COMPREHENSIVE ANNUAL FINANCIAL REPORT



FULTON COUNTY, GEORGIA

FISCAL YEAR ENDED DECEMBER 31, 2012

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, 2012

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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FULTON COUNTY, GEORGIA

Comprehensive Annual Financial Report

Year ended December 31, 2012

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FULTON COUNTY
GEORGIA
2012

BOARD OF COMMISSIONERS OF FULTON COUNTY

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Emma I. Darnell, Vice Chair
William "Bill" Edwards, Commissioner
Joan P. Garner, Commissioner
Liz Hausmann, Commissioner
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Robert L. (Robb) Pitts, Commissioner

Clerk of Commission
Mark Massey

County Manager
Zachary L. Williams (12/31/2012)

County Attorney
David Ware

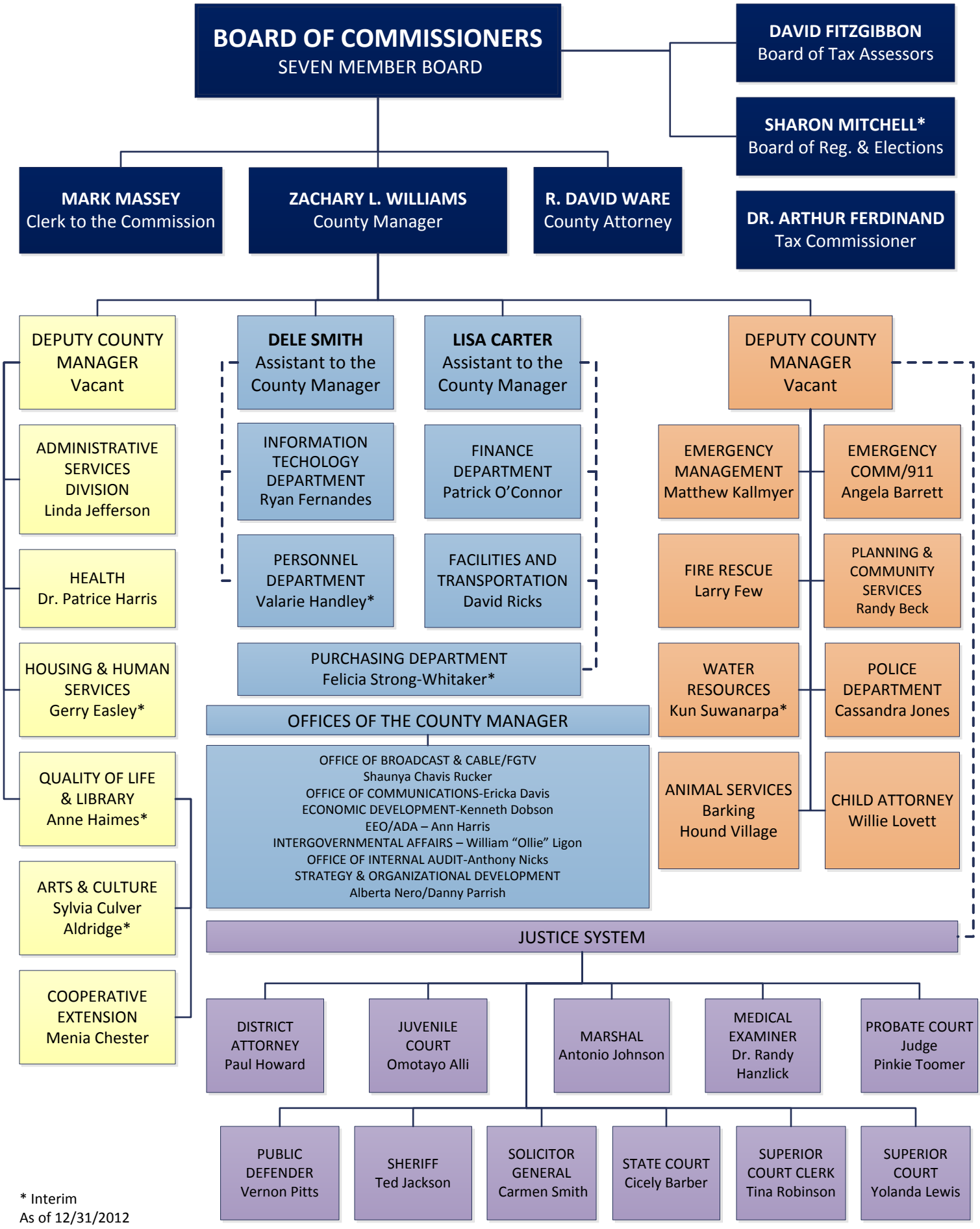
Director of Finance and Budget Officer
Patrick J. O'Connor

Purchasing Agent
Felecia Strong-Whitaker, Interim

Tax Commissioner
Dr. Arthur Ferdinand

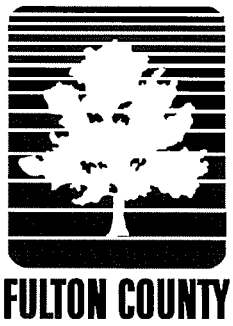
County Auditor
PJC Group, LLC

FULTON COUNTY GOVERNMENT STRUCTURE



* Interim
As of 12/31/2012

LETTER OF TRANSMITTAL



June 24, 2013

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, 2012, 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 2011 U.S. Census Bureau was 977,773. 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. Only the South Fulton tax district for the southern portion of unincorporated Fulton County is now active, is shown as a major fund, and will continue as citizens voted to not incorporate this section of Fulton Countyin 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, Fulton County Urban Redevelopment Agency 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 has shown signs of slow improvement. In a summary from the May 2013 news release, Dr. Rajeev Dhawan, Director of the Georgia State University's Economic Forecasting Center indicates that "corporations are battling increasing global headwinds from a recessionary Europe, an unstable Middle East and a stalled China, among others." This affect is felt locally as 2011 saw Georgia export growth exceed 20% only to have the European debt crisis and China's slowdown erode the export growth rate to 3.2% in 2012. While some base measures of economic health look promising, the headwinds mentioned above from global factors coupled with some domestic uneasiness about 2013's

growth will impact Georgia exports, the State's biggest employer, Delta, and growth in the hospitality sector. Mr. Dhawan expects the Atlanta area to see job growth lead the state's recover in 2013 by gaining 46,300 jobs, including 9,600 premium jobs and 2014 forecasts another 53,800 job gains, of which 14,000 would be premium jobs. 2015's forecast calls for even greater employment gains. Georgia's unemployment rate is forecast to average 8.6% in 2013, and decrease further to 8.3% in 2014. The Georgia Department of Labor reported Fulton County's a non-seasonally adjusted annual unemployment rate for 2012 of 9.2%, a decrease for the 2011 adjusted rate of 9.8%. Mr. Dhawan forecasts Atlanta's unemployment rate to be 8.2% in 2013, and drop further in 2014 to 7.9% and lower for 2015 as job growth strengthens in the metro Atlanta area. Historical unemployment rates are shown on page 1B of the statistical section of this report.

Dhawan indicated nominal personal income in the state posted a 3.6% increase in 2012, but is forecasted to be 2.5% for 2013 followed by a strong increase of 5.1% in 2014 and another 5.2% in 2015.

Atlanta's housing permit activity, originally predicted to increase 21.9% in 2012, increased by 67.3%, largely due to growth in multifamily housing permits. This tremendous growth moderates somewhat in 2013 as total permits increase by 30.2% and further slows to 12.4% in 2014. 2013 is expected to see 26,000 units permitted, higher than the level in 2008. 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 May 22, 2013 press release.

Accrual basis sales tax collections increased 6.5% in 2012 to $36.1 million from 2011's $33.9 million, also above 2010's $30.5 million. The State's tax collections also increased at 5.9%, with increases forecast for 2013 and 2014 on both the State and local level. Each Fulton county municipality and the County re-negotiate this allocable share on a 10 year cycle, and the process should conclude in 2013.

Metro Atlanta governments like Fulton County continue to evaluate recent significant economic trends as well as recent legislative changes from the State of Georgia and determine ways to continue to provide quality services. The County is primarily dependent on property tax and sales tax collections for over 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, continues to generate significant appeals although values had dropped given the housing and commercial real estate downturn. Recent 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, whether through tax increases, expenditure reductions, or a combination.

Fulton County has utilized a portion of resources to manage reductions in property tax revenue, but remains in a relatively strong financial position for 2013. General fund balance, at one point totaling $150 million, now at $89 million as of the end of fiscal 2012, remains in excess of the Board of Commissioner's fund balance policy of requiring 1/12 annual General fund appropriations remain on reserve. 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 that offer 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, 2011. This was the twenty-fourth 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 FY12 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, 2011

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.



Christopher P. Morrill
President

Jeffrey L. Esser
Executive Director

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

PJC GROUP, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Fulton County, Georgia

Report on the Financial Statements
We have audited the accompanying 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, 2012, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
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 $721,619, total net position (in thousands) of $239,670 and total revenues (in thousands) of $807,193 of the aggregate discretely presented component unit. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Fulton-Dekalb Hospital Authority, in the component unit column, is based solely 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluation the appropriateness of accounting

policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2012, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Major Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 10, the employee's retirement system schedule of funding progress and employer contributions and other post employment benefits schedule of funding progress on page 67 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated June 24, 2013 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 in considering the County's internal control over financial reporting and compliance.

PFC Group, LLC

June 24, 2013

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, 2012. 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 and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by $1,460,701 (*net position*). Of this amount, $38,406 (*unrestricted net position*) may be used to meet the County's ongoing obligations to citizens and creditors. The County's total net position decreased by $144,478 in 2012, as compared to $140,696 in 2011. Business type activities decreased $29,595 while the governmental activities experienced a decrease of $114,883, most of which 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 $335,974, a decrease of $63,505 in comparison with the previous year. This is largely due to the shortfall in revenue in the General fund, as property values continue to decline countywide. The County's General Fund fund balance decreased by $39,576, while the South Fulton Special Tax District Fund, both major funds, increased its fund balance by $1,591; the 2010 Library bond capital projects fund slightly decreased its fund balance by $7,545 and Other Governmental funds decreased fund balance by $17,975. 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 $88,985, which is available to meet the government's other ongoing obligations to citizens and creditors. The South Fulton Special Tax District Fund's ending fund balance was $6,714, and remains the last unincorporated area in Fulton County.

The County's total long term governmental liabilities increased by $38,952 in 2012, largely due to annual recognition of the annual liability for post-employment health benefits offered to eligible retirees, less amounts paid for scheduled principal payments on existing outstanding bonds. The additional liability of $63,425 represents the unfunded portion of the 2012 annual required contribution for these benefits, while the current total liability for GASB 45 reporting is now $336,813 and represents the County's largest recorded liability in the government-wide financial statements. This is disclosed in the footnotes along with other required provisions of the new implementation for recognition of the County's OPEB liability, as of January 1, 2013.

The County's capital assets used for governmental activities were valued at $821,230, of which $51,452 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. Significant capital asset additions are expected in the next few years with ongoing capital projects funded by the 2010 Library bonds and the 2010 Fulton County Urban Redevelopment Agency Economic Recovery Zone bonds.

Business-type capital assets totaled $1,166,767, of which $4,858 is currently under construction mainly relating to minor water and wastewater capital projects. No interest was required to be capitalized in 2012. 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 $134,455, are 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 Position*** presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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, Special Service District fund, and Library bond capital projects funds, 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 inactive contractual funds for the cities of Sandy Springs and Johns Creek are non-major enterprise funds. All three 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 and required supplementary information can be found on pages 26-66 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 68-94 of this report.

Government-wide Financial Analysis

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

	Governmental Activities		Business-type Activities		Total		%
	2012	2011	2012	2011	2012	2011	Change
Current and other assets $	477,144	549,043	361,885	384,810	839,029	933,853	(10)
Capital assets	821,230	825,221	1,166,767	1,183,695	1,987,997	2,008,916	(1)
Total Assets	1,298,374	1,374,264	1,528,652	1,568,505	2,827,026	2,942,769	(4)
Deferred Outlfows of resources	848	-	7,697	-	8,545	-	
Current liabilities	54,979	51,887	19,705	8,868	74,684	60,755	23
Long-term liabilities	769,553	730,601	530,633	540,245	1,300,186	1,270,846	2
Total Liabilities	824,532	782,488	550,338	549,113	1,374,870	1,331,601	3
Net Position:							
Net investment in capital assets	634,016	631,476	706,517	729,671	1,340,533	1,361,147	(2)
Restricted	42,280	50,807	39,482	39,316	81,762	90,123	(9)
Unrestricted	(201,606)	(90,507)	240,012	250,405	38,406	159,898	(76)
Total Net Assets $	474,690	591,776	986,011	1,019,392	1,460,701	1,611,168	(9)

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 $659 million in cash and investments, of which approximately $108 million is restricted for enterprise fund debt and capital projects. Governmental activities also have approximately $42 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 position restriction shifts from "Restricted net position" to "Net investment in capital assets".

Government-wide unrestricted net position totaled $41 million and is 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 report positive balances in all three categories of net position, for the government as a whole, while unrestricted net position for governmental activities is now in a deficit to the increasing liability for post-employment health care. 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:	2012	2011	2012	2011	2012	2011	Change
Program revenues:							
Charges for services	$ 57,519	56,028	121,506	120,276	179,025	176,304	2 %
Operating grants and contributions	60,499	65,356	-	-	60,499	65,356	(7)
Capital grants and contributions	2,312	3,762	-	-	2,312	3,762	(39)
General revenues:							
Taxes	509,417	516,415	-	-	509,417	516,415	(1)
Intergovernmental	2,898	-	-	-	2,898	-	-
Other charges for services	14,628	15,377	-	-	14,628	15,377	(5)
Use of money and property	6,517	7,091	666	610	7,183	7,701	(7)
Miscellaneous & special items	4,985	6,582	(1,929)	(1,626)	3,056	4,956	(38)
Total revenues	658,775	670,611	120,243	119,260	779,018	789,871	(1)
Expenses:							
Administration	107,704	109,122	-	-	107,704	109,122	(1)
Public Safety	181,224	184,163	-	-	181,224	184,163	(2)
Legal	131,545	148,350	-	-	131,545	148,350	(11)
Infrastructure & facilities	74,308	52,499	-	-	74,308	52,499	42
Social services	80,999	119,044	-	-	80,999	119,044	(32)
Health services	181,674	149,504	-	-	181,674	149,504	22
Interest and debt costs	16,204	18,364	-	-	16,204	18,364	(12)
Water & Sewerage	-	-	135,118	148,303	135,118	148,303	(9)
Airport services	-	-	1,471	1,218	1,471	1,218	21
Total expenses	773,658	781,046	136,589	149,521	910,247	930,567	(2)
Change in net position	(114,883)	(110,435)	(16,346)	(30,261)	(131,229)	(140,696)	(7)
Extraordinary loss	-	-	(13,249)	-	(13,249)	-	
Beginning net position	589,573	702,211	1,015,606	1,049,653	1,605,179 *	1,751,864	(8)
Ending net position	$ 474,690	591,776	986,011	1,019,392	1,460,701	1,611,168 *	(9)

*Beginning net position as of January 1, 2012 was restated for GASB 63 and 65 by $5,989, see Footnote 18.

Analysis of governmental activities

Net position of the governmental activities of the County decreased by $114,883 in 2012, as compared to a decrease of $110,435 in 2011. Governmental accounting standards related to other post-employment benefits contributed $63,425 to the loss for 2012, and $75,135 for 2011. The economy remains a significant factor in dealing with decreasing revenues from both property and sales tax collections. Revenues have declined as the financial effect of lower property values and resolved appeals produce lower tax revenues.

Overall, the expenses for governmental activities decreased $8 million with slightly lower recognition of OPEB costs. The County continues to advance efficiencies in operations to gain additional cost savings 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 remained relatively stable to 2011. Recognition of termination costs of a sewer treatment agreement yielded an extraordinary item for the Water and Sewer System of approximately $13 million, and is discussed in Footnote 17.

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 remained steady from 2011, but remain substantially lower than previous years. Charges for services and intergovernmental revenues in total remained steady, while other revenues decreased slightly from 2011. Governmental fund type expenditures increased $27 million, due to higher costs association with court and judicial activities, and slightly higher payments on behalf of Grady hospital. The general fund reported an ending fund balance of $88,985, a decrease of $39,576 from 2011, and down additionally $21,669 from 2010. The South Fulton Taxing district provides public safety, building zonings and inspections, and parks and recreation activity to the remaining unincorporated section of Fulton County. The fund balance for this District increased by $1,591 in 2012 to $6,714, as millage adjustments have been made for this taxing district to accommodate community needs.

Other non-major governmental funds include debt service, grants-in-aid, capital projects and other activities decreased by $17,975 from 2011 largely due to capital outlays for bonded projects for libraries and recovery zone projects. This brings the 2012 fund balance for other governmental funds to $81,007 at year end. Of this amount, $39,065 is restricted, $678 is committed, and $41,264 is categorized as assigned.

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 2012 General Fund budget was adopted at approximately $605 million, a slight increase of $5 million from 2011 to accommodate an additional payments to the County's component unit, the Fulton DeKalb Hospital Authority.

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. 2012 expenditures were short of budgetary appropriations due implementation of a hiring freeze, targeted program expenditures as well as overall expenditure reductions.

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 $1,340,533 (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 or unspent bond proceeds to finance acquisition of these assets. Business type activities added infrastructure assets relating to water and sewer system improvements system wide for line improvements. While no significant capital additions occurred in 2012, the 2010 bond projects related to Library and other facilities will in time add significant facilities for County-wide use.

	Governmental Activities		Business-type Activities		Total		Percent
Capital assets not being depreciated:	2012	2011	2012	2011	2012	2011	Change %
Land & land improvements	$ 48,003	44,929	36,513	36,010	84,516	80,939	4
Construction in progress	51,452	37,600	4,858	5,139	56,310	42,739	32
Capital assets, shown net of depreciation:							
Equipment	8,294	11,184	1,575	858	9,869	12,042	(18)
Buildings and improvements	352,233	357,831	617	753	352,850	358,584	(2)
Roadway network	361,248	373,677	-	-	361,248	373,677	(3)
Water System	-	-	192,853	194,273	192,853	194,273	(1)
Sewerage System	-	-	795,896	806,873	795,896	806,873	(1)
Intangible assets	-	-	134,455	139,789	134,455	139,789	(4)
Total net capital assets	$ 821,230	825,221	1,166,767	1,183,695	1,987,997	2,008,916	(1)

Additional information relating to capital assets and infrastructure is presented in Note 7 of the financial statements beginning on page 45. 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, 2012, the County had a number of debt issues outstanding. $529,240 of Water and Sewerage Revenue Bonds (net of unaccreted discounts); and $14,778 of Building Authority Revenue Bonds (net of unaccreted premiums/discounts). The County enjoys 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.

The 2010 Library general obligation bonds, $161,545 as of December 31, 2012, fund future County library facilities as well as renovations of existing libraries, authorized by the 2008 referendum of $275 million. Projects to be paid from these bonds are under planning and preliminary design phases, with large construction to begin in 2013.

The County previously issued under the American Recovery and Reinvestment Act provision Recovery Zone bonds and Qualified Energy bonds through the Fulton County Urban Redevelopment Agency (FCURA) for capital facilities and energy efficiency improvements within designated urban redevelopment zones for facilities leased to the County. The FCURA bonds outstanding at December 31, 2012 was $28,736.

At December 31, 2012, total other capital leases was $57,937, which increased for capital financing leases of $3,138 and decreased with scheduled principal maturities of $6,465. The Jail Mechanical, Electrical and Plumbing renovations comprises the bulk of this lease liability.

The 2009 Fulton County Facilities Corporation Certificates of Participation had an outstanding balance of $102,128 as of December 31, 2012.

Additional information relating to long-term debt and other obligations is presented in Note 8 to the financial statements beginning on page 49. 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 67 following these footnotes.

State of Georgia Legislative Actions

In early 2013, the State of Georgia legislature passed several new laws specific to Fulton County government. The most significant of which is a two year freeze on the existing millage rates for the General fund, Debt Service fund, and South Fulton Taxing District. Upon cessation of this two year freeze, the Board of Commissioners will now need a "supermajority" of 5 of 7 Commissioners to affect a millage rate increase over the rollback rate, instead of the 4 of 7 typically required for any Board action. Other legislation involved redistricting and changing a county-wide elected seat to a geographic area, amended autonomy for certain judicial departments, and other administrative changes to County operations. Other changes to the exemptions offered to property owners were considered by the State legislature, but not acted upon in 2013. The County may opt to exercise legal action to dispute some of the recent legislation, and is aware of the budgetary impacts of these new laws upon County government. Payment of general obligation bonds as well as any other bonds or leases remain the top priority with County elected officials regardless of any new restriction on taxation.

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.fultoncountyga.gov/transparency, as this report and other reports are available for download.

BASIC FINANCIAL STATEMENTS

FULTON COUNTY, GEORGIA

Statement of Net Position

December 31, 2012

(in thousands of dollars)

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Fulton-DeKalb Hospital Authority
Assets:				
Cash and cash equivalents	$ 220,449	114,358	334,807	51,397
Investments	170,294	44,986	215,280	2,654
Receivables (net of allowances):				
Taxes	27,606	—	27,606	—
Accounts	278	7,203	7,481	57,539
Due from other governments, net	7,553	5,688	13,241	67,022
Other current assets	6,913	—	6,913	85,180
Restricted assets:				
Cash and cash equivalents	—	17,315	17,315	45,030
Investments	—	91,157	91,157	22,305
Interest receivable	—	91	91	—
Investment in joint venture	—	81,087	81,087	—
Capital assets (non-depreciable)	99,455	41,371	140,826	24,842
Capital assets (net of accumulated depreciation)	721,775	1,125,396	1,847,171	286,683
Other non-current assets	44,051	—	44,051	78,967
Total assets	1,298,374	1,528,652	2,827,026	721,619
Deferred Outflows of Resources:				
Deferred charge on refunding of bonds	848	7,697	8,545	11,064
Total deferred outflow of resources	848	7,697	8,545	11,064
Liabilities:				
Accounts payable and accrued expenses	38,621	17,520	56,141	127,349
Accrued interest	1,317	—	1,317	—
Due to others	3,509	—	3,509	84,934
Claims payable	11,532	—	11,532	60,423
Liabilities (payable from restricted assets):				
Contracts and other payables	—	1,718	1,718	—
Unearned revenue	—	467	467	—
Non-current liabilities:				
Due within one year	40,946	5,920	46,866	20,698
Due in more than one year	728,607	524,713	1,253,320	199,609
Total liabilities	824,532	550,338	1,374,870	493,013
Net Position:				
Net investment in capital assets	634,016	706,517	1,340,533	100,380
Restricted for debt retirement	6,883	39,482	46,365	—
Restricted for construction	33,228	—	33,228	154,026
Restricted for other purposes	2,169	—	2,169	14,612
Unrestricted	(201,606)	240,012	38,406	(29,348)
Total net position	$ 474,690	986,011	1,460,701	239,670

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA

Statement of Activities

For the year ended December 31, 2012

(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 Position: Primary Government: Governmental activities	Primary Government: Business-type activities	Primary Government: Total	Component Unit: Fulton-DeKalb Hospital Authority
Primary Government								
Governmental activities:								
Administration	$ 107,704	15,010	—	—	(92,694)	—	(92,694)	—
Public safety	181,224	2,873	—	—	(178,351)	—	(178,351)	—
Legal	131,545	21,951	—	—	(109,594)	—	(109,594)	—
Infrastructure and facilities	74,308	—	—	2,312	(71,996)	—	(71,996)	—
Social services	80,999	9,951	18,850	—	(52,198)	—	(52,198)	—
Health services	181,674	7,734	41,649	—	(132,291)	—	(132,291)	—
Interest and other debt related costs	16,204	—	—	—	(16,204)	—	(16,204)	—
Total governmental activities	773,658	57,519	60,499	2,312	(653,328)	—	(653,328)	—
Business-type activities:								
Water and sewerage services	135,118	120,060	—	—	—	(15,058)	(15,058)	—
Airport	1,471	1,446	—	—	—	(25)	(25)	—
Total business-type activities	136,589	121,506	—	—	—	(15,083)	(15,083)	—
Total primary government	910,247	179,025	60,499	2,312	(653,328)	(15,083)	(668,411)	—
Component unit								
Fulton-DeKalb Hospital Authority (Grady)	752,864	705,426	28,853	5,373	—	—	—	(13,212)
Total component unit	752,864	705,426	28,853	5,373	—	—	—	(13,212)
General revenues:								
Property taxes					467,779	—	467,779	—
Sales taxes					36,184	—	36,184	—
Other taxes					5,454	—	5,454	—
Intergovernmental not restricted for specific programs					2,898	—	2,898	63,332
Commission on tax collections					14,628	—	14,628	—
Use of money and property					6,517	666	7,183	1,596
Miscellaneous					4,985	(1,929)	3,056	2,613
Total general revenues					538,445	(1,263)	537,182	67,541
Extraordinary item - (Note 7)					—	(13,249)	(13,249)	—
Change in net position					(114,883)	(29,595)	(144,478)	54,329
Net position-as restated (Note 18)					589,573	1,015,606	1,605,179	185,341
Net position - ending					$ 474,690	986,011	1,460,701	239,670

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA

Balance Sheet
Governmental Funds

December 31, 2012

(in thousands of dollars)

	General	South Fulton Taxing District	Library Bond	Other Governmental Funds	Total Governmental Funds
Assets:					
Cash and cash equivalents	$ 109,453	8,706	—	77,211	195,370
Investments	—	—	160,287	10,007	170,294
Receivables (net of allowances):					
Taxes	21,481	5,782	—	343	27,606
Accounts	—	—	90	188	278
Due from other governments	1,759	—	—	5,794	7,553
Total assets	$ 132,693	14,488	160,377	93,543	401,101
Liabilities:					
Accounts payable	$ 24,048	1,947	1,109	8,640	35,744
Due to others	—	—	—	3,509	3,509
Total liabilities	24,048	1,947	1,109	12,149	39,253
Deferred Inflows of Resources:					
Unavailable revenue	19,660	5,827	—	387	25,874
Total deferred inflows or resources	19,660	5,827	—	387	25,874
Fund Balances:					
Nonspendable	—	—	—	—	—
Restricted	—	—	159,268	39,065	198,333
Committed				678	678
Assigned				41,264	41,264
Unassigned	88,985	6,714	—	—	95,699
Total fund balances	88,985	6,714	159,268	81,007	335,974
Total liabilities, deferred inflows of resources and fund balances	$ 132,693	14,488	160,377	93,543	401,101

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA

Reconciliation of the Balance Sheet to the Statement of Net Position

Governmental Funds

December 31, 2012

(in thousands of dollars)

Fund Balances - total governmental funds		$ 335,974
Amounts reported for governmental activities in the Statement of Net Position 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	48,003
	Buildings	720,247
	Equipment	116,412
	Roadway network	572,523
	Construction in progress	51,452
	Less Accumulated Depreciation	(687,407)
Total capital assets, net of accumulated depreciation		821,230
Net pension asset at year end that is not a financial resource used in governmental activities and therefore not reported in governmental funds.		44,051
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds:		
	Certificates of participation	(96,120)
	Building Authority bonds payable	(14,725)
	Library general obligation bonds payable	(159,380)
	Urban Recovery Zone bonds payable	(28,736)
	Unamortized bond premiums	(8,226)
	Unamortized loss of bond refundings	848
	Compensated absences	(39,264)
	Net other post employment benefits (OPEB)	(336,813)
	Other long term capital leases	(57,937)
	Claims and judgments	(12,780)
	Landfill closure and postclosure costs	(15,572)
	Accrued interest	(1,317)
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.		17,583
Some deferred revenues reported in the governmental funds are recognized as revenues in the governmental activities.		25,874
Net assets - total governmental activities		$ 474,690

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, 2012

(In thousands of dollars)

	General	South Fulton Taxing District	Library Bond	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	$ 467,573	32,609	—	13,030	513,212
Intergovernmental	3,872	334	—	61,503	65,709
Charges for services	29,248	806	—	13,621	43,675
Courts and law enforcement	16,459	174	—	5,318	21,951
Use of money and property	3,956	1,062	526	789	6,333
Licenses and permits	—	6,521	—	—	6,521
Miscellaneous	4,342	184	—	459	4,985
Net (depreciation) appreciation in investments	—	—	157	27	184
Total revenues	525,450	41,690	683	94,747	662,570
Expenditures:					
Current:					
Administration	86,787	778	—	1,261	88,826
Public safety	105,389	32,984	—	11,028	149,401
Legal	106,993	—	—	—	106,993
Infrastructure and facilities	41,748	177	—	12,472	54,397
Social services	37,328	6,193	—	21,534	65,055
Health services	109,799	—	—	59,990	169,789
Other nonagency	29,812	761	—	373	30,946
Capital outlay	—	—	6,631	13,662	20,293
Debt service:					
Principal retirement	4,000	—	—	22,186	26,186
Interest	2,136	—	—	15,191	17,327
Total expenditures	523,992	40,893	6,631	157,697	729,213
Excess (deficiency) of revenues over (under) expenditures	1,458	797	(5,948)	(62,950)	(66,643)
Other financing sources (uses):					
Capital lease refunding obligations	—	—	—	3,138	3,138
Transfers in	8,191	2,100	—	51,858	62,149
Transfers out	(49,225)	(1,306)	(1,597)	(10,021)	(62,149)
Total other financing sources (uses)	(41,034)	794	(1,597)	44,975	3,138
Net change in fund balances	(39,576)	1,591	(7,545)	(17,975)	(63,505)
Fund balance at beginning of year	128,561	5,123	166,813	98,982	399,479
Fund balance at end of year	$ 88,985	6,714	159,268	81,007	335,974

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, 2012

(in thousands of dollars)

Net change in fund balances - governmental funds	$	(63,505)
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		26,641
Depreciation expense		(30,632)
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:		
Capital lease proceeds		(3,138)
Tax Anticipation Note proceeds		(120,000)
Tax Anticipation Note payments		120,000
Principal repayments		26,186
Amortization of loss on bond refundings		(140)
Amortization of bond premium and discount		1,178
Change in accrued interest		85
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		(63,490)
Compensated absences		(59)
Claims and judgments		190
Landfill closure costs		1,168
Net pension asset		(3,570)
Some revenues for governmental activites do not provide current financial resources and are not reported as revenues for governmental funds.		(3,795)
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.		(2,002)
Change in net assets - governmental activities	$	(114,883)

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, 2012

(In thousands of dollars)

	Non-GAAP budgetary basis			Variance
	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues:				
Revenue Per Budget Law, less Rollback	$ 488,193	488,193	513,606	25,413
Sales Tax	34,833	34,833	36,073	1,240
Appropriated Fund Balance	82,338	82,338	30,848	(51,490)
Total revenues and other sources, non-GAAP budget basis	$ 605,364	605,364	580,527	(24,837)
Reconciliation to GAAP basis:				
To record net change in taxes receivable and deferred revenue			(6,379)	
Indirect cost reimbursements recorded as revenues for budgetary purposes			(9,659)	
Appropriated Fund Balance			(30,848)	
Total adjustment to GAAP basis			(46,886)	
Total revenues and other sources, GAAP basis			533,641	
Expenditures:				
Board of Commissioners	$ 3,353	3,353	2,834	519
Clerk to the Commission	960	960	878	82
County Manager	11,502	11,787	10,147	1,640
Housing and Community Development	1,015	1,015	977	38
Planning and Community Services	2,239	2,239	2,204	35
Arts Council	5,257	5,257	4,891	366
Human Services	28,054	28,054	27,455	599
Health and Human Services	1,945	1,945	1,798	147
Finance	5,813	5,813	5,322	491
Personnel	3,903	3,903	3,667	236
Information Technology	23,286	23,286	22,766	520
Purchasing	3,490	3,490	3,228	262
County Attorney	3,550	3,550	3,143	407
Tax Assessor	13,516	13,516	12,691	825
Tax Commissioner	14,822	14,822	14,500	322
Registration and Elections	8,972	8,972	6,122	2,850
Police	3,895	3,895	3,792	103
Sheriff	97,096	97,096	96,465	631
Emergency - 911	1,934	1,934	1,888	46
Medical Examiner	3,785	3,785	3,701	84
State Court Solicitor	6,315	6,315	5,983	332

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, 2012

(In thousands of dollars)

	Non-GAAP budgetary basis			Variance
	Original Budget	Final Budget	Actual	Positive (Negative)
Juvenile Court	13,982	13,982	13,270	712
Probate Court	2,812	2,812	2,622	190
County Marshal	5,976	5,976	5,851	125
State Court-General	13,852	13,987	13,374	613
State Court Judges	4,438	4,438	4,303	135
Superior Court-General	20,517	20,846	19,617	1,229
Superior Court Judges	5,320	5,320	5,201	119
Superior Court Clerk	16,583	16,583	15,970	613
District Attorney	22,020	22,392	21,298	1,094
Public Defender	13,067	13,067	11,961	1,106
Facilities and Transporation Services	35,846	35,846	35,259	587
Family and Children Services	5,549	5,549	4,899	650
Cooperative Extension	561	561	498	63
Library	30,009	30,009	28,763	1,246
Health fund transfer	15,310	15,310	15,310	—
Fulton-DeKalb Hospital Authority (Grady Hospital)	68,560	68,560	68,560	—
Behavioral Health	14,043	14,043	12,465	1,578
Non-agency	72,217	71,096	66,854	4,242
Total expenditures and other uses, non-GAAP budget basis	$ 605,364	605,364	580,527	24,837
Reconciliation to GAAP basis - to record net effect of unrecorded liabilities			2,349	
Expenditures incurred on behalf of reimbursing funds for indirect costs			(9,659)	
Total expenditures and other uses, GAAP basis			$ 573,217	

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, 2012
(In thousands of dollars)

	Non-GAAP budget basis			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Revenue per Budget Law	$ 37,166	37,166	40,565	3,399
Insurance Premium Tax	3,650	3,650	3,909	259
Appropriated Fund Balance	4,307	4,307	(2,284)	(6,591)
Total revenues and other sources, non-GAAP budget basis	$ 45,123	45,123	42,190	(2,933)
Reconciliation to GAAP basis:				
To record net tax receivable and deferred revenue			(684)	
Appropriated fund balance			2,284	
Total adjustment to GAAP basis			1,600	
Total revenues and other sources, GAAP basis			$ 43,790	
Expenditures and other uses:				
Fire	$ 14,680	14,680	14,038	642
Police	15,591	15,591	15,205	386
Planning and Community Services	5,563	5,563	5,384	179
Public Works	187	187	177	10
Finance	232	232	179	53
Non agency	8,870	8,870	7,207	1,663
Total expenditures and other uses, non-GAAP budget basis	$ 45,123	45,123	42,190	2,933
Reconciliation to GAAP basis - to record net effect of unrecorded liabilities			9	
Total expenditures and other uses, GAAP basis			$ 42,199	

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA

Statement of Net Position
Proprietary Funds

December 31, 2012

(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	$ 112,463	1,895	114,358	25,079
Investments	44,986	—	44,986	—
Interest receivable	—	—	—	—
Accounts receivable, net	7,203	—	7,203	—
Due from other governments, net	4,607	1,081	5,688	—
Other current assets	—	—	—	6,913
Restricted assets:				
Cash and cash equivalents	17,315	—	17,315	—
Investments	91,157	—	91,157	—
Interest receivable	91	—	91	—
Total current assets	277,822	2,976	280,798	31,992
Noncurrent assets:				
Investment in joint venture	81,087	—	81,087	—
Nondepreciable capital assets	13,462	27,909	41,371	—
Depreciable capital assets (net of accumulated depreciation)	1,124,714	682	1,125,396	—
Total noncurrent assets	1,219,263	28,591	1,247,854	—
Total assets	1,497,085	31,567	1,528,652	31,992
Deferred Outflows of Resources				
Deferred charge on refunding of bonds	7,697	—	7,697	—
Total deferred outflows of resources	7,697	—	7,697	—

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA

Statement of Net Position (continued)
Proprietary Funds

December 31, 2012

(In thousands of dollars)

Liabilities and Net Position	Business Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Water and sewerage system fund	Other Enterprise funds	Total Enterprise Funds	
Liabilities:				
Current liabilities (payable from current assets):				
Accounts payable & accrued expenses	$ 15,468	1,301	16,769	2,877
Accrued liabilities	751	—	751	—
Claims payable	—	—	—	11,532
	16,219	1,301	17,520	14,409
Current liabilities (payable from restricted assets):				
Contracts and other payables	1,718	—	1,718	—
Revenue bonds payable - current	5,920	—	5,920	—
Unearned revenue	467	—	467	—
	8,105	—	8,105	—
Total current liabilities	24,324	1,301	25,625	14,409
Non-current liabilities:				
Revenue bonds payable - noncurrent	523,320	—	523,320	—
Other long-term liabilities	1,393	—	1,393	—
Total non-current liabilities	524,713	—	524,713	—
Total liabilities	549,037	1,301	550,338	14,409
Net Position:				
Net investment in capital assets	677,926	28,591	706,517	—
Restricted for debt retirement	39,482	—	39,482	—
Unrestricted	238,337	1,675	240,012	17,583
Total net position	$ 955,745	30,266	986,011	17,583

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA

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

For the year ended December 31, 2012

(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	$	1,446	1,446	105,574
Water and sewerage charges	120,060	—	120,060	—
Total operating revenues	120,060	1,446	121,506	105,574
Operating expenses:				
Administrative and general	5,687	291	5,978	20,901
Depreciation and amortization	44,979	169	45,148	—
Personal services	20,693	1,011	21,704	—
Contractual services	24,132	—	24,132	86,675
Operating services	18,598	—	18,598	—
Total operating expenses	114,089	1,471	115,560	107,576
Operating income (loss)	5,971	(25)	5,946	(2,002)
Non-operating revenues (expenses):				
Loss on investment in joint venture	(1,929)	—	(1,929)	—
Interest income	666	—	666	—
Interest expense	(21,029)	—	(21,029)	—
Total non-operating revenues (expenses)	(22,292)	—	(22,292)	—
Change in net position	(16,321)	(25)	(16,346)	(2,002)
Extraordinary loss-Note 17	(13,249)	—	(13,249)	—
Net position at beginning of year, as restated	985,315	30,291	1,015,606	19,585
Net position at end of year	$ 955,745	30,266	986,011	17,583

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA

Statement of Cash Flows
Proprietary Funds

For the year ended December 31, 2012

(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	$ 116,425	1,446	117,871	107,067
Payments to suppliers	(50,551)	(281)	(50,832)	(105,572)
Payments to employees	(20,620)	(803)	(21,423)	—
Net cash provided by operating activities	45,254	362	45,616	1,495
Cash flows from capital and related financing activities:				
Principal and interest payments on revenue bonds	(30,564)	—	(30,564)	—
Additions to property, plant, and equipment	(27,131)	—	(27,131)	—
Net cash used by capital and related financing activities	(57,695)	—	(57,695)	—
Cash flows from investing activities:				
Purchase of investments	(136,143)	—	(136,143)	—
Purchase of investment in joint venture	(2,487)	—	(2,487)	—
Proceeds from sale of investments	184,811	—	184,811	—
Interest received on investments	640	—	640	—
Net cash provided by investing activities	46,821	—	46,821	—
(Decrease) increase in cash and cash equivalents	34,380	362	34,742	1,495
Cash and cash equivalents at beginning of year	95,398	1,533	96,931	23,584
Cash and cash equivalents at end of year	$ 129,778	1,895	131,673	25,079
Reconcilation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	$ 5,971	(25)	5,946	(2,002)
Adjustments to reconcile operating (loss) income to net cash provided by (used in) operating activities:				
Depreciation and amortization	44,979	169	45,148	—
Changes in assets and liabilities:				
Changes in customer receivables - net	(3,249)	—	(3,249)	—
Other assets	—	—	—	1,493
Change in due from other governments - net	(386)	646	260	—
Accounts and claims payable and accrued liabilities	(679)	(428)	(1,107)	2,004
Accrued liabilities	(77)	—	(77)	—
Contractual and other payables	(1,305)	—	(1,305)	—
Net cash provided by (used in) operating activities	$ 45,254	362	45,616	1,495
Non-cash transactions:				
Unrealized gain on investments	$ 27	—	—	—
Gain (loss) on investment in joint venture	(1,929)			

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA

Statement of Fiduciary Net Position
Fiduciary Funds

December 31, 2012

(In thousands of dollars)

	Pension Trust Fund	OPEB Trust Fund	Agency Funds
Assets:			
Cash and cash equivalents	$ 37,503	2	79,641
Due from Brokers for Securities Sold	3,414	—	—
Investments, at fair value:			
US Treasury Obligations	63,629	3,031	—
US Agency Obligations	136,273	—	—
Corporate asset & mortgage backed securities	37,846	—	—
Corporate debt	71,472	—	—
Corporate equities	472,104	—	—
Government Guaranteed Corporate Debt	7,027	—	—
Municipal General Obligation bond	2,358	—	—
International mutual funds	177,457	—	—
Commingled equity funds	99,492	—	—
Real estate investment contracts	6,585	—	—
Taxes receivable (net of allowance)	—	—	53,441
Interest and dividends receivable	2,292	—	—
Accounts receivable	125	—	—
Prepaid pension benefits	9,087	—	—
Funds held in escrow	13	—	—
Total assets	1,126,677	3,033	133,082
Liabilities:			
Due to Brokers for Securities Purchased	10,913	—	—
Due to other taxing districts	—	—	66,726
Due to others	60	—	66,356
Total liabilities	10,973	—	133,082
Net Position:			
Net Position held in trust for pension benefits	1,115,704	—	—
Net Position held in trust for OPEB	—	3,033	—
Total net position	$ 1,115,704	3,033	—

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA

Statement of Changes in Fiduciary Net Position
Fiduciary Funds

For the year ended December 31, 2012

(In thousands of dollars)

	Pension Trust Fund	OPEB Trust Fund
Additions:		
Investment income:		
Net depreciation in fair value of investments	$ 104,625	$ 344
Interest and dividends	23,451	—
Less: investment expenses	(4,583)	—
Net investment gain	123,493	344
Employee contributions	2,827	—
Employer contributions	46,007	—
Contributions from other participating governments	58	—
Other income	176	—
Total additions	172,561	344
Deductions:		
Benefit payments	103,851	—
Transfer of plan assets to 401(A) plan or other plans	375	—
Refunds of contributions to terminated employees	47	—
Administrative fees and other expenses	578	—
Total deductions	104,851	—
Change in net position	67,710	344
Net position held in trust for benefits:		
Beginning of year	1,047,994	2,689
End of year	$ 1,115,704	$ 3,033

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. 61, *The Financial Reporting Entity: Omnibus-an amendment of GASB Statements No. 14 and No. 34*, 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 $52.1 million in funding to the Hospital Authority during 2012, and an additional $18.5 million for bonded obligations.

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 Hospital 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 Hospital 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 Hospital Authority will receive monthly lease payments to the Hospital Authority from GMHC. The GMHC assumed liabilities of the Hospital Authority related to its former operation of Grady and related facilities. In exchange for the lease payments and assumption of liabilities, the Hospital Authority transferred to GMHC all of the Hospital Authority's right, title and interest in the operation assets of Grady and related facilities. The Operating Agreements define the obligations of the Hospital 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 Hospital Authority is obligated to remit directly to GMHC all such funds the Hospital Authority receives from the Counties.

Certain assets and obligations of the Hospital Authority were excluded from the Agreement. Especially, the Hospital 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 Recreation Authority issued refunding bonds of $124,515 on December 1, 2010 to refund the existing "Arena" bonds and provide capital for recreational and cultural improvements.

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. When the related Arena revenue bonds have been fully paid, the Recreation Authority will convey fee simple title of the Arena to the City and County based on their proportional shares upon joint request. 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:

Atlanta Fulton County Recreation Authority
755 Hank Aaron Drive
Atlanta, Georgia 30315

Atlanta Regional Commission - The County is a joint venture partner with the Atlanta Regional Commission based on GASB Statement No. 61. 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 commission is required by O.C.G.A. 50-8-34 which provides for the organization structure of regional commissions in Georgia. The County paid dues in the amount of $695 to the ARC for the year ended December 31, 2012. The regional commission's Board membership includes the chief elected official of each county and municipality of the area. O.C.G.A. 50-8-39 provides that the member governments are liable for any debts or obligations of a regional commission. Complete financial statements of the Atlanta Regional Commission may be obtained at the address below:

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 $6.1 million in 2012 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, 2012, the County's share of the depreciated cost of the facility is shown as "Investment in joint venture" in the accompanying statement of net position.

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 Position 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. Government-wide financial statements do not provide information by fund, but distinguish between the county's governmental activities and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions, and reported separately from business-type activities. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Net Position presents the County's non-fiduciary assets and liabilities, with the difference reported as net position. This net position is reported in three categories:

Net investment in capital assets 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 position results from restrictions placed on net position by external sources such as creditors, grantors and contributors, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of net position which does 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. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, 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 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. 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 of state law. Minimal residual activity occurred in the combining non-major sub-districts in 2012.

Library Bond Fund

This capital project fund primarily consists of the 2010 voter approved bond issue of $167 million for construction of new and renovation of existing library facilities.

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 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 2012.

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
Intangible assets	28-40 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 2012 is classified as an operating cost on the Statement of Revenues, Expenses and Changes in Net Position-Proprietary funds. The amount remaining as of December 31, 2012 is approximately $134.5 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 bond covenants.

(j) Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period) (s) and so will not be recognized as an outflow of resources (expense/expenditure until then. The County has one item that qualifies for reporting in this category – the deferred charge on refunding reported in the enterprise funds and government-wide statements of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is no longer reported net of debt and is deferred and amortized over the shorter of the life of the refunded bonds.

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has unavailable revenue, which arises only under the modified accrual basis of accounting, which qualifies for reporting in this category on the governmental funds balance sheet. The following amounts are deferred and recognized as an inflow or resources in the period that the amounts become available, in thousands:

Unavailable revenues		General fund	South Fulton Taxing District fund	Debt Service fund	Total
Property taxes	$	19,660	1,918	387	21,965
Insurance premium taxes		-	3,909		3,909
Totals	$	19,660	5,827	387	25,874

(1) Summary of Significant Accounting Policies (continued)

(k) 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. The General fund currently pays the predominate share of these costs.

(l) 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. These claims are not long term and will be paid within one year.

(m) Net Patient Service Revenues

The Hospital Authority has agreements with third-party payors that provide for payments to the Hospital Authority 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.

(n) Uncompensated Care

The Hospital Authority 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.

(1) Summary of Significant Accounting Policies (continued)

(o) 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, 2013 are recorded as expenditures in 2012 (budget) as opposed to 2013 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):

	Net changes in fund balance	
	General Fund	**South Fulton Special Tax District Fund**
GAAP basis	$ (39,576)	1,591
Adjustments to accruals:		
Tax revenues and interest receivable	6,379	684
Liabilities	2,349	9
Fund balance utilized	30,848	(2,284)
Budget basis	$ —	—

(2) Budgetary Accounting and Compliance (continued)

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 other special revenue funds for the fiscal year ending December 31, 2012. Project-length budgets are adopted upon approval for the capital project, including the major capital project fund for bond funded Library improvements and construction. 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 2012.

(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, 2012, the County's primary governmental and business type funds had the following investments:

	December 31, 2012			
Fixed Income:	Fair value	< 1 year	1-5 years	6-10 years
US Agency Obligations	$ 306,437	44,986	261,451	-
Fixed Income subtotal	306,437	44,986	261,451	-
Money Market funds	26,172			
Total cash equivalents and investments	$ 332,609			

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, 2012. The US Agency obligations of $306,437 are rated AAA, while bankers' acceptances and insured money market funds are collateralized at 102%. These insured money market funds of $26,172 are overnight repurchase agreements and are classified as cash as of December 31, 2012.

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

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, 2012 (in thousands of dollars):

		2012
Balances by category:		
Cash and deposits	$	325,950
Cash equivalents		26,172
Investments		306,437
	$	658,559
Balances as presented in the Statement of Net Position:		
Unrestricted activities:		
Cash and cash equivalents	$	334,807
Investments		215,280
Restricted activities:		
Cash and cash equivalents		17,315
Investments		91,157
	$	658,559

(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.

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.

(3) Cash and Investments – Fiduciary Funds

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, 2012.

	December 31, 2012				
Fixed Income:	Fair Value	3-12mos	1-5yrs	6-10yrs	>10yrs
US Treasury Obligations	$ 63,629	4,181	33,832	15,829	9,787
US Agency Obligations	136,273	4,953	9,558	21,469	100,293
Municipal General Obligations	2,358	-	426	1,103	829
Government Guaranteed Corporate	7,027	820	1,526	-	4,681
Corporate Debt	71,472	3,045	23,126	32,908	12,393
Corporate Asset Backed Securities	21,039	1,116	3,570	10,473	5,880
CMO	741	-	-	741	-
CMBS	16,066	-	-	-	16,066
Fixed Income subtotal	318,605	14,115	72,038	82,523	149,929
Equity securities	472,104				
Real Estate Investment Trusts (REITs)	6,585				
Commingled equity funds	99,492				
International mutual funds	177,457				
Cash and Cash Equivalents	37,503				
Due to/from Brokers for Securities Purchased	(7,499)				
Total cash equivalents and investments	$ 1,104,247				

The following is a summary of the carrying amounts of the cash, cash equivalents and investments of the Fiduciary funds at December 31, 2012 (in thousands of dollars):

	2012		
Balances by category:	Pension Trust Fund	OPEB Trust Fund	Agency Funds
Cash and cash equivalents	$ 37,503	2	79,641
Investments	1,074,243	3,031	-
Due from Brokers for Securities Sold	3,414	-	-
Due to Brokers for Securities Purchased	(10,913)	-	-
	$ 1,104,247	3,033	79,641

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 two certificates of deposit and a money market account which are classified as cash equivalents for a total of $1,398.

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

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, 2012.

			December 31, 2012 ratings					
Fixed Income:		Fair Value	AAA	AA	A	BBB	BB	N/R
US Treasury Obligations	$	63,629	-	63,629	-	-	-	-
US Agency Obligations		136,273	-	136,273	-	-	-	-
Municipal General Obligations		2,358	-	764	1,594	-	-	-
Government Guaranteed Corporate		7,027	-	7,027	-	-	-	-
Corporate Debt		71,472	-	1,334	19,683	49,701	-	754
Corporate Asset Backed Securities		21,039	2,899	3,498	8,710	5,932	-	-
CMO		741	741	-	-	-	-	-
CMBS		16,066	7,917	3,600	3,529	1,020	-	-
Fixed Income totals	$	318,605	11,557	216,125	33,516	56,653	-	754

(3) Cash and Investments – Component unit

Hospital Authority

The Hospital Authority maintains a cash and investments pool utilized by the Hospital 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 Hospital Authority's deposits may not be returned to it. As of December 31, 2012, Grady Memorial Hospital Corporation's deposits were either covered by federal depository insurance or collateralized through securities held by the pledging financial institution's trust department in the Hospital Authority's name.

Investment Type	Average rating		Fair Value	Maturities (in years) <1	1-5	6-10	>10
Mixed funds	Aaa	$	2,654	2,654	-	-	-
Money Market Portfolio	N/A		22,305	22,305	-	-	-
Total investments		$	24,959	24,959	-	-	-

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

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 Hospital Authority has no formal investment policy that limits investment maturities as a means of managing its' exposure to fair value losses arising from increasing investment rates. The Hospital Authority emphasizes purchases of short-term or liquid investments.

Credit Risk

The custodial credit risk for deposits is the risk that, in the event of a bank failure, the Hospital Authority's deposits may not be returned to it. The Hospital 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 Hospital 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 Hospital Authority investments as of December 31, 2012.

Hospital Authority

Basic combined discretely presented component unit financial statements:

		2012
Unrestricted:		
Cash and cash equivalents	$	51,397
Investments		2,654
Restricted		
Cash and cash equivalents (deposits and trusts)		45,030
Investments		22,305
Total	$	121,386
Cash on hand	$	51,397
Investments		22,666
Nonpublic funds		47,323
Total cash, cash equivalents and investments	$	121,386

(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

(4) Taxes (continued)

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 68 and 69, while schedules of budgetary comparisons are on pages 70 through 72. 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, which will be renegotiated in 2013 as required by state law.

(5) Allowances for Uncollectible Receivables

Allowances for uncollectible receivables at December 31, 2012 are as follows (in thousands of dollars):

	2012
Taxes Receivable:	
General Fund	$ 6,399
Debt Service Fund	22
Special Service District Funds	19
South Fulton Special Taxing District	350
Agency Funds	21,437
	$ 28,227
Accounts Receivable – Water and Sewerage System Fund	$ 5,987

(6) Due from Other Governments

Governmental type funds include receivables from other governments for various activities. The General fund is owed $1,722 due from other local government entities related to financing the activities of the Atlanta-Fulton County Water Resource Commission 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 $5,305 for federal financial assistance related to various grantor receivables, of which $3,323 is grants-in aid while $1,982 relates to public health services.

(6) Due from Other Governments (continued)

$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 $1,081 from two municipalities for contractual services provided in 2006 through 2008 for police and fire services. $4,607 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, 2012.

(7) Capital Assets and Infrastructure

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

	January 1, 2012	Increases	Decreases	December 31, 2012
Capital assets not being depreciated:				
Land and land improvements	$ 44,929	3,074	—	48,003
Construction in progress	37,600	23,102	(9,250)	51,452
Total capital assets not being depreciated	82,529	26,176	(9,250)	99,455
Capital assets being depreciated:				
Equipment	115,947	465	—	116,412
Buildings and other improvements	710,997	9,250	—	720,247
Roadway network	572,523	—	—	572,523
Total capital assets being depreciated	1,399,467	9,715	—	1,409,182
Less accumulated depreciation for:				
Equipment	(104,763)	(3,355)	—	(108,118)
Buildings and other improvements	(353,166)	(14,848)	—	(368,014)
Roadway network	(198,846)	(12,429)	—	(211,275)
Total accumulated depreciation	(656,775)	(30,632)	—	(687,407)
Net capital assets being depreciated	742,692	(20,917)	—	721,775
Net capital assets- governmental activities	$ 825,221	5,259	(9,250)	821,230

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.

(7) Capital Assets and Infrastructure (continued)

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, 2012	Increases	Decreases	December 31, 2012
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	1,378	—	—	1,378
Buildings and other improvements	5,457	—	—	5,457
Total capital assets being depreciated	6,835	—	—	6,835
Less accumulated depreciation for:				
Equipment	(1,280)	(33)	—	(1,313)
Buildings and other improvements	(4,704)	(136)	—	(4,840)
Total accumulated depreciation	(5,984)	(169)	—	(6,153)
Net capital assets being depreciated	851	(169)	—	682
Net capital assets-Airport fund	$ 28,760	(169)	—	28,591

(7) Capital Assets and Infrastructure (continued)

	January 1, 2012	Increases	Decreases	December 31, 2012
Water and Sewerage System fund:				
Capital assets not being depreciated:				
Land improvements	$ 8,101	503	—	8,604
Construction in progress	5,139	789	(1,070)	4,858
Total capital assets not being depreciated	13,240	1,292	(1,070)	13,462
Capital assets being depreciated:				
Equipment	13,718	1,012	—	14,730
Water system	262,138	9,067	—	271,205
Sewerage system	1,090,657	16,808	—	1,107,465
Intangible assets	169,006	—	—	169,006
Total capital assets being depreciated	1,535,519	26,887	—	1,562,406
Less accumulated depreciation for:				
Equipment	(12,958)	(262)	—	(13,220)
Water system	(67,865)	(10,487)	—	(78,352)
Sewerage system	(283,784)	(27,785)	—	(311,569)
Intangible assets	(29,217)	(5,334)	—	(34,551)
Total accumulated depreciation	(393,824)	(43,868)	—	(437,692)
Net capital assets being depreciated	1,141,695	(16,981)	—	1,124,714
Net capital assets-Water and Sewerage System fund	$ 1,154,935	(15,689)	(1,070)	1,138,176

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

Governmental activities:	
Administration	$ 1,820
Public Safety	3,823
Legal	4,005
Infrastructure and facilities	16,980
Social services	3,641
Health services	363
Total depreciation expense, governmental activities	$ 30,632
Business-type activities:	
Water and Sewerage	$ 43,868
Airport	169
Total depreciation expense, business-type activities	$ 44,037

(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, 2012	Increases	Decreases	December 31, 2012
Capital assets not being depreciated:					
Land	$	2,714	51	—	2,765
Construction in progress		10,625	22,077	(10,625)	22,077
Total capital assets not being depreciated		13,339	22,128	(10,625)	24,842
Capital assets being depreciated:					
Equipment		188,393	25,725	(782)	213,336
Buildings		230,082	8,047	(308)	237,821
Total capital assets being depreciated		418,475	33,772	(1,090)	451,157
Less accumulated depreciation for:					
Equipment		(75,044)	(27,104)	—	(102,148)
Buildings and other improvements		(48,195)	(14,131)	—	(62,326)
Total accumulated depreciation		(123,239)	(41,235)	—	(164,474)
Net capital assets being depreciated		295,236	(7,463)	(1,090)	286,683
Net capital assets- governmental activities	$	308,575	14,665	(11,715)	311,525

Total depreciation expense for the Hospital Authority was $41,235. All depreciation was incurred on assets acquired to provide health services.

(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, 2012 (in thousands of dollars):

Governmental activities:	January 1, 2012	Additions	Retirements	Other	December 31, 2012	Due within one year
Certificates of participation	$ 103,435	-	(7,315)	-	96,120	7,665
Less deferred charges, net*	7,001	-	-	(993)	6,008	
Total Certificates of Participation	110,436	-	(7,315)	(993)	102,128	
Building Authority Revenue Bonds	21,525	-	(6,800)	-	14,725	7,170
Less deferred charges, net	104	-	-	(51)	53	
Total Building Authority Revenue Bonds	21,629	-	(6,800)	(51)	14,778	
Library General Obligation Bonds	163,265	-	(3,885)	-	159,380	4,040
Less deferred charges, net	2,299	-	-	(134)	2,165	
Total Library General Obligation Bonds	165,564	-	(3,885)	(134)	161,545	
Economic Recovery Zone Bonds	30,458	-	(1,722)	-	28,736	1,771
Compensated absences	39,205	12,631	(12,572)	-	39,264	12,631
Other long term capital lease obligations	61,264	3,138	(6,465)	-	57,937	6,273
Net other post employment benefits	273,323	90,818	(27,328)	-	336,813	-
Claims and judgments	12,970	-	-	(190)	12,780	192
Post-closure care	16,740	-	(1,168)	-	15,572	1,204
Total Governmental activities	$ 731,589	106,587	(67,255)	(1,368)	769,553	40,946
Business-type activities:						
Water & Sewerage Revenue Bonds	$ 498,500	-	(5,655)	-	492,845	5,920
Less deferred charges, net	40,275	-	-	(3,880)	36,395	
Total Water & Sewerage Revenue Bonds	538,775	-	(5,655)	(3,880)	529,240	
Other long-term liabilites	1,470	772	(849)	-	1,393	
Total business-type activities	$ 540,245	772	(6,504)	(3,880)	530,633	5,920

*Restated by $988 as of 1/1/2012 to reclassify previous deferred losses on bond refunding to deferred inflows to comply with new GASB accounting requirements.

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

Bonds Payable

General Obligation Bonds - The County issued 2010 Library General Obligation bonds of $167 million to provide funds for the acquisition and construction of major library facilities and renovations to existing library buildings. These general obligation bonds are direct obligations and pledge the full faith and credit of the County and are reported as a governmental activity in the government wide Statement of Net Position. These bonds have interest rates ranging from 3.00-5.148%, principal payments ranging from $4,040-$8,560 and mature in 2039. No other general obligation bonds are outstanding. 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 $104 million remains as authorized.

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:					
2002-A Building Authority	5.25	2014	1,140	560-580	Capital facilities
2002-B Building Authority	5.00	2014	13,585	6,610-6,975	Capital facilities
			$ 14,725		
Business-type activities:					
2011 Water and Sewerage	2.00-5.00	2027	246,270	4,920-20,270	Water/Sewer facilities
2004 Water and Sewerage	3.50-5.25	2034	246,575	820-36,935	Water/Sewer facilities
			$ 492,845		

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

The annual requirements to amortize bonds payable as of December 31, 2012, including interest payments are as follows (in thousands of dollars):

Year Ending December 31	Library General Obligation Bonds		Building Authority Revenue Bonds		Water and Sewerage Revenue Bonds		Total Primary Government	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2013	$ 4,040	7,217	7,170	739	5,920	24,628	17,130	32,584
2014	4,200	7,072	7,555	379	4,920	24,345	16,675	31,796
2015	4,370	6,901	-	-	14,650	24,159	19,020	31,060
2016	4,545	6,723	-	-	15,325	23,486	19,870	30,209
2017	4,440	6,565	-	-	16,090	22,720	20,530	29,285
2018-2022	24,090	30,495	-	-	93,210	100,842	117,300	131,337
2023-2027	27,375	25,326	-	-	118,855	75,194	146,230	100,520
2028-2032	31,915	18,160	-	-	151,795	42,275	183,710	60,435
2033-2037	37,560	9,297	-	-	72,080	5,553	109,640	14,850
2038-2039	16,845	875	-	-	-	-	16,845	875
Total	159,380	118,631	14,725	1,118	492,845	343,202	666,950	462,951
Deferred charges/ premiums	2,165	(2,165)	53	(53)	36,395	(36,395)	38,613	(38,613)
Total	$ 161,545	116,466	14,778	1,065	529,240	306,807	705,563	424,338

In current and prior years, the County defeased certain outstanding revenue and general obligation bonds 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. Accordingly, the trust accounts and the defeased bonds are not included in the accompanying financial statements. On September 7, 2011, the Fulton County Water and Sewerage System issued $251.7 million in revenue refunding bonds, of which $43.9 million was used to advance refund previously issued 2004 system revenue bonds. The net proceeds were used to purchase U.S. government securities that were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. Combined with previously defeased Fulton County Facility Corporation Certificates of Participation, the certificates and revenue bonds considered defeased totaled $129.2 million as of December 31, 2012.

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, 2012.

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. Ten percent of the assessed valuation of taxable property is $4,925,028. As of December 31, 2012, the County had $161,545 of direct general obligation debt less $4,481 of funds to service this debt. Therefore, the County's unused debt margin was $4,767,964 as of December 31, 2012.

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

Certificates of Participation

The County in 1999 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 annual lease payments, subject to annual appropriation, sufficient to pay principal and interest to the Corporation. The total lease obligation as of December 31, 2012 is $96,120 with interest rates ranging from 3.00% to 5.00%.

Economic Recovery Zone bonds

The County in 2010 entered into a capital lease obligation with the Fulton County Urban Redevelopment Authority, an entity that finances the costs of acquiring, constructing, renovating and equipping various public purpose projects within declared economic recovery zones within Fulton County. In 2011, the Authority also issued $5,372 in Qualified Energy Conservation bonds under the American Recovery and Reinvestment Act for improvements to reduce utility costs in qualified areas. The County entered into Public-Purpose Master Lease agreements for both these bond issues, in which the County agreed to make annual lease payments, subject to annual appropriation that are sufficient to pay principal and interest to the Authority. The total lease obligation as of December 31, 2012 is $28,736 with interest rate of 4.70% for the 2010 bonds and 3.18% on the 2011 bonds. These bonds issued at par also receive federal government interest subsidies under the American Recovery and Reinvestment Act each year. The amounts shown below do not include any of these subsidies.

The annual requirements to amortize these capital lease obligations as of December 31, 2012, including interest payments of $22,102 and $9,582 are as follows (in thousands of dollars):

Year ended December 31,	Fulton County Facilities Corporation	Fulton County Urban Redevelopment Agency
2013	$ 12,388	3,044
2014	12,354	3,022
2015	12,344	3,005
2016	20,286	2,979
2017	20,284	2,957
2018-2022	40,566	14,440
2023-2026	-	8,871
Total minimum lease payments	$ 118,222	38,318
Less: Amount representing interest	(22,102)	(9,582)
Present value of minimum lease payments	$ 96,120	28,736

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

(f) Other Long-term Obligations - Capital Leases

The County has entered into other various capital lease obligations totaling $57,937 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 $109,235 as of December 31, 2012, of which $38,910 is recorded as buildings, $12,872 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, 2012, including interest payments of $14,664 are as follows (in thousands):

Year ended December 31,	Capital lease obligation
2013	$ 8,490
2014	8,535
2015	7,556
2016	5,978
2017	5,216
2018-2022	21,662
2023-2025	15,164
Total minimum lease payments	$ 72,601
Less: Amounts representing interest	(14,664)
Present value of minimum lease payments	$ 57,937

(g) Hospital Authority Long Term Debt and other Obligations

Changes in the Hospital Authority's non-current liabilities for the year ended December 31, 2012 are noted below: (in thousands)

Long-term debt:	January 1, 2012	Additions	Retirements	December 31, 2012	Due within one year
Revenue Certificates	$ 204,529	136,990	(141,149)	200,370	16,115
Notes payable	18,645	-	(3,277)	15,368	3,487
Capital lease obligations	1,701	4,698	(1,829)	4,570	1,096
Total long-term debt	224,875	141,688	(146,255)	220,308	20,698
Other long-term liabilities:					
Deferred revenue	6,366	2,609	(4,642)	4,333	-
IT Software contract	8,441	-	(2,824)	5,617	0
Workers Compensation	5,559	-	(1,548)	4,011	2,146
General Professional	60,400	-	(3,988)	56,412	13,358
Accrued OPEB	53,511	-	(1,717)	51,794	0
Other	2,627	6,041	-	8,668	-
Total	$ 136,904	8,650	(14,719)	130,835	15,504

(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
2013	$ 19,602	5,481	1,096	105	20,698	5,586
2014	9,973	8,273	701	77	10,674	8,350
2015	19,329	3,970	722	57	20,051	4,027
2016	24,106	4,714	623	39	24,729	4,753
2017	21,171	3,896	638	25	21,809	3,921
2018-2021	118,108	2,705	790	11	118,898	2,716
Total	212,289	29,039	4,570	314	216,859	29,353
Deferred charges/ premiums	3,448	-	-	-	3,448	-
Total	$ 215,737	29,039	4,570	314	220,307	29,353

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, 2012, the Hospital Authority's outstanding amount of bonds considered defeased in prior years totaled $10 million for the Authority's 1990A, 1990B, and 1991 Revenue Refunding certificates.

(h) Hospital Authority Capital Lease Obligations

The Hospital Authority has entered into various capital lease agreements for office equipment, which expire at various dates through 2013. At December 31, 2012, the gross amount of capital assets under capital leases is $15.6 million and the related accumulated depreciation is $9.0 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 12 years. The County payments specific to landfill postclosure care approximated $1,167 in 2012, 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 Hospital 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 $56.4 million as of December 31, 2012. The Hospital 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 $4.0 million as of December 31, 2012.

The Hospital Authority has historically maintained a line of credit facility with a commercial bank, which serves as bridge financing for the Hospital Authority's intergovernmental transfer (IGT) funding requirements for the ICTF program and as a general revolving working capital facility. The Hospital Authority has executed a commitment letter dated August 3, 2012 with the bank for renewal of the facility for the upcoming annual ICTF program cycle. The working capital component generally provides $10-$50 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. No amount was outstanding under the facility at December 31, 2012.

(10) Interfund Assets/Liabilities and Transfers

No Interfund receivable and payable balances exist as of December 31, 2012. 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 fund	Non-Major Govern-mental funds	Total
General fund	$ -	-	49,225	49,225
South Fulton Tax District fund	591	-	715	1,306
Library Bond fund	-	-	1,597	1,597
Non-Major Governmental funds	7,600	2,100	321	10,021
	$ 8,191	2,100	51,858	62,149

(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, 2012, which is expected to be paid after one year, is $12,779. 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 2012. 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, 2012, the present value of the estimated future liability for outstanding claims, including estimated incurred, but not reported claims, is $9,544. At December 31, 2012, the County held $14,582 in cash and cash equivalents available for payment of these claims.

The County has also recorded a liability within the Risk Management Fund of $4,545 to provide for resources to insure for general, employee and vehicle liability and automobile physical damage. At December 31, 2012, the County held $10,051 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, 2012 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
2012	$ 20,170	107,255	(100,557)	26,868
2011	18,300	95,939	(94,069)	20,170
2010	17,221	93,727	(92,648)	18,300

(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 MetLife independently managed assets of the plan throughout 2012.

(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 2012 are as follows (in thousands of dollars):

	2012
Total required employer contributions:	
Dollar amount	$ 51,199
Percent of covered payroll	120.01%
Actual employer contributions:	
Dollar amount	$ 46,065
Percent of covered payroll	108.08%

Employee contribution rates are established in accordance with pension law. During 2012 actual countywide employee contributions were $2,827 which represented 6.63% of covered payroll. The annual required contribution for the current year was determined as part of the January 1, 2012 actuarial valuation using the entry age normal cost method. The actuarial assumptions included (a) 7.9% investment rate of return, (b) projected salary increases are 0.0% throughout 2012, 2.0% for 2013-2014 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. These assumptions used for the January 1, 2013 were subsequently modified as discussed below.

Membership

Current membership in the Plan and current year payrolls for 2012 are as follows:

Members:		
Retired and receiving benefits	$	3,071
Terminated with vested benefits		23
Active employees:		
Vested		811
Total members		3,905
Total current year payroll for employees covered by the Plan (in thousands)	$	42,622

(13) Retirement Plans (continued)

The Plan's annual pension cost and net pension obligation for 2012 were as follows:

	(In thousands of dollars)
Annual required contribution	$ 51,199
Interest on net pension obligation	(3,762)
Adjustment to annual required contribution	3,883
Annual pension cost	51,320
Contributions made, including interest	(47,750)
Decrease in net pension obligation	3,570
Net pension obligation (asset) beginning of year	(47,621)
Net pension obligation (asset) end of year	$ (44,051)

Modifications to the actuarial changes for the January 1, 2013 valuation were approved by the Fulton County Employees Retirement System in January 2013, and include the following. The investment return assumption was additionally lowered to 7.8% from 7.9%. The salary increase assumption was reduced for 2013 from 2% to 0%, 2014 was reduced from 4% to 2%. A new mortality table was added for disabled participants, specifically the RP-2000 Disabled Annuitants Table, still projected to 2019 using Scale AA. Retirement rates for non-Public Safety participants were updated to 26.5% in each year after reaching eligibility for unreduced benefits, with 100% retirement age at age 70. Early retirement rates begin with 8.25% at age 50, grading to 12.00% by age 64. Retirement rates for Public Safety participants were updated to 60% in the first year of eligibility for unreduced benefits and 40% per year thereafter, with 100% retirement at age 65. Early retirement rates begin with 12.55% at age 50, grading to 23.75% by 64. Also, with the addition of assumed early retirement rates, it is now assumed that 80% of participants who retire with reduced benefits take the annuity. Withdrawal and disability rates for participates were revised to reflect experience between 2007 and 2011. The 6.5% load on compensation for vacation pay was reduced to 5.5%, while the 1.50% load on compensation for sick leave was reduced to 1.00%. The combined impact of these assumption changes was a decrease in the ARC of $2.6 million. Also effective January 2013 the Board approved shortening the period for experience gains and losses from 30 years to 25 years, which increased the ARC by $3.1 million.

Actuarial changes for the January 1, 2012 valuation included three changes from the January 1, 2011 actuarial study. Salary increase assumptions for 2012 were decreased to 0.0% from 2.0%, but remain at 2% for 2013 and 2014, and 4% thereafter. Also, the assumed rate of asset return was reduced from 8.0% to 7.9%, and updated mortality tables for actives, disabled, and non-disabled inactives migrated from the 1994 Group Annuity Mortality Tables to the RP-2000 Combined Mortality Tables. These total changes in assumptions along with market conditions increased the actuarial accrued liability from $1,567,306 as of 1/1/2011 to $1,604,463 as of January 1, 2012, an increase of $37,157, or 2.3%.

(13) Retirement Plans (continued)

As of the most recent valuation date of January 1, 2013, 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
$1,082,180	$1,577,865	$495,685	68.6%	$42,622	1163.0%

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, 2010	$ 36,299	106.7%	$ (48,271)
December 31, 2011	44,507	98.5	(47,621)
December 31, 2012	51,320	93.0	(44,051)

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 position 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. Mass Mutual serves as an independent administrator of the plan. At December 31, 2012, the plan had 4,597 total participants, of which 4,264 are active who contributed 6% of their pensionable earnings, approximately $10,679 during 2012. The County also contributed $14,239 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 contributes an amount sufficient to meet the actuarially determined pension expense for that year. Effective January 1, 2009, the Hospital 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 $35,616 in 2012, as compared to $32,308 in 2011. 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

(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. As of the evaluation date, the number of retirees with current health care coverage was approximately 2,800 and all also had life insurance coverage in effect. Approximately 4,600 active employees with coverage are subject to this plan.

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 current unfunded accrued actuarial liability of $1,795,309. This is presented in the Statement of Fiduciary Assets on page 24. No contribution has been made subsequently, but interest earnings of $848 have accumulated in this trust fund.

As of the most recent valuation date of January 1, 2013, 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
$3,023	$1,798,332	$1,795,309	0.002%	$226,479	794.0%

(14) Other Post-Employment Benefits (continued)

The county's annual OPEB cost and net OPEB liability for the year ended December 31, 2012:

Annual required contribution (ARC) for other postemployment benefits (OPEB)	$	90,746
Interest on annual required contribution		10,933
Adjustment to the ARC		(10,862)
Annual OPEB cost/Annual required contribution		90,817
Annual employer contributions made on claims		(27,327)
Change in net OPEB obligation		63,490
Net OPEB obligation - January 1		273,323
Net OPEB obligation - December 31	$	336,813

Schedule of OPEB Employer Contributions
Three-Year Trend Information

Fiscal year ended		Annual OPEB Cost (ARC)	Percentage of ARC contributed		Net OPEB obligation
December 31, 2010	$	55,861	21.0%	$	198,188
December 31, 2011		90,903	17.3		273,323
December 31, 2012		90,817	30.1		336,813

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	4.0%
Healthcare Cost Trend Rate	8.0% in 2012 to 5.0% in 2015 and thereafter
Inflation Rate	3.0%
Estimated Salary increases	4.0%
Amortization Method	Level dollar, 30 years, open period
Latest valuation date	January 1, 2013

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 position is increasing or decreasing relative to the actuarial accrued liability for benefits over time.

(14) Other Post-Employment Benefits (continued)

(b) Hospital Authority

The Hospital Authority provides retiree medical benefits covering all employees of the Hospital Authority who retire at age 55 or older with at least 10 years of service. During 2008, the Hospital Authority amended this plan 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. The cost of providing most of these benefits is shared with the retirees. The plan is unfunded, and therefore the Hospital's participation is on a "pay as you go" basis.

The changes in the accumulated postretirement benefit obligation (APBO) during 2012 follow:

		2012
APBO, Beginning	$	53,511
Service cost		1,528
Interest cost		2,014
Plan participant contributions		1,209
Benefits paid		(2,312)
Actuarial gain		(4,156)
APBO, Ending	$	51,794

$1,670 of the above liability is classified as current

The amount of prior service credit and actuarial net loss expected to be amortized into net periodic postretirement benefit cost in 2013 is a net credit of $2.0 million.

The components of net periodic postretirement benefit cost, which is included in salaries and benefits, follow:

		2012
Service cost	$	1,528
Interest cost		2,014
Amortization of prior service credit		(2,011)
Amortization of net gain		(14)
Net periodic postretirement benefit cost	$	1,517

Expected future payments for other post-employment benefits range from $1,670 to $2,359 for the next five years and $14,230 for combined years 2018 through 2022.

(14) Other Post-Employment Benefits (continued)

(b) Hospital Authority (continued)

Assumed healthcare cost trend rates can have a significant effect on amounts reported for postretirement healthcare benefits. A 1% increase in the healthcare cost trend rate would increase the APBO by approximately $7.4 million and increase interest and service cost by approximately $573 thousand. A 1% decrease in the healthcare cost trend rate would decrease the APBO by approximately $6.1 million and reduce interest and service cost by approximately $472 thousand. Assumed trend rates utilized in this estimate range from 7.5% in 2013 reduced by .20% each year thereafter to a rate of $4.5% in 2028.

Other assumptions used to determine benefit obligations include a discount rate of 3.80%, a discount rate of 4.60% for periodic postretirement benefit cost, and no return on plan assets or compensation increase assumptions were necessary under current plan provisions.

Additional 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 is 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 $24 million to $27 million is believe to be reasonably possible, of which approximately $18 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 $18 million for these cases, $13 million within the long term debt section and approximately $5 million within the claims payable in the Risk Management Fund on page 88.

(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, 2012 total approximately $18,681.

(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.

(15) Commitments and Contingencies (continued)

(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 2025. Rental costs for the year ended December 31, 2012 were approximately $5.2 million. The future minimum lease payments under noncancelable operating leases as of December 31, 2012 are as follows (in thousands):

	Operating leases
2013	$ 1,756
2014	1,771
2015	1,601
2016	1,641
2017	1,590
Thereafter	3,224
	$ 11,583

(16) Fund Balance

In conformity with GAAP, as set forth in the Statement of Governmental Accounting Standards No. 54 "Fund Balance Reporting and Governmental Fund type Definitions," the County established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

(1) Nonspendable – Fund balances are reported as nonspendable when amounts cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

(2) Restricted – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

(3) Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners through the adoption of a resolution. Only the Board of commissioners may modify or rescind the commitment.

(4) Assigned – Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. The Board of commissioners has the authority to assign fund balances.

(5) Unassigned – Fund balances not within the above four categories.

(17) Subsequent Events & Extraordinary Item

The County in May of 2013 issued $200 million in Tax Anticipation Notes to provide operating capital until property tax collections are received by the County. Also, the Fulton County Water and Sewerage System issued 2013 Fulton County Water and Sewerage System revenue bonds to refinance all outstanding 2004 Fulton County Water and Sewerage System revenue bonds, which yielded significant savings to the Water and Sewerage system.

In January 2013, the Water and Sewerage System paid $13,249 to a private sewer treatment plant operator for requisite payments to terminate a contractual agreement. This termination results from a comprehensive analysis of sewer flow capacity with new sewer infrastructure placed in service in the last few years, and a determination was made to consolidate sewer flows into the System's larger sewer treatment plant. This termination payment is accrued as a liability at December 31, 2012, and is regarded as both unusual and infrequent to the operations of the System.

(18) Restatement of 2011 Net Position and Fund Balance

In conformity with GAAP, as set forth in the Statement of Governmental Accounting Standards No. 65 "Items Previously Recognized as Assets and Liabilities," the 2011 Government-wide net position has been restated for Governmental activities, Business-type activities and the Water and Sewerage System fund to record the effect of removing unamortized bond issue costs from the statement of net position and treating them as if they had been expensed in the year incurred.

	Government-wide Statements			Fund Statements
	Governmental activities	Business-type activities	Component unit	Water & Sewerage
2011 Net Position, as originally reported	$ 591,776	989,101	-	989,101
Effect of removing unamortized bond issue costs from Net Position	(2,203)	(3,786)	-	(3,786)
2011 Net Position, as restated	589,573	985,315	-	985,315

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REQUIRED SUPPLEMENTARY INFORMATION

(Unaudited)

FULTON COUNTY, GEORGIA

Required Supplementary Information
Unaudited, and in thousands

December 31, 2012

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

Year Ended	Annual Required Contribution	Employer Contributions	Percentage Contributed
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
December 31, 2010	36,639	37,326	101.9
December 31, 2011	45,049	42,299	93.9
December 31, 2012	51,199	45,936	89.7

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, 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
December 31, 2010	1,144,371	1,567,306	422,935	73.0	57,888	730.6
December 31, 2011	1,104,779	1,604,463	499,684	68.9	49,277	1,014.0
December 31, 2012	1,082,180	1,577,865	495,685	68.6	42,622	1,163.0

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
December 31, 2010	2,492	941,944	939,719	0.00	214,743	437
December 31, 2011	2,689	1,509,799	1,507,110	0.00	224,189	673
December 31, 2012	3,023	1,798,332	1,795,309	0.00	226,479	794

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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, 2012

(In thousands of dollars)

	Special Service District	Northwest Fulton Sub-District	Northeast Fulton Sub-District	Total Special Service District
Assets:				
Cash and cash equivalents	$ 5,488	—	—	5,488
Total assets	$ 5,488	—	—	5,488
Liabilities:				
Accounts payable	$ 745	—	—	745
Total liabilities	745	—	—	745
Fund balances:				
Assigned	4,743	—	—	4,743
Total fund balances	4,743	—	—	4,743
Total liabilities and fund balances	$ 5,488	—	—	5,488

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, 2012

(In thousands of dollars)

	Special Service District	Northwest Fulton Sub-District	Northeast Fulton Sub-District	Total Special Service District
Revenues:				
Taxes	$ 6	—	—	6
Total revenues	6	—	—	6
Expenditures:				
Current:				
Public safety	783	—	—	783
Other nonagency	—	229	—	229
Total expenditures	783	229	—	1,012
Excess (deficiency) of revenues over (under) expenditures	(777)	(229)	—	(1,006)
Other financing sources (uses):				
Transfers out	(2,100)	—	—	(2,100)
Total other financing sources (uses)	(2,100)	—	—	(2,100)
Net change in fund balances	(2,877)	(229)	—	(3,106)
Fund balance at beginning of year	7,620	229	—	7,849
Fund balance at end of year	$ 4,743	—	—	4,743

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, 2012
(In thousands of dollars)

	Non-GAAP budget basis			Variance
	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues:				
Revenues per Budget Law	$ —	—	6	6
Appropriated Fund Balance	—	—	2,883	2,883
Total revenues and other sources, non-GAAP budget basis	$ —	—	2,889	2,889
Reconciliation to GAAP basis:				
To record net change in interest receivable and depreciation of investments			—	
Appropriated fund balance			(2,883)	
Total adjustment to GAAP basis			(2,883)	
Total revenues and other sources, GAAP basis			$ 6	
Expenditures and other uses:				
Non agency	$ 4,968	4,968	783	4,185
Transfers	2,100	2,100	2,100	—
Total expenditures and other uses, non-GAAP budget basis	$ 7,068	7,068	2,883	4,185
Reconciliation to GAAP basis - to record net effect of unrecorded liabilities			—	
Total expenditures and other uses, GAAP basis			$ 2,883	

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, 2012
(In thousands of dollars)

	Non-GAAP budget basis			Variance
	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues:				
Revenues per Budget Law	$ —	—	—	—
Appropriated Fund Balance	—	—	229	229
Total revenues and other sources, non-GAAP budget basis	$ —	—	229	229
Reconciliation to GAAP basis:				
To record net tax receivable and deferred revenue			—	
Appropriated fund balance			(229)	
Total adjustment to GAAP basis			(229)	
Total revenues and other sources, GAAP basis			$ —	
Expenditures and other uses:				
Non agency	$ 229	229	229	—
Transfers	—	—	—	—
Total expenditures and other uses, non-GAAP budget basis	$ 229	229	229	—
Reconciliation to GAAP basis - to record net effect of unrecorded liabilities			—	
Total expenditures and other uses, GAAP basis			$ 229	

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, 2012
(In thousands of dollars)

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

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. The bulk of this activity will be reported in the General fund in future years, while activities deriving dedicated income from outside resources will remain within this fund.

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:

Library Capital Fund – accounts for the resources obtained through intergovernmental agreement for library expenditures within a tax allocation district.

Fulton County Urban Redevelopment Agency – accounts for the resources used in the design, construction, renovation, and furnishing of certain capital projects that are leased exclusively to Fulton County.

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 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, 2012

(in thousands of dollars)

	Debt Service fund	Special Revenue Funds: Special Service Districts	Grants in Aid	Emergency Communications	Stormwater Management	General Government Services
Assets:						
Cash and cash equivalents	$ 6,931	5,488	2,976	259	463	105
Investments	—	—	—	—	—	—
Receivables (net of allowances):						
Taxes	339	—	—	—	—	—
Accounts	—	—	—	—	—	188
Due from other governments	—	—	3,323	99	—	—
Total assets	$ 7,270	5,488	6,299	358	463	293
Liabilities:						
Accounts payable	$ —	745	4,200	242	—	—
Due to others	—	—	—	46	—	—
Total liabilities	—	745	4,200	288	—	—
Deferred Inflows of Resources:						
Unavailable revenue	387	—	—	—	—	—
Total deferred inflows of resources	387	—	—	—	—	—
Fund balances (deficit):						
Nonspendable	—	—	—	—	—	—
Restricted	6,883	—	2,099	70	—	—
Committed	—	—	—	—	—	—
Assigned	—	4,743	—	—	463	293
Unassigned	—	—	—	—	—	—
Total fund balances (deficit)	6,883	4,743	2,099	70	463	293
Total liabilities, deferred inflows of resources and fund balances	$ 7,270	5,488	6,299	358	463	293

(continued)

FULTON COUNTY, GEORGIA

Combining Balance Sheet
Non-Major Governmental Funds

December 31, 2012

(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	$ 168	678	8,160	—	4,680	2,400	3
Investments	—	—	—	—	—	—	—
Receivables (net of allowances):							
Taxes	—	—	—	—	—	—	—
Accounts	—	—	—	—	—	—	—
Due from other governments	1,982	—	390	—	—	—	—
Total assets	$ 2,150	678	8,550	—	4,680	2,400	3
Liabilities:							
Accounts payable	$ 410	—	—	—	—	2	—
Due to others	—	—	1,619	—	1,844	—	—
Total liabilities	410	—	1,619	—	1,844	2	—
Deferred Inflows of Resources:							
Unavailable revenue	—	—	—	—	—	—	—
Total deferred inflows of revenues	—	—	—	—	—	—	—
Fund balances (deficit):							
Nonspendable	—	—	—	—	—	—	—
Restricted	1,740	—	6,931	—	—	—	—
Committed	—	678	—	—	—	—	—
Assigned	—	—	—	—	2,836	2,398	3
Unassigned	—	—	—	—	—	—	—
Total fund balances (deficit)	1,740	678	6,931	—	2,836	2,398	3
Total liabilities, deferred inflows of resources and fund balances	$ 2,150	678	8,550	—	4,680	2,400	3

FULTON COUNTY, GEORGIA

Combining Balance Sheet
Non-Major Governmental Funds

December 31, 2012

Library Capital	Fulton County Urban Redevelopment Agency	Capital Improvements	Fulton County Building Authority	Other capital projects	Special Service District projects	Transportation Improvements	Total Non-major Governmental Funds
2,700	9,106	18,689	422	2,808	2,956	8,219	77,211
—	10,007	—	—	—	—	—	10,007
—	4	—	—	—	—	—	343
—	—	—	—	—	—	—	188
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	5,794
2,700	19,117	18,689	422	2,808	2,956	8,219	93,543
—	897	1,098	—	1	412	633	8,640
—	—	—	—	—	—	—	3,509
—	897	1,098	—	1	412	633	12,149
—	—	—	—	—	—	—	387
—	—	—	—	—	—	—	387
—	—	—	—	—	—	—	—
2,700	18,220	—	422	—	—	—	39,065
—	—	—	—	—	—	—	678
—	—	17,591	—	2,807	2,544	7,586	41,264
—	—	—	—	—	—	—	—
2,700	18,220	17,591	422	2,807	2,544	7,586	81,007
2,700	19,117	18,689	422	2,808	2,956	8,219	93,543

FULTON COUNTY, GEORGIA

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

For the year ended December 31, 2012

(in thousands of dollars)

	Debt Service fund	Special Revenue Funds				
		Special Service Districts	Grants in Aid	Emergency Telephone	Stormwater Management	General Government Services
Revenues:						
Taxes	$ 12,880	6	—	—	—	—
Intergovernmental	2,226	—	43,761	—	—	—
Charges for services	—	—	3,014	2,873	—	—
Courts and law enforcement	—	—	—	—	—	—
Use of money and property	33	—	3	—	—	—
Miscellaneous	—	—	—	—	—	207
Net appreciation (depreciation) in investments	—	—	—	—	—	—
Total revenues	15,139	6	46,778	2,873	—	207
Expenditures:						
Current:						
Administration	—	—	283	—	—	158
Public safety	—	783	—	4,436	—	—
Infrastructure and facilities	—	—	—	—	158	—
Social services	—	—	21,519	—	—	—
Health services	—	—	27,567	—	—	—
Other nonagency	—	229	—	—	—	—
Capital outlay	—	—	—	—	—	—
Debt service:						
Principal retirement	22,186	—	—	—	—	—
Interest	15,191	—	—	—	—	—
Total expenditures	37,377	1,012	49,369	4,436	158	158
Excess (deficiency) of revenues over (under) expenditures	(22,238)	(1,006)	(2,591)	(1,563)	(158)	49
Other financing sources (uses):						
Capital lease refunding obligations	—	—	—	—	—	—
Transfers in	25,951	—	1,788	1,630	—	—
Transfers out	—	(2,100)	—	—	—	—
Total other financing sources (uses)	25,951	(2,100)	1,788	1,630	—	—
Net change in fund balances	3,713	(3,106)	(803)	67	(158)	49
Fund balance at beginning of year	3,170	7,849	2,902	3	621	244
Fund balance (deficit) at end of year	$ 6,883	4,743	2,099	70	463	293

FULTON COUNTY, GEORGIA

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

For the year ended December 31, 2012

(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**
$ —	—	—	144	—	—	—
13,204	—	—	—	—	358	—
7,734	—	—	—	—	—	—
—	—	5,318	—	—	—	—
—	—	—	—	1	3	—
—	251	—	—	—	1	—
—	—	—	—	—	—	—
20,938	251	5,318	144	1	362	—
—	—	—	—	—	820	—
—	—	5,809	—	—	—	—
—	169	—	—	—	—	—
—	—	—	—	15	—	—
32,423	—	—	—	—	—	—
—	—	—	144	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
32,423	169	5,809	144	15	820	—
(11,485)	82	(491)	—	(14)	(458)	—
—	—	—	—	—	—	—
15,310	—	—	—	25	—	—
—	—	(39)	—	—	—	—
15,310	—	(39)	—	25	—	—
3,825	82	(530)	—	11	(458)	—
(2,085)	596	7,461	—	2,825	2,856	3
$ 1,740	678	6,931	—	2,836	2,398	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, 2012

(in thousands of dollars)

	Library Capital	Fulton County Urban Redevelopment Agency	Capital Improvements	Fulton County Building Authority	Other Capital Projects	Special Service District Projects	Transportation Improvements	Total Nonmajor Governmental Funds
Revenues:								
Taxes	—	—	—	—	—	—	—	13,030
Intergovernmental	1,350	—	—	—	—	—	604	61,503
Charges for services	—	—	—	—	—	—	—	13,621
Courts and law enforcement	—	—	—	—	—	—	—	5,318
Use of money and property	—	83	163	—	71	4	428	789
Miscellaneous	—	—	—	—	—	—	—	459
Net appreciation (depreciation) in investments	—	4	—	—	—	23	—	27
Total revenues	1,350	87	163	—	71	27	1,032	94,747
Expenditures:								
Current:								
Administration	—	—	—	—	—	—	—	1,261
Public safety	—	—	—	—	—	—	—	11,028
Infrastructure and facilities	—	9,177	—	—	2,968	—	—	12,472
Social services	—	—	—	—	—	—	—	21,534
Health services	—	—	—	—	—	—	—	59,990
Other nonagency	—	—	—	—	—	—	—	373
Capital outlay	—	—	9,598	—		2,026	2,038	13,662
Debt service:								
Principal retirement	—	—	—	—	—	—	—	22,186
Interest	—	—	—	—	—	—	—	15,191
Total expenditures	—	9,177	9,598	—	2,968	2,026	2,038	157,697
Excess (deficiency) of revenues over (under) expenditures	1,350	(9,090)	(9,435)	—	(2,897)	(1,999)	(1,006)	(62,950)
Other financing sources (uses):								
Capital lease refunding obligations	—	—	—	—	3,138	—	—	3,138
Transfers in	—	—	4,982	—	1,672	500	—	51,858
Transfers out	—	(74)	(7,808)	—	—	—	—	(10,021)
Total other financing sources (uses)	—	(74)	(2,826)	—	4,810	500	—	44,975
Net change in fund balances	1,350	(9,164)	(12,261)	—	1,913	(1,499)	(1,006)	(17,975)
Fund balance at beginning of year	1,350	27,384	29,852	422	894	4,043	8,592	98,982
Fund balance at end of year	2,700	18,220	17,591	422	2,807	2,544	7,586	81,007

FULTON COUNTY, GEORGIA
Debt Service funds
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budget Basis)
For the year ended December 31, 2012

(In thousands of dollars)

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Debt Service funds:				
Revenues				
Taxes	$ 11,211	11,211	13,306	2,095
Other revenues per Budget law	—	—	2,259	2,259
Transfers	25,951	25,951	25,951	—
Appropriated Fund Balance	215	215	(4,139)	(4,354)
Total revenues	$ 37,377	37,377	37,377	—
Reconciliation to GAAP basis:				
To record net change in taxes receivable and deferred revenues			(426)	
Appropriated Fund Balance			4,139	
Total adjustment to GAAP basis			3,713	
Total revenues and other sources, GAAP basis			41,090	
Expenditures				
Principal	$ 22,186	22,186	22,186	—
Interest	15,191	15,191	15,191	—
Total expenditures	$ 37,377	37,377	37,377	—
Total expenditures and other uses, GAAP basis			37,377	

FULTON COUNTY, GEORGIA

Special Revenue funds

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

For the year ended December 31, 2012

(In thousands of dollars)

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Grants in Aid				
Revenues				
Intergovernmental revenue	44,456	44,456	44,605	149
Other general revenues	$ 4,500	4,500	3,017	(1,483)
Transfers	1,179	1,179	2,430	1,251
Appropriated Fund Balance	—	—	(982)	(982)
Total revenues	$ 50,135	50,135	49,070	(1,065)
Reconciliation to GAAP basis:				
To record effect of receivables			(1,486)	
Appropriated Fund Balance			982	
Total revenues and other sources, GAAP basis			48,566	
Expenditures				
Administration	305	305	283	22
Social and Health services	22,180	22,180	21,521	659
Health services	27,650	27,650	27,266	384
Total expenditures	$ 50,135	50,135	49,070	1,065
Reconciliation to GAAP basis - to record net effect of unrecorded liabilities			299	
Total expenditures and other uses, GAAP basis			49,369	
Emergency Communications - 911				
Revenues				
Charges for Services	$ 2,900	2,900	2,873	(27)
Transfers	1,630	1,630	1,630	—
Appropriated fund balance	145	145	(61)	206
Total revenues	4,675	4,675	4,442	179
Reconciliation to GAAP basis:				
Appropriated Fund Balance			61	
Total revenues and other sources, GAAP basis			4,503	
Expenditures				
Total expenditures	$ 4,675	4,675	4,442	233
Reconciliation to GAAP basis - to record net effect of unrecorded liabilities			(6)	
Total expenditures and other uses, GAAP basis			4,436	

FULTON COUNTY, GEORGIA

Special Revenue funds

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

For the year ended December 31, 2012

(In thousands of dollars)

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Stormwater Management:				
Revenues				
Appropriated fund balance	$ 250	250	158	250
Total revenues	250	250	158	250
Reconciliation to GAAP basis:				
Appropriated Fund Balance			(158)	
Total revenues and other sources, GAAP basis			—	
Expenditures				
Total expenditures	$ 250	250	158	92
Total expenditures and other uses, GAAP basis			158	

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
General Government services:				
Revenues				
Miscellaneous	$ 48	48	207	159
Appropriated Fund Balance	157	157	(49)	(206)
Total revenues	$ 205	205	158	(47)
Reconciliation to GAAP basis:				
Appropriated Fund Balance			49	
Total revenues and other sources, GAAP basis			207	
Expenditures				
Total administrative expenditures	$ 205	205	158	47
Total expenditures and other uses, GAAP basis			158	

FULTON COUNTY, GEORGIA

Special Revenue funds

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

For the year ended December 31, 2012

(In thousands of dollars)

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Public Health Services				
Revenues				
Intergovernmental revenue-State	15,176	15,176	13,430	(1,746)
Other general revenues	$ 7,232	7,232	7,734	502
Transfers	15,310	15,310	15,310	—
Appropriated Fund Balance	—	—	(4,065)	(4,065)
Total revenues	$ 37,718	37,718	32,409	(5,309)
Reconciliation to GAAP basis:				
To record effect of receivables			(226)	
Appropriated Fund Balance			4,065	
Total revenues and other sources, GAAP basis			36,248	
Expenditures				
Total expenditures	$ 37,718	37,718	32,409	5,309
Reconciliation to GAAP basis - to record net effect of unrecorded liabilities			14	
Total expenditures and other uses, GAAP basis			32,423	

Public Education Government Television

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Miscellaneous	$ —	—	251	251
Appropriated Fund Balance	596	596	(82)	(678)
Total revenues	$ 596	596	169	(427)
Reconciliation to GAAP basis:				
Appropriated Fund Balance			82	
Total revenues and other sources, GAAP basis			251	
Expenditures				
Total expenditures	$ 596	596	169	427
Total expenditures and other uses, GAAP basis			169	

FULTON COUNTY, GEORGIA

Special Revenue funds

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

For the year ended December 31, 2012

(In thousands of dollars)

Law Enforcement and Justice services:	**Original Budget**	**Final Budget**	**Actual**	**Variance Positive (Negative)**
Revenues				
Anticipated revenues	$ 3,608	3,608	5,318	1,710
Appropriated Fund Balance	3,770	3,770	530	(3,240)
Total revenues	$ 7,378	7,378	5,848	(1,530)
Reconciliation to GAAP basis:				
Appropriated Fund Balance			(530)	
Total revenues and other sources, GAAP basis			5,318	
Expenditures				
Total expenditures	$ 7,378	7,378	5,848	1,530
Total expenditures and other uses, GAAP basis			5,848	

Hotel Motel:	**Original Budget**	**Final Budget**	**Actual**	**Variance Positive (Negative)**
Revenues				
Anticipated revenues	$ 160	160	144	(16)
Total revenues	$ 160	160	144	(16)
Reconciliation to GAAP basis:				
Appropriated Fund Balance			—	
Total revenues and other sources, GAAP basis			144	
Expenditures				
Total Non-agency expenditures	$ 160	160	144	16
Total expenditures and other uses, GAAP basis			144	

FULTON COUNTY, GEORGIA

Special Revenue funds

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

For the year ended December 31, 2012

(In thousands of dollars)

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Social and Cultural services:				
Revenues				
Anticipated revenues	$ —	—	26	26
Appropriated Fund Balance	459	459	(11)	(470)
Total revenues	$ 459	459	15	(444)
Reconciliation to GAAP basis:				
Appropriated Fund Balance			11	
Total revenues and other sources, GAAP basis			26	
Expenditures				
Total expenditures	$ 459	459	15	444
Total expenditures and other uses, GAAP basis			15	

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Other Special revenue funds:				
Revenues				
Anticipated revenues	$ —	—	362	362
Appropriated Fund Balance	828	828	459	(369)
Total revenues	$ 828	828	821	(7)
Reconciliation to GAAP basis:				
Appropriated Fund Balance			(459)	
Total revenues and other sources, GAAP basis			362	
Expenditures				
Total expenditures	$ 828	828	820	8
Total expenditures and other uses, GAAP basis			820	

	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 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.

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 Position
Non-major Enterprise Funds

December 31, 2012

(In thousands of dollars)

Assets	Business Type Activities - Enterprise Funds			Total Non-major Enterprise Funds
	Sandy Springs Contractual services fund	Johns Creek Contractual services fund	Airport fund	
Current assets:				
Cash and cash equivalents	$ —	—	1,895	1,895
Due from other governments, net	500	581	—	1,081
Total current assets	500	581	1,895	2,976
Noncurrent assets:				
Nondepreciable capital assets	—	—	27,909	27,909
Depreciable capital assets (net of accumulated depreciation)	—	—	682	— 682
Total noncurrent assets	—	—	28,591	28,591
Total assets	500	581	30,486	31,567
Liabilities:				
Current liabilities (payable from current assets):				
Accounts payable & accrued expenses	$ 500	581	220	1,301
Total liabilities	500	581	220	1,301
Net Position:				
Net investment in capital assets	—	—	28,591	28,591
Unrestricted	—	—	1,675	1,675
Total net position	$ —	—	30,266	30,266

FULTON COUNTY, GEORGIA

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

For the year ended December 31, 2012

(In thousands of dollars)

	Business Type Activities - Enterprise Funds			Total
	Sandy Springs Contractual services fund	Johns Creek Contractual services fund	Airport fund	Non-major Enterprise Funds
Operating revenues:				
Charges for services	$ —	—	1,446	1,446
Total operating revenues	—	—	1,446	1,446
Operating expenses:				
Administrative and general	—	—	291	291
Depreciation and amortization	—	—	169	169
Personal services	—	—	1,011	1,011
Contractual services	—	—	—	—
Total operating expenses	—	—	1,471	1,471
Operating income (loss)	—	—	(25)	(25)
Income (loss) before contributions	—	—	(25)	(25)
Capital contributions	—	—	—	—
Transfer in	—	—	—	—
Change in net position	—	—	(25)	(25)
Net position at beginning of year	—	—	30,291	30,291
Prior period adjustment - Note 16	—	—	—	—
Net position at beginning of year, as restated	—	—	30,291	30,291
Net position at end of year	$ —	—	30,266	30,266

FULTON COUNTY, GEORGIA

Combining Statement of Cash Flows
Non-major Enterprise funds

For the year ended December 31, 2012

(In thousands of dollars)

	Business Type Activities - Enterprise Funds			Total
	Sandy Springs Contractual services fund	Johns Creek Contractual services fund	Airport fund	Non-major Enterprise Funds
Cash flows from operating activities:				
Receipts from customers and users	$ —	—	1,446	1,446
Payments to suppliers	—	—	(281)	(281)
Payments to employees	—	—	(803)	(803)
Net cash provided by (used in) operating activities	—	—	362	362
Cash flows from capital and related financing activities:				
Additions to property, plant, and equipment	—	—	—	—
Net cash used by capital and related financing activities	—	—	—	—
(Decrease) increase in cash and cash equivalents	—	—	362	362
Cash and cash equivalents at beginning of year	—	—	1,533	1,533
Cash and cash equivalents at end of year	$ —	—	1,895	1,895
Reconcilation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	$ —	—	(25)	(25)
Adjustments to reconcile operating (loss) income to net cash provided by (used in) operating activities:				
Depreciation and amortization	—	—	169	169
Changes in assets and liabilities:				
Changes in customer receivables - net	—	—	—	—
Other assets	—	—	—	—
Change in due from other governments - net	646	—	—	646
Accounts and claims payable	(646)	—	218	(428)
Net cash provided by (used in) operating activities	$ —	—	362	362

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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 Position
Internal Service Funds

December 31, 2012

(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	$ —	14,582	10,051	446	25,079
Other current assets	320	6,593	—	—	6,913
Total assets	320	21,175	10,051	446	31,992
Liabilities and Net Position					
Current liabilities:					
Accounts payable	320	12	2,545	—	2,877
Claims payable	—	9,532	2,000	—	11,532
Total liabilities	320	9,544	4,545	—	14,409
Net position:					
Unrestricted	—	11,631	5,506	446	17,583
Total net position	$ —	11,631	5,506	446	17,583

FULTON COUNTY, GEORGIA

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

Internal Service Funds

For the year ended December 31, 2012

(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	$ 7,019	87,926	10,245	384	105,574
Operating expenses:					
Contractual services	—	86,675	—	—	86,675
Administrative and general	7,019	—	13,882	—	20,901
Total operating expenses	7,019	86,675	13,882	—	107,576
Operating income (loss)	—	1,251	(3,637)	384	(2,002)
Net position at beginning of year	—	10,380	9,143	62	19,585
Net position at end of year	$ —	11,631	5,506	446	17,583

FULTON COUNTY, GEORGIA

Combining Statement of Cash Flows
Internal Service Funds

For the year ended December 31, 2012

(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	$ 6,904	89,534	10,245	384	107,067
Payments to suppliers	(6,904)	(85,386)	(13,282)	—	(105,572)
Net cash provided by (used in) operating activities	—	4,148	(3,037)	384	1,495
Increase (decrease) in cash and cash equivalents	—	4,148	(3,037)	384	1,495
Cash and cash equivalents at beginning of year	—	10,434	13,088	62	23,584
Cash and cash equivalents at end of year	$ —	14,582	10,051	446	25,079
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	$ —	1,251	(3,637)	384	(2,002)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Changes in assets and liabilities:					
Other current assets	(115)	1,608	—	—	1,493
Accounts and claims payable	115	1,289	600	—	2,004
Net cash provided by (used in) operating activities	$ —	4,148	(3,037)	384	1,495

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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 Position
Fiduciary Funds
Agency Funds

December 31, 2012

(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	$ 13,285	18,014	18,263	88	191	27,981	1,819	79,641
Taxes receivable	53,441	—	—	—	—	—	—	53,441
Total assets	$ 66,726	18,014	18,263	88	191	27,981	1,819	133,082
Liabilities								
Due to other taxing districts	$ 66,726	—	—	—	—	—	—	66,726
Due to others	—	18,014	18,263	88	191	27,981	1,819	66,356
Total liabilities	$ 66,726	18,014	18,263	88	191	27,981	1,819	133,082

FULTON COUNTY, GEORGIA

Statement of Changes in Assets and Liabilities

Fiduciary Funds
Agency Funds

For the year ended December 31, 2012

(In thousands of dollars)

	Balance January 1, 2012	Additions	Deductions	Balance December 31, 2012
Tax Commissioner:				
Assets				
Cash and cash equivalents	$ 13,522	2,031,592	2,031,829	13,285
Taxes receivable	83,959	1,160,728	1,191,246	53,441
	$ 97,481	3,192,320	3,223,075	66,726
Liabilities				
Due to other taxing districts	$ 97,481	3,192,320	3,223,075	66,726
Superior Court:				
Assets				
Cash and cash equivalents	$ 17,886	83,051	82,923	18,014
Liabilities				
Due to others	$ 17,886	83,051	82,923	18,014
State Court:				
Assets				
Cash and cash equivalents	$ 20,125	47,006	48,868	18,263
Liabilities				
Due to others	$ 20,125	47,006	48,868	18,263

(Continued)

FULTON COUNTY, GEORGIA

Statement of Changes in Assets and Liabilities

Fiduciary Funds
Agency Funds

For the year ended December 31, 2012

(In thousands of dollars)

	Balance January 1, 2012	Additions	Deductions	Balance December 31, 2012
Juvenile Court:				
Assets				
Cash and cash equivalents	$ 87	86	85	88
Liabilities				
Due to others	$ 87	86	85	88
Probate Court:				
Assets				
Cash and cash equivalents	$ 183	21	13	191
Liabilities				
Due to others	$ 183	21	13	191
Sheriff and Criminal Court:				
Assets				
Cash and cash equivalents	$ 26,995	44,977	43,991	27,981
Liabilities				
Due to others	$ 26,995	44,977	43,991	27,981
District Attorney:				
Assets				
Cash and cash equivalents	$ 1,822	1,113	1,116	1,819
Liabilities				
Due to others	$ 1,822	1,113	1,116	1,819

(Continued)

FULTON COUNTY, GEORGIA

Statement of Changes in Assets and Liabilities

Fiduciary Funds
Agency Funds

For the year ended December 31, 2012

(In thousands of dollars)

	Balance January 1, 2012	Additions	Deductions	Balance December 31, 2012
Total - All Agency Funds:				
Assets				
Cash and cash equivalents	$ 80,620	2,207,846	2,208,825	79,641
Taxes receivable	83,959	1,160,728	1,191,246	53,441
	$ 164,579	3,368,574	3,400,071	133,082
Liabilities				
Due to other taxing districts	$ 97,481	3,192,320	3,223,075	66,726
Due to others	67,098	176,254	176,996	66,356
	$ 164,579	3,368,574	3,400,071	133,082

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, 2012

(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
2013	11,257	7,909	30,548	49,714
2014	11,272	7,934	29,265	48,471
2015	11,271	—	38,809	50,080
2016	11,268	—	38,811	50,079
2017	11,005	—	38,810	49,815
2018	11,005	—	38,806	49,811
2019	10,995	—	38,811	49,806
2020	10,931	—	38,813	49,744
2021	10,863	—	38,809	49,672
2022	10,791	—	38,814	49,605
2023	10,715	—	38,804	49,519
2024	10,639	—	38,814	49,453
2025	10,555	—	38,810	49,365
2026	10,447	—	38,810	49,257
2027	10,345	—	38,811	49,156
2028	10,244	—	38,814	49,058
2029	10,133	—	38,813	48,946
2030	10,022	—	38,814	48,836
2031	9,900	—	38,817	48,717
2032	9,776	—	38,812	48,588
2033	9,645	—	38,817	48,462
2034	9,512	—	38,815	48,327
2035	9,377	—	—	9,377
2036	9,234	—	—	9,234
2037	9,089	—	—	9,089
2038	8,939	—	—	8,939
2039	8,781	—	—	8,781
	$ 278,011	15,843	836,047	1,129,901

FULTON COUNTY, GEORGIA

Other Schedules
Debt Service Requirements to Maturity
General Obligation Bonds
(2010 Library bonds)

December 31, 2012

(In thousands of dollars)

Calendar year		Principal	Interest	Totals
2013	$	4,040	7,217	11,257
2014		4,200	7,072	11,272
2015		4,370	6,901	11,271
2016		4,545	6,723	11,268
2017		4,440	6,565	11,005
2018		4,575	6,430	11,005
2019		4,715	6,280	10,995
2020		4,820	6,111	10,931
2021		4,930	5,933	10,863
2022		5,050	5,741	10,791
2023		5,180	5,535	10,715
2024		5,320	5,319	10,639
2025		5,465	5,090	10,555
2026		5,615	4,832	10,447
2027		5,795	4,550	10,345
2028		5,985	4,259	10,244
2029		6,175	3,958	10,133
2030		6,375	3,647	10,022
2031		6,580	3,320	9,900
2032		6,800	2,976	9,776
2033		7,025	2,620	9,645
2034		7,260	2,252	9,512
2035		7,505	1,872	9,377
2036		7,755	1,479	9,234
2037		8,015	1,074	9,089
2038		8,285	654	8,939
2039		8,560	221	8,781
	$	159,380	118,631	278,011
Unamortized premium at December 31, 2012		2,165	(2,165)	—
	$	161,545	116,466	278,011

FULTON COUNTY, GEORGIA

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

December 31, 2012

(In thousands of dollars)

Calendar year	Principal	Interest	Totals
2013	$ 7,170	739	7,909
2014	7,555	379	7,934
	14,725	1,118	15,843
Unamortized premium at December 31, 2012	53	(53)	—
	$ 14,778	1,065	15,843

FULTON COUNTY, GEORGIA

Other Schedules
Debt Service Requirements to Maturity
Water and Sewerage Revenue Bonds
Series 2004 and 2011

December 31, 2012

(In thousands of dollars)

Calendar year	Principal	Interest	Totals
2013	$ 5,920	24,628	30,548
2014	4,920	24,345	29,265
2015	14,650	24,159	38,809
2016	15,325	23,486	38,811
2017	16,090	22,720	38,810
2018	16,875	21,931	38,806
2019	17,720	21,091	38,811
2020	18,605	20,208	38,813
2021	19,520	19,289	38,809
2022	20,490	18,324	38,814
2023	21,505	17,299	38,804
2024	22,590	16,224	38,814
2025	23,715	15,095	38,810
2026	24,900	13,910	38,810
2027	26,145	12,666	38,811
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	1,880	38,815
	492,845	343,202	836,047
Unamortized premium at December 31, 2012	36,395	(36,395)	—
	$ 529,240	306,807	836,047

FULTON COUNTY, GEORGIA
Other Schedules
Hotel/Motel Tax Collections and Expenditures
Year ended December 31, 2012

Collection Rate	Hotel/Motel Tax Collected	Collection Period from January 1st to December 31st 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%	$144,290	144,290	—	144,290	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. 100-103

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. 104-109

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. 110-114

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. 115-116

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 117-119

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 Position by Component
Last Ten Fiscal Years
(accrual basis of accounting, in thousands)

	Fiscal Year									
	2012	2011*	2010	2009	2008	2007	2006	2005	2004	2003
Governmental activities										
Net investment in capital assets	$ 634,016	631,476	633,358	645,956	647,458	656,111	652,890	733,571	932,446	896,321
Restricted	42,280	50,807	33,487	20,165	21,774	23,378	33,581	57,364	78,932	129,112
Unrestricted	(201,606)	(92,710)	35,366	82,669	139,273	225,015	341,604	260,036	232,808	169,295
Total governmental activities net position	$ 474,690	589,573	702,211	748,790	808,505	904,504	1,028,075	1,050,971	1,244,186	1,194,728
Business-type activities										
Net investment in capital assets	$ 706,517	729,671	778,505	799,958	667,975	576,528	687,192	667,370	607,009	622,140
Restricted	39,482	39,316	39,078	46,015	45,833	43,973	42,899	40,911	41,809	31,795
Unrestricted	240,012	246,619	232,070	216,790	369,659	380,390	292,828	277,702	247,382	227,944
Total business-type activities net position	$ 986,011	1,015,606	1,049,653	1,062,763	1,083,467	1,000,891	1,022,919	985,983	896,200	881,879
Primary government										
Net investment in capital assets	$ 1,340,533	1,361,147	1,411,863	1,445,914	1,315,433	1,232,639	1,340,082	1,400,941	1,539,455	1,518,461
Restricted	81,762	90,123	72,565	66,180	67,607	67,351	76,480	98,275	120,741	160,907
Unrestricted	38,406	153,909	267,436	299,459	508,932	605,405	634,432	537,738	480,190	397,239
Total primary government net position	$ 1,460,701	1,605,179	1,751,864	1,811,553	1,891,972	1,905,395	2,050,994	2,036,954	2,140,386	2,076,607

*2011 balances have been restated to reflect the cumulative effect of applying GASB Statement 65.

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

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Expenses										
Governmental activities										
Administration	$ 107,704	109,122	103,734	105,089	115,606	107,926	102,619	97,780	100,089	101,552
Public Safety	181,224	184,163	172,972	179,965	182,435	179,690	183,189	194,271	177,082	174,471
Legal	131,545	148,350	135,775	146,809	139,901	141,646	12,643	115,217	112,916	107,698
Infrastructure and facilities	74,308	52,499	56,037	71,554	74,237	49,225	73,431	81,466	67,431	61,116
Social services	80,999	119,044	116,913	116,906	125,031	127,604	113,521	106,794	111,306	118,008
Health services	181,674	149,504	129,931	163,408	168,845	184,066	160,904	160,770	158,414	158,087
Interest and other debt related costs	16,204	18,364	10,980	12,756	16,561	17,450	17,767	17,053	18,277	19,161
Total governmental activities expenses	773,658	781,046	726,342	796,487	822,616	807,607	664,074	773,351	745,515	740,093
Business-type activities										
Water and sewerage services	135,118	148,303	132,711	128,430	123,175	170,210	116,826	116,583	99,571	89,262
Contractual services	—	—	—	—	6,901	6,944	14,430	—	—	—
Airport services	1,471	1,218	1,097	1,040	1,098	1,008	1,187	875	965	806
Total business-type activities expenses	136,589	149,521	133,808	129,470	131,174	178,162	132,443	117,458	100,536	90,068
Total primary government expenses	$ 910,247	930,567	860,150	925,957	953,790	985,769	796,517	890,809	846,051	830,161
Program Revenues										
Governmental activities										
Charges for services										
Public and Mental health fees	$ 7,734	7,661	8,225	8,130	6,258	8,030	8,094	9,375	10,433	12,073
Emergency communication fees	2,873	3,810	3,891	6,941	8,033	7,572	6,978	8,449	5,295	5,317
Legal and adjudication	31,079	28,988	39,597	38,425	33,541	31,535	33,803	27,080	30,139	21,724
License and permits	6,521	5,456	5,707	6,134	7,850	7,850	16,286	28,852	23,927	19,387
Other	9,312	10,113	8,882	8,590	7,703	4,726	9,362	8,036	11,674	10,089
Total Charges for Services	57,519	56,028	66,302	68,220	63,385	59,713	74,523	81,792	81,468	68,590
Operating grants and contributions	60,499	65,356	66,991	57,184	54,152	46,460	55,454	61,850	57,732	58,855
Capital grants and contributions	2,312	3,762	983	5,879	7,842	6,225	21,056	50,871	25,205	48,123
Total governmental activities program revenues	120,330	125,146	134,276	131,283	125,379	112,398	151,033	194,513	164,405	175,568
Business-type activities										
Charges for services	121,506	120,276	121,506	108,472	114,501	102,918	138,491	134,464	119,138	97,823
Capital grants and contributions	—	—	—	438	19,475	—	6,211	60,455	8,954	12,969
Total business-type activities program revenues	121,506	120,276	121,506	108,910	133,976	102,918	144,702	194,919	128,092	110,792
Total primary government program revenues	$ 241,836	245,422	255,782	240,193	259,355	215,316	295,735	389,432	292,497	286,360
Net (Expense) Revenue										
Governmental activities	$ (653,328)	(655,900)	(592,066)	(665,204)	(697,237)	(695,209)	(626,831)	(578,838)	(581,110)	(564,525)
Business-type activities	(15,083)	(29,245)	(12,302)	(20,560)	2,802	(75,244)	12,259	77,461	27,556	20,724
Total primary government net expense	$ (668,411)	(685,145)	(604,368)	(685,764)	(694,435)	(770,453)	(614,572)	(501,377)	(553,554)	(543,801)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	$ 467,779	477,259	482,346	527,018	525,265	486,521	523,418	491,448	493,829	502,930
Sales taxes	36,184	33,991	30,543	32,382	35,374	39,761	60,671	74,930	68,949	62,911
Other taxes	5,454	5,165	4,430	4,466	4,393	8,046	13,299	15,639	14,897	13,589
Intergovernmental unrestricted revenues	2,898	—	—	11,469	—	12,948	15,105	15,917	15,475	15,790
Commissions on tax collections	14,628	15,377	17,181	16,588	15,131	15,043	14,471	12,928	12,204	12,707
Use of money and property	6,517	7,091	5,779	9,348	17,098	23,654	27,488	22,585	16,439	13,837
Miscellaneous	4,985	6,582	5,207	4,219	8,688	4,953	2,810	5,603	8,775	4,074
Special and extraordinary items	—	—	—	—	(22,788)	(16,422)	1,418	—	—	(2,317)
Total governmental activities	538,445	545,465	545,486	605,490	583,161	574,504	658,680	639,050	630,568	623,521
Business-type activities										
Use of money and property	666	610	1,277	1,651	13,971	9,693	26,223	13,000	3,826	6,538
Miscellaneous	(1,929)	(1,626)	(2,085)	(1,795)	467	—	(1,546)	(678)	714	—
Extraordinary items	(13,249)	—	—	—	—	—	—	—	—	—
Total business-type activities	(14,512)	(1,016)	(808)	(144)	14,438	9,693	24,677	12,322	4,540	6,538
Total primary government	$ 523,933	544,449	544,678	605,346	597,599	584,197	683,357	651,372	635,108	630,059
Change in Net Position										
Governmental activities	$ (114,883)	(110,435)	(46,580)	(59,714)	(114,076)	(128,390)	31,849	60,212	49,458	58,996
Business-type activities	(29,595)	(30,261)	(13,110)	(20,704)	17,240	(65,508)	36,936	89,783	32,096	27,262
Total primary government	$ (144,478)	(140,696)	(59,690)	(80,418)	(96,836)	(193,898)	68,785	149,995	81,554	86,258

FULTON COUNTY, GEORGIA
Fund Balances, Governmental funds
Last Ten Fiscal Years

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General fund										
Unassigned	88,985	128,561								
Unreserved			150,230	95,041	76,233	97,362	136,195	100,208	106,444	89,370
Total general fund	$ 88,985	128,561	150,230	95,041	76,233	97,362	136,195	100,208	106,444	89,370
Special Service District Fund										
Unassigned	6,714	5,123								
Unreserved			3,596	1,924	16,033	16,015	38,171	44,646	21,419	13,740
Total Special District fund	$ 6,714	5,123	3,596	1,924	16,033	16,015	38,171	44,646	21,419	13,740
Library Bond fund										
Restricted	$ 159,268	166,813								
Designated for capital projects		—	168,445							
Total Library bond fund	$ 159,268	166,813	168,445							
All Other Governmental Funds										
Nonspendable	$ —	—								
Restricted	39,065	42,691								
Committed	678	596								
Assigned	41,264	57,780								
Unassigned	—	(2,085)								
Reserved			7,129	18,917	21,347	24,997	47,198	45,054	49,830	58,384
Unreserved, reported in:										
Special revenue funds			25,613	33,931	24,752	27,072	31,160	25,191	34,655	30,178
Capital projects funds			66,876	50,357	57,546	76,157	76,818	77,388	87,267	92,540
Total all other governmental funds	$ 81,007	99,618	99,618	103,205	103,645	128,226	155,176	147,633	171,752	181,102
Total governmental funds	$ 335,974	421,889	421,889	200,170	195,911	241,603	329,542	292,487	299,615	284,212

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 Ten Fiscal Years
(modified accrual basis of accounting, in thousands)

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Revenues										
Taxes	$ 513,212	515,240	541,331	567,601	544,346	531,613	592,175	574,336	577,885	577,952
Intergovernmental	65,709	69,118	67,974	74,124	55,178	64,867	70,739	78,208	74,870	76,493
Charges for services	43,675	41,400	52,532	53,283	45,688	43,256	48,001	44,991	41,165	41,499
Courts and law enforcement	21,951	24,549	25,244	25,391	24,978	23,650	24,707	20,877	28,580	20,411
Use of money and property	6,333	7,101	5,704	9,213	16,994	23,821	27,430	22,524	16,476	13,979
Licenses and permits	6,521	5,456	5,707	6,134	7,850	7,850	16,286	28,852	23,927	19,387
Miscellaneous	4,985	6,582	5,207	4,219	8,688	4,953	2,810	5,603	8,775	4,074
Net (depreciation) appreciation in investments	184	(10)	75	135	104	(167)	58	61	(37)	(142)
Total revenues	662,570	669,436	703,774	740,100	703,826	699,843	782,206	775,452	771,641	753,653
Expenditures										
Current:										
Administration	88,826	85,494	89,169	87,074	95,103	88,427	91,616	90,431	93,091	86,013
Public safety	149,401	145,552	146,236	147,228	149,384	144,237	162,390	179,396	163,883	163,390
Legal	106,993	115,204	113,323	111,785	113,551	112,361	107,920	104,157	102,370	97,835
Infrastructure and facilities	54,397	36,196	36,044	45,284	52,339	34,823	48,413	44,139	41,172	36,336
Social services	65,055	92,979	98,800	95,152	101,907	100,303	97,951	102,165	107,226	100,588
Health services	169,789	135,567	119,825	151,312	156,443	170,972	155,351	156,037	154,614	156,810
Other nonagency	30,946	32,941	35,671	54,713	52,458	50,781	48,287	32,023	28,819	37,251
Capital outlay	20,293	13,030	13,984	10,679	17,685	41,643	61,583	28,105	30,122	47,970
Debt service:										
Principal retirement	26,186	24,755	17,864	22,629	27,965	29,861	29,457	31,004	29,462	27,617
Interest	17,327	20,353	9,113	10,006	14,143	15,222	15,704	15,123	15,932	17,020
Total expenditures	729,213	702,071	680,029	735,862	780,978	788,630	818,672	782,580	766,691	770,830
Excess of revenues over (under) expenditures	(66,643)	(32,635)	23,745	4,238	(77,152)	(88,787)	(36,466)	(7,128)	4,950	(17,177)
Other Financing Sources (Uses)										
Capital lease refunding obligations	3,138	10,224	49,544	—	4,883	—	54,712	—	—	6,239
Proceeds from sale of bonds	—	—	193,441	110,885	—	—	—	—	—	—
Premium received on bonds	—	—	2,469	9,298	—	—	—	—	—	—
Payments to escrow agent	—	—	(47,480)	(120,162)	—	—	—	—	—	—
Transfers in	62,149	60,120	79,271	73,614	73,614	99,815	102,723	125,163	95,561	111,076
Transfers out	(62,149)	(60,120)	(79,271)	(73,614)	(73,614)	(100,272)	(102,724)	(125,163)	(95,561)	(112,076)
Total other financing sources (uses)	3,138	10,224	197,974	21	4,883	(457)	54,711	—	—	5,239
Special item: Proceeds from sale of capital assets	—	—	—	—	—	3,762	18,810	—	—	—
Net changes in fund balances	$ (63,505)	(22,411)	221,719	4,259	(72,269)	(85,482)	37,055	(7,128)	4,950	(11,938)
Debt service as a percentage of noncapital expenditures	6.2	6.6	4.0	4.5	5.5	5.9	6.0	6.1	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	Assessed value as a percentage of Actual Value	Estimated actual value
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
2010	47,152,996	1,067,474	6,999,360	55,219,830	40%	138,049,576
2011	45,294,177	1,067,474	7,166,610	53,528,261	40%	133,820,653
2012	43,328,112	1,147,265	7,517,644	51,993,021	40%	129,982,553

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 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 purpose 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)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Fulton County direct:										
General & bond	10.55	10.55	10.28	10.28	10.28	10.28	11.47	11.65	11.65	12.32
School	18.50	18.50	18.50	17.50	17.50	18.09	18.11	18.11	17.61	18.06
Special Services district	—	—	—	—	3.87	3.87	4.61	4.73	4.73	4.31
South Fulton tax district	10.47	8.97	8.16	8.16	5.66	5.66	5.73	—	—	—
Total direct	39.52	38.02	36.94	35.94	37.31	37.90	39.92	34.49	33.99	34.69
State of Georgia	0.20	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Municipalities:										
City of Atlanta	11.94	11.94	11.94	11.94	8.80	8.92	9.44	9.57	10.02	10.51
Downtown Development district	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.20	3.60
City of Atlanta school district	21.74	21.69	21.69	21.69	21.69	22.69	22.70	20.52	20.98	21.57
City of Alpharetta	5.75	5.75	5.75	5.75	5.75	6.25	6.60	7.00	7.00	7.00
City of College Park	12.62	11.56	11.56	9.56	9.56	9.56	9.56	9.56	9.56	9.56
City of East Point	15.00	13.75	14.75	14.75	14.75	14.75	12.37	12.37	12.37	12.50
City of Fairburn	9.98	9.93	7.50	5.00	5.00	5.00	5.45	5.45	5.75	6.00
City of Hapeville	16.61	16.61	16.61	16.61	16.61	16.61	12.61	12.61	12.61	9.61
City of Mountain Park	10.78	10.78	11.78	11.78	11.78	11.78	9.89	9.92	6.95	7.00
City of Palmetto	8.50	8.45	8.45	8.45	8.50	4.50	4.50	4.50	4.50	4.50
City of Roswell	5.46	5.46	5.46	5.46	5.46	5.66	6.09	6.09	6.09	5.17
City of Union city	10.60	10.24	9.50	9.50	9.50	9.50	7.50	7.50	7.50	7.50
City of Sandy Springs	4.73	4.73	4.73	4.73	4.73	4.73	4.73	—	—	—
City of Milton	4.73	4.73	4.73	4.73	4.73	4.73	—	—	—	—
City of John's Creek	4.61	4.61	4.61	4.61	4.61	4.61	—	—	—	—
City of Chattahoochee Hills	10.96	10.96	10.96	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 2012:			
Development Authority of Fulton County	$ 974,977,480	1.88%	$ 10,023,743
Georgia Power	423,438,944	0.81%	4,353,376
Coca Cola	210,990,001	0.41%	2,169,188
AT&T	211,232,743	0.41%	2,171,684
BellSouth Telecommunications	134,649,318	0.26%	1,384,330
Corporate Property Investors	87,232,241	0.17%	896,835
Delta Airlines	114,230,152	0.22%	1,174,400
Post Apartment Homes	142,042,518	0.27%	1,460,339
SunTrust Plaza Associates LLC	96,136,850	0.18%	988,383
IEP Peachtree LLC	91,879,110	0.18%	944,609
Total ten major taxpayers	$ 2,486,809,357	4.78%	$ 25,566,887
(1) Total County gross assessed value	$ 51,993,021,307		

	Assessment	Percentage of total assessed value	Taxes
Ten major taxpayers of 2003:			
BellSouth Telecommunications	$ 483,242,826	1.19%	9,887,925
Coca Cola Company	258,669,640	0.64%	$ 4,473,778
American Telephone & Telegraph	156,705,704	0.39%	4,269,082
Delta Airlines	166,139,230	0.41%	5,613,860
Post Apartment Homes	141,721,590	0.35%	2,301,449
Weekly Realty	61,092,080	0.15%	2,011,700
Ford Motor Company	90,878,000	0.22%	2,327,492
Concourse V	74,800,000	0.18%	2,762,738
Georgia Power	214,346,057	0.53%	4,318,209
Hodges MD	62,447,070	0.15%	2,208,729
Total ten major taxpayers	$ 1,710,042,197	4.20%	$ 40,174,962
(1) Total County gross assessed value	$ 40,677,695,000		

Source: Fulton County Tax Commissioner.

Schedule 8-A

FULTON COUNTY, GEORGIA

General 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
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	(1)	451,295	409,951	90.8		24,407		434,358	96.2		19,966	4.4
2009	(2)	463,906	406,758	87.7		43,475		450,233	97.1		24,634	5.3
2010	(3)	422,255	411,352	97.4		56,896		468,248	110.9		17,076	4.0
2011		388,373	371,795	95.7		6,111		377,906	97.3		17,069	4.4
2012		378,534	371,493	98.1		15,639		387,132	102.3		16,591	4.4

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
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	(1)	—	—	—		36		36	—		85	—
2009	(2)	—	—	—		11		11	—		47	—
2010	(3)	—	—	—		9		9	—		18	—
2011		12,040	11,541	95.9		2		11,543	95.9		12	0.1
2012		11,681	11,477	98.3		377		11,854	101.5		141	1.2

Source: Fulton County Tax Commissioner's office

(1) 2008 due date October 31 as opposed to normal due date of October 15

(2) 2009 due date December 15 as opposed to normal due date of October 15

(3) 2010 & 2011due date October 31 as opposed to normal due date of October 15

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
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	—
2010	— *	—	—	9	9	—	191	—
2011	— *	—	—	6	6	—	60	—
2012	— *	—	—	2	2	—	—	—

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

Source: Fulton County Tax Commissioner's office

Schedule 8-C

FULTON COUNTY, GEORGIA

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

Last Seven 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	1	100.0	93	94	9,400.0	56	5600.0%
2009	(2)	—	—	—	25	25	—	25	—
2010	(1)	—	—	—	4	4	—	18	—
2011		—	—	—	1	1	—	14	—
2012		—	—	—	1	1	—	14	—

FULTON COUNTY, GEORGIA

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

Last Seven 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	(1)	—	—	—	62	62	—	41	—
2009	(2)	—	—	—	8	8	—	28	—
2010	(1)	—	—	—	19	19	—	12	—
2011		—	—	—	3	3	—	7	—
2012		—	—	—	1	1	—	7	—

FULTON COUNTY, GEORGIA

South Fulton Special Service District Fund Property Tax Levy and Collections

Last Seven 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	(2)	27,279	22,657	83.1	2,577	25,234	92.5	864	3.2
2010	(1)	22,964	21,905	95.4	4,044	25,949	113.0	1,169	5.1
2011		21,406	19,827	92.6	681	20,508	95.8	1,340	6.3
2012		23,531	22,535	95.8	1,738	24,273	103.2	1,208	5.1

Source: Fulton County Tax Commissioner's office

(1) 2008 and 2010 due date October 31 as opposed to normal due date of October 15

(2) 2009 due date December 15 as opposed to normal due date of October 15

Schedule 9

FULTON COUNTY, GEORGIA

Computation of Direct and Overlapping Debt
as of December 31, 2012

Name of governmental unit		Amount outstanding	Percentage applicable		Amount applicable
Direct debt:					
Fulton County Library bonds	$	161,545,110	100		161,545,110
Fulton County School District		118,700,000	100		118,700,000
Municipalities:					
Alpharetta		49,280,000	100		49,280,000
Atlanta (including School District)		215,320,000	97		211,013,600
Hapeville		9,730,000	100		9,730,000
Union City		50,840,000	100		50,840,000
Roswell		16,505,000	100		16,505,000
Total direct debt		621,920,110			617,613,710
Contractual obligations and overlapping contractual obligations:					
Building Authority of Fulton County	$	14,777,990	100	%	14,777,990
Fulton County Urban Redevelopment Agency		28,736,000	100		28,736,000
College Park Business and Industrial Development Authority		2,050,000	100		2,050,000
The Fulton-DeKalb Hospital Authority*:					
Revenue Refunding Certificates Series 2012		136,990,000	100		136,990,000
City of Atlanta and Fulton County Recreation Authority:					
Arena Series 2010		116,435,000	98		114,106,300
Zoo Series 2007		16,655,000	98		16,321,900
East Point Building Authority		70,280,000	100		70,280,000
Total overlapping debt	$	385,923,990			383,262,190
Total direct and overlapping debt and contractual obligations and overlapping contractual obligations	$	1,007,844,100			1,000,875,900

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

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	Fulton County Urban Redevelopment Agency 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	Total Per Capita debt (not in thousands)
2003	$ 35,473	102,370	136,190		39,840	313,873	1.58%	712.59	312,371	1,198	313,569	91,323	3,434	627,442	712.59
2004	24,077	95,132	131,547		35,914	286,670	2.07%	978.26	598,371	1,065	599,436	91,823	6,528	886,106	978.26
2005	14,381	84,644	126,688		31,648	257,361	1.84%	907.94	589,949	923	590,872	101,001	5,850	848,233	907.94
2006	9,428	72,545	121,597		80,895	284,465	1.74%	897.98	581,003	771	581,774	101,840	5,713	866,239	897.98
2007	4,581	61,674	116,254		74,135	256,644	1.62%	835.28	571,458	609	572,067	102,000	5,609	828,711	835.28
2008	1,760	51,186	110,639		72,231	235,816	1.47%	785.79	561,277	435	561,712	102,000	5,507	797,528	785.79
2009	—	39,913	118,678		64,342	222,933	1.48%	748.34	550,422	250	550,672	102,000	5,399	773,605	748.34
2010	169,469	27,765	117,788	26,441	61,882	403,345	1.85%	1,023.65	538,956	52	539,008	102,500	5,259	942,353	1,023.65
2011	165,564	21,629 ##	110,436	30,458	61,264	389,351	1.70%	977.39	538,775	—	538,775	102,500	5,256	928,126	977.39
2012	161,545	14,778	102,128	28,736	57,937	365,124	1.51%	914.69	529,240	—	529,240	158,850	3,332	894,364	914.69

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements
Balance for 2011 Facility Corporation bonds was restated by $988 in accordance with GASB Statement No.65

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

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)
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	—	—
2010	169,469	—	169,469	53,981,561	0.31	184.09
2011	161,545	4,481	157,064	49,250,278	0.32	165.40

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
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
2010		121,562	75,381	46,181	12,160	26,654	38,814	1.19
2011		120,454	72,996	47,458	8,157	25,419	33,576	1.41
2012		116,843	70,148	46,695	5,655	24,909	30,564	1.53

* 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	$ 51,993,021
Less:	
Applicable property tax exemptions	(2,742,743)
Assessed value for bond purposes	49,250,278
Debt limit 10% of assessed value	4,925,028
Less amounts of debt applicable to the limit:	
General Obligation debt outstanding	161,545
less available debt service funds	(4,481)
Total amount applicable to debt limit	157,064
Legal Debt Margin	$ 4,767,964

	Debt Limit	Total net bonded debt applicable to limit	Legal Debt Margin	Total net debt applicable to the limit as a % of debt limit
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%
2010	5,398,156	169,469	5,228,687	0.32%
2011	5,076,221	164,324	4,911,897	0.33%
2012	4,925,028	157,064	4,767,964	0.33%

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
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	50,474	52,177,800	9.9
2010	920,581	55,438	51,034,971	10.5
2011	949,599	57,451	54,555,649	9.8
2012	977,773	60,726 (1)	59,376,214 (1)	9.2 (2)

Population data from U.S. Census Bureau mid-year population estimates

Income data from U.S. Bureau of Economic Analysis

(1) 2012's estimate is based on national personal income totals from the 4rth quarter 2012 compared to 4rth quarter 2011 which shows a 5.7% increase

(2) Annual unemployment rates from the Georgia Department of Labor; 2012 is using the revised April 2012 rate.

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 (latest data available):		
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.

Major employers of 2003 over 10,000:
- AT&T Technologies
- BellSouth Corporation
- Cobb County School System
- Dekalb County School System
- Delta Airlines
- Emory University and Hospitals
- Fulton County Schools
- Gwinnett County School System
- Wal-Mart Stores
- The Kroger Company
- Publix Supermarkets
- United Parcel Service
- United States Postal Service

* 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
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
2010	4,249	154		142		74	302	537	5,458
2011	4,245	153		142		73	302	556	5,471
2012	4,108	155		136		58	292	534	5,283

Sources: Fulton County Budget Book

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

FULTON COUNTY, GEORGIA

Operating Indicators by Function/Program
Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Atlanta/Fulton County Library										
Circulation-checked out	3,115,000	2,844,584	3,117,535	3,234,537	3,306,002	3,470,279	4,203,681	4,007,431	4,167,728	3,732,312
New library cards issued	84,000	183,232	211,621	68,975	75,900	-	-	-	-	*
Database inquiries (hits)					475,237	1,075,941	Unavailable	Unavailable	Unavailable	1,303,099
Human Services:										
Meals - Older Americans Act	530,330	553,336	582,184	603,222	444,435	406,051	1,027*	1,451*	1,451*	Unavailable
*No of people served										
Health and Wellness:										
Total Nursing services visits	121,500	118,231	118,211	105,308	208,216	230,715	84,170(2)	79,900(2)	96,341	Unavailable
Food service inspections	6,470	6,885	7,230	6,653	7,318	7,703	5,572	5,380	6,500	Unavailable
(2) clients receiving services										
Transportation: Roadway miles paved	20	30	30	30	—	36	Unavailable	Unavailable	Unavailable	Unavailable
911 Emergency Communications calls:	465,411	407,629	440,707	562,338	649,890	481,916	782,896	546,518	700,000 (est)	700,000 (est)
Water and Sewerage fund:										
Wastewater average flows										
in millions of gallons per day:										
Camp Creek	13.50	12.45	14.53	15.25	14.13	14.41	14.96	16.24	15.63	14.22
John's Creek	6.50	5.04	5.05	5.80	4.18	3.61	8.17	4.45	3.57	3.89
Big Creek	21.50	22.11	23.23	23.98	20.08	19.99	22.80	19.91	17.91	18.73
Little River	0.85	0.86	0.84	1.09	0.69	0.68	0.92	0.94	0.84	0.82

*not available
Source: Fulton County Budget book

Schedule 18

FULTON COUNTY, GEORGIA

Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Atlanta/Fulton County Library Branches, including main facility	33	34	34	34	34	34	34	34	34	34
Health and Wellness: Health centers	14	12	12	12	12	12	12	12	12	12
Jail and detention centers	3	3	3	3	3	3	3	3	3	3
Fire Stations	21	21	21	19	15*	15*	15*	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)	1,794	1,794	1,794	1,386	736	556	684	684	684	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 Board of Commissioners
Fulton County, Georgia:

We have audited, in accordance with the 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, 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, 2012, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 24, 2013. 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 of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from 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.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PJC Group, LLC

Atlanta, Georgia
June 24, 2013