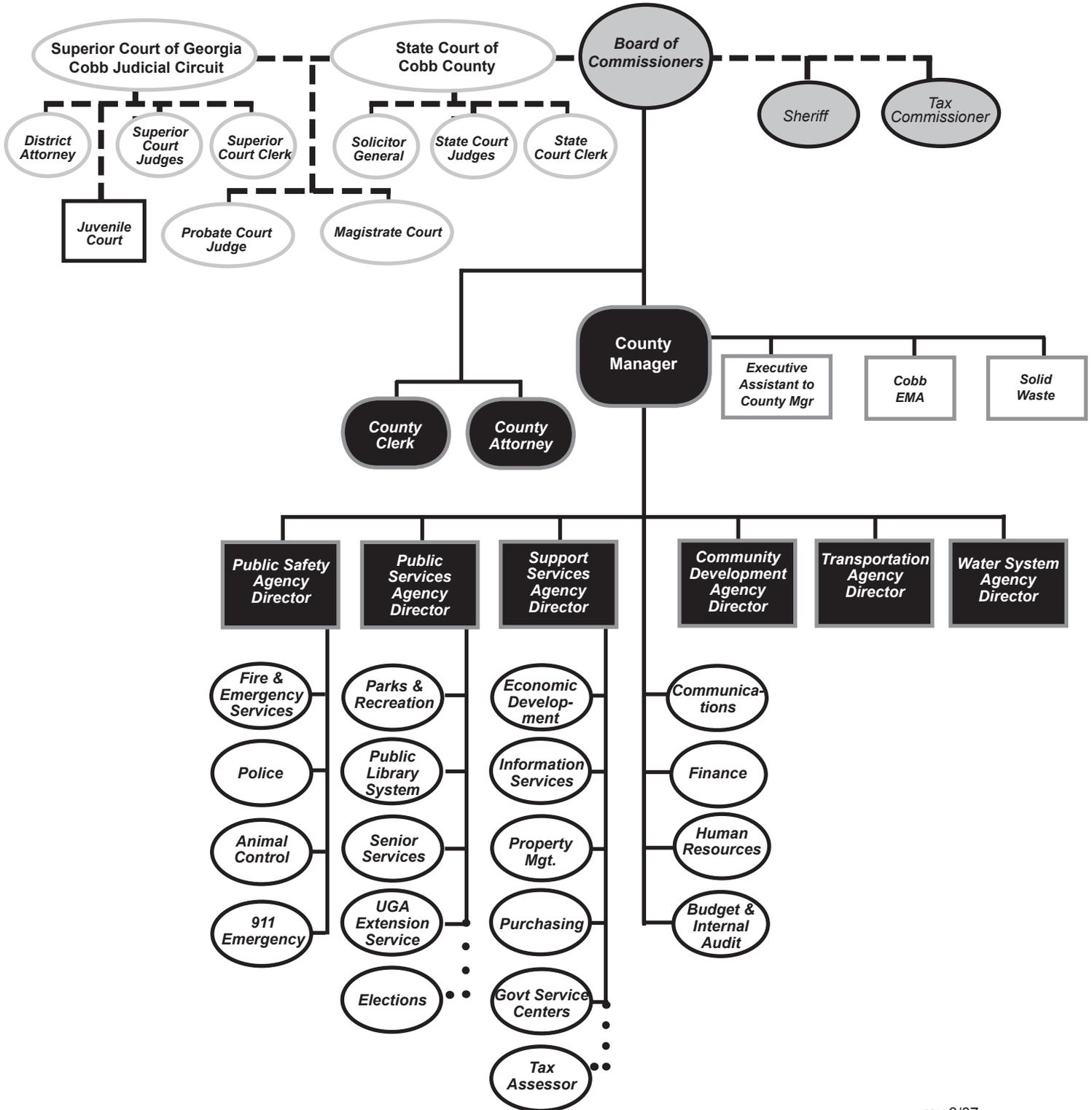
Jeffrey R. Emer

Executive Director



Cobb County Government Organizational Chart

Cobb County... Expect the Best!



rev 6/07

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
	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



Annette Kesting
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

Accounting Manager Roxane Rush

Accounting Manager Jennifer Wilson, CPA

Financial Management Analyst Tara Crisp

Risk Manager Dolly Moy, ARM

Financial Section

The Financial Section includes the Management's Discussion and Analysis (MD&A), the basic financial statements and Required Supplemental Information (RSI) as well as the independent auditor's report. The MD&A is intended to provide users with a narrative introduction, overview and analysis of the financial statements. The RSI is intended to provide users with budgetary comparisons, infrastructure condition and maintenance data and pension trend data.



Moore & Cubbedge, LLP

Certified Public Accountants
&
Advisors

Richard H. Lewis
Michael R. Crace
Donald L. McGrath, Jr.
Jean K. Hawkins
Tammy A. Galvis
C. Frank Moore, retired
Edwin W. Cubbedge, III, retired

INDEPENDENT AUDITOR'S 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, 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, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Cobb County, Georgia, as of September 30, 2007, and the respective changes in financial position and the cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the Major Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2008 on our consideration of Cobb County, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and the analysis of funding progress and schedule of funding progress on pages 3 through 16 and pages 74 through 76 are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Cobb County's basic financial statements. The introductory section, the combining and individual nonmajor fund statements and schedules, supplementary information, the statistical tables, the schedule of projects constructed with special sales tax proceeds, and the water and sewer fund comparative statement of revenues and expenses are presented for the purpose of additional analysis and are not a required part of the basic financial statements of Cobb County, Georgia. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of Cobb County, Georgia. The combining and individual nonmajor fund statements and schedules, supplementary information, schedule of expenditures of federal awards, the schedule of projects constructed with special sales tax proceeds, and the water and sewer fund comparative statement of revenues and expenses have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Moore & Cubbedge, LLP
Moore & Cubbedge, LLP

February 25, 2008

Management's Discussion & Analysis



COBB COUNTY GOVERNMENT
Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2007

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, 2007. This discussion and analysis is designed to look at the County's financial performance as a whole. Readers should also review the information presented here in conjunction with additional information that we have furnished in the financial statements and the notes to the financial statements to enhance their understanding of Cobb County's financial performance.

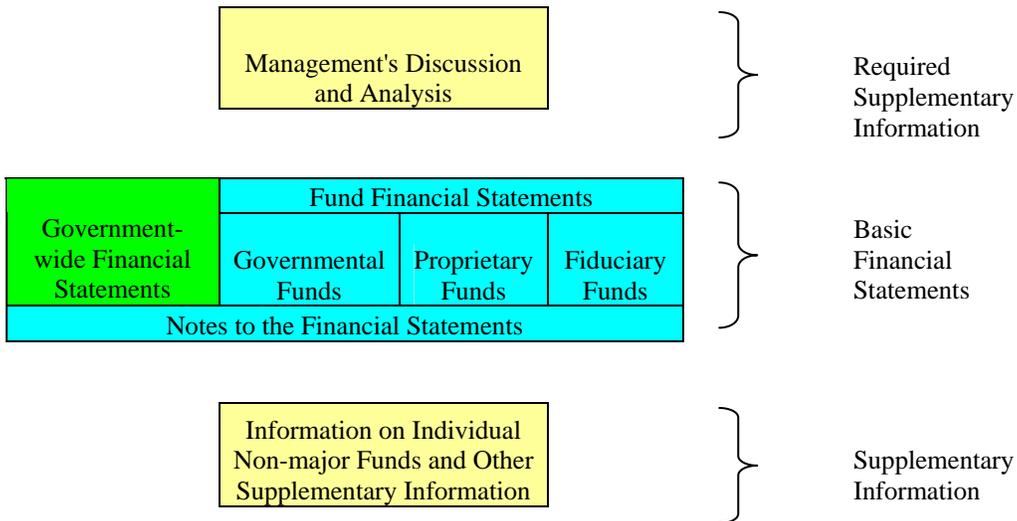
Financial Highlights

Key financial highlights for FY07 are as follows:

- ◆ The County's combined net assets totaled \$4.0 billion. Of this amount, unrestricted net assets of \$103.1 million may be used to meet the government's ongoing obligations to citizens and creditors.
- ◆ Combined revenue totaled \$845.3 million of which governmental activities totaled \$619.8 million and business-type activities totaled \$225.5 million.
- ◆ Overall expenses totaled \$668.5 million of which governmental activities totaled \$489.3 million and business-type activities totaled \$179.2 million.
- ◆ At the end of September 30, 2007, governmental activities expenses exceeded program revenue, resulting in the use of \$328.8 million in general revenues (mostly taxes).
- ◆ Cobb County's total long term debt decreased by \$1,266,583 (0.4%) during the current fiscal year.
- ◆ At September 30, 2007, the County's General Fund reported an unreserved fund balance of \$51.6 million; a decrease of \$2.2 million from last fiscal year.

Overview of the Financial Statements

This is the sixth Comprehensive Annual Financial Report (CAFR) Cobb County has issued under the Governmental Accounting Standards Board (GASB) Statement 34. Because the presentation is very different from pre-GASB34 CAFRs, we are providing the following illustration:



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

Government-wide Financial Statements

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

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

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

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

The government-wide financial statements include not only Cobb County Government itself but also a legally separate Coliseum and Exhibit Hall Authority and a 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, proprietary funds and fiduciary funds. It is important to note that these fund categories use different accounting approaches and should be interpreted differently.

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Governmental Funds

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

The County maintains four governmental fund types: the General Fund; Special Revenue Funds (Fire District, Law Library, Community Services, Grant, Housing and Urban Development Grant, Senior Services, Hotel/Motel Tax, Emergency 911, Parking Deck Facility and 800 MHz); Debt Service Fund; and the Capital Projects Funds (Public Facilities, Parks Bond, Road Sales Tax Extension 1994 and the 2006 SPLOST). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Fire District Fund and the 2006 SPLOST Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation based on fund type. The basic governmental fund financial statements can be found on pages 19-24.

Proprietary Funds

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

The County has six proprietary funds: Water and Sewer Fund, Solid Waste Disposal Fund, Cobblestone Golf Course Fund, Mable House Barnes Amphitheatre Fund, Public Transit System Fund and the Claims Internal Service Fund. The Claims Internal Service Fund, which accounts for services performed by a central service department for other departments or agencies of the governmental unit, are comprised of the Health and Dental Fund, the Casualty and Liability Fund, and the Workmen's Compensation Fund. The proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund and the Solid Waste Disposal Fund, which are considered to be major funds of the County. The basic proprietary fund financial statements can be found on pages 25-29 of this report.

Fiduciary Funds

The Fiduciary funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments and other County departments. The County is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and only by those to whom the assets belong. These funds are not reflected in the government-wide financial statements because the resources are not available to support the County's operations or programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Cobb County maintains nine fiduciary funds, called agency funds, for Clerk of State Court, Clerk of Juvenile Court, Sheriff, Clerk of Superior Court, Clerk of Probate Court, Tax Commissioner, Accounts Payable Fund, Payroll Fund and the Child Support, Witness and Jurors' Fees. The basic fiduciary funds financial statements can be found on pages 30-31 of this report.

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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, 2007 and June 30, 2007, respectively.

Budgetary Comparisons

Cobb County adopts an annual appropriated budget for the General Fund, Special Revenue Funds, and the Debt Service Fund. A budgetary comparison statement has been provided for the General Fund and Fire District Special Revenue Fund and can be found on pages 23-24 of this report. Budget to actual comparisons for some of the nonmajor funds are provided in individual schedules elsewhere in this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 32-73 of this report.

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Government-wide Financial Analysis

Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The County's combined net assets (government and business-type activities) totaled \$4.0 billion at September 30, 2007.

The following table provides a summary of the County's governmental and business-type net assets for fiscal years 2007 and 2006:

Cobb County, Georgia
Statement of Net Assets

	Governmental Activities <u>2007</u>	Governmental Activities <u>2006</u>	Business-type Activities <u>2007</u>	Business-type Activities <u>2006</u>	Total <u>2007</u>	Total <u>2006</u>
Assets:						
Current assets	\$ 478,621,637	\$ 369,122,530	\$ 87,602,974	\$ 98,447,558	\$ 566,224,611	\$ 467,570,088
Other - noncurrent	5,850,639	5,539,812	650,071	547,894	6,500,710	6,087,706
Capital assets - net	2,576,149,100	2,542,832,953	1,313,659,201	1,281,356,501	3,889,808,301	3,824,189,454
Unamortized bond costs	50,343	-	667,518	732,469	717,861	732,469
Total assets	<u>\$ 3,060,671,719</u>	<u>\$ 2,917,495,295</u>	<u>\$ 1,402,579,764</u>	<u>\$ 1,381,084,422</u>	<u>\$ 4,463,251,483</u>	<u>\$ 4,298,579,717</u>
Liabilities						
Current liabilities	\$ 131,425,845	\$ 136,277,563	\$ 24,126,948	\$ 30,186,841	\$ 155,552,793	\$ 166,464,404
Long-term liabilities (net)	<u>150,385,758</u>	<u>132,880,577</u>	<u>167,274,998</u>	<u>186,046,762</u>	<u>317,660,756</u>	<u>318,927,339</u>
Total liabilities	<u>\$ 281,811,603</u>	<u>\$ 269,158,140</u>	<u>\$ 191,401,946</u>	<u>\$ 216,233,603</u>	<u>\$ 473,213,549</u>	<u>\$ 485,391,743</u>
Net Assets						
Invested in capital assets, net of related debt	\$ 2,519,108,757	\$ 2,480,941,152	\$ 1,184,655,823	\$ 1,160,044,646	\$ 3,703,764,580	\$ 3,640,985,798
Restricted	183,127,588	85,045,197	-	-	183,127,588	85,045,197
Unrestricted	76,623,771	82,350,806	26,521,995	4,806,173	103,145,766	87,156,979
Total net assets	<u>\$ 2,778,860,116</u>	<u>\$ 2,648,337,155</u>	<u>\$ 1,211,177,818</u>	<u>\$ 1,164,850,819</u>	<u>\$ 3,990,037,934</u>	<u>\$ 3,813,187,974</u>

The largest portion of the County's net assets 92.8% reflects its investment in capital assets such as land, buildings, equipment and infrastructure (roads, bridges, sidewalks, water lines and sewer lines) less any related debt used to acquire those assets that is still outstanding. Investment in capital assets net of related debt increased by \$62.8 million (1.7%) in FY07.

The County uses these capital assets to provide services to its citizens; therefore, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

At the end of the current fiscal year, the County is able to report positive balances in all categories of net assets for both the governmental and business-type activities.

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Changes in Net Assets

Governmental and business-type activities increased the County's net assets by \$176.8 in FY07. The following table indicates the changes in net assets for governmental and business-type activities in FY07 and FY06.

Cobb County, Georgia
Changes in Net Assets

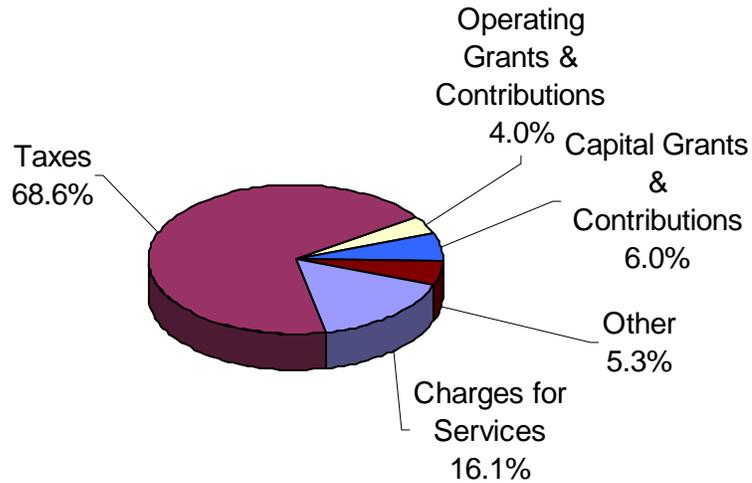
	Governmental Activities <u>2007</u>	Governmental Activities <u>2006</u>	Business-type Activities <u>2007</u>	Business-type Activities <u>2006</u>	Total <u>2007</u>	Total <u>2006</u>
Revenues:						
Program Revenues:						
Charges for Services	\$ 99,025,749	\$ 96,522,153	\$ 186,899,424	\$ 179,938,028	\$ 285,925,173	\$ 276,460,181
Operating Grants & Contributions	17,442,439	16,342,417	571,081	1,445,712	18,013,520	17,788,129
Capital Grants & Contributions	43,962,989	39,290,010	37,980,311	39,555,767	81,943,300	78,845,777
General Revenues:						
Property Taxes	238,915,529	218,244,514	-	-	238,915,529	218,244,514
Other Taxes	183,163,905	148,937,071	-	-	183,163,905	148,937,071
Grants and contributions not restricted to specific programs	11,291,129	11,256,630	-	-	11,291,129	11,256,630
Other	21,530,280	17,109,546	4,530,466	6,858,981	26,060,746	23,968,527
Total Revenues	\$ 615,332,020	\$ 547,702,341	\$ 229,981,282	\$ 227,798,488	\$ 845,313,302	\$ 775,500,829
Expenses:						
General government	\$ 120,717,451	\$ 115,843,895	\$ -	\$ -	\$ 120,717,451	\$ 115,843,895
Public safety	193,571,694	178,947,049	-	-	193,571,694	178,947,049
Public works	104,327,448	90,377,404	-	-	104,327,448	90,377,404
Health and welfare	13,616,494	7,478,849	-	-	13,616,494	7,478,849
Culture and recreation	35,607,314	39,071,797	-	-	35,607,314	39,071,797
Housing and development	14,722,882	13,609,064	-	-	14,722,882	13,609,064
Interest on long-term debt	6,685,179	6,592,636	-	-	6,685,179	6,592,636
Water and Sewer	-	-	145,833,553	144,457,437	145,833,553	144,457,437
Solid Waste	-	-	11,953,423	11,095,700	11,953,423	11,095,700
Transit	-	-	19,686,139	17,477,215	19,686,139	17,477,215
Cobblestone Golf Course	-	-	1,741,765	1,677,078	1,741,765	1,677,078
Mable House Barnes Amphitheatre	-	-	-	1,621,898	-	1,621,898
Total Expenses:	\$ 489,248,462	\$ 451,920,694	\$ 179,214,880	\$ 176,329,328	\$ 668,463,342	\$ 628,250,022
Increase in net assets before transfers	\$ 126,083,558	\$ 95,781,647	\$ 50,766,402	\$ 51,469,160	\$ 176,849,960	\$ 147,250,807
Transfers	4,439,403	2,643,338	(4,439,403)	(2,643,338)	-	-
Increase in net assets	\$ 130,522,961	\$ 98,424,985	\$ 46,326,999	\$ 48,825,822	\$ 176,849,960	\$ 147,250,807
Net Assets - beginning, before restatement	\$ 2,648,337,155	\$ 2,551,303,173	\$ 1,164,850,819	\$ 1,116,024,997	\$ 3,813,187,974	\$ 3,667,328,170
Restatement	-	(1,391,003)	-	-	-	(1,391,003)
Net Assets -beginning restated	2,648,337,155	2,549,912,170	1,164,850,819	1,116,024,997	3,813,187,974	3,665,937,167
Net Assets - ending	\$ 2,778,860,116	\$ 2,648,337,155	\$ 1,211,177,818	\$ 1,164,850,819	\$ 3,990,037,934	\$ 3,813,187,974

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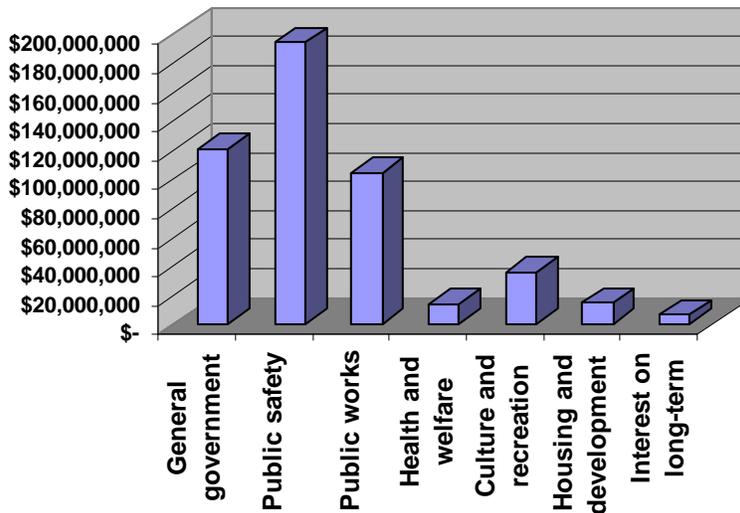
Governmental Activities

Governmental activities increased the County's net assets by \$130,522,961 thereby accounting for 73.8% of the total growth in net assets.

Revenues - Governmental Activities
FY 2007



Expenses - Governmental Activities
FY 2007



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Business-type Activities

Business-type activities increased the County's net assets by \$46,326,999 thereby accounting for 26.2% of the total growth in net assets.

Changes in Overall Net Assets from Operating Results

Revenues

The County's total revenue increased 9.0%, or \$69.8 million, in FY07. Revenues from Taxes and Charges for Services accounted for the majority of the County's increase in revenue. Revenue received from Taxes increased \$54.9 million (15.0%) overall due to an increase in the tax digest and revenue received for the 2006 Special Purpose Local Option Sales Tax (SPLOST) program which collected \$134 million in its second year. Revenue from Charges for Services increased \$9.5 million (3.4%) with the largest increase in General Government governmental activities and the Water and Sewer business-type activities. The General Government increase stems from the annually revised Indirect Cost Summary which allocates funds to the central services departments from those departments that support direct governmental services. The Water and Sewer Charges for Services increased \$7.3 million which was a result of a slight retail rate increase as well as an increase in both residential and non-residential customers for the year. Capital Grants and Contributions increased \$3.1 million in FY07. Key elements of this increase are a result of funding received from designated Community Improvement Districts for road projects and grant funding received from the State for the airport including the runway safety overrun upgrades and perimeter fencing as well as for various DOT projects involving road resurfacing, bridges, and traffic signal and intersection improvements.

Expenses

The County's total expenses increased 6.4%, or \$40.2 million, in FY07. The largest increase is in the Public Works and Public Safety functions. Public Safety increased \$14.6 million over the prior year with the replacement costs of major capital items such as the E911 Telephone System Switch and Recording System and the 800 MHz radio equipment. Public Works increased \$14.0 million in FY07 as the Department of Transportation began working on various SPLOST construction and engineering projects. Of this \$14.0 million, the primary expenses were road resurfacing, roadway and intersection safety and operational improvements, bridge rehabilitation and thoroughfare improvements. The largest business-type activities expenses increase was in the Transit Fund. It increased by \$2.2 million in FY07. Part of this increase was due to the fact that depreciation expenses increased \$0.8 million from the purchase of six new local buses and 10 new paratransit buses. Operating expenses also showed an increase of \$1.4 million when CCT added 13,000 annual hours of service to local bus routes including an expansion of the paratransit service area. In addition, old bus stop signs were replaced with new signage that included route information.

Financial Analysis of the County's Individual Funds

Cobb County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Cobb County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

The focus of the County's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, the unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The County ended FY07 with strong fund balances in its governmental funds. The combined balance of all the governmental funds is \$318.6 million. Of this total, \$221.2 million or 69.4% constitutes unreserved fund balance, which is available for spending in the coming year. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts, purchase orders and inventories of the prior period (\$85.4 million); 2) to pay debt service (\$9.4 million); 3) for a variety of other restricted purposes (\$2.7 million).

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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 \$51.6 million, and total fund balance was \$58.7 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 15.6% of total general fund expenditures and total fund balance represents 17.7% of that same amount.

Although the fund balance of the General Fund decreased \$1.9 million in FY07 for a total of \$58.7 million, the Board of Commissioners made a collaborative effort to focus on maintaining the county's excellent financial position. Tax revenues increased \$16.1 million due to a 7.4% increase in the tax digest. Operating expenditures increased approximately \$22.3 million (8.3%). The largest increases were in General Government and Public Safety.

Total transfers out in the General Fund of \$40.1 million represent the appropriation of funds to the Public Facilities Fund, Transit Fund, Senior Services Fund, Solid Waste Fund, Water System Fund, the 800 MHz Fund, Mable House Amphitheatre Fund and the Grant Fund. \$14.4 million of transfers out are transferred to the Public Facilities Fund for various capital projects including \$1 million in road resurfacing projects; \$1.7 million for PC replacements; \$1.2 million for library renovations; \$5.0 million for various Parks and Recreation projects such as the Hubert Soccer Complex and the Central Aquatics Center. The remaining \$5.5 million was used for various building improvements and renovations, property purchases, Public Safety, GIS, Airport, Elections, the Court Systems and DOT projects. Transfers out of \$17.2 million represent the appropriation of funds to subsidize Transit, Senior Services and Solid Waste. \$1.5 million was transferred to the 800 MHz Fund for Core Replacement, \$2.9 was transferred to the Mable House Amphitheatre to reallocate the assets and \$3 million was appropriated for Stormwater. \$0.5 million was transferred for the new vegetative waste site and an additional \$0.6 million was appropriated to the Grant Fund as required matching local funds.

Fire Fund

The Fire Fund is used to account for the operation of the fire departments within the County. The unreserved fund balance for FY07 was \$15.0 million while total fund balance was \$16.9 million. The fund balance decreased by \$5.8 million during the current fiscal year due to the use of prior year appropriated fund balance for capital projects such as new fire station construction and relocations along with equipment purchases. While total assets decreased by \$0.5 million, total liabilities increased by \$5.3 million. Reserved fund balance increased \$0.2 million in FY07. This increase in reserved fund balance along with the prior year reserves will allow the Fire Fund to construct new fire stations, relocate and rebuild inadequate fire stations as well as design and construct a new Public Safety Village Education Building.

2006 SPLOST Fund

The 2006 SPLOST Fund accounts for the financial resources provided from the 2006 one percent Special Purpose Local Option Sales Tax. Such funds were approved by voter referendum for public safety and transportation projects. At the end of the current fiscal year, the 2006 SPLOST Fund reported an unreserved fund balance of \$98.0 million. Operating revenues exceeded expenditures by \$86.5 million. \$18.1 million was transferred out to essentially cover reimbursement of core replacement costs in the 800 MHz Fund.

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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, Parking Deck Facility Fund and the 800 MHz Fund.

Nonmajor Special Revenue Funds' operating revenue totaled \$42.3 million for the fiscal year ended September 30, 2007. Total revenues decreased by \$0.1 million (0.2%).

Operating expenditures of the nonmajor Special Revenue Funds totaled \$51.4 million for FY07. Total Nonmajor Special Revenue Funds' expenditures decreased by \$2.6 million (4.8%). The decrease in expenditures is primarily in the 800 MHz Fund because the majority of the Phase II radios were purchased in FY06.

The unreserved-undesignated fund balances of the nonmajor Special Revenue Funds totaled \$7.6 million. This was an increase of \$5.9 million from FY06.

Debt Service Fund

The Debt Service Fund reflects the accumulation of monies for, and the payment of, principal and interest on all General Obligation Debt other than that issued specifically for enterprise activities. The Debt Service Fund has a total fund balance of \$9.4 million, all of which is reserved for the payment of debt service.

Capital Projects Funds

The County uses Capital Projects Funds to account for the acquisition, construction and improvement of major capital projects that are not financed by Proprietary Funds. The proceeds of General Obligation Bond issues and sales tax revenue are accounted for in the Capital Projects Funds until improvement projects are completed. There are three nonmajor Capital Projects Funds: the Road Sales Tax Extension 1994 Fund, Parks Bond Fund and the Public Facilities Fund. The nonmajor Capital Projects Funds overall fund balance is \$70.9 million of which \$44.8 million is designated for specific construction and improvement projects and capital acquisitions and \$26.1 million is reserved for encumbrances.

Operating expenditures exceeded operating revenues by \$39.5 million which was offset by a transfer in of \$35.0 million and a transfer out of \$2.4 million. These expenditures represent ROW acquisitions, engineering, construction costs and sidewalks in the 1994 Road Sales Tax Extension Fund. In the Public Facilities Fund, the primary expenditures are accounted for in the new Voice-Over IP project, the new Community Development Business Application System, the replacement equipment for the 800 MHz Phase 3 Program, street resurfacing and intersection improvement projects and county building construction and renovation projects. Expenditures exceeded revenues for the 1994 Road Sales Tax Extension Fund because we are continuing to complete the projects approved for this fund. The revenues generated from the 1994 SPLOST were collected for four years, but many of the road projects take several years to complete once the construction begins.

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.

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Major Funds:

Water and Sewer Fund

The Water and Sewer Fund accounts for the operation of the water distribution system and sewage processing plants. Unrestricted net assets of the Water and Sewer Fund at the end of the year amounted to \$75.1 million. Total net assets increased \$43.5 million in FY07.

Solid Waste Disposal Fund

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 \$53.5 million; however, they generated a net gain of \$3.1 million in FY07 due to a 16.6% decrease in depreciation expense and a 6.2% increase in operating revenues. 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.

Nonmajor Funds:

The Cobblestone Golf Course Fund accounts for the operations and maintenance of the County's golf course. It ended FY07 with a net income from operations of \$0.6 million. However, overall net income (including non-operating revenues and expenses) was \$0.4 million for FY07. Net assets totaled \$2.5 million. The number of rounds of golf decreased 1.2% from the prior year and contributed to a slight decrease of 0.7% in revenues.

The Public Transit System Fund accounts for the operation of the local public transit system through user fees and funds received from the Federal Transit Authority and the Georgia Department of Transportation. The Public Transit System Fund's operating revenue increased \$0.1 million (3.4%) from FY06 and total operating expenses increased by \$1.5 million (9.9%). Net assets totaled \$42.6 million at the end of the fiscal year.

General Fund Budgetary Highlights

Cobb County operated under an annual balanced budget (budgeted revenues equal budgeted expenditures), which is adopted by resolution and administered in accordance to State law. The legal level of control (the level at which expenditures may not legally exceed appropriations) for each legally adopted annual operating budget is at the category level within departments.

The most significant budgeted fund for the County is the General Fund. The Board of Commissioners amended the General Fund budget throughout FY07. These amended budget appropriations totaled \$17.1 million. The most significant expenditure amendments are summarized as follows:

General government:

- ◆ A \$6.3 million increase in Judicial, allocated to various departments for increased personnel services, operating expenditures and capital outlay.
- ◆ A \$1.1 million increase in the personnel services of the Executive and Administrative departments. These changes to the budget were a result of the 4% merit increases for eligible employees as well as the implementation of Phase I of the Compensation and Classification System Study which adjusted pay classifications and salary ranges.
- ◆ A \$1.1 million increase in General Administration for contributions to the National Park Service for a land purchase, the City of Acworth for a Special Needs field, and the Friends of the Strand, Inc. for renovation of the theater.
- ◆ A \$1.4 million increase in Information Services for fund balance reserve appropriations to allocate funds to be used for a Web Development program.
- ◆ A \$.6 million increase in Finance for fund balance reserve appropriations towards the Advantage Financial and Human Resources Software upgrade.
- ◆ A \$.4 million increase in Purchasing as a carry forward for several dump trucks, a police vehicle, and a bucket truck.

COBB COUNTY GOVERNMENT
Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2007

- ◆ A \$.2 million increase in Human Resources for fund balance reserve appropriations to be used for the Wellness Program that will go towards health screenings, flu shots and the Wellness Center.

Public safety:

- ◆ Public Safety had an overall \$3.3 million increase. The largest portion of the increase was allocated to various departments for personnel services as a result of merit increases for eligible employees and the addition of a number of positions. The majority of the personnel services increase was allocated to the Police Department.

Culture and recreation:

- ◆ Culture and Recreation had an overall increase of \$2.7 million. The Mable House Amphitheater was added to the Parks, Recreation and Cultural Affairs budget in FY07 which in turn increased the operating budget by \$1.5 million. In addition, \$.9 million was set up in fund balance reserve appropriations for Stout Park and renovations of various tennis courts from the transfer of cell tower funds. The library had a \$.3 million increase in the fund balance reserve to allocate funds that will be used for a specific purpose as specified in the gifts and donations that were received.

The County's final budget projected a loss of \$24.9 million in the General Fund with the fund reporting an actual decrease of \$4.9 million. This decrease can be attributed to a decline in revenues such as fines and forfeits and intergovernmental revenues. Actual expenditures were \$25.4 million under budget. This is primarily a result of tight expenditure controls on capital items as well as savings realized from position vacancies and unfilled positions.

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, 2007 amounts to \$3.7 billion (net of accumulated depreciation and related debt). This investment in capital assets includes land, buildings, improvements, equipment, infrastructure and construction in progress. Infrastructure assets are items that are normally immovable and of value only to the County, such as roads, bridges, streets and sidewalks, drainage systems and other similar items.

Cobb County's Capital Assets
(Net of Depreciation)
(in thousands)

	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	2007	2006	2007	2006	2007	2006
Land	\$ 793,468	\$ 756,001	\$ 64,949	\$ 59,743	\$ 858,417	\$ 815,744
Buildings and structures	226,948	218,846	34,784	41,648	261,732	260,494
Improvements	14,634	8,948	-	-	14,634	8,948
Sewerage Plants	-	-	498,887	513,637	498,887	513,637
Machinery and equipment	53,261	59,069	26,107	23,127	79,368	82,196
Infrastructure	1,437,035	1,469,588	570,078	535,610	2,007,113	2,005,198
Construction in progress	50,803	30,381	118,854	107,592	169,657	137,973
Total	\$ 2,576,149	\$ 2,542,833	\$ 1,313,659	\$ 1,281,357	\$ 3,889,808	\$ 3,824,190

The County's total net increase in capital assets for the current fiscal year was 1.7%.

COBB COUNTY GOVERNMENT
Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2007

Governmental assets that were moved from construction in progress to the asset records during the year totaled approximately \$31.6 million. Some of the major projects for FY07 consisted of the following: construction for the relocation of Fire Station #9 in Austell, an E-911 phone system upgrade, a comprehensive document imaging solution system for several departments, various community improvement development projects for the Cumberland region and a fiber-optic network expansion project. In addition, the Special Purpose Local Option Sales Tax (SPLOST) program that was approved by voters in September 2005 funded various improvements around the County. The program to date has approximately 202 transportation projects that are underway or completed. Of these, 32 are in the right-of way acquisition phase, 31 are in the construction phase and 37 have been completed. A complete list of the projects and further details regarding the program is available at the Web site www.cobbcip.org.

Business-type assets moved from construction in progress to the asset records during the year totaled approximately \$30.6 million. Some of the major capital asset events for the business-type activities for the current year include various sewer replacement and rehabilitations, water line and water main replacements as well as the continued upgrade and expansion of several water reclamation facilities.

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

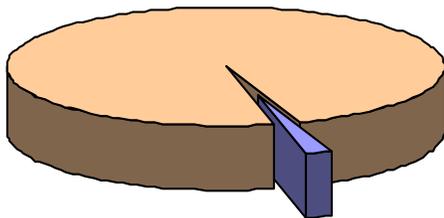
Long-Term Debt

As of September 30, 2007, Cobb County had a net of \$317.7 million in outstanding long-term debt, which does not include interest expense. Of this amount, \$53.3 million (net of current debt less discount) comprises general obligation debt backed by the full faith and credit of the government and \$119.9 million (net of current debt, bond discount and loss on refunding) in revenue bonds. The County retired \$24.3 million of outstanding bonds in FY07.

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

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

**98.51 % of
Legal Debt
Limit -
Unused**



**1.49 % of Legal
Debt Limit -
Utilized**

COBB COUNTY GOVERNMENT
Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2007

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

For the sixth year in a row, the Cobb County Water System has maintained its Triple-Triple "A" ratings from the nation's top three credit rating agencies. The Water System's 2007 operational awards included Wastewater Collection and Water Distribution System of the Year award from the Georgia Association of Water Professionals and Gold and Platinum awards for National Pollutant Discharge Elimination System Permit Compliance at the RL Sutton, Northwest, and Noonday Water Reclamation Facilities. Fiscal Year 2007 program awards included the Georgia Association of Water Professionals Fox McCarthy Water Wise Award and the Georgia Association of Water Professionals Laboratory Quality Assurance Award and the Georgia Environmental Protection Division Adopt-A-Stream in Action Award.

During the last eleven years, Cobb County has maintained its Triple-Triple "A" credit rating and has remained financially strong. The Board of Commissioners have continued to aggressively address the current and future needs of the County by focusing on sound financial management, the reserve policy, the use of current resources for capital expenditures and the practice of biennial budgeting.

With a growing, diverse population, the challenge is to continue to improve the quality of life by concentrating on the demands placed on the public infrastructure such as transportation, water supply, wastewater treatment, the demands of revitalization of many business areas and the demands of greenspace conservation. Although the nation and surrounding counties are facing financial difficulties, Cobb County is able to maintain low property tax rates and low debt levels so that we can remain a leader and provide the best place to live, work and play.

As the County continues to maintain its strong financial position, tourism revenue increased 1.7% over the prior year and the one percent sales tax (SPLOST) generated \$134 million in tax revenue. Although single family residential permits decreased this past year along with total new construction permits, commercial permits increased 6.2%.

The voters approved a \$40 million parks bond in November, 2006. The county received one installment - \$25 million in 2007 and the second installment of \$15 million will be received in 2008. 15.72 acres were purchased in 2007 for \$2.4 million. The additional funds will also be used to purchase green space for passive parks.

All of these factors were taken into consideration when preparing the FY08 budget. The FY08 budget has a 2% increase above the FY07 adopted budget. This increase can be attributed to an increase in funding needs for health care and pension benefit costs, an increase in water capital (improvements and development) projects which includes administration and sewer main-replacements and expansions as well as an increase in funding for public protection for equipment, computers and system replacements.

Requests for Information

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

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

Basic Financial Statements



Cobb County, Georgia
Statement of Net Assets
September 30, 2007

	Primary Government			Component Units	
	Governmental	Business-type	Total	Cobb-Marietta Coliseum and Exhibit Hall	Cobb County Board of Health
	Activities	Activities		September 30, 2007	June 30, 2007
Assets					
Cash and cash equivalents	\$ 159,400,162	\$ 47,734,585	\$ 207,134,747	\$ 6,244,235	\$ 989,087
Restricted cash	-	14,376,198	14,376,198	22,091,657	-
Investments, at fair value	82,027,181	500,000	82,527,181	-	2,171,820
Receivables	201,463,618	22,834,420	224,298,038	1,310,610	370,093
Internal balances	2,392,737	(2,392,737)	-	-	-
Due from external parties	3,067	-	3,067	-	-
Due from component unit	343,578	-	343,578	-	-
Due from primary government	-	-	-	889,956	-
Due from other governments and agencies	31,606,888	3,429,212	35,036,100	102,740	625,615
Inventories	1,280,279	1,107,212	2,387,491	111,167	392,793
Prepaid items	104,127	14,084	118,211	202,543	-
Other assets	5,850,639	650,071	6,500,710	1,356,339	-
Restricted assets	-	-	-	62,148,720	-
Capital assets not being depreciated	844,271,024	183,802,314	1,028,073,338	37,004,469	863,466
Capital assets being depreciated, net	1,731,878,076	1,129,856,887	2,861,734,963	155,072,947	-
Unamortized bond costs	50,343	667,518	717,861	-	-
Total assets	\$ 3,060,671,719	\$ 1,402,579,764	\$ 4,463,251,483	\$ 286,535,383	\$ 5,412,874
Liabilities					
Accounts payable	\$ 23,126,101	\$ 16,619,423	\$ 39,745,524	\$ 4,185,798	\$ 465,724
Accrued payroll	3,692,867	402,336	4,095,203	-	-
Arbitrage liability	-	54,882	54,882	-	-
Internal balances - fiduciary fund	555,085	-	555,085	-	-
Due to primary government	-	-	-	343,578	-
Due to component unit	889,956	-	889,956	-	-
Due to external parties	4,783,352	-	4,783,352	476,818	-
Due to other governments and agencies	4,044,801	1,067,475	5,112,276	53,977	58,351
Claims and judgments	14,062,945	-	14,062,945	-	-
Customer deposits	-	4,418,831	4,418,831	595,114	-
Notes payable-current	76,083,571	-	76,083,571	-	-
Accrued interest payable	2,800,204	1,532,328	4,332,532	2,347,550	-
Unearned revenue	1,386,963	31,673	1,418,636	892,814	-
Noncurrent liabilities					
Due within one year	26,036,509	19,843,324	45,879,833	4,688,526	614,592
Due in more than one year	124,349,249	147,431,674	271,780,923	161,960,402	94,031
Total liabilities	\$ 281,811,603	\$ 191,401,946	\$ 473,213,549	\$ 175,544,577	\$ 1,232,698
Net Assets					
Invested in capital assets, net of related debt	\$ 2,519,108,757	\$ 1,184,655,823	\$ 3,703,764,580	\$ 54,264,981	\$ 863,466
Restricted for:					
Renewal and expansion	-	-	-	14,037,520	-
Debt service	9,380,967	-	9,380,967	57,870,721	-
Splost projects	158,267,497	-	158,267,497	-	-
Completion of projects	15,315,653	-	15,315,653	-	-
Special programs	163,471	-	163,471	-	261,767
Unrestricted	76,623,771	26,521,995	103,145,766	(15,182,416)	3,054,943
Total net assets	\$ 2,778,860,116	\$ 1,211,177,818	\$ 3,990,037,934	\$ 110,990,806	\$ 4,180,176

See accompanying notes to financial statements.

Cobb County, Georgia
Statement of Activities
For the Year Ended September 30, 2007

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets							Component Units	
	Expenses	Program Revenues			Primary Government			Cobb-Marietta Coliseum and Exhibit Hall	Cobb County Board of Health
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	September 30, 2007	June 30, 2007
Primary Government									
Governmental Activities:									
General government	\$ 120,717,451	\$ 53,256,545	\$ 3,094,923	\$ 272,457	\$ (64,093,526)	\$ -	\$ (64,093,526)	\$ -	\$ -
Public safety	193,571,694	14,341,033	2,372,055	1,027,828	(175,830,778)	-	(175,830,778)	-	-
Public works	104,327,448	5,582,231	-	41,667,776	(57,077,441)	-	(57,077,441)	-	-
Health and welfare	13,616,494	74,041	1,640,227	-	(11,902,226)	-	(11,902,226)	-	-
Culture and recreation	35,607,314	4,022,119	1,412,754	102,063	(30,070,378)	-	(30,070,378)	-	-
Housing and development	14,722,882	21,749,780	8,922,480	892,865	16,842,243	-	16,842,243	-	-
Interest on long-term debt	6,685,179	-	-	-	(6,685,179)	-	(6,685,179)	-	-
Total governmental activities	<u>489,248,462</u>	<u>99,025,749</u>	<u>17,442,439</u>	<u>43,962,989</u>	<u>(328,817,285)</u>	<u>-</u>	<u>(328,817,285)</u>	<u>-</u>	<u>-</u>
Business-type Activities:									
Water and Sewer	\$ 145,833,553	\$ 174,833,409	\$ 571,081	\$ 24,512,794	\$ -	\$ 54,083,731	\$ 54,083,731	\$ -	\$ -
Solid Waste	11,953,423	6,215,070	-	-	-	(5,738,353)	(5,738,353)	-	-
Transit	19,686,139	3,704,693	-	13,467,517	-	(2,513,929)	(2,513,929)	-	-
Cobblestone Golf Course	1,741,765	2,146,252	-	-	-	404,487	404,487	-	-
Total business-type activities	<u>179,214,880</u>	<u>186,899,424</u>	<u>571,081</u>	<u>37,980,311</u>	<u>-</u>	<u>46,235,936</u>	<u>46,235,936</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 668,463,342</u>	<u>\$ 285,925,173</u>	<u>\$ 18,013,520</u>	<u>\$ 81,943,300</u>	<u>\$ (328,817,285)</u>	<u>\$ 46,235,936</u>	<u>\$ (282,581,349)</u>	<u>\$ -</u>	<u>\$ -</u>
Component Units									
Cobb-Marietta Coliseum and Exhibit Hall Authority	\$ 28,684,548	\$ 14,608,951	\$ 13,387,423	\$ 5,948,484	\$ -	\$ -	\$ -	\$ 5,260,310	\$ -
Cobb County Board of Health	21,622,572	6,224,754	15,751,593	-	-	-	-	-	353,775
Total component units	<u>\$ 50,307,120</u>	<u>\$ 20,833,705</u>	<u>\$ 29,139,016</u>	<u>\$ 5,948,484</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,260,310</u>	<u>\$ 353,775</u>
General revenues:									
Property taxes					\$ 238,915,529	\$ -	\$ 238,915,529	\$ -	\$ -
Sales taxes					134,143,700	-	134,143,700	-	-
Insurance premium tax					21,012,449	-	21,012,449	-	-
Alcoholic beverage tax					4,786,541	-	4,786,541	-	-
Hotel/Motel tax					10,625,801	-	10,625,801	-	-
Real estate transfer tax					2,381,465	-	2,381,465	-	-
Miscellaneous taxes					10,213,949	-	10,213,949	-	-
Miscellaneous					7,369,832	913,102	8,282,934	-	-
Grants and contributions not restricted to specific programs					11,291,129	-	11,291,129	-	-
Gain from sale of capital assets					160,675	47,478	208,153	-	-
Unrestricted investment earnings					13,999,773	3,569,886	17,569,659	219,915	-
Transfers					4,439,403	(4,439,403)	-	-	-
Total general revenues and transfers					<u>459,340,246</u>	<u>91,063</u>	<u>459,431,309</u>	<u>219,915</u>	<u>-</u>
Change in net assets					<u>130,522,961</u>	<u>46,326,999</u>	<u>176,849,960</u>	<u>5,480,225</u>	<u>353,775</u>
Net assets - beginning of year					<u>2,648,337,155</u>	<u>1,164,850,819</u>	<u>3,813,187,974</u>	<u>105,510,581</u>	<u>3,826,401</u>
Net assets - end of year					<u>\$ 2,778,860,116</u>	<u>\$ 1,211,177,818</u>	<u>\$ 3,990,037,934</u>	<u>\$ 110,990,806</u>	<u>\$ 4,180,176</u>

**Cobb County, Georgia
Governmental Funds
Balance Sheet
September 30, 2007**

	General Fund	Fire District Fund	2006 SPLOST Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 23,314,665	\$ 5,827,596	\$ 52,514,979	\$ 61,614,833	\$ 143,272,073
Investments, at fair value	-	-	82,027,181	-	82,027,181
Receivables:					
Taxes and penalties	136,537,582	51,022,928	-	5,263,944	192,824,454
Accrued interest	29,164	-	1,252,900	11,903	1,293,967
Other	3,231,511	794,375	906,182	2,401,815	7,333,883
Due from other funds	1,777,855	25,234	1,206,041	35,323,767	38,332,897
Due from component units	23,135	-	-	320,443	343,578
Due from others	3,067	-	-	-	3,067
Due from other governments and agencies	1,414,413	-	24,302,948	5,889,527	31,606,888
Advances to other funds	2,676,219	-	-	-	2,676,219
Inventories	1,280,279	-	-	-	1,280,279
Prepaid items and other assets	99,994	2,400	-	1,733	104,127
Total assets	<u>\$ 170,387,884</u>	<u>\$ 57,672,533</u>	<u>\$ 162,210,231</u>	<u>\$ 110,827,965</u>	<u>\$ 501,098,613</u>
Liabilities and Fund Balances					
Liabilities:					
Cash overdraft	\$ -	\$ -	\$ -	\$ 320,443	\$ 320,443
Accounts payable	4,296,747	121,724	9,310,090	9,071,434	22,799,995
Accrued payroll	2,783,453	725,109	-	179,118	3,687,680
Due to other funds	31,478,676	16,212,314	3,048,946	2,544,024	53,283,960
Due to others	4,755,996	-	-	27,356	4,783,352
Due to component unit-Cobb Marietta Coliseum & Exhibit Hall Authority	889,956	-	-	-	889,956
Due to other governments and agencies	121,636	-	3,196,990	726,175	4,044,801
Notes payable, net	56,061,579	20,021,992	-	-	76,083,571
Accrued interest payable	1,095,111	391,111	-	-	1,486,222
Deferred revenue	10,190,232	3,259,164	-	1,643,707	15,093,103
Total liabilities	<u>\$ 111,673,386</u>	<u>\$ 40,731,414</u>	<u>\$ 15,556,026</u>	<u>\$ 14,512,257</u>	<u>\$ 182,473,083</u>
Fund Balances:					
Reserved for:					
Encumbrances	\$ 3,029,094	\$ 1,916,097	\$ 48,691,242	\$ 30,332,825	\$ 83,969,258
Inventories and prepaid items	1,380,273	2,400	-	1,733	1,384,406
Advances	2,676,219	-	-	-	2,676,219
Debt service	-	-	-	9,380,967	9,380,967
Unreserved, designated for construction and capital outlay, reported in:					
General Fund	14,922,766	-	-	-	14,922,766
Special Revenue Funds	-	2,732,732	-	3,998,789	6,731,521
Capital Projects Funds	-	-	97,962,963	44,784,370	142,747,333
Unreserved, designated for debt service, reported in:					
Special Revenue Funds	-	-	-	258,518	258,518
Unreserved, undesignated reported in:					
General Fund	36,706,146	-	-	-	36,706,146
Special Revenue Funds	-	12,289,890	-	7,558,506	19,848,396
Total fund balances	<u>\$ 58,714,498</u>	<u>\$ 16,941,119</u>	<u>\$ 146,654,205</u>	<u>\$ 96,315,708</u>	<u>\$ 318,625,530</u>
Total liabilities and fund balances	<u>\$ 170,387,884</u>	<u>\$ 57,672,533</u>	<u>\$ 162,210,231</u>	<u>\$ 110,827,965</u>	<u>\$ 501,098,613</u>

Cobb County, Georgia
Governmental Funds
Reconciliation of the Governmental Balance Sheet to the Statement of Net Assets
September 30, 2007

Total fund balances - governmental funds	\$	318,625,530
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		2,576,129,439
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:		
Property tax		13,652,271
Local assistance road program revenue		53,869
Net pension asset		5,850,639
Unamortized bond issue costs		50,343
Internal service funds are used by management to charge the cost for claims to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		16,177,728
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Accrued interest payable		(1,313,982)
Intergovernmental contract payable		(54,280,000)
Unmatured bonds		(58,070,000)
Unamortized bond issuance discounts		299,480
Unamortized deferred loss on refunding		717,476
Unamortized bond premiums		(2,521,818)
Capital leases payable		(18,136,978)
Unamortized capital lease discounts		65,222
Compensated absences		(18,439,103)
Net assets of governmental activities	\$	<u><u>2,778,860,116</u></u>

Cobb County, Georgia
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended September 30, 2007

	General Fund	Fire District Fund	2006 SPLOST Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 206,236,101	\$ 63,600,752	\$ 134,143,700	\$ 17,498,255	\$ 421,478,808
Licenses and permits	21,755,826	1,650	-	-	21,757,476
Intergovernmental	11,804,991	2,791,952	4,056,421	25,273,801	43,927,165
Charges for services	46,144,521	1,844,496	437,779	11,094,302	59,521,098
Fines and forfeits	16,218,879	-	-	1,528,296	17,747,175
Interest earned	5,126,662	824,090	5,150,438	2,028,990	13,130,180
Miscellaneous	4,026,195	49,592	380,945	2,913,100	7,369,832
Total revenues	\$ 311,313,175	\$ 69,112,532	\$ 144,169,283	\$ 60,336,744	\$ 584,931,734
Expenditures:					
Current:					
General government	\$ 115,299,319	\$ -	\$ -	\$ 18,358,592	\$ 133,657,911
Public safety	114,546,936	62,675,294	6,803,951	15,276,921	199,303,102
Public works	19,158,905	-	50,832,306	19,486,661	89,477,872
Health and welfare	1,292,332	-	-	6,120,975	7,413,307
Culture and recreation	32,132,425	-	-	19,897,812	52,030,237
Housing and development	7,719,485	-	-	7,430,972	15,150,457
Debt service:					
Principal retirement	161,443	-	-	16,387,460	16,548,903
Interest and fiscal charges	1,458,797	596,145	-	4,922,220	6,977,162
Total expenditures	\$ 291,769,642	\$ 63,271,439	\$ 57,636,257	\$ 107,881,613	\$ 520,558,951
Excess (deficiency) of revenues over (under) other expenditures	\$ 19,543,533	\$ 5,841,093	\$ 86,533,026	\$ (47,544,869)	\$ 64,372,783
Other financing sources (uses):					
Transfers in	\$ 18,425,101	\$ 971,094	\$ 1,334,009	\$ 59,731,923	\$ 80,462,127
Transfers out	(40,140,251)	(12,627,807)	(18,113,016)	(11,555,449)	(82,436,523)
Proceeds from sale of capital assets	274,603	36,094	-	-	310,697
Bonds issued	-	-	-	25,000,000	25,000,000
Premium on bonds issued	-	-	-	926,933	926,933
Capital lease proceeds	-	-	-	6,975,011	6,975,011
Total other financing sources (uses)	\$ (21,440,547)	\$ (11,620,619)	\$ (16,779,007)	\$ 81,078,418	\$ 31,238,245
Net changes in fund balances	\$ (1,897,014)	\$ (5,779,526)	\$ 69,754,019	\$ 33,533,549	\$ 95,611,028
Fund balances at beginning of year	60,611,512	22,720,645	76,900,186	62,782,159	223,014,502
Fund balances at end of year	\$ 58,714,498	\$ 16,941,119	\$ 146,654,205	\$ 96,315,708	\$ 318,625,530

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, 2007

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

Net change in fund balances - total governmental funds	\$ 95,611,028
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 (\$74,495,164) were less than depreciation (\$76,549,534) in the current period.	(2,054,370)
The net effect of revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Property tax	600,626
Local assistance road program revenue	(128,509)
The net effect of various miscellaneous transactions involving capital assets (donations) is to increase net assets.	35,522,676
The gain on disposition of capital assets is not reported in the fund statements.	(150,022)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal and bond costs are expenditures in the governmental funds, but the repayment reduces long-term liabilities and bond costs are capitalized in the statement of net assets:	
Bond principal payments	6,135,000
Bonds issued	(25,000,000)
Premium on bonds issued	(926,933)
Bond issue costs	51,250
Capital lease proceeds	(6,975,011)
Capital lease principal payments	9,438,903
Intergovernmental contract payable	975,000
The current years additions to the net pension asset reduced the net expenses of pensionable functions on the statement of activities.	310,827
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:	
Accrued compensated absences	(1,280,652)
Amortization for bond and capital lease discounts, deferred amounts, premiums	147,642
Accrued interest expense	93,091
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.	18,152,415
Changes in net assets of governmental activities.	\$ 130,522,961

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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 204,856,010	\$ 205,281,010	\$ 206,236,101	\$ 955,091
Licenses and permits	21,634,891	22,560,489	21,755,826	(804,663)
Intergovernmental	12,726,433	13,272,940	11,804,991	(1,467,949)
Charges for services	45,209,138	46,470,205	46,144,521	(325,684)
Fines and forfeits	16,189,065	17,242,936	16,218,879	(1,024,057)
Interest earned	3,148,265	4,788,834	5,126,662	337,828
Miscellaneous	1,832,756	4,588,267	4,026,195	(562,072)
Total revenues	\$ 305,596,558	\$ 314,204,681	\$ 311,313,175	\$ (2,891,506)
Expenditures:				
Current:				
General government	\$ 111,562,233	\$ 120,897,429	\$ 115,822,699	\$ 5,074,730
Public safety	114,047,952	117,296,797	114,928,540	2,368,257
Public works	20,782,759	21,210,945	20,878,553	332,392
Health and welfare	1,342,332	1,342,332	1,292,332	50,000
Culture and recreation	31,115,551	32,761,675	32,536,887	224,788
Housing and development	7,791,033	7,895,825	7,719,485	176,340
Debt service:				
Principal retirement	168,285	176,449	161,443	15,006
Interest and fiscal charges	1,833,448	1,449,949	1,458,797	(8,848)
Total expenditures	\$ 288,643,593	\$ 303,031,401	\$ 294,798,736	\$ 8,232,665
Excess (deficiency) of revenues over (under) other expenditures	\$ 16,952,965	\$ 11,173,280	\$ 16,514,439	\$ 5,341,159
Other financing sources (uses):				
Transfers in	\$ 20,325,763	\$ 20,862,589	\$ 18,425,101	\$ (2,437,488)
Transfers out	(26,803,120)	(40,140,251)	(40,140,251)	-
Proceeds from sale of capital assets	311,326	311,326	274,603	(36,723)
Total other financing sources (uses)	\$ (6,166,031)	\$ (18,966,336)	\$ (21,440,547)	\$ (2,474,211)
Net changes in fund balance	\$ 10,786,934	\$ (7,793,056)	\$ (4,926,108)	\$ 2,866,948
Fund balances at beginning of year			60,611,512	
Fund balances at end of year - budgetary basis			\$ 55,685,404	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			3,029,094	
Fund balances at end of year - GAAP basis			\$ 58,714,498	

Cobb County, Georgia
Fire District Special Revenue Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 63,433,671	\$ 63,433,671	\$ 63,600,752	\$ 167,081
Licenses and permits	2,750	2,750	1,650	(1,100)
Intergovernmental	-	9,500	2,791,952	2,782,452
Charges for services	1,502,450	1,502,450	1,844,496	342,046
Interest earned	811,485	811,485	824,090	12,605
Miscellaneous	16,200	16,200	49,592	33,392
Total revenues	\$ 65,766,556	\$ 65,776,056	\$ 69,112,532	\$ 3,336,476
Expenditures:				
Current:				
Personal services	\$ 46,269,966	\$ 51,640,082	\$ 51,377,702	\$ 262,380
Operating expenditures	9,278,544	9,366,270	9,228,879	137,391
Capital outlay	408,395	3,999,721	3,984,810	14,911
Debt service:				
Interest and fiscal charges	948,875	948,875	596,145	352,730
Total expenditures	\$ 56,905,780	\$ 65,954,948	\$ 65,187,536	\$ 767,412
Excess (deficiency) of revenues over (under) other expenditures	\$ 8,860,776	\$ (178,892)	\$ 3,924,996	\$ 4,103,888
Other financing sources (uses):				
Transfers in	\$ 1,365,710	\$ 1,385,808	\$ 971,094	\$ (414,714)
Transfers out	(4,079,962)	(12,627,807)	(12,627,807)	-
Proceeds from sale of capital assets	-	-	36,094	36,094
Total other financing sources (uses)	\$ (2,714,252)	\$ (11,241,999)	\$ (11,620,619)	\$ (378,620)
Net changes in fund balance	\$ -	\$ (11,420,891)	\$ (7,695,623)	\$ 3,725,268
Fund balance at beginning of year			22,720,645	
Fund balance at end of year - budgetary basis			\$ 15,025,022	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			1,916,097	
Fund balance at end of year - GAAP basis			<u>\$ 16,941,119</u>	

Cobb County, Georgia
Proprietary Funds
Statement of Net Assets
September 30, 2007

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water and Sewer Fund	Solid Waste Disposal Fund	Other Enterprise Funds	Total	
Assets					
Current assets:					
Cash	\$ 47,096,333	\$ 34,993	\$ 603,259	\$ 47,734,585	\$ 16,448,532
Restricted cash	14,376,198	-	-	14,376,198	-
Investments, at fair value	500,000	-	-	500,000	-
Receivables:					
Accounts, net	20,017,791	446,224	-	20,464,015	-
Other	2,117,164	4,191	249,050	2,370,405	228
Due from other funds	1,500,000	-	-	1,500,000	14,112,496
Due from others	-	-	-	-	7,940
Due from other governments and agencies	96,312	-	3,332,900	3,429,212	-
Inventories	1,107,212	-	-	1,107,212	-
Prepaid items	10,062	750	3,272	14,084	3,758
Other assets	650,071	-	-	650,071	-
	\$ 87,471,143	\$ 486,158	\$ 4,188,481	\$ 92,145,782	\$ 30,572,954
Total current assets					
Noncurrent assets:					
Property, plant and equipment:					
Capital assets not being depreciated	\$ 167,035,116	\$ 3,778,386	\$ 12,988,812	\$ 183,802,314	\$ -
Capital assets being depreciated, net	1,086,946,164	8,739,922	34,170,801	1,129,856,887	19,661
	\$ 1,253,981,280	\$ 12,518,308	\$ 47,159,613	\$ 1,313,659,201	\$ 19,661
Net property, plant and equipment					
Other assets:					
Advances to other funds	\$ 19,768,791	\$ -	\$ -	\$ 19,768,791	\$ -
Unamortized bond costs	502,265	140,143	25,110	667,518	-
	\$ 1,274,252,336	\$ 12,658,451	\$ 47,184,723	\$ 1,334,095,510	\$ 19,661
Total noncurrent assets					
	\$ 1,361,723,479	\$ 13,144,609	\$ 51,373,204	\$ 1,426,241,292	\$ 30,592,615
Total assets					

Continued on next page.

Cobb County, Georgia
Proprietary Funds
Statement of Net Assets
September 30, 2007

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water and Sewer Fund	Solid Waste Disposal Fund	Other Enterprise Funds	Total	
Liabilities and Fund Equity					
Liabilities:					
Current liabilities (payable from current assets):					
Accounts payable	\$ 14,395,497	\$ 640,968	\$ 1,582,958	\$ 16,619,423	\$ 326,718
Accrued payroll	349,185	46,718	6,433	402,336	5,187
Arbitrage liability	54,882	-	-	54,882	-
Due to other funds	198,660	917,858	100,000	1,216,518	-
Customer deposits	4,418,831	-	-	4,418,831	-
Due to other governments and agencies	1,056,076	-	11,399	1,067,475	-
Accrued interest payable	1,326,461	163,278	42,589	1,532,328	-
Deferred revenues	-	-	31,673	31,673	-
Current portion of revenue bonds	16,330,000	1,855,000	430,000	18,615,000	-
Current portion of compensated absences	905,560	145,197	11,541	1,062,298	11,783
Current portion of capital leases	-	-	37,026	37,026	-
Current portion of closure and post closure care	-	129,000	-	129,000	-
Estimated liability for claims and judgments	-	-	-	-	14,062,945
Total current liabilities	\$ 39,035,152	\$ 3,898,019	\$ 2,253,619	\$ 45,186,790	\$ 14,406,633
Long-term liabilities:					
Revenue bonds (net of current portion, bond discount, and loss on refunding)	\$ 102,708,865	\$ 14,445,577	\$ 2,787,014	\$ 119,941,456	\$ -
Compensated absences (net of current portion)	378,998	109,241	-	488,239	8,254
Closure and post closure care	-	26,930,236	-	26,930,236	-
Advances from other funds	-	21,245,010	1,200,000	22,445,010	-
Capital lease payable (net of current portion)	-	-	71,743	71,743	-
Total long-term liabilities	\$ 103,087,863	\$ 62,730,064	\$ 4,058,757	\$ 169,876,684	\$ 8,254
Total liabilities	\$ 142,123,015	\$ 66,628,083	\$ 6,312,376	\$ 215,063,474	\$ 14,414,887
Net Assets					
Invested in capital assets, net of related debt	\$ 1,144,506,556	\$ (3,642,126)	\$ 43,791,393	\$ 1,184,655,823	\$ 19,661
Unrestricted	75,093,908	(49,841,348)	1,269,435	26,521,995	16,158,067
Total net assets	\$ 1,219,600,464	\$ (53,483,474)	\$ 45,060,828	\$ 1,211,177,818	\$ 16,177,728

Continued from preceding page.

Cobb County, Georgia
Proprietary Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
For the Fiscal Year Ended September 30, 2007

	Business-type Activities - Enterprise Funds			Total	Governmental Activities - Internal Service Fund
	Water and Sewer Fund	Solid Waste Disposal Fund	Other Enterprise Funds		
Operating revenues:					
Charges for services	\$ 174,833,409	\$ 6,215,070	\$ 5,850,945	\$ 186,899,424	\$ 62,204,517
Miscellaneous income	665,279	120,784	127,039	913,102	-
Total operating revenues	\$ 175,498,688	\$ 6,335,854	\$ 5,977,984	\$ 187,812,526	\$ 62,204,517
Operating expenses:					
Personnel services	\$ 24,662,454	\$ 3,609,238	\$ 458,634	\$ 28,730,326	\$ 340,465
Other operating expenses	79,253,481	6,957,300	17,109,723	103,320,504	6,137,780
Benefits and claims	-	-	-	-	38,230,339
Total operating expenses	\$ 103,915,935	\$ 10,566,538	\$ 17,568,357	\$ 132,050,830	\$ 44,708,584
Operating income (loss) before depreciation	\$ 71,582,753	\$ (4,230,684)	\$ (11,590,373)	\$ 55,761,696	\$ 17,495,933
Less depreciation	(36,284,315)	(776,427)	(3,638,584)	(40,699,326)	(2,135)
Operating income (loss)	\$ 35,298,438	\$ (5,007,111)	\$ (15,228,957)	\$ 15,062,370	\$ 17,493,798
Nonoperating revenues (expenses):					
Interest income	\$ 3,480,994	\$ 28,350	\$ 60,542	\$ 3,569,886	\$ 869,593
Intergovernmental	571,081	-	-	571,081	-
Interest and fiscal charges	(6,178,080)	(666,949)	(180,820)	(7,025,849)	-
Amortization of bond costs	544,777	56,491	(40,143)	561,125	-
Contribution expense	-	-	(6,624,775)	(6,624,775)	-
Proceeds from sale of capital assets	41,069	-	6,409	47,478	-
Total nonoperating revenues (expenses)	\$ (1,540,159)	\$ (582,108)	\$ (6,778,787)	\$ (8,901,054)	\$ 869,593
Net income (loss) before transfers and capital contributions	\$ 33,758,279	\$ (5,589,219)	\$ (22,007,744)	\$ 6,161,316	\$ 18,363,391
Capital contributions	\$ 24,512,794	\$ -	\$ 13,467,517	\$ 37,980,311	\$ -
Total capital contributions	\$ 24,512,794	\$ -	\$ 13,467,517	\$ 37,980,311	\$ -
Transfers:					
Transfers in	\$ 3,894,772	\$ 8,890,821	\$ 8,396,543	\$ 21,182,136	\$ -
Transfers out	(18,675,248)	(176,088)	(145,428)	(18,996,764)	(210,976)
Total transfers	\$ (14,780,476)	\$ 8,714,733	\$ 8,251,115	\$ 2,185,372	\$ (210,976)
Changes in net assets	\$ 43,490,597	\$ 3,125,514	\$ (289,112)	\$ 46,326,999	\$ 18,152,415
Fund net assets - beginning	\$ 1,176,109,867	\$ (56,608,988)	\$ 45,349,940	\$ 1,164,850,819	\$ (1,974,687)
Fund net assets - ending	\$ 1,219,600,464	\$ (53,483,474)	\$ 45,060,828	\$ 1,211,177,818	\$ 16,177,728

Cobb County, Georgia
Proprietary Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended September 30, 2007

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water and Sewer Fund	Solid Waste Disposal Fund	Other Enterprise Funds	Total	
Cash flows from operating activities:					
Cash received from customers	\$ 174,340,030	\$ 6,234,298	\$ 5,925,902	\$ 186,500,230	\$ 54,532,894
Cash payments for goods and services	(85,839,136)	(9,020,437)	(16,844,721)	(111,704,294)	(6,049,856)
Cash payments for employee services and fringe benefits	(24,534,084)	(3,608,217)	(456,549)	(28,598,850)	(336,040)
Cash payments for benefits and claims	-	-	-	-	(43,648,895)
Net cash from operating activities	<u>\$ 63,966,810</u>	<u>\$ (6,394,356)</u>	<u>\$ (11,375,368)</u>	<u>\$ 46,197,086</u>	<u>\$ 4,498,103</u>
Cash flows from noncapital financing activities:					
Transfers in	\$ 3,894,772	\$ 8,890,821	\$ 5,470,549	\$ 18,256,142	\$ -
Transfers out	(18,675,248)	(176,088)	(145,428)	(18,996,764)	(210,976)
Net cash from noncapital financing activities	<u>\$ (14,780,476)</u>	<u>\$ 8,714,733</u>	<u>\$ 5,325,121</u>	<u>\$ (740,622)</u>	<u>\$ (210,976)</u>
Cash flows from capital and related financing activities:					
Principal payments on notes payables	\$ -	\$ (27,978)	\$ -	\$ (27,978)	\$ -
Payments on capital leases	-	-	(35,612)	(35,612)	-
Proceeds from sale of capital assets	41,069	-	6,409	47,478	-
Payments for capital acquisitions	(44,542,227)	(170,572)	(10,771,458)	(55,484,257)	-
Bond principal payments	(15,950,000)	(1,800,000)	(410,000)	(18,160,000)	-
Capital contributions	948,068	-	12,116,447	13,064,515	-
Bond interest and fiscal charges	(6,377,457)	(680,449)	(185,535)	(7,243,441)	-
Net cash from capital and related financing activities	<u>\$ (65,880,547)</u>	<u>\$ (2,678,999)</u>	<u>\$ 720,251</u>	<u>\$ (67,839,295)</u>	<u>\$ -</u>
Cash flows from investing activities:					
Proceeds from investment maturities	\$ 2,053,983	\$ -	\$ -	\$ 2,053,983	\$ -
Interest received	3,536,457	28,350	60,542	3,625,349	869,593
Net cash from investing activities	<u>\$ 5,590,440</u>	<u>\$ 28,350</u>	<u>\$ 60,542</u>	<u>\$ 5,739,874</u>	<u>\$ 869,593</u>
Net increase (decrease) in cash and cash equivalents	<u>\$ (11,103,773)</u>	<u>\$ (330,272)</u>	<u>\$ (5,269,454)</u>	<u>\$ (16,642,957)</u>	<u>\$ 5,156,720</u>
Cash and cash equivalents at beginning of year	<u>72,576,304</u>	<u>365,265</u>	<u>5,872,713</u>	<u>78,814,282</u>	<u>11,291,812</u>
Cash and cash equivalents at end of year	<u><u>\$ 61,472,531</u></u>	<u><u>\$ 34,993</u></u>	<u><u>\$ 603,259</u></u>	<u><u>\$ 62,171,325</u></u>	<u><u>\$ 16,448,532</u></u>
Reconciliation to Combining Balance Sheet					
Cash	\$ 47,096,333	\$ 34,993	\$ 603,259	\$ 47,734,585	\$ 16,448,532
Cash (included in restricted assets)	14,376,198	-	-	14,376,198	-
	<u>\$ 61,472,531</u>	<u>\$ 34,993</u>	<u>\$ 603,259</u>	<u>\$ 62,110,783</u>	<u>\$ 16,448,532</u>

Continued on next page.

Cobb County, Georgia
Proprietary Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended September 30, 2007

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water and Sewer Fund	Solid Waste Disposal Fund	Other Enterprise Funds	Total	
Reconciliation of operating income (loss) to net cash from operating activities:					
Operating income (loss)	\$ 35,298,438	\$ (5,007,111)	\$ (15,228,957)	\$ 15,062,370	\$ 17,493,798
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Depreciation	\$ 36,284,315	\$ 776,427	\$ 3,638,584	\$ 40,699,326	\$ 2,135
Change in assets and liabilities:					
Decrease (increase) in accounts receivables	(2,621,716)	(99,387)	(52,082)	(2,773,185)	153,488
Decrease (increase) in other receivables	987,127	(2,169)	-	984,958	-
Decrease (increase) in due from other funds	475,931	-	-	475,931	(7,824,824)
Decrease (increase) in due from others	-	-	-	-	(287)
Decrease (increase) in inventories	120,354	-	-	120,354	-
Decrease (increase) in other assets	(102,177)	-	-	(102,177)	-
Increase (decrease) in accounts payable	(6,209,056)	48,932	259,889	(5,900,235)	90,622
Increase (decrease) in prepaid expenses	(6,628)	(300)	(2,647)	(9,575)	(2,698)
Increase (decrease) in accrued liabilities	27,532	(618)	60	26,974	339
Increase (decrease) in accrued vacation payable	100,838	1,021	2,025	103,884	4,086
Increase (decrease) in due to other funds	(463,624)	(2,085,169)	-	(2,548,793)	-
Increase (decrease) in customer deposits	93,476	-	-	93,476	-
Increase (decrease) in due to other governments	(18,000)	-	8,765	(9,235)	-
Increase (decrease) in estimated liability for claims and judgments	-	-	-	-	(5,418,556)
Increase (decrease) in closure/postclosure care	-	(25,982)	-	(25,982)	-
Increase (decrease) in unearned revenues	-	-	(1,005)	(1,005)	-
Total adjustments	\$ 28,668,372	\$ (1,387,245)	\$ 3,853,589	\$ 31,134,716	\$ (12,995,695)
Net cash provided by operating activities	\$ 63,966,810	\$ (6,394,356)	\$ (11,375,368)	\$ 46,197,086	\$ 4,498,103
Schedule of noncash capital and related financing activities:					
Contribution of capital assets	\$ 24,142,546	\$ -	\$ -	\$ 24,142,546	\$ -

Continued from preceding page.

Cobb County, Georgia
Fiduciary Funds
Statement of Fiduciary Net Assets
September 30, 2007

	Pension Trust Fund		Agency Funds
	Employee Retirement System		
Assets:			
Cash and cash equivalents	\$ 195,518	\$	73,263,460
Investments, at fair value			
Common stock	123,210,287		-
Mutual funds	171,635,376		-
Group annuity contracts	40,153,878		-
Receivables			
Taxes and penalties	-		532,642,938
Other	-		48,489
Due from other funds	555,085		-
	\$ 335,750,144	\$	605,954,887
Total assets			
Liabilities:			
Bank overdraft	\$ -	\$	48,489
Unremitted tax collections due to other governments and agencies	-		47,586,466
Taxes payable to others upon collection	-		532,642,938
Unremitted payroll tax and withholdings	-		179,461
Funds held in trust for others	-		25,497,533
	\$ -	\$	605,954,887
Total liabilities			
Net assets held in trust for pension benefits	\$ 335,750,144		

(see schedule of funding progress on page 74 for additional information)

Cobb County, Georgia
Fiduciary Funds
Statement of Changes in Fiduciary Net Assets
For the Fiscal Year Ended September 30, 2007

	Pension Trust Fund
	Employee Retirement System
Additions	
Contributions:	
Employer	\$ 20,587,589
Employee	9,289,249
Total contributions	\$ 29,876,838
Investment earnings:	
Net appreciation (depreciation) in fair value of assets	\$ 33,350,769
Interest	7,140,604
Total investment earnings	\$ 40,491,373
Less investment expense	(882,830)
Net investment earnings	\$ 39,608,543
Miscellaneous revenue	\$ 126,115
Total additions	\$ 69,611,496
Deductions	
Administrative expenses	\$ 70,410
Benefits and claims	24,034,692
Total deductions	\$ 24,105,102
Change in net assets	\$ 45,506,394
Net assets held in trust for pension benefits	
Beginning of year	\$ 290,243,750
End of year	\$ 335,750,144

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COBB COUNTY, GEORGIA
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September 30, 2007

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COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

Note 1. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

In conformity with generally accepted accounting principles, as set forth in the Statement of Governmental Accounting Standards No. 14, "The Financial Reporting Entity", which was adopted by the County as of October 1, 1994, the financial statements of the component units have been included as discretely presented component units. The discretely presented component units are reported in separate columns in the government-wide statements to emphasize they are legally separate from the primary government. Information presented for the Cobb-Marietta Coliseum and Exhibit Hall Authority and the Cobb County Board of Health are as of and for the year ended September 30, 2007 and June 30, 2007, respectively. A brief description of the discretely presented component units is as follows:

1. Cobb-Marietta Coliseum and Exhibit Hall Authority

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

2. Cobb County Board of Health

The Cobb County Board of Health was created by a state legislative act. During the fiscal year ended June 30, 2007, it operated under an eight member board and a full-time executive director. The Board of Health was established to provide various health related programs such as immunization, family planning, dental treatment, and nutrition services. The members of the board are jointly appointed by the County Commissioners, one municipality and two school districts. The Board of Health's operational budget must be approved by the Board of Commissioners.

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

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

Cobb County Board of Health
1650 County Services Parkway
Marietta, Georgia 30008

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

Note 1. Summary of Significant Accounting Policies (Continued)

B. Government-Wide Statements and fund financial statements

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

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

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

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

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary and fiduciary funds financial statements. The agency funds financial statements are reported using no measurement focus. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

Note 1. Summary of Significant Accounting Policies (Continued)

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

The focus of the governmental funds' measurement in the funds' statement is upon determination of financial position and changes in financial positions (sources, uses, and balances of financial resources) rather than upon net income. Governmental funds financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The County considers all revenue as available if it is collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made within thirty days subsequent to year end.

Those revenues susceptible to accrual are property taxes, sales taxes, licenses, interest revenue and charges for services. Sales taxes collected and held by the state at year-end on behalf of the government also are recognized as revenue. Fines are not susceptible to accrual because generally they are not measurable until received in cash.

The County uses the following major funds:

1. Major Funds:

A. Governmental Funds:

1. The **General Fund** is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
2. The **Fire District Fund** is used to account for monies received from a specific property tax levy and the operation of the fire department within the County.
3. The **2006 SPLOST Fund** is used to account for the proceeds of a 1 percent local option sales tax approved in 2005 for various capital projects throughout the County.

B. Business-type Funds:

1. The **Water and Sewer Fund** accounts for the operating revenues and expenses of the water distribution system and sewage processing plants.
2. The **Solid Waste Disposal Fund** accounts for the operating revenues and expenses relating to the disposal of solid waste.

2. Internal Service Fund:

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

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

Note 1. Summary of Significant Accounting Policies (Continued)

3. Fiduciary Fund Types:

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

4. Non-Current Governmental Assets and Liabilities:

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

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

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

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

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

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first and then unrestricted resources as available.

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

Note 1. Summary of Significant Accounting Policies (Continued)

D. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles except encumbrances are treated as budgeted expenditures in the year of the incurrence of the commitment to purchase. Accordingly, encumbrances are included as budgetary expenses in two different years. Annual appropriated budgets are adopted for the General Fund, the Debt Service Fund and the Special Revenue Funds. Project length budgets are adopted for the Grant, and Housing and Urban Development Special Revenue Funds. Project-length financial plans are adopted for the Capital Projects Funds. All encumbered appropriations are carried forward in the following year's budget.

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

E. Cash and Cash Equivalents and Investments

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

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

The County's investment policy is to apply the "prudent person" standard and shall be applied in the context of managing an overall portfolio. The "prudent person" standard is herewith understood to mean the following: "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

It is also the policy of Cobb County to purchase securities only from those broker/dealers and banks that are included on the County's bid list as approved by the Finance Director-Comptroller. The approved list will be developed in accordance with these Investment Policies.

Funds of Cobb County will be invested in compliance with the provisions of Georgia Code Section 36-83-4 and in accordance with these policies and written administrative procedures. Certain funds have outstanding bond issues which have specific investment policies contained within the bond ordinances and official statements. Those policies will be adhered to and are not in conflict with the terms of the investment policy.

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

Note 1. Summary of Significant Accounting Policies (Continued)

In accordance with GASB 31, investments are stated at fair value. Fair value of the external investment pool, Georgia Fund 1, is equal to the value of the pool shares. See Note 3 for additional information regarding cash and investments.

F. Restricted Assets

The County's restricted assets in the Water and Sewer Enterprise Fund includes cash totaling \$14,376,198 which is held in a separate account until monies are spent according to the bond covenants.

G. Interfund Receivables/Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in the applicable governmental fund to indicate that they are not available for appropriation and are not expendable available financial resources. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

H. Inventories

Inventories are valued at cost in the Governmental Fund types and at the lower of cost (first-in, first-out) or market in the Proprietary Fund types. Inventories in the General and Enterprise funds consist of expendable supplies held for consumption and items needed for repairs or improvements to the utility system.

The cost is recorded as an asset at the time the individual items are purchased. Reported inventories in the General Fund are equally offset by a fund balance reserve, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. The consumption method is used to account for inventories within the County's governmental and proprietary fund types.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond September 30, 2007 are recorded as prepaid items.

J. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives 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. The County has fully implemented the retroactive reporting of infrastructure.

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

Note 1. Summary of Significant Accounting Policies (Continued)

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

<u>Assets</u>	<u>Years</u>
Buildings and structures	25 – 50
Machinery and equipment	4 – 10
Vehicles	5
Buses	10
Sewerage Plants	10 – 50
Infrastructure	10 – 50

K. Compensated Absences

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Accumulated sick pay benefits have not been recorded as a liability because the payment of the benefits is contingent upon the future illness of an employee. It is not expected that any unrecorded sick pay benefits will exceed a normal year's accumulation.

In accordance with the provisions of Statement of Financial Accounting Standards No. 16, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay bonuses.

L. Long-term Obligations

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

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

M. Fund Equity

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

N. Interfund Transactions

All interfund services provided and used are reported as transfers.

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

Note 1. Summary of Significant Accounting Policies (Continued)

O. Contributed Capital and Capital Contributions – Proprietary Funds

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

P. Net Assets

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

Note 2. Budgetary Information

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

- A.** Prior to August 1, the Chairman of the Board of Commissioners and the County Manager submit to the Board of Commissioners a proposed operating budget and capital projects budget for the fiscal year commencing the following October 1. The operating and capital projects budgets include proposed expenditures and the means of financing them.
- B.** Public hearings are conducted to obtain taxpayer comments.
- C.** At a date no later than the second Board meeting of September, the budget is formally approved.
- D.** All budget transfers must be approved by the Budget Administrator, County Manager and/or the Board of Commissioners depending on the type and/or amount of expenditure:

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

Note 2. Budgetary Information (Continued)

<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. Annual budgets are also adopted for the Fire District, Law Library, Community Services, Senior Services, Hotel/Motel Tax, Emergency 911, Parking Deck Facility and 800 MHz Special Revenue Funds. Project length budgets 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, Law Library, Hotel/Motel Tax, and 800 MHz Special Revenue Funds, the budgets for these funds are presented on a GAAP basis.

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

The actual results of operations on the budgetary basis are presented in the Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Budgetary Basis) for the General, and the major and nonmajor Special Revenue funds in order to provide a meaningful comparison of actual results with the budget. Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual are presented as supplementary information for certain nonmajor governmental funds.

The major difference between the budget basis and GAAP is that encumbrances are recognized as expenditures for budgetary purposes. All encumbered appropriations are carried forward in the following year's budget. Accordingly, encumbrances are included as budgetary expenses in two different years.

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

Note 2. Budgetary Information (Continued)

Adjustments necessary to convert the results of operations and fund balances at the end of the year on the budgetary basis to the GAAP basis are as follows:

	Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses		
	General Fund	Fire Fund	Nonmajor Special Revenue Funds
Budgetary Basis	\$ (4,926,108)	\$ (7,695,623)	\$ 6,405,827
Encumbrances 9/30/07	3,029,094	1,916,097	46,267
Grant-length Plans	-	-	84,228
GAAP Basis	<u>\$ (1,897,014)</u>	<u>\$ (5,779,526)</u>	<u>\$ 6,536,322</u>

	Fund Balances at End of Year		
	General Fund	Fire Fund	Nonmajor Special Revenue Funds
Budgetary Basis	\$ 55,685,404	\$ 15,025,022	\$ 14,902,064
Encumbrances 9/30/07	3,029,094	1,916,097	46,267
Grant-length Plans	-	-	1,066,957
GAAP Basis	<u>\$ 58,714,498</u>	<u>\$ 16,941,119</u>	<u>\$ 16,015,288</u>

Note 3. Cash and Cash Equivalents and Investments

PRIMARY GOVERNMENT AND FIDUCIARY FUND:

Concentration of Credit Risk

No more than 40% of the entire invested portfolio may be placed with any one bank or security dealer. The longer the maturity of a particular investment, the greater its susceptibility to market price and credit losses. The County seeks to limit such risk by maintaining conservative maturities that are within guidelines recommended by the Government Finance Officers Association ("GFOA"). These guidelines generally recommend avoiding securities with maturities beyond five years unless the investment is matched and held to a specific maturity.

Custodial credit risk – deposits and investments

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties or municipalities. As of September 30, 2007, \$5,146,607 of the agency funds deposits were exposed to custodial credit risk as uninsured and uncollateralized deposits.

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

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

Investments are made in accordance with state law and the County's Investment Policy that requires that bank balances be 110% collateralized and that all investments be acquired on a "delivery vs. payment" basis, thereby providing maximum protection to the County.

As of September 30, 2007, the County's reporting entity had the following investments:

Type of Investment	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
PRIMARY GOVERNMENT					
Georgia Fund I	\$ 177,626,371	\$ 177,626,371	\$ -	\$ -	\$ -
U.S. Agencies	82,027,181	-	82,027,181	-	-
Total Primary Government (non-fiduciary)	\$ 259,653,552	\$ 177,626,371	\$ 82,027,181	\$ -	\$ -
FIDUCIARY FUND					
Pension Trust Fund:					
Common Stocks	\$ 123,210,287	n/a	n/a	n/a	n/a
Mutual Funds	64,802,939	64,802,939	-	-	-
Bond Mutual Funds	106,832,437	71,003,643	-	35,828,656	138
Group Annuity Contracts	40,153,878	-	40,153,878	-	-
Georgia Fund I	195,518	195,518	-	-	-
Total Pension Trust Fund	\$ 335,195,059	\$ 136,002,100	\$ 40,153,878	\$ 35,828,656	\$ 138

Investments of the primary government include \$177,626,371 grouped in cash and cash equivalents and exclude \$500,000 of nonnegotiable certificates of deposits.

Credit Risk - Investments

As of September 30, 2007 the County's investments in Georgia Fund 1 were rated AAA. Of the County's investments in bond mutual funds \$35,603,910 were rated AAA, \$35,828,656 were rated AA2/AA3, \$35,399,733 were rated AA, and the remaining \$138 were rated AA+.

Interest Rate Risk - Investments

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

The Office of Treasury and Fiscal Services is the oversight agency for Georgia Fund I.

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

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

Component Units

A. Cobb-Marietta Coliseum and Exhibit Hall Authority

Custodial credit risk – deposits

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority limits its exposure to custodial credit risk by requiring deposits to be collateralized in accordance with state law. As of September 30, 2007, \$761,892 of the Authority's total deposits of \$15,011,356 were exposed to custodial credit risk because the deposits were uninsured and uncollateralized.

Interest rate risk

In accordance with its investment policy, the Authority manages its exposure to the risk of declines in fair values by limiting the maturities of its investments to a maximum of five years for the debt service reserve account, three years for the General Fund renewal and expansion account, and six months or less in the other accounts.

Credit risk

As of September 30, 2007, the Authority had the following investments:

Type of Investment	Rating	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
PRIMARY GOVERNMENT					
Georgia Fund I	AAA	\$ 10,528,827	\$ -	\$ -	\$ -
Money Market Mutual Funds	AAAm	1,035	-	-	-
Total investments		\$ 10,529,862	\$ -	\$ -	\$ -

At June 30, 2007 the Board's cash deposits were insured or collateralized with securities held by the Board or by its agent in the Board's name.

The following is a summary of the Board's investments at June 30, 2007:

Description	Rating	Fair Value	Weighted Average Maturity
Georgia Fund I	AAAm	\$2,171,820	15 days

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

Note 4. Restricted Assets

A. Cobb-Marietta Coliseum and Exhibit Hall Authority

The Authority's restricted assets in the governmental funds include cash and investments held in separate accounts as required by the revenue bond ordinances, and interest and contributions receivable that are restricted in purpose.

In the general fund, cash and investments held in the renewal and expansion account are restricted for renewal and replacement of assets, expansion projects and contingencies. The general fund reports resources restricted for renewal and expansion in accordance with the revenue bond indenture.

Contributions received and pledged to the Performing Arts Centre Foundation that have purpose restrictions are reported as restricted assets.

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

The Authority's restricted assets in the enterprise funds include refundable security deposits in the mall fund; ticket sales deposits that are refunded to artist and promoters in the Performing Arts Centre fund; and an intergovernmental receivable from Cobb County that is restricted for debt service in the Performing Arts Centre fund.

Governmental Funds	<u>Cash</u>	<u>Investments</u>	<u>Receivables</u>	<u>Total</u>
General Fund:				
Restricted for renewal and expansion	\$ 10,645,472	\$ -	\$ -	\$ 10,645,472
Performing Arts Centre Foundation:				
Restricted by donors	861,960	-	-	861,960
Debt Service Fund:				
Restricted for debt service	<u>9,993,252</u>	<u>-</u>	<u>-</u>	<u>9,993,252</u>
Total governmental funds	<u><u>\$ 21,500,684</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 21,500,684</u></u>

In the governmental activities column of the statement of net assets, an additional \$7,283,701 in long-term contribution receivable have been restricted by donors for the construction and operation of the Performing Arts Centre and for raising funds to that end.

Enterprise Funds				
Galleria Mall:				
Security deposits	\$ 43,756	\$ -	\$ -	\$ 43,756
Performing Arts Centre:				
Ticket sales deposits	547,217	-	-	547,217
Due from primary government	<u>-</u>	<u>-</u>	<u>54,865,019</u>	<u>54,865,019</u>
Total enterprise funds	<u><u>\$ 590,973</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 54,865,019</u></u>	<u><u>\$ 55,455,992</u></u>

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

Note 5. Capital Assets

Capital asset activity for the year ended September 30, 2007 was as follows:

Primary Government:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 756,000,765	\$ 37,466,789	\$ -	\$ 793,467,554
Construction in progress	30,381,310	52,057,665	(31,635,505)	50,803,470
Total capital assets, not being depreciated	<u>\$ 786,382,075</u>	<u>\$ 89,524,454</u>	<u>\$ (31,635,505)</u>	<u>\$ 844,271,024</u>
Capital assets, being depreciated:				
Buildings	\$ 286,054,156	\$ 14,676,847	\$ -	\$ 300,731,003
Improvements other than buildings	17,721,039	6,451,841	-	24,172,880
Machinery and equipment	192,398,786	11,714,750	(4,549,539)	199,563,997
Infrastructure	2,061,257,131	19,853,012	-	2,081,110,143
Total capital assets, being depreciated	<u>2,557,431,112</u>	<u>52,696,450</u>	<u>(4,549,539)</u>	<u>2,605,578,023</u>
Less accumulated depreciation for:				
Buildings	\$ (67,208,177)	\$ (6,575,022)	\$ -	\$ (73,783,199)
Improvements other than buildings	(8,773,231)	(765,637)	-	(9,538,868)
Machinery and equipment	(133,330,206)	(17,372,563)	4,399,595	(146,303,174)
Infrastructure	(591,668,620)	(52,406,086)	-	(644,074,706)
Total accumulated depreciation	<u>\$ (800,980,234)</u>	<u>\$ (77,119,308)</u>	<u>\$ 4,399,595</u>	<u>\$ (873,699,947)</u>
Total capital assets, being depreciated, net	<u>1,756,450,878</u>	<u>(24,422,858)</u>	<u>(149,944)</u>	<u>1,731,878,076</u>
Governmental activities capital assets, net	<u><u>\$ 2,542,832,953</u></u>	<u><u>\$ 65,101,596</u></u>	<u><u>\$ (31,785,449)</u></u>	<u><u>\$ 2,576,149,100</u></u>
Business-type activities:				
Capital assets, not being depreciated:				
Land and improvements	\$ 59,743,427	\$ 5,205,429	\$ (210)	\$ 64,948,646
Construction in progress	107,591,709	41,894,280	(30,632,321)	118,853,668
Total capital assets, not being depreciated	<u>\$ 167,335,136</u>	<u>\$ 47,099,709</u>	<u>\$ (30,632,531)</u>	<u>\$ 183,802,314</u>
Capital assets, being depreciated:				
Buildings and structures	\$ 51,078,402	\$ 860,564	\$ (7,192,204)	\$ 44,746,762
Sewerage plants	681,830,879	2,107,251	-	683,938,130
Machinery and equipment	76,481,642	8,876,168	(2,324,438)	83,033,372
Infrastructure:				
Sewer lines	470,030,023	19,058,956	-	489,088,979
Water lines and meters	296,472,600	32,256,150	-	328,728,750
Total capital assets, being depreciated	<u>\$ 1,575,893,546</u>	<u>\$ 63,159,089</u>	<u>\$ (9,516,642)</u>	<u>\$ 1,629,535,993</u>

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

Note 5. Capital Assets (Continued)

Less accumulated depreciation for:

Buildings and structures	\$ (9,429,808)	\$ (1,099,503)	\$ 567,639	\$ (9,961,672)
Sewerage plants	(168,194,217)	(16,857,097)	-	(185,051,314)
Machinery and equipment	(53,354,657)	(5,896,190)	2,324,762	(56,926,085)
Infrastructure:				
Sewer lines	(125,234,478)	(9,416,406)	-	(134,650,884)
Water lines and meters	(105,659,021)	(7,430,130)	-	(113,089,151)
Total accumulated depreciation	<u>\$ (461,872,181)</u>	<u>\$ (40,699,326)</u>	<u>\$ 2,892,401</u>	<u>\$ (499,679,106)</u>
Total capital assets, being depreciated, net	<u>1,114,021,365</u>	<u>22,459,763</u>	<u>(6,624,241)</u>	<u>1,129,856,887</u>
Business-type activities capital assets, net	<u><u>\$ 1,281,356,501</u></u>	<u><u>\$ 69,559,472</u></u>	<u><u>\$ (37,256,772)</u></u>	<u><u>\$ 1,313,659,201</u></u>

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

Governmental activities:

General government	\$ 5,770,794
Public safety	13,565,904
Public works	53,899,624
Health and welfare	17,526
Culture and recreation	3,333,175
Housing and development	532,285
Total depreciation expense - governmental activities	<u><u>\$ 77,119,308</u></u>

Business-type activities:

Water and Sewer	\$ 36,284,315
Solid Waste	776,427
Golf Course	79,539
Transit System	3,559,045
Total depreciation expense - business-type activities	<u><u>\$ 40,699,326</u></u>

Note 6. Risk Management

The County established a risk management program for casualty, liability and medical claims in 1985. Premiums are paid into the Claims Internal Service Fund by other funds and are available to pay claims and administrative costs. The County is self-insured up to \$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. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can reasonably be estimated. Liabilities include an amount for claims that have been incurred but not reported. Incurred but not reported claims of \$14,062,945 have been accrued as a liability in the Claims Internal Service Fund based primarily upon a County and actuary's estimate. The entire liability is estimated to be current. Interfund premiums are based primarily upon the insured funds' claims experience.

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

Note 6. Risk Management (Continued)

<u>September 30</u>	<u>Beginning Balance</u>	<u>Claims Incurred</u>	<u>Claims Paid</u>	<u>Ending Balance</u>
1998	\$ 6,597,524	\$ 17,113,265	\$ 16,936,304	\$ 6,774,485
1999	6,774,485	16,991,724	16,868,424	6,897,785
2000	6,897,785	20,187,716	19,868,066	7,217,435
2001	7,217,435	22,521,847	21,685,709	8,053,573
2002	8,053,573	28,246,667	26,852,687	9,447,553
2003	9,447,553	32,360,331	30,576,030	11,231,854
2004	11,231,854	38,194,327	35,717,321	13,708,860
2005	13,708,860	40,961,207	38,035,702	16,634,365
2006	16,634,365	41,226,703	38,379,567	19,481,501
2007	19,481,501	38,230,339	43,648,895	14,062,945

Note 7. Leases

A. Operating Leases

The County has several operating leases for equipment that are not material.

B. Capital Leases

Cobb County is obligated under capital leases initiated in current and prior years covering various types of equipment and building improvements.

The assets acquired through capital leases are as follows:

	<u>Total Governmental Activities</u>
Asset:	
Buildings	\$ 5,803,569
Machinery and equipment	25,822,309
Less: Accumulated depreciation	<u>(11,503,748)</u>
Total	<u>\$ 20,122,130</u>

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

Note 7. Leases (Continued)

The following is a schedule of the future minimum lease payments together with the present value of the net minimum lease payments as of September 30, 2007:

	Total Governmental Activities	Total Business-type Activities
2008	\$ 7,238,770	\$ 40,613
2009	5,164,374	40,612
2010	1,870,875	33,844
2011	1,870,513	-
2012	1,643,190	-
2013-2017	1,702,320	-
2018-2019	648,813	-
Total minimum lease payments	<u>\$ 20,138,855</u>	<u>\$ 115,069</u>
Less: Amount representing interest	<u>2,001,877</u>	<u>6,300</u>
Present value of minimum lease payments	<u>\$ 18,136,978</u>	<u>\$ 108,769</u>

Governmental activities:

In October, 1997, a lease agreement was entered into with the Downtown Marietta Development Authority for the parking deck lease. This lease agreement is for 252 months with annual principal payments and semi-annual interest payments. The parking deck is used by Cobb County employees and the general public. The lease agreement qualifies as a capital lease and has been recorded in the Parking Deck Facility Special Revenue Fund.

In August, 2002, a lease agreement was entered into with GE Capital Public Finance, Inc. for the Central Aquatics Center. This lease agreement is for 60 months and has been recorded as a capital lease in the Public Facilities Fund.

In December, 2002, a lease agreement was entered into with GE Capital Public Finance, Inc. for the purchase of the Financial and Human Resource Information System and related equipment. This lease agreement is for 60 months and has been recorded as a capital lease in the Public Facilities Fund.

In July, 2003, a lease agreement was entered into with GE Capital Public Finance, Inc. for the Energy Efficient Lighting Project. The lease agreement is for 60 months and has been recorded as a capital lease in the Public Facilities Fund.

In October, 2003, a lease agreement was entered into with GE Capital Public Finance, Inc. for Datacom. The lease agreement is for 36 months. The lease agreement qualifies as a capital lease and has been recorded in the Public Facilities Fund.

In January, 2004, a lease agreement was entered into with Xerox Corporation for print shop equipment. The lease agreement is for 60 months. The lease agreement qualifies as a capital lease and has been recorded in the General Fund.

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

Note 7. Leases (Continued)

In August, 2004, a lease agreement was entered into with Motorola, Inc. for 800 MHz core equipment. This lease agreement is for 48 months with four annual principal and interest payments. This equipment will service numerous County departments including the Department of Public Safety, Sheriff's Department, Department of Transportation and the Water Department. This lease agreement qualifies as a capital lease and has been recorded in the Public Facilities Fund.

In March, 2006, a lease agreement was entered into with Bank of America Leasing and Capital, LLC. for a new digital radio system. This lease agreement is for 12 months with monthly principal and interest payments. This lease agreement qualifies as a capital lease and has been recorded in the 800 MHz Fund.

In July, 2006, a lease agreement was entered into with Bank of America Leasing and Capital, LLC. for maintenance equipment. This lease agreement is for 48 months with monthly principal and interest payments. This lease agreement qualifies as a capital lease and has been recorded in the Golf Course Fund.

In February, 2007, a lease agreement was entered into with Bank of America Leasing and Capital, LLC. for a Voice-Over I.P. System. This lease agreement is for 60 months with monthly principal and interest payments. This lease agreement qualifies as a capital lease and has been recorded in the Public Facilities Fund.

In March, 2007, a lease agreement was entered into with Bank of America Leasing and Capital, LLC. for a Judicial Court Information System. This lease agreement is for 60 months with monthly principal and interest payments. This lease agreement qualifies as a capital lease and has been recorded in the Public Facilities Fund.

In July, 2007, a lease agreement was entered into with Bank of America Leasing and Capital, LLC. for a Community Development Application System. This lease agreement is for 60 months with monthly principal and interest payments. This lease agreement qualifies as a capital lease and has been recorded in the Public Facilities Fund.

Note 8. Long-Term Debt

A. Primary Government

Bonds payable at September 30, 2007 are comprised of the following individual issues:

1. General Obligation Bonds

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

\$18,345,000 2005 refunding serial bonds due in annual installments of \$100,000 to \$2,200,000 through January 1, 2017; interest at 3.00 to 5.00 percent (\$18,145,000 outstanding). The Bonds were issued for the purpose of advance refunding, defeasing and optionally redeeming the County's outstanding Park and Recreation Bonds, Series 1996 and paying the cost of issuance of the Series 2005 Bonds.

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

Note 8. Long-Term Debt (Continued)

\$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 (\$14,925,000 outstanding). The Bonds were issued to refund the County's Building and Facilities Bonds, Series 1993 and the Animal Control Center Bonds, Series 1993 and to pay expenses necessary to accomplish the foregoing.

\$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 (zero outstanding). The Bonds were issued to finance the costs of acquiring, constructing, developing, improving, repairing, renovating, and equipping additional park and recreation areas and facilities of the County.

2. Revenue Bonds

a. Arts Center

\$890,000 1997 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 (zero outstanding). The Bonds were issued to provide funds to refund the Series 1989 Bonds and to pay expenses necessary to accomplish the foregoing.

b. Water and Sewerage

\$34,520,000 2004 refunding serial bonds due in annual installments of \$10,730,000 to \$6,925,000 through July 1, 2008; interest at 2.00 to 5.00 percent (\$6,925,000 outstanding). The Bonds were issued to refund the Water and Sewerage Revenue Refunding Bonds, Series 1996 and pay expenses necessary to accomplish the foregoing.

\$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 (\$9,405,000 outstanding). The Bonds were issued to provide funds to refund a portion of the Water and Sewerage Revenue Improvement Bonds, Series 1993 and pay expenses necessary to accomplish the foregoing.

\$100,000,000 2003 serial bonds due in annual installments of \$5,135,000 to \$8,740,000 through July 1, 2023; interest at 4.00 to 5.00 percent (\$100,000,000 outstanding). The Bonds were issued to provide funds to finance a portion of certain additions, betterments, replacements, extensions and improvements to the County's water and sewerage facilities and to pay expenses necessary to accomplish the foregoing.

c. Solid Waste Disposal

\$19,285,000 2004 refunding serial bonds due in annual installments of \$1,720,000 to \$2,100,000 through January 1, 2015; interest at 2.75 to 5.00 percent (\$15,765,000 outstanding). The Bonds were issued for the purpose of refunding, defeasing and optionally redeeming all of the Authority's outstanding Revenue Bonds, Series 1995 and paying the costs of issuance of the Series 2004 Bonds.

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

Note 8. Long-Term Debt (Continued)

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 (\$3,470,000 outstanding). The Bonds were issued to provide funds to refund the Series 1992 Bonds and to pay expenses necessary to accomplish the foregoing.

The annual requirements to amortize all General Obligation and Revenue bonds outstanding at September 30, 2007 including interest payments of \$150,877,102 are as follows:

Year Ending September	Governmental Activities		Business-Type Activities	
	General Obligation Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest
2008	\$ 6,255,000	\$ 2,460,050	\$ 18,615,000	\$ 6,089,069
2009	6,515,000	2,229,075	7,495,000	5,195,258
2010	6,820,000	1,925,250	7,710,000	4,860,503
2011	4,720,000	1,666,775	7,955,000	4,503,205
2012	4,965,000	1,448,981	7,990,000	4,119,600
2013-2017	28,795,000	3,467,132	38,665,000	14,943,326
2018-2022	-	-	38,395,000	7,443,112
2023	-	-	8,740,000	415,150
	<u>\$ 58,070,000</u>	<u>\$ 13,197,263</u>	<u>\$ 135,565,000</u>	<u>\$ 47,569,223</u>

Year Ending September 30	Component Units	
	Revenue Bonds	
	Principal	Interest
2008	\$ 3,405,000	\$ 6,602,872
2009	3,600,000	6,753,532
2010	4,190,000	6,602,188
2011	4,430,000	6,423,140
2012	4,680,000	6,230,965
2013-2017	28,075,000	27,609,179
2018-2022	37,665,000	19,884,481
2023-2027	50,030,000	9,421,509
2028-2029	8,795,000	582,750
	<u>\$ 144,870,000</u>	<u>\$ 90,110,616</u>

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

Note 8. Long-Term Debt (Continued)

The annual requirements to amortize all Water and Sewer Revenue Bonds outstanding at September 30, 2007 are as follows:

	Outstanding Parity Bonds		
	Principal	Interest	Total
2008	\$ 16,330,000	\$ 5,305,850	\$ 21,635,850
2009	5,135,000	4,489,350	9,624,350
2010	5,275,000	4,232,600	9,507,600
2011	5,435,000	3,968,850	9,403,850
2012	5,620,000	3,697,100	9,317,100
2013-2017	31,400,000	14,430,700	45,830,700
2018-2022	38,395,000	7,443,112	45,838,112
2023-2024	8,740,000	415,150	9,155,150
Total	\$ 116,330,000	\$ 43,982,712	\$ 160,312,712

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

3. Compliance

The 1985 Series Water and Sewerage Bond Resolution 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. The Resolution also authorizes Cobb County to obtain a surety bond in place of funding the Debt Service Reserve Account. The County has obtained a Municipal Bond Insurance Association bond for this purpose. However, the Series 2003 Resolution amends the Prior Resolutions and provides that commencing on December 1, 2003, there shall no longer be a Debt Service Reserve Requirement for any Bonds then outstanding. There are a number of limitations and restrictions contained in the various bond indentures. The County is in compliance with all significant limitations and restrictions.

\$9,380,967 is available in the Debt Service Fund to service the general obligation bonds.

4. Prior Years' Advance Refundings

On September 30, 2007 there were no bonds outstanding that are considered defeased.

G.O. Bonds:

During the fiscal year ending September 30, 2003, the County issued Series 2003 General Obligation Refunding Bonds of \$31,640,000 with interest rates of 3.0 percent to 5.0 percent to advance refund \$32,490,000 of the 1993 Detention Facility and Animal Control Center serial bonds with interest rates of 4.70 to 5.50 percent. The 2003 General Obligation Refunding Bonds were issued at a premium of \$2,495,009, less an underwriting discount of \$13,531, plus accrued interest on the Bonds from their dated date to the date of delivery of \$83,172. After paying the issuance costs of \$66,960 the net proceeds were \$33,808,908.

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

Note 8. Long-Term Debt (Continued)

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.

The \$18,345,000 2005 Parks and Recreation Refunding Bonds were issued at a premium of \$900,880 less an underwriting discount of \$29,750 and issuance costs of \$72,000 resulting in net proceeds of \$19,144,130.

These net proceeds, together with \$321,704 of sinking funds monies available to pay interest accrued on the Series 1996 Refunding Bonds, were deposited into an irrevocable trust with a defeasance escrow agent to satisfy the defeasance requirement on January 1, 2007. As a result of the refunding and defeasance, the County reduced its total debt service requirement by \$1,284,390 which resulted in an economic gain (difference between the present value of the debt service payments on the Refunded Bonds and the 2005 Bonds) of \$1,020,494.

Revenue Bonds:

During the fiscal year ending September 30, 2003, the County issued Series 2003 Water and Sewer Refunding Revenue Bonds of \$36,545,000 with interest rates of 3.0 percent to 5.0 percent to advance refund \$49,430,000 of the 1993 Water and Sewer Revenue Bonds with interest rates of 4.75 to 5.40 percent. The 2003 Water and Sewer Refunding Revenue Bonds were issued at a premium of \$3,149,556, less an underwriting discount of \$52,259, plus accrued interest on the Bonds from their dated date to the date of delivery of \$97,735. After paying the issuance costs of \$81,931 the net proceeds were \$51,460,128. The net proceeds from the issuance were used to purchase U.S. government securities, and those securities were deposited into an irrevocable trust with an escrow agent to provide debt service payments on the 1993 bond issue maturing in 2008. The advance refunding met the requirements of an in-substance defeasance, thus the refunded portions of the 1993 bonds are no longer included in the Water and Sewer Fund Statement of Net Assets bond payable balance. As a result of the advanced refunding, the County reduced its total debt service requirements by \$2,899,909, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$2,683,436.

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

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

Note 8. Long-Term Debt (Continued)

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

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

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

Bonds payable are comprised of the following individual issues at September 30, 2007:

\$7,315,000 series 1993 serial bonds, of which \$2,545,000 was outstanding at September 30, 2007. The serial bonds are due in future annual installments of \$1,240,000 to \$1,305,000 through October 1, 2008, with interest at fixed rates from 5.3 to 5.5 percent.

\$40,650,000 series 1993 term bonds, all of which was outstanding at September 30, 2007, that come due with the applicable fixed rates as follows:

October 1, 2012	\$ 5,975,000	5.5%
October 1, 2018	11,735,000	5.5%
October 1, 2026	<u>22,940,000</u>	5.625%
	<u>\$ 40,650,000</u>	

The purpose of the 1993 issue was to refund a portion of the series 1991 bonds, which were issued to finance the construction of the convention centre.

\$19,000,000 series 1996 A serial bonds, of which \$16,170,000 was outstanding at September 30, 2007. The bonds are due in annual installments of \$490,000 to \$1,235,000, with variable interest rates that are reset weekly. Estimated future debt service requirements for the variable interest rate debt are calculated using the interest rate in effect at September 30, 2007 of 3.87 percent. The purpose of the Series 1996A Bonds was to finance the purchase of approximately eleven acres of land for future expansion capabilities.

\$7,220,000 series 1999 serial bonds, of which \$2,625,000 was outstanding at September 30, 2007. The serial bonds are due in annual installments of \$610,000 to \$705,000 through October 1, 2010; interest at 4.6 to 5.0 percent.

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

Note 8. Long-Term Debt (Continued)

\$16,730,000 series 1999 serial bonds, of which \$3,240,000 was unrefunded and outstanding at September 30, 2007. These bonds are subject to mandatory redemption requirements beginning October 1, 2011. The unrefunded term bonds come due October 1, 2014 at a fixed rate of 6.0 percent.

The purpose of the 1999 issue was to finance the expansion of the Cobb Galleria Centre and the construction of a new parking deck. These bonds were partially advance refunded by the series 2005 revenue refunding bonds.

\$2,120,000 series 2005 serial bonds, of which \$2,105,000 was outstanding at September 30, 2007. The serial bonds are due in future annual installments of \$20,000 to \$990,000 through October 1, 2016, with interest at fixed rates from 3.0 to 4.0 percent.

\$13,255,000 series 2005 term bonds, all of which was outstanding at September 30, 2007, that are subject to mandatory redemption requirements beginning October 1, 2017. The term bonds come due with the applicable fixed rates as follows:

October 1, 2019	\$ 3,255,000	5.25%
October 1, 2026	<u>10,000,000</u>	5.50%
	<u>\$ 13,255,000</u>	

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

\$44,180,000 series 2004 serial bonds, of which \$41,460,000 was outstanding at September 30, 2007. The serial bonds are due in future annual installments of \$1,045,000 to \$3,790,000 through January 1, 2026 with interest at fixed rates from 2.0 to 5.0 percent.

\$12,820,000 series 2004 term bonds, all of which was outstanding at September 30, 2007, that are subject to mandatory redemption requirements beginning January 1, 2027. The term bonds come due on January 1, 2029 at a fixed rate of 4.375 percent.

The purpose of the 2004 issue was to finance the construction of a new Performing Arts Centre and parking garage. The debt service requirements for the 2004 revenue bonds are to be funded through an intergovernmental contract with Cobb County over the term of the debt.

\$10,000,000 series 2007 term bonds, all of which was outstanding at September 30, 2007. The serial bonds are due in future annual installments of \$390,000 to \$760,000 through October 1, 2026, with interest at a fixed rate of 3.99 percent.

Advance refundings

During fiscal year 2005, the Authority issued \$15,375,000 of revenue refunding bonds in order to provide resources for the purchase of U.S. government, state, and local government series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments on \$15,400,000 of outstanding revenue bonds. As a result, the refunded bonds are considered to be legally defeased for accounting purposes and the liability has been removed from the governmental activities column of the statement of net assets. The reacquisition price of the new debt exceeded the net carrying amount of the old debt by \$1,417,645.

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

Note 8. Long-Term Debt (Continued)

This amount is being netted against the new debt and will be amortized over the life of the new debt, which is the same as the remaining life of the refunded debt. This advance refunding was undertaken to reduce total debt service payments over the next 22 years by approximately \$1,159,265 and resulted in an economic gain of \$727,520. The total amount of in-substance defeased debt outstanding that is not reported in the Authority's financial statements as of September 30, 2007 is \$15,400,000.

Compliance

There are a number of limitations and restrictions contained in the revenue bond indentures. The Authority is in compliance with all significant limitations and restrictions.

The following is a summary of changes in long-term obligations of the County's and the Component Unit's Governmental Activities and Business-type Activities for the fiscal year September 30, 2007:

Governmental Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
GO Bonds:					
2007 Parks	\$ -	\$ 25,000,000	\$ -	\$ 25,000,000	\$ -
2005 Refunding	18,245,000	-	(100,000)	18,145,000	1,510,000
2003 Refunding	19,460,000	-	(4,535,000)	14,925,000	4,745,000
1996 Recreation Authority	1,390,000	-	(1,390,000)	-	-
Revenue Bonds:					
1997 Recreation Authority Refunding	110,000	-	(110,000)	-	-
Total bonds before discounts and premiums	<u>\$ 39,205,000</u>	<u>\$ 25,000,000</u>	<u>\$ (6,135,000)</u>	<u>\$ 58,070,000</u>	<u>\$ 6,255,000</u>
Less:					
Original issuance discounts	\$ (355,394)	\$ -	\$ 55,914	\$ (299,480)	\$ -
Deferred amounts on refunding	(851,144)	-	133,668	(717,476)	-
Add:					
Bond premiums	1,998,240	926,933	(403,355)	2,521,818	-
Total bonds payable	<u>\$ 39,996,702</u>	<u>\$ 25,926,933</u>	<u>\$ (6,348,773)</u>	<u>\$ 59,574,862</u>	<u>\$ 6,255,000</u>
Capital leases before discounts	\$ 20,600,870	\$ 6,975,011	\$ (9,438,903)	\$ 18,136,978	\$ 6,559,398
Less:					
Original issuance discounts	(130,446)	-	65,224	(65,222)	-
Total capital lease payable	<u>\$ 20,470,424</u>	<u>\$ 6,975,011</u>	<u>\$ (9,373,679)</u>	<u>\$ 18,071,756</u>	<u>\$ 6,559,398</u>
Intergovernmental contract payable	\$ 55,255,000	\$ -	\$ (975,000)	\$ 54,280,000	\$ 1,045,000
Compensated absences	\$ 17,158,451	\$ 13,477,800	\$ (12,177,111)	\$ 18,459,140	\$ 12,177,111
Total other liabilities	<u>\$ 92,883,875</u>	<u>\$ 20,452,811</u>	<u>\$ (22,525,790)</u>	<u>\$ 90,810,896</u>	<u>\$ 19,781,509</u>
Governmental Activities Long-term Liabilities	<u><u>\$ 132,880,577</u></u>	<u><u>\$ 46,379,744</u></u>	<u><u>\$ (28,874,563)</u></u>	<u><u>\$ 150,385,758</u></u>	<u><u>\$ 26,036,509</u></u>

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

Note 8. Long-Term Debt (Continued)

Business-type Activities:

Revenue Bonds:

2004 Water & Sewer Refunding	\$ 13,405,000	\$ -	\$ (6,480,000)	\$ 6,925,000	\$ 6,925,000
2003 Water & Sewer Serial Bond	100,000,000	-	-	100,000,000	-
2003 Water & Sewer Refunding	18,875,000	-	(9,470,000)	9,405,000	9,405,000
2004 Solid Waste Management Authority Refunding	17,565,000	-	(1,800,000)	15,765,000	1,855,000
1997 Refunding Recreation Authority	3,880,000	-	(410,000)	3,470,000	430,000
Total Bonds before discounts and premiums	<u>\$ 153,725,000</u>	<u>\$ -</u>	<u>\$ (18,160,000)</u>	<u>\$ 135,565,000</u>	<u>\$ 18,615,000</u>
Add: Bond premiums	5,626,531	-	(1,466,030)	4,160,501	-
Less:					
Original issuance discount	\$ (13,443)	\$ -	\$ 1,697	\$ (11,746)	\$ -
Deferred amount on refunding	(1,995,556)	-	838,256	(1,157,300)	-
Total bonds payable	<u>\$ 157,342,532</u>	<u>\$ -</u>	<u>\$ (18,786,076)</u>	<u>\$ 138,556,456</u>	<u>\$ 18,615,000</u>
Capital leases	\$ 144,381	\$ -	\$ (35,612)	\$ 108,769	\$ 37,026
Closure and postclosure	27,085,218	-	(25,982)	27,059,236	129,000
Note payable	27,978	-	(27,978)	-	-
Compensated absences	1,446,653	1,550,537	(1,446,653)	1,550,537	1,062,298
Total other liabilities	<u>\$ 28,704,230</u>	<u>\$ 1,550,537</u>	<u>\$ (1,536,225)</u>	<u>\$ 28,718,542</u>	<u>\$ 1,228,324</u>
Business-type Activities Long-term Liabilities	<u>\$ 186,046,762</u>	<u>\$ 1,550,537</u>	<u>\$ (20,322,301)</u>	<u>\$ 167,274,998</u>	<u>\$ 19,843,324</u>

Component Units

Cobb-Marietta Coliseum and Exhibit Hall Authority

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds payable:					
Revenue Bonds:	\$ 82,830,000	\$ -	\$ (2,240,000)	\$ 80,590,000	\$ 2,360,000
Add: Unamortized issuance premium	1,919,710	-	(127,900)	1,791,810	-
Less deferred amounts:					
On refunding	(4,078,663)	-	312,838	(3,765,825)	-
For issuance discount	(352,947)	-	29,542	(323,405)	-
Total bonds payable	<u>80,318,100</u>	<u>-</u>	<u>(2,025,520)</u>	<u>78,292,580</u>	<u>2,360,000</u>
Line of credit	-	8,400,000	-	8,400,000	-
Compensated absences	135,540	182,432	(165,035)	152,937	152,937
Governmental Activities Long-term Liabilities	<u>\$ 80,453,640</u>	<u>\$ 8,582,432</u>	<u>\$ (2,190,555)</u>	<u>\$ 86,845,517</u>	<u>\$ 2,512,937</u>

Business-type Activities:

Bonds payable:

Revenue bonds	\$ 55,255,000	\$ 10,000,000	\$ (975,000)	\$ 64,280,000	\$ 1,045,000
Add: Unamortized issuance premium	1,274,570	-	(88,376)	1,186,194	-
Total bonds payable	<u>56,529,570</u>	<u>10,000,000</u>	<u>(1,063,376)</u>	<u>65,466,194</u>	<u>1,045,000</u>
Compensated absences	-	31,591	(7,141)	24,450	24,450
Unearned revenue	5,200,000	9,316,806	(204,039)	14,312,767	1,106,139
Business-type Activities Long-term Liabilities	<u>\$ 61,729,570</u>	<u>\$ 19,348,397</u>	<u>\$ (1,274,556)</u>	<u>\$ 79,803,411</u>	<u>\$ 2,175,589</u>

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

Note 8. Long-Term Debt (Continued)

Cobb County Board of Health

Governmental Activities:

Compensated Absences	\$ 688,564	\$ 634,650	\$ (614,591)	\$ 708,623	\$ 614,592
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The Internal Service Fund predominately serves the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end, \$20,037 of the Internal Service Fund's compensated absences are included in the above amounts. Also, for the governmental activities, claims and judgments and compensated absences are generally liquidated by the General Fund, Fire Fund, Senior Services Fund, Parking Deck Fund, Law Library Fund, E-911 Fund and the Grants Fund. The compensated absences of the component units are typically liquidated in the general fund.

Note 9. Short-Term Tax Anticipation Notes

In April 2007, the County issued \$76 million in tax anticipation notes to finance the general operations of the County through October 2007. The notes bear interest at a rate of 4.0 percent and are due on December 31, 2007. These notes were paid on December 28, 2007 from 2007 property tax revenues collected between September and December. Total payments of principal and interest on December 31, 2007 amounted to \$78,246,222.

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

	Principal	Outstanding Premium	Total
General Fund	\$56,000,000	\$61,579	\$56,061,579
Fire District Special Revenue Fund	20,000,000	21,992	20,021,992
	\$76,000,000	\$83,571	\$76,083,571

Short-term debt activity for the year ended September 30, 2007, was as follows:

	Beginning Balance	Issued	Reductions	Ending Balance
Tax anticipation notes	\$ 83,000,000	\$ 76,000,000	\$ (83,000,000)	\$ 76,000,000
Premium on notes	213,385	247,000	(376,814)	83,571
Total tax anticipation notes payable	\$ 83,213,385	\$ 76,247,000	\$ (83,376,814)	\$ 76,083,571

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

Note 10. Fund Balances Reserves and Designations

A. Primary Government:

Reserves are used to indicate that a portion of the fund balance is not appropriable for expenditures or is legally segregated for a special future use. Designations of fund balances represents tentative management plans that are subject to change. The following reserves and designations are used by the County:

1. General, Special Revenue, Debt Service, and Capital Projects Funds:
 - a. Reserved for encumbrances – reserved for payment of open commitments.
 - b. Reserved for inventories and prepaid expenditures – reserved for inventory and contracts already purchased.
 - c. Reserved for debt service – reserved for payment of bond principal and interest.
 - d. Reserved for advances – reserved for payment of advance funding.
 - e. Designation for construction and capital outlay – designated for projects financed by general obligation bond proceeds, sales tax revenues and transfers from the General Fund and the Fire District Special Revenue Fund.
 - f. Designation for debt service – designated for payment of long-term debt principal and interest.
2. Fiduciary Funds:
 - a. Reserved for employees' pension benefit – restricted for payment of future employee pension benefit distributions.

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 – reserved for payment of open commitments.
 - b. Reserved for inventory – reserved 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.

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

Note 10. Fund Balances Reserves and Designations (Continued)

2. Fiduciary Funds:

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

Note 11. Property Taxes

The County bills and collects its own property taxes and those taxes for the Cobb County School System and some municipalities within the County. Collections of the County taxes and remittance of them to the General Fund, Fire District Fund, Debt Service Fund, the school system and municipalities are accounted for in the Tax Commissioner Agency Fund. County property tax revenues are recognized when levied to the extent that they result in current receivables.

Property taxes are levied each July based on values as of January 1st and are due on October 15th each year. FY07 property taxes were levied on July 30, 2007 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 2007 to provide for financing of County operations for the fiscal year ended September 30, 2007.

Note 12. Interfund Balances and Transfers

A. Primary Government

Individual fund interfund receivable and payable balances for the fiscal year ended September 30, 2007 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	2006 SPLOST Fund	\$ 361,908
	Solid Waste Fund	648,365
	Nonmajor Governmental Funds	767,582
		<u>1,777,855</u>
Fire District Fund	Nonmajor Governmental Funds	25,234
		<u>25,234</u>
2006 SPLOST Fund	Fire District Fund	103,448
	Water and Sewer Fund	198,660
	Nonmajor Governmental Funds	903,933
		<u>1,206,041</u>
Water and Sewer Fund	General Fund	1,500,000

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

Note 12. Interfund Balances and Transfers (Continued)

Nonmajor Governmental Funds	General Fund	18,518,333
	Fire District Fund	13,008,866
	2006 SPLOST Fund	2,687,038
	Solid Waste Fund	162,255
	Nonmajor Governmental Funds	847,275
	Nonmajor Business Type Funds	<u>100,000</u>
		35,323,767
Internal Service Fund	General Fund	10,905,258
	Fire District Fund	3,100,000
	Solid Waste Fund	<u>107,238</u>
		14,112,496
Fiduciary Fund	General Fund	555,085
		<u>\$ 53,000,478</u>

All interfund balances are due either to timing differences or to the elimination of negative cash balances within the various funds. All interfund balances are expected to be repaid during the fiscal year ending September 30, 2008.

Advance from/to other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Solid Waste Fund	\$ 1,476,219
	Nonmajor Business-Type Funds	<u>1,200,000</u>
		<u>\$ 2,676,219</u>
Water and Sewer Fund	Solid Waste Fund	<u>\$ 19,768,791</u>

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

	<u>Transfer In</u>							<u>Total</u>
	<u>General Fund</u>	<u>Fire District Fund</u>	<u>2006 SPLOST Fund</u>	<u>Water and Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Nonmajor Business-Type Funds</u>	
Transfer out:								
General Fund	\$ -	\$ -	\$ -	\$ 3,021,593	\$ 8,890,821	\$ 20,776,843	\$ 7,450,994	\$ 40,140,251
Fire District Fund	-	-	-	-	-	12,627,807	-	12,627,807
2006 SPLOST Fund	361,908	-	-	-	-	17,751,108	-	18,113,016
Water and Sewer Fund	17,069,100	-	327,929	-	-	1,278,219	-	18,675,248
Solid Waste Fund	-	-	-	-	-	176,088	-	176,088
Internal Service Fund	172,832	20,098	-	16,932	-	1,114	-	210,976
Nonmajor Governmental Funds	821,261	950,996	1,006,080	856,247	-	6,975,316	945,549	11,555,449
Nonmajor Business-Type Funds	-	-	-	-	-	145,428	-	145,428
Total transfers out	<u>\$ 18,425,101</u>	<u>\$ 971,094</u>	<u>\$ 1,334,009</u>	<u>\$ 3,894,772</u>	<u>\$ 8,890,821</u>	<u>\$ 59,731,923</u>	<u>\$ 8,396,543</u>	<u>\$ 101,644,263</u>

Interfund transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

Note 13. Segment Information – Nonmajor Enterprise Fund

The County issued revenue bonds to finance its 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 golf course at September 30, 2007:

	Cobblestone Golf Course Fund
	Fund
Condensed Statement of Net Assets	
Assets:	
Current assets	\$ 634,581
Noncurrent assets:	
Capital assets	6,534,778
Other assets	25,110
Total assets	\$ 7,194,469
Liabilities:	
Current liabilities	\$ 627,069
Noncurrent liabilities	4,058,757
Total liabilities	\$ 4,685,826
Net Assets:	
Invested in capital assets, net of related debt	\$ 3,234,105
Unrestricted	(725,462)
Total net assets	\$ 2,508,643
Condensed Statement of Revenues, Expenses and Changes in Net Assets	
Operating revenues	\$ 2,148,607
Operating expenses	1,441,263
Operating income	
before depreciation	\$ 707,344
Depreciation	\$ (79,539)
Operating income	\$ 627,805
Nonoperating revenues, (expenses), net	(204,833)
Net income (loss) before transfers	\$ 422,972
Transfers in (out), net	(2,816)
Changes in net assets	\$ 420,156
Beginning net assets	420,156
Ending net assets	\$ 840,312

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

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

Condensed Statement of Cash Flows

Net cash provided (used) by:	
Operating activities	\$ 601,781
Noncapital financing activities	(2,816)
Capital and related financing activities	(684,847)
Investing activities	<u>16,130</u>
Net increase (decrease)	(69,752)
Beginning cash and cash equivalents	\$ 670,600
Ending cash and cash equivalents	<u>\$ 600,848</u>

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

<u>Fund</u>	<u>Deficit Fund Balance/ Net Assets</u>
Solid Waste Disposal Enterprise Fund	\$ 53,483,474

The deficit in the Solid Waste Disposal Enterprise Fund arises because of the application of generally accepted accounting principles to the financial reporting for enterprise funds in which an expense provision and related liability are being recognized based on the future closure and postclosure care costs. For the past few years, revenues have remained steady and a management plan was adopted so that expenses would not rise above the normal operational costs to run the facilities. Although the total equity of the Solid Waste Disposal Fund at September 30, 2007 was a deficit of \$53,483,474, the estimate for the required landfill closure and postclosure costs represents \$27,059,236 of this amount.

Note 15. Contingent Liabilities

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

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

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.

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

Note 16. Deferred Compensation Plan

Primary Government:

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all County employees and permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the employees.

Investments are managed by the Plan's trustee under one of the investment options, or a combination thereof. The participants make the choice of the investment option(s).

The County has adopted GASB No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, which rescinded GASB Statement No. 2.

The County has only minor administrative involvement and does not perform any investing for the plan. Due to the fact the County's role in management of the plan assets is basically limited to transmitting amounts withheld from payroll to an outside party responsible for administering the plan, the County does not report the assets of the Deferred Compensation Plan in the County's financial statements.

Note 17. Due From Other Governments and Agencies

General Fund:

Cobb County Board of Education	\$ 13,970	
Cobb County Board of Health	1,149	
City of Acworth, Georgia	14,894	
City of Austell, Georgia	1,085,398	
City of Kennesaw, Georgia	7,613	
City of Marietta, Georgia	118,820	
City of Powder Springs, Georgia	23,392	
City of Smyrna, Georgia	19,607	
State of Georgia, Department of Human Resources	2,750	
State of Georgia, Department of Indigent Defense	126,820	
Total General Fund	<u>1,414,413</u>	\$ <u>1,414,413</u>

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

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

Special Revenue Funds:

Community Services Fund:

State of Georgia, Department of Human Resources \$ 166,498

Grant Fund:

State of Georgia, Council of Juvenile Court Judges	\$ 10,738	
State of Georgia, Criminal Justice Coordinating Council	12,344	
State of Georgia, Department of Human Resources	229,194	
State of Georgia, Department of Transportation	1,633,567	
State of Georgia, Emergency Management Agency	43,687	
State of Georgia, Office of Highway Safety Council	201,240	
State of Georgia, Public Safety Training Center	63,873	
Federal Aviation Administration	<u>207,766</u>	\$ 2,402,409

Housing and Urban Development Fund:

United States, Department of Housing and Urban Development 542,616

Senior Services Fund:

Atlanta Regional Commission 250,363

Total Special Revenue Funds \$ 3,361,886

Capital Projects Funds:

Road Sales Tax Extension 1994 Fund:

City of Acworth, Georgia	\$ 55,153	
City of Austell, Georgia	16,185	
State of Georgia, Department of Transportation	<u>584,798</u>	\$ 656,136

2006 SPLOST Fund:

State of Georgia, Department of Transportation 24,302,948

Public Facilities Fund:

City of Acworth, Georgia	\$ 52,583	
City of Austell, Georgia	13,131	
State of Georgia, Department of Transportation	<u>1,805,791</u>	<u>1,871,505</u>

Total Capital Projects Funds \$ 26,830,589

Proprietary Funds:

Water System Fund:

City of Powder Springs, Georgia	\$ 96,074	
Cobb Marietta Water Authority	<u>238</u>	\$ 96,312

Public Transit System Fund:

Federal Transit Administration	\$ 2,364,380	
State of Georgia, Department of Transportation	<u>968,520</u>	<u>\$ 3,332,900</u>

Total Proprietary Funds \$ 3,429,212

Total Due from Other Governments and Agencies

- Primary Government \$ 35,036,100

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

Note 18. Post Employment Health Care Benefits

In addition to providing pension benefits, the County provides certain health care benefits for retired employees as per the requirement of a local ordinance. 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, 2007, there were 928 retirees eligible for the benefits. The cost of retiree health care benefits is recognized as an expense as claims are incurred. For fiscal year 2007, those costs were \$8,191,513.

Note 19. Employee Retirement System

A. Primary Government

The County maintains a single-employer, contributory, defined benefit pension plan, the Cobb County Employees' Retirement System Pension Plan (the "Plan"), covering the Board of Commissioners and their direct appointees and substantially all other full-time employees. The pension plan financial statements are included in this report. No stand-alone financial report is issued. Pension costs are recorded in the amount of the County's contributions to the Pension Trust Fund. Oversight of the Plan is by a five member Board of Trustees composed of appointees by the Board of Commissioners who represents the interest of the employees and taxpayers of the County. The Board of Trustees provides an annual report to the Board of Commissioners.

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

Basis of Accounting:

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

Valuation of Investments:

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

2. Plan Description and Provisions:

County Commissioners, their direct appointees, and substantially all other full-time employees participate in the Plan, a single-employer, contributory, defined benefit pension plan. The payroll for employees covered by the Retirement System for the plan year ended December 31, 2006 was \$188,088,292. Current membership in the plan is comprised of the following:

<u>Group</u>	<u>January 1, 2007</u>
Retirees and beneficiaries	
currently receiving benefits	1,219
Vested terminated employees	663
Fully vested and non-vested	
active employees	4,031

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

Note 19. Employee Retirement System (Continued)

Actuarial assumptions used in the valuation:

Valuation date:	01/01/07
Actuarial cost method:	Projected unit credit cost method
Amortization method:	Level percentage of projected payroll
Remaining amortization period:	15-30 years
Asset valuation method:	5 year smoothed market value method

The amortization period for this plan is open.

Actuarial Assumptions Utilized:

Investment rate of return:	8.0%
Projected salary increases:	3.0% to 5.0%
Includes inflation at:	3.0%
Cost-of-living adjustments:	None

3. Contributions:

The County's funding policy is to provide for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The required contribution is determined using the Projected Unit Credit method. The unfunded accrued liability is amortized based on the requirements of the Georgia Public Retirement Systems Standard law (Georgia Code Title 47, Article 20), which sets forth minimum funding requirements for public plans in the state. In addition to the actuarially determined contribution requirement, the County may also make discretionary contributions to the Plan.

In accordance with the recommendation of its actuary, pursuant to their plan evaluation as of January 1, 2007, the County contributed \$20,587,589 to the Plan. This contribution consisted of \$9,517,268 (5.06% of covered payroll) for normal costs, \$11,070,321 (5.89% of covered payroll) for amortization of the unfunded actuarial accrued liability.

Pursuant to plan enhancements adopted by the Board of Commissioners, as of April 1, 1998, all existing employees were given the option to contribute and all new employees were required to contribute 4% of their basic annual compensation in return for improved pension benefits as explained below. Effective October 1, 2005 the employee contribution amount was increased to 4.50%. Effective February 12, 2006 and February 11, 2007 the rate increased to 4.75% and 5.00% respectively. For fiscal year 2007, these contributions totaled \$9,289,249.

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

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

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

Note 19. Employee Retirement System (Continued)

Pension Benefits:	For those participants not electing to contribute 4% of their salaries to the plan on April 1, 1998, the benefit formula is 1.5% of final earnings (as defined) multiplied by years of credited service to January 1, 1989 plus 1.9% of final earnings (as defined) multiplied by years of credited service after January 1, 1989.
Benefit Formula	For those employees electing to contribute 4.25-5.00%, of their salaries to the plan on April 1, 1998, and for those employees hired after April 1, 1998, the benefit formula is 2.5% of final earnings (as defined) multiplied by years of credited service, up to a maximum of 35 years. Unreduced early retirement is offered to participants with age and service totaling 80.
Minimum Benefits:	\$76 times years of credited service.
Early:	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 – 7 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 7 years of service; married one full year prior to death. Immediate eligibility if participant killed in the line of duty.
Benefit Formula	45% of Projected Normal Retirement Benefit unreduced commencing immediately. Benefit is reduced if the spouse is more than ten years younger than the participant.
Terminated Vested Participant	
Eligibility	Terminated participant who had a vested right to retirement income and has attained age 21, married one full year prior to death.

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

Note 19. Employee Retirement System (Continued)

B. Component Unit

Defined contribution plan

The Authority contributes to the Cobb-Marietta Coliseum and Exhibit Hall Authority Profit-Sharing Plan, which is a defined contribution plan under Section 401(a) of the Internal Revenue Code. The Plan is administered by the ICMA-Retirement Corporation. At September 30, 2007, there were 152 plan members. Plan provisions and contribution requirements are established and amended by the Authority. The plan consists solely of employer contributions. All employees who have performed one (1) hour of service are eligible to participate in the plan. Participants become fully vested in the plan after three (3) years of service. A participant that leaves the employment of the Authority is entitled to their account balance if vesting requirements are satisfied. Any forfeitures are used to reduce future employer contributions, or if no contributions are required, forfeited amounts are allocated to participant accounts based on the ratio of each participant's earnings to total earnings for all participants. The employer has elected to contribute 7.5% of each participant's wages, or such amount so as to meet the requirement to qualify for exclusion from participating in Social Security. The Authority made actual contributions during the year of \$372,927. The plan held no securities of the Authority or other related parties during the year.

The Authority also contributes to the Cobb-Marietta Coliseum and Exhibit Hall Authority Eligible Deferred Compensation Plan, which is a defined contribution plan under Section 457 of the Internal Revenue Code. The Plan is administered by the ICMA-Retirement Corporation. At September 30, 2007, there were 23 plan members. Plan provisions and contribution requirements are established and amended by the Authority. The plan consists primarily of employee contributions, with employer contributions for key employees. All employees who have performed one (1) hour of service are eligible to participate in the plan, and there are no vesting provisions. The employer contribution to key employees for each plan year is discretionary, with no required minimum contribution. The Authority made actual contributions during the year of \$27,872. The plan held no securities of the Authority or other related parties during the year.

Note 20. Arbitrage Liability

Section 148 of the Internal Revenue Code requires that, with certain exceptions, any arbitrage earned on the investment of bond proceeds be paid to the federal government. The term "arbitrage" refers to the ability to invest the proceeds of a relatively low interest rate state or municipal obligation in taxable market securities that bear a higher interest rate. The County has recorded a liability for "arbitrage" in the following fund:

Water and Sewer Enterprise Fund	\$54,882
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COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

Note 21. Capital Contributions

As reported in Note 1, beginning October 1, 2001, with the implementation of GASB 33, the County now recognizes capital contributions as non-operating revenues in the Proprietary Funds Statement of Revenues, Expenses and Changes in Fund Net Assets.

Capital Contributions recognized as revenue in the Proprietary Funds for the fiscal year ending September 30, 2007 are presented below:

Source:	
Developers	\$19,045,684
Grants	13,467,517
Donations	<u>5,467,110</u>
Total Capital Contributions	<u>\$37,980,311</u>

Note 22. Closure and Postclosure Care Costs

State and federal laws and regulations require that the County place a final cover on its landfills when closed and perform certain maintenance and monitoring functions at the landfill sites for thirty years after closure. In addition to operating expenses related to current activities of the landfills, an expense provision and related liability are being recognized based on the future postclosure care costs that are being incurred now that the landfills are no longer accepting waste. Two landfill sites reached capacity on September 6, 2001. The third landfill site reached capacity on September 8, 2002. As of September 30, 2007, Cobb County has incurred a liability totaling \$27,059,236.

This liability is recorded in the Solid Waste Disposal Fund and represents the amount of costs reported to date based on 100% of the original landfill capacity. The estimated remaining time for the landfills to be monitored and maintained is 25 years. In accordance with GASB 18, the estimated total current cost is based on the amount that would be paid if all equipment, facilities and services required to close, monitor and maintain the landfills were acquired as of September 30, 2007. However, the actual cost may be higher due to inflation, changes in technology or changes in landfill laws and regulations.

The County will fund the closure and postclosure care costs with subsidies from the General Fund. As of September 30, 2007, no amount of assets have been restricted for the payment of closure and postclosure care costs. The remaining portion of anticipated future inflation costs and additional costs that might arise from changes in postclosure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users, taxpayers, or both.

COBB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

Note 23. Hotel/Motel Lodging Tax

Cobb County has levied an 8% lodging tax. A summary of the transactions for the year ending September 30, 2007 follows:

Lodging tax receipts	\$ 10,625,801
Disbursements to bond Trustee on behalf of the Cobb-Marietta Coliseum and Exhibit Hall Authority	<u>(6,641,125)</u>
Balance of lodging tax was expended for the promotion of tourism and payment of debt service requirements of the Cobb-Marietta Coliseum and Exhibit Hall Authority as required by OCGA 48-13-51	<u>\$ 3,984,676</u>

The receipts from Cobb County less 37.5% are pledged as a revenue source for debt service requirements of the Coliseum and Exhibit Hall as required by OCGA 48-13-51.

Note 24. Other Commitments

Commitments for water and sewerage system improvements at September 30, 2007 total approximately \$47,706,844.

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 \$662,932 to the ARC for the year ended September 30, 2007. The RDC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a RDC. Separate financial statements may be obtained from: Atlanta Regional Commission, 40 Courtland Street N.E., Atlanta, Georgia 30303.

Note 26. Related Organization

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

Required Supplemental Information



**COBB COUNTY, GEORGIA
EMPLOYEE RETIREMENT SYSTEM
Required Supplementary Information
September 30, 2007**

SCHEDULE OF FUNDING PROGRESS

Valuation Date	Actuarial Value Of Assets	Actuarial Accrued Liability	Funded Ratio	Unfunded Actuarial Liability (UAL)	Annual Covered Payroll	UAL As A % Of Covered Payroll
01/01/02	\$ 225,817,894	\$ 304,281,994	74.2%	\$ 78,464,100	\$ 147,495,869	53.2%
01/01/03	235,567,228	338,233,628	69.6%	102,666,400	155,793,500	65.9%
01/01/04	254,922,779	370,880,412	68.7%	115,957,633	161,900,582	71.6%
01/01/05	277,615,138	381,925,386	72.7%	104,310,248	163,790,058	63.7%
01/01/06	300,073,081	425,334,915	70.6%	125,261,834	182,934,101	68.5%
01/01/07	323,040,964	478,020,180	67.6%	154,979,216	188,088,292	82.4%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Annual Required Contribution (ARC)

Fiscal Year	ARC	% of ARC Contributed
09/30/02	\$ 13,569,623	92%
09/30/03	13,335,923	105%
09/30/04	15,072,944	107%
09/30/05	14,825,200	119%
09/30/06	18,187,260	105%
09/30/07	21,173,010	97%

**COBB COUNTY, GEORGIA
EMPLOYEE RETIREMENT SYSTEM
Required Supplementary Information
September 30, 2007**

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:	01/01/07
Actuarial cost method:	Projected unit credit cost method
Amortization method:	Level percentage of projected payroll
Remaining amortization period:	15 - 30 years
Asset valuation method:	5 year smoothed market value method

The amortization period for this plan is open.

Actuarial Assumptions Utilized:

Investment rate of return:	8.0%
Projected salary increases:	3.0 % to 5.0%
Includes inflation at	3.0%
Cost-of-living adjustments	None

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

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

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

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

In plan year 2003, the Board of Commissioners adopted an increase of the County’s contribution to the plan of .31% becoming effective October 1, 2002. This increased the County’s total contribution to 8.56%. For plan year 2004 beginning October 1, 2003, the County’s contribution rate increased by an additional .75% bringing the County’s total contribution to 9.31%. In addition, effective January 1, 2004 the employees’ contribution amount increased by .25% increasing the employees’ total contribution to 4.25%. October 1, 2005 the County increased contributions from 9.75% to 10.00% and February 12, 2006 the employees’ contributions increased from 4.25% to 4.50%. October 1, 2006 the County increased contributions from 10.00% to 10.25% and February 11, 2007 the employees’ contributions increased from 4.50% to 4.75%.

**COBB COUNTY, GEORGIA
EMPLOYEE RETIREMENT SYSTEM
Required Supplementary Information
September 30, 2007**

The Board of Commissioners has approved a one year incremental increase in the retirement contributions. The schedule of the incremental increase is as follows:

<u>Effective Date</u>	<u>County %</u>	<u>Effective Date</u> <u>Merit Payday</u>	<u>Employee %</u>
October 1, 2007	10.25 to 10.50	February 08, 2008	4.75 to 5.00

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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 Fund** accounts for the operation and maintenance of the Marietta Square parking deck.

The **800 MHz Fund** accounts for the operation, maintenance and collection of monies for the 800 MHz core system.

Capital Projects Funds

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

The **Road Sales Tax Extension 1994 Fund** accounts for the proceeds of a 1 percent local option sales tax approved in 1994 for construction and improvements of roads throughout the County.

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

The **Parks Bond Fund** accounts for proceeds from the series 2007 Parks Bond issue for the purpose of acquiring parks and recreation land to be used for Cobb County parks and recreation purposes.

Debt Service Fund

The **Debt Service Fund** is utilized to account for the accumulation and disbursement of money needed to comply with the interest and principal redemption requirements of the governmental fund type general obligation bonds.

NONMAJOR BUSINESS-TYPE FUNDS

Enterprise Funds

The Enterprise Funds account for the activities that are usually self-sustaining, principally through user charges for services rendered. The accounting records are maintained on the same basis as a commercial business.

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

The **Mable House Barnes 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, 2007

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Project Funds	Debt Service Fund	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 12,953,723	\$ 44,370,967	\$ 4,290,143	\$ 61,614,833
Receivables:				
Taxes	-	-	5,263,944	5,263,944
Accrued interest	11,797	-	106	11,903
Other	2,141,061	180,861	79,893	2,401,815
Due from other funds	3,888,100	31,305,086	130,581	35,323,767
Due from component units	320,443	-	-	320,443
Due from other governments and agencies	3,361,886	2,527,641	-	5,889,527
Prepaid expenditures	1,733	-	-	1,733
	<u>22,678,743</u>	<u>78,384,555</u>	<u>9,764,667</u>	<u>110,827,965</u>
Total assets	<u>\$ 22,678,743</u>	<u>\$ 78,384,555</u>	<u>\$ 9,764,667</u>	<u>\$ 110,827,965</u>
Liabilities and Fund Balances				
Liabilities:				
Cash overdraft	\$ 320,443	\$ -	\$ -	\$ 320,443
Accounts payable	2,564,134	6,507,300	-	9,071,434
Accrued payroll	179,118	-	-	179,118
Due to other funds	1,640,091	903,933	-	2,544,024
Due to others	27,356	-	-	27,356
Due to other governments and agencies	726,175	-	-	726,175
Deferred revenue	1,206,138	53,869	383,700	1,643,707
	<u>6,663,455</u>	<u>7,465,102</u>	<u>383,700</u>	<u>14,512,257</u>
Total liabilities	<u>\$ 6,663,455</u>	<u>\$ 7,465,102</u>	<u>\$ 383,700</u>	<u>\$ 14,512,257</u>
Fund balances:				
Reserved for:				
Encumbrances	\$ 4,197,742	\$ 26,135,083	\$ -	\$ 30,332,825
Inventories and prepaid expenditures	1,733	-	-	1,733
Debt service	-	-	9,380,967	9,380,967
Unreserved designated for:				
Construction and capital outlay	3,998,789	44,784,370	-	48,783,159
Debt service	258,518	-	-	258,518
Unreserved undesignated	7,558,506	-	-	7,558,506
	<u>16,015,288</u>	<u>70,919,453</u>	<u>9,380,967</u>	<u>96,315,708</u>
Total fund balances	<u>\$ 16,015,288</u>	<u>\$ 70,919,453</u>	<u>\$ 9,380,967</u>	<u>\$ 96,315,708</u>
	<u>\$ 22,678,743</u>	<u>\$ 78,384,555</u>	<u>\$ 9,764,667</u>	<u>\$ 110,827,965</u>
Total liabilities and fund balances	<u>\$ 22,678,743</u>	<u>\$ 78,384,555</u>	<u>\$ 9,764,667</u>	<u>\$ 110,827,965</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, 2007

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Project Funds	Debt Service Fund	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 10,625,801	\$ -	\$ 6,872,454	\$ 17,498,255
Intergovernmental	18,766,939	6,506,862	-	25,273,801
Charges for services	10,918,340	-	175,962	11,094,302
Fines and forfeits	-	-	1,528,296	1,528,296
Interest earned	575,790	1,233,536	219,664	2,028,990
Miscellaneous	1,425,413	1,375,608	112,079	2,913,100
	<u>\$ 42,312,283</u>	<u>\$ 9,116,006</u>	<u>\$ 8,908,455</u>	<u>\$ 60,336,744</u>
Expenditures:				
Current:				
General government	\$ 5,350,885	\$ 12,908,158	\$ 99,549	\$ 18,358,592
Public safety	12,517,196	2,759,725	-	15,276,921
Public works	2,899,047	16,587,614	-	19,486,661
Health and welfare	6,120,975	-	-	6,120,975
Culture and recreation	7,950,086	11,947,726	-	19,897,812
Housing and development	7,408,922	22,050	-	7,430,972
Debt Service:				
Principal	6,288,970	3,963,490	6,135,000	16,387,460
Interest and fiscal charges	2,828,394	434,066	1,659,760	4,922,220
	<u>\$ 51,364,475</u>	<u>\$ 48,622,829</u>	<u>\$ 7,894,309</u>	<u>\$ 107,881,613</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (9,052,192)</u>	<u>\$ (39,506,823)</u>	<u>\$ 1,014,146</u>	<u>\$ (47,544,869)</u>
Other financing sources (uses):				
Transfers in	\$ 24,736,974	\$ 34,994,949	\$ -	\$ 59,731,923
Transfers out	(9,148,460)	(2,406,989)	-	(11,555,449)
Bonds issued	-	25,000,000	-	25,000,000
Premium on bonds issued	-	926,933	-	926,933
Proceeds from capital lease	-	6,975,011	-	6,975,011
	<u>\$ 15,588,514</u>	<u>\$ 65,489,904</u>	<u>\$ -</u>	<u>\$ 81,078,418</u>
Net change in fund balances	\$ 6,536,322	\$ 25,983,081	\$ 1,014,146	\$ 33,533,549
Fund balances at beginning of year	<u>9,478,966</u>	<u>44,936,372</u>	<u>8,366,821</u>	<u>62,782,159</u>
Fund balances at end of year	<u><u>\$ 16,015,288</u></u>	<u><u>\$ 70,919,453</u></u>	<u><u>\$ 9,380,967</u></u>	<u><u>\$ 96,315,708</u></u>

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Cobb County, Georgia
Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet
September 30, 2007

	Law Library Fund	Community Services Fund	Grant Fund	Housing & Urban Development Grant Fund
Assets				
Cash and cash equivalents	\$ 156,518	\$ -	\$ 184,470	\$ 302,364
Receivables:				
Accrued interest	-	11,674	-	123
Other	42,252	-	676,785	-
Due from other funds	-	-	399,519	-
Due from component units	-	-	-	-
Due from other governments and agencies	-	166,498	2,402,409	542,616
Prepaid expenditures	-	-	708	-
	<u>-</u>	<u>-</u>	<u>708</u>	<u>-</u>
Total assets	<u>\$ 198,770</u>	<u>\$ 178,172</u>	<u>\$ 3,663,891</u>	<u>\$ 845,103</u>
Liabilities and Fund Balances				
Liabilities:				
Cash overdraft	\$ -	\$ -	\$ -	\$ -
Accounts payable	33,610	118,874	817,303	583,808
Accrued payroll	1,689	-	46,485	-
Due to other funds	-	13,097	767,666	20,697
Due to others	-	27,356	-	-
Due to other governments and agencies	-	-	-	-
Deferred revenue	-	-	1,056,741	149,337
	<u>-</u>	<u>-</u>	<u>1,056,741</u>	<u>149,337</u>
Total liabilities	<u>\$ 35,299</u>	<u>\$ 159,327</u>	<u>\$ 2,688,195</u>	<u>\$ 753,842</u>
Fund balances:				
Reserved for encumbrances	\$ -	\$ -	\$ 4,151,475	\$ -
Reserved for inventories and prepaid expenditures	-	-	708	-
Unreserved designated for:				
Construction and capital outlay	-	-	-	-
Debt service	-	-	-	-
Undesignated	163,471	18,845	(3,176,487)	91,261
	<u>163,471</u>	<u>18,845</u>	<u>(3,176,487)</u>	<u>91,261</u>
Total fund balances	<u>\$ 163,471</u>	<u>\$ 18,845</u>	<u>\$ 975,696</u>	<u>\$ 91,261</u>
Total liabilities and fund balances	<u>\$ 198,770</u>	<u>\$ 178,172</u>	<u>\$ 3,663,891</u>	<u>\$ 845,103</u>

Cobb Senior Services Fund	Hotel/Motel Tax Fund	Emergency 911 Fund	Parking Deck Facility Fund	800 MHz Fund	Total Nonmajor Special Revenue Funds
\$ 2,391	\$ -	\$ 5,206,306	\$ 378,377	\$ 6,723,297	\$ 12,953,723
-	-	-	-	-	11,797
-	-	1,149,591	107	272,326	2,141,061
-	-	-	-	3,488,581	3,888,100
-	320,443	-	-	-	320,443
250,363	-	-	-	-	3,361,886
535	-	490	-	-	1,733
<u>\$ 253,289</u>	<u>\$ 320,443</u>	<u>\$ 6,356,387</u>	<u>\$ 378,484</u>	<u>\$ 10,484,204</u>	<u>\$ 22,678,743</u>
\$ -	\$ 320,443	\$ -	\$ -	\$ -	\$ 320,443
25,893	-	977,476	7,170	-	2,564,134
43,684	-	86,755	505	-	179,118
37,142	-	-	-	801,489	1,640,091
-	-	-	-	-	27,356
-	-	-	-	726,175	726,175
-	-	-	60	-	1,206,138
<u>\$ 106,719</u>	<u>\$ 320,443</u>	<u>\$ 1,064,231</u>	<u>\$ 7,735</u>	<u>\$ 1,527,664</u>	<u>\$ 6,663,455</u>
\$ 29,562	\$ -	\$ 3,360	\$ 13,345	\$ -	\$ 4,197,742
535	-	490	-	-	1,733
63,554	-	3,934,374	861	-	3,998,789
-	-	-	258,518	-	258,518
52,919	-	1,353,932	98,025	8,956,540	7,558,506
<u>\$ 146,570</u>	<u>\$ -</u>	<u>\$ 5,292,156</u>	<u>\$ 370,749</u>	<u>\$ 8,956,540</u>	<u>\$ 16,015,288</u>
<u>\$ 253,289</u>	<u>\$ 320,443</u>	<u>\$ 6,356,387</u>	<u>\$ 378,484</u>	<u>\$ 10,484,204</u>	<u>\$ 22,678,743</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, 2007

	Law Library Fund	Community Services Fund	Grant Fund	Housing & Urban Development Grant Fund
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	518,609	10,174,789	6,961,923
Charges for services	493,732	-	19,806	-
Interest earned	7,960	817	59,223	19,148
Miscellaneous	6,442	-	811,015	386,684
Total revenues	\$ 508,134	\$ 519,426	\$ 11,064,833	\$ 7,367,755
Expenditures:				
Current:				
General government	\$ 563,532	\$ -	\$ 4,787,353	\$ -
Public safety	-	-	3,031,307	-
Public works	-	-	2,782,823	-
Health and welfare	-	458,286	10,000	-
Culture and recreation	-	-	1,013,961	-
Housing and development	-	-	65,183	7,343,739
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	\$ 563,532	\$ 458,286	\$ 11,690,627	\$ 7,343,739
Excess (deficiency) of revenues over (under) expenditures	\$ (55,398)	\$ 61,140	\$ (625,794)	\$ 24,016
Other financing sources (uses):				
Transfers in	\$ -	\$ -	\$ 737,273	\$ -
Transfers out	-	(55,000)	(51,267)	-
Total other financing sources (uses)	\$ -	\$ (55,000)	\$ 686,006	\$ -
Net change in fund balances	\$ (55,398)	\$ 6,140	\$ 60,212	\$ 24,016
Fund balances at beginning of year,	218,869	12,705	915,484	67,245
Fund balances at end of year	\$ 163,471	\$ 18,845	\$ 975,696	\$ 91,261

Cobb Senior Services Fund	Hotel/Motel Tax Fund	Emergency 911 Fund	Parking Deck Facility Fund	800 MHz Fund	Total Nonmajor Special Revenue Funds
\$ -	\$ 10,625,801	\$ -	\$ -	\$ -	\$ 10,625,801
1,111,618	-	-	-	-	18,766,939
74,041	-	9,736,412	462,961	131,388	10,918,340
-	-	296,640	13,536	178,466	575,790
219,392	-	595	1,285	-	1,425,413
<u>\$ 1,405,051</u>	<u>\$ 10,625,801</u>	<u>\$ 10,033,647</u>	<u>\$ 477,782</u>	<u>\$ 309,854</u>	<u>\$ 42,312,283</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,350,885
-	-	8,856,087	-	629,802	12,517,196
-	-	-	116,224	-	2,899,047
5,652,689	-	-	-	-	6,120,975
-	6,936,125	-	-	-	7,950,086
-	-	-	-	-	7,408,922
-	975,000	-	180,000	5,133,970	6,288,970
-	2,349,838	-	151,085	327,471	2,828,394
<u>\$ 5,652,689</u>	<u>\$ 10,260,963</u>	<u>\$ 8,856,087</u>	<u>\$ 447,309</u>	<u>\$ 6,091,243</u>	<u>\$ 51,364,475</u>
<u>\$ (4,247,638)</u>	<u>\$ 364,838</u>	<u>\$ 1,177,560</u>	<u>\$ 30,473</u>	<u>\$ (5,781,389)</u>	<u>\$ (9,052,192)</u>
\$ 4,377,000	\$ -	\$ 248,722	\$ -	\$ 19,373,979	\$ 24,736,974
(48,282)	(364,838)	(1,814,387)	-	(6,814,686)	(9,148,460)
<u>\$ 4,328,718</u>	<u>\$ (364,838)</u>	<u>\$ (1,565,665)</u>	<u>\$ -</u>	<u>\$ 12,559,293</u>	<u>\$ 15,588,514</u>
\$ 81,080	\$ -	\$ (388,105)	\$ 30,473	\$ 6,777,904	\$ 6,536,322
65,490	-	5,680,261	340,276	2,178,636	9,478,966
<u>\$ 146,570</u>	<u>\$ -</u>	<u>\$ 5,292,156</u>	<u>\$ 370,749</u>	<u>\$ 8,956,540</u>	<u>\$ 16,015,288</u>

Cobb County, Georgia
Nonmajor Governmental Funds - Capital Projects Funds
Combining Balance Sheet
September 30, 2007

	Road Sales Tax Extension 1994	Parks Bond	Public Facilities	Total Nonmajor Capital Project Funds
Assets				
Cash and cash equivalents	\$ 13,830,045	\$ 23,622,903	\$ 6,918,019	\$ 44,370,967
Receivables:				
Other	-	-	180,861	180,861
Due from other funds	-	-	31,305,086	31,305,086
Due from other governments and agencies	656,136	-	1,871,505	2,527,641
Total assets	<u>\$ 14,486,181</u>	<u>\$ 23,622,903</u>	<u>\$ 40,275,471</u>	<u>\$ 78,384,555</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 2,845,312	\$ -	\$ 3,661,988	\$ 6,507,300
Due to other funds	-	-	903,933	903,933
Deferred revenue	27,577	-	26,292	53,869
Total liabilities	<u>\$ 2,872,889</u>	<u>\$ -</u>	<u>\$ 4,592,213</u>	<u>\$ 7,465,102</u>
Fund balances:				
Reserved for encumbrances	\$ 7,404,289	\$ -	\$ 18,730,794	\$ 26,135,083
Designated for construction and capital outlay	4,209,003	23,622,903	16,952,464	44,784,370
Total fund balance	<u>\$ 11,613,292</u>	<u>\$ 23,622,903</u>	<u>\$ 35,683,258</u>	<u>\$ 70,919,453</u>
Total liabilities and fund balances	<u>\$ 14,486,181</u>	<u>\$ 23,622,903</u>	<u>\$ 40,275,471</u>	<u>\$ 78,384,555</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, 2007

	Road Sales Tax Extension 1994	Parks Bond	Public Facilities	Total Nonmajor Capital Project Funds
Revenues:				
Intergovernmental	\$ 669,618	\$ -	\$ 5,837,244	\$ 6,506,862
Interest earned	801,804	253,587	178,145	1,233,536
Miscellaneous	480,040	-	895,568	1,375,608
Total revenues	\$ 1,951,462	\$ 253,587	\$ 6,910,957	\$ 9,116,006
Expenditures:				
Current:				
General government	\$ -	\$ -	\$ 12,908,158	\$ 12,908,158
Public safety	-	-	2,759,725	2,759,725
Public works	7,639,992	-	8,947,622	16,587,614
Culture and recreation	-	2,506,367	9,441,359	11,947,726
Housing and development	-	-	22,050	22,050
Debt Service:				
Principal	-	-	3,963,490	3,963,490
Interest and fiscal charges	-	51,250	382,816	434,066
Total expenditures	\$ 7,639,992	\$ 2,557,617	\$ 38,425,220	\$ 48,622,829
Excess (deficiency) of revenues over expenditures	\$ (5,688,530)	\$ (2,304,030)	\$ (31,514,263)	\$ (39,506,823)
Other financing sources (uses):				
Transfers in	\$ -	\$ -	\$ 34,994,949	\$ 34,994,949
Transfers out	-	-	(2,406,989)	(2,406,989)
Bonds issued	-	25,000,000	-	25,000,000
Premium on bonds issued	-	926,933	-	926,933
Proceeds from capital lease	-	-	6,975,011	6,975,011
Total other financing sources (uses)	\$ -	\$ 25,926,933	\$ 39,562,971	\$ 65,489,904
Net change in fund balances	\$ (5,688,530)	\$ 23,622,903	\$ 8,048,708	\$ 25,983,081
Fund balances at beginning of year	17,301,822	-	27,634,550	44,936,372
Fund balances at end of year	\$ 11,613,292	\$ 23,622,903	\$ 35,683,258	\$ 70,919,453

Cobb County, Georgia
Debt Service Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended September 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 6,109,107	\$ 6,109,107	\$ 6,872,454	\$ 763,347
Charges for services	162,699	162,699	175,962	13,263
Fines and forfeits	1,362,613	1,362,613	1,528,296	165,683
Interest earned	152,083	152,083	219,664	67,581
Miscellaneous	111,188	111,188	112,079	891
Total revenues	\$ 7,897,690	\$ 7,897,690	\$ 8,908,455	\$ 1,010,765
Expenditures:				
Current:				
General government	\$ 99,853	\$ 99,853	\$ 99,549	\$ 304
Debt service:				
Principal retirement	6,135,000	6,135,000	6,135,000	-
Interest and fiscal charges	1,662,837	1,662,837	1,659,760	3,077
Total expenditures	\$ 7,897,690	\$ 7,897,690	\$ 7,894,309	\$ 3,381
Net change in fund balance	\$ -	\$ -	\$ 1,014,146	\$ 1,014,146
Fund balance at beginning of year			8,366,821	
Fund balance at end of year - budgetary basis			\$ 9,380,967	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			-	
Fund balance at end of year - GAAP basis			\$ 9,380,967	

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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 513,855	\$ 513,855	\$ 493,732	\$ (20,123)
Interest earned	10,000	10,000	7,960	(2,040)
Miscellaneous	5,308	5,308	6,442	1,134
	<u>529,163</u>	<u>529,163</u>	<u>508,134</u>	<u>(21,029)</u>
Total revenues	<u>\$ 529,163</u>	<u>\$ 529,163</u>	<u>\$ 508,134</u>	<u>\$ (21,029)</u>
Expenditures:				
Current:				
Personal services	\$ 114,459	\$ 120,321	\$ 120,190	\$ 131
Operating expenditures	351,227	442,217	441,943	274
Capital outlay	-	1,400	1,399	1
	<u>465,686</u>	<u>563,938</u>	<u>563,532</u>	<u>406</u>
Total expenditures	<u>\$ 465,686</u>	<u>\$ 563,938</u>	<u>\$ 563,532</u>	<u>\$ 406</u>
Net change in fund balance	<u>\$ 63,477</u>	<u>\$ (34,775)</u>	<u>\$ (55,398)</u>	<u>\$ (20,623)</u>
Fund balance at beginning of year			<u>218,869</u>	
Fund balance at end of year - budgetary basis			\$ 163,471	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			<u>-</u>	
Fund balance at end of year-GAAP basis			<u>\$ 163,471</u>	

Cobb County, Georgia
Community Services Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended September 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 314,111	\$ 472,682	\$ 518,609	\$ 45,927
Interest earned	-	-	817	817
Total revenues	<u>\$ 314,111</u>	<u>\$ 472,682</u>	<u>\$ 519,426</u>	<u>\$ 46,744</u>
Expenditures:				
Current:				
Operating expenditures	\$ 259,111	\$ 468,682	\$ 457,386	\$ 11,296
Capital outlay	-	4,000	900	3,100
Total expenditures	<u>\$ 259,111</u>	<u>\$ 472,682</u>	<u>\$ 458,286</u>	<u>\$ 14,396</u>
Excess of revenues over expenditures	<u>\$ 55,000</u>	<u>\$ -</u>	<u>\$ 61,140</u>	<u>\$ 61,140</u>
Other financing sources (uses):				
Transfers out	<u>\$ (55,000)</u>	<u>\$ (55,000)</u>	<u>\$ (55,000)</u>	<u>\$ -</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u><u>\$ (55,000)</u></u>	<u>\$ 6,140</u>	<u><u>\$ 61,140</u></u>
Fund balance at beginning of year			<u>12,705</u>	
Fund balance at end of year - budgetary basis			\$ 18,845	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			<u>-</u>	
Fund balance at end of year - GAAP basis			<u><u>\$ 18,845</u></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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,097,697	\$ 1,097,804	\$ 1,111,618	\$ 13,814
Charges for services	81,222	81,222	74,041	(7,181)
Miscellaneous	212,491	233,090	219,392	(13,698)
Total revenues	<u>\$ 1,391,410</u>	<u>\$ 1,412,116</u>	<u>\$ 1,405,051</u>	<u>\$ (7,065)</u>
Expenditures:				
Current:				
Personnel services	\$ 3,571,553	\$ 3,613,211	\$ 3,509,647	\$ 103,564
Operating expenditures	2,070,799	2,138,466	2,111,770	26,696
Capital outlay	10,570	62,401	60,834	1,567
Total expenditures	<u>\$ 5,652,922</u>	<u>\$ 5,814,078</u>	<u>\$ 5,682,251</u>	<u>\$ 131,827</u>
(Deficiency) of revenues (under) expenditures	<u>\$ (4,261,512)</u>	<u>\$ (4,401,962)</u>	<u>\$ (4,277,200)</u>	<u>\$ 124,762</u>
Other financing sources (uses):				
Transfers in	\$ 4,773,757	\$ 4,773,757	\$ 4,377,000	\$ (396,757)
Transfers out	(47,814)	(48,283)	(48,282)	1
Total other financing sources (uses)	<u>\$ 4,725,943</u>	<u>\$ 4,725,474</u>	<u>\$ 4,328,718</u>	<u>\$ (396,756)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 323,512</u>	<u>\$ 51,518</u>	<u>\$ (271,994)</u>
Fund balance at beginning of year			<u>65,490</u>	
Fund balance at end of year - budgetary basis			\$ 117,008	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			<u>29,562</u>	
Fund balance at end of year - GAAP basis			<u>\$ 146,570</u>	

Cobb County, Georgia
Hotel/Motel Tax Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended September 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 3,526,347	\$ 10,712,988	\$ 10,625,801	\$ (87,187)
Total revenues	<u>\$ 3,526,347</u>	<u>\$ 10,712,988</u>	<u>\$ 10,625,801</u>	<u>\$ (87,187)</u>
Expenditures:				
Current:				
Operating expenditures	\$ 201,509	\$ 7,023,312	\$ 6,936,125	\$ 87,187
Debt service:				
Principal retirement	975,000	975,000	975,000	-
Interest and fiscal charges	2,349,838	2,349,838	2,349,838	-
Total expenditures	<u>\$ 3,526,347</u>	<u>\$ 10,348,150</u>	<u>\$ 10,260,963</u>	<u>\$ 87,187</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ 364,838</u>	<u>\$ 364,838</u>	<u>\$ -</u>
Other financing sources (uses):				
Transfers out	-	(364,838)	(364,838)	-
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ (364,838)</u>	<u>\$ (364,838)</u>	<u>\$ -</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Fund balance at beginning of year			-	
Fund balance at end of year - budgetary basis			\$ -	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			-	
Fund balance at end of year - GAAP basis			<u><u>\$ -</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 10,462,948	\$ 10,462,948	\$ 9,736,412	\$ (726,536)
Interest earned	100,000	100,000	296,640	196,640
Miscellaneous	-	-	595	595
Total revenues	\$ 10,562,948	\$ 10,562,948	\$ 10,033,647	\$ (529,301)
Expenditures:				
Current:				
Personnel services	\$ 6,487,569	\$ 6,487,569	\$ 5,644,484	\$ 843,085
Operating expenditures	2,200,110	3,336,538	3,195,224	141,314
Capital outlay	9,625	23,167	19,739	3,428
Total expenditures	\$ 8,697,304	\$ 9,847,274	\$ 8,859,447	\$ 987,827
Excess (deficiency) of revenues over (under) expenditures	\$ 1,865,644	\$ 715,674	\$ 1,174,200	\$ 458,526
Other financing sources (uses):				
Transfers in	\$ 301,020	\$ 301,020	\$ 248,722	\$ (52,298)
Transfers out	(1,789,872)	(1,814,387)	(1,814,387)	-
Total other financing sources (uses)	\$ (1,488,852)	\$ (1,513,367)	\$ (1,565,665)	\$ (52,298)
Net change in fund balance	\$ -	\$ (797,693)	\$ (391,465)	\$ 406,228
Fund balance at beginning of year			5,680,261	
Fund balance at end of year - budgetary basis			\$ 5,288,796	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			3,360	
Fund balance at end of year - GAAP basis			\$ 5,292,156	

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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 457,729	\$ 457,729	\$ 462,961	\$ 5,232
Interest earned	10,000	10,000	13,536	3,536
Miscellaneous	535	535	1,285	750
Total revenues	\$ 468,264	\$ 468,264	\$ 477,782	\$ 9,518
Expenditures:				
Current:				
Personnel services	\$ 46,240	\$ 48,361	\$ 46,380	\$ 1,981
Operating expenditures	64,665	72,515	67,264	5,251
Capital outlay	-	17,750	15,925	1,825
Debt service:				
Principal	180,000	180,000	180,000	-
Interest and fiscal charges	151,085	151,085	151,085	-
Total expenditures	\$ 441,990	\$ 469,711	\$ 460,654	\$ 9,057
Net change in fund balance	\$ 26,274	\$ (1,447)	\$ 17,128	\$ 18,575
Fund balance at beginning of year			340,276	
Fund balance at end of year - budgetary basis			\$ 357,404	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			13,345	
Fund balance at end of year - GAAP basis			\$ 370,749	

Cobb County, Georgia
800 MHz Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 501,294	\$ 501,294	\$ 131,388	\$ (369,906)
Interest earned	15,000	15,000	178,466	163,466
Total revenues	<u>\$ 516,294</u>	<u>\$ 516,294</u>	<u>\$ 309,854</u>	<u>\$ (206,440)</u>
Expenditures:				
Current:				
Operating expenditures	\$ -	\$ 660,370	\$ 629,802	\$ 30,568
Debt service:				
Principal	5,133,970	5,133,970	5,133,970	-
Interest and fiscal charges	327,471	327,472	327,471	1
Total expenditures	<u>\$ 5,461,441</u>	<u>\$ 6,121,812</u>	<u>\$ 6,091,243</u>	<u>\$ 30,569</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (4,945,147)</u>	<u>\$ (5,605,518)</u>	<u>\$ (5,781,389)</u>	<u>\$ (175,871)</u>
Other financing sources (uses):				
Transfers in	\$ 20,986,359	\$ 22,518,630	\$ 19,373,979	\$ (3,144,651)
Transfer out	(9,257,044)	(10,058,533)	(6,814,686)	3,243,847
Contingency	2,863,996	4,858,713	-	(4,858,713)
Total other financing sources (uses)	<u>\$ 14,593,311</u>	<u>\$ 17,318,810</u>	<u>\$ 12,559,293</u>	<u>\$ (4,759,517)</u>
Net change in fund balance	<u>\$ 9,648,164</u>	<u>\$ 11,713,292</u>	<u>\$ 6,777,904</u>	<u>\$ (4,935,388)</u>
Fund balance at beginning of year			<u>2,178,636</u>	
Fund balance at end of year - budgetary basis			\$ 8,956,540	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			<u>-</u>	
Fund balance at end of year - GAAP basis			<u>\$ 8,956,540</u>	

Cobb County, Georgia
Nonmajor Business-Type Enterprise Funds
Combining Balance Sheet
September 30, 2007

	Cobblestone Golf Course Fund	Public Transit System Fund	Mable House Barnes Amphitheatre Fund	Totals
Assets				
Current assets:				
Cash	\$ 600,848	\$ 2,411	\$ -	\$ 603,259
Receivables:				
Other	30,461	218,589	-	249,050
Due from other governments and agencies	-	3,332,900	-	3,332,900
Prepaid items	3,272	-	-	3,272
Total current assets	<u>\$ 634,581</u>	<u>\$ 3,553,900</u>	<u>\$ -</u>	<u>\$ 4,188,481</u>
Property, plant and equipment:				
Capital assets not being depreciated	\$ 5,453,615	\$ 7,535,197	\$ -	\$ 12,988,812
Capital assets being depreciated, net	1,081,163	33,089,638	-	34,170,801
Net property, plant and equipment	<u>\$ 6,534,778</u>	<u>\$ 40,624,835</u>	<u>\$ -</u>	<u>\$ 47,159,613</u>
Unamortized bond costs	<u>\$ 25,110</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,110</u>
Total noncurrent assets	<u>\$ 6,559,888</u>	<u>\$ 40,624,835</u>	<u>\$ -</u>	<u>\$ 47,184,723</u>
Total assets	<u><u>\$ 7,194,469</u></u>	<u><u>\$ 44,178,735</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 51,373,204</u></u>

Continued on next page.

Cobb County, Georgia
Nonmajor Business-Type Enterprise Funds
Combining Balance Sheet
September 30, 2007

	Cobblestone Golf Course Fund	Public Transit System Fund	Mable House Barnes Amphitheatre Fund	Totals
Liabilities and Fund Equity				
Liabilities:				
Current liabilities (payable from current assets):				
Accounts payable	\$ 74,382	\$ 1,508,576	\$ -	\$ 1,582,958
Accrued payroll	-	6,433	-	6,433
Due to other funds	-	100,000	-	100,000
Due to other governments and agencies	11,399	-	-	11,399
Accrued interest payable	42,589	-	-	42,589
Deferred revenues	31,673	-	-	31,673
Current portion of revenue bonds	430,000	-	-	430,000
Current portion of compensated absences	-	11,541	-	11,541
Current portion of capital lease payable	37,026	-	-	37,026
Total current liabilities	<u>\$ 627,069</u>	<u>\$ 1,626,550</u>	<u>\$ -</u>	<u>\$ 2,253,619</u>
Long-term liabilities:				
Revenue bonds (net of current portion, bond discount, and loss on refunding)	\$ 2,787,014	\$ -	\$ -	\$ 2,787,014
Advances from other funds	1,200,000	-	-	1,200,000
Capital lease payable (net of current portion)	71,743	-	-	71,743
Total long-term liabilities	<u>\$ 4,058,757</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,058,757</u>
Total liabilities	<u>\$ 4,685,826</u>	<u>\$ 1,626,550</u>	<u>\$ -</u>	<u>\$ 6,312,376</u>
Net Assets:				
Invested in capital assets, net of related debt	\$ 3,234,105	\$ 40,557,288	\$ -	\$ 43,791,393
Unrestricted	(725,462)	1,994,897	-	1,269,435
Total net assets	<u>\$ 2,508,643</u>	<u>\$ 42,552,185</u>	<u>\$ -</u>	<u>\$ 45,060,828</u>

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Cobb County, Georgia
Nonmajor Business-Type Enterprise Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
For the Fiscal Year Ended September 30, 2007

	Cobblestone Golf Course Fund	Public Transit System Fund	Mable House Barnes Amphitheatre Fund	Totals
Operating revenues:				
Charges for services	\$ 2,146,252	\$ 3,704,693	\$ -	\$ 5,850,945
Miscellaneous income	2,355	124,684	-	127,039
Total operating revenues	<u>\$ 2,148,607</u>	<u>\$ 3,829,377</u>	<u>\$ -</u>	<u>\$ 5,977,984</u>
Operating expenses:				
Personnel services	\$ -	\$ 458,634	\$ -	\$ 458,634
Other operating expenses	1,441,263	15,668,460	-	17,109,723
Total operating expenses	<u>\$ 1,441,263</u>	<u>\$ 16,127,094</u>	<u>\$ -</u>	<u>\$ 17,568,357</u>
Operating income (loss) before depreciation	\$ 707,344	\$ (12,297,717)	\$ -	\$ (11,590,373)
Less depreciation	(79,539)	(3,559,045)	-	(3,638,584)
Operating income (loss)	<u>\$ 627,805</u>	<u>\$ (15,856,762)</u>	<u>\$ -</u>	<u>\$ (15,228,957)</u>
Nonoperating revenues (expenses):				
Interest income	\$ 16,130	\$ 44,412	\$ -	\$ 60,542
Interest and fiscal charges	(180,820)	-	-	(180,820)
Contribution expense	-	-	(6,624,775)	(6,624,775)
Proceeds from sale of capital assets	-	6,409	-	6,409
Amortization of bond costs	(40,143)	-	-	(40,143)
Total nonoperating revenues (expenses)	<u>\$ (204,833)</u>	<u>\$ 50,821</u>	<u>\$ (6,624,775)</u>	<u>\$ (6,778,787)</u>
Net income (loss) before transfers and capital contributions	<u>\$ 422,972</u>	<u>\$ (15,805,941)</u>	<u>\$ (6,624,775)</u>	<u>\$ (22,007,744)</u>
Capital contributions	<u>\$ -</u>	<u>\$ 13,467,517</u>	<u>\$ -</u>	<u>\$ 13,467,517</u>
Transfers:				
Transfers in	\$ -	\$ 5,470,549	\$ 2,925,994	\$ 8,396,543
Transfers out	(2,816)	(142,612)	-	(145,428)
Total transfers	<u>\$ (2,816)</u>	<u>\$ 5,327,937</u>	<u>\$ 2,925,994</u>	<u>\$ 8,251,115</u>
Net change in net assets	<u>\$ 420,156</u>	<u>\$ 2,989,513</u>	<u>\$ (3,698,781)</u>	<u>\$ (289,112)</u>
Total net assets - beginning	<u>\$ 2,088,487</u>	<u>\$ 39,562,672</u>	<u>\$ 3,698,781</u>	<u>\$ 45,349,940</u>
Total net assets - ending	<u><u>\$ 2,508,643</u></u>	<u><u>\$ 42,552,185</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 45,060,828</u></u>

Cobb County, Georgia
Nonmajor Business-Type Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended September 30, 2007

	Cobblestone Golf Course Fund	Public Transit System Fund	Mable House Barnes Amphitheatre Fund	Total
Cash flows from operating activities:				
Cash received from customers	\$ 2,121,509	\$ 3,804,393	\$ -	\$ 5,925,902
Cash payments for goods and services	(1,519,728)	(15,324,993)	-	(16,844,721)
Cash payments for employee services and fringe benefits	-	(456,549)	-	(456,549)
Net cash from operating activities	<u>\$ 601,781</u>	<u>\$ (11,977,149)</u>	<u>\$ -</u>	<u>\$ (11,375,368)</u>
Cash flows from noncapital financing activities:				
Transfers in	\$ -	\$ 5,470,549	\$ -	\$ 5,470,549
Transfers out	(2,816)	(142,612)	-	(145,428)
Net cash from noncapital financing activities	<u>\$ (2,816)</u>	<u>\$ 5,327,937</u>	<u>\$ -</u>	<u>\$ 5,325,121</u>
Cash flows from capital and related financing activities:				
Payments on capital leases	\$ (35,612)	\$ -	\$ -	\$ (35,612)
Capital contributions	-	12,116,447	-	12,116,447
Proceeds from sale of fixed assets	-	6,409	-	6,409
Payments for capital acquisitions	(53,700)	(10,717,758)	(523)	(10,771,458)
Bond principal payments	(410,000)	-	-	(410,000)
Bond interest and fiscal charges	(185,535)	-	-	(185,535)
Net cash from capital and related financing activities	<u>\$ (684,847)</u>	<u>\$ 1,405,098</u>	<u>\$ (523)</u>	<u>\$ 720,251</u>
Cash flows from investing activities:				
Proceeds from investment maturities	\$ -	\$ -	\$ -	\$ -
Interest received	16,130	44,412	-	60,542
Net cash from investing activities	<u>\$ 16,130</u>	<u>\$ 44,412</u>	<u>\$ -</u>	<u>\$ 60,542</u>
Net increase (decrease) in cash and cash equivalents	\$ (69,752)	\$ (5,199,702)	\$ (523)	\$ (5,269,454)
Cash and cash equivalents at beginning of year	<u>670,600</u>	<u>5,202,113</u>	<u>523</u>	<u>5,872,713</u>
Cash and cash equivalents at end of year	<u><u>\$ 600,848</u></u>	<u><u>\$ 2,411</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 603,259</u></u>

Continued on next page.

Cobb County, Georgia
Nonmajor Business-Type Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended September 30, 2007

	Cobblestone Golf Course Fund	Public Transit System Fund	Mable House Barnes Amphitheatre Fund	Total
Reconciliation of operating income (loss) to net cash from operating activities:				
Operating income (loss)	\$ 627,805	\$ (15,856,762)	\$ -	\$ (15,228,957)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation	\$ 79,539	\$ 3,559,045	\$ -	\$ 3,638,584
Change in assets and liabilities:				
Decrease (increase) in other receivables	(27,098)	(24,984)	-	(52,082)
Increase (decrease) in accounts payable	17,047	242,842	-	259,889
Increase (decrease) in prepaid expenses	(3,272)	625	-	(2,647)
Increase (decrease) in accrued liabilities	-	60	-	60
Increase (decrease) in accrued vacation payable	-	2,025	-	2,025
Increase (decrease) in due to other funds	(100,000)	100,000	-	-
Increase (decrease) in due to other governments	8,765	-	-	8,765
Increase (decrease) in deferred revenues	(1,005)	-	-	(1,005)
Total adjustments	\$ (26,024)	\$ 3,879,613	\$ -	\$ 3,853,589
Net cash provided by operating activities	\$ 601,781	\$ (11,977,149)	\$ -	\$ (11,375,368)

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Cobb County, Georgia
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended September 30, 2007

	Balance October 1, 2006	Additions	Deductions	Balance September 30, 2007
Clerk of State Court				
Assets				
Cash and cash equivalents	\$ 6,640,806	\$ 47,883,566	\$ 48,041,433	\$ 6,482,939
Liabilities				
Funds held in trust for others	\$ 6,640,806	\$ 47,883,566	\$ 48,041,433	\$ 6,482,939
Clerk of Juvenile Court				
Assets				
Cash	\$ 3,737	\$ 54,122	\$ 54,205	\$ 3,654
Liabilities				
Funds held in trust for others	\$ 3,737	\$ 54,122	\$ 54,205	\$ 3,654
Sheriff				
Assets				
Cash and cash equivalents	\$ 5,174,515	\$ 5,011,635	\$ 4,584,452	\$ 5,601,698
Liabilities				
Funds held in trust for others	\$ 5,174,515	\$ 5,011,635	\$ 4,584,452	\$ 5,601,698
Clerk of Superior Court				
Assets				
Cash and cash equivalents	\$ 17,618,960	\$ 88,639,337	\$ 92,888,110	\$ 13,370,187
Liabilities				
Funds held in trust for others	\$ 17,618,960	\$ 88,639,337	\$ 92,888,110	\$ 13,370,187
Clerk of Probate Court				
Assets				
Cash	\$ -	\$ 838,774	\$ 838,774	\$ -
Liabilities				
Due to other funds	\$ -	\$ 838,774	\$ 838,774	\$ -
Tax Commissioner				
Assets				
Cash	\$ 47,424,415	\$ 1,895,654,473	\$ 1,895,492,422	\$ 47,586,466
Taxes and penalties receivable	509,675,922	630,252,483	607,285,467	532,642,938
	<u>\$ 557,100,337</u>	<u>\$ 2,525,906,956</u>	<u>\$ 2,502,777,889</u>	<u>\$ 580,229,404</u>
Liabilities				
Unremitted tax collections	\$ 47,424,415	\$ 1,895,654,473	\$ 1,895,492,422	\$ 47,586,466
Taxes payable to others upon collection	509,675,922	630,252,483	607,285,467	532,642,938
	<u>\$ 557,100,337</u>	<u>\$ 2,525,906,956</u>	<u>\$ 2,502,777,889</u>	<u>\$ 580,229,404</u>

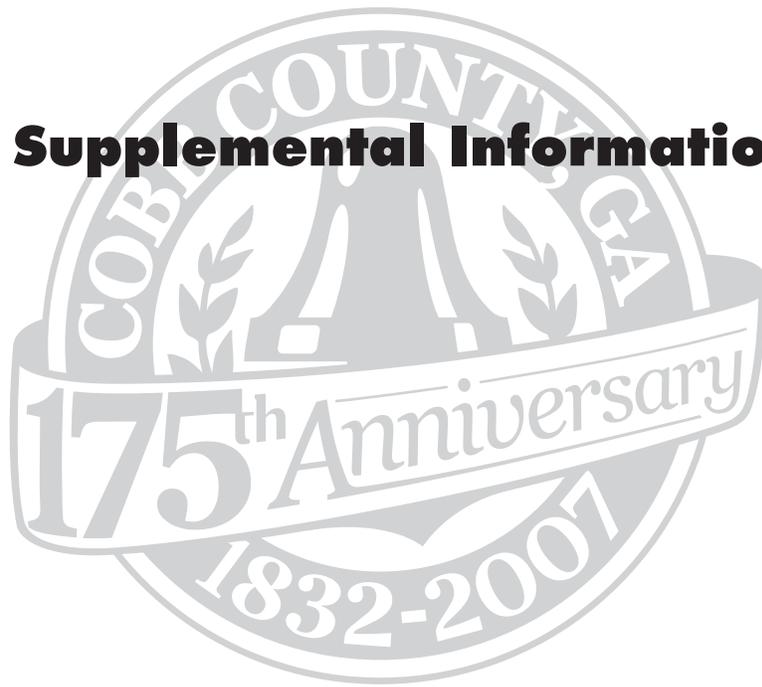
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Cobb County, Georgia
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended September 30, 2007

	Balance October 1, 2006	Additions	Deductions	Balance September 30, 2007
Accounts Payable Fund				
Assets				
Accounts receivable	\$ 1,261,683	\$ 31,500,543	\$ 32,713,737	\$ 48,489
Liabilities				
Bank overdraft	\$ 1,261,683	\$ 31,500,543	\$ 32,713,737	\$ 48,489
Payroll Fund				
Assets				
Cash and cash equivalents	\$ 239,320	\$ 244,816,602	\$ 244,876,461	\$ 179,461
Accounts receivable	-	-	-	-
	<u>\$ 239,320</u>	<u>\$ 244,816,602</u>	<u>\$ 244,876,461</u>	<u>\$ 179,461</u>
Liabilities				
Unremitted payroll tax and withholdings	\$ 239,320	\$ 244,816,602	\$ 244,876,461	\$ 179,461
Child Support, Witness and Jurors' Fees				
Assets				
Cash	\$ 17,023	\$ 3,953,828	\$ 3,931,796	\$ 39,055
Liabilities				
Funds held in trust for others	\$ 17,023	\$ 3,953,828	\$ 3,931,796	\$ 39,055
Total assets	<u>\$ 588,056,381</u>	<u>\$ 2,948,605,363</u>	<u>\$ 2,930,706,857</u>	<u>\$ 605,954,887</u>
Total liabilities	<u>\$ 588,056,381</u>	<u>\$ 2,948,605,363</u>	<u>\$ 2,930,706,857</u>	<u>\$ 605,954,887</u>

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Supplemental Information



Cobb County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2007

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
Revenues:				
Taxes	\$ 204,856,010	\$ 205,281,010	\$ 206,236,101	\$ 955,091
Licenses and permits	21,634,891	22,560,489	21,755,826	(804,663)
Intergovernmental	12,726,433	13,272,940	11,804,991	(1,467,949)
Charges for services	45,209,138	46,470,205	46,144,521	(325,684)
Fines and forfeits	16,189,065	17,242,936	16,218,879	(1,024,057)
Interest earned	3,148,265	4,788,834	5,126,662	337,828
Miscellaneous	1,832,756	4,588,267	4,026,195	(562,072)
Total revenues	\$ 305,596,558	\$ 314,204,681	\$ 311,313,175	\$ (2,891,506)
Expenditures:				
Current				
General government:				
Legislative:				
Board of Commissioners				
Personnel services	\$ 793,711	\$ 849,765	\$ 842,633	\$ 7,132
Operating expenditures	68,315	68,315	52,347	15,968
	<u>862,026</u>	<u>918,080</u>	<u>894,980</u>	<u>23,100</u>
Other Governmental				
Operating expenditures	1,972,702	1,729,097	1,648,877	80,220
Non-Profit				
Operating expenditures	1,169,615	1,225,346	1,197,531	27,815
	<u>1,169,615</u>	<u>1,225,346</u>	<u>1,197,531</u>	<u>27,815</u>
Total legislative	4,004,343	3,872,523	3,741,388	131,135
Judicial:				
Clerk of State Court				
Personnel services	3,908,365	3,977,019	3,940,677	36,342
Operating expenditures	134,477	134,477	116,004	18,473
Capital outlay	1,667	3,142	1,475	1,667
	<u>4,044,509</u>	<u>4,114,638</u>	<u>4,058,156</u>	<u>56,482</u>
Clerk of Superior Court				
Personnel services	4,698,807	4,750,270	4,715,098	35,172
Operating expenditures	185,457	185,457	193,334	(7,877)
Capital outlay	16,760	21,482	7,918	13,564
	<u>4,901,024</u>	<u>4,957,209</u>	<u>4,916,350</u>	<u>40,859</u>
District Attorney				
Personnel services	5,431,096	6,584,935	6,216,354	368,581
Operating expenditures	269,565	419,822	350,188	69,634
Capital outlay	1,650	13,150	9,924	3,226
	<u>5,702,311</u>	<u>7,017,907</u>	<u>6,576,466</u>	<u>441,441</u>
Chief Magistrate				
Personnel services	2,900,293	2,938,921	2,929,425	9,496
Operating expenditures	106,385	104,768	92,463	12,305
Capital outlay	23,100	24,717	-	24,717
	<u>3,029,778</u>	<u>3,068,406</u>	<u>3,021,888</u>	<u>46,518</u>

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Cobb County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Juvenile Court				
Personnel services	4,445,946	4,604,589	4,570,456	34,133
Operating expenditures	200,990	369,775	356,361	13,414
Capital outlay	-	4,311	-	4,311
	<u>4,646,936</u>	<u>4,978,675</u>	<u>4,926,817</u>	<u>51,858</u>
State Court Division II				
Personnel services	1,297,145	1,337,619	1,318,459	19,160
Operating expenditures	142,904	142,904	109,268	33,636
Capital outlay	2,100	2,100	-	2,100
	<u>1,442,149</u>	<u>1,482,623</u>	<u>1,427,727</u>	<u>54,896</u>
Probate Court				
Personnel services	930,481	1,020,414	1,003,558	16,856
Operating expenditures	77,571	77,571	70,940	6,631
	<u>1,008,052</u>	<u>1,097,985</u>	<u>1,074,498</u>	<u>23,487</u>
Solicitor				
Personnel services	4,037,283	4,978,506	4,975,951	2,555
Operating expenditures	46,486	75,536	66,075	9,461
	<u>4,083,769</u>	<u>5,054,042</u>	<u>5,042,026</u>	<u>12,016</u>
State Court				
Personnel services	4,186,101	4,405,032	4,378,603	26,429
Operating expenditures	459,668	459,668	392,391	67,277
Capital outlay	7,471	7,472	-	7,472
	<u>4,653,240</u>	<u>4,872,172</u>	<u>4,770,994</u>	<u>101,178</u>
Superior Court				
Personnel services	4,027,148	4,206,757	4,194,798	11,959
Operating expenditures	884,756	862,292	843,597	18,695
Capital outlay	3,500	899	-	899
	<u>4,915,404</u>	<u>5,069,948</u>	<u>5,038,395</u>	<u>31,553</u>
Circuit Defender				
Personnel services	605,017	651,434	651,432	2
Operating expenditures	4,861,251	6,159,209	6,159,209	-
	<u>5,466,268</u>	<u>6,810,643</u>	<u>6,810,641</u>	<u>2</u>
Total judicial	<u>43,893,440</u>	<u>48,524,248</u>	<u>47,663,958</u>	<u>860,290</u>
Executive and administrative:				
County Manager				
Personnel services	615,430	714,929	704,422	10,507
Operating expenditures	42,713	45,338	39,860	5,478
Capital outlay	600	975	-	975
	<u>658,743</u>	<u>761,242</u>	<u>744,282</u>	<u>16,960</u>

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Cobb County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
General Administrative				
Personnel services	23,000	13,392	6,331	7,061
Operating expenditures	6,273,851	7,443,870	7,355,402	88,468
Capital outlay	-	2,043,022	689,322	1,353,700
	<u>6,296,851</u>	<u>9,500,284</u>	<u>8,051,055</u>	<u>1,449,229</u>
Information Services				
Personnel services	8,541,338	8,604,047	8,593,981	10,066
Operating expenditures	4,671,725	4,673,062	4,052,318	620,744
Capital outlay	30,022	30,022	-	30,022
	<u>13,243,085</u>	<u>13,307,131</u>	<u>12,646,299</u>	<u>660,832</u>
Drug Treatment				
Personnel services	265,917	262,917	249,741	13,176
Operating expenditures	236,165	239,243	225,893	13,350
	<u>502,082</u>	<u>502,160</u>	<u>475,634</u>	<u>26,526</u>
Finance				
Personnel services	2,397,044	2,513,413	2,502,304	11,109
Operating expenditures	323,847	323,847	261,172	62,675
	<u>2,720,891</u>	<u>2,837,260</u>	<u>2,763,476</u>	<u>73,784</u>
Purchasing				
Personnel services	3,325,356	3,409,194	3,392,374	16,820
Operating expenditures	2,914,811	2,594,594	2,439,227	155,367
Capital outlay	1,957,430	2,384,049	2,051,429	332,620
	<u>8,197,597</u>	<u>8,387,837</u>	<u>7,883,030</u>	<u>504,807</u>
Tax Assessor				
Personnel services	3,328,909	3,471,822	3,470,306	1,516
Operating expenditures	2,185,960	1,971,069	1,639,974	331,095
Capital outlay	5,650	5,650	-	5,650
	<u>5,520,519</u>	<u>5,448,541</u>	<u>5,110,280</u>	<u>338,261</u>
Internal Audit				
Personnel services	681,864	648,864	646,827	2,037
Operating expenditures	26,701	26,701	17,151	9,550
	<u>708,565</u>	<u>675,565</u>	<u>663,978</u>	<u>11,587</u>
Human Resources				
Personnel services	1,760,857	1,856,309	1,853,400	2,909
Operating expenditures	483,908	592,596	564,293	28,303
Capital outlay	-	101,500	16,239	85,261
	<u>2,244,765</u>	<u>2,550,405</u>	<u>2,433,932</u>	<u>116,473</u>
Ethics Board				
Operating expenditures	1,130	1,130	-	1,130
	<u>1,130</u>	<u>1,130</u>	<u>-</u>	<u>1,130</u>
Property Management				
Personnel services	4,032,448	3,982,448	3,975,432	7,016
Operating expenditures	4,787,864	4,814,948	4,696,743	118,205
Capital outlay	9,050	15,278	4,765	10,513
	<u>8,829,362</u>	<u>8,812,674</u>	<u>8,676,940</u>	<u>135,734</u>

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Cobb County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Tax Commissioner				
Personnel services	5,805,878	6,144,325	6,134,102	10,223
Operating expenditures	490,712	514,800	481,462	33,338
Capital outlay	46,263	48,932	15,391	33,541
	<u>6,342,853</u>	<u>6,708,057</u>	<u>6,630,955</u>	<u>77,102</u>
Public Services				
Personnel services	222,453	241,122	239,196	1,926
Operating expenditures	4,595	4,595	3,783	812
	<u>227,048</u>	<u>245,717</u>	<u>242,979</u>	<u>2,738</u>
Communications				
Personnel services	886,537	932,127	931,063	1,064
Operating expenditures	320,036	329,853	258,494	71,359
Capital outlay	-	17,442	10,153	7,289
	<u>1,206,573</u>	<u>1,279,422</u>	<u>1,199,710</u>	<u>79,712</u>
Support Services				
Personnel services	793,923	824,634	818,043	6,591
Operating Services	1,466,836	1,466,836	1,062,523	404,313
	<u>2,260,759</u>	<u>2,291,470</u>	<u>1,880,566</u>	<u>410,904</u>
Elections & Registration				
Personnel services	1,658,051	1,877,053	1,750,853	126,200
Operating expenditures	653,000	712,349	701,290	11,059
Capital outlay	40,913	40,913	26,927	13,986
	<u>2,351,964</u>	<u>2,630,315</u>	<u>2,479,070</u>	<u>151,245</u>
County Clerk				
Personnel services	291,144	291,350	282,386	8,964
Operating expenditures	56,627	56,627	41,784	14,843
Capital outlay	1,598	1,598	1,598	-
	<u>349,369</u>	<u>349,575</u>	<u>325,768</u>	<u>23,807</u>
Law Department				
Personnel services	1,408,164	1,453,856	1,451,382	2,474
Operating expenditures	594,130	758,017	758,017	-
	<u>2,002,294</u>	<u>2,211,873</u>	<u>2,209,399</u>	<u>2,474</u>
Total executive and administrative	<u>63,664,450</u>	<u>68,500,658</u>	<u>64,417,353</u>	<u>4,083,305</u>
Total general government	<u>111,562,233</u>	<u>120,897,429</u>	<u>115,822,699</u>	<u>5,074,730</u>
Public Safety:				
P S Training Center				
Personnel services	1,436,120	1,442,120	1,439,343	2,777
Operating expenditures	273,790	274,690	259,143	15,547
Capital outlay	35,085	34,185	16,384	17,801
	<u>1,744,995</u>	<u>1,750,995</u>	<u>1,714,870</u>	<u>36,125</u>
Police Department				
Personnel services	45,835,436	47,284,870	47,280,348	4,522
Operating expenditures	3,520,752	3,510,740	3,440,084	70,656
Capital outlay	158,787	373,461	309,167	64,294
	<u>49,514,975</u>	<u>51,169,071</u>	<u>51,029,599</u>	<u>139,472</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Countywide-800MHZ				
Personnel services	222,218	228,954	226,738	2,216
Operating expenditures	801,673	801,673	698,876	102,797
	<u>1,023,891</u>	<u>1,030,627</u>	<u>925,614</u>	<u>105,013</u>
Animal Control				
Personnel services	1,849,582	2,090,674	2,089,543	1,131
Operating expenditures	404,144	435,589	435,589	-
Capital outlay	7,620	4,219	3,150	1,069
	<u>2,261,346</u>	<u>2,530,482</u>	<u>2,528,282</u>	<u>2,200</u>
Public Safety				
Personnel services	1,297,515	1,314,240	1,314,240	-
Operating expenditures	96,818	96,818	85,706	11,112
	<u>1,394,333</u>	<u>1,411,058</u>	<u>1,399,946</u>	<u>11,112</u>
Sheriff				
Personnel services	16,843,091	17,431,091	17,266,985	164,106
Operating expenditures	1,218,783	1,358,313	1,358,313	-
Capital outlay	95,050	95,026	88,170	6,856
	<u>18,156,924</u>	<u>18,884,430</u>	<u>18,713,468</u>	<u>170,962</u>
Corrections				
Personnel services	24,889,775	25,519,743	25,448,122	71,621
Operating expenditures	13,966,587	13,769,409	11,991,421	1,777,988
Capital outlay	86,892	186,564	152,685	33,879
	<u>38,943,254</u>	<u>39,475,716</u>	<u>37,592,228</u>	<u>1,883,488</u>
Medical Examiner				
Personnel services	465,285	501,469	499,834	1,635
Operating expenditures	542,949	542,949	524,699	18,250
	<u>1,008,234</u>	<u>1,044,418</u>	<u>1,024,533</u>	<u>19,885</u>
Total public safety	<u>114,047,952</u>	<u>117,296,797</u>	<u>114,928,540</u>	<u>2,368,257</u>
Public works:				
Department of Transportation				
Personnel services	10,348,552	10,151,875	10,133,284	18,591
Operating expenditures	10,131,776	10,011,064	9,765,678	245,386
Capital outlay	302,431	1,048,006	979,591	68,415
	<u>20,782,759</u>	<u>21,210,945</u>	<u>20,878,553</u>	<u>332,392</u>
Total public works	<u>20,782,759</u>	<u>21,210,945</u>	<u>20,878,553</u>	<u>332,392</u>
Culture and Recreation				
Extension Service				
Personnel services	478,030	466,530	463,259	3,271
Operating expenditures	28,698	30,198	29,919	279
	<u>506,728</u>	<u>496,728</u>	<u>493,178</u>	<u>3,550</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Library				
Personnel services	8,213,752	8,386,008	8,373,410	12,598
Operating expenditures	2,421,081	2,348,096	2,335,533	12,563
Capital outlay	-	72,985	29,752	43,233
	<u>10,634,833</u>	<u>10,807,089</u>	<u>10,738,695</u>	<u>68,394</u>
Parks and Recreation				
Personnel services	12,730,163	12,648,792	12,501,741	147,051
Operating expenditures	7,090,970	8,186,166	8,180,373	5,793
Capital outlay	152,857	622,900	622,900	-
	<u>19,973,990</u>	<u>21,457,858</u>	<u>21,305,014</u>	<u>152,844</u>
Total culture and recreation	<u>31,115,551</u>	<u>32,761,675</u>	<u>32,536,887</u>	<u>224,788</u>
Health and welfare:				
Cobb County Board of Health				
Operating expenditures	1,342,332	1,342,332	1,292,332	50,000
Total health and welfare	<u>1,342,332</u>	<u>1,342,332</u>	<u>1,292,332</u>	<u>50,000</u>
Housing and development:				
Economic Development				
Personnel services	239,253	240,583	239,114	1,469
Operating expenditures	137,182	137,182	123,272	13,910
	<u>376,435</u>	<u>377,765</u>	<u>362,386</u>	<u>15,379</u>
Community Development				
Personnel services	7,049,917	7,098,309	7,056,927	41,382
Operating expenditures	361,100	402,082	286,084	115,998
Capital outlay	3,581	17,669	14,088	3,581
	<u>7,414,598</u>	<u>7,518,060</u>	<u>7,357,099</u>	<u>160,961</u>
Total housing and development	<u>7,791,033</u>	<u>7,895,825</u>	<u>7,719,485</u>	<u>176,340</u>
Total current	<u>\$ 286,641,860</u>	<u>\$ 301,405,003</u>	<u>\$ 293,178,496</u>	<u>\$ 8,226,507</u>
Debt service:				
Principal retirement	\$ 168,285	\$ 176,449	\$ 161,443	\$ 15,006
Interest and fiscal charges	1,833,448	1,449,949	1,458,797	(8,848)
Total debt service	<u>\$ 2,001,733</u>	<u>\$ 1,626,398</u>	<u>\$ 1,620,240</u>	<u>\$ 6,158</u>
Total expenditures	<u>\$ 288,643,593</u>	<u>\$ 303,031,401</u>	<u>\$ 294,798,736</u>	<u>\$ 8,232,665</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 16,952,965</u>	<u>\$ 11,173,280</u>	<u>\$ 16,514,439</u>	<u>\$ 5,341,159</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Other financing sources (uses):				
Transfers in	\$ 20,325,763	\$ 20,862,589	\$ 18,425,101	\$ (2,437,488)
Proceeds from sale of capital assets	311,326	311,326	274,603	(36,723)
Transfers out	<u>(26,803,120)</u>	<u>(40,140,251)</u>	<u>(40,140,251)</u>	<u>-</u>
Total other financing sources (uses)	<u>\$ (6,166,031)</u>	<u>\$ (18,966,336)</u>	<u>\$ (21,440,547)</u>	<u>\$ (2,474,211)</u>
Net change in fund balance	<u>\$ 10,786,934</u>	<u>\$ (7,793,056)</u>	<u>\$ (4,926,108)</u>	<u>\$ 2,866,948</u>
Fund balance at beginning of year			<u>60,611,512</u>	
Fund balance at end of year - budgetary basis			\$ 55,685,404	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			<u>3,029,094</u>	
Fund balance at end of year - GAAP basis			<u>\$ 58,714,498</u>	

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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
STATISTICAL SECTION
September 30, 2007

This part of the County's Comprehensive Annual Financial Report presents detailed information as a context for understanding the financial statements, note disclosures, required supplementary information as well as the overall financial position of the County.

Financial Trends

These schedules contain trend information to help the user understand how the County's financial performance has changed over time. Pages 110-115

Revenue Capacity

These schedules contain information to help the user assess the County's major revenue sources. Pages 116-119

Debt Capacity

These schedules present information to help the user assess the affordability of the County's current level of outstanding debt and the County's ability to issue additional debt in the future. Pages 120-125

Demographic and Economic Information

These schedules present demographic and economic indicators to help the user understand the environment within which the County's financial activities take place. Pages 126-127

Operating Information

These schedules contain staffing, key operating and capital statistics comparisons to help the user understand how the information in the County's financial report relates to the services the County provides and the activities it performs. Pages 128-130

Cobb County, Georgia
Net Assets by Component
Unaudited

	2007	2006	2005	2004	2003	2002
Governmental activities						
Invested in capital assets, net of related debt	\$ 2,519,108,757	\$ 2,480,941,152	\$ 2,476,786,038	\$ 2,462,887,568	\$ 2,443,180,328	\$ 2,448,721,064
Restricted	183,127,588	85,045,197	4,501,533	102,020,091	75,568,888	82,922,156
Unrestricted	76,623,771	82,350,806	70,015,602	29,981,942	58,464,900	45,642,328
Total governmental activities net assets	\$ 2,778,860,116	\$ 2,648,337,155	\$ 2,551,303,173	\$ 2,594,889,601	\$ 2,577,214,116	\$ 2,577,285,548
Business-type activities						
Invested in capital assets, net of related debt	\$ 1,184,655,823	\$ 1,160,044,646	\$ 1,113,718,561	\$ 959,605,058	\$ 949,944,450	\$ 815,807,798
Restricted	-	-	-	144,528,897	111,445,686	177,793,801
Unrestricted	26,521,995	4,806,173	2,306,436	(25,510,809)	(39,411,425)	(42,748,221)
Total business-type activities net assets	\$ 1,211,177,818	\$ 1,164,850,819	\$ 1,116,024,997	\$ 1,078,623,146	\$ 1,021,978,711	\$ 950,853,378
Primary government						
Invested in capital assets, net of related debt	\$ 3,703,764,580	\$ 3,640,985,798	\$ 3,590,504,599	\$ 3,422,492,626	\$ 3,393,124,778	\$ 3,264,528,862
Restricted	183,127,588	85,045,197	4,501,533	246,548,988	187,014,574	260,715,957
Unrestricted	103,145,766	87,156,979	72,322,038	4,471,133	19,053,475	2,894,107
Total primary government net assets	\$ 3,990,037,934	\$ 3,813,187,974	\$ 3,667,328,170	\$ 3,673,512,747	\$ 3,599,192,827	\$ 3,528,138,926

Source: Basic Financial Statements

Note: Accrual-basis financial information for Cobb County as a whole is available back to 2002 only, the year GASB 34 was implemented.

Cobb County, Georgia
Changes in Net Assets
Unaudited

	2007	2006	2005	2004	2003	2002
Expenses						
Governmental activities:						
General government	\$ 120,717,451	\$ 115,843,895	\$ 107,749,514	\$ 108,191,828	\$ 99,766,869	\$ 95,009,466
Public safety	193,571,694	178,947,049	168,711,238	163,535,307	154,774,012	139,360,166
Public works	104,327,448	90,377,404	69,421,056	66,385,387	66,256,600	68,070,044
Health and welfare	13,616,494	7,478,849	6,684,836	5,919,160	4,932,192	5,073,402
Culture and recreation	35,607,314	39,071,797	30,582,562	30,360,077	28,921,885	27,798,680
Housing and development	14,722,882	13,609,064	16,930,505	14,232,310	15,213,345	15,953,347
Interest on long-term debt	6,685,179	6,592,636	6,300,694	3,135,529	3,319,712	4,743,966
Total governmental activities expenses	<u>\$ 489,248,462</u>	<u>\$ 451,920,694</u>	<u>\$ 406,380,405</u>	<u>\$ 391,759,598</u>	<u>\$ 373,184,615</u>	<u>\$ 356,009,071</u>
Business-type activities:						
Water and Sewer	\$ 145,833,553	\$ 144,457,437	\$ 123,198,230	\$ 121,115,557	\$ 112,023,923	\$ 112,263,460
Solid Waste	11,953,423	11,095,700	12,179,338	13,346,843	13,678,893	13,900,762
Transit	19,686,139	17,477,215	15,362,394	14,073,213	10,685,976	12,014,385
Cobblestone Golf Course	1,741,765	1,677,078	1,881,091	1,792,480	1,703,874	1,871,441
Mable House Barnes Amphitheater	-	1,621,898	1,370,258	1,294,694	1,213,026	-
Total business-type activities expenses	<u>\$ 179,214,880</u>	<u>\$ 176,329,328</u>	<u>\$ 153,991,311</u>	<u>\$ 151,622,787</u>	<u>\$ 139,305,692</u>	<u>\$ 140,050,048</u>
Total primary government expenses	<u>\$ 668,463,342</u>	<u>\$ 628,250,022</u>	<u>\$ 560,371,716</u>	<u>\$ 543,382,385</u>	<u>\$ 512,490,307</u>	<u>\$ 496,059,119</u>
Program Revenues						
Governmental activities:						
Charges for services:						
General government	\$ 53,256,545	\$ 51,709,360	\$ 44,800,932	\$ 49,574,327	\$ 52,953,905	\$ 49,078,823
Public safety	14,341,033	14,469,395	13,425,582	12,138,789	11,960,137	12,280,544
Public works	5,582,231	5,320,149	4,796,608	4,463,356	4,448,905	4,481,838
Health and welfare	74,041	80,017	79,569	72,894	73,935	68,902
Culture and recreation	4,022,119	3,219,150	3,266,955	3,078,532	3,052,475	2,907,402
Housing and development	21,749,780	21,724,082	22,130,157	20,197,584	18,098,184	17,757,681
Operating grants and contributions	17,442,439	16,342,417	16,700,061	16,131,983	8,539,450	10,107,108
Capital grants and contributions	43,962,989	39,290,010	32,790,400	46,758,335	11,975,118	17,723,508
Total governmental activities program revenues	<u>\$ 160,431,177</u>	<u>\$ 152,154,580</u>	<u>\$ 137,990,264</u>	<u>\$ 152,415,800</u>	<u>\$ 111,102,109</u>	<u>\$ 114,405,806</u>
Business-type activities:						
Charges for services:						
Water and Sewer	\$ 174,833,409	\$ 167,580,879	\$ 143,171,222	\$ 141,959,651	\$ 133,266,282	\$ 158,358,196
Solid Waste	6,215,070	5,868,070	5,929,112	5,994,436	5,609,955	4,829,398
Transit	3,704,693	3,703,228	3,297,030	2,796,707	3,003,725	2,792,849
Cobblestone Golf Course	2,146,252	2,160,557	1,955,870	1,922,315	1,799,798	1,816,019
Mable House Barnes Amphitheater	-	625,294	591,996	392,400	255,109	-
Operating grants and contributions	571,081	1,445,712	-	-	-	248,932
Capital grants and contributions	37,980,311	39,555,767	38,670,446	53,387,271	65,726,743	10,874,104
Total business-type activities program revenues	<u>\$ 225,450,816</u>	<u>\$ 220,939,507</u>	<u>\$ 193,615,676</u>	<u>\$ 206,452,780</u>	<u>\$ 209,661,612</u>	<u>\$ 178,919,498</u>
Total primary government program revenues	<u>\$ 385,881,993</u>	<u>\$ 373,094,087</u>	<u>\$ 331,605,940</u>	<u>\$ 358,868,580</u>	<u>\$ 320,763,721</u>	<u>\$ 293,325,304</u>
Net (Expense)/Revenue						
Governmental activities	\$ (328,817,285)	\$ (299,766,114)	\$ (268,390,141)	\$ (239,343,798)	\$ (262,082,506)	\$ (241,603,265)
Business-type activities	46,235,936	44,610,179	39,624,365	54,829,993	70,355,920	38,869,450
Total primary government net (expense)/revenue	<u>\$ (282,581,349)</u>	<u>\$ (255,155,935)</u>	<u>\$ (228,765,776)</u>	<u>\$ (184,513,805)</u>	<u>\$ (191,726,586)</u>	<u>\$ (202,733,815)</u>
General Revenues and Other Changes in Net Assets						
Governmental activities:						
Property taxes	\$ 238,915,529	\$ 218,244,514	\$ 214,511,969	\$ 195,394,493	\$ 181,170,485	\$ 190,948,717
Sales taxes	134,143,700	100,562,325	161,617	485,445	150,785	1,335,432
Insurance and premium tax	21,012,449	20,050,624	18,776,151	17,352,880	16,180,639	14,653,816
Alcoholic beverage tax	4,786,541	4,115,598	4,524,862	4,548,280	4,378,044	4,552,006
Hotel/Motel tax	10,625,801	10,452,605	3,327,163	3,038,009	3,021,223	3,194,741
Real estate transfer tax	2,381,465	2,565,691	2,449,347	1,908,363	3,962,093	1,421,517
Miscellaneous taxes	10,213,949	11,190,228	8,990,786	10,570,872	9,209,203	6,996,745
Miscellaneous	7,369,832	9,046,114	4,090,731	7,651,872	5,134,596	2,770,196
Grant and contributions not restricted to specific programs	11,291,129	11,256,630	12,289,502	12,594,993	14,044,620	12,533,276
Gain or (loss) on sale of capital assets	160,675	812,344	392,556	166,281	(81,086)	74,463
Increase/decrease in fair market value	-	-	-	(1,319)	2,038	(84,471)
Unrestricted investment earnings	13,999,773	7,251,088	2,881,915	1,745,217	1,903,733	3,309,033
Extraordinary gain - donated roads	-	-	-	-	21,939,200	88,998,000
Extraordinary gain - capital contributions	-	-	-	-	769,129	-
Transfers	4,439,403	2,643,338	6,057,506	1,563,897	226,372	(785,032)
Total governmental activities	<u>\$ 459,340,246</u>	<u>\$ 398,191,099</u>	<u>\$ 278,454,105</u>	<u>\$ 257,019,283</u>	<u>\$ 262,011,074</u>	<u>\$ 329,918,439</u>

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Business-type activities:						
Miscellaneous	\$ 913,102	\$ 1,487,088	\$ -	\$ -	\$ -	\$ -
Gain or (loss) on sale of capital assets	47,478	-	157,878	985,040	(143,065)	79,951
Increase/decrease in fair market value	-	-	(18)	(2,543)	7,325	(275,732)
Unrestricted investment earnings	3,569,886	5,371,893	3,677,132	2,395,842	2,295,482	5,842,748
Transfers	(4,439,403)	(2,643,338)	(6,057,506)	(1,563,897)	(1,290,340)	(507,300)
Total business-type activities	<u>\$ 91,063</u>	<u>\$ 4,215,643</u>	<u>\$ (2,222,514)</u>	<u>\$ 1,814,442</u>	<u>\$ 869,402</u>	<u>\$ 5,139,667</u>
Total primary government	<u>\$ 459,431,309</u>	<u>\$ 402,406,742</u>	<u>\$ 276,231,591</u>	<u>\$ 258,833,725</u>	<u>\$ 262,880,476</u>	<u>\$ 335,058,106</u>
Change in Net Assets Before Restatement						
Governmental activities	\$ 130,522,961	\$ 98,424,985	\$ 10,063,964	\$ 17,675,485	\$ (71,432)	\$ 88,315,174
Business-type activities	46,326,999	48,825,822	37,401,851	56,644,435	71,225,322	44,009,117
Total primary government	<u>\$ 176,849,960</u>	<u>\$ 147,250,807</u>	<u>\$ 47,465,815</u>	<u>\$ 74,319,920</u>	<u>\$ 71,153,890</u>	<u>\$ 132,324,291</u>
Restatement						
Governmental activities	\$ -	\$ (1,391,003)	\$ (53,650,392)	\$ -	\$ -	\$ -
Business-type activities	-	-	-	-	(99,989)	-
Total primary government	<u>\$ -</u>	<u>\$ (1,391,003)</u>	<u>\$ (53,650,392)</u>	<u>\$ -</u>	<u>\$ (99,989)</u>	<u>\$ -</u>
Change in Net Assets After Restatement						
Governmental activities	\$ 130,522,961	\$ 97,033,982	\$ (43,586,428)	\$ 17,675,485	\$ (71,432)	\$ 88,315,174
Business-type activities	46,326,999	48,825,822	37,401,851	56,644,435	71,125,333	44,009,117
Total primary government	<u>\$ 176,849,960</u>	<u>\$ 145,859,804</u>	<u>\$ (6,184,577)</u>	<u>\$ 74,319,920</u>	<u>\$ 71,053,901</u>	<u>\$ 132,324,291</u>

Source: Basic Financial Statements

Note: Accrual-basis financial information for Cobb County as a whole is available back to 2002 only, the year GASB 34 was implemented.

Cobb County, Georgia
Fund Balances, Governmental Funds
Unaudited

	2007	2006	2005	2004	2003
General Fund					
Reserved	\$ 7,085,586	\$ 6,763,639	\$ 6,893,207	\$ 5,632,515	\$ 5,097,575
Unreserved	51,628,912	53,847,873	49,737,523	40,439,209	63,125,053
Total General Fund	<u>\$ 58,714,498</u>	<u>\$ 60,611,512</u>	<u>\$ 56,630,730</u>	<u>\$ 46,071,724</u>	<u>\$ 68,222,628</u>
All Other Governmental Funds					
Reserved	\$ 90,325,264	\$ 56,453,588	\$ 8,678,307	\$ 2,060,457	\$ 6,074,340
Unreserved					
Special Revenue Funds	26,838,435	27,327,858	23,536,835	17,698,893	17,290,675
Capital Projects Funds	142,747,333	78,621,544	47,925,922	73,864,196	43,870,351
Total all other governmental funds	<u>\$ 259,911,032</u>	<u>\$ 162,402,990</u>	<u>\$ 80,141,064</u>	<u>\$ 93,623,546</u>	<u>\$ 67,235,366</u>
	2002	2001	2000	1999	1998
General Fund					
Reserved	\$ 5,059,721	\$ 3,573,365	\$ 3,353,902	\$ 3,014,874	\$ 3,051,960
Unreserved	39,395,452	27,570,731	27,853,746	31,253,962	22,258,775
Total General Fund	<u>\$ 44,455,173</u>	<u>\$ 31,144,096</u>	<u>\$ 31,207,648</u>	<u>\$ 34,268,836</u>	<u>\$ 25,310,735</u>
All Other Governmental Funds					
Reserved	\$ 63,336,996	\$ 94,433,901	\$ 136,405,334	\$ 192,100,593	\$ 245,656,460
Unreserved					
Special Revenue Funds	10,680,024	5,837,419	8,916,601	8,257,793	5,492,801
Capital Projects Funds	-	-	-	-	-
Total all other governmental funds	<u>\$ 74,017,020</u>	<u>\$ 100,271,320</u>	<u>\$ 145,321,935</u>	<u>\$ 200,358,386</u>	<u>\$ 251,149,261</u>

Source: Basic Financial Statements

Note: The change in fund balance report for fiscal year 2002 does not account for the entire change in fund balance from 2001 to 2002. Prior to fiscal year 2002, the Transit fund was reported as a governmental fund, but the County changed the fund from a governmental fund to an enterprise fund to comply with the State of Georgia Uniform Chart of Accounts in 2002. The Transit Fund had a fund balance of \$2,813,937 at the end of fiscal year 2001.

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

	2007	2006	2005	2004
Revenues				
Taxes	\$ 421,478,808	\$ 365,649,916	\$ 243,253,752	\$ 233,912,522
Licenses and permits	21,757,476	21,477,431	21,952,259	20,081,455
Intergovernmental	43,927,165	40,119,513	45,972,924	45,024,359
Charges for services	59,521,098	57,707,513	53,948,110	51,881,834
Fines and forfeits	17,747,175	17,337,209	19,439,582	16,781,751
Interest earned	13,130,180	6,717,914	2,684,393	1,679,490
Contributions	-	-	73,565	230,213
Increase (decrease) in fair value of investments	-	-	-	(1,319)
Miscellaneous	7,369,832	9,046,114	6,249,544	8,560,148
Total revenues	<u>\$ 584,931,734</u>	<u>\$ 518,055,610</u>	<u>\$ 393,574,129</u>	<u>\$ 378,150,453</u>
Expenditures				
General government	\$ 133,657,911	\$ 121,042,343	\$ 136,122,674	\$ 108,899,536
Public safety	199,303,102	184,595,327	167,931,065	164,439,721
Public works	89,477,872	57,385,232	40,980,529	47,421,144
Health and welfare	7,413,307	6,578,840	6,284,246	5,118,992
Culture and recreation	52,030,237	39,809,495	32,471,529	33,045,343
Housing and development	15,150,457	15,105,680	16,859,368	17,401,587
Debt service				
Principal retirement	16,548,903	10,944,224	7,123,315	7,614,617
Interest and fiscal charges	6,977,162	6,963,792	3,859,569	3,310,637
Capital outlay	-	-	-	-
Total expenditures	<u>\$ 520,558,951</u>	<u>\$ 442,424,933</u>	<u>\$ 411,632,295</u>	<u>\$ 387,251,577</u>
Excess of revenues over (under) expenditures	<u>\$ 64,372,783</u>	<u>\$ 75,630,677</u>	<u>\$ (18,058,166)</u>	<u>\$ (9,101,124)</u>
Other financing sources (uses)				
Transfers in	\$ 80,462,127	\$ 58,146,991	\$ 41,216,609	\$ 80,629,289
Transfers out	(82,436,523)	(55,394,987)	(34,830,124)	(79,635,859)
Capital lease proceeds	6,975,011	7,019,390	-	12,344,970
Proceeds from sale of capital assets	310,697	840,637	1,515,000	-
Bonds issued	25,000,000	-	19,245,880	-
Premium on bonds issued	926,933	-	-	-
Payment to refund bond escrow agent	-	-	(19,144,311)	-
Total other financing sources (uses)	<u>\$ 31,238,245</u>	<u>\$ 10,612,031</u>	<u>\$ 8,003,054</u>	<u>\$ 13,338,400</u>
Net change in fund balances before restatement	<u>\$ 95,611,028</u>	<u>\$ 86,242,708</u>	<u>\$ (10,055,112)</u>	<u>\$ 4,237,276</u>
Restatement	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,131,636</u>	<u>\$ -</u>
Net change in fund balances after restatement	<u><u>\$ 95,611,028</u></u>	<u><u>\$ 86,242,708</u></u>	<u><u>\$ (2,923,476)</u></u>	<u><u>\$ 4,237,276</u></u>
Debt service as a percentage of noncapital expenditures	5.30%	4.50%	3.20%	3.41%

Source: Basic Financial Statements

	2003	2002	2001	2000	1999	1998
\$	219,514,807	\$ 209,332,705	\$ 187,468,350	\$ 185,316,379	\$ 246,570,918	\$ 262,097,869
	18,073,485	17,714,856	16,527,532	16,466,884	16,195,202	15,153,427
	33,188,602	39,870,040	37,460,731	34,713,764	30,026,775	18,623,949
	55,541,607	52,303,368	45,993,473	41,042,206	38,664,865	35,725,892
	16,307,448	15,738,490	14,469,760	12,812,943	12,020,994	10,482,786
	1,903,733	3,114,946	9,138,181	12,896,557	14,076,119	16,704,168
	190,505	79,018	97,096	228,815	1,344,564	131,272
	2,038	(84,471)	778,462	346,610	(1,045,164)	523,699
	7,029,846	5,890,938	5,061,806	3,989,120	3,863,712	3,875,845
\$	<u>351,752,071</u>	<u>\$ 343,959,890</u>	<u>\$ 316,995,391</u>	<u>\$ 307,813,278</u>	<u>\$ 361,717,985</u>	<u>\$ 363,318,907</u>
\$	97,376,226	\$ 97,303,459	\$ 132,410,718	\$ 117,019,474	\$ 101,166,544	\$ 95,719,214
	144,972,677	135,378,095	93,595,649	85,536,444	82,485,052	78,337,654
	42,145,316	58,546,137	32,963,840	32,686,109	29,450,882	23,684,350
	4,708,724	4,919,873	5,576,896	4,417,217	4,091,201	4,153,017
	28,915,435	33,029,275	24,353,465	23,047,102	20,711,238	19,918,809
	17,335,630	15,906,049	8,854,555	5,776,927	5,417,513	5,655,067
	7,607,097	6,297,335	10,146,064	9,556,015	10,361,624	9,815,115
	3,560,168	4,682,003	5,603,367	6,135,259	5,869,954	6,237,655
	-	-	59,663,116	84,950,291	150,725,145	141,114,942
\$	<u>346,621,273</u>	<u>\$ 356,062,226</u>	<u>\$ 373,167,670</u>	<u>\$ 369,124,838</u>	<u>\$ 410,279,153</u>	<u>\$ 384,635,823</u>
\$	<u>5,130,798</u>	<u>\$ (12,102,336)</u>	<u>\$ (56,172,279)</u>	<u>\$ (61,311,560)</u>	<u>\$ (48,561,168)</u>	<u>\$ (21,316,916)</u>
\$	45,041,284	\$ 33,954,139	\$ 46,392,091	\$ 39,908,587	\$ 47,179,578	\$ 50,521,567
	(37,383,272)	(34,729,810)	(35,333,979)	(36,694,666)	(41,740,220)	(51,305,867)
	3,787,719	2,748,771	-	-	1,289,036	3,407,318
	-	-	-	-	-	-
	34,218,180	-	-	-	-	-
	-	-	-	-	-	-
	(33,808,908)	-	-	-	-	-
\$	<u>11,855,003</u>	<u>\$ 1,973,100</u>	<u>\$ 11,058,112</u>	<u>\$ 3,213,921</u>	<u>\$ 6,728,394</u>	<u>\$ 2,623,018</u>
\$	16,985,801	\$ (10,129,236)	\$ (45,114,167)	\$ (58,097,639)	\$ (41,832,774)	\$ (18,693,898)
\$	<u>-</u>	<u>\$ -</u>				
\$	<u>16,985,801</u>	<u>\$ (10,129,236)</u>	<u>\$ (45,114,167)</u>	<u>\$ (58,097,639)</u>	<u>\$ (41,832,774)</u>	<u>\$ (18,693,898)</u>
	3.74%	19.47%	26.40%	18.47%	10.77%	11.38%

Cobb County, Georgia
Assessed Value and Actual Value
Unaudited

Fiscal Year	Real Property						Personal Property		Total Assessed Value	Total Direct Tax Rate (1)	Estimated Actual Value	Assessed Value as of a Percentage of Actual Value
	Residential Property		Commercial Property		Other		Assessed Value	Estimated Actual Value				
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value						
1998	\$ 8,150,559,733	\$ 20,376,399,333	\$ 3,727,600,972	\$ 9,319,002,430	\$ 1,970,688,971	\$ 4,926,722,428	\$ 2,256,591,821	\$ 5,641,479,553	\$ 16,105,441,497	\$ 10.12	\$ 40,263,603,743	40%
1999	8,979,775,004	22,449,437,510	4,560,618,309	11,401,545,773	1,953,645,259	4,884,113,148	2,240,042,924	5,600,107,310	17,734,081,496	9.97	44,335,203,740	40%
2000	10,000,341,450	25,000,853,625	4,559,910,665	11,399,776,663	2,144,374,530	5,360,936,325	2,224,706,597	5,561,766,493	18,929,333,242	9.84	47,323,333,105	40%
2001	11,228,268,662	28,070,671,655	4,643,927,963	11,609,819,908	2,354,497,123	5,886,242,808	2,301,589,509	5,753,973,773	20,528,283,257	9.72	51,320,708,143	40%
2002	13,095,676,643	32,739,191,608	5,841,482,874	14,603,707,185	2,411,250,813	6,028,127,033	2,366,090,193	5,915,225,483	23,714,500,523	9.72	59,286,251,308	40%
2003	13,869,536,368	34,673,840,920	5,680,625,084	14,201,562,710	2,695,204,513	6,738,011,283	2,374,834,364	5,937,085,910	24,620,200,329	9.72	61,550,500,823	40%
2004	14,958,680,641	37,396,701,603	5,838,567,796	14,596,419,490	2,672,153,123	6,680,382,808	2,619,127,023	6,547,817,558	26,088,528,583	9.72	65,221,321,458	40%
2005	16,509,842,871	41,274,607,178	6,468,662,962	16,171,657,405	2,341,387,292	5,853,468,230	2,782,135,693	6,955,339,233	28,102,028,818	9.72	70,255,072,045	40%
2006	18,163,497,752	45,408,744,380	6,908,697,628	17,271,744,070	2,314,114,953	5,785,287,383	2,900,098,221	7,250,245,553	30,286,408,554	9.60	75,716,021,385	40%
2007	19,808,664,015	49,521,660,038	7,250,705,550	18,126,763,875	2,518,491,916	6,296,229,790	2,994,219,975	7,485,549,938	32,572,081,456	9.60	81,430,203,640	40%

Source: Cobb County Tax Digest
Note: (1) Per \$1,000 of assessed value.

Cobb County, Georgia
Direct and Overlapping Property Tax Rates
Unaudited

	Year Taxes Are Payable									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Cobb County Direct Rates										
General	6.82	6.82	6.85	6.85	6.85	6.80	6.57	6.57	6.57	6.57
Fire District	2.56	2.56	2.65	2.65	2.65	2.65	2.65	2.77	2.77	2.77
Debt Service	0.22	0.22	0.22	0.22	0.22	0.27	0.50	0.50	0.63	0.78
Total direct rates	9.60	9.60	9.72	9.72	9.72	9.72	9.72	9.84	9.97	10.12
 City Rates										
Acworth	36.35	37.44	37.74	37.24	37.32	37.37	37.75	36.94	37.17	39.60
Austell	29.31	30.31	30.34	30.34	30.34	30.72	30.73	29.87	30.00	32.68
Kennesaw	38.25	38.00	36.62	36.62	36.62	36.62	36.77	35.89	36.02	38.45
Marietta	29.94	29.94	29.97	29.97	29.97	29.47	26.97	27.04	27.18	27.68
Powder Springs	37.25	38.25	38.37	38.37	36.87	36.87	37.02	36.14	36.27	38.70
Smyrna	35.18	36.36	36.79	36.87	37.07	37.07	37.47	36.82	37.20	40.13
 School District										
Cobb County Board of Education	18.90	19.90	19.90	19.90	19.90	19.90	20.05	19.05	19.05	21.33
 State of Georgia	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25

Source: Cobb County Tax Commissioner's Office

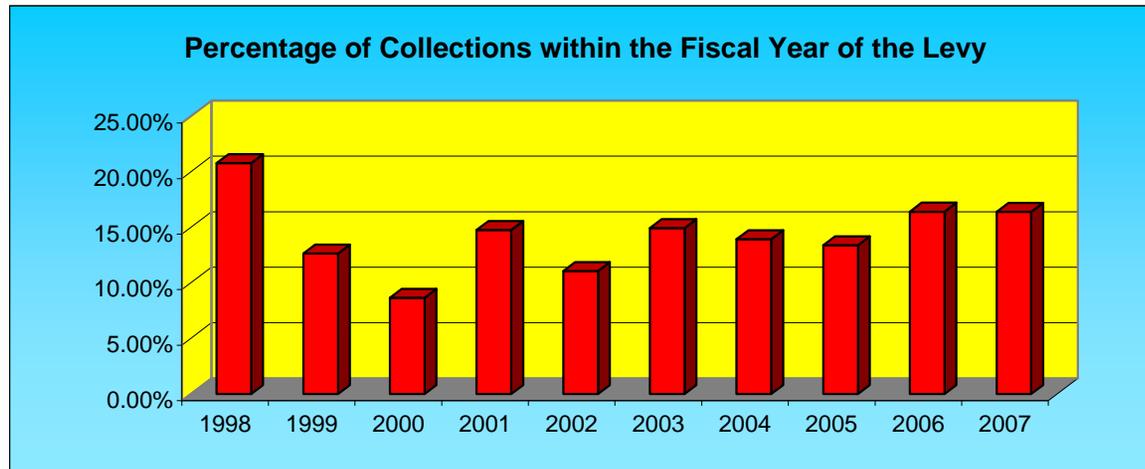
Cobb County, Georgia
Principal Property Tax Payers
Unaudited

Taxpayer	Fiscal Year 2007			Fiscal Year 1998		
	Taxes Levied	Rank	Percentage of Total County Taxes Levied	Taxes Levied	Rank	Percentage of Total County Taxes Levied
Atlanta Gas & Light	\$			\$ 1,385,367	7	1.19%
BellSouth Telecommunication	2,647,298	4	1.18%	2,994,492	3	2.58%
CP Venture Five, LLC	1,665,445	10	0.74%			
Cobb EMC	2,556,607	5	1.13%	1,194,494	10	1.03%
Crow Companies				1,272,701	8	1.10%
Diamondrock Waverly Owner, LLC	1,729,716	9	0.77%			
Georgia Power Co.	3,250,351	2	1.44%	2,704,919	4	2.33%
Home Depot	5,314,268	1	2.36%	2,610,639	5	2.25%
Inland Properties	1,789,422	8	0.79%			
Lockheed Martin Corp	2,222,607	6	0.99%	3,307,505	2	2.85%
Post Properties	2,125,591	7	0.94%	1,931,583	6	1.66%
State of California Public Employees				1,247,607	9	1.07%
Wildwood Properties	2,940,589	3	1.31%	4,752,487	1	4.09%

Source: Cobb County Tax Commissioner's Office

Cobb County, Georgia
Property Tax Levies and Collections
Unaudited

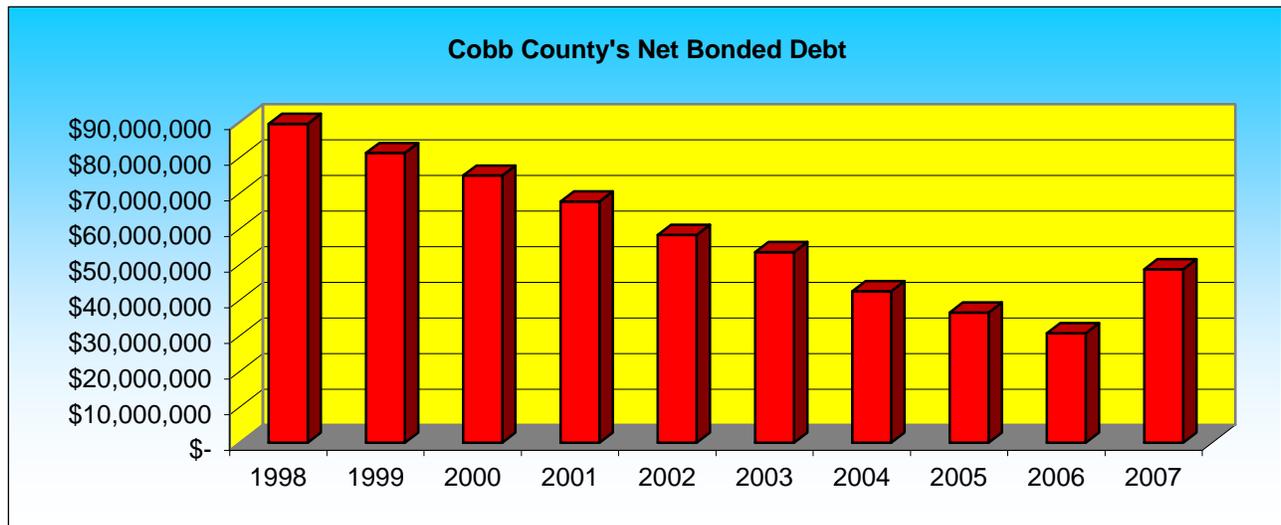
Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)		Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Adjustments		Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
1998	\$ 120,561,981	\$ (4,397,429)	\$ 116,164,552	\$ 25,056,512	20.78%	\$ 90,193,825	\$ 115,250,337	99.21%
1999	132,259,856	(5,116,684)	127,143,172	16,721,611	12.64%	110,094,803	126,816,414	99.74%
2000	140,808,137	(3,688,616)	137,119,521	12,175,099	8.65%	124,293,898	136,468,997	99.53%
2001	147,388,883	(2,929,393)	144,459,490	21,751,878	14.76%	121,531,891	143,283,769	99.19%
2002	168,071,481	(5,028,006)	163,043,475	18,581,936	11.06%	143,547,107	162,129,043	99.44%
2003	173,817,379	(2,783,868)	171,033,511	25,963,777	14.94%	143,938,664	169,902,441	99.34%
2004	182,667,127	(2,080,556)	180,586,571	25,450,248	13.93%	154,195,604	179,645,852	99.48%
2005	197,751,595	(1,841,598)	195,909,997	26,498,532	13.40%	168,131,231	194,629,763	99.35%
2006	211,393,308	(1,137,603)	210,255,705	34,705,014	16.42%	172,390,217	207,095,231	98.50%
2007	226,524,907	(1,246,479)	225,278,428	37,148,299	16.40%	-	37,148,299	16.49%



Source: Cobb County Tax Commissioner's Office

Cobb County, Georgia
 Ratios of General Bonded Debt Outstanding
 Unaudited

Fiscal Year	General Bonded Debt Outstanding			Percentage of Personal Income	Percentage Actual Value of Taxable Property	Per Capita
	General Obligation Bonds	Less: Amounts Restricted to Repaying Principal	Net Bonded Debt			
1998	\$ 92,555,000	\$ 3,110,930	\$ 89,444,070	0.48%	0.22%	\$ 162.60
1999	85,260,000	3,962,938	81,297,062	0.41%	0.18%	143.18
2000	77,585,000	2,638,987	74,946,013	0.36%	0.16%	123.32
2001	69,440,000	1,751,265	67,688,735	0.32%	0.13%	106.46
2002	60,785,000	2,459,518	58,325,482	0.28%	0.10%	89.53
2003	55,355,000	1,863,735	53,491,265	0.26%	0.09%	82.16
2004	50,545,000	8,058,583	42,486,417	0.20%	0.07%	63.67
2005	44,895,000	8,366,821	36,528,179	0.16%	0.05%	55.03
2006	39,095,000	8,366,821	30,728,179	0.13%	0.04%	45.61
2007	58,070,000	9,380,967	48,689,033	0.18%	0.06%	70.61



Source: Basic Financial Statements

Cobb County, Georgia
Direct and Overlapping Governmental Activities Debt
(Unaudited)
As of September 30, 2007

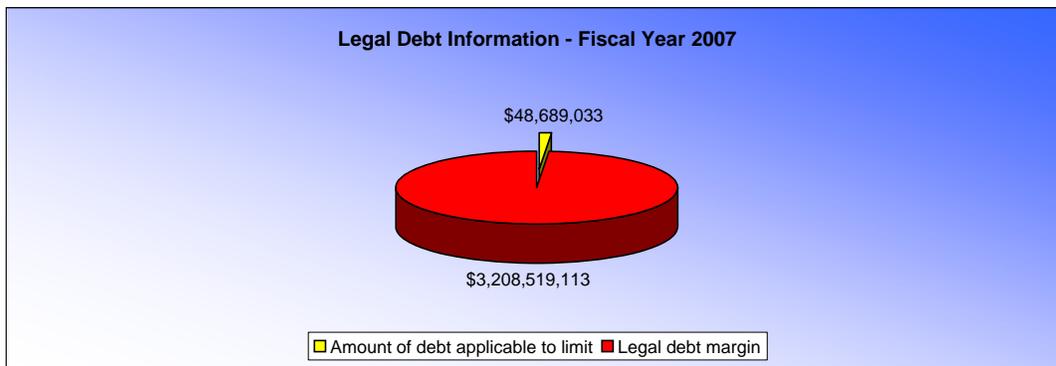
Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Cities			
Austell	\$ 6,680,000	100%	\$ 6,680,000
Kennesaw	14,240,000	100%	14,240,000
Marietta	54,880,000	100%	54,880,000
Powder Springs	10,132,654	100%	10,132,654
Total cities			<u>\$ 85,932,654</u>
Development Authorities			
Acworth	\$ 18,670,000	100%	\$ 18,670,000
Marietta	38,229,065	100%	38,229,065
Smyrna	40,765,000	100%	40,765,000
Total development authorities			<u>\$ 97,664,065</u>
Subtotal, overlapping debt			<u>\$ 183,596,719</u>
Total direct debt			<u>\$ 210,565,000</u>
Total direct and overlapping debt			<u><u>\$ 394,161,719</u></u>

Cobb County, Georgia
Legal Debt Margin Information
Unaudited

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

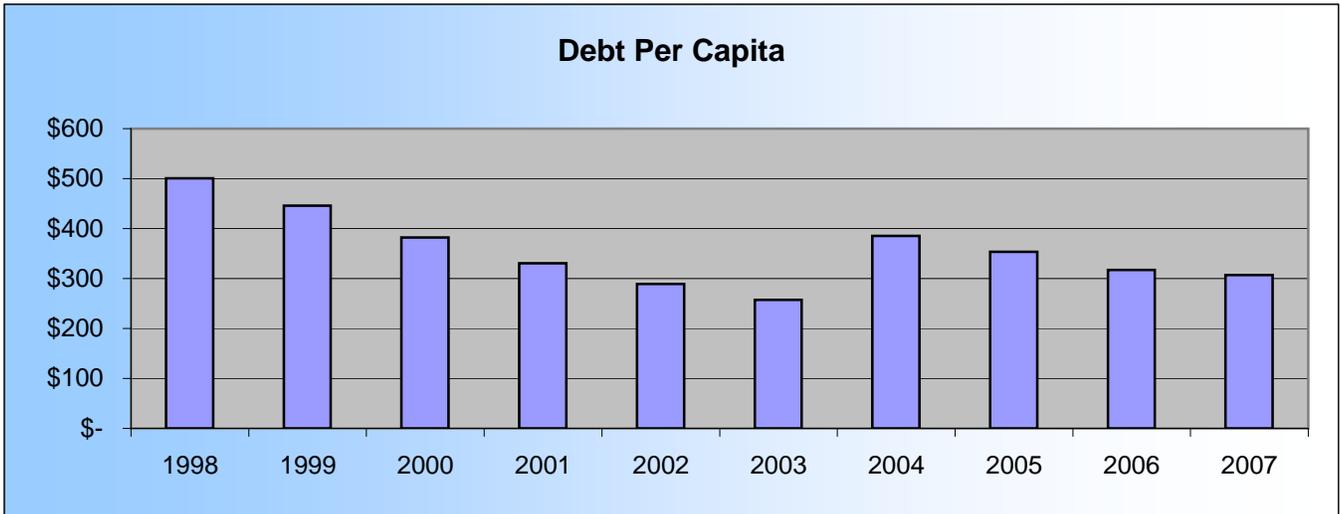
	Fiscal Year				
	2002	2001	2000	1999	1998
Assessed value of property	\$ 23,714,500,523	\$ 20,528,283,257	\$ 18,929,333,245	\$ 17,734,080,496	\$ 16,105,441,497
Debt limit, 10% of assessed value	2,371,450,052	2,052,828,326	1,892,933,325	1,773,408,050	1,610,544,150
Amount of debt applicable to limit	58,325,482	67,688,735	74,946,013	81,297,062	89,444,070
General Obligation Bonds	60,785,000	69,440,000	77,585,000	85,260,000	92,555,000
Less: Resources restricted to paying principal	<u>(2,459,518)</u>	<u>(1,751,265)</u>	<u>(2,638,987)</u>	<u>(3,962,938)</u>	<u>(3,110,930)</u>
Total net debt applicable to limit	58,325,482	67,688,735	74,946,013	81,297,062	89,444,070
Legal debt margin	<u>\$ 2,313,124,570</u>	<u>\$ 1,985,139,591</u>	<u>\$ 1,817,987,312</u>	<u>\$ 1,692,110,988</u>	<u>\$ 1,521,100,080</u>
Total net debt applicable to the limit as a percentage of debt limit	2.46%	3.30%	3.96%	4.58%	5.55%

Source: Cobb County Tax Commissioner's Office



Cobb County, Georgia
Ratios of Outstanding Debt By Type
Unaudited

Fiscal Year	General Obligation Bonds	Revenue Bonds	Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita
1998	\$ 92,555,000	\$ 172,775,000	\$ 10,035,278	\$ 275,365,278	1.47%	\$ 500.57
1999	85,260,000	160,360,000	7,559,882	253,179,882	1.27%	445.90
2000	77,585,000	147,340,000	7,419,882	232,344,882	1.11%	382.30
2001	69,440,000	133,665,000	7,072,904	210,177,904	1.00%	330.56
2002	60,785,000	119,305,000	8,217,114	188,307,114	0.91%	289.04
2003	55,355,000	103,455,000	8,879,923	167,689,923	0.81%	257.58
2004	50,545,000	187,455,000	19,123,133	257,123,133	1.19%	385.32
2005	44,895,000	171,815,000	17,744,916	234,454,916	1.04%	353.19
2006	39,095,000	153,835,000	20,745,251	213,675,251	0.91%	317.13
2007	58,070,000	135,565,000	18,245,747	211,880,747	0.77%	307.29



Cobb County, Georgia
Revenue Bond Coverage
Unaudited

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	
1998	\$ 144,252,106	\$ 60,307,039	\$ 83,945,067	\$ 10,580,000	\$ 8,196,933	\$ 18,776,933	4.47
1999	145,258,869	64,823,483	80,435,386	11,185,000	7,089,998	18,274,998	4.40
2000	154,706,735	72,656,849	82,049,886	11,720,000	6,555,828	18,275,828	4.49
2001	150,748,619	76,912,634	73,835,985	12,285,000	5,987,568	18,272,568	4.04
2002	164,213,180	79,408,182	84,804,998	12,890,000	5,385,130	18,275,130	4.64
2003	197,376,530	80,035,368	117,341,162	13,530,000	5,165,293	18,695,293	6.28
2004	164,190,681	87,999,837	76,190,844	14,510,000	3,783,425	18,293,425	4.16
2005	153,188,996	88,727,602	64,461,394	15,425,000	7,341,200	22,766,200	2.83
2006	180,208,549	100,559,507	79,649,042	15,770,000	6,891,850	22,661,850	3.51
2007	184,031,381	103,915,935	80,115,446	15,950,000	6,103,350	22,053,350	3.63

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	
1998	\$ 9,413,754	\$ 27,629,240	\$ -	\$ 800,000	\$ 1,653,671	\$ 2,453,671	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	-	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	-	1,110,000	1,311,003	2,421,003	0.00
2004	12,620,017	9,044,479	3,575,538	1,180,000	1,268,721	2,448,721	1.46
2005	11,094,215	9,403,159	1,691,056	19,025,000	1,090,199	20,115,199	0.08
2006	12,779,670	9,494,382	3,285,288	1,720,000	732,913	2,452,913	1.34
2007	15,311,516	10,566,538	4,744,978	1,800,000	680,113	2,480,113	1.91

Golf Course Bonds:

Fiscal Year	Gross Revenues	Direct Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1998	\$ 2,226,500	\$ 1,401,251	\$ 825,249	\$ 310,000	\$ 286,221	\$ 596,221	1.38
1999	2,319,769	1,448,996	870,773	295,000	301,058	596,058	1.46
2000	2,035,607	1,466,623	568,984	305,000	288,905	593,905	0.96
2001	1,845,130	1,551,340	293,790	320,000	275,933	595,933	0.49
2002	1,817,872	1,455,580	362,292	330,000	262,118	592,118	0.61
2003	1,802,803	1,302,627	500,176	345,000	247,519	592,519	0.84
2004	1,923,862	1,418,890	504,972	355,000	232,116	587,116	0.86
2005	1,958,163	1,561,470	396,693	375,000	215,686	590,686	0.67
2006	2,173,064	1,364,593	808,471	390,000	198,185	588,185	1.37
2007	2,164,737	1,441,263	723,474	410,000	179,785	589,785	1.23

(1) Depreciation expense not included.

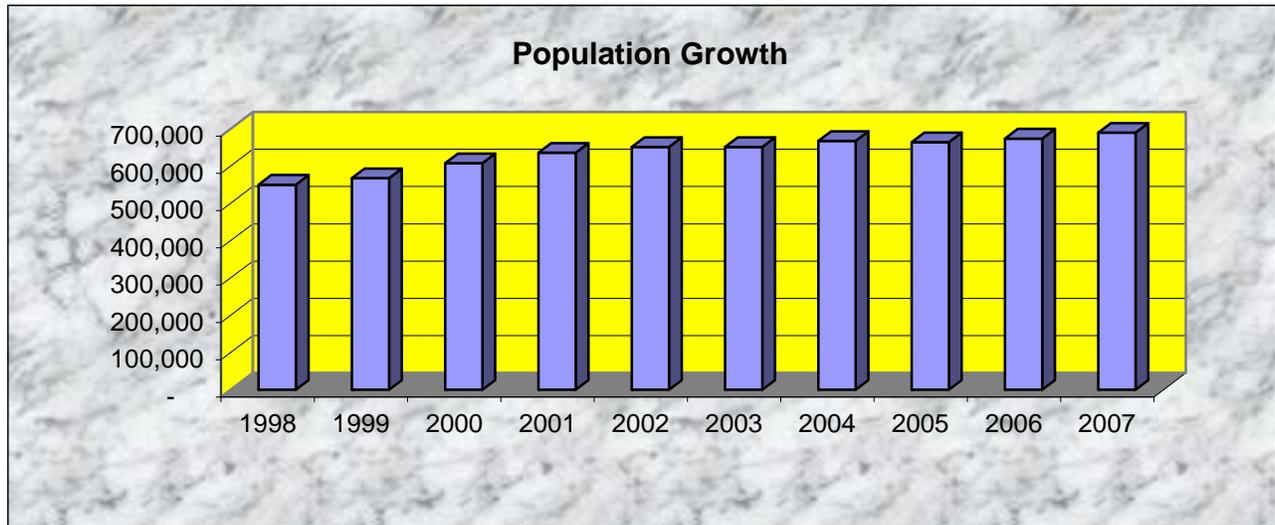
Cobb County, Georgia
Annual Debt Service Requirements
Unaudited

Year Ending September 30	Governmental Activities		Business Type Activities		Component Units	
	General Obligation Bonds		Revenue Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ 6,255,000	\$ 2,460,050	\$ 18,615,000	\$ 6,089,069	\$ 3,405,000	\$ 6,602,872
2009	6,515,000	2,229,075	7,495,000	5,195,258	3,600,000	6,753,532
2010	6,820,000	1,925,250	7,710,000	4,860,503	4,190,000	6,602,188
2011	4,720,000	1,666,775	7,955,000	4,503,205	4,430,000	6,423,140
2012	4,965,000	1,448,981	7,990,000	4,119,600	4,680,000	6,230,965
2013-2017	28,795,000	3,467,132	38,665,000	14,943,326	28,075,000	27,609,179
2018-2022	-	-	38,395,000	7,443,112	37,665,000	19,884,481
2023-2027	-	-	8,740,000	415,150	50,030,000	9,421,509
2028-2029	-	-	-	-	8,795,000	582,750
	<u>\$ 58,070,000</u>	<u>\$ 13,197,263</u>	<u>\$ 135,565,000</u>	<u>\$ 47,569,223</u>	<u>\$ 144,870,000</u>	<u>\$ 90,110,616</u>

Year Ending September 30	Total Primary Government					
	General Obligation Bonds		Revenue Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ 6,255,000	\$ 2,460,050	\$ 18,615,000	6,089,069	\$ 24,870,000	\$ 8,549,119
2009	6,515,000	2,229,075	7,495,000	5,195,258	14,010,000	7,424,333
2010	6,820,000	1,925,250	7,710,000	4,860,503	14,530,000	6,785,753
2011	4,720,000	1,666,775	7,955,000	4,503,205	12,675,000	6,169,980
2012	4,965,000	1,448,981	7,990,000	4,119,600	12,955,000	5,568,581
2013-2017	28,795,000	3,467,132	38,665,000	14,943,326	67,460,000	18,410,458
2018-2022	-	-	38,395,000	7,443,112	38,395,000	7,443,112
2023	-	-	8,740,000	415,150	8,740,000	415,150
	<u>\$ 58,070,000</u>	<u>\$ 13,197,263</u>	<u>\$ 135,565,000</u>	<u>\$ 47,569,223</u>	<u>\$ 193,635,000</u>	<u>\$ 60,766,486</u>

Cobb County, Georgia
Demographic and Economic Statistics
Unaudited

Year	Population (1)	Personal Income (2)	Per Capita Personal Income (2)	County Unemployment Rate (2)
1998	550,100	18,733,550,000	34,054.81	2.7%
1999	567,800	19,931,470,000	35,102.98	2.6%
2000	607,751	20,880,980,000	34,357.79	2.3%
2001	635,830	21,110,380,000	33,201.30	3.0%
2002	651,485	20,729,560,000	31,818.94	4.6%
2003	651,027	20,724,110,000	31,832.95	4.2%
2004	667,300	21,645,330,000	32,437.18	4.1%
2005	663,815	22,504,970,000	33,902.47	4.3%
2006	673,775	23,511,880,000	34,895.74	4.0%
2007	689,515	27,669,090,000	40,128.34	3.5%



Source:

- (1) Estimated from July 2005 Census using 1.5% growth rate
- (2) Woods & Poole Economics 2007 Data Pamphlet

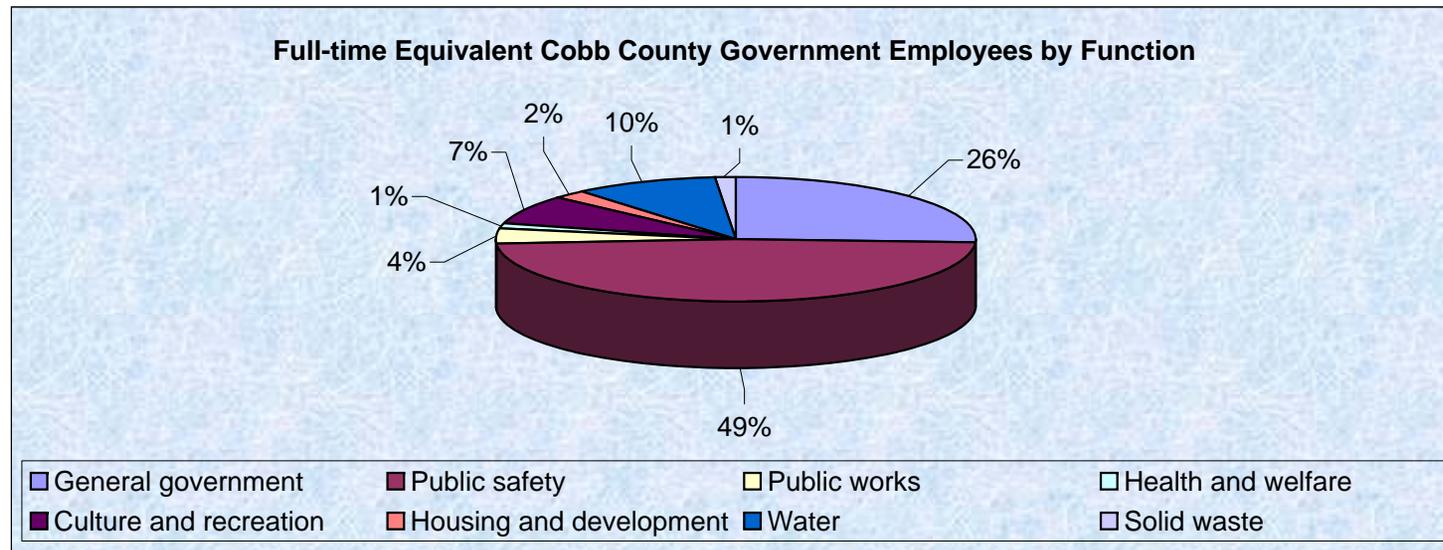
Cobb County, Georgia
Principal Employers
Unaudited

<u>Employer</u>	<u>2007</u>		<u>1998</u>	
	<u>Employees</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Percentage of Total County Employment</u>
Blue Circle America Inc			4,200	1.15%
Cobb County Government	5,427	1.20%	4,613	1.26%
Cobb County Schools	15,533	3.43%	10,300	2.82%
Home Depot	6,276	1.39%	4,500	1.23%
IBM Corporation			4,000	1.10%
Kennesaw State University	3,185	0.70%		
Kroger Co.	1,898	0.42%		
Lockheed Martin	6,617	1.46%	9,500	2.60%
Medaphis Corporation			9,200	2.52%
Publix Super Markets	3,215	0.71%		
Six Flags Over Georgia	2,240	0.49%	2,600	0.71%
Walmart	2,660	0.59%		
Wellstar Health System	9,838	2.17%	6,500	1.78%
Worldspan			3,000	0.82%

Source: Office of Economic Development and Cobb Chamber of Commerce

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

Function/Program	Full-time Equivalent Employees as of September 30									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
General government	1,169	1,145	1,105	1,075	1,068	1,061	1,046	1,018	*	*
Public safety	2,174	2,095	2,072	2,044	2,025	1,979	1,932	1,896	*	*
Public works	179	174	167	165	165	165	162	162	*	*
Health and welfare	57	57	56	56	56	54	53	53	*	*
Culture and recreation	336	331	324	313	313	302	289	285	*	*
Housing and development	112	108	108	106	106	107	104	102	*	*
Water	439	419	417	398	401	397	397	392	*	*
Solid waste	58	58	57	57	62	63	63	63	*	*
Total	4,524	4,387	4,306	4,214	4,196	4,128	4,046	3,971	*	*



Source: Cobb County Human Resources Department

* Information not available

Cobb County, Georgia
Operating Indicators by Function
Unaudited

Function/Program	Fiscal Year									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
General government										
Vehicle tags issued	717,060	703,127	689,536	673,521	647,487	636,370	623,730	611,162	573,892	558,305
Public safety										
E-911 calls	367,507	399,423	387,682	358,350	348,454	348,422	387,160	316,348	301,284	*
Police service calls	494,134	529,557	520,575	544,658	534,984	454,320	403,379	380,188	344,478	*
Fire/EMS dispatches	64,697	63,572	62,013	66,008	63,006	62,125	44,253	43,480	39,128	*
Public works										
Miles of road resurfacing	71.89	55.36	59.00	88.00	83.06	55.00	43.96	52.67	73.42	84.62
Health and welfare										
Number of child support cases	8,058	7,873	7,747	7,580	7,053	*	*	*	*	*
Culture and recreation										
Golf rounds played	47,242	47,834	44,692	45,536	*	*	*	*	*	*
Housing and development										
Building permits issued	10,032	10,204	9,879	9,703	8,345	8,058	7,975	8,606	8,627	8,695
Water										
Water accounts	173,725	171,609	164,323	161,115	157,509	154,325	150,974	147,283	143,162	137,188
Daily average consumption - 1,000 gal units	67,925	66,644	61,705	62,513	59,150	64,828	60,823	63,909	61,663	56,684
Solid waste										
Solid waste and compost tonnage	156,389	151,137	162,544	168,313	166,414	*	*	*	*	*

* Information not available

Source: Department managers within each function/program.

Cobb County, Georgia
Capital Asset Statistics by Function
Unaudited

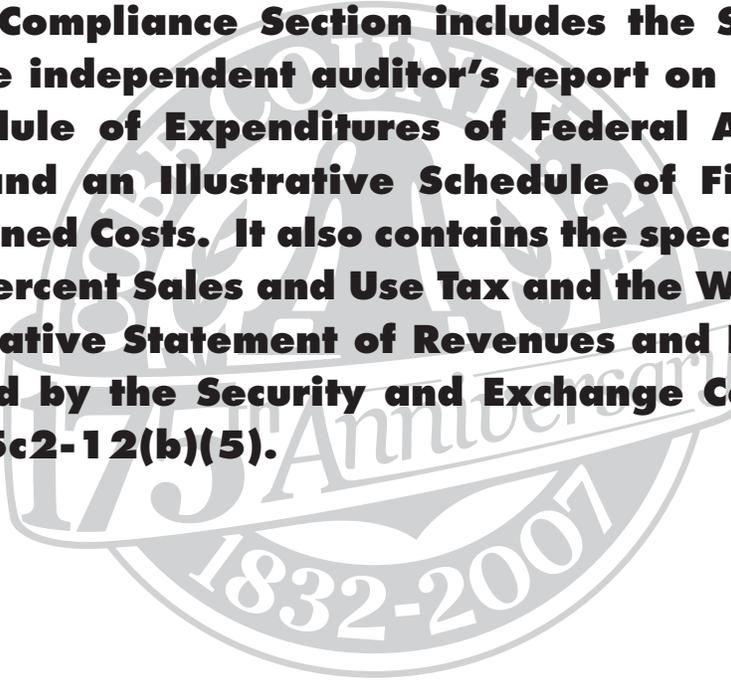
Function/Program	Fiscal Year									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
General government										
Vehicles	242	231	237	224	219	*	*	*	*	*
Public safety										
Police stations	6	6	6	6	6	5	5	5	4	4
Fire stations	28	27	27	27	27	27	27	27	25	25
Public works										
Miles of road	2,492	2,472	2,434	2,307	2,307	2,307	2,307	2,307	2,307	2,307
Miles of sidewalks	1,080	1,060	1,030	1,100	1,100	1,100	1,000	1,000	922	*
Health and welfare										
Senior service centers	5	5	5	5	5	4	4	4	4	4
Culture and recreation										
County parks	66	66	65	49	49	49	47	47	46	44
County libraries	17	17	17	17	17	17	16	16	16	16
County golf courses	2	2	2	2	2	2	2	2	2	2
Housing and development										
HUD homes built	2	3	1	1	1	1	*	*	*	*
Water										
Miles of water mains	3,197	3,161	3,119	3,081	3,029	2,994	2,938	2,891	2,829	2,775
Miles of sewers	2,660	2,631	2,595	2,579	2,532	2,485	2,423	2,341	2,273	2,163
Solid waste										
Facilities	2	2	2	2	2	2	2	2	2	2

Source: Department managers within each function/program.

* Information not available

Compliance Section

The Compliance Section includes the Single Audit with the independent auditor's report on compliance, a Schedule of Expenditures of Federal Awards with notes and an Illustrative Schedule of Findings and Questioned Costs. It also contains the special report of the 1 percent Sales and Use Tax and the Water System Comparative Statement of Revenues and Expenses as required by the Security and Exchange Commission's Rule 15c2-12(b)(5).



Cobb County, Georgia
Road Sales Tax Funds
Schedule of Projects Constructed with Special Sales Tax Proceeds
For the Fiscal Year Ended September 30, 2007

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
1994:						
Road Improvement Program	<u>\$ 377,875,873</u>	<u>\$ 478,083,857</u>	<u>\$ 386,385,346</u>	<u>\$ 7,639,992</u>	<u>\$ 394,025,338</u>	<u>82.42%</u>
2006:						
Public Safety	\$ 192,000,000	\$ 192,000,000	\$ 5,356,236	\$ 24,159,025	\$ 29,515,261	15.37%
Transportation	<u>662,600,355</u>	<u>662,600,355</u>	<u>19,732,820</u>	<u>47,533,827</u>	<u>67,266,647</u>	<u>10.15%</u>
Total 2006	<u>854,600,355</u>	<u>854,600,355</u>	<u>25,089,056</u>	<u>71,692,852</u>	<u>96,781,908</u>	<u>11.32%</u>

Cobb County, Georgia
Water and Sewer Enterprise Fund
Comparative Statements of Revenues and Expenses
For the Fiscal Years Ended September 30, 2007 and 2006

	2007	2006
Operating revenues:		
Water sales	\$ 71,775,004	\$ 68,630,230
Sewer sales	95,710,957	89,883,904
Water connection charges	5,044,207	5,335,654
Sewer connection charges	2,079,045	3,223,278
Other	889,475	1,792,599
Total operating revenues	\$ 175,498,688	\$ 168,865,665
Operating expenses:		
Administrative	\$ 17,996,048	\$ 17,401,263
Engineering	2,532,971	2,285,020
Water operations	38,555,520	35,986,518
Sewer operations	44,831,396	44,886,706
Total operating expenses	\$ 103,915,935	\$ 100,559,507
Operating income before depreciation	\$ 71,582,753	\$ 68,306,158
Less depreciation	(36,284,315)	(37,623,887)
Operating income	\$ 35,298,438	\$ 30,682,271
Nonoperating revenues (expenses):		
Intergovernmental	\$ 571,081	\$ 4,654,379
Interest income	3,480,994	5,172,094
Interest and fiscal charges	(6,178,080)	(6,877,315)
Amortization of bond costs	544,777	544,777
Gain from sale of capital assets	41,069	58,495
Total nonoperating revenues (expenses)	\$ (1,540,159)	\$ 3,552,430
Net income before transfers and capital contributions	\$ 33,758,279	\$ 34,234,701
Capital contributions	\$ 24,512,794	27,372,916
Total capital contributions	\$ 24,512,794	\$ 27,372,916
Transfers:		
Transfers in	\$ 3,894,772	\$ 913,139
Transfers out	(18,675,248)	(18,786,537)
Total transfers	\$ (14,780,476)	\$ (17,873,398)
Change in net assets	\$ 43,490,597	\$ 43,734,219

Note: The comparative financial statement above has been prepared in order to meet continuing disclosure requirements as set forth in the Security and Exchange Commission's Rule 15c2-12(b)(5).

Moore & Cubbedge, LLP

Richard H. Lewis
Michael R. Crace
Donald L. McGrath, Jr.
Jean K. Hawkins
Tammy A. Galvis
C. Frank Moore, retired
Edwin W. Cubbedge, III, retired



Certified Public Accountants
&
Advisors

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL 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 basic financial statements of Cobb County, Georgia as of and for the year ended September 30, 2007, and have issued our report thereon dated February 25, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Cobb County, Georgia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cobb County, Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Cobb County, Georgia's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency, or combination of control deficiencies, that adversely affects Cobb County, Georgia's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Cobb County, Georgia's financial statements that is more than inconsequential will not be prevented or detected by Cobb County, Georgia's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Cobb County, Georgia's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in

internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Moore & Cubbedge, LLP
Moore & Cubbedge, LLP

February 25, 2008

Moore & Cubbedge, LLP

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&
Advisors

INDEPENDENT AUDITOR'S 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, 2007. 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, 2007.

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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Cobb County, Georgia's internal control over compliance.

A *control deficiency* in the entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

This report is intended solely for the information and use of the audit committee, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Moore & Cubbedge, LLP

Moore & Cubbedge, LLP

February 25, 2008

Cobb County, Georgia
 Schedule of Findings and Questioned Costs
 Year Ended September 30, 2007

Section I—Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: unqualified

Internal control over financial reporting:

Material weakness identified?	_____	yes	_____	<u>X</u>	no
Reportable condition identified not considered to be material weaknesses?	_____	yes	_____	<u>X</u>	none reported

Noncompliance material to financial statements noted?	_____	yes	_____	<u>X</u>	no
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Federal Awards

Internal Control over major programs:

Material weakness identified?	_____	yes	_____	<u>X</u>	no
Reportable condition identified not considered to be material weaknesses?	_____	yes	_____	<u>X</u>	none reported

Type of auditor’s report issued on compliance
for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	_____	yes	_____	<u>X</u>	no
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Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Programs</u>
16.710	COPS Technology Initiative
93.044 & 93.045	Special Programs for the Aging
20.507	Federal Transit Administration

Dollar threshold used to distinguish
between Type A and Type B programs: \$ 729,597

Auditee qualified as low-risk auditee?	_____	yes	_____	<u>X</u>	no
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Cobb County, Georgia
Schedule of Findings and Questioned Costs
Year Ended September 30, 2007

Section II- Financial Statement Findings

None Reported

Section III - Federal Award Findings

None Reported

Cobb County, Georgia
Schedule of Expenditures of Federal Awards
For the Fiscal Period Ended September 30, 2007

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through or Grant Number	Expenditures
<u>U. S. Department of Defense</u>			
Pass-through: Ga. Office of Treasury and Fiscal Services	12.112	--	\$ 20,946
<u>U. S. Department of Education</u>			
Life Skills	84.255A	Q255-A060-063	194,196
<u>U. S. Department of Homeland Security</u>			
Pass-through United Way of America: Emergency Food and Shelter Grant	97.024	LR0-005	3,472
Pass-through Georgia Emergency Management Agency:			
Emergency Management Performance Grant	97.042	2005-GE-T5-0052	1,171
CERT Program	97.042	2005-GE-T5-0052	11,208
Buffer Zone Protection Program	97.042	2005-GR-T5-0020	16,514
Emergency Management Performance Grant	97.042	--	6,842
Performance Partnership EMA Grant	97.042	--	8,756
GA Department of Homeland Security Grant - CERT Program	97.042	2006-GE-T6-0066	15,889
			60,380
Total for U. S. Department of Homeland Security			63,852
<u>U.S. Department of Health and Human Services</u>			
Pass-through Georgia Department of Human Resources:			
Community Services Block Grant	93.569	427-93-0707-0939-99	518,609
Child Support Enforcement	93.563	427-93-07070490-99	431,698
Child Support Enforcement	93.563	427-93-08080603-99	151,268
			582,966

Cobb County, Georgia
Schedule of Expenditures of Federal Awards
For the Fiscal Period Ended September 30, 2007

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through or Grant Number	Expenditures
Pass-through Atlanta Regional Commission:			
Social Services Block Grant	93.667	AG0705 & AG0808	<u>188,253</u>
Aging Cluster			
Special Programs for the Aging - Title III, Part B	93.044	AG0705 & AG0808	205,513
Special Programs for the Aging - Title III, Part C	93.045	AG0705 & AG0808	<u>255,836</u>
			461,349
Nutrition Services Incentive Program	93.053	AG0705 & AG0808	23,069
National Family Caregiver Support Title III, Part E	93.052	AG0705 & AG0808	<u>52,017</u>
Total for U. S. Department of Health and Human Services			<u>1,826,263</u>
<u>U.S. Department of Housing and Urban Development</u>			
Direct Grants:			
Community Development Block Grant/ Entitlement	14.218	--	4,661,122
Home Investment Partnership	14.239	--	1,963,755
Emergency Shelter Grants Program	14.231	--	<u>155,785</u>
Total for U. S. Department of Housing and Urban Development			<u>6,780,662</u>
<u>U.S. Department of Justice</u>			
Direct Grants:			
Office of Justice Programs:			
COPS Technology Initiative I	16.710	--	1,888
COPS Technology Initiative II	16.710	--	494,731
COPS Technology Initiative III	16.710	--	<u>125,091</u>
			621,710
Anti-Human Trafficking Task Force	16.320	--	73,218
Pass-through Georgia Council of Juvenile Court Judges:			
Purchases of Services 06	16.540	--	5,000

Cobb County, Georgia
 Schedule of Expenditures of Federal Awards
 For the Fiscal Period Ended September 30, 2007

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through or Grant Number	Expenditures
Pass-through Georgia Criminal Justice Coordinating Council:			
Victims of Crime	16.575	C04-8-013	94,343
Pass-through Metro Atlanta Project Pact:			
Local Law Enforcement Block Grant Program	16.592	2005-DJ-BX-1137	38,296
Grant Program	16.592	2006-DJ-BX-0642	13,992
			52,288
Total for U. S. Department of Justice			846,559
<u>U.S. Department of Labor</u>			
Pass through Georgia Department of Labor Workforce Investment Act (WIA)			
WIA Cluster			
Adult Program	17.258	10-05-11-03-004	18,988
	17.258	11-06-11-03-004	305,949
	17.258	10-06-11-03-004	66,625
	17.258	11-07-11-03-004	90,523
	17.258	10-07-11-03-004	24,402
Youth Program	17.259	15-05-11-03-004	847
	17.259	15-06-11-03-004	253,068
	17.259	15-07-11-03-004	256,563
	17.259	20-07-SF-03-134	48,000
Dislocated Worker Program	17.260	31-06-11-03-004	324,841
	17.260	30-06-11-03-004	272,175
	17.260	31-07-11-03-004	325,644
	17.260	30-07-11-03-004	37,536
BRAC Program	17.260	71-06-05-03-004	54,042
Katrina Program	17.260	70-05-11-03-004	117,537
Katrina Program	17.261	62-05-11-03-004	14,938
Total for U. S. Department of Labor			2,211,678

Cobb County, Georgia
Schedule of Expenditures of Federal Awards
For the Fiscal Period Ended September 30, 2007

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through or Grant Number	Expenditures
<u>U.S. Department of Transportation</u>			
Direct Grants:			
Federal Aviation Administration			
Runway 9 Safety Overrun	20.106	--	23,496
So. Parallel Taxiway Phase 3	20.106	--	81,839
North Apron Expansion	20.106	--	41,540
Rehab Runway 9-27	20.106	--	4,272
Taxiway A Light & Sign Rehab	20.106	--	514,535
Taxiway A Pavement Rehab	20.106	--	141,760
Tract U Acquisition	20.106	--	5,498
			<u>812,940</u>
Federal Transit Administration			
Capital Improvement, Sect.9	20.507	--	2,260,332
Planning, Sect 9	20.507	--	73
CMAQ	20.507	--	1,732,255
Surface Transportation Program	20.507	--	3,526,055
Job Access and Reverse Commute Program	20.507	--	289,010
Discretionary	20.507	--	390,923
Capital Improvements	20.507	--	3,101,423
			<u>11,300,071</u>
Pass-through Georgia Dept Motor Vehicle Safety			
Motor Carrier Safety Assistance	20.218	MC-05-13-1	27,077
Pass-through Georgia Office Of Highway Safety:			
DUI Task Force	20.600	2007-33-00598	187,871
			<u>187,871</u>
Total for U.S. Department of Transportation			<u>12,327,959</u>
<u>U. S. Department of Treasury</u>			
Social Security-Inmate Reporting Incentives			<u>47,800</u>
Total Federal Financial Awards			<u>\$ 24,319,915</u>

Cobb County, Georgia
Notes To Schedule Of Expenditures Of Federal Awards
For The Fiscal Year Ended September 30, 2007

1. General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards received by Cobb County, Georgia. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, is included in this schedule.

2. Basis of Accounting

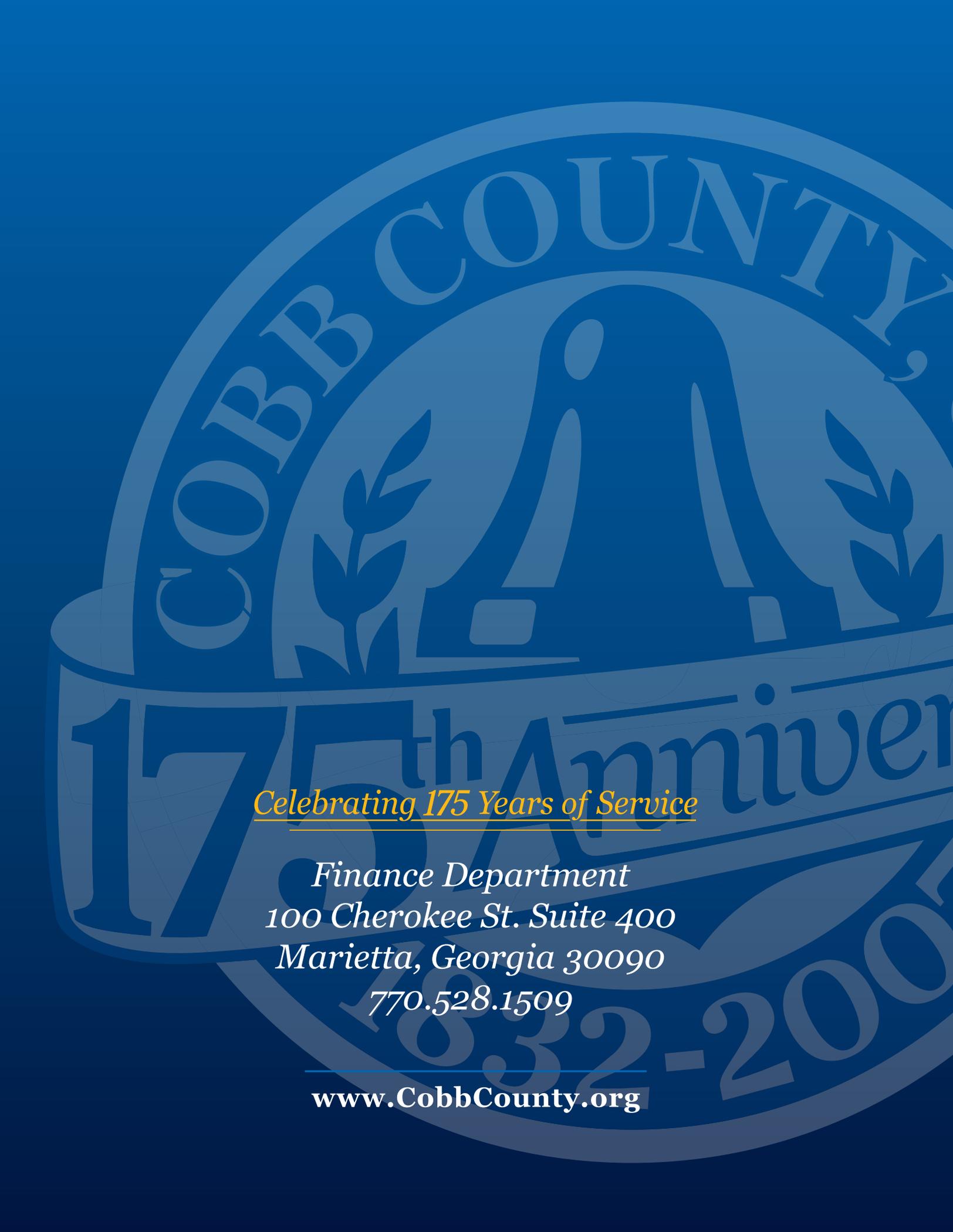
The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1C of the County's financial statements.

3. Relationship to Federal Financial Reports

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports.

Cobb County, Georgia
Summary Schedule of Prior Year Findings
Year Ended September 30, 2007

NONE REPORTED

The background of the image is a large, semi-transparent blue seal of Cobb County, Georgia. The seal features a central figure of a Native American standing on a pedestal, flanked by two olive branches. The words "COBB COUNTY, GEORGIA" are arched across the top, and "1732-2007" is arched across the bottom. A banner across the middle contains the text "175th Anniversary".

Celebrating 175 Years of Service

*Finance Department
100 Cherokee St. Suite 400
Marietta, Georgia 30090
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www.CobbCounty.org