COMPREHENSIVE ANNUAL FINANCIAL REPORT



FULTON COUNTY, GEORGIA

FISCAL YEAR ENDED DECEMBER 31, 2009

Prepared Under Authority Granted by
The Board of Commissioners of Fulton County

INTRODUCTORY SECTION

FULTON COUNTY, GEORGIA
COMPREHENSIVE
ANNUAL FINANCIAL REPORT

Fiscal Year Ended December 31, 2009

Prepared pursuant to authority granted by the Board of Commissioners of
Fulton County, Georgia

7001 Fulton County Government Center

Atlanta, Georgia 30303

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Year ended December 31, 2009

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FULTON COUNTY
GEORGIA
2009

BOARD OF COMMISSIONERS OF FULTON COUNTY

John H. Eaves, Chair
William "Bill" Edwards, Vice Chair
Nancy A. Boxill, Commissioner
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Tom Lowe, Commissioner
Robert L. (Robb) Pitts, Commissioner
Lynne Riley, Commissioner

Clerk of Commission
Mark Massey

County Manager
Zachary Williams

County Attorney
David Ware

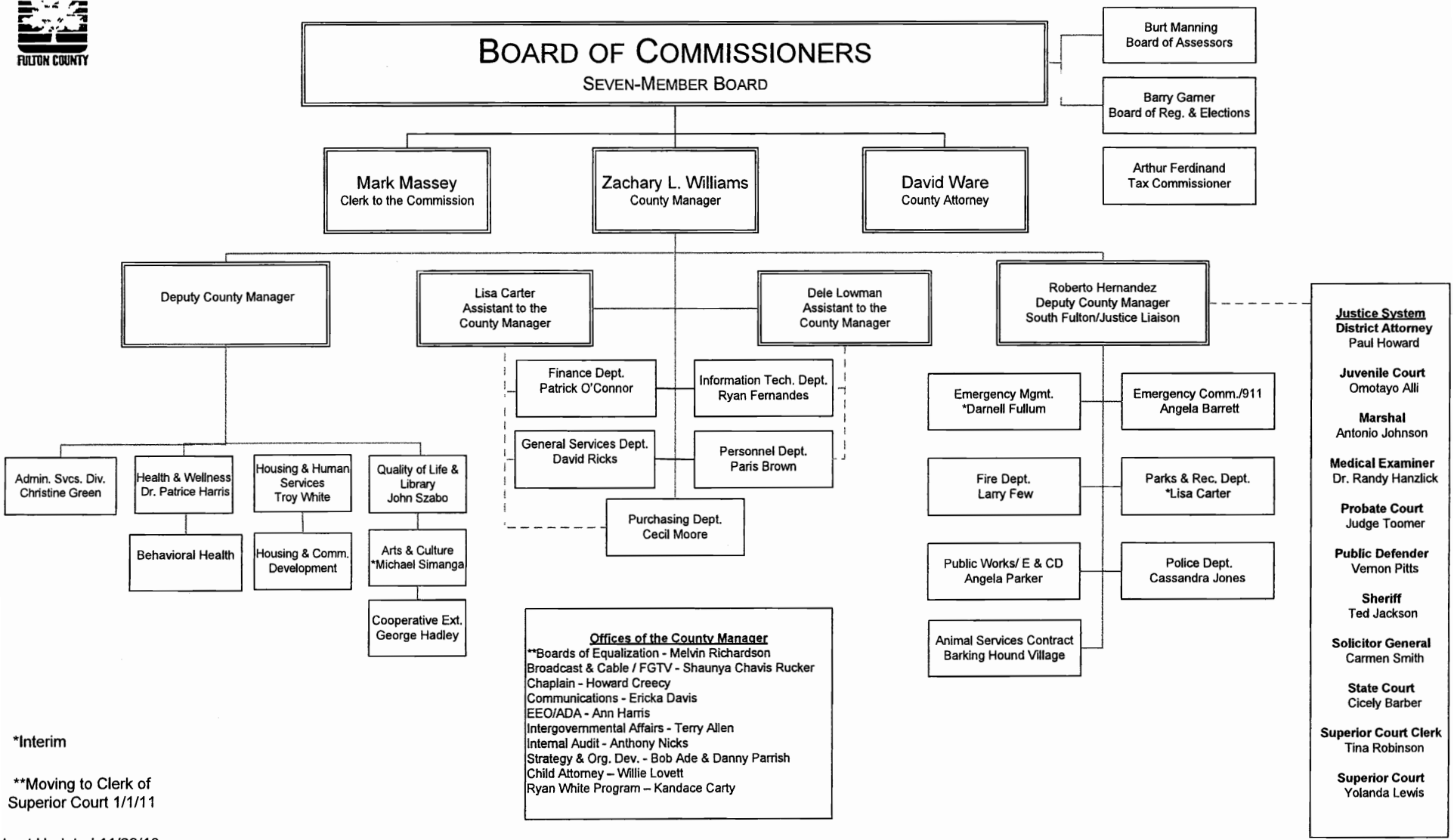
Director of Finance and Budget Officer
Patrick J. O'Connor

Purchasing Agent
Cecil Moore

Tax Commissioner
Dr. Arthur Ferdinand

County Auditor
PJC Group, LLC

FULTON COUNTY GOVERNMENT ORGANIZATIONAL STRUCTURE



*Interim

**Moving to Clerk of Superior Court 1/1/11

Last Updated 11/22/10

LETTER OF TRANSMITTAL



October 25, 2010

To the Board of Commissioners,
County Manager, and
Citizens of Fulton County, Georgia

The Comprehensive Annual Financial Report of Fulton County, Georgia (the "County"), for the fiscal year ended December 31, 2009, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the County. All disclosures necessary to enable the reader to gain an understanding of the County financial activities are included.

Profile of the Government

The County is the central county in the Atlanta Metropolitan Area and the most populous county in Georgia. The estimated population of the County as of July 1, 2009 was 1,033,756, as estimated by the U.S. Census Bureau. Fulton is the most populous county in the State of Georgia with approximately 10% of the entire State's population. Originally created in 1853 by the Georgia General Assembly and enlarged in 1931 by the absorption of two adjacent counties, the County encompasses 523 square miles. The City of Atlanta occupies about 131.4 square miles, or about 25% of the County, and accounts for approximately half of its population. The thirteen other incorporated cities located in the County are: Alpharetta, Chattahoochee Hills, College Park, East Point, Fairburn, Hapeville, Johns Creek, Milton, Mountain Park, Palmetto, Roswell, Sandy Springs and Union City. Urban and suburban areas associated with Atlanta, Hapeville, East Point, Sandy Springs and College Park are located in the central section of the County; suburban areas associated with Alpharetta, Roswell, Johns Creek and Milton are located in the northern section of the County, and agricultural areas remain in the extreme ends of the 75-mile distance from the northern to the southern boundaries.

The County provides a full range of services to these citizens including a comprehensive court system, a full range of public health and human services and facilities, and library services. The unincorporated section of Fulton County comprised a portion of the southern end of Fulton County, and is additionally provided police and fire protection, street and road construction and maintenance, parks and recreational facilities, building inspection and code enforcement services. These separate services are financed through the County's South Fulton Special Taxing District Fund, which has an independent millage rate from the County's General Fund, which finances operations for County wide activities.

The financial impact of 2006 and 2007 incorporations affected the original 2005 County Special Service District, and additional State legislation required the County to account for revenues and expenditures by "sub-districts" beginning in fiscal 2006. Two northern sub-districts had to remit residual funds in 2008 to newly incorporated cities that occupy their geographic areas based on State legislation, and no significant activity remains for these sub-districts. The South Fulton tax district for the southern portion of unincorporated Fulton County is active, is shown as a major fund, and will continue as citizens voted to not incorporate this section of Fulton County in 2008.

The Georgia State Legislature created the Board of County Commissioners in 1880 and in 1973 and 1974 amended the Board to its current seven members. The Board constitutes the governing authority for the County (Ga. Law 1880, page 500). The power of Home Rule was granted to the County by amendment to the Georgia Constitution in 1982. Five of the seven positions are elected by geographic districts and two are elected county-wide. One of the two county-wide positions is designated, by election, as the chairperson of the Board of Commissioners. Members are part-time and serve concurrent four-year terms. A County Manager implements the Board's policies, administers the county government, appoints department heads, and supervises approximately 5,200 full-time employees.

The financial statements, schedules, and statistical tables included in this report pertain to all functions and funds directly under the control of the Fulton County Board of Commissioners. Also included are trust and agency funds administered and controlled by various elected or appointed officials or boards which are not reported upon by any other entity. This report includes all funds of the County as well as those entities determined to have met the criteria for inclusion in the County's reporting entity. Various potential component units were evaluated. A component unit was considered to be part of the County's reporting entity when it was concluded that the County was financially accountable for the entity or the nature and significance of the relationship between the County and the entity was such that exclusion would cause the County's financial statements to be misleading or incomplete. This report includes all funds and activities of the Fulton County Building Authority, and the Fulton County Facilities Corporation which are reported as blended component units and the Fulton-DeKalb Hospital Authority which is discretely presented.

ECONOMIC CONDITIONS AND OUTLOOK

The Georgia State University Economic Forecasting Center publishes data relevant to the Metro Atlanta area, which indicates that the economy in Georgia and the Atlanta metro area still suffers economic trends much like the rest of the nation. In a summary from the August 2010 publication "Forecast of the Nation", Dr. Rajeev Dhawan, Director of the Georgia State University's Economic Forecasting Center indicates the metro Atlanta area continues to suffer similar to the national economy. Deflation and home price stability are currently being scrutinized as factors that will affect economic resurgence in the near future. However, he notes that the growth rate of equipment and software investments has been in double digits for the past nine months; however

uncertainties over the tax structure in coming years may quell the growth opportunity offered from these investments. Indicators mentioned in his article show that housing prices will rise only about 10 percent over the next fives years, which keeps consumer confidence flat. Mr. Dhawan expects very slight job growth for the remainder of 2010 of 3,700 in the Atlanta area, but believes 2011 may see 46,300 (including 13,800 premium jobs) and slightly higher job grown in 2012, but forecasts continued high unemployment even into 2012 of 9.0%. Housing permit activity has plummeted throughout metro Atlanta, but forecasted gains of 39.9% are predicted for 2010 with another 28.9% in 2011. Permit activity had previously dropped almost 70% from 2007 levels. Georgia personal income and sales tax collections are also expected to increase by 3% or more in 2011 with additional grown forecast for 2012 of 5.0%. Dr. Dhawan is recognized locally as an excellent source of economic forecasts and other information. The economic data in this letter is derived from information contained in their August 2010 publication.

The Georgia Department of Labor reported Fulton County's a non-seasonally adjusted unemployment rate for July 2010 of 10.7%; however the April 2010 rate was published as 10.0%. Historical unemployment rates are shown on page 111 of the statistical section of this report. 2008 saw dramatic employment shifts as experienced throughout the nation while subsequent months vary considerably but all indicate high unemployment in the metro Atlanta area typically exceeds national averages.

Accrual basis sales tax collections decreased significantly in 2009 to $32.3 million from 2008's total of $35.4 million, and down from approximately $39.7 million in 2007. This decline is not only driven by the economic downturn, but new cities that share in total sales taxes allocable to local governments.

Metro Atlanta governments like Fulton County continue to evaluate recent significant economic trends and determine ways to continue to provide quality services. The County is primarily dependent on property tax and sales tax collections for three fourths of total revenues, followed by license and fee revenues and grants. The assessment of real property in Fulton County, overseen by the Fulton County Board of Tax Assessors, has seen record turnout as to appeal volume given the housing and commercial real estate downturn. The recently certified 2008 and 2009 tax digests, (page 100 in the statistical section) shows the slowdown in assessment growth since 2007's values. All local governments are addressing their declining revenues streams from property taxes, and making decisions on how best to serve constituents.

Fulton County remains in a relatively strong financial position as compared to other governments who are primarily dependent on sales tax revenues. The County received affirmed bond ratings for the 2010 $167 million Library bond issuance, and also received highest short term ratings on the 2010 Tax Anticipation Notes. The County is continually reevaluating our short and long term financial needs, priorities and service delivery strategies in light changing economic conditions.

FINANCIAL INFORMATION

Fulton County management is responsible for establishing and maintaining internal controls designed to ensure that the assets of the County are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived; and 2) the evaluation of costs and benefits requires estimates and judgments by management.

The accompanying financial statements were prepared in conformity with GAAP and with standards set forth by:

1) The Governmental Accounting Standards Board (GASB);

2) The American Institute of Certified Public Accountants and its Committee on Governmental Accounting and Auditing; and

3) The Government Finance Officers Association of the United States and Canada (GFOA).

As a recipient of federal, state, and local financial assistance, the County is responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. Internal control is subject to periodic evaluation by management and by the Internal Audit staff of the County's Finance Department. GAAP also requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

RELEVANT FINANCIAL POLICIES

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 required estimates and judgments by management.

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

The objective of the County's budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Commissioners. Under Fulton County Budget Law, all expenditures are subject to an annual appropriation. Strict controls are in place to ensure that expenditures do not exceed these appropriations at either the departmental or the fund level. Unutilized encumbrances that approach year end are lapsed, but multi-year capital funds existing encumbrances at year end are shown as a reservation of fund balance.

FIDUCIARY OPERATIONS

Effective September 1, 1991, the Fulton County Employees' Retirement System (the Plan) was established as successor to four separate pension plans previously maintained (the General Employees' Pension Plan, the Public Safety Pension Plan, the Judges and Solicitors' Pension Plan, and the Employees' Pension Plan). The

Plan continues its commitment to maintaining a well-diversified portfolio of equities and bonds professionally managed within the risk parameters established by the pension fund's investment policy and the requirements of State law. Net assets, available for plan benefits and other pertinent data related to the County's retirement system, are described more fully in the notes to the financial statements.

On June 16, 1999, the County adopted a 401(A) defined contribution plan and closed the Employee Retirement System Plan to new participants. All active participants in the Fulton County Employees' Retirement System have the annual option to migrate to the defined contribution plan. The County contracts with professional investment managers to actively manage the County's pension funds.

The County currently offers post employment health and life insurance benefits for all eligible retirees. These benefits are currently financed on a pay-as-you-go basis. The County implemented Government Accounting Standards No. 43 in 2007 that offers recognition of the actuarially determined annual required contribution into the annual financial statements, and footnote disclosure of the total liability and other information.

OTHER INFORMATION

Independent Audit

State statutes require an annual audit by independent certified public accountants. The accounting firm of PJC Group, LLC was selected by the County's Board of Commissioners to fulfill this requirement. This firm also conducts the audit of the requirements of the Federal Single Audit Act of 1996 and related OMB Circular A-133. The auditors' report on the basic financial statements and supplementary information is included in the Financial Section of this report. The auditors' report related specifically to the Single Audit is included in the Single Audit Report published separately.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Fulton County for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2008. This was the twenty-second consecutive year Fulton County has received this prestigious award. In order to be awarded a Certificate of Achievement, a government 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.

In addition the County received the GFOA Award for Distinguished Budget Presentation for its operating budget presenting the FY09 Budget book. To qualify for the Distinguished Budget Presentation Award, the County's budget document was judge to be proficient in several categories as a policy document, financial plan, operations guide and as a communications device.

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 and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

The preparation of the Comprehensive Annual Financial Report was made possible by the dedicated service of the entire staff of the Department of Finance. Each member of the Division and the Department has my sincere appreciation for their contributions in the preparation of this report.

In closing, I would also like to express my sincere appreciation to the Fulton County Board of Commissioners and the County Manager for their leadership and support in the planning and conducting of the financial operations of the County government, without which the preparation of this report would not have been possible.

Sincerely,



Patrick J. O'Connor, CPA, CPFO
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Fulton County
Georgia

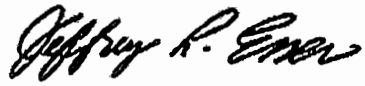
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2008

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

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

PJC GROUP, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Fulton County, Georgia
Atlanta, Georgia

We have audited the accompanying financial statements of the governmental activities, business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of Fulton County, Georgia (the "County"), as of and for the year ended December 31, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the County. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Fulton-Dekalb Hospital Authority, which statements reflect total assets (in thousands) of $684,699, total net assets (in thousands) of $208,793 and total revenues (in thousands) of $103,151 of the aggregate discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Fulton-Dekalb Hospital Authority, in the component unit column, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. According, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Fulton County, Georgia, as of December 31, 2009, and the respective changes in financial position and 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 October 25, 2010, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 10, the employee's retirement system schedule of funding progress and employer contributions and the other post employment benefits schedule of funding progress on page 63, are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires 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 the County's basic financial statements. The introductory, combining statements and schedules and statistical sections listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements and schedules 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 and statistical sections 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.

RJC Group, LLC

Atlanta, Georgia
October 25, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis
(in thousands)

As management of Fulton County (the County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found earlier in this report. All financial information contained in this section is in thousands of dollars.

Financial Highlights

The assets of the County exceeded its liabilities at the close of the fiscal year by $1,811,554 (*net assets*). Of this amount, $299,460 (*unrestricted net assets*) may be used to meet the County's ongoing obligations to citizens and creditors. The County's total net assets decreased by $80,418 in 2009. Business type activities decreased $20,704 while the governmental activities experienced a decrease of $59,714, of which $41,755 is recognition of the annual expense of providing long term health care benefits to retirees.

As of the close of the fiscal year, the County's governmental funds reported combined ending fund balances of $200,170, an increase of $4,259 in comparison with the previous year. The County's General Fund and South Fulton Special Tax District Fund, both major funds, increased their net assets by $19,360; while Other Governmental funds net assets decreased $15,101. It is important to recognize that the governmental fund financial statements differ from the Statement of Activities primarily because cash resources used for capital outlay are treated as expenditures in the governmental funds statements, but are capitalized and not considered expenditures in the statement of activities.

At the close of the fiscal year, total fund balance for the General Fund was $95,041, which is available to meet the government's other ongoing obligations to citizens and creditors. The South Fulton Special Tax District Fund ending fund balance was $1,924 which has been designated for future year expenditures based on Board resolution. This district remains the last unincorporated area within Fulton County.

The County's total long term governmental liabilities increased by $25,686 in 2009, largely due to recognition of the annual liability for post-employment health benefits offered to eligible retirees. This additional liability of $41,755 represents the unfunded portion of the 2009 annual required contribution for these benefits, while the current total liability for GASB 45 reporting is now $154,032. This is disclosed in the footnotes along with other required provisions of the new implementation for recognition of the County's OPEB liability. Principal payments reduced long term liabilities by $22,629. Long-term liabilities related to business-type activities decreased by $10,932, largely due to scheduled principal payment on revenue bonds.

The County's capital assets used for governmental activities were valued at $859,057, of which $75,220 are under construction. The County no longer owns, serves, or maintains roadway networks in municipal sections of the County, but does record infrastructure for the remaining unincorporated section of Fulton County.

Business-type capital assets totaled $1,236,965, of which $225,420 is currently under construction mainly relating to a wastewater treatment plant. No interest was required to be capitalized in 2009. Depreciation is based on useful life of the underlying asset using the straight line method. Intangible assets, related specifically to remaining long term wastewater treatment capacity rights of $150,459, are now included within the capital asset footnote and balances as required under new GASB accounting standards.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise 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

These statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to private-sector business.

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 only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include administration, public safety, legal, which includes criminal courts and facilities, general government infrastructure and facilities, social services, health services, debt related costs, and other functions that benefit all the above categories. The business-type activities are the Water and Sewerage system and Fulton County Airport-Brown field.

The government-wide financial statements include not only the County itself (known as the *primary government*) but also the Fulton-DeKalb Hospital Authority, a discretely presented component unit. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 11-12 of this report.

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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary 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 financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the fund statements for the County's General and Special Service District fund, both of which are considered major funds under the requirements of GASB 34. In addition, the County maintains many individual governmental funds. All other governmental type funds are classified and summarized as non-major governmental funds within the governmental fund financial statements.

The basic governmental fund financial statements can be found on pages 13-19 of this report.

Proprietary fund statements

The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its water and sewerage system fund, and the Fulton County Airport-Brown Field, and Contractual funds for the provision of municipal services for fees. Internal service funds are used to accumulate and allocate cost internally among the County's various functions. The County uses internal service funds to account for a portion of its general facilities services, such as fleet vehicle costs, office supplies, health costs for employees and retirees, risk management and project related insurance costs, known as the Owner Controlled Insurance Program (OCIP). Because these funds predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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 sewerage system fund which is considered a major proprietary fund of the County. The Fulton County Airport-Brown Field and the contractual funds for the cities of Sandy Springs, Milton and Johns Creek are non-major enterprise funds. All four internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 20-23 of this report.

Fiduciary fund statements

Fiduciary funds are used to account for resources held for the benefit of parties outside the County. These funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The three funds are the County's defined benefit retirement plan, which is administered by the County with the assistance of professional fund managers, the newly created Other Postemployment Benefit plan, and various agency funds. These funds are included as a separate column and represent the balance sheet and activities of the Tax Commissioner's office, the Sheriff's office and Criminal courts, District Attorney, and Superior, Probate, Juvenile and State Court.

The basic fiduciary fund financial statements can be found on pages 24-25 of 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 26-62 of this report.

Other Information

The combining statements referred to earlier in connection with one major and non-major governmental funds, enterprise funds and internal service funds are presented immediately following the notes to the financial statements. Combining statements and schedules can be found on pages 64-90 of this report.

Government-wide Financial Analysis

The table below is a summary of the net assets of the County as of the end of the fiscal year (in thousands).

	Governmental Activities		Business-type Activities		Total		%
	2009	2008	2009	2008	2009	2008	Change
Current and other assets	$ 385,794	389,388	396,367	635,881	782,161	1,025,269	(24)
Capital assets	859,057	882,737	1,236,965	1,040,471	2,096,022	1,923,208	9
Total Assets	1,244,851	1,272,125	1,633,332	1,676,352	2,878,183	2,948,477	(2)
Current liabilities	50,568	43,814	18,238	29,622	68,806	73,436	(6)
Long-term liabilities	445,492	419,806	552,331	563,263	997,823	983,069	2
Total Liabilities	496,060	463,620	570,569	592,885	1,066,629	1,056,505	1
Net Assets:							
Invested in capital assets, net of related debt	645,956	647,458	799,958	667,975	1,445,914	1,315,433	10
Restricted	20,165	21,774	46,015	45,833	66,180	67,607	(2)
Unrestricted	82,670	139,273	216,790	369,659	299,460	508,932	(41)
Total Net Assets	$ 748,791	808,505	1,062,763	1,083,467	1,811,554	1,891,972	(4)

Net capital assets comprised the bulk of the assets of the County. This includes land, buildings, equipment, roadway networks, water and sewer systems, intangible assets, and any capitalizable improvements as well as assets currently under construction. The County uses these capital assets to provide services to citizens; consequently, 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.

The County has approximately $527 million in cash and investments, of which approximately $160 million is restricted for enterprise fund debt and capital projects. Governmental activities also have approximately $20 million of restrictions on the above cash and investments for debt service, construction, state and federal grants, and other similar type external restrictions. As restricted cash is invested in capital assets, the related net asset restriction shifts from "Restricted net assets" to "Invested in capital assets, net of related debt".

Government-wide unrestricted net assets totaled $299 million and are available to be used to meet the County's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

The table below is a summary of the activities of the County as of the end of the fiscal year (in thousands).

	Governmental Activities		Business-type Activities		Total		Percent
Revenues:	2009	2008	2009	2008	2009	2008	Change
Program revenues:							
Charges for services	$ 68,220	63,385	108,472	114,501	176,692	177,886	(1) %
Operating grants and contributions	57,184	54,152	-	-	57,184	54,152	6
Capital grants and contributions	5,879	7,842	438	19,475	6,317	27,317	(77)
General revenues:							
Taxes	563,866	564,885	-	-	563,866	564,885	-
Intergovernmental	11,469	-	-	-	11,469	-	-
Other charges for services	16,588	15,131	-	-	16,588	15,131	10
Use of money and property	9,348	17,098	1,651	13,971	10,999	31,069	(65)
Miscellaneous & special items	4,219	8,457	(1,795)	467	2,424	8,924	(73)
Total revenues	736,773	730,950	108,766	148,414	845,539	879,364	(4)
Expenses:							
Administration	105,089	115,459	-	-	105,089	115,459	(9)
Public Safety	179,965	182,435	-	-	179,965	182,435	(1)
Legal	146,809	139,901	-	-	146,809	139,901	5
Infrastructure & facilities	71,554	74,237	-	-	71,554	74,237	(4)
Social services	116,906	125,031	-	-	116,906	125,031	(6)
Health services	163,408	168,845	-	-	163,408	168,845	(3)
Interest and debt costs	12,756	16,561	-	-	12,756	16,561	(23)
Water & Sewerage	-	-	128,430	123,175	128,430	123,175	4
Contractual	-	-	-	6,901	-	6,901	(100)
Airport services	-	-	1,040	1,098	1,040	1,098	(5)
Total expenses	796,487	822,469	129,470	131,174	925,957	953,643	(3)
Excess (deficiency) of revenues over (under) expenditures	(59,714)	(91,519)	(20,704)	17,240	(80,418)	(74,279)	
Extraordinary item	-	(22,557)	-	-	-	(22,557)	
Change in net assets	(59,714)	(114,076)	(20,704)	17,240	(80,418)	(96,836)	(17)
Beginning net assets	808,505	922,581	1,083,467	1,066,227	1,891,972	1,988,808	(5)
Ending net assets	$ 748,791	808,505	1,062,763	1,083,467	1,811,554	1,891,972	(4)

Analysis of governmental activities

Net assets of the governmental activities of the County decreased by $80,418 in 2009, as compared to a decrease of $96,836 in 2008. Governmental accounting standards related to other post-employment benefits contributed $41,755 to the loss for 2009, and $55,623 for 2008. The economy remains a significant factor in dealing with decreasing revenues from both property and sales tax collections. Capital contributions also decreased significantly for 2009 as compared to 2008, as new construction slows in an ailing economy.

Overall, the expenditures for governmental activities decreased by $26 million from 2008 due to a hiring freeze and interest expense savings due to the refunding of the 1999 Certificates of Participation bonds, which yielded a budgetary savings for 2009 in interest of approximately $8 million. Lower annual required contributions for the accrual for post employment benefits also contributed $15 million of reductions, as a new updated study yielded lower annual costs. The County continues to embrace efficiencies in operations to gain additional cost savings in both the short and long term.

The statement of activities includes depreciation on capital assets used by these governmental functions, including roadways, but does not include costs for capitalizable assets, which differs from the presentation on the statement of revenues and expenditures and changes in fund balances.

Analysis of business-type activities

Charges for water and sewerage services are the primary component of the County's business-type activities. Sewerage expenses are greater than water as more resources and efforts are required to treat wastewater than produce potable water. Revenues from operations dropped in 2009, however offsetting expenditures reductions maintained adequate debt service coverage ratios for the system for both 2009 and 2008. The Fulton County Airport-Brown field fund accounted for a minimal amount of business-type activity.

Governmental Funds Financial Analysis

As noted earlier, the focus of the County's governmental fund statements is to provide information on near-term flows, outflows, and balances of resources available to spend. Revenues from overall taxes increased by $23 million from 2008, and the County received the 2008 allocation of the State of Georgia's homeowner tax relief grants of $13 million. These two events constitute the increase in total governmental revenues for 2009 as compared to 2008. Governmental expenditures decreased substantially by $45 million, due to lower capital outlay expenditures of $11 million, bond refunding savings of $8 million, and other overall spending reductions as compared to 2008. The general fund reported an ending fund balance of $95,041, an increase of $18,808 from 2008. The South Fulton Taxing district, shown in 2009 as a major fund, provides public safety, building zonings and inspections, and parks and recreation activity to the unincorporated section of the County. The fund balance for this District increased by $552 thousand in 2009 to $1.9 million. The "Northeast" and the "Northwest" sub-districts and original Special Service District fund have now been reclassified to a non-major governmental fund.

Other non-major governmental funds include debt service, grants-in-aid, capital projects and other activities that yielded a decrease of $15,101 as compared to the prior year fund balance of $118,306. Total non-major governmental fund balances were $103,205 at year end. Of this amount, $51,399 is designated for capital projects, $9,862 is reserved for debt service, $9,055 is reserved for encumbrances, $39,166 is designated for various other activities and grants and $6,277 remained undesignated as deficit fund balances that will be recovered with future year revenues.

Budgetary Highlights and Control

The objective of the County's budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Commissioners. Under Fulton County Budget Law, all expenditures are subject to an annual appropriation. Strict controls are in place to ensure that expenditures do not exceed these appropriations at either the departmental or the fund level. The 2009 General Fund budget was adopted at approximately $665 million, a decrease of $8 million from 2008. No compensation adjustment was passed by the Board for 2009.

Actual revenues exceeded budgeted revenues due to the legal manner in which the General Fund can budget property tax revenues, which is based on the previous year actual collections rather than on anticipated assessment growth. 2009 expenditures were short of budgetary appropriations due implementation of a hiring freeze, targeted program expenditures and overall expenditure reductions and savings on refunded bonds.

The legally adopted budget for governmental services for the County's major governmental funds is by department and can be reviewed on pages 17-19 of this report. No changes to the original adopted budget occurred during the year. There are reallocations from non-agency to agency budgets throughout the year for the purpose of funding operational needs as necessary in each County department.

Capital Assets

The County's net investment in capital assets for its governmental and business-type activities as of year-end amounts to $1,445,914 (net of accumulated depreciation). The net investment in capital assets includes land, equipment, buildings, roadway networks, improvements to these assets and construction in progress less any related debt outstanding to finance acquisition of these assets. Business type activities added infrastructure assets relating to water and sewer system improvements primarily consisting of the Camp Creek Wastewater treatment facility. While no significant capital additions occurred in 2009, the 2010 bond projects related to Library and other facilities will in time add facilities for County-wide use.

	Governmental Activities		Business-type Activities		Total		Percent
Capital assets not being depreciated:	2009	2008	2009	2008	2009	2008	Change %
Land & land improvements	$ 44,912	45,139	34,573	34,573	79,485	79,712	-
Construction in progress	75,220	70,642	225,420	179,947	300,640	250,589	20
Capital assets, shown net of depreciation:							
Equipment	11,877	14,099	889	1,261	12,766	15,360	(17)
Buildings and improvements	331,477	346,853	1,025	1,161	332,502	348,014	(4)
Roadway network	395,571	406,004	-	-	395,571	406,004	(3)
Water System	-	-	160,918	149,275	160,918	149,275	8
Sewerage System	-	-	663,681	674,254	663,681	674,254	(2)
Intangible assets	-	-	150,459	155,794	150,459	155,794	(3)
Total net capital assets	$ 859,057	882,737	1,236,965	1,196,265	2,096,022	2,079,002	1

Additional information relating to capital assets and infrastructure is presented in Note 7 of the financial statements beginning on page 44. Intangible assets for future wastewater treatment capacity for the Water and Sewerage system fund are now presented in the above capital asset summary.

Debt Administration

At December 31, 2009, the County had a number of debt issues outstanding. $550,422 of Water and Sewerage Revenue Bonds (net of unaccreted discounts); and $39,913 of Building Authority Revenue Bonds (net of unaccreted premiums/discounts). The County has maintained an AA rating from Standard & Poor's Corporation, AA+ rating from Fitch Investor Services, and an Aa2 rating from Moody's Investors Service on general obligation bond issues. Under existing state statutes, the County's general obligation bonded debt issuances are subject to a legal limitation based on 10% of total assessed value of real and personal property.

As of December 31, 2009, the County had no general obligation bonded debt outstanding. A recent referendum has approved the issuance of up to $275 million in general obligation bonds for new county library facilities as well as renovations of existing libraries. $167 million of Library facility bonds were issued in September 29, 2010.

At December 31, 2009, total other capital leases totals $64,342, primarily consisting of the capital lease for jail renovations of approximately $48.4 million outstanding as of December 31, 2009.

The Fulton County Facilities Corporation Certificates of Participation had an outstanding balance of $118,678 as of December 31, 2009.

Additional information relating to long-term debt and other obligations is presented in Note 8 to the financial statements beginning on page 48. Other post-employment benefit information required by GASB 45 is shown within the footnotes to the financial statements as well as within required supplementary information on page 62 following these footnotes.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Director, 141 Pryor Street, Suite 7100, Atlanta, Georgia 30303. Please also see the County's website at www.co.fulton.ga.us, as this report and other reports are available under Departments – Administration - Finance - Financial Reports.

BASIC FINANCIAL STATEMENTS

FULTON COUNTY, GEORGIA

Statement of Net Assets

December 31, 2009

(in thousands of dollars)

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Fulton-DeKalb Hospital Authority
Assets:				
Cash and cash equivalents	$ 189,382	88,133	277,515	18,861
Investments	38,682	51,585	90,267	2,236
Receivables (net of allowances):				
Taxes	89,329	—	89,329	—
Interest	—	—	—	—
Accounts	—	5,095	5,095	57,565
Due from other governments, net	10,520	5,229	15,749	55,890
Other current assets	10,945	—	10,945	92,154
Restricted assets:				
Cash and cash equivalents	—	29,286	29,286	30,688
Investments	—	130,394	130,394	26,747
Interest receivable	—	158	158	—
Investment in joint venture	—	82,444	82,444	—
Capital assets (non-depreciable)	120,132	259,993	380,125	1,657
Capital assets (net of accumulated depreciation)	738,925	976,972	1,715,897	278,416
Other non-current assets	46,936	4,043	50,979	120,485
Total assets	1,244,851	1,633,332	2,878,183	684,699
Liabilities:				
Accounts payable and accrued expenses	33,262	7,424	40,686	142,992
Accrued interest	1,769	—	1,769	—
Due to others	4,353	—	4,353	51,164
Due to other funds	—	—	—	—
Claims payable	8,158	—	8,158	35,179
Unearned revenue	3,026	—	3,026	13,293
Liabilities (payable from restricted assets):				
Contracts and other payables	—	10,347	10,347	—
Unearned revenue	—	467	467	—
Non-current liabilities:				
Due within one year	30,611	11,753	42,364	20,200
Due in more than one year	414,881	540,578	955,459	213,078
Total liabilities	496,060	570,569	1,066,629	475,906
Net Assets:				
Invested in capital assets, net of related debt	645,956	799,958	1,445,914	74,728
Restricted for debt retirement	9,862	46,015	55,877	—
Restricted for construction	6,878	—	6,878	184,972
Restricted for other purposes	3,425	—	3,425	12,088
Unrestricted	82,670	216,790	299,460	(62,995)
Total net assets	$ 748,791	1,062,763	1,811,554	208,793

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA

Statement of Activities

For the year ended December 31, 2009

(In thousands of dollars)

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 Unit: Fulton-DeKalb Hospital Authority
Primary Government								
Governmental activities:								
Administration	$ 105,089	23,446	—	—	(81,643)	—	(81,643)	—
Public safety	179,965	6,941	—	—	(173,024)	—	(173,024)	—
Legal	146,809	25,391	—	—	(121,418)	—	(121,418)	—
Infrastructure and facilities	71,554	2	—	5,879	(65,673)	—	(65,673)	—
Social services	116,906	4,310	17,299	—	(95,297)	—	(95,297)	—
Health services	163,408	8,130	39,885	—	(115,393)	—	(115,393)	—
Capital outlay	—	—	—	—	—	—	—	—
Interest and other debt related costs	12,756	—	—	—	(12,756)	—	(12,756)	—
Other nonagency	—	—	—	—	—	—	—	—
Net (depreciation) appreciation in investments	—	—	—	—	—	—	—	—
Total governmental activities	796,487	68,220	57,184	5,879	(665,204)	—	(665,204)	—
Business-type activities:								
Water and sewerage services	128,430	107,324	—	438	—	(20,668)	(20,668)	—
Airport	1,040	1,148	—	—	—	108	108	—
Total business-type activities	129,470	108,472	—	438	—	(20,560)	(20,560)	—
Total primary government	925,957	176,692	57,184	6,317	(665,204)	(20,560)	(685,764)	—
Component unit								
Fulton-DeKalb Hospital Authority (Grady)	653,054	603,087	99,713	56,625	—	—	—	106,371
Total component unit	653,054	603,087	99,713	56,625	—	—	—	106,371
General revenues:								
Property taxes					527,018	—	527,018	—
Sales taxes					32,382	—	32,382	—
Other taxes					4,466	—	4,466	—
Intergovernmental not restricted for specific programs					11,469	—	11,469	—
Commission on tax collections					16,588	—	16,588	—
Use of money and property					9,348	1,651	10,999	3,438
Miscellaneous					4,219	(1,795)	2,424	74
Total general revenues					605,490	(144)	605,346	3,512
Changes in net assets					(59,714)	(20,704)	(80,418)	109,883
Net assets - beginning					808,505	1,083,467	1,891,972	98,910
Net assets - ending					$ 748,791	1,062,763	1,811,554	208,793

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA

Balance Sheet
Governmental Funds

December 31, 2009

(in thousands of dollars)

	General	South Fulton Taxing District	Other Governmental Funds	Total Governmental Funds
Assets:				
Cash and cash equivalents	$ 75,660	1,570	76,026	153,256
Investments	—	78	38,604	38,682
Receivables (net of allowances):				
Taxes	80,508	8,680	141	89,329
Due from other governments	4,050	—	6,470	10,520
Due from other funds	—	—	244	244
Total assets	$ 160,218	10,328	121,485	292,031
Liabilities:				
Accounts payable	$ 17,021	1,149	13,562	31,732
Due to other funds	—	—	244	244
Due to others	—	—	4,353	4,353
Deferred revenue	48,156	7,255	121	55,532
Total liabilities	65,177	8,404	18,280	91,861
Fund Balances:				
Reserved for encumbrances	—	—	9,055	9,055
Reserved for debt service	—	—	9,862	9,862
Unreserved, reported in:				
General fund:				
Undesignated	95,041	—	—	95,041
Special Revenue funds:				
Designated for subsequent year expenditures	—	1,924	39,166	41,090
Undesignated			(5,235)	(5,235)
Capital Projects funds:				
Designated for capital projects	—	—	51,399	51,399
Undesignated			(1,042)	(1,042)
Total fund balances	95,041	1,924	103,205	200,170
Total liabilities and fund balances	$ 160,218	10,328	121,485	292,031

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA

Reconciliation of the Balance Sheet to the Statement of Net Assets

Governmental Funds

December 31, 2009

(in thousands of dollars)

Fund Balances - total governmental funds		$ 200,170
Amounts reported for governmental activities in the Statement of Net Assets are different from amounts reported for governmental funds in the Balance Sheet because:		
Capital assets used in governmental activities are not financial resources and therefore not reported in governmental funds:		
	Capital assets:	
	Land	44,912
	Buildings	653,201
	Equipment	108,486
	Roadway network	570,703
	Construction in progress	75,220
	Less Accumulated Depreciation	(593,465)
Total capital assets, net of accumulated depreciation		859,057
Net pension asset at year end that is not a financial resource used in governmental activities and therefore not reported in governmental funds.		45,857
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds:		
	Certificates of participation	(110,885)
	Building Authority bonds payable	(39,704)
	Less deferred charges on refunding	1,296
	Less deferred charges for issuance costs	1,079
	Add bond premium	(9,298)
	Compensated absences	(40,773)
	Net other post employment benefits (OPEB)	(154,032)
	Other long term capital leases	(64,342)
	Claims and judgments	(8,784)
	Landfill closure and postclosure costs	(18,970)
	Accrued interest	(1,769)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities.		37,383
Some deferred revenues reported in the governmental funds are recognized as revenues in the governmental activities.		52,506
Net assets - total governmental activities		$ 748,791

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

For the year ended December 31, 2009

(In thousands of dollars)

	General	South Fulton Taxing District	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	$ 535,042	32,342	217	567,601
Intergovernmental	14,303	631	59,190	74,124
Charges for services	36,880	983	15,420	53,283
Courts and law enforcement	18,133	278	6,980	25,391
Use of money and property	3,677	1,021	4,515	9,213
Licenses and permits	—	6,134	—	6,134
Miscellaneous	3,179	60	980	4,219
Net (depreciation) appreciation in investments	(39)	—	174	135
Total revenues	611,175	41,449	87,476	740,100
Expenditures:				
Current:				
Administration	82,236	918	3,920	87,074
Public safety	98,868	30,577	17,783	147,228
Legal	111,785	—	—	111,785
Infrastructure and facilities	31,922	556	12,806	45,284
Social services	64,933	8,684	21,535	95,152
Health services	90,536	—	60,776	151,312
Other nonagency	52,850	577	1,286	54,713
Capital outlay	—	—	10,679	10,679
Debt service:				
Principal retirement	3,246	—	19,383	22,629
Interest	3,060	—	6,946	10,006
Total expenditures	539,436	41,312	155,114	735,862
Excess (deficiency) of revenues over (under) expenditures	71,739	137	(67,638)	4,238
Other financing sources (uses):				
Proceeds from sale of refunding bonds	—	—	110,885	110,885
Premium received on refunding bonds	—	—	9,298	9,298
Payments to escrow agent	—	—	(120,162)	(120,162)
Transfers in	378	2,000	56,348	58,726
Transfers out	(53,309)	(1,585)	(3,832)	(58,726)
Total other financing sources (uses)	(52,931)	415	52,537	21
Net change in fund balances	18,808	552	(15,101)	4,259
Fund balance at beginning of year	76,233	1,372	118,306	195,911
Fund balance at end of year	$ 95,041	1,924	103,205	200,170

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the year ended December 31, 2009

(in thousands of dollars)

Net change in fund balances - governmental funds	$	4,259
Amounts reported for governmental activities in the Statement of Activities are different from amounts reported for governmental funds in the Statement of Revenues, Expenditures Changes in Fund Balances, because:		
Governmental funds report capital outlays as expenditures. However, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense for governmental activities:		
Acquisition of capital assets		8,691
Depreciation expense		(32,778)
Donations of capital assets recorded as capital contributions in the government-wide statements, but not recorded within governmental funds		408
Bond proceeds provide current financial resources to governmental funds, but the issuance of debt increases long-term liabilities for governmental activities. Repayment of bond principal is an expenditure in the governmental funds, but reduces long-term liabilities for governmental activities. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized for governmental activities:		
Issuance of Certificates of Participation		(110,885)
Tax Anticipation Note proceeds		(120,000)
Tax Anticipation Note payments		120,000
Principal repayments		22,629
Refunding of Certificates of Participation outstanding		110,995
Deferred loss on refunding		339
Amortization of bond issue costs		(155)
Amortization of bond discount		(106)
Bond premium received		(9,298)
Bond issue costs paid		974
Change in accrued interest		(724)
Accreted interest on capital appreciation bonds		(1,765)
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 governmental funds:		
Net other postemployement benefits (OPEB) obligations		(41,755)
Compensated absences		1,305
Claims and judgments		818
Landfill closure costs		1,063
Net pension asset		(3,476)
Some revenues for governmental activites do not provide current financial resources and are not reported as revenues for governmental funds.		(3,735)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds are included in governmental activities.		(6,518)
Change in net assets - governmental activities	$	(59,714)

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget to Actual (Non-GAAP Budgetary Basis)

For the year ended December 31, 2009

(In thousands of dollars)

	Non-GAAP budgetary basis			Variance
	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues:				
Revenue Per Budget Law, less Rollback	$ 636,138	636,138	579,122	(57,016)
Sales Tax	33,000	33,000	32,380	(620)
Appropriated Fund Balance	—	—	(9,153)	(9,153)
Total revenues and other sources, non-GAAP budget basis	$ 669,138	669,138	602,349	(66,789)
Reconciliation to GAAP basis:				
To record net change in taxes receivable and deferred revenue			12,865	
To record net change in interest receivable and depreciation of investments			(191)	
Indirect cost reimbursements recorded as revenues for budgetary purposes			(12,623)	
Appropriated Fund Balance			9,153	
Total adjustment to GAAP basis			9,204	
Total revenues and other sources, GAAP basis			611,553	
Expenditures:				
Board of Commissioners	$ 3,210	3,210	2,827	383
Clerk to the Commission	1,060	1,060	968	92
County Manager	12,388	12,431	10,556	1,875
Housing and Community Development	1,239	1,039	896	143
Arts Council	5,428	5,034	4,960	74
Human Services	31,929	30,714	30,099	615
Health and Human Services	—	2,376	696	1,680
Finance	6,550	6,550	5,623	927
Personnel	3,891	3,891	3,735	156
Information Technology	25,850	25,850	24,348	1,502
Purchasing	3,751	3,751	3,282	469
County Attorney	3,700	3,700	3,513	187
Tax Assessor	12,956	12,956	12,113	843
Tax Commissioner	13,932	13,932	13,199	733
Environment and Community Development	2,721	2,690	2,335	355
Registration and Elections	2,661	2,661	2,436	225
Police	4,450	4,450	4,274	176
Sheriff	93,460	93,460	93,384	76
Medical Examiner	3,584	3,584	3,438	146
State Court Solicitor	6,084	6,084	5,806	278

See accompanying notes to the financial statements.

(continued)

FULTON COUNTY, GEORGIA

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget to Actual (Non-GAAP Budgetary Basis)

For the year ended December 31, 2009

(In thousands of dollars)

	Non-GAAP budgetary basis			Variance
	Original Budget	Final Budget	Actual	Positive (Negative)
Juvenile Court	14,308	14,308	13,247	1,061
Probate Court	2,732	2,732	2,518	214
County Marshal	5,510	5,510	5,280	230
State Court-General	13,703	13,703	13,241	462
State Court Judges	3,978	3,978	3,728	250
Superior Court-General	19,641	19,641	18,549	1,092
Superior Court Judges	4,878	4,878	4,585	293
Superior Court Clerk	14,792	14,792	14,106	686
District Attorney	20,912	20,912	20,611	301
Public Defender	11,944	11,944	10,439	1,505
General Services	33,791	33,791	30,984	2,807
Public Works	6,864	6,864	6,490	374
Family and Children Services	13,020	11,422	9,035	2,387
Cooperative Extension	565	516	507	9
Library	32,376	31,376	30,879	497
Health fund transfer	15,267	13,244	13,243	1
Fulton-DeKalb Hospital Authority (Grady Hospital)	50,000	50,000	50,000	—
Mental Health	14,846	13,448	13,313	135
Non-agency	147,869	153,358	113,106	40,252
Total expenditures and other uses, non-GAAP budget basis	$ 665,840	665,840	602,349	63,491
Reconciliation to GAAP basis - to record net effect of unrecorded liabilities			3,019	
Expenditures incurred on behalf of reimbursing funds for indirect costs			(12,623)	
Total expenditures and other uses, GAAP basis			$ 592,745	

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA
South Fulton Taxing District
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Budget Basis)

For the year ended December 31, 2009
(In thousands of dollars)

	Non-GAAP budget basis			Variance
	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues:				
Revenue per Budget Law	$ 41,664	41,664	39,494	(2,170)
Insurance Premium Tax	3,000	3,000	3,189	189
Appropriated Fund Balance	2,684	2,684	224	(2,460)
Total revenues and other sources, non-GAAP budget basis	$ 47,348	47,348	42,907	(4,441)
Reconciliation to GAAP basis:				
To record net tax receivable and deferred revenue			767	
To record net change in interest receivable and depreciation of investments			(1)	
Appropriated fund balance			(224)	
Total adjustment to GAAP basis			542	
Total revenues and other sources, GAAP basis			$ 43,449	
Expenditures and other uses:				
Fire	$ 13,500	13,500	13,111	389
Police	14,875	14,875	13,562	1,313
Parks and Recreation	4,255	4,255	3,795	460
Environment and Community Development	4,376	4,376	3,775	601
Public Works	500	500	485	15
Finance	342	342	172	170
Non agency	9,500	9,500	8,007	1,493
Total expenditures and other uses, non-GAAP budget basis	$ 47,348	47,348	42,907	4,441
Reconciliation to GAAP basis - to record net effect of unrecorded liabilities			(10)	
Total expenditures and other uses, GAAP basis			$ 42,897	

FULTON COUNTY, GEORGIA

Statement of Net Assets
Proprietary Funds

December 31, 2009

(In thousands of dollars)

Assets	Business Type Activities - Enterprise Funds: Water and sewerage system fund	Business Type Activities - Enterprise Funds: Other Enterprise funds	Business Type Activities - Enterprise Funds: Total Enterprise Funds	Governmental Activities- Internal Service Funds
Current assets:				
Cash and cash equivalents	$ 87,001	1,132	88,133	36,126
Investments	51,585	—	51,585	—
Accounts receivable, net	5,095	—	5,095	—
Due from other governments, net	3,185	2,044	5,229	—
Other current assets	—	—	—	10,945
Restricted assets:				
Cash and cash equivalents	29,286	—	29,286	—
Investments	130,394	—	130,394	—
Interest receivable	158	—	158	—
Total current assets	306,704	3,176	309,880	47,071
Noncurrent assets:				
Investment in joint venture	82,444	—	82,444	—
Nondepreciable capital assets	232,084	27,909	259,993	—
Depreciable capital assets (net of accumulated depreciation)	975,873	1,099	976,972	—
Other assets	4,043	—	4,043	—
Total noncurrent assets	1,294,444	29,008	1,323,452	—
Total assets	1,601,148	32,184	1,633,332	47,071

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA

Statement of Net Assets (continued)
Proprietary Funds

December 31, 2009

(In thousands of dollars)

Liabilities and Net Assets	Business Type Activities - Enterprise Funds: Water and sewerage system fund	Business Type Activities - Enterprise Funds: Other Enterprise funds	Business Type Activities - Enterprise Funds: Total Enterprise Funds	Governmental Activities- Internal Service Funds
Liabilities:				
Current liabilities (payable from current assets):				
Accounts payable & accrued expenses	$ 4,855	2,053	6,908	1,530
Accrued liabilities	516	—	516	—
Claims payable	—	—	—	8,158
	5,371	2,053	7,424	9,688
Current liabilities (payable from restricted assets):				
Contracts and other payables	10,347	—	10,347	—
Revenue bonds payable - current	11,555	—	11,555	—
Deferred revenue	467	—	467	—
Note payable - current	198	—	198	—
	22,567	—	22,567	—
Total current liabilities	27,938	2,053	29,991	9,688
Non-current liabilities:				
Revenue bonds payable - noncurrent	538,867	—	538,867	—
Note payable	52	—	52	—
Other long-term liabilities	1,659	—	1,659	—
Total non-current liabilities	540,578	—	540,578	—
Total liabilities	568,516	2,053	570,569	9,688
Net Assets:				
Invested in capital assets, net of related debt	770,950	29,008	799,958	—
Restricted for debt retirement	46,015	—	46,015	—
Unrestricted	215,667	1,123	216,790	37,383
Total net assets	$ 1,032,632	30,131	1,062,763	37,383

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA

Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds

For the year ended December 31, 2009

(In thousands of dollars)

	Business Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Water and sewerage system fund	Other Enterprise funds	Total Enterprise Funds	
Operating revenues:				
Charges for services	$	1,148	1,148	88,126
Water and sewerage charges	107,324	—	107,324	—
Total operating revenues	107,324	1,148	108,472	88,126
Operating expenses:				
Administrative and general	6,423	225	6,648	19,012
Depreciation and amortization	30,631	175	30,806	—
Personal services	19,004	640	19,644	—
Contractual services	23,057	—	23,057	75,632
Operating services	21,330	—	21,330	—
Total operating expenses	100,445	1,040	101,485	94,644
Operating income (loss)	6,879	108	6,987	(6,518)
Non-operating revenues (expenses):				
Loss on investment in joint venture	(1,795)	—	(1,795)	—
Interest income	1,651	—	1,651	—
Interest expense	(27,985)	—	(27,985)	—
Total non-operating revenues (expenses)	(28,129)	—	(28,129)	—
Income (loss) before contributions	(21,250)	108	(21,142)	(6,518)
Capital contributions	438	—	438	—
Change in net assets	(20,812)	108	(20,704)	(6,518)
Net assets at beginning of year	1,053,444	30,023	1,083,467	43,901
Net assets at end of year	$ 1,032,632	30,131	1,062,763	37,383

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA

Statement of Cash Flows
Proprietary Funds

For the year ended December 31, 2009

(In thousands of dollars)

	Business Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Water and sewerage system fund	Other Enterprise funds	Total Enterprise Funds	
Cash flows from operating activities:				
Receipts from customers and users	$ 110,807	1,148	111,955	91,168
Payments to suppliers	(62,036)	(229)	(62,265)	(96,314)
Payments to employees	(18,895)	(640)	(19,535)	—
Net cash provided by operating activities	29,876	279	30,155	(5,146)
Cash flows from capital and related financing activities:				
Principal and interest payments on revenue bonds	(39,079)	—	(39,079)	—
Principal and interest payments on notes payable	(210)	—	(210)	—
Payments for other assets	(375)	—	(375)	—
Additions to property, plant, and equipment	(70,718)	(19)	(70,737)	—
Net cash used by capital and related financing activities	(110,382)	(19)	(110,401)	—
Cash flows from investing activities:				
Purchase of investments	(183,355)	—	(183,355)	—
Proceeds from sale of investments	274,962	—	274,962	—
Interest received on investments	3,574	—	3,574	—
Net cash provided by investing activities	95,181	—	95,181	—
(Decrease) increase in cash and cash equivalents	14,675	260	14,935	(5,146)
Cash and cash equivalents at beginning of year	101,612	872	102,484	41,272
Cash and cash equivalents at end of year	$ 116,287	1,132	117,419	36,126
Reconcilation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	$ 6,879	108	6,987	(6,518)
Adjustments to reconcile operating (loss) income to net cash provided by (used in) operating activities:				
Depreciation and amortization	30,631	175	30,806	—
Changes in assets and liabilities:				
Changes in customer receivables - net	5,367	—	5,367	—
Other assets	153	—	153	1,576
Change in due from other governments - net	(1,883)	—	(1,883)	—
Accounts and claims payable	191	(4)	187	(204)
Accrued liabilities	109	—	109	—
Contractual and other liabilities	(11,571)	—	(11,571)	—
Net cash provided by (used in) operating activities	$ 29,876	279	30,155	(5,146)
Non-cash transactions:				
Unrealized gain on investments	$ 1,376	—	—	—
Donated capital assets contributed by outside sources	438	—	—	—

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA

Statement of Fiduciary Net Assets
Fiduciary Funds

December 31, 2009

(In thousands of dollars)

Assets:	Pension Trust Fund	OPEB Trust Fund	Agency Funds
Cash and cash equivalents	$ 12,622	2	121,085
Investments, at fair value:			
US Treasury Obligations	172,065	2,183	—
US Agency Obligations	221,528	—	—
Corporate asset & mortgage backed securities	50,161	—	3,194
Corporate debt	64,362	—	—
Corporate equities	353,194	—	—
International mutual funds	69,872	—	—
Commingled equity funds	79,128	—	—
Taxes receivable (net of allowance)	—	—	193,507
Interest and dividends receivable	3,194	—	—
Accounts receivable	257	—	—
Prepaid pension benefits	7,534	—	—
Total assets	1,033,917	2,185	317,786
Liabilities:			
Due to other taxing districts	—	—	254,535
Due to others	5	—	63,251
Total liabilities	5	—	317,786
Net Assets:			
Net Assets held in trust for benefits, (Schedules of funding progress is presented on page 57 & 59)	1,033,912	2,185	—
Total net assets	$ 1,033,912	2,185	—

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA

Statement of Changes in Fiduciary Net Assets
Fiduciary Funds

For the year ended December 31, 2009

(In thousands of dollars)

	Pension Trust Fund	OPEB Trust Fund
Additions:		
Investment income:		
Net depreciation in fair value of investments	$ 180,568	$ —
Interest and dividends	22,109	—
Less: investment expenses	(2,685)	—
Net investment gain	199,992	—
Employee contributions	4,187	—
Employer contributions	38,342	2,185
Contributions from other participating governments	260	—
Other income	81	—
Total additions	242,862	2,185
Deductions:		
Benefit payments	87,046	—
Transfer of plan assets to 401(A) plan or other plans	1,495	—
Refunds of contributions to terminated employees	458	—
Administrative fees and other expenses	480	—
Total deductions	89,479	—
Net increase in net assets held in trust for benefits	153,383	2,185
Net assets held in trust for benefits:		
Beginning of year	880,529	—
End of year	$ 1,033,912	$ 2,185

See accompanying notes to the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies

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

(a) Financial Reporting Entity

The County was created by Legislative Act in 1853 and operates under the appointed County management and County Commission (seven members) form of government. As required by GAAP, the financial statements of the financial reporting entity present the County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

In conformity with accounting principles, as set forth in GASB Statement No. 14, *The Financial Reporting Entity*, the financial statements of the component units have been included as blended component units with the exception of the Fulton-DeKalb Hospital Authority, which is presented in a column separate from the County's financial information to emphasize that it is legally separate from the County.

Blended Component Units - The Fulton County Building Authority (the "Building Authority") is governed by a board which is comprised solely of members appointed by the County's Board of Commissioners. Although it is legally separate from the County's Board of Commissioners, the Building Authority is reported as if it were a part of the primary government because its sole purpose is to finance and construct County public buildings.

The Fulton County Facilities Corporation (the "Facilities Corporation") was created in 1999 as a public purpose, non-profit corporation, organized and existing under the laws of the State of Georgia. It was organized for the purpose, among others, of promoting and assisting the County in acquiring and constructing capital projects. The Facilities Corporation is governed by a five member Board of Directors comprised of three members of the existing Fulton County Board of Commissioners, the County Manager, and the County Finance Director. Although it is legally separate from the County's Board of Commissioners, the Facilities Corporation is reported as if it were a part of the primary government.

Complete financial statements or other financial information of the Building Authority or Facilities Corporation can be obtained from its administration offices at the following address:

Fulton County
Suite 7001
141 Pryor Street S.W.
Atlanta, Georgia 30303

(1) Summary of Significant Accounting Policies (continued)

Discretely Presented Component Unit - The Fulton-DeKalb Hospital Authority (the "Hospital Authority") is governed by a ten-member board, of which seven members are appointed by the County's Board of Commissioners. Fulton County provided $76.5 million in funding to the Hospital Authority during 2009.

Effective June 1, 2008, the Hospital Authority entered into a Lease and Transfer Agreement with the Grady Memorial Hospital Corporation ("GMHC"), a 501(c)(3) not-for-profit health system formed on March 17, 2008. Due to the fact that GMHC is closely related to and financially integrated with the Authority, GMHC is considered to be a component unit of the Hospital Authority and is included as a discretely presented component unit in the combined financial statements of the Authority. Separate financial statements may be obtained from the Chief Financial Officer, Grady Memorial Hospital Corporation, 80 Jesse Hill, Jr., Drive, S.E., Administrative Offices, Atlanta, Georgia 30303.

The key terms and conditions associated with the Agreement include the following. The Authority will receive monthly lease payments from GMHC, totaling $2.5 million in the initial year of the Agreement and increasing each year by an amount generally measured by inflation in the published Consumer Price Index, not to exceed 3% for an initial term of 40 years. The GMHC will assume liabilities of the Authority related to its former operation of Grady and related facilities. In exchange for the lease payments and assumption of liabilities, the Authority will transfer to GMHC all of the Authority's right, title and interest in the operation assets of Grady and related facilities. GMHC is the appointed agent for the Authority with respect to pre-existing Operating Agreements between the Authority and the Counties. The Operating Agreements define the obligations of the Authority with respect to (principally) the provision of indigent care to the citizens of the Counties, in exchange for related ongoing funding that the Counties provide. The Authority is obligated to remit directly to GMHC all such funds the Authority receives from the Counties.

Certain assets and obligations of the Authority were excluded from the Agreement. Especially, the Authority retained certain assets and obligations related to its sponsorship of The Fulton-DeKalb Hospital Authority Employee Pension Plan (the Plan – a frozen plan effective May 19, 2008) and pre-existing hospital revenue bond issues.

Complete financial statements of the Hospital Authority can be obtained from its administrative offices at the following address:

Grady Health Systems, Chief Financial Officer
80 Jesse Hill Jr. Drive S.E.
Administrative Offices
Atlanta, Georgia 30303

The County's Board of Commissioners are also responsible for appointing the members of the boards of a number of other organizations, including the Hospital Authority of Fulton County and the Fulton County Housing Authority, but the County's accountability for these organizations does not extend beyond making the appointments.

(1) Summary of Significant Accounting Policies (continued)

Joint Ventures

City of Atlanta and Fulton County Recreation Authority - The County is a one-third joint venture partner with the City of Atlanta, Georgia (two-thirds share) in the City of Atlanta and Fulton County Recreation Authority (the "Recreation Authority"), which is comprised of the Atlanta Zoo and the Stadium/Arena Authority. Both the City and the County appoint members to the Recreation Authority Board according to their share of the joint venture. Neither the City nor the County exercises direct control over the ongoing operations of the Recreation Authority, which is administered by its Board and is a component unit of the City of Atlanta.

Under the joint venture agreement, the County guarantees one-third of the Recreation Authority's debt in the event the Recreation Authority should be unable to meet its debt service obligations. In recent years, the County has not had to provide debt service funding under such guarantee. The joint venture debt specific to the Arena is secured from various sources, including a pledge of the operating revenues of the facility pursuant to an Operator Revenue Security Agreement with the arena operator. The arena debt is also secured through a Guarantee Agreement with the professional sports franchise for an aggregate amount not to exceed $60 million and an irrevocable letter of standby credit of $15 million, which was released in 2008 but remains in force should the lessee not maintain adequate net income. The debt related to the zoo utilizes a separate guarantor agreement. The annual debt service for the 2007 Recreation Authority Atlanta Zoo bonds continues to be paid with approximately three-fourths participation from the City of Atlanta, and one fourth participation from Fulton County.

Complete financial statements for the Recreation Authority can be obtained from this office:

City of Atlanta
Suite 11100
68 Mitchell Street, S.W.
Atlanta, Georgia 30335

Atlanta Regional Commission - The County is a joint venture partner with the Atlanta Regional Commission based on GASB Statement No. 14. Under Georgia law, the County, in conjunction with other cities and counties in the ten county metropolitan Atlanta, Georgia area, is a member of the Atlanta Regional Commission (ARC). Membership in a Regional Development Center (RDC) is required by O.C.G.A. 50-8-34 which provides for the organization structure of the RDC in Georgia. The County paid dues in the amount of $687 to the ARC for the year ended December 31, 2009. The RDC Board membership includes the chief elected official of each county and municipality of the area. O.C.G A. 50-8-39.1 provides that the member governments are liable for any debts or obligations of a RDC. Complete financial statements of the RDC may be obtained at the following address:

Atlanta Regional Commission
40 Courtland Street, N.E.
Atlanta, Georgia 30303

(1) Summary of Significant Accounting Policies (continued)

Atlanta-Fulton County Water Resources Commission - The Atlanta-Fulton County Water Resource Commission is a joint venture between the County and the City of Atlanta for the construction and operation of a water treatment facility in north Fulton County. The County and the City share equally the costs of construction of the plant, and each is entitled to receive 50% of the total water supply treated by the plant or 50% of the plant's capacity, whichever is greater. The costs of operation of the plant were borne pro rata by the City and the County on the basis of water delivered to each party. The County incurred charges of approximately $5.6 million in 2009 for water produced at this facility, which is classified as an operating cost to the Fulton County Water & Sewerage System.

The Atlanta Fulton County Water Resources Commission is governed by a seven-member management commission, three members of the Commission are appointed by the City, three are appointed by the County, and one independent member is elected by the vote of the other members. Both the City and County approve the annual budget of the Commission.

At December 31, 2009, the County's share of the depreciated cost of the facility is shown as "Investment in joint venture" in the accompanying statement of net assets.

Complete financial statements for the Atlanta-Fulton County Water Resource Commission can be obtained from the following respective administrative office:

Atlanta-Fulton County Water Resource Commission
9750 Spruill Road
Alpharetta, Georgia 30022

(b) Government-Wide 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 of the non-fiduciary activities of the County and its component units. Eliminations have been made to minimize the double-counting of internal activities.

Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. These statements distinguish between the governmental and business-type activities.

The Statement of Net Assets presents the County's non-fiduciary assets and liabilities, with the difference reported as net assets. These net assets are reported in three categories:

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, and reduced by outstanding debt that is attributable to the acquisition, construction, and improvement of those assets. The outstanding debt is offset by any unspent proceeds from such debt.

(1) Summary of Significant Accounting Policies (continued)

Restricted net assets result from restrictions placed on net assets by external sources such as creditors, grantors and contributors, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets consist of net assets which do not meet the definition of the two preceding categories.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Administrative overhead charges are included in direct expenses for the business-type activities. Some functions, such as general government and administration include expenses that are in essence indirect expenses of other functions. The County has elected not to charge all of these indirect expenses to other functions. Program revenues include (1) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

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 the major individual enterprise fund are reported as separate columns in the fund financial statements; non-major funds are combined in a single column.

(c) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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 fund financial statements. Agency fund financial statements do not have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year in which the levy is assessed. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as receivables in the current fiscal

(1) Summary of Significant Accounting Policies (continued)

period. All other revenue items are considered to be measurable and available only when cash is received by the County. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to non-vested unmatured sick pay, compensated absences and other long-term commitments and contingencies are recorded only when payment is due.

In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the County has elected not to apply any Financial Accounting Standards Board (FASB) Statements and Interpretations issued after November 30, 1989 to its business type activities and enterprise funds. 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 funds include the cost of sales and services, administrative expenses, and deprecation 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.

Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, other governmental units, and/or other funds.

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

The County reports the following major governmental funds:

General Fund

The General Fund is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

South Fulton Special Taxing District

This fund was created in 2006 upon adoption of a new state law that required the County to separately report revenues and expenditures by geographic sub-districts. The "sub-district" in the southern end of unincorporated Fulton County opted to become a separate taxing district, and is now categorized as a major fund. In years past the combined other sub-district funds were classified as "major" but their activity has subsided. The County now elects to present the South Fulton Taxing District as a major fund. This fund accounts for operations of the unincorporated County's police, fire, business licensing, recreation and economic development departments. Financing is provided by a specific annual property tax levy and fees and charges for services. Collections for this fund are restricted for use in

(1) Summary of Significant Accounting Policies (continued)

this specific unincorporated section of Fulton County. The two other "sub-districts" are combined with the original special service district for financial reporting purposes through a combining schedule in the non-major special revenue section. These funds include a budget to actual presentation to meet the requirements state law. Minimal residual activity occurred in the combining non-major sub-districts in 2009, as these geographic areas are now incorporated municipalities.

The County reports the following major proprietary fund:

Water and Sewerage System Fund

The Fulton County, Georgia Water and Sewerage System Fund (the "System") accounts for the provision of water and sewerage services to individuals, organizations, and other governmental units within Fulton County (the "County"), except for those areas of the County serviced by the City of Atlanta and other small municipalities. Additionally, the System sells water and treatment plant capacity to neighboring jurisdictions at contractually established rates. All revenues from sources applicable to such services and all expenses incurred in the provision of such services are recorded in the accounts of the System.

The County reports two non-major proprietary funds:

Fulton County Airport-Brown field

The Fulton County, Georgia Airport Fund (the "fund") accounts for the provision of services to tenants and the public for the operation of Brown field. These services include maintenance of all buildings, access roads, runway, ramps, hangars and parking lots. Collections of rentals are restricted to use for services for the airport.

Contractual funds with other municipalities

This fund accounted for the services provided for Police and Fire rescue services to newly formed municipalities within Fulton County, including expenditures as well as the reimbursements from the City of Milton, Johns Creek and Sandy Springs to the County. These contracts have ceased and now only reflect amounts due from these municipalities.

The County reports the following fiduciary funds:

Fulton County Employees' Retirement System

The fund accounts for accumulated resources for defined benefit pension payments to qualified County employees.

Fulton County Other Post-Employment Benefits Fund

The fund accounts for accumulated resources for post-employment health benefits to qualified County employees.

(1) Summary of Significant Accounting Policies (continued)

Agency Funds

Agency Funds account for the assets held by the County, or its elected officials, in a trustee capacity as an agent for individuals, governmental units, and/or other funds.

The County reports the following other fund types:

Internal Service funds

Internal service funds account for self insured health activities, vehicle maintenance and repair, risk management services, and other activities provided to other departments of the County on a cost reimbursement basis.

(d) Cash, Cash Equivalents, and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value based on quoted market values. Interest income on investments is accrued as earned. The net appreciation (depreciation) in the fair value of investments is based on the valuation of investments as of the balance sheet date.

(e) Inventories

Inventories of the government funds are recorded as expenditures at the time of purchase (purchase method). Inventories of the Hospital Authority, which are primarily pharmaceuticals and supplies, are valued at the lower of cost or market. Cost is determined on an average cost basis for supplies and first in, first out basis for pharmaceuticals.

(f) Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables are classified as "due from other funds" and the payables as "due to other funds" on the governmental financial statements but are eliminated in the government-wide financial statements.

(1) Summary of Significant Accounting Policies (continued)

(g) Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are generally defined as assets with an individual cost in excess of $5,000 for equipment or $100,000 for all other assets, and a useful life in excess of one year. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. General infrastructure assets consist of the road network that were acquired or that received substantial improvements subsequent to January 1, 1980 and are reported at estimated historical cost using various industry and trade cost data combined with actual information maintained at the County.

The cost of normal maintenance and repairs that do not add to the value of the asset or that materially extend assets lives are not capitalized. Net interest cost incurred during the construction of facilities is capitalized as part of the cost of such facilities for business-type activities. No such capitalized interest was incurred in 2009.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Life
Buildings and related improvements	40 years
Plant and related components	50 years
Roadway networks and related infrastructure	20-50 years
Equipment	2-10 years

Property under capital leases is stated at the lower of the present value of the minimum lease payments or the fair market value at the inception of the lease. Once placed in use, such property is amortized on the straight-line basis over the shorter of the economic useful life of the asset or remaining lease term.

The County paid $58 million with neighboring Cobb County, Georgia in 2003 for the purchase of long-term wastewater treatment capacity at the R.L Sutton wastewater treatment plant and the adjoining underground conveyance system. In November 2007 the County incurred $99.9 million in similar capital costs through facilities owned by the City of Atlanta. The County will share in the cost of annual capital improvements at these facilities on a pro rata basis. These costs were previously shown as other assets on the financial statements of the Water and Sewerage System fund, but now appear as "Intangible Assets" and are included within the capital asset disclosure section of the Water and Sewerage System fund. These assets are being depreciated over 28 years for the Atlanta facilities and 40 years for the Cobb County facilities, both using the straight-line method. Depreciation of these intangible assets, approximately $5.3 million for 2009 is classified as an operating cost on the Statement of Revenues, Expenses and Changes in Fund Net Assets-Proprietary funds. The amount remaining as of December 31, 2009 is approximately $150.4 million.

(1) Summary of Significant Accounting Policies (continued)

The government maintains certain collections of art which have not been capitalized as they are (1) held for public exhibition, education, or research in furtherance of public service rather than financial gain, (2) protected, kept unencumbered, cared for and preserved, and (3) subject to policy that requires the proceeds from any sales of collection items to be used to acquire other items for the collection.

(h) Bond Premiums and Discounts/Debt Issuance Costs

In the governmental funds, bond premiums, discounts and issuance costs are treated as period costs in the year of issue. In the government-wide and the proprietary fund statements, bond premiums, discounts and issuance costs are deferred and amortized over the term of the related bonds using the effective interest method.

(i) Restricted Assets

Certain proceeds of Enterprise Fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets because their use is limited by applicable bond covenants.

(j) Compensated Absences

County employees upon separation are reimbursed for an accumulated annual vacation leave up to a maximum of 360 hours. Employees are not reimbursed for accumulated sick leave if terminated prior to retirement and is not reported in the accompanying financial statements. Nonexempt employees who work overtime can accrue compensatory leave for each overtime hour worked, up to a specified maximum. At separation, employees are paid for any accumulated compensatory leave and any earned holiday leave. Starting in 2007, the policy was amended so that exempt employees are no longer eligible to accrue compensatory time.

Liabilities for compensated absences other than sick leave are all considered long-term obligations of the County as amounts were not matured and payable at year end. As a result, for governmental activities, the accrued compensation amounts are reported as a liability, but no liability is reported the governmental fund statements. For all Proprietary Funds, accumulated vacation leave is recorded as an expense and liability as the benefits accrue to employees. The liability for accumulated vacation leave is classified as noncurrent in the Proprietary Funds, as that portion which will be paid in the forthcoming year cannot be reasonably estimated. These liabilities are paid to employees generally from the fund that incurred their payroll cost at time of departure. These accumulated leave costs are not charged to a single County-wide fund, but are charged to the fund incurring the costs for the departing employee.

(k) Estimated Claims Payable

The liability for claims and judgments against the County, including the estimated liability for claims incurred but not reported at year-end has not matured as of year end and as a result has been accrued in the government-wide statements, the Insurance Stabilization Fund and Risk Management Fund (Internal Service Funds); but no liability has been accrued in the governmental fund statements.

(1) Summary of Significant Accounting Policies (continued)

(l) Net Patient Service Revenues

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. Net patient service revenue is reported at estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

(m) Uncompensated Care

The Hospital provides care to patients who meet certain criteria under its charity and indigent care policy without charge or at amounts less than its established rates, based upon the patient's ability to pay. Because the Hospital does not pursue collection of amounts determined to qualify as charity and indigent care, they are not reported as revenue.

(n) Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

(2) Budgetary Accounting and Compliance

The County prepares its annual budgets on a non-GAAP basis. The major differences between the budget and GAAP are (1) revenues (principally property taxes, accounts receivable, grants, and interest receivables) are recorded when cash is received (budget) as opposed to when susceptible to accrual (GAAP), (2) Expenditures (principally payroll, workers' compensation, and purchases) are recorded when paid(budget) as opposed to when incurred (GAAP); (3) Debt service requirements due January 1, 2010 are recorded as expenditures in 2009 (budget) as opposed to 2010 when obligations are due (GAAP); (4) Utilized fund balance to meet balanced budget requirements is recorded as revenue on the budgetary basis statements but not in the governmental fund statement of revenues, expenditures and changes in fund balances-governmental funds.

The nature and amount of the adjustments necessary to convert the actual results of operations on a GAAP basis to the budgetary basis, which is a cash basis, as adjusted for specific accruals, are as follows for the County's two major funds (in thousands of dollars):

(2) Budgetary Accounting and Compliance (continued)

	Net changes in fund balance	
	General Fund	South Fulton Special Tax District Fund
GAAP basis	$ 18,808	552
Adjustments to accruals:		
Tax revenues and interest receivable	(12,674)	(766)
Liabilities	3,019	(10)
Fund balance utilized	(9,153)	224
Budget basis	$ —	—

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

(1) Prior to November 15 of the preceding budget year, the Budget Commission, consisting of the Chairman of the Board of Commissioners, the County Manager, and the Director of Finance, receives budget requests from County departments.

(2) Hearings may be held by the Budget Commission to review budget requests, justifications, and recommendations.

(3) By November 15, the Budget Commission presents a recommended budget for the fiscal year beginning the following January 1 to the Board of Commissioners. This budget includes recommended expenditures and estimated revenues to finance them.

(4) In December, the Board of Commissioners adopts a tentative budget which is published by the last Wednesday in December.

(5) A public hearing is held and the budget is legally adopted by the Board of Commissioners at the regular January meeting of the current budget year. A balanced budget is required by law.

(6) The level of legal budgetary control (the level at which expenditures may not exceed appropriations) is at the department level with the following provisions:

   (i) Departments, with the approval of the Director of Finance, are authorized, with certain exceptions, to transfer amounts within departmental budgets.
   (ii) Amounts which would increase total department appropriations, salary appropriations, or travel appropriations require Board of Commissioner approval.

(7) Budgets are legally adopted for the two major funds, the General Fund and Special Services District Fund (a Special Revenue Fund). Formal budgetary integration is employed as a management control device during the year for the General and Special Services District Funds. Budgets were also legally adopted for debt service fund and

(2) Budgetary Accounting and Compliance (continued)

other special revenue funds for the fiscal year ending December 31, 2009. Project-length budgets are adopted upon approval for the capital project. Generally, annual adopted appropriations, both encumbered and unencumbered, lapse at December 31.

(8) Total appropriations for any fund may be increased if, during the year, sources of revenue become available to the County in excess of original anticipations, and these amounts are anticipated by the Budget Commission and subsequently appropriated by the Board of Commissioners. No supplemental appropriations were made during 2009.

The Public Health Services fund (Special Revenue Funds) and the Fulton County Facilities fund (Capital Projects fund) had accumulated fund deficits at December 31, 2009 of $5,235, which includes a residual deficit from the previous year's operations that included the Mental Health fund, and $1,042, respectively. These deficits will be alleviated through future charges for services and other revenues.

(3) Cash and Investments – Primary Government

Fulton County's Investment Policy establishes the internal controls and guidelines to be followed in investing both the Liquidity and Investment portfolios for the County. The County believes that the restrictions and limitations imposed by the Investment Policy are prudent and minimize the risk associated with custodial credit risk, interest rate risk, and credit quality risk. County funds at all times are invested in conformity with the laws of the State of Georgia; along with bond ordinances and covenants, the Investment Policy and the Fulton County Finance department written procedures.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of a bank failure, the County's deposits may not be recovered. The County limits its exposure to custodial credit risk by required all deposits to be collateralized in accordance with state law.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. As of December 31, 2009, the County's primary governmental and business type funds had the following investments:

		December 31, 2009			
Fixed Income:		**Fair value**	**3-12 months**	**1-5 years**	**6-10 years**
US Treasury Obligations	$	1,978	1,978	-	-
US Agency Obligations		244,529	138,337	106,192	-
Fixed Income subtotal		246,507	140,315	106,192	-
Bankers' acceptances		86,628			
Insured Money Market funds		29,609			
Total cash equivalents and investments	$	362,744			

(3) Cash and Investments – Primary Government (continued)

State of Georgia statutes authorize the County to invest in direct obligations of the U.S. government, obligations insured or guaranteed by the U.S. government or a U.S. government agency, obligations of any corporation of the U.S. government, prime bankers' acceptances, obligations of the State of Georgia or other states, certain collateralized repurchase agreements, certain obligations of other political subdivisions of the State of Georgia, certain certificates of deposit, and the Georgia Fund-1 state investment pool. In accordance with its investment policy and bond covenants, the Water and Sewerage System fund manages its exposure to the risk of declines in fair values of investment by limiting the maturities of its investments to a maximum of five years for all debt service and debt service reserve accounts, and three years for investments held in the construction funds.

Credit Quality Risk

Credit Quality Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The table appearing on the previous page shows the County's exposure to credit quality risk for the fixed income investments held as of December 31, 2009. The US Agency and Treasury obligations are rated AAA, while bankers' acceptances and insured money market funds are collateralized at 102%.

The following is a summary of the carrying amounts of the cash, cash equivalents, and investments of the County's governmental and business-type activities at December 31, 2009 (in thousands of dollars):

		2009
Balances by category:		
Cash and deposits	$	164,718
Cash equivalents		142,083
Investments		220,661
	$	527,462
Balances as presented in the Statement of Net Assets:		
Unrestricted activities:		
Cash and cash equivalents	$	277,515
Investments		90,267
Restricted activities:		
Cash and cash equivalents		29,286
Investments		130,394
	$	527,462

(3) Cash and Investments – Fiduciary Funds

The Pension Trust Fund, reported as a fiduciary fund, is authorized to invest, in addition to the County's other authorized investments, in corporate bonds and debentures which are not in default as to principal and interest. Additionally, the Pension Trust Fund can invest in corporate stock (common or preferred), provided that the total cost of such investments does not exceed 65% of the assets of the Pension Trust Fund.

(3) Cash and Investments – Fiduciary Funds (continued)

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of a bank failure, the Pension Trust fund's deposits may not be recovered. Fulton County uses a centralized cash disbursements account for all of its funds, including those of this fund. Although cash applicable to the Pension Trust Fund is delineated for financial reporting purposes, the portion of the corresponding bank account balance applicable to the Plan is not separately identifiable.

The Policy of the Pension Trust fund is to ensure that pension liabilities are met when due. Assets are invested so as to provide for the solvency over time and to maximize the investment return within a reasonable level of risk In accordance with the Official Code of Georgia Annotated Public Retirement System Investment Authority Law, Public Retirement Systems may invest in the following:

(a) Domestic stocks, including small, mid, and large market capitalization ranges;
(b) International stocks including emerging markets;
(c) U.S. Treasury Notes and Bonds, U.S. Government Agency Securities, Mortgage-Backed Securities such as Collateralized Mortgage Obligations (CMO's) and Collateralized Mortgage-Backed securities (CMBS) non-agency issues which are fully collateralized by agency paper;
(d) All other types of investments which are permitted under the Fulton County Employees' Retirement System Boards' enabling resolutions and Georgia law.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The following table provides information about Pension Trust fund's exposure to interest rate risk as of December 31, 2009.

	December 31, 2009				
Fixed Income:	**Fair Value**	**3-12mos**	**1-5yrs**	**6-10yrs**	**>10yrs**
US Treasury Obligations	$ 19,216	-	1,597	11,857	5,762
US Agency Obligations	174,188	-	9,221	28,667	136,300
Municipal General Obligations	1,369	-	-	-	1,369
Government Guaranteed Corporate	18,681	-	7,083	5,000	6,598
Corporate Debt	52,928	3,292	14,298	21,944	13,394
Corporate Asset Backed Securities	39,445	1,830	15,971	8,384	13,260
CMO	1,263	-	-	-	1,263
CMBS	4,558	-	-	-	4,558
Fixed Income subtotal	311,648	5,122	48,170	75,852	182,504
Equity securities	484,875				
Commingled equity funds	104,886				
Commingled fixed income funds	2,007				
International mutual funds	106,894				
Cash Equivalents	12,622				
Total cash equivalents and investments	$ 1,022,932				

(3) Cash and Investments – Fiduciary Funds (continued)

The following is a summary of the carrying amounts of the cash, cash equivalents and investments of the Fiduciary funds at December 31, 2009 (in thousands of dollars):

	2009		
Balances by category:	Pension Trust Fund	OPEB Trust Fund	Agency Funds
Cash and cash equivalents	$ 12,622	2	121,085
Investments	1,010,310	2,183	3,194
	$ 1,022,932	2,185	124,279

The Agency funds' cash is collateralized with securities held by the pledging financial institutions' trust department or in the County's name. The agency funds contain five bankers acceptances and two US Treasuries, with stated fair market values of $12,618. Three bankers acceptances are classified as cash equivalents of $5,629 and two are classified as investments of $3,194. The two US Treasury obligations totaling $3,795 are categorized as cash equivalents.

Credit Quality Risk

Credit Quality Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The table below shows the Pension Trust fund's exposure to credit quality risk for the fixed income investments held as of December 31, 2009.

		December 31, 2009 ratings					
Fixed Income:	Fair Value	AAA	AA	A	BBB	BB	N/R
US Treasury Obligations	$ 19,216	19,216	-	-	-	-	-
US Agency Obligations	174,188	174,188	-	-	-	-	-
Municipal General Obligations	1,369	-	739	630	-	-	-
Government Guaranteed Corporate	18,681	18,681	-	-	-	-	-
Corporate Debt	52,928	-	2,585	23,287	27,056	-	-
Corporate Asset Backed Securities	39,445	15,446	1,499	16,500	4,851	-	1,149
CMO	1,263	1,092	40	131	-	-	-
CMBS	4,558	3,322	-	1,236	-	-	-
Fixed Income totals	$ 311,648	231,945	4,863	41,784	31,907	-	1,149

(3) Cash and Investments – Component unit

Hospital Authority

The Authority maintains a cash and investments pool utilized by the Authority. Deposits and investments include demand deposits, certificates of deposit, U.S. government obligations, marketable equity securities, repurchase agreements, corporate bonds, money market funds and local government investment pools.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of a bank failure, the Authority's deposits may not be returned to it. As of December 31, 2009, all the Authority's deposits were either

(3) Cash and Investments – Component unit (continued)

covered by federal depository insurance or collateralized through securities held by the pledging financial institution's trust department in the Authority's name. The Authority has no custodial credit risk policies requiring additional collateral beyond what is required under State of Georgia law.

Investment Type	Average rating	Fair Value	Maturities (in years) <1	1-5	6-10	>10
Mixed funds	Aaa	$ 2,236	2,236	-	-	-
Money Market Portfolio	N/A	20,167	20,167	-	-	-
Total investments		$ 22,403	22,403	-	-	-

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The Authority does not have a formal investment policy that limits investment maturities as a means of managing its' exposure to fair value losses arising from increasing investment rates. The Authority's practice emphasizes the purchase of shorter term or more liquid investments.

Credit Risk

The custodial credit risk for deposits is the risk that, in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority's investment practice seeks to minimize credit risk through diversification of investment with the choices allowed under state statutes.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The Authority has no formal policy on concentration of credit risk beyond that stipulated by the Georgia government Code, and has no investments in any one issuer greater than 5% of total Authority investments as of December 31, 2009.

Hospital Authority

Basic combined discretely presented component unit financial statements:

	2009
Unrestricted:	
Cash and cash equivalents	$ 18,861
Investments	2,236
Restricted	
Cash and cash equivalents (deposits and trusts)	30,688
Investments	26,747
Total	$ 78,532
Cash on hand	$ 18,861
Investments	22,403
Nonpublic funds	37,268
Total cash, cash equivalents and investments	$ 78,532

(4) Taxes

(a) Property Taxes

The County Tax Commissioner bills and collects property taxes for Fulton County as well as those of the Fulton County Board of Education, the Cities of Atlanta, Sandy Springs, Mountain Park, Chattahoochee Hills and Johns Creek and the City of Atlanta Board of Education and the State of Georgia. Collections of taxes for the County are accounted for in the Governmental Funds types. Collections and remittance of taxes for other entities are accounted for in the Tax Commissioner Fund (an Agency Fund). Taxes are generally levied at approximately July 1, based on property values as of January 1, and are payable from various due dates from August 15 through October 15 depending on the taxing governmental entity. After the due date, interest is charged on unpaid taxes, with a 10% penalty being assessed in addition to interest charges as receivables become greater than 90 days delinquent. The Board of Commissioners establishes the property tax millage rates by June 30. Unpaid property taxes attach as an enforceable lien on property as of January 1 of the following year.

The South Fulton Taxing District was established in 2006 as a special revenue fund which levies taxes to provide resources for municipal type services such as police, fire, parks, and economic development. State legislation required the circa 2005 special service district to be divided for financial reporting into "sub-districts" and categorized revenue and expenditures by geographic areas. A combining schedule of these sub-districts and the existing special service district are shown on pages 63 and 64, while schedules of budgetary comparisons are on pages 65 through 67. The two sub-districts covered geographic areas are now incorporated municipalities, so only minimal activity occurs in these remnant sub-district funds. State legislation in 2008 required payments to these new municipalities for all unencumbered residual cash in sub-district funds.

(b) Local Option Sales Tax

The County received varying portions of a 1% local option sales tax levied on all retail sales made within the County. The proceeds of such tax collected each year are used to reduce, on a dollar-for-dollar basis, the millage equivalent amount of property taxes, which would otherwise be required to be levied in the subsequent year. The incorporations of the City of Sandy Springs, Johns Creek, Milton and Chattahoochee Hills changed the allocation of sales taxes received by Fulton County, as will other incorporations throughout unincorporated Fulton County.

(5) Allowances for Uncollectible Receivables

Allowances for uncollectible receivables at December 31, 2009 are as follows (in thousands of dollars):

	2009
Taxes Receivable:	
General Fund	$ 7,500
Special Service District Fund	300
South Fulton Special Taxing District	-
Other Governmental funds - Debt Service Fund	-
Agency Funds	17,800
	$ 25,600
Accounts Receivable – Water and Sewerage System Fund	$ 6,549

(6) Due from Other Governments

Governmental type funds include receivables from other governments for various activities. The General fund is owed $2,030 due from other local government entities related to financing the activities of the Atlanta-Fulton County Water Resource Commission, $1,983 from the State of Georgia for property rentals, and $37 is owed for the costs of providing municipal elections in 2008. Additionally, due from other governments in the Other Governmental Funds include a receivable of $5,981 for federal financial assistance related to various grantor receivables. $390 is due for reimbursement for providing judicial services and $99 is due for reimbursement of capital costs in the emergency communication system from one municipality.

Business type funds are owed $2,044 from three municipalities for contractual services provided in 2006 through 2008 for police and fire services. $3,185, net of a $766 reserve, is also due from other area municipalities to the Water and Sewerage System Fund for wastewater treatment charges, sewer use fees, water line construction and miscellaneous surcharges not yet remitted to the County at December 31, 2009.

(7) Capital Assets and Infrastructure

A summary of changes in the capital assets of governmental type activity is as follows (in thousands):

	January 1, 2009	Increases	Decreases	December 31, 2009
Capital assets not being depreciated:				
Land and land improvements	$ 45,139	—	(227)	44,912
Construction in progress	70,642	7,283	(2,705)	75,220
Total capital assets not being depreciated	115,781	7,283	(2,932)	120,132
Capital assets being depreciated:				
Equipment	105,632	2,854	—	108,486
Buildings and other improvements	653,147	54	—	653,201
Roadway network	568,864	1,839	—	570,703
Total capital assets being depreciated	1,327,643	4,747	—	1,332,390
Less accumulated depreciation for:				
Equipment	(91,533)	(5,076)	—	(96,609)
Buildings and other improvements	(306,294)	(15,430)	—	(321,724)
Roadway network	(162,860)	(12,272)	—	(175,132)
Total accumulated depreciation	(560,687)	(32,778)	—	(593,465)
Net capital assets being depreciated	766,956	(28,031)	—	738,925
Net capital assets- governmental activities	$ 882,737	(20,748)	(2,932)	859,057

(7) Capital Assets and Infrastructure (continued)

The value indicated for roadway network includes items such as roads, sidewalks, lighting, stormwater drainage infrastructure, right of way improvements, barriers, guardrails, traffic control devices, bridges, and all other related transportation infrastructure. Repairs or resurfacing of roadways is considered a routine cost to maintain the useful life of roadways, and is not capitalized. Building or roadway improvements that extend the useful life of the asset are capitalized in accordance with generally accepted accounting principles.

Roadways that are owned by the state or municipalities are not included in the above totals. Generally, transportation infrastructure located in unincorporated Fulton County is represented above. Assets constructed by others and deeded to the County are recorded as capital contributions and recorded when donated.

Ownership of roadway networks net of accumulated depreciation had been transferred to newly formed municipalities within the County for roads within their geographic borders formerly owned by the County. These new governments are now responsible for roadways within its jurisdiction, and these assets are no longer owned nor reported as the County's capital assets.

A summary of the capital assets of business-type activity is as follows (in thousands):

	January 1, 2009	Increases	Decreases	December 31, 2009
Airport fund:				
Capital assets not being depreciated:				
Land and land improvements	$ 27,909	—	—	27,909
Total capital assets not being depreciated	27,909	—	—	27,909
Capital assets being depreciated:				
Equipment	1,250	19	—	1,269
Buildings and other improvements	5,457	—	—	5,457
Total capital assets being depreciated	6,707	19	—	6,726
Less accumulated depreciation for:				
Equipment	(1,156)	(39)	—	(1,195)
Buildings and other improvements	(4,296)	(136)	—	(4,432)
Total accumulated depreciation	(5,452)	(175)	—	(5,627)
Net capital assets being depreciated	1,255	(156)	—	1,099
Net capital assets-Airport fund	$ 29,164	(156)	—	29,008

(7) Capital Assets and Infrastructure (continued)

	January 1, 2009	Increases	Decreases	December 31, 2009
Water and Sewerage System fund:				
Capital assets not being depreciated:				
Land improvements	$ 6,664	—	—	6,664
Construction in progress	179,947	70,688	(25,215)	225,420
Total capital assets not being depreciated	186,611	70,688	(25,215)	232,084
Capital assets being depreciated:				
Equipment	13,201	89	—	13,290
Water system	202,965	15,650	—	218,615
Sewerage system	880,332	10,003	—	890,335
Intangible assets	169,006	—	—	169,006
Total capital assets being depreciated	1,265,504	25,742	—	1,291,246
Less accumulated depreciation for:				
Equipment	(12,034)	—	(441)	(12,475)
Water system	(53,690)	—	(4,007)	(57,697)
Sewerage system	(206,078)	—	(20,576)	(226,654)
Intangible assets	(13,212)	—	(5,335)	(18,547)
Total accumulated depreciation	(285,014)	—	(30,359)	(315,373)
Net capital assets being depreciated	980,490	25,742	(30,359)	975,873
Net capital assets-Water and Sewerage System fund	$ 1,167,101	96,430	(55,574)	1,207,957

Long term sewerage treatment capacity rights, classified above as Intangible Assets, have been reclassified into the capital asset footnote disclosure as of January 1, 2009 of $169,006, along with accumulated depreciation of $13,212.

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

Governmental activities:	
Administration	$ 2,050
Public Safety	4,306
Legal	4,512
Infrastructure and facilities	17,399
Social services	4,101
Health services	410
Total depreciation expense, governmental activities	$ 32,778
Business-type activities:	
Water and Sewerage	$ 30,359
Airport	175
Total depreciation expense, business-type activities	$ 30,534

(7) Capital Assets and Infrastructure – Component unit

A summary of the capital assets of County's component unit is as follows (in thousands):

		January 1, 2009	Increases	Decreases	December 31, 2009
Capital assets not being depreciated:					
Land	$	1,657	—	—	1,657
Construction in progress		12,388	35,649	(10,897)	37,140
Total capital assets not being depreciated		14,045	35,649	(10,897)	38,797
Capital assets being depreciated:					
Equipment		57,786	37,924	(323)	95,387
Buildings		156,682	35,546	—	192,228
Total capital assets being depreciated		214,468	73,470	(323)	287,615
Less accumulated depreciation for:					
Equipment		(7,435)	(16,735)	—	(24,170)
Buildings and other improvements		(6,177)	(8,490)	(7,502)	(22,169)
Total accumulated depreciation		(13,612)	(25,225)	(7,502)	(46,339)
Net capital assets being depreciated		200,856	48,245	(7,825)	241,276
Net capital assets- governmental activities	$	214,901	83,894	(18,722)	280,073

Total depreciation expense for the Hospital Authority was $25,225. All depreciation was incurred on assets acquired to provide health services.

Construction in progress at December 31, 2009 principally consists of expenditures related to renovations of existing facilities. These projects are currently planned for completion in 2010 at an estimated total remaining cost to complete of approximately $99.4 million.

(8) Long-Term Debt & Other Obligations

(a) Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended December 31, 2009 (in thousands of dollars):

Governmental activities:	January 1, 2009	Additions	Retirements	Other*	December 31, 2009	Due within one year
Certificates of participation	$ 110,995	110,885	(110,995)	-	110,885	-
Less deferred charges, net	(356)	9,298	-	(1,149)	7,793	
Total Certificates of Participation	110,639	120,183	(110,995)	(1,149)	118,678	
Building Authority Revenue Bonds	50,919	-	(12,980)	1,765	39,704	12,682
Less deferred charges, net	267	-	-	(58)	209	
Total Building Authority Revenue Bonds	51,186	-	(12,980)	1,707	39,913	
General Obligation Bonds	1,760	-	(1,760)	-	-	-
Compensated absences	42,078	11,039	(12,344)	-	40,773	11,039
Other long term capital lease obligations	72,231	-	(7,889)	-	64,342	5,529
Net other post employment benefits	112,277	55,861	(14,106)	-	154,032	-
Claims and judgments	9,602	-	-	(818)	8,784	264
Post-closure care	20,033	-	(1,063)	-	18,970	1,097
Total Governmental activities	$ 419,806	187,083	(161,137)	(260)	445,492	30,611
Business-type activities:						
Water & Sewerage Revenue Bonds	$ 559,780	-	(10,965)	-	548,815	11,555
Less deferred charges, net	1,497	-	-	110	1,607	
Total Water & Sewerage Revenue Bonds	561,277	-	(10,965)	110	550,422	
Note Payable	436	-	(186)	-	250	198
Other long-term liabilites	1,550	943	(834)	-	1,659	
Total business-type activities	$ 563,263	943	(11,985)	110	552,331	11,753

*Includes accretion of interest on revenue bonds, amortization of bond premium and discount, and other adjustments to long term liabilities.

(8) Long-Term Debt & Other Obligations (continued)

Bonds Payable

General Obligation Bonds - The County issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the County. General obligation bonds have been issued for general government activities and are reported as a governmental activity in the government wide Statement of Net Assets. All outstanding General obligation bonds previously outstanding have matured and been paid as of December 31, 2009. In 2008, Fulton County voters did approve the issuance of up to $275,000 in General Obligation bonds for library construction and expansion, of which approximately $167 million is anticipated to be issued in fall of 2010.

(1) ***Revenue Bonds Payable*** - The County also issues bonds where the County pledges income derived from the acquired constructed assets to pay debt service. The County has issued revenue bonds for the general government and for proprietary activities. The Building Authority bonds are paid from general governmental activities, while the Water and Sewerage Revenue bonds are paid from business-type activities. Revenue bonds outstanding are as follows (in thousands of dollars):

Issue year	Interest rate range	Final Maturity Date	Outstanding balance	Annual principal installments	Purpose
General governmental activities:					
1991 Building Authority	6.70-6.75%	2011	$ 10,104	$ 5,995-6,015	Capital facilities
2002-A Building Authority	3.40-5.25	2014	2,635	450-580	Capital facilities
2002-B Building Authority	3.25-5.00	2014	20,320	215-6,975	Capital facilities
2002-C Building Authority	4.00-5.00	2010	6,645	6,340-6,645	Capital facilities
			$ 39,704		
Business-type activities:					
1998 Water and Sewerage	4.75-5.25	2027	262,515	11,405-20,320	Water/Sewer facilities
2004 Water and Sewerage	2.375-5.25	2034	286,300	150-36,935	Water/Sewer facilities
			$ 548,815		

(8) Long-Term Debt & Other Obligations (continued)

The annual requirements to amortize bonds payable as of December 31, 2009, including interest payments are as follows (in thousands of dollars):

Year Ending December 31	General Obligation Bonds		Building Authority Revenue Bonds		Water and Sewerage Revenue Bonds		Total Primary Government	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2010	$ -	-	12,682	2,127	11,555	27,258	24,237	29,385
2011	-	-	5,497	2,358	12,160	26,654	17,657	29,012
2012	-	-	6,800	1,080	12,795	26,019	19,595	27,099
2013	-	-	7,170	739	13,465	25,350	20,635	26,089
2014	-	-	7,555	379	14,160	24,657	21,715	25,036
2015-2019	-	-	-	-	81,935	112,141	81,935	112,141
2020-2024	-	-	-	-	103,830	90,252	103,830	90,252
2025-2029	-	-	-	-	131,320	62,745	131,320	62,745
2030-2034	-	-	-	-	167,595	26,481	167,595	26,481
Total	-	-	39,704	6,683	548,815	421,557	588,519	428,240
Deferred charges/ premiums	-	-	209	(209)	1,607	(1,607)	1,816	(1,816)
Total	$ -	-	39,913	6,474	550,422	419,950	590,335	426,424

In current and prior years, the County defeased certain outstanding revenue and general obligation bonds and lines of credit by placing the proceeds of new bonds and County resources in irrevocable trusts to provide for all future debt service payments on the old bonds and lines of credit. Accordingly, the trust accounts and the defeased bonds are not included in the accompanying financial statements. At December 31, 2009, the outstanding amount of bonds considered defeased totaled $151,115.

(3) ***Covenants*** - The various bond indentures contain a number of limitations and restrictions. The County's management believes that it is in compliance with all limitations and restrictions at December 31, 2009. Notification was submitted to the Municipal Rulemaking Securities Board indicating the audited 2009 financial statements would be forwarded subsequent to the continuing disclosure required dates.

(4) ***Debt Margins*** - The County is subject to the Municipal Finance Law of Georgia which limits the amount of net bonded debt (exclusive of revenue bonds) the County may have outstanding up to 10% of the average assessed valuation of the past five years. At December 31, 2009, all General Obligation Bonds had matured. The statutory limit and debt margin at that date was $5,571,767.

(8) Long-Term Debt & Other Obligations (continued)

Certificates of Participation

The County entered into a capital lease obligation with the Fulton County Facilities Corporation, an entity that finances the costs of acquiring, constructing, renovating and equipping various public purpose projects in Fulton County. The County entered into a Public-Purpose Master Lease agreement in which the County agreed to make twenty annual lease payments, subject to annual appropriation, sufficient to pay principal and interest to the Corporation. On August 13, 2009, the Fulton County Facility Corporation issued $110,885 in Certificates of Participation with an average interest rate of 4.88 percent to advance refund $110,995 million of outstanding bonds with an average interest rate of 5.69 percent. The net proceeds of $120,162, after payment of $971 in underwriting fees, insurance, and other issuance costs, were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, the bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements. This refunding decreases total debt service payments over the next ten years by $3,757 resulting in an economic gain of $5,339. The total lease obligation as of December 31, 2009 is $110,885 with interest rates ranging from 5.00% to 6.00%.

The annual requirements to amortize this capital lease obligation as of December 31, 2009, including interest payments of $37,813 are as follows (in thousands of dollars):

Year ended December 31,	Lease Payments
2010	$ 5,312
2011	12,762
2012	12,403
2013	12,388
2014	12,353
2015-2019	93,480
Total minimum lease payments	$ 148,698
Less: Amount representing interest	(37,813)
Present value of minimum lease payments	$ 110,885

(d) Note Payable

The Enterprise Funds entered into a note payable agreement with the Georgia Environmental Facilities Authority to finance construction of certain treatment facilities. The note which totals $250 at December 31, 2009 is payable in quarterly installments of principal and interest and bears interest at 6.7%. The annual requirements to pay the note as of December 31, 2009 are as follows (in thousands of dollars):

Year ended December 31,	Principal	Interest	Total payments
2010	$ 198	12	210
2011	52	2	54
	$ 250	14	264

(8) Long-Term Debt & Other Obligations (continued)

(e) Other Long-term Obligations - Capital Leases

The County has entered into other various capital lease obligations totaling $64,342 with interest rates ranging from 3.95% to 7.66%. The capital leases require the County to make lease payments equal to the debt payments made by the owner of the facility or holder of the lease. The County can exercise its option to purchase each facility upon prepayment of the respective lease. Assets acquired through capital leases are $101,246 as of December 31, 2009, of which $38,910 is recorded as buildings, $4,883 is equipment and $57,453 recorded for mechanical, electrical and plumbing improvements to the County's jail and capitalized as construction in progress.

The annual requirements to amortize these other capital lease obligations as of December 31, 2009, including interest payments and executory costs of $24,706 are as follows (in thousands):

Year ended December 31,	Capital lease obligation
2010	$ 8,761
2011	7,744
2012	7,789
2013	6,757
2014	6,802
2015-2019	23,381
2020-2024	21,396
2025-2026	6,418
Total minimum lease payments	$ 89,048
Less: Amounts representing interest	(24,706)
Present value of minimum lease payments	$ 64,342

(f) Hospital Authority Revenue Bonds

Changes in the Authority's non-current liabilities for the year ended December 31, 2009 are noted below: (in thousands)

Long-term debt:	January 1, 2009	Additions	Retirements	December 31, 2009	Due within one year
Revenue Certificates	$ 214,462	1,056	(14,637)	200,881	13,985
Notes payable	-	24,605		24,605	2,887
Capital lease obligations	11,001	-	(3,209)	7,792	3,328
Total long-term debt	225,463	25,661	(17,846)	233,278	20,200
Other long-term liabilities:					
Deferred revenue	6,225	10,129	(3,061)	13,293	-
Total	$ 231,688	35,790	(20,907)	246,571	20,200

(8) Long-Term Debt & Other Obligations (continued)

Scheduled principal and interest repayments on long-term debt and payments on capital lease obligations are as follows, in thousands.

Year Ending December 31	Authority Long Term Debt		Authority Capital Lease Obligations		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	$ 16,872	11,324	3,328	265	20,200	11,589
2011	17,705	10,453	2,761	131	20,466	10,584
2012	18,630	9,513	1,158	53	19,788	9,566
2013	19,602	8,522	545	8	20,147	8,530
2014	20,624	7,462	-	-	20,624	7,462
2015-2019	106,917	20,028	-	-	106,917	20,028
2020	22,970	599	-	-	22,970	599
Total	223,320	67,901	7,792	457	231,112	68,358
Deferred charges/ premiums	2,166	-	-	-	2,166	-
Total	$ 225,486	67,901	7,792	457	233,278	68,358

In prior years, the Hospital Authority defeased certain outstanding revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account and the defeased bonds are not included in the Hospital Authority's financial statements. At December 31, 2009, the Hospital Authority's outstanding amount of bonds considered defeased in prior years totaled $13,000 for the Authority's 1990A, 1990B, 1991 Revenue Refunding certificates.

(g) Hospital Authority Capital Lease Obligations

The Hospital Authority has entered into various capital lease agreements for equipment, which expire at various dates through 2013. At December 31, 2009, the gross amount of capital assets under capital leases is $49 million and the related accumulated depreciation is $19 million.

(9) Other Long-Term Obligations

(a) Fulton County

The County owns two closed landfill sites within the County geographic boundaries. State and Federal laws and regulations require the County to monitor and maintain these closed landfills for approximately another 15 years. The County payments specific to landfill postclosure care approximated $1,063 in 2009, which are paid by the Solid Waste fund, a special revenue fund. In 1997, the County received a postclosure care financial assurance certification. An average inflation assumption of 3.15% is applied to the estimated annual costs. These costs could vary based on new technologies or other changes to applicable laws and regulations.

(9) Other Long-Term Obligations (continued)

(b) Hospital Authority

The Authority engages an independent actuary to make an annual evaluation for general and professional liability risks. The cumulative unfunded portion of the actuarially recommended reserve is $36.2 million as of December 31, 2009. The Authority also estimated the reserve for workers' compensation liability by calculating a future reserve for compensated absences and related medical expenses for all open claims outstanding as of that date plus estimating an amount for claims incurred by not reported, which totaled $7.3 million as of December 31, 2009.

The Authority has historically maintained a line of credit facility with a commercial bank, which serves as bridge financing for the Authority's intergovernmental transfer (IGT) funding requirements for the ICTF program and as a general revolving working capital facility. The Authority has executed a commitment letter dated June 22, 2009 with the bank for renewal of the facility for the upcoming annual ICTF program cycle. The working capital component generally provides $10 million of non-IGT funding capacity, while the ICTF program component generally flexes with the required amount of IGT funding. In total, the facility is currently estimated at $50 million. Approximately $10 was outstanding under the facility at December 31, 2009.

(10) Interfund Assets/Liabilities and Transfers

Interfund receivable and payable balances as of December 31, 2009 are attributable to unsettled balances at year-end for charges and transfers between funds. A Non-major governmental fund owed the Special Service district fund, a major fund, $244 as of December 31, 2009. No other balances exist as of December 31, 2009. Interfund transfers are attributable to the budgeted allocation of resources from one fund to another for capital outlay projects, matching resources for federal and state grants, and other transfers adopted within the County's budget. These transfers are reported below (in thousands of dollars):

	Transferred To			
Transferred From	General fund	South Fulton Tax District funds	Non-Major Govern-mental funds	Total
General fund	$ —	—	53,309	53,309
South Fulton taxing district fund	378	—	1,207	1,585
Non-major governmental funds	—	2,000	1,832	3,832
	$ 378	2,000	56,348	58,726

(11) Risk Management

The County is self-insured for workers' compensation, unemployment, auto and general liability. The County pays for such claims as they become due from this fund, including claims and judgments. The present value of the estimated future liability for outstanding claims, including estimated incurred but unreported claims, as of December 31, 2009, which is expected to be paid after one year, is $8,784. This estimated future liability is reported in the governmental activities of the government-wide statements. The County purchases commercial insurance for these exposures at various claim levels. The County has not experienced any significant decrease in insurance coverage in 2009. Settled claims have not exceeded commercial coverage in each of the past three fiscal years.

Additionally, the County is partially self-insured for employee medical claims. The County accounts for its liability for such medical claims and estimated incurred and unreported claims, together with the accumulation of resources for their payment through employee charges and County contributions, in the Insurance Stabilization Fund (Internal Service Fund). At December 31, 2009, the present value of the estimated future liability for outstanding claims, including estimated incurred, but not reported claims, is $6,257. At December 31, 2009, the County held $21,454 in cash and cash equivalents available for payment of these claims.

The County has also recorded a liability within the Risk Management Fund of $2,180 to provide for resources to insure for general, employee and vehicle liability and automobile physical damage. At December 31, 2009, the County held $14,515 in cash and cash equivalents available for payment of these claims.

Outstanding liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an estimated amount for claims that have been incurred but not reported. Actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards; therefore, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. Liabilities are discounted, that is, they reflect potential investment income that is expected to be earned on the loss reserves until they are paid.

Changes in the balances of claims liabilities for the County for the period ended December 31, 2009 was as follows (in thousands of dollars):

	Beginning of fiscal year liability	Current year claims and changes in estimates	Claims payments	Balance at fiscal year-end
2009	$ 18,933	73,920	(75,632)	17,221
2008	17,175	67,117	(65,359)	18,933
2007	15,803	66,693	(65,321)	17,175

(12) Deferred Compensation Plan

The County has adopted a deferred compensation plan (the "Plan") in accordance with the 2001 revisions of Section 457 of the Internal Revenue Code. The Plan, available to all Fulton County employees, allows an employee to voluntarily defer receipt of up to 25% of gross compensation, not to exceed $15,000. These are based on the new provisions of the 2001 Economic Growth and Tax Relief Reconciliation Act (EGTRRA). The Plan assets are held in custodial accounts for the exclusive benefit of the Plan participants and their beneficiaries and, therefore, the plan assets and liabilities are not recorded on the financial statements of the County. Valic, ICMA, Nationwide, and CityStreet independently managed assets of the plan throughout 2009.

(13) Retirement Plans

(a) County Pension Plan

The County maintains for eligible employees the Fulton County Employees Retirement System Pension Plan (the "Plan"), a single-employer defined benefit retirement plan. The Plan was created effective September 1, 1991, as successor to four separate County-maintained pension plans, for all eligible employees of Fulton County. Prior to the establishment of the Plan, the employees of the County were participants in one of two predecessor plans, the General Employees' Pension Plan or the Employees' Pension Plan. Employees who did not elect to participate in the Plan will continue to be eligible for the same benefits of the prior plan in which they participated; however, participation was made a condition of employment for new employees as of September 1, 1991.

The Plan is administered by a twelve member board of trustees which includes two members of the Board of Commissioners, the County Manager, the Director of Finance, a representative citizen of the County, a designee of the Commission's Chairman, a Peace Officer, two retirees of the County, and three active employees.

Complete financial statements for the Plan can be obtained at the following address:

Fulton County
Suite 7001
141 Pryor Street, N.W.
Atlanta, Georgia 30303

The funding method and determination of benefits payable are provided in or authorized by various acts of the Georgia Legislature and statutes enacted by the County under home rule powers granted by the State. The Plan generally provides that funds to provide retirement benefits are to be accumulated from employee and County contributions and income from the investment of accumulated funds. Should the accumulated funds be insufficient to meet and pay the benefits when due, Fulton County shall be required to make up any deficiency.

The Plan provides monthly retirement benefits that represent 2.25% of the participants' monthly earnings (the average of the highest three 12-month period of employment) for the first five years of credible service and then 2.5% thereafter. The Plan awards cost-of-living increases annually, up to a 3% maximum. Benefits also may be payable at termination, death, or disability.

(13) Retirement Plans (continued)

The County's contribution is the actuarially determined amount necessary to fund benefits, less employee contributions. The actuarially determined contribution amount is the sum of the annual normal cost and the amortization of the unfunded actuarial accrued liability over the years remaining in the allowable funding period. The actuarial cost method used for funding purposes is the entry age normal cost method. This is one of the approved methods for such plans in Georgia and provides for contributions based on a level percentage of future payroll. The unfunded actuarial accrued liability is amortized on a closed basis over a period established by State of Georgia guidelines.

The required contribution percentages developed in the most recent actuarial valuations for the Plan, and the actual contributions, including contributions to the Supplemental Plan described in this note, made for 2009 are as follows (in thousands of dollars):

	2009
Total required employer contributions:	
Dollar amount	$ 43,008
Percent of covered payroll	64.02%
Actual employer contributions:	
Dollar amount	$ 38,602
Percent of covered payroll	57.46%

Employee contribution rates are established in accordance with pension law. During 2009 actual countywide employee contributions were $4,187 which represented 6.23% of covered payroll. The annual required contribution for the current year was determined as part of the January 1, 2009 actuarial valuation using the entry age normal cost method. The actuarial assumptions included (a) 8.0% investment rate of return, (b) projected salary increases ranging from 0.0% in 2009 and 2010, 2.0% for 2011-2014 and 4.0% thereafter, (c) inflationary adjustments at or exceeding 3% annually. The net pension asset is being amortized on a level dollar amount over 30 years. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period.

Membership

Current membership in the Plan and current year payrolls for 2009 are as follows:

Members:		
Retired and receiving benefits	$	2,764
Terminated with vested benefits		33
Active employees:		
Vested		1,264
Total members		4,061
Total current year payroll for employees covered by the Plan (in thousands)	$	67,184

(13) Retirement Plans (continued)

The Plan's annual pension cost and net pension obligation for 2009 were as follows:

	(In thousands of dollars)
Annual required contribution	$ 43,008
Interest on net pension obligation	(3,996)
Adjustment to annual required contribution	4,525
Annual pension cost	43,537
Contributions made, including interest	40,061
Increase in net pension obligation	3,476
Net pension obligation (asset) beginning of year	(49,332)
Net pension obligation (asset) end of year	$ (45,856)

Actuarial changes for the January 1, 2010 valuation include two changes. The first is an additional reduction of the assumed rate of return from 8.1% to 8.0% to better reflect anticipated investment performance. Secondly, the salary scale assumptions for 2010 were changed from 2.0% to 0.0%. The amortization period for actuarial gains and loses was changed from 25 years to 30 years for the 2010 and 2011 valuations. This period subsequent to 2011 will be subject to review by the Plan's Board.

Actuarial changes for the January 1, 2009 valuation included a reduction of the assumed rate of return from 8.2% to 8.1%; the salary scale assumptions were reduced from 4.0% for all years to calendar year rates of 0.0% in 2009, 2.0% from 2010 to 2014, and 4.0% thereafter, which decreased the actuarial liability by $12,317 as of January 1, 2009.

As of the most recent valuation date of January 1, 2010, Plan funded status was as follows:

Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
$1,149,786	$1,478,136	$328,350	77.8%	$67,184	488.7%

Schedule of Employer Contributions
Three-Year Trend Information

Fiscal year ended	Annual Pension Cost (APC)	Percentage of APC contributed	Net pension obligation (asset)
December 31, 2007	$ 39,608	99.4%	$ (49,677)
December 31, 2008	34,438	99.0	(49,332)
December 31, 2009	43,537	92.0	(45,856)

(13) Retirement Plans (continued)

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan net assets is increasing or decreasing over time relative to the actuarial accrued liability. The information required to allocate the net pension asset for Proprietary funds was not available as of this date and net pension asset is reported in the government-wide statements.

(b) Defined Contribution Plan

The Fulton County Defined Contribution Pension Plan was established in June 1999 to provide retirement benefits for new employees, appointees and other County officials, as the defined benefit plan was closed. GEB Corporation serves as an independent administrator of the plan. At December 31, 2009, the plan had 4,074 active participants who contributed 6% of their pensionable earnings, approximately $10,877 during 2009. The County also contributed $14,503 which was 8% of their pensionable earnings throughout the year. Participants fully vest the matched contributions over a five-year period. Plan provisions and contribution requirements are established by and may be amended by the County Board of Commissioners within the scope of all applicable laws.

(c) Hospital Authority Pension Plan

The Hospital Authority has a single-employer trusteed noncontributory defined benefit pension plan in which substantially all regular employees are eligible to participate. The Hospital Authority's funding policy is to contribute annually an amount sufficient to meet the actuarially determined pension expense for that year. This plan was frozen effective May 19, 2008, and substantially all of the employees of the Authority transferred to the Grady Memorial Hospital Corporation on May 20, 2008. Effective January 1, 2009, the Authority implemented a Retirement Savings Program 401(k) plan to replace the defined benefit plan above. Information on this plan and these changes may be obtained by writing to Grady Health System Chief Financial Officer, 80 Jesse Hill, Jr. Drive, S.E., Administrative Office, Atlanta, Georgia 30303.

(14) Other Post-Employment Benefits

(a) Fulton County

The County provides certain health care and life insurance benefits for retired employees through an independent third party administrator, in which all of the County's employees may become eligible for these benefits if they reach normal retirement age while working for the County. Fulton County contributes 75-90% of the premium cost for health care coverage, based upon the plan chosen by the participant, and contributes 100% of the premium cost for $10,000 of life insurance coverage for those employees retiring after December 1, 1988. The County pays 75% of the life insurance premiums for those persons who retired prior to December 1, 1988. The total cost to provide retiree health care and life insurance benefits, in the Health Insurance Stabilization fund, an internal service fund, is recognized as paid; such costs approximated $27,188 in 2009, as compared to 23,162 in 2008. In accordance with GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, the County's annual other postemployment benefit

(14) Other Post-Employment Benefits (continued)

(OPEB) cost is calculated based on the Annual Required Contribution of the employer (ARC) which is required to be actuarially determined on a biannual basis.

The Annual Required Contribution and Total OPEB Obligation amounts were determined under the Attained Age funding method. The number of retirees with current health care coverage was 2,515 and all also had life insurance coverage in effect. Active employees with coverage subject to this plan totaled 4,690.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of future events. Examples include assumptions of future employment, mortality, and health care cost trends. Amounts determined regarding annual required contributions are subject to revision as results are compared with past expectations and new estimates are made about future trends. The schedule of funding progress presents the third year of implementation of GASB 45.

In 2009 the County contributed $2,185 to an irrevocable trust fund dedicated to pay for future OPEB claims against the unfunded accrued actuarial liability of $939,719. This is presented in the Statement of Fiduciary Assets on page 24.

The county's annual OPEB cost and net OPEB liability for the year ended December 31, 2009:

Amortization of unfunded accrued liability (UAAL)	$ 39,503
Normal cost at beginning of year	16,138
Annual required contribution (ARC) for other postemployment benefits (OPEB)	55,641
Interest on annual required contribution	4,940
Adjustment to the ARC	(4,720)
Annual OPEB cost/Annual required contribution	55,861
Annual employer contributions made on claims	(11,921)
Contribution to OPEB trust fund	(2,185)
Change in net OPEB obligation	41,755
Net OPEB obligation - January 1	112,277
Net OPEB obligation - December 31	$ 154,032

As of the most recent valuation date of January 1, 2009, the OPEB Plan funded status was as follows:

Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
$2,225	$941,944	$939,719	0.002%	$214,743	438.6%

(14) Other Post-Employment Benefits (continued)

Actuarial Assumptions for the Other Postemployment Benefit plan are noted below:

Cost Method	Attained Age Normal method
Actuarial Asset Valuation Method	Not applicable
Assumed Investment Rate of Return	4.4%
Healthcare Cost Trend Rate	8.0% in 2010 to 5.0% in 2015 and thereafter
Inflation Rate	3.0%
Estimated Salary increases	4.0%
Amortization Method	Level, 30 years
Latest valuation date	January 1, 2009

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

(b) Hospital Authority

The Authority provides medical benefits to all employees of the Hospital who retire at age 55 or older with at least 10 years of service. The plan was amended in 2008 to limit availability of retiree medical benefits to current employees aged 50 or older on September 4, 2008 and who retire at age 62 or older with at least 10 years of service. This plan is unfunded and participation is on a "pay-as-you-go" basis. The unfunded actuarial accrued liability for benefits was $43,882 as of December 31, 2009, with a 2009 net periodic postretirement benefit cost of $1,892. Information on this plan may be obtained by writing to Grady Health System Chief Financial Officer, 80 Jesse Hill, Jr. Drive, S.E., Administrative Office, Atlanta, Georgia 30303.

(15) Commitments and Contingencies

(a) Fulton County

(1) ***Litigation*** – The County has concluded several lawsuits stemming from an incident within the courthouse area that resulted in fatalities. However, a few lawsuits remain, in which the eventual outcome is not known at this time, but could be substantial in nature.

The County is a also a defendant in a number of other legal actions in the nature of claims for damages to persons and property, civil rights violations, condemnation, and other similar types of actions arising in the course of normal County operations. In the opinion of County management, after consultation with legal counsel, an aggregate liability ranging from $7 million to $11 million is believe to be reasonably possible, of which $3 million is believed to be probable. The County will continue to assert its position in a defense against all unsettled claims. The County has accrued $7 million for these cases, $5 million within the long term debt section and $2 million within the claims payable on the government wide Statement Net Assets presented on page 11.

(15) Commitments and Contingencies (continued)

(2) ***Grants*** - The County participates in a number of Federal financial assistance programs. These programs are subject to independent financial and compliance audits by independent auditors and grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

(3) ***Commitments*** - Commitments for water and sewerage system improvements at December 31, 2009 total approximately $33,260.

(b) Hospital Authority

(1) ***Litigation*** - The Hospital Authority is named as a defendant in several pending lawsuits. While the ultimate outcome of these lawsuits is not presently determinable, it is the opinion of the Hospital Authority's management that these claims will not have a material adverse effect on the financial position or results of operations of the Hospital Authority.

(2) ***Operating Leases*** - Leases that do not meet the criteria for capitalization are classified as operating leases with related rental expense charged to operations as incurred. The Hospital Authority has several noncancelable operating leases, primarily for office space and equipment, which expire at various dates through 2019. Rental costs for the year ended December 31, 2009 were approximately $4.1 million.

(3) The future minimum lease payments under noncancelable operating leases as of December 31, 2009 are as follows (in thousands):

		Operating leases
2010	$	1,343
2011		697
2012		692
2013		715
2014		706
thereafter		1,437
	$	5,590

(16) Subsequent Events

The County in June of 2010 issued $120 million in Tax Anticipation Notes to provide operating capital until property tax collections are received by the County.

The County issued $26,441 in Economic Recovery Zone bonds under the American Recovery and Rezoning Act on August 30, 2010. These bonds will be repaid over 15 years, and will receive a federal subsidy of 45% annually on the fixed average rate of the bonds of 4.70%. These bonds will supplant the County's efforts at providing job growth while improving or repairing buildings and infrastructure in economically disadvantaged areas throughout the County.

The County also issued $167 million for library facilities on September 29, 2010 based on a 2008 voter approved referendum to issue General Obligation debt. These bonds have an average rate of 3.80% and will be repaid over the next 30 years.

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REQUIRED SUPPLEMENTARY INFORMATION

(Unaudited)

FULTON COUNTY, GEORGIA

Required Supplementary Information
Unaudited, and in thousands

December 31, 2009

Fulton County Employees' Retirement System
Schedule of Employer Contributions
Six-Year Trend Information

Year Ended	Annual Required Contribution	Employer Contributions	Percentage Contributed
December 31, 2004	$ 29,778	31,120	104.5%
December 31, 2005	32,726	32,340	98.8
December 31, 2006	37,081	36,111	97.4
December 31, 2007	38,895	37,909	97.5
December 31, 2008	33,836	32,857	97.1
December 31, 2009	43,008	38,602	89.8

Schedule of Funding Progress (including effects of plan modifications)

Actuarial valuation date	Actuarial value of assets (a)	Entry age normal Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (Asset) (UAAL) (b – a)	Funded ratio (a/b)	Covered payroll (c)	UAAL as a percentage of covered payroll ([b – a]/c)
December 31, 2004	$ 1,038,201	1,232,491	194,290	84.2%	115,284	168.5%
December 31, 2005	1,064,825	1,277,972	213,147	83.3	104,909	203.2
December 31, 2006	1,116,451	1,331,658	215,207	83.8	98,882	217.6
December 31, 2007	1,193,724	1,383,842	190,118	86.3	80,266	236.9
December 31, 2008	1,175,299	1,441,124	265,825	81.6	78,184	340.0
December 31, 2009	1,149,786	1,478,136	328,350	77.8	67,184	488.7

Other Post Employment Benefits Required Supplementary Information

Schedule of Funding Progress

Actuarial valuation date	Actuarial value of assets (a)	Entry age normal Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (Asset) (UAAL) (b – a)	Funded ratio (a/b)	Covered payroll (c)	UAAL as a percentage of covered payroll ([b – a]/c)
December 31, 2007	$ -	1,075,768	1,075,768	0.00%	247,868	434%
December 31, 2008	-	1,075,768	1,075,768	0.00	247,868	434
December 31, 2009	2,225	941,944	939,719	0.00	214,743	437

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COMBINING STATEMENTS AND SCHEDULES

DESCRIPTION OF NON-MAJOR SPECIAL SERVICE DISTRICT AND SUB-DISTRICT FUNDS

(a Non-Major Special Revenue fund)

2006 State of Georgia legislation required the County to separately report revenues and expenditures for its unincorporated section by separate geographic areas. These two "sub-districts" are combined with the original special service district as "Special Service Districts" for financial reporting purposes as a non-major special revenue fund, but presentation of separate revenue and expenditures, including budgetary comparisons for these separate areas are provided within this section. The original Special Service District, which accounted for operations for the entire unincorporated area of Fulton County, is shown as well.

Special Service District fund – accounts for revenues, expenditures, and balances for total unincorporated Fulton County through the end of fiscal 2005.

Northwest Special Service Sub-District fund – accounts for revenues, expenditures, and balances for the north-western section of unincorporated Fulton County beginning with fiscal 2006.

Northeast Special Service Sub-District fund – accounts for revenues, expenditures, and balances for the north-eastern section of unincorporated Fulton County beginning with fiscal 2006.

FULTON COUNTY, GEORGIA
Combining Balance Sheet
Special Service Districts-Non-Major Special Revenue fund
For the year ended December 31, 2009

(In thousands of dollars)

	Special Service District	Northwest Fulton Sub-District	Northeast Fulton Sub-District	Total Special Service District
Assets:				
Cash and cash equivalents	$ 11,346	751	104	12,201
Investments	576	—	—	576
Receivables (net of allowances):				
Taxes	34	28	25	87
Due from other funds	244	—	—	244
Total assets	$ 12,200	779	129	13,108
Liabilities:				
Accounts payable	$ 683	—	32	715
Deferred revenue	36	14	22	72
Total liabilities	719	14	54	787
Fund balances (deficit):				
Unreserved:				
Designated for subsequent years expenditures	11,481	765	75	12,321
Total fund balances (deficit)	11,481	765	75	12,321
Total liabilities and fund balances	$ 12,200	779	129	13,108

FULTON COUNTY, GEORGIA

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Special Service Districts-Non-Major Special Revenue fund

For the year ended December 31, 2009

(In thousands of dollars)

	Special Service District	Northwest Fulton Sub-District	Northeast Fulton Sub-District	Total Special Service District
Revenues:				
Taxes	$ 17	33	22	72
Use of money and property	29	6	7	42
Net (depreciation) appreciation in investments	(1)	—	—	(1)
Total revenues	45	39	29	113
Expenditures:				
Current:				
Public safety	768	—	—	768
Other nonagency	—	187	—	187
Total expenditures	768	187	—	955
Excess (deficiency) of revenues over (under) expenditures	(723)	(148)	29	(842)
Other financing sources (uses):				
Transfers out	(2,870)	—	—	(2,870)
Total other financing sources (uses)	(2,870)	—	—	(2,870)
Net change in fund balances	(3,593)	(148)	29	(3,712)
Fund balance at beginning of year	15,074	913	46	16,033
Fund balance at end of year	$ 11,481	765	75	12,321

FULTON COUNTY, GEORGIA
Special Service District-Non-Major Special Revenue fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budget Basis)

For the year ended December 31, 2009
(In thousands of dollars)

	Non-GAAP budget basis			Variance
	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues:				
Revenues per Budget Law	$ —	—	59	
Appropriated Fund Balance	—	—	3,643	3,643
Total revenues and other sources, non-GAAP budget basis	$ —	—	3,702	3,643
Reconciliation to GAAP basis:				
To record net tax receivable and deferred revenue			—	
To record net change in interest receivable and depreciation of investments			(14)	
Appropriated fund balance			(3,643)	
Total adjustment to GAAP basis			(3,657)	
Total revenues and other sources, GAAP basis			$ 45	
Expenditures and other uses:				
Non agency	$ 10,030	10,030	773	9,257
Transfers	3,500	2,870	2,870	—
Total expenditures and other uses, non-GAAP budget basis	$ 3,500	2,870	3,643	(773)
Reconciliation to GAAP basis - to record net effect of unrecorded liabilities			(5)	
Total expenditures and other uses, GAAP basis			$ 3,638	

FULTON COUNTY, GEORGIA
Special Service District-Non-Major Special Revenue fund
Northwest Fulton Sub-District
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budget Basis)

For the year ended December 31, 2009
(In thousands of dollars)

	Non-GAAP budget basis			Variance
	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues:				
Revenues per Budget Law	$ —	—	29	
Appropriated Fund Balance	—	—	187	187
Total revenues and other sources, non-GAAP budget basis	$ —	—	216	187
Reconciliation to GAAP basis:				
To record net tax receivable and deferred revenue			10	
To record net change in interest receivable and depreciation of investments			—	
Appropriated fund balance			(187)	
Total adjustment to GAAP basis			(177)	
Total revenues and other sources, GAAP basis			$ 39	
Expenditures and other uses:				
Non agency	$ 315	315	187	128
Total expenditures and other uses, non-GAAP budget basis	$ 315	315	187	128
Reconciliation to GAAP basis - to record net effect of unrecorded liabilities			—	
Total expenditures and other uses, GAAP basis			$ 187	

FULTON COUNTY, GEORGIA
Special Service District-Non-Major Special Revenue fund
Northeast Fulton Sub-District
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budget Basis)

For the year ended December 31, 2009
(In thousands of dollars)

	Non-GAAP budget basis			Variance
	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues:				
Revenues per Budget Law	$ —	—	32	
Appropriated Fund Balance	—	—	—	—
Total revenues and other sources, non-GAAP budget basis	$ —	—	32	—
Reconciliation to GAAP basis:				
To record net tax receivable and deferred revenue			(3)	
Appropriated fund balance			—	
Total adjustment to GAAP basis			(3)	
Total revenues and other sources, GAAP basis			$ 29	
Expenditures and other uses:				
Non agency	$ —	—	—	—
Total expenditures and other uses, non-GAAP budget basis	$ —	—	—	—
Reconciliation to GAAP basis - to record net effect of unrecorded liabilities			—	
Total expenditures and other uses, GAAP basis			$ —	

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DESCRIPTION OF NON-MAJOR GOVERNMENTAL FUNDS

The County's Non-Major Governmental Funds are categorized as Debt Service fund, Special Revenue Funds and Capital Project Funds, and are described below:

Debt Service Fund - accounts for resources accumulated to provide debt service payments for the County's required principal and interest payments for the fiscal year and future periods.

Special Revenue funds – account for resources accumulated to provide various activities that by nature are restricted to a particular purpose or for which the County has decided to track separately, and include the following:

Special Service Districts – Includes the two "sub-districts" and the original special service district for financial reporting purposes, but presentation of separate revenue and expenditures, including budgetary comparisons for these separate areas are provided within the previous section as combining schedules.

Grants-in-Aid - accounts for significant financial assistance received from federal and state agencies. This fund is used to account for the revenues and the expenditures of monies received from the granting agencies in accordance with the terms of the grant agreements.

Emergency Telephone – accounts for resources provided, used, and accumulated for 911 dispatch, routing and other emergency services.

Solid Waste fund - accounts for the provision of services for the annual postclosure costs for two closed landfills within the County.

Stormwater Management fund - accounts for the provision of resources related to control of stormwater runoff and overflow.

General Governmental Services – accounts for resources provided used, and accumulated for various services offered within the County that are not recouped through an internal reimbursements or charges.

DESCRIPTION OF NON-MAJOR GOVERNMENTAL FUNDS (continued)

Special Revenue funds – (continued)

Public and Mental Health services-accounts for resources obtained from intergovernmental grants and contributions which are expended to provide health and mental health services to County residents.

Public Education Government Television – accounts for resources provided, used, and accumulated from cable provider fees for acquiring equipment and other assets used for public access educational and various other governmental programming.

Law Enforcement and Justice Services - accounts for the resources obtained, accumulated, and used for various adjudication activities, including indigent defense, court ordered payments, seized property and other related assets.

Hotel/Motel Taxes - accounts for the resources obtained from taxes obtained from hotel visitors that are used to fund travel and tourism.

Social and Cultural services – accounts for resources accumulated and provided to various other entities that assist County efforts to provide social, cultural, and community assistance throughout the County.

Other Special Revenue funds – accounts for resources accumulated and provided for various other purposes not included in the above funds.

Sandy Springs Tax Allocation District fund – accounts for tax revenues accumulated for various development purposes within a geographic area of unincorporated Fulton County.

DESCRIPTION OF NON-MAJOR GOVERNMENTAL FUNDS (continued)

Capital Project funds – account for resources accumulated for various bond issues and other sources for the purpose of capital improvement for the County. These funds include the following:

Serial Bond Fund - These bonds were issued from 1985 - 1998, and account for the financial resources to be used for capital facilities in the areas of health, parks, public buildings, and traffic.

Library Bond Fund – residual proceeds from a 1985 bond issue for County library construction projects.

Capital Improvements Fund - accounts for capital expenditures funded by transfers from the General Fund, in the areas of health, jail, library, and public buildings.

Fulton County Facilities Corporation - accounts for the resources used in the design, construction, renovation, and furnishing of certain capital projects that are leased exclusively to Fulton County.

Fulton County Building Authority - accounts for resources used in the design, construction, renovation, and furnishing of certain County buildings including the Government Center and Judicial Complex.

Other Capital Projects - accounts for capital lease purchases of buildings, vehicles, and office equipment.

Special Services District (SSD) Projects - accounts for special services district capital expenditures in the area of parks, fire protection other public works.

Transportation Improvements - accounts for resources dedicated to roadway networks within unincorporated Fulton County.

FULTON COUNTY, GEORGIA

Combining Balance Sheet
Non-Major Governmental Funds

December 31, 2009

(in thousands of dollars)

	Debt Service fund	Special Revenue Funds: Special Service Districts	Grants in Aid	Emergency Telephone	Solid Waste	Stormwater Management	General Government Services
Assets:							
Cash and cash equivalents	$ 9,857	12,201	887	7,073	247	1,290	1,164
Investments	—	576	—	—	—	—	—
Receivables (net of allowances):							
Taxes	54	87	—	—	—	—	—
Due from other funds	—	244	—	—	—	—	—
Due from other governments	—	—	5,981	99	—	—	—
Total assets	$ 9,911	13,108	6,868	7,172	247	1,290	1,164
Liabilities:							
Accounts payable	$ —	715	3,443	165	—	—	—
Due to other funds	—	—	—	—	244	—	—
Due to others	—	—	—	1,697	—	—	—
Deferred revenue	49	72	—	—	—	—	—
Total liabilities	49	787	3,443	1,862	244	—	—
Fund balances (deficit):							
Reserved for encumbrances	—	—	—	—	—	—	—
Reserved for debt service	9,862	—	—	—	—	—	—
Unreserved:							
Designated	—	12,321	3,425	5,310	3	1,290	1,164
Designated for Property and Infrastructure	—	—	—	—	—	—	—
Undesignated	—	—	—	—	—	—	—
Total fund balances (deficit)	9,862	12,321	3,425	5,310	3	1,290	1,164
Total liabilities and fund balances	$ 9,911	13,108	6,868	7,172	247	1,290	1,164

(continued)

FULTON COUNTY, GEORGIA

Combining Balance Sheet
Non-Major Governmental Funds

December 31, 2009

(in thousands of dollars)

	Special Revenue Funds						
	Public Health services	**Public Education Government Television**	**Law Enforcement and Justice services**	**Hotel/ Motel Taxes**	**Social and Cultural services**	**Other Special Revenue**	**Sandy Springs Tax Allocation District**
Assets:							
Cash and cash equivalents	$ —	494	7,851	253	5,899	3,620	3
Investments	—	—	—	—	832	—	—
Receivables (net of allowances):							
Taxes	—	—	—	—	—	—	—
Due from other funds	—	—	—	—	—	—	—
Due from other governments	—	—	390	—	—	—	—
Total assets	$ —	494	8,241	253	6,731	3,620	3
Liabilities:							
Accounts payable	$ 5,235	—	—	—	—	1,033	—
Due to other funds	—	—	—	—	—	—	—
Due to others	—	—	1,379	—	1,277	—	—
Deferred revenue	—	—	—	—	—	—	—
Total liabilities	5,235	—	1,379	—	1,277	1,033	—
Fund balances (deficit):							
Reserved for encumbrances	—	—	—	—	—	—	—
Reserved for debt service	—	—	—	—	—	—	—
Unreserved:							
Designated	—	494	6,862	253	5,454	2,587	3
Designated for Property & Infrastructure	—	—	—	—	—	—	—
Undesignated	(5,235)	—	—	—	—	—	—
Total fund balances (deficit)	(5,235)	494	6,862	253	5,454	2,587	3
Total liabilities and fund balances	$ —	494	8,241	253	6,731	3,620	3

FULTON COUNTY, GEORGIA

Combining Balance Sheet
Non-Major Governmental Funds

December 31, 2009

(in thousands of dollars)

Capital Projects Funds								
Serial bond	**Library bond**	**Capital Improvements**	**Fulton County Facilities Corporation**	**Fulton County Building Authority**	**Other capital projects**	**Special Service District projects**	**Transport-ation Improve-ments**	**Total Non-major Governmental Funds**
112	—	6,030	—	422	7,581	4,250	6,792	76,026
1,979	115	31,697	—	—	—	—	3,405	38,604
—	—	—	—	—	—	—	—	141
—	—	—	—	—	—	—	—	244
—	—	—	—	—	—	—	—	6,470
2,091	115	37,727	—	422	7,581	4,250	10,197	121,485
—	—	1,002	1,042	—	—	919	8	13,562
—	—	—	—	—	—	—	—	244
—	—	—	—	—	—	—	—	4,353
—	—	—	—	—	—	—	—	121
—	—	1,002	1,042	—	—	919	8	18,280
—	—	4,087	—	—	—	1,954	3,014	9,055
—	—	—	—	—	—	—	—	9,862
—	—	—	—	—	—	—	—	39,166
2,091	115	32,638	—	422	7,581	1,377	7,175	51,399
—	—	—	(1,042)	—	—	—	—	(6,277)
2,091	115	36,725	(1,042)	422	7,581	3,331	10,189	103,205
2,091	115	37,727	—	422	7,581	4,250	10,197	121,485

FULTON COUNTY, GEORGIA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds

For the year ended December 31, 2009

(in thousands of dollars)

	Debt Service fund	Special Revenue Funds: Special Service Districts	Grants in Aid	Emergency Telephone	Solid Waste	Stormwater Management	General Government Services
Revenues:							
Taxes	$ 20	72	—	—	—	—	—
Intergovernmental	—	—	39,525	—	—	—	—
Charges for services	—	—	347	6,941	2	—	—
Courts and law enforcement	—	—	—	—	—	—	—
Use of money and property	28	42	—	—	—	—	—
License and permits	—	—	—	—	—	—	—
Miscellaneous	—	—	—	—	—	—	144
Net appreciation (depreciation) in investments	(4)	(1)	—	—	—	—	—
Total revenues	44	113	39,872	6,941	2	—	144
Expenditures:							
Current:							
Administration	—	—	16	—	—	—	614
Public safety	—	768	2,279	7,265	—	—	—
Infrastructure and facilities	—	—	—	—	1,334	—	—
Social services	—	—	13,951	—	—	—	—
Health services	—	—	22,804	—	—	—	—
Other nonagency	974	187	—	—	—	—	—
Capital outlay	—	—	—	—	—	—	—
Debt service:							
Principal retirement	19,383	—	—	—	—	—	—
Interest	6,946	—	—	—	—	—	—
Total expenditures	27,303	955	39,050	7,265	1,334	—	614
Excess (deficiency) of revenues over (under) expenditures	(27,259)	(842)	822	(324)	(1,332)	—	(470)
Other financing sources (uses):							
Proceeds from issuance of refunding bonds	110,885	—	—	—	—	—	—
Premium received on refunding bonds	9,298	—	—	—	—	—	—
Payments to refunding escrow bond agent	(120,162)	—	—	—	—	—	—
Transfers in	23,225	—	1,259	—	1,002	—	9
Transfers out	—	(2,870)	(9)	—	—	—	—
Total other financing sources (uses)	23,246	(2,870)	1,250	—	1,002	—	9
Net change in fund balances	(4,013)	(3,712)	2,072	(324)	(330)	—	(461)
Fund balance at beginning of year	13,875	16,033	1,353	5,634	333	1,290	1,625
Fund balance (deficit) at end of year	$ 9,862	12,321	3,425	5,310	3	1,290	1,164

FULTON COUNTY, GEORGIA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds

For the year ended December 31, 2009

(in thousands of dollars)

	Special Revenue Funds						
	Public and Mental Health services	Public Education Government Television	Law Enforcement and Justice services	Hotel/ Motel Taxes	Social and Cultural services	Other Special Revenue	Sandy Springs Tax Allocation District
$	—	—	—	125	—	—	—
	14,194	—	—	—	—	3,538	—
	8,130	—	—	—	—	—	—
	—	—	6,980	—	—	—	—
	—	—	—	—	7	12	—
	—	—	—	—	—	—	—
	—	35	—	—	125	—	—
	—	—	—	—	—	—	—
	22,324	35	6,980	125	132	3,550	—
	—	—	—	—	—	3,290	—
	—	—	7,471	—	—	—	—
	—	74	—	—	—	114	—
	—	—	—	—	7,317	—	—
	37,972	—	—	—	—	—	—
	—	—	—	125	—	—	—
	—	—	—	—	—	—	—
	—	—	—	—	—	—	—
	—	—	—	—	—	—	—
	37,972	74	7,471	125	7,317	3,404	—
	(15,648)	(39)	(491)	—	(7,185)	146	—
	—	—	—	—	—	—	—
	—	—	—	—	—	—	—
	—	—	—	—	—	—	—
	13,244	—	—	—	7,246	—	—
	—	—	—	—	—	—	—
	13,244	—	—	—	7,246	—	—
	(2,404)	(39)	(491)	—	61	146	—
	(2,831)	533	7,353	253	5,393	2,441	3
$	(5,235)	494	6,862	253	5,454	2,587	3

(continued)

FULTON COUNTY, GEORGIA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds

For the year ended December 31, 2009

(in thousands of dollars)

	Capital Projects Funds								
	Serial Bond	Library Bond	Capital Improvements	Fulton County Facilities Corporation	Fulton County Building Authority	Other Capital Projects	Special Service District Projects	Transportation Improvements	Total Nonmajor Governmental Funds
Revenues:									
Taxes	—	—	—	—	—	—	—	—	217
Intergovernmental	—	—	—	—	—	—	—	1,933	59,190
Charges for services	—	—	—	—	—	—	—	—	15,420
Courts and law enforcement	—	—	—	—	—	—	—	—	6,980
Use of money and property	16	—	189	—	—	4,162	12	47	4,515
License and permits	—	—	—	—	—	—	—	—	—
Miscellaneous	—	—	647	—	—	29	—	—	980
Net appreciation (depreciation) in investments	—	—	(26)	—	—	—	210	(5)	174
Total revenues	16	—	810	—	—	4,191	222	1,975	87,476
Expenditures:									
Current:									
Administration	—	—	—	—	—	—	—	—	3,920
Public safety	—	—	—	—	—	—	—	—	17,783
Infrastructure and facilities	—	—	—	—	—	11,284	—	—	12,806
Social services	—	—	—	—	—	267	—	—	21,535
Health services	—	—	—	—	—	—	—	—	60,776
Other nonagency	—	—	—	—	—	—	—	—	1,286
Capital outlay	—	—	7,783	—	—		1,691	1,205	10,679
Debt service:									
Principal retirement	—	—	—	—	—	—	—	—	19,383
Interest	—	—	—	—	—	—	—	—	6,946
Total expenditures	—	—	7,783	—	—	11,551	1,691	1,205	155,114
Excess (deficiency) of revenues over (under) expenditures	16	—	(6,973)	—	—	(7,360)	(1,469)	770	(67,638)
Other financing sources (uses):									
Proceeds from sale of refunding bonds	—	—	—	—	—	—	—	—	110,885
Premium received on refunding bonds	—	—	—	—	—	—	—	—	9,298
Payments to escrow agent	—	—	—	—	—	—	—	—	(120,162)
Transfers in	—	—	9,288	—	—	—	1,075	—	56,348
Transfers out	—	—	—	(953)	—	—	—	—	(3,832)
Total other financing sources (uses)	—	—	9,288	(953)	—	—	1,075	—	52,537
Net change in fund balances	16	—	2,315	(953)	—	(7,360)	(394)	770	(15,101)
Fund balance at beginning of year	2,075	115	34,410	(89)	422	14,941	3,725	9,419	118,306
Fund balance at end of year	2,091	115	36,725	(1,042)	422	7,581	3,331	10,189	103,205

FULTON COUNTY, GEORGIA
Debt Service funds
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budget Basis)
For the year ended December 31, 2009

(In thousands of dollars)

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Debt Service funds:				
Revenues				
Taxes	$ —	—	18	18
Use of Money and Property	—	—	30	30
Transfers	23,225	23,225	23,225	—
Appropriated Fund Balance	6,266	6,266	4,030	(2,236)
Total revenues	$ 29,491	29,491	27,303	(2,188)
Reconciliation to GAAP basis:				
To record net change in taxes receivable and deferred revenues			2	
To record net change in interest receivable and depreciation of investments			(5)	
Appropriated Fund Balance			(4,030)	
Total adjustment to GAAP basis			(4,033)	
Total revenues and other sources, GAAP basis			23,270	
Expenditures				
Principal	$ 19,383	19,383	19,383	—
Interest	6,946	6,946	6,946	—
Other	3,162	3,162	974	2,188
Transfers	—	—	—	—
Total expenditures	$ 29,491	29,491	27,303	2,188
Total expenditures and other uses, GAAP basis			27,303	

FULTON COUNTY, GEORGIA

Special Revenue funds

Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budget Basis)

For the year ended December 31, 2009

(In thousands of dollars)

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Grants in Aid				
Revenues				
Intergovernmental revenue	38,191	38,191	38,166	(25)
Other general revenues	$ 600	600	348	(252)
Transfers	1,259	1,259	1,259	0
Appropriated Fund Balance	—	—	(889)	(889)
Total revenues	$ 40,050	40,050	38,883	(1,167)
Reconciliation to GAAP basis:				
To record effect of receivables			1,360	
Appropriated Fund Balance			889	
Total revenues and other sources, GAAP basis			41,132	
Expenditures				
Administration	100	100	16	84
Public Safety	2,400	2,400	2,015	385
Social and Health services	14,100	14,100	13,481	619
Health services	23,450	23,450	23,363	87
Transfer out	9	9	9	—
Total expenditures and other uses	$ 40,050	40,050	38,883	1,167
Reconciliation to GAAP basis - to record net effect of unrecorded liabilities			177	
Total expenditures and other uses, GAAP basis			39,060	
Emergency Communications - 911				
Revenues				
Charges for Services	$ 6,700	6,700	6,941	241
Appropriated fund balance	1,393	1,393	315	1,078
Total revenues	8,093	8,093	7,256	1,319
Reconciliation to GAAP basis:				
Appropriated Fund Balance			(315)	
Total revenues and other sources, GAAP basis			6,941	
Expenditures				
Total public safety expenditures	$ 8,093	8,093	7,256	837
Reconciliation to GAAP basis - to record net effect of unrecorded liabilities			9	
Total expenditures and other uses, GAAP basis			7,265	

FULTON COUNTY, GEORGIA

Special Revenue funds

Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budget Basis)

For the year ended December 31, 2009

(In thousands of dollars)

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Solid Waste:				
Revenues				
Charges for Services	$ 630	630	2	628
Transfers	870	870	1,002	(132)
Appropriated fund balance	—	—	331	(1,002)
Total revenues	1,500	1,500	1,335	(374)
Reconciliation to GAAP basis:				
Appropriated Fund Balance			(331)	
Total revenues and other sources, GAAP basis			1,004	
Expenditures				
Total facility expenditures	$ 1,492	1,492	1,335	157
Reconciliation to GAAP basis - to record net effect of unrecorded liabilities			—	
Total expenditures and other uses, GAAP basis			1,335	

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Stormwater Management:				
Revenues				
Miscellaneous	$ —	—	—	
Appropriated fund balance	$ 250	250	—	250
Total revenues and other sources, GAAP basis			—	
Expenditures				
Total infrastructure expenditures	$ 250	250	—	250
Total expenditures and other uses, GAAP basis			—	

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
General Government services:				
Revenues				
Miscellaneous	$ 157	157	144	(13)
Transfers	—	—	9	9
Appropriated Fund Balance	317	317	56	(261)
Total revenues	$ 474	474	209	(265)
Reconciliation to GAAP basis:				
Appropriated Fund Balance			(56)	
Total revenues and other sources, GAAP basis			153	
Expenditures				
Total administrative expenditures	$ 474	474	200	274
Total expenditures and other uses, GAAP basis			200	

FULTON COUNTY, GEORGIA

Special Revenue funds

Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budget Basis)

For the year ended December 31, 2009

(In thousands of dollars)

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Public Health Services				
Revenues				
Intergovernmental revenue-State	15,603	15,603	14,194	(1,409)
Other general revenues	$ 7,661	7,661	8,130	469
Transfers	14,710	14,710	13,244	(1,466)
Appropriated Fund Balance	2,687	2,687	2,547	(140)
Total revenues	$ 40,661	40,661	38,114	(2,547)
Reconciliation to GAAP basis:				
To record effect of receivables			—	
Appropriated Fund Balance			(2,547)	
Total revenues and other sources, GAAP basis			35,568	
Expenditures				
Total health services expenditures	$ 40,661	40,661	38,114	2,547
Reconciliation to GAAP basis - to record net effect of unrecorded liabilities			(142)	
Total expenditures and other uses, GAAP basis			37,972	

Public Education Government Television

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Miscellaneous	$ 80	80	35	(45)
Appropriated Fund Balance	525	525	39	(486)
Total revenues	$ 605	605	74	(531)
Reconciliation to GAAP basis:				
Appropriated Fund Balance			(39)	
Total revenues and other sources, GAAP basis			35	
Expenditures				
Total facility expenditures	$ 605	605	74	531
Total expenditures and other uses, GAAP basis			74	

FULTON COUNTY, GEORGIA

Special Revenue funds

Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budget Basis)

For the year ended December 31, 2009

(In thousands of dollars)

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Law Enforcement and Justice services:				
Revenues				
Anticipated revenues	$ 1,376	1,376	3,129	1,753
Appropriated Fund Balance	3,436	3,436	4,342	906
Total revenues	$ 4,812	4,812	7,471	2,659
Reconciliation to GAAP basis:				
To record net change in interest receivable and depreciation of investments			(390)	
Appropriated Fund Balance			(4,342)	
Total revenues and other sources, GAAP basis			2,739	
Expenditures				
Total social service expenditures	$ 4,812	4,812	7,471	(2,659)
Total expenditures and other uses, GAAP basis			7,471	

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Hotel Motel:				
Revenues				
Anticipated revenues	$ —	—	125	125
Appropriated Fund Balance	—	—	—	—
Total revenues	$ —	—	125	125
Reconciliation to GAAP basis:				
Appropriated Fund Balance			—	
Total revenues and other sources, GAAP basis			125	
Expenditures				
Total Non-agency expenditures	$ —	—	125	(125)
Total expenditures and other uses, GAAP basis			125	

FULTON COUNTY, GEORGIA

Special Revenue funds

Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budget Basis)

For the year ended December 31, 2009

(In thousands of dollars)

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Social and Cultural services:				
Revenues				
Anticipated revenues	$ 2,699	2,699	7,378	4,679
Appropriated Fund Balance	5,097	5,097	(62)	(5,159)
Total revenues	$ 7,796	7,796	7,317	(479)
Reconciliation to GAAP basis:				
Appropriated Fund Balance			62	
Total revenues and other sources, GAAP basis			7,378	
Expenditures				
Total social services expenditures	$ 7,796	7,796	7,317	479
Total expenditures and other uses, GAAP basis			7,317	

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Other Special revenue funds:				
Revenues				
Anticipated revenues	$ 3,594	3,594	3,550	(44)
Appropriated Fund Balance	—	—	(1,179)	(1,179)
Total revenues	$ 3,594	3,594	2,371	(1,223)
Reconciliation to GAAP basis:				
Appropriated Fund Balance			1,179	
Total revenues and other sources, GAAP basis			3,550	
Expenditures				
Anticipated Expenditures	3,538	3,538	2,371	1,167
Transfers out	—	—	—	—
Total expenditures	$ 3,538	3,538	2,371	1,167
Reconciliation to GAAP basis - to record net effect of unrecorded liabilities			1,033	
Total expenditures and other uses, GAAP basis			3,404	

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Sandy Springs Tax Allocation District:				
Revenues				
Total anticipated revenues	$ —	—	—	—
Total revenues and other sources, GAAP basis			—	
Expenditures				
Total social service expenditures	$ —	—	—	—
Total expenditures and other uses, GAAP basis			—	

DESCRIPTION OF NON-MAJOR ENTERPRISE FUNDS

Enterprise funds are used to accumulate expenses incurred for providing services to external parties that are to be recovered through user fees or charges.

Sandy Springs Contractual fund – accounted for services provided for Police and Fire Rescue services to a newly incorporated city within geographical Fulton County, including expenditures incurred for services and the offsetting revenues earned from the City of Sandy Springs.

Milton Contractual fund – accounted for services provided for Police and Fire Rescue services to a newly incorporated city within geographical Fulton County, including expenditures incurred for services and the offsetting revenues earned from the City of Milton.

Johns Creek Contractual fund – accounted for services provided for Police and Fire Rescue services to a newly incorporated city within geographical Fulton County, including expenditures incurred for services and the offsetting revenues earned from the City of Johns Creek.

Airport fund – The Fulton County Airport-Brown field fund accounts for services to tenants and the public for operation and collections from rentals for airport facilities.

FULTON COUNTY, GEORGIA

Combining Statement of Net Assets
Non-major Enterprise Funds

December 31, 2009

(In thousands of dollars)

Assets	Business Type Activities - Enterprise Funds				Total Non-major Enterprise Funds
	Sandy Springs Contractual services fund	Milton Contractual services fund	Johns Creek Contractual services fund	Airport fund	
Current assets:					
Cash and cash equivalents	$ —	—	—	1,132	1,132
Investments	—	—	—	—	—
Interest receivable	—	—	—	—	—
Accounts receivable (net of allowance)	—	—	—	—	—
Due from other governments, net	1,146	317	581	—	2,044
Due from other funds	—			—	—
Other current assets	—			—	—
Restricted assets:	—	—	—	—	—
Cash and cash equivalents				—	—
Investments				—	—
Interest receivable				—	—
Total current assets	1,146	317	581	1,132	3,176
Noncurrent assets:					
Nondepreciable capital assets	—	—	—	27,909	27,909
Depreciable capital assets (net of accumulated depreciation)	—	—	—	1,099	— 1,099
Total noncurrent assets	—	—	—	29,008	29,008
Total assets	1,146	317	581	30,140	32,184
Liabilities:					
Current liabilities (payable from current assets):					
Accounts payable & accrued expenses	$ 1,146	317	581	9	2,053
Total liabilities	1,146	317	581	9	2,053
Net Assets:					
Invested in capital assets, net of related debt	—	—	—	29,008	29,008
Unrestricted	—	—	—	1,123	1,123
Total net assets	$ —	—	—	30,131	30,131

FULTON COUNTY, GEORGIA

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Non-major Enterprise funds

For the year ended December 31, 2009

(In thousands of dollars)

	Business Type Activities - Enterprise Funds				Total
	Sandy Springs Contractual services fund	Milton Contractual services fund	Johns Creek Contractual services fund	Airport fund	Non-major Enterprise Funds
Operating revenues:					
Charges for services	$ —	—	—	1,148	1,148
Total operating revenues	—	—	—	1,148	1,148
Operating expenses:					
Administrative and general	—	—	—	225	225
Depreciation and amortization	—	—	—	175	175
Personal services	—	—	—	640	640
Contractual services	—	—	—	—	—
Total operating expenses	—	—	—	1,040	1,040
Operating income (loss)	—	—	—	108	108
Income (loss) before contributions	—	—	—	108	108
Change in net assets	—	—	—	108	108
Net assets at beginning of year	—	—	—	30,023	30,023
Net assets at end of year	$ —	—	—	30,131	30,131

FULTON COUNTY, GEORGIA

Combining Statement of Cash Flows
Non-major Enterprise funds

For the year ended December 31, 2009

(In thousands of dollars)

	Business Type Activities - Enterprise Funds				Total
	Sandy Springs Contractual services fund	Milton Contractual services fund	Johns Creek Contractual services fund	Airport fund	Non-major Enterprise Funds
Cash flows from operating activities:					
Receipts from customers and users	$ —	—	—	1,148	1,148
Payments to suppliers	—	—	—	(229)	(229)
Payments to employees	—	—	—	(640)	(640)
Net cash provided by (used in) operating activities	—	—	—	279	279
Cash flows from capital and related financing activities:					
Additions to property, plant, and equipment	—	—	—	(19)	(19)
Net cash used by capital and related financing activities	—	—	—	(19)	(19)
(Decrease) increase in cash and cash equivalents	—	—	—	260	260
Cash and cash equivalents at beginning of year	—	—	—	872	872
Cash and cash equivalents at end of year	$ —	—	—	1,132	1,132
Reconcilation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	$ —	—	—	108	108
Adjustments to reconcile operating (loss) income to net cash provided by (used in) operating activities:					
Depreciation and amortization	—	—	—	175	175
Changes in assets and liabilities:					
Changes in customer receivables - net	—	—	—	—	—
Other assets	—	—	—	—	—
Change in due from other governments - net	—	—	—	—	—
Accounts and claims payable	—	—	—	(4)	(4)
Due to other funds	—	—	—	—	—
Accrued liabilities	—	—	—	—	—
Deferred revenue	—	—	—	—	—
Contractual and other liabilities	—	—	—	—	—
Net cash provided by (used in) operating activities	$ —	—	—	279	279

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DESCRIPTION OF INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department to other departments on a cost reimbursement basis. The objective is not to make a profit but rather to recover the total cost of providing the goods or services over a period of time.

The Internal Service funds include the following:

Facilities Services Fund - used to account for purchase of gasoline, vehicle maintenance parts, printing supplies, postage, central supplies, and computer equipment. These items are purchased in bulk and then charged back to the user departments.

Insurance Stabilization Fund - used to account for the payment of health, dental, vision claims and life insurance premiums on behalf of County employees and retirees. County contributions and employee premiums are paid into the fund based on estimated annual costs.

Risk Management Fund - used to account for resources to insure for general, employee and vehicle liability and vehicle physical damage.

Owner Controlled Insurance Fund - used to account for County provided insurance for contractors performing capital project activities.

FULTON COUNTY, GEORGIA

Combining Statement of Net Assets
Internal Service Funds

December 31, 2009

(in thousands of dollars)

Assets	Facilities Services fund	Insurance Stabilization fund	Risk Management fund	Owner Controlled Insurance fund	Total Internal Service Funds
Current assets:					
Cash and cash equivalents	$ —	21,454	14,515	157	36,126
Other current assets	1,251	9,694	—	—	10,945
Total assets	1,251	31,148	14,515	157	47,071
Liabilities and Net Assets					
Current liabilities:					
Accounts payable	1,251	99	180	—	1,530
Claims payable	—	6,158	2,000	—	8,158
Total liabilities	1,251	6,257	2,180	—	9,688
Net assets:					
Unrestricted	—	24,891	12,335	157	37,383
Total net assets	$ —	24,891	12,335	157	37,383

FULTON COUNTY, GEORGIA

Combining Statement of Revenues, Expenses,
and Changes in Fund Net Assets

Internal Service Funds

For the year ended December 31, 2009

(in thousands of dollars)

	Facilities Services fund	Insurance Stabilization fund	Risk Management fund	Owner Controlled Insurance fund	Total Internal Service Funds
Operating revenues - charges for services	$ 5,896	69,393	12,837	—	88,126
Operating expenses:					
Contractual services	—	75,632	—	—	75,632
Administrative and general	5,896	—	13,116	—	19,012
Total operating expenses	5,896	75,632	13,116	—	94,644
Operating income (loss)	—	(6,239)	(279)	—	(6,518)
Net assets at beginning of year	—	31,130	12,614	157	43,901
Net assets at end of year	$ —	24,891	12,335	157	37,383

FULTON COUNTY, GEORGIA

Combining Statement of Cash Flows
Internal Service Funds

For the year ended December 31, 2009

(In thousands of dollars)

	Facilities Services fund	Insurance Stabilization fund	Risk Management fund	Owner Controlled Insurance fund	Total Internal Service Funds
Cash flows from operating activities:					
Receipts from customers and users	$ 6,672	71,659	12,837	—	91,168
Payments to suppliers	(6,672)	(73,986)	(15,656)	—	(96,314)
Net cash provided by (used in) operating activities	—	(2,327)	(2,819)	—	(5,146)
Increase (decrease) in cash and cash equivalents	—	(2,327)	(2,819)	—	(5,146)
Cash and cash equivalents at beginning of year	—	23,781	17,334	157	41,272
Cash and cash equivalents at end of year	$ —	21,454	14,515	157	36,126
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	$ —	(6,239)	(279)	—	(6,518)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Changes in assets and liabilities:					
Other current assets	(690)	2,266	—	—	1,576
Accounts and claims payable	690	1,646	(2,540)	—	(204)
Net cash provided by (used in) operating activities	$ —	(2,327)	(2,819)	—	(5,146)

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DESCRIPTION OF AGENCY FUNDS

Agency Funds account for monies and property received and held by the County as trustee, custodian, or agent for other governmental entities, individuals or non-profit organizations and consist of the following:

Tax Commissioner - to account for all real, personal, intangible, and intangible recording taxes collected and forwarded to the County and other governmental units.

The following agency funds are used to account for fines, fees and other monies collected by the courts and remitted to other parties in accordance with court orders and state law:

Superior Court
State Court
Juvenile Court
Probate Court
Sheriff and Criminal Court
District Attorney

FULTON COUNTY, GEORGIA

Combining Statement of Fiduciary Net Assets
Fiduciary Funds
Agency Funds

December 31, 2009

(In thousands of dollars)

Assets		Tax Commissioner	Superior Court	State Court	Juvenile Court	Probate Court	Sheriff and Criminal Court	District Attorney	Total Agency Funds
Cash and cash equivalents	$	61,028	22,513	13,412	87	180	21,656	2,209	121,085
Investments		—	—	—	—	—	3,194	—	3,194
Taxes receivable		193,507	—	—	—	—	—	—	193,507
Total assets	$	254,535	22,513	13,412	87	180	24,850	2,209	317,786
Liabilities									
Due to other taxing districts	$	254,535	—	—	—	—	—	—	254,535
Due to others		—	22,513	13,412	87	180	24,850	2,209	63,251
Total liabilities	$	254,535	22,513	13,412	87	180	24,850	2,209	317,786

FULTON COUNTY, GEORGIA

Statement of Changes in Assets and Liabilities

Fiduciary Funds
Agency Funds

For the year ended December 31, 2009

(In thousands of dollars)

	Balance January 1, 2009	Additions	Deductions	Balance December 31, 2009
Tax Commissioner:				
Assets				
Cash and cash equivalents	$ 11,815	2,189,423	2,140,210	61,028
Taxes receivable	176,624	1,361,655	1,344,772	193,507
	$ 188,439	3,551,078	3,484,982	254,535
Liabilities				
Due to other taxing districts	$ 188,439	3,551,078	3,484,982	254,535
Superior Court:				
Assets				
Cash and cash equivalents	$ 23,497	84,835	85,819	22,513
Liabilities				
Due to others	$ 23,497	84,835	85,819	22,513
State Court:				
Assets				
Cash and cash equivalents	$ 14,838	58,896	60,322	13,412
Liabilities				
Due to others	$ 14,838	58,896	60,322	13,412

(Continued)

FULTON COUNTY, GEORGIA

Statement of Changes in Assets and Liabilities

Fiduciary Funds
Agency Funds

For the year ended December 31, 2009

(In thousands of dollars)

	Balance January 1, 2009	Additions	Deductions	Balance December 31, 2009
Juvenile Court:				
Assets				
Cash and cash equivalents	$ 89	67	69	87
Liabilities				
Due to others	$ 89	67	69	87
Probate Court:				
Assets				
Cash and cash equivalents	$ 89	91	—	180
Liabilities				
Due to others	$ 89	91	—	180
Sheriff and Criminal Court:				
Assets				
Cash and cash equivalents	$ 25,243	122,123	125,710	21,656
Investments	—	3,194	—	3,194
Cash and cash equivalents	$ 25,243	125,317	125,710	24,850
Liabilities				
Due to others	$ 25,243	125,317	125,710	24,850
District Attorney:				
Assets				
Cash and cash equivalents	$ 2,503	793	1,087	2,209
Liabilities				
Due to others	$ 2,503	793	1,087	2,209

(Continued)

FULTON COUNTY, GEORGIA

Statement of Changes in Assets and Liabilities

Fiduciary Funds
Agency Funds

For the year ended December 31, 2009

(In thousands of dollars)

	Balance January 1, 2009	Additions	Deductions	Balance December 31, 2009
Total - All Agency Funds:				
Assets				
Cash and cash equivalents	$ 78,074	2,456,228	2,413,217	121,085
Investments	—	3,194	—	3,194
Taxes receivable	176,624	1,361,655	1,344,772	193,507
	$ 254,698	3,821,077	3,757,989	317,786
Liabilities				
Due to other taxing districts	$ 188,439	3,551,078	3,484,982	254,535
Due to others	66,259	269,999	273,007	63,251
	$ 254,698	3,821,077	3,757,989	317,786

OTHER SCHEDULES

Summary of Debt Service Requirements to Maturity

Debt Service Requirements to Maturity - General Obligation Bonds

Debt Service Requirements to Maturity – Fulton County Building Authority Revenue Bonds

Debt Service Requirements to Maturity - Water and Sewerage Revenue Bonds

Hotel/Motel Tax Collections and Expenditures

FULTON COUNTY, GEORGIA

Other Schedules
Summary of Debt Service Requirements to Maturity

December 31, 2009

(In thousands of dollars)

Calendar year	Annual principal and interest requirements: General obligation bonds	Building Authority bonds	Fulton County water and sewerage revenue bonds	Totals
2010	$ —	14,809	38,813	53,622
2011	—	7,855	38,814	46,669
2012	—	7,880	38,814	46,694
2013	—	7,909	38,815	46,724
2014	—	7,934	38,817	46,751
2015	—	—	38,816	38,816
2016	—	—	38,814	38,814
2017	—	—	38,815	38,815
2018	—	—	38,813	38,813
2019	—	—	38,818	38,818
2020	—	—	38,818	38,818
2021	—	—	38,816	38,816
2022	—	—	38,816	38,816
2023	—	—	38,815	38,815
2024	—	—	38,817	38,817
2025	—	—	38,813	38,813
2026	—	—	38,813	38,813
2027	—	—	38,812	38,812
2028	—	—	38,814	38,814
2029	—	—	38,813	38,813
2030	—	—	38,814	38,814
2031	—	—	38,817	38,817
2032	—	—	38,812	38,812
2033	—	—	38,817	38,817
2034	—	—	38,816	38,816
	$ —	46,387	970,372	1,016,759

FULTON COUNTY, GEORGIA

Other Schedules
Debt Service Requirements to Maturity
General Obligation Bonds

December 31, 2009

(In thousands of dollars)

Calendar year	Principal	Interest	Totals
2010	$ —	—	—
	$ —	—	—

FULTON COUNTY, GEORGIA

Other Schedules
Debt Service Requirements to Maturity
Fulton County Building Authority Revenue Bonds

December 31, 2009

(In thousands of dollars)

Calendar year		Principal	Interest	Totals
2010	$	12,682	2,127	14,809
2011		5,497	2,358	7,855
2012		6,800	1,080	7,880
2013		7,170	739	7,909
2014		7,555	379	7,934
		39,704	6,683	46,387
Unamortized deferred charges (net) at December 31, 2009		209	(209)	—
	$	39,913	6,474	46,387

FULTON COUNTY, GEORGIA

Other Schedules
Debt Service Requirements to Maturity
Water and Sewerage Revenue Bonds
Series 1998 and 2004

December 31, 2009

(In thousands of dollars)

Calendar year	Principal	Interest	Totals
2010	$ 11,555	27,258	38,813
2011	12,160	26,654	38,814
2012	12,795	26,019	38,814
2013	13,465	25,350	38,815
2014	14,160	24,657	38,817
2015	14,835	23,981	38,816
2016	15,575	23,239	38,814
2017	16,355	22,460	38,815
2018	17,170	21,643	38,813
2019	18,000	20,818	38,818
2020	18,865	19,953	38,818
2021	19,770	19,046	38,816
2022	20,720	18,096	38,816
2023	21,715	17,100	38,815
2024	22,760	16,057	38,817
2025	23,850	14,963	38,813
2026	24,995	13,818	38,813
2027	26,195	12,617	38,812
2028	27,455	11,359	38,814
2029	28,825	9,988	38,813
2030	30,265	8,549	38,814
2031	31,815	7,002	38,817
2032	33,435	5,377	38,812
2033	35,145	3,672	38,817
2034	36,935	1,881	38,816
	548,815	421,557	970,372
Unamortized discount at December 31, 2009	1,607	(1,607)	—
	$ 550,422	419,950	970,372

FULTON COUNTY, GEORGIA
Other Schedules
Hotel/Motel Tax Collections and Expenditures
Year ended December 31, 2009

Collection Period from January 1st to December 31st

Collection Rate	Hotel/Motel Tax Collected	Expenditures and Obligations: Hotel/Motel Tax Expended	Hotel/Motel Tax Obligated	Hotel/Motel Tax Expended or Obligated	Expended or Obligated as a Percentage of Collected
7%	$125,126	125,126	—	125,126	100.00%

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STATISTICAL SECTION

(Unaudited)

Statistical Section

This part of the Fulton County Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Contents

Pages

Financial Trends

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time. 96-99

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes. 100-105

Debt Capacity

These schedules present inforamtion to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future. 106-110

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments. 111-112

Operating Information

These scheduels contain information about the County's operations and resources to help the reder understand how the County's financial information relates to the services the County provides and the activities it performs 113-115

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB 34 in 2002; schedules presenting government-wide information include information beginning in that year.

FULTON COUNTY, GEORGIA
Net Assets by Component
Last Eight Fiscal Years
(accrual basis of accounting, in thousands)

	Fiscal Year							
	2009	2008	2007	2006	2005	2004	2003	2002
Governmental activities								
Invested in capital assets, net of related debt	$ 645,956	647,458	656,111	652,890	733,571	932,446	896,321	284,509
Restricted	20,165	21,774	23,378	33,581	57,364	78,932	129,112	109,325
Unrestricted	82,669	139,273	225,015	341,604	260,036	232,808	169,295	202,593
Total governmental activities net assets	$ 748,790	808,505	904,504	1,028,075	1,050,971	1,244,186	1,194,728	596,427
Business-type activities								
Invested in capital assets, net of related debt	$ 799,958	667,975	576,528	687,192	667,370	607,009	622,140	374,181
Restricted	46,015	45,833	43,973	42,899	40,911	41,809	31,795	25,615
Unrestricted	216,790	369,659	380,390	292,828	277,702	247,382	227,944	211,676
Total business-type activities net assets	$ 1,062,763	1,083,467	1,000,891	1,022,919	985,983	896,200	881,879	611,472
Primary government								
Invested in capital assets, net of related debt	$ 1,445,914	1,315,433	1,232,639	1,340,082	1,400,941	1,539,455	1,518,461	658,690
Restricted	66,180	67,607	67,351	76,480	98,275	120,741	160,907	134,940
Unrestricted	299,459	508,932	605,405	634,432	537,738	480,190	397,239	414,269
Total primary government net assets	$ 1,811,553	1,891,972	1,905,395	2,050,994	2,036,954	2,140,386	2,076,607	1,207,899

Note: The County began to report accrual information when it implemented GASB Statement 34 in fiscal 2002.

FULTON COUNTY, GEORGIA
Changes in Net Assets
Last Eight Fiscal Years
(accrual basis of accounting, in thousands)

	Fiscal Year							
	2009	2008	2007	2006	2005	2004	2003	2002
Expenses								
Governmental activities								
Administration	$ 105,089	115,606	107,926	102,619	97,780	100,089	101,552	113,431
Public Safety	179,965	182,435	179,690	183,189	194,271	177,082	174,471	163,333
Legal	146,809	139,901	141,646	12,643	115,217	112,916	107,698	98,941
Infrastructure and facilities	71,554	74,237	49,225	73,431	81,466	67,431	61,116	56,126
Social services	116,906	125,031	127,604	113,521	106,794	111,306	118,008	108,019
Health services	163,408	168,845	184,066	160,904	160,770	158,414	158,087	159,504
Interest and other debt related costs	12,756	16,561	17,450	17,767	17,053	18,277	19,161	20,245
Total governmental activities expenses	796,487	822,616	807,607	664,074	773,351	745,515	740,093	719,599
Business-type activities								
Water and sewerage services	128,430	123,175	170,210	116,826	116,583	99,571	89,262	81,118
Contractual services	—	6,901	6,944	14,430	—	—	—	—
Airport services	1,040	1,098	1,008	1,187	875	965	806	755
Total business-type activities expenses	129,470	131,174	178,162	132,443	117,458	100,536	90,068	81,873
Total primary government expenses	$ 925,957	953,790	985,769	796,517	890,809	846,051	830,161	801,472
Program Revenues								
Governmental activities								
Charges for services								
Public and Mental health fees	$ 8,130	6,258	8,030	8,094	9,375	10,433	12,073	9,363
Emergency communication fees	6,941	8,033	7,572	6,978	8,449	5,295	5,317	5,464
Legal and adjudication	38,425	33,541	31,535	33,803	27,080	30,139	21,724	22,775
License and permits	6,134	7,850	7,850	16,286	28,852	23,927	19,387	22,391
Other	8,590	7,703	4,726	9,362	8,036	11,674	10,089	11,470
Total Charges for Services	68,220	63,385	59,713	74,523	81,792	81,468	68,590	71,463
Operating grants and contributions	57,184	54,152	46,460	55,454	61,850	57,732	58,855	63,220
Capital grants and contributions	5,879	7,842	6,225	21,056	50,871	25,205	48,123	—
Total governmental activities program revenues	131,283	125,379	112,398	151,033	194,513	164,405	175,568	134,683
Business-type activities								
Charges for services	108,472	114,501	102,918	138,491	134,464	119,138	97,823	97,820
Capital grants and contributions	438	19,475	—	6,211	60,455	8,954	12,969	—
Total business-type activities program revenues	108,910	133,976	102,918	144,702	194,919	128,092	110,792	97,820
Total primary government program revenues	$ 240,193	259,355	215,316	295,735	389,432	292,497	286,360	232,503
Net (Expense) Revenue								
Governmental activities	$ (665,204)	(697,237)	(695,209)	(626,831)	(578,838)	(581,110)	(564,525)	(584,916)
Business-type activities	(20,560)	2,802	(75,244)	12,259	77,461	27,556	20,724	15,947
Total primary government net expense	$ (685,764)	(694,435)	(770,453)	(614,572)	(501,377)	(553,554)	(543,801)	(568,969)
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Property taxes	$ 527,018	525,265	486,521	523,418	491,448	493,829	502,930	449,104
Sales taxes	32,382	35,374	39,761	60,671	74,930	68,949	62,911	65,520
Other taxes	4,466	4,393	8,046	13,299	15,639	14,897	13,589	52,697
Intergovernmental unrestricted revenues	11,469	—	12,948	15,105	15,917	15,475	15,790	15,544
Commissions on tax collections	16,588	15,131	15,043	14,471	12,928	12,204	12,707	9,460
Use of money and property	9,348	17,098	23,654	27,488	22,585	16,439	13,837	16,618
Miscellaneous	4,219	8,688	4,953	2,810	5,603	8,775	4,074	3,111
Special and extraordinary items	0	(22,788)	(16,422)	1,418	—	—	(2,317)	—
Total governmental activities	605,490	583,161	574,504	658,680	639,050	630,568	623,521	612,054
Business-type activities								
Use of money and property	1,651	13,971	9,693	26,223	13,000	3,826	6,538	16,075
Miscellaneous	(1,795)	467	—	(1,546)	(678)	714	—	—
Total business-type activities	(144)	14,438	9,693	24,677	12,322	4,540	6,538	16,075
Total primary government	$ 605,346	597,599	584,197	683,357	651,372	635,108	630,059	628,129
Change in Net Assets								
Governmental activities	$ (59,714)	(114,076)	(128,390)	31,849	60,212	49,458	58,996	27,138
Business-type activities	(20,704)	17,240	(65,508)	36,936	89,783	32,096	27,262	32,022
Total primary government	$ (80,418)	(96,836)	(193,898)	68,785	149,995	81,554	86,258	59,160

Note: The County began to report accrual information when it implemented GASB Statement 34 in fiscal 2002.

FULTON COUNTY, GEORGIA
Fund Balances, Governmental funds
Last Eight Fiscal Years
(modified accrual basis of accounting, in thousands)

	Fiscal Year							
	2009	2008	2007	2006	2005	2004	2003	2002
General fund								
Unreserved	95,041	76,233	97,362	136,195	100,208	106,444	89,370	100,414
Total general fund	$ 95,041	76,233	97,362	136,195	100,208	106,444	89,370	100,414
Special Service District Fund								
Unreserved	1,924	16,033	16,015	38,171	44,646	21,419	13,740	19,401
Total Special District fund	$ 1,924	16,033	16,015	38,171	44,646	21,419	13,740	19,401
All Other Governmental Funds								
Reserved	$ 18,917	21,347	24,997	47,198	45,054	49,830	58,384	77,515
Unreserved, reported in:								
Special revenue funds	33,931	24,752	27,072	31,160	25,191	34,655	30,178	31,069
Capital projects funds	50,357	57,546	76,157	76,818	77,388	87,267	92,540	81,572
Total all other governmental funds	$ 103,205	103,645	128,226	155,176	147,633	171,752	181,102	190,156
Total governmental funds	$ 200,170	195,911	241,603	329,542	292,487	299,615	284,212	309,971

Note: The County began to report accrual information when it implemented GASB Statement 34 in fiscal 2002

FULTON COUNTY, GEORGIA
Changes in Fund Balances, Governmental funds
Last Eight Fiscal Years
(modified accrual basis of accounting, in thousands)

	Fiscal Year							
	2009	2008	2007	2006	2005	2004	2003	2002
Revenues								
Taxes	$ 567,601	544,346	531,613	592,175	574,336	577,885	577,952	569,608
Intergovernmental	74,124	55,178	64,867	70,739	78,208	74,870	76,493	78,764
Charges for services	53,283	45,688	43,256	48,001	44,991	41,165	41,499	39,554
Courts and law enforcement	25,391	24,978	23,650	24,707	20,877	28,580	20,411	18,978
Use of money and property	9,213	16,994	23,821	27,430	22,524	16,476	13,979	17,043
Licenses and permits	6,134	7,850	7,850	16,286	28,852	23,927	19,387	22,391
Miscellaneous	4,219	8,688	4,953	2,810	5,603	8,775	4,074	3,111
Net (depreciation) appreciation in investments	135	104	(167)	58	61	(37)	(142)	(425)
Total revenues	740,100	703,826	699,843	782,206	775,452	771,641	753,653	749,024
Expenditures								
Current:								
Administration	87,074	95,103	88,427	91,616	90,431	93,091	86,013	87,900
Public safety	147,228	149,384	144,237	162,390	179,396	163,883	163,390	156,387
Legal	111,785	113,551	112,361	107,920	104,157	102,370	97,835	92,061
Infrastructure and facilities	45,284	52,339	34,823	48,413	44,139	41,172	36,336	39,544
Social services	95,152	101,907	100,303	97,951	102,165	107,226	100,588	97,182
Health services	151,312	156,443	170,972	155,351	156,037	154,614	156,810	159,754
Other nonagency	54,713	52,458	50,781	48,287	32,023	28,819	37,251	34,247
Capital outlay	10,679	17,685	41,643	61,583	28,105	30,122	47,970	87,577
Debt service:								
Principal retirement	22,629	27,965	29,861	29,457	31,004	29,462	27,617	27,412
Interest	10,006	14,143	15,222	15,704	15,123	15,932	17,020	17,055
Total expenditures	735,862	780,978	788,630	818,672	782,580	766,691	770,830	799,119
Excess of revenues over (under) expenditures								
Other Financing Sources (Uses)								
Capital lease obligations	—	4,883	—	54,712	—	—	6,239	—
Proceeds from sale of refunding bonds	110,885	—	—	—	—	—	—	87,535
Premium received on refunding bonds	9,298	—	—	—	—	—	—	4,959
Payments to escrow agent	(120,162)	—	—	—	—	—	—	(93,120)
Transfers in	58,726	73,614	99,815	102,723	125,163	95,561	111,076	128,667
Transfers out	(58,726)	(73,614)	(100,272)	(102,724)	(125,163)	(95,561)	(112,076)	(128,667)
Total other financing sources (uses)	21	4,883	(457)	54,711	—	—	5,239	(626)
Special item: Proceeds from sale of capital assets	—	—	3,762	18,810	—	—	—	—
Net changes in fund balances	$ 4,259	(72,269)	(85,482)	37,055	(7,128)	4,950	(11,938)	(50,721)
Debt service as a percentage of noncapital expenditures	4.5	5.5	5.9	6.0	6.1	6.2	6.2	6.2 %

Schedule 5

FULTON COUNTY, GEORGIA
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands)

Fiscal Year	Real Property	Public Utilities	Personal and Business	Total assessed value	Total direct tax rate	Estimated actual value
2000	$ 23,175,763	1,443,349	6,383,441	31,002,553	40%	77,506,383
2001	26,741,670	1,474,252	6,912,927	35,128,849	40%	87,822,123
2002	30,279,444	1,088,710	6,748,080	38,116,234	40%	95,290,585
2003	33,087,369	1,006,182	6,584,144	40,677,695	40%	101,694,238
2004	35,294,429	1,105,766	6,356,263	42,756,458	40%	106,891,145
2005	36,850,956	1,216,577	6,418,193	44,485,726	40%	111,214,315
2006	40,777,348	1,091,205	6,716,879	48,585,432	40%	121,463,580
2007	46,380,413	1,090,830	6,991,764	54,463,007	40%	136,157,518
2008	49,883,106	1,108,038	7,256,388	58,247,532	40%	145,618,831
2009	50,156,181	1,119,093	7,403,437	58,678,711	40%	146,696,778

Note: The above assessed values may be reduced somewhat due to the following exemptions:

(1) A special full value homestead exemption is allowed on owner-occupied residences of persons who are age 70 or over who meet certain income requirements. This exemption applies only to Fulton County taxes. State and school taxes are not exempt.

(2) A regular $15,000 homestead exemption is allowed on all owner-occupied homes, except for purposes of school and bond tax levies.

(3) An exemption is allowed on qualifying real property devoted to agricultural or historic purposes.

(4) A 100% Freeport exemption exists on applicable business inventories.

(5) Assessed values are established by the Fulton County Board of Tax Assessors on January 1 of each year.

(6) An exemption is allowed for property used in or which is a part of any facility for the primary prupose of elminating or reducing air or water pollution if the facilities have been certified by the Georgia Department of Natural Resources.

Schedule 6

FULTON COUNTY, GEORGIA

Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years
Operating and Bond Levies
(Rate per $1,000 Assessed Value)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Fulton County direct:										
General & bond	13.69	13.34	12.81	12.32	11.65	11.65	11.47	10.28	10.28	10.28
School	20.15	19.02	18.77	18.06	17.61	18.11	18.11	18.09	17.50	17.50
Special Services district	4.76	4.70	4.47	4.31	4.73	4.73	4.61	3.87	3.87	—
South Fulton tax district	—	—	—	—	—	—	5.73	5.66	5.66	8.16
Total direct	38.60	37.06	36.05	34.69	33.99	34.49	39.92	37.90	37.31	35.94
State of Georgia	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Municipalities:										
City of Atlanta	8.03	7.37	10.86	10.51	10.02	9.57	9.44	8.92	8.80	11.94
Downtown Development district	2.22	2.22	2.50	3.60	4.20	5.00	5.00	5.00	5.00	5.00
City of Atlanta school district	24.80	22.06	21.78	21.57	20.98	20.52	22.70	22.69	21.69	21.69
Atlanta-DeKalb library	1.97	1.86	1.47	—	—	—	—	—	—	—
City of Alpharetta	7.88	7.48	7.23	7.00	7.00	7.00	6.60	6.25	5.75	5.75
City of College Park	6.93	6.61	9.56	9.56	9.56	9.56	9.56	9.56	9.56	9.56
City of East Point	10.50	9.00	15.00	12.50	12.37	12.37	12.37	14.75	14.75	14.75
City of Fairburn	4.50	4.50	6.00	6.00	5.75	5.45	5.45	5.00	5.00	5.00
City of Hapeville	10.00	9.61	9.61	9.61	12.61	12.61	12.61	16.61	16.61	16.61
City of Mountain Park	7.50	6.80	5.76	7.00	6.95	9.92	9.89	11.78	11.78	11.78
City of Palmetto	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	8.50	8.45
City of Roswell	5.81	5.43	5.43	5.17	6.09	6.09	6.09	5.66	5.46	5.46
City of Union city	7.50	7.50	7.50	7.50	7.50	7.50	7.50	9.50	9.50	9.50
City of Sandy Springs	—	—	—	—	—	—	4.73	4.73	4.73	4.73
City of Milton	—	—	—	—	—	—	—	4.73	4.73	4.73
City of John's Creek	—	—	—	—	—	—	—	4.61	4.61	4.61
City of Chattahoochee Hills	—	—	—	—	—	—	—	—	—	10.96

Schedule 7

FULTON COUNTY, GEORGIA
Principal Taxpayers
Current Year and Nine Years Ago

	Assessment	Percentage of total assessed value	Taxes
Ten major taxpayers of 2009:			
Development Authority of Fulton County	$ 631,067,463	1.08%	$ 11,208,526
AT&T	278,970,231	0.48%	6,554,203
BellSouth Telecommunications	410,566,274	0.70%	6,427,310
Georgia Power	341,742,166	0.58%	5,513,177
Coca Cola	255,483,383	0.44%	4,931,661
Delta Airlines	147,705,483	0.25%	4,646,650
Sanctuary Park Realty Holding	94,752,370	0.16%	2,940,339
Four Eight Five Properties	68,169,250	0.12%	2,183,666
Fulcoprop Fifty Six LLC	67,600,000	0.12%	2,165,431
Post Apartment Homes	165,521,892	0.28%	2,048,912
Total ten major taxpayers	$ 2,461,578,512	4.20%	$ 48,619,875
(1) Total County gross assessed value	$ 58,678,711,027		

	Assessment	Percentage of total assessed value	Taxes
Ten major taxpayers of 2000:			
American Telephone & Telegraph	622,771,591	2.01%	9,240,915
BellSouth Telecommunications	194,898,824	0.63%	10,675,031
Delta Airlines	161,049,170	0.52%	5,862,305
Coca Cola Company	$ 254,246,650	0.82%	$ 5,277,102
Georgia Power	70,609,699	0.23%	4,591,269
Ford Motor Company	114,761,140	0.37%	2,944,446
Concourse V	69,217,820	0.22%	2,689,116
International Business Machines	96,756,740	0.31%	2,704,137
Post Apartment Homes	133,170,750	0.43%	2,644,591
Weeks Realty	53,322,950	0.17%	1,840,804
Total ten major taxpayers	$ 1,770,805,334	5.71%	$ 48,469,716
(1) Total County gross assessed value	$ 31,002,553,000		

Source: Fulton County Tax Commissioner.

FULTON COUNTY, GEORGIA

General Fund Property Tax Levy and Collections

(in thousands)

Fiscal Year	Total current year tax levy	Current tax collected	Percent of levy collected	Delinquent tax collected	Total tax collected	Total collections as percentage of curent levy	Outstanding delinquent taxes	Outstanding delinquent taxes as percentage of current levy
2000	$ 311,148	$ 295,236	94.9 %	$ 17,838	$ 313,074	100.6 %	$ 15,912	5.1%
2001	341,734	324,657	95.0	14,587	339,244	99.3	25,912	7.6
2002	358,570	351,745	98.1	15,921	367,666	102.5	9,424	2.6
2003	371,005	365,365	98.5	8,415	373,780	100.7	8,637	2.3
2004	377,362	361,132	95.7	23,045	384,177	101.8	7,375	2.0
2005	384,454	366,850	95.4	18,657	385,507	100.3	8,102	2.1
2006	414,871	391,563	94.4	19,183	410,746	99.0	8,290	2.0
2007	414,657	385,257	92.9	17,709	402,966	97.2	16,179	3.9
2008	451,295	409,951	90.8	24,407	434,358	96.2	19,966	4.4
2009	463,906	406,758	87.7	43,475	450,233	97.1	24,634	5.3

Debt Service Fund Property Tax Levy and Collections

Last Ten Fiscal Years

(in thousands)

Fiscal Year	Total current year tax levy	Current tax collected	Percent of levy collected	Delinquent tax collected	Total tax collected	collections as percentage of curent levy	Outstanding delinquent taxes	Outstanding delinquent taxes as percentage of current levy
2000	$ 9,869	$ 9,370	94.9 %	$ 983	$ 10,353	104.9 %	$ 499	5.1%
2001	8,754	8,328	95.1	521	8,849	101.1	838	9.6
2002	8,994	8,830	98.2	428	9,258	102.9	366	4.1
2003	9,302	9,164	98.5	221	9,385	100.9	288	3.1
2004	2,402	2,301	95.8	177	2,478	103.2	206	8.6
2005	2,482	2,374	95.6	154	2,528	101.9	169	6.8
2006	2,663	2,497	93.8	155	2,652	99.6	118	4.4
2007	—	—	—	115	115	—	148	—
2008	—	—	—	36	36	—	85	—
2009	—	—	—	11	11	—	47	—

Source: Fulton County Tax Commissioner's office

Schedule 8-B

FULTON COUNTY, GEORGIA
Special Service District Fund Property Tax Levy and Collections
Last Ten Fiscal Years
(in thousands)

Fiscal Year	Total current year tax levy	Current tax collected	Percent of levy collected	Delinquent tax collected	Total tax collected	Total collections as percentage of curent levy	Outstanding delinquent taxes	Outstanding delinquent taxes as percentage of current levy
2000	$ 40,844	$ 38,959	95.4 %	$ 1,881	$ 40,840	100.0 %	$ 1,885	4.6%
2001	45,421	43,489	95.7	1,689	45,178	99.5	2,725	6.0
2002	45,744	45,022	98.4	1,797	46,819	102.4	885	1.9
2003	47,425	46,985	99.1	1,116	48,101	101.4	614	1.3
2004	54,974	53,040	96.5	597	53,637	97.6	677	1.2
2005	56,615	54,206	95.7	2,121	56,327	99.5	735	1.3
2006	— *	—	—	2,200	2,200	—	1,302	—
2007	— *	—	—	307	307	—	1,054	—
2008	— *	—	—	561	561	—	419	—
2009	— *	—	—	6	6	—	307	—

* State law required the Special Service district to bill and collect by geographic areas of unincorporated Fulton County for 2006, see Schedule 8-C.

Source: Fulton County Tax Commissioner's office

FULTON COUNTY, GEORGIA

Northeast Special Service Sub-District Fund Property Tax Levy and Collections

Last Three Fiscal Years

(in thousands)

Fiscal Year	Total current year tax levy	Current tax collected	Percent of levy collected	Delinquent tax collected	Total tax collected	collections as percentage of curent levy	Outstanding delinquent taxes	Outstanding delinquent taxes as percentage of current levy
2006	$ 14,198	$ 13,601	95.8 %	$ N/A	$ 13,601	95.8 %	$ N/A	N/A
2007	80	67	83.8	375	442	552.5	139	173.8%
2008	1	1	100.0	93	94	9,400.0	56	5600.0%
2009	—	—	—	25	25	—	25	—

FULTON COUNTY, GEORGIA

Northwest Special Service Sub-District Fund Property Tax Levy and Collections

Last Three Fiscal Years

(in thousands)

Fiscal Year	Total current year tax levy	Current tax collected	Percent of levy collected	Delinquent tax collected	Total tax collected	collections as percentage of curent levy	Outstanding delinquent taxes	Outstanding delinquent taxes as percentage of current levy
2006	$ 7,077	$ 6,723	95.0 %	$ N/A	$ 6,723	95.0 %	$ N/A	N/A
2007	—	—	—	222	222	—	98	—
2008	—	—	—	62	62	—	41	—
2009	—	—	—	8	8	—	28	—

FULTON COUNTY, GEORGIA

South Fulton Special Service District Fund Property Tax Levy and Collections

Last Three Fiscal Years

(in thousands)

Fiscal Year	Total current year tax levy	Current tax collected	Percent of levy collected	Delinquent tax collected	Total tax collected	collections as percentage of curent levy	Outstanding delinquent taxes	Outstanding delinquent taxes as percentage of current levy
2006	$ 18,141	$ 16,659	91.8 %	$ N/A	$ 16,659	91.8 %	$ N/A	N/A
2007	18,542	16,704	90.1	1,085	17,789	95.9	529	2.9%
2008 [1]	18,896	16,487	87.3	1,185	17,672	93.5	867	4.6
2009	27,279	22,657	83.1	2,577	25,234	92.5	864	3.2

[1] 2008 due date of October 31 as opposed to the normal due date of October 15

[2] 2009 due date of December 15 as opposed to the normal due date of October 15

Source: Fulton County Tax Commissioner's office

Schedule 9

FULTON COUNTY, GEORGIA

Computation of Direct and Overlapping Debt
as of December 31, 2009

Name of governmental unit		Amount outstanding	Percentage applicable		Amount applicable
Direct and overlapping direct debt:					
Fulton County	$	—	100		—
Fulton County School District		164,890,000	100		164,890,000
Municipalities:					
Alpharetta		42,050,000	100		42,050,000
Atlanta (including School District)		260,490,000	97		252,675,300
Hapeville		10,750,000	100		10,750,000
Union City		13,460,000	100		13,460,000
Roswell		32,100,000	100		32,100,000
	$	523,740,000			515,925,300
Contractual obligations and overlapping contractual obligations:					
Building Authority of Fulton County	$	39,913,474	100	%	39,913,474
College Park Business and Industrial Development Authority		3,455,000	100		3,455,000
The Fulton-DeKalb Hospital Authority*:					
Revenue Refunding Certificates Series 2003		184,730,000	68.109		125,817,756
City of Atlanta and Fulton County Recreation Authority:					
Arena Series 1997		129,555,000	98		126,963,900
Zoo Series 2007		20,235,000	98		19,830,300
East Point Building Authority		80,337,000	100		80,337,000
	$	458,225,474			396,317,430
Total direct and overlapping debt and contractual obligations and overlapping contractual obligations	$	981,965,474			912,242,730

* Debt service is a contractual obligation for which the County has financial responsibility determined in part on the basis of its utilization percentage.

Schedule 10

FULTON COUNTY, GEORGIA

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(in thousands)

	Governmental Activities							Business-type activities					
Fiscal Year	General Obligation bonds*	Fulton County Building Authority bonds	Fulton County Facilities Corporation bonds	Other long-term capital leases	Total Governmental activities	% of Personal Income	Per Capita debt (not in thousands)	Water & Sewerage Revenue Bonds	Water & Sewerage Note payable	Total Business-type activities	Estimated Water/Sewer connections	Debt per estimated connection	Total Debt Primary Government
2000	$ 58,921	121,699	149,610	47,126	377,356	1.01%	462.07	332,060	1,548	333,608	84,656	3,941	710,964
2001	49,465	118,990	145,550	44,067	358,072	0.93%	423.41	325,918	1,439	327,357	86,358	3,791	685,429
2002	41,469	110,439	140,606	37,207	329,721	0.84%	382.21	319,369	1,322	320,691	88,841	3,610	650,412
2003	35,473	102,370	136,190	39,840	313,873	0.79%	356.47	312,371	1,198	313,569	91,323	3,434	627,442
2004	24,077	95,132	131,547	35,914	286,670	0.67%	316.48	598,371	1,065	599,436	91,823	6,528	886,106
2005	14,381	84,644	126,688	31,648	257,361	0.56%	275.48	589,949	923	590,872	101,001	5,850	848,233
2006	9,428	72,545	121,597	80,895	284,465	0.57%	294.89	581,003	771	581,774	101,840	5,713	866,239
2007	4,581	61,674	116,254	74,135	256,644	0.50%	258.68	571,458	609	572,067	102,000	5,609	828,711
2008	1,760	51,186	110,639	72,231	235,816	0.46%	237.68	561,277	435	561,712	102,000	5,507	797,528
2009	—	39,913	110,336	64,342	214,591	0.39%	211.43	550,422	250	550,672	102,000	5,399	765,263

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements
*1999-2000 includes County-wide Library system bonds of $4,400, $3,080 and $1,600 respectively.

Sources:
Personal Income and Population data from Schedule 15 - Demographic statistics

The Fulton County Water and Sewerage System provides services to a substantially different population base than governmental activities debt, therefore per capita and personal income data are calculated only on governmental activity debt, Water and Sewerage debt is allocated to estimated total connections

Schedule 11

FULTON COUNTY, GEORGIA
Ratios of General Obligation Debt Outstanding
Last Ten Fiscal Years
(in thousands)

Fiscal Year	General Obligation bonds*	Less debt service funds	Net bonded debt	Assessed value for bond purposes	Percentage of actual taxable value	Net bonded debt per capita (not in thousands)
2000	$ 57,321	29,988	27,333	29,507,674	0.09 %	33.47
2001	49,465	29,751	19,714	33,580,823	0.06	23.31
2002	41,469	29,927	11,542	36,474,277	0.03	13.38
2003	35,473	30,443	5,030	38,902,270	0.01	5.71
2004	24,077	20,808	3,269	40,910,888	0.01	3.61
2005	14,381	13,086	1,295	42,496,898	—	1.39
2006	9,428	11,045	—	46,570,435	—	—
2007	4,581	6,600	—	51,893,006	—	—
2008	1,760	3,429	—	55,482,952	—	—
2009	—	—	—	55,717,671	—	—

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements

Sources:
Population data from Schedule 15 - Demographic statistics

Schedule 12

FULTON COUNTY, GEORGIA
Schedule of Revenue Bond Coverage
Fulton County Water and Sewerage System
Last Ten Fiscal Years
(in thousands)

Fiscal Year		Operating revenues*	Operating expenses*	Net earnings	Principal	Interest	Total	Coverage (1)
2000	$	108,682	45,317	63,365	6,430	17,812	24,242	2.61
2001		105,844	48,648	57,196	6,790	17,448	24,238	2.36
2002		100,720	45,015	55,705	7,590	16,653	24,243	2.30
2003		100,046	50,480	49,566	8,040	16,198	24,238	2.04
2004		123,676	56,703	66,973	8,655	30,163	38,818	1.73
2005		121,032	60,540	60,492	9,180	29,636	38,816	1.56
2006		122,378	63,288	59,090	9,740	29,077	38,817	1.52
2007	(1)	167,245	70,221	97,024	10,335	29,077	39,412	2.46
2008		110,949	66,929	44,020	10,965	27,851	38,816	1.13
2009		119,875	76,779	43,096	11,555	27,262	38,817	1.11

* As defined in the Fulton County, Georgia Water and Sewerage Bond Resolutions.

(1) 2007 includes one-time revenues of approximately $32 million for sale of future wastewater treatment capacity to other municipalities.

Schedule 13

FULTON COUNTY, GEORGIA
Legal Debt Margin Information
Last Ten Fiscal Years
(in thousands)

Assessed value	$ 58,678,711
Less:	
Applicable property tax exemptions	(2,961,040)
Assessed value for bond purposes	55,717,671
Debt limit 10% of assessed value	5,571,767
Less amounts of debt applicable to the limit:	
General Obligation debt outstanding	—
less available debt service funds	—
Total amount applicable to debt limit	—
Legal Debt Margin	$ 5,571,767

	Debt Limit	Total net bonded debt applicable to limit	Legal Debt Margin	Total net debt applicable to the limit as a % of debt limit
2000	2,950,767	27,333	2,923,434	0.93%
2001	3,358,082	19,714	3,338,368	0.59%
2002	3,647,427	11,542	3,635,885	0.32%
2003	3,890,227	5,030	3,885,197	0.13%
2004	4,091,088	3,269	4,087,819	0.08%
2005	4,249,689	1,295	4,248,394	0.03%
2006	4,657,046	—	4,657,046	0.00%
2007	5,189,301	—	5,189,301	0.00%
2008	5,548,295	—	5,548,295	0.00%
2009	5,571,767	—	5,571,767	0.00%

Schedule 14

FULTON COUNTY, GEORGIA
Demographic Information
Last Ten Fiscal Years

Fiscal Year	Fulton County Population	Per capita personal Income	Fulton County Personal Income (in thousands)	Unemployment Rate
2000	816,662	$ 45,915	$ 37,497,181	3.7 %
2001	845,688	45,628	38,587,395	4.3
2002	862,679	45,733	39,452,835	4.9
2003	880,514	45,202	39,800,989	5.8
2004	905,802	47,163	42,720,319	5.5
2005	934,242	49,291	46,049,314	5.9
2006	964,649	51,476	49,656,730	5.1
2007	992,137	51,552	51,146,432	4.9
2008	1,014,932	53,579	54,379,042	6.4
2009	1,033,756	54,115 (1)	55,941,489 (2)	9.8

Population data from U.S. Census Bureau midyear population estimates

Income data from U.S. Bureau of Economic Analysis, table CA04

(1) 2009 was not available at time of print, an estimate for 2009 is based on 2008 data with 1.0% growth.

(2) Unemployment rates from the Georgia Department of Labor, average 2009

Schedule 15

FULTON COUNTY, GEORGIA
Principal Employers
Current Year and Nine Years Ago

	Employees*	Percentage of County employment**
Ten major employers-within Atlanta Metro Statistical area - 2008:		
Delta Airlines	22,257	4.95%
AT&T	21,915	4.87%
Cox Enterprises	13,583	3.02%
Bellsouth Corp	15,500	3.45%
United Parcel Service	10,745	2.39%
United States Postal Service	14,000	3.11%
Fulton County School system	12,777	2.84%
Atlanta City Municipal Government	7,934	1.76%
Georgia Institute of Technology	7,342	1.63%
IBM Corporation	7,500	1.67%

* From the Metro Atlanta Chamber of Commerce publication "Metro Atlanta Overview" these statistics could include employees working in other areas outside Fulton County.

** August 2006 Fulton County employment was reported as 449,855 per Georgia Dept of Labor.

Ten major employers of 2000:
AT&T Technologies
Atlanta Board of Education
BellSouth Corporation
Atlanta City Municipal Government
Delta Airlines
Fulton County School system
Kroger Company
United States Postal Service
Walmart Stores
Cox Enterprises

* From the Metro Atlanta Chamber of Commerce, these statistics categorized employers based on size and did not include specific employee counts

Schedule 16

FULTON COUNTY, GEORGIA
Full-time County Employees by Function/Program
Last Ten Fiscal Years
(in thousands)

Fiscal Year	General Government	Police		Fire		Emergency Services (911)	Water & Sewerage	All Other	Total Government
2000	4,192	359		420		108	346	1,180	6,605
2001	4,255	359		447		108	334	1,142	6,645
2002	4,343	359		447		108	333	1,055	6,645
2003	4,370	339		448		111	312	1,049	6,629
2004	4,348	339		448		111	321	1,041	6,608
2005	4,281	367		447		115	315	985	6,510
2006	4,368	298		345		114	326	931	6,382
2007	4,356	230	*	223	*	109	344	811	6,073
2008	4,561	198	*	186	*	109	345	816	6,215
2009	4,475	160		153		97	322	625	5,832

Sources: Fulton County Budget Book

* Does not include Police and Fire employees providing contractual services to municipalities

Schedule 17

FULTON COUNTY, GEORGIA

Operating Indicators by Function/Program
Last Ten Fiscal Years

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Atlanta/Fulton County Library										
Circulation-checked out	2,830,480	2,994,202	3,054,633	3,115,000	2,844,584	3,117,535	3,234,537	3,306,002	3,470,279	Unavailable
New library cards issued	52,317	64,446	79,559	84,000	183,232	211,621	68,975	75,900	-	-
Database inquiries (hits)								475,237	1,075,941	Unavailable
Human Services:										
Meals served via Older Americans Act	337,983	495,986	520,330	530,330	553,336	582,184	603,222	444,435	406,051	1027*
*No of people served										
Health and Wellness:										
Total Nursing services visits	123,129	118,603	120,500	121,500	118,231	118,211	105,308	208,216	230,715	84,170(2)
Food service inspections	*	6,611	6,161	6,470	6,885	7,230	6,653	7,318	7,703	5,572
(2) clients receiving services										
Transportation: Miles of roadway paved	55	12	35	20	30	30	30	—	36	Unavailable
911 Emergency Communications calls:	499,583	451,991	457,831	465,411	407,629	440,707	562,338	649,890	481,916	782,896
Water and Sewerage fund:										
Wastewater flow average flows in millions of gallons per day:										
Camp Creek	11.73	14.07	13.11	13.50	12.45	14.53	15.25	14.13	14.41	14.96
John's Creek	7.60	6.04	6.08	6.50	5.04	5.05	5.80	4.18	3.61	8.17
Big Creek	20.30	22.13	20.90	21.50	22.11	23.23	23.98	20.08	19.99	22.80
Little River	1.00	0.72	0.78	0.85	0.86	0.84	1.09	0.69	0.68	0.92

*not available

Source: Fulton County Budget book

FULTON COUNTY, GEORGIA

Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Atlanta/Fulton County Library										
Branches, including main facility	32	33	33	33	34	34	34	34	34	34
Health and Wellness:										
Health centers	17	17	16	14	12	12	12	12	12	12
Jail and detention centers	3	3	3	3	3	3	3	3	3	3
Fire Stations	19	19	21	21	21	21	19	15*	15*	15*
Water and Sewerage fund:										
Wastewater treatment plants	4	4	4	4	4	4	4	4	4	4
Water treatment plant - (joint venture)	1	1	1	1	1	1	1	1	1	1
County owned roadways (in miles)	1,780	1,794	1,794	1,794	1,794	1,794	1,386	736	556	684

*Three stations leased by municipalities

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

PJC GROUP, LLC
CERTIFIED PUBLIC ACCOUNTANTS

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Members of the Board of Commissioners
Fulton County, Georgia:

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Fulton County, Georgia ("the County") as of and for the year ended December 31, 2009, which collectively comprise the County's basic financial statements and have issued our report thereon dated October 25, 2010. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Fulton-Dekalb Hospital Authority, as described in our report on the County's basic financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

A *deficiency in internal* control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

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

We noted certain matters that we have reported to management of the County in a separate letter dated October 25, 2010.

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

PJC Group, LLC

Atlanta, Georgia
October 25, 2010