

# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**



## **FULTON COUNTY, GEORGIA**

**FISCAL YEAR ENDED  
DECEMBER 31, 2014**

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, 2014

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

7001 Fulton County Government Center

Atlanta, Georgia 30303

Sharon L. Whitmore, Interim Director of Finance, CPA, CPFO

Hakeem Oshikoya, Interim Assistant Director of Finance, CPA, CGFM

Ray H Turner, Controller, CPA

Sherri McNair, Budget Manager

Tammy Goebeler, Investment Officer, CTP

Sabrinna McTier, Financial System Administrator, CPA, CGFM

Angela Ash, Grant Administrator, CPA, CGMS

**FULTON COUNTY, GEORGIA**

Comprehensive Annual Financial Report

Year ended December 31, 2014

**Table of Contents**

	<b>Page</b>
<b>Introductory Section (Unaudited):</b>	
Title Page .....	i
Table of Contents .....	ii
List of Principal Officials .....	v
Organization Chart .....	vi
Letter of Transmittal .....	vii
Certificate of Achievement for Excellence in Financial Reporting.....	xiii
<b>Financial Section:</b>	
Independent Auditors' Report.....	1
Management's Discussion and Analysis.....	4
<b>Basic Financial Statements:</b>	
<b>Government-wide Financial Statements:</b>	
Statement of Net Position .....	12
Statement of Activities .....	13
<b>Fund Financial Statements:</b>	
<b>Governmental Funds Financial Statements:</b>	
Balance Sheet .....	14
Reconciliation of the Balance Sheet	
To the Statement of Net Position .....	15
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes	
In Fund Balances of Governmental Funds to the Statement of Activities.....	17
Statement of Revenues, Expenditures, and Changes in Fund Balances	
General Fund Budget to Actual - Non-GAAP Budgetary basis.....	18
Statement of Revenues, Expenditures, and Changes in Fund Balances	
South Fulton Special District Fund, Budget to Actual - Non-GAAP Budgetary basis .....	20
<b>Proprietary Funds Financial Statements:</b>	
Statement of Net Position.....	21
Statement of Revenues, Expenses, and Changes in Fund Net Position .....	23
Statement of Cash Flows.....	24
<b>Fiduciary Fund Financial Statements:</b>	
Statement of Fiduciary Net Position .....	25
Statement of Changes in Fiduciary Net Position .....	26
Notes to the Financial Statements .....	27
Required Supplementary Information .....	69
Notes to Required Supplementary Information .....	72

**FULTON COUNTY, GEORGIA**

Comprehensive Annual Financial Report

Year ended December 31, 2014

**Table of Contents**

Financial Section: (continued)

Combining Statements and Schedules:

Non-major Governmental Funds:

Combining Balance Sheet .....	74
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	77
Schedule of Revenues, Expenditures, and Changes in Fund Balances	
Debt Service Fund Budget to Actual - Non-GAAP Budgetary basis .....	80
Special Revenue Funds Budget to Actual - Non-GAAP Budgetary basis.....	81

Non-major Enterprise Funds:

Combining Statement of Net Position.....	86
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position .....	87
Combining Statement of Cash Flows.....	88

Internal Service Funds:

Combining Statement of Net Position.....	89
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position .....	90
Combining Statement of Cash Flows.....	91

Agency Funds:

Combining Statement of Fiduciary Assets and Liabilities.....	92
Combining Statement of Changes in Fiduciary Assets and Liabilities.....	93

Other Schedules:

Summary of Debt Service Requirements to Maturity .....	96
Debt Service Requirements to Maturity - General	
Obligation Library Bonds .....	97
Debt Service Requirements to Maturity - Water and Sewerage	
Bonds, Series 2013 and 2011 .....	98
Hotel/Motel Collections and Expenditures .....	99

# FULTON COUNTY, GEORGIA

## Comprehensive Annual Financial Report

Year ended December 31, 2014

### Table of Contents

#### Statistical Section (Unaudited):

Net Position by Component - Last Ten Fiscal Years	Schedule 1 .....	100
Changes in Net Position - Last Ten Fiscal Years	Schedule 2 .....	101
Fund Balances, Governmental Funds - Last Ten Fiscal Years	Schedule 3 .....	102
Changes in Fund Balances - Governmental Funds - Last Ten Fiscal Years	Schedule 4 .....	103
Assessed and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years	Schedule 5 .....	104
Property Tax Rates – Direct and Overlapping Governments - Last Ten Fiscal Years – Operating and Bond Levies	Schedule 6 .....	105
Principal Taxpayers – Current Year and Nine Years Ago - General Fund Property Tax Levy and Collections - Last Ten Fiscal Years	Schedule 7 .....	106
Debt Service Fund Property Tax Levy and Collections - Last Ten Fiscal Years	Schedule 8-A .....	107
Special Service District Fund Property Tax Levy and Collections - Last Ten Fiscal Years	Schedule 8-A .....	107
Northeast Special Service Sub-District Fund – Property Tax Levy and Collections – Last Nine Fiscal Years	Schedule 8-B .....	108
Northwest Special Service Sub-District Fund – Property Tax Levy and Collections – Last Nine Fiscal Years	Schedule 8-C .....	109
South Fulton Special District Fund – Property Tax Levy and Collections – Last Nine Fiscal Years	Schedule 8-C .....	109
Computation of Direct and Overlapping Debt, December 31, 2014	Schedule 9 .....	110
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	Schedule 10 .....	111
Ratios of General Obligation Debt Outstanding – Last Ten Fiscal Years	Schedule 11 .....	112
Schedule of Revenue Bond Coverage, Fulton County Water & Sewerage System - Last Ten Fiscal Years	Schedule 12 .....	113
Legal Debt Margin Information – Last Ten Fiscal Years	Schedule 13 .....	114
Demographic Information – Last Ten Fiscal Years	Schedule 14 .....	115
Principal Employers – Current Year and Nine Years Ago - Full-time Equivalent County Employees	Schedule 15 .....	116
By Function/Program - Last Ten Fiscal Years	Schedule 16 .....	117
Operating Indicators by Function/Program - Last Ten Fiscal Years	Schedule 17 .....	118
Capital Asset Statistics by Function/Program - Last Ten Fiscal Years	Schedule 18 .....	119
Report on Internal Control over Financial Reporting and on Compliance and On Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards .....		120

**FULTON COUNTY  
GEORGIA  
2014**

**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 (1/1/2014 to 10/1/2014)  
Patrick J. O’Connor, Interim (10/2/2014 to 12/31/2014)

**County Attorney**

R. David Ware

**Director of Finance and Budget Officer**

Patrick J. O’Connor (1/1/2014 to 10/1/2014)  
Sharon L. Whitmore, Interim (10/2/2014 to 12/31/2014)

**Purchasing Agent**

Felecia Strong-Whitaker, Interim

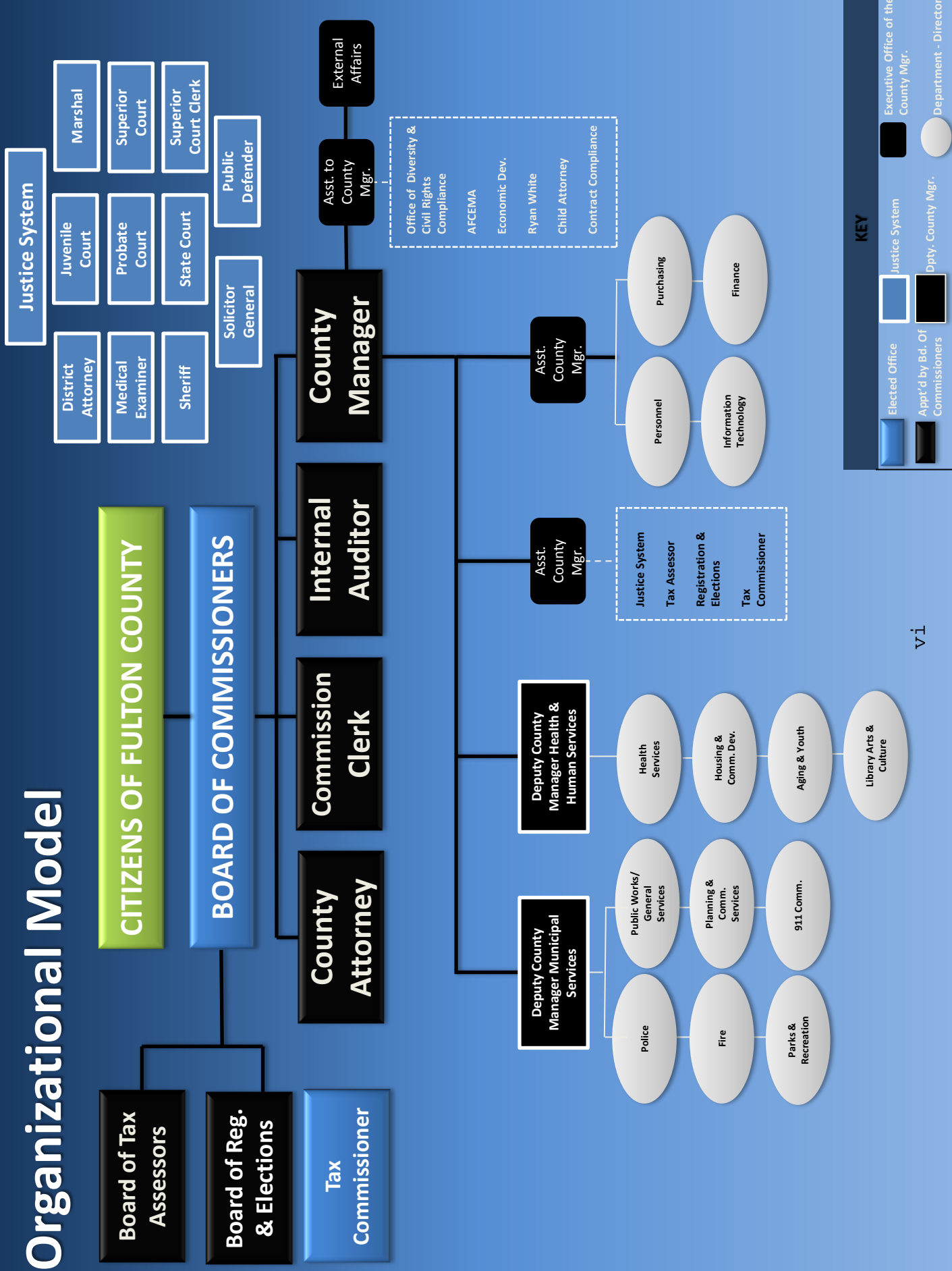
**Tax Commissioner**

Dr. Arthur Ferdinand

**County Auditor**

PJC Group, LLC

# Organizational Model



**KEY**

- Blue box: Elected Office
- Black box: Justice System
- Black box: Executive Office of the County Mgr.
- Black box: App't'd by Bd. Of Commissioners
- White box: Dpty. County Mgr.
- White circle: Department - Directors



# **LETTER OF TRANSMITTAL**



June 19, 2015

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, 2014, 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, 2014 mid-year U.S. Census Bureau estimate was 996,319. Fulton is the most populous county in the State of Georgia with approximately 10% of the entire State’s population, and the 45th 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 noticeable signs of improvement. In a summary from the May 2015 "Forecast of Georgia and Atlanta", Dr. Rajeev Dhawan, Director of the Georgia State University's Economic Forecasting Center, upward revisions are noted for Georgia employment an annual job growth rate of 3.0%. Employment in the metro Atlanta area was also revised strongly upward, as local investment in facilities, such as stadiums, new corporate headquarters, as well as technology firms, helps local employment statistics. Overall though, 2015 is forecast to be a year of slightly slower growth than 2014.

Mr. Dhawan reports the Atlanta area saw job growth in 2014 of 95,600 jobs. 2015's forecasted job growth is 75,300, including 18,400 premium jobs and 2016 forecasts another 68,200 job gains, of which 15,700 would be premium jobs. While corporate firms in Georgia have been recording strong gains, additional jobs did increase at a slower pace in early 2015. Adding premium pay jobs is affected by global demand on products and services produced in the local market. Georgia's unemployment rate is forecast to drop from the 7.1% in 2014 to 6.4% in 2015 and decrease further to 6.3% in 2016. Mr. Dhawan forecasts Atlanta's unemployment rate to be 6.1% in 2015, and drop further in 2016 to 5.7% and lower for 2017 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 2014 of 7.4%, a decrease from the 2013 adjusted rate of 7.8%. Historical unemployment rates for Fulton County are shown on page 111 of the statistical section of this report.

Dhawan indicated nominal personal income in the state began to show health with a 4.4%% increase in 2014, and forecasts another 4.7% for 2015 and an even stronger 5.8% in 2017.

Atlanta's housing permit activity increased by 8.2% in 2014, while early 2015 saw a smaller percentage increase in new units. This growth moderates in 2015 as total permits are expected to constrain by 6.4% but begin to again increase 11.5% in 2016, spurred 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 2015 distribution from the Economic Forecasting Center at Georgia State University.

Accrual basis sales tax collections remained relatively flat in 2014 at \$34.8 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 substantially for 2014 at 7.0%. 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 continually evaluate factors such as economic trends, legislative changes, and new opportunities with technology to 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 to 2013, but the rebound is evident in the 2014 assessments. Most neighboring local governments increased taxes during the economic downturn to addressing their declining revenues streams from property taxes, however Fulton County utilized existing resources and opted to not adjust their millage rate until the economy showed signs of improvement.

Upon seeing positive economic trends, Fulton County raised the millage rate for property taxes in 2014 by approximately 18%, the first increase since 1991. This ensures the continued strong financial position for 2014 and beyond. General fund balance increased substantially from 2013's balance by over \$43 million, replenishing resources used to fund operations in recent economically challenging years. The Board of Commissioners in early 2015 amended the County's fund balance policy to now require 1/6, or two months, of annual General fund appropriations remain on reserve. Wall Street rating agencies took note of these positive results and goals and promptly increased the outlook on existing County bonds. 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, 2013. This was the twenty-sixth 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 FY14 Budget book. To qualify for the Distinguished Budget Presentation Award, the County's budget document was judged to be proficient in several categories as a policy document, financial plan, operations guide and as a communications device.

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,



Sharon Whitmore, CPA, CPFO  
Interim 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, 2013**

Executive Director/CEO



**This page left intentionally blank.**

# **FINANCIAL SECTION**

---

**INDEPENDENT  
AUDITORS' REPORT**

**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, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of The Fulton-Dekalb Hospital Authority, which statements reflect total assets (in thousands) of \$721,969, total net position (in thousands) of \$331,660 and total revenues (in thousands) of \$824,486 which represent 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, 2014, 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 and Required Supplementary Information on pages 69-73 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 19, 2015 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.

A handwritten signature in cursive script that reads "PJC Group, LLC".

Atlanta, Georgia  
June 19, 2015

**This page left intentionally blank.**

**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, 2014. 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 \$1,381,230 (*net position*). Of this amount, unrestricted assets are now in a deficit position by (\$30,540), largely due to the liability for other post-employment benefits. The County's total net position decreased by \$9,159 in 2014, as compared to \$66,480 in 2013. Beginning net position was decreased by \$3,832 due to implementation of a new GASB standard on recognition of intergovernmental liabilities. Business type activities decreased \$1,479 while the governmental activities experienced a decrease of \$10,638, a significant improvement to 2013, as increased tax revenues largely offset additional expenses related to recognition of other postemployment benefits.

As of the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$329,728, an increase of \$5,539 in comparison with the previous year. The County's General Fund fund balance increased by \$36,800, bolstered by additional property tax revenues, while the South Fulton Special District Fund decreased its fund balance by \$1,306; the 2010 Library bond capital projects fund decreased by \$39,224 with outlays for capital construction, while Other Governmental funds increased fund balance by \$9,269. 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 \$120,558, 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 \$4,536, and remains the last unincorporated area in Fulton County.

The County's total long term governmental liabilities increased by \$45,855 in 2014, 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 \$79,320 represents the unfunded portion of the 2014 annual required contribution for these benefits, while the current total liability for GASB 45 reporting is now \$477,761 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, 2015.

The County's capital assets used for governmental activities increased to \$837,492, of which \$91,296 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 to conclude 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 \$1,151,238, of which \$26,017 is currently under construction relating to minor water and wastewater capital projects. No interest was required to be capitalized in 2014. 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 \$123,787, are included within the capital asset footnote and balances as required under 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 27-73 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 74-99 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		% Change
	2014	2013	2014	2013	2014	2013	
Current and other assets	\$ 482,600	460,760	342,329	341,494	824,929	802,254	3
Capital assets	837,492	817,847	1,151,238	1,158,076	1,988,730	1,975,923	1
Total Assets	1,320,092	1,278,607	1,493,567	1,499,570	2,813,659	2,778,177	1
Deferred Outflows of resources	598	719	6,017	6,848	6,615	7,567	(13)
Current liabilities	47,267	47,341	6,402	4,662	53,669	52,003	3
Long-term liabilities	871,475	815,567	513,900	523,953	1,385,375	1,339,520	3
Total Liabilities	918,742	862,908	520,302	528,615	1,439,044	1,391,523	3
Net Position:							
Net investment in capital assets	631,780	629,943	684,168	692,910	1,315,948	1,322,853	(1)
Restricted	58,776	50,442	37,046	36,924	95,822	87,366	10
Unrestricted	(288,608)	(263,967)	258,068	247,969	(30,540)	(15,998)	91
Total Net Position	\$ 401,948	416,418	979,282	977,803	1,381,230	1,394,221	(1)

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 \$625 million in cash and investments, of which approximately \$82 million is restricted for enterprise fund debt and capital projects. Governmental activities also have approximately \$59 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 Change
	2014	2013	2014	2013	2014	2013	
<b>Revenues:</b>							
Program revenues:							
Charges for services	\$ 49,949	54,984	121,111	119,442	171,060	174,426	(2) %
Operating grants and contributions	63,655	57,221	-	-	63,655	57,221	11
Capital grants and contributions	3,754	2,902	-	-	3,754	2,902	29
General revenues:							
Taxes	604,176	520,735	-	-	604,176	520,735	16
Intergovernmental	2,637	2,644	-	-	2,637	2,644	(0)
Other charges for services	18,418	16,379	-	-	18,418	16,379	12
Use of money and property	6,862	6,320	377	225	7,239	6,545	11
Miscellaneous & all other	6,910	6,419	(187)	(2,559)	6,723	3,860	74
Total revenues	<u>756,361</u>	<u>667,604</u>	<u>121,301</u>	<u>117,108</u>	<u>877,662</u>	<u>784,712</u>	12
<b>Expenses:</b>							
Administration	105,273	97,238	-	-	105,273	97,238	8
Public Safety	194,248	183,440	-	-	194,248	183,440	6
Legal	140,617	130,556	-	-	140,617	130,556	8
Infrastructure & facilities	87,667	70,073	-	-	87,667	70,073	25
Social services	61,319	73,737	-	-	61,319	73,737	(17)
Health services	163,383	155,508	-	-	163,383	155,508	5
Interest and debt costs	14,492	15,324	-	-	14,492	15,324	(5)
Water & Sewerage	-	-	118,392	115,655	118,392	115,655	2
Airport services	-	-	1,430	1,227	1,430	1,227	17
Total expenses	<u>766,999</u>	<u>725,876</u>	<u>119,822</u>	<u>116,882</u>	<u>886,821</u>	<u>842,758</u>	5
Change in net position	(10,638)	(58,272)	1,479	226	(9,159)	(58,046)	(84)
Extraordinary loss	-	-	-	(8,434)	-	(8,434)	-
Beginning net position	* 412,586	474,690	977,803	986,011	* 1,390,389	1,460,701	(5)
Ending net position	\$ <u>401,948</u>	<u>416,418</u>	<u>979,282</u>	<u>977,803</u>	<u>1,381,230</u>	<u>1,394,221</u>	(1)

\*Beginning net position as of January 1, 2014 was restated and reduced for GASB 70 by \$3,832.

### **Analysis of governmental activities**

Net position of the governmental activities of the County decreased by \$10,638 in 2014, as compared to a decrease of \$58,272 in 2013. Significant improvement was due to a higher property tax rate for 2014. Governmental accounting standards related to other post-employment benefits contributed \$79,320 to the loss for 2014, and \$61,628 for 2013. 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 increased \$41 million due to debt service increases of \$14 million, an across the board compensation increase of 3%, slightly higher pension costs and approximately \$10 million higher insurance reserves that were funded in 2014. 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 have made small but steady gains since 2011.

### **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 rebounded significantly in 2014 due to an 18% increase to the property tax millage rate. Tax rate adjustments in prior years in the South Fulton Special District yielded steady tax revenues and assessments dropped in recent years. Total governmental revenues increased by \$87 million in 2014 as compared to 2013. Governmental fund type expenditures increased \$61 million, due higher capital outlay for the library program of \$20 million in addition to the \$41 million increase previously discussed in the analysis of governmental activities. The general fund reported an ending fund balance of \$120,558, an increase of \$36,800 from 2013. 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 \$1,306 in 2014 to \$4,536, as compared to a decrease of \$872 in 2013.

Other non-major governmental funds include debt service, grants-in-aid, capital projects and other activities increased by \$9,269 from 2013 partly due to capital lease proceeds of \$5,510 that have yet to be expended. This brings the 2014 fund balance for other governmental funds to \$94,386 at year end. Of this amount, \$50,897 is restricted, \$576 is committed, and \$42,913 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 2014 General Fund budget was adopted at approximately \$625 million, a \$53 million increase from 2013 that encompassed \$14 million in additional debt service savings for component unit debt, and significantly higher internally assessed insurance costs for existing and pending litigation, and slightly higher employer match retirement funding.

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. 2014 expenditures were short of budgetary appropriations due unfilled budgeted positions and 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 \$1,315,948 (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. Significant capital outlay continued throughout 2014 on 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 Change	%
	2014	2013	2014	2013	2014	2013		
Capital assets not being depreciated:								
Land & land improvements	\$ 50,768	49,661	38,102	37,965	88,870	87,626	1	
Construction in progress	91,296	67,748	26,017	15,300	117,313	83,048	41	
Capital assets, shown net of depreciation:								
Equipment	12,418	12,722	2,851	1,644	15,269	14,366	6	
Buildings and improvements	344,410	337,123	345	481	344,755	337,604	2	
Roadway network	338,600	350,593	-	-	338,600	350,593	(3)	
Water System	-	-	192,611	192,006	192,611	192,006	-	
Sewerage System	-	-	767,525	781,559	767,525	781,559	(2)	
Intangible assets	-	-	123,787	129,121	123,787	129,121	(4)	
Total net capital assets	\$ 837,492	817,847	1,151,238	1,158,076	1,988,730	1,975,923	1	

Additional information relating to capital assets and infrastructure is presented in Note 7 of the financial statements beginning on page 46. Intangible assets for future wastewater treatment capacity for the Water and Sewerage system fund are presented in the above capital asset summary.

## Debt Administration

At December 31, 2014, the County had a number of debt issues outstanding. \$512,536 of Water and Sewerage Revenue Bonds (net of unaccrued discounts); all bonds issued by the Fulton County Building Authority have now been fully matured. The County enjoys an AA rating from Standard & Poor's Corporation and Fitch Investor Services (AA- specific to the Fulton County Facilities Corporation Certificates of Participation), 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, \$153,044 as of December 31, 2014, 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, 2014 were \$25,136.

At December 31, 2014, total other capital leases was \$61,896, which increased for capital financing leases of \$5,510 and decreased with scheduled principal maturities of \$9,890. 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 \$84,680 as of December 31, 2014.

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 70 following these footnotes. Additional information required by GASB 67 for the County's defined benefit plan is also included within required supplementary information on pages 69-71 and discussed in the separate footnotes to required supplementary information on pages 72 and 73.

### **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](http://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, 2014

(in thousands of dollars)

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Fulton-DeKalb Hospital Authority
<b>Assets:</b>				
Cash and cash equivalents	\$ 265,612	167,708	433,320	76,184
Investments	109,128	—	109,128	3,221
Receivables (net of allowances):				
Taxes	32,075	—	32,075	—
Interest	36	—	36	—
Accounts	—	9,807	9,807	81,259
Due from other governments, net	12,670	4,388	17,058	—
Other current assets	9,981	—	9,981	113,481
Restricted assets:				
Cash and cash equivalents	—	17,249	17,249	18,550
Investments	—	65,263	65,263	79,329
Interest receivable	—	22	22	—
Investment in joint venture	—	77,892	77,892	—
Capital assets (non-depreciable)	142,064	64,119	206,183	30,075
Capital assets (net of accumulated depreciation)	695,428	1,087,119	1,782,547	281,789
Other non-current assets	53,098	—	53,098	38,081
Total assets	1,320,092	1,493,567	2,813,659	721,969
<b>Deferred Outflows of Resources:</b>				
Deferred charge on refunding of bonds	598	6,017	6,615	3,686
Total deferred outflow of resources	598	6,017	6,615	3,686
<b>Liabilities:</b>				
Accounts payable and accrued expenses	31,486	2,202	33,688	107,837
Accrued interest	1,120	—	1,120	3,676
Due to others	3,789	—	3,789	14,742
Claims payable	10,872	—	10,872	17,868
Liabilities (payable from restricted assets):				
Contracts and other payables	—	3,733	3,733	—
Unearned revenue	—	467	467	—
Non-current liabilities:				
Due within one year	38,734	14,650	53,384	20,245
Due in more than one year	832,741	499,250	1,331,991	229,627
Total liabilities	918,742	520,302	1,439,044	393,995
<b>Net Position:</b>				
Net investment in capital assets	631,780	684,168	1,315,948	93,706
Restricted for debt retirement	14,709	37,046	51,755	—
Restricted for construction	38,268	—	38,268	—
Restricted for other purposes	5,799	—	5,799	109,293
Unrestricted	(288,608)	258,068	(30,540)	128,661
Total net position	\$ 401,948	979,282	1,381,230	331,660

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA

Statement of Activities

For the year ended December 31, 2014  
(In thousands of dollars)

	Program revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental activities	Business-type activities	Total	
<b>Functions/Programs</b>							
<b>Primary Government</b>							
Governmental activities:							
Administration	\$ 105,273	—	—	(90,272)	—	(90,272)	—
Public safety	194,248	—	—	(191,312)	—	(191,312)	—
Legal	140,617	—	—	(117,914)	—	(117,914)	—
Infrastructure and facilities	87,667	—	3,754	(83,913)	—	(83,913)	—
Social services	61,319	20,271	—	(37,000)	—	(37,000)	—
Health services	163,383	43,384	—	(114,738)	—	(114,738)	—
Interest and other debt related costs	14,492	—	—	(14,492)	—	(14,492)	—
Total governmental activities	766,999	63,655	3,754	(649,641)	—	(649,641)	—
Business-type activities:							
Water and sewerage services	118,392	—	—	—	1,338	1,338	—
Airport	1,430	—	—	—	(49)	(49)	—
Total business-type activities	119,822	—	—	—	1,289	1,289	—
Total primary government	886,821	171,060	3,754	(649,641)	1,289	(648,352)	—
Component unit							
Fulton-DeKalb Hospital Authority (Grady)	844,811	799,655	20,219	—	—	—	(20,325)
Total component unit	844,811	799,655	20,219	—	—	—	(20,325)
General revenues:							
Property taxes				549,782	—	549,782	—
Sales taxes				34,858	—	34,858	—
Other taxes				19,536	—	19,536	—
Intergovernmental not restricted for specific programs				2,637	—	2,637	56,240
Commission on tax collections				18,418	—	18,418	—
Use of money and property				6,862	377	7,239	411
Miscellaneous				6,861	(1,687)	5,174	393
Transfers				49	(49)	—	—
Total general revenues				639,003	(1,359)	637,644	57,044
Extraordinary item - (Note 17)				—	1,549	1,549	—
Change in net position				(10,638)	1,479	(9,159)	36,719
Net position (deficit) - beginning, previously reported				416,418	977,803	1,394,221	294,941
Change in accounting principle-GASB 70				(3,832)	—	(3,832)	—
Net position-beginning, as restated				412,586	977,803	1,390,389	294,941
Net position - ending				\$ 401,948	979,282	1,381,230	331,660

**FULTON COUNTY, GEORGIA**

Balance Sheet  
Governmental Funds  
December 31, 2014

(in thousands of dollars)

	<u>General</u>	<u>South Fulton Special District</u>	<u>Library Bond</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:					
Cash and cash equivalents	\$ 133,791	5,882	4,762	92,430	236,865
Investments	—	—	109,128	—	109,128
Receivables (net of allowances):					
Taxes	24,964	6,564	—	547	32,075
Interest	—	—	36	—	36
Due from other governments	1,907	—	—	10,763	12,670
Total assets	\$ <u>160,662</u>	<u>12,446</u>	<u>113,926</u>	<u>103,740</u>	<u>390,774</u>
Liabilities:					
Accounts payable	\$ 19,604	1,735	3,678	5,111	30,128
Due to others	—	—	—	3,789	3,789
Total liabilities	<u>19,604</u>	<u>1,735</u>	<u>3,678</u>	<u>8,900</u>	<u>33,917</u>
Deferred Inflows of Resources:					
Unavailable revenue	20,500	6,175	—	454	27,129
Total deferred inflows or resources	<u>20,500</u>	<u>6,175</u>	<u>—</u>	<u>454</u>	<u>27,129</u>
Fund Balances:					
Nonspendable	—	—	—	—	—
Restricted	—	—	110,248	50,897	161,145
Committed	—	—	—	576	576
Assigned	—	4,536	—	42,913	47,449
Unassigned	120,558	—	—	—	120,558
Total fund balances	<u>120,558</u>	<u>4,536</u>	<u>110,248</u>	<u>94,386</u>	<u>329,728</u>
Total liabilities, deferred inflows of resources and fund balances	\$ <u>160,662</u>	<u>12,446</u>	<u>113,926</u>	<u>103,740</u>	<u>390,774</u>

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, 2014

(in thousands of dollars)

Fund Balances - total governmental funds \$ 329,728

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	50,768
Buildings	742,946
Equipment	127,459
Roadway network	573,755
Construction in progress	91,296
Less Accumulated Depreciation	<u>(748,732)</u>
Total capital assets, net of accumulated depreciation	837,492

Net pension asset at year end that is not a financial resource used in governmental activities and therefore not reported in governmental funds. 53,098

Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds:

Certificates of participation	(80,440)
Library general obligation bonds payable	(151,140)
Urban Recovery Zone bonds payable	(25,136)
Unamortized bond premiums	(6,144)
Deferred charge on refunding of bonds	598
Intergovernmental agreement liability-AFCRA	(3,482)
Compensated absences	(39,687)
Net other post employment benefits (OPEB)	(477,761)
Other long term capital leases	(61,896)
Claims and judgments	(12,663)
Landfill closure and postclosure costs	(13,126)
Accrued interest	(1,120)

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. 26,498

Some deferred revenues reported in the governmental funds are recognized as revenues in the governmental activities. 27,129

Net position - total governmental activities \$ 401,948

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, 2014

(In thousands of dollars)

	<b>General</b>	<b>South Fulton Special District</b>	<b>Library Bond</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
Revenues:					
Taxes	\$ 550,717	38,363	—	13,887	602,967
Intergovernmental	4,642	310	—	65,094	70,046
Charges for services	29,957	1,034	—	8,433	39,424
Courts and law enforcement	15,737	72	—	6,894	22,703
Use of money and property	3,914	1,124	414	1,479	6,931
Licenses and permits	—	6,241	—	—	6,241
Miscellaneous	6,192	90	—	579	6,861
Net (depreciation) appreciation in investments	—	—	(65)	(4)	(69)
<b>Total revenues</b>	<b>611,159</b>	<b>47,234</b>	<b>349</b>	<b>96,362</b>	<b>755,104</b>
Expenditures:					
Current:					
Administration	86,263	581	—	609	87,453
Public safety	113,276	35,709	—	12,403	161,388
Legal	115,418	—	—	—	115,418
Infrastructure and facilities	46,390	199	—	18,950	65,539
Social services	30,638	7,289	—	10,773	48,700
Health services	111,079	—	—	43,929	155,008
Other nonagency	27,803	865	—	239	28,907
Capital outlay	—	—	39,573	5,833	45,406
Debt service:					
Principal retirement	5,101	—	—	26,738	31,839
Interest	2,131	—	—	13,335	15,466
<b>Total expenditures</b>	<b>538,099</b>	<b>44,643</b>	<b>39,573</b>	<b>132,809</b>	<b>755,124</b>
Excess (deficiency) of revenues over (under) expenditures	73,060	2,591	(39,224)	(36,447)	(20)
Other financing sources (uses):					
Capital lease refunding obligations	—	—	—	5,510	5,510
Transfer in from enterprise fund	—	—	—	49	49
Transfers in	697	—	—	40,292	40,989
Transfers out	(36,957)	(3,897)	—	(135)	(40,989)
<b>Total other financing sources (uses)</b>	<b>(36,260)</b>	<b>(3,897)</b>	<b>—</b>	<b>45,716</b>	<b>5,559</b>
<b>Net change in fund balances</b>	<b>36,800</b>	<b>(1,306)</b>	<b>(39,224)</b>	<b>9,269</b>	<b>5,539</b>
Fund balance at beginning of year	83,758	5,842	149,472	85,117	324,188
Fund balance at end of year	\$ <u>120,558</u>	<u>4,536</u>	<u>110,248</u>	<u>94,386</u>	<u>329,727</u>

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, 2014

(in thousands of dollars)

Net change in fund balances - governmental funds	\$	5,539
<p>Amounts reported for governmental activities in the Statement of Activities are different from amounts reported for governmental funds in the Statement of Revenues, Expenditures and Changes in Fund Balances, because:</p>		
<p>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:</p>		
Acquisition of capital assets		50,666
Depreciation expense		(31,021)
<p>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:</p>		
Capital lease proceeds		(5,510)
Tax Anticipation Note proceeds		(200,000)
Tax Anticipation Note payments		200,000
Principal repayments		31,839
Amortization of deferred charge on refunding of bonds		(121)
Amortization of bond premium and discount		994
Change in accrued interest		101
<p>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:</p>		
Net other postemployment benefits (OPEB) obligations		(79,320)
Compensated absences		(1,380)
Claims and judgments		59
Landfill closure costs		1,242
Net pension asset		3,774
<p>Some revenues for governmental activities do not provide current financial resources and are not reported as revenues for governmental funds.</p>		
		1,208
<p>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.</p>		
		11,292
Change in net position - governmental activities	\$	(10,638)

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, 2014

(In thousands of dollars)

	Non-GAAP budgetary basis			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Revenue Per Budget Law, less Rollback	\$ 552,510	552,510	590,154	37,644
Sales Tax	32,300	32,300	34,543	2,243
Appropriated Fund Balance	53,776	53,776	(42,774)	(96,550)
Total revenues and other sources, non-GAAP budget basis	\$ 638,586	638,586	581,923	(56,663)
Reconciliation to GAAP basis:				
To record net change in taxes receivable and deferred revenue			(4,317)	
To record net change in intergovernmental receivables and depreciation of investments			(859)	
Indirect cost reimbursements recorded as revenues for budgetary purposes			(7,665)	
Appropriated Fund Balance			42,774	
Total adjustment to GAAP basis			29,933	
Total revenues and other sources, GAAP basis			611,856	
Expenditures:				
Board of Commissioners	\$ 3,418	3,418	2,944	474
Clerk to the Commission	995	1,010	967	43
County Manager	9,064	8,519	7,998	521
Housing and Community Development	991	1,151	1,077	74
Planning and Community Services	2,831	2,478	2,475	3
External Affairs	—	923	749	174
Arts Council	4,377	4,377	3,460	917
Human Services	23,637	26,870	24,905	1,965
Health and Human Services	1,560	1,425	1,177	248
Finance	5,614	5,614	5,414	200
Personnel	3,857	3,857	3,743	114
Information Technology	24,985	24,851	21,968	2,883
Purchasing	3,347	3,151	3,021	130
County Attorney	3,079	3,079	2,825	254
Tax Assessor	13,633	13,633	12,978	655
Tax Commissioner	16,170	16,170	15,601	569
Registration and Elections	8,456	8,456	6,225	2,231
Police	3,948	4,194	3,747	447
Sheriff	106,495	106,495	105,806	689
Emergency - 911	1,950	1,950	1,902	48
Medical Examiner	4,344	4,397	4,379	18
State Court Solicitor	7,093	7,093	7,022	71

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, 2014

(In thousands of dollars)

	Non-GAAP budgetary basis			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
Juvenile Court	14,788	14,788	13,635	1,153
Probate Court	3,074	3,086	2,822	264
County Marshal	6,732	6,732	6,722	10
State Court-General	14,203	14,450	14,052	398
State Court Judges	4,815	5,348	4,862	486
Superior Court-General	22,992	22,992	22,692	300
Superior Court Judges	5,655	5,996	5,969	27
Superior Court Clerk	17,438	17,438	16,966	472
District Attorney	22,687	22,687	21,415	1,272
Public Defender	13,550	13,550	12,743	807
Facilities and Transportation Services	34,853	35,913	35,152	761
Family and Children Services	3,632	3,632	3,487	145
Cooperative Extension	415	415	391	24
Library	25,028	25,930	25,092	838
Health and Wellness	18,307	18,660	16,755	1,905
Fulton-DeKalb Hospital Authority (Grady Hospital)	61,287	61,287	59,603	1,684
Behavioral Health	12,979	12,979	10,684	2,295
Non-agency	93,148	86,433	68,498	17,935
	<u>\$ 625,427</u>	<u>625,427</u>	<u>581,923</u>	<u>43,504</u>
Reconciliation to GAAP basis - to record net effect of unrecorded liabilities			798	
Expenditures incurred on behalf of reimbursing funds for indirect costs			(7,665)	
Total expenditures and other uses, GAAP basis			<u>\$ 575,056</u>	

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, 2014  
 (In thousands of dollars)

	Non-GAAP budget basis			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Revenue per Budget Law	\$ 39,402	39,402	43,508	4,106
License and Permits	5,757	5,757	4,062	(1,695)
Appropriated Fund Balance	5,528	5,528	937	(4,591)
Total revenues and other sources, non-GAAP budget basis	\$ 50,687	50,687	48,507	(2,180)
Reconciliation to GAAP basis:				
To record net tax receivable and deferred revenue			(336)	
Appropriated fund balance			(937)	
Total adjustment to GAAP basis			(1,273)	
Total revenues and other sources, GAAP basis			\$ 47,234	
 <b>Expenditures and other uses:</b>				
Fire Rescue	\$ 15,490	15,490	15,345	145
Police	18,203	18,203	17,621	582
Planning and Community Services	6,902	5,711	5,354	357
Parks and Recreation	—	1,191	1,120	71
Facilities and Transportation	387	387	387	—
Finance	233	233	175	58
Non agency	9,472	9,472	8,505	967
Total expenditures and other uses, non-GAAP budget basis	\$ 50,687	50,687	48,507	2,180
Reconciliation to GAAP basis - to record net effect of unrecorded liabilities				
Total expenditures and other uses, GAAP basis			33	
			\$ 48,540	

See accompanying notes to the financial statements.

**FULTON COUNTY, GEORGIA**

Statement of Net Position  
Proprietary Funds

December 31, 2014

(In thousands of dollars)

Assets	<u>Business Type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Water and sewerage system fund</u>	<u>Other Enterprise funds</u>	<u>Total Enterprise Funds</u>	<u>Activities- Internal Service Funds</u>
Current assets:				
Cash and cash equivalents	\$ 165,761	1,947	167,708	28,747
Accounts receivable, net	9,807	—	9,807	—
Due from other governments, net	4,388	—	4,388	—
Other current assets	—	—	—	9,981
Restricted assets:				
Cash and cash equivalents	17,249	—	17,249	—
Investments	65,263	—	65,263	—
Interest receivable	22	—	22	—
Total current assets	<u>262,490</u>	<u>1,947</u>	<u>264,437</u>	<u>38,728</u>
Noncurrent assets:				
Investment in joint venture	77,892	—	77,892	—
Nondepreciable capital assets	36,210	27,909	64,119	—
Depreciable capital assets (net of accumulated depreciation)	1,086,701	418	1,087,119	—
Total noncurrent assets	<u>1,200,803</u>	<u>28,327</u>	<u>1,229,130</u>	<u>—</u>
Total assets	<u>1,463,293</u>	<u>30,274</u>	<u>1,493,567</u>	<u>38,728</u>
<b>Deferred Outflows of Resources</b>				
Deferred charge on refunding of bonds	<u>6,017</u>	<u>—</u>	<u>6,017</u>	<u>—</u>
Total deferred outflows of resources	<u>6,017</u>	<u>—</u>	<u>6,017</u>	<u>—</u>

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA

Statement of Net Position (continued)  
Proprietary Funds

December 31, 2014

(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	\$ 1,145	162	1,307	1,358
Accrued liabilities	895	—	895	—
Claims payable	—	—	—	10,872
	<u>2,040</u>	<u>162</u>	<u>2,202</u>	<u>12,230</u>
Current liabilities (payable from restricted assets):				
Contracts and other payables	3,733	—	3,733	—
Revenue bonds payable - current	14,650	—	14,650	—
Unearned revenue	467	—	467	—
	<u>18,850</u>	<u>—</u>	<u>18,850</u>	<u>—</u>
Total current liabilities	<u>20,890</u>	<u>162</u>	<u>21,052</u>	<u>12,230</u>
Non-current liabilities:				
Revenue bonds payable - noncurrent	497,886	—	497,886	—
Other long-term liabilities	1,364	—	1,364	—
Total non-current liabilities	<u>499,250</u>	<u>—</u>	<u>499,250</u>	<u>—</u>
Total liabilities	<u>520,140</u>	<u>162</u>	<u>520,302</u>	<u>12,230</u>
Net Position:				
Net investment in capital assets	655,841	28,327	684,168	—
Restricted for debt retirement	37,046	—	37,046	—
Unrestricted	256,283	1,785	258,068	28,875
Total net position	<u>\$ 949,170</u>	<u>30,112</u>	<u>979,282</u>	<u>28,875</u>

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, 2014

(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	\$ —	1,381	1,381	126,588
Water and sewerage charges	119,730	—	119,730	—
Total operating revenues	119,730	1,381	121,111	126,588
Operating expenses:				
Administrative and general	3,876	531	4,407	22,201
Depreciation and amortization	33,711	165	33,876	—
Personal services	21,854	734	22,588	—
Contractual services	27,689	—	27,689	93,095
Operating services	14,126	—	14,126	—
Total operating expenses	101,256	1,430	102,686	115,296
Operating income (loss)	18,474	(49)	18,425	11,292
Non-operating revenues (expenses):				
Loss on investment in joint venture	(1,687)	—	(1,687)	—
Interest income	377	—	377	—
Interest expense	(17,136)	—	(17,136)	—
Total non-operating revenues (expenses)	(18,446)	—	(18,446)	—
Income (loss) before extraordinary item	28	(49)	(21)	11,292
Extraordinary gain-Note 17	1,549	—	1,549	—
Transfer out	—	(49)	(49)	—
Change in net position	1,577	(98)	1,479	11,292
Net position at beginning of year	947,593	30,210	977,803	15,206
Net position at end of year	\$ 949,170	30,168	979,282	28,875

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA

Statement of Cash Flows  
Proprietary Funds

For the year ended December 31, 2014

(In thousands of dollars)

	Business Type Activities - Enterprise Funds			Governmental
	Water and sewerage system fund	Other Enterprise funds	Total Enterprise Funds	Activities- Internal Service Funds
Cash flows from operating activities:				
Receipts from customers and users	\$ 117,530	1,381	118,911	125,915
Payments to suppliers	(43,766)	(544)	(44,310)	(115,985)
Payments to employees	(21,811)	(721)	(22,532)	—
Net cash provided by operating activities	<u>51,953</u>	<u>116</u>	<u>52,069</u>	<u>9,930</u>
Cash flows from capital and related financing activities:				
Principal and interest payments on revenue bonds	(27,231)	—	(27,231)	—
Proceeds from sale of capital assets	1,549	—	1,549	—
Payments for other assets	(651)	—	(651)	—
Additions to property, plant, and equipment	(26,180)	(27)	(26,207)	—
Net cash used by capital and related financing activities	<u>(52,513)</u>	<u>(27)</u>	<u>(52,540)</u>	<u>—</u>
Cash flows from non-capital financing activities:				
Transfer out to governmental funds	—	(49)	(49)	—
Net cash provided by non-capital financing activities	<u>—</u>	<u>(49)</u>	<u>(49)</u>	<u>—</u>
Cash flows from investing activities:				
Purchase of investments	(65,263)	—	(65,263)	—
Proceeds from sale of investments	90,578	—	90,578	—
Interest received on investments	410	—	410	—
Net cash provided by investing activities	<u>25,725</u>	<u>—</u>	<u>25,725</u>	<u>—</u>
(Decrease) increase in cash and cash equivalents	25,165	40	25,205	9,930
Cash and cash equivalents at beginning of year	<u>157,845</u>	<u>1,907</u>	<u>159,752</u>	<u>25,079</u>
Cash and cash equivalents at end of year	<u>\$ 183,010</u>	<u>1,947</u>	<u>184,957</u>	<u>35,009</u>
Reconciliation of operating income (loss) to net cash provided by (used in ) operating activities:				
Operating income (loss)	\$ 18,474	(49)	18,425	11,292
Adjustments to reconcile operating (loss) income to net cash provided by (used in) operating activities:				
Depreciation and amortization	33,711	165	33,876	—
Changes in assets and liabilities:				
Changes in customer receivables - net	(2,639)	—	(2,639)	—
Other assets	—	—	—	(673)
Change in due from other governments - net	439	185	624	—
Accounts and claims payable and accrued liabilities	(138)	(185)	(323)	(689)
Accrued liabilities	43	—	43	—
Contractual and other payables	2,063	—	2,063	—
Net cash provided by (used in) operating activities	<u>\$ 51,953</u>	<u>116</u>	<u>52,069</u>	<u>9,930</u>
Non-cash transactions:				
Unrealized gain (loss) on investments	\$ (33)	—	—	—
Gain (loss) on investment in joint venture	(1,687)	—	—	—

See accompanying notes to the financial statements.

**FULTON COUNTY, GEORGIA**

Statement of Fiduciary Net Position  
Fiduciary Funds

December 31, 2014

(In thousands of dollars)

Assets:	<u>Pension Trust Fund</u>	<u>OPEB Trust Fund</u>	<u>Agency Funds</u>
Cash and cash equivalents	\$ 28,781	2	121,617
Due from Brokers for Securities Sold	5,557	—	—
Investments, at fair value:			
US Treasury Obligations	9,092	4,010	—
US Agency Obligations	94,782	—	—
Corporate asset & mortgage backed securities	17,918	—	—
Corporate debt	59,246	—	—
Corporate equities	634,248	—	—
Government Guaranteed Corporate Debt	4,807	—	—
Municipal General Obligation bond	47,833	—	—
International mutual funds	184,775	—	—
Commingled equity funds	132,785	—	—
CMO	470	—	—
CMBS	14,405	—	—
Global fixed income mutual funds	62,650	—	—
Real estate investment contracts	8,496	—	—
Taxes receivable (net of allowance)	—	—	55,850
Interest and dividends receivable	1,878	—	—
Accounts receivable	121	—	—
Prepaid pension benefits	10,242	—	—
Funds held in escrow	13	—	—
	<u>1,318,099</u>	<u>4,012</u>	<u>177,467</u>
Total assets			
Liabilities:			
Due to Brokers for Securities Purchased	11,624	—	—
Due to other taxing districts	—	—	88,682
Due to others	13	—	88,785
	<u>11,637</u>	<u>—</u>	<u>177,467</u>
Total liabilities			
Net Position:			
Net Position held in trust for pension benefits	1,306,462	—	—
Net Position held in trust for OPEB	—	4,012	—
	<u>1,306,462</u>	<u>4,012</u>	<u>—</u>
Total net position			

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, 2014

(In thousands of dollars)

	<b>Pension Trust Fund</b>	<b>OPEB Trust Fund</b>
	<u>          </u>	<u>          </u>
Additions:		
Investment income:		
Net depreciation in fair value of investments	\$ (49,932)	\$ 372
Interest and dividends	119,258	—
Less: investment expenses	<u>(5,208)</u>	<u>—</u>
Net investment gain	64,118	372
Employee contributions	2,129	—
Employer contributions	57,550	—
Contributions from other participating governments	88	—
Other income	<u>41</u>	<u>—</u>
Total additions	<u>123,926</u>	<u>372</u>
Deductions:		
Benefit payments	116,988	—
Transfer of plan assets to 401(A) plan or other plans	—	—
Refunds of contributions to terminated employees	153	—
Administrative fees and other expenses	<u>705</u>	<u>—</u>
Total deductions	<u>117,846</u>	<u>—</u>
Change in net position	6,080	372
Net position held in trust for benefits:		
Beginning of year	<u>1,300,382</u>	<u>3,640</u>
End of year	<u>\$ 1,306,462</u>	<u>\$ 4,012</u>

See accompanying notes to the financial statements.



**This page left intentionally blank.**

**NOTES TO  
THE  
FINANCIAL  
STATEMENTS**

# FULTON COUNTY, GEORGIA

## Notes to the Financial Statements

December 31, 2014

### (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

# FULTON COUNTY, GEORGIA

## Notes to the Financial Statements

December 31, 2014

### (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 \$59.6 million in funding to the Hospital Authority during 2014, of which \$14.6 million was paid for debt service to the trustee.

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.

# FULTON COUNTY, GEORGIA

## Notes to the Financial Statements

December 31, 2014

### (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, and that obligation is now presented in the long term debt footnote on page 50 as an intergovernmental liability of \$3,482 as of December 31, 2014.

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 \$716 to the ARC for the year ended December 31, 2014. 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

# FULTON COUNTY, GEORGIA

## Notes to the Financial Statements

December 31, 2014

### (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 \$6.2 million in 2014 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, 2014, 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, but interfund services provided and used are not eliminated but shown as the internal services 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.

# FULTON COUNTY, GEORGIA

## Notes to the Financial Statements

December 31, 2014

### (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

# FULTON COUNTY, GEORGIA

## Notes to the Financial Statements

December 31, 2014

### (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 depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The generally accepted accounting principles applicable are those similar to business in the private sector.

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



# FULTON COUNTY, GEORGIA

## Notes to the Financial Statements

December 31, 2014

### (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. These contracts have ceased and now only reflect the payment from one municipality in 2014 for a prior year receivable.

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.

# FULTON COUNTY, GEORGIA

## Notes to the Financial Statements

December 31, 2014

### (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.

# FULTON COUNTY, GEORGIA

## Notes to the Financial Statements

December 31, 2014

### (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:

<u>Asset Class</u>	<u>Estimated Useful Life</u>
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 2014 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, 2014 is approximately \$123.9 million.

**FULTON COUNTY, GEORGIA**

Notes to the Financial Statements

December 31, 2014

**(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 of resources in the period that the amounts become available, in thousands:

	General fund	South Fulton Special District fund	Debt Service fund	Total
Unavailable revenues				
Property taxes	\$ 20,500	1,892	454	22,846
Insurance premium taxes	-	4,283		4,283
Totals	\$ 20,500	6,175	454	27,129

# FULTON COUNTY, GEORGIA

## Notes to the Financial Statements

December 31, 2014

### (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 without executive management approval.

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 revenue 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.

**FULTON COUNTY, GEORGIA**

Notes to the Financial Statements

December 31, 2014

**(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, 2015 are recorded as expenditures in 2014 (budget) as opposed to 2015 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):

	<b>Net changes in fund balance</b>	
	<b>General Fund</b>	<b>South Fulton Special Tax District Fund</b>
GAAP basis	\$ 36,800	(1,306)
Adjustments to accruals:		
Tax revenues and receivables	5,176	336
Liabilities	798	33
Fund balance utilized	(42,774)	937
Budget basis	\$ —	—

# FULTON COUNTY, GEORGIA

## Notes to the Financial Statements

December 31, 2014

### (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, 2014. 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 2014.

**FULTON COUNTY, GEORGIA**

Notes to the Financial Statements

December 31, 2014

**(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, 2014, the County’s primary governmental and business type funds had the following investments:

		December 31, 2014		
	Fair value	< 1 year	1-5 years	6-10 years
Fixed Income:				
US Agency Obligations	\$ 174,391	24,976	149,415	-
Fixed Income subtotal	174,391	24,976	149,415	-
Money Market funds	29,956			
Total cash equivalents and investments	\$ 204,347			

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, 2014. The US Agency obligations of \$174,391 are rated AAA/AA+, while money market funds of \$29,956 possess the highest quality short term ratings.



# FULTON COUNTY, GEORGIA

## Notes to the Financial Statements

December 31, 2014

### (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, 2014 (in thousands of dollars):

Balances by category:		<b>2014</b>
Cash and deposits	\$	419,258
Cash equivalents		31,311
Investments		174,391
	\$	<u>624,960</u>
Balances as presented in the Statement of Net Position:		
Unrestricted activities:		
Cash and cash equivalents	\$	433,320
Investments		109,128
Restricted activities:		
Cash and cash equivalents		17,249
Investments		65,263
	\$	<u>624,960</u>

### (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.

**FULTON COUNTY, GEORGIA**

Notes to the Financial Statements

December 31, 2014

**(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, 2014.

	December 31, 2014				
	Fair Value	3-12mos	1-5yrs	6-10yrs	>10yrs
Fixed Income:					
US Treasury Obligations	\$ 52,192	1,756	31,476	8,643	10,317
US Agency Obligations	94,782	9,651	11,264	11,214	62,653
Municipal General Obligations	4,733	76	545	502	3,610
Government Guaranteed Corporate	4,807	936	216	-	3,655
Corporate Debt	59,246	3,149	21,984	24,711	9,402
Corporate Asset Backed Securities	17,918	-	5,538	7,836	4,544
CMO	470	-	-	470	-
CMBS	14,405	-	-	-	14,405
Fixed Income subtotal	<u>248,553</u>	<u>15,568</u>	<u>71,023</u>	<u>53,376</u>	<u>108,586</u>
Equity securities	634,248				
Real Estate Investment Trusts (REITs)	8,496				
Commingled equity funds	132,785				
Global fixed income mutual funds	62,650				
International equity mutual funds	184,775				
Cash and Cash Equivalents	28,781				
Due to/from Brokers for Securities Purchased	(6,067)				
Total cash equivalents and investments	<u>\$ 1,294,221</u>				

The following is a summary of the carrying amounts of the cash, cash equivalents and investments of the Fiduciary funds at December 31, 2014 (in thousands of dollars):

	2014		
	Pension Trust Fund	OPEB Trust Fund	Agency Funds
Balances by category:			
Cash and cash equivalents	\$ 28,781	2	121,617
Investments	1,271,507	4,010	-
Due from Brokers for Securities Sold	5,557	-	-
Due to Brokers for Securities Purchased	(11,624)	-	-
	<u>\$ 1,294,221</u>	<u>4,012</u>	<u>121,617</u>

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 \$1,355.

**FULTON COUNTY, GEORGIA**

Notes to the Financial Statements

December 31, 2014

**(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, 2014.

Fixed Income:	Fair Value	December 31, 2014 ratings				
		AAA	AA	A	BBB	BB & N/R
US Treasury Obligations	\$ 52,192	-	52,192	-	-	-
US Agency Obligations	94,782	1,300	93,482	-	-	-
Municipal General Obligations	4,733	2,733	1,057	943	-	-
Government Guaranteed Corporate	4,807	-	3,871	936	-	-
Corporate Debt	59,246	-	504	13,806	44,936	-
Corporate Asset Backed Securities	17,918	4,281	3,446	6,049	4,142	-
CMO	470	-	-	470	-	-
CMBS	14,405	7,377	4,107	2,921	-	-
Fixed Income totals	\$ 248,553	15,691	158,659	25,125	49,078	-

**(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, 2014, 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	\$ 3,221	3,221	-	-	-
Total investments		\$ 3,221	3,221	-	-	-

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2014

(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, 2014.

Hospital Authority

Basic combined discretely presented component unit financial statements:

Unrestricted:		<b>2014</b>
Cash and cash equivalents	\$	76,184
Investments		3,221
Restricted		
Cash and cash equivalents (deposits and trusts)		18,550
Investments		79,329
Total	\$	<u>177,284</u>
Cash	\$	76,184
Investments		3,221
Restricted cash held by trustee for debt service		17,535
Nonpublic funds		80,344
Total cash, cash equivalents and investments	\$	<u>177,284</u>

(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

**FULTON COUNTY, GEORGIA**

Notes to the Financial Statements

December 31, 2014

**(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 14% 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.

**(5) Allowances for Uncollectible Receivables**

Allowances for uncollectible receivables at December 31, 2014 are as follows (in thousands of dollars):

	<b>2014</b>
Taxes Receivable:	
General Fund	\$ 7,057
Debt Service Fund	42
South Fulton Special Taxing District	743
Agency Funds	26,520
	\$ 34,362
Accounts Receivable – Water and Sewerage System Fund	\$ 936

**(6) Due from Other Governments**

Governmental type funds include receivables from other governments for various activities. The General fund is owed \$1,870 due from other local government entities related to financing the activities of the Atlanta-Fulton County Water Resource Commission 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 \$7,709 for federal and state financial assistance related to various grantor receivables in grants-in aid while \$2,955 relates to public health services. \$99 is due for reimbursement of capital costs in the emergency communication system from one municipality.

Business type funds are owed \$4,388 which is 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, 2014.

**FULTON COUNTY, GEORGIA**

Notes to the Financial Statements

December 31, 2014

**(7) Capital Assets and Infrastructure**

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

	<u>January 1, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>December 31, 2014</u>
Capital assets not being depreciated:				
Land and land improvements	\$ 49,661	1,107	—	50,768
Construction in progress	67,748	46,233	(22,685)	91,296
Total capital assets not being depreciated	<u>117,409</u>	<u>47,340</u>	<u>(22,685)</u>	<u>142,064</u>
Capital assets being depreciated:				
Equipment	123,808	3,651	—	127,459
Buildings and other improvements	720,527	22,419	—	742,946
Roadway network	573,814	—	(59)	573,755
Total capital assets being depreciated	<u>1,418,149</u>	<u>26,070</u>	<u>(59)</u>	<u>1,444,160</u>
Less accumulated depreciation for:				
Equipment	(111,086)	(3,955)	—	(115,041)
Buildings and other improvements	(383,404)	(15,132)	—	(398,536)
Roadway network	(223,221)	(11,934)	—	(235,155)
Total accumulated depreciation	<u>(717,711)</u>	<u>(31,021)</u>	<u>—</u>	<u>(748,732)</u>
Net capital assets being depreciated	<u>700,438</u>	<u>(4,951)</u>	<u>(59)</u>	<u>695,428</u>
Net capital assets- governmental activities	<u>\$ 817,847</u>	<u>42,389</u>	<u>(22,744)</u>	<u>837,492</u>

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.

**FULTON COUNTY, GEORGIA**

Notes to the Financial Statements

December 31, 2014

**(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):

	<b>January 1,</b>	<b>Increases</b>	<b>Decreases</b>	<b>December 31,</b>
	<b>2014</b>			<b>2014</b>
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	1,411	27	—	1,438
Buildings and other improvements	5,457	—	—	5,457
Total capital assets being depreciated	6,868	27	—	6,895
Less accumulated depreciation for:				
Equipment	(1,336)	(29)	—	(1,365)
Buildings and other improvements	(4,976)	(136)	—	(5,112)
Total accumulated depreciation	(6,312)	(165)	—	(6,477)
Net capital assets being depreciated	556	(138)	—	418
Net capital assets-Airport fund	\$ 28,465	(138)	—	28,327

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2014

(7) Capital Assets and Infrastructure (continued)

	January 1, 2014	Increases	Decreases	December 31, 2014
Water and Sewerage System fund:				
Capital assets not being depreciated:				
Land improvements	\$ 10,056	137	—	10,193
Construction in progress	15,300	10,717	—	26,017
Total capital assets not being depreciated	<u>25,356</u>	<u>10,854</u>	<u>—</u>	<u>36,210</u>
Capital assets being depreciated:				
Equipment	15,229	1,658	—	16,887
Water system	275,486	5,733	—	281,219
Sewerage system	1,114,696	7,933	—	1,122,629
Intangible assets	169,006	—	—	169,006
Total capital assets being depreciated	<u>1,574,417</u>	<u>15,324</u>	<u>—</u>	<u>1,589,741</u>
Less accumulated depreciation for:				
Equipment	(13,660)	(449)	—	(14,109)
Water system	(83,480)	(5,128)	—	(88,608)
Sewerage system	(333,137)	(21,967)	—	(355,104)
Intangible assets	(39,885)	(5,334)	—	(45,219)
Total accumulated depreciation	<u>(470,162)</u>	<u>(32,878)</u>	<u>—</u>	<u>(503,040)</u>
Net capital assets being depreciated	<u>1,104,255</u>	<u>(17,554)</u>	<u>—</u>	<u>1,086,701</u>
Net capital assets-Water and Sewerage System fund	<u>\$ 1,129,611</u>	<u>(6,700)</u>	<u>—</u>	<u>1,122,911</u>

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

Governmental activities:	
Administration	\$ 1,909
Public Safety	4,008
Legal	4,199
Infrastructure and facilities	16,706
Social services	3,817
Health services	382
Total depreciation expense, governmental activities	<u>\$ 31,021</u>

The above depreciation amounts include amortization of capital leases for assets acquired through capital lease transactions.

Business-type activities:	
Water and Sewerage	\$ 32,878
Airport	165
Total depreciation expense, business-type activities	<u>\$ 33,043</u>



**FULTON COUNTY, GEORGIA**

Notes to the Financial Statements

December 31, 2014

**(7) Capital Assets and Infrastructure – Component unit**

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

	<u>January 1,</u> <u>2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>December 31,</u> <u>2014</u>
Capital assets not being depreciated:				
Land	\$ 2,765	—	—	2,765
Construction in progress	20,301	18,526	(11,517)	27,310
Total capital assets not being depreciated	<u>23,066</u>	<u>18,526</u>	<u>(11,517)</u>	<u>30,075</u>
Capital assets being depreciated:				
Equipment	249,708	23,052	(280)	272,480
Buildings	253,331	8,201	—	261,532
Total capital assets being depreciated	<u>503,039</u>	<u>31,253</u>	<u>(280)</u>	<u>534,012</u>
Less accumulated depreciation for:				
Equipment	(118,948)	(42,904)	280	(161,572)
Buildings and other improvements	(89,057)	(1,594)	—	(90,651)
Total accumulated depreciation	<u>(208,005)</u>	<u>(44,498)</u>	<u>280</u>	<u>(252,223)</u>
Net capital assets being depreciated	<u>295,034</u>	<u>(13,245)</u>	—	<u>281,789</u>
Net capital assets- governmental activities	\$ <u><u>318,100</u></u>	<u><u>5,281</u></u>	<u><u>(11,517)</u></u>	<u><u>311,864</u></u>

Total depreciation expense for the Hospital Authority was \$44,498. All depreciation was incurred on assets acquired to provide health services.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2014

**(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, 2014 (in thousands of dollars):

	January 1, 2014	Additions	Retirements	Other	December 31, 2014	Due within one year
Governmental activities:						
Certificates of participation	\$ 88,455	-	(8,015)	-	80,440	8,405
Less deferred charges, net*	5,087	-	-	(847)	4,240	
Total Certificates of Participation	93,542	-	(8,015)	(847)	84,680	
Building Authority Revenue Bonds	7,555	-	(7,555)	-	-	-
Less deferred charges, net	18	-	-	(18)	-	
Total Building Authority Revenue Bonds	7,573	-	(7,555)	(18)	-	
Library General Obligation Bonds	155,340	-	(4,200)	-	151,140	4,370
Less deferred charges, net	2,033	-	-	(129)	1,904	
Total Library General Obligation Bonds	157,373	-	(4,200)	(129)	153,044	
Economic Recovery Zone Bonds	26,965	-	(1,829)	-	25,136	1,893
Intergovernmental agreement-AFCRA *	3,832	-	(350)	-	3,482	368
Compensated absences	38,307	12,604	(11,224)	-	39,687	12,604
Other long term capital lease obligations	66,276	5,510	(9,890)	-	61,896	9,620
Net other post employment benefits	398,441	108,564	(29,244)	-	477,761	-
Claims and judgments	12,722	-	-	(59)	12,663	193
Post-closure care	14,368	-	(1,242)	-	13,126	1,281
Total Governmental activities	\$ 819,399	126,678	(73,549)	(1,053)	871,475	38,734
Business-type activities:						
Water & Sewerage Revenue Bonds	\$ 464,435	-	(4,920)	-	459,515	14,650
Less deferred charges, net	58,197	-	-	(5,176)	53,021	
Total Water & Sewerage Revenue Bonds	522,632	-	(4,920)	(5,176)	512,536	
Other long-term liabilities	1,321	797	(754)	-	1,364	
Total business-type activities	\$ 523,953	797	(5,674)	(5,176)	513,900	14,650

\*Change in accounting principle for GASB 70-Intergovernmental agreement with Atlanta/Fulton County Recreation Authority-2007 Zoo bonds.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2014

(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 \$4,440-\$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 were paid from general governmental activities and are now fully matured, while the Water and Sewerage Revenue bonds are paid from business-type activities. Revenue bonds outstanding are as follows (in thousands of dollars):

<u>Issue year</u>	<u>Interest rate range</u>	<u>Final Maturity Date</u>	<u>Outstanding balance</u>	<u>Annual principal installments</u>	<u>Purpose</u>
Business-type activities:					
2011 Water and Sewerage	2.00-5.00	2027	236,250	14,650-20,270	Water/Sewer facilities
2013 Water and Sewerage	4.80-5.25	2034	223,265	5,080-36,935	Water/Sewer facilities
			\$ <u>459,515</u>		

**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 \$5,033,761. As of December 31, 2014, the County had \$153,044 of direct general obligation debt less \$13,546 of funds to service this debt. Therefore, the County's unused debt margin was \$4,894,263 as of December 31, 2014.

**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 for the year ended December 31, 2014. On December 1, 2014, the County voluntarily submitted a questionnaire pursuant to the Security Exchange Commission's Municipalities Continuing Disclosure Cooperation, or "MCDC" Initiative with municipal issuers throughout the country, in which prior submissions, as issuer and obligor, were discussed and self-evaluated. The County believes these instances noted are immaterial.

**FULTON COUNTY, GEORGIA**

Notes to the Financial Statements

December 31, 2014

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

*Defeased Debt* - 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. The 1999 Fulton County Facility Corporation Certificates of Participation were defeased and \$74,060 remains outstanding as of December 31, 2014.

The annual requirements to amortize bonds payable as of December 31, 2014, including interest payments are as follows (in thousands of dollars):

Year Ending December 31	Library General Obligation Bonds		Water and Sewerage Revenue Bonds		Total Primary Government	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 4,370	6,901	14,650	22,125	19,020	29,026
2015	4,545	6,723	15,325	21,453	19,870	28,176
2017	4,440	6,565	16,090	20,687	20,530	27,252
2018	4,575	6,430	16,875	19,898	21,450	26,328
2019	4,715	6,280	17,720	19,057	22,435	25,337
2020-2024	25,300	28,639	101,190	81,175	126,490	109,814
2025-2029	29,035	22,689	122,230	54,058	151,265	76,747
2030-2034	34,040	14,815	155,435	20,867	189,475	35,682
2035-2039	40,120	5,299	-	-	40,120	5,299
Total	151,140	104,341	459,515	259,320	610,655	363,661
Deferred charges/ premiums	1,904	(1,904)	53,021	(53,021)	54,925	(54,925)
Total	\$ 153,044	102,437	512,536	206,299	665,580	308,736

***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 was refunded in 2009, and \$80,440 remains outstanding as of December 31, 2014 with an interest rate at 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

**FULTON COUNTY, GEORGIA**

Notes to the Financial Statements

December 31, 2014

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

annual appropriation that are sufficient to pay principal and interest to the Authority. The total lease obligation as of December 31, 2014 is \$25,136 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, 2014, including interest payments of \$13,040 and \$7,115 are as follows (in thousands of dollars):

<b>Year ended December 31,</b>	<b>Fulton County Facilities Corporation</b>	<b>Fulton County Urban Redevel- opment Agency</b>
2015	\$ 12,344	3,005
2016	20,286	2,979
2017	20,284	2,957
2018	20,286	2,938
2019	20,280	2,912
2020-2024	-	14,190
2025-2026	-	3,270
Total minimum lease payments	\$ 93,480	32,251
Less: Amount representing interest	(13,040)	(7,115)
Present value of minimum lease payments	\$ 80,440	25,136

**(f) Other Long-term Obligations - Capital Leases**

The County has entered into other various capital lease obligations totaling \$61,896 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 \$124,714 as of December 31, 2014, of which \$38,910 is recorded as buildings, \$28,350 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, 2014, including interest payments of \$11,562 are as follows (in thousands):

<b>Year ended December 31,</b>	<b>Capital lease obligation</b>
2015	\$ 11,716
2016	10,138
2017	7,745
2018	6,596
2019	5,164
2020-2024	25,600
2025	6,499
Total minimum lease payments	\$ 73,458
Less: Amounts representing interest	(11,562)
Present value of minimum lease payments	\$ 61,896

**FULTON COUNTY, GEORGIA**

Notes to the Financial Statements

December 31, 2014

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

**(g) Hospital Authority Long Term Debt and other Obligations**

Changes in the Hospital Authority's non-current liabilities for the year ended December 31, 2014 are noted below: (in thousands)

	<b>January 1, 2014</b>	<b>Additions</b>	<b>Retirements</b>	<b>December 31, 2014</b>	<b>Due within one year</b>
Long-term debt:					
Revenue Certificates	\$ 178,370	-	-	178,370	14,550
Notes payable	12,180	-	(3,993)	8,187	5,074
Capital lease obligations	3,472	-	(586)	2,886	621
Total long-term debt	194,022	-	(4,579)	189,443	20,245
Other long-term liabilities:					
Deferred revenue	5,003	4,846	(866)	8,983	-
IT Software contract	2,187	-	(2,187)	-	-
Workers Compensation	1,260	-	(347)	913	1,487
General Professional	46,887	-	(1,953)	44,934	13,255
Accrued OPEB	10,251	-	(5,342)	4,909	-
Other	7,370	688	(7,368)	690	-
Total	\$ 72,958	5,534	(18,063)	60,429	14,742

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

<b>Year Ending December 31</b>	<b>Authority Long Term Debt</b>		<b>Authority Capital Lease Obligations</b>		<b>Totals</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2015	\$ 19,624	3,994	621	156	20,245	4,150
2016	23,738	3,596	542	121	24,280	3,717
2017	21,995	3,029	575	88	22,570	3,117
2018	22,405	2,549	610	52	23,015	2,601
2019	22,820	2,059	538	15	23,358	2,074
2020-2024	75,975	3,598	-	-	75,975	3,598
Total	\$ 186,557	18,825	2,886	432	189,443	19,257

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.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2014

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

(h) Hospital Authority Capital Lease Obligations

The Hospital Authority has entered into various capital lease agreements for office equipment. At December 31, 2014, the gross amount of capital assets under capital leases is \$7.8 million and the related accumulated depreciation is \$5.1 million.

*Tax Anticipation Notes*

The County issued \$200 million in Tax Anticipation Notes on June 4, 2014 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 \$104 thousand. This note matured on December 31, 2014, with a net yield of .089%.

Liability for Tax Anticipation Notes, January 1, 2014	\$	-
Notes Issued		200,000,000
Notes Matured and paid		<u>200,000,000</u>
Liability for Tax Anticipation Notes, December 31, 2014	\$	-

(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 \$1,242 in 2014, 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

*Line of Credit* - The Hospital has historically maintained a line of credit facility with a commercial bank, which serves as bridge financing for its intergovernmental transfer (“IGT”) funding requirements for the ICTF program and as a general revolving working capital facility. On November 21, 2014, the Hospital obtained a renewal of this facility which expires on November 30, 2015. The working capital component provides \$20 million of non-IGT funding capacity, while the ICTF program component provides \$25 million of IGT funding. In total, the facility is currently estimated at \$45 million.

The ICTF program component is repaid with the receipt of related program funds by the Hospital and reduces to zero as the Hospital’s IGT funding requirements for the current program year are met. Amounts outstanding under the working capital and ICTF program components accrue interest at LIBOR plus 170 basis points and 145 basis points, respectively. The working capital component carries a 20 basis point commitment fee on the unused line, while the ICTF program component carries a commitment fee of 10 basis points against each associated draw. No amounts were outstanding under the facility at December 31, 2014.

**FULTON COUNTY, GEORGIA**

Notes to the Financial Statements

December 31, 2014

**(10) Interfund Assets/Liabilities and Transfers**

No Interfund receivable and payable balances exist as of December 31, 2014. 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):

<u>Transferred From</u>	<u>Transferred To</u>		
	General fund	Non-Major Govern- mental funds	Total
General fund	\$ -	36,957	36,957
South Fulton Special District fund	697	3,200	3,897
Non-Major Governmental funds	-	135	135
Enterprise fund	-	49	49
	<u>\$ 697</u>	<u>40,341</u>	<u>41,038</u>

**(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, 2014, which is expected to be paid after one year, is \$12,664. 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 2014. 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, 2014, the present value of the estimated future liability for outstanding claims, including estimated incurred, but not reported claims, is \$9,248. At December 31, 2014, the County held \$11,074 in cash and cash equivalents available for payment of these claims.

The County has also recorded a liability within the Risk Management Fund of \$2,439 to provide for resources to insure for general, employee and vehicle liability and automobile physical damage. At December 31, 2014, the County held \$17,139 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



**FULTON COUNTY, GEORGIA**

Notes to the Financial Statements

December 31, 2014

**(11) Risk Management (continued)**

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, 2014 was as follows (in thousands of dollars):

		<b>Beginning of fiscal year liability</b>	<b>Current year claims and changes in estimates</b>	<b>Claims payments</b>	<b>Balance at fiscal year-end</b>
2014	\$	25,201	108,596	(109,446)	24,351
2013		26,868	101,362	(103,029)	25,201
2012		20,170	107,255	(100,557)	26,868

**(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 an eleven 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 two active employees.

On June 16, 1998, the County adopted a 401(A) defined contribution plan. All active participants in the Fulton County Employees' Retirement System have the annual option to remain in their current defined benefit plan or elect to participate in the new defined contribution plan. Employees hired on or after July 1, 1999 participate in the Fulton County Defined Contribution Plan.

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

# FULTON COUNTY, GEORGIA

## Notes to the Financial Statements

December 31, 2014

### (12) Retirement Plans (continued)

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.

The required contribution percentages developed in the most recent actuarial valuations for the Plan, and the actual contributions, but not including contributions of \$109 to the Supplemental Plan described in this note, made for 2014 are as follows (in thousands of dollars):

	<u>2014</u>
Total required employer contributions:	
Dollar amount	\$ 55,255
Percent of covered payroll	168.32%
Actual employer contributions:	
Dollar amount	\$ 57,529
Percent of covered payroll	175.24%

Employee contribution rates are established in accordance with pension law. During 2014 actual countywide employee contributions were \$2,129 which represented 6.49% of covered payroll. Employee contributions exceeded those set forth in pension law due to back-due contributions required of employees covered by certain of the County's prior separate plans, who under older pension laws, have the ability to increase their retirement benefits by making such back-due contributions.

The actuarial present value of accumulated plan benefits is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. An actuarial valuation of the Plan is performed annually each January 1, and an update is performed to determine the Actuarial Value of Assets and Actuarial Accrued Liability.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2014

(12) Retirement Plans (continued)

*Membership*

Current membership in the Plan and current year payrolls for 2014 are as follows:

Members:		
Retired and receiving benefits	\$	3,179
Terminated with vested benefits		27
Active employees:		
Vested		<u>576</u>
Total members		<u>3,782</u>
Total current year payroll for employees covered by the Plan (in thousands )	\$	<u>32,828</u>

Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits under the Plan are based on employee compensation. The accumulated plan benefits for active employees are based on their average compensation and credited service ending on the date as of which the benefit information is presented (the valuation date). Benefits payable under all circumstances — retirement, death, disability, and termination of employment — are included, to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. An actuarial valuation of the Plan is performed annually each January 1, and an update is performed to determine the Actuarial Value of Assets and Actuarial Accrued Liability.

Effective as of the January 1, 2015 valuation, the Fulton County Employees Retirement System Board approved changes to the amortization period to a "fresh start" amortization period over a single 15-year closed level-dollar amortization base. This lowered the 2015 required contribution to \$48.5 million as compared to the \$55.2 million required contribution for 2014, which is also affected by actuarial values and other assumption changes. This also affected the credit balance, previously \$9.1 million to a "fresh start" balance of \$5 million which is available to meet future pension required contributions. New bases will be established in future years, to account for future gains and losses and changes in assumptions, methods or plan provisions. The Board also lowered the assumed investment rate of return from 7.8% to 7.7% with this January 1, 2015 valuation, increasing the actuarial liability \$15.4 million, as well as a \$100 increase from \$600 to \$700 annually for the administrative expense assumption. There were no changes in plan provisions from the last valuation date.

**FULTON COUNTY, GEORGIA**

Notes to the Financial Statements

December 31, 2014

**(12) Retirement Plans (continued)**

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

The Funding Status & Funding Progress, as of the January 1, 2015 valuation date, were as follows:

<u>Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Accrued Liabilities</u>	<u>Percentage Funded</u>	<u>Covered Payroll</u>	<u>Unfunded AAL as a Percentage of Covered Payroll</u>
\$1,306,027	\$1,654,412	\$348,385	78.9%	\$32,828	1061.23%

The System's annual pension cost and net pension obligation for the current year ended December 31, 2014 and each of the five preceding years were as follows:

**Schedule of Employer Contributions**  
(in thousands)

<u>Fiscal year ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of ARC contributed</u>	<u>Annual Required Contribution</u>
December 31, 2009	\$ 43,537	101.2%	\$ 43,008
December 31, 2010	36,299	99.1	36,639
December 31, 2011	44,507	98.8	45,049
December 31, 2012	51,320	100.2	51,199
December 31, 2013	53,165	100.5	52,882
December 31, 2014	55,199	99.9	55,255

The schedule of funding progress, as presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The following presents target allocations and long term expected rates of return for the Plan.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic equity	54.00%	6.00%
International equity	15.00%	6.70%
Emerging Market equity	6.00%	9.00%
Core fixed income	22.50%	0.90%
High yield fixed income	<u>2.50%</u>	3.75%
	100.00%	

**FULTON COUNTY, GEORGIA**

Notes to the Financial Statements

December 31, 2014

**(12) Retirement Plans (continued)**

*Sensitivity of the Net Pension Liability to Changes in the discount rate*

The following presents the net pension liability of the County, calculated using the discount rate of 7.70%, and the System’s net pension liability would be if it were calculated using a discount rate this is one-percentage-point lower (6.70%) or one-percentage-point higher (8.70%) than the current rate.

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<b>(6.70%)</b>	<b>(7.70%)</b>	<b>(8.70%)</b>
System’s net pension liability	\$516,561	\$348,385	\$205,799

On January 1, 2000, the Fulton County Employees’ Retirement System Supplemental Plan was created to pay benefits in excess of the limitations required for compliance with federal tax laws. The accrued liability for this plan remains at approximately \$1.1 million as of January 1, 2015 and is being amortized on an 8 year level dollar method. Participant information, actuarial funding methods, and other assumptions are the same as the Fulton County Employees’ Retirement System. This liability does not appear on the actuarial information presented for the Fulton County Employees Retirement System Plan. The Supplemental plan obtained a biannual actuarial valuation as of January 1, 2015.

**(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, 2014, the plan had 4,433 active participants who contributed 6% of their pensionable earnings, approximately \$12,164 during 2014. The County also contributed \$16,222 which was 8% of their pensionable earnings throughout the year. The County also contributed an additional \$1,440 in matched funds into the Plan for those Participants electing to participate in the County’s Deferred Compensation Plan. 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 throughout 2014.

# FULTON COUNTY, GEORGIA

## Notes to the Financial Statements

December 31, 2014

### (12) Retirement Plans (continued)

#### (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 \$38,994 in 2014, as compared to \$36,506 in 2013. 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 3,200 and all also had life insurance coverage in effect. Approximately 4,300 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 \$1,226,465. This is presented in the Statement of Fiduciary Assets on page 24. No contribution has been made subsequently, but interest earnings of \$1,827 have accumulated in this trust fund as of December 31, 2014, of which \$372 was earned in 2014.

**FULTON COUNTY, GEORGIA**

Notes to the Financial Statements

December 31, 2014

**(13) Other Post-Employment Benefits (continued)**

As of the most recent valuation date of January 1, 2015, the OPEB Plan funded status was as follows:

<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability (AAL)</b>	<b>Unfunded Actuarial Accrued Liability (UAAL)</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll</b>
\$4,012	\$1,230,477	\$1,226,465	0.003%	\$207,692	590.5%

The county's annual OPEB cost and net OPEB liability for the year ended December 31, 2014:

Annual required contribution (ARC) for other postemployment benefits (OPEB)	\$ 107,851
Interest on annual required contribution	15,938
Adjustment to the ARC	<u>(15,225)</u>
Annual OPEB cost/Annual required contribution	108,564
Annual employer contributions made on claims	<u>(29,244)</u>
Change in net OPEB obligation	79,320
Net OPEB obligation - January 1	<u>398,441</u>
Net OPEB obligation - December 31	<u><u>\$ 477,761</u></u>

**Schedule of OPEB Employer Contributions  
Three-Year Trend Information**

<b>Fiscal year ended</b>	<b>Annual OPEB Cost (ARC)</b>	<b>Percentage of ARC contributed</b>	<b>Net OPEB obligation</b>
December 31, 2012	\$ 90,817	30.1%	\$ 336,813
December 31, 2013	90,817	32.1	398,441
December 31, 2014	107,851	26.9	477,761

Actuarial Assumptions for the Other Postemployment Benefit plan as of January 1, 2015:

Cost Method	Entry Age Normal Actuarial Cost method
Actuarial Asset Valuation Method	Market Value
Assumed Investment Rate of Return	4.0%, compounded annually
Healthcare Cost Trend Rate	7.0% in 2015 to 5.0% in 2020 and thereafter
Aging Adjustment	1.0% at age 30 up to 4.2% ages 60-64, declining to 0.0% at age 90 and over
Inflation Rate	3.0%
Estimated Salary increases	3.0%
Amortization Method	Level dollar, 30 years, open period

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2014

(13) Other Post-Employment Benefits (continued)

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.

(b) Hospital Authority

The Hospital Authority provides retiree medical benefits covering all employees of the Hospital Authority who retire at age 55 or older with at least 10 years of service. 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 (HRA) 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 2014 combined financial statements, resulting in a \$4 million decrease in the accrued postretirement benefit cost and a \$12.1 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, 2014. A discount rate of 3.35% was used to remeasure obligations at the amendment date.

The changes in the accumulated postretirement benefit obligation (APBO) during 2014 follow:

	<u>2014</u>
APBO, Beginning	\$ 11,283
Service cost	254
Interest cost	355
Plan participant contributions	308
Benefits paid	(3,979)
Actuarial gain	(921)
Plan amendments	<u>(1,685)</u>
APBO, Ending	<u>\$ 5,615</u>

\$705 of the above liability is classified as current

. Expected future payments for other post-employment benefits range from \$705 to \$1,007 for the next five years and \$2,170 for combined years 2020 through 2024. As of December 31, 2014, the amounts accumulated in unrestricted net assets were \$ (33,749) for prior service cost (credit) and a net gain of \$(2,365), for a total of \$(36,114). 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 \$13.4 million. 2.2% was used for weighted average assumptions to determine benefit obligations.



**FULTON COUNTY, GEORGIA**

Notes to the Financial Statements

December 31, 2014

**(13) Other Post-Employment Benefits (continued)**

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

	<b>2014</b>
Service Cost	254
Interest Cost	355
Amortization of prior service cost (credit)	(12,131)
Amortization of net gain	(475)
Net periodic postretirement benefit cost (credit)	<u>(11,997)</u>

**(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 \$223 thousand and increase interest and service cost by approximately \$15 thousand. A 1% decrease in the healthcare cost trend rate would decrease the APBO by approximately \$214 thousand and reduce interest and service cost by approximately \$15 thousand. Assumed trend rates utilized in this estimate range from 7.1% in 2015 reduced by .20% each year thereafter to a rate of \$4.5% in 2028 and thereafter.

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 up to \$34 million is believe to be reasonably possible, of which approximately \$13.5 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.

## FULTON COUNTY, GEORGIA

### Notes to the Financial Statements

December 31, 2014

#### (14) Commitments and Contingencies (continued)

- (2) **Grants** - The County participates in a number of Federal financial assistance programs. These programs are subject to independent financial and compliance audits by independent auditors and grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.
- (3) **Commitments** - Commitments for water and sewerage system improvements at December 31, 2014 total approximately \$54,290.

#### (b) *Hospital Authority*

*General and Professional Liability* – The Hospital is self-insured for its general and professional liability insurance coverage. The Hospital's self-insured retention is \$5 million per claim. Commercial insurance has been obtained to provide for coverage in excess of the Hospital's self-insured retention limits on a claims-made basis. The general and professional self-insurance reserves included in the accompanying combined financial statements are recorded on a discounted basis, at 1.0% at December 31, 2014, and include estimates of the ultimate costs for both reported claims and claims incurred but not reported. The Hospital has employed independent actuaries to estimate the ultimate costs, if any, of the settlement of such claims. The cumulative unfunded portion of the actuarially recommended reserve is \$58.2 million at December 31, 2014. While the ultimate outcome of these risks is not presently determinable, it is the opinion of management that the reserve is adequate to cover such risks.

*Workers' Compensation Liability* – The Hospital also self-insures its workers' compensation liability exposures up to limits of \$350 thousand per claim. Commercial insurance has been obtained to provide for excess workers' compensation liability coverage. Accrued workers' compensation is recorded on a discounted basis, at 1.0% at December 31, 2014, in the accompanying combined financial statements. Further, the Hospital engages an independent actuary to make an annual evaluation of the liability. The actuarially recommended reserve for workers' compensation at December 31, 2014, is \$2.4 million. While the ultimate outcome of these risks is not presently determinable, it is the opinion of management that the reserve is adequate to cover such risks.

*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.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2014

(14) Commitments and Contingencies (continued)

(1) 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, 2014 were approximately \$7.3 million. The future minimum lease payments under noncancelable operating leases as of December 31, 2014 are as follows (in thousands):

	<u>Operating leases</u>	
2015	\$	3,035
2016		3,232
2017		3,210
2018		2,793
2019		2,705
Thereafter		8,766
	\$	<u>23,741</u>

(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.

# FULTON COUNTY, GEORGIA

## Notes to the Financial Statements

December 31, 2014

### (15) Fund Balance (continued)

The specific purposes of the governmental funds fund balances, classified as other than unassigned, at December 31, 2014 are as follows (in thousands):

Fund Balances:	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
Library capital projects	\$ 110,248		
Debt service	14,709		
Grants in Aid	4,989		
Emergency Communications	810		
Public Health Services	7,616		
Law Enforcement and Justice services	8,577		
Public Education Government Television		576	
South Fulton Special District			4,536
Special Service District			4,239
Stormwater Management			230
General Government services			340
Social and Cultural services			2,876
Other special revenue			2,357
Tax Allocation district			3
Other Capital and Transportation projects	14,196		32,868
Totals	<u>\$ 161,145</u>	<u>576</u>	<u>47,449</u>

### (16) Subsequent Events

The County in May of 2015 issued \$200 million in Tax Anticipation Notes to provide operating capital until property tax collections are received by the County.

### (17) Extraordinary Item – Water and Sewerage System

The Fulton County Water and Sewerage System received sale proceeds from land previously recorded at a nominal historical cost. This infrequent transaction appears on page 13 Statement of Activities as well as on page 23 Statement of Revenues, Expenses, and changes in Fund Net Position-Proprietary funds.

**REQUIRED  
SUPPLEMENTARY  
INFORMATION**  
(Unaudited)

**FULTON COUNTY, GEORGIA**  
**Required Supplementary Information**  
**(Unaudited)**  
**(In thousands of dollars)**  
**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded (Overfunded)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
			AAL (UAAL) (b-a)			
December 31, 2009	\$ 1,149,786	1,478,136 <sup>(1)</sup>	328,350 <sup>(1)</sup>	77.8 %	\$ 67,184	488.7 %
December 31, 2010	1,144,371	1,567,306 <sup>(1)</sup>	422,935 <sup>(1)</sup>	73.0	57,888	730.6
December 31, 2011	1,104,779	1,604,463 <sup>(1)</sup>	499,684 <sup>(1)</sup>	68.9	49,277	1,014.0
December 31, 2012	1,082,180	1,577,865 <sup>(1)</sup>	495,685 <sup>(1)</sup>	68.6	42,622	1,163.0
December 31, 2013	1,173,841	1,608,976 <sup>(1)</sup>	435,135 <sup>(1)</sup>	73.0	36,258	1,200.1
December 31, 2014	1,240,742	1,654,412 <sup>(1)</sup>	413,670 <sup>(1)</sup>	75.0	32,828	1,260.1

(1) After any affects of actuarial or plan changes

**Schedule of Contributions from the Employer and Other Contributing Entities**

Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contributions			Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
		County Employer Contribution	DFACS Employer Contribution	Total Employer Contribution			
December 31, 2005	\$ 32,726	31,579	761	\$ 32,340	386	104,909	30.83 %
December 31, 2006	37,081	35,453	658	36,111	970	98,882	36.52
December 31, 2007	38,367	37,289	513	37,802	565	80,266	47.10
December 31, 2008	33,836	32,339	411	32,750	1,086	78,184	41.89
December 31, 2009	43,008	38,242	260	38,502	4,506	67,184	57.31
December 31, 2010	36,639	37,044	182	37,226	(587)	57,888	64.31
December 31, 2011	45,049	42,049	121	42,170	2,879	49,277	85.58
December 31, 2012	51,199	45,878	58	45,936	5,263	42,622	107.78
December 31, 2013	52,882	56,126	118	56,244	(3,362)	36,258	155.12
December 31, 2014	55,255	57,441	88	57,529	(2,274)	32,828	175.24

See accompanying notes to required supplementary information and accompanying independent auditor's report.

**FULTON COUNTY, GEORGIA**  
 Required Supplementary Information  
 (Unaudited)  
 (In thousands of dollars)

**Schedule of Employer's Net Position Liability**

Year Ended	Total Pension Liability	Plan Fiduciary Net Position	Plan's net Pension Liability	Plan fiduciary net position as a percentage of total pension liability
December 31, 2014	\$ 1,654,412	1,306,027	348,385	78.94%

**Schedule of Investment Returns**

Year Ended	Annual money-weighted rate of return, net of investment expense
December 31, 2014	5.20%

**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	Covered payroll (c)	UAAL as a percentage of covered payroll (b-a)/c
December 31, 2009	\$ 2,225	941,944	939,719	0.24%	214,743	438%
December 31, 2010	2,492	941,944	939,452	0.27%	214,743	437%
December 31, 2011	2,689	1,509,799	1,507,110	0.18%	224,189	672%
December 31, 2012	3,023	1,798,332	1,795,309	0.17%	226,479	793%
December 31, 2013	3,640	1,798,332	1,794,692	0.20%	226,479	792%
December 31, 2014	4,012	1,230,477	1,226,465	0.33%	207,692	591%

Note: These Schedules are intended to show information for 10 years, once available

See accompanying notes to required supplementary information and accompanying independent auditor's report.

**FULTON COUNTY, GEORGIA**  
**Required Supplementary Information**  
(Unaudited)  
(In thousands of dollars)

**Schedule of Changes in System's Net Position Liability**  
**Last Ten Fiscal Years**

	<u>2014</u>
Total Pension Liability	
Service cost	\$ 4,291
Interest	120,935
Change of benefit terms	-
Differences between expected and actual experience	21,902
Change of assumptions	15,352
Benefit payments, including refunds of employee contributions	<u>(117,044)</u>
Net change in total pension liability	45,436
Total pension liability - beginning	\$ <u>1,608,976</u>
Total pension liability - ending (a)	\$ <u><u>1,654,412</u></u>
Plan fiduciary net position	
Contributions-employer	\$ 57,529
Contributions-employee	2,129
Net investment income	64,143
Benefit payments, including refunds of employee contributions	(117,044)
Administrative expense	(705)
Other	-
Net change in plan fiduciary net position	<u>\$ 6,052</u>
Plan fiduciary net position - beginning	\$ <u>1,299,975</u>
Plan fiduciary net position - ending (b)	\$ <u>1,306,027</u>
System's net pension liability - ending (a) - (b)	<u><u>348,385</u></u>
Plan fiduciary net position as a percentage of the total pension liability	78.94%
Covered employee payroll	\$ 32,828
System's net pension liability as a percentage of covered employee payroll	1061.23%

Note: Schedule is intended to show information for 10 years, once available  
See accompanying notes to required supplementary information and accompanying independent auditor's report.

Notes to Schedule:

Benefit changes: There have been no benefit changes since GASB 67 implementation.  
Change of Assumptions: The discount rate assumption was changed from 7.80% to 7.70%.



## FULTON COUNTY, GEORGIA

### Notes to Required Supplementary Information Unaudited, and in thousands

December 31, 2014

#### (1) Schedule of Changes in the Net Pension Liability

The total pension liability contained in this schedule was provided by the Plan's actuary, Segal Consulting. The net pension liability is measured as the total pension liability less the amount of the fiduciary net position of the Plan.

#### (2) Schedule of Employer Contributions

The required contributions and percentage of those contributions actually made are presented in the schedule.

#### (3) Actuarial Methods and Assumptions

*Changes of assumptions:* Effective as of the January 1, 2015 valuation, the Fulton County Employees Retirement System Board approved changes to the amortization period to a "fresh start" amortization period over a single 15-year closed level-dollar amortization base. The Board also lowered the assumed investment rate of return from 7.8% to 7.7% with this January 1, 2015 valuation and increased the annual administrative expense assumption from \$600 thousand to \$700 thousand.

*Methods and assumptions used in the calculations of actuarially determined contributions:* The following actuarial methods and assumptions were used to determine the most recent contribution rate reported:

Valuation Date	January 1, 2015
Actuarial cost method	Entry Age normal
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	15 years remaining as of January 1, 2015
Asset valuation method	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the expected return on the actuarial value, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the market value.
Investment rate of return	7.70%. The net investment return assumption is a long-term estimate derived from historical data, current and recent market expectations, and professional judgment. As part of the analysis, a building block approach was used that reflects inflation expectations and anticipated risk premiums for each of the portfolio's asset classes, as well as the System's target asset allocation.
Inflation rate	3.0%
Projected salary increases	3.0%
Cost of living adjustments	3.0%

## FULTON COUNTY, GEORGIA

Notes to Required Supplementary Information  
Unaudited, and in thousands

December 31, 2014

### (3) Actuarial Methods and Assumptions (continued)

Mortality Rates-Healthy	RP-2000 Combined Mortality Table with Blue Collar adjustment, projected to 2019 using Scale AA, further loaded by 30% for Males and 10% for Females
Mortality Rates-Disabled	RP-2000 Disabled Retiree Mortality Table projected to 2019 using Scale AA  RP-2000 mortality tables, projected to the 2015 valuation date reasonably reflect the projected mortality experience of the Plan as of the measurement date. The additional projection of four years is a provision made for future mortality improvement.
Retirement Rates-Unreduced Pension:	Assumptions for non-public safety retirement probability is 26.5% at first age eligibility until 100% at age 70. Assumptions for public safety retirement probability is 60.0% at first age eligibility, then 40% through age 64 and 100% thereafter.
Retirement Rates-Reduced Pension:	Assumptions for non-public safety retirement probability range from 8.25% at age 50 and increases each year to 12% at age 64. Assumptions for public safety retirement probability ranges from 12.55% at age 50, and increases each year to 23.75% at age 64.  The retirement rates for reduced pensions apply only until eligibility for normal retirement occurs. From that point forward, the rates for unreduced pensions apply.

**This page left intentionally blank.**

**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, 2014

(in thousands of dollars)

	Debt Service fund	Special Revenue Funds				General Government Services
		Special Service District	Grants in Aid	Emergency Communications	Stormwater Management	
Assets:						
Cash and cash equivalents	\$ 14,616	4,926	—	1,095	230	340
Receivables (net of allowances):						
Taxes	547	—	—	—	—	—
Due from other governments	—	—	7,709	99	—	—
Total assets	\$ 15,163	4,926	7,709	1,194	230	340
Liabilities:						
Accounts payable	\$ —	687	2,720	326	—	—
Due to others	—	—	—	58	—	—
Total liabilities	—	687	2,720	384	—	—
Deferred Inflows of Resources:						
Unavailable revenue	454	—	—	—	—	—
Total deferred inflows of resources	454	—	—	—	—	—
Fund balances (deficit):						
Nonspendable	—	—	—	—	—	—
Restricted	14,709	—	4,989	810	—	—
Committed	—	—	—	—	—	—
Assigned	—	4,239	—	—	230	340
Unassigned	—	—	—	—	—	—
Total fund balances (deficit)	14,709	4,239	4,989	810	230	340
Total liabilities, deferred inflows of resources and fund balances	\$ 15,163	4,926	7,709	1,194	230	340

(continued)



FULTON COUNTY, GEORGIA

Combining Balance Sheet  
Non-Major Governmental Funds

December 31, 2014

(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	\$ 4,687	592	10,226	—	4,958	2,357	3
Receivables (net of allowances):							
Taxes	—	—	—	—	—	—	—
Due from other governments	2,955	—	—	—	—	—	—
Total assets	\$ 7,642	592	10,226	—	4,958	2,357	3
Liabilities:							
Accounts payable	\$ 26	16	—	—	—	—	—
Due to others	—	—	1,649	—	2,082	—	—
Total liabilities	26	16	1,649	—	2,082	—	—
Deferred Inflows of Resources:							
Unavailable revenue	—	—	—	—	—	—	—
Total deferred inflows of revenues	—	—	—	—	—	—	—
Fund balances (deficit):							
Nonspendable	—	—	—	—	—	—	—
Restricted	7,616	—	8,577	—	—	—	—
Committed	—	576	—	—	—	—	—
Assigned	—	—	—	—	2,876	2,357	3
Unassigned	—	—	—	—	—	—	—
Total fund balances (deficit)	7,616	576	8,577	—	2,876	2,357	3
Total liabilities, deferred inflows of resources and fund balances	\$ 7,642	592	10,226	—	4,958	2,357	3

FULTON COUNTY, GEORGIA

Combining Balance Sheet  
Non-Major Governmental Funds

December 31, 2014

Capital Projects Funds							
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
5,400	8,802	20,684	423	2,587	3,004	7,500	92,430
—	—	—	—	—	—	—	547
—	—	—	—	—	—	—	10,763
<u>5,400</u>	<u>8,802</u>	<u>20,684</u>	<u>423</u>	<u>2,587</u>	<u>3,004</u>	<u>7,500</u>	<u>103,740</u>
—	429	716	—	2	130	59	5,111
—	—	—	—	—	—	—	3,789
—	429	716	—	2	130	59	8,900
—	—	—	—	—	—	—	454
—	—	—	—	—	—	—	454
—	—	—	—	—	—	—	—
5,400	8,373	—	423	—	—	—	50,897
—	—	—	—	—	—	—	576
—	—	19,968	—	2,585	2,874	7,441	42,913
—	—	—	—	—	—	—	—
<u>5,400</u>	<u>8,373</u>	<u>19,968</u>	<u>423</u>	<u>2,585</u>	<u>2,874</u>	<u>7,441</u>	<u>94,386</u>
<u>5,400</u>	<u>8,802</u>	<u>20,684</u>	<u>423</u>	<u>2,587</u>	<u>3,004</u>	<u>7,500</u>	<u>103,740</u>

FULTON COUNTY, GEORGIA

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

For the year ended December 31, 2014

(in thousands of dollars)

	Debt Service fund	Special Revenue Funds				General Government Services
		Special Service District	Grants in Aid	Emergency Telephone	Stormwater Management	
Revenues:						
Taxes	\$ 13,618	30	—	—	—	—
Intergovernmental	2,061	—	45,415	—	—	—
Charges for services	—	—	236	2,936	—	—
Courts and law enforcement	—	—	—	—	—	—
Use of money and property	4	—	34	—	—	—
Miscellaneous	—	—	—	—	—	230
Net appreciation (depreciation) in investments	—	—	—	—	—	—
Total revenues	15,683	30	45,685	2,936	—	230
Expenditures:						
Current:						
Administration	—	—	164	—	—	163
Public safety	—	395	1,808	4,471	—	—
Infrastructure and facilities	—	—	799	—	98	—
Social services	—	—	10,769	—	—	—
Health services	—	—	30,858	—	—	—
Other nonagency	—	—	—	—	—	—
Capital outlay	—	—	—	—	—	—
Debt service:						
Principal retirement	26,738	—	—	—	—	—
Interest	13,335	—	—	—	—	—
Total expenditures	40,073	395	44,398	4,471	98	163
Excess (deficiency) of revenues over (under) expenditures	(24,390)	(365)	1,287	(1,535)	(98)	67
Other financing sources (uses):						
Capital lease refunding obligations	—	—	—	—	—	—
Transfer in from enterprise fund	—	—	49	—	—	—
Transfers in	28,618	—	995	1,875	—	—
Transfers out	—	—	—	—	—	—
Total other financing sources (uses)	28,618	—	1,044	1,875	—	—
Net change in fund balances	4,228	(365)	2,331	340	(98)	67
Fund balance at beginning of year	10,481	4,604	2,658	470	328	273
Fund balance (deficit) at end of year	\$ 14,709	4,239	4,989	810	230	340

**FULTON COUNTY, GEORGIA**

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

For the year ended December 31, 2014

(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
\$ —	—	—	239	—	—	—
13,864	—	—	—	—	—	—
5,261	—	—	—	—	—	—
—	—	6,894	—	—	—	—
—	—	—	—	6	—	—
—	349	—	—	—	—	—
—	—	—	—	—	—	—
<u>19,125</u>	<u>349</u>	<u>6,894</u>	<u>239</u>	<u>6</u>	<u>—</u>	<u>—</u>
—	—	—	—	—	282	—
—	—	5,729	—	—	—	—
—	424	—	—	—	—	—
—	—	—	—	4	—	—
13,071	—	—	—	—	—	—
—	—	—	239	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
<u>13,071</u>	<u>424</u>	<u>5,729</u>	<u>239</u>	<u>4</u>	<u>282</u>	<u>—</u>
6,054	(75)	1,165	—	2	(282)	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	25	—	—
—	—	—	—	—	—	—
—	—	—	—	25	—	—
6,054	(75)	1,165	—	27	(282)	—
<u>1,562</u>	<u>651</u>	<u>7,412</u>	<u>—</u>	<u>2,849</u>	<u>2,639</u>	<u>3</u>
<u>\$ 7,616</u>	<u>576</u>	<u>8,577</u>	<u>—</u>	<u>2,876</u>	<u>2,357</u>	<u>3</u>

(continued)

FULTON COUNTY, GEORGIA

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

For the year ended December 31, 2014

(in thousands of dollars)

	Capital Projects Funds							Total Nonmajor Governmental Funds
	Library Capital	Fulton County Urban Rede- velopment Agency	Capital Improvements	Fulton County Building Authority	Other Capital Projects	Special Service District Projects	Transpor- tation Improve- ments	
Revenues:								
Taxes	—	—	—	—	—	—	—	13,887
Intergovernmental	1,350	—	—	—	—	—	2,404	65,094
Charges for services	—	—	—	—	—	—	—	8,433
Courts and law enforcement	—	—	—	—	—	—	—	6,894
Use of money and property	—	10	1,273	1	151	—	—	1,479
Miscellaneous	—	—	—	—	—	—	—	579
Net appreciation (depreciation) in investments	—	(4)	—	—	—	—	—	(4)
Total revenues	1,350	6	1,273	1	151	—	2,404	96,362
Expenditures:								
Current:								
Administration	—	—	—	—	—	—	—	609
Public safety	—	—	—	—	—	—	—	12,403
Infrastructure and facilities	—	5,565	—	—	12,064	—	—	18,950
Social services	—	—	—	—	—	—	—	10,773
Health services	—	—	—	—	—	—	—	43,929
Other nonagency	—	—	—	—	—	—	—	239
Capital outlay	—	—	3,264	—	—	1,780	789	5,833
Debt service:								
Principal retirement	—	—	—	—	—	—	—	26,738
Interest	—	—	—	—	—	—	—	13,335
Total expenditures	—	5,565	3,264	—	12,064	1,780	789	132,809
Excess (deficiency) of revenues over (under) expenditures	1,350	(5,559)	(1,991)	1	(11,913)	(1,780)	1,615	(36,447)
Other financing sources (uses):								
Capital lease refunding obligations	—	—	—	—	5,510	—	—	5,510
Transfer in from enterprise fund	—	—	—	—	—	—	—	49
Transfers in	—	—	7,235	—	135	1,113	296	40,292
Transfers out	—	—	(135)	—	—	—	—	(135)
Total other financing sources (uses)	—	—	7,100	—	5,645	1,113	296	45,716
Net change in fund balances	1,350	(5,559)	5,109	1	(6,268)	(667)	1,911	9,269
Fund balance at beginning of year	4,050	13,932	14,859	422	8,853	3,541	5,530	85,117
Fund balance at end of year	5,400	8,373	19,968	423	2,585	2,874	7,441	94,386

**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, 2014

(In thousands of dollars)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Debt Service funds:</b>				
<b>Revenues</b>				
Taxes	\$ 11,187	11,187	13,722	2,535
Other revenues per Budget law	—	—	2,065	2,065
Transfers	26,958	26,958	28,618	1,660
Appropriated Fund Balance	1,141	1,141	(4,332)	(5,473)
Total revenues	<u>\$ 39,286</u>	<u>39,286</u>	40,073	<u>787</u>
Reconciliation to GAAP basis:				
To record net change in taxes receivable and deferred revenues			(104)	
Appropriated Fund Balance			4,332	
Total adjustment to GAAP basis			<u>4,228</u>	
Total revenues and other sources, GAAP basis			<u>44,301</u>	
<b>Expenditures</b>				
Principal	\$ 24,095	24,095	26,738	(2,643)
Interest	15,191	15,191	13,335	1,856
Total expenditures	<u>\$ 39,286</u>	<u>39,286</u>	40,073	<u>(787)</u>
Total expenditures and other uses, GAAP basis			<u>40,073</u>	
<b>Special Service District fund:</b>				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:				
Revenues per Budget Law	\$ —	—	30	30
Appropriated Fund Balance	—	—	395	395
	<u>\$ —</u>	<u>—</u>	425	<u>425</u>
Reconciliation to GAAP basis:				
Appropriated fund balance			(395)	
			<u>(395)</u>	
			\$ <u>30</u>	
Expenditures and other uses:				
Non agency	\$ 4,194	4,194	395	3,799
	<u>\$ 4,194</u>	<u>4,194</u>	395	<u>3,799</u>
Reconciliation to GAAP basis - to record net effect of unrecorded liabilities				
			—	
			<u>\$ 395</u>	

**FULTON COUNTY, GEORGIA**

Special Revenue funds

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

For the year ended December 31, 2014

(In thousands of dollars)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Positive (Negative)</b>
<b>Grants in Aid</b>				
<b>Revenues</b>				
Intergovernmental revenue	44,652	44,652	43,178	(1,474)
Other general revenues	\$ 1,011	1,011	270	(741)
Transfers	1,044	1,044	1,044	0
Appropriated Fund Balance	—	—	1,808	1,808
Total revenues	\$ <u>46,707</u>	<u>46,707</u>	46,301	<u>(406)</u>
Reconciliation to GAAP basis:				
To record effect of receivables			2,187	
Appropriated Fund Balance			<u>(1,808)</u>	
Total revenues and other sources, GAAP basis			<u>46,680</u>	
<b>Expenditures</b>				
Administration	305	305	164	141
Public Safety	1,851	1,851	1,808	43
Infrastructure and Facilities	605	605	504	101
Social and Health services	14,051	14,051	13,395	656
Health services	30,500	30,500	30,430	70
Total expenditures	\$ <u>46,707</u>	<u>46,707</u>	46,301	<u>406</u>
Reconciliation to GAAP basis - to record net effect				
of unrecorded liabilities			<u>(1,903)</u>	
Total expenditures and other uses, GAAP basis			<u>44,398</u>	
<b>Emergency Communications - 911</b>				
<b>Revenues</b>				
Charges for Services	\$ 2,401	2,401	2,936	535
Transfers	1,875	1,875	1,875	—
Appropriated fund balance	616	616	(364)	980
Total revenues	<u>4,892</u>	<u>4,892</u>	4,447	<u>1,515</u>
Reconciliation to GAAP basis:				
Appropriated Fund Balance			364	
Total revenues and other sources, GAAP basis			<u>4,811</u>	
<b>Expenditures</b>				
Total expenditures	\$ <u>4,892</u>	<u>4,892</u>	4,447	<u>445</u>
Reconciliation to GAAP basis - to record net effect				
of unrecorded liabilities			24	
Total expenditures and other uses, GAAP basis			<u>4,471</u>	

**FULTON COUNTY, GEORGIA**

Special Revenue funds

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

For the year ended December 31, 2014

(In thousands of dollars)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Stormwater Management:</b>				
<b>Revenues</b>				
Appropriated fund balance	\$ 165	165	158	7
Total revenues	<u>165</u>	<u>165</u>	158	<u>7</u>
Reconciliation to GAAP basis:				
Appropriated Fund Balance			<u>(158)</u>	
Total revenues and other sources, GAAP basis			<u>—</u>	
<b>Expenditures</b>				
Total expenditures	\$ <u>165</u>	<u>165</u>	98	<u>67</u>
Total expenditures and other uses, GAAP basis			<u>98</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>General Government services:</b>				
<b>Revenues</b>				
Miscellaneous	\$ 111	111	230	119
Appropriated Fund Balance	185	185	<u>(67)</u>	<u>(252)</u>
Total revenues	<u>296</u>	<u>296</u>	163	<u>(133)</u>
Reconciliation to GAAP basis:				
Appropriated Fund Balance			<u>67</u>	
Total revenues and other sources, GAAP basis			<u>230</u>	
<b>Expenditures</b>				
Total administrative expenditures	\$ <u>296</u>	<u>296</u>	163	<u>133</u>
Total expenditures and other uses, GAAP basis			<u>163</u>	



**FULTON COUNTY, GEORGIA**

Special Revenue funds

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

For the year ended December 31, 2014

(In thousands of dollars)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Public Health Services</b>				
<b>Revenues</b>				
Intergovernmental revenue-State	\$ 15,251	15,251	12,778	(2,473)
Other general revenues	—	—	5,231	5,231
Appropriated Fund Balance	—	—	(4,050)	(4,050)
Total revenues	<u>\$ 15,251</u>	<u>15,251</u>	<u>13,959</u>	<u>(1,292)</u>
Reconciliation to GAAP basis:				
To record effect of receivables			1,116	
Appropriated Fund Balance			4,050	
Total revenues and other sources, GAAP basis			<u>19,125</u>	
<b>Expenditures</b>				
Total expenditures	<u>\$ 15,251</u>	<u>15,251</u>	13,959	<u>1,292</u>
Reconciliation to GAAP basis - to record net effect of unrecorded liabilities				
Total expenditures and other uses, GAAP basis			<u>(888)</u>	
			<u>13,071</u>	

**Public Education Government Television**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>				
Miscellaneous	\$ —	—	349	349
Appropriated Fund Balance	652	652	75	(577)
Total revenues	<u>\$ 652</u>	<u>652</u>	<u>424</u>	<u>(228)</u>
Reconciliation to GAAP basis:				
Appropriated Fund Balance			(75)	
Total revenues and other sources, GAAP basis			<u>349</u>	
<b>Expenditures</b>				
Total expenditures	<u>\$ 652</u>	<u>652</u>	424	<u>228</u>
Total expenditures and other uses, GAAP basis			<u>424</u>	

**FULTON COUNTY, GEORGIA**

Special Revenue funds

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

For the year ended December 31, 2014

(In thousands of dollars)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Law Enforcement and Justice services:</b>				
<b>Revenues</b>				
Anticipated revenues	\$ 1,605	1,605	2,808	1,203
Appropriated Fund Balance	4,147	4,147	2,921	(1,226)
Total revenues	<u>\$ 5,752</u>	<u>5,752</u>	5,729	<u>(23)</u>
Reconciliation to GAAP basis:				
Appropriated Fund Balance			(2,921)	
Total revenues and other sources, GAAP basis			<u>2,808</u>	
<b>Expenditures</b>				
Total expenditures	<u>\$ 5,752</u>	<u>5,752</u>	5,729	<u>23</u>
Total expenditures and other uses, GAAP basis			<u>5,729</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Hotel Motel:</b>				
<b>Revenues</b>				
Anticipated revenues	\$ —	—	239	239
Total revenues	<u>\$ —</u>	<u>—</u>	239	<u>239</u>
Reconciliation to GAAP basis:				
Appropriated Fund Balance			—	
Total revenues and other sources, GAAP basis			<u>239</u>	
<b>Expenditures</b>				
Total Non-agency expenditures	<u>\$ —</u>	<u>—</u>	239	<u>(239)</u>
Total expenditures and other uses, GAAP basis			<u>239</u>	

**FULTON COUNTY, GEORGIA**

Special Revenue funds

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

For the year ended December 31, 2014

(In thousands of dollars)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Social and Cultural services:</b>				
<b>Revenues</b>				
Anticipated revenues and transfers in	\$ —	—	31	31
Appropriated Fund Balance	<u>543</u>	<u>543</u>	<u>(28)</u>	<u>(571)</u>
Total revenues	<u>\$ 543</u>	<u>543</u>	<u>4</u>	<u>(539)</u>
Reconciliation to GAAP basis:				
Appropriated Fund Balance			<u>28</u>	
Total revenues and other sources, GAAP basis			<u>31</u>	
<b>Expenditures</b>				
Total expenditures	<u>\$ 543</u>	<u>543</u>	<u>4</u>	<u>539</u>
Total expenditures and other uses, GAAP basis			<u>4</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Other Special revenue funds:</b>				
<b>Revenues</b>				
Anticipated revenues	\$ —	—	—	—
Appropriated Fund Balance	<u>—</u>	<u>—</u>	<u>1,223</u>	<u>1,223</u>
Total revenues	<u>\$ —</u>	<u>—</u>	<u>1,223</u>	<u>1,223</u>
Reconciliation to GAAP basis:				
Appropriated Fund Balance			<u>(1,223)</u>	
Total revenues and other sources, GAAP basis			<u>—</u>	
<b>Expenditures</b>				
Total expenditures	<u>\$ —</u>	<u>—</u>	<u>1,223</u>	<u>(1,223)</u>
Reconciliation to GAAP basis - to record net effect of unrecorded liabilities				
Total expenditures and other uses, GAAP basis			<u>(941)</u>	
			<u>282</u>	

# **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.**

**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, 2014

(In thousands of dollars)

Assets	Business Type Activities Enterprise Funds		Total Non-major Enterprise Funds
	Johns Creek Contractual services fund	Airport fund	
Current assets:			
Cash and cash equivalents	\$ —	1,947	1,947
Due from other governments, net	—	—	—
Total current assets	<u>—</u>	<u>1,947</u>	<u>1,947</u>
Noncurrent assets:			
Nondepreciable capital assets	—	27,909	27,909
Depreciable capital assets (net of accumulated depreciation)	—	418	418
Total noncurrent assets	<u>—</u>	<u>28,327</u>	<u>28,327</u>
Total assets	<u>—</u>	<u>30,274</u>	<u>30,274</u>
Liabilities:			
Current liabilities (payable from current assets):			
Accounts payable & accrued expenses	\$ —	162	162
Total liabilities	<u>—</u>	<u>162</u>	<u>162</u>
Net Position:			
Net investment in capital assets	—	28,327	28,327
Unrestricted	—	1,785	1,785
Total net position	<u>\$ —</u>	<u>30,112</u>	<u>30,112</u>

FULTON COUNTY, GEORGIA

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

For the year ended December 31, 2014

(In thousands of dollars)

	Business Type Activities Enterprise Funds		Total Non-major Enterprise Funds
	Johns Creek Contractual services fund	Airport fund	
Operating revenues:			
Charges for services	\$ —	1,381	1,381
Total operating revenues	—	1,381	1,381
Operating expenses:			
Administrative and general	—	531	531
Depreciation and amortization	—	165	165
Personal services	—	734	734
Total operating expenses	—	1,430	1,430
Operating income (loss)	—	(49)	(49)
Income (loss) before contributions	—	(49)	(49)
Transfer out	—	(49)	(49)
Change in net position	—	(98)	(98)
Net position at beginning of year	—	30,210	30,210
Net position at end of year	\$ —	30,112	30,112

FULTON COUNTY, GEORGIA

Combining Statement of Cash Flows  
Non-major Enterprise funds

For the year ended December 31, 2014

(In thousands of dollars)

	Business Type Activities		Total Non-major Enterprise Funds
	Enterprise Funds		
	Johns Creek Contractual services fund	Airport fund	
Cash flows from operating activities:			
Receipts from customers and users	\$ —	1,381	1,381
Payments to suppliers	—	(544)	(544)
Payments to employees	—	(721)	(721)
Net cash provided by (used in ) operating activities	—	116	116
Cash flows from capital and related financing activities:			
Additions to property, plant, and equipment	—	(27)	(27)
Net cash used by capital and related financing activities	—	(27)	(27)
Cash flows from non-capital financing activities:			
Transfer out	—	(49)	(49)
Net cash provided by non-capital financing activities	—	(49)	(49)
(Decrease) increase in cash and cash equivalents	—	40	40
Cash and cash equivalents at beginning of year	—	1,907	1,907
Cash and cash equivalents at end of year	\$ —	1,947	1,947
Reconciliation of operating income (loss) to net cash provided by (used in ) operating activities:			
Operating income (loss)	\$ —	(49)	(49)
Adjustments to reconcile operating (loss) income to net cash provided by (used in) operating activities:			
Depreciation and amortization	—	165	165
Changes in assets and liabilities:			
Change in due from other governments - net	185	—	185
Accounts and claims payable	(185)	—	(185)
Net cash provided by (used in) operating activities	\$ —	116	116

**This page left intentionally blank.**

---



# **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, 2014

(in thousands of dollars)

<b>Assets</b>	<b>Facilities Services fund</b>	<b>Insurance Stabilization fund</b>	<b>Risk Management fund</b>	<b>Owner Controlled Insurance fund</b>	<b>Total Internal Service Funds</b>
Current assets:					
Cash and cash equivalents	\$ —	11,074	17,139	534	28,747
Other current assets	<u>543</u>	<u>9,438</u>	<u>—</u>	<u>—</u>	<u>9,981</u>
Total assets	<u>543</u>	<u>20,512</u>	<u>17,139</u>	<u>534</u>	<u>38,728</u>
 <b>Liabilities and Net Position</b>					
Current liabilities:					
Accounts payable	543	376	439	—	1,358
Claims payable	<u>—</u>	<u>8,872</u>	<u>2,000</u>	<u>—</u>	<u>10,872</u>
Total liabilities	<u>543</u>	<u>9,248</u>	<u>2,439</u>	<u>—</u>	<u>12,230</u>
Net position:					
Unrestricted	<u>—</u>	<u>11,264</u>	<u>14,700</u>	<u>534</u>	<u>26,498</u>
Total net position	<u>\$ —</u>	<u>11,264</u>	<u>14,700</u>	<u>534</u>	<u>26,498</u>

**FULTON COUNTY, GEORGIA**

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

Internal Service Funds

For the year ended December 31, 2014

(in thousands of dollars)

	<u>Facilities Services fund</u>	<u>Insurance Stabilization fund</u>	<u>Risk Management fund</u>	<u>Owner Controlled Insurance fund</u>	<u>Total Internal Service Funds</u>
Operating revenues - charges for services	\$ 5,831	90,029	30,728	—	126,588
Operating expenses:					
Contractual services	—	93,076	—	19	93,095
Administrative and general	5,831	—	16,370	—	22,201
Total operating expenses	<u>5,831</u>	<u>93,076</u>	<u>16,370</u>	<u>19</u>	<u>115,296</u>
Operating income (loss)	—	(3,047)	14,358	(19)	11,292
Net position at beginning of year	<u>—</u>	<u>14,311</u>	<u>342</u>	<u>553</u>	<u>15,206</u>
Net position at end of year	<u>\$ —</u>	<u>11,264</u>	<u>14,700</u>	<u>534</u>	<u>26,498</u>

**FULTON COUNTY, GEORGIA**

Combining Statement of Cash Flows  
Internal Service Funds

For the year ended December 31, 2014

(In thousands of dollars)

	<u>Facilities Services fund</u>	<u>Insurance Stabilization fund</u>	<u>Risk Management fund</u>	<u>Owner Controlled Insurance fund</u>	<u>Total Internal Service Funds</u>
Cash flows from operating activities:					
Receipts from customers and users	\$ 5,728	89,459	30,728	—	125,915
Payments to suppliers	<u>(5,728)</u>	<u>(93,444)</u>	<u>(16,794)</u>	<u>(19)</u>	<u>(115,985)</u>
Net cash provided by (used in) operating activities	—	(3,985)	13,934	(19)	9,930
Increase (decrease) in cash and cash equivalents	—	(3,985)	13,934	(19)	9,930
Cash and cash equivalents at beginning of year	<u>—</u>	<u>15,059</u>	<u>3,205</u>	<u>553</u>	<u>18,817</u>
Cash and cash equivalents at end of year	<u>\$ —</u>	<u>11,074</u>	<u>17,139</u>	<u>534</u>	<u>28,747</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ —	(3,047)	14,358	(19)	11,292
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Changes in assets and liabilities:					
Other current assets	(103)	(570)	—	—	(673)
Accounts and claims payable	<u>103</u>	<u>(368)</u>	<u>(424)</u>	<u>—</u>	<u>(689)</u>
Net cash provided by (used in) operating activities	<u>\$ —</u>	<u>(3,985)</u>	<u>13,934</u>	<u>(19)</u>	<u>9,930</u>

**This page left intentionally blank.**

---

# **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, 2014

(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	\$ 32,832	18,731	17,511	88	204	50,297	1,954	121,617
Taxes receivable	55,850	—	—	—	—	—	—	55,850
Total assets	\$ 88,682	18,731	17,511	88	204	50,297	1,954	177,467
<b>Liabilities</b>								
Due to other taxing districts	\$ 88,682	—	—	—	—	—	—	88,682
Due to others	—	18,731	17,511	88	204	50,297	1,954	88,785
Total liabilities	\$ 88,682	18,731	17,511	88	204	50,297	1,954	177,467

**FULTON COUNTY, GEORGIA**

Statement of Changes in Assets and Liabilities

Fiduciary Funds

Agency Funds

For the year ended December 31, 2014

(In thousands of dollars)

	<u>Balance January 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2014</u>
<b>Tax Commissioner:</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 30,035	2,306,814	2,304,017	32,832
Taxes receivable	<u>66,541</u>	<u>1,244,784</u>	<u>1,255,475</u>	<u>55,850</u>
	\$ <u>96,576</u>	<u>3,551,598</u>	<u>3,559,492</u>	<u>88,682</u>
<b>Liabilities</b>				
Due to other taxing districts	\$ <u>96,576</u>	<u>3,551,598</u>	<u>3,559,492</u>	<u>88,682</u>
 <b>Superior Court:</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ <u>21,055</u>	<u>98,896</u>	<u>101,220</u>	<u>18,731</u>
<b>Liabilities</b>				
Due to others	\$ <u>21,055</u>	<u>98,896</u>	<u>101,220</u>	<u>18,731</u>
 <b>State Court:</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ <u>17,356</u>	<u>41,752</u>	<u>41,597</u>	<u>17,511</u>
<b>Liabilities</b>				
Due to others	\$ <u>17,356</u>	<u>41,752</u>	<u>41,597</u>	<u>17,511</u>

\*1/1/2014 balances for the Tax Commissioner were restated as follows: Cash was increased \$16,987, Taxes Receivable was increased \$43,618 and Due to Others was increased by \$60,605.

(Continued)



**FULTON COUNTY, GEORGIA**

Statement of Changes in Assets and Liabilities

Fiduciary Funds

Agency Funds

For the year ended December 31, 2014

(In thousands of dollars)

	<u>Balance January 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2014</u>
<b>Juvenile Court:</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 91	45	48	88
<b>Liabilities</b>				
Due to others	\$ 91	45	48	88
<b>Probate Court:</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 204	—	—	204
<b>Liabilities</b>				
Due to others	\$ 204	—	—	204
<b>Sheriff and Criminal Court:</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 38,738	44,854	33,295	50,297
<b>Liabilities</b>				
Due to others	\$ 38,738	44,854	33,295	50,297
<b>District Attorney:</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 1,928	1,188	1,162	1,954
<b>Liabilities</b>				
Due to others	\$ 1,928	1,188	1,162	1,954

(Continued)

**FULTON COUNTY, GEORGIA**

Statement of Changes in Assets and Liabilities

Fiduciary Funds

Agency Funds

For the year ended December 31, 2014

(In thousands of dollars)

	<u>Balance January 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2014</u>
<b>Total - All Agency Funds:</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 109,407	2,493,549	2,481,339	121,617
Taxes receivable	66,541	1,244,784	1,255,475	55,850
	<u>\$ 175,948</u>	<u>3,738,333</u>	<u>3,736,814</u>	<u>177,467</u>
<b>Liabilities</b>				
Due to other taxing districts	\$ 96,576	3,551,598	3,559,492	88,682
Due to others	79,372	186,735	177,322	88,785
	<u>\$ 175,948</u>	<u>3,738,333</u>	<u>3,736,814</u>	<u>177,467</u>

# **OTHER SCHEDULES**

**Summary of Debt Service Requirements to Maturity**

**Debt Service Requirements to Maturity - General Obligation  
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, 2014

(In thousands of dollars)

Calendar year	Annual principal and interest requirements		
	General obligation bonds	Fulton County water and sewerage revenue bonds	Totals
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	8,780	—	8,780
	<u>\$ 255,481</u>	<u>718,835</u>	<u>974,316</u>

**FULTON COUNTY, GEORGIA**

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

December 31, 2014

(In thousands of dollars)

<u>Calendar year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
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	220	8,780
	<u>\$ 151,140</u>	<u>104,341</u>	<u>255,481</u>
Unamortized premium at December 31, 2014	<u>1,904</u>	<u>(1,904)</u>	<u>—</u>
	<u>\$ 153,044</u>	<u>102,437</u>	<u>255,481</u>

**FULTON COUNTY, GEORGIA**

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

December 31, 2014

(In thousands of dollars)

<u>Calendar year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
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
	459,515	259,320	718,835
Unamortized premium at December 31, 2014	53,021	(53,021)	—
	<u>\$ 512,536</u>	<u>206,299</u>	<u>718,835</u>

**FULTON COUNTY, GEORGIA**

Other Schedules

Hotel/Motel Tax Collections and Expenditures

Year ended December 31, 2014

Collection Period from January 1st to December 31st

Collection Rate	Hotel/Motel Tax Collected	Expenditures and Obligations			Expended or Obligated as a Percentage of Collected
		Hotel/Motel Tax Expended	Hotel/Motel Tax Obligated	Hotel/Motel Tax Expended or Obligated	
7%	\$239,320	239,320	—	239,320	100.00%

# **STATISTICAL SECTION**

**(Unaudited)**



## Statistical Section

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

### Contents

Pages

#### **Financial Trends**

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

100-103

#### **Revenue Capacity**

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

104-109

#### **Debt Capacity**

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

110-114

#### **Demographic and Economic Information**

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

115-116

#### **Operating Information**

These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs

117-119

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

**FULTON COUNTY, GEORGIA**

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting, in thousands)

	Fiscal Year									
	2014	2013	2012	2011*	2010	2009	2008	2007	2006	2005
<b>Governmental activities</b>										
Net investment in capital assets	\$ 631,780	629,943	634,016	631,476	633,358	645,956	647,458	656,111	652,890	733,571
Restricted	58,776	50,442	42,280	50,807	33,487	20,165	21,774	23,378	33,581	57,364
Unrestricted	(288,608)	(263,967)	(201,606)	(92,710)	35,366	82,669	139,273	225,015	341,604	260,036
Total governmental activities net position	\$ 401,948	416,418	474,690	589,573	702,211	748,790	808,505	904,504	1,028,075	1,050,971
<b>Business-type activities</b>										
Net investment in capital assets	\$ 684,168	692,910	706,517	729,671	778,505	799,958	667,975	576,528	687,192	667,370
Restricted	37,046	36,924	39,482	39,316	39,078	46,015	45,833	43,973	42,899	40,911
Unrestricted	258,068	247,969	240,012	246,619	232,070	216,790	369,659	380,390	292,828	277,702
Total business-type activities net position	\$ 979,282	977,803	986,011	1,015,606	1,049,653	1,062,763	1,083,467	1,000,891	1,022,919	985,983
<b>Primary government</b>										
Net investment in capital assets	\$ 1,315,948	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
Restricted	95,822	87,366	81,762	90,123	72,565	66,180	67,607	67,351	76,480	98,275
Unrestricted	(30,540)	(19,830)	38,406	153,909	267,436	299,459	508,932	605,405	634,432	537,738
Total primary government net position	\$ 1,381,230	1,390,389	1,460,701	1,605,179	1,751,864	1,811,553	1,891,972	1,905,395	2,050,994	2,036,954

\*2011 balances have been restated to reflect the cumulative effect of applying GASB Statement 65, 2013 balances restated for GASB 70

## FULTON COUNTY, GEORGIA

## Changes in Net Position

## Last Ten Fiscal Years

(accrual basis of accounting, in thousands)

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Expenses</b>										
Governmental activities										
Administration	\$ 105,273	97,238	107,704	109,122	103,734	105,089	115,606	107,926	102,619	97,780
Public Safety	194,248	183,440	181,224	184,163	172,972	179,965	182,435	179,690	183,189	194,271
Legal	140,617	130,556	131,545	148,350	135,775	146,809	139,901	141,646	12,643	115,217
Infrastructure and facilities	87,667	70,073	74,308	52,499	56,037	71,554	74,237	49,225	73,431	81,466
Social services	61,319	73,737	80,999	119,044	116,913	116,906	125,031	127,604	113,521	106,794
Health services	163,383	155,508	181,674	149,504	129,931	163,408	168,845	184,066	160,904	160,770
Interest and other debt related costs	14,492	15,324	16,204	18,364	10,980	12,756	16,561	17,450	17,767	17,053
Total governmental activities expenses	766,999	725,876	773,658	781,046	726,342	796,487	822,616	807,607	664,074	773,351
Business-type activities										
Water and sewerage services	118,392	115,655	135,118	148,303	132,711	128,430	123,175	170,210	116,826	116,583
Contractual services	—	—	—	—	—	—	6,901	6,944	14,430	—
Airport services	1,430	1,227	1,471	1,218	1,097	1,040	1,098	1,008	1,187	875
Total business-type activities expenses	119,822	116,882	136,589	149,521	133,808	129,470	131,174	178,162	132,443	117,458
Total primary government expenses	\$ 886,821	842,758	910,247	930,567	860,150	925,957	953,790	985,769	796,517	890,809
<b>Program Revenues</b>										
Governmental activities										
Charges for services										
Public and Mental health fees	\$ 5,261	7,397	7,734	7,661	8,225	8,130	6,258	8,030	8,094	9,375
Emergency communication fees	2,936	2,553	2,873	3,810	3,891	6,941	8,033	7,572	6,978	8,449
Legal and adjudication	27,275	26,903	31,079	28,988	39,597	38,425	33,541	31,535	33,803	27,080
License and permits	6,241	6,056	6,521	5,456	5,707	6,134	7,850	7,850	16,286	28,852
Other	8,236	12,075	9,312	10,113	8,882	8,590	7,703	4,726	9,362	8,036
Total Charges for Services	49,949	54,984	57,519	56,028	66,302	68,220	63,385	59,713	74,523	81,792
Operating grants and contributions	63,655	57,221	60,499	65,356	66,991	57,184	54,152	46,460	55,454	61,850
Capital grants and contributions	3,754	2,902	2,312	3,762	983	5,879	7,842	6,225	21,056	50,871
Total governmental activities program revenues	117,358	115,107	120,330	125,146	134,276	131,283	125,379	112,398	151,033	194,513
Business-type activities										
Charges for services	121,111	119,442	121,506	120,276	121,506	108,472	114,501	102,918	138,491	134,464
Capital grants and contributions	—	—	(13,249)	—	—	438	19,475	—	6,211	60,455
Total business-type activities program revenues	121,111	119,442	108,257	120,276	121,506	108,910	133,976	102,918	144,702	194,919
Total primary government program revenues	\$ 238,469	234,549	228,587	245,422	255,782	240,193	259,355	215,316	295,735	389,432
<b>Net (Expense) Revenue</b>										
Governmental activities	\$ (649,641)	(610,769)	(653,328)	(655,900)	(592,066)	(665,204)	(697,237)	(695,209)	(626,831)	(578,838)
Business-type activities	1,289	2,560	(28,332)	(29,245)	(12,302)	(20,560)	2,802	(75,244)	12,259	77,461
Total primary government net expense	\$ (648,352)	(608,209)	(681,660)	(685,145)	(604,368)	(685,764)	(694,435)	(770,453)	(614,572)	(501,377)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes	\$ 549,782	474,198	467,779	477,259	482,346	527,018	525,265	486,521	523,418	491,448
Sales taxes	34,858	35,136	36,184	33,991	30,543	32,382	35,374	39,761	60,671	74,930
Other taxes	19,536	11,401	5,454	5,165	4,430	4,466	4,393	8,046	13,299	15,639
Intergovernmental unrestricted revenues	2,637	2,644	2,898	—	—	11,469	—	12,948	15,105	15,917
Commissions on tax collections	18,418	16,379	14,628	15,377	17,181	16,588	15,131	15,043	14,471	12,928
Use of money and property	6,862	6,320	6,517	7,091	5,779	9,348	17,098	23,654	27,488	22,585
Miscellaneous	6,861	6,419	4,985	6,582	5,207	4,219	8,688	4,953	2,810	5,603
Transfer in	49	—	—	—	—	—	—	—	—	—
Special and extraordinary items	—	—	—	—	—	—	(22,788)	(16,422)	1,418	—
Total governmental activities	639,003	552,497	538,445	545,465	545,486	605,490	583,161	574,504	658,680	639,050
Business-type activities										
Use of money and property	377	225	666	610	1,277	1,651	13,971	9,693	26,223	13,000
Miscellaneous and transfer out	(1,687)	(2,559)	(1,929)	(1,626)	(2,085)	(1,795)	467	—	(1,546)	(678)
Transfers out	(49)	—	—	—	—	—	—	—	—	—
Extraordinary items	1,549	(8,434)	—	—	—	—	—	—	—	—
Total business-type activities	190	(10,768)	(1,263)	(1,016)	(808)	(144)	14,438	9,693	24,677	12,322
Total primary government	\$ 639,193	541,729	537,182	544,449	544,678	605,346	597,599	584,197	683,357	651,372
<b>Change in Net Position</b>										
Governmental activities	\$ (10,638)	(58,272)	(114,883)	(110,435)	(46,580)	(59,714)	(114,076)	(128,390)	31,849	60,212
Business-type activities	1,479	(8,208)	(29,595)	(30,261)	(13,110)	(20,704)	17,240	(65,508)	36,936	89,783
Total primary government	\$ (9,159)	(66,480)	(144,478)	(140,696)	(59,690)	(80,418)	(96,836)	(193,898)	68,785	149,995

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

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General fund										
Unassigned	120,558	83,758	88,985	128,561						
Unreserved					150,230	95,041	76,233	97,362	136,195	100,208
Total general fund	<u>\$ 120,558</u>	<u>83,758</u>	<u>88,985</u>	<u>128,561</u>	<u>150,230</u>	<u>95,041</u>	<u>76,233</u>	<u>97,362</u>	<u>136,195</u>	<u>100,208</u>
Special Service District Fund										
Assigned	4,536	5,842	6,714	5,123						
Unreserved					3,596	1,924	16,033	16,015	38,171	44,646
Total Special District fund	<u>\$ 4,536</u>	<u>5,842</u>	<u>6,714</u>	<u>5,123</u>	<u>3,596</u>	<u>1,924</u>	<u>16,033</u>	<u>16,015</u>	<u>38,171</u>	<u>44,646</u>
Library Bond fund										
Restricted	\$ 110,248	149,471	159,268	166,813						
Designated for capital projects					168,445					
Total Library bond fund	<u>\$ 110,248</u>	<u>149,471</u>	<u>159,268</u>	<u>166,813</u>	<u>168,445</u>					
All Other Governmental Funds										
Nonspendable	\$ —	—	—	—						
Restricted	50,897	40,987	39,065	42,691						
Committed	576	651	678	596						
Assigned	42,913	43,479	41,264	57,780						
Unassigned	—	—	—	(2,085)						
Reserved					7,129	18,917	21,347	24,997	47,198	45,054
Unreserved, reported in:										
Special revenue funds					25,613	33,931	24,752	27,072	31,160	25,191
Capital projects funds					66,876	50,357	57,546	76,157	76,818	77,388
Total all other governmental funds	<u>\$ 94,386</u>	<u>85,117</u>	<u>81,007</u>	<u>98,982</u>	<u>99,618</u>	<u>103,205</u>	<u>103,645</u>	<u>128,226</u>	<u>155,176</u>	<u>147,633</u>
Total governmental funds	<u>\$ 329,728</u>	<u>324,188</u>	<u>335,974</u>	<u>399,479</u>	<u>421,889</u>	<u>200,170</u>	<u>195,911</u>	<u>241,603</u>	<u>329,542</u>	<u>292,487</u>

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									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Revenues</b>										
Taxes	\$ 602,967	520,687	513,212	515,240	541,331	567,601	544,346	531,613	592,175	574,336
Intergovernmental	70,046	62,767	65,709	69,118	67,974	74,124	55,178	64,867	70,739	78,208
Charges for services	39,424	40,487	43,675	41,400	52,532	53,283	45,688	43,256	48,001	44,991
Courts and law enforcement	22,703	24,820	21,951	24,549	25,244	25,391	24,978	23,650	24,707	20,877
Use of money and property	6,931	6,326	6,333	7,101	5,704	9,213	16,994	23,821	27,430	22,524
Licenses and permits	6,241	6,056	6,521	5,456	5,707	6,134	7,850	7,850	16,286	28,852
Miscellaneous	6,861	6,019	4,985	6,582	5,207	4,219	8,688	4,953	2,810	5,603
Net (depreciation) appreciation in investments	(69)	(6)	184	(10)	75	135	104	(167)	58	61
Total revenues	<u>755,104</u>	<u>667,156</u>	<u>662,570</u>	<u>669,436</u>	<u>703,774</u>	<u>740,100</u>	<u>703,826</u>	<u>699,843</u>	<u>782,206</u>	<u>775,452</u>
<b>Expenditures</b>										
Current:										
Administration	87,453	81,956	88,826	85,494	89,169	87,074	95,103	88,427	91,616	90,431
Public safety	161,388	154,879	149,401	145,552	146,236	147,228	149,384	144,237	162,390	179,396
Legal	115,418	108,685	106,993	115,204	113,323	111,785	113,551	112,361	107,920	104,157
Infrastructure and facilities	65,539	54,792	54,397	36,196	36,044	45,284	52,339	34,823	48,413	44,139
Social services	48,700	60,518	65,055	92,979	98,800	95,152	101,907	100,303	97,951	102,165
Health services	155,008	145,998	169,789	135,567	119,825	151,312	156,443	170,972	155,351	156,037
Other nonagency	28,907	25,948	30,946	32,941	35,671	54,713	52,458	50,781	48,287	32,023
Capital outlay	45,406	17,881	20,293	13,030	13,984	10,679	17,685	41,643	61,583	28,105
Debt service:										
Principal retirement	31,839	27,156	26,186	24,755	17,864	22,629	27,965	29,861	29,457	31,004
Interest	15,466	16,378	17,327	20,353	9,113	10,006	14,143	15,222	15,704	15,123
Total expenditures	<u>755,124</u>	<u>694,191</u>	<u>729,213</u>	<u>702,071</u>	<u>680,029</u>	<u>735,862</u>	<u>780,978</u>	<u>788,630</u>	<u>818,672</u>	<u>782,580</u>
Excess of revenues over (under) expenditures	(20)	(27,035)	(66,643)	(32,635)	23,745	4,238	(77,152)	(88,787)	(36,466)	(7,128)
Other Financing Sources (Uses)										
Capital lease refunding obligations	5,510	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	49	400	—	—	(47,480)	(120,162)	—	—	—	—
Transfers in	40,989	53,842	62,149	60,120	79,271	73,614	73,614	99,815	102,723	125,163
Transfers out	(40,989)	(53,842)	(62,149)	(60,120)	(79,271)	(73,614)	(73,614)	(100,272)	(102,724)	(125,163)
Total other financing sources (uses)	<u>5,559</u>	<u>15,249</u>	<u>3,138</u>	<u>10,224</u>	<u>197,974</u>	<u>21</u>	<u>4,883</u>	<u>(457)</u>	<u>54,711</u>	<u>—</u>
Special item: Proceeds from sale of capital assets	—	—	—	—	—	—	—	3,762	18,810	—
Net changes in fund balances	\$ <u>5,539</u>	<u>(11,786)</u>	<u>(63,505)</u>	<u>(22,411)</u>	<u>221,719</u>	<u>4,259</u>	<u>(72,269)</u>	<u>(85,482)</u>	<u>37,055</u>	<u>(7,128)</u>
Debt service as a percentage of noncapital expenditures	6.7	6.5	6.2	6.6	4.0	4.5	5.5	5.9	6.0	6.1

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

Fiscal Year	Real Property	Public Utilities	Personal and Business	Total assessed value	Total Direct Tax Rate	Assessed value as a percentage of Actual Value	Estimated actual value
2005	\$ 36,850,956	1,216,577	6,418,193	44,485,726	11.65	40%	111,214,315
2006	40,777,348	1,091,205	6,716,879	48,585,432	11.47	40%	121,463,580
2007	46,380,413	1,090,830	6,991,764	54,463,007	10.28	40%	136,157,518
2008	49,883,106	1,108,038	7,256,388	58,247,532	10.28	40%	145,618,831
2009	50,156,181	1,119,093	7,403,437	58,678,711	10.28	40%	146,696,778
2010	47,152,996	1,067,474	6,999,360	55,219,830	10.28	40%	138,049,576
2011	45,294,177	1,067,474	7,166,610	53,528,261	10.55	40%	133,820,653
2012	43,328,112	1,147,265	7,517,644	51,993,021	10.55	40%	129,982,553
2013	42,813,235	1,055,835	8,126,964	51,996,034	10.48	40%	129,990,085
2014	44,423,387	1,063,189	7,721,837	53,208,413	12.05	40%	133,021,033

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 eliminating or reducing air or water pollution if the facilities have been certified by the Georgia Department of Natural Resources.

FULTON COUNTY, GEORGIA

Property Tax Rates - Direct and Overlapping Governments

Last Ten Fiscal Years

Operating and Bond Levies  
(Rate per \$1,000 Assessed Value)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Fulton County direct:										
General & bond	12.05	10.48	10.55	10.55	10.28	10.28	10.28	10.28	11.47	11.65
School	18.50	18.50	18.50	18.50	18.50	17.50	17.50	18.09	18.11	18.11
Special Services district	—	0.00	—	—	—	0.00	3.87	3.87	4.61	4.73
South Fulton tax district	12.47	12.47	10.47	8.97	8.16	8.16	5.66	5.66	5.73	—
Total direct	43.02	41.45	39.52	38.02	36.94	35.94	37.31	37.90	39.92	34.49
State of Georgia	0.10	0.15	0.20	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Municipalities:										
City of Atlanta	11.45	11.75	11.94	11.94	11.94	11.94	8.80	8.92	9.44	9.57
Downtown Development district	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
City of Atlanta school district	21.74	21.74	21.74	21.69	21.69	21.69	21.69	22.69	22.70	20.52
City of Alpharetta	5.75	5.75	5.75	5.75	5.75	5.75	5.75	6.25	6.60	7.00
City of College Park	12.62	12.62	12.62	11.56	11.56	9.56	9.56	9.56	9.56	9.56
City of East Point	15.00	15.00	15.00	13.75	14.75	14.75	14.75	14.75	12.37	12.37
City of Fairburn	9.82	9.70	9.98	9.93	7.50	5.00	5.00	5.00	5.45	5.45
City of Hapeville	16.61	16.61	16.61	16.61	16.61	16.61	16.61	16.61	12.61	12.61
City of Mountain Park	13.33	10.78	10.78	10.78	11.78	11.78	11.78	11.78	9.89	9.92
City of Palmetto	8.50	8.50	8.50	8.45	8.45	8.45	8.50	4.50	4.50	4.50
City of Roswell	8.45	5.46	5.46	5.46	5.46	5.46	5.46	5.66	6.09	6.09
City of Union city	15.69	15.60	10.60	10.24	9.50	9.50	9.50	9.50	7.50	7.50
City of Sandy Springs	4.73	4.73	4.73	4.73	4.73	4.73	4.73	4.73	4.73	—
City of Milton	4.73	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	4.61	—	—
City of Chattahoochee Hills	10.96	10.96	10.96	10.96	10.96	10.96	—	—	—	—

## FULTON COUNTY, GEORGIA

Principal Taxpayers  
Current Year and Nine Years Ago

	Assessment		Percentage of total assessed value		Taxes
Ten major taxpayers of 2014:		x			
Development Authority of Fulton County	\$ 1,160,301,668	x	2.18%	\$	13,669,514
AT&T	430,270,738	x	0.81%		5,069,020
Georgia Power	425,990,975	x	0.80%		5,018,600
Coca Cola	222,026,303	x	0.42%		2,615,692
Post Apartment Homes	176,237,782		0.33%		2,076,257
Corporate Property Investors	107,531,880		0.20%		1,266,833
Delta Airlines	99,561,311		0.19%		1,172,932
SunTrust Plaza Associates LLC	94,698,250		0.18%		1,115,640
Hines One Atlantic Center LP	85,841,280		0.16%		1,011,296
Selig Enterprises, Inc.	83,373,353		0.16%		982,221
Total ten major taxpayers	\$ 2,885,833,540		5.42%	\$	33,998,005
(1) Total County gross assessed value	\$ 53,208,412,707				

	Assessment		Percentage of total assessed value		Taxes
Ten major taxpayers of 2005:					
BellSouth Telecommunications	\$ 555,971,157		1.25%	\$	10,191,132
Development Authority of Fulton County	274,008,370		0.62%		5,377,707
Georgia Power	239,210,870		0.54%		4,647,247
Cingular Wireless	143,145,180		0.32%		4,148,750
Coca Cola	227,653,770		0.51%		4,000,397
Cousins Properties	129,364,610		0.29%		2,960,559
Delta Airlines	93,095,470		0.21%		2,895,407
Concourse Associates	86,381,960		0.19%		2,888,055
Ford Motor Company	91,938,440		0.21%		2,353,208
Weekly Realty	71,292,070		0.16%		2,181,499
Total ten major taxpayers	\$ 1,912,061,897		4.30%	\$	41,643,961
(1) Total County gross assessed value	\$ 44,485,726,000				

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 current levy	Outstanding delinquent taxes	Outstanding delinquent taxes as percentage of current levy
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 (1)	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
2014 (1)	458,863	443,945	96.7	22,903	466,848	101.7	13,329	2.9

**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	Total collections as percentage of current levy	Outstanding delinquent taxes	Outstanding delinquent taxes as percentage of current levy
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 (1)	—	—	—	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
2014 (1)	12,272	11,888	96.9	640	12,528	102.1	201	1.6

Source: Fulton County Tax Commissioner's office

(1) 2008, 2010 & 2014 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

**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 current levy	Outstanding delinquent taxes	Outstanding delinquent taxes as percentage of current levy
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	—	—	—	—	—	—	—	—
2014	—	—	—	5	5	—	—	—

\* 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 Nine 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 current levy	Outstanding delinquent taxes	Outstanding delinquent taxes as percentage of current levy
2006	\$ 14,198	\$ 13,601	95.8 %	\$ N/A	\$ 13,601	95.8 %	\$ N/A	N/A
2007	80	67	83.8	375	442	552.5	139	173.8%
2008	(1)	1	100.0	93	94	9,400.0	56	5600.0%
2009	(1)	—	—	25	25	—	25	—
2010	(1)	—	—	4	4	—	18	—
2011	—	—	—	1	1	—	14	—
2012	—	—	—	1	1	—	14	—
2013	—	—	—	1	1	—	—	—
2014	—	—	—	—	—	—	—	—

**FULTON COUNTY, GEORGIA**

Northwest Special Service Sub-District Fund Property Tax Levy and Collections  
Last Nine 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 current 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	(1)	—	—	8	8	—	28	—
2010	(1)	—	—	19	19	—	12	—
2011	—	—	—	3	3	—	7	—
2012	—	—	—	1	1	—	7	—
2013	—	—	—	—	—	—	—	—
2014	—	—	—	1	1	—	—	—

**FULTON COUNTY, GEORGIA**

South Fulton Special District Fund Property Tax Levy and Collections  
Last Nine 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 current 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)	16,487	87.3	1,185	17,672	93.5	867	4.6
2009	(1)	22,657	83.1	2,577	25,234	92.5	864	3.2
2010	(1)	22,964	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
2014	(1)	26,914	94.4	1,872	28,786	100.9	1,377	4.9

Source: Fulton County Tax Commissioner's office

(1) 2008, 2010 & 2014 due date October 31, 2009 due date December 15. Normal due date is October 15  
Amounts represented for Real Estate & Personal Property Taxes

**FULTON COUNTY, GEORGIA**  
 Computation of Direct and Overlapping Debt  
 as of December 31, 2014

Name of governmental unit	Amount outstanding	Percentage applicable	Amount applicable
Direct debt:			
Fulton County Library bonds	\$ 153,044,317	100	153,044,317
Fulton County School District	87,460,000	100	87,460,000
Municipalities:			
Alpharetta	48,541,210	100	48,541,210
Atlanta (including School District)	188,116,000	97	182,472,520
Hapeville	8,960,000	100	8,960,000
Union City	12,105,170	100	12,105,170
Roswell	12,820,000	100	12,820,000
Total direct debt	511,046,697		505,403,217
Contractual obligations and overlapping contractual obligations:			
Fulton County Urban Redevelopment Agency	25,136,000	100	25,136,000
College Park Business and Industrial Development Authority	580,000	100	580,000
The Fulton-DeKalb Hospital Authority*: Revenue Refunding Certificates Series 2012	127,875,000	100	127,875,000
City of Atlanta and Fulton County Recreation Authority: Arena Series 2010	107,465,000	98	105,315,700
Zoo Series 2007	13,930,000	98	13,651,400
East Point Building Authority	63,697,262	100	63,697,262
Total overlapping debt	\$ 338,683,262		336,255,362
Total direct and overlapping debt and contractual obligations and overlapping contractual obligations	\$ 849,729,959		841,658,579

\* 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)

Fiscal Year	Governmental Activities										Business-type activities					Total Per Capita debt (not in thousands)
	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		
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	
2014	153,044	—	84,680	25,136	61,896	324,756	1.43%	840.39	512,536	—	512,536	164,988	3,107	837,292	840.39	

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)
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
2014	153,044	13,546	139,498	50,337,606	0.28	140.01

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)

<u>Fiscal Year</u>	<u>Operating revenues*</u>	<u>Operating expenses*</u>	<u>Net earnings</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Coverage</u>
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
2014	## 119,366	67,639	51,727	4,920	22,311	27,231	1.90

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

- (1) Includes one-time revenues for sale of future wastewater treatment capacity or property to other municipalities of \$3.7 million in 2014; \$6.3 million in 2013; \$2.2 million in 2008 and \$33 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	\$ 53,208,413
Less:	
Applicable property tax exemptions	<u>(2,870,807)</u>
Assessed value for bond purposes	<u>50,337,606</u>
Debt limit 10% of assessed value	5,033,761
Less amounts of debt applicable to the limit:	
General Obligation debt outstanding	153,044
less available debt service funds	<u>(13,546)</u>
Total amount applicable to debt limit	<u>139,498</u>
Legal Debt Margin	\$ <u>4,894,263</u>

	Debt Limit	Total net bonded debt applicable to limit	Legal Debt Margin	Total net debt applicable to the limit as a % of debt limit
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%
2014	5,033,761	139,498	4,894,263	0.29%



**Schedule 14**

**FULTON COUNTY, GEORGIA**  
 Demographic Information  
 Last Ten Fiscal Years

Fiscal Year	Fulton County Population	Per capita personal Income(1)	Fulton County		Unemployment Rate	%
			Personal Income(1)	(in thousands)		
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	58,123		57,210,067	7.8	
2014	996,319	58,704	(1)	58,488,140	(1)	7.4 (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 2013. 2014 data not available but estimated with a 1% increase from 2013 per capita personal income data applied to U.S Census 2014 mid year population estimate.

(2) Annual unemployment rates from the Georgia Department of Labor; 2014 from the March 2014 Local Unemployment Rate (not seasonally adjusted)

**FULTON COUNTY, GEORGIA**

Principal Employers  
Current Year and Nine Years Ago

	<u>Employees*</u>	<u>Percentage of County employment**</u>
Ten major employers-within 29 county Atlanta Metro Statistical area - 2014		
Delta Airlines	31,237	3.95%
Emory University/Emory Healthcare	29,937	3.79%
Wal-Mart Stores, Inc.	20,532	2.60%
Home Depot, Inc.	20,000	2.53%
AT&T	17,882	2.26%
Kroger Co.	14,753	1.87%
WellStar Health system	13,500	1.71%
Publix Super Markets, Inc.	9,494	1.20%
United States Postal Service-Atlanta district	9,385	1.19%
Northside Hospital	9,016	1.14%

\* From the Metro Atlanta Chamber of Commerce, within 29 Metro-Atlanta county area. dated 12/9/2014; these statistics could include employees working in other areas outside Fulton County.

\*\* Georgia Department of Labor statistic for average employment-Fulton County 4th qtr 2014 was 790,423

Major employers of 2005 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	Transportation 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	Transportation 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)

<u>Fiscal Year</u>	<u>General Government</u>	<u>Police</u>	<u>Fire</u>	<u>Emergency Services (911)</u>	<u>Water &amp; Sewerage</u>	<u>All Other</u>	<u>Total Government</u>
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
2014	4,122	165	135	58	292	245	5,017

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Atlanta/Fulton County Library										
Circulation-checked out	3,117,535	3,234,537	3,306,002	3,793,020	4,204,478	4,007,431	4,167,728	3,644,362	3,430,367	2,758,653
New library cards issued	211,621	68,975	75,900	64,232	66,124	54,457	55,893	60,601	49,623	43,382
Database inquiries (hits)		475,237	1,075,941	1,659,067	1,071,297	1,071,297	1,661,802	1,296,398	1,552,743	1,016,484
Human Services:										
Meals - Older Americans Act	582,184	603,222	444,435	406,051	1,027*	1,451*	1,451*	2,198*	2,290*	2,486*
*No of people served										
Health and Wellness:										
Total Nursing services visits	118,211	105,308	208,216	230,715	84,170 <sup>(2)</sup>	79,900 <sup>(2)</sup>	96,341	Unavailable	Unavailable	Unavailable
Food service inspections	7,230	6,653	7,318	7,703	5,572	5,380	6,500	Unavailable	Unavailable	Unavailable
(2) clients receiving services										
Transportation: Roadway miles paved	30	30	—	36	8	3	6	12	8	8
911 Emergency Communications calls:	440,707	562,338	649,890	481,916	782,896	546,518	425,742	417,562	408,656	433,398
Water and Sewerage fund:										
Wastewater average flows										
in millions of gallons per day:										
Camp Creek	14.53	15.25	14.13	14.41	14.96	16.24	15.63	14.22	16.44	15.70
John's Creek	5.05	5.80	4.18	3.61	8.17	4.45	3.57	3.89	8.75	8.62
Big Creek	23.23	23.98	20.08	19.99	22.80	19.91	17.91	18.73	18.77	18.35
Little River	0.84	1.09	0.69	0.68	0.92	0.94	0.84	0.82	0.98	0.90

\*not available

Source: Fulton County Budget book and County departments

FULTON COUNTY, GEORGIA

Capital Asset Statistics by Function/Program  
Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Atlanta/Fulton County Library Branches, including main facility	34	34	34	34	34	34	34	34	34	36
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	19	15*	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	1,386	736	556	684	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**

**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, 2014, 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 19, 2015. Other auditors audited the financial statements of the Fulton-Dekalb Hospital Authority, as described in our report on the County's basic financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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



Atlanta, Georgia  
June 19, 2015