

# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**



## **FULTON COUNTY, GEORGIA**

**FISCAL YEAR ENDED  
DECEMBER 31, 2019**

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, 2019

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

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Atlanta, Georgia 30303

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**FULTON COUNTY, GEORGIA**

Comprehensive Annual Financial Report

Year ended December 31, 2019

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**FULTON COUNTY  
GEORGIA  
2019**

**BOARD OF COMMISSIONERS OF FULTON COUNTY**

Robb Pitts, Chairman  
Lee Morris, Vice-Chairman  
Marvin S. Arrington, Jr., Commissioner  
Joe Carn, Commissioner  
Bob Ellis, Commissioner  
Natalie Hall, Commissioner  
Liz Hausmann, Commissioner

**Clerk to the Commission**

Tonya R. Grier, Interim

**County Manager**

Dick Anderson

**County Attorney**

Patrise Perkins-Hooker

**Chief Operating Officer**

Anna Roach

**Chief Financial Officer**

Sharon Whitmore

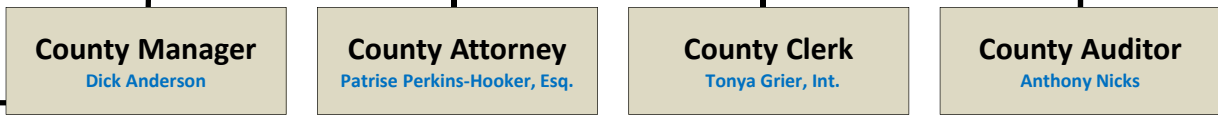
**County Auditor**

PJC Group, LLC

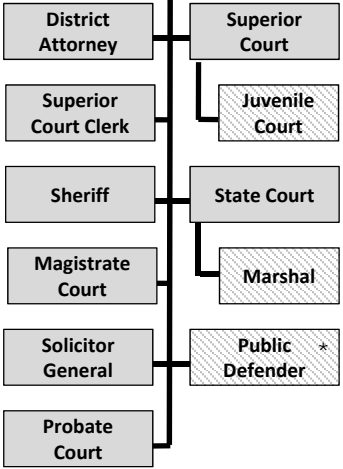


# CITIZENS OF FULTON COUNTY

## BOARD OF COMMISSIONERS



### JUSTICE AGENCIES



### TAX AGENCIES



External Affairs  
Jessica Corbitt

Chief Operating Officer  
Anna Roach, Esq.

Chief Financial Officer  
Sharon Whitmore

Deputy COO Public Safety  
Alton Adams

Deputy COO Health & Human Services  
Dr. Pamela Roshell

Deputy COO Infrastructure  
Ellis Kirby

Customer Service  
Brigitte Bailey

AFCEMA/Animal Control  
Matthew Kallmyer

Emergency Services  
Joseph Barasoain

Police  
Chief Darryl Halbert

Medical Examiner  
Dr. Jan Gorniak

Child Attorney  
Coy Johnson, Esq.

Arts & Culture  
Lionell Thomas

Behavioral Health & Devel. Disabilities  
LaTrina Foster

Community Development  
Vacant

Library  
Dr. Gabriel Morley

Senior Services  
Ladisa Onyilogwu

Ryan White  
Jeff Cheek

Board of Health  
Dr. J. Patrick O'Neal \*\*\*

Real Estate & Asset Management  
Joseph Davis

Information Tech.  
Glenn Melendez

Public Works  
David E. Clark

Reg. & Elections \*\*  
Richard Barron

Finance  
Hakeem Oshikoya

Human Resources Management  
Kenneth Hermon

Purchasing & Contract Compliance  
Felicia Strong-Whitaker

Div. & Civil Rights Comp.  
Niger Thomas

Strategy & Performance Mgmt. Office

Select Fulton/Workforce Development  
Al Nash

**KEY**

- Elected Official Agency [Grey Box]
- BOC Appointee [Light Grey Box]
- County Mgr. Exec. Team [Black Box]
- County Department [White Box]
- Appointed Official Agency [Hatched Box]
- County Manager Office [Dotted Box]

\* Indicates responsibility for strategic alignment [Dashed Line]

- \* Appointed by the GA Public Defender Council
- \*\* Appointed by the Board of Registration & Elections
- \*\*\* Appointed by the Board of Health
- \*\*\*\* Appointed by the Board of Assessors



# **LETTER OF TRANSMITTAL**



September 7, 2020

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

The Finance Department is pleased to present the Comprehensive Annual Financial Report (CAFR) of Fulton County, Georgia (the “County”), for the fiscal year ended December 31, 2019. The CAFR is provided to give detailed information about the financial position and activities of the County to citizens, the Board of Commissioners, County staff and external users. 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’s financial activities are included. Generally accepted accounting standards require management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management Discussion & Analysis section (MD&A). This letter of transmittal is designed to complement the MD&A that follows, and should be read in conjunction with that section.

The County’s financial statements have been audited by the *PJC Group, LLC*. The goal of the independent audit is to provide reasonable assurance that the financial statements of the County for the year ended December 31, 2019 are free of material misstatements. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors’ judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. The independent auditors rendered unmodified opinions that the County’s financial statements for the year ended December 31, 2019, are fairly presented in conformity with GAAP. The independent auditors’ report is presented as lead component of the financial section of this report.

This report and other historical audited financial statements, prior year fiscal operating budgets, and other financial reports may be accessed via the County’s website at [www.fultoncountyga.gov/inside-fulton-county/fulton-county-departments/finance](http://www.fultoncountyga.gov/inside-fulton-county/fulton-county-departments/finance).

## 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, 2019 mid-year U.S. Census Bureau estimate was 1,063,937. Fulton is the most populous county in the State of Georgia with approximately 10% of the entire State's population, and remains the 43rd 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 almost half of its population. The fourteen 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, Union City, and the City of South Fulton. 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.

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 remaining unincorporated section of Fulton County comprises an area known as the Fulton Industrial District. In this area the County is responsible for providing or overseeing the provision of municipal type services including police, fire protection, street and road construction and maintenance, building inspection, and code enforcement services. 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. Six of the seven positions are elected by geographic districts and one is elected county-wide. The county-wide position is designated, by election, as the chairperson of the Board of Commissioners. Members are part-time and serve staggered four-year terms. A County Manager implements the Board's policies, administers the county government, appoints department heads, and supervises approximately 4,600 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 and the Fulton County Board of Health, which are discretely presented.

## COUNTY HIGHLIGHTS

During 2019, the County began a strategic planning effort for the next 5 year planning cycle which was near completion when the pandemic arrived in early 2020. The refined strategic priority areas are noted below while specific objectives and measures have not been finalized. Senior leadership has realized that the plan development underway will need a post pandemic review to apply lessons learned while operating during the pandemic.

## INFRASTRUCTURE AND ECONOMIC DEVELOPMENT

Fulton County plays an important role in creating the right environment to stimulate economic growth and develop a prepared workforce. The county serves as a key connector between the business communities, education providers, job seekers, and the municipal governments that serve them. It is the County's commitment to ensure that public resources are aligned to support business growth and develop a skilled workforce. Fulton County will continue efforts to create a more sustainable environment by increasing water quality throughout the County and being a leader of transportation efforts and initiatives across the county.

### OBJECTIVES

Increase the workforce skills of the residents within the County

Improve the perception of doing business within the County

Improved communities through long term investments

Retain and support growing businesses

## HEALTH AND HUMAN SERVICES

Creating a healthy community depends on three factors: the adoption of healthy behaviors, the availability and quality of the healthcare services, and the physical environment in which individuals and families live, work, and play. In addition, Fulton County is committed to providing a safe space where our most vulnerable population can receive the care and community support they need. Health & Human services are critical to the vitality of its community. The county is also striving to decrease health disparity and increase health equity throughout the County by incorporating the "Health in All Policies" to mitigate health issues.

### OBJECTIVES

Prevent illness by residents engaging in healthier behavior

Prevent health disparities by educating residents and connecting them to available resources

Assist residents realizing their educational potential

Support access to affordable housing

Provide resources to vulnerable populations

## ARTS AND LIBRARIES

Arts and Library facilities have a positive economic, social, and quality of life impact on a community. Fulton County is committed to ensuring that residents have access to a variety of quality, cultural, and educational activities. The County currently provides programs and events throughout county libraries and facilities. As a result, these programs and events indirectly stimulate the Arts and Culture ecosystem by funding non-profit organizations across the county.

## **OBJECTIVES**

Increase satisfaction, awareness, and engagement in arts and library services

Deliver high quality arts and culture services

Work with cities to grow arts capacity

Provide convenient and modern library services.

## **JUSTICE AND SAFETY**

Fulton County residents expect to be safe at home, at work, and in their communities. In addition, they want their communities to be ready to handle public safety emergencies. Ensuring the safety of Fulton County residents requires that individuals and businesses take proactive steps to be prepared for these situations; it also requires continuity planning and coordinated emergency response. Residents expect the justice system, from the jail to the courts, to process cases in a fair, timely, and respectful manner.

## **OBJECTIVES**

Improve performance of the justice system using technology processes and case management

Increase educational opportunities

Prepare for emergency and safety situations

Appropriately detain and release offenders

## **OPEN AND RESPONSIBLE GOVERNMENT**

In order to deliver on the citizen-centric priority above, Fulton County government must recruit and develop a competent, engaged workforce and maintain a collection of facilities, equipment and technology that enables high performance. In addition, the County must manage its finances wisely and develop and follow policies that promote both efficient and effective practices. Finally, the government must promote trust among its citizens by regularly reporting on its performance, conducting itself in a transparent and legal manner, and engaging with its residents in setting the direction of County government.

## **OBJECTIVES**

Maintain a high quality workforce.

Maintain high quality facilities for the County

Improve the level of trust and satisfaction with County services

Increase transparency

All these strategic priority area and objectives subsequently have come into sharp focus with addressing the Covid-19 pandemic in Fulton County. March 2020 saw the national state of emergency declared, followed subsequently by declaration of a public health emergency in Georgia. The Board of Commissioners and County executive management have led efforts to address the pandemic through the lens of continuing strategic efforts for all citizens of the County. Assisting with these efforts is the recently received \$104 million in CARES (Coronavirus Aid, Relief, and Economic Security Act) funding, which has been applied to four broad categories of community relief, health response, operational stability, and municipal assistance.

Community Relief efforts were one of the first initiatives undertaken by the County, providing \$10.4 million in economic relief distributed locally, \$9.3 million in residential support along with another \$1.1 million dedicated for Covid-19 relief for the homeless. One of the most visible efforts was the County's health response with providing three locations for Covid-19 testing both now and in future months. \$25 million

dedicated to this testing will lead the State in efforts to provide mobile testing for citizens. As of early August, over 250,000 tests have been administered. Operational stability is targeted and continuing County operations amidst the pandemic. Personal Protective Equipment (PPE) is the primary outlay currently, following by facility cleaning and hazard pay for public safety workers who are forward facing providers of service. The Board of Commissioners has also provided \$15 million of CARES funding to municipalities in the County.

## **ECONOMIC CONDITIONS AND OUTLOOK**

Fulton County has enjoyed a diverse economy, dynamic business community, and efficient transportation and logistical network which provide a competitive destination for companies across all major industries. These attributes contributed to several companies continuing to relocate or opening new facilities. While some businesses have recently relocated outside the metro Atlanta/Fulton county area such as SunTrust and First Data, the area still attracted Norfolk Southern, Newell Brands and NCR for new headquarters. The 2020 Fortune 500 list still includes 18 Georgia based companies, the same as in 2019. Fulton County's population continues to grow. Between July of 2018 and July of 2019, the County's population increased by approximately 14,000 residents or 1.3%.

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 was health pre-pandemic. Historically we report economic information from Dr. Rajeev Dhawan, Director of the Georgia State University's Economic Forecasting Center. Given the unusual circumstances and significant effect of the Covid-19 pandemic on the local, state, national, and even international economy, we believe communicating the latest available economic information will provide a better understanding of how this event will shape our short term economic future.

Dr. Dhawan discussed these new trends July 15, 2020, via webex, which globally shows that the virus itself will be the biggest factor affecting economic outcomes in the near future.

Retail sales, while strong throughout 2019, certainly pulled back beginning March 2020, with a trough showing in April, but slowly recovering in May 2020. Discretionary spending and in dining restaurants fared substantially lower (down 40% in May 2020 from January 2020), while non-store and grocery sales did increase understandably during the first months of the pandemic ranging from 10-20%. National consumer spending saw dramatic reductions in the first months, but is now down 8.9% as of June 17, 2020 as compared to January 2020. For the same period, restaurant and hotel consumer spending is lower by 25.3% (Jan 2020-June 17, 2020). The travel industry remains greatly affected by the pandemic, which affects local economy with the Hartsfield-Jackson airport being one of the largest airports worldwide. TSA checkpoint data show a 95% drop in throughout passengers, and remains very low through mid-July 2020. Other categories that have shown substantial difficulty is health care services, which is also a large contributor to the local economy. Personal consumption spending for healthcare is larger than restaurants and recreation combined, dropping \$563 billion nationally from February to May 2020.

Labor markets saw unprecedented fluctuations nationally, both with dramatic drops in March and April to see substantial recovery in May and June 2020. In Georgia, the Governor did rollback initial restrictions on businesses in late May, which affected local employment and available jobs. The Georgia Department of Labor reports Atlanta's unemployment rate at 8.6% in June, (an improvement from April 2020), but certainly

higher than the 3.6% unemployment rate for June of 2019. State unemployment was as high as 12.6% in April 2020 but has recovered as of June 2020 to 7.6%. As compared to a US 11.1% unemployment rate, Georgia has been able to recover jobs at a slightly higher pace. It is unclear if future executive decisions regarding restrictions on businesses or other related pandemic impacted decisions will affect future unemployment rates both locally and statewide. Housing sales, both existing and new, also tumbled during the first months of the pandemic. While expected to recover, it's unclear as to how soon those sales will rebound. Automobile sales also dropped significantly but have made a stronger recovery by mid-2020 and are close to pre-pandemic levels according to the discussion from Dr. Dhawan. Medical spending however will take a few quarters to recover, and are expected to arrive at pre-pandemic levels in late 2021 or early 2022 and continue to grow throughout 2023.

Dr. Dhawan did provide a US Forecast Summary in the July 2020 presentation, in which annual predictions are shown in the chart below:

	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Real GDP (%)</b>	<b>(7.2)</b>	<b>0.2</b>	<b>6.8</b>
<b>Consumption (%)</b>	<b>(7.1)</b>	<b>-</b>	<b>6.1</b>
<b>Auto Sales (millions)</b>	<b>12.4</b>	<b>12.7</b>	<b>15.5</b>
<b>Housing starts (millions)</b>	<b>1,194</b>	<b>1,071</b>	<b>1,218</b>
<b>Job Gains (thousands)</b>	<b>(11,256)</b>	<b>772</b>	<b>5,536</b>
<b>CPI (%)</b>	<b>0.9</b>	<b>2.0</b>	<b>2.8</b>
<b>10 year Treasury bond rates</b>	<b>0.9</b>	<b>1.6</b>	<b>2.2</b>

Also included was the Georgia Forecast in which job loses, which are forecasted lower by 566,500 for 2020 throughout Georgia, will recover by 73,000 in 2021, add another 244,000 throughout 2022 and 129,600 jobs in 2023. Employment growth is forecast to continue to rise through 2025. Georgia personal income is forecast to drop 4.4% for 2020, but recover by 5% in 2021 and another 5.4% in 2022.

Accrual basis General fund sales tax collections decreased by approximately 6% in 2019, to \$14.5 million. This includes the County's pro-rata share of the 1% sales tax. The County wide Transportation Special Purpose Local Option Sales Tax collected taxes for projects on behalf of the City of South Fulton for part of the year, then sales tax revenues were subsequently forwarded to the City. The County continues to provide an administrative role which garners a fractional percentage of these T-Splost collections, and has now concluded providing contractual services for the City of South Fulton's T-Splost allocation, shown as a capital fund in the 2019 presentation. These allocations and cumulative spending are shown as the last schedule before the statistical section in this financial statement. Subsequent to December 31, 2019, General fund sales taxes dropped by 10% for the first six months of 2020 as compared to the first six months of 2019.

GASB 77 requires analysis and disclosure of the annual effect of providing tax abatements throughout the County. Development Authority of Fulton County (DAFC) leads economic development across Fulton County by facilitating projects which result in new and retained jobs, new capital investment that grows the economy (direct, indirect and induced benefits) and expansion of the Fulton County tax base. In 2019, the Development

Authority reports that 88 projects received a property tax benefit through the revenue bond program. Planned new capital investments in Fulton County by these projects are estimated to total \$7.3 billion. These projects are also designed to retaining or adding a total of 31,310 full and part time jobs in the county over the long term. Detailed 2019 required disclosures are contained in the footnotes.

## **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.

## **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 previously implemented Government Accounting Standard 75 in 2018 to provide recognition of the actuarially determined OPEB liabilities and annual expense in the annual financial statements along with all required footnote disclosures.

## **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, 2018. This was the 31st 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. 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  
Chief Financial Officer



Government Finance Officers Association

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Presented to

**Fulton County**  
**Georgia**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2018**

*Christopher P. Morrill*

Executive Director/CEO

# **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 units, each major fund, and the aggregate remaining fund information of Fulton County, Georgia (the County), as of and for the year ended December 31, 2019, 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 and the Fulton County Board of Health, which statements reflect total assets (in thousands) of \$1,080,354, total net position (in thousands) of \$635,607, and total revenues (in thousands) of \$1,361,401 which collectively represent the County's aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based solely on the reports 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 evaluating 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 reports of the 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 units, each major fund, the general fund and south fulton special district budget to actual comparisons, and the aggregate remaining fund information of Fulton County, Georgia, as of December 31, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof 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 4-12 and required supplementary information on pages 83-85 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, the Summary of Debt Service Requirements to Maturity, the Debt Service Requirements to Maturity –Bonds, Hotel/Motel Collections and Expenditures and the Schedule of Projects Funded with Special Transportation Tax Proceeds 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 and individual non-major fund financial statements, the Summary of Debt Service Requirements to Maturity Schedule, the Debt Service Requirements to Maturity – Bonds Schedule, Hotel/Motel Collections and Expenditures Schedule and the Schedule of Projects Funded with Special Transportation Tax Proceeds 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, the Summary of Debt Service Requirements to Maturity Schedule, the Debt Service Requirements to Maturity – Bonds Schedule, Hotel/Motel Collections and Expenditures Schedule and the Schedule of Projects Funded with Special Transportation Tax Proceeds 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 September 7, 2020 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.

*RJC Group, LLC*

Atlanta, Georgia  
September 7, 2020



**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, 2019. 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 \$250,391. Of this amount, unrestricted assets are now in a deficit position by (\$1,081,711), primarily due to the liability for other post-employment benefits, as required by Government Accounting Standards No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, and net pension liability of the County's defined benefit pension plan, as required by Government Accounting Standard No. 68, *Accounting and Financial Reporting for Pensions*.

The County's total net position for both governmental and business activities increased by \$46,573 in 2019. Business type activities increased \$37,589 while the governmental activities experienced an increase of \$8,984. Water and Sewerage fund activity comprised the biggest increase in net position in 2019 due to a 5% rate increase and small consumption increases over 2018. The County's governmental activities net position increased with slightly higher interest earnings in 2019. While total expenses slightly increased, most were offset with higher operating grants and contributions. Overall, governmental activities had relatively stable financial results as compared to 2018.

As of the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$517,133, an increase of \$3,931 in comparison with the previous year. The fund balance for the County's General Fund increased by \$16,443, while the South Fulton Special District Fund increased its fund balance by \$2,520; the Library bond capital projects fund decreased by \$55,425 with expenditures of capital resources, while Other Governmental funds increased fund balance by \$40,393 primarily due to issuance of another Fulton County Urban Redevelopment bond issuance for facility improvements. 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 \$198,524, which is available to meet the government's other ongoing obligations to citizens and creditors. The South Fulton Special Service District Fund's ending fund balance was \$26,259. This amount will be used for the remaining Fulton Industrial District area, the last remaining unincorporated area in the County.

The County's total long term governmental liabilities as of December 31, 2019 totaled \$1,907,389, of which \$1,436,679 or 75%, relates to recognition of the County's net pension liability of \$442,228, and post-employment health benefits offered to eligible retirees of \$994,451. These liabilities are further disclosed in the footnotes with their required provisions for recognition of the County's OPEB and net pension liability.

All of the County's principal and interest were made timely throughout 2019. A new intergovernmental agreement lease was entered into during 2019 for \$18.5 million for health and mental health and governmental facility, which is currently being used as a testing site for Covid -19. The County's Fulton County Urban Redevelopment Agency also issued another bond in April 2019 in the amount of \$39.3 million to augment funding necessary building improvements throughout County facilities and areas dedicated for redevelopment. Also in May 2019 the County issued \$200 million in Tax Anticipation Notes to provide short term cash resources to General fund operations until 2019 tax receipts materialize in the later part of 2019.

Business type liabilities decreased with scheduled principal payments on the County's 2011 and 2013 Water and Sewer Revenue bonds. An additional bond financing primarily for the Big Creek wastewater system improvements was issued subsequent to December 31, 2019 in the amount of almost \$300 million, and is further discussed in the subsequent events footnote to the financial statements.

Deferred Inflows of Resources related to the County's defined benefit plan total \$110,407 as of December 31, 2019, which the Deferred Outflow of Resources for this plan totaled \$215,628 as of December 31, 2019. These values can significantly vary as the market value of the pension assets change year to year.

The County's capital assets used for governmental activities increased during 2019 with continuing improvements to facilities funded in part by outstanding facility bonds issued via the County's Fulton County Urban Redevelopment Agency. Courthouse improvements including exterior cladding are one of the larger public facing improvements currently underway. Library improvements funded with general obligation bonds are also a primary contributor to increased capital assets over the last few years. As of December 31, 2019, governmental capital assets, net of depreciation are \$643,968, of which \$140,146 are under construction.

Business-type capital assets totaled \$1,202,759, of which \$88,478 is currently under construction relating to water and wastewater capital projects. 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 \$102,445, are included within the capital asset footnote.

## **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 for the Fulton-DeKalb Hospital Authority and the Fulton County Board of Health, both presented as discretely presented component units. Financial information for these component units are reported separately from the financial information presented for the primary government itself. Combining schedules of these component units is shown on pages 28-29 of this report, while the government-wide financial statements are on pages 13-14 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 15-21 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 the Wolf Creek Amphitheater fund as well as temporary contractual service funds for both the newly incorporated City of South Fulton and the Fulton County Board of Health. 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, the two new contractual service funds mentioned above are all classified as a non-major enterprise funds. All four internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 22-25 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 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 26-27 of this report.

### **Component unit financial statements**

The two discretely presented component unit combining statements of net position and statement of changes of net position are presented on page 28-29 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 financials can be found on pages 30-82.

### **Required Supplementary Information**

Governmental accounting standards require certain information to be presented regarding pension and other post-employment benefits. Multiyear information pertaining to actuarially determined employer contributions, net pension liability and each years changes in pension liability, investment returns on pension assets, as well as assumptions thereon and relevant notes are all contained within this section shown on pages 83-87.

## 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 88-116 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
	2019	2018	2019	2018	2019	2018	
Current and other assets	\$ 642,356	632,616	272,583	292,193	914,939	924,809	(1)
Capital assets	643,968	578,262	1,202,759	1,164,968	1,846,727	1,743,230	6
Total Assets	<u>1,286,324</u>	<u>1,210,878</u>	<u>1,475,342</u>	<u>1,457,161</u>	<u>2,761,666</u>	<u>2,668,039</u>	4
Deferred Outflows of resources	<u>115,543</u>	<u>176,781</u>	<u>2,444</u>	<u>3,048</u>	<u>117,987</u>	<u>179,829</u>	(34)
Current liabilities	75,649	59,839	19,783	17,783	95,432	77,622	23
Long-term liabilities	1,907,389	2,042,160	409,775	431,787	2,317,164	2,473,947	(6)
Total Liabilities	<u>1,983,038</u>	<u>2,101,999</u>	<u>429,558</u>	<u>449,570</u>	<u>2,412,596</u>	<u>2,551,569</u>	(5)
Deferred Inflows of resources	216,666	92,481	-	-	216,666	123,974	
Net Position:							
Net investment in capital assets	365,714	346,781	794,295	734,511	1,160,009	1,081,292	7
Restricted	132,851	115,665	39,242	38,204	172,093	153,869	12
Unrestricted	<u>(1,296,402)</u>	<u>(1,269,267)</u>	<u>214,691</u>	<u>237,924</u>	<u>(1,081,711)</u>	<u>(1,031,343)</u>	5
Total Net Position	<u>\$ (797,837)</u>	<u>(806,821)</u>	<u>1,048,228</u>	<u>1,010,639</u>	<u>250,391</u>	<u>203,818</u>	23

Net capital assets comprised the bulk of the assets of the County. This includes land, buildings, equipment, 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 \$796 million in cash and investments, of which approximately \$39 million is restricted for enterprise fund debt. Governmental activities also have approximately \$133 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 reports positive balances in all three categories of net position, for the government as a whole, while unrestricted net position for governmental activities remains 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
	2019	2018	2019	2018	2019	2018	
<b>Revenues:</b>							
Program revenues:							
Charges for services	\$ 47,327	43,185	177,816	175,533	225,143	218,718	3 %
Operating grants and contributions	52,103	46,150	-	-	52,103	46,150	13
Capital grants and contributions	2,266	5,904	8,234	4,316	10,500	10,220	3
General revenues:							
Taxes	658,420	650,304	-	423	658,420	650,727	1
Intergovernmental	2,438	3,254	-	-	2,438	3,254	(25)
Other charges for services	23,045	25,223	-	-	23,045	25,223	(9)
Use of money and property	19,150	14,341	4,800	3,700	23,950	18,041	33
Miscellaneous & all other	5,210	9,039	-	-	5,210	9,039	(42)
Loss on sale of capital assets	(267)	-	-	-	(267)	-	-
Total revenues	<u>809,692</u>	<u>797,400</u>	<u>190,850</u>	<u>183,972</u>	<u>1,000,542</u>	<u>981,372</u>	2
<b>Expenses:</b>							
Administration	122,666	141,514	-	-	122,666	141,514	(13)
Public Safety	206,991	179,644	-	-	206,991	179,644	15
Legal	171,726	167,891	-	-	171,726	167,891	2
Infrastructure & facilities	65,452	67,288	-	-	65,452	67,288	(3)
Social services	97,695	93,607	-	-	97,695	93,607	4
Health services	121,724	120,542	-	-	121,724	120,542	1
Interest and debt costs	15,785	17,689	-	-	15,785	17,689	(11)
Water & Sewerage	-	-	126,032	133,183	126,032	133,183	(5)
Wolf Creek Amphitheater	-	-	750	255	750	255	194
City of South Fulton contractual	-	-	63	17,000	63	17,000	(100)
Board of Health contractual	-	-	22,689	22,853	22,689	22,853	(1)
Airport services	-	-	2,396	1,980	2,396	1,980	21
Total expenses	<u>802,039</u>	<u>788,175</u>	<u>151,930</u>	<u>175,271</u>	<u>953,969</u>	<u>963,446</u>	(1)
Excess (deficiency) of revenues over (under) expenditures	7,653	9,225	38,920	8,701	46,573	17,926	160
Transfers	1,331	936	(1,331)	(936)	-	-	-
Extraordinary item	-	(8,999)	-	-	-	(8,999)	(100)
Change in net position	8,984	1,162	37,589	7,765	46,573	8,927	422
Change in accounting principle	-	(281,255)	-	-	-	(281,255)	-
Beginning net position	(806,821)	(526,728)	1,010,639	1,002,874	203,818	476,146	(57)
Ending net position	<u>\$ (797,837)</u>	<u>(806,821)</u>	<u>1,048,228</u>	<u>1,010,639</u>	<u>250,391</u>	<u>203,818</u>	23

### Analysis of governmental activities

Net position of the governmental activities of the County increased from a deficit \$(806,821) to a deficit \$(797,837) during 2019. Demonstrated relatively balanced revenue to expenditure outcome contributes to a relatively constant net position result. Significant changes to the charge applicable for pensions and OPEB's can greatly affect the annual change in net position year to year. 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 are on an increasing trend given the County's recent rate increase of 5%, for fiscal 2019. These increases are to fund planned wastewater treatment plant expansions as well as newly issued revenue bonds for a major wastewater treatment facility upgrade. The County throughout 2019 provided contractual services for the Fulton County Board of Health, the City of South Fulton, as well as operated the Brown Field Airport and Wolf Creek entertainment venue. These revenues and offsetting expenditures are included as non-major enterprise funds for 2019.

### **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 property taxes were slightly lower than 2018 values, while transportation sales taxes previously received on behalf of a municipality were sent directly to this city in 2019. Interest income increased in 2019 given available interest rates available to the County's permitted investments. Other revenues remained relatively consistent as compared to fiscal 2018.

Total governmental expenditures on page 17 of \$878 million increased by approximately \$100 million from 2018 primarily due to additional capital outlays for facility improvements. Salary and benefit costs in 2019 were higher than 2018 amounts due to mid-year compensation adjustments and a pay for performance incentive. The General fund reported an ending fund balance of \$198,524, an increase of \$16,443 from fiscal 2018 due to favorable tax collections and salary savings from unfilled positions.. The County's General fund provides for courts, jail, mental health, libraries, human services, community programs and support services to all County departments. The South Fulton Taxing district provides public safety, zoning, inspections, and parks and recreation activity to the remaining unincorporated section of Fulton County. The fund balance for this District increased by \$2,520 in 2019 to \$26,259, largely due to significantly lower costs required for a smaller service area of the Fulton Industrial District area of unincorporated Fulton County. The Library bond fund's fund balance decreased with resources used for capital outlays during 2019.

Other non-major governmental funds include debt service, grants-in-aid, capital projects and other activities which remained consistent with 2019's totals, increasing \$40,393 for 2019. Issuances of two debt obligations for facility improvements, less capital expended, which produced the increase in total Other Governmental Funds fund balance to \$232,256 at year end. Of this amount, \$140,071 is restricted, \$569 is committed, and \$91,616 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. Fulton County Budget Law requires expenditures be 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 2019 General Fund revenue budget was adopted at approximately \$655 million, which is significantly lower than the approved 2018 budgeted revenues due to the timing of collections on prior year property taxes received in 2018. The General fund budgetary appropriations in 2019 totaled \$719 million, significantly higher than 2018's appropriations. Increases related to an additional \$12 million for capital for Information Technology infrastructure and election equipment. Mid-year cost of living increases and increases in health benefits, along with higher required defined benefit pension contributions contributed \$25 million to the increase. An additional \$7 million was budgeted for increased efforts for Seniors and Youth and Behavioral Health.



2019 expenditures were lower than budgetary appropriations due to 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 19-21 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 \$1,160,009 (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. The significant activities for 2019 include continued work on library and facility improvements throughout the County.

	Governmental Activities		Business-type Activities		Total		Percent Change %
	2019	2018	2019	2018	2019	2018	
Capital assets not being depreciated:							
Land & land improvements	\$ 58,704	56,114	38,110	38,110	96,814	94,224	3
Construction in progress	140,146	81,965	88,478	66,742	228,624	148,707	54
Capital assets, shown net of depreciation:							
Equipment	17,901	20,998	4,219	3,275	22,120	24,273	(9)
Buildings and improvements	395,037	385,729	5,744	5,932	400,781	391,661	2
Roadway network	32,180	33,456	-	-	32,180	33,456	(4)
Water System	-	-	210,707	211,320	210,707	211,320	-
Sewerage System	-	-	753,056	731,681	753,056	731,681	3
Intangible assets	-	-	102,445	107,908	102,445	107,908	(5)
Total net capital assets	\$ <u>643,968</u>	<u>578,262</u>	<u>1,202,759</u>	<u>1,164,968</u>	<u>1,846,727</u>	<u>1,743,230</u>	-

Additional information relating to capital assets and infrastructure is presented in Note 7 of the financial statements footnotes on pages 54-56. Intangible assets for future wastewater treatment capacity for the Water and Sewerage system fund are presented in the above capital asset summary.

## Debt Administration

The County’s governmental activities recorded liabilities of \$1,907,389 are primarily comprised of the required accruals for net other post-employment benefit liability of \$994,451, as well as the recognition of the County’s net pension liability of \$442,228 as of December 31, 2019. Required pension disclosures are shown on pages 67-74, and in the required supplementary information with relevant notes on pages 83-87. Other post-employment benefit information required by GASB 75 is shown on pages 74-79 in the footnotes to the financial statements as well as within required supplementary information on page 85 following the footnotes. Governmental Accounting Standard No. 68 “Accounting and Financial Reporting for Pensions” now requires the primary government to report the difference between the actuarially determined liability and the net position of the defined benefit pension plan, based on market values, as a liability. GASB 75 now required full recognition of the actuarially determined Net OPEB liability as of year-end.

At December 31, 2019, the County had a number of debt issues outstanding.

The 2017 Library General Obligation bonds along with the 2010 Library general obligation bonds totaled \$239,939 as of December 31, 2019. These resources are dedicated to County library facilities as well as renovations of existing libraries, authorized and now all issued under the 2008 referendum.

The County previously issued Recovery Zone bonds, Qualified Energy bonds, and Facility Improvement bonds through the Fulton County Urban Redevelopment Agency (FCURA) for capital facilities and energy efficiency improvements. The FCURA bonds outstanding at December 31, 2019 were \$99,993. \$39 million was issued in April 2019 for the 2<sup>nd</sup> phase of scheduled facility upgrades and improvements.

The 2009 Fulton County Facilities Corporation Certificates of Participation matured during 2019.

Also at December 31, 2019, net of accreted discounts, \$408,464 remains outstanding related to business type activities with the County’s Water and Sewerage Revenue Bonds, which finance system capital assets utilized for water treatment and distribution along with wastewater treatment.

The County’s bonded obligations currently possess the following ratings:

	<u>Moody’s</u>	<u>Fitch</u>	<u>Standard &amp; Poors</u>
General Obligation bonds	Aa1	AA	AA+
Water and Sewerage System bonds	Aa2	AA-	AA

At December 31, 2019, total other capital leases were \$58,650, which decreased with scheduled principal maturities of \$7,409. The Jail Mechanical, Electrical and Plumbing renovations comprises the bulk of this lease liability. The County also entered into a lease agreement with the Association of County Governments for an \$18,500 issuance for a health/mental health facility in the north section of the County. The lease agreement with the South Fulton Jail Authority reduced with principal payments paid during 2019 reducing the outstanding balance to \$12,405.

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. Additional information relating to long-term debt and other obligations is presented in Note 8 to the financial statements also on page 58. Additional information required by GASB 67 and 68 for the County’s defined benefit plan is also included within required supplementary information on pages 83-85 and discussed in the separate footnotes to required supplementary information on pages 86 and 87.

## **Covid 19**

Subsequent to December 31, 2019, the Covid-19 pandemic gripped the world with unprecedented events and required efforts. Fulton County has not been immune to the pandemic, and has worked tirelessly to combat and adjust to this new disease. The Footnotes to the financial statements discuss subsequent efforts. Readers of this financial statement should be aware that future events are not contemplated, nor any liability recorded for the effect of Covid-19 in the December 31, 2019 statements.

## **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 7001, Atlanta, Georgia 30303. Please also see the County’s website at [www.fultoncountyga.gov/inside-fulton-county/fulton-county-departments/finance](http://www.fultoncountyga.gov/inside-fulton-county/fulton-county-departments/finance), as this report and other reports are available for download.

**BASIC  
FINANCIAL  
STATEMENTS**

**FULTON COUNTY, GEORGIA**

Statement of Net Position

December 31, 2019

(in thousands of dollars)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets:</b>				
Cash and cash equivalents	\$ 547,629	149,042	696,671	229,309
Investments	59,970	—	59,970	—
Receivables (net of allowances):				
Taxes	22,268	—	22,268	—
Interest	974	—	974	—
Accounts	242	11,000	11,242	164,572
Due from other governments, net	6,416	6,444	12,860	17,845
Other current assets	4,857	—	4,857	106,338
Restricted assets:				
Cash and cash equivalents	—	325	325	17,029
Investments	—	38,917	38,917	74,055
Investment in joint venture	—	66,855	66,855	—
Capital assets (non-depreciable)	198,850	126,588	325,438	54,130
Capital assets (net of accumulated depreciation)	445,118	1,076,171	1,521,289	365,205
Other non-current assets	—	—	—	51,871
<b>Total assets</b>	<b>1,286,324</b>	<b>1,475,342</b>	<b>2,761,666</b>	<b>1,080,354</b>
<b>Deferred Outflows of Resources:</b>				
Pension related deferred outflows	110,407	—	110,407	21,474
OPEB related deferred outflows	5,136	—	5,136	—
Deferred charge on refunding of bonds	—	2,444	2,444	—
<b>Total deferred outflow of resources</b>	<b>115,543</b>	<b>2,444</b>	<b>117,987</b>	<b>21,474</b>
<b>Liabilities:</b>				
Accounts payable and accrued expenses	53,709	5,141	58,850	191,423
Accrued interest	1,438	—	1,438	—
Due to others	5,218	3,516	8,734	3,780
Claims payable	15,284	—	15,284	79,818
Liabilities (payable from restricted assets):				
Contracts and other payables	—	10,659	10,659	—
Unearned revenue	—	467	467	—
Non-current liabilities:				
Due within one year	35,606	18,605	54,211	36,297
Due in more than one year	1,871,783	391,170	2,262,953	154,903
<b>Total liabilities</b>	<b>1,983,038</b>	<b>429,558</b>	<b>2,412,596</b>	<b>466,221</b>
<b>Deferred Inflows of Resources:</b>				
Pension related deferred inflows	215,628	—	215,628	—
OPEB related deferred inflows	1,038	—	1,038	—
<b>Total deferred inflow of resources</b>	<b>216,666</b>	<b>—</b>	<b>216,666</b>	<b>—</b>
<b>Net Position:</b>				
Net investment in capital assets	365,714	794,295	1,160,009	309,926
Restricted for debt retirement	34,001	39,242	73,243	16,700
Restricted for construction	92,390	—	92,390	61,985
Restricted for other purposes	6,460	—	6,460	27,783
Unrestricted	(1,296,402)	214,691	(1,081,711)	219,213
<b>Total net position (deficit)</b>	<b>\$ (797,837)</b>	<b>1,048,228</b>	<b>250,391</b>	<b>635,607</b>

See accompanying notes to the financial statements.



**FULTON COUNTY, GEORGIA**

Balance Sheet  
Governmental Funds

December 31, 2019

(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	\$ 214,895	27,008	11,150	242,521	495,574
Investments	—	—	59,970	—	59,970
Receivables (net of allowances):					
Taxes	21,123	543	—	602	22,268
Interest	895	—	79	—	974
Accounts	—	—	—	242	242
Due from other governments	452	—	—	5,964	6,416
Total assets	<u>\$ 237,365</u>	<u>27,551</u>	<u>71,199</u>	<u>249,329</u>	<u>585,444</u>
Liabilities:					
Accounts payable	\$ 25,448	595	11,105	11,585	48,733
Due to others	—	—	—	5,218	5,218
Total liabilities	<u>25,448</u>	<u>595</u>	<u>11,105</u>	<u>16,803</u>	<u>53,951</u>
Deferred Inflows of Resources:					
Unavailable revenue	13,393	697	—	270	14,360
Total deferred inflows or resources	<u>13,393</u>	<u>697</u>	<u>—</u>	<u>270</u>	<u>14,360</u>
Fund Balances:					
Restricted	—	—	60,094	140,071	200,165
Committed	—	—	—	569	569
Assigned	—	26,259	—	91,616	117,875
Unassigned	198,524	—	—	—	198,524
Total fund balances	<u>198,524</u>	<u>26,259</u>	<u>60,094</u>	<u>232,256</u>	<u>517,133</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 237,365</u>	<u>27,551</u>	<u>71,199</u>	<u>249,329</u>	<u>585,444</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, 2019

(in thousands of dollars)

Fund Balances - total governmental funds	\$ 517,133
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	58,704
Buildings	866,957
Equipment	147,704
Roadway network	65,606
Construction in progress	140,146
Less Accumulated Depreciation	<u>(635,149)</u>
Total capital assets, net of accumulated depreciation	643,968
Deferred results and contributions to pension plans made after the measurement date are recorded as expenditures in governmental funds but must be deferred in the statement of net position	
Deferred outflows - defined benefit pension plan	110,407
Deferred outflows - other postemployment benefit plan	5,136
Certain amounts related to the net pension liability are deferred and amortized over time	
Deferred inflows - defined benefit pension plan	(215,628)
Deferred inflows - other postemployment benefit plan	(1,038)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds:	
Library general obligation bonds payable	(232,220)
Urban Recovery Zone bonds payable	(94,221)
Unamortized bond premiums	(13,491)
Intergovernmental agreement liability-SF Jail Authority	(12,405)
Intergovernmental agreement liability-AFCRA	(1,468)
Compensated absences	(39,701)
Net pension liability	(442,228)
Net other post employment benefits (OPEB)	(994,451)
Other long term capital leases	(58,650)
Claims and judgments	(12,253)
Landfill closure and postclosure costs	(6,301)
Accrued interest	(1,438)
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.	
	36,652
Some deferred revenues reported in the governmental funds are recognized as revenues in the governmental activities.	
	<u>14,360</u>
Net position - total governmental activities	\$ <u><u>(797,837)</u></u>

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, 2019

(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	\$ 631,231	12,361	—	21,792	665,384
Intergovernmental	7,099	—	—	49,708	56,807
Charges for services	34,036	144	—	8,690	42,870
Courts and law enforcement	15,025	—	—	9,207	24,232
Use of money and property	12,788	460	2,498	3,482	19,228
Licenses and permits	—	3,270	—	—	3,270
Miscellaneous	4,712	22	—	476	5,210
Net (depreciation) appreciation in investments	—	—	(78)	—	(78)
<b>Total revenues</b>	<b>704,891</b>	<b>16,257</b>	<b>2,420</b>	<b>93,355</b>	<b>816,923</b>
Expenditures:					
Current:					
Administration	88,861	2,034	—	2,292	93,187
Public safety	148,317	7,595	—	16,652	172,564
Legal	136,664	—	—	—	136,664
Infrastructure and facilities	27,712	778	—	1,982	30,472
Social services	67,964	—	—	8,734	76,698
Health services	80,469	—	—	33,458	113,927
Other nonagency	73,352	—	—	13,778	87,130
Capital outlay	—	—	57,845	55,151	112,996
Debt service:					
Principal retirement	4,100	—	—	33,386	37,486
Interest	3,375	—	—	13,824	17,199
<b>Total expenditures</b>	<b>630,814</b>	<b>10,407</b>	<b>57,845</b>	<b>179,257</b>	<b>878,323</b>
Excess (deficiency) of revenues over (under) expenditures	74,077	5,850	(55,425)	(85,902)	(61,400)
Other financing sources (uses):					
Issuance of capital lease refunding obligations	—	—	—	18,500	18,500
Issuance of bonds	—	—	—	39,335	39,335
Premium received on bonds	—	—	—	5,971	5,971
Proceeds from sale of capital assets	194	—	—	—	194
Transfer in from enterprise fund	—	250	—	1,081	1,331
Transfers in	14	428	—	61,568	62,010
Transfers out	(57,842)	(4,008)	—	(160)	(62,010)
<b>Total other financing sources (uses)</b>	<b>(57,634)</b>	<b>(3,330)</b>	<b>—</b>	<b>126,295</b>	<b>65,331</b>
<b>Net change in fund balances</b>	<b>16,443</b>	<b>2,520</b>	<b>(55,425)</b>	<b>40,393</b>	<b>3,931</b>
Fund balance at beginning of year	182,081	23,739	115,519	191,863	513,202
<b>Fund balance at end of year</b>	<b>\$ 198,524</b>	<b>26,259</b>	<b>60,094</b>	<b>232,256</b>	<b>517,133</b>

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, 2019

(in thousands of dollars)

Net change in fund balances - governmental funds	\$	3,931
<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		90,239
Depreciation expense		(24,072)
<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>		
Issuance of Economic Recovery Zone bonds		(39,335)
Issuance of Capital lease obligations		(18,500)
Tax Anticipation Note proceeds		(200,000)
Tax Anticipation Note payments		200,000
Principal repayments		37,486
Amortization of deferred charge on refunding of bonds		(266)
Amortization of bond premium and discount		2,236
Bond premium received		(5,971)
Change in accrued interest		(556)
<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		(29,654)
Compensated absences		(2,037)
Claims and judgments		422
Landfill closure costs		1,451
Pension expense		3,516
<p>Some revenues for governmental activities do not provide current financial resources and are not reported as revenues for governmental funds.</p>		
		(6,964)
<p>The loss on sale of capital assets is reported on the statement of activities, while governmental funds report the proceeds from the sale as an increase to financial resources. The change in net assets differs from the change in fund balance by the cost of the capital assets sold or donated.</p>		
		(461)
<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>		
		(2,481)
Change in net position - governmental activities	\$	<u>8,984</u>

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, 2019

(In thousands of dollars)

	Non-GAAP budgetary basis			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Revenue Per Budget Law, less Rollback	\$ 641,434	641,434	709,209	67,775
Sales Tax	13,313	13,313	14,550	1,237
Appropriated Fund Balance	—	—	(29,593)	(29,593)
Total revenues and other sources, non-GAAP budget basis	\$ 654,747	654,747	694,166	39,419
Reconciliation to GAAP basis:				
To record net change in taxes receivable and deferred revenue			(12,498)	
Indirect cost reimbursements recorded as revenues for budgetary purposes			(6,162)	
Appropriated Fund Balance			29,593	
Total adjustment to GAAP basis			10,933	
Total revenues and other sources, GAAP basis			705,099	
Expenditures:				
Board of Commissioners	\$ 3,738	3,766	3,313	453
Clerk to the Commission	1,046	1,046	958	88
County Manager	4,960	4,960	4,228	732
County Auditor	1,096	1,096	1,050	46
Community Development	10,571	10,621	9,746	875
External Affairs	3,246	3,271	3,109	162
Arts & Culture	5,865	5,890	5,612	278
Senior Services	24,311	24,311	23,180	1,131
Diversity and Civil Rights Compliance	1,519	1,519	1,227	292
Finance	7,062	7,062	6,534	528
Human Resources	5,576	5,646	5,508	138
Information Technology	28,687	28,687	28,166	521
Purchasing	3,403	3,403	3,279	124
County Attorney	3,651	3,651	3,651	—
Child Attorney	2,647	2,726	2,606	120
Tax Assessor	19,433	19,433	17,762	1,671
Tax Commissioner	15,434	15,693	14,932	761
Registration and Elections	2,307	3,287	2,865	422
Police	4,070	4,108	3,689	419
Sheriff	85,128	87,309	87,185	124
Emergency - 911	3,640	3,705	3,506	199
Emergency Management	5,119	5,119	4,725	394
Medical Examiner	4,494	4,614	4,322	292
State Court Solicitor	9,230	9,377	8,731	646

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, 2019

(In thousands of dollars)

	<u>Non-GAAP budgetary basis</u>			<b>Variance Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
Juvenile Court	14,686	14,686	13,988	698
Probate Court	3,045	3,105	2,892	213
County Marshal	6,254	6,254	6,102	152
State Court-General	8,090	8,139	7,769	370
State Court Judges	4,708	4,808	4,499	309
Magistrate Court	3,027	3,117	3,059	58
Superior Court-General	21,277	21,277	20,775	502
Superior Court Judges	7,604	7,745	7,580	165
Superior 7 Magistrate Court - Clerk	20,256	21,051	20,935	116
District Attorney	24,635	25,076	24,538	538
Public Defender	18,090	18,153	17,372	781
Real Estate and Asset Management	29,788	29,788	29,432	356
Public Works	870	870	865	5
Family and Children Services	1,678	1,678	1,078	600
Library	28,465	28,365	27,365	1,000
Fulton-DeKalb Hospital Authority (Grady Hospital)	63,170	63,170	60,648	2,522
Fulton County Board of Health	9,604	9,604	7,413	2,191
Behavioral Health	14,207	14,207	12,577	1,630
Non-Agency	183,152	177,446	175,395	2,051
Total expenditures and other uses, non-GAAP budget basis	<u>\$ 718,839</u>	<u>718,839</u>	694,166	<u>24,673</u>
Reconciliation to GAAP basis - to record net effect of unrecorded liabilities			652	
Expenditures incurred on behalf of reimbursing funds for indirect costs			<u>(6,162)</u>	
Total expenditures and other uses, GAAP basis			<u>\$ 688,656</u>	
Total change in fund balance	(64,092)	(64,092)	16,443	80,535
Beginning fund balance	<u>175,689</u>	<u>175,689</u>	<u>182,081</u>	<u>6,392</u>
Ending fund balance	<u>111,597</u>	<u>111,597</u>	<u>198,524</u>	<u>86,927</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, 2019  
 (In thousands of dollars)

	<b>Non-GAAP budget basis</b>			<b>Variance Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues:</b>				
Revenue per Budget Law	\$ 10,250	10,250	14,404	4,154
License and Permits	2,817	2,817	2,987	170
Appropriated Fund Balance	—	—	(2,984)	(2,984)
Total revenues and other sources, non-GAAP budget basis	\$ 13,067	13,067	14,407	1,340
<b>Reconciliation to GAAP basis:</b>				
To record net tax receivable and deferred revenue			(456)	
Appropriated fund balance			2,984	
Total adjustment to GAAP basis			2,528	
Total revenues and other sources, GAAP basis			\$ 16,935	
<b>Expenditures and other uses:</b>				
Finance	\$ 84	84	57	27
Fire Rescue Services	3,708	3,708	3,700	8
Police Services	3,762	4,164	4,023	141
Public Works	921	931	779	152
Non-Agency	20,413	20,001	5,848	14,153
Total expenditures and other uses, non-GAAP budget basis	\$ 28,888	28,888	14,407	14,481
<b>Reconciliation to GAAP basis - to record net effect of unrecorded liabilities</b>				
Total expenditures and other uses, GAAP basis			8	
			\$ 14,415	
Total change in fund balance	(15,821)	(15,821)	2,520	18,341
Beginning fund balance	23,621	23,621	23,739	118
Ending fund balance	7,800	7,800	26,259	18,459

See accompanying notes to the financial statements.

**FULTON COUNTY, GEORGIA**

Statement of Net Position  
Proprietary Funds

December 31, 2019

(In thousands of dollars)

Assets	Business Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Water and sewerage system fund	Other Enterprise funds	Total Enterprise Funds	
Current assets:				
Cash and cash equivalents	\$ 144,792	4,250	149,042	52,055
Investments	—	—	—	—
Interest receivable	—	—	—	—
Accounts receivable, net	11,000	—	11,000	—
Due from other governments, net	1,679	4,765	6,444	—
Due from other funds	—	—	—	—
Other current assets	—	—	—	4,857
Restricted assets:				
Cash and cash equivalents	325	—	325	—
Investments	38,917	—	38,917	—
Interest receivable	—	—	—	—
Total current assets	<u>196,713</u>	<u>9,015</u>	<u>205,728</u>	<u>56,912</u>
Noncurrent assets:				
Investment in joint venture	66,855	—	66,855	—
Nondepreciable capital assets	98,679	27,909	126,588	—
Depreciable capital assets (net of accumulated depreciation)	<u>1,070,114</u>	<u>6,057</u>	<u>1,076,171</u>	<u>—</u>
Total noncurrent assets	<u>1,235,648</u>	<u>33,966</u>	<u>1,269,614</u>	<u>—</u>
Total assets	<u>1,432,361</u>	<u>42,981</u>	<u>1,475,342</u>	<u>56,912</u>
<b>Deferred Outflows of Resources</b>				
Deferred charge on refunding of bonds	<u>2,444</u>	<u>—</u>	<u>2,444</u>	<u>—</u>
Total deferred outflows of resources	<u>2,444</u>	<u>—</u>	<u>2,444</u>	<u>—</u>

See accompanying notes to the financial statements.

**FULTON COUNTY, GEORGIA**

Statement of Net Position (continued)  
Proprietary Funds

December 31, 2019

(In thousands of dollars)

<b>Liabilities and Net Position</b>	<b>Business Type Activities - Enterprise Funds</b>			<b>Governmental</b>
	<b>Water and sewerage system fund</b>	<b>Other Enterprise funds</b>	<b>Total Enterprise Funds</b>	<b>Activities- Internal Service Funds</b>
Liabilities:				
Current liabilities (payable from current assets):				
Accounts payable & accrued expenses	\$ 1,706	2,250	3,956	4,976
Accrued liabilities	1,185	—	1,185	—
Due to others		3,516	3,516	—
Claims payable	—	—	—	15,284
	<u>2,891</u>	<u>5,766</u>	<u>8,657</u>	<u>20,260</u>
Current liabilities (payable from restricted assets):				
Contracts and other payables	10,659	—	10,659	—
Revenue bonds payable - current	18,605	—	18,605	—
Unearned revenue	467	—	467	—
	<u>29,731</u>	<u>—</u>	<u>29,731</u>	<u>—</u>
Total current liabilities	<u>32,622</u>	<u>5,766</u>	<u>38,388</u>	<u>20,260</u>
Non-current liabilities:				
Revenue bonds payable - noncurrent	389,859	—	389,859	—
Other long-term liabilities	1,311	—	1,311	—
Total non-current liabilities	<u>391,170</u>	<u>—</u>	<u>391,170</u>	<u>—</u>
Total liabilities	<u>423,792</u>	<u>5,766</u>	<u>429,558</u>	<u>20,260</u>
Net Position:				
Net investment in capital assets	760,329	33,966	794,295	—
Restricted for debt retirement	39,242	—	39,242	—
Unrestricted	211,442	3,249	214,691	36,652
Total net position	<u>\$ 1,011,013</u>	<u>37,215</u>	<u>1,048,228</u>	<u>36,652</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, 2019

(In thousands of dollars)

	<b>Business Type Activities - Enterprise Funds</b>			<b>Governmental</b>
	<b>Water and sewerage system fund</b>	<b>Other Enterprise funds</b>	<b>Total Enterprise Funds</b>	<b>Activities- Internal Service Funds</b>
Operating revenues:				
Charges for services	\$ —	26,182	26,182	131,651
Water and sewerage charges	151,634	—	151,634	—
Total operating revenues	<u>151,634</u>	<u>26,182</u>	<u>177,816</u>	<u>131,651</u>
Operating expenses:				
Administrative and general	4,485	180	4,665	22,470
Depreciation and amortization	36,433	244	36,677	—
Personal services	23,230	736	23,966	—
Contractual services	30,294	24,434	54,728	111,662
Operating services	14,105	304	14,409	—
Total operating expenses	<u>108,547</u>	<u>25,898</u>	<u>134,445</u>	<u>134,132</u>
Operating income (loss)	<u>43,087</u>	<u>284</u>	<u>43,371</u>	<u>(2,481)</u>
Non-operating revenues (expenses):				
Loss on investment in joint venture	(2,641)	—	(2,641)	—
Interest income	4,800	—	4,800	—
Interest expense	(14,844)	—	(14,844)	—
Total non-operating revenues (expenses)	<u>(12,685)</u>	<u>—</u>	<u>(12,685)</u>	<u>—</u>
Income (loss) before contributions and transfers	<u>30,402</u>	<u>284</u>	<u>30,686</u>	<u>(2,481)</u>
Capital contributions	8,234	—	8,234	—
Transfer out	—	(1,331)	(1,331)	—
Change in net position	38,636	(1,047)	37,589	(2,481)
Net position at beginning of year	972,377	38,262	1,010,639	39,133
Net position at end of year	<u>\$ 1,011,013</u>	<u>37,215</u>	<u>1,048,228</u>	<u>36,652</u>

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA

Statement of Cash Flows  
Proprietary Funds

For the year ended December 31, 2019

(In thousands of dollars)

	<b>Business Type Activities - Enterprise Funds</b>			<b>Governmental</b>
	<b>Water and sewerage system fund</b>	<b>Other Enterprise funds</b>	<b>Total Enterprise Funds</b>	<b>Activities- Internal Service Funds</b>
Cash flows from operating activities:				
Receipts from customers and users	\$ 149,300	24,348	173,648	132,432
Payments to suppliers	(48,966)	(22,833)	(71,799)	(125,963)
Payments to employees	(23,309)	(739)	(24,048)	—
Net cash provided by operating activities	<u>77,025</u>	<u>775</u>	<u>77,800</u>	<u>6,469</u>
Cash flows from capital and related financing activities:				
Principal and interest payments on revenue bonds	(36,777)	—	(36,777)	—
Additions to property, plant, and equipment	(65,480)	(150)	(65,630)	—
Net cash used by capital and related financing activities	<u>(102,257)</u>	<u>(150)</u>	<u>(102,407)</u>	<u>—</u>
Cash flows from non-capital financing activities:				
Transfer out to governmental funds	—	(1,331)	(1,331)	—
Net cash provided by non-capital financing activities	<u>—</u>	<u>(1,331)</u>	<u>(1,331)</u>	<u>—</u>
Cash flows from investing activities:				
Purchase of investments	(38,917)	—	(38,917)	—
Proceeds from sale of investments	37,962	—	37,962	—
Interest received on investments	4,860	—	4,860	—
Net cash provided by investing activities	<u>3,905</u>	<u>—</u>	<u>3,905</u>	<u>—</u>
(Decrease) increase in cash and cash equivalents	(21,327)	(706)	(22,033)	6,469
Cash and cash equivalents at beginning of year	<u>166,444</u>	<u>4,956</u>	<u>171,400</u>	<u>45,586</u>
Cash and cash equivalents at end of year	<u>\$ 145,117</u>	<u>4,250</u>	<u>149,367</u>	<u>52,055</u>
Reconciliation of operating income (loss) to net cash provided by (used in ) operating activities:				
Operating income (loss)	\$ 43,087	284	43,371	(2,481)
Adjustments to reconcile operating (loss) income to net cash provided by (used in) operating activities:				
Depreciation and amortization	36,433	244	36,677	—
Changes in assets and liabilities:				
Changes in customer receivables - net	(2,168)	—	(2,168)	—
Other assets	—	—	—	739
Change in due from other governments - net	(166)	(1,835)	(2,001)	—
Accounts and claims payable and accrued liabilities	(1,314)	376	(938)	8,211
Accrued liabilities	(79)	—	(79)	—
Due to others	—	1,706	1,706	—
Contractual and other payables	1,232	—	1,232	—
Net cash provided by (used in) operating activities	<u>\$ 77,025</u>	<u>775</u>	<u>77,800</u>	<u>6,469</u>
Non-cash transactions:				
Unrealized gain (loss) on investments	\$ 60	—	—	—
Donated capital assets contributed by outside sources	8,234	—	—	—
Gain (loss) on investment in joint venture	(2,641)	—	—	—

See accompanying notes to the financial statements.



**FULTON COUNTY, GEORGIA**

Statement of Fiduciary Net Position  
Fiduciary Funds

December 31, 2019

(In thousands of dollars)

	<b>Pension and OPEB</b>	<b>Agency</b>
Assets:	<u>Trust Funds</u>	<u>Funds</u>
Cash and cash equivalents	\$ 19,799	114,748
Due from Brokers for Securities Sold	—	—
Investments, at fair value:		
US Treasury Obligations	70,673	—
US Agency Obligations	65,858	—
Municipal bonds	5,331	
International Comingled funds	69,921	—
Corporate debt	70,270	—
Corporate asset & mortgage backed securities	18,247	—
Bank loans	73,982	
Global fixed income mutual funds	70,008	
Emerging markets equity mutual funds	72,487	
Domestic equities	387,097	—
Domestic equity index funds-Comingled trust	226,654	—
Domestic equity funds	50,474	—
Domestic fixed income mutual funds	13,723	—
Foreign Government/Agency debt	507	—
International equities	12,429	—
Real estate investment contracts	13,565	—
International equity mutual funds	178,207	—
Taxes receivable (net of allowance)		73,596
Interest and dividends receivable	1,566	—
Accounts receivable	96	—
Prepaid pension benefits	12,311	—
Due from Others	9	—
Total assets	<u>1,433,214</u>	<u>188,344</u>
Liabilities:		
Due to Brokers for Securities Purchased	3,189	—
Due to other taxing districts	—	92,943
Due to others	150	95,401
Total liabilities	<u>3,339</u>	<u>188,344</u>
Net Position:		
Net Position restricted for pension benefits	1,423,703	—
Net Position restricted for OPEB	6,172	—
Total net position	<u>\$ 1,429,875</u>	<u>—</u>

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, 2019

(In thousands of dollars)

	<b>Pension and OPEB Trust Funds</b>
<b>Additions:</b>	
Investment income:	
Net appreciation in fair value of investments	\$ 260,604
Interest and dividends	21,176
Less: investment expenses	<u>(3,880)</u>
Net investment gain	277,900
Employee contributions	859
Employer contributions	64,975
Other income	<u>45</u>
Total additions	<u>343,779</u>
<b>Deductions:</b>	
Benefit payments	141,851
Transfer of plan assets to 401(A) plan or other plans	342
Refunds of contributions	13
Administrative fees and other expenses	<u>755</u>
Total deductions	<u>142,961</u>
Change in net position	200,818
<b>Net position restricted for pension and OPEB benefits:</b>	
Beginning of year	<u>1,229,057</u>
End of year	<u>\$ 1,429,875</u>

See accompanying notes to the financial statements.

**FULTON COUNTY, GEORGIA**  
Combining Statement of Net Position  
Component Units  
December 31, 2019  
(in thousands)

	<b>Component Unit</b>	<b>Component Unit</b>	<b>Total</b>
	<b>Fulton County Board of Health</b>	<b>Fulton-DeKalb Hospital Authority</b>	
<b>Assets:</b>			
Cash and cash equivalents	\$ 5,785	223,524	229,309
Receivables (net of allowances):			
Accounts	732	163,840	164,572
Due from other governments, net	2,712	15,133	17,845
Other current assets		106,338	106,338
Restricted assets:			
Cash and cash equivalents	—	17,029	17,029
Investments	—	74,055	74,055
Capital assets (non-depreciable)	—	54,130	54,130
Capital assets (net of accumulated depreciation)	196	365,009	365,205
Other non-current assets	—	51,871	51,871
Total assets	<u>9,425</u>	<u>1,070,929</u>	<u>1,080,354</u>
<b>Deferred Outflows of Resources:</b>			
Pension related deferred outflows	—	21,474	21,474
Total deferred outflow of resources	<u>—</u>	<u>21,474</u>	<u>21,474</u>
<b>Liabilities:</b>			
Accounts payable and accrued expenses	219	191,204	191,423
Due to others	3,780	—	3,780
Claims payable	—	79,818	79,818
<b>Non-current liabilities:</b>			
Due within one year	—	36,297	36,297
Due in more than one year	—	154,903	154,903
Total liabilities	<u>3,999</u>	<u>462,222</u>	<u>466,221</u>
<b>Deferred Inflows of Resources:</b>			
Pension related deferred inflows	—	—	-
Total deferred inflow of resources	<u>—</u>	<u>—</u>	<u>—</u>
<b>Net Position:</b>			
Net investment in capital assets	196	309,730	309,926
Restricted for debt retirement	—	16,700	16,700
Restricted for construction	—	61,985	61,985
Restricted for other purposes	4,141	23,642	27,783
Unrestricted	1,089	218,124	219,213
Total net position (deficit)	<u>\$ 5,426</u>	<u>630,181</u>	<u>635,607</u>

See accompanying notes to the financial statements.

**FULTON COUNTY, GEORGIA**

Combining Statement of Activities

Component Units

For the year ended December 31, 2019

(In thousands of dollars)

Functions/Programs	<u>Expenses</u>	<u>Program revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Fulton County Board of Health</u>	<u>Fulton-DeKalb Hospital Authority</u>	<u>Total</u>
Component units							
Fulton County Board of Health	32,039	9,191	23,983	—	1,135		1,135
Fulton-DeKalb Hospital Authority (Grady)	1,337,170	1,295,480	24,984	7,763		(8,943)	(8,943)
Total component units	1,369,209	1,304,671	48,967	7,763	1,135	(8,943)	(7,808)
General revenues:							
Intergovernmental not restricted for specific programs					—	55,435	55,435
Use of money and property					—	4,908	4,908
Miscellaneous					—	4,136	4,136
Total general revenues					—	64,479	64,479
Change in net position					1,135	55,536	56,671
Net position-beginning					4,291	574,645	578,936
Net position (deficit) - ending					\$ 5,426	630,181	635,607

See accompanying notes to the financial statements.

**NOTES TO  
THE  
FINANCIAL  
STATEMENTS**

# FULTON COUNTY, GEORGIA

## Notes to the Financial Statements

December 31, 2019

### (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 and the Fulton County Board of Health, which are presented in separate columns 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. This entity no longer has any outstanding bonded debt.

The Fulton County 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. While legally separate from the County’s Board of Commissioners, the Facilities Corporation is reported as if it were a part of the primary government.

The Fulton County Urban Redevelopment Agency was created in 2010 is also governed by a board which is comprised solely of members of the Board of Commissioners. It is reported as if it were a part of the primary government, as its sole purpose is to finance and construct redevelopment projects within designated urban areas as allowed under Georgia code. Complete financial statements for these entities can be obtained 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, 2019

### (1) Summary of Significant Accounting Policies (continued)

***Discretely Presented Component Units*** - The Fulton-DeKalb Hospital Authority (the “Hospital Authority”) is governed by a ten-member board, of which seven members are appointed by the Fulton County Board of Commissioners. Fulton County provided \$60 million in funding to the Hospital Authority during 2019, of which \$17.5 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 issued. Complete financial statements of the Hospital Authority can be obtained from its administrative offices at the following address:

Fulton DeKalb Hospital Authority, Chief Financial Officer  
145 Edgewood Ave. SE, 2<sup>nd</sup> floor,  
Administrative Offices  
Atlanta, Georgia 30303

As of July 1, 2017, pursuant to House Bill 885 of the Georgia State Legislature, the Fulton County Board of Health (FCBOH) began providing County wide health care services previously provided by the Fulton County Health Department. The FCBOH contracted with Fulton County for employees and support services under an intergovernmental agreement that can extend up to 50 years or until the entity assumes full functionality of internal services. The Fulton County Board of Commissioners appoints four of the seven members of the Fulton County Board of Health. The County paid the Fulton County Board of Health approximately \$7.4 million during calendar year 2019 for provision of these health services. Fulton County continues to serve a variety of significant support services as deemed necessary by both parties without any

# FULTON COUNTY, GEORGIA

## Notes to the Financial Statements

December 31, 2019

### (1) Summary of Significant Accounting Policies (continued)

reimbursement. Actual personnel costs of County employees directly contracted with the Board of Health, contractors, vendors and other payments incurred on behalf of the Board of Health are administered by the County and accounted for as a contractual service fund in the County's financial statement. The financial statements presented for the Fulton County Board of Health represent the 12 months ending June 30, 2019. This financial and administrative support provides a basis to categorize the Fulton County Board of Health as a discretely presented component unit.

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.

#### *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.

County, under a separate guarantor agreement, pays annual debt service for the 2007 Recreation Authority Atlanta Zoo bonds with approximately three-fourths participation from the City of Atlanta, and one fourth participation from Fulton County, and that obligation is presented in the long term debt footnote on page 55 as an intergovernmental liability of \$1,468 as of December 31, 2019. Complete financial statements for the Recreation Authority are available below.

Atlanta Fulton County Recreation Authority  
State Farm Arena  
1 State Farm Drive  
Atlanta, Georgia 30303

***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 \$842 to the ARC for the year ended December 31, 2019. 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, 2019

### (1) Summary of Significant Accounting Policies (continued)

*Atlanta-Fulton County Water Resources Commission* - The Atlanta-Fulton County Water Resource Commission is a joint venture between the County and the City of Atlanta for the construction and operation of a water treatment facility in north Fulton County. The County and the City share equally the costs of construction of the plant, and each is entitled to receive 50% of the total water supply treated by the plant or 50% of the plant's capacity, whichever is greater. The costs of operation of the plant were borne pro rata by the City and the County on the basis of water delivered to each party. The County incurred charges of approximately \$6 million in 2019 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, 2019, 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, 2019

### (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, 2019

### (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. 33, "Accounting and Financial Reporting for Nonexchange Transactions," the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source.

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-Fulton Industrial District***

A southwestern section of unincorporated Fulton County, known as the Fulton Industrial District, became a separate taxing district in 2006, when it was originally part of a larger geographic area. Most of that area was incorporated as the City of South Fulton during 2017. This major fund accounts for operations of the remaining unincorporated County's police, fire, business licensing and recreation. Financing is provided by a specific annual property tax levy and fees and charges for services. Collections are restricted for use in this specific area. It is expected this is the last year this fund will be presented as a major fund.

#### ***Library Bond Fund***

This capital project fund primarily consists of the 2008 voter approved bond issuances of \$167 million in 2010 and \$104 million in 2017, which is for construction of new and renovation of existing library facilities.

# FULTON COUNTY, GEORGIA

## Notes to the Financial Statements

December 31, 2019

### (1) Summary of Significant Accounting Policies (continued)

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 four 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.

#### ***Wolf Creek Amphitheatre***

Wolf Creek Amphitheater fund accounts for the operations of a world-class event venue located in South Fulton County. Outdoor music concerts, plays, performances and festivals are offered from May through October.

#### ***Contractual Service fund-Fulton County Board of Health***

The County entered into an intergovernmental agreement with the newly established Fulton County Board of Health to provide both personnel effort and administrative support for actual costs incurred. This new fund records the payroll and fringe benefit expenses incurred and revenues earned from providing these services throughout calendar 2019.

#### ***Contractual Service fund-City of South Fulton***

The County entered into an intergovernmental agreement with the City of South Fulton to provide a complement of municipal services for a set fee with varying expected expiration dates for each functional service. This fund records the expenses incurred and revenues earned from providing these services, all of which finalized throughout 2019 except for final accounting and reconciliation of amounts due or payable with the County.

The County reports the following fiduciary and agency funds:

#### ***Fulton County Employees’ Retirement System***

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

# FULTON COUNTY, GEORGIA

## Notes to the Financial Statements

December 31, 2019

### (1) Summary of Significant Accounting Policies (continued)

#### ***Fulton County Other Post-Employment Benefits Fund***

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

#### ***Agency Funds***

Agency Funds account for the assets held by the County as an agent for the Tax Commissioner, Superior, State, Juvenile and Probate courts, the Sheriff and Criminal court and the District Attorney, 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, 2019

### (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, donated works of art or capital assets acquired through a service concession arrangement, are recorded at their acquisition 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 majority of the roadway network infrastructure has been transferred to municipal governments throughout 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 2019.

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. The County previously 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 are included within the capital asset disclosure 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, utilizing the straight-line method. Depreciation of these intangible assets approximated \$5.6 million for 2019 and is classified as an operating cost on the Statement of Revenues, Expenses and Changes in Net Position-Proprietary funds. \$104 thousand was additionally capitalized during 2019, bringing the balance at December 31, 2019 to approximately \$102.5 million.

**FULTON COUNTY, GEORGIA**

Notes to the Financial Statements

December 31, 2019

**(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**

Bond premiums or discounts are deferred and amortized over the term of the debt. Bond debt issuance costs are expenses as incurred to comply with new Governmental Accounting Reporting Requirement Statement No. 65. Bond premiums or discounts are also now presented separate from the face value of the outstanding debt, and classified as Deferred Outflows of Financial Resources on the Statement of Net Position on page 13.

**(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-Governmental funds**

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
<u>Unavailable revenues</u>	<u>13,393</u>	<u>697</u>	<u>270</u>	<u>14,360</u>
Property taxes	\$ 13,393	697	270	14,360

# FULTON COUNTY, GEORGIA

## Notes to the Financial Statements

December 31, 2019

### (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, 2019

**(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, 2020 are recorded as expenditures in 2019 (budget) as opposed to 2020 when obligations are due (GAAP); (4) Utilized fund balance to meet balanced budget requirements is recorded as revenue on the budgetary basis statements but not in the governmental fund statement of revenues, expenditures and changes in fund balances-governmental funds.

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

	Net changes in fund balance	
	General Fund	South Fulton Special Tax District Fund
GAAP basis	\$ 16,443	2,520
Adjustments to accruals:		
Tax revenues and receivables	12,498	456
Liabilities	652	8
Fund balance utilized	(29,593)	(2,984)
Budget basis	\$ —	—

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

- (1) Prior to November 15 of the preceding budget year, the County Manager, and the Chief Financial Officer, receives budget requests from County departments.
- (2) Hearings may be held by the County Manager to review budget requests, justifications, and recommendations.

## FULTON COUNTY, GEORGIA

### Notes to the Financial Statements

December 31, 2019

#### **(2) Budgetary Accounting and Compliance (continued)**

- (3) By November 15, the County Manager 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 and is published in accordance with O.C.G.A requirements, and serves as the acting budget until the final budget is adopted.
- (4) A public hearing is held in December and the budget is legally adopted by the Board of Commissioners during a January meeting of the current budget year. A balanced budget is required by law.
- (5) 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 County Manager or designee, are authorized, with certain exceptions, to transfer amounts within departmental budgets.
  - (ii) Budget amendments that would increase total department appropriations, salary appropriations require Board approval.
- (6) Budgets are legally adopted for the two major funds, the General Fund and South Fulton Special 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, 2019. 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.
- (7) 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 2019.

#### **(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.

**FULTON COUNTY, GEORGIA**

Notes to the Financial Statements

December 31, 2019

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

***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, 2019, the County’s primary governmental and business type funds had the following investments:

	December 31, 2019			
	Fair value	< 1 year	1-5 years	6-10 years
Fixed Income:				
US Treasury Obligations	\$ 35,306	35,306	-	-
US Agency Obligations	\$ 63,581	63,581	-	-
Fixed Income subtotal	98,887	98,887	-	-
Money Market Funds	11,231			
Georgia Fund 1	510,680			
Total cash equivalents and investments	\$ 620,798			

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 and certain certificates of deposit. 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 three to five years for all construction and debt related accounts.

The Georgia Fund 1 is managed by the State of Georgia Office of the State Treasurer to maximize current income while preserving principal and providing daily liquidity. It is managed to maintain a constant net asset value of \$1.00 and a weighted maturity of 90 days or less.

***Fair Value Measurement***

GASB Statement No. 72, *Fair Value Measurement and Application*, enhances comparability of governmental financial statements by requiring fair value measurement for certain assets and liabilities using a consistent definition and accepted valuation techniques. The standard establishes a hierarchy of inputs used to measure fair value that prioritizes the inputs into three categories – Level 1, Level 2 and Level 3 inputs – considering the relative reliability of the inputs. The hierarchy gives the highest priority of unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 2 measurements). The three levels of the air value hierarchy are as follows:

Level 1 inputs are quoted (unadjusted) prices in active markets for identical financial assets or liabilities that are accessible at the measurement date;

# FULTON COUNTY, GEORGIA

## Notes to the Financial Statements

December 31, 2019

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

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the financial asset or liability, either directly or indirectly;

Level 3 inputs are unobservable inputs for the financial asset or liability.

The level in the fair value hierarchy within which a fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. Local Government Investment Pools, such as Georgia Fund 1 are categorized as a Level 1, as are the money market funds, US Treasury and US Agency obligations listed in the Interest Rate Risk chart on the previous page. Level 1 securities are valued using prices quoted in active markets for those securities, while Level 2 are subject to pricing by an alternate pricing source due to lack of information by a primary vendor. No Level 2 or 3 investments or securities were held in Primary government funds as of December 31, 2019.

#### *Credit Quality Risk*

Credit Quality Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The US Treasury and Agency obligations of \$98,887 shown above are rated AAA/AA+, while \$11,231 in money market funds possess the highest quality short term ratings. The \$510,680 in Georgia Fund 1 is rated AAAf and managed by the State of Georgia. 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, 2019 (in thousands of dollars):

Balances by category:		<b>2019</b>
Cash and deposits	\$	<u>175,085</u>
Cash equivalents		521,911
Investments		<u>98,887</u>
	\$	<u><u>795,883</u></u>
Balances as presented in the Statement of Net Position:		
Unrestricted activities:		
Cash and cash equivalents	\$	696,671
Investments		59,970
Restricted activities:		
Cash and cash equivalents		325
Investments		<u>38,917</u>
	\$	<u><u>795,883</u></u>

# FULTON COUNTY, GEORGIA

## Notes to the Financial Statements

December 31, 2019

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

The Pension Trust Fund, reported as a fiduciary fund, is authorized by its approved policy, 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, adopted in the Pension plan policy as well, 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 Global fixed income mutual funds 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.

The following is a summary of the carrying amounts of the cash, cash equivalents and investments of the Fiduciary funds at December 31, 2019 (in thousands of dollars):

	2019		
	Pension Trust Fund	OPEB Trust Fund	Agency Funds
Balances by category:			
Cash and cash equivalents	\$ 19,795	4	114,748
Investments	1,393,265	6,168	-
Due from Brokers for Securities Sold	-	-	-
Due to Brokers for Securities Purchased	(3,189)	-	-
	\$ 1,409,871	6,172	114,748

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 six money market accounts which are classified as cash equivalents for a total of \$1,983.

#### ***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, 2019. The OPEB Trust fund’s \$6,168 is comprised

# FULTON COUNTY, GEORGIA

## Notes to the Financial Statements

December 31, 2019

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

of \$1,300 U.S. Treasury Obligation rated AAA and \$4,868 in domestic equity funds rated AA.

	Fair Value	December 31, 2019 ratings				
		AAA	AA	A	BBB	BB & N/R
Fixed Income:						
US Treasury Obligations	\$ 69,373	69,373	-	-	-	-
US Agency Obligations	65,858	-	65,858	-	-	-
Municipal General Obligations	5,331	2,850	1,988	493	-	-
Foreign Government/Agency debt	507	-	-	-	-	507
Corporate Debt	70,270	126	5,158	32,159	30,205	2,622
Corporate Asset & Mortgage Backed Securities	18,247	9,437	7,454	479	877	-
Bank loans	73,982	-	-	-	-	73,982
Domestic Fixed Income Mutual fund	13,723	-	13,723	-	-	-
Global Fixed Income Mutual fund	70,008	-	-	70,008	-	-
Fixed Income totals	\$ 387,299	81,786	94,181	103,139	31,082	77,111

#### **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, 2019. The OPEB Trust fund's \$1,300 of a US Treasury Obligation is due within 1 year.

	Fair Value	December 31, 2019			
		3-12mos	1-5yrs	6-10yrs	>10yrs
Fixed Income:					
US Treasury Obligations	\$ 69,373	-	35,929	23,172	10,272
US Agency Obligations	65,858	181	2,872	5,376	57,429
Municipal General Obligations	5,331	-	48	-	5,283
Foreign Government /Agency debt	507	-	-	507	-
Corporate Debt	70,270	2,409	28,526	26,349	12,986
Corporate Asset & Mortgage Backed Securities	18,247	-	7,244	1,549	9,454
Bank loans	73,982	73,982	-	-	-
Domestic Fixed Income Mutual fund	13,723	-	-	13,723	-
Global Fixed Income Mutual Fund	70,008	-	-	70,008	-
Fixed Income subtotal	387,299	76,572	74,619	140,684	95,424
Equity securities	387,097				
Real Estate Investment Trusts (REITs)	13,565				
Domestic equity index funds-comingled trust	221,786				
Emerging markets equity mutual funds	72,487				
Domestic equity mutual funds	50,474				
International equities	12,429				
International equity mutual funds	178,207				
International comingled funds	69,921				
Cash and Cash Equivalents	19,795				
Due to/from Brokers for Securities Purchased	(3,189)				
Total cash equivalents and investments	\$ 1,409,871				

## FULTON COUNTY, GEORGIA

### Notes to the Financial Statements

December 31, 2019

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

##### *Fair Value Measurement-Fiduciary Funds*

GASB Statement No. 72, Fair Value Measurement and Application, enhances comparability of governmental financial statements by requiring fair value measurement for certain assets and liabilities using a consistent definition and accepted valuation techniques. The standard establishes a hierarchy of inputs used to measure fair value that prioritizes the inputs into three categories – Level 1, Level 2 and Level 3 inputs – considering the relative reliability of the inputs. The hierarchy gives the highest priority of unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 2 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted (unadjusted) prices in active markets for identical financial assets or liabilities that are accessible at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the financial asset or liability, either directly or indirectly;
- Level 3 inputs are unobservable inputs for the financial asset or liability.

The level in the fair value hierarchy within which a fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The following table provides information about Pension Trust fund’s categorization by Level as of December 31, 2019. The OPEB’s Trust funds investments are all categorized as Level 2.

	<b>December 31, 2019</b>			
	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
US Treasury Obligations	\$ 69,373	-	69,373	-
US Agency Obligations	65,858	-	65,858	-
Municipal Obligations	5,331	-	5,331	-
Foreign Government/Agency debt	507	-	507	-
Corporate Debt	70,270	-	70,270	-
Corporate Asset & Mortgage Backed Securities	18,247	-	18,247	-
Bank loans	73,982	-	73,982	-
Domestic Fixed Income Mutual fund	13,723	13,723	-	-
Global Fixed Income Mutual Fund	70,008	70,008	-	-
Domestic equities	387,097	387,097	-	-
Real Estate Investment Trusts (REITs)	13,565	13,565	-	-
Domestic equity index funds-comingled trust	221,786	-	221,786	-
Domestic equity mutual funds	50,474	50,474	-	-
International equities	12,429	12,429	-	-
International equity mutual funds	178,207	178,207	-	-
International comingled funds	69,921	-	69,921	-
Emerging markets equity funds	72,487	-	72,487	-
Cash and Cash Equivalents	19,795	19,795	-	-
Due to/from Brokers for Securities Purchased	(3,189)	(3,189)	-	-
Total cash equivalents and investments	<u>\$ 1,409,871</u>	<u>742,109</u>	<u>667,762</u>	<u>-</u>

**FULTON COUNTY, GEORGIA**

Notes to the Financial Statements

December 31, 2019

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

Debt and Equity securities classified in Level 1 are valued using prices quoted in active markets. Debt and equity securities in Level 2 are valued using either a bid evaluation, which uses market quotations, yields, maturities, call features and ratings. Also used for Level 2 are matrix pricing techniques which value securities based on the relationship to benchmark quoted prices. No Level 3 investments were held as of December 31, 2019.

**(3) Cash and Investments – Component units**

**Hospital Authority**

The Hospital Authority maintains a cash and investments pool utilized by the Hospital Authority. In 2016, the Hospital Authority implemented Statement No. 72 of the Governmental Accounting Standards Board, Fair Value Measurement and Application, which requires the Hospital Authority to use valuation techniques which are appropriate under the circumstances and are a market approach, a cost approach or an income approach. Statement No. 72 establishes a hierarchy of inputs used to measure fair value consisting of three levels. Level 1 inputs are quoted prices for identical assets or liabilities in active market. Level 2 inputs are inputs, other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for asset or liability.

The following is a summary of the fair value hierarchy for deposits and investments of the Hospital Authority as of December 31, 2019, classified as investments on page 28.

		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Cash and Cash Equivalents	\$	41,017	-	-	41,017
Mutual funds		22,045	-	-	22,045
Common collective trust funds		1,752	-	-	1,752
Money Market funds		37	-	-	37
Real assets		-	187	-	187
Miscellaneous assets		-	-	5,920	5,920
Equity securities		3,097	-	-	3,097
	\$	67,948	187	5,920	74,055

***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, 2019, 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.

***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 does not have a formal investment policy that limits investment maturities. The Authority's practice is to structure its portfolio to meet cash requirements for ongoing operations with shorter term or more liquid investments.



FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2019

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

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. The Authority held 99.89% of its investments at Wells Fargo as of December 31, 2019. No limits exist on U.S. issued fixed income securities. Prohibited investments are also specified in the policy.

Hospital Authority

Basic combined discretely presented component unit financial statements:

Unrestricted:		<b>2019</b>
Cash and cash equivalents (deposits and trusts)	\$	<u>223,524</u>
Restricted		
Cash and cash equivalents restricted for debt service		17,029
Investments		74,055
Total	\$	<u><u>314,608</u></u>

Fulton County Board of Health

The Fulton County Board of Health maintains a cash account and has no investments as of December 31, 2019 nor maintained any during the year. Currently the Board does not utilize an investment policy, nor had any balances exposed to custodial or interest rate risk as defined by GASB standards.

Basic combined discretely presented component unit financial statements:

Unrestricted:		<b>2019</b>
Cash and cash equivalents	\$	<u>5,785</u>
Total	\$	<u><u>5,785</u></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. Collections of taxes for the County are accounted for in the Governmental Funds types. Collections and remittance of taxes for other entities are accounted for in the Tax Commissioner Fund (an Agency Fund). Taxes are generally levied at approximately July 1, based on property values as of January 1, and are payable from various due dates from August 15 through October 15 depending on the taxing governmental entity. After the due date, interest is charged on unpaid taxes, with a 10% penalty being assessed in addition to interest charges as receivables become greater than 90 days delinquent. The Board of Commissioners generally establishes the property tax millage rates by June 30. Unpaid property taxes may attach as an enforceable lien on property as of January 1 of the following year.

## FULTON COUNTY, GEORGIA

### Notes to the Financial Statements

December 31, 2019

#### (4) Taxes (continued)

##### (b) *Local Option Sales Tax*

The County receives approximately 5% 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.

##### (c) *Transportation Special Purpose Local Option Sales tax*

During fiscal year 2017, County voters approved a specific sales tax of \$.75 in all areas of the County except the City of Atlanta, which approved a \$.5% increase. These revenues accrue to each geographic area based on population, and are dedicated to local transportation improvements and repairs designed to ease traffic burdens upon County residents. The County was charged with overall administration of the transportation project distribution, which is shown as a new Special Revenue fund labeled as T-Splost Administration. These funds are used to fund a small administrative effort at ensuring proper distribution of funds to each municipality. The County also entered into an agreement with the newly incorporated City of South Fulton to administer their portion of this tax, and provide transportation project management and construction. This agreement has now concluded, and the City of South Fulton now undertakes these improvements directly.

##### (d) *Tax Abatements*

GASB Statement No. 77, *Tax Abatement Disclosures* requires state and local governments to disclose tax abatement agreements entered by other governments that reduce the reporting government's tax revenues. Fulton County, through the Development Authority of Fulton County, allows for taxable revenue bond financing, pursuant to the Georgia Development Authorities law, under Title 36 Chapter 62 of the Official Code of Georgia, in order to promote the creation of jobs and stimulate development activity within Fulton County. The taxable revenue bond financings result in the reduction of ad valorem (real and/or personal property) taxes.

The County offers a reduction in property taxes through the structure of these financing arrangements. Specifically, the Development Authority of Fulton County, a tax exempt public organization created independently from the County, may enter into agreements with private individuals or entities in order to incentivize these businesses to build, relocate, expand, or renovate in Fulton County. These agreements involve a bond issuance and sale-leaseback transaction, whereby the Development Authority takes title to property and leases it back to the company. The company is responsible for making ad valorem tax payments on its leasehold interest. The rental payments for the leasehold offset the debt service on the bonds over a fixed 10 year term, so that at the end of the incentive period the bonds are fully retired and the company regains title of the property through an option to purchase.

Fulton County's long-standing policy for Development Incentives provides for a 50% ramp up over a 10 year period. Following completion of construction, a company pays property taxes on its leasehold interest in the project of 50% of the fair market value of the real and/or personal

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2019

(4) Taxes (continued)

property in the first year, with a 5% increase each year over a 10 year period, after which the company takes title back to the property and must then pay taxes on the full fair market value of the property. The company has a smaller property tax obligation through this financing arrangement than it would under outright ownership of the property due to the reduced value of the company’s leasehold interest in the property over the designated ramp-up period. 2018 values are shown on the following pages:

The Development Authority considers the economic impacts of a proposed project and weighs such benefits against the costs of reduced revenue impacts when considering whether to enter into a taxable revenue bond deal with an individual or entity. Generally eligible projects involve a commitment of significant capital investment and/or the creation of net new jobs to the County, which propose a favorable return on investment for the County. For residential projects, a commitment by the developer to provide affordable housing may be required. There are no additional commitments other than to provide favorable tax treatment. There are no provisions for recapturing incentives; however, the Development Authority can immediately return title to a company for a non-performing project, which cancels the incentive going forward. There are no amounts receivable from other governments. There are no quantitative thresholds used to determine disclosures of these type agreements.

<u>Tax Abatement Program</u>	<u>Total Amount of Taxes Abated (Incentives Abated) for the year 2019 (in thousands)</u>
Fulton County Development Authority	<u>\$10,194</u>

Another abatement utilized in Fulton County is the Local Enterprise Zone Program, which allows for qualified businesses and service enterprises located with on enterprise zone to the following exemptions from county ad valorem taxes under O.C.G.A 36-88-8(a)(1) and Fulton County Code of Ordinances Sec. 118-101.

- (1) One hundred percent of the county ad valorem taxes for the first five years;
- (2) Eighty percent of the county ad valorem taxes for the next two years;
- (3) Sixty percent of the county ad valorem taxes for the next (eighth) year;
- (4) Forty percent of the county ad valorem taxes for the next (ninth) year; and
- (5) Twenty percent of the county ad valorem taxes for the last (tenth) year.

Fulton County considers enterprise zone designations for major projects on a case by case basis. In order to be designated as an enterprise zone, a nominated area must meet three of four criteria, as established by the state, including evidence of pervasive poverty, above average unemployment, general economic distress, and underdevelopment. Qualifying business or service enterprises that are located within a designated enterprise zone, create and maintain five or more new full-time job equivalents, and provide additional economic stimulus, as approved by the Fulton County Board of Commissioners, may be entitled to property tax exemptions on a downward sliding scale over a 10 year period. Qualified industries include those businesses primarily involved in manufacturing, warehousing and distribution, processing, telecommunications, tourism, research and development, finance, insurance, and real estate activities.

# FULTON COUNTY, GEORGIA

## Notes to the Financial Statements

December 31, 2019

### (4) Taxes (continued)

Businesses must apply to Select Fulton, the economic development organization for Fulton County, in addition to the municipality located within the particular enterprise zone and upon approval must enter into a contractual agreement that outlines the tax exemptions offered to the business, in addition to guidelines for the recapture, revocation, or reimbursement of taxes should the business violate the terms of the contractual agreement or enabling statutes.

Generally, failure to maintain the incentive qualification will result in revocation and recapture of all incentives granted prior to the expiration of the incentive term. Creation of at least five net new full time jobs, ten percent of which should be filled with low to moderate income individuals, whenever possible, is a commitment made by recipients. There are no additional commitments other than to provide favorable tax treatment. There are no amounts receivable from other governments. There are no quantitative thresholds used to determine disclosures of these type agreements.

<u>Tax Abatement Program</u>	<u>Total Amount of Taxes Abated (Incentives Abated) for the year 2019 (in thousands)</u>
Local Enterprise Zone Program	<u>\$470</u>

An additional abatement available in Fulton County is the State of Georgia Preferential Property Tax Assessment Program for Rehabilitated Historic Property, which allows for an 8 and ½ year property tax assessment freeze on historic properties that have been substantially rehabilitated.

State of Georgia statutes O.C.G.A. 48-5-7(c) and O.C.G.A 48-8-7.2 allow the property owner to file the preliminary certification form with the local county tax commission to initiate the freeze, substantially rehabilitate the property within two years, and then once substantially rehabilitated, must file a final certification request to the Department of Natural Resources Historic Preservation Division. Upon final approval, the property owner must file the paperwork with the Fulton County Tax Assessor's office to continue the property tax assessment freeze for the remaining 6 ½ years. In the ninth year, the assessment increases to 50 percent of the difference between the initial frozen valuation and the current assessment value. In the tenth year, the property tax assessment returns to the full fair market value.

The property must qualify for listing on the National/Georgia Register of Historic Places. The rehabilitation must meet the Department of Natural Resources' (DNR) *Standards for Rehabilitation* and must be completed within two years. For a residential property, the substantial rehabilitation test is met when the qualified rehabilitation has increased the fair market value of the building or structure by not less than 50 percent. For commercial property, the test is met when the rehabilitation has increased the fair market value of the building or structure by not less than 100 percent. For mixed use property, the test is met if the rehabilitation has increased the fair market value of the building or structure by not less than 75 percent.

A property owner who fails to have property classified as rehabilitated historic property and listed on the Georgia Register of Historic Places for the preferential assessment shall be required to pay the difference between the amount of taxes on the property during the period that the assessment was frozen and the amount of taxes which would have been due had the property been assessed at the regular fair market value, plus interest on the past due taxes.

**FULTON COUNTY, GEORGIA**

Notes to the Financial Statements

December 31, 2019

**(4) Taxes (continued)**

There are no additional commitments other than to provide favorable tax treatment. There are no amounts receivable from other governments.

<u>Tax Abatement Program</u>	<u>Total Amount of Taxes Abated (Incentives Abated) for the year 2019 (in thousands)</u>
Georgia Preferential Property Tax Assessment Program for Rehabilitated Historic Property	<u>\$226</u>

Other Government Agreements for Abatements of Property taxes:

County property tax revenues were reduced by \$1,544 under agreements entered into with the City of Atlanta, reduced by \$87 under agreements entered into by the City of Alpharetta, reduced \$296 with agreements with the City of Sandy Springs and reduced by \$94 with agreements with the City of Hapeville.

**(5) Allowances for Uncollectible Receivables**

Allowances for uncollectible receivables at December 31, 2019 are as follows (in thousands of dollars):

	<u>2018</u>
Taxes Receivable:	
General Fund	\$ 4,413
Debt Service Fund	86
South Fulton Special Taxing District	654
Agency Funds	<u>13,802</u>
	\$ <u>18,955</u>
 Accounts Receivable – Water and Sewerage System Fund	 \$ <u>732</u>

**(6) Due from Other Governments**

Governmental type funds include receivables from other governments for various activities. The General fund is owed \$415 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 \$4,515 for federal and state financial assistance related to various grantor receivables in grants-in aid, while \$99 is due for capital costs for an emergency communication system from one municipality. Also \$1,350 is due for an agreement related to library revenues in lieu of taxes for a tax allocation district.

Business type funds are owed \$6,444 which includes \$1,679 (net of an allowance of \$11,092) 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, 2019. Other Enterprise funds are also owed \$4,765 as of December 31, 2019 for the provision of contractual services to the Fulton County Board of Health.

**FULTON COUNTY, GEORGIA**

Notes to the Financial Statements

December 31, 2019

**(7) Capital Assets and Infrastructure**

The County's 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 and are reported separately in the following pages.

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

	<u>January 1,</u> <u>2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>December 31,</u> <u>2019</u>
Capital assets not being depreciated:				
Land and land improvements	\$ 56,114	3,051	(461)	58,704
Construction in progress	81,965	76,203	(18,022)	140,146
Total capital assets not being depreciated	<u>138,079</u>	<u>79,254</u>	<u>(18,483)</u>	<u>198,850</u>
Capital assets being depreciated:				
Equipment	147,694	2,789	(2,779)	147,704
Buildings and other improvements	840,729	26,228	—	866,957
Roadway network	65,606	—	—	65,606
Total capital assets being depreciated	<u>1,054,029</u>	<u>29,017</u>	<u>(2,779)</u>	<u>1,080,267</u>
Less accumulated depreciation for:				
Equipment	(126,696)	(5,876)	2,769	(129,803)
Buildings and other improvements	(455,000)	(16,920)	—	(471,920)
Roadway network	(32,150)	(1,276)	—	(33,426)
Total accumulated depreciation	<u>(613,846)</u>	<u>(24,072)</u>	<u>2,769</u>	<u>(635,149)</u>
Net capital assets being depreciated	<u>440,183</u>	<u>4,945</u>	<u>(10)</u>	<u>445,118</u>
Net capital assets- governmental activities	<u>\$ 578,262</u>	<u>84,199</u>	<u>(18,493)</u>	<u>643,968</u>

Depreciation expense was charged to these functions of the primary governmental activities as follows:

Administration	\$ 2,280
Public Safety	4,787
Legal	5,015
Infrastructure and facilities	6,975
Social services	4,559
Health services	456
Total depreciation expense, governmental activities	<u>\$ 24,072</u>

## FULTON COUNTY, GEORGIA

### Notes to the Financial Statements

December 31, 2019

#### (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.

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.

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

	<u>January 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>December 31, 2019</u>
Water and Sewerage System fund:				
Capital assets not being depreciated:				
Land improvements	\$ 10,201	—	—	10,201
Construction in progress	66,742	63,586	(41,850)	88,478
Total capital assets not being depreciated	<u>76,943</u>	<u>63,586</u>	<u>(41,850)</u>	<u>98,679</u>
Capital assets being depreciated:				
Equipment	17,595	1,794	(562)	18,827
Water system	320,203	5,561	—	325,764
Sewerage system	1,170,818	44,523	—	1,215,341
Intangible assets	174,695	104	—	174,799
Total capital assets being depreciated	<u>1,683,311</u>	<u>51,982</u>	<u>(562)</u>	<u>1,734,731</u>
Less accumulated depreciation for:				
Equipment	(14,539)	(944)	562	(14,921)
Water system	(108,883)	(6,174)	—	(115,057)
Sewerage system	(439,137)	(23,148)	—	(462,285)
Intangible assets	(66,787)	(5,567)	—	(72,354)
Total accumulated depreciation	<u>(629,346)</u>	<u>(35,833)</u>	<u>562</u>	<u>(664,617)</u>
Net capital assets being depreciated	<u>1,053,965</u>	<u>16,149</u>	<u>—</u>	<u>1,070,114</u>
Net capital assets-Water and Sewerage System fund	<u>\$ 1,130,908</u>	<u>79,735</u>	<u>(41,850)</u>	<u>1,168,793</u>

**FULTON COUNTY, GEORGIA**

Notes to the Financial Statements

December 31, 2019

**(7) Capital Assets and Infrastructure (continued)**

	<u>January 1,</u> <u>2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>December 31,</u> <u>2019</u>
Airport fund:				
Capital assets not being depreciated:				
Land and land improvements	\$ 27,909	—	—	27,909
Total capital assets not being depreciated	<u>27,909</u>	<u>—</u>	<u>—</u>	<u>27,909</u>
Capital assets being depreciated:				
Equipment	1,482	150	(19)	1,613
Buildings and other improvements	5,457	—	—	5,457
Total capital assets being depreciated	<u>6,939</u>	<u>150</u>	<u>(19)</u>	<u>7,070</u>
Less accumulated depreciation for:				
Equipment	(1,444)	(19)	19	(1,444)
Buildings and other improvements	(5,450)	(3)	—	(5,453)
Total accumulated depreciation	<u>(6,894)</u>	<u>(22)</u>	<u>19</u>	<u>(6,897)</u>
Net capital assets being depreciated	<u>45</u>	<u>128</u>	<u>—</u>	<u>173</u>
Net capital assets-Airport fund	\$ <u>27,954</u>	<u>128</u>	<u>—</u>	<u>28,082</u>
	<u>January 1,</u> <u>2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>December 31,</u> <u>2019</u>
Wolf Creek Amphitheater fund:				
Capital assets being depreciated:				
Equipment	300	—	—	300
Buildings and other improvements	7,212	—	—	7,212
Total capital assets being depreciated	<u>7,512</u>	<u>—</u>	<u>—</u>	<u>7,512</u>
Less accumulated depreciation for:				
Equipment	(119)	(37)	—	(156)
Buildings and other improvements	(1,287)	(185)	—	(1,472)
Total accumulated depreciation	<u>(1,406)</u>	<u>(222)</u>	<u>—</u>	<u>(1,628)</u>
Net capital assets being depreciated	<u>6,106</u>	<u>(222)</u>	<u>—</u>	<u>5,884</u>
Net capital assets-Wolf Creek Amphitheater fund	\$ <u>6,106</u>	<u>(222)</u>	<u>—</u>	<u>5,884</u>

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

Business-type activities:	
Water and Sewerage	\$ 35,833
Airport	22
Wolf Creek Amphitheater	<u>222</u>
Total depreciation expense, business-type activities	<u>\$ 36,077</u>



**FULTON COUNTY, GEORGIA**

Notes to the Financial Statements

December 31, 2019

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

A summary of the capital assets of the Fulton DeKalb Hospital Authority, a component unit, is as follows (in thousands):

	<u>January 1, 2019</u>	<u>Increases</u>	<u>Decreases/ Other Changes</u>	<u>December 31, 2019</u>
Capital assets not being depreciated:				
Land	\$ 3,062	—	—	3,062
Construction in progress	40,378	10,690	—	51,068
Total capital assets not being depreciated	43,440	10,690	—	54,130
Capital assets being depreciated:				
Equipment	409,317	42,594	(4,153)	447,758
Buildings	405,332	22,851	(10,638)	417,545
Total capital assets being depreciated	814,649	65,445	(14,791)	865,303
Less accumulated depreciation for:				
Equipment	(271,593)	(36,788)	4,153	(304,228)
Buildings and other improvements	(172,582)	(23,484)	—	(196,066)
Total accumulated depreciation	(444,175)	(60,272)	4,153	(500,294)
Net capital assets being depreciated	370,474	5,173	(10,638)	365,009
Net capital assets- governmental activities	\$ 413,914	15,863	(10,638)	419,139

Total depreciation expense for the Hospital Authority was \$60,272. All depreciation was incurred on assets acquired to provide health services.

A summary of the capital assets of the Fulton County Board of Health, a component unit, is as follows (in thousands):

	<u>January 1, 2019</u>	<u>Increases</u>	<u>Decreases/ Other Changes</u>	<u>December 31, 2019</u>
Capital assets being depreciated:				
Equipment	\$ —	206	—	206
Total capital assets being depreciated	—	206	—	206
Less accumulated depreciation for:				
Equipment	—	(10)	—	(10)
Total accumulated depreciation	—	(10)	—	(10)
Net capital assets being depreciated	—	196	—	196
Net capital assets- governmental activities	\$ —	196	—	196

Total depreciation expense for the Fulton County Board of Health was \$10. All depreciation was incurred on assets acquired to provide health services.

**FULTON COUNTY, GEORGIA**

Notes to the Financial Statements

December 31, 2019

**(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, 2019 (in thousands of dollars):

	<b>January 1, 2019</b>	<b>Additions</b>	<b>Retirements</b>	<b>Other</b>	<b>December 31, 2019</b>	<b>Due within one year</b>
Governmental activities:						
Certificates of participation	\$ 19,315	-	(19,315)	-	-	-
Less deferred charges, net	1,884	-	-	(1,884)	-	
Total Certificates of Participation	21,199	-	(19,315)	(1,884)	-	
Library General Obligation Bonds	237,355	-	(5,135)	-	232,220	5,355
Less deferred charges, net	7,872	-	-	(153)	7,719	
Total Library General Obligation Bonds	245,227	-	(5,135)	(153)	239,939	
Fulton County Urban Redevelopment Agency	59,651	39,335	(4,765)	-	94,221	7,272
Less deferred charges, net	-	5,971	-	(199)	5,772	
Total Fulton County Urban Redevelopment Agency	59,651	45,306	(4,765)	(199)	99,993	
Intergovernmental agreement-AFCRA	1,910	-	(442)	-	1,468	465
Intergovernmental agreement-SF Jail Authority	12,825	-	(420)	-	12,405	720
Compensated absences	37,664	12,958	(10,921)	-	39,701	12,958
Other long term capital lease obligations	47,559	18,500	(7,409)	-	58,650	8,660
Net other post employment benefits	966,367	64,234	(36,150)	-	994,451	-
Net pension liability	629,331	-	-	(187,103)	442,228	-
Claims and judgments	12,675	-	-	(422)	12,253	176
Post-closure care	7,752	-	(1,451)	-	6,301	-
Total Governmental activities	\$ 2,042,160	140,998	(86,008)	(189,761)	1,907,389	35,606
Business-type activities:						
Water & Sewerage Revenue Bonds	\$ 396,575	-	(17,720)	-	378,855	18,605
Less deferred charges, net	33,822	-	-	(4,213)	29,609	
Total Water & Sewerage Revenue Bonds	430,397	-	(17,720)	(4,213)	408,464	
Other long-term liabilities	1,390	636	(715)	-	1,311	
Total business-type activities	\$ 431,787	636	(18,435)	(4,213)	409,775	18,605

**FULTON COUNTY, GEORGIA**

Notes to the Financial Statements

December 31, 2019

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

***Bonds Payable***

***General Obligation Bonds*** - The County issued \$104,785 in January 2017 of Library General Obligation bonds, in addition to the 2010 issuance 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. No other general obligation bonds are outstanding.

<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>
Governmental activities:					
2010 General Obligation	3.475-5.148%	2039	128,495	4,820-8,560	Library facilities
2017 General Obligation	3.00-5.00%	2044	103,725	535-13,310	Library facilities
			\$ <u>232,220</u>		

***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. 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	3.00-5.00%	2027	155,590	17,510-21,505	Water/Sewer facilities
2013 Water and Sewerage	3.375-5.00%	2034	223,265	3,560-33,905	Water/Sewer facilities
			\$ <u>378,855</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 \$7,382,833. As of December 31, 2019, the County had \$239,939 of direct general obligation debt less \$32,939 of funds to service this debt. Therefore, the County's unused debt margin was \$7,175,833 as of December 31, 2019.

***Accumulated Leave Benefits*** – for governmental funds, accumulated leave benefits, including net pension liabilities and OPEB benefits are liquidated by the General, South Fulton Taxing District, 911, Grants in Aid and other smaller governmental funds. Business type activities liquidate same liabilities from the Water & Sewerage System and Airport fund.

**FULTON COUNTY, GEORGIA**

Notes to the Financial Statements

December 31, 2019

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

**Covenants** - The various bond indentures contain a number of limitations and restrictions. The County previously self-reported to the SEC pursuant to the Division of Enforcement's (the "Division") Municipalities Continuing Disclosure Cooperation Initiative (the "MCDC Initiative"). The County submitted an Offer of Settlement in April 2016 which the SEC accepted and which resulted in an order being entered by the SEC on the matter on August 24, 2016, (the "MCDC Order"). Solely for the purpose of the proceedings brought by or on behalf of the SEC under the MCDC Initiative, and without admitting or denying the findings in the MCDC Order, except as to the SEC's jurisdiction over it and the subject matter of the proceedings, which were admitted, the County consented to the entry of the MCDC Order. Compliance actions included establishing appropriate written policy and procedures to effect compliance with existing securities laws, comply with existing disclosure undertakings, disclose terms of the settlement in any final official statements for five years subsequent to the order. The County complied with these provisions within the required 180 days, and provided supporting material as required by August 24, 2017.

**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 fully defeased as of December 31, 2019.

The annual requirements to amortize bonds payable as of December 31, 2019, 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
2020	\$ 5,355	10,151	18,605	18,174	23,960	28,325
2021	5,585	9,944	19,520	17,255	25,105	27,199
2022	5,835	9,715	20,490	16,290	26,325	26,005
2023	6,095	9,467	21,505	15,266	27,600	24,733
2024	6,370	9,201	21,070	14,190	27,440	23,391
2025-2029	36,610	41,137	122,230	54,058	158,840	95,195
2030-2034	46,510	31,171	155,435	20,868	201,945	52,039
2035-2039	59,355	19,114	-	-	59,355	19,114
2040-2044	60,505	6,287	-	-	60,505	6,287
Total	232,220	146,187	378,855	156,101	611,075	302,288
Deferred charges/ premiums	7,719	(7,719)	29,609	(29,609)	37,328	(37,328)
Total	\$ 239,939	138,468	408,464	126,492	648,403	264,960

## FULTON COUNTY, GEORGIA

### Notes to the Financial Statements

December 31, 2019

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

##### ***Fulton County Facilities Corporation Certificates of Participation***

The County in 1999 entered into a capital lease obligation with the Fulton County Facilities Corporation to finance costs of acquiring, constructing, renovating and equipping various public purpose projects in Fulton County. The County entered into a Public-Purpose Master Lease agreement 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 fully matured on November 1, 2019, and no outstanding bonds remain as of December 31, 2019.

##### ***Fulton County Project-South Fulton Regional Jail Authority***

The County on October 1, 2018, entered into an intergovernmental agreement with the South Fulton Municipal Regional Jail Authority, an entity that is empowered to sell property for the operations of a jail within the County. The previously constructed and operated jail facility refunded outstanding debt under this arrangement, in which the County agreed to pay the Authority amounts sufficient to pay the debt service on the Authority's 2018 bond of \$12,825. The interest rate under this agreement is 2.99%, and \$12,405 remained outstanding as of December 31, 2019. Total payments for this agreement total \$15,371 which includes interest of \$2,966.

##### ***Fulton County Urban Redevelopment Agency bonds***

The County entered into a new capital lease obligation during 2019 with the Fulton County Urban Redevelopment Authority (FCURA) in the amount of \$39,335, all of which remains outstanding as of December 31, 2019, for public building improvements within the declared economic recovery zones within Fulton County. The County also has existing leases entered into during 2010, 2011 and 2017 with FCURA, an entity that finances the costs of acquiring, constructing, renovating and equipping various public purpose projects within declared economic recovery zones within Fulton County. 2010's issuance of \$26,441 was for initial projects under the American Recovery and Reinvestment Act. In 2011, the Authority also issued \$5,372 in Qualified Energy Conservation bonds under the same Act for improvements to reduce utility costs in qualified areas. Both these issuances receive federal interest subsidies under the original agreements. 2017's issuance of \$45,000 was outside the Act, but remains dedicated similar to the 2019 lease for public building improvements within the declared economic recovery area. The County entered into Public-Purpose Master Lease agreements for all these bond issues, in which the County agreed to make annual lease payments, subject to annual appropriation that is sufficient to pay principal and interest to the Authority. The interest rate for these new 2019 obligations ranged from 3.0% to 5.0%. The total lease obligations as of December 31, 2019 for the 2017 bonds are \$39,855 with an interest rate of 2.29%. The remaining 2010 bonds of \$12,041 were issued at 4.70% while the remaining 2011 bonds of \$2,990 were issued at 3.18%. The amounts shown below do not include any of these subsidies. The County intends to issue another \$55 million in these leases in 2021 for additional facility improvements.

**FULTON COUNTY, GEORGIA**

Notes to the Financial Statements

December 31, 2019

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

The annual requirements to amortize these lease obligations as of December 31, 2019, including interest payments of \$21,795 are as follows (in thousands of dollars):

<u>Year ended December 31,</u>	<u>South Fulton Regional Jail Authority</u>	<u>Fulton County Urban Redevel- opment Agency</u>
2020	\$ 1,091	10,466
2021	1,094	10,448
2022	1,092	10,419
2023	1,094	10,394
2025	1,096	10,367
2025-2029	5,492	41,178
2030-2034	4,412	22,744
Total minimum lease payments	<u>\$ 15,371</u>	<u>116,016</u>
Less: Amount representing interest	<u>(2,966)</u>	<u>(21,795)</u>
Present value of minimum lease payments	<u>\$ 12,405</u>	<u>94,221</u>

***Tax Anticipation Note***

The County issued a \$200 million tax anticipation note on May 23, 2019 to fund cash requirements until the primary source of cash revenues of property taxes are received generally in October and November of each year. The interest cost on this borrowing was approximately \$1.8 million. The note was fully paid on December 31, 2019, with an interest rate yield of 1.45%.

Liability for Tax Anticipation Note, January 1, 2019	\$ -
Issued	200,000,000
Matured and paid	<u>200,000,000</u>
Liability for Tax Anticipation Note, December 31, 2019	\$ -

# FULTON COUNTY, GEORGIA

## Notes to the Financial Statements

December 31, 2019

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

#### *Other Long-term Obligations - Capital Leases*

The County entered into an installment sale lease agreement with the Association of County Commissioners of Georgia (ACCG), as of November 1, 2019 for \$18,500. This was for the acquisition of buildings and equipment for the provision of mental health services as well as other county services, which subsequently is being utilized as a testing site for Covid-19. This agreement is for 15 years at 1.97% interest payable semi-annually. This and other existing capital lease obligations totaled \$58,650 as of December 31, 2019, with interest rates ranging from 1.63-4.05%. 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 currently financed through capital leases are \$133,744 as of December 31, 2019, of which \$23,632 is buildings; \$52,659 is equipment and \$57,453 is recorded for mechanical, electrical and plumbing improvements to the County's jail. Accumulated amortization on these leased assets is approximately \$35 million as of December 31, 2019.

The annual requirements to amortize these other capital lease obligations as of December 31, 2019, including interest payments of \$7,318 are as follows (in thousands):

<u>Year Ended</u> <u>December 31</u>	<u>Capital Lease</u> <u>Obligations</u>
2020	\$ 10,255
2021	9,583
2022	8,303
2023	7,945
2024	7,727
2025-2029	15,002
2939-2034	7,153
Total minimum lease payments	<u>65,968</u>
Amounts representing interest	<u>(7,318)</u>
Present value of minimum lease payments	<u>\$ 58,650</u>

**FULTON COUNTY, GEORGIA**

Notes to the Financial Statements

December 31, 2019

**(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, 2019 are noted below: (in thousands)

	<b>January 1, 2019</b>	<b>Additions</b>	<b>Retirements</b>	<b>December 31, 2019</b>	<b>Due within one year</b>
Long-term debt:					
Revenue Certificates	\$ 98,795	-	(22,820)	75,975	23,240
Notes payable	51,494	168	-	51,662	-
Capital lease obligations	3,103	-	(593)	2,510	595
Total long-term debt	<u>153,392</u>	<u>168</u>	<u>(23,413)</u>	<u>130,147</u>	<u>23,835</u>
Other long-term liabilities:					
Workers Compensation	1,851	453	-	2,304	1,662
General Professional	52,376	-	(2,321)	50,055	10,800
Accrued OPEB	2,203	-	(845)	1,358	-
Other	7,244	92	-	7,336	-
Total	<u>\$ 63,674</u>	<u>545</u>	<u>(3,166)</u>	<u>61,053</u>	<u>12,462</u>

**(h) Hospital Authority Capital Lease Obligations**

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>
2020	\$ 23,240	1,560	595	148	23,835	1,708
2021	16,345	1,105	629	106	16,974	1,211
2022	16,980	692	598	63	17,578	755
2023	19,410	241	496	27	19,906	268
2024	-	-	192	3	192	3
Total	<u>\$ 75,975</u>	<u>3,598</u>	<u>2,510</u>	<u>347</u>	<u>78,485</u>	<u>3,945</u>

The Hospital Authority has entered into various capital lease agreements for equipment. At December 31, 2019, the amount of equipment recorded under capital leases amount to approximately \$8.2 million and the related accumulated amortization amounted to approximately \$5.7 million.



**FULTON COUNTY, GEORGIA**

Notes to the Financial Statements

December 31, 2019

**(8) 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 5 years. The County payments specific to landfill postclosure care approximated \$1,451 in 2019, which are paid by the General 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. During February 2016, the Hospital obtained a new credit facility which is now extended to March 2021. This provides a \$30 million general working capital component only which accrues interest at one-month LIBOR plus 100 basis points plus a 10 basis point commitment fee on the unused line. No amounts were due under this line of credit as of December 31, 2019. On April 6, 2020, \$30 million was borrowed against the line to provide additional cash flow available to the Hospital due to COVID-19 uncertainties.

**(c) Fulton County Board of Health**

The FCBOH reported no long term obligations for the 12 months ending June 30, 2019.

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

No interfund liabilities or receivables exist as of December 31, 2019. 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):

<b>Transferred From</b>	<b>Transferred To</b>			<b>Total</b>
	General fund	South Fulton Tax District fund	Non-Major Govern- mental funds	
General fund	\$ 14	428	57,400	57,842
South Fulton Special District fund	-	-	4,008	4,008
Non-Major Governmental funds	-	-	160	160
Non-Major Enterprise funds	-	250	1,081	1,331
	\$ 14	428	62,649	63,341

# FULTON COUNTY, GEORGIA

## Notes to the Financial Statements

December 31, 2019

### (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, 2019, which is expected to be paid after one year, is \$12,253. 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 2019. 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, 2019, the present value of the estimated future liability for outstanding claims, including estimated incurred, but not reported claims, is \$16,653. At December 31, 2019, the County held \$16,756 in cash and cash equivalents and \$4,759 in other current assets that is available for payment of these claims.

The County has also recorded a liability within the Risk Management Fund of \$3,095 to provide for resources to insure for general, employee and vehicle liability and automobile physical damage. At December 31, 2019, the County held \$33,936 in cash and cash equivalents and other assets of \$85 that are available for payment of these and future claims.

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

Changes in the balances of claims liabilities for the County for the period ended December 31, 2019 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>
2019	\$	24,724	136,018	(128,741)	32,001
2018		23,461	121,173	(119,910)	24,724
2017		23,203	117,372	(117,114)	23,461

## FULTON COUNTY, GEORGIA

### Notes to the Financial Statements

December 31, 2019

#### (12) Retirement Plans

##### *(a) County Pension Plan (in thousands, except for membership data)*

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 Chief Financial Officer, 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.

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

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

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

**FULTON COUNTY, GEORGIA**

Notes to the Financial Statements

December 31, 2019

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

The required contribution percentages developed in the most recent actuarial valuations for the Plan, and the actual contributions, but not including contributions of \$198 to the Supplemental Plan described in this note, made for 2019 are as follows (in thousands of dollars):

	<b>2019</b>
Total required employer contributions:	
Dollar amount	\$ 64,773
Percent of covered payroll	499.95%
Actual employer contributions:	
Dollar amount	\$ 64,777
Percent of covered payroll	499.99%

Employee contribution rates are established in accordance with pension law. During 2019 actual countywide employee contributions were \$859 which represented 6.63% 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.

***Membership***

Current membership in the Plan and current year payrolls for 2019 are as follows:

Members:	
Retired and receiving benefits	\$ 3,229
Terminated with vested benefits	18
Active employees:	
Vested	203
Total members	3,450
Total current year payroll for employees covered by the Plan (in thousands)	\$ 12,956

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.

**FULTON COUNTY, GEORGIA**

Notes to the Financial Statements

December 31, 2019

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

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, 2020 valuation, the Fulton County Employees Retirement System Board approved a lower assumed rate of return from 7.25% to 7.15%, and also decreased the administrative expense assumption from \$800 to \$750. These changes affected the actuarial liability by \$17.6 million. There were no changes in plan provisions from the last valuation date.

The System's total and net pension liability for the years ended December 31, 2019 and 2018 are as follows:

<b>Fiscal year ended</b>	<b>Total Pension Liability</b>	<b>Fiduciary Net Position</b>	<b>Net Pension Liability</b>	<b>Fiduciary net position as a percentage of Total Pension Liability</b>
December 31, 2019	\$ 1,865,254	1,423,026	\$ 442,228	76.29%
December 31, 2018	\$ 1,852,863	1,223,532	\$ 629,331	66.03%

***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 7.15%, and the System's net pension liability would be if it were calculated using a discount rate this is one-percentage-point lower (6.15%) or one-percentage-point higher (8.15%) than the current rate.

	<b>1% Decrease (6.15%)</b>	<b>Current Discount (7.15%)</b>	<b>1% Increase (8.15%)</b>
System's net pension liability	\$637,438	\$442,228	\$280,101

The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rates(as a percentage of pay) and the county contributions will be made equal to the actuarial determined contribution. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected benefit payments of current plan members. Therefore, the long-term expected rate of return on the pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**FULTON COUNTY, GEORGIA**

Notes to the Financial Statements

December 31, 2019

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

Changes in Total and Net Pension Liability, and Plan Fiduciary Net Position are shown below:

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
<b>Balances at December 31, 2018</b>	\$ 1,852,863	1,223,532	629,331
Changes for the year:			
Service cost	2,700		2,700
Interest	129,377		129,377
Benefit changes			-
Difference between expected and actual experience	4,854		4,854
Change of assumptions	17,554		17,554
Contributions - employer		64,777	(64,777)
Contributions - employee		859	(859)
Net investment income		276,707	(276,707)
Benefit payments, including refunds of employee contributions	(142,094)	(142,094)	-
Administrative expense		(755)	755
Net changes	\$ 12,391	199,494	(187,103)
<b>Balances at December 31, 2019</b>	\$ <u>1,865,254</u>	<u>1,423,026</u>	<u>442,228</u>

***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, 2019
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar, closed period.
Remaining amortization period	15 year average remaining, depending on which bases.
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	7.25%. 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.

**FULTON COUNTY, GEORGIA**

Notes to the Financial Statements

December 31, 2019

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

*Methods and assumptions used in the calculations of actuarially determined contributions*

Inflation rate	2.0%
Projected salary increases	2.0%-6.0% depending on age, and if Public Safety employee
Mortality Rates-Pre-Retirement	RP-2006 Blue Collar Mortality Table, projected generationally from 2006 using Scale MP-2016.
Mortality Rates-Healthy Annuitants	RP-2006 Blue Collar Healthy Annuitant Mortality Table, set forward two years for males and one year for females, and projected generationally from 2006 using Scale MP-2016.
Mortality Rates-Disabled Annuitants	RP-2006 Disabled Retiree Mortality Table, set forward four years for males and unadjusted for females, and projected generationally from 2006 using Scale MP-2016.

The following presents target allocations and long term expected rates of return for the Plan. The long-term expected rate of return on pension plan investments was determined using a building – block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the pension plan’s target asset allocation as of December 31, 2019 as shown below.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return*</u>
U.S. Large Cap Equity	31.50%	4.70%
U.S. Small/Mid Cap Equity	14.00%	5.20%
International Equity	12.50%	5.00%
Emerging Market Equity	5.00%	7.20%
International Small Cap Equity	5.00%	5.50%
Bank Loans	5.00%	3.20%
Domestic Fixed Income	17.00%	1.40%
Global Fixed Income	5.00%	0.40%
Asset Allocation (60/40 EQ/FI Tft)	<u>5.00%</u>	3.20%
	100.00%	

\*Expected real rate of return is net of inflation

**FULTON COUNTY, GEORGIA**

Notes to the Financial Statements

December 31, 2019

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

***Pension Expense and Deferred Outflows of Resources Related to Pensions***

The County recognized total pension expense of \$59,300 for the year ended December 31, 2019, all within the governmental activities. Included in pension expense are recognized amounts related to the deferred inflows and outflows of resources for pensions, which is detailed below.

		Balance, 12/31/2018	Recognized during 2019	Balance, 12/31/2019	To Be Recognized during fiscal year			
					2020	2021	2022	2023
<b>Fiscal year outflows</b>								
Investment loss	2015 \$	21,759	21,759	-	-	-	-	-
Investment loss	2016	5,639	2,819	2,820	2,820	-	-	-
Investment loss	2018	143,449	35,862	107,587	35,862	35,862	35,862	-
<b>Total Outflows</b>		<u>170,847</u>	<u>60,440</u>	<u>110,407</u>	<u>38,682</u>	<u>35,862</u>	<u>35,862</u>	<u>-</u>
<b>Fiscal year inflows</b>								
Investment gain	2017	94,481	31,493	62,988	31,494	31,494	-	-
Investment gain	2019	-	152,640	152,640	38,160	38,160	38,160	38,160
<b>Total Inflows</b>		<u>94,481</u>	<u>184,133</u>	<u>215,628</u>	<u>69,654</u>	<u>69,654</u>	<u>38,160</u>	<u>38,160</u>
<b>Total</b>		<u>76,366</u>	<u>(123,693)</u>	<u>(105,221)</u>	<u>(30,972)</u>	<u>(33,792)</u>	<u>(2,298)</u>	<u>(38,160)</u>

Note: In accordance with Paragraph 71 of GASB Statement 68, the difference between projected and actual earnings on investments is recognized over a closed five-year period. Assumption changes and the difference between expected and actual total pension liability experience are each recognized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan (active employees and inactive employees), determined as of the beginning of the measurement period. For 2019, the period is one year, and therefore those changes are recognized immediately.

***Fulton County Employees' Retirement System Supplemental Plan***

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 estimate for this plan is approximately \$1.3 million as of January 1, 2019 biannual actuarial valuation date. Plan assets total \$.6 million, and the unfunded balance is \$.7 million which is being amortized on a 4 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.

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



## FULTON COUNTY, GEORGIA

### Notes to the Financial Statements

December 31, 2019

#### (12) Retirement Plans (continued)

##### **(b) *Defined Contribution Plan (in thousands)***

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, 2019, the plan had 5,538 total participants who contributed 6% of their pensionable earnings, approximately \$14,539 during 2019. The County also contributed \$19,710 which was 8% of their pensionable earnings throughout the year. The County also contributed an additional \$1,504 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 (in thousands)***

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 a certain percentage of gross compensation, not to exceed \$19 for those less than 50 years of age, and an additional \$6 for all others above 50 years of age. 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 County's financial statements. TIAA-CREF independently managed assets in 2019.

##### **(d) *Hospital Authority Pension Plan***

The Hospital Authority has a single-employer trustee noncontributory defined benefit pension plan, known as The Fulton-DeKalb Hospital Authority Employees Retirement Plan (the "Plan"). Effective May 19, 2008, the Plan was frozen. All employees participating in the Plan prior to May 19, 2008, remain participants and are eligible for pension benefits in accordance with the Plan's design and rules. Participating employees who completed three years of full-time continuous services as of December 31, 2007, were considered fully vested as of May 19, 2008. Although frozen, the Hospital Authority expects to continue the Plan indefinitely; however, it has the right under the Plan to terminate the Plan. In the event of termination of the Plan, amounts shall be set aside for payment to participants or their beneficiaries in the following orders: (1) an amount for active and retired Participants, vested terminated Participants or their beneficiaries; (2) an amount for each Participant qualified for early retirement under the provisions of the Plan; and (3) for all remaining Participants. Detailed information about the pension plan's fiduciary net position is available in a separate publicly available financial report which may be obtained by writing to Grady Health System, Administrative Offices, Chief Financial Officer, 80 Jesse Hill Jr. Drive, S.E. Atlanta, Georgia 30303.

The Grady Memorial Hospital Corporation (GMHC), which is a component unit of the Fulton DeKalb Hospital Authority, sponsors a defined contribution saving plan, which covers substantially all of its employees. Total matching contributions made and accrued under the savings plan totaled approximately \$11.5 million for the year ended December 31, 2019.

# FULTON COUNTY, GEORGIA

## Notes to the Financial Statements

December 31, 2019

### (12) Retirement Plans (continued)

Beginning January 1, 2009, the deferred retirement savings program changed from the previous 403(b) plan sponsored by the Hospital Authority to a 401(k) Plan sponsored by GMHC. GMHC matches employee contributions dollar for dollar up to 4% of eligible employees' base compensation after completion of one year of eligible service. Employees are immediately fully vested in matching contributions.

### (13) Other Post-Employment Benefits

#### *Fulton County (in thousands, except for employee participant data)*

The County, through Board action, provides single employer 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 what required employee match existed at separation date. The County also contributes 100% of the premium cost for \$10 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 \$47,892 in 2019, as compared to \$48,348 in 2018. The county contributions to this liability is funded by the above Health Insurance Stabilization fund, which in turn is funded by premiums charged to primarily the County's General fund as well as other funds consisting of payroll costs. In accordance with GASB Statement No. 74 and 75, *Accounting and Financial Reporting by Employers for Postemployment Benefit Plans Other Than Pension Plans*, as well as GASB the County's annual other postemployment benefit (OPEB) cost is calculated based on the actuarially determined employer contribution of the employer (ADEC) which is required to be actuarially determined biannually.

The Actuarially Determined Employer Contribution and Total OPEB Obligation amounts were determined under the Entry age normal, lever percentage of pay method. As of the January 1, 2018 evaluation date, (the latest available) the number of retirees with current health care coverage was 3,798. Approximately 3,313 active employees are covered in 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. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the County and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the County and plan member to that point. There are no legal or contractual funding limitations that would potentially affect the projection of benefits for financial accounting purposes. The actuarial methods and assumptions used include techniques designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long term perspective of the calculations. The County made no contribution to the irrevocable trust fund in 2019, but has \$6 million dedicated to pay for future OPEB claims against the unfunded accrued actuarial liability of \$994,451.

# FULTON COUNTY, GEORGIA

## Notes to the Financial Statements

December 31, 2019

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

Summary of Key Valuation Result: Total OPEB Liability (TOL) represents the value of all future benefit payments for current retirees and active employees taking into account assumptions about demographics, turnover, mortality, disability, retirement, health care trends, and other actuarial assumptions.

	<u>12/31/2019</u>	<u>12/31/2018</u>
Net OPEB Liability	\$994,451	\$966,367
Annual OPEB expense	70,451	67,203
Service cost of beginning of year	31,887	30,661
Total Covered Payroll	271,171	260,742

#### *Plan Provisions and Eligibility*

Eligibility for medical, vision, dental and life insurance benefits depends, in part, upon the retirement plan in which an employee participates. The conditions below are separated based on the retirement plan participation.

Defined Benefit Pension plan participants: Retirees from active service are eligible to receive above benefits provided they satisfy one of the following:

- (1) Qualify for unreduced retirement when leave employment:
  - \*After age 65 with 10 years of service
  - \*After age 60 with at least 15 years of service
  - \*After 10 years of service upon which the sum of age and years of service Equal or exceed 79.
- (2) Leave employment due to disability in line of duty for peace officers.
- (3) Leave employment due to disability after 10 years of service.
- (4) Leave employment after 15 years of service
- (5) Leave employment due to reduction in workforce after age 55 with 10 years of service.

Defined Contribution Pension plan participants who transferred from the above defined benefit plan prior to 2002 are eligible to receive above benefits provided they satisfy one of the following:

- (1) Leave employment after 15 years of service
- (2) Leave employment due to reduction in workforce after age 55 with 10 years of service.
- (3) Leave employment as a peace officer after age 55 with 25 years of service.

Defined Contribution Pension plan participants who never participated in the above defined benefit plan are eligible to receive above benefits provided they satisfy one of the following:

- (1) Qualify for unreduced retirement when leave employment:
  - \*After age 65 with 10 years of service
  - \*After age 60 with at least 15 years of service
  - \*After 10 years of service upon which the sum of age and years of service Equal or exceed 80.
- (2) Leave employment due to disability in line of duty for peace officers.
- (3) Leave employment due to disability after 10 years of service.

**FULTON COUNTY, GEORGIA**

Notes to the Financial Statements

December 31, 2019

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

Excluded from eligibility for above benefits are:

- (1) Contract employees.
- (2) Seasonal employees.
- (3) Temporary employees.
- (4) Employees working for Family & Children Services.
- (5) Employees working for Adult Probation.
- (6) Employees working for Fulton County Housing Authority.

***Sensitivity of the Net OPEB Liability to Changes in the discount rate and healthcare cost trend rates***

The following presents the net OPEB liability of the County, calculated using the discount rate of 4.00%, and the System's net OPEB liability would be if it were calculated using a discount rate 1% lower (3.00%) or 1% higher (5.00%) than the current rate. Also shown are the net OPEB liabilities if the rates if healthcare trends rates were 1% lower and 1% higher than the 5.00% current healthcare trend rate.

	<u>Discount Rates</u>		
	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<b>(3.00%)</b>	<b>(4.00%)</b>	<b>(5.00%)</b>
Net OPEB liability	\$1,169,632	\$994,451	\$855,315

	<u>Healthcare Trend Rates</u>		
	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<b>(4.00%)</b>	<b>(5.00%)</b>	<b>(6.00%)</b>
Net OPEB liability	\$840,431	\$994,451	\$1,191,748

The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rates (as a percentage of pay) and the county contributions will be made equal to the actuarial determined contribution. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected benefit payments of current plan members. Therefore, the long-term expected rate of return on the OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

***Schedule of Contributions***

	<u>2019</u>
Actuarially Determined Contribution	\$ 70,451
Contributions in Relation to Actuarially Determined Contribution	<u>40,611</u>
Contribution Deficiency (Excess)	29,840
Covered Employee Payroll	271,171
Actuarially Determined Contribution as % of Covered Employee Payroll	25.98%

**FULTON COUNTY, GEORGIA**

Notes to the Financial Statements

December 31, 2019

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

***OPEB Expense and Deferred Outflows of Resources Related to OPEB***

The County recognized total OPEB expense of \$70,451 for the year ended December 31, 2019, all within the governmental activities. Included in OPEB expense are recognized amounts related to the deferred outflows and inflows of resources for OPEB's. These deferred outflows consist of \$5,136 comprised of the difference between expected and actual experience, offset by deferred inflows comprise of the difference between expected and actual earnings of \$1,039. The combined deferred outflows and inflows of \$4,098 are being recognized each year as shown below until fully recognized, approximately 10 years.

	Balance, 12/31/2018	Recognized during 2019	Balance, 12/31/2019	To Be Recognized during fiscal year						
				2020	2021	2022	2023	2024	Thereafter	
<b>Fiscal Year outflows</b>										
Difference between expected and actual experience	2018	5,668	(532)	5,136	532	532	532	532	444	2,564
<b>Total Outflows</b>		<u>5,668</u>	<u>(532)</u>	<u>5,136</u>	<u>532</u>	<u>532</u>	<u>532</u>	<u>532</u>	<u>444</u>	<u>2,564</u>
<b>Fiscal Year inflows</b>										
Investment gain	2019	-	1,038	1,038	208	208	208	208	206	-
<b>Total Inflows</b>		<u>-</u>	<u>1,038</u>	<u>1,038</u>	<u>208</u>	<u>208</u>	<u>208</u>	<u>208</u>	<u>206</u>	<u>-</u>
<b>Total</b>		<u>5,668</u>	<u>(1,570)</u>	<u>4,098</u>	<u>324</u>	<u>324</u>	<u>324</u>	<u>324</u>	<u>238</u>	<u>2,564</u>

Changes in Total and Net OPEB Liability, and Plan Fiduciary Net Position are shown below:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
<b>Balances at December 31, 2018</b>	\$ 971,303	4,936	966,367
Changes for the year:			
Service cost	31,887	-	31,887
Interest	38,229	-	38,229
Difference between expected and actual experience	-	-	-
Contributions - employer	-	-	-
Contributions - employee	-	-	-
Net investment income	-	1,236	(1,236)
Benefit payments	(40,796)	-	(40,796)
Administrative expense	-	-	-
Net changes	\$ 29,320	1,236	28,084
<b>Balances at December 31, 2019</b>	<u>\$ 1,000,623</u>	<u>6,172</u>	<u>994,451</u>

**FULTON COUNTY, GEORGIA**

Notes to the Financial Statements

December 31, 2019

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

The County's annual OPEB cost and net OPEB liability and changes in the net OPEB liability for the year ended December 31, 2019 are presented below:

<b>Change in Net OPEB Liability</b>	<b>2019</b>
Service Cost	\$ 31,887
Interest expense	38,229
Difference between expected and actual experiences	-
Change in assumption	-
Benefit payments	(40,796)
Investment Income- OPEB trust fund	(1,236)
Change in net OPEB liability	28,084
<b>Net OPEB liability - January 1</b>	<b>966,367</b>
<b>Net OPEB liability - December 31</b>	<b>\$ 994,451</b>

***Methods and assumptions used in the calculations of actuarially determined contributions for the total OPEB liability***

The following actuarial methods and assumptions were used to determine the most recent contribution rate reported:

Valuation Date	January 1, 2018
Normal Cost and Actuarial Accrued Liability	Entry age normal, level percentage of pay.
Actuarial Value of Assets	Equal to Market Value
Amortization of Unfunded Accrued Actuarially Determined Contribution	In accordance with requirements of GASB 75. Set equal to Annual OPEB expense
Termination Disability	Rates used Age 30-7.10%; Age 40-4.30%; Age 50-3.00%. 50% of 1975 SSA Study
Investment rate of return	4.00%.
Discount Rate	4.00%
Healthcare cost trend rate	5.00%
Projected salary increases	4.00%
 Mortality Rates-Pre-Retirement	 RP-2014 Blue Collar Mortality Table, adjusted backward to the base year (2006) using Scale MP-2014, and projected generationally from 2006 using Scale MP-2016.
 Mortality Rates-Healthy Annuitants	 RP-2014 Blue Collar Healthy Annuitant Mortality Table, adjusted backward to the base year (2006) using Scale MP-2014, set forward two years for males and one year for females, and projected generationally from 2006 using Scale MP-2016.

**FULTON COUNTY, GEORGIA**

Notes to the Financial Statements

December 31, 2019

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

Mortality Rates-Disabled Annuitants	RP-2014 Disabled Retiree Mortality Table, adjusted backward to the base year (2006) using Scale MP-2014, set forward four years for males and unadjusted for females, and projected generationally from 2006 using Scale MP-2016.														
Retirement	Sample Rates after attaining medical benefit eligibility: <table border="0" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: center;"><u>Age</u></th> <th style="text-align: center;"><u>Rate</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">50</td> <td style="text-align: center;">5.00%</td> </tr> <tr> <td style="text-align: center;">55</td> <td style="text-align: center;">25.00%</td> </tr> <tr> <td style="text-align: center;">60</td> <td style="text-align: center;">15.00%</td> </tr> <tr> <td style="text-align: center;">62</td> <td style="text-align: center;">35.00%</td> </tr> <tr> <td style="text-align: center;">65</td> <td style="text-align: center;">20.00%</td> </tr> <tr> <td style="text-align: center;">70</td> <td style="text-align: center;">100.00%</td> </tr> </tbody> </table>	<u>Age</u>	<u>Rate</u>	50	5.00%	55	25.00%	60	15.00%	62	35.00%	65	20.00%	70	100.00%
<u>Age</u>	<u>Rate</u>														
50	5.00%														
55	25.00%														
60	15.00%														
62	35.00%														
65	20.00%														
70	100.00%														
Participation	90% for retiree medical and vision; 100% for life insurance														
Benefits not valued	All retiree medical, vision, and life insurance benefits not paid 100% by retiree were valued.														

**(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 \$17.1 million is believe to be reasonably possible, of which approximately \$9.6 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 \$14 million for these and future cases, \$12 million within the long term debt section and approximately \$2 million as payables in the Risk Management Fund on page 103.
- (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 approximate \$73,298, \$2,453 for roadway infrastructure improvements, \$28,550 for building improvements and \$54,354 for library system capital improvements as of December 31, 2019.

**FULTON COUNTY, GEORGIA**

Notes to the Financial Statements

December 31, 2019

**(14) Commitments and Contingencies (continued)**

**(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, 2019, 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 \$50.1 million at December 31, 2019. While the ultimate risk outcome is not presently determinable, it is management’s opinion 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, 2019, in the component unit 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, 2019, is \$2.3 million. While the ultimate risk outcome is not presently determinable, it is management’s opinion 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.

- (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 2033. Rental costs for the year ended December 31, 2019 were approximately \$13.4 million. The future minimum lease payments under noncancelable operating leases as of December 31, 2019 are as follows (in thousands):

	<u>Operating leases</u>
2020	\$ 6,140
2021	6,069
2022	6,133
2023	5,511
2024	4,606
Thereafter	20,352
	<u>\$ 48,811</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



**FULTON COUNTY, GEORGIA**

Notes to the Financial Statements

December 31, 2019

**(15) Fund Balance (continued)**

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

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 fund balance, it is the County’s policy to use committed fund balance first, then assigned fund balances, then unassigned. The specific purposes of the governmental funds fund balances, classified as other than unassigned, at December 31, 2019 are as follows (in thousands):

Fund Balances:	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
Library capital projects	\$ 71,889		
Debt service	34,001		
Grants in Aid	3,149		
Emergency Communications	3,311		
Public Health Services	-		
Law Enforcement and Justice services	15,176		
Public Education Government Television		569	
South Fulton Special District			26,259
Special Service District			308
Stormwater Management			-
General Government services			1,163
Social and Cultural services			2,769
Other special revenue			2,555
T-Splost Administration			1,086
Other Capital and Transportation projects	72,639		83,735
Totals	\$ <u>200,165</u>	<u>569</u>	<u>117,875</u>

## FULTON COUNTY, GEORGIA

### Notes to the Financial Statements

December 31, 2019

#### **(16) Subsequent Events**

On May 14, 2020 the County issued a \$200 million Tax Anticipation Note, which will mature December 31, 2020. On May 7, 2020, the County issued revenue certificates on behalf of the Fulton DeKalb Hospital Authority in the amount of \$66.9 million to construct facility improvements for advanced surgical services. Also, on June 30, 2020, the County's Water and Sewerage System, an Enterprise fund, issued \$290.6 million in long term bonds along with \$17 million in premium on bonds for construction of the Big Creek sewerage treatment plant expansion as well as other necessary capital projects.

#### **Covid-19 Pandemic**

On January 31, 2020, the United States Department of Health and Human Services declared a public health emergency for the entire United States to aid the nation's health care community in responding to the 2019 novel strain of coronavirus ("COVID-19"). Such declaration was soon followed with state and local declarations of a public health emergency. Georgia's Governor has issued several orders relating to both economic and medical responses to the pandemic in the State.

On April 24, 2020, The County received \$104.4 million from the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act program, and has dedicated such funds to prevent, prepare for, and respond to the COVID-19 pandemic. The County has focused its Covid-19 related efforts on community relief, health response, operational stability, and municipal assistance.

Due to the evolving nature of the COVID-19 pandemic and the responses of governments, businesses, and individuals to the COVID-19 pandemic, the County is unable to predict, among other things, the scope, duration or extent of the COVID-19 pandemic or any other outbreak or pandemic on: (a) the existing restrictions and warnings or any additional restrictions and warnings which may be imposed by local, state or federal governments, nor the timing of the relaxation or release of such restrictions and (b) any additional short- or long-term effects the restrictions and warnings imposed by local, state or federal governments may have on the County's operations, revenues or expenditures (collectively, the "Risk Factors").

The County will continue to closely monitor and assess the effects of the COVID-19 pandemic and its impact on the financial position and operations of the County. The complete fiscal impact of the COVID-19 pandemic on the County could change significantly as the situation further develops and cannot be fully quantified at this time because of the Risk Factors and other subsequent events that are outside the control of the County.

**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

**(Unaudited)**

## FULTON COUNTY, GEORGIA

Required Supplementary Information  
Unaudited, and in thousands

December 31, 2019

### Schedule of Contributions from the Employer and Other Contributing Entities (in thousands)

#### Contributions in Relation to The Actuarially Determined Employer Contribution

Year Ended	Actuarially Determined Employer Contribution	County Employer Contribution	DFACS Employer Contribution	Total Employer Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
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
December 31, 2015	48,586	47,203	27	47,230	1,356	27,820	169.77
December 31, 2016	50,493	45,953	24	45,977	4,516	23,391	196.56
December 31, 2017	52,988	57,213	15	57,228	(4,240)	20,374	280.89
December 31, 2018	59,746	59,199	4	59,203	543	14,845	398.80
December 31, 2019	64,773	64,777	-	64,777	(4)	12,956	499.99

### Schedule of Employer's Net Pension Liability

Year Ended	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Plan Fiduciary Net Position as a percentage of the Total Pension liability	Covered payroll	Net pension liability as a percentage of covered payroll
December 31, 2019	\$ 1,865,254	1,423,026	442,228	76.29%	12,956	3,413.37%
December 31, 2018	1,852,863	1,223,532	629,331	66.03	14,845	4,239.26
December 31, 2017	1,833,170	1,382,953	450,217	75.44	20,374	2,209.76
December 31, 2016	1,706,579	1,211,837	494,742	71.01	23,391	2,115.09
December 31, 2015	1,677,001	1,217,955	459,046	72.63	27,820	1,650.06
December 31, 2014	1,654,412	1,306,027	348,385	78.94	32,828	1,061.24

### Schedule of Pension Investment Returns

<u>Year Ended</u>	<u>Annual money-weighted rate of return, net of investment expense</u>
December 31, 2010	12.48%
December 31, 2011	0.93%
December 31, 2012	12.13%
December 31, 2013	21.76%
December 31, 2014	5.05%
December 31, 2015	(0.88%)
December 31, 2016	6.40%
December 31, 2017	20.91%
December 31, 2018	(6.00%)
December 31, 2019	23.36%

**FULTON COUNTY, GEORGIA**

Required Supplementary Information  
Unaudited, and in thousands

December 31, 2019

**Schedule of Changes in Net Pension Liability  
Last Ten Fiscal Years  
(in thousands)**

	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service cost	\$ 2,700	3,768	2,348	3,283	3,678	4,291
Interest	129,377	129,929	123,205	122,576	122,562	120,935
Change of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	4,854	6,717	20,982	16,293	6,262	21,902
Change of assumptions	17,554	17,675	112,435	15,734	15,489	15,352
Benefit payments, including refunds	<u>(142,094)</u>	<u>(138,396)</u>	<u>(132,378)</u>	<u>(128,309)</u>	<u>(125,402)</u>	<u>(117,044)</u>
Net change in total pension liability	12,391	19,693	126,592	29,577	22,589	45,436
Total pension liability - beginning	\$ <u>1,852,863</u>	<u>1,833,170</u>	<u>1,706,578</u>	<u>1,677,001</u>	<u>1,654,412</u>	<u>1,608,976</u>
Total pension liability - ending (a)	\$ <u><u>1,865,254</u></u>	<u><u>1,852,863</u></u>	<u><u>1,833,170</u></u>	<u><u>1,706,578</u></u>	<u><u>1,677,001</u></u>	<u><u>1,654,412</u></u>
Plan fiduciary net position						
Contributions-employer	\$ 64,777	59,203	57,228	45,977	47,230	57,529
Contributions-employee	859	1,110	1,358	1,633	1,868	2,129
Net investment income	276,707	(80,562)	245,564	75,369	(11,187)	64,143
Benefit payments, including refunds	(142,094)	(138,396)	(132,378)	(128,309)	(125,402)	(117,044)
Administrative expense	<u>(755)</u>	<u>(776)</u>	<u>(656)</u>	<u>(788)</u>	<u>(581)</u>	<u>(705)</u>
Net change in plan fiduciary net position	\$ 199,494	(159,421)	171,116	(6,118)	(88,072)	6,052
Plan fiduciary net position - beginning	\$ <u>1,223,532</u>	<u>1,382,953</u>	<u>1,211,837</u>	<u>1,217,955</u>	<u>1,306,027</u>	<u>1,299,975</u>
Plan fiduciary net position - ending (b)	\$ <u>1,423,026</u>	<u>1,223,532</u>	<u>1,382,953</u>	<u>1,211,837</u>	<u>1,217,955</u>	<u>1,306,027</u>
Net pension liability - ending (a) - (b)	<u><u>442,228</u></u>	<u><u>629,331</u></u>	<u><u>450,217</u></u>	<u><u>494,741</u></u>	<u><u>459,046</u></u>	<u><u>348,385</u></u>
Plan fiduciary net position as a percentage of the Total pension liability	76.29%	66.03%	75.44%	71.01%	72.63%	78.94%
Covered payroll	\$ 12,956	14,845	20,374	23,391	27,820	32,828
Net pension liability as a percentage of covered payroll	3413.37%	4239.26%	2209.76%	2115.09%	1650.06%	1061.24%

Note: Schedule is intended to show information for 10 years, and in thousands. Additional years will be displayed as information becomes available.

See accompanying notes to required supplementary information and accompanying independent auditors report

No benefit changes have been made since GASB 67/68 implementation

Assumption changes as of the 1/1/20 Valuation: The Board approved changes to reduce the net investment return from 7.25% to 7.15% as of December 31, 2019, and decrease the administrative expense assumption from \$800 to \$750 as a result of lower 2019 actual expenses.

**FULTON COUNTY, GEORGIA**

Required Supplementary Information  
Unaudited, and in thousands

December 31, 2019

**Schedule of Changes in Net OPEB Liability and Related Ratios  
Last Ten Fiscal Years  
(in thousands)**

	<u>2019</u>	<u>2018</u>
Total OPEB Liability		
Service cost	\$ 31,887	30,661
Interest	38,229	36,754
Change of benefit terms	-	-
Differences between expected and actual experience	-	5,236
Change of assumptions	-	-
Benefit payments	<u>(40,796)</u>	<u>(34,883)</u>
Net change in total pension liability	<u>29,320</u>	<u>37,768</u>
Total OPEB liability - beginning	\$ <u>971,303</u>	<u>933,535</u>
Total OPEB liability - ending	\$ <u><u>1,000,623</u></u>	<u><u>971,303</u></u>
Plan fiduciary net position		
Contributions-employer	\$ -	-
Contributions-employee	-	-
Net investment income	1,236	(226)
Benefit payments	-	-
Administrative expense	-	-
Net change in plan fiduciary net position	\$ <u>1,236</u>	<u>(226)</u>
Plan fiduciary net position - beginning	\$ <u>4,936</u>	<u>5,162</u>
Plan fiduciary net position - ending	\$ <u><u>6,172</u></u>	<u><u>4,936</u></u>
Net OPEB Liability - ending	<u><u>994,451</u></u>	<u><u>966,367</u></u>
Plan fiduciary net position as a percentage of the Total OPEB liability	0.62%	0.51%
Covered payroll	\$ 271,171	260,742
Net OPEB liability as a percentage of covered payroll	366.72%	370.62%

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as information becomes available.

See accompanying notes to required supplementary information and accompanying independent auditors report

## FULTON COUNTY, GEORGIA

Notes to Required Supplementary Information  
Unaudited, and in thousands

December 31, 2019

### (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 Contributions from the Employer and Other Contributing Entities

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

### (3) Actuarial Methods and Assumptions

*Changes of assumptions-Pension:* Effective as of the January 1, 2020 valuation, the Fulton County Employees Retirement System Board approved a lower assumed rate of return from 7.25% to 7.15%, which affected the actuarial liability by \$17.6 million, and also changed the administrative expense assumption from \$800,000 to \$750,000.

*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, 2019
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar, closed period.
Remaining amortization period	15 year average remaining, depending on which bases
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.
Inflation rate	2.0%
Projected salary increases	2.0-6.0%, depending on age, and if Public Safety employee

## FULTON COUNTY, GEORGIA

Notes to Required Supplementary Information  
Unaudited, and in thousands

December 31, 2019

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

Investment rate of return	7.25%. 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.
Mortality Rates-Pre-retirement	RP-2006 Blue Collar Mortality Table, projected generationally from 2006 using Scale MP-2016.
Mortality Rates-Healthy Annuitants	RP-2006 Blue Collar Healthy Annuitant Mortality Table, set forward two years for males and one year for females, and projected generationally from 2006 using Scale MP-2016.
Mortality Rates-Disabled Annuitants	RP-2006 Disabled Retiree Mortality Table, set forward four years for males and unadjusted for females, projected generationally using Scale MP-2016.

*Changes of assumptions-OPEB:* Assumptions utilized in the January 1, 2020 OPEB valuation match the previously used OPEB assumptions in the January 1, 2019 actuarial analysis.



**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 residual resources to provide health services to County residents until June 30, 2017. Services were subsequently provided by the new Fulton County Board of Health, a discretely presented component unit. Residual assets remain for future claims incurred prior to June 30, 2017.

**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.

**T-Splost Transportation Tax Administration fund** – accounts for sales tax revenues accumulated specifically for administration of the County-wide transportation tax.

# **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 residual resources used after construction 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 Sales Tax Projects funds (FID and COSF)** - accounts for dedicated sales tax proceeds for transportation projects with the unincorporated area of Fulton County known as Fulton Industrial District and contractually with the City of South Fulton.

**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, 2019

(in thousands of dollars)

	<b>Debt Service fund</b>	<b>Special Revenue Funds</b>				<b>General Government Services</b>
		<b>Special Service District</b>	<b>Grants in Aid</b>	<b>Emergency Communications</b>	<b>Stormwater Management</b>	
<b>Assets:</b>						
Cash and cash equivalents	\$ 33,721	1,017	3,841	3,854	—	921
Receivables (net of allowances):						
Taxes	550	—	—	—	—	—
Accounts	—	—	—	—	—	242
Due from other governments	—	—	4,515	99	—	—
<b>Total assets</b>	<b>\$ 34,271</b>	<b>1,017</b>	<b>8,356</b>	<b>3,953</b>	<b>—</b>	<b>1,163</b>
<b>Liabilities:</b>						
Accounts payable	\$ —	709	5,207	347	—	—
Due to others	—	—	—	295	—	—
<b>Total liabilities</b>	<b>—</b>	<b>709</b>	<b>5,207</b>	<b>642</b>	<b>—</b>	<b>—</b>
<b>Deferred Inflows of Resources:</b>						
Unavailable revenue	270	—	—	—	—	—
<b>Total deferred inflows of resources</b>	<b>270</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Fund balances (deficit):</b>						
Restricted	34,001	—	3,149	3,311	—	—
Committed	—	—	—	—	—	—
Assigned	—	308	—	—	—	1,163
<b>Total fund balances (deficit)</b>	<b>34,001</b>	<b>308</b>	<b>3,149</b>	<b>3,311</b>	<b>—</b>	<b>1,163</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 34,271</b>	<b>1,017</b>	<b>8,356</b>	<b>3,953</b>	<b>—</b>	<b>1,163</b>

(continued)

**FULTON COUNTY, GEORGIA**

Combining Balance Sheet  
Non-Major Governmental Funds

December 31, 2019

(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	T-Splot Transportation Tax Admin
Assets:							
Cash and cash equivalents	\$ 431	569	16,793	—	6,137	3,221	1,126
Receivables (net of allowances):							
Taxes	—	—	—	—	—	—	52
Accounts	—	—	—	—	—	—	—
Due from other governments	—	—	—	—	—	—	—
Total assets	<u>\$ 431</u>	<u>569</u>	<u>16,793</u>	<u>—</u>	<u>6,137</u>	<u>3,221</u>	<u>1,178</u>
Liabilities:							
Accounts payable	\$ 431	—	143	—	11	666	—
Due to others	—	—	1,474	—	3,357	—	92
Total liabilities	<u>431</u>	<u>—</u>	<u>1,617</u>	<u>—</u>	<u>3,368</u>	<u>666</u>	<u>92</u>
Deferred Inflows of Resources:							
Unavailable revenue	—	—	—	—	—	—	—
Total deferred inflows of revenues	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balances (deficit):							
Restricted	—	—	15,176	—	—	—	—
Committed	—	569	—	—	—	—	—
Assigned	—	—	—	—	2,769	2,555	1,086
Total fund balances (deficit)	<u>—</u>	<u>569</u>	<u>15,176</u>	<u>—</u>	<u>2,769</u>	<u>2,555</u>	<u>1,086</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 431</u>	<u>569</u>	<u>16,793</u>	<u>—</u>	<u>6,137</u>	<u>3,221</u>	<u>1,178</u>

FULTON COUNTY, GEORGIA

Combining Balance Sheet  
Non-Major Governmental Funds

December 31, 2019

Capital Projects Funds									
Library Capital	Fulton County Urban Rede- velopment Agency	Capital Improve- ments	Fulton County Building Authority	Other capital projects	Special Service District projects	Transport- ation Sales Tax projects-FID	Transport- ation Sales Tax projects-COSF	Transport- ation Improve- ments	Total Non-major Governmental Funds
10,445	74,204	57,674	423	10,436	3,012	3,434	—	11,262	242,521
—	—	—	—	—	—	—	—	—	602
—	—	—	—	—	—	—	—	—	242
1,350	—	—	—	—	—	—	—	—	5,964
<u>11,795</u>	<u>74,204</u>	<u>57,674</u>	<u>423</u>	<u>10,436</u>	<u>3,012</u>	<u>3,434</u>	<u>—</u>	<u>11,262</u>	<u>249,329</u>
—	1,988	437	—	3	76	294	—	1,273	11,585
—	—	—	—	—	—	—	—	—	5,218
—	<u>1,988</u>	<u>437</u>	<u>—</u>	<u>3</u>	<u>76</u>	<u>294</u>	<u>—</u>	<u>1,273</u>	<u>16,803</u>
—	—	—	—	—	—	—	—	—	270
—	—	—	—	—	—	—	—	—	270
11,795	72,216	—	423	—	—	—	—	—	140,071
—	—	—	—	—	—	—	—	—	569
—	—	<u>57,237</u>	—	<u>10,433</u>	<u>2,936</u>	<u>3,140</u>	—	<u>9,989</u>	<u>91,616</u>
<u>11,795</u>	<u>72,216</u>	<u>57,237</u>	<u>423</u>	<u>10,433</u>	<u>2,936</u>	<u>3,140</u>	<u>—</u>	<u>9,989</u>	<u>232,256</u>
<u>11,795</u>	<u>74,204</u>	<u>57,674</u>	<u>423</u>	<u>10,436</u>	<u>3,012</u>	<u>3,434</u>	<u>—</u>	<u>11,262</u>	<u>249,329</u>

**FULTON COUNTY, GEORGIA**

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

For the year ended December 31, 2019

(in thousands of dollars)

	<b>Special Revenue Funds</b>					<b>General Government Services</b>
	<b>Debt Service fund</b>	<b>Special Service District</b>	<b>Grants in Aid</b>	<b>Emergency Telephone</b>	<b>Stormwater Management</b>	
<b>Revenues:</b>						
Taxes	\$ 16,511	—	—	—	—	—
Intergovernmental	2,065	—	45,377	—	—	—
Charges for services	—	—	1,432	7,258	—	—
Courts and law enforcement	—	—	—	—	—	—
Use of money and property	—	—	16	—	—	—
Miscellaneous	—	—	—	—	—	348
<b>Total revenues</b>	<b>18,576</b>	<b>—</b>	<b>46,825</b>	<b>7,258</b>	<b>—</b>	<b>348</b>
<b>Expenditures:</b>						
<b>Current:</b>						
Administration	5	—	140	—	—	155
Public safety	—	30	3,428	6,102	—	—
Infrastructure and facilities	—	—	1,708	—	17	—
Social services	—	—	8,686	—	—	—
Health services	—	—	33,458	—	—	—
Other nonagency	—	—	—	—	—	—
Capital outlay	—	—	—	—	—	—
<b>Debt service:</b>						
Principal retirement	33,386	—	—	—	—	—
Interest	13,824	—	—	—	—	—
<b>Total expenditures</b>	<b>47,215</b>	<b>30</b>	<b>47,420</b>	<b>6,102</b>	<b>17</b>	<b>155</b>
Excess (deficiency) of revenues over (under) expenditures	<b>(28,639)</b>	<b>(30)</b>	<b>(595)</b>	<b>1,156</b>	<b>(17)</b>	<b>193</b>
<b>Other financing sources (uses):</b>						
Issuance of capital lease refunding obligations	—	—	—	—	—	—
Proceeds from issuance of refunding bonds	—	—	—	—	—	—
Premium received on refunding bonds	—	—	—	—	—	—
Transfer in from enterprise fund	—	—	1,081	—	—	—
Transfers in	31,732	—	572	415	—	—
Transfers out	—	—	—	(159)	—	—
<b>Total other financing sources (uses)</b>	<b>31,732</b>	<b>—</b>	<b>1,653</b>	<b>256</b>	<b>—</b>	<b>—</b>
<b>Net change in fund balances</b>	<b>3,093</b>	<b>(30)</b>	<b>1,058</b>	<b>1,412</b>	<b>(17)</b>	<b>193</b>
<b>Fund balance at beginning of year</b>	<b>30,908</b>	<b>338</b>	<b>2,091</b>	<b>1,899</b>	<b>17</b>	<b>970</b>
<b>Fund balance (deficit) at end of year</b>	<b>\$ 34,001</b>	<b>308</b>	<b>3,149</b>	<b>3,311</b>	<b>—</b>	<b>1,163</b>



**FULTON COUNTY, GEORGIA**

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

For the year ended December 31, 2019

(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	T-Splost Transportation Tax Admin
\$	—	—	—	220	—	—	515
	—	—	—	—	—	1,594	—
	—	—	—	—	—	—	—
	—	—	9,207	—	—	—	—
	—	—	—	—	17	—	19
	—	128	—	—	—	—	—
	—	128	9,207	220	17	1,594	534
	—	—	—	—	—	1,491	199
	—	—	7,092	—	—	—	—
	—	257	—	—	—	—	—
	—	—	—	—	48	—	—
	—	—	—	—	—	—	—
	—	—	—	220	—	—	—
	—	—	—	—	—	—	—
	—	—	—	—	—	—	—
	—	257	7,092	220	48	1,491	199
	—	(129)	2,115	—	(31)	103	335
	—	—	—	—	—	—	—
	—	—	—	—	—	—	—
	—	—	—	—	—	—	—
	—	—	—	—	—	—	—
	—	—	(1)	—	—	—	—
	—	—	(1)	—	—	—	—
	—	(129)	2,114	—	(31)	103	335
	—	698	13,062	—	2,800	2,452	751
\$	—	569	15,176	—	2,769	2,555	1,086

(continued)

**FULTON COUNTY, GEORGIA**

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

For the year ended December 31, 2019

(in thousands of dollars)

	Capital Projects Funds								Total Nonmajor Governmental Funds	
	Library Capital	Fulton County Urban Rede- velopment Agency	Capital Improve- ments	Fulton County Building Authority	Other Capital Projects	Special Service District Projects	Transport- ation Sales Tax projects-FID	Transport- ation Sales Tax projects-COSF		Transport- ation Improve- ments
Revenues:										
Taxes	\$ —	—	—	—	—	—	—	4,546	—	21,792
Intergovernmental	—	—	—	—	—	—	—	—	672	49,708
Charges for services	—	—	—	—	—	—	—	—	—	8,690
Courts and law enforcement	—	—	—	—	—	—	—	—	—	9,207
Use of money and property	1,350	1,110	540	—	—	—	63	367	—	3,482
Miscellaneous	—	—	—	—	—	—	—	—	—	476
Total revenues	1,350	1,110	540	—	—	—	63	4,913	672	93,355
Expenditures:										
Current:										
Administration	—	302	—	—	—	—	—	—	—	2,292
Public safety	—	—	—	—	—	—	—	—	—	16,652
Infrastructure and facilities	—	—	—	—	—	—	—	—	—	1,982
Social services	—	—	—	—	—	—	—	—	—	8,734
Health services	—	—	—	—	—	—	—	—	—	33,458
Other nonagency	—	—	—	—	—	—	—	13,558	—	13,778
Capital outlay	355	12,936	22,692	—	11,180	895	127	3,800	3,166	55,151
Debt service:										
Principal retirement	—	—	—	—	—	—	—	—	—	33,386
Interest	—	—	—	—	—	—	—	—	—	13,824
Total expenditures	355	13,238	22,692	—	11,180	895	127	17,358	3,166	179,257
Excess (deficiency) of revenues over (under) expenditures	995	(12,128)	(22,152)	—	(11,180)	(895)	(64)	(12,445)	(2,494)	(85,902)
Other financing sources (uses):										
Issuance of capital lease refunding obligations	—	—	—	—	18,500	—	—	—	—	18,500
Proceeds from sale of bonds	—	39,335	—	—	—	—	—	—	—	39,335
Premium received on bonds	—	5,971	—	—	—	—	—	—	—	5,971
Transfer in from enterprise fund	—	—	—	—	—	—	—	—	—	1,081
Transfers in	—	—	25,385	—	—	1,348	—	—	2,116	61,568
Transfers out	—	—	—	—	—	—	—	—	—	(160)
Total other financing sources (uses)	—	45,306	25,385	—	18,500	1,348	—	—	2,116	126,295
Net change in fund balances	995	33,178	3,233	—	7,320	453	(64)	(12,445)	(378)	40,393
Fund balance at beginning of year	10,800	39,038	54,004	423	3,113	2,483	3,204	12,445	10,367	191,863
Fund balance at end of year	\$ 11,795	72,216	57,237	423	10,433	2,936	3,140	—	9,989	232,256

**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, 2019

(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	\$ 18,140	18,140	16,853	(1,287)
Other revenues per Budget law	2,233	2,233	2,065	(168)
Transfers	33,386	33,386	31,732	(1,654)
Appropriated Fund Balance	<u>(6,544)</u>	<u>(6,544)</u>	<u>(3,435)</u>	<u>3,109</u>
Total revenues	<u>\$ 47,215</u>	<u>47,215</u>	47,215	<u>—</u>
Reconciliation to GAAP basis:				
To record net change in taxes receivable and deferred revenues			(342)	
Appropriated Fund Balance			<u>3,435</u>	
Total adjustment to GAAP basis			<u>3,093</u>	
Total revenues and other sources, GAAP basis			<u>50,308</u>	
<b>Expenditures</b>				
Administration	\$ 5	5	5	—
Principal	33,386	33,386	33,386	—
Interest	<u>13,824</u>	<u>13,824</u>	<u>13,824</u>	<u>—</u>
Total expenditures	<u>\$ 47,215</u>	<u>47,215</u>	47,215	<u>—</u>
Total expenditures and other uses, GAAP basis			<u>47,215</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	\$ —	—	—	—
Appropriated Fund Balance	<u>138</u>	<u>138</u>	<u>30</u>	<u>(108)</u>
	<u>\$ 138</u>	<u>138</u>	30	<u>(108)</u>
Reconciliation to GAAP basis:				
Appropriated fund balance			<u>(30)</u>	
Total revenues and other sources, GAAP basis			<u>\$ —</u>	
Expenditures and other uses:				
Non agency	\$ <u>138</u>	<u>138</u>	<u>30</u>	<u>108</u>
	<u>\$ 138</u>	<u>138</u>	30	<u>108</u>
Total expenditures and other uses, GAAP basis			<u>\$ 30</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, 2019

(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	50,990	50,990	44,990	(6,000)
Other general revenues	\$ 2,550	2,550	1,447	(1,103)
Transfers	1,850	1,850	1,653	(197)
Appropriated Fund Balance	<u>6,409</u>	<u>6,409</u>	1,094	<u>(5,315)</u>
Total revenues	<u>\$ 61,799</u>	<u>61,799</u>	49,185	<u>(12,614)</u>
Reconciliation to GAAP basis:				
To record effect of receivables			387	
Appropriated Fund Balance			<u>(1,094)</u>	
Total revenues and other sources, GAAP basis			<u>48,478</u>	
<b>Expenditures</b>				
Administration	197	197	139	58
Public Safety	5,355	5,355	3,428	1,927
Infrastructure and Facilities	5,535	5,535	3,619	1,916
Social services	12,762	12,762	8,686	4,076
Health services	37,950	37,950	33,313	4,637
Total expenditures	<u>\$ 61,799</u>	<u>61,799</u>	49,185	<u>12,614</u>
Reconciliation to GAAP basis - to record net effect				
of unrecorded liabilities			<u>(1,765)</u>	
Total expenditures and other uses, GAAP basis			<u>47,420</u>	
<b>Emergency Communications - 911</b>				
<b>Revenues</b>				
Charges for Services	\$ 6,077	6,077	7,258	1,181
Transfers	415	415	415	—
Appropriated fund balance	<u>1,178</u>	<u>1,178</u>	(1,610)	<u>(2,788)</u>
Total revenues	<u>7,670</u>	<u>7,670</u>	6,063	<u>(1,607)</u>
Reconciliation to GAAP basis:				
Appropriated Fund Balance			<u>1,610</u>	
Total revenues and other sources, GAAP basis			<u>7,673</u>	
<b>Expenditures</b>				
Total expenditures	<u>\$ 7,670</u>	<u>7,670</u>	6,063	<u>1,607</u>
Reconciliation to GAAP basis - to record net effect				
of unrecorded liabilities			39	
Total expenditures and other uses, GAAP basis			<u>6,102</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, 2019

(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	\$ 17	17	—	17
Total revenues	<u>17</u>	<u>17</u>	—	<u>17</u>
Total revenues and other sources, GAAP basis			<u>—</u>	
<b>Expenditures</b>				
Total expenditures	\$ <u>17</u>	<u>17</u>	17	<u>—</u>
Total expenditures and other uses, GAAP basis			<u>17</u>	
<b>General Government services:</b>				
<b>Revenues</b>				
Miscellaneous	\$ 30	30	348	318
Appropriated Fund Balance	901	901	(193)	(1,094)
Total revenues	<u>\$ 931</u>	<u>931</u>	155	<u>(776)</u>
Reconciliation to GAAP basis:				
Appropriated Fund Balance			193	
Total revenues and other sources, GAAP basis			<u>348</u>	
<b>Expenditures</b>				
Total administrative expenditures	\$ <u>931</u>	<u>931</u>	155	<u>776</u>
Total expenditures and other uses, GAAP basis			<u>155</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, 2019

(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	\$ —	—	—	—
Other general revenues	—	—	—	—
Appropriated Fund Balance	—	—	—	—
Total revenues	\$ <u>—</u>	<u>—</u>	—	<u>—</u>
Reconciliation to GAAP basis:				
To record effect of receivables			—	
Appropriated Fund Balance			—	
Total revenues and other sources, GAAP basis			<u>—</u>	
<b>Expenditures</b>				
Total expenditures	\$ <u>—</u>	<u>—</u>	—	<u>—</u>
Reconciliation to GAAP basis - to record net effect of unrecorded liabilities			—	
Total expenditures and other uses, GAAP basis			<u>—</u>	

\*This function is now being performed by the Fulton County Board of Health, a discretely presented component unit

**Public Education Government Television**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>variance Positive (Negative)</u>
<b>Revenues</b>				
Miscellaneous	\$ —	—	128	128
Appropriated Fund Balance	700	700	132	(568)
Total revenues	\$ <u>700</u>	<u>700</u>	260	<u>(440)</u>
Reconciliation to GAAP basis:				
Appropriated Fund Balance			(132)	
Total revenues and other sources, GAAP basis			<u>128</u>	
<b>Expenditures</b>				
Total expenditures	\$ <u>700</u>	<u>700</u>	260	<u>440</u>
Reconciliation to GAAP basis - to record net effect of unrecorded liabilities			3	
Total expenditures and other uses, GAAP basis			<u>257</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, 2019

(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	\$ 5,912	5,912	9,207	3,295
Appropriated Fund Balance	5,757	5,757	(2,119)	(7,876)
Total revenues	<u>\$ 11,669</u>	<u>11,669</u>	7,088	<u>(4,581)</u>
Reconciliation to GAAP basis:				
Appropriated Fund Balance			<u>2,119</u>	
Total revenues and other sources, GAAP basis			<u>9,207</u>	
<b>Expenditures</b>				
Total expenditures and transfer out	<u>\$ 11,669</u>	<u>11,669</u>	7,088	<u>4,581</u>
Reconciliation to GAAP basis - to record net effect of unrecorded liabilities				
Total expenditures and other uses, GAAP basis			<u>5</u>	
			<u>7,093</u>	
<b>Hotel Motel:</b>				
<b>Revenues</b>				
Anticipated revenues	\$ 350	350	220	(130)
Total revenues	<u>\$ 350</u>	<u>350</u>	220	<u>(130)</u>
Reconciliation to GAAP basis:				
Total revenues and other sources, GAAP basis			<u>220</u>	
<b>Expenditures</b>				
Total Non-agency expenditures	<u>\$ 350</u>	<u>350</u>	220	<u>130</u>
Total expenditures and other uses, GAAP basis			<u>220</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, 2019

(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	\$ —	—	17	17
Appropriated Fund Balance	<u>496</u>	<u>496</u>	<u>31</u>	<u>(465)</u>
Total revenues	<u>\$ 496</u>	<u>496</u>	<u>48</u>	<u>(448)</u>
Reconciliation to GAAP basis:				
Appropriated Fund Balance			<u>(31)</u>	
Total revenues and other sources, GAAP basis			<u>17</u>	
<b>Expenditures</b>				
Total expenditures	<u>\$ 496</u>	<u>496</u>	<u>48</u>	<u>448</u>
Total expenditures and other uses, GAAP basis			<u>48</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	\$ 2,205	2,205	1,594	(611)
Appropriated Fund Balance	<u>—</u>	<u>—</u>	<u>(103)</u>	<u>(103)</u>
Total revenues	<u>\$ 2,205</u>	<u>2,205</u>	<u>1,491</u>	<u>(714)</u>
Reconciliation to GAAP basis:				
Appropriated Fund Balance			<u>103</u>	
Total revenues and other sources, GAAP basis			<u>1,594</u>	
<b>Expenditures</b>				
Total expenditures	<u>\$ 2,205</u>	<u>2,205</u>	<u>1,491</u>	<u>714</u>
Total expenditures and other uses, GAAP basis			<u>1,491</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>T-Splost Transportation Tax-Admin</b>				
<b>Revenues</b>				
Anticipated revenues	\$ 617	617	626	9
Appropriated Fund Balance	<u>700</u>	<u>700</u>	<u>(427)</u>	<u>(1,127)</u>
Total revenues	<u>\$ 1,317</u>	<u>1,317</u>	<u>199</u>	<u>(1,118)</u>
Reconciliation to GAAP basis:				
Change in sales tax and interest receivable			<u>(92)</u>	
Appropriated Fund Balance			<u>427</u>	
Total revenues and other sources, GAAP basis			<u>534</u>	
<b>Expenditures</b>				
Total expenditures	<u>\$ 1,317</u>	<u>1,317</u>	<u>199</u>	<u>1,118</u>
Total expenditures and other uses, GAAP basis			<u>199</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.**

**Wolf Creek Amphitheater fund – used to account for the operations of a world-class event venue located in the southern part of Fulton County.**

**City of South Fulton Contractual services fund – used to account for the provision of transitional operational services beginning May 1, 2017 to the newly created City of South Fulton based on an intergovernmental agreement.**

**Fulton County Board of Health Contractual services fund – used to account for the provision of operational services beginning July 1, 2017 to the newly created Fulton County Board of Health, a separate legal entity, based on an intergovernmental agreement.**

**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 Fund

December 31, 2019

(In thousands of dollars)

Assets	Business Type Activities- Enterprise Funds				Total Non-major Enterprise Funds
	Wolf Creek Amphitheatre fund	City of South Fulton Contractual services fund	Fulton County Board of Health Contractual services fund	Airport Fund	
Current assets:					
Cash and cash equivalents	\$ 761	941	—	2,548	4,250
Due from other governments, net	—	—	4,765	—	4,765
Total current assets	<u>761</u>	<u>941</u>	<u>4,765</u>	<u>2,548</u>	<u>9,015</u>
Noncurrent assets:					
Nondepreciable capital assets	—	—	—	27,909	27,909
Depreciable capital assets (net of accumulated depreciation)	5,884	—	—	173	6,057
Total noncurrent assets	<u>5,884</u>	<u>—</u>	<u>—</u>	<u>28,082</u>	<u>33,966</u>
Total assets	<u>6,645</u>	<u>941</u>	<u>4,765</u>	<u>30,630</u>	<u>42,981</u>
Liabilities:					
Current liabilities (payable from current assets):					
Accounts payable & accrued expenses	\$ 1	746	1,249	254	2,250
Due to others	—	—	3,516	—	3,516
Total liabilities	<u>1</u>	<u>746</u>	<u>4,765</u>	<u>254</u>	<u>5,766</u>
Net Position:					
Net investment in capital assets	5,884	—	—	28,082	33,966
Unrestricted	760	195	—	2,294	3,249
Total net position	<u>\$ 6,644</u>	<u>195</u>	<u>—</u>	<u>30,376</u>	<u>37,215</u>

**FULTON COUNTY, GEORGIA**

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

For the year ended December 31, 2019

(In thousands of dollars)

	<b>Business Type Activities- Enterprise Funds</b>				<b>Total Non-major Enterprise Funds</b>
	<b>Wolf Creek Amphitheatre fund</b>	<b>City of South Fulton Contractual services fund</b>	<b>Fulton County Board of Health Contractual services fund</b>	<b>Airport Fund</b>	
Operating revenues:					
Charges for services	\$ 80	258	22,689	3,155	26,182
Total operating revenues	<u>80</u>	<u>258</u>	<u>22,689</u>	<u>3,155</u>	<u>26,182</u>
Operating expenses:					
Administrative and general	—	—	—	180	180
Depreciation and amortization	222	—	—	22	244
Personal services	224	—	—	512	736
Contractual services	—	63	22,689	1,682	24,434
Operating services	304	—	—	—	304
Total operating expenses	<u>750</u>	<u>63</u>	<u>22,689</u>	<u>2,396</u>	<u>25,898</u>
Operating (loss) income	<u>(670)</u>	<u>195</u>	<u>—</u>	<u>759</u>	<u>284</u>
(Loss) Income before transfers	<u>(670)</u>	<u>195</u>	<u>—</u>	<u>759</u>	<u>284</u>
Transfer in (out)	<u>—</u>	<u>—</u>	<u>—</u>	<u>(1,331)</u>	<u>(1,331)</u>
Change in net position	<u>(670)</u>	<u>195</u>	<u>—</u>	<u>(572)</u>	<u>(1,047)</u>
Net position at beginning of year	<u>7,314</u>	<u>—</u>	<u>—</u>	<u>30,948</u>	<u>38,262</u>
Net position at end of year	<u>\$ 6,644</u>	<u>195</u>	<u>—</u>	<u>30,376</u>	<u>37,215</u>

**FULTON COUNTY, GEORGIA**

Combining Statement of Cash Flows  
Non-major Enterprise Fund

For the year ended December 31, 2019

(In thousands of dollars)

	<b>Business Type Activities- Enterprise Funds</b>				<b>Total Non-major Enterprise Funds</b>
	<b>Wolf Creek Amphitheatre fund</b>	<b>City of South Fulton Contractual services fund</b>	<b>Fulton County Board of Health Contractual services fund</b>	<b>Airport Fund</b>	
Cash flows from operating activities:					
Receipts from customers and users and taxes	\$ 80	258	20,854	3,156	24,348
Payments to suppliers	(304)	(18)	(20,854)	(1,657)	(22,833)
Payments to employees	(224)	—	—	(515)	(739)
Net cash provided by (used in ) operating activities	<u>(448)</u>	<u>240</u>	<u>—</u>	<u>983</u>	<u>775</u>
Cash flows from capital and related financing activities:					
Additions to property, plant, and equipment	—	—	—	(150)	(150)
Net cash used by capital and related financing activities	<u>—</u>	<u>—</u>	<u>—</u>	<u>(150)</u>	<u>(150)</u>
Cash flows from non-capital financing activities:					
Transfer in (out)	—	—	—	(1,331)	(1,331)
Net cash provided by non-capital financing activities	<u>—</u>	<u>—</u>	<u>—</u>	<u>(1,331)</u>	<u>(1,331)</u>
(Decrease) increase in cash and cash equivalents	(448)	240	—	(498)	(706)
Cash and cash equivalents at beginning of year	<u>1,209</u>	<u>701</u>	<u>—</u>	<u>3,046</u>	<u>4,956</u>
Cash and cash equivalents at end of year	\$ <u><u>761</u></u>	<u><u>941</u></u>	<u><u>—</u></u>	<u><u>2,548</u></u>	<u><u>4,250</u></u>
Reconciliation of operating income (loss) to net cash provided by (used in ) operating activities:					
Operating income (loss)	\$ (670)	195	—	759	284
Adjustments to reconcile operating (loss) income to net cash provided by (used in) operating activities:					
Depreciation and amortization	222			22	244
Changes in assets and liabilities:					
Change in due from other governments - net	—	—	(1,835)	—	(1,835)
Accounts and claims payable	—	45	129	202	376
Due to others	—	—	1,706	—	1,706
Net cash provided by (used in) operating activities	\$ <u><u>(448)</u></u>	<u><u>240</u></u>	<u><u>—</u></u>	<u><u>983</u></u>	<u><u>775</u></u>

# **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, 2019

(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	\$ 934	16,756	33,936	429	52,055
Other current assets	<u>13</u>	<u>4,759</u>	<u>85</u>	<u>—</u>	<u>4,857</u>
Total assets	<u>947</u>	<u>21,515</u>	<u>34,021</u>	<u>429</u>	<u>56,912</u>
 <b>Liabilities and Net Position</b>					
Current liabilities:					
Accounts payable	512	3,369	1,095	—	4,976
Claims payable	<u>—</u>	<u>13,284</u>	<u>2,000</u>	<u>—</u>	<u>15,284</u>
Total liabilities	<u>512</u>	<u>16,653</u>	<u>3,095</u>	<u>—</u>	<u>20,260</u>
Net position:					
Unrestricted	<u>435</u>	<u>4,862</u>	<u>30,926</u>	<u>429</u>	<u>36,652</u>
Total net position	<u>\$ 435</u>	<u>4,862</u>	<u>30,926</u>	<u>429</u>	<u>36,652</u>

**FULTON COUNTY, GEORGIA**

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

Internal Service Funds

For the year ended December 31, 2019

(in thousands of dollars)

	<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>
Operating revenues - charges for services	\$ 5,299	106,505	19,847	—	131,651
Operating expenses:					
Contractual services	—	111,662	—	—	111,662
Administrative and general	5,391	—	17,079	—	22,470
Total operating expenses	5,391	111,662	17,079	—	134,132
Operating income (loss)	(92)	(5,157)	2,768	—	(2,481)
Net position at beginning of year	527	10,019	28,158	429	39,133
Net position at end of year	\$ 435	4,862	30,926	429	36,652

**FULTON COUNTY, GEORGIA**

Combining Statement of Cash Flows  
Internal Service Funds

For the year ended December 31, 2019

(In thousands of dollars)

	<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>
Cash flows from operating activities:					
Receipts from customers and users	\$ 5,813	106,772	19,847	—	132,432
Payments to suppliers	(4,879)	(104,337)	(16,747)	—	(125,963)
Net cash provided by (used in) operating activities	<u>934</u>	<u>2,435</u>	<u>3,100</u>	<u>—</u>	<u>6,469</u>
Increase (decrease) in cash and cash equivalents	—	2,435	3,100	—	6,469
Cash and cash equivalents at beginning of year	<u>—</u>	<u>14,321</u>	<u>30,836</u>	<u>429</u>	<u>45,586</u>
Cash and cash equivalents at end of year	<u><u>\$ —</u></u>	<u><u>16,756</u></u>	<u><u>33,936</u></u>	<u><u>429</u></u>	<u><u>52,055</u></u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (92)	(5,157)	2,768	—	(2,481)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Changes in assets and liabilities:					
Other current assets	514	267	(42)	—	739
Accounts and claims payable	512	7,325	374	—	8,211
Net cash provided by (used in) operating activities	<u><u>\$ 934</u></u>	<u><u>2,435</u></u>	<u><u>3,100</u></u>	<u><u>—</u></u>	<u><u>6,469</u></u>



# **DESCRIPTION OF FIDUCIARY FUNDS**

**Trust Funds account for activities by the County acts as trustee, custodian, or agent for other governmental entities, individuals or non-profit organizations and consist of the following:**

**Pension Trust fund – used to account for the County’s single employer defined benefit pension plan, (Fulton County Employees Retirement System) which was closed in 1999 to new participants. Resources are accumulated for benefits of eligible employees**

**OPEB Trust fund – used to account for assets designated for future post-employment benefit payments for eligible employees and dependents.**

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

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

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

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

## FULTON COUNTY, GEORGIA

### Combining Statement of Fiduciary Net Position Pension and OPEB Trust Funds

December 31, 2019

(In thousands of dollars)

Assets:	<b>Fulton County Employees Retirement System fund</b>	<b>Fulton County OPEB Trust Fund</b>	<b>Total</b>
Cash and cash equivalents	\$ 19,795	4	19,799
Due from Brokers for Securities Sold	—	—	—
Investments, at fair value:			
US Treasury Obligations	69,373	1,300	70,673
US Agency Obligations	65,858	—	65,858
Municipal bonds	5,331	—	5,331
International Comingled funds	69,921	—	69,921
Corporate debt	70,270	—	70,270
Corporate asset & mortgage backed securities	18,247	—	18,247
Bank loans	73,982	—	73,982
Global fixed income mutual funds	70,008	—	70,008
Emerging markets equity mutual funds	72,487	—	72,487
Domestic equities	387,097	—	387,097
Domestic equity index funds-Comingled trust	221,786	4,868	226,654
Domestic equity funds	50,474	—	50,474
Domestic fixed income mutual funds	13,723	—	13,723
Foreign Government/Agency debt	507	—	507
International equities	12,429	—	12,429
Real estate investment contracts	13,565	—	13,565
International equity mutual funds	178,207	—	178,207
Interest and dividends receivable	1,566	—	1,566
Accounts receivable	96	—	96
Prepaid pension benefits	12,311	—	12,311
Due from Others	9	—	9
Total assets	<u>1,427,042</u>	<u>6,172</u>	<u>1,433,214</u>
Liabilities:			
Due to Brokers for Securities Purchased	3,189	—	3,189
Due to others	150	—	150
Total liabilities	<u>3,339</u>	<u>—</u>	<u>3,339</u>
Net Position restricted for pension benefits and OPEB	<u>\$ 1,423,703</u>	<u>6,172</u>	<u>1,429,875</u>

## FULTON COUNTY, GEORGIA

### Combining Statement of Changes in Fiduciary Net Position Pension and OPEB Trust funds

For the year ended December 31, 2019

(In thousands of dollars)

	<b>Fulton County Employees Retirement System Fund</b>	<b>Fulton County OPEB Trust Fund</b>	<b>Total</b>
	<u>          </u>	<u>          </u>	<u>          </u>
Additions:			
Investment income:			
Net appreciation in fair value of investments	\$ 259,368	1,236	\$ 260,604
Interest and dividends	21,176	—	21,176
Less: investment expenses	(3,880)	—	(3,880)
Net investment gain	<u>276,664</u>	<u>1,236</u>	<u>277,900</u>
Employee contributions	859	—	859
Employer contributions	64,975	—	64,975
Other income	45	—	45
Total additions	<u>342,543</u>	<u>1,236</u>	<u>343,779</u>
Deductions:			
Benefit payments	141,851	—	141,851
Transfer of plan assets to 401(A) plan or other plans	342	—	342
Refunds of contributions	13	—	13
Administrative fees and other expenses	755	—	755
Total deductions	<u>142,961</u>	<u>—</u>	<u>142,961</u>
Change in net position	199,582	1,236	200,818
Net position restricted for pension and OPEB:			
Beginning of year	<u>1,224,121</u>	<u>4,936</u>	<u>1,229,057</u>
End of year	<u>\$ 1,423,703</u>	<u>6,172</u>	<u>\$ 1,429,875</u>

**FULTON COUNTY, GEORGIA**

Combining Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
Custodial Funds

December 31, 2019

(In thousands of dollars)

<b>Assets</b>	<b>Tax Commissioner</b>	<b>Superior Court</b>	<b>State Court</b>	<b>Juvenile Court</b>	<b>Probate Court</b>	<b>Sheriff and Criminal Court</b>	<b>District Attorney</b>	<b>Total Agency Funds</b>
Cash and cash equivalents	\$ 19,347	37,153	5,527	88	714	51,635	284	114,748
Taxes receivable	<u>73,596</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>73,596</u>
Total assets	<u>\$ 92,943</u>	<u>37,153</u>	<u>5,527</u>	<u>88</u>	<u>714</u>	<u>51,635</u>	<u>284</u>	<u>188,344</u>
<b>Liabilities</b>								
Due to other taxing districts	\$ 92,943	—	—	—	—	—	—	92,943
Due to others	<u>—</u>	<u>37,153</u>	<u>5,527</u>	<u>88</u>	<u>714</u>	<u>51,635</u>	<u>284</u>	<u>95,401</u>
Total liabilities	<u>\$ 92,943</u>	<u>37,153</u>	<u>5,527</u>	<u>88</u>	<u>714</u>	<u>51,635</u>	<u>284</u>	<u>188,344</u>

**FULTON COUNTY, GEORGIA**

Statement of Changes in Assets and Liabilities

Fiduciary Funds

Agency Funds

For the year ended December 31, 2019

(In thousands of dollars)

	<u>Balance January 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2019</u>
<b>Tax Commissioner:</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 43,960	2,363,807	2,388,420	19,347
Taxes receivable	<u>120,710</u>	<u>1,710,823</u>	<u>1,757,937</u>	<u>73,596</u>
	<u>\$ 164,670</u>	<u>4,074,630</u>	<u>4,146,357</u>	<u>92,943</u>
<b>Liabilities</b>				
Due to other taxing districts	\$ <u>164,670</u>	<u>4,074,630</u>	<u>4,146,357</u>	<u>92,943</u>
 <b>Superior Court:</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ <u>22,803</u>	<u>160,619</u>	<u>146,269</u>	<u>37,153</u>
<b>Liabilities</b>				
Due to others	\$ <u>22,803</u>	<u>160,619</u>	<u>146,269</u>	<u>37,153</u>
 <b>State Court:</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ <u>5,655</u>	<u>10,313</u>	<u>10,441</u>	<u>5,527</u>
<b>Liabilities</b>				
Due to others	\$ <u>5,655</u>	<u>10,313</u>	<u>10,441</u>	<u>5,527</u>

(Continued)

**FULTON COUNTY, GEORGIA**

Statement of Changes in Assets and Liabilities

Fiduciary Funds

Agency Funds

For the year ended December 31, 2019

(In thousands of dollars)

	<u>Balance January 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2019</u>
<b>Juvenile Court:</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 94	44	50	88
<b>Liabilities</b>				
Due to others	\$ 94	44	50	88
 <b>Probate Court:</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 649	2,425	2,360	714
<b>Liabilities</b>				
Due to others	\$ 649	2,425	2,360	714
 <b>Sheriff and Criminal Court:</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 53,655	30,514	32,534	51,635
<b>Liabilities</b>				
Due to others	\$ 53,655	30,514	32,534	51,635
 <b>District Attorney:</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 297	218	231	284
<b>Liabilities</b>				
Due to others	\$ 297	218	231	284

(Continued)

**FULTON COUNTY, GEORGIA**

Statement of Changes in Assets and Liabilities

Fiduciary Funds

Agency Funds

For the year ended December 31, 2019

(In thousands of dollars)

	<u>Balance January 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2019</u>
<b>Total - All Custodial Funds:</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 127,113	2,567,940	2,580,305	114,748
Taxes receivable	<u>120,710</u>	<u>1,710,823</u>	<u>1,757,937</u>	<u>73,596</u>
	\$ <u><u>247,823</u></u>	<u><u>4,278,763</u></u>	<u><u>4,338,242</u></u>	<u><u>188,344</u></u>
<b>Liabilities</b>				
Due to other taxing districts	\$ 164,670	4,074,630	4,146,357	92,943
Due to others	<u>83,153</u>	<u>204,133</u>	<u>191,885</u>	<u>95,401</u>
	\$ <u><u>247,823</u></u>	<u><u>4,278,763</u></u>	<u><u>4,338,242</u></u>	<u><u>188,344</u></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**

**Schedule of Projects funded with Special Transportation Tax Proceeds**



**FULTON COUNTY, GEORGIA**

Other Schedules  
Summary of Debt Service Requirements to Maturity

December 31, 2019

(In thousands of dollars)

Calendar year	Annual principal and interest requirements		
	General obligation bonds	Fulton County water and sewerage revenue bonds	Totals
2020	\$ 15,506	36,779	52,285
2021	15,529	36,775	52,304
2022	15,550	36,780	52,330
2023	15,562	36,771	52,333
2024	15,571	35,260	50,831
2025	15,576	35,257	50,833
2026	15,570	35,256	50,826
2027	15,546	35,255	50,801
2028	15,533	35,260	50,793
2029	15,522	35,260	50,782
2030	15,524	35,261	50,785
2031	15,515	35,264	50,779
2032	15,516	35,257	50,773
2033	15,547	35,260	50,807
2034	15,579	35,261	50,840
2035	15,614	—	15,614
2036	15,654	—	15,654
2037	15,693	—	15,693
2038	15,734	—	15,734
2039	15,774	—	15,774
2040	13,151	—	13,151
2041	13,252	—	13,252
2042	13,351	—	13,351
2043	13,461	—	13,461
2044	13,577	—	13,577
	<u>\$ 378,407</u>	<u>534,956</u>	<u>913,363</u>

**FULTON COUNTY, GEORGIA**

Other Schedules  
Debt Service Requirements to Maturity  
General Obligation Bonds  
(2010 & 2017 Library bonds)

December 31, 2019

(In thousands of dollars)

<u>Calendar year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2020	\$ 5,355	10,151	15,506
2021	5,585	9,944	15,529
2022	5,835	9,715	15,550
2023	6,095	9,467	15,562
2024	6,370	9,201	15,571
2025	6,660	8,916	15,576
2026	6,975	8,595	15,570
2027	7,305	8,241	15,546
2028	7,655	7,878	15,533
2029	8,015	7,507	15,522
2030	8,415	7,109	15,524
2031	8,840	6,675	15,515
2032	9,280	6,236	15,516
2033	9,745	5,802	15,547
2034	10,230	5,349	15,579
2035	10,740	4,874	15,614
2036	11,280	4,374	15,654
2037	11,845	3,848	15,693
2038	12,435	3,299	15,734
2039	13,055	2,719	15,774
2040	10,950	2,201	13,151
2041	11,500	1,752	13,252
2042	12,070	1,281	13,351
2043	12,675	786	13,461
2044	13,310	267	13,577
	<u>\$ 232,220</u>	<u>146,187</u>	<u>378,407</u>
Unamortized premium at December 31, 2019	<u>7,719</u>	<u>(7,719)</u>	<u>—</u>
	<u><u>\$ 239,939</u></u>	<u><u>138,468</u></u>	<u><u>378,407</u></u>

**FULTON COUNTY, GEORGIA**

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

December 31, 2019

(In thousands of dollars)

<u>Calendar year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
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	7,026	35,261
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
	<u>378,855</u>	<u>156,101</u>	<u>534,956</u>
Unamortized premium at December 31, 2019	<u>29,609</u>	<u>(29,609)</u>	<u>—</u>
	<u>\$ 408,464</u>	<u>126,492</u>	<u>534,956</u>

**FULTON COUNTY, GEORGIA**  
 Other Schedules  
 Hotel/Motel Tax Collections and Expenditures  
 Year ended December 31, 2019

Collection Period from January 1st to December 31st					
Collection Rate	Hotel/Motel Tax <u>Collected</u>	<u>Expenditures and Obligations</u>			Expended or Obligated as a Percentage <u>of Collected</u>
		<u>Hotel/Motel Tax Expended</u>	<u>Hotel/Motel Tax Obligated</u>	<u>Hotel/Motel Tax Expended or Obligated</u>	
7%	\$220,416	220,416	—	220,416	100.00%

**FULTON COUNTY, GEORGIA**  
 Transportation Tax funds  
 Schedule of Projects funded with Special Transportation Tax Proceeds  
 Year ended December 31, 2019

	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
T-Splost Administration:	\$ 361,839	875,247	229,150	199,071	428,221	48.93%
T-Splost - City of South Fulton:						
Transportation projects	\$ 42,910,158	42,910,158	12,164,627	3,799,939	15,964,566	37.20%
T-Splost -Fulton Industrial District:						
Transportation Projects	\$ 1,482,727	4,199,045	999,969	126,818	1,126,787	26.83%

Note: in 2019, all T-Splost remaining unexpended cash collected for the City of South Fulton were transferred to the City. This payment of \$13,558,438 is not reflected as project expenditures in the above schedule.

# **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.

117-120

#### **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.

121-126

#### **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.

127-131

#### **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.

132-133

#### **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

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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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011*	2010
Governmental activities										
Net investment in capital assets	\$ 365,714	346,781	343,622	636,099	642,456	631,780	629,943	634,016	631,476	633,358
Restricted	132,851	115,665	112,664	108,268	83,667	58,776	50,442	42,280	50,807	33,487
Unrestricted	(1,296,402)	(1,269,267)	(983,014)	(868,781)	(752,312)	(288,608)	(263,967)	(201,606)	(92,710)	35,366
Total governmental activities net position	\$ (797,837)	(806,821)	(526,728)	(124,414)	(26,189)	401,948	416,418	474,690	589,573	702,211
Business-type activities										
Net investment in capital assets	\$ 794,295	734,511	709,360	682,414	676,910	684,168	692,910	706,517	729,671	778,505
Restricted	39,242	38,204	37,405	37,422	37,163	37,046	36,924	39,482	39,316	39,078
Unrestricted	214,691	245,031	256,109	270,440	263,317	258,068	247,969	240,012	246,619	232,070
Total business-type activities net position	\$ 1,048,228	1,017,746	1,002,874	990,276	977,390	979,282	977,803	986,011	1,015,606	1,049,653
Primary government										
Net investment in capital assets	\$ 1,160,009	1,081,292	1,052,982	1,318,513	1,319,366	1,315,948	1,322,853	1,340,533	1,361,147	1,411,863
Restricted	172,093	153,869	150,069	145,690	120,830	95,822	87,366	81,762	90,123	72,565
Unrestricted	(1,081,711)	(1,024,236)	(726,905)	(598,341)	(488,995)	(30,540)	(19,830)	38,406	153,909	267,436
Total primary government net position	\$ 250,391	210,925	476,146	865,862	951,201	1,381,230	1,390,389	1,460,701	1,605,179	1,751,864

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





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

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General fund										
Unassigned	198,524	182,081	106,267	124,580	152,835	120,558	83,758	88,985	128,561	—
Unreserved	—	—	—	—	—	—	—	—	—	150,230
Total general fund	<u>\$ 198,524</u>	<u>182,081</u>	<u>106,267</u>	<u>124,580</u>	<u>152,835</u>	<u>120,558</u>	<u>83,758</u>	<u>88,985</u>	<u>128,561</u>	<u>150,230</u>
Special Service District Fund										
Assigned	26,259	23,739	15,739	4,008	8,082	4,536	5,842	6,714	5,123	—
Unreserved	—	—	—	—	—	—	—	—	—	3,596
Total Special District fund	<u>\$ 26,259</u>	<u>23,739</u>	<u>15,739</u>	<u>4,008</u>	<u>8,082</u>	<u>4,536</u>	<u>5,842</u>	<u>6,714</u>	<u>5,123</u>	<u>3,596</u>
Library Bond fund										
Restricted	<u>\$ 60,094</u>	<u>115,519</u>	<u>131,372</u>	<u>26,704</u>	<u>55,179</u>	<u>110,248</u>	<u>149,471</u>	<u>159,268</u>	<u>166,813</u>	<u>168,445</u>
Total Library bond fund	<u>\$ 60,094</u>	<u>115,519</u>	<u>131,372</u>	<u>26,704</u>	<u>55,179</u>	<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	140,071	98,221	101,647	56,140	50,644	50,897	40,987	39,065	42,691	—
Committed	569	698	541	571	592	576	651	678	596	—
Assigned	91,616	92,944	87,404	81,133	64,374	42,913	43,479	41,264	57,780	—
Unassigned	—	—	—	—	—	—	—	—	(2,085)	—
Reserved	—	—	—	—	—	—	—	—	—	7,129
Unreserved, reported in:										
Special revenue funds	—	—	—	—	—	—	—	—	—	25,613
Capital projects funds	—	—	—	—	—	—	—	—	—	66,876
Total all other governmental funds	<u>\$ 232,256</u>	<u>191,863</u>	<u>189,592</u>	<u>137,844</u>	<u>115,610</u>	<u>94,386</u>	<u>85,117</u>	<u>81,007</u>	<u>98,982</u>	<u>99,618</u>
Total governmental funds	<u>\$ 517,133</u>	<u>513,202</u>	<u>442,970</u>	<u>293,136</u>	<u>331,706</u>	<u>329,728</u>	<u>324,188</u>	<u>335,974</u>	<u>399,479</u>	<u>421,889</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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Revenues</b>										
Taxes	\$ 665,384	696,787	575,978	583,667	605,771	602,967	520,687	513,212	515,240	541,331
Intergovernmental	56,807	55,308	76,735	79,779	69,781	70,046	62,767	65,709	69,118	67,974
Charges for services	42,870	40,638	29,313	34,125	38,608	39,424	40,487	43,675	41,400	52,532
Courts and law enforcement	24,232	24,783	21,695	20,253	23,169	22,703	24,820	21,951	24,549	25,244
Use of money and property	19,228	13,917	9,047	5,460	6,009	6,931	6,326	6,333	7,101	5,704
Licenses and permits	3,270	2,987	5,322	6,475	7,105	6,241	6,056	6,521	5,456	5,707
Miscellaneous	5,210	9,039	7,715	13,069	10,120	6,861	6,019	4,985	6,582	5,207
Net (depreciation) appreciation in investments	(78)	424	(360)	(22)	42	(69)	(6)	184	(10)	75
<b>Total revenues</b>	<b>816,923</b>	<b>843,883</b>	<b>725,445</b>	<b>742,806</b>	<b>760,605</b>	<b>755,104</b>	<b>667,156</b>	<b>662,570</b>	<b>669,436</b>	<b>703,774</b>
<b>Expenditures</b>										
Current:										
Administration	93,187	102,977	96,606	104,336	87,737	87,453	81,956	88,826	85,494	89,169
Public safety	172,564	137,616	139,387	143,451	142,406	161,388	154,879	149,401	145,552	146,236
Legal	136,664	128,284	124,189	120,474	115,786	115,418	108,685	106,993	115,204	113,323
Infrastructure and facilities	30,472	29,933	32,478	32,215	30,073	65,539	54,792	54,397	36,196	36,044
Social services	76,698	70,930	70,676	68,579	66,128	48,700	60,518	65,055	92,979	98,800
Health services	113,927	111,502	128,872	138,535	141,569	155,008	145,998	169,789	135,567	119,825
Other nonagency	87,130	79,758	70,192	72,972	67,718	28,907	25,948	30,946	32,941	35,671
Capital outlay	112,996	70,728	37,752	60,229	82,911	45,406	17,881	20,293	13,030	13,984
Debt service:										
Principal retirement	37,486	37,756	34,150	33,675	24,857	31,839	27,156	26,186	24,755	17,864
Interest	17,199	17,928	17,133	13,877	14,316	15,466	16,378	17,327	20,353	9,113
<b>Total expenditures</b>	<b>878,323</b>	<b>787,412</b>	<b>751,435</b>	<b>788,343</b>	<b>773,501</b>	<b>755,124</b>	<b>694,191</b>	<b>729,213</b>	<b>702,071</b>	<b>680,029</b>
Excess of revenues over (under) expenditures	(61,400)	56,471	(25,990)	(45,537)	(12,896)	(20)	(27,035)	(66,643)	(32,635)	23,745
<b>Other Financing Sources (Uses)</b>										
Capital lease refunding obligations	18,500	12,825	1,698	7,790	14,874	5,510	14,849	3,138	10,224	49,544
Proceeds from sale of bonds	39,335	—	149,785	—	—	—	—	—	—	193,441
Premium received on bonds	5,971	—	6,478	—	—	—	—	—	—	2,469
Payments to escrow agent	—	—	—	—	—	—	—	—	—	(47,480)
Proceeds from sale of capital assets	194	—	16,126	—	—	—	—	—	—	—
Transfer in from enterprise funds	1,331	936	1,737	577	—	49	400	—	—	—
Transfer out to enterprise funds	—	—	—	(1,400)	—	—	—	—	—	—
Transfers in	62,010	48,974	49,061	71,024	51,342	40,989	53,842	62,149	60,120	79,271
Transfers out	(62,010)	(48,974)	(49,061)	(71,024)	(51,342)	(40,989)	(53,842)	(62,149)	(60,120)	(79,271)
<b>Total other financing sources (uses)</b>	<b>65,331</b>	<b>13,761</b>	<b>175,824</b>	<b>6,967</b>	<b>14,874</b>	<b>5,559</b>	<b>15,249</b>	<b>3,138</b>	<b>10,224</b>	<b>197,974</b>
<b>Net changes in fund balances</b>	<b>\$ 3,931</b>	<b>70,232</b>	<b>149,834</b>	<b>(38,570)</b>	<b>1,978</b>	<b>5,539</b>	<b>(11,786)</b>	<b>(63,505)</b>	<b>(22,411)</b>	<b>221,719</b>
Debt service as a percentage of noncapital expenditures	6.9	7.4	6.9	6.4	5.8	6.7	6.5	6.2	6.6	4.0

**Schedule 5**

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

Fiscal Year	Real Property	Public Utilities	Personal and Business	Total assessed value	Total Direct Tax Rate	Assessed value as a percentage of Actual Value	Estimated actual value
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
2015	49,532,798	1,137,292	7,190,827	57,860,917	10.75	40%	144,652,293
2016	50,666,238	1,129,634	7,406,453	59,202,325	10.70	40%	148,005,813
2017	52,989,392	1,099,925	7,258,374	61,347,691	10.63	40%	153,369,228
2018	62,198,013	1,083,247	7,330,223	70,611,483	10.43	40%	176,528,708
2019	69,018,610	1,259,277	7,879,300	78,157,187	10.12	40%	195,392,968

Source: Fulton County Tax Commissioner.

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)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Fulton County direct:										
General & bond	10.119	10.430	10.63	10.70	10.75	12.05	10.48	10.55	10.55	10.28
School	17.796	17.796	18.55	18.48	18.50	18.50	18.50	18.50	18.50	18.50
Special Services district	—	—	—	—	—	—	—	—	—	—
South Fulton tax district	—	0.000	4.43	11.58	11.58	12.47	12.47	10.47	8.97	8.16
Fulton Industrial tax district	11.920	12.150	12.160	—	—	—	—	—	—	—
Total direct	<u>39.835</u>	<u>40.376</u>	<u>45.77</u>	<u>40.76</u>	<u>40.83</u>	<u>43.02</u>	<u>41.45</u>	<u>39.52</u>	<u>38.02</u>	<u>36.94</u>
State of Georgia	0.00	0.00	0.00	0.00	0.05	0.10	0.15	0.20	0.25	0.25
Municipalities:										
City of Atlanta	10.230	10.230	10.82	10.86	10.87	11.45	11.75	11.94	11.94	11.94
Downtown Development district	5.000	5.000	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
City of Atlanta school district	20.740	20.740	21.74	21.74	21.74	21.74	21.74	21.74	21.69	21.69
City of Alpharetta	5.750	5.750	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
City of College Park	12.620	12.619	12.62	12.62	12.62	12.62	12.62	12.62	11.56	11.56
City of East Point	13.450	13.890	15.00	15.00	15.00	15.00	15.00	15.00	13.75	14.75
City of Fairburn	9.566	9.566	9.57	9.57	9.73	9.82	9.70	9.98	9.93	7.50
City of Hapeville	16.110	16.110	16.44	16.61	16.61	16.61	16.61	16.61	16.61	16.61
City of Mountain Park	9.730	8.320	12.88	12.90	13.22	13.33	10.78	10.78	10.78	11.78
City of Palmetto	8.500	8.500	8.50	8.50	8.50	8.50	8.50	8.50	8.45	8.45
City of Roswell	4.955	4.955	5.46	5.46	5.46	5.46	5.46	5.46	5.46	5.46
City of Union city	14.330	14.952	16.43	15.69	15.69	15.69	15.60	10.60	10.24	9.50
City of Sandy Springs	4.731	4.731	4.73	4.73	4.73	4.73	4.73	4.73	4.73	4.73
City of Milton	5.320	5.610	5.05	4.73	4.73	4.73	4.73	4.73	4.73	4.73
City of John's Creek	3.940	4.342	4.86	4.36	4.61	4.61	4.61	4.61	4.61	4.61
City of Chattahoochee Hills	10.000	10.000	10.00	10.96	10.96	10.96	10.96	10.96	10.96	10.96
City of South Fulton	11.579	11.579	7.149	—	—	—	—	—	—	—

Source: Fulton County Tax Commissioner.

## FULTON COUNTY, GEORGIA

Principal Taxpayers

Current Year and Nine Years Ago

	<u>Assessment</u>	<u>Percentage of total assessed value</u>	<u>Taxes**</u>
Ten major taxpayers of 2019*:			
Development Authority of Fulton County	\$ 2,294,473,325	2.94%	\$ 22,712,991
Georgia Power	557,148,123	0.71%	5,515,209
AT&T	274,228,433	0.35%	2,714,587
Atlanta Development Authority	261,285,450	0.33%	2,586,465
Coca Cola Company	211,509,200	0.27%	2,093,730
Delta Airlines	161,644,552	0.21%	1,600,119
Suntrust Plaza Associates LLC	155,570,751	0.20%	1,539,995
Post Apartment Homes	149,044,820	0.19%	1,475,395
Norfolk Souther Railway Company	130,418,850	0.17%	1,291,016
AC Property Owner LP	124,000,000	0.16%	1,227,476
Total ten major taxpayers	<u>\$ 4,319,323,504</u>	<u>5.53%</u>	<u>\$ 42,756,983</u>
(1) Total County gross assessed value	<u>\$ 78,157,186,522</u>		

\*Taxes and assessments based on values at time of presentment

Source: Fulton County Tax Commissioner

	<u>Assessment</u>	<u>Percentage of total assessed value</u>	<u>Taxes</u>
Ten major taxpayers of 2010*:			
Development Authority of Fulton County	\$ 864,964,916	1.52%	\$ 8,886,421
Georgia Power	355,267,690	0.63%	3,407,864
BellSouth Telecommunications	288,336,703	0.51%	2,774,329
Coca Cola	239,494,269	0.42%	2,462,241
AT&T	233,061,383	0.41%	2,364,547
Delta Airlines	144,071,482	0.25%	1,481,199
BF ATL, LLC	135,349,360	0.24%	1,391,527
Post Apartment Homes	129,959,779	0.23%	1,336,116
SunTrust Plaza Associates LLC	103,532,500	0.18%	1,064,418
IEP Peachtree LLC	93,279,610	0.16%	959,008
Total ten major taxpayers	<u>\$ 2,587,317,692</u>	<u>4.55%</u>	<u>\$ 26,127,670</u>
(1) Total County gross assessed value	<u>\$ 56,813,105,014</u>		

Source: Fulton County Tax Commissioner.

**Schedule 8-A**

**FULTON COUNTY, GEORGIA**  
 General Fund Property Tax Levy and Collections  
 Last Ten Fiscal Years

<b>Fiscal Year</b>		<b>Total current year tax levy</b>	<b>Current tax collected</b>	<b>Percent of levy collected</b>	<b>Delinquent tax collected</b>	<b>Total tax collected</b>	<b>Total collections as percentage of current levy</b>	<b>Outstanding delinquent taxes</b>	<b>Outstanding delinquent taxes as percentage of current levy</b>
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
2015		449,477	437,411	97.3	17,517	454,928	101.2	13,204	2.9
2016	(2)	463,919	440,273	94.9	8,744	449,017	96.8	11,555	2.5
2017	(3)	479,316	320,442	66.9	22,785	343,227	71.6	10,385	2.2
2018	(1)	528,319	504,080	95.4	159,945	664,025	125.7	10,176	1.9
2019		554,955	539,521	97.2	44,858	584,379	105.3	8,656	1.6

Debt Service Fund Property Tax Levy and Collections  
 Last Ten Fiscal Years  
 (in thousands)

<b>Fiscal Year</b>		<b>Total current year tax levy</b>	<b>Current tax collected</b>	<b>Percent of levy collected</b>	<b>Delinquent tax collected</b>	<b>Total tax collected</b>	<b>Total collections as percentage of current levy</b>	<b>Outstanding delinquent taxes</b>	<b>Outstanding delinquent taxes as percentage of current levy</b>
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
2015		12,568	12,240	97.4	441	12,681	100.9	252	2.0
2016	(2)	13,053	12,412	95.1	236	12,648	96.9	270	2.1
2017	(3)	13,474	9,176	68.1	629	9,805	72.8	282	2.1
2018	(1)	14,327	13,691	95.6	4,320	18,011	125.7	281	2.0
2019		15,004	14,607	97.4	1,154	15,761	105.0	237	1.6

(1) 2010, 2014 & 2018 due date October 31 as opposed to normal due date of October 15

(2) 2016 due date November 15 as opposed to a normal due date of October 15

(3) 2017 due date January 15 of subsequent year as opposed to a normal due date of October 15

Amounts represented for Real Estate & Personal Property Taxes

**Schedule 8-B**

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

<b>Fiscal Year</b>	<b>Total current year tax levy</b>	<b>Current tax collected</b>	<b>Percent of levy collected</b>	<b>Delinquent tax collected</b>	<b>Total tax collected</b>	<b>Total collections as percentage of current levy</b>	<b>Outstanding delinquent taxes</b>	<b>Outstanding delinquent taxes as percentage of current levy</b>
2010	\$ — (1)	—	— %	\$ 9	\$ 9	— %	\$ 191	—
2011	—	—	—	6	6	—	60	—
2012	—	—	—	2	2	—	—	—
2013	—	—	—	—	—	—	—	—
2014	— (1)	—	—	—	—	—	—	—
2015	—	—	—	—	—	—	—	—
2016	— (2)	—	—	—	—	—	—	—
2017	— (3)	—	—	—	—	—	—	—
2018	— (1)	—	—	—	—	—	—	—
2019	—	—	—	—	—	—	—	—

**FULTON COUNTY, GEORGIA**  
 Northeast Special Service Sub-District Fund Property Tax Levy and Collections  
 Last Fiscal Year  
 (in thousands)

<b>Fiscal Year</b>	<b>Total current year tax levy</b>	<b>Current tax collected</b>	<b>Percent of levy collected</b>	<b>Delinquent tax collected</b>	<b>Total tax collected</b>	<b>Total Collections as percentage of current levy</b>	<b>Outstanding delinquent taxes</b>	<b>Outstanding delinquent taxes as percentage of current levy</b>
2010	\$ — (1)	—	— %	\$ 4	\$ 4	— %	\$ 18	—
2011	—	—	—	1	1	—	14	—
2012	—	—	—	1	1	—	14	—
2013	—	—	—	1	1	—	—	—
2014	— (1)	—	—	—	—	—	—	—
2015	—	—	—	1	1	—	—	—
2016	— (2)	—	—	—	—	—	—	—
2017	— (3)	—	—	—	—	—	—	—
2018	— (1)	—	—	—	—	—	—	—
2019	—	—	—	—	—	—	—	—

Source: Fulton County Tax Commissioner's office

- (1) 2010, 2014 & 2018 due date October 31 as opposed to normal due date of October 15
  - (2) 2016 due date November 15 as opposed to a normal due date of October 15
  - (3) 2017 due date January 15 of subsequent year as opposed to a normal due date of October 15
- Amounts represented for Real Estate & Personal Property Taxes



**Schedule 8-C**

**FULTON COUNTY, GEORGIA**  
 Northwest Special Service Sub-District Fund Property Tax Levy and Collections  
 Last Nine Fiscal Years  
 (in thousands)

<b>Fiscal Year</b>		<b>Total current year tax levy</b>	<b>Current tax collected</b>	<b>Percent of levy collected</b>		<b>Delinquent tax collected</b>	<b>Total tax collected</b>	<b>collections as percentage of current levy</b>		<b>Outstanding delinquent taxes</b>	<b>Outstanding delinquent taxes as percentage of current levy</b>
2010	(1)	—	\$ —	— %	\$	19	\$ 19	— %	\$	12	—
2011		—	—	—		3	3	—		7	—
2012		—	—	—		1	1	—		7	—
2013		—	—	—		—	—	—		—	—
2014	(1)	—	—	—		1	1	—		—	—
2015		—	—	—		—	—	—		—	—
2016	(2)	—	—	—		—	—	—		—	—
2017	(3)	—	—	—		—	—	—		—	—
2018	(1)	—	—	—		—	—	—		—	—
2019		—	—	—		—	—	—		—	—

**FULTON COUNTY, GEORGIA**  
 South Fulton Special District Fund Property Tax Levy and Collections  
 Last Nine Fiscal Years  
 (in thousands)

<b>Fiscal Year</b>		<b>Total current year tax levy</b>	<b>Current tax collected</b>	<b>Percent of levy collected</b>		<b>Delinquent tax collected</b>	<b>Total tax collected</b>	<b>collections as percentage of current levy</b>		<b>Outstanding delinquent taxes</b>	<b>Outstanding delinquent taxes as percentage of current levy</b>
2010	(1)	22,964	\$ 21,905	95.4 %	\$	4,044	\$ 25,949	113.0 %	\$	1,169	5.1%
2011		21,406	19,827	92.6		681	20,508	95.8		1,340	6.3
2012		23,531	22,535	95.8		1,738	24,273	103.2		1,208	5.1
2013		27,669	25,702	92.9		906	26,608	96.2		1,284	4.6
2014	(1)	28,522	26,914	94.4		1,872	28,786	100.9		1,397	4.9
2015		29,306	28,041	95.7		1,505	29,546	100.8		1,389	4.7
2016	(2)	30,096	28,134	93.5		1,098	29,232	97.1		1,320	4.4
2017	(3)	16,854	9,033	53.6		1,754	10,787	64.0		1,324	7.9
2018	(1)	7,543	7,106	94.2		8,874	15,980	211.9		1,466	19.4
2019		10,435	10,147	97.2		6,343	16,490	158.0		909	8.7

Source: Fulton County Tax Commissioner's office

- (1) 2010, 2014 & 2018 due date October 31 as opposed to normal due date of October 15
  - (2) 2016 due date November 15 as opposed to a normal due date of October 15
  - (3) 2017 due date January 15 of subsequent year as opposed to a normal due date of October 15
- Amounts represented for Real Estate & Personal Property Taxes

**FULTON COUNTY, GEORGIA**  
 Computation of Direct and Overlapping Debt  
 as of December 31, 2019

Name of governmental unit	Amount outstanding	Percentage applicable	Amount applicable
Direct debt:			
Fulton County General Obligation Library bonds	\$ 239,939,243	100.00%	239,939,243
Fulton County Urban Redevelopment Agency	99,993,228	100.00%	99,993,228
Fulton County capital lease obligations	58,650,176	100.00%	58,650,176
South Fulton Regional Jail Authority (Fulton project)	12,405,000	100.00%	12,405,000
City of Atlanta and Fulton County (County portion) Recreation Authority- Zoo Series 2007 (1)	1,467,500	95.68% *	1,404,065
Total direct debt	412,455,147		412,391,712
Contractual obligations and overlapping contractual obligations:			
Fulton County School District	22,385,000	100.00%	22,385,000
The Fulton-DeKalb Hospital Authority: Revenue Refunding Certificates-Series 2012	52,735,000	100.00%	52,735,000
City of Atlanta and Fulton County (City portion) Recreation Authority- Zoo Series 2007 (1)	4,402,500	95.68% *	4,212,194
Municipalities:			
Alpharetta	88,239,519	100.00%	88,239,519
Atlanta (including School District)	297,585,000	94.24% *	280,433,477
Hapeville	10,280,000	100.00%	10,280,000
Fairburn	7,980,000	100.00%	7,980,000
Johns Creek	39,964,205	100.00%	39,964,205
Milton	31,383,033	100.00%	31,383,033
Union City	12,162,860	100.00%	12,162,860
Roswell	6,915,371	100.00%	6,915,371
East Point Building Authority	40,600,105	100.00%	40,600,105
Total overlapping debt	\$ 614,632,593		597,290,764
Total direct and overlapping debt and contractual obligations and overlapping contractual obligations (2)	\$ 1,027,087,740		1,009,682,476

\* 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.

- (1) The County and City are obligated to pay one-quarter and three-quarters, respectively, of debt service on the Zoo Series 2007 bonds.
- (3) Does not include the City of Atlanta's Certificates of Participation of \$75,544,000 as of December 31, 2019.
- (4) Does not include the City of Johns Creek Certificate of Participation issued by the Georgia Municipal Association on behalf of the City in the amount remaining of \$22,395,000 as of December 31, 2019.
- (5) Does not include the City of Sandy Springs obligations pursuant to an annually renewable lease agreement with the Public Facilities Authority. The balance including premium, as of December 31, 2019 is \$165,885,288.

**Schedule 10**

**FULTON COUNTY, GEORGIA**  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
(in thousands)

Fiscal Year	Governmental Activities						Business-type activities						Total Debt Primary Government	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
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 <sup>(1)</sup>	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	1.31%	840.39	512,536	—	512,536	164,988	3,107	837,292	840.39
2015	148,548	—	75,506	23,243	66,948	314,245	1.14%	798.58	492,765	—	492,765	167,299	2,945	807,010	798.58
2016	143,881	—	58,058	21,291	64,690	287,920	0.97%	743.10	472,519	—	472,519	171,750	2,751	760,439	743.10
2017	250,294	—	39,967	64,274	56,941	411,476	1.11%	828.87	451,733	—	451,733	172,081	2,625	863,209	828.87
2018	245,227	—	21,199	59,651	62,294	388,371	1.00%	786.20	430,397	—	430,397	173,579	2,480	818,768	786.20
2019	239,939	—	—	99,993	72,523	412,455	0.89%	771.59	408,464	—	408,464	175,964	2,321	820,919	771.59

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

<sup>(1)</sup> 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)
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
2015	148,548	18,291	130,257	54,588,184	0.24	128.90
2016	143,881	22,729	121,152	55,916,272	0.22	118.39
2017	250,294	22,575	227,719	57,938,549	0.39	218.66
2018	245,227	31,542	213,685	66,900,764	0.32	203.49
2019	239,939	32,939	207,000	73,828,332	0.28	194.56

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>
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	(1) 117,844	79,701	(2) 38,143	13,246	15,052	28,298	1.35
2014	(1) 119,366	67,639	51,727	4,920	22,311	27,231	1.90
2015	121,605	69,066	52,539	14,650	22,123	36,773	1.43
2016	129,236	71,696	57,540	15,325	21,453	36,778	1.56
2017	125,476	69,734	55,742	16,090	20,687	36,777	1.52
2018	138,650	75,835	62,815	16,875	19,898	36,773	1.71
2019	154,067	73,660	80,407	17,720	19,057	36,777	2.19

\* 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) 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		\$	78,157,187
Less:			
Applicable property tax exemptions			(4,328,855)
Assessed value for bond purposes			<u>73,828,332</u>
Debt limit 10% of assessed value			7,382,833
Less amounts of debt applicable to the limit:			
General Obligation debt outstanding			239,939
less available debt service funds			(32,939)
Total amount applicable to debt limit			<u>207,000</u>
Legal Debt Margin		\$	<u>7,175,833</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
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%
2015		5,458,818	130,257	5,328,561	0.24%
2016		5,591,627	121,152	5,470,475	0.22%
2017		5,793,855	227,719	5,566,136	0.41%
2018		6,690,076	213,685	6,476,391	0.33%
2019		7,382,833	207,000	7,175,833	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 Personal Income(1) (in thousands)	Unemployment Rate	
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	62,381	57,210,067	7.8	
2014	996,319	68,018	63,937,957	6.3	
2015	1,010,562	69,977	70,716,189	5.4	
2016	1,023,336	75,987 (1)	75,824,470 (1)	5.4	
2017	1,041,423	80,683 (1)	82,057,605 (1)	4.3	(2)
2018	1,050,114	84,386 (1)	88,614,889 (1)	3.8	(2)
2019	1,063,937	86,918 (1)	92,474,829 (1)	3.9	(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 2016-2018. 2019 data not yet available but estimated with a 3% increase from 2018 per capita personal income data applied to U.S Census 2019 mid year population estimate.

(2) Annual unemployment rates from the Georgia Department of Labor; 2019 from the Georgia Dept of Labor, County Labor Force Estimates, (not seasonally adjusted) revis 2018 from the Georgia Dept of Labor, monthly Labor Force Table Dec 2018 (not seasonally adjusted) (Please note- subsequent to these financial statements, unemployment rates and per capita income have significantly changed due to the Covid-19 pandemic.)

**Schedule 15**

**FULTON COUNTY, GEORGIA**

Principal Employers  
Current Year and Nine Years Ago

Top Ten major employers-Fulton County, released March 2019

Delta Air Lines, Inc.-Hartsfield Atlanta  
Piedmont Atlanta Hospital  
Delta Air Lines, Inc.- Delta blvd.  
Georgia Institute of Technology-State Street  
Wellstar Atlanta Medical Center  
Grady Health System  
Georgia Institute of Technology-North Avenue NW  
NCR Corporation  
Air Service Corporation  
Verizon Wireless Call Center

\* From Georgia Department of Labor Explorer, top employers by County, released March 2019

<b>(From 2010 CAFR)</b>	<b>Employees*</b>	<b>Percentage of County employment**</b>
Ten major employers of 2008:		
Delta Airlines	19,235	4.28%
Publix Supermarkets	16,855	3.75%
Kroger Company	15,500	3.45%
Bellsouth Corp	15,500	3.45%
United States Postal Service	14,000	3.11%
Fulton County School system	10,892	2.42%
United Parcel Service	10,500	2.33%
Atlanta City Municipal Government	7,934	1.76%
SunTrust Banks Inc.	7,768	1.73%
IBM Corporation	7,500	1.67%

\* From the Metro Atlanta Chamber of Commerce publication "Atlanta's Top Employers, 2006"  
these statistics could include employees working in other areas outside Fulton County.

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



**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>
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
2015	4,320	169	135	64	278	262	5,228
2016	4,230	175	166	69	268	261	5,169
2017	4,240	175	166	66	262	288	5,197
2018	4,071	37	4	66	260	558	4,996
2019	4,113	37	—	70	258	139	4,617

Sources: Fulton County Budget Book

**FULTON COUNTY, GEORGIA**

Operating Indicators by Function/Program  
Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Atlanta/Fulton County Library										
Circulation-checked out	4,007,431	4,167,728	3,644,362	3,430,367	2,758,653	3,002,518	3,080,554	2,921,168	3,214,856	2,820,468
New library cards issued	54,457	55,893	60,601	49,623	43,382	55,058	49,927	68,915	129,974	86,184
Database inquiries (hits)	1,071,297	1,661,802	1,296,398	1,552,743	1,016,484	8,178,590	8,697,718	8,487,402	8,179,353	7,720,262
Transportation: Roadway miles paved	3	6	12	8	8	8	0	0	0	4.8
911 Emergency Communications calls:	546,518	425,742	417,562	408,656	433,398	668,379	657,973	710,475	650,337	558,630
Water and Sewerage fund:										
Wastewater average flows										
in millions of gallons per day:										
Camp Creek	16.24	15.63	14.22	16.44	15.70	17.23	14.86	15.06	16.73	15.95
John's Creek	4.45	3.57	3.89	8.75	8.62	8.43	8.48	8.08	8.44	9.31
Big Creek	19.91	17.91	18.73	18.77	18.35	19.06	19.82	19.35	19.41	21.08
Little River	0.94	0.84	0.82	0.98	0.90	0.87	0.83	0.81	0.70	0.94

\*not available

Source: Fulton County Budget book and County departments

**FULTON COUNTY, GEORGIA**

Capital Asset Statistics by Function/Program  
Last Ten Fiscal Years

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Atlanta/Fulton County Library Branches, including main facility	34	34	34	34	36	36	34	34	34	34
Health and Wellness: Health centers	10	10	10	10	9	9	8	8	8	8
Jail and detention centers	3	3	3	3	3	3	3	4	4	4
Fire Stations	15*	15*	15*	15*	15*	13*	13*	13*	0***	0***
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)	684	684	684	684	684	684	606**	68**	44**	44**

\*Three stations leased by municipalities

\*\*Primarily all roadways were transferred to the new City of South Fulton on May 1, 2017.

\*\*\*All fire stations have now or will be transferred to leasing municipalities.

All data from County departments

**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, the general fund and south fulton special district budget to actual comparisons, and the aggregate remaining fund information of Fulton County, Georgia ("the County"), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 7, 2020. Our report includes a reference to other auditors who audited the financial statements of the Fulton-Dekalb Hospital Authority and the Fulton County Board of Health, 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.

*RJC Group, LLC*

Atlanta, Georgia  
September 7, 2020