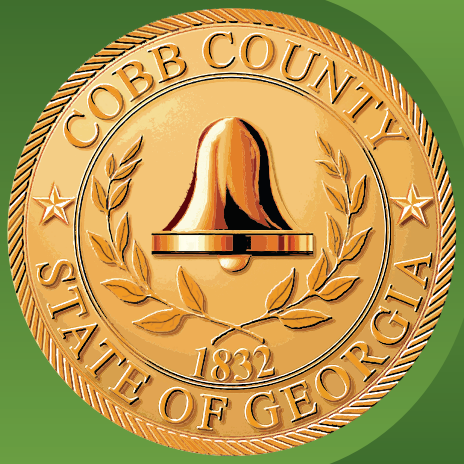


COBB COUNTY GOVERNMENT

Comprehensive Annual Financial Report

For Fiscal Year Ended September 30, 2008

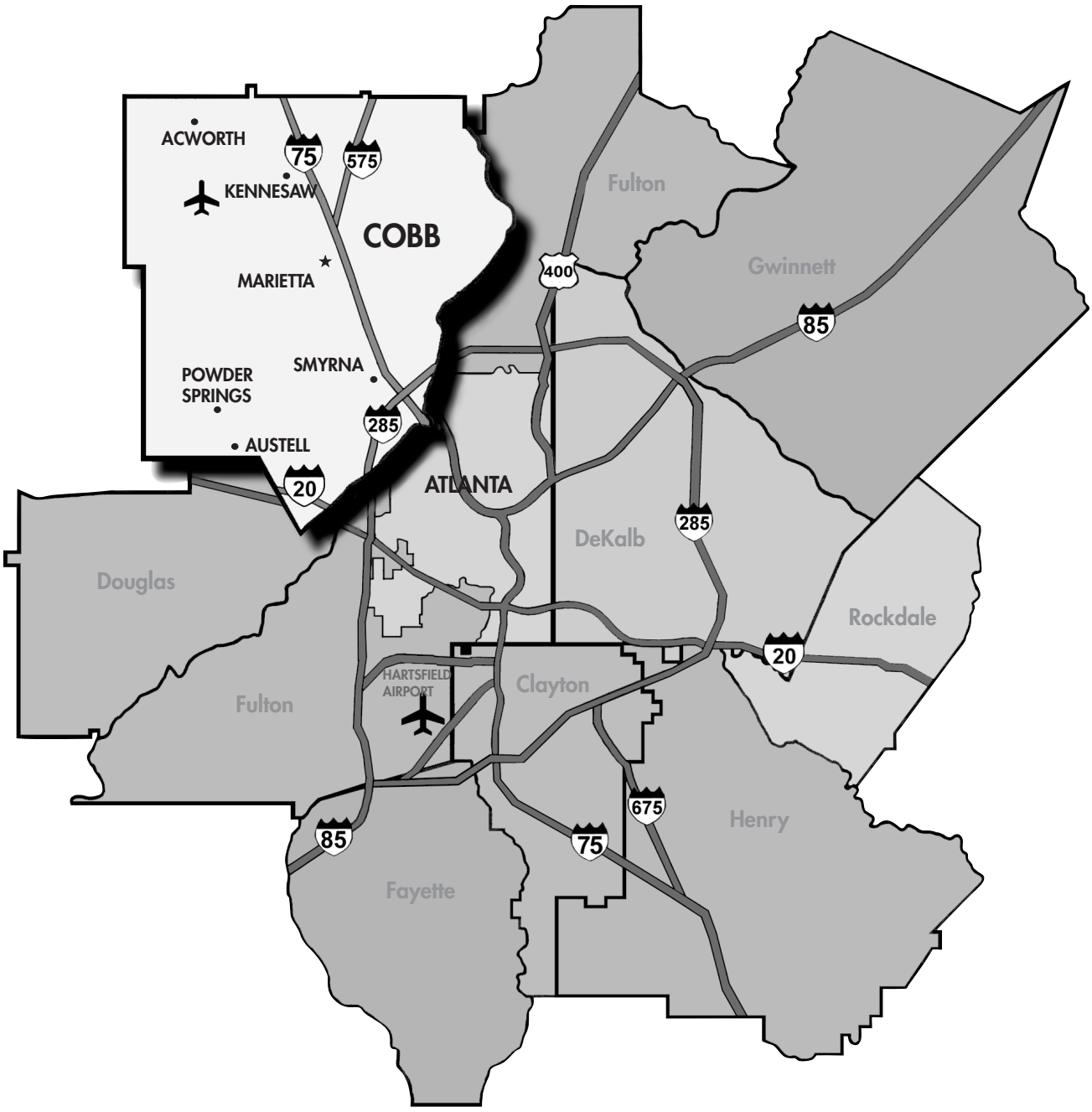
COBB COUNTY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Fiscal Year Ended September 30, 2008

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, 2008

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COBB COUNTY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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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

Brad Bowers, CPA
Director/Comptroller

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

March 3, 2009

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, 2008, 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, 2008. 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, 2008. 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 15.6% since 2000 when approximately 612,529 people resided in the County. Based on the U.S. Census as of July 2007 and adding a 1.5% growth factor, Cobb's population is estimated at 702,284. According to the U.S. Census Bureau and the Atlanta Regional Commission, the U.S. population increase from April 1, 2000 to July 1, 2006 was 6.4%, compared with Georgia's 14.4% increase for the same period. In contrast, Cobb County's population increase for the same period was 11.8%. Cobb ranks third in the Atlanta region's population growth.

A five-member Board of Commissioners governs Cobb County. The Board is comprised of one chairman, elected county wide, and four commissioners, each elected from a separate commission district serving four year staggered terms. A County Manager, who is appointed by and responsible to the Board of Commissioners, directs the daily operation of the County. Services provided to approximately 702,284 Cobb Citizens living in the 340.2 square mile area include: public safety (fire, EMS, police, 911 emergency, animal control, courts and sheriff and detention operations), community development, community services, transportation, and other general governmental services. The County also provides water, 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 twelfth consecutive year. In 1995, Moody's Investor Services awarded Cobb its first Aaa rating citing strong economic growth and strong fiscal management. Cobb was the first county in Moody's eight-state southeast region to achieve this highly coveted rating. In April of 1996, Fitch Investors also awarded Cobb with their top rating…AAA. Cobb was also the first county in Fitch's southeast region to achieve their AAA rating. Standard and Poor's upgraded Cobb to AAA in June of 1997. The Triple A rating is the most highly acclaimed indicator of the overall financial strength of a community. These independent ratings produce significant interest savings and verify that Cobb's sound fiscal policies and conservative management philosophy will guide Cobb into the future.

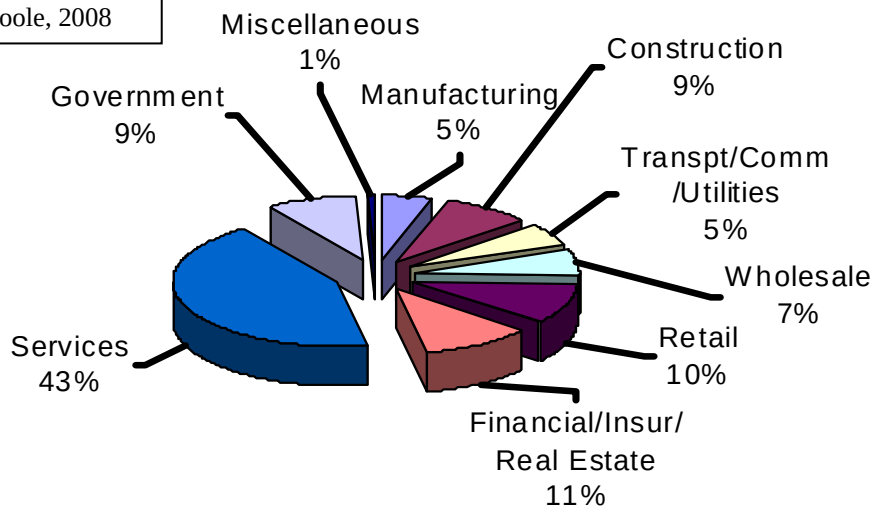
Thanks in large part to the foresight and stewardship of County leadership, Cobb County continues to prosper even during the challenging economic times. Cobb employs more than 439,440 within its boundaries and currently, there are approximately 30,007 licensed businesses. The County's unemployment rate is 6.2% which is lower than the State of Georgia (6.4%) and only .1% higher than the United States (6.1%).

Although the top ten principal employers in the community account for only 15.4% of all those employed in Cobb County, the national recognition they bring to the County cannot be overstated. There are three Fortune 500 companies that have their headquarters in Cobb County, with 318 international companies having a presence and contributing to our dynamic business environment. The three companies are 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 three decades. The expected

increase in employment will be strong in the manufacturing sector but will also be distributed over several different categories of jobs including transportation, communications, public utilities, retail trade, finance, insurance and real estate. Hartsfield-Jackson International Airport and an extensive road program have made the Atlanta area a hub for distribution facilities and a regional center for commerce and trade in the Southeast.

Employment by Job Category
Source: Woods & Poole, 2008



In fiscal year 2008, the Cobb Galleria Centre, one of the leading convention centers in the nation, had net assets of $117.5 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. The Performing Arts Centre hosted 252 events with attendance of over 228,000 in 2008. 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 is significantly supported by non-residents, funds various improvements around the County. As of September 30, 2008, the improvements total: $45.9 million for the expansion of the Cobb County Adult Detention Center, $45.2 million for major road improvements, $42.5 million for safety and operational improvements such as intersection improvements, $12.1 million for infrastructure preservation including work on roads and bridges, $3.4 million concentrated on sidewalk additions and multi-use trials, $3.0 million for shared costs charged for construction and ROW management and $53.3 for miscellaneous municipal projects. An additional $24.6 million has been set up as an interfund transfer to the 800 MHz Fund for SPLOST related projects. The estimated $55 million courthouse construction will begin in the spring of FY09. The SPLOST program runs 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 FY08 was $144.4 million with expenditures totaling $144.6 million.

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

	Amount	Debt Per Capita	Debt to Actual Value	Debt to Assessed Value
Net Bonded Debt	$ 58,082,258	$ 82.70	0.07%	0.17%
Total General Obligation Direct Debt	$ 66,815,000	$ 95.14	0.08%	0.20%
Net General Obligation Direct and Overlapping Debt	$ 376,937,266	$ 536.73	0.45%	1.11%

Outstanding General Obligation Bonds at September 30, 2008 totaled $66,815,000.

Cobb's legal General Obligation Bond debt limitation by state law is 10% of the taxable digest or $3,381,889,741. Cobb County currently is utilizing 1.98% of this limitation with its $66,815,000 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 February, 2008 construction began for the $5 million Cobb County Safety Village. The village will be developed into the most comprehensive safety training environment in the region where children can gain safety knowledge through hands on experience. The village will contain reduced-scale buildings and lifelike streets on the 3.5 acre site. Also in February, the new $2.3 million Fire Station #9 opened for use. In March of 2008, the Cobb Police Department was awarded re-accreditation by the national Commission on Accreditation for Law Enforcement Agencies. The program is designed to improve public safety services by maintaining a body of standards developed by public safety

practitioners. In September, the $2.7 million Fire Station #5 reopened and in November, the new $2.5 million Fire Station #28 opened and includes a satellite Tag Office. In July, E-911 was awarded re-accreditation and was recognized as a Flagship agency. E-911 is one of only two communications agencies in the nation to receive the award consecutively. Cobb's Community Emergency Response Team (CERT) was recognized as Georgia's largest CERT program. This program trains volunteers to provide initial aid until public safety personnel can respond to disasters or other emergencies.

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 businesses, organized sports and art groups, whose primary goal is quality leisure time. The $2.7 million Hubert Soccer Complex was unveiled in 2008. The new complex is located on 33 acres of land and consists of four full-sized, lighted soccer fields, concessions, a picnic pavilion and playground. Oakdale Park opened in May and provided another access point to the multi-use Silver Comet trail. Development of this $475,468, 1.5 acre "pocket park" was funded with a Congestion Mitigation and Air Quality grant. Ten new tennis courts were opened in 2008 and a record 41 projects were completed through the department's matching grant program, resulting in more than $376,000 in park improvements. The program provides matching funds for capital improvements to volunteer associations that offer programs in the County parks. At the Harrison Tennis Center, six new mini-courts – the first of its kind to be built in the United Sates – opened. These courts were built under US Tennis Association specifications for 36-foot courts to be used by children and special needs adults and youth. This project cost $150,000 and was partially funded through grants and donations.

In 2006, Cobb County voters approved a $40 million bond to purchase parks land. In 2008, five parcels were purchased at a cost of approximately $34 million giving Cobb 300 acres of greenspace for future public park land. In November, 2008, the voters approved another $40 million parks bond. This bond will also be used to purchase land for use as greenspace.

Moving Forward with Water/Sewer In March 2008, the Board of Commissioners awarded a $305 million construction contract to provide needed long-term sewer conveyance capacity and equalization for the Sweetwater Creek and Nickajack Creek basins. This project will allow Cobb to eliminate two major pumping stations and approximately 87,000 linear feet of aging sewer line and force main. Cobb County also took a proactive approach to water efficiency resulting in significant water savings during the historic drought. Since severe drought was declared in September 2007, Cobb County residents have saved over 15 million gallons of water a day. The construction of the new solids processing facility at the R. L. Sutton Water Reclamation Facility was completed in the fall. The $56 million facility includes a solids handling building with two fluidized bed incinerators and a dewatering system.

Road to Progress Cobb County DOT oversees one of Georgia's largest county-owned road networks. In 2008 Cobb DOT finished a Long Range Comprehensive Transportation Plan. This $1.4 million project will guide the planning of transportation infrastructure for the next 25 years. Phase IV of the Advanced Traffic Management System was substantially completed and includes 42 miles of new fiber-optic cable with 15 new closed-circuit television dome cameras. The additional cameras will allow the Traffic Controller Center to improve traffic signal coordination and speed response to malfunctioning signals and other incidents. During 2008, DOT began implementing recommendations from a senior adult transportation study. Strategies included increasing transportation options not only for seniors but also for all residents and will help promote alternatives such as bicycling, walking, carpools and other ride share services.

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 2008, CCT riders took nearly 4.9 million trips – an all time record ridership. CCT also converted to the Breeze Fare collection System. By converting to this system, CCT passengers are able to easily transfer between CCT and MARTA. Construction broke ground in September for the new Acworth Park and Ride lot. This $2.2 million contract will expand parking from 274 spaces to 496 spaces, improve safety with additional lighting and provide a new passenger waiting area.

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 2008 the airport rehabilitated and widened its only runway to a standard 100 feet width. The remaining safety areas on the side of the runway were also expanded to meet the Federal Aviation Administration standards and new high intensity runway lights were installed. The project was funded primarily with $8.6 million in federal and state grants.

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. During the past year, a combined total of 7,019 warrants were processed through the Solicitor General's Office, resulting in 6,084 accusations filed with the State Court Clerk's Office, 251 cases diverted through the Pre-trial Diversion Program and 2,016 domestic violence cases heard in Magistrate Court. In 2008, security enhancements were completed and included perimeter screening and closed-caption television monitoring. The consolidated system will now provide state-of-the-art integrated security control for the entire Justice Complex. The Magistrate Court Pretrial Division now uses the Superior Court Drug Lab for defendant drug testing, thereby eliminating use of an outside provider. Part-time staff members have been reassigned to Pretrial to assist with administrative duties and improve customer service. Scanning capabilities were set up to save time and effort to access information with the intention of eventually eliminating paper files. In addition, Pretrial has initiated a process to archive photos to ensure positive identification of defendants.

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, 2007. This represented the twenty-second consecutive year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, the County must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements. We are submitting it to GFOA to determine its eligibility for another certificate.

The County also received its fifteenth consecutive GFOA Award for Distinguished Budget Presentation for its biennial operating budget presented in their FY 07/08 Biennial Budget document. To qualify for the Distinguished Budget Presentation Award, the County's budget document was judged to be proficient in several categories as a policy document, financial plan, operations guide and as a communications device.

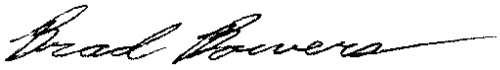
The Water System Fund also received several awards throughout FY08. The Georgia Association of Water Professionals (GAWP) 2008 Wastewater Collections Award, the GAWP Platinum Award for both the Northwest and R.L Sutton Water Reclamation Facilities, the GAWP Gold Award for the Noonday Water Reclamation Facility and the 2007 Watershed Award from the Georgia Department of Natural Resources 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, 2007

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

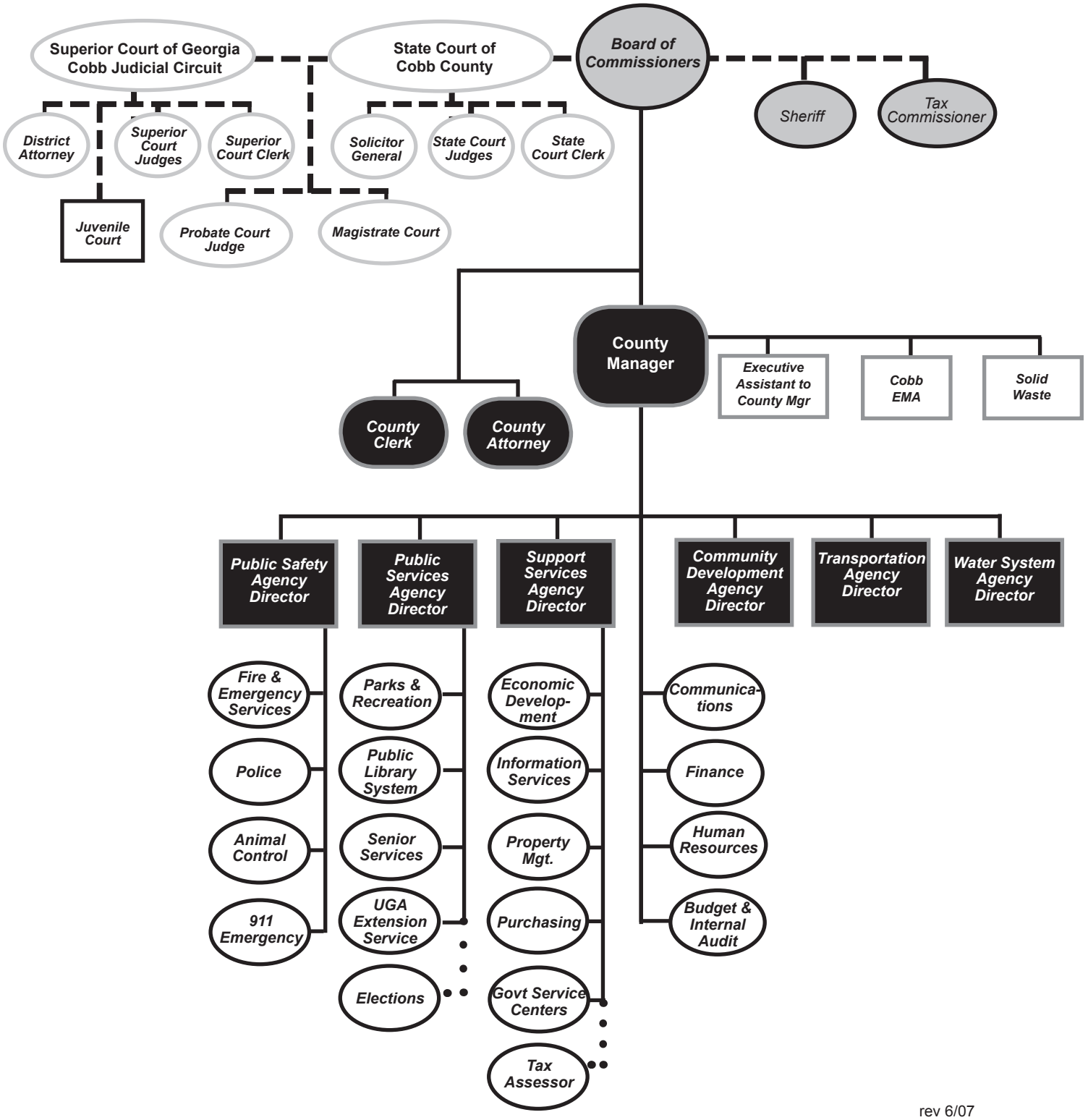


President

Executive Director

Cobb County 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

Finance Division Manager.....Roxane Rush

Accounting Manager.....Jennifer Wilson, CPA

General Accounting Supervisor.....Bill Volckmann

Risk Manager ..... Dolly Moy, ARM

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Financial Section

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

MOORE & CUBBEDGE LLP
Certified Public Accountants & Advisors

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, 2008, 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, 2008, 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 March 3, 2009 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.

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

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The management's discussion and analysis, the Pension schedule of funding progress and schedule of employer contributions, and the OPEB schedule of funding progress on pages 3 through 17 and pages 77 through 79 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

March 3, 2009

Management's Discussion & Analysis

COBB COUNTY GOVERNMENT
Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2008

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, 2008. 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.

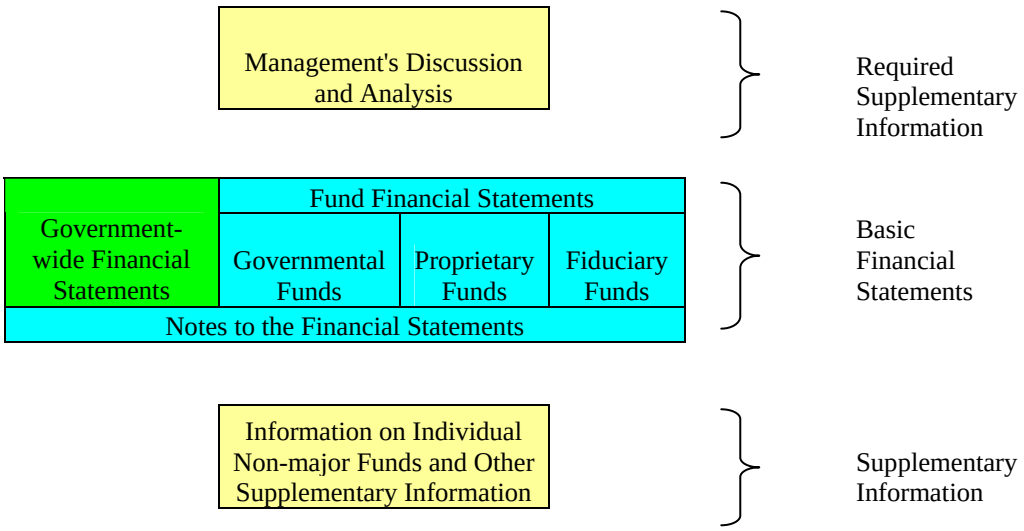
Financial Highlights

Key financial highlights for FY08 are as follows:

- The County's combined net assets totaled $4.2 billion. Of this amount, unrestricted net assets of $68.9 million may be used to meet the government's ongoing obligations to citizens and creditors.
- Combined revenue totaled $876.9 million of which governmental activities totaled $678.7 million and business-type activities totaled $198.2 million.
- Overall expenses totaled $705.6 million of which governmental activities totaled $524.8 million and business-type activities totaled $180.8 million.
- At the end of September 30, 2008, governmental activities expenses exceeded program revenues, resulting in the use of $311.3 million in general revenues (mostly taxes).
- Cobb County's total long term debt increased by $5,046,893 (1.6%) during the current fiscal year.
- At September 30, 2008, the County's General Fund reported an unreserved fund balance of $40.7 million; a decrease of $10.9 million from last fiscal year.

Overview of the Financial Statements

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



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

Government-wide Financial Statements

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

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

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

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

The government-wide financial statements include not only Cobb County Government itself but also a legally separate Coliseum and Exhibit Hall Authority and a 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.

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 20-25.

Proprietary Funds

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

The County has five proprietary funds: Water and Sewer Fund, Solid Waste Disposal Fund, Cobblestone Golf Course Fund, Public Transit System Fund and the Claims Internal Service Fund. The Claims Internal Service Fund, which accounts for services performed by a central service department for other departments or agencies of the governmental unit, 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 26-30 of this report.

Fiduciary Funds

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

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, 2008 and June 30, 2008, respectively.

Budgetary Comparisons

Cobb County adopts an annual appropriated budget for the General Fund, Special Revenue Funds, and the Debt Service Fund. A budgetary comparison statement has been provided for the General Fund and Fire District Special Revenue Fund and can be found on pages 24-25. Budget to actual comparisons for some of the 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 33-76 of this report.

Government-wide Financial Analysis

Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The County's combined net assets (government and business-type activities) totaled $4.2 billion at September 30, 2008.

The following table provides a summary of the County's governmental and business-type net assets for fiscal years 2008 and 2007:

Cobb County, Georgia
Statement of Net Assets

	Governmental Activities 2008	Governmental Activities 2007	Business-type Activities 2008	Business-type Activities 2007	Total 2008	Total 2007
Assets:						
Current assets	$ 448,775,311	$ 478,621,637	$ 71,387,819	$ 87,602,974	$ 520,163,130	$ 566,224,611
Other - noncurrent	6,794,977	5,850,639	864,915	650,071	7,659,892	6,500,710
Capital assets - net	2,774,826,550	2,576,149,100	1,360,960,060	1,313,659,201	4,135,786,610	3,889,808,301
Unamortized bond costs	44,901	50,343	955,640	667,518	1,000,541	717,861
Total assets	$ 3,230,441,739	$ 3,060,671,719	$ 1,434,168,434	$ 1,402,579,764	$ 4,664,610,173	$ 4,463,251,483
Liabilities						
Current liabiities	$ 144,725,545	$ 131,425,845	$ 35,902,875	$ 24,126,948	$ 180,628,420	$ 155,552,793
Long-term liabilities (net)	153,021,960	150,385,758	169,685,689	167,274,998	322,707,649	317,660,756
Total liabilities	$ 297,747,505	$ 281,811,603	$ 205,588,564	$ 191,401,946	$ 503,336,069	$ 473,213,549
Net Assets						
Invested in capital assets, net of related debt	$ 2,697,785,423	$ 2,519,108,757	$ 1,221,223,766	$ 1,184,655,823	$ 3,919,009,189	$ 3,703,764,580
Restricted	173,324,280	183,127,588	-	-	173,324,280	183,127,588
Unrestricted	61,584,531	76,623,771	7,356,104	26,521,995	68,940,635	103,145,766
Total net assets	$ 2,932,694,234	$ 2,778,860,116	$ 1,228,579,870	$ 1,211,177,818	$ 4,161,274,104	$ 3,990,037,934

The largest portion of the County's net assets 94.2% 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 $215.2 million (5.8%) in FY08.

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.

Changes in Net Assets

Governmental and business-type activities increased the County's net assets by $171.2 in FY08. The following table indicates the changes in net assets for governmental and business-type activities in FY08 and FY07:

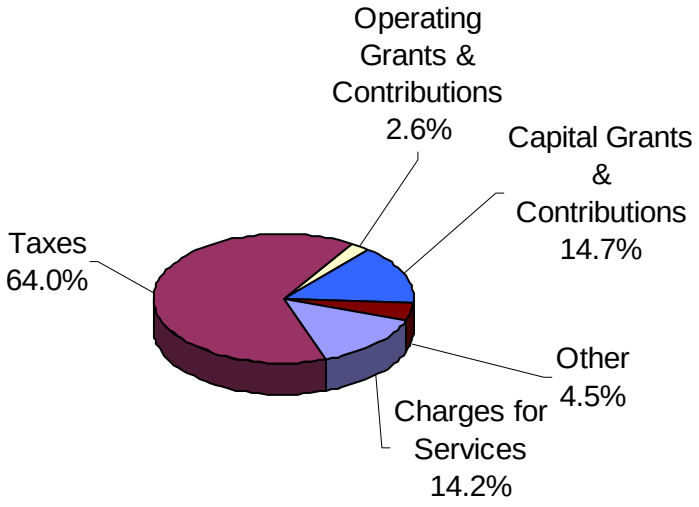
Cobb County, Georgia
Changes in Net Assets

	Governmental Activities 2008	Governmental Activities 2007	Business-type Activities 2008	Business-type Activities 2007	Total 2008	Total 2007
Revenues:						
Program Revenues:						
Charges for Services	$ 95,995,756	$ 99,025,749	$ 163,968,469	$ 186,899,424	$ 259,964,225	$ 285,925,173
Operating Grants & Contributions	17,665,432	17,442,439	500,989	571,081	18,166,421	18,013,520
Capital Grants & Contributions	99,891,365	43,962,989	31,341,068	37,980,311	131,232,433	81,943,300
General Revenues:						
Property Taxes	251,204,278	238,915,529	-	-	251,204,278	238,915,529
Other Taxes	182,692,889	183,163,905	-	-	182,692,889	183,163,905
Grants and contributions not restricted to specific programs	11,458,132	11,291,129	-	-	11,458,132	11,291,129
Other	19,169,371	21,530,280	2,962,541	4,530,466	22,131,912	26,060,746
Total Revenues	$ 678,077,223	$ 615,332,020	$ 198,773,067	$ 229,981,282	$ 876,850,290	$ 845,313,302
Expenses:						
General government	$ 129,487,420	$ 120,717,451	$ -	$ -	$ 129,487,420	$ 120,717,451
Public safety	216,428,501	193,571,694	-	-	216,428,501	193,571,694
Public works	104,411,823	104,327,448	-	-	104,411,823	104,327,448
Health and welfare	7,216,169	13,616,494	-	-	7,216,169	13,616,494
Culture and recreation	45,361,751	35,607,314	-	-	45,361,751	35,607,314
Housing and development	15,357,027	14,722,882	-	-	15,357,027	14,722,882
Interest on long-term debt	6,547,418	6,685,179	-	-	6,547,418	6,685,179
Water and Sewer	-	-	144,220,614	145,833,553	144,220,614	145,833,553
Solid Waste	-	-	12,005,039	11,953,423	12,005,039	11,953,423
Transit	-	-	22,799,515	19,686,139	22,799,515	19,686,139
Cobblestone Golf Course	-	-	1,778,843	1,741,765	1,778,843	1,741,765
Total Expenses:	$ 524,810,109	$ 489,248,462	$ 180,804,011	$ 179,214,880	$ 705,614,120	$ 668,463,342
Increase in net assets before transfers	$ 153,267,114	$ 126,083,558	$ 17,969,056	$ 50,766,402	$ 171,236,170	$ 176,849,960
Transfers	567,004	4,439,403	(567,004)	(4,439,403)	-	-
Increase in net assets	$ 153,834,118	$ 130,522,961	$ 17,402,052	$ 46,326,999	$ 171,236,170	$ 176,849,960
Net Assets - beginning, before restatement	$ 2,778,860,116	$ 2,648,337,155	$ 1,211,177,818	$ 1,164,850,819	$ 3,990,037,934	$ 3,813,187,974
Net Assets - ending	$ 2,932,694,234	$ 2,778,860,116	$ 1,228,579,870	$ 1,211,177,818	$ 4,161,274,104	$ 3,990,037,934

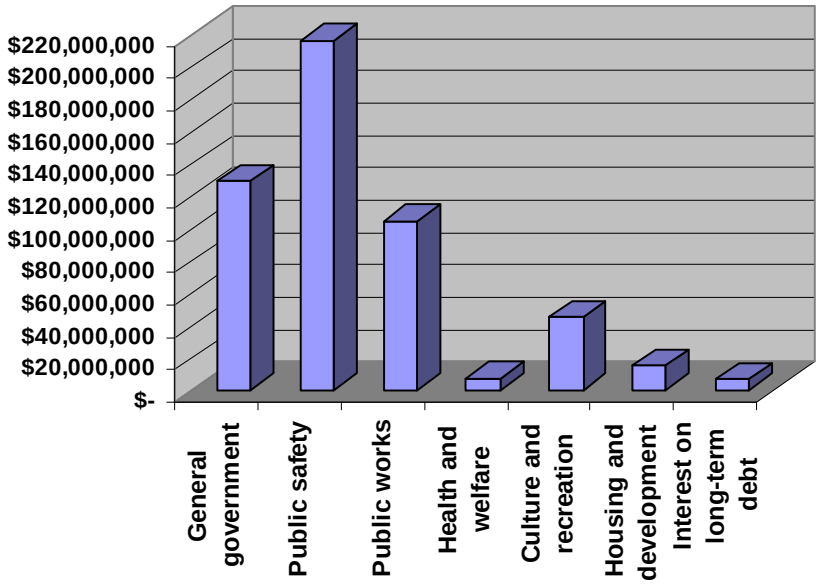
Governmental Activities

Governmental activities increased the County's net assets by $153,834,118 thereby accounting for 89.8% of the total growth in net assets.

Revenues - Governmental Activities FY 2008



Expenses - Governmental Activities FY 2008



Business-type Activities
Business-type activities increased the County's net assets by $17,402,052 thereby accounting for 10.2% of the total growth in net assets.

Changes in Overall Net Assets from Operating Results
Revenues
The County's total revenue increased 3.7%, or $31.7 million, in FY08. Revenues from Taxes and Capital Grants & Contributions accounted for the majority of the County's increase in revenue. Revenue received from Taxes increased $11.9 million (2.8%) 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 $144.3 million in its third year. Capital Grants and Contributions increased $49.2 million in FY08. Key elements of this increase are a result of subdivision road donations by various developers as well as funding received from designated Community Improvement Districts for road projects and grant funding received from the Georgia Department of Transportation for various DOT projects involving road resurfacing, bridges, and traffic signal and intersection improvements.

Expenses
The County's total expenses increased 5.5%, or $37.2 million, in FY08. The largest increase is in the Public Safety function. Public Safety increased $22.8 million over the prior year with the majority of the expenses being charged for the construction of the 1,152 bed expansion of the Cobb County jail facility including the visitor center. The visitor center is scheduled to open in March and will provide the primary link between the jail and the public. Culture and recreation increased $9.8 million in FY08 as the monies for the Parks Bond Fund were used to acquire and preserve over 400 acres of premium land for the public. The largest business-type activities expenses increase was in the Transit Fund. It increased by $3.1 million in FY08. Operating expenses also showed an increase of $1.5 million due to the rising diesel fuel costs and an increase of $1.0 million in operator service fees when CCT riders took nearly 4.9 million trips - an all time record ridership.

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 FY08 with strong fund balances in its governmental funds. The combined balance of all the governmental funds is $272.8 million. Of this total, $130.8 million or 47.9% 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 ($130.6 million); 2) to pay debt service ($8.7 million); 3) for a variety of other restricted purposes ($2.7 million).

Major Funds:
General Fund
The General Fund is the primary operating fund of the County. At the end of the current fiscal year, unreserved fund balance of the General Fund was $40.7 million, and total fund balance was $46.8 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 11.6% of total general fund expenditures and total fund balance represents 13.4% of that same amount.

Although the fund balance of the General Fund decreased $11.9 million in FY08 for a total of $46.8 million, the Board of Commissioners made a collaborative effort to focus on maintaining the county's excellent financial position. Tax revenues increased $8.8 million due to a 4.0% increase in the tax digest. Operating expenditures increased approximately $17.9 million (6.1%). The largest increases were in General Government and Public Safety.

Total transfers out in the General Fund of $40.5 million represent the appropriation of funds to the Public Facilities Fund, Transit Fund, Senior Services Fund, Solid Waste Fund, Water System Funds, the 800 MHz Fund, 2006 SPLOST Fund and the Grant Fund. $14.7 million of transfers out are transferred to the Public Facilities Fund for various capital projects including $1 million in road resurfacing projects; $2.3 million for PC replacements; $2.1 for library renovations and expansions; $1.6 million for the Information System's Web Portal Project. The remaining $7.7 million was used for various building improvements and renovations, Public Safety, GIS, Parks and Government Service Center improvements, Tax Commissioner Expansion, Sheriff's Department equipment and DOT projects. Transfers out of $21.2 million represent the appropriation of funds to subsidize Transit, Senior Services and Solid Waste. $0.6 million was transferred to the 800 MHz Fund for Core Replacement and $2.4 million was appropriated for Stormwater. $0.2 million was transferred for the tree fund, $0.3 for a combined Water System/DOT project and an additional $1.1 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 department within the County. The unreserved fund balance for FY08 was $13.5 million while total fund balance was $14.5 million. The fund balance decreased by $2.5 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 increased by $2.3 million, total liabilities also increased by $4.8 million. Reserved fund balance decreased $0.9 million in FY08.

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 $42.4 million. Operating revenues exceeded expenditures by $3.0 million. Of the $141.2 million in expenditures, $46.3 million was spent on the jail expansion and $94.6 million was spent on various DOT safety and improvement road, bridge and sidewalk projects.

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 $49.4 million for the fiscal year ended September 30, 2008. Total revenues increased by $7.1 million (16.7%).

Operating expenditures of the nonmajor Special Revenue Funds totaled $55.3 million for FY08. Total Nonmajor Special Revenue Funds' expenditures increased by $3.9 million (7.7%). The increase in expenditures is primarily in the Grant Fund for Row of Way acquisition and concrete paving and other land improvements for the runway widening and overlay of the taxiway.

The unreserved-undesignated fund balances of the nonmajor Special Revenue Funds totaled $1.7 million. This was a decrease of $5.8 million from FY07.

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 $8.7 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 $44.3 million of which $29.7 million is designated for specific construction and improvement projects and capital acquisitions and $14.6 million is reserved for encumbrances.

Operating expenditures exceeded operating revenues by $67.0 million which was offset by a transfer in of $28.5 million, a transfer out of $3.1 million and the issuance of bonds for $15 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 library expansion and renovations, various Information Services computer projects such as the Web Portal, renovations and construction at several Parks properties, 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. The Parks Bond Fund also has expenditures that exceed revenues because we received the bond proceeds in FY07 and purchased most of the Park land/greenspace acreage in FY08.

Proprietary Funds
The activities of the County that render services to the general public on a user charge basis, or that require periodic determination of revenues for public policy are accounted for as Proprietary Funds. The Proprietary Fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

Major 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 $54.0 million. Total net assets increased $13.8 million in FY08.

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 $49.0 million; however, they generated a net gain of $4.4 million in FY08 due to operating expenditures only increasing 1.2% while operating revenues increased 8.4%. According to GASB Statement No. 18, once a landfill stops accepting waste, it is required to be closed and the liability of closure and post-closure is recorded as of the balance sheet date even though the expenses will be paid out over 30 years. The FY08 landfill liability is $27.0 million.

Nonmajor Funds:
The Cobblestone Golf Course Fund accounts for the operations and maintenance of the County's golf course. It ended FY08 with a net income from operations of $0.5 million. However, overall net income (including non-operating revenues and expenses) was $0.3 million for FY08. Net assets totaled $2.8 million. The number of rounds of golf decreased 1.1% from the prior year and contributed to a decrease of 3.4% 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 $1.3 million (33.1%) from FY07 and total operating expenses increased by $2.7 million (16.5%). Net assets totaled $41.5 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 FY08. These amended budget appropriations including interfund transfers out totaled $32.5 million. The most significant expenditure amendments are summarized as follows:
General government:

- A $5.8 million increase in Judicial, allocated to various departments for increased personnel services and operating expenditures such as legal services provided by outside firms for indigent defense.
- A $1.6 million increase in the personal 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 $12.3 million increase in General Administration for interfund transfers to cover the subsidy for Solid Waste, to increase the subsidy for Transit, to convert water fixtures for the purpose of water conservation and for the purchase of hardware and software for the Web Portal project.
- A $1.4 million increase in General Administration capital for the purchase of Wachovia Bank property for future growth.
- A $0.5 million increase in General Administration capital for the purchase of land for a future park site.
- A $0.2 million increase in General Administration capital for the purchase of property to expand operations on County Services Parkway.
- A $0.3 million increase in Elections operating expenditures for Election ballot cards and printing charges and training for poll workers for the five elections during FY08.
- A $0.7 million increase General Administration operating expenditures to compensate jurors and witnesses for various Death Penalty cases that have been moved out of the County.
- A $2.3 million increase in capital expenditures for a new Fleet exhaust system, the purchase of four used Mack tandem dump trucks to be added to the County's fleet equipment pool, to set up a new Xerox copier lease and for other miscellaneous items.

Public safety:

- Public Safety had an overall $6.1 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, changes due to the implementation of the Compensation and Classification System study and the addition of a number of positions. The majority of the personnel services increase

was allocated to the Police Department, the Sheriff's Detention operations division and the Sheriff's General operations division. There was also an adjustment for fuel costs due to the significant increases in gas prices during FY08.

Culture and recreation:

- Culture and Recreation had an overall increase of $1.3 million. There was a $0.7 adjustment for the Parks, Recreation and Cultural Affairs department for the construction of tennis courts and maintenance on irrigation systems while $0.4 was adjusted for personal services. The remainder was increased for library materials such as books, pamphlets and other published text.

The County's final budget less reserves projected a loss of $16.3 million in the General Fund with the fund reporting an actual decrease of $13.8 million. This decrease can be attributed to a decline in revenues such as charges for services and overall revenues coming in $5.3 million under budget while operating expenditures increased $16.7 million compared to the prior year. However, operating expenditures did have a positive variance coming in $5.7 million under budget. This is primarily a result of tight expenditure controls on capital items as well as savings realized from position vacancies.

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, 2008 amounts to $3.9 billion (net of accumulated depreciation and related debt). This investment in capital assets includes land, buildings, improvements, equipment, infrastructure and construction in progress. Infrastructure assets are items that are normally immovable and of value only to the County, such as roads, bridges, streets and sidewalks, drainage systems and other similar items.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2008	2007	2008	2007	2008	2007
Land	$ 831,783	$ 793,468	$ 68,016	$ 64,949	$ 899,799	$ 858,417
Buildings and structures	232,771	226,948	34,632	34,784	267,403	261,732
Improvements	17,250	14,634	-	-	17,250	14,634
Sewerage Plants	-	-	567,916	498,887	567,916	498,887
Machinery and equipment	51,519	53,261	24,806	26,107	76,325	79,368
Infrastructure	1,523,834	1,437,035	572,370	570,078	2,096,204	2,007,113
Construction in progress	117,669	50,803	93,220	118,854	210,889	169,657
Total	$ 2,774,826	$ 2,576,149	$ 1,360,960	$ 1,313,659	$ 4,135,786	$ 3,889,808

The County's total net increase in capital assets for the current fiscal year was 6.3%.

Governmental assets that were moved from construction in progress to the asset records during the year totaled approximately $71.5 million. Some of the major projects for FY08 consisted of the following: tennis court construction at various parks, elevator and HVAC renovations for Superior Court building, plumbing renovations for water conservation throughout the County buildings, tactical equipment and alarm service equipment for the Sheriff's Department and Quiet Train Zones for railroad crossings. 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 239 transportation projects that are underway or completed. Of these, 32 are in the right-of way acquisition phase, 57 are in the construction phase and 97 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 $95.9 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, a sewer conveyance capacity and equalization tunnel system as well as the continued construction, upgrades and expansion of several water reclamation facilities.

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

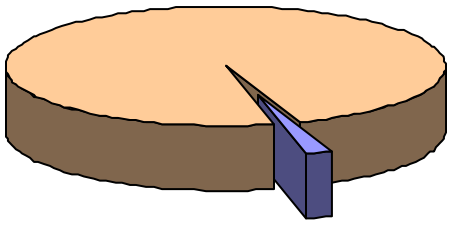
Long-Term Debt

As of September 30, 2008, Cobb County had a net of $322.7 million in outstanding long-term debt, which does not include interest expense. Of this amount, $61.5 million (net of current debt less discount) comprises general obligation debt backed by the full faith and credit of the government and $112.5 million (net of current debt, bond discount and loss on refunding) in revenue bonds. The County issued $15.0 million of new general obligation debt and retired $24.9 million of outstanding bonds in FY08.

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.

98.02 % of Legal Debt Limit - Unused



1.98 % of Legal Debt Limit - Utilized

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

For the seventh 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 2008 operational awards included Wastewater Collection 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. In March 2008, the Water System received the 2007 Watershed Award from the Georgia Department of Natural Resources.

During the last twelve 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.

Keep Cobb Beautiful (KCB), a division of the Cobb County Solid Waste Department, also received numerous state and national awards throughout the year. Keep America Beautiful selected Cobb's organization for its 1st place Outstanding national Affiliate award, the 2nd place Waste Reduction award in recognition of the Electronics recycling Day program and the President's Award. Keep Georgia Beautiful presented KCB with 1st Place Outstanding Georgia Affiliate, 1st Place Community Improvement-Earth Day in the Park and 1st Place Waste Reduction-Electronics Recycling Day.

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 4.3% over the prior year and the one percent sales tax (SPLOST) generated $132 million in tax revenue. Single family residential permits again showed a decrease this past year along with total new construction permits and commercial permits decreased 8.0%.

In 2006, the voters approved a $40 million parks bond in November, 2006. Over 400 acres of greenspace has been acquired to enhance Cobb's quality of life. In November 2008, the voters again approved a new $40 million parks bond which will be used to purchase land for use as greenspace and prevent overdevelopment.

All of these factors were taken into consideration when preparing the FY09 budget. The FY09 budget had a 6% increase above the FY08 adopted budget. This increase could 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, an increase in community services which provides services for residents and non-residents alike as well as an increase in funding for public protection for equipment, computers and system replacements. However, in December 2008, the Board amended the FY09 budget by reducing departmental budgets to include the selective elimination of various vacant positions. Other budget reductions include salaries and fringe benefits, salary contingency for Employee merit, capital purchases, Employee travel and training, fuel costs and various professional services. With the uncertainty of future county revenues during these tough economic times, these proactive steps are necessary and prudent measures to protect the County's financial resources while continuing to remain committed to improving the County's quality of life.

Requests for Information

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

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

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Basic Financial Statements



Cobb County, Georgia
Statement of Net Assets
September 30, 2008

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Cobb-Marietta Coliseum and Exhibit Hall September 30, 2008	Cobb County Board of Health June 30, 2008
Assets					
Cash and cash equivalents	$ 82,602,132	$ 34,671,918	$ 117,274,050	$ 2,212,496	$ 476,124
Restricted cash	-	10,558,236	10,558,236	-	-
Investments, at fair value	121,867,802	500,000	122,367,802	-	2,015,980
Receivables	200,063,936	18,831,959	218,895,895	908,561	498,598
Internal balances	(4,349,332)	4,349,332	-	-	-
Due from component unit	401,662	-	401,662	-	-
Due from primary government	-	-	-	1,039,064	-
Due from other governments and agencies current portion	46,670,277	1,129,562	47,799,839	94,952	1,362,099
Inventories	1,511,997	1,339,530	2,851,527	94,029	350,237
Prepaid items	6,837	7,282	14,119	206,221	-
Other assets	6,794,977	726,185	7,521,162	1,250,769	-
Restricted assets	-	-	-	89,430,307	-
Due from other governments and agencies net of current portion	-	138,730	138,730	-	-
Capital assets not being depreciated	949,451,050	161,236,195	1,110,687,245	38,809,954	-
Capital assets being depreciated, net	1,825,375,500	1,199,723,865	3,025,099,365	150,456,709	775,777
Unamortized bond costs	44,901	955,640	1,000,541	-	-
Total assets	$ 3,230,441,739	$ 1,434,168,434	$ 4,664,610,173	$ 284,503,062	$ 5,478,815
Liabilities					
Accounts payable	$ 27,504,832	$ 28,808,123	$ 56,312,955	$ 1,645,677	$ 424,040
Accrued payroll	5,721,624	587,654	6,309,278	-	-
Arbitrage liability	-	54,882	54,882	-	-
Internal balances - fiduciary fund	555,085	-	555,085	-	-
Due to primary government	-	-	-	401,662	-
Due to component unit	1,039,064	-	1,039,064	-	-
Due to external parties	3,762,607	-	3,762,607	48,592	-
Due to other governments and agencies	1,862,565	1,060,160	2,922,725	56,093	34,607
Claims and judgments	13,526,910	-	13,526,910	-	-
Customer deposits	-	4,058,256	4,058,256	806,832	-
Notes payable-current	87,149,753	-	87,149,753	-	-
Accrued interest payable	2,284,594	1,308,079	3,592,673	2,493,561	-
Unearned revenue	1,318,511	25,721	1,344,232	964,818	88,802
Noncurrent liabilities					
Due within one year	25,037,734	9,689,237	34,726,971	4,952,126	617,522
Due in more than one year	127,984,226	159,996,452	287,980,678	155,675,487	150,636
Total liabilities	$ 297,747,505	$ 205,588,564	$ 503,336,069	$ 167,044,848	$ 1,315,607
Net Assets					
Invested in capital assets, net of related debt	$ 2,697,785,423	$ 1,221,223,766	$ 3,919,009,189	$ 53,382,969	$ 775,777
Restricted for:					
Renewal and expansion	-	-	-	17,586,023	-
Debt service	8,732,742	-	8,732,742	56,851,683	-
Splost projects	153,035,177	-	153,035,177	-	-
Completion of projects	11,276,853	-	11,276,853	-	-
Special programs	279,508	-	279,508	3,798,123	208,954
Unrestricted	61,584,531	7,356,104	68,940,635	(14,160,584)	3,178,477
Total net assets	$ 2,932,694,234	$ 1,228,579,870	$ 4,161,274,104	$ 117,458,214	$ 4,163,208

See accompanying notes to financial statements.

Cobb County, Georgia
Statement of Activities
For the Year Ended September 30, 2008

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units: Cobb-Marietta Coliseum and Exhibit Hall September 30, 2008	Component Units: Cobb County Board of Health June 30, 2008
Primary Government									
Governmental Activities:									
General government	$ 129,487,420	$ 51,978,918	$ 2,776,478	$ 374,663	$ (74,357,361)	$ -	$ (74,357,361)	$ -	$ -
Public safety	216,428,501	14,780,887	2,109,468	176,290	(199,361,856)	-	(199,361,856)	-	-
Public works	104,411,823	4,949,018	569,281	95,644,302	(3,249,222)	-	(3,249,222)	-	-
Health and welfare	7,216,169	80,917	1,771,173	9,706	(5,354,373)	-	(5,354,373)	-	-
Culture and recreation	45,361,751	4,218,145	1,200,579	262,403	(39,680,624)	-	(39,680,624)	-	-
Housing and development	15,357,027	19,987,871	9,238,453	3,424,001	17,293,298	-	17,293,298	-	-
Interest on long-term debt	6,547,418	-	-	-	(6,547,418)	-	(6,547,418)	-	-
Total governmental activities	524,810,109	95,995,756	17,665,432	99,891,365	(311,257,556)	-	(311,257,556)	-	-
Business-type Activities:									
Water and Sewer	$ 144,220,614	$ 150,084,927	$ 379,574	$ 22,721,275	$ -	$ 28,965,162	$ 28,965,162	$ -	$ -
Solid Waste	12,005,039	6,711,561	121,415	-	-	(5,172,063)	(5,172,063)	-	-
Transit	22,799,515	5,095,171	-	8,619,793	-	(9,084,551)	(9,084,551)	-	-
Cobblestone Golf Course	1,778,843	2,076,810	-	-	-	297,967	297,967	-	-
Total business-type activities	180,804,011	163,968,469	500,989	31,341,068	-	15,006,515	15,006,515	-	-
Total primary government	$ 705,614,120	$ 259,964,225	$ 18,166,421	$ 131,232,433	$ (311,257,556)	$ 15,006,515	$ (296,251,041)	$ -	$ -
Component Units									
Cobb-Marietta Coliseum and Exhibit Hall Authority	$ 35,490,848	$ 20,930,435	$ 13,406,028	$ 7,050,473	$ -	$ -	$ -	$ 5,896,088	$ -
Cobb County Board of Health	24,112,720	6,477,757	17,617,995	-	-	-	-	-	(16,968)
Total component units	$ 59,603,568	$ 27,408,192	$ 31,024,023	$ 7,050,473	$ -	$ -	$ -	$ 5,896,088	$ (16,968)
General revenues:									
Property taxes					$ 251,204,278	$ -	$ 251,204,278	$ -	$ -
Sales taxes					132,348,036	-	132,348,036	-	-
Insurance premium tax					22,094,857	-	22,094,857	-	-
Alcoholic beverage tax					4,896,525	-	4,896,525	-	-
Hotel/Motel tax					11,084,810	-	11,084,810	-	-
Real estate transfer tax					1,285,897	-	1,285,897	-	-
Miscellaneous taxes					10,982,764	-	10,982,764	-	-
Miscellaneous					6,435,465	942,405	7,377,870	-	-
Grants and contributions not restricted to specific programs					11,458,132	-	11,458,132	-	-
Gain from sale of capital assets					248,756	31,240	279,996	-	-
Unrestricted investment earnings					12,485,150	1,988,896	14,474,046	104,926	-
Transfers					567,004	(567,004)	-	-	-
Total general revenues and transfers					465,091,674	2,395,537	467,487,211	104,926	-
Change in net assets					153,834,118	17,402,052	171,236,170	6,001,014	(16,968)
Net assets - beginning of year as previously reported					2,778,860,116	1,211,177,818	3,990,037,934	110,990,806	418,176
Restatement					-	-	-	466,394	-
Net assets - beginning of year					2,778,860,116	1,211,177,818	3,990,037,934	111,457,200	4,180,176
Net assets - end of year					$ 2,932,694,234	$ 1,228,579,870	$ 4,161,274,104	$ 117,458,214	$ 4,163,208

See accompanying notes to financial statements.

Cobb County, Georgia
Governmental Funds
Balance Sheet
September 30, 2008

	General Fund	Fire District Fund	2006 SPLOST Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 9,833,716	$ 5,577,488	$ 22,215,364	$ 35,630,936	$ 73,257,504
Investments, at fair value	-	-	121,867,802	-	121,867,802
Receivables:					
Taxes and penalties	136,648,424	50,846,506	-	5,550,298	193,045,228
Accrued interest	17,500	-	1,224,357	-	1,241,857
Other	2,770,398	734,791	153,369	2,101,374	5,759,932
Due from other funds	7,391,494	-	76,458	25,184,943	32,652,895
Due from component units	26,974	-	-	374,688	401,662
Due from other governments and agencies	10,504,007	2,821,651	21,582,499	11,762,120	46,670,277
Advances to other funds	2,676,219	-	-	-	2,676,219
Inventories	1,511,997	-	-	-	1,511,997
Prepaid items and other assets	-	1,900	-	4,937	6,837
Total assets	$ 171,380,729	$ 59,982,336	$ 167,119,849	$ 80,609,296	$ 479,092,210
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	$ 2,299,138	$ 61,246	$ 18,818,611	$ 6,089,213	$ 27,268,208
Accrued payroll	4,334,200	1,106,164	-	273,560	5,713,924
Due to other funds	41,787,829	10,948,694	100	7,402,166	60,138,789
Due to others	3,721,050	-	1,250	40,307	3,762,607
Due to component unit-Cobb Marietta Coliseum & Exhibit Hall Authority	1,039,064	-	-	-	1,039,064
Due to other governments and agencies	13,577	-	1,848,988	-	1,862,565
Notes payable, net	58,099,835	29,049,918	-	-	87,149,753
Accrued interest payable	627,125	313,563	-	-	940,688
Deferred revenue	12,679,529	4,033,023	-	1,661,291	18,373,843
Total liabilities	$ 124,601,347	$ 45,512,608	$ 20,668,949	$ 15,466,537	$ 206,249,441
Fund Balances:					
Reserved for:					
Encumbrances	$ 1,847,601	$ 954,827	$ 104,019,591	$ 22,288,076	$ 129,110,095
Inventories and prepaid items	1,511,997	1,900	-	4,937	1,518,834
Advances	2,676,219	-	-	-	2,676,219
Debt service	-	-	-	8,732,742	8,732,742
Unreserved, designated for construction and capital outlay, reported in:					
General Fund	6,774,889	-	-	-	6,774,889
Special Revenue Funds	-	372,025	-	2,391,284	2,763,309
Capital Projects Funds	-	-	42,431,309	29,722,858	72,154,167
Unreserved, designated for debt service, reported in:					
Special Revenue Funds	-	-	-	269,263	269,263
Unreserved, undesignated reported in:					
General Fund	33,968,676	-	-	-	33,968,676
Special Revenue Funds	-	13,140,976	-	1,733,599	14,874,575
Total fund balances	$ 46,779,382	$ 14,469,728	$ 146,450,900	$ 65,142,759	$ 272,842,769
Total liabilities and fund balances	$ 171,380,729	$ 59,982,336	$ 167,119,849	$ 80,609,296	$ 479,092,210

See accompanying notes to financial statements.

Cobb County, Georgia
Governmental Funds
Reconciliation of the Governmental Balance Sheet to the Statement of Net Assets
September 30, 2008

Total fund balances - governmental funds	$	272,842,769
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		2,774,813,803
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:		
Property tax		17,055,332
Local assistance road program revenue		
Net pension asset		6,535,667
Net other post employment asset		259,310
Unamortized bond issue costs		44,901
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.		15,485,822
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Accrued interest payable		(1,343,906)
Intergovernmental contract payable		(53,235,000)
Unmatured bonds		(66,815,000)
Unamortized bond issuance discounts		243,566
Unamortized deferred loss on refunding		583,808
Unamortized bond premiums		(2,036,434)
Capital leases payable		(11,766,872)
Compensated absences		(19,973,532)
Net assets of governmental activities	$	2,932,694,234

Cobb County, Georgia
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended September 30, 2008

	General Fund	Fire District Fund	2006 SPLOST Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	$ 215,050,800	$ 64,940,353	$ 132,348,036	$ 18,154,917	$ 430,494,106
Licenses and permits	20,001,307	1,250	-	-	20,002,557
Intergovernmental	12,150,620	2,884,066	4,924,980	27,660,854	47,620,520
Charges for services	45,121,740	1,304,836	-	11,604,853	58,031,429
Fines and forfeits	17,165,143	-	-	796,627	17,961,770
Interest earned	3,221,548	810,506	6,171,342	1,499,384	11,702,780
Miscellaneous	3,644,243	9,358	825,981	1,955,883	6,435,465
Total revenues	$ 316,355,401	$ 69,950,369	$ 144,270,339	$ 61,672,518	$ 592,248,627
Expenditures:					
Current:					
General government	$ 120,406,179	$ -	$ -	$ 5,303,319	$ 125,709,498
Public safety	125,178,603	68,344,960	-	11,496,698	205,020,261
Public works	19,590,409	-	-	11,007,915	30,598,324
Health and welfare	1,342,332	-	-	6,427,306	7,769,638
Culture and recreation	33,765,762	-	-	8,611,422	42,377,184
Housing and development	8,200,382	-	-	6,983,018	15,183,400
Capital outlay	-	-	141,254,277	66,234,835	207,489,112
Debt service:					
Principal retirement	188,058	-	-	13,773,454	13,961,512
Interest and fiscal charges	949,941	395,618	-	5,397,072	6,742,631
Total expenditures	$ 309,621,666	$ 68,740,578	$ 141,254,277	$ 135,235,039	$ 654,851,560
Excess (deficiency) of revenues over (under) other expenditures	$ 6,733,735	$ 1,209,791	$ 3,016,062	$ (73,562,521)	$ (62,602,933)
Other financing sources (uses):					
Transfers in	$ 21,366,602	$ 243,564	$ 76,458	$ 38,858,734	$ 60,545,358
Transfers out	(40,539,962)	(4,004,533)	(3,295,825)	(11,469,162)	(59,309,482)
Proceeds from sale of capital assets	213,104	79,787	-	-	292,891
Proceeds from capital lease	291,405	-	-	-	291,405
Bonds issued	-	-	-	15,000,000	15,000,000
Total other financing sources (uses)	$ (18,668,851)	$ (3,681,182)	$ (3,219,367)	$ 42,389,572	$ 16,820,172
Net changes in fund balances	$ (11,935,116)	$ (2,471,391)	$ (203,305)	$ (31,172,949)	$ (45,782,761)
Fund balances at beginning of year	58,714,498	16,941,119	146,654,205	96,315,708	318,625,530
Fund balances at end of year	$ 46,779,382	$ 14,469,728	$ 146,450,900	$ 65,142,759	$ 272,842,769

See accompanying notes to financial statements.

Cobb County, Georgia
Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended September 30, 2008

Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances - total governmental funds	$ (45,782,761)
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 ($194,359,148) were greater than depreciation ($77,078,927) in the current period.	117,280,221
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	3,403,061
Local assistance road program revenue	(53,869)
The net effect of various miscellaneous transactions involving capital assets (donations) is to increase net assets.	81,448,278
The gain on disposition of capital assets is not reported in the fund statements.	(44,135)
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	6,255,000
Bonds issued	(15,000,000)
Capital lease proceeds	(291,405)
Capital lease principal payments	6,661,511
Intergovernmental contract payable	1,045,000
The current years additions to the net pension asset reduced the net expenses of pensionable functions on the statement of activities.	685,028
The current years additions to the net other post employment benefits asset reduced the net expense of other post employment benefits functions on the statement of activities.	259,310
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	(1,534,429)
Amortization for bond and capital lease discounts, deferred amounts, premiums	225,138
Accrued interest expense	(29,924)
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.	(691,906)
Changes in net assets of governmental activities.	$ 153,834,118

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, 2008

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Taxes	$ 213,925,551	$ 213,991,109	$ 215,050,800	$ 1,059,691
Licenses and permits	21,154,011	21,219,064	20,001,307	(1,217,757)
Intergovernmental	13,308,065	14,024,908	12,150,620	(1,874,288)
Charges for services	48,448,335	48,937,203	45,121,740	(3,815,463)
Fines and forfeits	15,181,711	16,170,122	17,165,143	995,021
Interest earned	3,923,465	3,923,465	3,221,548	(701,917)
Miscellaneous	1,955,463	3,390,641	3,644,243	253,602
Total revenues	$ 317,896,601	$ 321,656,512	$ 316,355,401	$ (5,301,111)
Expenditures:				
Current:				
General government	$ 112,801,279	$ 124,306,016	$ 120,814,814	$ 3,491,202
Public safety	119,648,503	125,765,810	125,375,525	390,285
Public works	21,589,363	21,271,243	20,537,083	734,160
Health and welfare	1,342,332	1,342,332	1,342,332	-
Culture and recreation	33,575,300	34,837,459	34,060,104	777,355
Housing and development	8,152,603	8,499,612	8,201,410	298,202
Debt service:				
Principal retirement	178,242	194,899	188,058	6,841
Interest and fiscal charges	2,126,391	949,942	949,941	1
Total expenditures	$ 299,414,013	$ 317,167,313	$ 311,469,267	$ 5,698,046
Excess (deficiency) of revenues over (under) other expenditures	$ 18,482,588	$ 4,489,199	$ 4,886,134	$ 396,935
Other financing sources (uses):				
Transfers in	$ 19,649,480	$ 21,509,414	$ 21,366,602	$ (142,812)
Transfers out	(28,132,398)	(42,880,030)	(40,539,962)	2,340,068.00
Proceeds from capital lease	-	291,405	291,405	-
Proceeds from sale of capital assets	300,000	313,800	213,104	(100,696)
Total other financing sources (uses)	$ (8,182,918)	$ (20,765,411)	$ (18,668,851)	$ 2,096,560
Net changes in fund balance	$ 10,299,670	$ (16,276,212)	$ (13,782,717)	$ 2,493,495
Fund balances at beginning of year			58,714,498	
Fund balances at end of year - budgetary basis			$ 44,931,781	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			1,847,601	
Fund balances at end of year - GAAP basis			$ 46,779,382	

See accompanying notes to financial statements.

Cobb County, Georgia
Fire District Special Revenue Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2008

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Taxes	$ 67,704,731	$ 67,704,731	$ 64,940,353	$ (2,764,378)
Licenses and permits	2,750	2,750	1,250	(1,500)
Intergovernmental	-	656	2,884,066	2,883,410
Charges for services	1,503,525	1,503,525	1,304,836	(198,689)
Interest earned	823,701	823,701	810,506	(13,195)
Miscellaneous	27,076	62,076	9,358	(52,718)
Total revenues	$ 70,061,783	$ 70,097,439	$ 69,950,369	$ (147,070)
Expenditures:				
Current:				
Personal services	$ 53,619,833	$ 55,720,124	$ 55,719,899	$ 225
Operating expenditures	9,692,364	10,133,354	10,132,180	1,174
Capital outlay	363,392	3,520,176	3,447,708	72,468
Debt service:				
Interest and fiscal charges	1,107,650	866,809	395,618	471,191
Total expenditures	$ 64,783,239	$ 70,240,463	$ 69,695,405	$ 545,058
Excess (deficiency) of revenues over (under) other expenditures	$ 5,278,544	$ (143,024)	$ 254,964	$ 397,988
Other financing sources (uses):				
Transfers in	$ -	$ 243,564	$ 243,564	$ -
Transfers out	(1,098,051)	(4,004,534)	(4,004,533)	1
Proceeds from sale of capital assets	-	-	79,787	79,787
Total other financing sources (uses)	$ (1,098,051)	$ (3,760,970)	$ (3,681,182)	$ 79,788
Net changes in fund balance	$ 4,180,493	$ (3,903,994)	$ (3,426,218)	$ 477,776
Fund balance at beginning of year			16,941,119	
Fund balance at end of year - budgetary basis			$ 13,514,901	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			954,827	
Fund balance at end of year - GAAP basis			$ 14,469,728	

See accompanying notes to financial statements.

Cobb County, Georgia
Proprietary Funds
Statement of Net Assets
September 30, 2008

	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	$ 33,467,009	$ 20,720	$ 1,184,189	$ 34,671,918	$ 9,344,628
Restricted cash	10,558,236	-	-	10,558,236	-
Investments, at fair value	500,000	-	-	500,000	-
Receivables:					
Accounts, net	15,242,086	489,924	-	15,732,010	-
Other	2,847,432	5,455	247,062	3,099,949	2,768
Due from other funds	7,035,461	-	-	7,035,461	19,905,258
Due from others	-	-	-	-	11,664
Current due from other governments and agencies	127,684	-	1,001,878	1,129,562	-
Inventories	1,339,530	-	-	1,339,530	-
Prepaid items	3,435	-	3,847	7,282	2,487
Other assets	726,185	-	-	726,185	-
Total current assets	$ 71,847,058	$ 516,099	$ 2,436,976	$ 74,800,133	$ 29,266,805
Noncurrent assets:					
Property, plant and equipment:					
Capital assets not being depreciated	$ 144,490,114	$ 3,778,386	$ 12,967,695	$ 161,236,195	$ -
Capital assets being depreciated, net	1,157,150,368	8,003,219	34,570,278	1,199,723,865	12,747
Net property, plant and equipment	$ 1,301,640,482	$ 11,781,605	$ 47,537,973	$ 1,360,960,060	$ 12,747
Other assets:					
Advances to other funds	$ 17,893,530	$ -	$ -	$ 17,893,530	$ -
Due from other governments and agencies (net of current portion)	138,730	-	-	138,730	-
Unamortized note costs	350,000	-	-	350,000	-
Unamortized bond costs	464,038	120,122	21,480	605,640	-
Total noncurrent assets	$ 1,320,486,780	$ 11,901,727	$ 47,559,453	$ 1,379,947,960	$ 12,747
Total assets	$ 1,392,333,838	$ 12,417,826	$ 49,996,429	$ 1,454,748,093	$ 29,279,552

Continued on next page.

Cobb County, Georgia
Proprietary Funds
Statement of Net Assets
September 30, 2008

	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	$ 27,175,755	$ 209,885	$ 1,422,483	$ 28,808,123	$ 236,624
Accrued payroll	510,066	66,591	10,997	587,654	7,700
Arbitrage liability	54,882	-	-	54,882	-
Due to other funds	5,418	4,492	-	9,910	-
Customer deposits	4,058,256	-	-	4,058,256	-
Due to other governments and agencies	1,056,076	-	4,084	1,060,160	-
Accrued interest payable	1,122,337	148,206	37,536	1,308,079	-
Deferred revenues	-	-	25,721	25,721	-
Current portion of revenue bonds	5,135,000	1,910,000	450,000	7,495,000	-
Current portion of note payable	975,181	-	-	975,181	-
Current portion of compensated absences	970,778	110,270	14,557	1,095,605	15,014
Current portion of capital leases	-	-	88,676	88,676	-
Current portion of closure and post closure care	-	34,775	-	34,775	-
Estimated liability for claims and judgments	-	-	-	-	13,526,910
Total current liabilities	$ 41,063,749	$ 2,484,219	$ 2,054,054	$ 45,602,022	$ 13,786,248
Long-term liabilities:					
Revenue bonds (net of current portion, bond discount, and loss on refunding)	$ 97,674,616	$ 12,459,065	$ 2,373,527	$ 112,507,208	$ -
Notes payable (net of current portion)	19,784,093	-		19,784,093	-
Compensated absences (net of current portion)	460,241	153,191	-	613,432	7,482
Closure and post closure care	-	26,989,686	-	26,989,686	-
Advances from other funds	-	19,369,749	1,200,000	20,569,749	-
Capital lease payable (net of current portion)	-	-	102,033	102,033	-
Total long-term liabilities	$ 117,918,950	$ 58,971,691	$ 3,675,560	$ 180,566,201	$ 7,482
Total liabilities	$ 158,982,699	$ 61,455,910	$ 5,729,614	$ 226,168,223	$ 13,793,730
Net Assets					
Invested in capital assets, net of related debt	$ 1,179,306,330	$ (2,587,460)	$ 44,504,896	$ 1,221,223,766	$ 12,747
Unrestricted	54,044,809	(46,450,624)	(238,081)	7,356,104	15,473,075
Total net assets	$ 1,233,351,139	$ (49,038,084)	$ 44,266,815	$ 1,228,579,870	$ 15,485,822

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, 2008

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water and Sewer Fund	Solid Waste Disposal Fund	Other Enterprise Funds	Total	
Operating revenues:					
Charges for services	$ 150,084,927	$ 6,711,561	$ 7,171,981	$ 163,968,469	$ 56,431,456
Miscellaneous income	785,065	154,564	2,776	942,405	-
Total operating revenues	$ 150,869,992	$ 6,866,125	$ 7,174,757	$ 164,910,874	$ 56,431,456
Operating expenses:					
Personnel services	$ 26,591,245	$ 3,743,216	$ 478,587	$ 30,813,048	$ 374,534
Other operating expenses	75,787,607	6,952,287	19,813,636	102,553,530	18,570,661
Benefits and claims	-	-	-	-	38,284,749
Total operating expenses	$ 102,378,852	$ 10,695,503	$ 20,292,223	$ 133,366,578	$ 57,229,944
Operating income (loss) before depreciation	$ 48,491,140	$ (3,829,378)	$ (13,117,466)	$ 31,544,296	$ (798,488)
Less depreciation	(36,418,491)	(758,130)	(4,085,031)	(41,261,652)	(6,916)
Operating income (loss)	$ 12,072,649	$ (4,587,508)	$ (17,202,497)	$ (9,717,356)	$ (805,404)
Nonoperating revenues (expenses):					
Interest income	$ 1,963,529	$ 15,564	$ 9,803	$ 1,988,896	$ 782,370
Intergovernmental	379,574	121,415	-	500,989	-
Interest and fiscal charges	(5,284,294)	(607,897)	(160,961)	(6,053,152)	-
Amortization of bond costs	(138,977)	56,491	(40,143)	(122,629)	-
Gain on sale of capital assets	16,709	-	14,531	31,240	-
Total nonoperating revenues (expenses)	$ (3,063,459)	$ (414,427)	$ (176,770)	$ (3,654,656)	$ 782,370
Net income (loss) before transfers and capital contributions	$ 9,009,190	$ (5,001,935)	$ (17,379,267)	$ (13,372,012)	$ (23,034)
Capital contributions	$ 22,721,275	$ -	$ 8,619,793	$ 31,341,068	$ -
Total capital contributions	$ 22,721,275	$ -	$ 8,619,793	$ 31,341,068	$ -
Transfers:					
Transfers in	$ 2,437,296	$ 9,467,049	$ 8,017,310	$ 19,921,655	$ 7,618
Transfers out	(20,417,086)	(19,724)	(51,849)	(20,488,659)	(676,490)
Total transfers	$ (17,979,790)	$ 9,447,325	$ 7,965,461	$ (567,004)	$ (668,872)
Changes in net assets	$ 13,750,675	$ 4,445,390	$ (794,013)	$ 17,402,052	$ (691,906)
Fund net assets - beginning	$ 1,219,600,464	$ (53,483,474)	$ 45,060,828	$ 1,211,177,818	$ 16,177,728
Fund net assets - ending	$ 1,233,351,139	$ (49,038,084)	$ 44,266,815	$ 1,228,579,870	$ 15,485,822

See accompanying notes to financial statements.

Cobb County, Georgia
Proprietary Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended September 30, 2008

	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	$ 151,255,229	$ 6,821,161	$ 9,507,768	$ 167,584,158	$ 50,631,428
Cash payments for goods and services	(63,862,971)	(10,186,149)	(20,087,953)	(94,137,073)	(18,659,484)
Cash payments for employee services and fringe benefits	(26,283,903)	(3,734,193)	(471,007)	(30,489,103)	(369,562)
Cash payments for benefits and claims	-	-	-	-	(38,820,784)
Net cash from operating activities	$ 61,108,355	$ (7,099,181)	$ (11,051,192)	$ 42,957,982	$ (7,218,402)
Cash flows from noncapital financing activities:					
Transfers in	$ 2,437,296	$ 9,467,049	$ 8,017,310	$ 19,921,655	$ 7,618
Transfers out	(20,417,086)	(19,724)	(51,849)	(20,488,659)	(676,490)
Net cash from noncapital financing activities	$ (17,979,790)	$ 9,447,325	$ 7,965,461	$ (567,004)	$ (668,872)
Cash flows from capital and related financing activities:					
Payments on capital leases	$ -	$ -	$ (69,823)	$ (69,823)	$ -
Proceeds from sale of capital assets	16,709	-	14,531	31,240	-
Payments for capital acquisitions	(75,699,443)	(21,427)	(4,311,629)	(80,032,499)	-
Bond principal payments	(16,330,000)	(1,855,000)	(430,000)	(18,615,000)	-
Capital contributions	14,413,521	121,415	8,619,793	23,154,729	-
Proceeds from note issuance	20,759,274	-	-	20,759,274	-
Cost of note issuance	(350,000)	-	-	(350,000)	-
Bond interest and fiscal charges	(5,349,441)	(622,969)	(166,014)	(6,138,424)	-
Net cash from capital and related financing activities	$ (62,539,380)	$ (2,377,981)	$ 3,656,858	$ (61,260,503)	$ -
Cash flows from investing activities:					
Interest received	$ -	$ 15,564	$ 9,803	$ 25,367	$ 782,370
Increase in fair market value	1,963,529	-	-	1,963,529	-
Net cash from investing activities	$ 1,963,529	$ 15,564	$ 9,803	$ 1,988,896	$ 782,370
Net increase (decrease) in cash and cash equivalents	$ (17,447,286)	$ (14,273)	$ 580,930	$ (16,880,629)	$ (7,104,904)
Cash and cash equivalents at beginning of year	61,472,531	34,993	603,259	62,110,783	16,449,532
Cash and cash equivalents at end of year	$ 44,025,245	$ 20,720	$ 1,184,189	$ 45,230,154	$ 9,344,628
Reconciliation to Combining Balance Sheet					
Cash	$ 33,467,009	$ 20,720	$ 1,184,189	$ 34,671,918	$ 9,344,628
Cash (included in restricted assets)	10,558,236	-	-	10,558,236	-
	$ 44,025,245	$ 20,720	$ 1,184,189	$ 45,230,154	$ 9,344,628

Continued on next page.

Cobb County, Georgia
Proprietary Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended September 30, 2008

	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)	$ 12,072,649	$ (4,587,508)	$ (17,202,497)	$ (9,717,356)	$ (805,404)
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Depreciation	$ 36,418,491	$ 758,130	$ 4,085,031	$ 41,261,652	$ 6,916
Change in assets and liabilities:					
Decrease (increase) in accounts receivables	4,775,705	(43,700)	-	4,732,005	-
Decrease (increase) in other receivables	(730,268)	(1,264)	1,989	(729,543)	(2,540)
Decrease (increase) in due from other funds	(3,660,200)	-	-	(3,660,200)	(5,793,764)
Decrease (increase) in due from other governments	-	-	2,331,022	2,331,022	-
Decrease (increase) in due from others	-	-	-	-	(3,724)
Decrease (increase) in inventories	(232,318)	-	-	(232,318)	-
Decrease (increase) in other assets	(76,114)	-	-	(76,114)	-
Decrease (increase) in prepaid expenses	6,627	750	(575)	6,802	1,271
Increase (decrease) in accounts payable	12,780,258	(431,083)	(160,475)	12,188,700	(90,094)
Increase (decrease) in accrued liabilities	160,881	19,873	4,564	185,318	2,513
Increase (decrease) in accrued vacation payable	146,461	9,023	3,016	158,500	2,459
Increase (decrease) in due to other funds	(193,242)	(2,788,627)	(100,000)	(3,081,869)	-
Increase (decrease) in customer deposits	(360,575)	-	-	(360,575)	-
Increase (decrease) in due to other governments	-	-	(7,315)	(7,315)	-
for claims and judgments	-	-	-	-	(536,035)
Increase (decrease) in closure/postclosure care	-	(34,775)	-	(34,775)	-
Increase (decrease) in unearned revenues	-	-	(5,952)	(5,952)	-
Total adjustments	$ 49,035,706	$ (2,511,673)	$ 6,151,305	$ 52,675,338	$ (6,412,998)
Net cash provided (used) by operating activities	$ 61,108,355	$ (7,099,181)	$ (11,051,192)	$ 42,957,982	$ (7,218,402)
Schedule of noncash capital and related financing activities:					
Contribution of capital assets	$ 9,133,614	$ -	$ -	$ 9,133,614	$ -
Capital assets acquired under capital lease	-	-	151,763	151,763	-
Total noncash capital and related financing activities	$ 9,133,614	$ -	$ 151,763	$ 9,285,377	$ -

Continued from preceding page.

Cobb County, Georgia
Fiduciary Funds
Statement of Fiduciary Net Assets
September 30, 2008

	Pension Trust Fund Employee Retirement System	OPEB Trust Fund Other Post Employment Benefits	Agency Funds
Assets:			
Cash and cash equivalents	$ 211,520	$ -	$ 50,429,970
Investments, at fair value			
Common stock	106,690,018	-	-
Mutual funds	150,445,404	11,242,393	-
Group annunity contracts	41,090,488	-	-
Receivables			
Taxes and penalties	-	-	563,079,130
Other	-	-	52,139
Due from other funds	555,085	-	-
Total assets	$ 298,992,515	$ 11,242,393	$ 613,561,239
Liabilities:			
Bank overdraft	$ -	$ -	$ 43,139
Unremitted tax collections due to other governments and agencies	-	-	25,928,412
Taxes payable to others upon collection	-	-	563,079,130
Unremitted payroll tax and withholdings	-	-	537,384
Funds held in trust for others	-	-	23,973,174
Total liabilities	$ -	$ -	$ 613,561,239
Net assets held in trust for			
Pension benefits	$ 298,992,515	$ -	
Other post employment benefits	-	11,242,393	
Total net assets held in trust	$ 298,992,515	$ 11,242,393	

(see schedule of funding progress on page 77-79 for additional information)

Cobb County, Georgia
Fiduciary Funds
Statement of Changes in Fiduciary Net Assets
For the Fiscal Year Ended September 30, 2008

	Pension Trust Fund	OPEB Trust Fund
	Employee Retirement System	Other Post Employment Benefits
Additions		
Contributions:		
Employer	$ 22,374,271	$ 19,732,014
Employee	10,391,217	1,785,197
Total contributions	$ 32,765,488	$ 21,517,211
Investment earnings:		
Net appreciation (depreciation) in fair value of assets	$ (50,520,883)	$ (757,607)
Interest	8,501,051	-
Total investment earnings	$ (42,019,832)	$ (757,607)
Less investment expense	(846,283)	-
Net investment earnings	$ (42,866,115)	$ (757,607)
Miscellaneous revenue	$ 167,987	$ -
Total additions	$ (9,932,640)	$ 20,759,604
Deductions		
Administrative expenses	$ 232,284	$ -
Benefits and claims	26,592,705	9,517,211
Total deductions	$ 26,824,989	$ 9,517,211
Change in net assets	$ (36,757,629)	$ 11,242,393
Net assets held in trust		
Beginning of year	$ 335,750,144	$ -
End of year	$ 298,992,515	$ 11,242,393

See accompanying notes to financial statements.

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COBB COUNTY, GEORGIA
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September 30, 2008

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Note 1. Summary of Significant Accounting Policies

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

A. Reporting Entity

The financial statements of the reporting entity include those of Cobb County, Georgia (the primary government) and its component units. The component units discussed below are 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, 2008 and June 30, 2008, 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, 2008, 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

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.

Note 1. Summary of Significant Accounting Policies (Continued)

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

The focus of the governmental funds' measurement in the funds' statement is upon determination of financial position and changes in financial positions (sources, uses, and balances of financial resources) rather than upon net income. Governmental funds financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting.* Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The County considers all revenue except intergovernmental revenue as available if it is collected within 60 days after year-end. Intergovernmental revenue is considered available if it is collected within 9 months after year end. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made within thirty days subsequent to year end.

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

The County uses the following major funds:

1. Major Funds:

A. Governmental Funds:

1. The **General Fund** is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
2. The **Fire District Fund** is used to account for monies received from a specific property tax levy and the operation of the fire department within the County.
3. The **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.

Note 1. Summary of Significant Accounting Policies (Continued)

3. Fiduciary Fund Types:

A. Agency Funds account for Clerk of State Court, Clerk of Juvenile Court, Sheriff, Clerk of Superior Court, Clerk of Probate Court, Tax Commissioner, Accounts Payable Fund, Payroll Fund, and Child Support, Witness and Juror's Fees are accounted for on the accrual basis of accounting and are used for assets held by the government as an agent for individuals, private organizations, and other governments.

B. A **Pension and OPEB Trust Fund are** used to account for activities related to the public employees retirement system and other post employment benefits in a defined benefit plan. The County maintains an Employee Retirement System Trust Fund that accounts the accumulation of resources for pension benefit payments to eligible employees.

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.

Note 1. Summary of Significant Accounting Policies (Continued)

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

D. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles except encumbrances are treated as budgeted expenditures in the year of the incurrence of the commitment to purchase. Accordingly, encumbrances are included as budgetary expenses in two different years. Annual appropriated budgets are adopted for the General Fund, the Debt Service Fund and the Special Revenue Funds. Project length budgets are adopted for the Grant, 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.

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

F. Restricted Assets

The County's restricted assets in the Water and Sewer Enterprise Fund includes cash totaling $10,558,236 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, 2008 are recorded as prepaid items.

J. Capital Assets

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

Note 1. Summary of Significant Accounting Policies (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives 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.

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

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

K. Compensated Absences

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

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

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

L. Long-term Obligations

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

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

Note 1. Summary of Significant Accounting Policies (Continued)

M. 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.

O. Contributed Capital and Capital Contributions – Proprietary Funds

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

P. Net Assets

1. Invested in capital assets, net of related debt – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction or improvement of the assets.

2. Restricted net assets – This amount is restricted by external creditors, grantors, contributors or laws or regulations of other governments.

3. Unrestricted net assets – This amount is all net assets that do not meet the definition of "invested in capital assets, net of related debt" or "restricted net assets."

Note 2. Budgetary Information

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

A. Prior to August 1, the Chairman of the Board of Commissioners and the County Manager submit to the Board of Commissioners a proposed operating budget and capital projects budget for the fiscal year commencing the following October 1. The operating and capital projects budgets include proposed expenditures and the means of financing them.

B. Public hearings are conducted to obtain taxpayer comments.

C. At a date no later than the second Board meeting of September, the budget is formally approved.

D. All budget transfers must be approved by the Budget Administrator, County Manager and/or the Board of Commissioners depending on the type and/or amount of expenditure:

Note 2. Budgetary Information (Continued)

Budget Transfer		Approval Required
1	From overtime and part-time to operating and capital or between overtime and part-time.	Budget Administrator
2	Within operating expenditures in a department.	Budget Administrator
3	From operating expenditures to capital.	Budget Administrator
4	From capital to operating expenditures.	Budget Administrator
5	No budget transfers are to be made between the regular salaries and overtime and part-time budget or the operating expenditures budget in a department without Board approval.	
6	No budget transfers are to be made between the regular salaries and overtime and part-time budget or the capital budget in a department without Board approval.	

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each legally adopted annual operating budget is at the category level within departments.

Formal budgetary integration is employed as a management control device during the year for the General and Debt Service Funds. Annual budgets are also adopted for the Fire District, Law Library, Community Services, 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, 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.

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	$ (13,782,717)	$ (3,426,218)	$ (4,316,431)
Encumbrances 9/30/08	1,847,601	954,827	103,446
Grant-length Plans	-	-	248,873
GAAP Basis	$ (11,935,116)	$ (2,471,391)	$ (3,964,112)

	Fund Balances at End of Year		
	General Fund	Fire Fund	Nonmajor Special Revenue Funds
Budgetary Basis	$ 44,931,781	$ 13,514,901	$ 10,631,900
Encumbrances 9/30/08	1,847,601	954,827	103,446
Grant-length Plans	-	-	1,315,830
GAAP Basis	$ 46,779,382	$ 14,469,728	$ 12,051,176

Note 3. Cash and Cash Equivalents and Investments

PRIMARY GOVERNMENT AND FIDUCIARY FUNDS:

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

Custodial credit risk – deposits and investments
Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. 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, 2008, $1,748,184 of the agency funds deposits were exposed to custodial credit risk as uninsured and uncollateralized deposits.

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, 2008, 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	$ 83,456,097	$ 83,456,097	$ -	$ -	$ -
U.S. Agencies	121,839,941	110,619,941	11,220,000	-	-
Total Primary Government (non-fiduciary)	$ 205,296,038	$ 194,076,038	$ 11,220,000	$ -	$ -
FIDUCIARY FUNDS					
Pension Trust Fund:					
Common Stocks	$ 106,690,018	n/a	n/a	n/a	n/a
Mutual Funds	51,900,292	51,900,292	-	-	-
Bond Mutual Funds	98,545,112	-	65,261,362	33,283,750	-
Group Annuity Contracts	41,090,488	-	41,090,488	-	-
Georgia Fund I	211,520	211,520	-	-	-
Total Pension Trust Fund	$ 298,437,430	$ 52,111,812	$ 106,351,850	$ 33,283,750	$ -
OPEB Trust Fund:					
Mutual Funds	$ 11,242,393	$ -	$ -	$ -	$ -
Total OPEB Trust Fund	$ 11,242,393	$ -	$ -	$ -	$ -

Investments of the primary government include $83,456,097 grouped in cash and cash equivalents and exclude $500,000 of nonnegotiable certificates of deposits.

Credit Risk - Investments
As of September 30, 2008 the County's investments in Georgia Fund 1 were rated AAA. Of the County's investments in bond mutual funds $33,664,282 were rated AAA, $33,283,750 were rated AA2/AA3, and the remaining $31,597,080 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.

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, 2008, $504,429 of the Authority's total deposits of $8,401,799 were exposed to custodial credit risk because the deposits were not public funds and 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, 2008, 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	$ 20,196,371	$ -	$ -	$ -
Money Market Mutual Funds	AAAm	852	-	-	-
Total investments		$ 20,197,223	$ -	$ -	$ -

B. Cobb County Board of Health

At June 30, 2008 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, 2008:

Description	Rating	Fair Value	Weighted Average Maturity
Georgia Fund I	AAAm	$2,015,980	15 days

Note 4. Restricted Assets

A. Cobb-Marietta Coliseum and Exhibit Hall Authority

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

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

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

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

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

Governmental Funds	Cash	Receivables	Total
General Fund:			
Restricted for renewal and expansion	$ 14,611,760	$ -	$ 14,611,760
Performing Arts Centre Foundation:			
Restricted by donors	493,601	-	493,601
Debt Service Fund:			
Restricted for debt service	9,970,946	-	9,970,946
Total governmental funds	$ 25,076,307	$ -	$ 25,076,307

In the governmental activities column of the statement of net assets, an additional $9,542,387 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	$ 40,656	$ -	$ 40,656
Performing Arts Centre:			
Ticket sales deposits	956,160	-	956,160
Due from primary government	-	53,814,797	53,814,797
Total enterprise funds	$ 996,816	$ 53,814,797	$ 54,811,613

Note 5. Capital Assets

Capital asset activity for the year ended September 30, 2008 was as follows:

Primary Government:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 793,467,554	$ 38,314,970	$ -	$ 831,782,524
Construction in progress	50,803,470	138,355,974	(71,490,918)	117,668,526
Total capital assets, not being depreciated	$ 844,271,024	$ 176,670,944	$ (71,490,918)	$ 949,451,050
Capital assets, being depreciated:				
Buildings	$ 300,731,003	$ 11,888,408	$ -	$ 312,619,411
Improvements other than buildings	24,172,880	3,765,345	-	27,938,225
Machinery and equipment	199,563,997	15,284,501	(3,344,357)	211,504,141
Infrastructure	2,081,110,143	139,689,148	-	2,220,799,291
Total capital assets, being depreciated	2,605,578,023	170,627,402	(3,344,357)	2,772,861,068
Less accumulated depreciation for:				
Buildings	$ (73,783,199)	$ (6,065,215)	$ -	$ (79,848,414)
Improvements other than buildings	(9,538,868)	(1,148,902)	-	(10,687,770)
Machinery and equipment	(146,303,174)	(16,982,186)	3,300,222	(159,985,138)
Infrastructure	(644,074,706)	(52,889,540)	-	(696,964,246)
Total accumulated depreciation	$ (873,699,947)	$ (77,085,843)	$ 3,300,222	$ (947,485,568)
Total capital assets, being depreciated, net	1,731,878,076	93,541,559	(44,135)	1,825,375,500
Governmental activities capital assets, net	$ 2,576,149,100	$ 270,212,503	$ (71,535,053)	$ 2,774,826,550
Business-type activities:				
Capital assets, not being depreciated:				
Land and improvements	$ 64,948,646	$ 3,067,332	$ -	$ 68,015,978
Construction in progress	118,853,668	70,264,757	(95,898,208)	93,220,217
Total capital assets, not being depreciated	$ 183,802,314	$ 73,332,089	$ (95,898,208)	$ 161,236,195
Capital assets, being depreciated:				
Buildings and structures	$ 44,746,762	$ 1,008,744	$ -	$ 45,755,506
Sewerage plants	683,938,130	85,623,600	-	769,561,730
Machinery and equipment	83,033,372	4,613,813	(842,106)	86,805,079
Infrastructure:				
Sewer lines	489,088,979	8,473,169	-	497,562,148
Water lines and meters	328,728,750	11,409,304	-	340,138,054
Total capital assets, being depreciated	$ 1,629,535,993	$ 111,128,630	$ (842,106)	$ 1,739,822,517

Note 5. Capital Assets (Continued)

Less accumulated depreciation for:				
Buildings and structures	$ (9,961,672)	$ (1,161,964)	$ -	$ (11,123,636)
Sewerage plants	(185,051,314)	(16,594,925)	-	(201,646,239)
Machinery and equipment	(56,926,085)	(5,915,373)	842,106	(61,999,352)
Infrastructure:				
Sewer lines	(134,650,884)	(9,610,855)	-	(144,261,739)
Water lines and meters	(113,089,151)	(7,978,535)	-	(121,067,686)
Total accumulated depreciation	$ (499,679,106)	$ (41,261,652)	$ 842,106	$ (540,098,652)
Total capital assets, being depreciated, net	1,129,856,887	69,866,978	-	1,199,723,865
Business-type activities capital assets, net	$ 1,313,659,201	$ 143,199,067	$ (95,898,208)	$ 1,360,960,060

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

Governmental activities:	
General government	$ 5,981,625
Public safety	13,223,149
Public works	54,267,617
Health and welfare	15,982
Culture and recreation	3,128,868
Housing and development	468,602
Total depreciation expense - governmental activities	$ 77,085,843
Business-type activities:	
Water and Sewer	$ 36,418,491
Solid Waste	758,130
Golf Course	81,478
Transit System	4,003,553
Total depreciation expense - business-type activities	$ 41,261,652

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 $13,526,910 have been accrued as a liability in the Claims Internal Service Fund based primarily upon a County and actuary's estimate. The entire liability is estimated to be current. Interfund premiums are based primarily upon the insured funds' claims experience.

Note 6. Risk Management (Continued)

September 30	Beginning Balance	Claims Incurred	Claims Paid	Ending Balance
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
2008	14,062,945	38,284,749	38,820,784	13,526,910

Note 7. Leases

A. Operating Leases

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

B. Capital Leases

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

The assets acquired through capital leases are as follows:

	Total Governmental Activities
Asset:	
Buildings	$ 3,912,751
Machinery and equipment	25,125,078
Less: Accumulated depreciation	(14,099,453)
Total	$ 14,938,376

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, 2008:

	Total Governmental Activities	Total Business-type Activities
2009	$ 5,223,574	$ 93,074
2010	1,930,074	86,306
2111	1,929,712	17,487
2012	1,702,389	-
2013	453,207	-
2014-2018	1,667,658	-
2019	324,000	-
Total minimum lease payments	$ 13,230,613	$ 196,867
Less: Amount representing interest	1,463,741	6,158
Present value of minimum lease payments	$ 11,766,872	$ 190,709

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 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 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.

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 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.

Note 7. Leases (Continued)

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

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

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

In January, 2008, a lease agreement was entered into with Bank of America Leasing and Capital, LLC. for golf carts. This lease agreement is for 36 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 April, 2008, a lease agreement was entered into with Xerox Corporation for print shop equipment. The lease agreement is for 72 months. The lease agreement qualifies as a capital lease and has been recorded in the General Fund.

Note 8. Long-Term Debt

A. Primary Government

Bonds payable at September 30, 2008 are comprised of the following individual issues:

1. General Obligation Bonds

   $15,000,000 2008 Park serial bonds due in annual installments of $1,690,000 to $2,185,000 through January 1, 2018; interest at 2.42 to 3.63 percent ($15,000,000 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 2008 Bonds remain outstanding and to be used as park land in perpetuity, and paying the costs of the issuance of the Series 2008 Bonds.

   $25,000,000 2007 Park serial bonds due in annual installments of $3,060,000 to $4,130,000 through January 1, 2017; interest at 4.25 to 5.00 percent ($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 ($16,635,000 outstanding). The Bonds were issued for the purpose of advance refunding, defeasing and optionally redeeming the County's outstanding Park and Recreation Bonds, Series 1996 and paying the cost of issuance of the Series 2005 Bonds.

Note 8. Long-Term Debt (Continued)

$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 ($10,180,000 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.

2. Revenue Bonds

a. 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 (zero 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 (zero 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.

The County has pledged future water customer revenues, net of specified operating expenses, to repay $171.1 million in water revenue bonds issued from 2003 to 2004. Proceeds from the bonds provided financing for water and sewer infrastructure. The bonds are payable from water customer net revenues and are payable through 2023. Annual principal and interest payments on the bonds are expected to require less than 7.0% of operating revenues. The total principal and interest remaining to be paid on the bonds as of September 30, 2008 was $100,000,000 and $38,676,862 respectively.

b. Solid Waste Disposal

$19,285,000 2004 refunding serial bonds due in annual installments of $1,720,000 to $2,100,000 through January 1, 2015; interest at 2.75 to 5.00 percent ($13,910,000 outstanding). The Bonds were issued for the purpose of refunding, defeasing and optionally redeeming all of the Authority's outstanding Revenue Bonds, Series 1995 and paying the costs of issuance of the Series 2004 Bonds.

The County has pledged future solid waste customer revenues, net of specified operating expenses, to repay $19.8 million in solid waste revenue bonds issued from 2004. Proceeds from the bonds provided financing for the solid waste and compost facility. The bonds are payable from solid waste customer net revenues and are payable through 2015. Annual principal and interest payments on the bonds are expected to require less than 30.0% of operating revenues. The total principal and interest remaining to be paid on the bonds as of September 30, 2008 was $13,910,000 and $2,327,913 respectively.

Note 8. Long-Term Debt (Continued)

c. Cobblestone Golf Course

$6,905,000 1997 Recreation Authority refunding serial bonds due in annual installments of $355,000 to $570,000 through January 1, 2014; interest at 4.45 to 5.00 percent ($3,040,000 outstanding). The Bonds were issued to provide funds to refund the Series 1992 Bonds and to pay expenses necessary to accomplish the foregoing.

The County has pledged future golf course customer revenues, net of specified operating expenses, to repay $6.9 million in recreation authority revenue bonds issued from 1997. Proceeds from the bonds provided financing for the construction of the Cobblestone Golf Course facility. The bonds are payable from golf course customer net revenues and are payable through 2014. Annual principal and interest payments on the bonds are expected to require less than 30.0% of operating revenues. The total principal and interest remaining to be paid on the bonds as of September 30, 2008 was $3,040,000 and $475,379 respectively.

The annual requirements to amortize all General Obligation and Revenue bonds outstanding at September 30, 2008 including interest payments of $139,617,701 are as follows:

	Governmental Activites		Business-Type Activities	
	General Obligation Bonds		Revenue Bonds	
Year Ending September	Principal	Interest	Principal	Interest
2009	$ 6,515,000	$ 2,721,992	$ 7,495,000	$ 5,195,258
2010	6,820,000	2,412,750	7,710,000	4,860,503
2011	6,410,000	2,126,813	7,955,000	4,503,205
2012	6,700,000	1,853,362	7,990,000	4,119,600
2013	6,995,000	1,559,018	8,465,000	3,713,225
2014-2018	33,375,000	3,077,057	37,245,000	13,332,001
2019-2023	-	-	40,090,000	5,756,362
	$ 66,815,000	$ 13,750,992	$ 116,950,000	$ 41,480,154

	Component Units	
	Revenue Bonds	
Year Ending September 30	Principal	Interest
2009	$ 3,600,000	$ 6,830,364
2010	4,190,000	6,676,496
2011	4,430,000	6,494,802
2012	4,680,000	6,299,859
2013	4,960,000	6,083,347
2014-2018	29,785,000	26,558,277
2019-2023	39,930,000	18,174,029
2024-2028	45,365,000	7,071,412
2029	4,525,000	197,969
	$ 141,465,000	$ 84,386,555

Note 8. Long-Term Debt (Continued)

The annual requirements to amortize all Water and Sewer Revenue Bonds outstanding at September 30, 2008 are as follows:

	Outstanding Parity Bonds		
	Principal	Interest	Total
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	5,820,000	3,416,100	9,236,100
2014-2018	32,625,000	13,116,500	45,741,500
2019-2023	40,090,000	5,756,362	45,846,362
Total	$ 100,000,000	$ 38,676,862	$ 138,676,862

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.

$8,732,742 is available in the Debt Service Fund to service the general obligation bonds.

4. Prior Years' Advance Refundings

On September 30, 2008 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.

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.

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, 2008:

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

$40,650,000 series 1993 term bonds, all of which was outstanding at September 30, 2008, 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	22,940,000	5.625%
	$ 40,650,000	

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 $15,680,000 was outstanding at September 30, 2008. The bonds are due in annual installments of $515,000 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, 2008 of 4.36 percent. The purpose of the Series 1996A Bonds was to finance the purchase of approximately eleven acres of land for future expansion capabilities. During 2008, as a result of economic conditions, the Remarketing Agent was unable to place the Authority's Series 1996, variable rate, Junior Lien Revenue Bonds. The liquidity provider now holds the bonds and the Authority is currently reviewing options to address the bonds.

$7,220,000 series 1999 serial bonds, of which $2,015,000 was outstanding at September 30, 2008. The serial bonds are due in annual installments of $640,000 to $705,000 through October 1, 2010; interest at 4.6 to 5.0 percent.

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, 2008. 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 $2,085,000 was outstanding at September 30, 2008. 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, 2008, 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	10,000,000	5.50%
	$ 13,255,000	

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 $40,415,000 was outstanding at September 30, 2008. The serial bonds are due in future annual installments of $1,120,000 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, 2008, 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, 2008. 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.

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, 2008 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, 2008:

Governmental Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
GO Bonds:					
2008 Parks	$ -	$ 15,000,000	$ -	$ 15,000,000	$ -
2007 Parks	25,000,000	-	-	25,000,000	-
2005 Refunding	18,145,000	-	(1,510,000)	16,635,000	1,555,000
2003 Refunding	14,925,000	-	(4,745,000)	10,180,000	4,960,000
Total bonds before discounts and premiums	$ 58,070,000	$ 15,000,000	$ (6,255,000)	$ 66,815,000	$ 6,515,000
Less:					
Original issuance discounts	$ (299,480)	$ -	$ 55,914	$ (243,566)	$ -
Deferred amounts on refunding	(717,476)	-	133,668	(583,808)	-
Add:					
Bond premiums	2,521,818	-	(485,384)	2,036,434	-
Total bonds payable	$ 59,574,862	$ 15,000,000	$ (6,550,802)	$ 68,024,060	$ 6,515,000
Capital leases before discounts	$ 18,136,978	$ 291,405	$ (6,661,511)	$ 11,766,872	$ 4,698,282
Less:					
Original issuance discounts	(65,222)	-	65,222	-	-
Total capital lease payable	$ 18,071,756	$ 291,405	$ (6,596,289)	$ 11,766,872	$ 4,698,282
Intergovernmental contract payable	$ 54,280,000	$ -	$ (1,045,000)	$ 53,235,000	$ 1,120,000
Compensated absences	$ 18,459,140	$ 14,241,340	$ (12,704,452)	$ 19,996,028	$ 12,704,452
Total other liabilities	$ 90,810,896	$ 14,532,745	$ (20,345,741)	$ 84,997,900	$ 18,522,734
Governmental Activities Long-term Liabilities	$ 150,385,758	$ 29,532,745	$ (26,896,543)	$ 153,021,960	$ 25,037,734

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, $22,496 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 8. Long-Term Debt (Continued)

Business-type Activities:					
Revenue Bonds:					
2004 Water & Sewer Refunding	$ 6,925,000	$ -	$ (6,925,000)	$ -	$ -
2003 Water & Sewer Serial Bond	100,000,000	-	-	100,000,000	5,135,000
2003 Water & Sewer Refunding	9,405,000	-	(9,405,000)	-	-
2004 Solid Waste Management Authority Refunding	15,765,000	-	(1,855,000)	13,910,000	1,910,000
1997 Refunding Recreation Authority	3,470,000	-	(430,000)	3,040,000	450,000
Total Bonds before discounts and premiums	$ 135,565,000	$ -	$ (18,615,000)	$ 116,950,000	$ 7,495,000
Add: Bond premiums	4,160,501	-	(701,982)	3,458,519	-
Less:					
Original issuance discount	$ (11,746)	$ -	$ 1,697	$ (10,049)	$ -
Deferred amount on refunding	(1,157,300)	-	761,037	(396,263)	-
Total bonds payable	$ 138,556,455	$ -	$ (18,554,247)	$ 120,002,208	$ 7,495,000
Capital leases	$ 108,769	$ 151,763	$ (69,823)	$ 190,709	$ 88,676
Notes Payable	-	20,759,274	-	20,759,274	975,181
Closure and postclosure	27,059,236	-	(34,775)	27,024,461	34,775
Compensated absences	1,550,537	1,709,037	(1,550,537)	1,709,037	1,095,605
Total other liabilities	$ 28,718,542	$ 22,620,074	$ (1,655,135)	$ 49,683,481	$ 2,194,237
Business-type Activities Long-term Liabilities	$ 167,274,997	$ 22,620,074	$ (20,209,382)	$ 169,685,689	$ 9,689,237

Component Units

Cobb-Marietta Coliseum and Exhibit Hall Authority

Governmental Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Bonds payable:					
Revenue Bonds:	$ 80,590,000	$ -	$ (2,360,000)	$ 78,230,000	$ 2,480,000
Add: Uamortized issuance premium	1,791,810	-	(127,734)	1,664,076	-
Less deferred amounts:					
On refunding	(3,765,825)	-	306,284	(3,459,541)	-
For issuance discount	(323,405)	-	28,601	(294,804)	-
Total bonds payable	78,292,580	-	(2,152,849)	76,139,731	2,480,000
Line of credit	8,400,000		(2,225,000)	6,175,000	-
Compensated absences	152,937	192,976	(153,041)	192,872	192,872
Governmental Activities Long-term Liabilities	$ 86,845,517	$ 192,976	$ (4,530,890)	$ 82,507,603	$ 2,672,872
Business-type Activities:					
Bonds payable:					
Revenue bonds	$ 64,280,000	$ -	$ (1,045,000)	$ 63,235,000	$ 1,120,000
Add: Unamortized issuance premium	1,186,194	-	(86,710)	1,099,484	-
Total bonds payable	65,466,194	-	(1,131,710)	64,334,484	1,120,000
Compensated absences	24,450	63,096	(43,098)	44,448	44,448
Unearned revenue	14,312,767	865,473	(1,437,162)	13,741,078	1,114,806
Business-type Activities Long-term Liabilities	$ 79,803,411	$ 928,569	$ (2,611,970)	$ 78,120,010	$ 2,279,254

Note 8. Long-Term Debt (Continued)

Cobb County Board of Health

Governmental Activities:					
Compensated Absences	$ 708,623	$ 677,057	$ (617,522)	$ 768,158	$ 617,522

Note 9. Short-Term Tax Anticipation Notes

In April 2008, the County issued $87 million in tax anticipation notes to finance the general operations of the County through October 2008. The notes bear interest at a rate of 2.25 percent and are due on December 31, 2008. These notes were paid on December 31, 2008 from 2008 property tax revenues collected between September and December. Total payments of principal and interest on December 31, 2008 amounted to $88,430,063.

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

	Principal	Outstanding Premium	Total
General Fund	$58,000,000	$ 291,740	$ 58,291,740
Fire District Special Revenue Fund	29,000,000	145,870	29,145,870
	$87,000,000	$ 437,610	$ 87,437,610

Short-term debt activity for the year ended September 30, 2008, was as follows:

	Beginning Balance	Issued	Reductions	Ending Balance
Tax anticipation notes	$ 76,000,000	$ 87,000,000	$ (76,000,000)	$ 87,000,000
Premium on notes	83,571	437,610	(371,428)	149,753
Total tax anticipation notes payable	$ 76,083,571	$ 87,437,610	$ (76,371,428)	$ 87,149,753

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.

Note 10. Fund Balances Reserves and Designations (Continued)

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. Reserved for employees' other post employee benefit – restricted for payment of future employee other post employment 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.

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.

Note 11. Property Taxes (Continued)

Property taxes are levied each July based on values as of January 1st and are due on October 15th each year. FY08 property taxes were levied on July 30, 2008 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 2008 to provide for financing of County operations for the fiscal year ended September 30, 2008.

Note 12. Interfund Balances and Transfers

A. Primary Government

Individual fund interfund receivable and payable balances for the fiscal year ended September 30, 2008 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	$ 7,391,494
2006 SPLOST Fund	General Fund	71,040
	Water and Sewer Fund	5,418
		76,458
Water and Sewer Fund	General Fund	7,035,461
Nonmajor Governmental Funds	General Fund	14,220,985
	Fire District Fund	10,948,694
	2006 SPLOST Fund	100
	Solid Waste Fund	4,492
	Nonmajor Governmental Funds	10,672
		25,184,943
Internal Service Fund	General Fund	19,905,258
Fiduciary Fund	General Fund	555,085
		$ 60,148,699

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, 2009.

Note 12. Interfund Balances and Transfers (Continued)

Advance from/to other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Solid Waste Fund	$ 1,476,219
	Nonmajor Business-Type Funds	1,200,000
		$ 2,676,219
Water and Sewer Fund	Solid Waste Fund	$ 17,893,530

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.

	Transfer In								
Transfer out:	General Fund	Fire District Fund	2006 SPLOST Fund	Water and Sewer Fund	Solid Waste Fund	Internal Service Fund	Nonmajor Governmental Funds	Nonmajor Business-Type Funds	Total
General Fund	$ -	$ -	$ 71,040	$ 2,387,296	$ 9,462,677	-	$ 21,018,949	$ 7,600,000	$ 40,539,962
Fire District Fund	-	-	-	-	-	-	4,004,533	-	4,004,533
2006 SPLOST Fund	338,655	-	-	-	-	-	2,957,170	-	3,295,825
Water and Sewer Fund	18,864,613	-	5,418	-	-	-	1,547,055	-	20,417,086
Solid Waste Fund	-	-	-	-	-	-	19,724	-	19,724
Internal Service Fund	609,422	-	-	50,000	4,372	-	12,696	-	676,490
Nonmajor Governmental Funds	1,553,912	243,564	-	-	-	7,618	9,246,758	417,310	11,469,162
Nonmajor Business-Type Funds	-	-	-	-	-	-	51,849	-	51,849
Total transfers out	$ 21,366,602	$ 243,564	$ 76,458	$ 2,437,296	$ 9,467,049	$ 7,618	$ 38,858,734	$ 8,017,310	$ 80,474,631

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

Note 13. Segment Information – Nonmajor Enterprise Fund

The County issued revenue bonds to finance its golf course. 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, 2008:

	Cobblestone Golf Course Fund
Condensed Statement of Net Assets	
Assets:	
Current assets	$ 526,249
Noncurrent assets:	
Capital assets	6,621,725
Other assets	21,480
Total assets	$ 7,169,454

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

Liabilities:		
Current liabilities	$	686,105
Noncurrent liabilities		3,675,560
Total liabilities	$	4,361,665
Net Assets:		
Invested in capital assets, net of related debt	$	3,607,489
Unrestricted		(799,700)
Total net assets	$	2,807,789

Condensed Statement of Revenues, Expenses and Changes in Net Assets

Operating revenues	$	2,077,826
Operating expenses		1,496,261
Operating income before depreciation	$	581,565
Depreciation	$	(81,478)
Operating income	$	500,087
Nonoperating revenues, (expenses), net		(195,338)
Net income (loss) before transfers	$	304,749
Transfers in (out), net		(5,603)
Changes in net assets	$	299,146
Beginning net assets		2,508,643
Ending net assets	$	2,807,789

Condensed Statement of Cash Flows

Net cash provided (used) by:		
Operating activities	$	599,455
Noncapital financing activities		(5,603)
Capital and related financing activities		(682,499)
Investing activities		5,766
Net increase (decrease)		(82,881)
Beginning cash and cash equivalents	$	600,848
Ending cash and cash equivalents	$	517,967

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

Fund	Deficit Fund Balance/ Net Assets
Solid Waste Disposal Enterprise Fund	$ 49,038,084

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, 2008 was a deficit of $49,038,084, the estimate for the required landfill closure and postclosure costs represents $27,024,461 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.

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.

Note 16. Deferred Compensation Plan (Continued)

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	$ 404,036		
Cobb County Board of Health	2,677		
City of Acworth, Georgia	13,580		
City of Austell, Georgia	1,141,445		
City of Kennesaw, Georgia	32,581		
City of Marietta, Georgia	160,796		
City of Powder Springs, Georgia	21,737		
City of Smyrna, Georgia	17,085		
Chattahoochee Tech	4,501		
State of Georgia, Department of Human Resources	1,350		
State of Georigia, Department of Revenue	8,694,683		
United States, Department of Treasury	9,536		
Total General Fund			$ 10,504,007
Special Revenue Funds:			
Community Services Fund:			
State of Georgia, Department of Human Resources		$ 111,732	
Fire Distrct Fund:			
State of Georigia, Department of Revenue		2,821,651	
Grant Fund:			
State of Georgia, Council of Juvenile Court Judges	$ 2,000		
State of Georgia, Criminal Justice Coordinating Council	13,813		
State of Georgia, Department of Human Resources	230,319		
State of Georgia, Department of Transportation	6,719,954		
State of Georgia, Office of Highway Safety Council	13,491		
State of Georgia, Public Safety Training Center	28,272		
Federal Aviation Administration	2,534,295	$ 9,542,144	
Housing and Urban Development Fund:			
United States, Department of Housing and Urban Development		548,778	
Senior Services Fund:			
Atlanta Regional Commission		209,776	
800MHz Fund			
City of Austell, Georgia		14,007	
Total Special Revenue Funds			$ 13,248,088

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

Capital Projects Funds:			
Road Sales Tax Extension 1994 Fund:			
City of Acworth, Georgia	$ 27,577		
State of Georgia, Department of Transportation	809,785	$ 837,362	
2006 SPLOST Fund:			
State of Georgia, Department of Transportation		21,582,499	
Public Facilities Fund:			
City of Acworth, Georgia	$ 26,291		
State of Georgia, Department of Transportation	472,030	498,321	
Total Capital Projects Funds			$ 22,918,182
Proprietary Funds:			
Water System Fund:			
City of Powder Springs, Georgia		$ 266,414	
Public Transit System Fund:			
Federal Transit Administration	$ 776,648		
State of Georgia, Department of Transportation	120,333		
United States, Department of Treasury	104,897	1,001,878	
Total Proprietary Funds			$ 1,268,292
Total Due from Other Governments and Agencies - Primary Government			$ 47,938,569

Note 18. Other Post Employment Benefits

The County has implemented GASB 45 prospectively during the fiscal year ending September 30, 2008.

A. Plan Description and Provisions

The Cobb County Government Health Benefit Plan (the "OPEB Plan") is a single employer defined benefit post retirement healthcare plan, or other post employment benefit (OPEB) plan administered by the County. The Cobb County OPEB Trust is an irrevocable trust established pursuant to Section 115 of the Internal Revenue Code for the purpose of pre-funding other post-employment health benefits in accordance with GASB Statement 43 and GASB Statement 45. The trust was established June 10, 2008, by the Board of Commissioners to pre-fund medical and prescription drug benefits for retirees and their eligible dependents who are eligible for such benefits under existing County policy. Benefit provisions and contribution requirements are established and may be amended by the Cobb County Pension Fund Board of Trustees.

As of January 1, 2008 membership in the plan is comprised of the following:

Group	January 1, 2008
Active participants	4,137
Retirees and beneficiaries	923
Total	5,060

Note 18. Other Post Employment Benefits (Continued)

The January 1, 2008 valuation is used to determine the recommended contribution for fiscal year 2008.

Valuation date:	01/01/08
Actuarial cost method:	Projected unit credit cost method
Amortization method:	Level percentage of pay, open
Remaining amortization period:	30 years
Asset valuation method:	Market value of assets

The amortization period for this plan is open.

Actuarial Assumptions Utilized:	
Investment rate of return:	7.0%
Medical cost trend rate:	11.0%
Ultimate trend rate	5.0%
Year of ultimate trend rate:	2016
Includes inflation at:	3.0%

B. Eligibility

Eligible employees will include employees retiring from Cobb County and electing coverage at retiree rate.

Age 65 with 5 years of service, or
Age 55 with 7 years of service, or
Age plus service is equal to 80. (For employees hired on or after January 1, 2007, eligibility will additionally require age 55 or 35 years of service.)

C. Contributions

In 2008 Cobb County contributed an actuarially determined amount to the OPEB Plan trust. The annual required contribution amount is determined using actuarial methods and assumptions approved by the Cobb County Pension Fund Board of Trustees. It is intended to satisfy the minimum contribution requirements as set forth in GASB Statement 45.

Annual Pension Percentage of Annual OPEB Cost (APC)

Actuarial Valuation Date	APC	% of APC Contributed	Net OPEB Asset
1/1/2008	$ 19,472,704	101%	$ 259,310

Note 18. Other Post Employment Benefits (Continued)

The following table shows the components of the annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the net OPEB obligation (asset):

Annual required contribution	$	19,472,704
Interest on net OPEB obligation		-
Adjustment to annual required contribution		-
Annual OPEB cost (expense)		19,472,704
Contributions made		19,732,014
Increase in net OPEB asset		259,310
Net OPEB asset—beginning of year		-
Net OPEB asset—end of year	$	259,310

In accordance with the recommendation of its actuary, pursuant to their plan evaluation as of January 1, 2007, the County contributed $19,732,014 to the Plan. This contribution consisted of $7,309,040 (3.39% of covered payroll) for normal costs, $12,422,974 (5.75% of covered payroll) for amortization of the unfunded actuarial accrued liability

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The accompanying schedules of employer contributions present information about the amounts contributed to the plan by employers in comparison to the ARC, an amount that is actuarially determined in accordance with the parameters of GASB Statement 43. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

D. Summary of significant accounting policies

The plan financial statements are prepared on the accrual basis of accounting. Contributions from are recognized when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefit payments and refunds are recognized when due and payable in accordance with the terms of the plan.

Note 18. Other Post Employment Benefits (Continued)

Investment income is recognized as earned by the pension plan. Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value. The net appreciation (depreciation) in the fair value of investments held by the pension plan is recorded as an increase (decrease) to investment income based on the valuation of investments as of the date of the statement of plan net assets.

There are no investments in, loans to, or leases with parties related to the pension plan. Administrative costs are financed through investment earnings.

Note 19. Employee Retirement System

A. Primary Government

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

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

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

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.

Note 19. Employee Retirement System (Continued)

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, 2007 was $188,088,292 As of January 1, 2008 membership in the plan is comprised of the following:

Group	January 1, 2008
Retirees and beneficiaries currently receiving benefits	1,326
Vested terminated employees	707
Fully vested and non-vested active employees	4,137

The January 1, 2007 valuation is used to determine the recommended contribution for fiscal year 2008.

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, open
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

The required schedule of funding progress immediately following notes to financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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.

Note 19. Employee Retirement System (Continued)

In accordance with the recommendation of its actuary, pursuant to their plan evaluation as of January 1, 2007, the County contributed $22,374,271 to the Plan. This contribution consisted of $9,517,268 (5.06% of covered payroll) for normal costs, $12,857,003(6.83% 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 2008, these contributions totaled $10,391,217.

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

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

Pension Benefits:	For those participants not electing to contribute 4% of their salaries to the plan on April 1, 1998, the benefit formula is 1.5% of final earnings (as defined) multiplied by years of credited service to January 1, 1989 plus 1.9% of final earnings (as defined) multiplied by years of credited service after January 1, 1989.
Benefit Formula	For those employees electing to contribute 4.25-5.00%, of their salaries to the plan on April 1, 1998, and for those employees hired after April 1, 1998, the benefit formula is 2.5% of final earnings (as defined) multiplied by years of credited service, up to a maximum of 35 years. Unreduced early retirement is offered to participants with age and service totaling 80.
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.

Note 19. Employee Retirement System (Continued)

Benefit Formula	Benefit accrued to date of termination.
Supplemental Benefits:	
Pre-Retirement Spouse Benefits:	
Active Employees	
Eligibility	Age 30 with 7 years of service; married one full year prior to death. Immediate eligibility if participant killed in the line of duty.
Benefit Formula	45% of Projected Normal Retirement Benefit unreduced commencing immediately. Benefit is reduced if the spouse is more than ten years younger than the participant.
Terminated Vested Participant	
Eligibility	Terminated participant who had a vested right to retirement income and has attained age 21, married one full year prior to death.
Benefit Formula	Less than 15 years of service, the yearly amount will be 30% of the retirement income which the participant had accrued to date of death payable when participant could have first retired. More than 15 years of service, the yearly amount will be 45% of the retirement income that the participant had accrued to date of death payable when participant could have first retired.
Refund of Contributions	If a participant who is non-vested terminates, he or she receives a refund of contributions and interest.

4. Annual Pension Cost and Net Pension Asset

The annual pension cost and net pension asset for the calendar year ended 1/1/2008 were as follows:

Annual required contribution	$21,173,010
Interest on net pension asset	(520,057)
Adjustment to annual required contribution	488,566
Annual pension cost for 2007	21,141,519
Contributions made for 2007	21,902,661
Increase (decrease) in net pension asset	761,142
Net pension asset as of 1/1/2007	6,500,710
Net pension asset as of 1/1/2008	$ 7,261,852

Note 19. Employee Retirement System (Continued)

5. Annual Pension Cost

Annual Pension Percentage of Annual Pension Cost (APC)

Actuarial Valuation Date	APC	% of APC Contributed	Net Pension Asset
1/1/2005	$ 14,738,100	129%	$ 6,087,706
1/1/2006	18,117,615	114%	6,500,710
1/1/2007	21,141,519	106%	7,261,852

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, 2008, there were 330 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 $476,423. 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, 2008, there were 21 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 $30,247. The plan held no securities of the Authority or other related parties during the year.

Note 20. Arbitrage Liability

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

Water and Sewer Enterprise Fund	$54,882

Note 21. Capital Contributions

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

Capital Contributions recognized as revenue in the Proprietary Funds for the fiscal year ending September 30, 2008 are presented below:

Source:	
Developers	$ 7,304,934
Grants	8,619,793
Donations	15,416,341
Total Capital Contributions	$ 31,341,068

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, 2008, Cobb County has incurred a liability totaling $27,024,461.

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, 2008. 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, 2008, no amount of assets have been restricted for the payment of closure and postclosure care costs. The remaining portion of anticipated future inflation costs and additional costs that might arise from changes in postclosure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users, taxpayers, or both.

Note 23. Hotel/Motel Lodging Tax

Cobb County has levied an 8% lodging tax. A summary of the transactions for the year ending September 30, 2008 follows:

Lodging tax receipts	$ 11,084,810
Disbursements to bond Trustee on behalf of the Cobb-Marietta Coliseum and Exhibit Hall Authority	(6,928,000)
Balance of lodging tax was expended for the promotion of tourism and payment of debt service requirements of the Cobb-Marietta Coliseum and Exhibit Hall Authority as required by OCGA 48-13-51	$ 4,156,810

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, 2008 total approximately $96,121,426.

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 $666,466 to the ARC for the year ended September 30, 2008. 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, 2008

PENSION TRUST FUND
SCHEDULE OF FUNDING PROGRESS

Valuation Date	Actuarial Value Of Assets	Actuarial Accrued Liability	Funded Ratio	Unfunded Actuarial Liability (UAL)	Annual Covered Payroll	UAL As A % Of Covered Payroll
01/01/03	$ 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%
01/01/08	348,819,235	577,694,289	60.4%	228,875,054	212,961,351	107.5%

PENSION TRUST FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS

Annual Required Contribution (ARC)

Fiscal Year	ARC	% of ARC Contributed
09/30/03	$ 13,569,623	107%
09/30/04	13,335,923	121%
09/30/05	15,072,944	117%
09/30/06	14,825,200	128%
09/30/07	18,187,260	113%
09/30/08	21,173,010	106%

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%. October 1, 2007 the County increased contributions from 10.25% to 10.50% and February 11, 2008 the employees' contributions increased from 4.75% to 5.00%.

COBB COUNTY, GEORGIA
EMPLOYEE RETIREMENT SYSTEM
Required Supplementary Information
September 30, 2008

OPEB TRUST FUND
SCHEDULE OF FUNDING PROGRESS

Valuation Date	Actuarial Value Of Assets	Actuarial Accrued Liability	Funded Ratio	Unfunded Actuarial Liability (UAL)	Annual Covered Payroll	UAL As A % Of Covered Payroll
01/01/08	$ -	$ 223,377,278	0.0%	$ 223,377,278	$ 212,961,351	104.9%

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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 **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, 2008

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Project Funds	Debt Service Fund	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	$ 9,239,888	$ 22,199,445	$ 4,191,603	$ 35,630,936
Receivables:				
Taxes	-	-	5,550,298	5,550,298
Other	2,015,651	11,227	74,496	2,101,374
Due from other funds	708,031	24,476,912	-	25,184,943
Due from component units	374,688	-	-	374,688
Due from other governments and agencies	10,426,437	1,335,683	-	11,762,120
Prepaid expenditures	4,937	-	-	4,937
Total assets	$ 22,769,632	$ 48,023,267	$ 9,816,397	$ 80,609,296
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	$ 2,424,787	$ 3,664,426	$ -	$ 6,089,213
Accrued payroll	273,560	-	-	273,560
Due to other funds	6,775,085	-	627,081	7,402,166
Due to others	40,307	-	-	40,307
Deferred revenue	1,204,717	-	456,574	1,661,291
Total liabilities	$ 10,718,456	$ 3,664,426	$ 1,083,655	$ 15,466,537
Fund balances:				
Reserved for:				
Encumbrances	$ 7,652,093	$ 14,635,983	$ -	$ 22,288,076
Inventories and prepaid expenditures	4,937	-	-	4,937
Debt service	-	-	8,732,742	8,732,742
Unreserved designated for:				
Construction and capital outlay	2,391,284	29,722,858	-	32,114,142
Debt service	269,263	-	-	269,263
Unreserved undesignated	1,733,599	-	-	1,733,599
Total fund balances	$ 12,051,176	$ 44,358,841	$ 8,732,742	$ 65,142,759
Total liabilities and fund balances	$ 22,769,632	$ 48,023,267	$ 9,816,397	$ 80,609,296

Cobb County, Georgia
All Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended September 30, 2008

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Project Funds	Debt Service Fund	Total Nonmajor Governmental Funds
Revenues:				
Taxes	$ 11,084,810	$ -	$ 7,070,107	$ 18,154,917
Intergovernmental	25,246,229	2,414,625	-	27,660,854
Charges for services	11,478,221	-	126,632	11,604,853
Fines and forfeits	-	-	796,627	796,627
Interest earned	328,157	983,682	187,545	1,499,384
Miscellaneous	1,229,002	726,616	265	1,955,883
Total revenues	$ 49,366,419	$ 4,124,923	$ 8,181,176	$ 61,672,518
Expenditures:				
Current:				
General government	$ 5,188,968	$ -	$ 114,351	$ 5,303,319
Public safety	11,496,698	-	-	11,496,698
Public works	11,007,915	-	-	11,007,915
Health and welfare	6,427,306	-	-	6,427,306
Culture and recreation	8,611,422	-	-	8,611,422
Housing and development	6,983,018	-	-	6,983,018
Capital outlay	-	66,234,835	-	66,234,835
Debt Service:				
Principal	3,115,420	4,403,034	6,255,000	13,773,454
Interest and fiscal charges	2,480,410	456,612	2,460,050	5,397,072
Total expenditures	$ 55,311,157	$ 71,094,481	$ 8,829,401	$ 135,235,039
Excess (deficiency) of revenues over (under) expenditures	$ (5,944,738)	$ (66,969,558)	$ (648,225)	$ (73,562,521)
Other financing sources (uses):				
Transfers in	$ 10,390,009	$ 28,468,725	$ -	$ 38,858,734
Transfers out	(8,409,383)	(3,059,779)	-	(11,469,162)
Bonds issued	-	15,000,000	-	15,000,000
Total other financing sources (uses)	$ 1,980,626	$ 40,408,946	$ -	$ 42,389,572
Net change in fund balances	$ (3,964,112)	$ (26,560,612)	$ (648,225)	$ (31,172,949)
Fund balances at beginning of year	16,015,288	70,919,453	9,380,967	96,315,708
Fund balances at end of year	$ 12,051,176	$ 44,358,841	$ 8,732,742	$ 65,142,759

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Cobb County, Georgia
Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet
September 30, 2008

	Law Library Fund	Community Services Fund	Grant Fund	Housing & Urban Development Grant Fund
Assets				
Cash and cash equivalents	$ 295,482	$ 7,212	$ -	$ 127,757
Receivables:				
Other	74,096	-	761,534	-
Due from other funds	-	-	53,511	-
Due from component units	-	-	-	-
Due from other governments and agencies	-	111,732	9,542,144	548,778
Prepaid expenditures	-	-	354	-
Total assets	$ 369,578	$ 118,944	$ 10,357,543	$ 676,535
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	$ 84,910	$ 68,950	$ 1,477,503	$ 572,727
Accrued payroll	5,160	-	72,802	-
Due to other funds	-	-	6,374,277	15,448
Due to others	-	39,473	834	-
Deferred revenue	-	-	1,204,657	-
Total liabilities	$ 90,070	$ 108,423	$ 9,130,073	$ 588,175
Fund balances:				
Reserved for encumbrances	$ 429	$ -	$ 7,530,930	$ 17,717
Reserved for inventories and prepaid expenditures	-	-	354	-
Unreserved designated for:				
Construction and capital outlay	-	-	-	-
Debt service	-	-	-	-
Undesignated	279,079	10,521	(6,303,814)	70,643
Total fund balances	$ 279,508	$ 10,521	$ 1,227,470	$ 88,360
Total liabilities and fund balances	$ 369,578	$ 118,944	$ 10,357,543	$ 676,535

Cobb Senior Services Fund	Hotel/Motel Tax Fund	Emergency 911 Fund	Parking Deck Facility Fund	800 MHz Fund	Total Nonmajor Special Revenue Funds
$ 3,253	$ -	$ 4,609,706	$ 350,614	$ 3,845,864	$ 9,239,888
959	-	1,015,009	135	163,918	2,015,651
6,249	-	-	-	648,271	708,031
-	374,688	-	-	-	374,688
209,776	-	-	-	14,007	10,426,437
1,290	-	3,293	-	-	4,937
$ 221,527	$ 374,688	$ 5,628,008	$ 350,749	$ 4,672,060	$ 22,769,632
$ 9,340	$ -	$ 209,377	$ 1,980	$ -	$ 2,424,787
65,191	-	129,668	739	-	273,560
10,672	374,688	-	-	-	6,775,085
-	-	-	-	-	40,307
-	-	-	60	-	1,204,717
$ 85,203	$ 374,688	$ 339,045	$ 2,779	$ -	$ 10,718,456
$ 59,124	$ -	$ 3,918	$ 39,975	$ -	$ 7,652,093
1,290	-	3,293	-	-	4,937
25,852	-	2,365,432	-	-	2,391,284
-	-	-	269,263	-	269,263
50,058	-	2,916,320	38,732	4,672,060	1,733,599
$ 136,324	$ -	$ 5,288,963	$ 347,970	$ 4,672,060	$ 12,051,176
$ 221,527	$ 374,688	$ 5,628,008	$ 350,749	$ 4,672,060	$ 22,769,632

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, 2008

	Law Library Fund	Community Services Fund	Grant Fund	Housing & Urban Development Grant Fund
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Intergovernmental	-	521,788	16,674,528	6,687,383
Charges for services	853,864	-	9,772	-
Interest earned	3,164	495	31,102	4,927
Miscellaneous	5,761	-	781,545	183,638
Total revenues	$ 862,789	$ 522,283	$ 17,496,947	$ 6,875,948
Expenditures:				
Current:				
General government	$ 740,938	$ -	$ 4,448,030	$ -
Public safety	-	-	2,066,624	-
Public works	-	-	10,863,373	-
Health and welfare	-	475,607	-	-
Culture and recreation	-	-	1,008,801	-
Housing and development	-	-	104,169	6,878,849
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	$ 740,938	$ 475,607	$ 18,490,997	$ 6,878,849
Excess (deficiency) of revenues over (under) expenditures	$ 121,851	$ 46,676	$ (994,050)	$ (2,901)
Other financing sources (uses):				
Transfers in	$ 561	$ -	$ 1,341,539	$ -
Transfers out	(6,375)	(55,000)	(95,715)	-
Total other financing sources (uses)	$ (5,814)	$ (55,000)	$ 1,245,824	$ -
Net change in fund balances	$ 116,037	$ (8,324)	$ 251,774	$ (2,901)
Fund balances at beginning of year,	163,471	18,845	975,696	91,261
Fund balances at end of year	$ 279,508	$ 10,521	$ 1,227,470	$ 88,360

Cobb Senior Services Fund	Hotel/Motel Tax Fund	Emergency 911 Fund	Parking Deck Facility Fund	800 MHz Fund	Total Nonmajor Special Revenue Funds
$ -	$ 11,084,810	$ -	$ -	$ -	$ 11,084,810
1,259,091	-	-	-	103,439	25,246,229
80,917	-	10,091,891	441,777	-	11,478,221
-	-	132,691	7,308	148,470	328,157
256,202	-	807	1,049	-	1,229,002
$ 1,596,210	$ 11,084,810	$ 10,225,389	$ 450,134	$ 251,909	$ 49,366,419
$ -	$ -	$ -	$ -	$ -	$ 5,188,968
-	-	9,430,074	-	-	11,496,698
-	-	-	144,542	-	11,007,915
5,951,699	-	-	-	-	6,427,306
-	7,602,621	-	-	-	8,611,422
-	-	-	-	-	6,983,018
-	1,045,000	-	185,000	1,885,420	3,115,420
-	2,329,638	-	142,780	7,992	2,480,410
$ 5,951,699	$ 10,977,259	$ 9,430,074	$ 472,322	$ 1,893,412	$ 55,311,157
$ (4,355,489)	$ 107,551	$ 795,315	$ (22,188)	$ (1,641,503)	$ (5,944,738)
$ 4,415,400	$ -	$ 658,826	$ -	$ 3,973,683	$ 10,390,009
(70,157)	(107,551)	(1,457,334)	(591)	(6,616,660)	(8,409,383)
$ 4,345,243	$ (107,551)	$ (798,508)	$ (591)	$ (2,642,977)	$ 1,980,626
$ (10,246)	$ -	$ (3,193)	$ (22,779)	$ (4,284,480)	$ (3,964,112)
146,570	-	5,292,156	370,749	8,956,540	16,015,288
$ 136,324	$ -	$ 5,288,963	$ 347,970	$ 4,672,060	$ 12,051,176

Cobb County, Georgia
Nonmajor Governmental Funds - Capital Projects Funds
Combining Balance Sheet
September 30, 2008

	Road Sales Tax Extension 1994	Parks Bond	Public Facilities	Total Nonmajor Capital Project Funds
Assets				
Cash and cash equivalents	$ 6,018,535	$ 9,640,376	$ 6,540,534	$ 22,199,445
Receivables:				
Other	-	-	11,227	11,227
Due from other funds	-	-	24,476,912	24,476,912
Due from other governments and agencies	837,362	-	498,321	1,335,683
Total assets	$ 6,855,897	$ 9,640,376	$ 31,526,994	$ 48,023,267
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	$ 271,620	$ 101,006	$ 3,291,800	$ 3,664,426
Total liabilities	$ 271,620	$ 101,006	$ 3,291,800	$ 3,664,426
Fund balances:				
Reserved for encumbrances	$ 2,381,087	$ -	$ 12,254,896	$ 14,635,983
Designated for construction and capital outlay	4,203,190	9,539,370	15,980,298	29,722,858
Total fund balance	$ 6,584,277	$ 9,539,370	$ 28,235,194	$ 44,358,841
Total liabilities and fund balances	$ 6,855,897	$ 9,640,376	$ 31,526,994	$ 48,023,267

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, 2008

	Road Sales Tax Extension 1994	Parks Bond	Public Facilities	Total Nonmajor Capital Project Funds
Revenues:				
Intergovernmental	$ 1,083,918	$ -	$ 1,330,707	$ 2,414,625
Interest earned	230,211	672,065	81,406	983,682
Miscellaneous	318,700	-	407,916	726,616
Total revenues	$ 1,632,829	$ 672,065	$ 1,820,029	$ 4,124,923
Expenditures:				
Capital outaly	$ 6,473,408	$ 29,731,852	$ 30,029,575	$ 66,234,835
Debt Service:				
Principal	-	-	4,403,034	4,403,034
Interest and fiscal charges	-	23,746	432,866	456,612
Total expenditures	$ 6,473,408	$ 29,755,598	$ 34,865,475	$ 71,094,481
Excess (deficiency) of revenues over expenditures	$ (4,840,579)	$ (29,083,533)	$ (33,045,446)	$ (66,969,558)
Other financing sources (uses):				
Transfers in	$ -	$ -	$ 28,468,725	$ 28,468,725
Transfers out	(188,436)	-	(2,871,343)	(3,059,779)
Bonds issued	-	15,000,000	-	15,000,000
Total other financing sources (uses)	$ (188,436)	$ 15,000,000	$ 25,597,382	$ 40,408,946
Net change in fund balances	$ (5,029,015)	$ (14,083,533)	$ (7,448,064)	$ (26,560,612)
Fund balances at beginning of year	11,613,292	23,622,903	35,683,258	70,919,453
Fund balances at end of year	$ 6,584,277	$ 9,539,370	$ 28,235,194	$ 44,358,841

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, 2008

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Taxes	$ 7,018,733	$ 7,018,733	$ 7,070,107	$ 51,374
Charges for services	162,699	162,699	126,632	(36,067)
Fines and forfeits	1,362,613	1,362,613	796,627	(565,986)
Interest earned	177,083	177,083	187,545	10,462
Miscellaneous	111,188	111,188	265	(110,923)
Total revenues	$ 8,832,316	$ 8,832,316	$ 8,181,176	$ (651,140)
Expenditures:				
Current:				
General government	$ 117,266	$ 117,266	$ 114,351	$ 2,915
Debt service:				
Principal retirement	6,255,000	6,255,000	6,255,000	-
Interest and fiscal charges	2,460,050	2,460,050	2,460,050	-
Total expenditures	$ 8,832,316	$ 8,832,316	$ 8,829,401	$ 2,915
Net change in fund balance	$ -	$ -	$ (648,225)	$ (648,225)
Fund balance at beginning of year			9,380,967	
Fund balance at end of year - budgetary basis			$ 8,732,742	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			-	
Fund balance at end of year - GAAP basis			$ 8,732,742	

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, 2008

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Charges for services	$ 620,224	$ 819,634	$ 853,864	$ 34,230
Interest earned	10,000	-	3,164	3,164
Miscellaneous	5,308	5,761	5,761	-
Total revenues	$ 635,532	$ 825,395	$ 862,789	$ 37,394
Expenditures:				
Current:				
Personal services	$ 230,764	$ 245,012	$ 244,952	$ 60
Operating expenditures	344,852	601,697	496,415	105,282
Capital outlay	-	-	-	-
Total expenditures	$ 575,616	$ 846,709	$ 741,367	$ 105,342
Excess of revenues over expenditures	$ 59,916	$ (21,314)	$ 121,422	$ 142,736
Other financing sources (uses):				
Transfers in	$ -	$ 561	$ 561	-
Transfers out	(6,375)	(6,375)	(6,375)	-
Total other financing sources (uses)	$ (6,375)	$ (5,814)	$ (5,814)	$ -
Net change in fund balance	$ 53,541	$ (27,128)	$ 115,608	$ 142,736
Fund balance at beginning of year			163,471	
Fund balance at end of year - budgetary basis			$ 279,079	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			429	
Fund balance at end of year-GAAP basis			$ 279,508	

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, 2008

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	$ 527,077	$ 543,163	$ 521,788	$ (21,375)
Interest earned	-	-	495	495
Total revenues	$ 527,077	$ 543,163	$ 522,283	$ (20,880)
Expenditures:				
Current:				
Operating expenditures	$ 472,077	$ 485,745	$ 475,304	$ 10,441
Capital outlay	-	2,418	303	2,115
Total expenditures	$ 472,077	$ 488,163	$ 475,607	$ 12,556
Excess of revenues over expenditures	$ 55,000	$ 55,000	$ 46,676	$ (8,324)
Other financing sources (uses):				
Transfers out	$ (55,000)	$ (55,000)	$ (55,000)	$ -
Net change in fund balance	$ -	$ -	$ (8,324)	$ (8,324)
Fund balance at beginning of year			18,845	
Fund balance at end of year - budgetary basis			$ 10,521	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			-	
Fund balance at end of year - GAAP basis			$ 10,521	

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, 2008

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Intergovernmental	$ 1,097,697	$ 1,311,017	$ 1,259,091	$ (51,926)
Charges for services	81,507	81,507	80,917	(590)
Miscellaneous	212,890	229,414	256,202	26,788
Total revenues	$ 1,392,094	$ 1,621,938	$ 1,596,210	$ (25,728)
Expenditures:				
Current:				
Personnel services	$ 3,734,632	$ 3,824,836	$ 3,743,974	$ 80,862
Operating expenditures	2,097,199	2,231,645	2,143,992	87,653
Capital outlay	2,430	123,057	122,857	200
Total expenditures	$ 5,834,261	$ 6,179,538	$ 6,010,823	$ 168,715
(Deficiency) of revenues (under) expenditures	$ (4,442,167)	$ (4,557,600)	$ (4,414,613)	$ 142,987
Other financing sources (uses):				
Transfers in	$ 4,621,350	$ 4,628,750	$ 4,415,400	$ (213,350)
Transfers out	(58,354)	(70,157)	(70,157)	-
Total other financing sources (uses)	$ 4,562,996	$ 4,558,593	$ 4,345,243	$ (213,350)
Net change in fund balance	$ 120,829	$ 993	$ (69,370)	$ (70,363)
Fund balance at beginning of year			146,570	
Fund balance at end of year - budgetary basis			$ 77,200	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			59,124	
Fund balance at end of year - GAAP basis			$ 136,324	

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, 2008

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Taxes	$ 10,712,988	$ 11,084,811	$ 11,084,810	$ (1)
Total revenues	$ 10,712,988	$ 11,084,811	$ 11,084,810	$ (1)
Expenditures:				
Current:				
Operating expenditures	$ 7,338,350	$ 7,068,005	$ 7,068,006	$ (1)
Capital outlay	-	534,615	534,615	-
Debt service:				
Principal retirement	1,045,000	1,045,000	1,045,000	-
Interest and fiscal charges	2,329,638	2,329,638	2,329,638	-
Total expenditures	$ 10,712,988	$ 10,977,258	$ 10,977,259	$ (1)
Excess of revenues over expenditures	$ -	$ 107,553	$ 107,551	$ (2)
Other financing sources (uses):				
Transfers out	-	(107,553)	(107,551)	2
Total other financing sources (uses)	$ -	$ (107,553)	$ (107,551)	$ 2
Net change in fund balance	$ -	$ -	$ -	$ -
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			$ -	

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, 2008

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Charges for services	$ 9,863,761	$ 9,863,761	$ 10,091,891	$ 228,130
Interest earned	175,000	175,000	132,691	(42,309)
Miscellaneous	-	-	807	807
Total revenues	$ 10,038,761	$ 10,038,761	$ 10,225,389	$ 186,628
Expenditures:				
Current:				
Personnel services	$ 6,449,060	$ 6,965,014	$ 6,964,961	$ 53
Operating expenditures	2,143,405	2,674,722	2,337,773	336,949
Capital outlay	22,500	177,202	131,258	45,944
Total expenditures	$ 8,614,965	$ 9,816,938	$ 9,433,992	$ 382,946
Excess (deficiency) of revenues over (under) expenditures	$ 1,423,796	$ 221,823	$ 791,397	$ 569,574
Other financing sources (uses):				
Transfers in	$ -	$ 658,826	$ 658,826	$ -
Transfers out	(1,249,754)	(1,457,335)	(1,457,334)	1
Total other financing sources (uses)	$ (1,249,754)	$ (798,509)	$ (798,508)	$ 1
Net change in fund balance	$ 174,042	$ (576,686)	$ (7,111)	$ 569,575
Fund balance at beginning of year			5,292,156	
Fund balance at end of year - budgetary basis			$ 5,285,045	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			3,918	
Fund balance at end of year - GAAP basis			$ 5,288,963	

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, 2008

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for services	$ 460,109	$ 460,109	$ 441,777	$ (18,332)
Interest earned	10,000	10,000	7,308	(2,692)
Miscellaneous	535	535	1,049	514
Total revenues	$ 470,644	$ 470,644	$ 450,134	$ (20,510)
Expenditures:				
Current:				
Personnel services	$ 48,084	$ 52,584	$ 51,509	$ 1,075
Operating expenditures	69,602	69,602	65,738	3,864
Capital outlay	-	69,185	67,270	1,915
Debt service:				
Principal	185,000	185,000	185,000	-
Interest and fiscal charges	142,780	142,780	142,780	-
Total expenditures	$ 445,466	$ 519,151	$ 512,297	$ 6,854
Excess (deficiency) of revenues over (under) expenditures	$ 25,178	$ (48,507)	$ (62,163)	$ (13,656)
Other financing sources (uses):				
Transfers out	$ (591)	$ (591)	$ (591)	$ -
Total other financing sources (uses)	$ (591)	$ (591)	$ (591)	$ -
Net change in fund balance	$ 24,587	$ (49,098)	$ (62,754)	$ (13,656)
Fund balance at beginning of year			370,749	
Fund balance at end of year - budgetary basis			$ 307,995	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			39,975	
Fund balance at end of year - GAAP basis			$ 347,970	

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, 2008

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Charges for services	$ 501,294	$ 348,101	$ 103,439	$ (244,662)
Interest earned	15,000	15,000	148,470	133,470
Total revenues	$ 516,294	$ 363,101	$ 251,909	$ (111,192)
Expenditures:				
Debt service:				
Principal	$ 1,885,420	$ 1,885,420	$ 1,885,420	$ -
Interest and fiscal charges	7,992	7,993	7,992	1
Total expenditures	$ 1,893,412	$ 1,893,413	$ 1,893,412	$ 1
Excess (deficiency) of revenues over (under) expenditures	$ (1,377,118)	$ (1,530,312)	$ (1,641,503)	$ (111,191)
Other financing sources (uses):				
Transfers in	$ 3,697,648	$ 3,979,807	$ 3,973,683	$ (6,124)
Transfer out	(3,243,847)	(6,616,660)	(6,616,660)	-
Total other financing sources (uses)	$ 453,801	$ (2,636,853)	$ (2,642,977)	$ (6,124)
Net change in fund balance	$ (923,317)	$ (4,167,165)	$ (4,284,480)	$ (117,315)
Fund balance at beginning of year			8,956,540	
Fund balance at end of year - budgetary basis			$ 4,672,060	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			-	
Fund balance at end of year - GAAP basis			$ 4,672,060	

Cobb County, Georgia
Nonmajor Business-Type Enterprise Funds
Combining Balance Sheet
September 30, 2008

	Cobblestone Golf Course Fund	Public Transit System Fund	Totals
Assets			
Current assets:			
Cash	$ 517,967	$ 666,222	$ 1,184,189
Receivables:			
Other	5,010	242,052	247,062
Due from other governments and agencies	-	1,001,878	1,001,878
Prepaid items	3,272	575	3,847
Total current assets	$ 526,249	$ 1,910,727	$ 2,436,976
Property, plant and equipment:			
Capital assets not being depreciated	$ 5,453,615	$ 7,514,080	$ 12,967,695
Capital assets being depreciated, net	1,168,110	33,402,168	34,570,278
Net property, plant and equipment	$ 6,621,725	$ 40,916,248	$ 47,537,973
Unamortized bond costs	$ 21,480	$ -	$ 21,480
Total noncurrent assets	$ 6,643,205	$ 40,916,248	$ 47,559,453
Total assets	$ 7,169,454	$ 42,826,975	$ 49,996,429

Continued on next page.

Cobb County, Georgia
Nonmajor Business-Type Enterprise Funds
Combining Balance Sheet
September 30, 2008

	Cobblestone Golf Course Fund	Public Transit System Fund	Totals
Liabilities and Fund Equity			
Liabilities:			
Current liabilities (payable from current assets):			
Accounts payable	$ 80,088	$ 1,342,395	$ 1,422,483
Accrued payroll	-	10,997	10,997
Due to other governments and agencies	4,084	-	4,084
Accrued interest payable	37,536	-	37,536
Deferred revenues	25,721	-	25,721
Current portion of revenue bonds	450,000	-	450,000
Current portion of compensated absences	-	14,557	14,557
Current portion of capital lease payable	88,676	-	88,676
Total current liabilities	$ 686,105	$ 1,367,949	$ 2,054,054
Long-term liabilities:			
Revenue bonds (net of current portion, bond discount, and loss on refunding)	$ 2,373,527	$ -	$ 2,373,527
Advances from other funds	1,200,000	-	1,200,000
Capital lease payable (net of current portion)	102,033	-	102,033
Total long-term liabilities	$ 3,675,560	$ -	$ 3,675,560
Total liabilities	$ 4,361,665	$ 1,367,949	$ 5,729,614
Net Assets:			
Invested in capital assets, net of related debt	$ 3,607,489	$ 40,897,407	$ 44,504,896
Unrestricted	(799,700)	561,619	(238,081)
Total net assets	$ 2,807,789	$ 41,459,026	$ 44,266,815

Continued from preceding page.

Cobb County, Georgia
Nonmajor Business-Type Enterprise Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
For the Fiscal Year Ended September 30, 2008

	Cobblestone Golf Course Fund	Public Transit System Fund	Totals
Operating revenues:			
Charges for services	$ 2,076,810	$ 5,095,171	$ 7,171,981
Miscellaneous income	1,016	1,760	2,776
Total operating revenues	$ 2,077,826	$ 5,096,931	$ 7,174,757
Operating expenses:			
Personnel services	$ -	$ 478,587	$ 478,587
Other operating expenses	1,496,261	18,317,375	19,813,636
Total operating expenses	$ 1,496,261	$ 18,795,962	$ 20,292,223
Operating income (loss) before depreciation	$ 581,565	$ (13,699,031)	$ (13,117,466)
Less depreciation	(81,478)	(4,003,553)	(4,085,031)
Operating income (loss)	$ 500,087	$ (17,702,584)	$ (17,202,497)
Nonoperating revenues (expenses):			
Interest income	$ 5,766	$ 4,037	$ 9,803
Interest and fiscal charges	(160,961)	-	(160,961)
Gain on sale of capital assets	-	14,531	14,531
Amortization of bond costs	(40,143)	-	(40,143)
Total nonoperating revenues (expenses)	$ (195,338)	$ 18,568	$ (176,770)
Net income (loss) before transfers and capital contributions	$ 304,749	$ (17,684,016)	$ (17,379,267)
Capital contributions	$ -	$ 8,619,793	$ 8,619,793
Transfers:			
Transfers in	$ -	$ 8,017,310	$ 8,017,310
Transfers out	(5,603)	(46,246)	(51,849)
Total transfers	$ (5,603)	$ 7,971,064	$ 7,965,461
Net change in net assets	$ 299,146	$ (1,093,159)	$ (794,013)
Total net assets - beginning	$ 2,508,643	$ 42,552,185	$ 45,060,828
Total net assets - ending	$ 2,807,789	$ 41,459,026	$ 44,266,815

Cobb County, Georgia
Nonmajor Business-Type Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended September 30, 2008

	Cobblestone Golf Course Fund	Public Transit System Fund	Totals
Cash flows from operating activities:			
Cash received from customers	$ 2,103,277	$ 7,404,491	$ 9,507,768
Cash payments for goods and services	(1,503,822)	(18,584,131)	(20,087,953)
Cash payments for employee services and fringe benefits	-	(471,007)	(471,007)
Net cash from (to) operating activities	$ 599,455	$ (11,650,647)	$ (11,051,192)
Cash flows from noncapital financing activities:			
Transfers in	$ -	$ 8,017,310	$ 8,017,310
Transfers out	(5,603)	(46,246)	(51,849)
Net cash from (to) noncapital financing activities	$ (5,603)	$ 7,971,064	$ 7,965,461
Cash flows from capital and related financing activities:			
Payments on capital leases	$ (69,823)	$ -	$ (69,823)
Capital contributions	-	8,619,793	8,619,793
Proceeds from sale of fixed assets	-	14,531	14,531
Payments for capital acquisitions	(16,662)	(4,294,967)	(4,311,629)
Bond principal payments	(430,000)	-	(430,000)
Bond interest and fiscal charges	(166,014)	-	(166,014)
Net cash from (to) capital and related financing activities	$ (682,499)	$ 4,339,357	$ 3,656,858
Cash flows from investing activities:			
Interest received	$ 5,766	$ 4,037	$ 9,803
Net cash from investing activities	$ 5,766	$ 4,037	$ 9,803
Net increase (decrease) in cash and cash equivalents	$ (82,881)	$ 663,811	$ 580,930
Cash and cash equivalents at beginning of year	600,848	2,411	603,259
Cash and cash equivalents at end of year	$ 517,967	$ 666,222	$ 1,184,189

Continued on next page.

Cobb County, Georgia
Nonmajor Business-Type Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended September 30, 2008

	Cobblestone Golf Course Fund	Public Transit System Fund	Totals
Reconciliation of operating income (loss) to net cash from operating activities:			
Operating income (loss)	$ 500,087	$ (17,702,584)	$ (17,202,497)
Adjustments to reconcile operating income (loss) to net cash from operating activities:			
Depreciation	$ 81,478	$ 4,003,553	$ 4,085,031
Change in assets and liabilities:			
Decrease (increase) in other receivables	25,451	(23,462)	1,989
Decrease (increase) in due from other governments	-	2,331,022	2,331,022
Increase (decrease) in accounts payable	5,706	(166,181)	(160,475)
Increase (decrease) in prepaid expenses	-	(575)	(575)
Increase (decrease) in accrued liabilities	-	4,564	4,564
Increase (decrease) in accrued vacation payable	-	3,016	3,016
Increase (decrease) in due to other funds	-	(100,000)	(100,000)
Increase (decrease) in due to other governments	(7,315)	-	(7,315)
Increase (decrease) in deferred revenues	(5,952)	-	(5,952)
Total adjustments	$ 99,368	$ 6,051,937	$ 6,151,305
Net cash provided (used) by operating activities	$ 599,455	$ (11,650,647)	$ (11,051,192)
Schedule of noncash capital and related financing activities:			
Capital assets acquired under capital lease	$ 151,763	$ -	$ 151,763

Continued from preceding page.

Cobb County, Georgia
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended September 30, 2008

	Balance October 1, 2007	Additions	Deductions	Balance September 30, 2008
Clerk of State Court				
Assets				
Cash and cash equivalents	$ 6,482,939	$ 53,914,303	$ 54,950,173	$ 5,447,069
Liabilities				
Funds held in trust for others	$ 6,482,939	$ 53,914,303	$ 54,950,173	$ 5,447,069
Clerk of Juvenile Court				
Assets				
Cash	$ 3,654	$ 38,261	$ 37,854	$ 4,061
Liabilities				
Funds held in trust for others	$ 3,654	$ 38,261	$ 37,854	$ 4,061
Sheriff				
Assets				
Cash and cash equivalents	$ 5,601,698	$ 4,526,069	$ 3,947,812	$ 6,179,955
Liabilities				
Funds held in trust for others	$ 5,601,698	$ 4,526,069	$ 3,947,812	$ 6,179,955
Clerk of Superior Court				
Assets				
Cash and cash equivalents	$ 13,370,187	$ 67,960,419	$ 69,005,853	$ 12,324,753
Liabilities				
Funds held in trust for others	$ 13,370,187	$ 67,960,419	$ 69,005,853	$ 12,324,753
Clerk of Probate Court				
Assets				
Cash	$ -	$ 961,929	$ 961,929	$ -
Liabilities				
Due to other funds	$ -	$ 961,929	$ 961,929	$ -
Tax Commissioner				
Assets				
Cash	$ 47,586,466	$ 1,123,815,211	$ 1,145,473,265	$ 25,928,412
Taxes and penalties receivable	532,642,938	664,645,567	634,209,375	563,079,130
	$ 580,229,404	$ 1,788,460,778	$ 1,779,682,640	$ 589,007,542
Liabilities				
Unremitted tax collections	$ 47,586,466	$ 1,123,815,211	$ 1,145,473,265	$ 25,928,412
Taxes payable to others upon collection	532,642,938	664,645,567	634,209,375	563,079,130
	$ 580,229,404	$ 1,788,460,778	$ 1,779,682,640	$ 589,007,542

Continued on next page.

Cobb County, Georgia
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended September 30, 2008

	Balance October 1, 2007	Additions	Deductions	Balance September 30, 2008
Accounts Payable Fund				
Assets				
Accounts receivable	$ 48,489	$ 60,785,500	$ 60,790,850	$ 43,139
Liabilities				
Bank overdraft	$ 48,489	$ 60,785,500	$ 60,790,850	$ 43,139
Payroll Fund				
Assets				
Cash and cash equivalents	$ 179,461	$ 264,254,998	$ 263,906,075	$ 528,384
Accounts receivable	-	9,000	-	9,000
	$ 179,461	$ 264,263,998	$ 263,906,075	$ 537,384
Liabilities				
Unremitted payroll tax and withholdings	$ 179,461	$ 264,263,998	$ 263,906,075	$ 537,384
Child Support, Witness and Jurors' Fees				
Assets				
Cash	$ 39,055	$ 3,999,215	$ 4,020,934	$ 17,336
Liabilities				
Funds held in trust for others	$ 39,055	$ 3,999,215	$ 4,020,934	$ 17,336
Total assets	$ 605,954,887	$ 2,244,910,472	$ 2,237,304,120	$ 613,561,239
Total liabilities	$ 605,954,887	$ 2,244,910,472	$ 2,237,304,120	$ 613,561,239

Continued from preceding page.

Supplemental Information

Cobb County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2008

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Taxes	$ 213,925,551	$ 213,991,109	$ 215,050,800	$ 1,059,691
Licenses and permits	21,154,011	21,219,064	20,001,307	(1,217,757)
Intergovernmental	13,308,065	14,024,908	12,150,620	(1,874,288)
Charges for services	48,448,335	48,937,203	45,121,740	(3,815,463)
Fines and forfeits	15,181,711	16,170,122	17,165,143	995,021
Interest earned	3,923,465	3,923,465	3,221,548	(701,917)
Miscellaneous	1,955,463	3,390,641	3,644,243	253,602
Total revenues	$ 317,896,601	$ 321,656,512	$ 316,355,401	$ (5,301,111)
Expenditures:				
Current				
General government:				
Legislative:				
Board of Commissioners				
Personnel services	$ 832,722	$ 905,722	$ 900,567	$ 5,155
Operating expenditures	68,215	68,215	66,637	1,578
	900,937	973,937	967,204	6,733
Other Governmental				
Operating expenditures	2,011,963	1,798,358	1,775,284	23,074
Non-Profit				
Operating expenditures	1,182,277	1,238,007	1,139,674	98,333
Capital outlay	-	-	-	-
	1,182,277	1,238,007	1,139,674	98,333
Total legislative	4,095,177	4,010,302	3,882,162	128,140
Judicial:				
Clerk of State Court				
Personnel services	4,079,043	4,235,043	4,196,281	38,762
Operating expenditures	135,289	135,289	119,970	15,319
Capital outlay	3,275	5,292	2,000	3,292
	4,217,607	4,375,624	4,318,251	57,373
Clerk of Superior Court				
Personnel services	4,957,162	5,098,162	5,022,818	75,344
Operating expenditures	168,025	180,025	178,363	1,662
Capital outlay	16,760	16,760	-	16,760
	5,141,947	5,294,947	5,201,181	93,766
District Attorney				
Personnel services	5,432,537	6,429,604	6,369,574	60,030
Operating expenditures	254,070	476,175	446,518	29,657
Capital outlay	11,574	29,791	18,217	11,574
	5,698,181	6,935,570	6,834,309	101,261
Chief Magistrate				
Personnel services	3,114,861	3,152,861	3,095,931	56,930
Operating expenditures	106,385	105,680	99,322	6,358
Capital outlay	11,250	33,555	32,250	1,305
	3,232,496	3,292,096	3,227,503	64,593

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, 2008

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Juvenile Court				
Personnel services	4,760,637	4,974,637	4,930,087	44,550
Operating expenditures	200,874	394,014	366,471	27,543
Capital outlay	-	1,102	-	1,102
	4,961,511	5,369,753	5,296,558	73,195
State Court Division II				
Personnel services	1,343,083	1,429,477	1,404,869	24,608
Operating expenditures	142,817	117,423	117,284	139
Capital outlay	900	900	499	401
	1,486,800	1,547,800	1,522,652	25,148
Probate Court				
Personnel services	1,059,417	1,084,204	1,084,138	66
Operating expenditures	77,540	81,753	81,748	5
	1,136,957	1,165,957	1,165,886	71
Solicitor				
Personnel services	4,227,929	5,627,089	5,327,621	299,468
Operating expenditures	46,432	67,697	67,214	483
Capital outlay	-	4,000	-	4,000
	4,274,361	5,698,786	5,394,835	303,951
State Court				
Personnel services	4,464,281	4,602,281	4,581,501	20,780
Operating expenditures	459,608	459,608	407,754	51,854
Capital outlay	6,500	6,500	(2,500)	9,000
	4,930,389	5,068,389	4,986,755	81,634
Superior Court				
Personnel services	4,496,145	4,916,188	4,852,700	63,488
Operating expenditures	882,147	857,576	755,979	101,597
Capital outlay	3,500	10,562	1,221	9,341
	5,381,792	5,784,326	5,609,900	174,426
Circuit Defender				
Personnel services	712,142	693,841	681,222	12,619
Operating expenditures	4,973,575	6,751,221	6,751,746	(525)
	5,685,717	7,445,062	7,432,968	12,094
Total judicial	46,147,758	51,978,310	50,990,798	987,512
Executive and administrative:				
County Manager				
Personnel services	713,029	763,029	754,465	8,564
Operating expenditures	43,553	47,729	48,177	(448)
Capital outlay	600	4,030	(939)	4,969
	757,182	814,788	801,703	13,085

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, 2008

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
General Administrative				
Personnel services	23,000	30,268	14,308	15,960
Operating expenditures	3,287,027	3,933,959	3,925,425	8,534
Capital outlay	-	2,053,721	2,053,672	49
	3,310,027	6,017,948	5,993,405	24,543
Information Services				
Personnel services	8,773,652	9,027,652	8,612,143	415,509
Operating expenditures	4,550,691	4,489,414	4,164,578	324,836
Capital outlay	30,022	358,037	346,553	11,484
	13,354,365	13,875,103	13,123,274	751,829
Drug Treatment				
Personnel services	265,076	261,217	255,879	5,338
Operating expenditures	232,148	237,319	225,622	11,697
	497,224	498,536	481,501	17,035
Finance				
Personnel services	2,620,419	2,620,419	2,544,577	75,842
Operating expenditures	313,963	288,067	231,170	56,897
Capital outlay	-	25,896	25,900	(4)
	2,934,382	2,934,382	2,801,647	132,735
Purchasing				
Personnel services	3,422,524	3,553,497	3,546,907	6,590
Operating expenditures	2,430,629	2,799,683	2,842,277	(42,594)
Capital outlay	2,169,340	2,413,526	2,395,790	17,736
	8,022,493	8,766,706	8,784,974	(18,268)
Tax Assessor				
Personnel services	3,600,914	3,685,078	3,652,316	32,762
Operating expenditures	1,770,223	1,782,179	1,669,101	113,078
Capital outlay	9,000	9,000	-	9,000
	5,380,137	5,476,257	5,321,417	154,840
Internal Audit				
Personnel services	664,755	777,325	768,249	9,076
Operating expenditures	22,746	26,066	16,808	9,258
Capital outlay	-	-	-	-
	687,501	803,391	785,057	18,334
Human Resources				
Personnel services	1,838,658	1,905,658	1,895,827	9,831
Operating expenditures	462,902	545,719	515,547	30,172
Capital outlay	-	5,232	936	4,296
	2,301,560	2,456,609	2,412,310	44,299
Ethics Board				
Operating expenditures	1,130	1,130	-	1,130
	1,130	1,130	-	1,130
Property Management				
Personnel services	4,253,383	4,368,383	4,320,390	47,993
Operating expenditures	4,745,791	4,800,003	4,606,189	193,814
Capital outlay	13,865	59,307	45,938	13,369
	9,013,039	9,227,693	8,972,517	255,176

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, 2008

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Tax Commissioner				
Personnel services	6,390,841	6,714,784	6,688,997	25,787
Operating expenditures	678,548	645,044	520,897	124,147
Capital outlay	5,340	57,484	16,237	41,247
	7,074,729	7,417,312	7,226,131	191,181
Public Services				
Personnel services	241,489	259,489	255,602	3,887
Operating expenditures	4,625	5,125	4,556	569
	246,114	264,614	260,158	4,456
Communications				
Personnel services	953,022	1,019,022	1,005,156	13,866
Operating expenditures	324,603	324,603	255,589	69,014
Capital outlay	10,153	10,153	2,013	8,140
	1,287,778	1,353,778	1,262,758	91,020
Support Services				
Personnel services	835,292	911,292	877,145	34,147
Operating Services	1,447,056	1,210,229	1,019,663	190,566
Capital outlay	-	1,300	-	1,300
	2,282,348	2,122,821	1,896,808	226,013
Elections & Registration				
Personnel services	2,337,979	2,569,754	2,177,588	392,166
Operating expenditures	719,096	1,089,056	1,028,009	61,047
Capital outlay	67,840	39,971	37,177	2,794
	3,124,915	3,698,781	3,242,774	456,007
County Clerk				
Personnel services	306,262	334,262	332,122	2,140
Operating expenditures	52,361	50,669	52,819	(2,150)
Capital outlay	-	12,142	-	12,142
	358,623	397,073	384,941	12,132
Law Department				
Personnel services	1,470,332	1,504,151	1,504,150	1
Operating expenditures	454,465	686,235	686,234	1
Capital outlay	-	96	95	1
	1,924,797	2,190,482	2,190,479	3
Total executive and administrative	62,558,344	68,317,404	65,941,854	2,375,550
Total general government	112,801,279	124,306,016	120,814,814	3,491,202
Public Safety:				
P S Training Center				
Personnel services	1,365,737	1,291,737	1,277,746	13,991
Operating expenditures	240,795	233,935	220,467	13,468
Capital outlay	29,334	23,394	19,960	3,434
	1,635,866	1,549,066	1,518,173	30,893
Police Department				
Personnel services	47,588,578	51,212,313	51,198,996	13,317
Operating expenditures	3,432,721	3,999,385	4,141,545	(142,160)
Capital outlay	263,080	741,760	593,410	148,350
	51,284,379	55,953,458	55,933,951	19,507

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, 2008

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Countywide-800MHZ				
Personnel services	228,535	244,535	239,440	5,095
Operating expenditures	1,246,802	1,492,562	1,428,104	64,458
	1,475,337	1,737,097	1,667,544	69,553
Animal Control				
Personnel services	2,183,882	2,270,882	2,200,789	70,093
Operating expenditures	394,222	458,677	456,637	2,040
Capital outlay	-	10,008	-	10,008
	2,578,104	2,739,567	2,657,426	82,141
Public Safety				
Personnel services	2,287,354	1,467,354	1,430,891	36,463
Operating expenditures	93,223	81,623	73,451	8,172
	2,380,577	1,548,977	1,504,342	44,635
Sheriff				
Personnel services	17,417,597	18,622,695	18,551,212	71,483
Operating expenditures	1,186,670	1,440,977	1,440,976	1
Capital outlay	81,475	29,352	29,351	1
	18,685,742	20,093,024	20,021,539	71,485
Corrections				
Personnel services	26,369,177	27,720,503	27,686,286	34,217
Operating expenditures	14,168,152	13,342,986	13,323,860	19,126
Capital outlay	77,220	53,183	45,425	7,758
	40,614,549	41,116,672	41,055,571	61,101
Medical Examiner				
Personnel services	501,450	535,450	531,244	4,206
Operating expenditures	482,095	482,095	485,735	(3,640)
Capital outlay	10,404	10,404	-	10,404
	993,949	1,027,949	1,016,979	10,970
Total public safety	119,648,503	125,765,810	125,375,525	390,285
Public works:				
Department of Transportation				
Personnel services	11,297,612	11,080,801	11,079,755	1,046
Operating expenditures	9,689,480	9,297,166	8,859,966	437,200
Capital outlay	602,271	893,276	597,362	295,914
	21,589,363	21,271,243	20,537,083	734,160
Total public works	21,589,363	21,271,243	20,537,083	734,160
Culture and Recreation				
Extension Service				
Personnel services	480,682	509,602	506,736	2,866
Operating expenditures	28,748	30,328	30,322	6
	509,430	539,930	537,058	2,872

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, 2008

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Library				
Personnel services	8,537,566	8,736,697	8,736,031	666
Operating expenditures	2,424,903	2,534,578	2,500,090	34,488
Capital outlay	-	17,041	3,585	13,456
	10,962,469	11,288,316	11,239,706	48,610
Parks and Recreation				
Personnel services	13,429,325	13,640,072	13,628,958	11,114
Operating expenditures	8,486,215	8,483,214	7,878,009	605,205
Capital outlay	187,861	885,927	776,373	109,554
	22,103,401	23,009,213	22,283,340	725,873
Total culture and recreation	33,575,300	34,837,459	34,060,104	777,355
Health and welfare:				
Cobb County Board of Health				
Operating expenditures	1,342,332	1,342,332	1,342,332	-
Total health and welfare	1,342,332	1,342,332	1,342,332	-
Housing and development:				
Economic Development				
Personnel services	244,285	338,285	335,187	3,098
Operating expenditures	136,012	140,412	139,812	600
	380,297	478,697	474,999	3,698
Community Development				
Personnel services	7,412,056	7,481,696	7,393,998	87,698
Operating expenditures	352,550	509,253	303,706	205,547
Capital outlay	7,700	29,966	28,707	1,259
	7,772,306	8,020,915	7,726,411	294,504
Total housing and development	8,152,603	8,499,612	8,201,410	298,202
Total current	$ 297,109,380	$ 316,022,472	$ 310,331,268	$ 5,691,204
Debt service:				
Principal retirement	$ 178,242	$ 194,899	$ 188,058	$ 6,841
Interest and fiscal charges	2,126,391	949,942	949,941	1
Total debt service	$ 2,304,633	$ 1,144,841	$ 1,137,999	$ 6,842
Total expenditures	$ 299,414,013	$ 317,167,313	$ 311,469,267	$ 5,698,046
Excess (deficiency) of revenues over expenditures	$ 18,482,588	$ 4,489,199	$ 4,886,134	$ 396,935

Continued on next page

Cobb County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2008

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Other financing sources (uses):				
Transfers in	$ 19,649,480	$ 21,509,414	$ 21,366,602	$ (142,812)
Proceeds from sale of capital assets	300,000	313,800	213,104	(100,696)
Proceeds from capital lease	-	291,405	291,405	-
Transfers out	(28,132,398)	(42,880,030)	(40,539,962)	2,340,068
Total other financing sources (uses)	$ (8,182,918)	$ (20,765,411)	$ (18,668,851)	$ 2,096,560
Net change in fund balance	$ 10,299,670	$ (16,276,212)	$ (13,782,717)	$ 2,493,495
Fund balance at beginning of year			58,714,498	
Fund balance at end of year - budgetary basis			$ 44,931,781	
Reconciliation to GAAP basis:				
Elimination of encumbrances outstanding at end of year			1,847,601	
Fund balance at end of year - GAAP basis			$ 46,779,382	

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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, 2008

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 113-118

Revenue Capacity

These schedules contain information to help the user assess the County's major revenue sources. Pages 119-122

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 123-128

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 129-130

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 131-133

Cobb County, Georgia
Net Assets by Component
Unaudited

	2008	2007	2006	2005	2004	2003	2002
Governmental activities							
Invested in capital assets, net of related debt	$ 2,697,785,423	$ 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	173,324,280	183,127,588	85,045,197	4,501,533	102,020,091	75,568,888	82,922,156
Unrestricted	61,584,531	76,623,771	82,350,806	70,015,602	29,981,942	58,464,900	45,642,328
Total governmental activities net assets	$ 2,932,694,234	$ 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	$ 1,221,223,766	$ 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	7,356,104	26,521,995	4,806,173	2,306,436	(25,510,809)	(39,411,425)	(42,748,221)
Total business-type activities net assets	$ 1,228,579,870	$ 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	$ 3,919,009,189	$ 3,703,765,580	$ 3,640,985,798	$ 3,590,504,599	$ 3,422,492,626	$ 3,393,124,778	$ 3,264,528,862
Restricted	173,324,280	183,127,588	85,045,197	4,501,533	246,548,988	187,014,574	260,715,957
Unrestricted	68,940,635	103,145,766	87,156,979	72,322,038	4,471,133	19,053,475	2,894,107
Total primary government net assets	$ 4,161,274,104	$ 3,990,038,934	$ 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

	2008	2007	2006	2005	2004	2003	2002
Expenses							
Governmental activities:							
General government	$ 129,487,420	$ 120,717,451	$ 115,843,895	$ 107,749,514	$ 108,191,828	$ 99,766,869	$ 95,009,466
Public safety	216,428,501	193,571,694	178,947,049	168,711,238	163,535,307	154,774,012	139,360,166
Public works	104,411,823	104,327,448	90,377,404	69,421,056	66,385,387	66,256,600	68,070,044
Health and welfare	7,216,169	13,616,494	7,478,849	6,684,836	5,919,160	4,932,192	5,073,402
Culture and recreation	45,361,751	35,607,314	39,071,797	30,582,562	30,360,077	28,921,885	27,798,680
Housing and development	15,357,027	14,722,882	13,609,064	16,930,505	14,232,310	15,213,345	15,953,347
Interest on long-term debt	6,547,418	6,685,179	6,592,636	6,300,694	3,135,529	3,319,712	4,743,966
Total governmental activities expenses	$ 524,810,109	$ 489,248,462	$ 451,920,694	$ 406,380,405	$ 391,759,598	$ 373,184,615	$ 356,009,071
Business-type activities:							
Water and Sewer	$ 144,220,614	$ 145,833,553	$ 144,457,437	$ 123,198,230	$ 121,115,557	$ 112,023,923	$ 112,263,460
Solid Waste	12,005,039	11,953,423	11,095,700	12,179,338	13,346,843	13,678,893	13,900,762
Transit	22,799,515	19,686,139	17,477,215	15,362,394	14,073,213	10,685,976	12,014,385
Cobblestone Golf Course	1,778,843	1,741,765	1,677,078	1,881,091	1,792,480	1,703,874	1,871,441
Mable House Barnes Amphitheatre	-	-	1,621,898	1,370,258	1,294,694	1,213,026	-
Total business-type activities expenses	$ 180,804,011	$ 179,214,880	$ 176,329,328	$ 153,991,311	$ 151,622,787	$ 139,305,692	$ 140,050,048
Total primary government expenses	$ 705,614,120	$ 668,463,342	$ 628,250,022	$ 560,371,716	$ 543,382,385	$ 512,490,307	$ 496,059,119
Program Revenues							
Governmental activities:							
Charges for services:							
General government	$ 51,978,918	$ 53,256,545	$ 51,709,360	$ 44,800,932	$ 49,574,327	$ 52,953,905	$ 49,078,823
Public safety	14,780,887	14,341,033	14,469,395	13,425,582	12,138,789	11,960,137	12,280,544
Public works	4,949,018	5,582,231	5,320,149	4,796,608	4,463,356	4,448,905	4,481,838
Health and welfare	80,917	74,041	80,017	79,569	72,894	73,935	68,902
Culture and recreation	4,218,145	4,022,119	3,219,150	3,266,955	3,078,532	3,052,475	2,907,402
Housing and development	19,987,871	21,749,780	21,724,082	22,130,157	20,197,584	18,098,184	17,757,681
Operating grants and contributions	17,665,432	17,442,439	16,342,417	16,700,061	16,131,983	8,539,450	10,107,108
Capital grants and contributions	99,891,365	43,962,989	39,290,010	32,790,400	46,758,335	11,975,118	17,723,508
Total governmental activities program revenues	$ 213,552,553	$ 160,431,177	$ 152,154,580	$ 137,990,264	$ 152,415,800	$ 111,102,109	$ 114,405,806
Business-type activities:							
Charges for services:							
Water and Sewer	$ 150,084,927	$ 174,833,409	$ 167,580,879	$ 143,171,222	$ 141,959,651	$ 133,266,282	$ 158,358,196
Solid Waste	6,711,561	6,215,070	5,868,070	5,929,112	5,994,436	5,609,955	4,829,398
Transit	5,095,171	3,704,693	3,703,228	3,297,030	2,796,707	3,003,725	2,792,849
Cobblestone Golf Course	2,076,810	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	500,989	571,081	1,445,712	-	-	-	248,932
Capital grants and contributions	31,341,068	37,980,311	39,555,767	38,670,446	53,387,271	65,726,743	10,874,104
Total business-type activities program revenues	$ 195,810,526	$ 225,450,816	$ 220,939,507	$ 193,615,676	$ 206,452,780	$ 209,661,612	$ 178,919,498
Total primary government program revenues	$ 409,363,079	$ 385,881,993	$ 373,094,087	$ 331,605,940	$ 358,868,580	$ 320,763,721	$ 293,325,304
Net (Expense)/Revenue							
Governmental activities	$ (311,257,556)	$ (328,817,285)	$ (299,766,114)	$ (268,390,141)	$ (239,343,798)	$ (262,082,506)	$ (241,603,265)
Business-type activities	15,006,515	46,235,936	44,610,179	39,624,365	54,829,993	70,355,920	38,869,450
Total primary government net (expense)/revenue	$ (296,251,041)	$ (282,581,349)	$ (255,155,935)	$ (228,765,776)	$ (184,513,805)	$ (191,726,586)	$ (202,733,815)
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Property taxes	$ 251,204,278	$ 238,915,529	$ 218,244,514	$ 214,511,969	$ 195,394,493	$ 181,170,485	$ 190,948,717
Sales taxes	132,348,036	134,143,700	100,562,325	161,617	485,445	150,785	1,335,432
Insurance and premium tax	22,094,857	21,012,449	20,050,624	18,776,151	17,352,880	16,180,639	14,653,816
Alcoholic beverage tax	4,896,525	4,786,541	4,115,598	4,524,862	4,548,280	4,378,044	4,552,006
Hotel/Motel tax	11,084,810	10,625,801	10,452,605	3,327,163	3,038,009	3,021,223	3,194,741
Real estate transfer tax	1,285,897	2,381,465	2,565,691	2,449,347	1,908,363	3,962,093	1,421,517
Miscellaneous taxes	10,982,764	10,213,949	11,190,228	8,990,786	10,570,872	9,209,203	6,996,745
Miscellaneous	6,435,465	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	11,458,132	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	248,756	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	12,485,150	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	567,004	4,439,403	2,643,338	6,057,506	1,563,897	226,372	(785,032)
Total governmental activities	$ 465,091,674	$ 459,340,246	$ 398,191,099	$ 278,454,105	$ 257,019,283	$ 262,011,074	$ 329,918,439

Business-type activities:								
Miscellaneous	$ 942,405	$ 913,102	$ 1,487,088	$ -	$ -	$ -	$ -	
Gain or (loss) on sale of capital assets	31,240	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	1,988,896	3,569,886	5,371,893	3,677,132	2,395,842	2,295,482	5,842,748	
Transfers	(567,004)	(4,439,403)	(2,643,338)	(6,057,506)	(1,563,897)	(1,290,340)	(507,300)	
Total business-type activities	$ 2,395,537	$ 91,063	$ 4,215,643	$ (2,222,514)	$ 1,814,442	$ 869,402	$ 5,139,667	
Total primary government	$ 467,487,211	$ 459,431,309	$ 402,406,742	$ 276,231,591	$ 258,833,725	$ 262,880,476	$ 335,058,106	
Change in Net Assets Before Restatement								
Governmental activities	$ 153,834,118	$ 130,522,961	$ 98,424,985	$ 10,063,964	$ 17,675,485	$ (71,432)	$ 88,315,174	
Business-type activities	17,402,052	46,326,999	48,825,822	37,401,851	56,644,435	71,225,322	44,009,117	
Total primary government	$ 171,236,170	$ 176,849,960	$ 147,250,807	$ 47,465,815	$ 74,319,920	$ 71,153,890	$ 132,324,291	
Restatement								
Governmental activities	$ -	$ -	$ (1,391,003)	$ (53,650,392)	$ -	$ -	$ -	
Business-type activities	-	-	-	-	-	(99,989)	-	
Total primary government	$ -	$ -	$ (1,391,003)	$ (53,650,392)	$ -	$ (99,989)	$ -	
Change in Net Assets After Restatement								
Governmental activities	$ 153,834,118	$ 130,522,961	$ 97,033,982	$ (43,586,428)	$ 17,675,485	$ (71,432)	$ 88,315,174	
Business-type activities	17,402,052	46,326,999	48,825,822	37,401,851	56,644,435	71,125,333	44,009,117	
Total primary governmen	$ 171,236,170	$ 176,849,960	$ 145,859,804	$ (6,184,577)	$ 74,319,920	$ 71,053,901	$ 132,324,291	

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

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

	2003	2002	2001	2000	1999
General Fund					
Reserved	$ 5,097,575	$ 5,059,721	$ 3,573,365	$ 3,353,902	$ 3,014,874
Unreserved	63,125,053	39,395,452	27,570,731	27,853,746	31,253,962
Total General Fund	$ 68,222,628	$ 44,455,173	$ 31,144,096	$ 31,207,648	$ 34,268,836
All Other Governmental Funds					
Reserved	$ 6,074,340	$ 63,336,996	$ 94,433,901	$ 136,405,334	$ 192,100,593
Unreserved					
Special Revenue Funds	17,290,675	10,680,024	5,837,419	8,916,601	8,257,793
Capital Projects Funds	43,870,351	-	-	-	-
Total all other governmental funds	$ 67,235,366	$ 74,017,020	$ 100,271,320	$ 145,321,935	$ 200,358,386

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

	2008	2007	2006	2005
Revenues				
Taxes	$ 430,494,106	$ 421,478,808	$ 365,649,916	$ 243,253,752
Licenses and permits	20,002,557	21,757,476	21,477,431	21,952,259
Intergovernmental	47,620,520	43,927,165	40,119,513	45,972,924
Charges for services	58,031,429	59,521,098	57,707,513	53,948,110
Fines and forfeits	17,961,770	17,747,175	17,337,209	19,439,582
Interest earned	11,702,780	13,130,180	6,717,914	2,684,393
Contributions	-	-	-	73,565
Increase (decrease) in fair value of investments	-	-	-	-
Miscellaneous	6,435,465	7,369,832	9,046,114	6,249,544
Total revenues	$ 592,248,627	$ 584,931,734	$ 518,055,610	$ 393,574,129
Expenditures				
General government	$ 125,709,498	$ 133,657,911	$ 121,042,343	$ 136,122,674
Public safety	205,020,261	199,303,102	184,595,327	167,931,065
Public works	30,598,324	89,477,872	57,385,232	40,980,529
Health and welfare	7,769,638	7,413,307	6,578,840	6,284,246
Culture and recreation	42,377,184	52,030,237	39,809,495	32,471,529
Housing and development	15,183,400	15,150,457	15,105,680	16,859,368
Debt service				
Principal retirement	13,961,512	16,548,903	10,944,224	7,123,315
Interest and fiscal charges	6,742,631	6,977,162	6,963,792	3,859,569
Capital outlay	207,489,112	-	-	-
Total expenditures	$ 654,851,560	$ 520,558,951	$ 442,424,933	$ 411,632,295
Excess of revenues over (under) expenditures	$ (62,602,933)	$ 64,372,783	$ 75,630,677	$ (18,058,166)
Other financing sources (uses)				
Transfers in	$ 60,545,358	$ 80,462,127	$ 58,146,991	$ 41,216,609
Transfers out	(59,309,482)	(82,436,523)	(55,394,987)	(34,830,124)
Capital lease proceeds	291,405	6,975,011	7,019,390	-
Proceeds from sale of capital assets	292,891	310,697	840,637	1,515,000
Bonds issued	15,000,000	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)	$ 16,820,172	$ 31,238,245	$ 10,612,031	$ 8,003,054
Net change in fund balances before restatement	$ (45,782,761)	$ 95,611,028	$ 86,242,708	$ (10,055,112)
Restatement	$ -	$ -	$ -	$ 7,131,636
Net change in fund balances after restatement	$ (45,782,761)	$ 95,611,028	$ 86,242,708	$ (2,923,476)
Debt service as a percentage of noncapital expenditures	8.18%	5.30%	4.50%	3.20%

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

2004	2003	2002	2001	2000	1999
$ 233,912,522	$ 219,514,807	$ 209,332,705	$ 187,468,350	$ 185,316,379	$ 246,570,918
20,081,455	18,073,485	17,714,856	16,527,532	16,466,884	16,195,202
45,024,359	33,188,602	39,870,040	37,460,731	34,713,764	30,026,775
51,881,834	55,541,607	52,303,368	45,993,473	41,042,206	38,664,865
16,781,751	16,307,448	15,738,490	14,469,760	12,812,943	12,020,994
1,679,490	1,903,733	3,114,946	9,138,181	12,896,557	14,076,119
230,213	190,505	79,018	97,096	228,815	1,344,564
(1,319)	2,038	(84,471)	778,462	346,610	(1,045,164)
8,560,148	7,029,846	5,890,938	5,061,806	3,989,120	3,863,712
$ 378,150,453	$ 351,752,071	$ 343,959,890	$ 316,995,391	$ 307,813,278	$ 361,717,985
$ 108,899,536	$ 97,376,226	$ 97,303,459	$ 132,410,718	$ 117,019,474	$ 101,166,544
164,439,721	144,972,677	135,378,095	93,595,649	85,536,444	82,485,052
47,421,144	42,145,316	58,546,137	32,963,840	32,686,109	29,450,882
5,118,992	4,708,724	4,919,873	5,576,896	4,417,217	4,091,201
33,045,343	28,915,435	33,029,275	24,353,465	23,047,102	20,711,238
17,401,587	17,335,630	15,906,049	8,854,555	5,776,927	5,417,513
7,614,617	7,607,097	6,297,335	10,146,064	9,556,015	10,361,624
3,310,637	3,560,168	4,682,003	5,603,367	6,135,259	5,869,954
-	-	-	59,663,116	84,950,291	150,725,145
$ 387,251,577	$ 346,621,273	$ 356,062,226	$ 373,167,670	$ 369,124,838	$ 410,279,153
$ (9,101,124)	$ 5,130,798	$ (12,102,336)	$ (56,172,279)	$ (61,311,560)	$ (48,561,168)
$ 80,629,289	$ 45,041,284	$ 33,954,139	$ 46,392,091	$ 39,908,587	$ 47,179,578
(79,635,859)	(37,383,272)	(34,729,810)	(35,333,979)	(36,694,666)	(41,740,220)
12,344,970	3,787,719	2,748,771	-	-	1,289,036
-	-	-	-	-	-
-	34,218,180	-	-	-	-
-	-	-	-	-	-
-	(33,808,908)	-	-	-	-
$ 13,338,400	$ 11,855,003	$ 1,973,100	$ 11,058,112	$ 3,213,921	$ 6,728,394
$ 4,237,276	$ 16,985,801	$ (10,129,236)	$ (45,114,167)	$ (58,097,639)	$ (41,832,774)
$ -	$ -	$ -	$ -	$ -	$ -
$ 4,237,276	$ 16,985,801	$ (10,129,236)	$ (45,114,167)	$ (58,097,639)	$ (41,832,774)
3.41%	3.74%	6.79%	13.22%	17.47%	24.90%

Cobb County, Georgia
Assessed Value and Actual Value
Unaudited

Fiscal Year	Real Property: Residential Property Assessed Value	Real Property: Residential Property Estimated Actual Value	Real Property: Commercial Property Assessed Value	Real Property: Commercial Property Estimated Actual Value	Real Property: Other Assessed Value	Real Property: Other Estimated Actual Value	Personal Property Assessed Value	Personal Property Estimated Actual Value	Total Assessed Value	Total Direct Tax Rate (1)	Estimated Actual Value	Assessed Value as of a Percentage of Actual Value
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%
2008	20,221,351,894	50,553,379,735	8,105,159,926	20,262,899,815	2,558,206,943	6,395,517,358	2,934,178,648	7,335,446,620	33,818,897,411	9.60	84,547,243,528	40%

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									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Cobb County Direct Rates										
General	6.82	6.82	6.82	6.85	6.85	6.85	6.80	6.57	6.57	6.57
Fire District	2.56	2.56	2.56	2.65	2.65	2.65	2.65	2.65	2.77	2.77
Debt Service	0.22	0.22	0.22	0.22	0.22	0.22	0.27	0.50	0.50	0.63
Total direct rates	9.60	9.60	9.60	9.72	9.72	9.72	9.72	9.72	9.84	9.97
City Rates										
Acworth	36.35	36.35	37.44	37.74	37.24	37.32	37.37	37.75	36.94	37.17
Austell	29.31	29.31	30.31	30.34	30.34	30.34	30.72	30.73	29.87	30.00
Kennesaw	38.25	38.25	38.00	36.62	36.62	36.62	36.62	36.77	35.89	36.02
Marietta	29.94	29.94	29.94	29.97	29.97	29.97	29.47	26.97	27.04	27.18
Powder Springs	37.25	37.25	38.25	38.37	38.37	36.87	36.87	37.02	36.14	36.27
Smyrna	35.18	35.18	36.36	36.79	36.87	37.07	37.07	37.47	36.82	37.20
School District										
Cobb County Board of Education	18.90	18.90	19.90	19.90	19.90	19.90	19.90	20.05	19.05	19.05
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

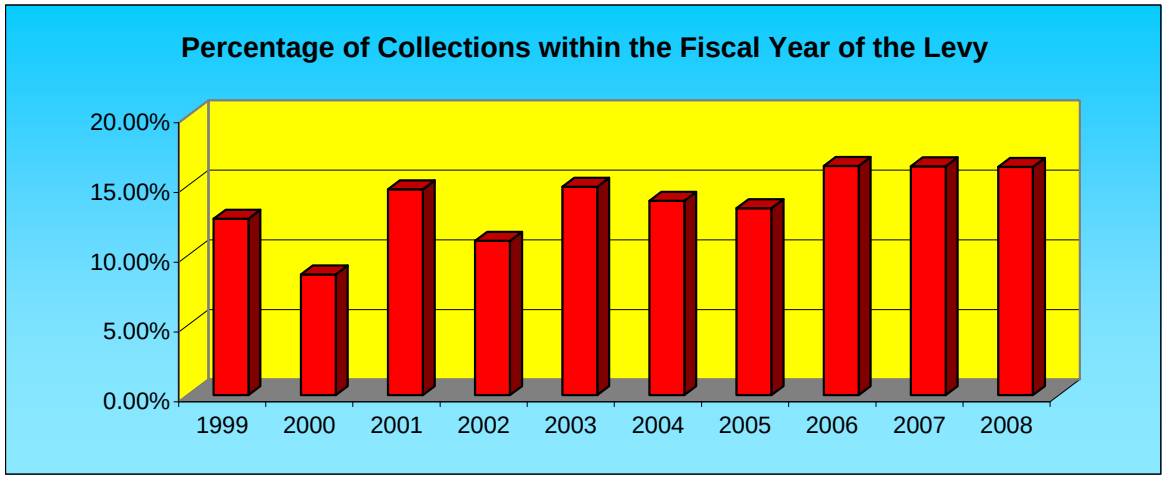
Cobb County, Georgia
Principal Property Tax Payers
Unaudited

Taxpayer	Fiscal Year 2008 Taxes Levied	Rank	Percentage of Total County Taxes Levied	Fiscal Year 1999 Taxes Levied	Rank	Percentage of Total County Taxes Levied
Atlanta Gas & Light	$			$ 1,255,847	10	0.99%
BellSouth Telecommunication	2,930,041	3	1.22%	3,230,776	2	2.54%
CP Venture Five, LLC	1,775,949	10	0.74%			
Cobb EMC	2,807,136	4	1.17%	1,856,686	7	1.46%
Crow Companies				1,272,701	9	1.00%
Diamondrock Waverly Owner, LLC	1,802,885	9	0.75%			
Diversified Development Properties	1,987,342	8	0.83%			
Georgia Power Co.	3,546,193	2	1.48%	2,388,241	5	1.88%
Home Depot	5,840,083	1	2.44%	2,546,833	3	2.00%
Lockheed Martin Corp	2,437,747	6	1.02%	2,525,699	4	1.99%
Post Properties	2,192,120	7	0.92%	2,318,424	6	1.82%
State of California Public Employees				1,315,626	8	1.03%
Wildwood Properties	2,708,143	5	1.13%	4,480,698	1	3.52%

Source: Cobb County Tax Commissioner's Office

Cobb County, Georgia
Property Tax Levies and Collections
Unaudited

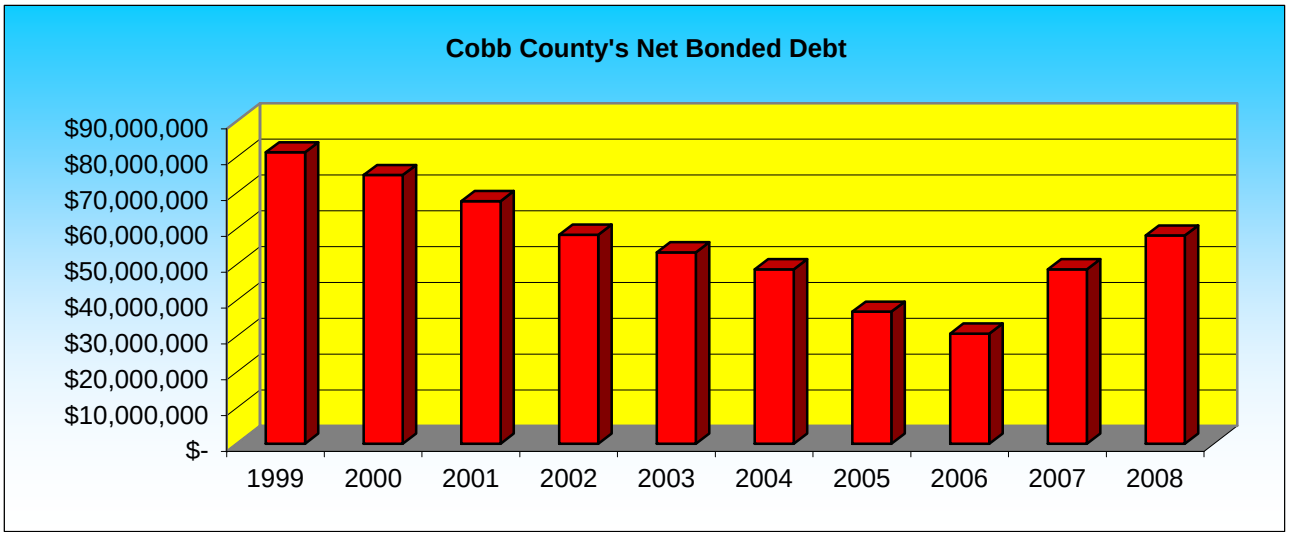
Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)	Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
1999	$ 132,259,856	$ (5,116,684)	$ 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%	121,544,382	143,296,260	99.19%
2002	168,071,481	(5,028,006)	163,043,475	18,581,936	11.06%	143,558,879	162,140,815	99.45%
2003	173,817,379	(2,783,868)	171,033,511	25,963,777	14.94%	143,949,237	169,913,014	99.34%
2004	182,667,127	(2,080,556)	180,586,571	25,450,248	13.93%	154,233,766	179,684,014	99.50%
2005	197,751,595	(1,841,598)	195,909,997	26,498,532	13.40%	168,271,939	194,770,471	99.42%
2006	211,393,308	(1,137,603)	210,255,705	34,705,014	16.42%	173,319,186	208,024,200	98.94%
2007	226,524,907	(1,246,479)	225,278,428	37,148,299	16.40%	185,130,487	222,278,786	98.67%
2008	240,393,700	(1,195,186)	239,198,514	39,301,350	16.35%	-	39,301,350	16.43%



Source: Cobb County Tax Commissioner's Office

Cobb County, Georgia
Ratios of General Bonded Debt Outstanding
Unaudited

Fiscal Year	General Bonded Debt Outstanding: General Obligation Bonds	Less: Amounts Restricted to Repaying Principal	Net Bonded Debt	Percentage of Personal Income	Percentage Actual Value of Taxable Property	Per Capita
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%	122.36
2001	69,440,000	1,751,265	67,688,735	0.32%	0.13%	107.98
2002	60,785,000	2,459,518	58,325,482	0.28%	0.10%	91.36
2003	55,355,000	1,985,667	53,369,333	0.26%	0.09%	82.70
2004	50,545,000	1,863,735	48,681,265	0.22%	0.07%	74.45
2005	44,895,000	8,058,583	36,836,417	0.16%	0.05%	55.52
2006	39,095,000	8,366,821	30,728,179	0.13%	0.04%	45.15
2007	58,070,000	9,380,967	48,689,033	0.18%	0.06%	70.37
2008	66,815,000	8,732,742	58,082,258	0.21%	0.07%	82.70



Source: Basic Financial Statements

Cobb County, Georgia
Direct and Overlapping Governmental Activities Debt
Unaudited
As of September 30, 2008

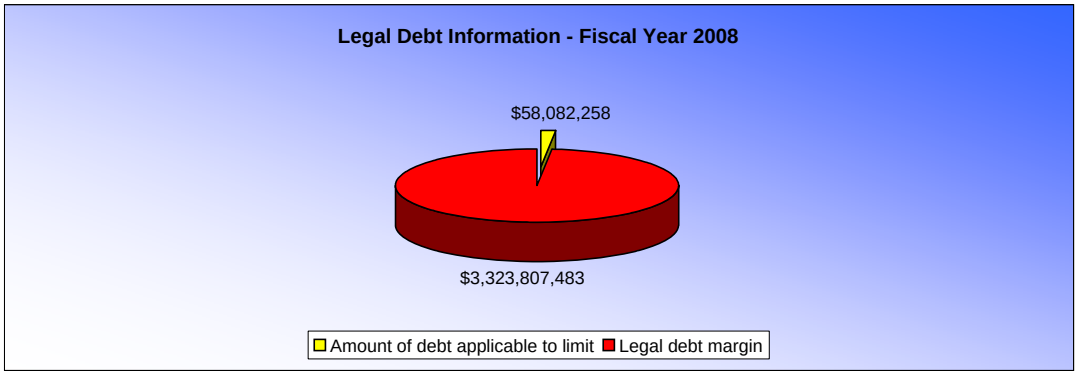
Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Cities			
Austell	$ 6,240,000	100%	$ 6,240,000
Kennesaw	13,845,000	100%	13,845,000
Marietta	59,655,000	100%	59,655,000
Powder Springs	10,137,547	100%	10,137,547
Total cities			$ 89,877,547
Development Authorities			
Acworth	$ 14,195,000	100%	$ 14,195,000
Marietta	6,479,719	100%	6,479,719
Smyrna	39,590,000	100%	39,590,000
Total development authorities			$ 60,264,719
Subtotal, overlapping debt			$ 150,142,266
Total direct debt			$ 226,795,000
Total direct and overlapping debt			$ 376,937,266

Cobb County, Georgia
Legal Debt Margin Information
Unaudited

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

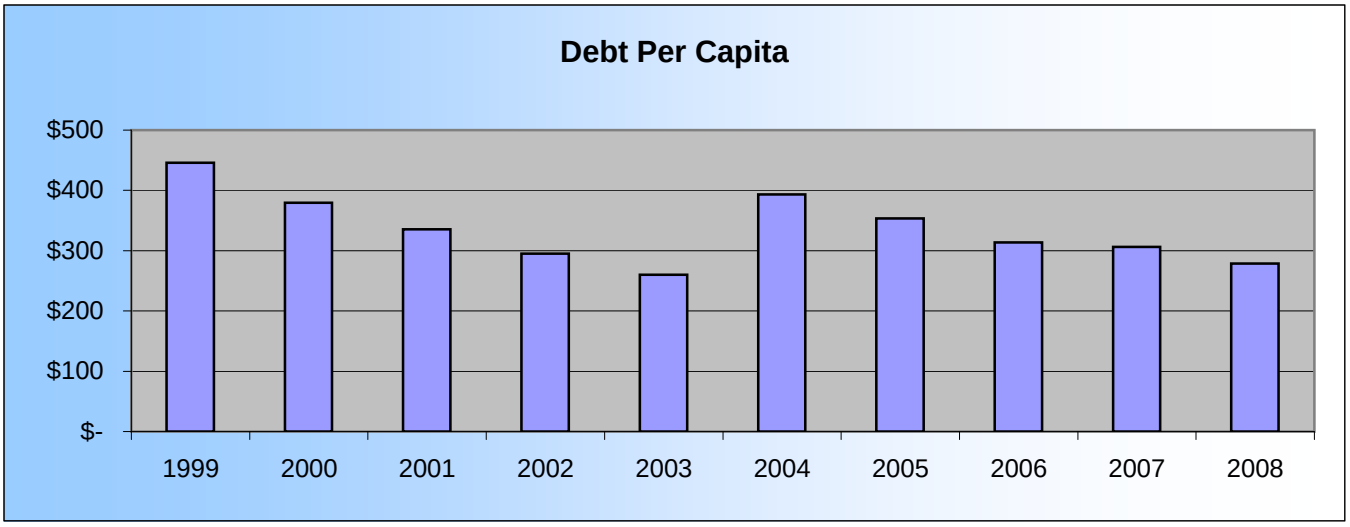
	Fiscal Year				
	2003	2002	2001	2000	1999
Assessed value of property	$ 24,620,200,329	$ 23,714,500,523	$ 20,528,283,257	$ 18,929,333,245	$ 17,734,080,496
Debt limit, 10% of assessed value	2,462,020,033	2,371,450,052	2,052,828,326	1,892,933,325	1,773,408,050
Amount of debt applicable to limit	53,369,333	58,325,482	67,688,735	74,946,013	81,297,062
	-	-			
General Obligation Bonds	55,355,000	60,785,000	69,440,000	77,585,000	85,260,000
Less: Resources restricted to paying principal	(1,985,667)	(2,459,518)	(1,751,265)	(2,638,987)	(3,962,938)
Total net debt applicable to limit	53,369,333	58,325,482	67,688,735	74,946,013	81,297,062
Legal debt margin	$ 2,408,650,700	$ 2,313,124,570	$ 1,985,139,591	$ 1,817,987,312	$ 1,692,110,988
Total net debt applicable to the limit as a percentage of debt limit	2.17%	2.46%	3.30%	3.96%	4.58%

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
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%	379.32
2001	69,440,000	133,665,000	7,072,904	210,177,904	1.00%	335.30
2002	60,785,000	119,305,000	8,217,114	188,307,114	0.91%	294.96
2003	55,355,000	103,455,000	8,879,923	167,689,923	0.81%	259.86
2004	50,545,000	187,455,000	19,123,133	257,123,133	1.19%	393.25
2005	44,895,000	171,815,000	17,744,916	234,454,916	1.04%	353.35
2006	39,095,000	153,835,000	20,745,251	213,675,251	0.91%	313.93
2007	58,070,000	135,565,000	18,245,747	211,880,747	0.77%	306.23
2008	66,815,000	116,950,000	11,957,581	195,722,581	0.71%	278.69



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			
				Principal	Interest	Total	Coverage
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
2008	155,667,100	102,378,852	53,288,248	16,330,000	5,305,850	21,635,850	2.46

Solid Waste Disposal Bonds:

Fiscal Year	Gross Revenues	Direct Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage
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
2008	16,526,644	10,695,503	5,831,141	1,855,000	553,431	2,408,431	2.42

Golf Course Bonds:

Fiscal Year	Gross Revenues	Direct Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage
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
2008	2,083,592	1,496,261	587,331	430,000	153,697	583,697	1.01

(1) Depreciation expense not included.

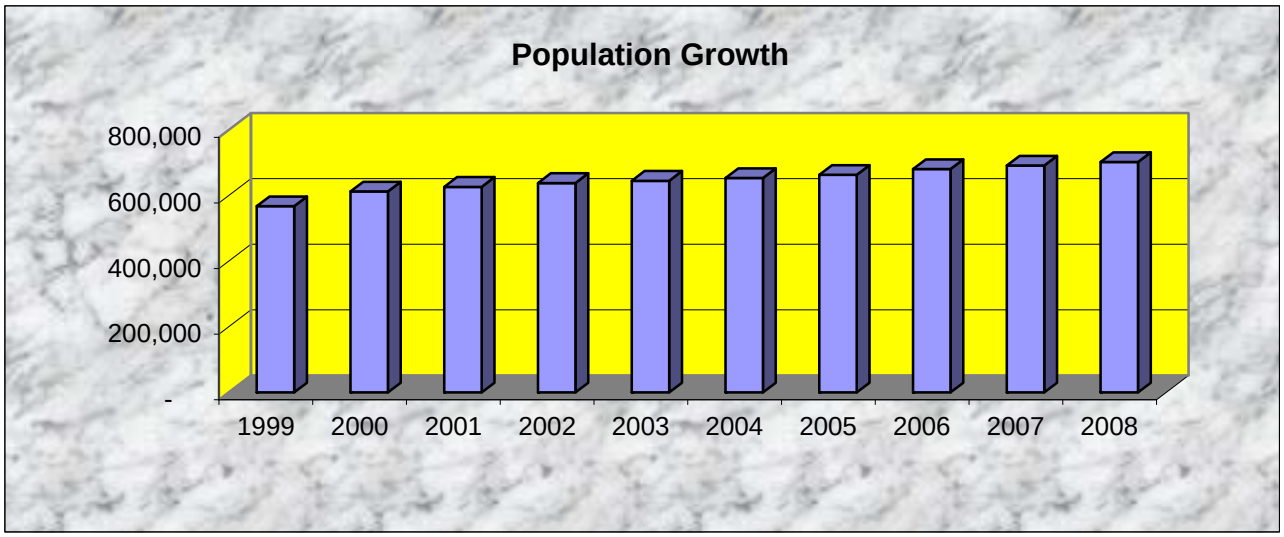
Cobb County, Georgia
Annual Debt Service Requirements
Unaudited

Year Ending September 30	Governmental Activities General Obligation Bonds Principal	Governmental Activities General Obligation Bonds Interest	Business Type Activities Revenue Bonds Principal	Business Type Activities Revenue Bonds Interest	Component Units Revenue Bonds Principal	Component Units Revenue Bonds Interest
2009	$ 6,515,000	$ 2,721,992	$ 7,495,000	$ 5,195,258	$ 3,600,000	$ 6,830,364
2010	6,820,000	2,412,750	7,710,000	4,860,503	4,190,000	6,676,496
2011	6,410,000	2,126,813	7,955,000	4,503,205	4,430,000	6,494,802
2012	6,700,000	1,853,362	7,990,000	4,119,600	4,680,000	6,299,859
2013	6,995,000	1,559,018	8,465,000	3,713,225	4,960,000	6,083,347
2014-2018	33,375,000	3,077,057	37,245,000	13,332,001	29,785,000	26,558,277
2019-2023	-	-	40,090,000	5,756,362	39,930,000	18,174,029
2024-2028	-	-	-	-	45,365,000	7,071,412
2029	-	-	-	-	4,525,000	197,969
	$ 66,815,000	$ 13,750,992	$ 116,950,000	$ 41,480,154	$ 141,465,000	$ 84,386,555

Year Ending September 30	Total Primary Government General Obligation Bonds Principal	Total Primary Government General Obligation Bonds Interest	Total Primary Government Revenue Bonds Principal	Total Primary Government Revenue Bonds Interest	Total Principal	Total Interest
2009	$ 6,515,000	$ 2,721,992	$ 7,495,000	5,195,258	$ 14,010,000	$ 7,917,250
2010	6,820,000	2,412,750	7,710,000	4,860,503	14,530,000	7,273,253
2011	6,410,000	2,126,813	7,955,000	4,503,205	14,365,000	6,630,018
2012	6,700,000	1,853,362	7,990,000	4,119,600	14,690,000	5,972,962
2013	6,995,000	1,559,018	8,465,000	3,713,225	15,460,000	5,272,243
2014-2018	33,375,000	3,077,057	37,245,000	13,332,001	70,620,000	16,409,058
2027-2029	-	-	-	-	-	-
	$ 66,815,000	$ 13,750,992	$ 116,950,000	$ 41,480,154	$ 183,765,000	$ 55,231,146

Cobb County, Georgia
Demographic and Economic Statistics
Unaudited

Year	Population (1)	Personal Income (2)	Per Capita Personal Income (2)	County Unemployment Rate (2)
1999	567,800	19,931,470,000	35,102.98	2.6%
2000	612,529	20,880,980,000	34,089.78	2.3%
2001	626,842	21,110,380,000	33,677.35	3.0%
2002	638,411	20,729,560,000	32,470.56	4.6%
2003	645,304	20,724,110,000	32,115.27	4.2%
2004	653,841	21,645,330,000	33,104.88	4.1%
2005	663,528	22,504,970,000	33,917.14	4.3%
2006	680,650	23,511,880,000	34,543.27	4.0%
2007	691,905	27,669,090,000	39,989.72	3.5%
2008	702,284	27,538,100,000	39,212.20	6.2%



Source:
(1) Estimated from July 2007 Census using 1.5% growth rate
(2) Woods & Poole Economics 2008 Data Pamphlet

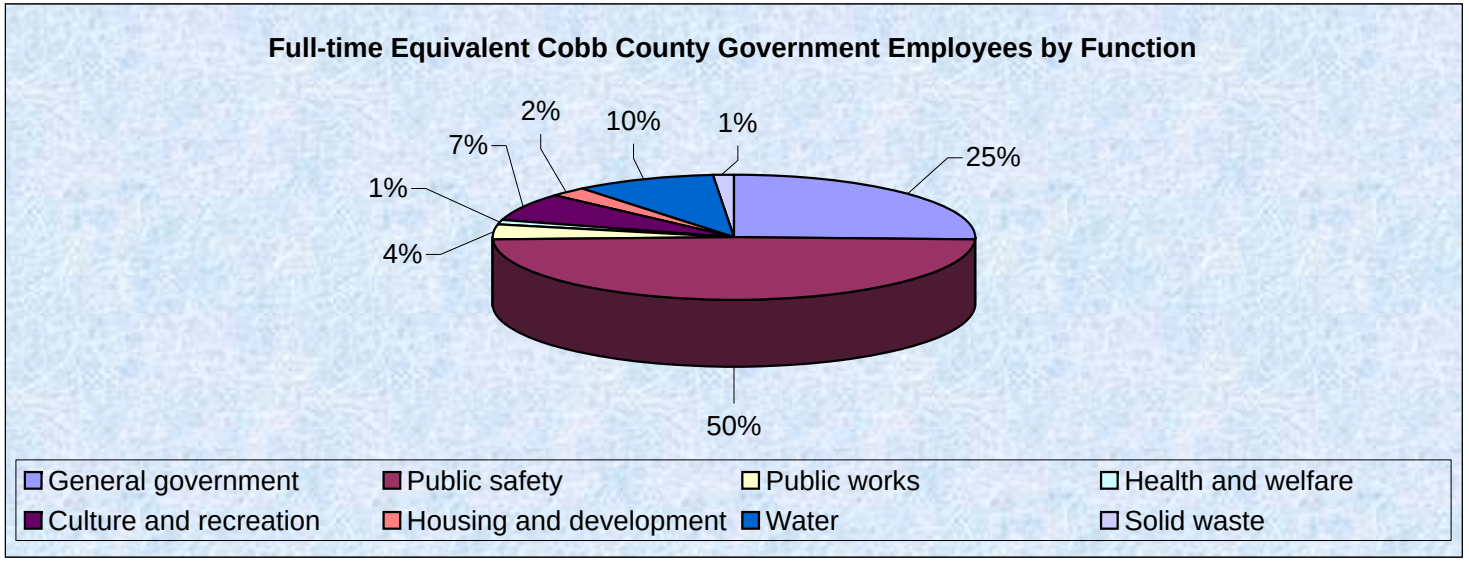
Cobb County, Georgia
Principal Employers
Unaudited

	2008		1999	
Employer	Employees	Percentage of Total County Employment	Employees	Percentage of Total County Employment
AT&T			1,600	0.41%
Blue Circle America Inc				
Cobb County Government	5,775	1.31%	3,139	0.81%
Cobb County Schools	15,229	3.47%	9,108	2.35%
Dobbins Air Force Base	12,000	2.73%		
Home Depot	6,400	1.46%	4,500	1.16%
IBM Corporation			4,000	1.03%
Kennesaw State University	3,734	0.85%		0.00%
Kroger Co.			1,600	0.41%
Lockheed Martin	6,611	1.50%	9,800	2.53%
Publix Super Markets	3,062	0.70%		
Six Flags Over Georgia	2,492	0.57%	2,600	0.67%
Sprint PCS		0.00%	2,048	0.53%
Walmart	2,840	0.65%		
Wellstar Health System	9,276	2.11%	5,100	1.32%

Source: Office of Economic Development and Cobb Chamber of Commerce

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

	Full-time Equivalent Employees as of September 30									
Function/Program	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
General government	1,175	1,169	1,145	1,105	1,075	1,068	1,061	1,046	1,018	*
Public safety	2,251	2,174	2,095	2,072	2,044	2,025	1,979	1,932	1,896	*
Public works	179	179	174	167	165	165	165	162	162	*
Health and welfare	58	57	57	56	56	56	54	53	53	*
Culture and recreation	338	336	331	324	313	313	302	289	285	*
Housing and development	112	112	108	108	106	106	107	104	102	*
Water	439	439	419	417	398	401	397	397	392	*
Solid waste	58	58	58	57	57	62	63	63	63	*
Total	4,610	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 2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
General government										
Vehicle tags issued	696,900	717,060	703,127	689,536	673,521	647,487	636,370	623,730	611,162	573,892
Public safety										
E-911 calls	358,375	367,507	399,423	387,682	358,350	348,454	348,422	387,160	316,348	301,284
Police service calls	425,049	494,134	529,557	520,575	544,658	534,984	454,320	403,379	380,188	344,478
Fire/EMS dispatches	64,006	64,697	63,572	62,013	66,008	63,006	62,125	44,253	43,480	39,128
Public works										
Miles of road resurfacing	77.00	71.89	55.36	59.00	88.00	83.06	55.00	43.96	52.67	73.42
Health and welfare										
Number of child support cases	7,953	8,058	7,873	7,747	7,580	7,053	*	*	*	*
Culture and recreation										
Golf rounds played	46,715	47,242	47,834	44,692	45,536	*	*	*	*	*
Housing and development										
Building permits issued	11,912	10,032	10,204	9,879	9,703	8,345	8,058	7,975	8,606	8,627
Water										
Water accounts	174,709	173,725	171,609	164,323	161,115	157,509	154,325	150,974	147,283	143,162
Daily average consumption										
- 1,000 gal units	54,100	67,925	66,644	61,705	62,513	59,150	64,828	60,823	63,909	61,663
Solid waste										
Solid waste and compost tonnage	167,642	156,389	151,137	162,544	168,313	166,414	*	*	*	*

Source: Department managers within each function/program.
* Information not available

Cobb County, Georgia
Capital Asset Statistics by Function
Unaudited

Function/Program	Fiscal Year 2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
General government										
Vehicles	235	242	231	237	224	219	*	*	*	*
Public safety										
Police stations	6	6	6	6	6	6	5	5	5	4
Fire stations	29	28	27	27	27	27	27	27	27	25
Public works										
Miles of road	2,434	2,492	2,472	2,434	2,307	2,307	2,307	2,307	2,307	2,307
Miles of sidewalks	1,100	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	5	4	4	4	4
Culture and recreation										
County parks	78	66	66	65	49	49	49	47	47	46
County libraries	17	17	17	17	17	17	17	16	16	16
County golf courses	2	2	2	2	2	2	2	2	2	2
Housing and development										
HUD homes built	1	2	3	1	1	1	1	*	*	*
Water										
Miles of water mains	3,236	3,197	3,161	3,119	3,081	3,029	2,994	2,938	2,891	2,829
Miles of sewers	2,678	2,660	2,631	2,595	2,579	2,532	2,485	2,423	2,341	2,273
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, 2008

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
1994:						
Road Improvement Program	$ 377,875,873	$ 478,794,230	$ 394,025,338	$ 6,472,025	$ 400,497,363	83.65%
2006:						
Public Safety	$ 192,000,000	$ 192,000,000	$ 29,515,261	$ 49,595,390	$ 79,110,651	41.20%
Transportation	662,600,355	656,433,252	67,266,647	90,029,733	157,296,380	23.96%
Total 2006	854,600,355	848,433,252	96,781,908	139,625,123	236,407,031	27.86%

Cobb County, Georgia
Water and Sewer Enterprise Fund
Comparative Statements of Revenues and Expenses
For the Fiscal Years Ended September 30, 2008 and 2007

	2008	2007
Operating revenues:		
Water sales	$ 63,192,343	$ 71,775,004
Sewer sales	81,930,535	95,710,957
Water connection charges	3,713,398	5,044,207
Sewer connection charges	1,077,657	2,079,045
Other	956,059	889,475
Total operating revenues	$ 150,869,992	$ 175,498,688
Operating expenses:		
Administrative	$ 18,418,526	$ 17,996,048
Engineering	2,680,476	2,532,971
Water operations	34,124,977	38,555,520
Sewer operations	47,154,873	44,831,396
Total operating expenses	$ 102,378,852	$ 103,915,935
Operating income before depreciation	$ 48,491,140	$ 71,582,753
Less depreciation	(36,418,491)	(36,284,315)
Operating income	$ 12,072,649	$ 35,298,438
Nonoperating revenues (expenses):		
Intergovernmental	$ 379,574	$ 571,081
Interest income	1,963,529	3,480,994
Interest and fiscal charges	(5,284,294)	(6,178,080)
Amortization of bond costs	(138,977)	544,777
Gain from sale of capital assets	16,709	41,069
Total nonoperating revenues (expenses)	$ (3,063,459)	$ (1,540,159)
Net income before transfers and capital contributions	$ 9,009,190	$ 33,758,279
Capital contributions	$ 22,721,275	$ 24,512,794
Total capital contributions	$ 22,721,275	$ 24,512,794
Transfers:		
Transfers in	$ 2,437,296	$ 3,894,772
Transfers out	(20,417,086)	(18,675,248)
Total transfers	$ (17,979,790)	$ (14,780,476)
Change in net assets	$ 13,750,675	$ 43,490,597

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

INDEPENDENT AUDITOR'S REPORT ON 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 financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cobb County, Georgia as of and for the year ended September 30, 2008, which collectively comprise Cobb County, Georgia's basic financial statements and have issued our report thereon dated March 3, 2009. 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cobb County, Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Cobb County, Georgia's internal control over financial reporting.

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

This report is intended solely for the information and use of the 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

March 3, 2009

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, 2008. 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, 2008.

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

March 3, 2009

Section I—Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	unqualified		
Internal control over financial reporting:			
Material weakness identified?	_____ yes	__X__	no
Significant deficiency identified not considered to be material weaknesses?	_____ yes	__X__	none reported
Noncompliance material to financial statements noted?	_____ yes	__X__	no

Federal Awards

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

Identification of major programs:

CFDA Number	Name of Federal Programs
17.258, 17.259 & 17.260	Workforce Investment Act Cluster
20.106	Federal Aviation Administration
14.218	Community Development Block Grant/Entitlement

Dollar threshold used to distinguish between Type A and Type B programs: $ 712,254

Auditee qualified as low-risk auditee? _____ yes __X__ no

Section II- Financial Statement Findings

None Reported

Section III - Federal Award Findings

None Reported

Cobb County, Georgia
Schedule of Expenditures of Federal Awards
For the Fiscal Period Ended September 30, 2008

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through or Grant Number	Expenditures
U. S. Department of Defense			
Pass-through:			
Ga. Office of Treasury and Fiscal Services	12.112	--	$ 16,576
U. S. Department of Education			
Life Skills	84.255A	Q255-A060-063	162,254
U. S. Department of Homeland Security			
Pass-through United Way of America:			
Emergency Food and Shelter Grant	97.024	LR0-005	7,137
Pass-through Georgia Emergency Management Agency:			
Buffer Zone Protection Program	97.042	2005-GR-T5-0020	44,102
GA Department of Homeland Security Grant - CERT Program	97.042	2006-GE-T6-0066	14,068
GA Department of Homeland Security Grant - CERT Program	97.042	2007-GE-T7-0054	8,834
			67,004
Total for U. S. Department of Homeland Security			74,141
U.S. Department of Health and Human Services			
Pass-through Georgia Department of Human Resources:			
Community Services Block Grant	93.569	427-93-08081055-99	521,788
Child Support Enforcement	93.563	427-93-08080603-99	453,468
Child Support Enforcement	93.563	427-93-09090403-99	162,702
			616,170

Cobb County, Georgia
Schedule of Expenditures of Federal Awards
For the Fiscal Period Ended September 30, 2008

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	AG0808 & AG0907	156,239
Aging Cluster			
Special Programs for the Aging - Title III, Part B	93.044	AG0808 & AG0907	166,805
Special Programs for the Aging - Title III, Part C	93.045	AG0808 & AG0907	376,814
			543,619
Nutrition Services Incentive Program	93.053	AG0808 & AG0907	25,015
National Family Caregiver Support Title III, Part E	93.052	AG0808 & AG0907	53,045
Total for U. S. Department of Health and Human Services			1,915,876
U.S. Department of Housing and Urban Development			
Direct Grants:			
Community Development Block Grant/ Entitlement	14.218	–	4,433,603
Home Investment Partnership	14.239	–	2,153,655
Emergency Shelter Grants Program	14.231	--	123,365
Total for U. S. Department of Housing and Urban Development			6,710,623
U.S. Department of Justice			
Direct Grants:			
Office of Justice Programs:			
COPS Technology Initiative III	16.710	--	22,537
Anti-Human Trafficking Task Force	16.320	--	7,595
Pass-through Georgia Council of Juvenile Court Judges:			
Purchases of Services 08	16.540	2006-JB-FX-0050	5,000

Cobb County, Georgia
Schedule of Expenditures of Federal Awards
For the Fiscal Period Ended September 30, 2008

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	C07-8-020	52,894
Pass-through Metro Atlanta Project Pact:			
Local Law Enforcement Block Grant Program	16.738	2005-DJ-BX-1137	58,774
Grant Program	16.738	2006-DJ-BX-0642	36,473
Grant Program	16.738	2007-DJ-BX-0365	81,058
			176,305
Total for U. S. Department of Justice			264,331
U.S. Department of Labor			
Pass through Georgia Department of Labor Workforce Investment Act (WIA)			
WIA Cluster			
Adult Program	17.258	10-06-11-03-004	26,592
	17.258	11-07-11-03-004	389,159
	17.258	10-07-11-03-004	123,473
	17.258	11-08-11-03-004	122,813
	17.258	10-08-11-03-004	14,429
	17.258	13-07-11-03-004	8,926
Youth Program	17.259	15-07-11-03-004	513,349
	17.259	15-08-11-03-004	13,557
	17.259	20-08-SF-03-134	46,617
Dislocated Worker Program	17.260	31-07-11-03-004	402,296
	17.260	30-07-11-03-004	267,488
	17.260	31-08-11-03-004	534,620
	17.260	30-08-11-03-004	25,926
Rapid Response	17.260	44-07-06-03-004	70,000
Rapid Response	17.260	44-07-11-03-004	14,000
Total for U. S. Department of Labor			2,573,245

Cobb County, Georgia
Schedule of Expenditures of Federal Awards
For the Fiscal Period Ended September 30, 2008

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through or Grant Number	Expenditures
U.S. Department of Transportation			
Direct Grants:			
Federal Aviation Administration			
So. Parallel Taxiway Phase 3	20.106	--	29,981
Taxiway A Pavement Rehab	20.106	--	2,422,712
Runway Improvement Project	20.106	--	2,596,193
			5,048,886
Federal Transit Administration			
Capital Improvement, Sect.9	20.507	--	1,871,742
Operating	20.507	--	712,097
CMAQ	20.507	--	291,587
Surface Transportation Program	20.507	--	1,033,255
Job Access and Reverse Commute Program	20.507	--	342,512
Mobility Management	20.507	--	9,474
Discretionary	20.507	--	578,089
Capital Improvements	20.507	--	1,953,821
			6,792,577
New Freedom Program	20.521	--	974
			6,793,551
Pass-through Georgia Dept Motor Vehicle Safety			
Motor Carrier Safety Assistance	20.218	MC-05-13-1	26,116
Pass-through Georgia Office Of Highway Safety:			
DUI Task Force	20.600	2008-GA-0306-00-C	103,196
Total for U.S. Department of Transportation			11,971,749
U. S. Department of Treasury			
Social Security-Inmate Reporting Incentives			53,000
Total Federal Financial Awards			$ 23,741,795

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, 2008

NONE REPORTED



Cobb County Government
Finance Department
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Marietta, Georgia 30090
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