COMPREHENSIVE ANNUAL FINANCIAL REPORT



FULTON COUNTY, GEORGIA

FISCAL YEAR ENDED DECEMBER 31, 2013

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, 2013

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, 2013

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FULTON COUNTY
GEORGIA
2013

BOARD OF COMMISSIONERS OF FULTON COUNTY

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

Clerk of Commission
Mark Massey

County Manager
Dwight A. Ferrell

County Attorney
R. David Ware

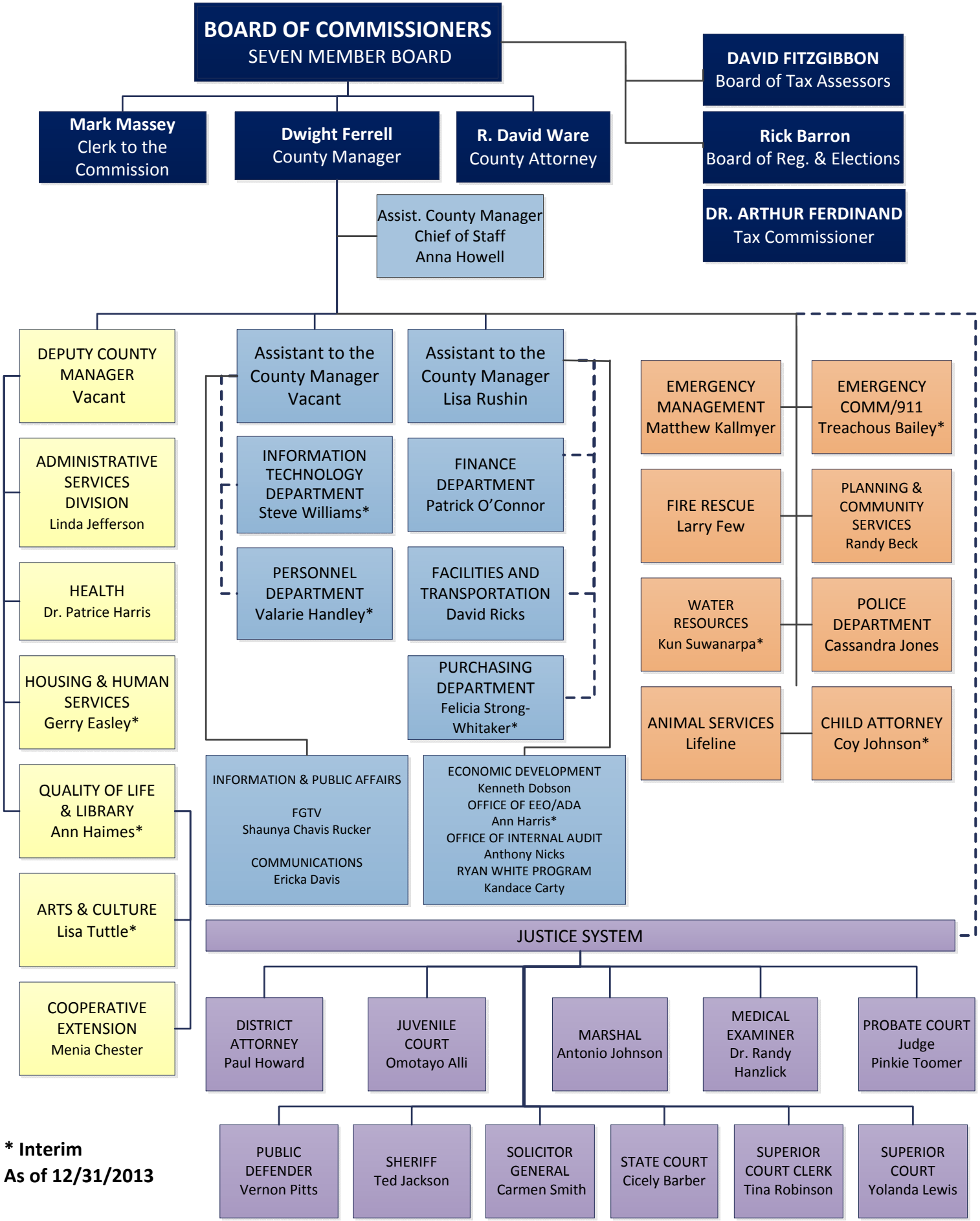
Director of Finance and Budget Officer
Patrick J. O'Connor

Purchasing Agent
Felecia Strong-Whitaker, Interim

Tax Commissioner
Dr. Arthur Ferdinand

County Auditor
PJC Group, LLC

FULTON COUNTY GOVERNMENT STRUCTURE



*** Interim**

As of 12/31/2013

LETTER OF TRANSMITTAL

FULTON COUNTY

June 20, 2014

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, 2013, 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 the July 1, 2013 mid-year U.S. Census Bureau estimate was 984,293. Fulton is the most populous county in the State of Georgia with approximately 10% of the entire State's population, and the 44rth most populous in the United States. 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 District Fund, (a major fund) which has an independent millage rate from the County's General Fund, which finances operations for County wide activities.

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 5,400 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 2014 "Forecast of Georgia and Atlanta", Dr. Rajeev Dhawan, Director of the Georgia State University's Economic Forecasting Center echoes last year's concerns regarding a recessionary Europe, spurred by recent actions in the Ukraine and Crimea, and a stalled China economy. This slows or limits international opportunities for Georgia businesses. Overall, 2014 is forecast to be a year of slightly slower growth than 2013. He mentions Delta and Caterpillar, which declared larger dividends and stock buybacks, as a potential signal that they see lower investment opportunities with the available cash.

Mr. Dhawan reports the Atlanta area saw job growth in 2013 of 59,800 jobs, better than the last year's forecasted growth of 46,300 jobs. 2014's forecasted job growth is 46,800, including 10,800 premium jobs and 2015 forecasts another 61,300 job gains, of which 14,300 would be premium jobs. 2015's forecast calls for 2.6% job growth in the local economy. Georgia's unemployment rate is forecast to drop from the 8.2% in 2013 to 6.9% in 2014 and decrease further to 6.3% in 2015. Mr. Dhawan forecasts Atlanta's unemployment rate to be 6.6% in 2014, and drop further in 2015 to 5.9% and lower for 2016 as job growth strengthens in the metro Atlanta area. The Georgia Department of Labor reported Fulton County's non-seasonally adjusted annual unemployment rate for 2013 of 7.8%, a decrease from the 2012 adjusted rate of 9.6%. Historical unemployment rates for Fulton County are shown on page 110 of the statistical section of this report.

Dhawan indicated nominal personal income in the state posted a weak 2.7% increase in 2013, and forecasts to be only 3.3% for 2014. He indicated that 2015 and 2016 should see higher increases in statewide personal income.

Atlanta's housing permit activity increased by 70.2% in 2013, largely due to growth in multifamily housing permits. This tremendous growth moderates in 2014 as total permits are expected to constrain by 4.0% but begin to again increase 3.8% in 2015, spurned by single family permits. 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 2014 distribution from the Economic Forecasting Center at Georgia State University.

Accrual basis sales tax collections remained relatively flat in 2013 at $35 million, but new state law changes to collection of taxes on new sales of vehicles lowers general sales taxes. The State's tax collections also increased for 2013 at 5.9%. Each Fulton county municipality and the County re-negotiated the allocable share of their portion of 1% of collected sales tax, with Fulton County settling for 14% of the total of 1% of County wide sales tax collections for 2014 and forward.

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 the number of appeals is on the decline. 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 $84 million as of the end of fiscal 2013, 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 position 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, 2012. This was the twenty-fifth 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 FY13 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

Government Finance Officers Association

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, 2012



Executive Director/CEO

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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, 2013, 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 $699,685, total net position (in thousands) of $294,941 and total revenues (in thousands) of $795,944 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, 2013, 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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11, the employee's retirement system schedule of funding progress and employer contributions and other post employment benefits schedule of funding progress on page 68 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining statements and schedules, and the other information, such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statements and schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United

States of America. In our opinion, the combining statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated June 20, 2014 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.

PJC Group, LLC

Atlanta, Georgia
June 20, 2014

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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, 2013. 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 $1,394,221 (*net position*). Of this amount, unrestricted assets are now in a deficit position by ($15,998), largely due to the liability for other post-employment benefits. The County's total net position decreased by $66,480 in 2013, as compared to $144,478 in 2012. Business type activities decreased $8,208 while the governmental activities experienced a decrease of $58,272, 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 $324,188, a decrease of $11,786 in comparison with the previous year. This is largely due capital outlay in the County's General Obligation Library bond fund. The County's General Fund fund balance decreased by $5,227, while the South Fulton Special District Fund, both major funds, decreased its fund balance by $872; the 2010 Library bond capital projects fund slightly decreased by $9,797 and Other Governmental funds increased fund balance by $4,110. 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 $83,758, 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 $5,842, and remains the last unincorporated area in Fulton County.

The County's total long term governmental liabilities increased by $39,334 in 2013, 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 $61,628 represents the unfunded portion of the 2013 annual required contribution for these benefits, while the current total liability for GASB 45 reporting is now $398,441 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, 2014.

The County's capital assets used for governmental activities were valued at $817,847, of which $67,748 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 $1,158,076, of which $15,300 is currently under construction mainly relating to minor water and wastewater capital projects. No interest was required to be capitalized in 2013. 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 $129,121, 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 12-13 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 14-20 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 21-24 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 25-26 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 27-67 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 69-95 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		%
	2013	2012	2013	2012	2013	2012	Change
Current and other assets	$ 460,760	477,144	341,494	361,885	802,254	839,029	(4)
Capital assets	817,847	821,230	1,158,076	1,166,767	1,975,923	1,987,997	(1)
Total Assets	1,278,607	1,298,374	1,499,570	1,528,652	2,778,177	2,827,026	(2)
Deferred Outlfows of resources	719	848	6,848	7,697	7,567	-	
Current liabilities	47,341	54,979	4,662	19,705	52,003	74,684	(30)
Long-term liabilities	815,567	769,553	523,953	530,633	1,339,520	1,300,186	3
Total Liabilities	862,908	824,532	528,615	550,338	1,391,523	1,374,870	1
Net Position:							
Net investment in capital assets	629,943	634,016	692,910	706,517	1,322,853	1,340,533	(1)
Restricted	50,442	42,280	36,924	39,482	87,366	81,762	7
Unrestricted	(263,967)	(201,606)	247,969	240,012	(15,998)	38,406	(142)
Total Net Position	$ 416,418	474,690	977,803	986,011	1,394,221	1,460,701	(5)

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 $608 million in cash and investments, of which approximately $94 million is restricted for enterprise fund debt and capital projects. Governmental activities also have approximately $50 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".

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:	2013	2012	2013	2012	2013	2012	Change
Program revenues:							
Charges for services	$ 54,984	57,519	119,442	121,506	174,426	179,025	(3) %
Operating grants and contributions	57,221	60,499	-	-	57,221	60,499	(5)
Capital grants and contributions	2,902	2,312	-	-	2,902	2,312	26
General revenues:							
Taxes	520,735	509,417	-	-	520,735	509,417	2
Intergovernmental	2,644	2,898	-	-	2,644	2,898	(9)
Other charges for services	16,379	14,628	-	-	16,379	14,628	12
Use of money and property	6,320	6,517	225	666	6,545	7,183	(9)
Miscellaneous & special items	6,419	4,985	(2,559)	(1,929)	3,860	3,056	26
Total revenues	667,604	658,775	117,108	120,243	784,712	779,018	1
Expenses:							
Administration	97,238	107,704	-	-	97,238	107,704	(10)
Public Safety	183,440	181,224	-	-	183,440	181,224	1
Legal	130,556	131,545	-	-	130,556	131,545	(1)
Infrastructure & facilities	70,073	74,308	-	-	70,073	74,308	(6)
Social services	73,737	80,999	-	-	73,737	80,999	(9)
Health services	155,508	181,674	-	-	155,508	181,674	(14)
Interest and debt costs	15,324	16,204	-	-	15,324	16,204	(5)
Water & Sewerage	-	-	115,655	135,118	115,655	135,118	(14)
Airport services	-	-	1,227	1,471	1,227	1,471	(17)
Total expenses	725,876	773,658	116,882	136,589	842,758	910,247	(7)
Change in net position	(58,272)	(114,883)	226	(16,346)	(58,046)	(131,229)	(56)
Extraordinary loss	-	-	(8,434)	(13,249)	(8,434)	(13,249)	
Beginning net position	474,690	589,573	986,011	1,015,606	1,460,701	1,605,179	(9)
Ending net position	$ 416,418	474,690	977,803	986,011	1,394,221	1,460,701 *	(5)

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

Analysis of governmental activities

Net position of the governmental activities of the County decreased by $58,272 in 2013, as compared to a decrease of $114,883 in 2012. Governmental accounting standards related to other post-employment benefits contributed $61,628 to the loss for 2013, and $63,425 for 2012. 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. Recent economic news shows improvement on local property values, and a slow increase in economic activity.

Overall, the expenses for governmental activities decreased $48 million due to one-time debt service savings of $17 million, and across the board as well as program specific reductions. 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 the accounting loss from refunding the outstanding 2004 revenue bonds is shown as an extraordinary item in the 2013 presentation, although an economic gain resulted from this refunding which will lower debt service costs for the utility for the next several years. This refunding is discussed in the long term debt footnotes.

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 & 2012, slightly higher in the South Fulton Special District due to a millage rate increase, but remain substantially lower than previous years. Total governmental revenues increased only $5million in 2013 as compared to 2012. Governmental fund type expenditures decreased $35 million, due to lower debt service costs of $18 million related to a 2013 refunding of the outstanding Fulton DeKalb Hospital Authority bonds, lower election costs of $4 million, along with overall expenditure reductions throughout various departments. The general fund reported an ending fund balance of $83,758, a decrease of $5,227 from 2012, and down additionally $39,576 from 2011. 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 decreased by $872 in 2013 to $5,842.

Other non-major governmental funds include debt service, grants-in-aid, capital projects and other activities increased by $4,110 from 2012 largely due to capital lease proceeds that have yet to be expended. This brings the 2013 fund balance for other governmental funds to $85,117 at year end. Of this amount, $40,987 is restricted, $651 is committed, and $43,479 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 2013 General Fund budget was adopted at approximately $572 million, a $33 million decrease from 2012 that encompassed $18 million in one-time debt service savings for component unit debt, lower off cycle election costs of $4 million, and overall departmental reductions borne by supporting agencies.

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. 2013 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 appears on pages 18-20 of this report. No changes to the original adopted budget occurred during the year. Reallocations from non-agency to agency budgets throughout the year fund 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 $1,322,853 (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 2013, 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:	2013	2012	2013	2012	2013	2012	Change %
Land & land improvements	$ 49,661	48,003	37,965	36,513	87,626	84,516	4
Construction in progress	67,748	51,452	15,300	4,858	83,048	56,310	47
Capital assets, shown net of depreciation:							
Equipment	12,722	8,294	1,644	1,575	14,366	9,869	46
Buildings and improvements	337,123	352,233	481	617	337,604	352,850	(4)
Roadway network	350,593	361,248	-	-	350,593	361,248	(3)
Water System	-	-	192,006	192,853	192,006	192,853	(0)
Sewerage System	-	-	781,559	795,896	781,559	795,896	(2)
Intangible assets	-	-	129,121	134,455	129,121	134,455	(4)
Total net capital assets	$ 817,847	821,230	1,158,076	1,166,767	1,975,923	1,987,997	(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, 2013, the County had a number of debt issues outstanding. $522,632 of Water and Sewerage Revenue Bonds (net of unaccreted discounts); and $7,573 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, $157,373 as of December 31, 2013, 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 continuing throughout 2014.

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, 2013 were $26,965.

At December 31, 2013, total other capital leases was $66,276, which increased for capital financing leases of $14,849 and decreased with scheduled principal maturities of $6,510. 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 $93,542 as of December 31, 2013.

Additional information relating to long-term debt and other obligations is presented in Note 8 to the financial statements beginning on page 50. 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 68 following these footnotes.

State of Georgia Legislative Actions

On May 6, 2013, the Governor of Georgia signed House Bill 604 which passed during the 2013 Session of Georgia General Assembly ("HB 604") and which prohibited the governing authority of the County from increasing county tax millage rates beyond the roll-back rate until January 1, 2015 and, effective January 1, 2015, imposed the condition that the governing authority of County is prohibited from increasing County millage rates above the roll-back rate unless approved by a vote of at least five (5) members of the governing authority. The roll-back rate is determined based on the County's previous year's millage rate, plus or minus the millage equivalent of the total assessed value added to or deducted by reassessments of existing property. Pursuant to Article IX, Section II, Paragraph I(b) of the Georgia Constitution, on July 17, 2013, the Board of Commissioners adopted an ordinance to repeal HB 604 in its entirety. At this time, there is no threatened or pending litigation challenging the County's repeal of House Bill 604.

During the 2014 Session of the Georgia General Assembly a House Bill 704 ("HB 704") was introduced to create a new City of South Fulton. HB 704 passed in the House and was tabled in the Senate and, as a result, failed to be approved.

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, 2013

(in thousands of dollars)

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Fulton-DeKalb Hospital Authority
Assets:				
Cash and cash equivalents	$ 189,999	155,940	345,939	77,849
Investments	168,149	—	168,149	3,092
Receivables (net of allowances):				
Taxes	33,901	—	33,901	—
Interest	113	—	113	—
Accounts	—	7,168	7,168	70,941
Due from other governments, net	9,966	5,012	14,978	12,150
Other current assets	9,308	—	9,308	100,708
Restricted assets:				
Cash and cash equivalents	—	3,812	3,812	55,437
Investments	—	90,578	90,578	3,322
Interest receivable	—	56	56	—
Investment in joint venture	—	78,928	78,928	—
Capital assets (non-depreciable)	117,409	53,265	170,674	23,066
Capital assets (net of accumulated depreciation)	700,438	1,104,811	1,805,249	295,034
Other non-current assets	49,324	—	49,324	58,086
Total assets	1,278,607	1,499,570	2,778,177	699,685
Deferred Outflows of Resources:				
Deferred charge on refunding of bonds	719	6,848	7,567	4,444
Total deferred outflow of resources	719	6,848	7,567	4,444
Liabilities:				
Accounts payable and accrued expenses	31,073	2,525	33,598	116,265
Accrued interest	1,221	—	1,221	—
Due to others	3,922	—	3,922	18,472
Claims payable	11,125	—	11,125	80,428
Liabilities (payable from restricted assets):				
Contracts and other payables	—	1,670	1,670	—
Unearned revenue	—	467	467	—
Non-current liabilities:				
Due within one year	44,708	4,920	49,628	4,450
Due in more than one year	770,859	519,033	1,289,892	189,573
Total liabilities	862,908	528,615	1,391,523	409,188
Net Position:				
Net investment in capital assets	629,943	692,910	1,322,853	95,913
Restricted for debt retirement	10,481	36,924	47,405	—
Restricted for construction	36,833	—	36,833	109,374
Restricted for other purposes	3,128	—	3,128	15,643
Unrestricted	(263,967)	247,969	(15,998)	74,011
Total net position	$ 416,418	977,803	1,394,221	294,941

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA

Statement of Activities

For the year ended December 31, 2013

(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	$ 97,238	13,781	—	—	(83,457)	—	(83,457)	—
Public safety	183,440	2,553	—	—	(180,887)	—	(180,887)	—
Legal	130,556	24,820	—	—	(105,736)	—	(105,736)	—
Infrastructure and facilities	70,073	—	—	2,902	(67,171)	—	(67,171)	—
Social services	73,737	6,433	18,920	—	(48,384)	—	(48,384)	—
Health services	155,508	7,397	38,301	—	(109,810)	—	(109,810)	—
Interest and other debt related costs	15,324	—	—	—	(15,324)	—	(15,324)	—
Total governmental activities	725,876	54,984	57,221	2,902	(610,769)	—	(610,769)	—
Business-type activities:								
Water and sewerage services	115,655	117,871	—	—	—	2,216	2,216	—
Airport	1,227	1,571	—	—	—	344	344	—
Total business-type activities	116,882	119,442	—	—	—	2,560	2,560	—
Total primary government	842,758	174,426	57,221	2,902	(610,769)	2,560	(608,209)	—
Component unit								
Fulton-DeKalb Hospital Authority (Grady)	740,673	719,618	7,202	2,160	—	—	—	(11,693)
Total component unit	740,673	719,618	7,202	2,160	—	—	—	(11,693)
General revenues:								
Property taxes					474,198	—	474,198	—
Sales taxes					35,136	—	35,136	—
Other taxes					11,401	—	11,401	—
Intergovernmental not restricted for specific programs					2,644	—	2,644	61,232
Commission on tax collections					16,379	—	16,379	—
Use of money and property					6,320	225	6,545	2,281
Miscellaneous and transfer out					6,419	(2,559)	3,860	3,451
Total general revenues					552,497	(2,334)	550,163	66,964
Extraordinary item - (Note 17)					—	(8,434)	(8,434)	—
Change in net position					(58,272)	(8,208)	(66,480)	55,271
Net position-beginning					474,690	986,011	1,460,701	239,670
Net position - ending					$ 416,418	977,803	1,394,221	294,941

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA

Balance Sheet
Governmental Funds

December 31, 2013

(in thousands of dollars)

	General	South Fulton Special District	Library Bond	Other Governmental Funds	Total Governmental Funds
Assets:					
Cash and cash equivalents	$ 90,861	6,841	—	73,479	171,181
Investments	—	—	151,620	16,529	168,149
Receivables (net of allowances):					
Taxes	26,544	6,716	—	641	33,901
Interest	—	—	113	—	113
Accounts	—	—	—	—	—
Due from other governments	3,157	—	—	6,809	9,966
Total assets	$ 120,562	13,557	151,733	97,458	383,310
Liabilities:					
Accounts payable	$ 17,515	1,570	2,262	7,932	29,279
Due to other funds	—	—	—	—	—
Due to others	—	—	—	3,922	3,922
Total liabilities	17,515	1,570	2,262	11,854	33,201
Deferred Inflows of Resources:					
Unavailable revenue	19,289	6,145	—	487	25,921
Total deferred inflows or resources	19,289	6,145	—	487	25,921
Fund Balances:					
Nonspendable	—	—	—	—	—
Restricted	—	—	149,471	40,987	190,458
Committed				651	651
Assigned		5,842		43,479	49,321
Unassigned	83,758	—	—	—	83,758
Total fund balances	83,758	5,842	149,471	85,117	324,188
Total liabilities, deferred inflows of resources and fund balances	$ 120,562	13,557	151,733	97,458	383,310

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, 2013

(in thousands of dollars)

Fund Balances - total governmental funds		$ 324,188
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	49,661
	Buildings	720,527
	Equipment	123,808
	Roadway network	573,814
	Construction in progress	67,748
	Less Accumulated Depreciation	(717,711)
Total capital assets, net of accumulated depreciation		817,847
Net pension asset at year end that is not a financial resource used in governmental activities and therefore not reported in governmental funds.		49,324
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds:		
	Certificates of participation	(88,455)
	Building Authority bonds payable	(7,555)
	Library general obligation bonds payable	(155,340)
	Urban Recovery Zone bonds payable	(26,965)
	Unamortized bond premiums	(7,138)
	Deferred charge on refunding of bonds	719
	Compensated absences	(38,307)
	Net other post employment benefits (OPEB)	(398,441)
	Other long term capital leases	(66,276)
	Claims and judgments	(12,722)
	Landfill closure and postclosure costs	(14,368)
	Accrued interest	(1,221)
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.		15,207
Some deferred revenues reported in the governmental funds are recognized as revenues in the governmental activities.		25,921
Net position - total governmental activities		$ 416,418

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, 2013

(In thousands of dollars)

	General	South Fulton Special District	Library Bond	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	$ 470,554	37,045	—	13,088	520,687
Intergovernmental	4,090	318	—	58,359	62,767
Charges for services	26,988	1,132	—	12,367	40,487
Courts and law enforcement	16,294	202	—	8,324	24,820
Use of money and property	3,835	1,082	428	981	6,326
Licenses and permits	—	6,056	—	—	6,056
Miscellaneous	3,564	141	—	2,314	6,019
Net (depreciation) appreciation in investments	—	—	(14)	8	(6)
Total revenues	525,325	45,976	414	95,441	667,156
Expenditures:					
Current:					
Administration	79,844	510	—	1,602	81,956
Public safety	107,654	33,309	—	13,916	154,879
Legal	108,685	—	—	—	108,685
Infrastructure and facilities	40,390	198	—	14,204	54,792
Social services	34,647	7,043	—	18,828	60,518
Health services	89,648	—	—	56,350	145,998
Other nonagency	25,118	705	—	125	25,948
Capital outlay	—	—	10,211	7,670	17,881
Debt service:					
Principal retirement	3,061	—	—	24,095	27,156
Interest	2,085	—	—	14,293	16,378
Total expenditures	491,132	41,765	10,211	151,083	694,191
Excess (deficiency) of revenues over (under) expenditures	34,193	4,211	(9,797)	(55,642)	(27,035)
Other financing sources (uses):					
Capital lease refunding obligations	—	—	—	14,849	14,849
Transfer in from enterprise fund	400	—	—	—	400
Transfers in	4,689	—	—	49,153	53,842
Transfers out	(44,509)	(5,083)	—	(4,250)	(53,842)
Total other financing sources (uses)	(39,420)	(5,083)	—	59,752	15,249
Net change in fund balances	(5,227)	(872)	(9,797)	4,110	(11,786)
Fund balance at beginning of year	88,985	6,714	159,268	81,007	335,974
Fund balance at end of year	$ 83,758	5,842	149,471	85,117	324,188

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, 2013

(in thousands of dollars)

Net change in fund balances - governmental funds	$	(11,786)
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		26,921
Depreciation expense		(30,304)
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		(14,849)
Tax Anticipation Note proceeds		(200,000)
Tax Anticipation Note payments		200,000
Principal repayments		27,156
Amortization of deferred charge on refunding of bonds		(130)
Amortization of bond premium and discount		1,088
Change in accrued interest		96
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		(61,628)
Compensated absences		957
Claims and judgments		58
Landfill closure costs		1,204
Net pension asset		5,273
Some revenues for governmental activites do not provide current financial resources and are not reported as revenues for governmental funds.		48
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.		(2,376)
Change in net position - governmental activities	$	(58,272)

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, 2013

(In thousands of dollars)

	Non-GAAP budgetary basis			Variance
	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues:				
Revenue Per Budget Law, less Rollback	$ 482,037	482,037	493,653	11,616
Sales Tax	36,000	36,000	35,460	(540)
Appropriated Fund Balance	53,776	53,776	16,987	(36,789)
Total revenues and other sources, non-GAAP budget basis	$ 571,813	571,813	546,100	(25,713)
Reconciliation to GAAP basis:				
To record net change in taxes receivable and deferred revenue			10,471	
To record net change in intergovernmental receivables and depreciation of investments			783	
Indirect cost reimbursements recorded as revenues for budgetary purposes			(9,953)	
Appropriated Fund Balance			(16,987)	
Total adjustment to GAAP basis			(15,686)	
Total revenues and other sources, GAAP basis			530,414	
Expenditures:				
Board of Commissioners	$ 3,328	3,328	2,922	406
Clerk to the Commission	921	921	874	47
County Manager	9,613	9,231	8,492	739
Housing and Community Development	966	966	947	19
Planning and Community Services	2,232	2,232	2,098	134
Arts Council	5,082	5,082	4,449	633
Human Services	29,053	29,053	28,485	568
Health and Human Services	1,782	1,782	1,670	112
Finance	5,775	5,775	5,315	460
Personnel	3,659	4,041	3,651	390
Information Technology	24,507	24,507	24,096	411
Purchasing	3,281	3,281	3,056	225
County Attorney	3,255	3,255	2,995	260
Tax Assessor	13,114	13,114	12,297	817
Tax Commissioner	15,280	15,280	14,554	726
Registration and Elections	2,382	2,382	2,140	242
Police	3,835	3,835	3,568	267
Sheriff	100,037	100,037	99,164	873
Emergency - 911	1,909	1,909	1,882	27
Medical Examiner	3,897	3,997	3,827	170
State Court Solicitor	6,591	6,634	6,201	433

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, 2013

(In thousands of dollars)

	Non-GAAP budgetary basis			Variance
	Original Budget	Final Budget	Actual	Positive (Negative)
Juvenile Court	14,127	14,127	13,200	927
Probate Court	2,857	2,857	2,636	221
County Marshal	6,241	6,241	6,175	66
State Court-General	14,353	13,898	12,934	964
State Court Judges	5,346	4,631	4,477	154
Superior Court-General	21,641	22,054	20,470	1,584
Superior Court Judges	4,631	5,346	5,134	212
Superior Court Clerk	16,641	16,641	16,008	633
District Attorney	21,932	21,932	20,574	1,358
Public Defender	12,858	12,858	12,080	778
Facilities and Transporation Services	34,355	34,535	33,353	1,182
Family and Children Services	4,631	4,631	4,625	6
Cooperative Extension	459	459	416	43
Library	28,894	28,894	26,823	2,071
Transfer to Health fund	12,888	12,888	12,888	—
Fulton-DeKalb Hospital Authority (Grady Hospital)	50,000	50,000	50,000	—
Behavioral Health	12,980	12,980	11,528	1,452
Non-agency	66,480	66,199	60,096	6,103
Total expenditures and other uses, non-GAAP budget basis	$ 571,813	571,813	546,100	25,713
Reconciliation to GAAP basis - to record net effect of unrecorded liabilities			(506)	
Expenditures incurred on behalf of reimbursing funds for indirect costs			(9,953)	
Total expenditures and other uses, GAAP basis			$ 535,641	

See accompanying notes to the financial statements.

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

For the year ended December 31, 2013
(In thousands of dollars)

	Non-GAAP budget basis			Variance
	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues:				
Revenue per Budget Law	$ 37,166	37,166	40,960	3,794
Insurance Premium Tax	3,650	3,650	4,062	412
Appropriated Fund Balance	9,800	9,800	1,682	(8,118)
Total revenues and other sources, non-GAAP budget basis	$ 50,616	50,616	46,704	(3,912)
Reconciliation to GAAP basis:				
To record net tax receivable and deferred revenue			954	
Appropriated fund balance			(1,682)	
Total adjustment to GAAP basis			(728)	
Total revenues and other sources, GAAP basis			$ 45,976	
Expenditures and other uses:				
Fire	$ 14,964	14,964	14,641	323
Police	17,901	17,901	16,924	977
Planning and Community Services	6,788	6,788	6,447	341
Public Works	187	187	186	1
Finance	225	225	167	58
Non agency	10,551	10,551	8,339	2,212
Total expenditures and other uses, non-GAAP budget basis	$ 50,616	50,616	46,704	3,912
Reconciliation to GAAP basis - to record net effect of unrecorded liabilities			144	
Total expenditures and other uses, GAAP basis			$ 46,848	

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA

Statement of Net Position
Proprietary Funds

December 31, 2013

(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	$ 154,033	1,907	155,940	18,818
Investments	—	—	—	—
Accounts receivable, net	7,168	—	7,168	—
Due from other governments, net	4,827	185	5,012	—
Other current assets	—	—	—	9,308
Restricted assets:				
Cash and cash equivalents	3,812	—	3,812	—
Investments	90,578	—	90,578	—
Interest receivable	56	—	56	—
Total current assets	260,474	2,092	262,566	28,126
Noncurrent assets:				
Investment in joint venture	78,928	—	78,928	—
Nondepreciable capital assets	25,356	27,909	53,265	—
Depreciable capital assets (net of accumulated depreciation)	1,104,255	556	1,104,811	—
Total noncurrent assets	1,208,539	28,465	1,237,004	—
Total assets	1,469,013	30,557	1,499,570	28,126
Deferred Outflows of Resources				
Deferred charge on refunding of bonds	6,848	—	6,848	—
Total deferred outflows of resources	6,848	—	6,848	—

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA

Statement of Net Position (continued)
Proprietary Funds

December 31, 2013

(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	$ 1,384	347	1,731	1,794
Accrued liabilities	794	—	794	—
Claims payable	—	—	—	11,125
	2,178	347	2,525	12,919
Current liabilities (payable from restricted assets):				
Contracts and other payables	1,670	—	1,670	—
Revenue bonds payable - current	4,920	—	4,920	—
Unearned revenue	467	—	467	—
	7,057	—	7,057	—
Total current liabilities	9,235	347	9,582	12,919
Non-current liabilities:				
Revenue bonds payable - noncurrent	517,712	—	517,712	—
Other long-term liabilities	1,321	—	1,321	—
Total non-current liabilities	519,033	—	519,033	—
Total liabilities	528,268	347	528,615	12,919
Net Position:				
Net investment in capital assets	664,445	28,465	692,910	—
Restricted for debt retirement	36,924	—	36,924	—
Unrestricted	246,224	1,745	247,969	15,207
Total net position	$ 947,593	30,210	977,803	15,207

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, 2013

(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	$ —	1,571	1,571	108,148
Water and sewerage charges	117,871	—	117,871	—
Total operating revenues	117,871	1,571	119,442	108,148
Operating expenses:				
Administrative and general	6,830	353	7,183	22,318
Depreciation and amortization	33,319	159	33,478	—
Personal services	20,817	715	21,532	—
Contractual services	26,135	—	26,135	88,206
Operating services	13,502	—	13,502	—
Total operating expenses	100,603	1,227	101,830	110,524
Operating income (loss)	17,268	344	17,612	(2,376)
Non-operating revenues (expenses):				
Loss on investment in joint venture	(2,159)	—	(2,159)	—
Interest income	225	—	225	—
Interest expense	(15,052)	—	(15,052)	—
Total non-operating revenues (expenses)	(16,986)	—	(16,986)	—
Income (loss) before extraordinary item	282	344	626	(2,376)
Extraordinary loss-Note 17	(8,434)	—	(8,434)	—
Transfer out	—	(400)	(400)	—
Change in net position	(8,152)	(56)	(8,208)	(2,376)
Net position at beginning of year	955,745	30,266	986,011	17,583
Net position at end of year	$ 947,593	30,210	977,803	15,207

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA

Statement of Cash Flows
Proprietary Funds

For the year ended December 31, 2013

(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	$ 117,686	1,571	119,257	105,753
Payments to suppliers	(68,989)	(353)	(69,342)	(112,014)
Payments to employees	(20,889)	(773)	(21,662)	—
Net cash provided by operating activities	27,808	445	28,253	(6,261)
Cash flows from capital and related financing activities:				
Principal and interest payments on revenue bonds	(275,507)	—	(275,507)	—
Proceeds from issuance of revenue bonds	253,689	—	253,689	—
Additions to property, plant, and equipment	(23,906)	—	(23,906)	—
Net cash used by capital and related financing activities	(45,724)	—	(45,724)	—
Cash flows from non-capital financing activities:				
Transfer out to governmental funds	—	(400)	(400)	—
Net cash provided by non-capital financing activities	—	(400)	(400)	—
Cash flows from investing activities:				
Purchase of investments	(90,578)	—	(90,578)	—
Proceeds from sale of investments	136,143	—	136,143	—
Interest received on investments	418	—	418	—
Net cash provided by investing activities	45,983	—	45,983	—
(Decrease) increase in cash and cash equivalents	28,067	12	28,112	(6,261)
Cash and cash equivalents at beginning of year	129,778	1,895	131,673	25,079
Cash and cash equivalents at end of year	$ 157,845	1,907	159,785	18,818
Reconcilation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	$ 17,268	344	17,612	(2,376)
Adjustments to reconcile operating (loss) income to net cash provided by (used in) operating activities:				
Depreciation and amortization	33,319	159	33,478	—
Changes in assets and liabilities:				
Changes in customer receivables - net	36	—	36	—
Other assets	—	—	—	(2,395)
Change in due from other governments - net	(220)	896	676	—
Accounts and claims payable and accrued liabilities	(8,482)	(954)	(9,436)	(1,490)
Accrued liabilities	(72)	—	(72)	—
Contractual and other payables	(14,041)	—	(14,041)	—
Net cash provided by (used in) operating activities	$ 27,808	445	28,253	(6,261)
Non-cash transactions:				
Unrealized gain on investments	$ 158	—	—	—
Gain (loss) on investment in joint venture	(2,159)			

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA

Statement of Fiduciary Net Position
Fiduciary Funds

December 31, 2013

(In thousands of dollars)

Assets:	Pension Trust Fund	OPEB Trust Fund	Agency Funds
Cash and cash equivalents	$ 28,438	2	92,420
Due from Brokers for Securities Sold	1,506	—	—
Investments, at fair value:			
US Treasury Obligations	62,991	3,638	—
US Agency Obligations	127,335	—	—
Corporate asset & mortgage backed securities	35,731	—	—
Corporate debt	69,543	—	—
Corporate equities	635,704	—	—
Government Guaranteed Corporate Debt	5,407	—	—
Municipal General Obligation bond	5,429	—	—
International mutual funds	198,917	—	—
Commingled equity funds	131,556	—	—
Real estate investment contracts	8,690	—	—
Taxes receivable (net of allowance)	—	—	22,923
Interest and dividends receivable	2,158	—	—
Accounts receivable	134	—	—
Prepaid pension benefits	9,630	—	—
Funds held in escrow	13	—	—
Total assets	1,323,182	3,640	115,343
Liabilities:			
Due to Brokers for Securities Purchased	22,787	—	—
Due to other taxing districts	—	—	35,971
Due to others	13	—	79,372
Total liabilities	22,800	—	115,343
Net Position:			
Net Position held in trust for pension benefits	1,300,382	—	—
Net Position held in trust for OPEB	—	3,640	—
Total net position	$ 1,300,382	3,640	—

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, 2013

(In thousands of dollars)

	Pension Trust Fund	OPEB Trust Fund
Additions:		
Investment income:		
Net depreciation in fair value of investments	$ 183,634	$ 607
Interest and dividends	57,852	—
Less: investment expenses	(4,729)	—
Net investment gain	236,757	607
Employee contributions	2,533	—
Employer contributions	56,235	—
Contributions from other participating governments	118	—
Other income	193	—
Total additions	295,836	607
Deductions:		
Benefit payments	110,221	—
Transfer of plan assets to 401(A) plan or other plans	207	—
Refunds of contributions to terminated employees	113	—
Administrative fees and other expenses	617	—
Total deductions	111,158	—
Change in net position	184,678	607
Net position held in trust for benefits:		
Beginning of year	1,115,704	3,033
End of year	$ 1,300,382	$ 3,640

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 $50 million in funding to the Hospital Authority during 2013.

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. Specifically, 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 $702 to the ARC for the year ended December 31, 2013. 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 million in 2013 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, 2013, 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 Service 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" were originally combined with the original special service district for financial reporting purposes through a combining schedule in the non-major special revenue section. These sub-district funds have been inactive and have no residual balances, therefore the 2013 presentation shows the old unincorporated district within the combining non-major governmental funds.

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 2013.

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 2013 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, 2013 is approximately $129.2 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 Special District fund	Debt Service fund	Total
Property taxes	$	19,289	2,082	487	21,858
Insurance premium taxes		-	4,063		4,063
Totals	$	19,289	6,145	487	25,921

(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 reports net patient service revenue at the estimated net realizable amounts due from patients, third-party payors, and others for services rendered, including estimated retroactive revenue adjustments (if necessary) due to future audits, reviews, and investigations. Retroactive adjustments are considered in the recognition of reenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations.

(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, 2014 are recorded as expenditures in 2013 (budget) as opposed to 2014 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	$ (5,227)	(872)
Adjustments to accruals:		
Tax revenues and receivables	(11,254)	(954)
Liabilities	(506)	144
Fund balance utilized	16,987	1,682
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 South Fulton Taxing District Fund. Formal budgetary integration is employed as a management control device during the year for these two funds. Budgets were also legally adopted for debt service fund and other special revenue funds for the fiscal year ending December 31, 2013. 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 2013.

(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, 2013, the County's primary governmental and business type funds had the following investments:

		December 31, 2013			
Fixed Income:		Fair value	< 1 year	1-5 years	6-10 years
US Agency Obligations	$	256,192	80,016	176,176	-
Fixed Income subtotal		256,192	80,016	176,176	-
Money Market funds		4,222			
Total cash equivalents and investments	$	260,414			

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, 2013. The US Agency obligations of $256,192 are rated AAA/AA+, while money market funds of $4,211 possess the highest quality short term ratings, while the remaining $11 governmental money market funds are rated AAA.

(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, 2013 (in thousands of dollars):

		2013
Balances by category:		
Cash and deposits	$	345,529
Cash equivalents		4,222
Investments		256,192
Investments-held by third party		2,535
	$	608,478
Balances as presented in the Statement of Net Position:		
Unrestricted activities:		
Cash and cash equivalents	$	345,939
Investments		168,149
Restricted activities:		
Cash and cash equivalents		3,812
Investments		90,578
	$	608,478

(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, 2013.

	December 31, 2013				
Fixed Income:	Fair Value	3-12mos	1-5yrs	6-10yrs	>10yrs
US Treasury Obligations	$ 62,991	3,221	42,408	10,350	7,012
US Agency Obligations	127,335	3	5,172	13,265	108,895
Municipal General Obligations	5,429	-	412	621	4,396
Government Guaranteed Corporate	5,407	-	1,728	-	3,679
Corporate Debt	69,543	4,044	20,872	29,519	15,108
Corporate Asset Backed Securities	17,984	-	6,197	7,922	3,865
CMO	563	-	-	563	-
CMBS	17,184	-	-	-	17,184
Fixed Income subtotal	306,436	7,268	76,789	62,240	160,139
Equity securities	635,704				
Real Estate Investment Trusts (REITs)	8,690				
Commingled equity funds	131,556				
International mutual funds	198,917				
Cash and Cash Equivalents	28,438				
Due to/from Brokers for Securities Purchased	(21,281)				
Total cash equivalents and investments	$ 1,288,460				

The following is a summary of the carrying amounts of the cash, cash equivalents and investments of the Fiduciary funds at December 31, 2013 (in thousands of dollars):

	2013		
	Pension Trust Fund	OPEB Trust Fund	Agency Funds
Balances by category:			
Cash and cash equivalents	$ 28,438	2	92,420
Investments	1,281,303	3,638	-
Due from Brokers for Securities Sold	1,506	-	-
Due to Brokers for Securities Purchased	(22,787)	-	-
	$ 1,288,460	3,640	92,420

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 two money market accounts which are classified as cash equivalents for a total of $1,406.

(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, 2013.

		December 31, 2012 ratings				
Fixed Income:	Fair Value	AAA	AA	A	BBB	N/R
US Treasury Obligations	$ 62,991	-	62,991	-	-	-
US Agency Obligations	127,335	-	127,335	-	-	-
Municipal General Obligations	5,429	2,929	1,177	1,323	-	-
Government Guaranteed Corporate	5,407	-	5,407	-	-	-
Corporate Debt	69,543	39	1,555	19,149	48,800	-
Corporate Asset Backed Securities	17,984	3,192	3,529	6,155	5,108	-
CMO	563	563	-	-	-	-
CMBS	17,184	7,260	4,269	3,349	2,306	-
Fixed Income totals	$ 306,436	13,983	206,263	29,976	56,214	-

(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, 2013, 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	$	3,092	3,092	-	-	-
Total investments		$	3,092	3,092	-	-	-

(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 adopted investment policies seek to promote the safety of principal, provide adequate liquidity for operational needs, earn market rates of return on investments consistent with liquidity needs and investment quality, and confirm with legal requirements.

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, 2013.

Hospital Authority

Basic combined discretely presented component unit financial statements:

		2013
Unrestricted:		
Cash and cash equivalents	$	77,849
Investments		3,092
Restricted		
Cash and cash equivalents (deposits and trusts)		55,437
Investments		3,322
Total	$	139,700
Cash	$	77,849
Investments		3,092
Nonpublic funds		58,759
Total cash, cash equivalents and investments	$	139,700

(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.

(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 was successfully renegotiated in 2013 as required by state law.

(5) Allowances for Uncollectible Receivables

Allowances for uncollectible receivables at December 31, 2013 are as follows (in thousands of dollars):

	2013
Taxes Receivable:	
General Fund	$ 8,671
Debt Service Fund	30
South Fulton Special Taxing District	653
Agency Funds	30,244
	$ 39,598
Accounts Receivable – Water and Sewerage System Fund	$ 3,189

(6) Due from Other Governments

Governmental type funds include receivables from other governments for various activities. The General fund is owed $2,337 due from other local government entities related to financing the activities of the Atlanta-Fulton County Water Resource Commission, $783 for the provision of animal control services and $37 for the costs of providing a municipal election in 2008. Additionally, due from other governments in the Other Governmental Funds include a receivable of $6,809 for federal financial assistance related to various grantor receivables, of which $5,473 is grants-in aid while $1,237 relates to public health services. $99 is due for reimbursement of capital costs in the emergency communication system from one municipality.

(6) Due from Other Governments (continued)

Business type funds are owed $185 from a municipality for contractual services provided in 2007 through 2008 for police and fire services. $4,827 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, 2013.

(7) Capital Assets and Infrastructure

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

	January 1, 2013	Increases	Decreases	December 31, 2013
Capital assets not being depreciated:				
Land and land improvements	$ 48,003	1,658	—	49,661
Construction in progress	51,452	17,529	(1,233)	67,748
Total capital assets not being depreciated	99,455	19,187	(1,233)	117,409
Capital assets being depreciated:				
Equipment	116,412	7,396	—	123,808
Buildings and other improvements	720,247	280	—	720,527
Roadway network	572,523	1,291	—	573,814
Total capital assets being depreciated	1,409,182	8,967	—	1,418,149
Less accumulated depreciation for:				
Equipment	(108,118)	(2,968)	—	(111,086)
Buildings and other improvements	(368,014)	(15,390)	—	(383,404)
Roadway network	(211,275)	(11,946)	—	(223,221)
Total accumulated depreciation	(687,407)	(30,304)	—	(717,711)
Net capital assets being depreciated	721,775	(21,337)	—	700,438
Net capital assets- governmental activities	$ 821,230	(2,150)	(1,233)	817,847

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, 2013	Increases	Decreases	December 31, 2013
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	33	—	1,411
Buildings and other improvements	5,457	—	—	5,457
Total capital assets being depreciated	6,835	33	—	6,868
Less accumulated depreciation for:				
Equipment	(1,313)	(23)	—	(1,336)
Buildings and other improvements	(4,840)	(136)	—	(4,976)
Total accumulated depreciation	(6,153)	(159)	—	(6,312)
Net capital assets being depreciated	682	(126)	—	556
Net capital assets-Airport fund	$ 28,591	(126)	—	28,465

(7) Capital Assets and Infrastructure (continued)

	January 1, 2013	Increases	Decreases	December 31, 2013
Water and Sewerage System fund:				
Capital assets not being depreciated:				
Land improvements	$ 8,604	1,452	—	10,056
Construction in progress	4,858	10,442	—	15,300
Total capital assets not being depreciated	13,462	11,894	—	25,356
Capital assets being depreciated:				
Equipment	14,730	499	—	15,229
Water system	271,205	4,281	—	275,486
Sewerage system	1,107,465	7,231	—	1,114,696
Intangible assets	169,006	—	—	169,006
Total capital assets being depreciated	1,562,406	12,011	—	1,574,417
Less accumulated depreciation for:				
Equipment	(13,220)	(440)	—	(13,660)
Water system	(78,352)	(5,128)	—	(83,480)
Sewerage system	(311,569)	(21,568)	—	(333,137)
Intangible assets	(34,551)	(5,334)	—	(39,885)
Total accumulated depreciation	(437,692)	(32,470)	—	(470,162)
Net capital assets being depreciated	1,124,714	(20,459)	—	1,104,255
Net capital assets-Water and Sewerage System fund	$ 1,138,176	(8,565)	—	1,129,611

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

Governmental activities:	
Administration	$ 1,836
Public Safety	3,855
Legal	4,039
Infrastructure and facilities	16,535
Social services	3,672
Health services	367
Total depreciation expense, governmental activities	$ 30,304
Business-type activities:	
Water and Sewerage	$ 32,470
Airport	159
Total depreciation expense, business-type activities	$ 32,629

(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, 2013	Increases	Decreases	December 31, 2013
Capital assets not being depreciated:					
Land	$	2,765	—	—	2,765
Construction in progress		22,077	3,626	(5,402)	20,301
Total capital assets not being depreciated		24,842	3,626	(5,402)	23,066
Capital assets being depreciated:					
Equipment		213,336	36,344	28	249,708
Buildings		237,821	15,514	(4)	253,331
Total capital assets being depreciated		451,157	51,858	24	503,039
Less accumulated depreciation for:					
Equipment		(102,148)	(16,800)	—	(118,948)
Buildings and other improvements		(62,326)	(26,731)	—	(89,057)
Total accumulated depreciation		(164,474)	(43,531)	—	(208,005)
Net capital assets being depreciated		286,683	8,327	24	295,034
Net capital assets- governmental activities	$	311,525	11,953	(5,378)	318,100

Total depreciation expense for the Hospital Authority was $43,531. 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, 2013 (in thousands of dollars):

Governmental activities:	January 1, 2013	Additions	Retirements	Other	December 31, 2013	Due within one year
Certificates of participation	$ 96,120	-	(7,665)	-	88,455	8,015
Less deferred charges, net*	6,008	-	-	(921)	5,087	
Total Certificates of Participation	102,128	-	(7,665)	(921)	93,542	
Building Authority Revenue Bonds	14,725	-	(7,170)	-	7,555	7,555
Less deferred charges, net	53	-	-	(35)	18	
Total Building Authority Revenue Bonds	14,778	-	(7,170)	(35)	7,573	
Library General Obligation Bonds	159,380	-	(4,040)	-	155,340	4,200
Less deferred charges, net	2,165	-	-	(132)	2,033	
Total Library General Obligation Bonds	161,545	-	(4,040)	(132)	157,373	
Economic Recovery Zone Bonds	28,736	-	(1,771)	-	26,965	1,829
Compensated absences	39,264	11,822	(12,779)	-	38,307	11,822
Other long term capital lease obligations	57,937	14,849	(6,510)	-	66,276	9,890
Net other post employment benefits	336,813	90,817	(29,189)	-	398,441	-
Claims and judgments	12,780	-	-	(58)	12,722	193
Post-closure care	15,572	-	(1,204)	-	14,368	1,204
Total Governmental activities	$ 769,553	117,488	(70,328)	(1,146)	815,567	44,708
Business-type activities:						
Water & Sewerage Revenue Bonds	$ 492,845	223,265	(251,675)	-	464,435	4,920
Less deferred charges, net	36,395	30,424	-	(8,622)	58,197	
Total Water & Sewerage Revenue Bonds	529,240	253,689	(251,675)	(8,622)	522,632	
Other long-term liabilites	1,393	802	(874)	-	1,321	802
Total business-type activities	$ 530,633	254,491	(252,549)	(8,622)	523,953	5,722

*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 $4,200-$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	580	580	Capital facilities
2002-B Building Authority	5.00	2014	6,975	6,975	Capital facilities
			$ 7,555		
Business-type activities:					
2011 Water and Sewerage	2.00-5.00	2027	241,170	4,920-20,270	Water/Sewer facilities
2013 Water and Sewerage	3.50-5.25	2034	223,265	5,080-36,935	Water/Sewer facilities
			$ 464,435		

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 $4,927,896. As of December 31, 2013, the County had $157,373 of direct general obligation debt less $9,032 of funds to service this debt. Therefore, the County's unused debt margin was $4,779,555 as of December 31, 2013.

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, 2013.

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

The annual requirements to amortize bonds payable as of December 31, 2013, 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
2014	$ 4,200	7,072	7,555	379	4,920	22,311	16,675	31,796
2015	4,370	6,901	—	—	14,650	22,125	19,020	31,060
2016	4,545	6,723	-	-	15,325	21,453	19,870	30,209
2017	4,440	6,565	-	-	16,090	20,687	20,530	29,285
2018	4,575	6,430	-	-	16,875	19,898	21,450	26,328
2019-2023	24,695	29,600	-	-	97,840	86,042	122,535	115,642
2024-2028	28,180	24,050	-	-	116,410	59,878	144,590	83,928
2029-2033	32,955	16,521	-	-	148,420	27,881	181,375	44,402
2034-2038	38,820	7,331	-	-	33,905	1,356	72,725	8,687
2039	8,560	221	-	-	-	-	8,560	221
Total	155,340	111,414	7,555	379	464,435	281,631	627,330	401,558
Deferred charges/ premiums	2,033	(2,033)	18	(18)	58,197	(58,197)	60,248	(60,248)
Total	$ 157,373	109,381	7,573	361	522,632	223,434	687,578	341,310

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. The Fulton County Water and Sewerage System issued $223,265 in March 2013 to refund all outstanding 2004 revenue bonds and are considered defeased as of December 31, 2013. The average true interest cost of 3.63% decreased total debt service payments by approximately $59 million resulting in an economic gain of $40.3 million. An accounting loss of $8,434 has been recorded in the Water and Sewer System financial statements as an extraordinary item for 2013.

Previously the System issued $251.7 million in revenue refunding bonds in September 2011, of which $40.2 million remains from advance refunding 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 $367.6 million as of December 31, 2013. $286.8 million was paid from these escrowed funds on of January 1, 2014.

(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, 2013 is $88,455 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, 2013 is $26,965 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, 2013, including interest payments of $17,380 and $8,308 are as follows (in thousands of dollars):

Year ended December 31,		Fulton County Facilities Corporation	Fulton County Urban Redevel-opment Agency
2014	$	12,354	3,022
2015		12,344	3,005
2016		20,286	2,979
2017		20,284	2,957
2018		20,286	2,938
2019-2023		20,281	14,316
2024-2026		-	6,056
Total minimum lease payments	$	105,835	35,273
Less: Amount representing interest		(17,380)	(8,308)
Present value of minimum lease payments	$	88,455	26,965

(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 $66,276 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 $119,203 as of December 31, 2013, of which $38,910 is recorded as buildings, $22,839 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, 2013, including interest payments of $13,130 are as follows (in thousands):

Year ended December 31,	Capital lease obligation
2014	$ 12,082
2015	11,103
2016	9,525
2017	7,132
2018	5,982
2019-2023	22,751
2024-2025	10,831
Total minimum lease payments	$ 79,406
Less: Amounts representing interest	(13,130)
Present value of minimum lease payments	$ 66,276

(g) Hospital Authority Long Term Debt and other Obligations

Changes in the Hospital Authority's non-current liabilities for the year ended December 31, 2013 are noted below: (in thousands)

Long-term debt:	January 1, 2013	Additions	Retirements	December 31, 2013	Due within one year
Revenue Certificates	$ 200,370	41,380	(63,380)	178,370	-
Notes payable	15,367	300	(3,487)	12,180	3,864
Capital lease obligations	4,570	-	(1,098)	3,472	586
Total long-term debt	220,307	41,680	(67,965)	194,022	4,450
Other long-term liabilities:					
Deferred revenue	4,333	2,132	(1,462)	5,003	-
IT Software contract	5,617	-	(3,430)	2,187	-
Workers Compensation	4,011	-	(2,751)	1,260	1,712
General Professional	56,412	-	(9,525)	46,887	11,750
Accrued OPEB	51,794	-	(41,543)	10,251	-
Other	8,668	-	(1,298)	7,370	-
Total	$ 130,835	2,132	(60,009)	72,958	13,462

(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 Principal	Authority Long Term Debt Interest	Authority Capital Lease Obligations Principal	Authority Capital Lease Obligations Interest	Totals Principal	Totals Interest
2014	$ 3,864	7,673	586	192	4,450	7,865
2015	18,655	4,267	622	156	19,277	4,423
2016	24,837	3,634	542	121	25,379	3,755
2017	21,995	3,029	575	88	22,570	3,117
2018	22,405	2,549	610	52	23,015	2,601
2019-2024	98,795	5,657	537	15	99,332	5,672
Total	$ 190,551	26,809	3,472	624	194,023	27,433

On December 19, 2013, the Hospital Authority issued revenue refunding certificates in the amount of $41,380 secured by pledged revenues derived under a contract with DeKalb County. The proceeds were used to provide funds to redeem DeKalb County's remaining unfunded portion of the Series 2003 Certificates, which are considered to be paid and the liability removed from the Hospital Authority's financial statements. The Hospital Authority incurred an accounting loss of $4,444 for the 2013 Certificates, which is being recognized as additional interest expense of the life of the 2003 Certificates and considered a deferred outflow of resources.

(h) Hospital Authority Capital Lease Obligations

The Hospital Authority has entered into various capital lease agreements for office equipment. At December 31, 2013, the gross amount of capital assets under capital leases is $7.8 million and the related accumulated depreciation is $4.3 million.

Tax Anticipation Notes

The County issued $200 million in Tax Anticipation Notes on May 15, 2013 to fund cash requirements until the primary source of cash revenues of property taxes are received in October and November of each year. The interest cost on this borrowing was approximately $187 thousand. This note matured on December 31, 2013, with a net yield of .146%.

Liability for Tax Anticipation Notes, January 1, 2013	$	-
Notes Issued		200,000,000
Notes Matured and paid		200,000,000
Liability for Tax Anticipation Notes, December 31, 2013	$	-

(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 11 years. The County payments specific to landfill postclosure care approximated $1,204 in 2013, 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.

(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 $58.6 million as of December 31, 2013. 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 $3.0 million as of December 31, 2013.

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 renewed this letter on April 3, 2013 with the bank which provided the Hospital authority necessary funding contributions for 2013. 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, 2013.

(10) Interfund Assets/Liabilities and Transfers

No Interfund receivable and payable balances exist as of December 31, 2013. 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 From		General fund	Non-Major Govern-mental funds	Total
General fund	$	-	44,509	44,509
South Fulton Special District fund		439	4,644	5,083
Non-Major Governmental funds		4,250	-	4,250
Enterprise fund		400	-	400
	$	5,089	49,153	54,242

(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, 2013, which is expected to be paid after one year, is $12,722. 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 2013. 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, 2013, the present value of the estimated future liability for outstanding claims, including estimated incurred, but not reported claims, is $9,616. At December 31, 2013, the County held $15,059 in cash and cash equivalents available for payment of these claims.

The County has also recorded a liability within the Risk Management Fund of $2,863 to provide for resources to insure for general, employee and vehicle liability and automobile physical damage. At December 31, 2013, the County held $3,205 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, 2013 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
2013	$ 26,868	101,362	(103,029)	25,201
2012	20,170	107,255	(100,557)	26,868
2011	18,300	95,939	(94,069)	20,170

(12) 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.

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.

(12) Retirement Plans (continued)

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 2013 are as follows (in thousands of dollars):

	2013
Total required employer contributions:	
Dollar amount	$ 52,882
Percent of covered payroll	145.85%
Actual employer contributions:	
Dollar amount	$ 56,244
Percent of covered payroll	155.12%

Employee contribution rates are established in accordance with pension law. During 2013 actual countywide employee contributions were $2,533 which represented 6.99% of covered payroll. The annual required contribution for the current year was determined as part of the January 1, 2013 actuarial valuation using the entry age normal cost method. The actuarial assumptions included (a) 7.8% investment rate of return, (b) projected salary increases are 0.0% throughout 2013, 2.0% for 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 25 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 2013 are as follows:

Members:		
Retired and receiving benefits	$	3,137
Terminated with vested benefits		23
Active employees:		
Vested		678
Total members		3,838
Total current year payroll for employees covered by the Plan (in thousands)	$	36,258

(12) Retirement Plans (continued)

The Plan's annual pension cost and net pension obligation for 2013 were as follows:

	(In thousands of dollars)
Annual required contribution	$ 52,882
Interest on net pension obligation	(3,480)
Adjustment to annual required contribution	3,763
Annual pension cost	53,165
Contributions made, including interest	(58,438)
Decrease in net pension obligation	(5,273)
Net pension obligation (asset) beginning of year	(44,051)
Net pension obligation (asset) end of year	$ (49,324)

Effective as of the January 1, 2014 valuation, the Fulton County Employees Retirement System Board approved changes to the amortization period for experience gains and losses from 25 years to 20 years. The salary scale was also modified from 2% for the 2014 year and 4% thereafter was changed to 3% for all years thereafter.

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%, 2% for 2014 and 4% thereafter. 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.

As of the most recent valuation date of January 1, 2014, 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
$1,173,841	$1,608,975	$435,134	73.0%	$36,258	1200.0%

(12) Retirement Plans (continued)

Schedule of Employer Contributions
Three-Year Trend Information
(in thousands)

Fiscal year ended	Annual Pension Cost (APC)	Percentage of APC contributed	Net pension obligation (asset)
December 31, 2011	$ 44,507	98.5%	$ (47,621)
December 31, 2012	51,320	93.0	(44,051)
December 31, 2013	53,165	109.9	(49,324)

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, 2013, the plan had 4,239 active participants who contributed 6% of their pensionable earnings, approximately $10,128 during 2013. The County also contributed $13,504 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.

(c) 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, MetLife and TIAA-CREF independently managed assets of the plan throughout 2013.

(d) 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.

(13) 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 $36,506 in 2013, as compared to $35,616 in 2012. 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.

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 $1,455 have accumulated in this trust fund as of December 31, 2013, of which $607 was earned in 2013.

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%

(13) Other Post-Employment Benefits (continued)

The county's annual OPEB cost and net OPEB liability for the year ended December 31, 2013:

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		(29,189)
Change in net OPEB obligation		61,628
Net OPEB obligation - January 1		336,813
Net OPEB obligation - December 31	$	398,441

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, 2011	$ 90,903	17.3%	$ 273,323
December 31, 2012	90,817	30.1	336,813
December 31, 2013	90,817	32.1	398,441

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 2013 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.

(13) Other Post-Employment Benefits (continued)

(b) Hospital Authority

The Hospital Authority provided retiree medical benefits covering all employees of the Hospital Authority who retire at age 55 or older with at least 10 years of service. The plan was amended effective May 1, 2013, the terms of which generally provide that Medicare-eligible employees are no longer eligible for medical benefits under the post retirement benefit plan. Consequently, during 2013 the Authority began providing a retiree Health Reimbursement Account (HRS) for each Medicare-eligible individual in the plan. The fiscal year 2013 HRA allocation for each retiree was six hundred fifty dollars, which was reduced to three hundred and twenty five dollars for fiscal year 2014. The financial impact of the plan amendments was recognized in the Authority's fiscal year 2013 combined financial statements, resulting in a $40 million decrease in the accrued postretirement benefit cost and a $7.5 million increase in operating income through a reduction in the net periodic benefit cost. The plan amendments had no significant impact on cash flows from operations for the year ended December 31, 2013. A discount rate of 3.34% was used to remeasure obligations at the amendment date.

The changes in the accumulated postretirement benefit obligation (APBO) during 2013 follow:

		2013
APBO, Beginning	$	51,794
Service cost		740
Interest cost		751
Plan participant contributions		674
Benefits paid		(1,260)
Actuarial gain		(1,444)
Plan amendments		(39,972)
APBO, Ending	$	11,283

$1,032 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 2014 is a net credit of $12.1 million. Expected future payments for other post-employment benefits range from $1,032 to $1,445 for the next five years and $5,502 for combined years 2019 through 2023.

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

		2013
Service cost	$	740
Interest cost		751
Amortization of prior service credit		(9,468)
Amortization of net gain		-
Net periodic postretirement benefit cost	$	(7,977)

(13) Other Post-Employment Benefits (continued)

(c) 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 $289 thousand and increase interest and service cost by approximately $23 thousand. A 1% decrease in the healthcare cost trend rate would decrease the APBO by approximately $276 thousand and reduce interest and service cost by approximately $22 thousand. Assumed trend rates utilized in this estimate range from 7.3% in 2013 reduced by .20% each year thereafter to a rate of $4.5% in 2029.

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.

(14) 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 $18 million to $23 million is believe to be reasonably possible, of which approximately $10 to $11 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 $15 million for these cases, $13 million within the long term debt section and approximately $2 million within the claims payable in the Risk Management Fund on page 84.

(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, 2013 total approximately $36,665.

(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.

(14) 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, 2013 were approximately $5.8 million. The future minimum lease payments under noncancelable operating leases as of December 31, 2013 are as follows (in thousands):

		Operating leases
2014	$	2,659
2015		2,858
2016		3,056
2017		3,030
2018		2,608
Thereafter		10,375
	$	24,586

(15) 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. This includes resources funded through bond issuances which restrict proceeds be used for the intended purpose.

(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.

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 needed. For unrestricted amounts of und balance, it is the County's policy to use committed fund balance first, then assigned fund balances, then unassigned.

(15) Fund Balance (continued)

The specific purposes of the governmental funds fund balances, classified as other than unassigned, at December 31, 2013 are as follows (in thousands):

Fund Balances:	Restricted	Committed	Assigned
Library capital projects	$ 153,521		
Debt service	10,481		
Grants in Aid	2,658		
Emergency Communications	470		
Public Health Services	1,562		
Law Enforcement and Justice services	7,412		
Public Education Government Television		651	
South Fulton Special District			5,842
Special Service District			4,604
Stormwater Management			328
General Government services			273
Social and Cultural services			2,849
Other special revenue			2,639
Tax Allocation district			3
Other Capital and Transportation projects	14,354		32,783
Totals	$ 190,458	651	49,321

(16) Subsequent Events

The County in May of 2014 issued $200 million in Tax Anticipation Notes to provide operating capital until property tax collections are received by the County.

(17) Extraordinary Item

The Fulton County Water and Sewerage System issued 2013 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. This resulted in an accounting loss of $8,424 which is shown as an extraordinary item on the Statement of Revenues, Expenses and changes in Fund Net Position-Proprietary Funds on page 23 of these financial statements and on the Statement of Activities-Business-type activities on page 13 of these financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION

(Unaudited)

FULTON COUNTY, GEORGIA

Required Supplementary Information
Unaudited, and in thousands

December 31, 2013

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

Year Ended	Annual Required Contribution	Employer Contributions	Percentage Contributed
December 31, 2008	$ 33,836	32,857	97.11%
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
December 31, 2013	52,882	56,244	106.4

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, 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
December 31, 2013	1,173,841	1,608,975	435,134	73.0	36,258	1,200.0

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, 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
December 31, 2013	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 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 District – The original special service district for financial reporting purposes, which contains residual resources subsequent to recent incorporations throughout Fulton County. Expenditures are largely accumulated and funded termination payments to employees who earned time in this fund while active.

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 Communications – 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 Health services-accounts for resources obtained from intergovernmental grants and contributions which are expended to provide 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, 2013

(in thousands of dollars)

	Debt Service fund	Special Revenue Funds				
		Special Service District	Grants in Aid	Emergency Communications	Stormwater Management	General Government Services
Assets:						
Cash and cash equivalents	$ 10,327	5,332	1,229	697	328	638
Investments	—	—	—	—	—	—
Receivables (net of allowances):						
Taxes	641	—	—	—	—	—
Due from other governments	—	—	5,473	99	—	—
Total assets	$ 10,968	5,332	6,702	796	328	638
Liabilities:						
Accounts payable	$ —	728	4,044	282	—	—
Due to others	—	—	—	44	—	365
Total liabilities	—	728	4,044	326	—	365
Deferred Inflows of Resources:						
Unavailable revenue	487	—	—	—	—	—
Total deferred inflows of resources	487	—	—	—	—	—
Fund balances (deficit):						
Nonspendable	—	—	—	—	—	—
Restricted	10,481	—	2,658	470	—	—
Committed	—	—	—	—	—	—
Assigned	—	4,604	—	—	328	273
Unassigned	—	—	—	—	—	—
Total fund balances (deficit)	10,481	4,604	2,658	470	328	273
Total liabilities, deferred inflows of resources and fund balances	$ 10,968	5,332	6,702	796	328	638

(continued)

FULTON COUNTY, GEORGIA

Combining Balance Sheet
Non-Major Governmental Funds

December 31, 2013

(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	$ 1,123	667	8,994	—	4,780	3,626	3
Investments	—	—	—	—	—	—	—
Receivables (net of allowances):							
Taxes	—	—	—	—	—	—	—
Due from other governments	1,237	—	—	—	—	—	—
Total assets	$ 2,360	667	8,994	—	4,780	3,626	3
Liabilities:							
Accounts payable	$ 798	16	—	—	—	987	—
Due to others	—	—	1,582	—	1,931	—	—
Total liabilities	798	16	1,582	—	1,931	987	—
Deferred Inflows of Resources:							
Unavailable revenue	—	—	—	—	—	—	—
Total deferred inflows of revenues	—	—	—	—	—	—	—
Fund balances (deficit):							
Nonspendable	—	—	—	—	—	—	—
Restricted	1,562	—	7,412	—	—	—	—
Committed	—	651	—	—	—	—	—
Assigned	—	—	—	—	2,849	2,639	3
Unassigned	—	—	—	—	—	—	—
Total fund balances (deficit)	1,562	651	7,412	—	2,849	2,639	3
Total liabilities, deferred inflows of resources and fund balances	$ 2,360	667	8,994	—	4,780	3,626	3

FULTON COUNTY, GEORGIA

Combining Balance Sheet
Non-Major Governmental Funds

December 31, 2013

Library Capital	Fulton County Urban Rede-velopment Agency	Capital Improvements	Fulton County Building Authority	Other capital projects	Special Service District projects	Transport-ation Improve-ments	Total Non-major Governmental Funds
4,050	357	15,018	422	6,340	3,670	5,878	73,479
—	13,994	—	—	2,535	—	—	16,529
—	—	—	—	—	—	—	641
—	—	—	—	—	—	—	6,809
4,050	14,351	15,018	422	8,875	3,670	5,878	97,458
—	419	159	—	22	129	348	7,932
—	—	—	—	—	—	—	3,922
—	419	159	—	22	129	348	11,854
—	—	—	—	—	—	—	487
—	—	—	—	—	—	—	487
—	—	—	—	—	—	—	—
4,050	13,932	—	422	—	—	—	40,987
—	—	—	—	—	—	—	651
—	—	14,859	—	8,853	3,541	5,530	43,479
—	—	—	—	—	—	—	—
4,050	13,932	14,859	422	8,853	3,541	5,530	85,117
4,050	14,351	15,018	422	8,875	3,670	5,878	97,458

FULTON COUNTY, GEORGIA

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

For the year ended December 31, 2013

(in thousands of dollars)

		Special Revenue Funds				
	Debt Service fund	Special Service District	Grants in Aid	Emergency Telephone	Stormwater Management	General Government Services
Revenues:						
Taxes	$ 12,963	—	—	—	—	—
Intergovernmental	2,050	—	43,160	—	—	—
Charges for services	—	—	2,417	2,553	—	—
Courts and law enforcement	—	—	—	—	—	—
Use of money and property	15	—	—	—	—	—
Miscellaneous	—	—	—	—	—	111
Net appreciation (depreciation) in investments	—	—	—	—	—	—
Total revenues	15,028	—	45,577	2,553	—	111
Expenditures:						
Current:						
Administration	—	—	175	—	—	131
Public safety	—	139	1,706	4,228	—	—
Infrastructure and facilities	—	—	—	—	135	—
Social services	—	—	18,822	—	—	—
Health services	—	—	25,640	—	—	—
Other nonagency	—	—	—	—	—	—
Capital outlay	—	—	—	—	—	—
Debt service:						
Principal retirement	24,095	—	—	—	—	—
Interest	14,293	—	—	—	—	—
Total expenditures	38,388	139	46,343	4,228	135	131
Excess (deficiency) of revenues over (under) expenditures	(23,360)	(139)	(766)	(1,675)	(135)	(20)
Other financing sources (uses):						
Capital lease refunding obligations	—	—	—	—	—	—
Transfers in	26,958	—	1,325	2,075	—	—
Transfers out	—	—	—	—	—	—
Total other financing sources (uses)	26,958	—	1,325	2,075	—	—
Net change in fund balances	3,598	(139)	559	400	(135)	(20)
Fund balance at beginning of year	6,883	4,743	2,099	70	463	293
Fund balance (deficit) at end of year	$ 10,481	4,604	2,658	470	328	273

FULTON COUNTY, GEORGIA

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

For the year ended December 31, 2013

(in thousands of dollars)

	Special Revenue Funds						
	Public and Mental Health services	**Public Education Government Television**	**Law Enforcement and Justice services**	**Hotel/ Motel Taxes**	**Social and Cultural services**	**Other Special Revenue**	**Sandy Springs Tax Allocation District**
$	—	—	—	125	—	—	—
	10,247	—	—	—	—	—	—
	7,397	—	—	—	—	—	—
	—	—	8,324	—	—	—	—
	—	—	—	—	1	1	—
	—	286	—	—	—	1,536	—
	—	—	—	—	—	—	—
	17,644	286	8,324	125	1	1,537	—
	—	—	—	—	—	1,296	—
	—	—	7,843	—	—	—	—
	—	313	—	—	—	—	—
	—	—	—	—	6	—	—
	30,710	—	—	—	—	—	—
	—	—	—	125	—	—	—
	—	—	—	—	—	—	—
	—	—	—	—	—	—	—
	—	—	—	—	—	—	—
	30,710	313	7,843	125	6	1,296	—
	(13,066)	(27)	481	—	(5)	241	—
	—	—	—	—	—	—	—
	12,888	—	—	—	18	—	—
	—	—	—	—	—	—	—
	12,888	—	—	—	18	—	—
	(178)	(27)	481	—	13	241	—
	1,740	678	6,931	—	2,836	2,398	3
$	1,562	651	7,412	—	2,849	2,639	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, 2013

(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	—	—	—	—	—	—	—	13,088
Intergovernmental	1,350	—	—	—	—	—	1,552	58,359
Charges for services	—	—	—	—	—	—	—	12,367
Courts and law enforcement	—	—	—	—	—	—	—	8,324
Use of money and property	—	21	609	—	255	79	—	981
Miscellaneous	—	—	—	—	381	—	—	2,314
Net appreciation (depreciation) in investments	—	8	—	—	—	—	—	8
Total revenues	1,350	29	609	—	636	79	1,552	95,441
Expenditures:								
Current:								
Administration	—	—	—	—	—	—	—	1,602
Public safety	—	—	—	—	—	—	—	13,916
Infrastructure and facilities	—	4,317	—	—	9,439	—	—	14,204
Social services	—	—	—	—	—	—	—	18,828
Health services	—	—	—	—	—	—	—	56,350
Other nonagency	—	—	—	—	—	—	—	125
Capital outlay	—	—	3,160	—		902	3,608	7,670
Debt service:								
Principal retirement	—	—	—	—	—	—	—	24,095
Interest	—	—	—	—	—	—	—	14,293
Total expenditures	—	4,317	3,160	—	9,439	902	3,608	151,083
Excess (deficiency) of revenues over (under) expenditures	1,350	(4,288)	(2,551)	—	(8,803)	(823)	(2,056)	(55,642)
Other financing sources (uses):								
Capital lease refunding obligations	—	—	—	—	14,849	—	—	14,849
Transfers in	—	—	3,819	—	—	2,070	—	49,153
Transfers out	—	—	(4,000)	—	—	(250)	—	(4,250)
Total other financing sources (uses)	—	—	(181)	—	14,849	1,820	—	59,752
Net change in fund balances	1,350	(4,288)	(2,732)	—	6,046	997	(2,056)	4,110
Fund balance at beginning of year	2,700	18,220	17,591	422	2,807	2,544	7,586	81,007
Fund balance at end of year	4,050	13,932	14,859	422	8,853	3,541	5,530	85,117

FULTON COUNTY, GEORGIA
Debt Service and Special Revenue funds
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budget Basis)
For the year ended December 31, 2013

(In thousands of dollars)

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Debt Service funds:				
Revenues				
Taxes	$ 11,257	11,211	12,631	1,420
Other revenues per Budget law	—	—	2,065	2,065
Transfers	26,958	26,958	26,958	—
Appropriated Fund Balance	1,071	1,071	(3,266)	(4,337)
Total revenues	$ 39,286	39,240	38,388	(852)
Reconciliation to GAAP basis:				
To record net change in taxes receivable and deferred revenues			332	
Appropriated Fund Balance			3,266	
Total adjustment to GAAP basis			3,598	
Total revenues and other sources, GAAP basis			41,986	
Expenditures				
Principal	$ 24,095	24,095	24,095	—
Interest	15,191	15,191	14,293	898
Total expenditures	$ 39,286	39,286	38,388	898
Total expenditures and other uses, GAAP basis			38,388	

Special Service District fund:

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Revenues per Budget Law	$ —	—	—	—
Appropriated Fund Balance	—	4,544	139	(4,405)
	$ —	4,544	139	(4,405)
Reconciliation to GAAP basis:				
Appropriated fund balance			(139)	
			(139)	
			$ —	
Expenditures and other uses:				
Non agency	$ 4,544	4,544	139	4,405
	$ 4,544	4,544	139	4,405
Reconciliation to GAAP basis - to record net effect of unrecorded liabilities			—	
			$ 139	

FULTON COUNTY, GEORGIA

Special Revenue funds

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

For the year ended December 31, 2013

(In thousands of dollars)

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Grants in Aid				
Revenues				
Intergovernmental revenue	42,439	42,439	41,283	(1,156)
Other general revenues	$ 4,500	4,500	2,417	(2,083)
Transfers	1,179	1,179	1,325	146
Appropriated Fund Balance	—	—	1,153	1,153
Total revenues	$ 48,118	48,118	46,178	(1,940)
Reconciliation to GAAP basis:				
To record effect of receivables			1,877	
Appropriated Fund Balance			(1,153)	
Total revenues and other sources, GAAP basis			46,902	
Expenditures				
Administration	305	305	175	130
Social and Health services	18,413	18,413	16,242	2,171
Health services	29,400	29,400	28,054	1,346
Total expenditures	$ 48,118	48,118	46,178	1,940
Reconciliation to GAAP basis - to record net effect of unrecorded liabilities			165	
Total expenditures and other uses, GAAP basis			46,343	
Emergency Communications - 911				
Revenues				
Charges for Services	$ 2,935	2,935	2,553	(382)
Transfers	2,075	2,075	2,075	—
Appropriated fund balance	(279)	(279)	(402)	123
Total revenues	4,731	4,731	4,226	(259)
Reconciliation to GAAP basis:				
Appropriated Fund Balance			402	
Total revenues and other sources, GAAP basis			4,628	
Expenditures				
Total expenditures	$ 4,731	4,731	4,226	505
Reconciliation to GAAP basis - to record net effect of unrecorded liabilities			2	
Total expenditures and other uses, GAAP basis			4,228	

FULTON COUNTY, GEORGIA

Special Revenue funds

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

For the year ended December 31, 2013

(In thousands of dollars)

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Stormwater Management:				
Revenues				
Appropriated fund balance	$ 165	165	158	7
Total revenues	165	165	158	7
Reconciliation to GAAP basis:				
Appropriated Fund Balance			(158)	
Total revenues and other sources, GAAP basis			—	
Expenditures				
Total expenditures	$ 165	165	135	30
Total expenditures and other uses, GAAP basis			135	

General Government services:	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Miscellaneous	$ 140	140	111	(29)
Appropriated Fund Balance	205	205	20	(185)
Total revenues	$ 345	345	131	(214)
Reconciliation to GAAP basis:				
Appropriated Fund Balance			(20)	
Total revenues and other sources, GAAP basis			111	
Expenditures				
Total administrative expenditures	$ 345	345	131	214
Total expenditures and other uses, GAAP basis			131	

FULTON COUNTY, GEORGIA

Special Revenue funds

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

For the year ended December 31, 2013

(In thousands of dollars)

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Public Health Services				
Revenues				
Intergovernmental revenue-State	15,353	15,353	9,663	(5,690)
Other general revenues	$ 6,352	6,352	7,398	1,046
Transfers	12,888	12,888	12,888	—
Appropriated Fund Balance	—	—	(170)	(170)
Total revenues	$ 34,593	34,593	29,779	(4,814)
Reconciliation to GAAP basis:				
To record effect of receivables			583	
Appropriated Fund Balance			170	
Total revenues and other sources, GAAP basis			30,532	
Expenditures				
Total expenditures	$ 34,593	34,593	29,779	4,814
Reconciliation to GAAP basis - to record net effect of unrecorded liabilities			931	
Total expenditures and other uses, GAAP basis			30,710	

Public Education Government Television

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Miscellaneous	$ —	—	285	285
Appropriated Fund Balance	596	596	28	(568)
Total revenues	$ 596	596	313	(283)
Reconciliation to GAAP basis:				
Appropriated Fund Balance			(28)	
Total revenues and other sources, GAAP basis			285	
Expenditures				
Total expenditures	$ 596	596	313	283
Total expenditures and other uses, GAAP basis			313	

FULTON COUNTY, GEORGIA

Special Revenue funds

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

For the year ended December 31, 2013

(In thousands of dollars)

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Law Enforcement and Justice services:				
Revenues				
Anticipated revenues	$ 7,874	7,874	6,864	(1,010)
Appropriated Fund Balance	—	—	979	979
Total revenues	$ 7,874	7,874	7,843	(31)
Reconciliation to GAAP basis:				
Appropriated Fund Balance			(979)	
Total revenues and other sources, GAAP basis			6,864	
Expenditures				
Total expenditures	$ 7,874	7,874	7,843	31
Total expenditures and other uses, GAAP basis			7,843	

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Hotel Motel:				
Revenues				
Anticipated revenues	$ 140	140	125	(15)
Total revenues	$ 140	140	125	(15)
Reconciliation to GAAP basis:				
Appropriated Fund Balance			—	
Total revenues and other sources, GAAP basis			125	
Expenditures				
Total Non-agency expenditures	$ 140	140	125	15
Total expenditures and other uses, GAAP basis			125	

FULTON COUNTY, GEORGIA

Special Revenue funds

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

For the year ended December 31, 2013

(In thousands of dollars)

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Social and Cultural services:				
Revenues				
Anticipated revenues	$ —	—	19	19
Appropriated Fund Balance	583	583	(13)	(596)
Total revenues	$ 583	583	6	(577)
Reconciliation to GAAP basis:				
Appropriated Fund Balance			13	
Total revenues and other sources, GAAP basis			19	
Expenditures				
Total expenditures	$ 583	583	6	577
Total expenditures and other uses, GAAP basis			6	

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Other Special revenue funds:				
Revenues				
Anticipated revenues	$ —	—	1,537	1,537
Appropriated Fund Balance	2,535	2,535	(240)	(2,775)
Total revenues	$ 2,535	2,535	1,297	(1,238)
Reconciliation to GAAP basis:				
Appropriated Fund Balance			240	
Total revenues and other sources, GAAP basis			1,537	
Expenditures				
Total expenditures	$ 2,535	2,535	1,296	1,239
Total expenditures and other uses, GAAP basis			1,296	

	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, 2013

(In thousands of dollars)

Assets	Business Type Activities - Enterprise Funds: Sandy Springs Contractual services fund	Johns Creek Contractual services fund	Airport fund	Total Non-major Enterprise Funds
Current assets:				
Cash and cash equivalents	$ —	—	1,907	1,907
Due from other governments, net	—	185	—	185
Total current assets	—	185	1,907	2,092
Noncurrent assets:				
Nondepreciable capital assets	—	—	27,909	27,909
Depreciable capital assets (net of accumulated depreciation)	—	—	556	— 556
Total noncurrent assets	—	—	28,465	28,465
Total assets	—	185	30,372	30,557
Liabilities:				
Current liabilities (payable from current assets):				
Accounts payable & accrued expenses	$ —	185	162	347
Total liabilities	—	185	162	347
Net Position:				
Net investment in capital assets	—	—	28,465	28,465
Unrestricted	—	—	1,745	1,745
Total net position	$ —	—	30,210	30,210

FULTON COUNTY, GEORGIA

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

For the year ended December 31, 2013

(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	$ —	—	1,571	1,571
Total operating revenues	—	—	1,571	1,571
Operating expenses:				
Administrative and general	—	—	353	353
Depreciation and amortization	—	—	159	159
Personal services	—	—	715	715
Contractual services	—	—	—	—
Total operating expenses	—	—	1,227	1,227
Operating income (loss)	—	—	344	344
Income (loss) before contributions	—	—	344	344
Capital contributions	—	—	—	—
Transfer out	—	—	(400)	(400)
Change in net position	—	—	(56)	(56)
Net position at beginning of year	—	—	30,266	30,266
Net position at end of year	$ —	—	30,210	30,210

FULTON COUNTY, GEORGIA

Combining Statement of Cash Flows
Non-major Enterprise funds

For the year ended December 31, 2013

(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	$ —	—	1,571	1,571
Payments to suppliers	—	—	(353)	(353)
Payments to employees	—	—	(773)	(773)
Net cash provided by (used in) operating activities	—	—	445	445
Cash flows from capital and related financing activities:				
Additions to property, plant, and equipment	—	—	(33)	(33)
Net cash used by capital and related financing activities	—	—	(33)	(33)
Cash flows from non-capital financing activities:				
Transfer out	—	—	(400)	(400)
Net cash provided by non-capital financing activities	—	—	(400)	(400)
(Decrease) increase in cash and cash equivalents	—	—	12	12
Cash and cash equivalents at beginning of year	—	—	1,895	1,895
Cash and cash equivalents at end of year	$ —	—	1,907	1,907
Reconcilation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	$ —	—	344	344
Adjustments to reconcile operating (loss) income to net cash provided by (used in) operating activities:				
Depreciation and amortization	—	—	159	159
Changes in assets and liabilities:				
Change in due from other governments - net	500	396	—	896
Accounts and claims payable	(500)	(396)	(58)	(954)
Net cash provided by (used in) operating activities	$ —	—	445	445

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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, 2013

(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	$ —	15,059	3,205	554	18,818
Other current assets	440	8,868	—	—	9,308
Total assets	440	23,927	3,205	554	28,126
Liabilities and Net Position					
Current liabilities:					
Accounts payable	440	491	863	—	1,794
Claims payable	—	9,125	2,000	—	11,125
Total liabilities	440	9,616	2,863	—	12,919
Net position:					
Unrestricted	—	14,311	342	554	15,207
Total net position	$ —	14,311	342	554	15,207

FULTON COUNTY, GEORGIA

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

Internal Service Funds

For the year ended December 31, 2013

(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	$ 6,932	90,323	10,222	671	108,148
Operating expenses:					
Contractual services	—	87,643	—	563	88,206
Administrative and general	6,932	—	15,386	—	22,318
Total operating expenses	6,932	87,643	15,386	563	110,524
Operating income (loss)	—	2,680	(5,164)	108	(2,376)
Net position at beginning of year	—	11,631	5,506	446	17,583
Net position at end of year	$ —	14,311	342	554	15,207

FULTON COUNTY, GEORGIA

Combining Statement of Cash Flows
Internal Service Funds

For the year ended December 31, 2013

(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	$ 6,812	88,048	10,222	671	105,753
Payments to suppliers	(6,812)	(87,571)	(17,068)	(563)	(112,014)
Net cash provided by (used in) operating activities	—	477	(6,846)	108	(6,261)
Increase (decrease) in cash and cash equivalents	—	477	(6,846)	108	(6,261)
Cash and cash equivalents at beginning of year	—	14,582	10,051	446	25,079
Cash and cash equivalents at end of year	$ —	15,059	3,205	554	18,818
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	$ —	2,680	(5,164)	108	(2,376)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Changes in assets and liabilities:					
Other current assets	(120)	(2,275)	—	—	(2,395)
Accounts and claims payable	120	72	(1,682)	—	(1,490)
Net cash provided by (used in) operating activities	$ —	477	(6,846)	108	(6,261)

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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 Assets and Liabilities
Fiduciary Funds
Agency Funds

December 31, 2013

(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	$ 13,048	21,055	17,356	91	204	38,738	1,928	92,420
Taxes receivable	22,923	—	—	—	—	—	—	22,923
Total assets	$ 35,971	21,055	17,356	91	204	38,738	1,928	115,343
Liabilities								
Due to other taxing districts	$ 35,971	—	—	—	—	—	—	35,971
Due to others	—	21,055	17,356	91	204	38,738	1,928	79,372
Total liabilities	$ 35,971	21,055	17,356	91	204	38,738	1,928	115,343

FULTON COUNTY, GEORGIA

Statement of Changes in Assets and Liabilities

Fiduciary Funds
Agency Funds

For the year ended December 31, 2013

(In thousands of dollars)

	Balance January 1, 2013	Additions	Deductions	Balance December 31, 2013
Tax Commissioner:				
Assets				
Cash and cash equivalents	$ 13,285	2,031,592	2,031,829	13,048
Taxes receivable	53,441	1,160,728	1,191,246	22,923
	$ 66,726	3,192,320	3,223,075	35,971
Liabilities				
Due to other taxing districts	$ 66,726	3,192,320	3,223,075	35,971
Superior Court:				
Assets				
Cash and cash equivalents	$ 18,014	99,899	96,858	21,055
Liabilities				
Due to others	$ 18,014	99,899	96,858	21,055
State Court:				
Assets				
Cash and cash equivalents	$ 18,263	44,740	45,647	17,356
Liabilities				
Due to others	$ 18,263	44,740	45,647	17,356

(Continued)

FULTON COUNTY, GEORGIA

Statement of Changes in Assets and Liabilities

Fiduciary Funds
Agency Funds

For the year ended December 31, 2013

(In thousands of dollars)

	Balance January 1, 2013	Additions	Deductions	Balance December 31, 2013
Juvenile Court:				
Assets				
Cash and cash equivalents	$ 88	92	89	91
Liabilities				
Due to others	$ 88	92	89	91
Probate Court:				
Assets				
Cash and cash equivalents	$ 191	13	—	204
Liabilities				
Due to others	$ 191	13	—	204
Sheriff and Criminal Court:				
Assets				
Cash and cash equivalents	$ 27,981	45,622	34,865	38,738
Cash and cash equivalents	$ 27,981	45,622	34,865	38,738
Liabilities				
Due to others	$ 27,981	45,622	34,865	38,738
District Attorney:				
Assets				
Cash and cash equivalents	$ 1,819	1,093	984	1,928
Liabilities				
Due to others	$ 1,819	1,093	984	1,928

(Continued)

FULTON COUNTY, GEORGIA

Statement of Changes in Assets and Liabilities

Fiduciary Funds
Agency Funds

For the year ended December 31, 2013

(In thousands of dollars)

	Balance January 1, 2013	Additions	Deductions	Balance December 31, 2013
Total - All Agency Funds:				
Assets				
Cash and cash equivalents	$ 79,641	2,223,051	2,210,272	92,420
Taxes receivable	53,441	1,160,728	1,191,246	22,923
	$ 133,082	3,383,779	3,401,518	115,343
Liabilities				
Due to other taxing districts	$ 66,726	3,192,320	3,223,075	35,971
Due to others	66,356	191,459	178,443	79,372
	$ 133,082	3,383,779	3,401,518	115,343

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, 2013

(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
2014	$ 11,272	7,934	27,231	$ 46,437
2015	11,271	—	36,775	48,046
2016	11,268	—	36,778	48,046
2017	11,005	—	36,777	47,782
2018	11,005	—	36,773	47,778
2019	10,995	—	36,777	47,772
2020	10,931	—	36,779	47,710
2021	10,863	—	36,775	47,638
2022	10,791	—	36,780	47,571
2023	10,715	—	36,771	47,486
2024	10,639	—	35,260	45,899
2025	10,555	—	35,257	45,812
2026	10,447	—	35,256	45,703
2027	10,345	—	35,255	45,600
2028	10,244	—	35,260	45,504
2029	10,133	—	35,260	45,393
2030	10,022	—	35,260	45,282
2031	9,900	—	35,264	45,164
2032	9,776	—	35,257	45,033
2033	9,645	—	35,260	44,905
2034	9,512	—	35,261	44,773
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
	$ 266,754	7,934	746,066	1,020,754

FULTON COUNTY, GEORGIA

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

December 31, 2013

(In thousands of dollars)

Calendar year		Principal	Interest	Totals
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
	$	155,340	111,414	266,754
Unamortized premium at December 31, 2013		2,033	(2,033)	—
	$	157,373	109,381	266,754

FULTON COUNTY, GEORGIA

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

December 31, 2013

(In thousands of dollars)

Calendar year	Principal	Interest	Totals
2014	$ 7,555	379	7,934
	7,555	379	7,934
Unamortized premium at December 31, 2013	18	(18)	—
	$ 7,573	361	7,934

FULTON COUNTY, GEORGIA

Other Schedules
Debt Service Requirements to Maturity
Water and Sewerage Revenue Bonds
Series 2013 and 2011

December 31, 2013

(In thousands of dollars)

Calendar year	Principal	Interest	Totals
2014	$ 4,920	22,311	27,231
2015	14,650	22,125	36,775
2016	15,325	21,453	36,778
2017	16,090	20,687	36,777
2018	16,875	19,898	36,773
2019	17,720	19,057	36,777
2020	18,605	18,174	36,779
2021	19,520	17,255	36,775
2022	20,490	16,290	36,780
2023	21,505	15,266	36,771
2024	21,070	14,190	35,260
2025	22,120	13,137	35,257
2026	23,225	12,031	35,256
2027	24,385	10,870	35,255
2028	25,610	9,650	35,260
2029	26,890	8,370	35,260
2030	28,235	7,025	35,260
2031	29,650	5,614	35,264
2032	31,045	4,212	35,257
2033	32,600	2,660	35,260
2034	33,905	1,356	35,261
	464,435	281,631	746,066
Unamortized premium at December 31, 2013	58,197	(58,197)	—
	$ 522,632	223,434	746,066

FULTON COUNTY, GEORGIA
Other Schedules
Hotel/Motel Tax Collections and Expenditures
Year ended December 31, 2013

		Collection Period from January 1st to December 31st			
		Expenditures and Obligations			
Collection Rate	Hotel/Motel Tax Collected	Hotel/Motel Tax Expended	Hotel/Motel Tax Obligated	Hotel/Motel Tax Expended or Obligated	Expended or Obligated as a Percentage of Collected
7%	$125,413	125,413	—	125,413	100.00%

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STATISTICAL SECTION

(Unaudited)

Statistical Section

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

Contents

Pages

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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

	Fiscal Year									
	2013	2012	2011*	2010	2009	2008	2007	2006	2005	2004
Governmental activities										
Net investment in capital assets	$ 629,943	634,016	631,476	633,358	645,956	647,458	656,111	652,890	733,571	932,446
Restricted	50,442	42,280	50,807	33,487	20,165	21,774	23,378	33,581	57,364	78,932
Unrestricted	(263,967)	(201,606)	(92,710)	35,366	82,669	139,273	225,015	341,604	260,036	232,808
Total governmental activities net position	$ 416,418	474,690	589,573	702,211	748,790	808,505	904,504	1,028,075	1,050,971	1,244,186
Business-type activities										
Net investment in capital assets	$ 692,910	706,517	729,671	778,505	799,958	667,975	576,528	687,192	667,370	607,009
Restricted	36,924	39,482	39,316	39,078	46,015	45,833	43,973	42,899	40,911	41,809
Unrestricted	247,969	240,012	246,619	232,070	216,790	369,659	380,390	292,828	277,702	247,382
Total business-type activities net position	$ 977,803	986,011	1,015,606	1,049,653	1,062,763	1,083,467	1,000,891	1,022,919	985,983	896,200
Primary government										
Net investment in capital assets	$ 1,322,853	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
Restricted	87,366	81,762	90,123	72,565	66,180	67,607	67,351	76,480	98,275	120,741
Unrestricted	(15,998)	38,406	153,909	267,436	299,459	508,932	605,405	634,432	537,738	480,190
Total primary government net position	$ 1,394,221	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

*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									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Expenses										
Governmental activities										
Administration	$ 97,238	107,704	109,122	103,734	105,089	115,606	107,926	102,619	97,780	100,089
Public Safety	183,440	181,224	184,163	172,972	179,965	182,435	179,690	183,189	194,271	177,082
Legal	130,556	131,545	148,350	135,775	146,809	139,901	141,646	12,643	115,217	112,916
Infrastructure and facilities	70,073	74,308	52,499	56,037	71,554	74,237	49,225	73,431	81,466	67,431
Social services	73,737	80,999	119,044	116,913	116,906	125,031	127,604	113,521	106,794	111,306
Health services	155,508	181,674	149,504	129,931	163,408	168,845	184,066	160,904	160,770	158,414
Interest and other debt related costs	15,324	16,204	18,364	10,980	12,756	16,561	17,450	17,767	17,053	18,277
Total governmental activities expenses	725,876	773,658	781,046	726,342	796,487	822,616	807,607	664,074	773,351	745,515
Business-type activities										
Water and sewerage services	115,655	135,118	148,303	132,711	128,430	123,175	170,210	116,826	116,583	99,571
Contractual services	—	—	—	—	—	6,901	6,944	14,430	—	—
Airport services	1,227	1,471	1,218	1,097	1,040	1,098	1,008	1,187	875	965
Total business-type activities expenses	116,882	136,589	149,521	133,808	129,470	131,174	178,162	132,443	117,458	100,536
Total primary government expenses	$ 842,758	910,247	930,567	860,150	925,957	953,790	985,769	796,517	890,809	846,051
Program Revenues										
Governmental activities										
Charges for services										
Public and Mental health fees	$ 7,397	7,734	7,661	8,225	8,130	6,258	8,030	8,094	9,375	10,433
Emergency communication fees	2,553	2,873	3,810	3,891	6,941	8,033	7,572	6,978	8,449	5,295
Legal and adjudication	26,903	31,079	28,988	39,597	38,425	33,541	31,535	33,803	27,080	30,139
License and permits	6,056	6,521	5,456	5,707	6,134	7,850	7,850	16,286	28,852	23,927
Other	12,075	9,312	10,113	8,882	8,590	7,703	4,726	9,362	8,036	11,674
Total Charges for Services	54,984	57,519	56,028	66,302	68,220	63,385	59,713	74,523	81,792	81,468
Operating grants and contributions	57,221	60,499	65,356	66,991	57,184	54,152	46,460	55,454	61,850	57,732
Capital grants and contributions	2,902	2,312	3,762	983	5,879	7,842	6,225	21,056	50,871	25,205
Total governmental activities program revenues	115,107	120,330	125,146	134,276	131,283	125,379	112,398	151,033	194,513	164,405
Business-type activities										
Charges for services	119,442	121,506	120,276	121,506	108,472	114,501	102,918	138,491	134,464	119,138
Capital grants and contributions	—	(13,249)	—	—	438	19,475	—	6,211	60,455	8,954
Total business-type activities program revenues	119,442	108,257	120,276	121,506	108,910	133,976	102,918	144,702	194,919	128,092
Total primary government program revenues	$ 234,549	228,587	245,422	255,782	240,193	259,355	215,316	295,735	389,432	292,497
Net (Expense) Revenue										
Governmental activities	$ (610,769)	(653,328)	(655,900)	(592,066)	(665,204)	(697,237)	(695,209)	(626,831)	(578,838)	(581,110)
Business-type activities	2,560	(28,332)	(29,245)	(12,302)	(20,560)	2,802	(75,244)	12,259	77,461	27,556
Total primary government net expense	$ (608,209)	(681,660)	(685,145)	(604,368)	(685,764)	(694,435)	(770,453)	(614,572)	(501,377)	(553,554)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	$ 474,198	467,779	477,259	482,346	527,018	525,265	486,521	523,418	491,448	493,829
Sales taxes	35,136	36,184	33,991	30,543	32,382	35,374	39,761	60,671	74,930	68,949
Other taxes	11,401	5,454	5,165	4,430	4,466	4,393	8,046	13,299	15,639	14,897
Intergovernmental unrestricted revenues	2,644	2,898	—	—	11,469	—	12,948	15,105	15,917	15,475
Commissions on tax collections	16,379	14,628	15,377	17,181	16,588	15,131	15,043	14,471	12,928	12,204
Use of money and property	6,320	6,517	7,091	5,779	9,348	17,098	23,654	27,488	22,585	16,439
Miscellaneous	6,419	4,985	6,582	5,207	4,219	8,688	4,953	2,810	5,603	8,775
Special and extraordinary items	—	—	—	—	—	(22,788)	(16,422)	1,418	—	—
Total governmental activities	552,497	538,445	545,465	545,486	605,490	583,161	574,504	658,680	639,050	630,568
Business-type activities										
Use of money and property	225	666	610	1,277	1,651	13,971	9,693	26,223	13,000	3,826
Miscellaneous and transfer out	(2,559)	(1,929)	(1,626)	(2,085)	(1,795)	467	—	(1,546)	(678)	714
Extraordinary items	(8,434)	—	—	—	—	—	—	—	—	—
Total business-type activities	(10,768)	(1,263)	(1,016)	(808)	(144)	14,438	9,693	24,677	12,322	4,540
Total primary government	$ 541,729	537,182	544,449	544,678	605,346	597,599	584,197	683,357	651,372	635,108
Change in Net Position										
Governmental activities	$ (58,272)	(114,883)	(110,435)	(46,580)	(59,714)	(114,076)	(128,390)	31,849	60,212	49,458
Business-type activities	(8,208)	(29,595)	(30,261)	(13,110)	(20,704)	17,240	(65,508)	36,936	89,783	32,096
Total primary government	$ (66,480)	(144,478)	(140,696)	(59,690)	(80,418)	(96,836)	(193,898)	68,785	149,995	81,554

Schedule 3

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

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General fund										
Unassigned	83,758	88985	128,561							
Unreserved				150,230	95,041	76,233	97,362	136,195	100,208	106,444
Total general fund	$ 83,758	88,985	128,561	150,230	95,041	76,233	97,362	136,195	100,208	106,444
Special Service District Fund										
Assigned	5,842	6,714	5,123							
Unreserved				3,596	1,924	16,033	16,015	38,171	44,646	21,419
Total Special District fund	$ 5,842	6,714	5,123	3,596	1,924	16,033	16,015	38,171	44,646	21,419
Library Bond fund										
Restricted	$ 149,471	159,268	166,813							
Designated for capital projects			—	168,445						
Total Library bond fund	$ 149,471	159,268	166,813	168,445						
All Other Governmental Funds										
Nonspendable	$ —	—	—							
Restricted	40,987	39,065	42,691							
Committed	651	678	596							
Assigned	43,479	41,264	57,780							
Unassigned	—	—	(2,085)							
Reserved				7,129	18,917	21,347	24,997	47,198	45,054	49,830
Unreserved, reported in:										
Special revenue funds				25,613	33,931	24,752	27,072	31,160	25,191	34,655
Capital projects funds				66,876	50,357	57,546	76,157	76,818	77,388	87,267
Total all other governmental funds	$ 85,117	81,007	98,982	99,618	103,205	103,645	128,226	155,176	147,633	171,752
Total governmental funds	$ 324,188	335,974	399,479	421,889	200,170	195,911	241,603	329,542	292,487	299,615

Note: Implementation of GASB Statement No. 54 as of December 31, 2011 changed fund balance reporting requirements.

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

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Revenues										
Taxes	$ 520,687	513,212	515,240	541,331	567,601	544,346	531,613	592,175	574,336	577,885
Intergovernmental	62,767	65,709	69,118	67,974	74,124	55,178	64,867	70,739	78,208	74,870
Charges for services	40,487	43,675	41,400	52,532	53,283	45,688	43,256	48,001	44,991	41,165
Courts and law enforcement	24,820	21,951	24,549	25,244	25,391	24,978	23,650	24,707	20,877	28,580
Use of money and property	6,326	6,333	7,101	5,704	9,213	16,994	23,821	27,430	22,524	16,476
Licenses and permits	6,056	6,521	5,456	5,707	6,134	7,850	7,850	16,286	28,852	23,927
Miscellaneous	6,019	4,985	6,582	5,207	4,219	8,688	4,953	2,810	5,603	8,775
Net (depreciation) appreciation in investments	(6)	184	(10)	75	135	104	(167)	58	61	(37)
Total revenues	667,156	662,570	669,436	703,774	740,100	703,826	699,843	782,206	775,452	771,641
Expenditures										
Current:										
Administration	81,956	88,826	85,494	89,169	87,074	95,103	88,427	91,616	90,431	93,091
Public safety	154,879	149,401	145,552	146,236	147,228	149,384	144,237	162,390	179,396	163,883
Legal	108,685	106,993	115,204	113,323	111,785	113,551	112,361	107,920	104,157	102,370
Infrastructure and facilities	54,792	54,397	36,196	36,044	45,284	52,339	34,823	48,413	44,139	41,172
Social services	60,518	65,055	92,979	98,800	95,152	101,907	100,303	97,951	102,165	107,226
Health services	145,998	169,789	135,567	119,825	151,312	156,443	170,972	155,351	156,037	154,614
Other nonagency	25,948	30,946	32,941	35,671	54,713	52,458	50,781	48,287	32,023	28,819
Capital outlay	17,881	20,293	13,030	13,984	10,679	17,685	41,643	61,583	28,105	30,122
Debt service:										
Principal retirement	27,156	26,186	24,755	17,864	22,629	27,965	29,861	29,457	31,004	29,462
Interest	16,378	17,327	20,353	9,113	10,006	14,143	15,222	15,704	15,123	15,932
Total expenditures	694,191	729,213	702,071	680,029	735,862	780,978	788,630	818,672	782,580	766,691
Excess of revenues over (under) expenditures	(27,035)	(66,643)	(32,635)	23,745	4,238	(77,152)	(88,787)	(36,466)	(7,128)	4,950
Other Financing Sources (Uses)										
Capital lease refunding obligations	14,849	3,138	10,224	49,544	—	4,883	—	54,712	—	—
Proceeds from sale of bonds	—	—	—	193,441	110,885	—	—	—	—	—
Premium received on bonds	—	—	—	2,469	9,298	—	—	—	—	—
Payments to escrow agent	400	—	—	(47,480)	(120,162)	—	—	—	—	—
Transfers in	53,842	62,149	60,120	79,271	73,614	73,614	99,815	102,723	125,163	95,561
Transfers out	(53,842)	(62,149)	(60,120)	(79,271)	(73,614)	(73,614)	(100,272)	(102,724)	(125,163)	(95,561)
Total other financing sources (uses)	15,249	3,138	10,224	197,974	21	4,883	(457)	54,711	—	—
Special item: Proceeds from sale of capital assets	—	—	—	—	—	—	3,762	18,810	—	—
Net changes in fund balances	$ (11,786)	(63,505)	(22,411)	221,719	4,259	(72,269)	(85,482)	37,055	(7,128)	4,950
Debt service as a percentage of noncapital expenditures	6.5	6.2	6.6	4.0	4.5	5.5	5.9	6.0	6.1	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
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
2013	42,813,235	1,055,835	8,126,964	51,996,034	40%	129,990,085

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)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Fulton County direct:										
General & bond	10.48	10.55	10.55	10.28	10.28	10.28	10.28	11.47	11.65	11.65
School	18.50	18.50	18.50	18.50	17.50	17.50	18.09	18.11	18.11	17.61
Special Services district	—	0.00	—	—	—	3.87	3.87	4.61	4.73	4.73
South Fulton tax district	12.47	10.47	8.97	8.16	8.16	5.66	5.66	5.73	—	—
Total direct	41.45	39.52	38.02	36.94	35.94	37.31	37.90	39.92	34.49	33.99
State of Georgia	0.15	0.20	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Municipalities:										
City of Atlanta	11.75	11.94	11.94	11.94	11.94	8.80	8.92	9.44	9.57	10.02
Downtown Development district	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.20
City of Atlanta school district	21.74	21.74	21.69	21.69	21.69	21.69	22.69	22.70	20.52	20.98
City of Alpharetta	5.75	5.75	5.75	5.75	5.75	5.75	6.25	6.60	7.00	7.00
City of College Park	12.62	12.62	11.56	11.56	9.56	9.56	9.56	9.56	9.56	9.56
City of East Point	15.00	15.00	13.75	14.75	14.75	14.75	14.75	12.37	12.37	12.37
City of Fairburn	9.70	9.98	9.93	7.50	5.00	5.00	5.00	5.45	5.45	5.75
City of Hapeville	16.61	16.61	16.61	16.61	16.61	16.61	16.61	12.61	12.61	12.61
City of Mountain Park	10.78	10.78	10.78	11.78	11.78	11.78	11.78	9.89	9.92	6.95
City of Palmetto	8.50	8.50	8.45	8.45	8.45	8.50	4.50	4.50	4.50	4.50
City of Roswell	5.46	5.46	5.46	5.46	5.46	5.46	5.66	6.09	6.09	6.09
City of Union city	15.60	10.60	10.24	9.50	9.50	9.50	9.50	7.50	7.50	7.50
City of Sandy Springs	4.73	4.73	4.73	4.73	4.73	4.73	4.73	4.73	—	—
City of Milton	4.73	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	4.61	—	—	—
City of Chattahoochee Hills	10.96	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 2013:			
Development Authority of Fulton County	$ 934,458,618	1.80%	$ 9,541,757
AT&T	409,634,340	0.79%	4,182,776
Georgia Power	246,528,535	0.47%	2,517,303
Coca Cola	215,840,921	0.42%	2,203,952
Post Apartment Homes	164,277,960	0.32%	1,677,442
BellSouth Telecommunications	135,244,426	0.26%	1,380,981
Delta Airlines	102,512,241	0.20%	1,046,753
SunTrust Plaza Associates LLC	96,130,950	0.18%	981,593
Corporate Property Investors	87,232,241	0.17%	890,728
Selig Enterprises, Inc.	82,702,580	0.16%	844,476
Total ten major taxpayers	$ 2,474,562,812	4.76%	$ 25,267,761
(1) Total County gross assessed value	$ 51,993,034,468		

	Assessment	Percentage of total assessed value	Taxes
Ten major taxpayers of 2004:			
BellSouth Telecommunications	$ 664,297,396	1.55%	10,294,971
Delta Airlines	536,965,108	1.26%	$ 6,985,079
Coca Cola	599,379,529	1.40%	4,014,621
Georgia Power	222,893,740	0.52%	4,347,064
Cingular Wireless	211,326,981	0.49%	2,704,614
Concourse V Associates	218,362,600	0.51%	2,690,131
Ford Motor Company	232,791,250	0.54%	2,286,313
Post Apartment Homes	364,602,019	0.85%	2,275,068
Development Authority of Fulton County	525,818,300	1.23%	3,712,781
Weekly Realty	190,372,900	0.45%	2,140,362
Total ten major taxpayers	$ 3,766,809,823	8.81%	$ 41,451,004
(1) Total County gross assessed value	$ 42,756,458,000		

Source: Fulton County Tax Commissioner.

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
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
2013		379,864	364,179	95.9		10,748	374,927	98.7		15,565	4.1

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
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
2013		11,709	11,247	96.1		247	11,494	98.2		191	1.6

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 & 2011 due date October 31 as opposed to normal due date of October 15

Amounts represented for Real Estate & Personal Property Taxes

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
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	—	—	—
2013	—	*	—	—	—	—	—	—	—

* State law required the Special Service district to bill and collect by geographic areas of unincorporated Fulton County since 2006, see Schedule 8-C.
Amounts represented for Real Estate & Personal Property Taxes

Source: Fulton County Tax Commissioner's office

FULTON COUNTY, GEORGIA

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

Last Eight 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	—
2013		—	—	—	1	1	—	—	—

FULTON COUNTY, GEORGIA

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

Last Eight 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	—
2013		—	—	—	—	—	—	—	—

FULTON COUNTY, GEORGIA

South Fulton Special District Fund Property Tax Levy and Collections

Last Eight 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
2013		27,669	25,702	92.9	906	26,608	96.2	1,284	4.6

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

Amounts represented for Real Estate & Personal Property Taxes

Schedule 9

FULTON COUNTY, GEORGIA
Computation of Direct and Overlapping Debt
as of December 31, 2013

Name of governmental unit		Amount outstanding	Percentage applicable		Amount applicable
Direct debt:					
Fulton County Library bonds	$	157,373,394	100		157,373,394
Fulton County School District		102,740,000	100		102,740,000
Municipalities:					
Alpharetta		47,575,000	100		47,575,000
Atlanta (including School District)		199,215,000	97		195,230,700
Hapeville		9,350,000	100		9,350,000
Union City		47,459,333	100		47,459,333
Roswell		16,505,000	100		16,505,000
Total direct debt		580,217,727			576,233,427
Contractual obligations and overlapping contractual obligations:					
Building Authority of Fulton County	$	7,572,982	100	%	7,572,982
Fulton County Urban Redevelopment Agency		26,965,000	100		26,965,000
College Park Business and Industrial Development Authority		1,535,000	100		1,535,000
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		112,090,000	98		109,848,200
Zoo Series 2007		15,330,000	98		15,023,400
East Point Building Authority		66,490,000	100		66,490,000
Total overlapping debt	$	366,972,982			364,424,582
Total direct and overlapping debt and contractual obligations and overlapping contractual obligations	$	947,190,709			940,658,009

* Debt service is a contractual obligation for which the County has financial responsibility determined in part on the basis of its utilization percentage.
For above debt funded through property tax collections the percentage of overlapping debt applicable is estimated using taxable property values for the specific geographic area.

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)
2004	$ 24,077	95,132	131,547		35,914	286,670	2.03%	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	1.80%	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	1.69%	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	1.56%	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	1.51%	785.79	561,277	435	561,712	102,000	5,507	797,528	785.79
2009	—	39,913	118,678		64,342	222,933	1.58%	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	1.93%	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	1.74%	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	1.59%	914.69	529,240	—	529,240	158,850	3,332	894,364	914.69
2013	157,373	7,573	93,542	26,965	66,276	351,729	1.53%	888.31	522,632	—	522,632	160,300	3,260	874,361	888.31

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

(1) 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)
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	165,564	1,240	164,324	50,762,207	0.32	173.05
2012	161,545	4,481	157,064	49,250,278	0.32	160.63
2013	157,373	9,032	148,341	49,278,963	0.30	150.71

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
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	##	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
2013	##	117,844	79,701	(2)	38,143	13,246	15,052	28,298	1.35

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

(1) One-time revenues for sale of future wastewater treatment capacity to other municipalities approximates $6.3 million in 2013 and $32 million in 2007

(2) Includes a one-time contractual termination payment of $13,249

Schedule 13

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

Assessed value	$ 51,996,034
Less:	
Applicable property tax exemptions	(2,717,071)
Assessed value for bond purposes	49,278,963
Debt limit 10% of assessed value	4,927,896
Less amounts of debt applicable to the limit:	
General Obligation debt outstanding	157,373
less available debt service funds	(9,032)
Total amount applicable to debt limit	148,341
Legal Debt Margin	$ 4,779,555

	Debt Limit	Total net bonded debt applicable to limit	Legal Debt Margin	Total net debt applicable to the limit as a % of debt limit
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%
2013	4,927,896	148,341	4,779,555	0.31%

Schedule 14

FULTON COUNTY, GEORGIA
Demographic Information
Last Ten Fiscal Years

Fiscal Year	Fulton County Population	Per capita personal Income(1)	Fulton County Personal Income(1) (in thousands)	Unemployment Rate
2004	905,802	$ 54,040	$ 43,744,390	5.5 %
2005	934,242	57,579	47,142,388	5.9
2006	964,649	60,736	51,333,202	5.1
2007	992,137	61,153	53,162,470	4.9
2008	1,014,932	59,512	52,888,363	6.4
2009	1,033,756	54,061	48,952,940	9.9
2010	920,581	52,621	48,733,047	10.9
2011	949,599	56,061	53,234,047	10.6
2012	977,773	57,537	56,258,497	9.6
2013	984,293	58,112 (1)	57,199,599 (1)	7.8 (2)

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

Income data from U.S. Bureau of Economic Analysis

(1) Data amended to match U.S. Department of Commerce-Bureau of Economic Analysis for all years presented through 2012. 2013 data not available but estimated with a 1% increase from 2012 per capita personal income data applied to U.S Census 2013 mid year population estimate.

(2) Annual unemployment rates from the Georgia Department of Labor; 2013 from the November 2013 Local Unemployment Rate (not seasonally adjusted)

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 - 2012 (latest data available):		
Delta Airlines	27,000	5.82%
Wal-Mart Stores	26,000	5.61%
Emory University/Emory Healthcare	23,872	5.15%
DeKalb County government & school system	20,405	4.40%
AT&T	18,000	3.88%
Publix Supermarkets	17,765	3.83%
City of Atlanta government & schools	13,628	2.94%
United States Postal Service-Atlanta district	10,324	2.23%
The Coca-Cola Co.	9,000	1.94%
Home Depot	9,000	1.94%

* From the Metro Atlanta Chamber of Commerce publication "Metro Atlanta Top Employers" dated 2/6/2013; these statistics could include employees working in other areas outside Fulton County.

** Georgia Department of Labor-Fulton County 2012 Yearly Labor Force Estimates was 463,788

Major employers of 2004 over 10,000:

AT&T Technologies	Communication services
BellSouth Corporation	Communication services
Cobb County School System	Education services
Dekalb County School System	Education services
Delta Airlines	Transporation services
Emory University and Hospitals	Education services
Fulton County Schools	Education services
Gwinnett County School System	Education services
The Kroger Company	Retail services
Publix Supermarkets	Retail services
Randstad Staffing Services	Employment services
United Parcel Service	Transporation services
United States Postal Service	Public services
Wal-Mart Stores	Retail services

* 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
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
2013	3,986	162	135	59	291	460	5,093

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Atlanta/Fulton County Library										
Circulation-checked out	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	3,430,367
New library cards issued	183,232	211,621	68,975	75,900	-	-	-	-	*	*
Database inquiries (hits)				475,237	1,075,941	Unavailable	Unavailable	Unavailable	1,303,099	8,284,132
Human Services:										
Meals - Older Americans Act	553,336	582,184	603,222	444,435	406,051	1,027*	1,451*	1,451*	Unavailable	Unavailable
*No of people served										
Health and Wellness:										
Total Nursing services visits	118,231	118,211	105,308	208,216	230,715	84,170(2)	79,900(2)	96,341	Unavailable	Unavailable
Food service inspections	6,885	7,230	6,653	7,318	7,703	5,572	5,380	6,500	Unavailable	Unavailable
(2) clients receiving services										
Transportation: Roadway miles paved	30	30	30	—	36	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
911 Emergency Communications calls:	407,629	440,707	562,338	649,890	481,916	782,896	546,518	425,742	417,562	408,656
Water and Sewerage fund:										
Wastewater average flows in millions of gallons per day:										
Camp Creek	12.45	14.53	15.25	14.13	14.41	14.96	16.24	15.63	14.22	16.44
John's Creek	5.04	5.05	5.80	4.18	3.61	8.17	4.45	3.57	3.89	8.75
Big Creek	22.11	23.23	23.98	20.08	19.99	22.80	19.91	17.91	18.73	18.77
Little River	0.86	0.84	1.09	0.69	0.68	0.92	0.94	0.84	0.82	0.98

*not available
Source: Fulton County Budget book and County departments

Schedule 18

FULTON COUNTY, GEORGIA

Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Atlanta/Fulton County Library										
Branches, including main facility	34	34	34	34	34	34	34	34	34	34
Health and Wellness:										
Health centers	12	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	19	15*	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	1,386	736	556	684	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

Independent Auditor's 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, 2013, 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 20, 2014. 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.

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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 20, 2014