

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FULTON COUNTY, GEORGIA

**FISCAL YEAR ENDED
DECEMBER 31, 2020**

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, 2020

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

7001 Fulton County Government Center

Atlanta, Georgia 30303

Sharon L. Whitmore, Certified Financial Officer, CPA, CPFO

Hakeem Oshikoya, Director of Finance, CPA, CGFM

Ray H Turner, Deputy Director of Finance, CPA

Sabrina McTier, Controller, CPA, CGFM

Stacy Jones, Grant Administrator

Bryce Riddle, Investment Officer, CTP, CFA

James Husserl, Budget Manager, CPA

Jaunius Simokaitis, Water & Sewer Billing Manager

Melissa Barnett, Employee Benefits Manager

Latoya Belgrave Green, Risk Manager

FULTON COUNTY, GEORGIA

Comprehensive Annual Financial Report

Year ended December 31, 2020

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**FULTON COUNTY
GEORGIA
2020**

BOARD OF COMMISSIONERS OF FULTON COUNTY

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

Clerk to the Commission

Tonya R. Grier

County Manager

Dick Anderson

County Attorney

Kaye Burwell-Interim

Chief Operating Officer

Anna Roach

Chief Financial Officer

Sharon Whitmore

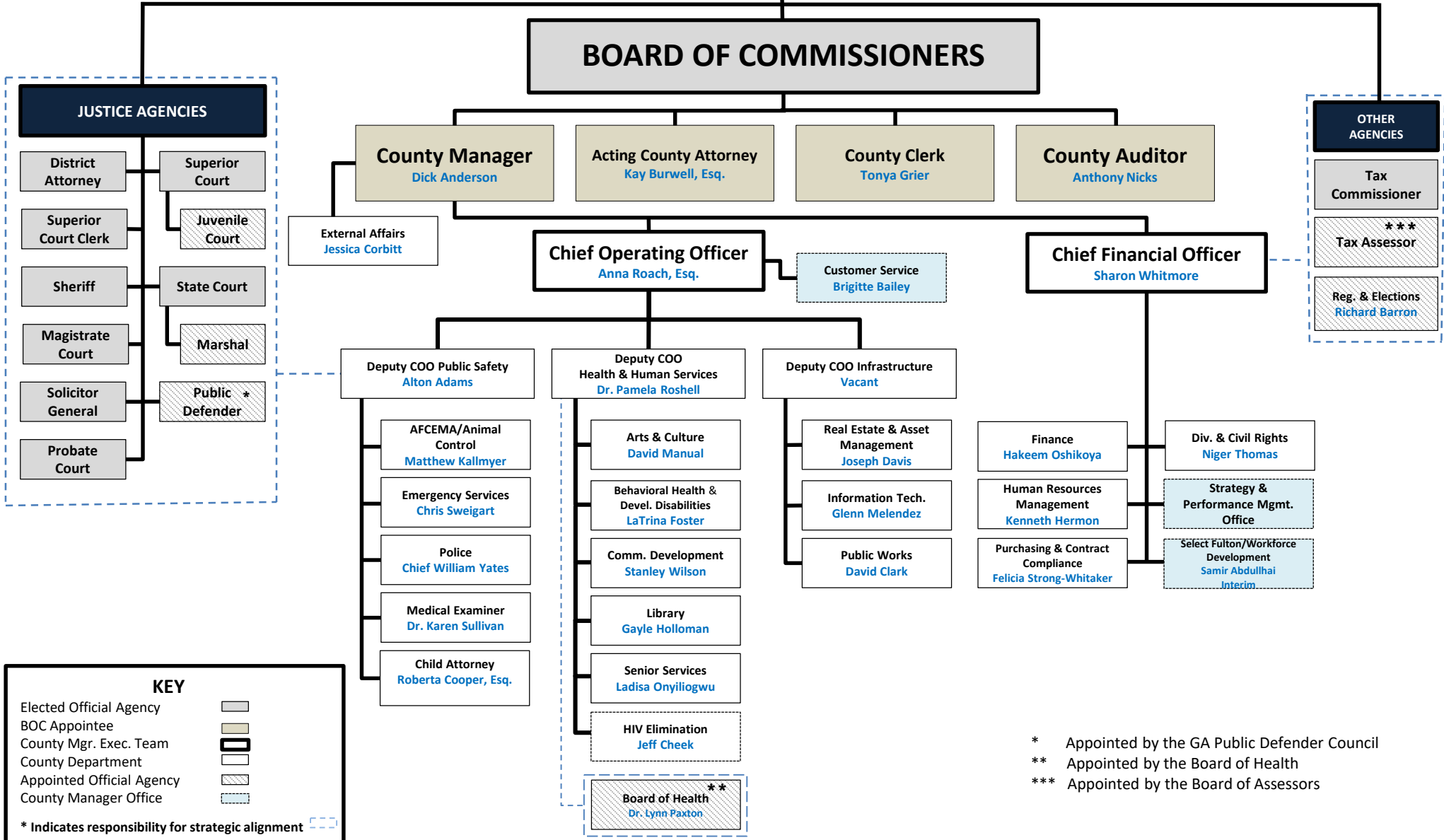
County Auditor

PJC Group, LLC



CITIZENS OF FULTON COUNTY

BOARD OF COMMISSIONERS



KEY

- Elected Official Agency
- BOC Appointee
- County Mgr. Exec. Team
- County Department
- Appointed Official Agency
- County Manager Office

* Indicates responsibility for strategic alignment

- * Appointed by the GA Public Defender Council
- ** Appointed by the Board of Health
- *** Appointed by the Board of Assessors

LETTER OF TRANSMITTAL



September 15, 2021

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, 2020. 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, 2020 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, 2020, 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 <https://www.fultoncountyga.gov/inside-fulton-county/fulton-county-departments/finance/annual-financial-reports>.

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, 2020 mid-year U.S. Census Bureau estimate was 1,077,402. 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, from north to south, include Milton, Alpharetta, Roswell, Johns Creek, Mountain Park, Sandy Springs, Atlanta, continuing south with East Point, South Fulton, College Park, Hapeville, Fairburn, Palmetto then Chattahoochee Hills.

The County provides a strategic range of services to these citizens including a comprehensive court system, including a jail facility, as well as a full range of public health and human services and facilities, and library services. The County also provides clean drinking water to the northern section of the county, and wastewater treatment services to that section as well as sections in the southern section of the County. The County's Charlie Brown field also operates 365 days a year for commercial and private aircraft.

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). In 2013 under House Bill 171, the geographic composition of the Board was changed, making six of the seven positions elected by geographic districts and one elected county-wide to serve as Chair. The county-wide position is designated, by election, as the chairperson of the Board of Commissioners. Members are part-time and since HB 171 now serve staggered four-year terms. A County Manager implements the Board's policies, administers the county government, appoints department heads, and supervises approximately 1,700 of the County's 4,700 full-time employees, the remainder supervised by each constitutional officer serving as their department head. The power of Home Rule was granted to the County by amendment to the Georgia Constitution in 1982.

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 custodial 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 Accomplishments in 2020

Below are listed some of the County's efforts in 2020 during the uncertainty of the new Covid-19 pandemic.

Justice & Safety

- *Transitioned in-person hearings to virtual court to continue operations during pandemic*
- *Successfully contained the contraction and spread of COVID- 19 among County inmates*
- *Effectively constructed and distributed an analytics system to assist internal and regional hospital professionals in making informed, critical decisions*

Health & Human Services

- *Developed and administered the largest COVID-19 testing program per capita in the State*
- *Established facilities with COVID- 19 prevention cleaning and infection- control resources*
- *Efficiently allocated more than \$100M of CARES Act funding throughout the County*
- *Positively impacted over 260k individuals with CARES Act Community Relief funding*

Arts & Libraries

- *Introduced new Library digital resources including: Kanopy; Paper.co, Lynda (now LinkedIn Learning), Creative Bug, Valueline, PebbleGO*
- *Circulated 973,423 virtual library resources during pandemic*

Infrastructure & Economic Development

- *Broke ground on the new Big Creek Wastewater treatment plan reclamation facility expansion*
- *Launched a significant renovation project for the Assembly Hall Auditorium*

Open & Responsible Government

- *Established key vendor relationships to require personal protective equipment and staff response*
- *Enhanced productivity by examining and reassigning underutilized employees*
- *Enabled remote workforce within weeks by allowing virtual access to county employees during pandemic*
- *Equipped election days with essential staff and equipment support*
- *Established election security task force in partnership with FBI, GBI, and local law enforcement to ensure safety on election day*

The County's continuing mission of delivering efficient high-impact service to every resident and visitor of the County is refined by the vision of a positive, diverse community with a thriving economy, safe neighborhoods, health residents, and a rich quality of life that all people can enjoy. It is served by a county government that is recognized for being innovative, effective, efficient and trustworthy.

On the following page, the near term interpretation of the above vision is outlined with the County's 2021 strategic initiatives, kicking off the five year Strategic Plan designed to guide the County's decisions, as well as increase accountability and effectiveness of the County government.



Justice & Safety

- Implement recommendations to **improve end-to-end performance** of Fulton County Justice System
- Continue progress on the results of the **Mental Health Task Force Study** and implementation of the **Stepping Up Initiative**
- Continuing the Implementation of the **Physical Security Initiative** which provides equipment, surveillance, patrol and other security services to Fulton County owned facilities
- Invest \$10M in the multi-year **court technology enhancement program**
- Invest \$9M to construct **public safety training** and evidence facility
- Implement the COVID-19 **court backlog project** to reduce cases from the pandemic



Health & Human Services

- Implement enhanced Behavioral Health Services to focus on justice reform and homelessness
- Continue planning improvements to **public health and emergency management infrastructure**
- Target **80% COVID vaccination rate** for the residents of Fulton County
- Provide enhanced **community service programs** to the residents due to COVID-19
- Develop a plan and implementation schedule for **Crisis Intervention Center**
- Provide rental, mortgage assistance and food security services using the **Federal Stimulus Funds**



Arts & Libraries

- Continue development of **new ARTS service delivery model**
- Continue to provide **virtual services** to ensure residents needs are met
- Re-open all renovated **libraries**
- Continue to invest in programs that combat **food insecurity**



Infrastructure & Economic Development

- Continue the multi-year execution of **Fulton County Airport Master plan**
- **Modernize IT infrastructure** with \$18M capital investment
- Complete the development of the **Continuity of Operations plan**
- Continue execution of **real estate master plan**
- Invest in **eligible workforce programs** due to the impacts of COVID-19
- Break ground on the \$32.5M construction project for a **new Animal Shelter**
- Invest in creating a **work environment** that seeks to eliminate potential risk due to pandemic



Open & Responsible Government

- Implement Phase I of the **Incremental Compensation Strategy (ICS)**
- Address the recommendations made by the **Procurement Disparity Study** to improve suppliers and diversity
- Support of election efforts to continue to improve **customer experience**
- Invest and **improve tax systems** to meet new legal requirements and enhance cash management practices
- Invest in information technology and continue to improve the **virtual work environment**
- Invest and extend on programs that best utilize the \$206M **American Rescue Plan funds**



Regional Leadership

- Implement **HIV elimination strategy and funding**
- Lead a pilot that allows for **sharing of data between jurisdictions** utilizing the county's open government platform
- Lead planning efforts for regional transportation utilizing the next **TSPLOST**
- Work with community partners to **expand food insecurity efforts** and identify areas of need
- **Increase the number of homeless housing beds** and coordinate efforts for an assessment center
- Create a **Housing Committee** to review policies related to affordable housing and equity in homeownership rights

DRAFT

All these strategic initiatives have come into sharper 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.

One of the most visible efforts was the County's health response with providing testing locations for Covid-19 leading the State in efforts to provide mobile testing for citizens. Fulton County and its partners provided over 1.2 million Covid-19 tests throughout 2020. Subsequently, vaccination efforts just by the County alone provided medical support to over 360,000 individuals, most at one of the largest vaccine sites in the country at the Mercedes Benz stadium.

ECONOMIC CONDITIONS AND OUTLOOK

Fulton County has historically 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 in recent years, and will continue to do so over the next several years. Between July of 2019 and July of 2020, the County's population increased by over 13,000 residents or 1.2%.

While Georgia's COVID-19 recession was steeper than the overall federal financial crisis, it lasted a shorter period of the time. The quick recovery was driven by the massive fiscal stimulus packages introduced by the federal government during 2020. While the overall impact on unemployment was severe across the country, Georgia fared slightly better with the maximum unemployment rate reaching 12.5% in April, compared to 14.8% for the United States. Georgia's economy continues to see economic recovery during 2021, as evidenced by ever declining unemployment numbers. Absent another lockdown or shutdown due to the spread of variant D of Covid-19, growth is expected to continue on the path that began during the summer of 2020. Georgia's projected quick recovery will be the result of buildup economic development projects, a continuation of the pre-pandemic housing boom, higher levels of consumer spending driven by lower unemployment rates, and rapid population growth driven by out of state migration. The Terry College of Business at the University of Georgia projects the State's economy to grow by 4%. The number of jobs are also expected to increase, with the unemployment rate projected to decrease to an average of 5.1% for 2021, or a 0.9% decline from the 2020 average. Atlanta-Metro's housing market is expected to continue to grow during 2021. Despite a significant dip in housing permits triggered by the COVID-19 pandemic during the spring of 2020, a significant shift in housing activity was experienced during the last few months of the year. That activity is expected to continue well into 2021 as long as progress continues to be made eradicating the virus. Affordability and commercial real estate concerns are likely to slow down the growth.

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.

The US unemployment rate was 6.3 percent as of January 2021, according to the U.S. Bureau of Labor Statistics. Most of the job gains since the COVID-19 lockdown measures were introduced in the spring of 2020 occurred in leisure and hospitality, with smaller gains in temporary help services, health care and social assistance, retail trade, and manufacturing. The revised June 2020 County labor force estimate from the Georgia Department of Labor indicated a 11.1% unemployment rate for Fulton County, which has significantly decreased down to 5.3% as of June 2021.

According to the Bureau of Economic Analysis, during 2019, per capita personal income in the United States rose to \$56,490, a 3.4 percent increase from the previous year. Per capita personal income in the state of Georgia reached \$48,236 in 2019, a 2.7 percent increase. Among the largest counties in the State, Fulton County maintains its lead with per capita personal income of \$88,832 in 2019, an increase of 1.7% when compared to 2018 levels. From the third quarter of 2019 to the third quarter of 2020, the state of Georgia recorded a 5.8 percent change in average weekly wages, increasing from \$1,025 to \$1,084. This rate of growth was lower when compared to the United States. Average weekly wages in the United States increased from \$1,092 to \$1,173, or 7.4 percent. During the same period, Fulton County recorded a 7.3 percent change in its average weekly wages, going from \$1,417 to \$1,521. Among Georgia's largest counties, Fulton continues to lead the way with average weekly wages, followed by Cobb County at \$1,221, DeKalb County at \$1,172 and Gwinnett at \$1,073. Fulton's high concentration of college-educated workers, business headquarters, high-tech companies, and research universities are some of the reasons why the county ranks among the top 25 counties in the nation in terms of average weekly wages.

Accrual basis General fund sales tax collections decreased by approximately 7.6% in 2020, to \$13.4 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, their sales tax revenues are now 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. These allocations and cumulative spending are shown as the last schedule before the statistical section in this financial statement. Subsequent to December 31, 2020, General fund sales taxes have rebounded by 11.6% for the first six months of 2021 as compared to the first six months of 2020.

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. These projects are also designed to retaining or adding several thousand full and part time jobs in the county over the long term. Detailed 2020 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 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, 2019. This was the 32nd 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

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Fulton County
Georgia**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morill

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, 2020, 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 \$1,418,508, total net position (in thousands) of \$786,808, and total revenues (in thousands) of \$1,435,710 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 the Coronavirus Aid, Relief, and Economic Security Act fund (CARES) budget to actual comparisons, and the aggregate remaining fund information of Fulton County, Georgia, as of December 31, 2020, 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 4-14 and required supplementary information on pages 86-90 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 15, 2021 on our consideration of the County’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County’s internal control over financial reporting and compliance.

PJC Group, LLC

Atlanta, Georgia
September 15, 2021

**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, 2020. 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 \$277,872. Of this amount, unrestricted assets are now in a deficit position by (\$1,148,514), 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 while greatly reduced, also by the 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 \$27,481 in 2020. Business type activities increased \$15,265 while the governmental activities experienced an increase of \$12,216 due primarily to a slight increase in tax revenues and a lower defined benefit plan net pension liability that were partially offset by an increase in the other post-employment liability as of December 31, 2020. The business type activities increase in net position in 2020 was due to a 5% rate increase in rates for 2020 as compared to 2019. The County's governmental activities net position was affected by various factors, but pension and OPEB variations are a large component of changes in governmental activities. While total expenses slightly increased, most were offset with higher operating grants and contributions. Overall, governmental activities on a recurring basis outside of recognition of pension and OPEB liabilities had relatively stable financial results as compared to 2019.

As of the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$505,961, a decrease of \$11,172 in comparison with the previous year. The fund balance for the County's General Fund increased by \$37,636, while newly received federal Coronavirus Aid, Relief, and Economic Security Act (CARES) fund ending with all resources fully expended; the Library bond capital projects fund decreased by \$45,425 with expenditures of capital resources, while Other Governmental funds decreased fund balance by \$3,563. 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. Substantial capital outlays continued in 2020 for improvements for County facilities funded largely with the Fulton County Urban Redevelopment bonds, allowing facility upgrades in designated sections of the County.

At the close of the fiscal year, total fund balance for the General Fund was \$236,160, which is available to meet the government's other ongoing obligations to citizens and creditors.

The County's total long term governmental liabilities as of December 31, 2020 totaled \$2,464,396, of which \$2,009,050 or 81%, relates to recognition of the County's net pension liability of \$333,578, and post-employment health benefits offered to eligible retirees of \$1,675,472. 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 2020. A small capital equipment lease for animal control vehicles was entered into in 2020 for \$546. Also in May 2020 the County issued \$200 million in Tax Anticipation Notes to provide short term cash resources to General fund operations until 2020 tax receipts materialize in the latter part of 2020.

Business type liabilities increased with a 2020A system revenue bond issuance of \$290.6 million for wastewater treatment facility upgrades, along with scheduled principal payments on the County's 2011 and 2013 Water and Sewer Revenue bonds. Subsequent to December 31, 2020, the 2011 outstanding bonds were refinanced with a 2020B System revenue refunding bonds to allow lower principal and interest payments over the remaining life of the bond.

Deferred Inflows of Resources related to the County's defined benefit plan total \$156,326 as of December 31, 2020, while the Deferred Outflow of Resources for the County's Other Post-Employment Benefit plan totaled \$546,173 as of December 31, 2020. These values can significantly vary as the market value of the pension assets change year to year, or with actuarial assumption changes as was experienced in 2020 with changes to the discount rate assumption for the county's OPEB plan.

The County's capital assets used for governmental activities increased during 2020 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, 2020, governmental capital assets, net of depreciation are \$705,662, of which \$248,535 are land or capital assets under construction.

Business-type capital assets totaled \$1,264,497, of which \$217,622 is land and land improvements as well as capital assets 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 \$96,878, 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 30-31 of this report, while the government-wide financial statements are on pages 15-16 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 17-23 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 24-27 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 custodial 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 28-29 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 30-31 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 32-85.

Required Supplementary Information

Governmental accounting standards require certain information to be presented regarding pension and other post-employment benefits. Multi-year information pertaining to actuarially determined employer contributions, net pension liability and each year's 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 86-90.

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 91-119 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
	2020	2019	2020	2019	2020	2019	
Current and other assets	\$ 649,905	642,356	525,079	272,583	1,174,984	914,939	28
Capital assets	705,662	643,968	1,264,467	1,202,759	1,970,129	1,846,727	7
Total Assets	<u>1,355,567</u>	<u>1,286,324</u>	<u>1,789,546</u>	<u>1,475,342</u>	<u>3,145,113</u>	<u>2,761,666</u>	14
Deferred Outflows of resources	<u>546,173</u>	<u>115,543</u>	<u>1,902</u>	<u>2,444</u>	<u>548,075</u>	<u>117,987</u>	365
Current liabilities	65,604	75,649	32,950	19,783	98,554	95,432	3
Long-term liabilities	<u>2,464,396</u>	<u>1,907,389</u>	<u>695,005</u>	<u>409,775</u>	<u>3,159,401</u>	<u>2,317,164</u>	36
Total Liabilities	<u>2,530,000</u>	<u>1,983,038</u>	<u>727,955</u>	<u>429,558</u>	<u>3,257,955</u>	<u>2,412,596</u>	35
Deferred Inflows of resources	<u>157,361</u>	<u>216,666</u>	-	-	<u>157,361</u>	<u>123,974</u>	
Net Position:							
Net investment in capital assets	375,127	365,714	856,530	794,295	1,231,657	1,160,009	6
Restricted	155,483	132,851	39,246	39,242	194,729	172,093	13
Unrestricted	<u>(1,316,231)</u>	<u>(1,296,402)</u>	<u>167,717</u>	<u>214,691</u>	<u>(1,148,514)</u>	<u>(1,081,711)</u>	6
Total Net Position	<u>\$ (785,621)</u>	<u>(797,837)</u>	<u>1,063,493</u>	<u>1,048,228</u>	<u>277,872</u>	<u>250,391</u>	11

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 \$695 million in cash and investments, of which approximately \$39 million is restricted for enterprise fund debt. Governmental activities also have approximately \$157 million of restrictions on the above cash and investments for debt service, construction, state and federal grants, and other similar type external restrictions. The business type funds has \$323 million in restricted cash for future water and sewerage system improvements. 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
	2020	2019	2020	2019	2020	2019	
Revenues:							
Program revenues:							
Charges for services	\$ 51,891	47,327	176,641	177,816	228,532	225,143	2 %
Operating grants and contributions	165,492	52,103	-	-	165,492	52,103	218
Capital grants and contributions	-	2,266	6,001	8,234	6,001	10,500	(43)
General revenues:							
Taxes	707,985	658,420	295	-	708,280	658,420	8
Intergovernmental	2,386	2,438	-	-	2,386	2,438	(2)
Other charges for services	7,592	23,045	-	-	7,592	23,045	(67)
Use of money and property	9,739	19,150	884	4,800	10,623	23,950	(56)
Miscellaneous & all other	5,591	5,210	-	-	5,591	5,210	7
Loss on sale of capital assets	-	(267)	-	-	-	(267)	-
Total revenues	<u>950,676</u>	<u>809,692</u>	<u>183,821</u>	<u>190,850</u>	<u>1,134,497</u>	<u>1,000,542</u>	13
Expenses:							
Administration	139,518	122,666	-	-	139,518	122,666	14
Public Safety	189,764	206,991	-	-	189,764	206,991	(8)
Legal	180,087	171,726	-	-	180,087	171,726	5
Infrastructure & facilities	70,682	65,452	-	-	70,682	65,452	8
Social services	106,486	97,695	-	-	106,486	97,695	9
Health services	236,454	121,724	-	-	236,454	121,724	94
Interest and debt costs	15,992	15,785	-	-	15,992	15,785	1
Water & Sewerage	-	-	140,521	126,032	140,521	126,032	11
Wolf Creek Amphitheater	-	-	689	750	689	750	(8)
City of South Fulton contractual	-	-	-	63	-	63	(100)
Board of Health contractual	-	-	24,004	22,689	24,004	22,689	6
Airport services	-	-	2,819	2,396	2,819	2,396	18
Total expenses	<u>938,983</u>	<u>802,039</u>	<u>168,033</u>	<u>151,930</u>	<u>1,107,016</u>	<u>953,969</u>	16
Excess (deficiency) of revenues over (under) expenditures	11,693	7,653	15,788	38,920	27,481	46,573	(41)
Transfers	523	1,331	(523)	(1,331)	-	-	-
Change in net position	12,216	8,984	15,265	37,589	27,481	46,573	(41)
Beginning net position	(797,837)	(806,821)	1,048,228	1,010,639	250,391	203,818	23
Ending net position	<u>\$ (785,621)</u>	<u>(797,837)</u>	<u>1,063,493</u>	<u>1,048,228</u>	<u>277,872</u>	<u>250,391</u>	11

Analysis of governmental activities

Net position of the governmental activities of the County improved from the 12/31/2019 deficit of \$(797,837) to a deficit of \$(734,676) as of December 31, 2020. As the coronavirus swept through Fulton County as well as the world, the County adjusted its mission and efforts to combat this disease. Maintaining as close to normal operations given the constraints of social distancing, establishing significant telework presence, and mitigation of facilities for essential personnel all required reimagining the service delivery approach for fiscal 2020. Federal funding of \$104M from the CARES fund in 2020 is the primary reason for the substantial increase in Operating grants and contributions, from \$52 million in 2019 to \$165 million in 2020. The CARES funds were used in four strategic areas of health response, operational stability, municipal assistance and community relief.

Highlights of the County’s CARES spending include:

- *\$19 million dedicated to managing testing and related functionality
- *\$38 million purchases personal protective equipment, which were deployed to mitigate risks and needs for residents during the 2020 elections as well as for onsite County personnel serving the community.
- *\$25 million was allocated to cities for allowable CARES related expenditures, along with \$5M in personal protective equipment dedicated to those city governments.
- *\$21 million in funding was dedicated for relief programs to assist the most vulnerable populations during the pandemic.

Total tax revenues did increase 8% from the previous year with higher property tax digest values contributing to the increase. As compared to 2019, the 2020 Other charges for services declined, however 2019 saw later than normal collections of commissions on tax collections from 2018 property taxes, which causes the variance in this revenue category for 2020. Interest rates were substantially lower in 2020 as compared to 2019, the primary cause for the significant drop in use of money and property revenue category.

Governmental expenditures increased substantially, largely due to the increased CARES spending as mentioned above. Public Safety expenditures that were re-allocated from the General fund to the CARES major fund were reclassified as “health” expenditures, which is why a decrease in Public Safety spending is indicated in the previously shown chart. All CARES expenditures are classified as “health” category of expenditures. Infrastructure and facilities expenditures also increased with continued effort at facility operational improvements, cybersecurity improvements, and other adjustments to the Covid-19 pandemic both in primary County facilities as well as facilities used for the 2020 elections.

The County plans to continue significant investments of Covid-19 mitigation and relief in 2021 as well as 2022. 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 successive rate increase of 5%, for fiscal 2020. The recent series of rate increases is to fund the newly issued 2020A System revenue bonds to fund substantial capital improvements at the Big Creek wastewater facility. The County throughout 2020 provided contractual services for the Fulton County Board of Health and operated the Brown Field Airport. These revenues and offsetting expenditures are included as non-major enterprise funds for 2020.

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 higher than 2019 as property values continued to improve, while the TAVT tax on vehicle sales stayed consistent in 2020 even given the effects of the Covid-19 pandemic. Interest income decreased in 2020 above 50% given the commensurate decline in available interest rates available to the County’s permitted investments. Charges for services, which is largely commissions on collection of taxes, shows a decline in 2020 from 2019, as 2019 saw larger than normal collections due to the timing of the 2018 tax due date.

Total governmental expenditures on page 19 of \$960 million increased by approximately \$90 million from 2019 primarily due to additional spending on federal CARES funding for the Covid-10 pandemic, as well as substantial costs devoted to the 2020 midterm and presidential elections within the confines of social distancing and other Covid-19 considerations. Approximately \$20 million of General fund spending for public safety costs were re-allocated to mitigation of the pandemic and allocated to the CARES fund. Salary and benefit costs in 2020 were slightly higher than 2019 amounts, while capital outlays continue with several facility improvement projects underway. The General fund reported a historically high ending fund balance of \$236,160, an increase of \$37,636 from fiscal 2019 due to favorable tax collections and the above mentioned reallocations of expenditures to the 2020 CARES fund. The County's General fund provides for courts, jail, mental health, libraries, human services, community programs and support services to all County departments, albeit differently than 2019. The South Fulton Taxing district provided public safety, zoning, inspections, and parks and recreation activity to the remaining unincorporated section of Fulton County, although to a much smaller geographic footprint as the City of South Fulton annexed substantial sections previously. The Library bond fund's fund balance continues to decrease to an eventual maturity with resources used for capital outlays during 2020.

Other non-major governmental funds include debt service, grants-in-aid, capital projects and other activities which remained consistent with 2020's totals, decreasing \$3,563 during fiscal 2020. Other Governmental Funds fund balance is \$254,952 at year end. Of this amount, \$120,619 is restricted, \$397 is committed, and \$133,936 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 \$708 million, higher than the approved 2019 budgeted revenues of \$655 million which anticipated the increase in property value assessments for 2020. The General fund budgetary appropriations in 2020 totaled \$782 million, significantly higher than 2019's \$719 million in appropriations by 8.8%. \$15 million in appropriations were added from 2019 allocation for the cost of the midterm and presidential elections, substantially higher than previous years due to the pandemic response. Increases related to an additional \$20 million for capital for Information Technology infrastructure and cyber security enhancements. Slight increases throughout all departments were budgeted for 2020 in salary and benefit appropriations, contributing to the overall increase. 2020 actual expenditures were lower than budgetary appropriations due to the above mentioned reclassification of public safety expenditures to the fiscal year 2020 CARES fund, as well as unfilled budgeted positions and unutilized program expenditures in 2020 due to the Covid-19 pandemic. The legally adopted budget for governmental services for the County's major governmental funds is by department and appears on pages 21-23 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 \$1,231,657 (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 2020 include new upgrades to the Big Creek wastewater treatment facility and continued work on library and facility improvements throughout the County.

	Governmental Activities		Business-type Activities		Total		Percent Change	%
	2020	2019	2020	2019	2020	2019		
Capital assets not being depreciated:								
Land & land improvements	\$ 64,974	58,704	38,110	38,110	103,084	96,814	6	
Construction in progress	183,561	140,146	179,512	88,478	363,073	228,624	59	
Capital assets, shown net of depreciation:								
Equipment	16,273	17,901	4,004	4,219	20,277	22,120	(8)	
Buildings and improvements	408,691	395,037	5,557	5,744	414,248	400,781	3	
Roadway network	32,163	32,180	-	-	32,163	32,180	(0)	
Water System	-	-	206,727	210,707	206,727	210,707	-	
Sewerage System	-	-	733,709	753,056	733,709	753,056	(3)	
Intangible assets	-	-	96,878	102,445	96,878	102,445	(5)	
Total net capital assets	\$ <u>705,662</u>	<u>643,968</u>	<u>1,264,497</u>	<u>1,202,759</u>	<u>1,970,159</u>	<u>1,846,727</u>	-	

Additional information relating to capital assets and infrastructure is presented in Note 7 of the financial statements footnotes on pages 56-58. 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 \$2,464,396 are primarily comprised of the required accruals for net other post-employment benefit liability of \$1,675,472, as well as the recognition of the County's net pension liability of \$333,578 as of December 31, 2020. Required pension disclosures are shown on pages 69-76, and in the required supplementary information with relevant notes on pages 86-90. Other post-employment benefit information required by GASB 75 is shown on pages 76-81 in the footnotes to the financial statements as well as within required supplementary information on page 88 following the footnotes. Governmental Accounting Standard No. 68 "Accounting and Financial Reporting for Pensions" now requires the primary government to report the different 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. Changes to assumption of the discount rate yielded a substantial increase in the estimated liability as of December 31, 2020.

At December 31, 2020, the County had a number of debt issues outstanding.

The 2017 Library General Obligation bonds along with the 2010 Library general obligation bonds totaled \$234,408 as of December 31, 2020. 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, 2020 were \$91,984. \$39 million was last issued in April 2019 for the 2nd phase of scheduled facility upgrades and improvements. An additional \$55 million issuance is contemplated for late 2021 for new animal control facilities and public safety facility improvements.

Also at December 31, 2020, net of accreted discounts, \$693,245 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 System’s 2020A revenue bonds were issued in the amount of \$290,595, plus premiums of \$17,197 for funding the Big Creek wastewater treatment facility. These improvements will provide superior treatment services for a substantial portion of the northern section of the County for decades to come.

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

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

At December 31, 2020, total other capital leases were \$50,536, which decreased with scheduled principal maturities of \$8,660, while a new \$546 was issued for animal control vehicles. The Jail Mechanical, Electrical and Plumbing renovations comprises the bulk of this lease liability, with \$21.2 million outstanding as of December 31, 2020. Also included in capital leases is an agreement with the Association of County Governments for a 2019 issuance of \$18,500 for a health/mental health facility in the north section of the County, of which \$17,429 remains outstanding as of December 31, 2020. The lease agreement with the South Fulton Jail Authority reduced with principal payments paid during 2020 reducing the outstanding balance to \$11,685.

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.

The County also issued a \$63 million debt obligation for the Fulton DeKalb Hospital Authority, the Series 2020A Certificates which are secured by a pledge of the Authority’s revenues derived under a contract with Fulton County. These bonds are to fund a new Center for Ambulatory Surgery services. The Authority is a discretely presented component unit of Fulton County.

Covid 19

The pandemic continues throughout 2021 as Fulton County makes continued efforts at mitigation, prevention and operational sustainability through its Covid-19 response. Federal funding received in 2020 via the CARES Act, as well as subsequent fiscal 2021 federal programs at rental and utility assistance, vaccination and testing programs, and other relief efforts will all be brought to bear on the effects of this disease.

The management and staff of the County devote significant resources and efforts at providing reasonably normal services to constituents, while making accommodations for safety for both the citizens and staff as practically as possible.

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, assess and continue efforts to mitigate the effects of the COVID-19 pandemic and its impact on the financial position and operations of the County as well as citizenry. 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.

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, as this report and other reports are available for download.

**BASIC
FINANCIAL
STATEMENTS**

FULTON COUNTY, GEORGIA

Statement of Net Position

December 31, 2020

(in thousands of dollars)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets:				
Cash and cash equivalents	\$ 583,960	111,540	695,500	256,527
Receivables (net of allowances):				
Taxes	41,524	—	41,524	—
Accounts	216	11,749	11,965	168,310
Due from other governments, net	16,655	14,900	31,555	23,464
Other current assets	7,550	—	7,550	100,680
Restricted assets:				
Cash and cash equivalents	—	322,652	322,652	121,042
Investment in joint venture	—	64,214	64,214	—
Capital assets (non-depreciable)	248,535	217,622	466,157	111,712
Capital assets (net of accumulated depreciation)	457,127	1,046,845	1,503,972	479,269
Other non-current assets	—	—	—	157,504
Total assets	1,355,567	1,789,546	3,145,113	1,418,508
Deferred Outflows of Resources:				
Pension related deferred outflows	—	—	—	4,928
OPEB related deferred outflows	546,173	—	546,173	—
Deferred charge on refunding of bonds	—	1,902	1,902	—
Total deferred outflow of resources	546,173	1,902	548,075	4,928
Liabilities:				
Accounts payable and accrued expenses	50,428	13,591	64,019	241,040
Accrued interest	1,335	—	1,335	30,000
Due to others	5,252	—	5,252	5,355
Claims payable	8,589	—	8,589	56,769
Liabilities (payable from restricted assets):				
Contracts and other payables	—	18,892	18,892	—
Unearned revenue	—	467	467	—
Non-current liabilities:				
Due within one year	39,104	19,520	58,624	33,035
Due in more than one year	2,425,292	675,485	3,100,777	261,581
Total liabilities	2,530,000	727,955	3,257,955	627,780
Deferred Inflows of Resources:				
Pension related deferred inflows	156,326	—	156,326	8,848
OPEB related deferred inflows	1,035	—	1,035	—
Total deferred inflow of resources	157,361	—	157,361	8,848
Net Position:				
Net investment in capital assets	375,127	856,530	1,231,657	558,498
Restricted for debt retirement	37,573	39,246	76,819	94,934
Restricted for construction	109,287	—	109,287	38,172
Restricted for other purposes	8,623	—	8,623	30,003
Unrestricted	(1,316,231)	167,717	(1,148,514)	65,201
Total net position (deficit)	\$ (785,621)	1,063,493	277,872	786,808

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA

Statement of Activities

For the year ended December 31, 2020

(In thousands of dollars)

Functions/Programs	Expenses	Program revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental activities	Business-type activities	Total	
Primary Government								
Governmental activities:								
Administration	\$ 139,518	6,805	—	—	(132,713)	—	(132,713)	—
Public safety	189,764	7,239	—	—	(182,525)	—	(182,525)	—
Legal	180,087	22,776	—	—	(157,311)	—	(157,311)	—
Infrastructure and facilities	70,682	—	—	—	(70,682)	—	(70,682)	—
Social services	106,486	15,071	22,528	—	(68,887)	—	(68,887)	—
Health services	236,454	—	142,964	—	(93,490)	—	(93,490)	—
Interest and other debt related costs	15,992	—	—	—	(15,992)	—	(15,992)	—
Total governmental activities	938,983	51,891	165,492	—	(721,600)	—	(721,600)	—
Business-type activities:								
Water and sewerage services	140,521	149,674	—	6,001	—	15,154	15,154	—
Wolf Creek Enterprise fund	689	—	—	—	—	(689)	(689)	—
Fulton County Board of Health Contractual services	24,004	24,004	—	—	—	—	—	—
Airport	2,819	2,963	—	—	—	144	144	—
Total business-type activities	168,033	176,641	—	6,001	—	14,609	14,609	—
Total primary government	1,107,016	228,532	165,492	6,001	(721,600)	14,609	(706,991)	—
Component Units	1,416,252	1,371,104	52,539	12,067	—	—	—	19,458
General revenues:								
Property taxes					665,880	—	665,880	—
Sales taxes					13,383	295	13,678	—
Other taxes					28,722	—	28,722	—
Intergovernmental not restricted for specific programs					2,386	—	2,386	55,435
Commission on tax collections					7,592	—	7,592	—
Use of money and property					9,739	884	10,623	2,721
Miscellaneous					5,591	—	5,591	73,587
Total general revenues					733,293	1,179	734,472	131,743
Transfers					523	(523)	—	—
Total general revenues and transfers					733,816	656	734,472	131,743
Change in net position					12,216	15,265	27,481	151,201
Net position-beginning					(797,837)	1,048,228	250,391	635,607
Net position (deficit) - ending					\$ (785,621)	1,063,493	277,872	786,808

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA

Balance Sheet
Governmental Funds

December 31, 2020

(in thousands of dollars)

	<u>General</u>	<u>CARES</u>	<u>Library Bond</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:					
Cash and cash equivalents	\$ 233,539	—	19,585	261,115	514,239
Receivables (net of allowances):					
Taxes	39,234	—	—	2,290	41,524
Accounts		—	—	216	216
Due from other governments	569	—		16,086	16,655
	<u>273,342</u>	<u>—</u>	<u>19,585</u>	<u>279,707</u>	<u>572,634</u>
Total assets	\$		\$	\$	\$
Liabilities:					
Accounts payable	\$ 20,747	—	4,736	18,686	44,169
Due to others	—	—	—	5,252	5,252
Total liabilities	<u>20,747</u>	<u>—</u>	<u>4,736</u>	<u>23,938</u>	<u>49,421</u>
Deferred Inflows of Resources:					
Unavailable revenue	16,435	—	—	817	17,252
Total deferred inflows or resources	<u>16,435</u>	<u>—</u>	<u>—</u>	<u>817</u>	<u>17,252</u>
Fund Balances:					
Restricted	—	—	14,849	120,619	135,468
Committed				397	397
Assigned		—		133,936	133,936
Unassigned	236,160	—	—	—	236,160
Total fund balances	<u>236,160</u>	<u>—</u>	<u>14,849</u>	<u>254,952</u>	<u>505,961</u>
Total liabilities, deferred inflows of resources and fund balances	\$ <u>273,342</u>	<u>—</u>	\$ <u>19,585</u>	\$ <u>279,707</u>	\$ <u>572,634</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, 2020

(in thousands of dollars)

Fund Balances - total governmental funds	\$	505,961
<p>Amounts reported for governmental activities in the Statement of Net Position are different from amounts reported for governmental funds in the Balance Sheet because:</p> <p>Capital assets used in governmental activities are not financial resources and therefore not reported in governmental funds:</p>		
		Capital assets:
		Land 64,974
		Buildings 898,290
		Equipment 150,849
		Roadway network 66,878
		Construction in progress 183,561
		Less Accumulated Depreciation (658,890)
Total capital assets, net of accumulated depreciation		<u>705,662</u>
<p>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</p>		
Deferred outflows - other postemployment benefit plan		546,173
<p>Certain amounts related to the net pension liability are deferred and amortized over time</p>		
Deferred inflows - defined benefit pension plan		(156,326)
Deferred inflows - other postemployment benefit plan		(1,035)
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds:</p>		
		Library general obligation bonds payable (226,865)
		Urban Recovery Zone bonds payable (86,949)
		Unamortized bond premiums (12,578)
		Intergovernmental agreement liability-SF Jail Authority (11,685)
		Intergovernmental agreement liability-AFCRA (1,003)
		Compensated absences (47,787)
		Net pension liability (333,578)
		Net other post employment benefits (OPEB) (1,675,472)
		Other long term capital leases (50,536)
		Claims and judgments (13,139)
		Landfill closure and postclosure costs (4,804)
		Accrued interest (1,335)
<p>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.</p>		
		62,423
<p>Some deferred revenues reported in the governmental funds are recognized as revenues in the governmental activities.</p>		
		<u>17,252</u>
Net position - total governmental activities	\$	<u><u>(785,621)</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, 2020

(In thousands of dollars)

	General	CARES	Library Bond	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 672,445	—	—	32,648	705,093
Intergovernmental	2,090	104,364	—	61,424	167,878
Charges for services	26,189	—	—	7,382	33,571
Courts and law enforcement	14,646	—	—	8,130	22,776
Use of money and property	6,236	111	551	2,827	9,725
Licenses and permits	—	—	—	3,136	3,136
Miscellaneous	5,278	—	—	313	5,591
Net (depreciation) appreciation in investments	—	—	14	—	14
Total revenues	726,884	104,475	565	115,860	947,784
Expenditures:					
Current:					
Administration	104,881	—	—	695	105,576
Public safety	119,196	—	—	23,260	142,456
Legal	134,488	—	—	—	134,488
Infrastructure and facilities	28,476	—	—	5,325	33,801
Social services	60,943	—	—	16,537	77,480
Health services	84,724	104,475	—	36,023	225,222
Other nonagency	90,349	—	—	2,225	92,574
Capital outlay	—	—	45,810	63,138	108,948
Debt service:					
Principal retirement	5,627	—	—	16,845	22,472
Interest	3,389	—	—	13,619	17,008
Total expenditures	632,073	104,475	45,810	177,667	960,025
Excess (deficiency) of revenues over (under) expenditures	94,811	—	(45,245)	(61,807)	(12,241)
Other financing sources (uses):					
Issuance of capital lease refunding obligations	—	—	—	546	546
Transfer in from enterprise fund	—	—	—	523	523
Transfers in	—	—	—	64,425	64,425
Transfers out	(57,175)	—	—	(7,250)	(64,425)
Total other financing sources (uses)	(57,175)	—	—	58,244	1,069
Net change in fund balances	37,636	—	(45,245)	(3,563)	(11,172)
Fund balance at beginning of year	198,524	—	60,094	258,515	517,133
Fund balance at end of year	\$ 236,160	—	14,849	254,952	505,961

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, 2020

(in thousands of dollars)

Net change in fund balances - governmental funds	\$	(11,172)
<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 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		89,936
Depreciation expense		(26,544)
<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 Capital lease obligations		(546)
Tax Anticipation Note proceeds		(200,000)
Tax Anticipation Note payments		200,000
Principal repayments		22,472
Amortization of bond premium and discount		913
Change in accrued interest		103
<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		(139,981)
Compensated absences		(8,086)
Claims and judgments		(886)
Landfill closure costs		1,497
Pension expense		57,545
<p>Some revenues for governmental activities do not provide current financial resources and are not reported as revenues for governmental funds.</p>		
		2,892
<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>		
		(1,698)
<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>		
		25,771
Change in net position - governmental activities	\$	12,216

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, 2020

(In thousands of dollars)

	Non-GAAP budgetary basis			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Revenue Per Budget Law, less Rollback	\$ 693,322	693,322	711,199	17,877
Sales Tax	14,138	14,138	12,895	(1,243)
Appropriated Fund Balance	—	—	—	—
Total revenues and other sources, non-GAAP budget basis	\$ 707,460	707,460	724,094	16,634
Reconciliation to GAAP basis:				
To record net change in taxes receivable and deferred revenue			9,655	
Indirect cost reimbursements recorded as revenues for budgetary purposes			(6,865)	
Total adjustment to GAAP basis			2,790	
Total revenues and other sources, GAAP basis			726,884	
Expenditures:				
Board of Commissioners	\$ 3,790	3,867	3,443	424
Clerk to the Commission	1,077	1,077	1,002	75
County Manager	5,020	5,050	4,092	958
County Auditor	1,136	1,185	1,130	55
Community Development	8,979	8,980	8,106	874
External Affairs	3,812	3,833	3,473	360
Arts & Culture	5,043	5,093	4,343	750
Senior Services	23,428	23,401	21,613	1,788
Diversity and Civil Rights Compliance	1,523	1,523	1,164	359
Finance	7,256	7,256	6,609	647
Human Resources	5,785	6,055	5,660	395
Information Technology	49,142	38,142	34,063	4,079
Purchasing	4,066	4,066	3,422	644
County Attorney	3,650	3,650	3,651	(1)
Child Attorney	2,717	2,717	2,551	
Tax Assessor	20,828	20,827	18,030	2,797
Tax Commissioner	16,000	16,390	15,874	516
Registration and Elections	15,126	18,816	18,439	377
Ryan White	139	139	33	106
Police	6,506	6,532	6,029	503
Sheriff	89,507	90,707	79,849	10,858
Emergency - 911	3,721	3,594	3,090	504
Emergency Management	5,297	5,523	5,047	476
Medical Examiner	4,418	4,618	3,957	661
State Court Solicitor	9,695	9,695	8,816	879

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, 2020

(In thousands of dollars)

	Non-GAAP budgetary basis			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
Juvenile Court	15,168	15,168	14,510	658
Probate Court	3,260	3,260	3,099	161
County Marshal	6,453	6,714	5,951	763
State Court-General	8,548	8,124	7,600	524
State Court Judges	5,090	5,819	5,363	456
Magistrate Court	3,167	3,167	3,052	115
Superior Court-General	21,786	21,785	20,233	1,552
Superior Court Judges	7,840	8,241	7,882	359
Superior 7 Magistrate Court - Clerk	20,841	20,841	19,670	1,171
District Attorney	25,822	26,182	24,384	1,798
Public Defender	18,672	18,672	17,793	879
Real Estate and Asset Management	31,992	31,992	30,826	1,166
Public Works	500	500	484	16
Family and Children Services	1,685	1,685	731	954
Library	29,204	29,172	28,128	1,044
Fulton-DeKalb Hospital Authority (Grady Hospital)	64,285	60,685	60,562	123
Fulton County Board of Health	10,430	10,430	10,430	—
Behavioral Health	15,889	15,889	13,736	2,153
Non-Agency	193,838	201,069	164,531	36,538
Total expenditures and other uses, non-GAAP budget basis	<u>\$ 782,131</u>	<u>782,131</u>	<u>702,451</u>	<u>79,514</u>
Reconciliation to GAAP basis - to record net effect of unrecorded liabilities			(6,338)	
Expenditures incurred on behalf of reimbursing funds for indirect costs			(6,865)	
Total expenditures and other uses, GAAP basis			<u>\$ 689,248</u>	
Total change in fund balance	(74,671)	(74,671)	37,636	112,307
Beginning fund balance	<u>175,689</u>	<u>175,689</u>	<u>198,524</u>	<u>22,835</u>
Ending fund balance	<u>101,018</u>	<u>101,018</u>	<u>236,160</u>	<u>135,142</u>

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA
C.A.R.E.S. Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Budget Basis)

For the year ended December 31, 2020
(In thousands of dollars)

	<u>Non-GAAP budget basis</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Revenue per Budget Law	\$ 104,475	104,475	104,475	—
Total revenues and other sources, non-GAAP budget basis	<u>\$ 104,475</u>	<u>104,475</u>	<u>104,475</u>	<u>—</u>
Reconciliation to GAAP basis:				
Total adjustment to GAAP basis			—	
Total revenues and other sources, GAAP basis			<u>\$ 104,475</u>	
Expenditures and other uses:				
Health Services	\$ 104,475	104,475	104,475	—
Total expenditures and other uses, non-GAAP budget basis	<u>\$ 104,475</u>	<u>104,475</u>	<u>104,475</u>	<u>—</u>
Reconciliation to GAAP basis - to record net effect of unrecorded liabilities				
Total expenditures and other uses, GAAP basis			<u>\$ 104,475</u>	
 Total change in fund balance	 \$ —	 —	 —	 —
Beginning fund balance	—	—	—	—
Ending fund balance	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA

Statement of Net Position
Proprietary Funds

December 31, 2020

(In thousands of dollars)

Assets	Business Type Activities - Enterprise Funds			Governmental
	Water and sewerage system fund	Other Enterprise funds	Total Enterprise Funds	Activities- Internal Service Funds
Current assets:				
Cash and cash equivalents	\$ 108,444	3,096	111,540	69,721
Accounts receivable, net	11,749	—	11,749	—
Due from other governments, net	6,427	8,473	14,900	—
Other current assets	—	—	—	7,550
Restricted assets:				
Cash and cash equivalents	322,652	—	322,652	—
Interest receivable	24	—	24	—
Total current assets	449,296	11,569	460,865	77,271
Noncurrent assets:				
Investment in joint venture	64,214	—	64,214	—
Nondepreciable capital assets	189,713	27,909	217,622	—
Depreciable capital assets (net of accumulated depreciation)	1,040,990	5,855	1,046,845	—
Total noncurrent assets	1,294,917	33,764	1,328,681	—
Total assets	1,744,213	45,333	1,789,546	77,271
Deferred Outflows of Resources				
Deferred charge on refunding of bonds	1,902	—	1,902	—
Total deferred outflows of resources	1,902	—	1,902	—

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA

Statement of Net Position (continued)
Proprietary Funds

December 31, 2020

(In thousands of dollars)

Liabilities and Net Position	Business Type Activities - Enterprise Funds			Governmental
	Water and sewerage system fund	Other Enterprise funds	Total Enterprise Funds	Activities- Internal Service Funds
Liabilities:				
Current liabilities (payable from current assets):				
Accounts payable & accrued expenses	\$ 4,139	8,891	13,030	6,259
Accrued liabilities	561	—	561	—
Claims payable	—	—	—	8,589
	4,700	8,891	13,591	14,848
Current liabilities (payable from restricted assets):				
Contracts and other payables	18,892	—	18,892	—
Revenue bonds payable - current	19,520	—	19,520	—
Unearned revenue	467	—	467	—
	38,879	—	38,879	—
Total current liabilities	43,579	8,891	52,470	14,848
Non-current liabilities:				
Revenue bonds payable - noncurrent	673,725	—	673,725	—
Other long-term liabilities	1,760	—	1,760	—
Total non-current liabilities	675,485	—	675,485	—
Total liabilities	719,064	8,891	727,955	14,848
Net Position:				
Net investment in capital assets	822,766	33,764	856,530	—
Restricted for debt retirement	39,246	—	39,246	—
Unrestricted	165,039	2,678	167,717	62,423
Total net position	\$ 1,027,051	36,442	1,063,493	62,423

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, 2020

(In thousands of dollars)

	Business Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Water and sewerage system fund	Other Enterprise funds	Total Enterprise Funds	
Operating revenues:				
Charges for services	\$ —	26,967	26,967	135,154
Water and sewerage charges	149,674	—	149,674	—
Total operating revenues	149,674	27,262	176,936	135,154
Operating expenses:				
Administrative and general	8,068	447	8,515	18,334
Depreciation and amortization	36,533	259	36,792	—
Personal services	24,477	988	25,465	—
Contractual services	32,840	25,622	58,462	91,049
Operating services	17,993	196	18,189	—
Total operating expenses	119,911	27,512	147,423	109,383
Operating income (loss)	29,763	(250)	29,513	25,771
Non-operating revenues (expenses):				
Loss on investment in joint venture	(2,641)	—	(2,641)	—
Interest income	884	—	884	—
Interest expense	(17,969)	—	(17,969)	—
Total non-operating revenues (expenses)	(19,726)	—	(19,726)	—
Income (loss) before contributions and transfers	10,037	(250)	9,787	25,771
Capital contributions	6,001	—	6,001	—
Transfer out	—	(523)	(523)	—
Change in net position	16,038	(773)	15,265	25,771
Net position at beginning of year	1,011,013	38,262	1,048,228	36,652
Net position at end of year	\$ 1,027,051	37,489	1,063,493	62,423

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA

Statement of Cash Flows
Proprietary Funds

For the year ended December 31, 2020

(In thousands of dollars)

	Business Type Activities - Enterprise Funds			Governmental
	Water and sewerage system fund	Other Enterprise funds	Total Enterprise Funds	Activities- Internal Service Funds
Cash flows from operating activities:				
Receipts from customers and users	\$ 144,177	23,554	167,731	132,547
Payments to suppliers	(48,859)	(23,152)	(72,011)	(114,881)
Payments to employees	(24,028)	(977)	(25,005)	—
Net cash provided by operating activities	<u>71,290</u>	<u>(574)</u>	<u>70,716</u>	<u>17,666</u>
Cash flows from capital and related financing activities:				
Principal and interest payments on revenue bonds	(40,982)	—	(40,982)	—
Proceeds from sale of revenue bonds with premiums	307,791	—	307,791	—
Additions to property, plant, and equipment	(92,047)	(57)	(92,104)	—
Net cash used by capital and related financing activities	<u>174,762</u>	<u>(57)</u>	<u>174,705</u>	<u>—</u>
Cash flows from non-capital financing activities:				
Transfer out to governmental funds	—	(523)	(523)	—
Net cash provided by non-capital financing activities	<u>—</u>	<u>(523)</u>	<u>(523)</u>	<u>—</u>
Cash flows from investing activities:				
Proceeds from sale of investments	39,067	—	39,067	—
Interest received on investments	860	—	860	—
Net cash provided by investing activities	<u>39,927</u>	<u>—</u>	<u>39,927</u>	<u>—</u>
(Decrease) increase in cash and cash equivalents	285,979	(1,154)	284,825	17,666
Cash and cash equivalents at beginning of year	<u>145,117</u>	<u>4,250</u>	<u>149,367</u>	<u>52,055</u>
Cash and cash equivalents at end of year	<u>\$ 431,096</u>	<u>3,096</u>	<u>434,192</u>	<u>69,721</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 29,763	(250)	29,513	25,771
Adjustments to reconcile operating (loss) income to net cash provided by (used in) operating activities:				
Depreciation and amortization	36,533	259	36,792	—
Changes in assets and liabilities:				
Changes in customer receivables - net	(749)	—	(749)	—
Other assets	—	—	—	(2,693)
Change in due from other governments - net	(4,748)	(3,708)	(8,456)	—
Accounts and claims payable and accrued liabilities	1,809	6,641	8,450	(5,412)
Accrued liabilities	449	—	449	—
Due to others	—	(3,516)	(3,516)	—
Contractual and other payables	8,233	—	8,233	—
Net cash provided by (used in) operating activities	<u>\$ 71,290</u>	<u>(574)</u>	<u>70,716</u>	<u>17,666</u>
Non-cash transactions:				
Unrealized gain (loss) on investments	\$ 214	—	—	—
Donated capital assets contributed by outside sources	6,001	—	—	—
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, 2020

(In thousands of dollars)

	Pension and OPEB	Custodial
Assets:	Trust Funds	Funds
	<u> </u>	<u> </u>
Cash and cash equivalents	\$ 23,623	127,296
Due from Brokers for Securities Sold	2,194	—
Investments, at fair value:		
US Treasury Obligations	79,092	—
US Agency Obligations	70,075	—
Municipal bonds	4,327	
International Comingled funds	82,454	—
Corporate debt	82,147	—
Corporate asset & mortgage backed securities	17,029	—
Bank loans	75,889	
Global fixed income mutual funds	78,871	
Emerging markets equity mutual funds	85,221	
Domestic equities	431,263	—
Domestic equity index funds-Comingled trust	247,325	—
Domestic equity funds	52,528	—
Domestic fixed income mutual funds	14,434	—
Foreign Government/Agency debt	732	—
International equities	15,512	—
International equity mutual funds	191,891	—
Taxes receivable (net of allowance)		126,248
Interest and dividends receivable	1,327	—
Accounts receivable	94	—
Prepaid pension benefits	12,633	—
Due from Others	—	—
	<u> </u>	<u> </u>
Total assets	<u>1,568,661</u>	<u>253,544</u>
Liabilities:		
Due to Brokers for Securities Purchased	11,716	—
Due to other taxing districts	—	167,007
Due to others	709	86,537
	<u> </u>	<u> </u>
Total liabilities	<u>12,425</u>	<u>253,544</u>
Net Position:		
Net Position restricted for pension benefits	1,549,114	—
Net Position restricted for OPEB	7,122	—
	<u> </u>	<u> </u>
Total net position	<u>\$ 1,556,236</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, 2020

(In thousands of dollars)

	Pension and OPEB Trust Funds
	<u> </u>
Additions:	
Investment income:	
Net appreciation in fair value of investments	\$ 177,056
Interest and dividends	28,551
Less: investment expenses	<u>(3,625)</u>
Net investment gain	201,982
Employee contributions	778
Employer contributions	68,776
Other income	<u>598</u>
Total additions	<u>272,134</u>
Deductions:	
Benefit payments	144,971
Refunds of contributions	67
Administrative fees and other expenses	<u>735</u>
Total deductions	<u>145,773</u>
Change in net position	126,361
Net position restricted for pension and OPEB benefits:	
Beginning of year	<u>1,429,875</u>
End of year	<u>\$ 1,556,236</u>

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA
Combining Statement of Net Position
Component Units
December 31, 2020
(in thousands)

	<u>Component Unit</u>	<u>Component Unit</u>	
	<u>Fulton County Board of Health</u>	<u>Fulton-DeKalb Hospital Authority</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 8,524	248,003	256,527
Receivables (net of allowances):			
Accounts	8	168,302	168,310
Due from other governments, net	5,515	17,949	23,464
Other current assets		100,680	100,680
Restricted assets:			
Cash and cash equivalents	—	121,042	121,042
Capital assets (non-depreciable)	—	111,712	111,712
Capital assets (net of accumulated depreciation)	494	478,775	479,269
Other non-current assets	—	157,504	157,504
Total assets	<u>14,541</u>	<u>1,403,967</u>	<u>1,418,508</u>
Deferred Outflows of Resources:			
Pension related deferred outflows	—	4,928	4,928
Total deferred outflow of resources	<u>—</u>	<u>4,928</u>	<u>4,928</u>
Liabilities:			
Accounts payable and accrued expenses	1,292	239,748	241,040
Lines of credit	—	30,000	30,000
Due to others	5,355	—	5,355
Claims payable	—	56,769	56,769
Non-current liabilities:			
Due within one year	—	33,035	33,035
Due in more than one year	—	261,581	261,581
Total liabilities	<u>6,647</u>	<u>621,133</u>	<u>627,780</u>
Deferred Inflows of Resources:			
Pension related deferred inflows	—	8,848	8,848
Total deferred inflow of resources	<u>—</u>	<u>8,848</u>	<u>8,848</u>
Net Position:			
Net investment in capital assets	494	558,004	558,498
Restricted for debt retirement	—	94,934	94,934
Restricted for construction	—	38,172	38,172
Restricted for other purposes	4,252	25,751	30,003
Unrestricted	3,148	62,053	65,201
Total net position (deficit)	<u>\$ 7,894</u>	<u>778,914</u>	<u>786,808</u>

See accompanying notes to the financial statements.

**NOTES TO
THE
FINANCIAL
STATEMENTS**

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2020

(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. No debt is outstanding nor anticipated.

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, 2020

(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 \$60.6 million in funding to the Hospital Authority during 2020, of which \$17.6 million was paid for debt service to the trustee.

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

The key terms and conditions associated with the Agreement include the following. The Hospital Authority will receive monthly lease payments to the Hospital Authority from GMHC. The GMHC assumed liabilities of the Hospital Authority related to its former operation of Grady and related facilities. In exchange for the lease payments and assumption of liabilities, the Hospital Authority transferred to GMHC all of the Hospital Authority’s right, title and interest in the operation assets of Grady and related facilities. The Operating Agreements define the obligations of the Hospital Authority with respect to (principally) the provision of indigent care to the citizens of the Counties, in exchange for related ongoing funding that the Counties provide. The Hospital Authority is obligated to remit directly to GMHC all such funds the Hospital Authority receives from the Counties.

Certain assets and obligations of the Hospital Authority were excluded from the Agreement. Specifically, the Hospital Authority retained certain assets and obligations related to its sponsorship of The Fulton-DeKalb Hospital Authority Employee Pension Plan (the Plan – a frozen plan effective May 19, 2008) and pre-existing hospital revenue bond 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, 2nd floor,
Administrative Offices
Atlanta, Georgia 30303

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 \$10.4 million during calendar year 2020 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 reimbursement.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2020

(1) Summary of Significant Accounting Policies (continued)

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, 2020. This 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.

The 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 60 as an intergovernmental liability of \$1,003 as of December 31, 2020. 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 \$853 to the ARC for the year ended December 31, 2020. 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, 2020

(1) Summary of Significant Accounting Policies (continued)

Atlanta-Fulton County Water Resources Commission - The Atlanta-Fulton County Water Resource Commission is a joint venture between the County and the City of Atlanta for the construction and operation of a water treatment facility in north Fulton County. The County and the City share equally the costs of construction of the plant, and each is entitled to receive 50% of the total water supply treated by the plant or 50% of the plant's capacity, whichever is greater. The costs of operation of the plant were borne pro rata by the City and the County on the basis of water delivered to each party. The County incurred charges of approximately \$6.2 million in 2020 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, 2020, 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, 2020

(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. Custodial 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 period.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2020

(1) Summary of Significant Accounting Policies (continued)

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.

CARES Fund

The Coronavirus Aid, Relief, and Economic Security Act, known as CARES, was passed by Congress on March 27, 2020. Fulton County received and expended \$104 million in fiscal 2020 categorized as health services. Efforts at Covid-19 testing, prevention, economic and direct aid to municipalities were dedicated to mitigate the impact of this virus.

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, 2020

(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 Amphitheater

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 until June 30, 2020.

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 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, 2020

(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.

Custodial Funds

Custodial Funds account for the assets held by 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 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, 2020

(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 2020.

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 2020 and is classified as an operating cost on the Statement of Revenues, Expenses and Changes in Net Position - Proprietary funds. The balance at December 31, 2020 is approximately \$96.9 million.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2020

(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 15.

(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
Unavailable revenues				
Property taxes	\$ 16,435	553	264	17,252

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2020

(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 on the governmental fund statements.

Proprietary funds record accumulated vacation leave as an expense and liability as the benefits accrue. 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, 2020

(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, 2021 are recorded as expenditures in 2020 (budget) as opposed to 2021 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	CARES Fund
GAAP basis	\$ 37,636	—
Adjustments to accruals:		
Tax revenues and receivables	(9,655)	—
Liabilities	(6,338)	—
Fund balance utilized	—	—
Budget basis	\$ 21,643	—

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, 2020

(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 CARES 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, 2020. 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, 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 2020.

(3) Cash and Investments – Primary Government

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

Custodial Credit Risk

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

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2020

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

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. As of December 31, 2020, the County's primary governmental and business type funds had the following investments:

	<u>Fair value</u>	<u>December 31, 2020</u>		
		<u>< 1 year</u>	<u>1-5 years</u>	<u>6-10 years</u>
Fixed Income:				
Money Market Funds	342,168			
Georgia Fund 1	602,716			
Total cash equivalents and investments	\$ <u>944,884</u>			

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. During 2020 and as of December 31, 2020, the County utilized Georgia Fund 1 as its primary investment vehicle.

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 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.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2020

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

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, 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, 2020.

Credit Quality Risk

Credit Quality Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The \$342,168 in money market funds possess the highest quality short-term ratings. The \$602,716 in Georgia Fund 1 is rated AA Af 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, 2020 (in thousands of dollars):

Balances by category:		2020
Cash and deposits	\$	<u>73,268</u>
Cash equivalents		944,884
	\$	<u><u>1,018,152</u></u>
Balances as presented in the Statement of Net Position:		
Unrestricted activities:		
Cash and cash equivalents	\$	695,500
Restricted activities:		
Cash and cash equivalents		322,652
	\$	<u><u>1,018,152</u></u>

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:

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2020

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

- (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, 2020 (in thousands of dollars):

	2020		
	Pension	OPEB	Custodial
	Trust Fund	Trust Fund	Funds
Balances by category:			
Cash and cash equivalents	\$ 23,618	5	127,296
Investments	1,521,673	7,117	-
Due from Brokers for Securities Sold	2,194	-	-
Due to Brokers for Securities Purchased	(11,716)	-	-
	\$ 1,535,769	7,122	127,296

The Custodial funds' cash is collateralized with securities held by the pledging financial institutions' trust department or in the County's name.

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, 2020. The OPEB Trust fund's \$7,117 is comprised of \$2,249 of U.S. Treasury Obligation (AAA) and \$4,868 in domestic equity funds (AA).

	Fair Value	December 31, 2020 ratings				
		AAA	AA	A	BBB	BB & N/R
Fixed Income:						
US Treasury Obligations	\$ 76,843	76,843	-	-	-	-
US Agency Obligations	70,075	-	70,075	-	-	-
Municipal General Obligations	4,327	2,761	956	610	-	-
Foreign Government/Agency debt	732	-	732	-	-	-
Corporate Debt	82,147	136	5,252	30,521	44,568	1,670
Corporate Asset& Mortgage Backed Securities	17,029	10,252	4,596	687	1,494	-
Bank loans	75,889	-	-	-	-	75,889
Domestic Fixed Income Mutual fund	14,434	-	14,434	-	-	-
Global Fixed Income Mutual fund	78,871	-	-	78,871	-	-
Fixed Income totals	\$ 420,347	89,992	96,045	110,689	46,062	77,559

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2020

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

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The following table provides information about Pension Trust fund's exposure to interest rate risk as of December 31, 2020. The OPEB Trust fund's \$2,249 of a US Treasury Obligation is due within 1 year.

	December 31, 2020				
	Fair Value	3-12mos	1-5yrs	6-10yrs	>10yrs
Fixed Income:					
US Treasury Obligations	\$ 76,843	-	49,076	20,667	7,100
US Agency Obligations	70,075	-	4,243	6,492	59,340
Municipal General Obligations	4,327	10	47	793	3,477
Foreign Government /Agency debt	732	-	-	-	732
Corporate Debt	82,147	1,407	25,961	35,042	19,737
Corporate Asset & Mortgage Backed Securities	17,029	-	7,551	2,108	7,370
Bank loans	75,889	75,889	-	-	-
Domestic Fixed Income Mutual fund	14,434	-	-	14,434	-
Global Fixed Income Mutual Fund	78,871	-	-	78,871	-
Fixed Income subtotal	420,347	77,306	86,878	158,407	97,756
Equity securities	431,263				
Domestic equity index funds-comingled trust	242,457				
Emerging markets equity mutual funds	85,221				
Domestic equity mutual funds	52,528				
International equities	15,512				
International equity mutual funds	191,891				
International comingled funds	82,454				
Cash and Cash Equivalents	23,618				
Due to/from Brokers for Securities Purchased	(9,522)				
Total cash equivalents and investments	\$ <u>1,535,769</u>				

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.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2020

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

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, 2020. The OPEB’s Trust funds investments are all categorized as Level 2.

	December 31, 2020			
	Total	Level 1	Level 2	Level 3
US Treasury Obligations	\$ 76,843	-	76,843	-
US Agency Obligations	70,075	-	70,075	-
Municipal Obligations	4,327	-	4,327	-
Foreign Government/Agency debt	732	-	732	-
Corporate Debt	82,147	-	82,147	-
Corporate Asset & Mortgage Backed Securities	17,029	-	17,029	-
Bank loans	75,889	-	75,889	-
Domestic Fixed Income Mutual fund	14,434	14,434	-	-
Global Fixed Income Mutual Fund	78,871	78,871	-	-
Domestic equities	431,263	431,263	-	-
Domestic equity index funds-comingled trust	242,457	-	242,457	-
Domestic equity mutual funds	52,528	52,528	-	-
International equities	15,512	15,512	-	-
International equity mutual funds	191,891	191,891	-	-
International comingled funds	82,454	-	82,454	-
Emerging markets equity funds	85,221	7,811	77,410	-
Cash and Cash Equivalents	23,618	23,618	-	-
Due to/from Brokers for Securities Purchased	(9,522)	(9,522)	-	-
Total cash equivalents and investments	\$ 1,535,769	806,406	729,363	-

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, 2020.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2020

(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, 2020, classified as investments on page 28.

		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and Cash Equivalents	\$	84,697	-	-	84,697
Mutual funds		22,319	-	-	22,319
Common collective trust funds		1,890	-	-	1,890
Money Market funds		380	-	-	380
Real assets		-	171	-	171
Miscellaneous assets		-	-	8,326	8,326
Equity securities		3,259	-	-	3,259
	\$	<u>112,545</u>	<u>171</u>	<u>8,326</u>	<u>121,042</u>

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, 2020, 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.

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 99.98% of its total investments at Wells Fargo as of December 31, 2020. No limits exist on U.S. issued fixed income securities. Prohibited investments are also specified in the policy.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2020

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

Hospital Authority

Basic combined discretely presented component unit financial statements:

Unrestricted:		2020
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, 2020 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. The amount below reflects the June 30, 2020 balances reported by the Fulton County Board of Health.

Basic combined discretely presented component unit financial statements:

Unrestricted:		2020
Cash and cash equivalents	\$	<u>8,524</u>
Total	\$	<u><u>8,524</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, South Fulton 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 (a Custodial 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 penalty being assessed in addition to interest charges as receivables become greater than 120 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.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2020

(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, 2020

(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. 2020 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 2020 (in thousands)</u>
Fulton County Development Authority	<u>\$9,486</u>

Another abatement utilized in Fulton County is the Local Enterprise Zone Program, which allows for qualified businesses and service enterprises located within 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, 2020

(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 2020 (in thousands)</u>
Local Enterprise Zone Program	<u>\$443</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, 2020

(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 2020 (in thousands)</u>
Georgia Preferential Property Tax Assessment Program for Rehabilitated Historic Property	<u>\$487</u>

Other Government Agreements for Abatements of Property taxes:

County property tax revenues were reduced by \$881 under agreements entered into with the City of Atlanta, reduced by \$391 under agreements entered into by the City of Alpharetta, reduced \$309 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, 2020 are as follows (in thousands of dollars):

	2020
Taxes Receivable:	
General Fund	\$ 3,090
Debt Service Fund	73
South Fulton/Fulton Industrial District	316
Custodial Funds	<u>9,134</u>
	<u>\$ 12,613</u>
Accounts Receivable – Water and Sewerage System Fund	<u>\$ 1,106</u>

(6) Due from Other Governments

Governmental type funds include receivables from other governments for various activities. The General fund is owed \$532 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 \$14,941 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 \$1,046 is due for federal subsidy on previously issued Build America bonds.

Business type funds are owed \$14,900 which includes \$6,427 (net of an allowance of \$6,927) 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, 2020. Other Enterprise funds are also owed \$8,473 as of December 31, 2020 for the provision of contractual services to the Fulton County Board of Health.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2020

(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>2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>December 31,</u> <u>2020</u>
Capital assets not being depreciated:				
Land and land improvements	\$ 58,704	6,300	(30)	64,974
Construction in progress	140,146	62,066	(18,651)	183,561
Total capital assets not being depreciated	<u>198,850</u>	<u>68,366</u>	<u>(18,681)</u>	<u>248,535</u>
Capital assets being depreciated:				
Equipment	147,704	4,723	(1,578)	150,849
Buildings and other improvements	866,957	34,226	(2,893)	898,290
Roadway network	65,606	1,272	—	66,878
Total capital assets being depreciated	<u>1,080,267</u>	<u>40,221</u>	<u>(4,471)</u>	<u>1,116,017</u>
Less accumulated depreciation for:				
Equipment	(129,803)	(6,351)	1,578	(134,576)
Buildings and other improvements	(471,920)	(18,904)	1,225	(489,599)
Roadway network	(33,426)	(1,289)	—	(34,715)
Total accumulated depreciation	<u>(635,149)</u>	<u>(26,544)</u>	<u>2,803</u>	<u>(658,890)</u>
Net capital assets being depreciated	<u>445,118</u>	<u>13,677</u>	<u>(1,668)</u>	<u>457,127</u>
Net capital assets-governmental activities	<u>\$ 643,968</u>	<u>82,043</u>	<u>(20,349)</u>	<u>705,662</u>

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

Administration	\$ 2,526
Public Safety	5,304
Legal	5,556
Infrastructure and facilities	7,603
Social services	5,050
Health services	<u>505</u>
Total depreciation expense, governmental activities	<u>\$ 26,544</u>

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2020

(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,</u> <u>2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>December 31,</u> <u>2020</u>
Water and Sewerage System fund:				
Capital assets not being depreciated:				
Land improvements	\$ 10,201	—	—	10,201
Construction in progress	88,478	91,034	—	179,512
Total capital assets not being depreciated	<u>98,679</u>	<u>91,034</u>	<u>—</u>	<u>189,713</u>
Capital assets being depreciated:				
Equipment	18,827	893	(272)	19,448
Water system	325,764	2,261	—	328,025
Sewerage system	1,215,341	3,713	—	1,219,054
Intangible assets	174,799	—	—	174,799
Total capital assets being depreciated	<u>1,734,731</u>	<u>6,867</u>	<u>(272)</u>	<u>1,741,326</u>
Less accumulated depreciation for:				
Equipment	(14,921)	(1,123)	272	(15,772)
Water system	(115,057)	(6,241)	—	(121,298)
Sewerage system	(462,285)	(23,060)	—	(485,345)
Intangible assets	(72,354)	(5,567)	—	(77,921)
Total accumulated depreciation	<u>(664,617)</u>	<u>(35,991)</u>	<u>272</u>	<u>(700,336)</u>
Net capital assets being depreciated	<u>1,070,114</u>	<u>(29,124)</u>	<u>—</u>	<u>1,040,990</u>
Net capital assets-Water and Sewerage System fund	\$ <u>1,168,793</u>	<u>61,910</u>	<u>—</u>	<u>1,230,703</u>

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2020

(7) Capital Assets and Infrastructure (continued)

	<u>January 1,</u> <u>2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>December 31,</u> <u>2020</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	1,613	57	(146)	1,524
Buildings and other improvements	5,457	—	—	5,457
Total capital assets being depreciated	<u>7,070</u>	<u>57</u>	<u>(146)</u>	<u>6,981</u>
Less accumulated depreciation for:				
Equipment	(1,444)	(42)	146	(1,340)
Buildings and other improvements	(5,453)	(3)	—	(5,456)
Total accumulated depreciation	<u>(6,897)</u>	<u>(45)</u>	<u>146</u>	<u>(6,796)</u>
Net capital assets being depreciated	<u>173</u>	<u>12</u>	<u>—</u>	<u>185</u>
Net capital assets-Airport fund	\$ <u>28,082</u>	<u>12</u>	<u>—</u>	<u>28,094</u>
	<u>January 1,</u> <u>2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>December 31,</u> <u>2020</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	(156)	(30)	—	(186)
Buildings and other improvements	(1,472)	(184)	—	(1,656)
Total accumulated depreciation	<u>(1,628)</u>	<u>(214)</u>	<u>—</u>	<u>(1,842)</u>
Net capital assets being depreciated	<u>5,884</u>	<u>(214)</u>	<u>—</u>	<u>5,670</u>
Net capital assets-Wolf Creek Amphitheater fund	\$ <u>5,884</u>	<u>(214)</u>	<u>—</u>	<u>5,670</u>

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

Business-type activities:	
Water and Sewerage	\$ 35,991
Airport	45
Wolf Creek Amphitheater	214
Total depreciation expense, business-type activities	<u>\$ 36,250</u>

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2020

(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, 2020</u>	<u>Increases</u>	<u>Decreases/ Other Changes</u>	<u>December 31, 2020</u>
Capital assets not being depreciated:				
Land	\$ 3,062	321	—	3,383
Construction in progress	51,068	57,261	—	108,329
Total capital assets not being depreciated	<u>54,130</u>	<u>57,582</u>	<u>—</u>	<u>111,712</u>
Capital assets being depreciated:				
Equipment	447,758	44,010	(272)	491,496
Buildings	417,545	136,377	—	553,922
Total capital assets being depreciated	<u>865,303</u>	<u>180,387</u>	<u>(272)</u>	<u>1,045,418</u>
Less accumulated depreciation for:				
Equipment	(304,228)	(35,618)	272	(339,574)
Buildings and other improvements	(196,066)	(31,003)	—	(227,069)
Total accumulated depreciation	<u>(500,294)</u>	<u>(66,621)</u>	<u>272</u>	<u>(566,643)</u>
Net capital assets being depreciated	<u>365,009</u>	<u>113,766</u>	<u>—</u>	<u>478,775</u>
Net capital assets-component unit activities	<u>\$ 419,139</u>	<u>171,348</u>	<u>—</u>	<u>590,487</u>

Total depreciation expense for the Hospital Authority was \$66,621. 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, 2020</u>	<u>Increases</u>	<u>Decreases/ Other Changes</u>	<u>December 31, 2020</u>
Capital assets being depreciated:				
Equipment	\$ 206	371	—	577
Total capital assets being depreciated	<u>206</u>	<u>371</u>	<u>—</u>	<u>577</u>
Less accumulated depreciation for:				
Equipment	(10)	(73)	—	(83)
Total accumulated depreciation	<u>(10)</u>	<u>(73)</u>	<u>—</u>	<u>(83)</u>
Net capital assets being depreciated	<u>196</u>	<u>298</u>	<u>—</u>	<u>494</u>
Net capital assets-component unit activities	<u>\$ 196</u>	<u>298</u>	<u>—</u>	<u>494</u>

Total depreciation expense for the Fulton County Board of Health was \$73. All depreciation was incurred on assets acquired to provide health services.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2020

(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, 2020 (in thousands of dollars):

	January 1,				December 31,	Due within
	2020	Additions	Retirements	Other	2020	one year
Governmental activities:						
Library General Obligation Bonds	\$ 232,220	-	(5,355)	-	226,865	5,585
Less deferred charges, net	7,719	-	-	(176)	7,543	
Total Library General Obligation Bonds	239,939	-	(5,355)	(176)	234,408	
Fulton County Urban Redevelopment Agency	94,221	-	(7,272)	-	86,949	7,486
Less deferred charges, net	5,772	-	-	(737)	5,035	
Total Fulton County Urban Redevelopment Agency	99,993	-	(7,272)	(737)	91,984	
Intergovernmental agreement-AFCRA	1,468	-	(465)	-	1,003	489
Intergovernmental agreement-SF Jail Authority	12,405	-	(720)	-	11,685	745
Compensated absences	39,701	16,377	(8,291)	-	47,787	16,377
Other long term capital lease obligations	58,650	546	(8,660)	-	50,536	8,190
Net other post employment benefits	994,451	721,817	(40,796)	-	1,675,472	-
Net pension liability	442,237	-	-	(108,659)	333,578	-
Claims and judgments	12,253	-	-	886	13,139	232
Post-closure care	6,301	-	(1,497)	-	4,804	-
Total Governmental activities	\$ 1,907,398	738,740	(73,056)	(108,686)	2,464,396	39,104
Business-type activities:						
Water & Sewerage Revenue Bonds	\$ 378,855	290,595	(18,605)	-	650,845	19,520
Less deferred charges, net	29,609	17,197	-	(4,406)	42,400	
Total Water & Sewerage Revenue Bonds	408,464	307,792	(18,605)	(4,406)	693,245	
Other long-term liabilities	1,311	979	(530)	-	1,760	
Total business-type activities	\$ 409,775	308,771	(19,135)	(4,406)	695,005	19,520

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2020

(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>Governmental Type- 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>
2010 General Obligation	3.575-5.148%	2039	123,675	4,930-8,560	Library facilities
2017 General Obligation	3.00-5.00%	2044	103,190	655-13,310	Library facilities
			\$ <u>226,865</u>		

Revenue Bonds Payable - The County issued \$290,595 in revenue bonds in fiscal 2020 to finance major improvement to the Big Creek wastewater treatment facility. 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):

<u>Business Type – 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>
2011 Water and Sewerage	3.00-5.00%	2027	136,985	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
2020A Water and Sewerage	2.25-5.00%	2044	290,595	1,500-30,590	Water/Sewer facilities
			\$ <u>650,845</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 \$7,701,954. As of December 31, 2020, the County had \$234,408 of direct general obligation debt less \$35,116 of funds to service this debt. Therefore, the County's unused debt margin was \$7,502,662 as of December 31, 2020.

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 or Airport fund.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2020

(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 annual requirements to amortize bonds payable as of December 31, 2020, 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
2021	\$ 5,585	9,944	19,520	25,615	25,105	35,559
2022	5,835	9,715	20,490	24,650	26,325	34,365
2023	6,095	9,467	21,505	23,626	27,600	33,093
2024	6,370	9,201	22,570	22,551	28,940	31,752
2025	6,660	8,916	23,620	21,422	30,280	30,338
2026-2030	38,365	39,330	135,845	88,247	174,210	127,577
2031-2035	48,835	28,936	158,135	52,336	206,970	81,272
2036-2040	59,565	16,441	130,890	26,650	190,455	43,091
2041-2044	49,555	4,086	118,270	7,758	167,825	11,844
Total	226,865	136,036	650,845	292,855	877,710	428,891
Deferred charges/ premiums	7,543	(7,543)	42,400	(42,400)	49,943	(49,943)
Total	\$ 234,408	128,493	693,245	250,455	927,653	378,948

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2020

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

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 \$11,685 remained outstanding as of December 31, 2020. Total payments for this agreement total \$14,279 which includes interest of \$2,594.

Fulton County Urban Redevelopment Agency bonds

The County entered into various capital lease obligation as shown below with the Fulton County Urban Redevelopment Authority (FCURA) in the total amount of \$86,949 as of December 31, 2020 for public building improvements within the declared economic recovery zones within Fulton County. FCURA finances the costs of acquiring, constructing, renovating and equipping various public purpose projects within declared economic recovery zones within Fulton County. 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 amounts shown below do not include any of these subsidies. The County intends to issue another \$55 million in these leases in mid-2021 for additional facility improvements.

<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 Economic Recovery	4.70%	2025	10,181	1,915-2,161	Governmental facilities
2011 Qualified Energy	3.18%	2026	2,623	386-492	Energy systems
2017 Facility Improvements	2.29%	2032	37,190	2,730-3,500	Facility improvements
2019 Facility Improvements	3.00-5.00%	2032	36,955	2,455-3,850	Facility improvements
			\$ <u>86,949</u>		

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2020

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

The annual requirements to amortize these lease obligations as of December 31, 2020, 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 Redevelopment Agency</u>
2021	\$ 1,094	10,449
2022	1,092	10,418
2023	1,094	10,394
2024	1,096	10,367
2025	1,101	10,342
2026-2030	5,489	38,416
2031-2035	3,313	15,164
Total minimum lease payments	<u>\$ 14,279</u>	<u>105,550</u>
Less: Amount representing interest	<u>(2,594)</u>	<u>(18,601)</u>
Present value of minimum lease payments	<u>\$ 11,685</u>	<u>86,949</u>

Tax Anticipation Note

The County issued a \$200 million tax anticipation note on May 14, 2020 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 \$1.6 million. The note was fully paid on December 31, 2020, with an interest rate yield of 1.29%.

Liability for Tax Anticipation Note, January 1, 2020	\$ -
Issued	200,000,000
Matured and paid	<u>200,000,000</u>
Liability for Tax Anticipation Note, December 31, 2020	\$ -

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2020

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

Other Long-term Obligations - Capital Leases

The County entered into a five year capital lease agreement for vehicles during 2020 for \$546 for animal control services at 1.95%. This and other existing capital lease obligations totaled \$50,536 as of December 31, 2020, 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 \$134,290 as of December 31, 2020, of which \$23,632 is buildings; \$53,205 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 \$39 million as of December 31, 2020, as approximately \$4 million was recorded for amortization for fiscal year 2020.

The annual requirements to amortize these other capital lease obligations as of December 31, 2020, including interest payments of \$5,752 are as follows (in thousands):

Year Ended December 31	Capital Lease Obligations
2021	\$ 9,698
2022	8,418
2023	8,060
2024	7,842
2025	9,395
2026-2030	7,153
2031-2035	5,722
Total minimum lease payments	<u>56,288</u>
Amounts representing interest	<u>(5,752)</u>
Present value of minimum lease payments	<u>\$ 50,536</u>

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2020

(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, 2020 are noted below (in thousands):

	January 1, 2020	Additions	Retirements	December 31, 2020	Due within one year
Long-term debt:					
Revenue Certificates	\$ 75,975	100,550	(23,240)	153,285	18,105
Notes payable	51,662	23,245	-	74,907	-
Capital lease obligations	2,510	-	(594)	1,916	630
Total long-term debt	<u>130,147</u>	<u>123,795</u>	<u>(23,834)</u>	<u>230,108</u>	<u>18,735</u>
Other long-term liabilities:					
Workers Compensation	2,304	489	-	2,793	1,632
General Professional	50,055	2,353	-	52,408	12,668
Accrued OPEB	1,358	-	(928)	430	-
Other	7,336	1,541	-	8,877	-
Total	<u>\$ 61,053</u>	<u>4,383</u>	<u>(928)</u>	<u>64,508</u>	<u>14,300</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):

Year Ending December 31	Authority Long Term Debt		Authority Capital Lease Obligations		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 18,105	3,086	630	106	18,735	3,192
2022	18,925	2,264	598	63	19,523	2,327
2023	26,600	1,767	496	27	27,096	1,794
2024	7,305	1,413	192	3	7,497	1,416
2025	7,415	1,298	-	-	7,415	1,298
Thereafter	74,935	6,194	-	-	74,935	6,194
Total	<u>\$ 153,285</u>	<u>16,022</u>	<u>1,916</u>	<u>199</u>	<u>155,201</u>	<u>16,221</u>

The Hospital Authority has entered into various capital lease agreements for equipment. At December 31, 2020, the amount of equipment recorded under capital leases amount to approximately \$8.2 million and the related accumulated amortization amounted to approximately \$6.3 million.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2020

(9) Other Long-Term Obligations

(a) Fulton County

The County owns two closed landfill sites within the County geographic boundaries. State and Federal laws and regulations require the County to monitor and maintain these closed landfills for approximately another 4 years. The County recognized expenditures specific to landfill postclosure care approximated \$1.5 million in 2020, which are funded 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. 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 and remained outstanding as of December 31, 2020. This was subsequently paid off and closed in May 2021.

(c) Fulton County Board of Health

The FCBOH reported no long-term obligations for the 12 months ending June 30, 2020.

(10) Interfund Assets/Liabilities and Transfers

No interfund liabilities or receivables exist as of December 31, 2020. Interfund transfers are attributable to the budgeted allocation of resources from one fund to another for capital outlay projects, matching resources for federal and state grants, and other transfers adopted within the County’s budget. These transfers are reported below (in thousands of dollars):

Transferred From	Transferred To			Total
	General fund	CARES fund	Non-Major Governmental funds	
General fund	\$ -	-	57,175	57,175
CARES fund	-	-	-	-
Non-Major Governmental funds	-	-	7,250	7,250
Non-Major Enterprise funds	-	-	523	523
	\$ -	-	64,948	64,948

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2020

(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, 2020, which is expected to be paid after one year, is \$13,139. 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 2020. 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, 2020, the present value of the estimated future liability for outstanding claims, including estimated incurred, but not reported claims, is \$11,221. At December 31, 2020, the County held \$27,992 in cash and cash equivalents and \$7,159 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 \$2,719 to provide for resources to insure for general, employee and vehicle liability and automobile physical damage. At December 31, 2020, the County held \$40,602 in cash and cash equivalents and other assets of \$171 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, 2020 was as follows (in thousands of dollars):

		Beginning of fiscal year liability	Current year claims and changes in estimates	Claims payments	Balance at fiscal year-end
2020	\$	32,001	101,060	(105,982)	27,079
2019		24,724	136,018	(128,741)	32,001
2018		23,461	121,173	(119,910)	24,724

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2020

(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, 2020

(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 2020 are as follows (in thousands of dollars):

	<u>2020</u>
Total required employer contributions:	
Dollar amount	\$ 66,233
Percent of covered payroll	671.42%
Actual employer contributions:	
Dollar amount	\$ 68,578
Percent of covered payroll	695.19%

Employee contribution rates are established in accordance with pension law. During 2020 actual countywide employee contributions were \$778 which represented 7.89% 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 2020 are as follows:

Members:	
Retired and receiving benefits	\$ 3,185
Terminated with vested benefits	17
Active employees:	
Vested	<u>158</u>
Total members	<u>3,360</u>
Total current year payroll for employees covered by the Plan (in thousands)	<u>\$ 9,865</u>

Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits under the Plan are based on employee compensation.

The accumulated plan benefits for active employees are based on their average compensation and credited service ending on the date as of which the benefit information is presented (the valuation date). Benefits payable under all circumstances — retirement, death, disability, and termination of employment — are included, to the extent they are deemed attributable to employee service rendered to the valuation date.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2020

(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, 2021 valuation, the Fulton County Employees Retirement System Board approved a lower assumed rate of return from 7.15% to 7.00. These changes affected the actuarial liability by \$26.2 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, 2020 and 2019 are as follows:

Fiscal year ended	Total Pension Liability	Fiduciary Net Position	Net Pension Liability	Fiduciary net position as a percentage of Total Pension Liability
December 31, 2020	\$ 1,881,914	1,548,336	\$ 333,578	82.27%
December 31, 2019	\$ 1,865,254	1,423,026	\$ 442,228	76.29%

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 7.00%, and the System's net pension liability would be if it were calculated using a discount rate this is one-percentage-point lower (6.00%) or one-percentage-point higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
System's net pension liability	\$526,045	\$333,578	\$170,719

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, 2020

(12) Retirement Plans (continued)

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

	<u>Total Pension</u>	<u>Plan Fiduciary</u>	<u>Net Pension</u>
	<u>Liability</u>	<u>Net Position</u>	<u>Liability</u>
Balances at December 31, 2019	\$ 1,865,254	1,423,026	442,228
Changes for the year:			
Service cost	2,434	-	2,434
Interest	128,359	-	128,359
Benefit changes	-	-	-
Difference between expected and actual experience	4,636	-	4,636
Change of assumptions	26,157	-	26,157
Contributions - employer	-	68,578	(68,578)
Contributions - employee	-	778	(778)
Net investment income	-	201,615	(201,615)
Benefit payments, including refunds of employee contributions	(144,926)	(144,926)	-
Administrative expense	-	(735)	735
Net changes	\$ 16,660	125,310	(108,650)
Balances at December 31, 2020	\$ <u>1,881,914</u>	<u>1,548,336</u>	<u>333,578</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, 2020
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	7.15% (1/1/20 valuation). 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, 2020

(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, 2020 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%	4.30%
U.S. Small/Mid Cap Equity	14.00%	4.70%
International Equity	12.50%	4.50%
Emerging Market Equity	5.00%	6.60%
International Small Cap Equity	5.00%	4.80%
Bank Loans	5.00%	2.60%
Domestic Fixed Income	17.00%	0.50%
Global Fixed Income	5.00%	-0.60%
Asset Allocation (60/40 EQ/FI Tft)	<u>5.00%</u>	<u>3.10%</u>
	100.00%	

*Expected real rate of return is net of inflation

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2020

(12) Retirement Plans (continued)

Pension Expense and Deferred Outflows of Resources Related to Pensions

For the year ended December 31, 2020, the County recognized pension expense of \$51,105. The following table provides a summary of the deferred inflows and outflows related to pensions as of December 31, 2020 (the measurement date).

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on plan investments	\$ -	\$ 156,326
Total	\$ -	\$ 156,326

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Amount recognized in Pension Expenses as an Increase or (Decrease) to Pension Expense
Year ended December 31:	(a)	(b)	(a)-(b)
2021	\$ -	\$ (54,311)	\$ 54,311
2022	-	(22,817)	22,817
2023	-	(58,679)	58,679
2024	-	(20,519)	20,519
Thereafter	-	-	-
Total	-	(156,326)	156,326

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 2020, 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, 2021 biannual actuarial valuation date. Plan assets total \$.8 million, and the unfunded balance is \$.5 million which is being amortized on a two 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.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2020

(12) Retirement Plans (continued)

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

(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. Empower Retirement, who acquired Mass Mutual, serves as an independent administrator of the plan. At December 31, 2020, the plan had 5,483 total participants who contributed 6% of their pensionable earnings, approximately \$15,502 during 2020. The County also contributed \$19,293 which was 8% of their pensionable earnings throughout the year. The County also contributed an additional \$1,570 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.

(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 \$19.5 for those less than 50 years of age, and an additional \$6.5 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 beginning in 2020 but were all moved to Mass Mutual/Empower Retirement by year end.

(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. Should the Plan terminate, 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

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2020

(12) Retirement Plans (continued)

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 \$12.5 million for the year ended December 31, 2020.

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 \$41,025 in 2020, as compared to \$47,892 in 2019. 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 December 31, 2020 valuation date, (the latest available) the number of retirees with current health care coverage was 3,306. Approximately 4,134 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

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2020

(13) Other Post-Employment Benefits (continued)

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 2020, but has \$7 million dedicated to pay for future OPEB claims against the Total OPEB Liability of \$1,682,593 as of December 31, 2020.

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>12/31/2020</u>	<u>12/31/2019</u>
Net OPEB Liability	\$1,675,472	\$994,451
Annual OPEB expense	180,776	70,451
Service cost of beginning of year	32,073	31,887
Total Covered Payroll	223,191	271,171

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

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2020

(13) Other Post-Employment Benefits (continued)

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

Excluded from eligibility are contract, seasonal and temporary employees as well as employees working for the State department of Family and Children’s services, Adult Probation and 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 2.12%, and the System’s net OPEB liability would be if it were calculated using a discount rate 1% lower (1.12%) or 1% higher (3.12%) 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 current healthcare trend rates used for the December 31, 2020 study.

	<u>Discount Rates</u>		
	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
	<u>(1.12%)</u>	<u>(2.12%)</u>	<u>(3.12%)</u>
Net OPEB liability	\$2,000,432	\$1,675,472	\$1,422,462

	<u>Healthcare Trend Rates</u>		
	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
	<u>trend rates</u>	<u>trend rates</u>	<u>trend rates</u>
Net OPEB liability	\$1,405,114	\$1,675,472	\$2,028,214

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.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2020

(13) Other Post-Employment Benefits (continued)

OPEB Expense and Deferred Outflows of Resources Related to OPEB

The County recognized total OPEB expense of \$180,776 for the year ended December 31, 2020, 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 \$111,135 comprised of the difference between expected and actual experience, and \$435,038 for changes in assumptions or other inputs, offset by deferred inflows comprise of the difference between expected and actual earnings of \$1,035. The combined deferred outflows and inflows of \$545,138 are being recognized each year as shown below until fully recognized, approximately five years.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 111,135	\$ -
Change of assumptions or other inputs	435,038	-
Net difference between projected and actual earnings on plan investments	\$ -	\$ 1,035
Total	<u>\$ 546,173</u>	<u>\$ 1,035</u>

Year ended December 31:	Deferred Outflows of Resources (a)	Deferred Inflows of Resources (b)	Amount recognized in OPEB Expenses as an Increase or (Decrease) to OPEB Expense (a)-(b)
2021	\$ 108,781	\$ 207	\$ 108,574
2022	108,781	207	108,574
2023	108,781	207	108,574
2024	108,694	207	108,487
2025	109,017	207	108,810
Thereafter	2,119	-	2,119
Total	<u>\$ 546,173</u>	<u>\$ 1,035</u>	<u>\$ 545,138</u>

Components of current year OPEB Expense	2020
Service cost	\$ 32,073
Interest on the Total OPEB Liability	40,500
Expenses portion of current period differences between expected and actual experience	21,358
Expensed portion of current period changes of assumptions or other inputs	87,007
Projected earnings on plan investments	(371)
Expensed portion of current period differences between actual and projected earnings on plan investments	(115)
Recognition of beginning of year deferred outflows of resources as OPEB expense	532
Recognition of beginning of year deferred inflows of resources as OPEB expense	(208)
	<u>\$ 180,776</u>

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2020

(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, 2020 are presented below:

Change in Net OPEB Liability	2020
Service Cost	\$ 32,073
Interest expense	40,501
Difference between expected and actual experiences	128,147
Change in assumption	522,046
Benefit payments	(40,796)
Investment Income- OPEB trust fund	(950)
Change in net OPEB liability	681,021
Net OPEB liability - January 1	994,451
Net OPEB liability - December 31	\$ 1,675,472

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
Balances at December 31, 2019	\$ 1,000,623	6,172	994,451
Changes for the year:			
Service cost	32,073	-	32,073
Interest	40,501	-	40,501
Difference between expected and actual experience	128,147	-	128,147
Change of assumptions	522,046	-	522,046
Contributions - employer	-	-	-
Contributions - employee	-	-	-
Net investment income	-	950	(950)
Benefit payments	(40,796)	-	(40,796)
Administrative expense	-	-	-
Net changes	\$ 681,971	950	681,021
Balances at December 31, 2020	\$ 1,682,594	7,122	1,675,472

The net OPEB plan's fiduciary net position of \$7,122 above is .42% of the Total OPEB Liability as of December 31, 2020.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2020

(13) Other Post-Employment Benefits (continued)

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	December 31, 2020
Actuarial cost Method	Entry age normal
Actuarial Value of Assets	Market Value
Termination rates before retirement due to Disability	Rates used Age 40-60 used 2%. Age 40-(.07% except Public Safety .18%) Age 45-(.12% except Public Safety .29%) Age 50-(.20% except Public Safety .48%) Age 55-(.34% except Public Safety .81%) Age 60-(.54% except Public Safety 1.30%)
Investment rate of return	6.00%.
Discount Rate	2.12%
Healthcare cost trend rate	7.00% in 2021 to 4.5% in 2031 and later, depending on health plan option, Administrative expense estimated at 3% starting at 2024.
Projected salary increases	4.00%
Mortality Rates-Active employees	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, with approximate adjustment to reflect generational improvements under Scale MP-2016.
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, with approximate adjustment to reflect generational improvements under Scale MP-2016.
Retirement	Non-Public Safety- 26.5% at first eligibility through age 69, then 100% at age 70; Public Safety- 50% at first eligibility, 40% plus one to two years, 20% to age 64, then 100% after age 65.
Participation	90% for retiree medical and vision; 100% for life insurance
Administrative expenses	\$115/year per covered individual, assumed to increase at 3% per year.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2020

(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 \$14 million is believed to be reasonably possible, of which approximately \$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 adequate reserves for these and future cases, \$13 million within the long term debt section and approximately \$3 million as payables in the Risk Management Fund on page 106.
- (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 \$286,454, \$1,222 for roadway infrastructure improvements, \$8,329 for building improvements and \$10,028 for library system capital improvements as of December 31, 2020.

(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 and \$25 million in the aggregate. Commercial insurance has been obtained to provide excess and umbrella coverage of \$95 million in excess of the Authority's self-insured retention limits on a claims-made basis. The general and professional self-insurance reserves included in the accompanying combined financial totaled \$52.4 million (undiscounted) at December 31, 2020.

Workers' Compensation Liability – The Authority also self-insures its workers' compensation liability exposures up to limits of \$500 thousand per claim. Commercial insurance has been obtained to provide for excess workers' compensation liability coverage. The Authority recorded an undiscounted reserve for workers' compensation at December 31, 2020 of \$2.8 million. While the ultimate risk outcome is not presently determinable, it is management's opinion that the reserve is adequate to cover such risks for both general and professional liabilities as well as and workers compensation liabilities.

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

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2020

(14) Commitments and Contingencies (continued)

(1) Operating Leases - Leases that do not meet the criteria for capitalization are classified as operating leases with related rental expense charged to operations as incurred. The Hospital Authority has several noncancelable operating leases, primarily for office space and equipment, which expire at various dates through 2033. Rental costs for the year ended December 31, 2020 were approximately \$18.1 million. The future minimum lease payments under noncancelable operating leases as of December 31, 2020 are as follows (in thousands):

	<u>Operating leases</u>
2021	\$ 6,077
2022	6,137
2023	5,511
2024	4,606
2025	3,639
Thereafter	<u>16,713</u>
	<u>\$ 42,683</u>

(15) Fund Balance

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

- (1) Nonspendable – Fund balances are reported as nonspendable when amounts cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.
- (2) Restricted – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. This includes resources funded through bond issuances which restrict proceeds be used for the intended purpose.
- (3) Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners through the adoption of a resolution. Only the Board of commissioners may modify or rescind the commitment.
- (4) Assigned – Fund balances are reported as assigned when amounts are constrained by the County’s intent to be used for specific purposes, but are neither restricted nor committed. The Board of commissioners has the authority to assign fund balances.
- (5) Unassigned – Fund balances not within the above four categories.

When both restricted and unrestricted resources are available for use, it is the County’s policy to use restricted resources first, then unrestricted resources as needed. For unrestricted amounts of fund balance, it is the County’s policy to use committed fund balance first, then assigned fund balances, then unassigned.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2020

(15) Fund Balance (continued)

The specific purposes of the governmental funds fund balances, classified as other than unassigned, at December 31, 2020 are as follows (in thousands):

Fund Balances:	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
Library capital projects	\$ 14,849		
Debt service	37,573		
Grants in Aid	3,902		
Emergency Communications	4,721		
Public Health Services	-		
Law Enforcement and Justice services	18,049		
Public Education Government Television		397	
South Fulton Special District			27,128
Special Service District			279
Stormwater Management			-
General Government services			1,306
Social and Cultural services			2,754
Other special revenue			2,453
T-Splost Administration			1,368
Other Capital and Transportation projects	56,374		98,648
Totals	<u>\$ 135,468</u>	<u>397</u>	<u>133,936</u>

(16) Subsequent Events

On May 19, 2021 the County issued a \$175 million Tax Anticipation Note, which will mature December 31, 2021. In late 2021, the Fulton County Urban Redevelopment Agency, a blended component unit, plans to issue \$55 million in bonds to finance capital improvements in qualified redevelopment areas. Also, on February 3, 2021, the County's Water and Sewerage System, an Enterprise fund, privately issued \$120.4 million in Revenue Refunding bonds to refinance the existing 2011 Water and Sewerage revenue bonds. \$8 million is also anticipated in late 2021 for a small capital financing bond for the Fulton DeKalb Hospital Authority, a discretely presented component unit.

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.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2020

(16) Subsequent Events (continued)

On May 7, 2021 The County received \$5.9 million for vaccination efforts at the Mercedes-Benz stadium, in which over 300,000 vaccinations have since been administered. An additional \$28 million has been received in 2021 for emergency rental assistance as well as other federal funding in the amount of approximately \$103 million for continued virus mitigation efforts are on hand, with another \$103 million expected to be received in 2022.

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, assess and continue efforts to mitigate the effects of the COVID-19 pandemic and its impact on the financial position and operations of the County as well as citizenry. 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 in thousands

December 31, 2020

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, 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
December 31, 2020	66,233	68,578	-	68,578	(2,345)	9,865	695.19

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, 2020	\$ 1,881,914	1,548,336	333,578	82.27%	9,865	3,381.55%
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

Year Ended	Annual money-weighted rate of return, net of investment expense
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%
December 31, 2020	14.56%

FULTON COUNTY, GEORGIA

Required Supplementary Information
in thousands

December 31, 2020

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

	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Service cost	\$ 2,434	2,700	3,768	2,348	3,283	3,678	4,291
Interest	128,358	129,377	129,929	123,205	122,576	122,562	120,935
Change of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	4,636	4,854	6,717	20,982	16,293	6,262	21,902
Change of assumptions	26,158	17,554	17,675	112,435	15,734	15,489	15,352
Benefit payments, including refunds	(144,926)	(142,094)	(138,396)	(132,378)	(128,309)	(125,402)	(117,044)
Net change in total pension liability	16,660	12,391	19,693	126,592	29,577	22,589	45,436
Total pension liability - beginning	\$ 1,865,254	1,852,863	1,833,170	1,706,578	1,677,001	1,654,412	1,608,976
Total pension liability - ending (a)	\$ 1,881,914	1,865,254	1,852,863	1,833,170	1,706,578	1,677,001	1,654,412
Plan fiduciary net position							
Contributions-employer	\$ 68,578	64,777	59,203	57,228	45,977	47,230	57,529
Contributions-employee	778	859	1,110	1,358	1,633	1,868	2,129
Net investment income	201,615	276,707	(80,562)	245,564	75,369	(11,187)	64,143
Benefit payments, including refunds	(144,926)	(142,094)	(138,396)	(132,378)	(128,309)	(125,402)	(117,044)
Administrative expense	(735)	(755)	(776)	(656)	(788)	(581)	(705)
Net change in plan fiduciary net position	\$ 125,310	199,494	(159,421)	171,116	(6,118)	(88,072)	6,052
Plan fiduciary net position - beginning	\$ 1,423,026	1,223,532	1,382,953	1,211,837	1,217,955	1,306,027	1,299,975
Plan fiduciary net position - ending (b)	\$ 1,548,336	1,423,026	1,223,532	1,382,953	1,211,837	1,217,955	1,306,027
Net pension liability - ending (a) - (b)	333,578	442,228	629,331	450,217	494,741	459,046	348,385
Plan fiduciary net position as a percentage of the Total pension liability	82.27%	76.29%	66.03%	75.44%	71.01%	72.63%	78.94%
Covered payroll	\$ 9,865	12,956	14,845	20,374	23,391	27,820	32,828
Net pension liability as a percentage of covered payroll	3381.55%	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 1/1/21 Valuation: The Board approved changes to reduce the net investment return from 7.15% to 7.00% as of December 31, 2020.

FULTON COUNTY, GEORGIA

Required Supplementary Information
in thousands

December 31, 2020

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service cost	\$ 32,073	31,887	30,661
Interest	40,501	38,229	36,754
Change of benefit terms	-	-	-
Differences between expected and actual experience	128,147	-	5,236
Change of assumptions	522,046	-	-
Benefit payments	<u>(40,796)</u>	<u>(40,796)</u>	<u>(34,883)</u>
Net change in total pension liability	<u>681,971</u>	<u>29,320</u>	<u>37,768</u>
Total OPEB liability - beginning	\$ <u>1,000,623</u>	<u>971,303</u>	<u>933,535</u>
Total OPEB liability - ending	\$ <u><u>1,682,594</u></u>	<u><u>1,000,623</u></u>	<u><u>971,303</u></u>
Plan fiduciary net position			
Contributions-employer	\$ -	-	-
Contributions-employee	-	-	-
Net investment income	950	1,236	(226)
Benefit payments	-	-	-
Administrative expense	-	-	-
Net change in plan fiduciary net position	\$ <u>950</u>	<u>1,236</u>	<u>(226)</u>
Plan fiduciary net position - beginning	\$ <u>6,172</u>	<u>4,936</u>	<u>5,162</u>
Plan fiduciary net position - ending	\$ <u><u>7,122</u></u>	<u><u>6,172</u></u>	<u><u>4,936</u></u>
Net OPEB Liability - ending	<u><u>1,675,472</u></u>	<u><u>994,451</u></u>	<u><u>966,367</u></u>
Plan fiduciary net position as a percentage of the Total OPEB liability	0.42%	0.62%	0.51%
Covered payroll	\$ 223,191	271,171	260,742
Net OPEB liability as a percentage of covered payroll	750.69%	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, 2020

(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 7.15% to 7.00%, which affected the actuarial liability by \$26.2 million.

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, 2020
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar, closed period.
Remaining amortization period	15 year average remaining.
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 employee	2.0-6.0%, depending on age, and if Public Safety

FULTON COUNTY, GEORGIA

Notes to Required Supplementary Information
Unaudited, and in thousands

December 31, 2020

(3) Actuarial Methods and Assumptions (continued)

Investment rate of return	7.15%. 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 changes for the December 31, 2020 measurement date are summarized below:

- The effective discount rate from the 20-year Bond GO Index for December 31, 2020 was 2.21%. For the December 31, 2019 measurement date, the discount rate used was 4.00%.
- Healthcare cost and trend assumptions were updated to reflect most recent experience and projections.
- The following assumption changes were taken from the latest pension valuation. These assumptions were based on an actuarial experience study for the period December 31, 2011 to December 31, 2016 approved by the Pension Board in 2017.
- Retirement rates were changed from an age-based table to an age and service-based association. Also different tables were applied to public safety vs non-public safety workers.
- Turnover rates were changed to mimic the pension valuation having different tables applied to public safety vs non-public safety workers.
- Disability rates were changed to mimic the pension valuation having different factors applied to public safety vs non-public safety workers.

**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:

Fulton Industrial District – accounts for resources provided, used, and accumulated for municipal type services for the remaining unincorporated area of Fulton County, including police, fire, zoning and other related services.

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.

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 for future claims for provision of 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.

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, 2020

(in thousands of dollars)

	Debt Service fund	Special Revenue Funds				General Government Services
		Fulton Industrial District	Special Service District	Grants in Aid	Emergency Communications	
Assets:						
Cash and cash equivalents	\$ 35,812	26,993	988	—	5,161	1,090
Receivables (net of allowances):						
Taxes	979	1,255	—	—	—	—
Accounts	—	—	—	—	—	216
Due from other governments	1,046	—	—	14,941	99	—
Total assets	\$ 37,837	28,248	988	14,941	5,260	1,306
Liabilities:						
Accounts payable	\$ —	567	709	11,039	244	—
Due to others	—	—	—	—	295	—
Total liabilities	—	567	709	11,039	539	—
Deferred Inflows of Resources:						
Unavailable revenue	264	553	—	—	—	—
Total deferred inflows of resources	264	553	—	—	—	—
Fund balances (deficit):						
Restricted	37,573	—	—	3,902	4,721	—
Committed	—	—	—	—	—	—
Assigned	—	27,128	279	—	—	1,306
Total fund balances (deficit)	37,573	27,128	279	3,902	4,721	1,306
Total liabilities, deferred inflows of resources and fund balances	\$ 37,837	28,248	988	14,941	5,260	1,306

(continued)

FULTON COUNTY, GEORGIA

Combining Balance Sheet
Non-Major Governmental Funds

December 31, 2020

(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	401	19,662	—	6,248	2,493	1,405
Receivables (net of allowances):							
Taxes	—	—	—	—	—	—	56
Accounts	—	—	—	—	—	—	—
Due from other governments	—	—	—	—	—	—	—
Total assets	<u>\$ 431</u>	<u>401</u>	<u>19,662</u>	<u>—</u>	<u>6,248</u>	<u>2,493</u>	<u>1,461</u>
Liabilities:							
Accounts payable	\$ 431	4	139	—	11	40	93
Due to others	—	—	1,474	—	3,483	—	—
Total liabilities	<u>431</u>	<u>4</u>	<u>1,613</u>	<u>—</u>	<u>3,494</u>	<u>40</u>	<u>93</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	—	—	18,049	—	—	—	—
Committed	—	397	—	—	—	—	—
Assigned	—	—	—	—	2,754	2,453	1,368
Total fund balances (deficit)	<u>—</u>	<u>397</u>	<u>18,049</u>	<u>—</u>	<u>2,754</u>	<u>2,453</u>	<u>1,368</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 431</u>	<u>401</u>	<u>19,662</u>	<u>—</u>	<u>6,248</u>	<u>2,493</u>	<u>1,461</u>

FULTON COUNTY, GEORGIA

Combining Balance Sheet
Non-Major Governmental Funds

December 31, 2020

Capital Projects Funds								Total Non-major 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 Improve- ments	
13,145	46,993	74,739	423	9,783	2,534	2,800	10,014	261,115
—	—	—	—	—	—	—	—	2,290
—	—	—	—	—	—	—	—	216
—	—	—	—	—	—	—	—	16,086
<u>13,145</u>	<u>46,993</u>	<u>74,739</u>	<u>423</u>	<u>9,783</u>	<u>2,534</u>	<u>2,800</u>	<u>10,014</u>	<u>279,707</u>
—	4,187	649	—	202	76	294	1	18,686
—	—	—	—	—	—	—	—	5,252
—	<u>4,187</u>	<u>649</u>	<u>—</u>	<u>202</u>	<u>76</u>	<u>294</u>	<u>1</u>	<u>23,938</u>
—	—	—	—	—	—	—	—	817
—	—	—	—	—	—	—	—	817
13,145	42,806	—	423	—	—	—	—	120,619
—	—	—	—	—	—	—	—	397
—	—	<u>74,090</u>	<u>—</u>	<u>9,581</u>	<u>2,458</u>	<u>2,506</u>	<u>10,013</u>	<u>133,936</u>
13,145	42,806	74,090	423	9,581	2,458	2,506	10,013	254,952
<u>13,145</u>	<u>46,993</u>	<u>74,739</u>	<u>423</u>	<u>9,783</u>	<u>2,534</u>	<u>2,800</u>	<u>10,014</u>	<u>279,707</u>

FULTON COUNTY, GEORGIA

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

For the year ended December 31, 2020

(in thousands of dollars)

	Special Revenue Funds					
	Debt Service fund	Fulton Industrial District	Special Service District	Grants in Aid	Emergency Telephone	General Government Services
Revenues:						
Taxes	\$ 17,038	14,959	—	—	—	—
Intergovernmental	2,040	—	—	59,384	—	—
Charges for services	—	121	—	22	7,239	—
Courts and law enforcement	—	—	—	—	—	—
Use of money and property	—	314	—	398	—	—
License and permits	—	3,136	—	—	—	—
Miscellaneous	—	32	—	—	—	220
Total revenues	19,078	18,562	—	59,804	7,239	220
Expenditures:						
Current:						
Administration	—	85	—	193	—	77
Public safety	—	8,093	29	3,796	6,085	—
Infrastructure and facilities	—	788	—	4,305	—	—
Social services	—	—	—	16,515	—	—
Health services	—	—	—	36,023	—	—
Other nonagency	—	2,086	—	—	—	—
Capital outlay	—	—	—	—	—	—
Debt service:						
Principal retirement	16,845	—	—	—	—	—
Interest	13,619	—	—	—	—	—
Total expenditures	30,464	11,052	29	60,832	6,085	77
Excess (deficiency) of revenues over (under) expenditures	(11,386)	7,510	(29)	(1,028)	1,154	143
Other financing sources (uses):						
Issuance of capital lease refunding obligations	—	—	—	—	—	—
Transfer in from enterprise fund	—	—	—	523	—	—
Transfers in	14,958	450	—	1,258	415	—
Transfers out	—	(7,091)	—	—	(159)	—
Total other financing sources (uses)	14,958	(6,641)	—	1,781	256	—
Net change in fund balances	3,572	869	(29)	753	1,410	143
Fund balance at beginning of year	34,001	26,259	308	3,149	3,311	1,163
Fund balance (deficit) at end of year	\$ 37,573	27,128	279	3,902	4,721	1,306

FULTON COUNTY, GEORGIA

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

For the year ended December 31, 2020

(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-Splst Transportation Tax Admin
\$	—	—	—	139	—	—	512
	—	—	—	—	—	—	—
	—	—	—	—	—	—	—
	—	—	8,130	—	—	—	—
	—	—	—	—	6	—	8
	—	—	—	—	—	—	—
	—	60	—	—	1	—	—
	—	60	8,130	139	7	—	520
	—	—	—	—	—	102	238
	—	—	5,257	—	—	—	—
	—	232	—	—	—	—	—
	—	—	—	—	22	—	—
	—	—	—	139	—	—	—
	—	—	—	—	—	—	—
	—	—	—	—	—	—	—
	—	232	5,257	139	22	102	238
	—	(172)	2,873	—	(15)	(102)	282
	—	—	—	—	—	—	—
	—	—	—	—	—	—	—
	—	—	—	—	—	—	—
	—	—	—	—	—	—	—
	—	(172)	2,873	—	(15)	(102)	282
	—	569	15,176	—	2,769	2,555	1,086
\$	—	397	18,049	—	2,754	2,453	1,368

(continued)

FULTON COUNTY, GEORGIA

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

For the year ended December 31, 2020

(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 Improve- ments
Revenues:									
Taxes	\$ —	—	—	—	—	—	—	32,648	
Intergovernmental	—	—	—	—	—	—	—	61,424	
Charges for services	—	—	—	—	—	—	—	7,382	
Courts and law enforcement	—	—	—	—	—	—	—	8,130	
Use of money and property	1,350	386	331	—	—	—	34	2,827	
License and permits	—	—	—	—	—	—	—	3,136	
Miscellaneous	—	—	—	—	—	—	—	313	
Total revenues	<u>1,350</u>	<u>386</u>	<u>331</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>34</u>	<u>115,860</u>	
Expenditures:									
Current:									
Administration	—	—	—	—	—	—	—	695	
Public safety	—	—	—	—	—	—	—	23,260	
Infrastructure and facilities	—	—	—	—	—	—	—	5,325	
Social services	—	—	—	—	—	—	—	16,537	
Health services	—	—	—	—	—	—	—	36,023	
Other nonagency	—	—	—	—	—	—	—	2,225	
Capital outlay	—	29,796	24,250	—	1,398	7,050	668	(24)	63,138
Debt service:									
Principal retirement	—	—	—	—	—	—	—	—	16,845
Interest	—	—	—	—	—	—	—	—	13,619
Total expenditures	<u>—</u>	<u>29,796</u>	<u>24,250</u>	<u>—</u>	<u>1,398</u>	<u>7,050</u>	<u>668</u>	<u>(24)</u>	<u>177,667</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,350</u>	<u>(29,410)</u>	<u>(23,919)</u>	<u>—</u>	<u>(1,398)</u>	<u>(7,050)</u>	<u>(634)</u>	<u>24</u>	<u>(61,807)</u>
Other financing sources (uses):									
Issuance of capital lease refunding obligations	—	—	—	—	546	—	—	—	546
Transfer in from enterprise fund	—	—	—	—	—	—	—	—	523
Transfers in	—	—	40,772	—	—	6,572	—	—	64,425
Transfers out	—	—	—	—	—	—	—	—	(7,250)
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>40,772</u>	<u>—</u>	<u>546</u>	<u>6,572</u>	<u>—</u>	<u>—</u>	<u>58,244</u>
Net change in fund balances	1,350	(29,410)	16,853	—	(852)	(478)	(634)	24	(3,563)
Fund balance at beginning of year	<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>9,989</u>	<u>258,515</u>
Fund balance at end of year	\$ <u>13,145</u>	<u>42,806</u>	<u>74,090</u>	<u>423</u>	<u>9,581</u>	<u>2,458</u>	<u>2,506</u>	<u>10,013</u>	<u>254,952</u>

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, 2020

(In thousands of dollars)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Debt Service funds:				
Revenues				
Taxes	\$ 18,529	18,529	16,689	(1,840)
Other revenues per Budget law	—	—	994	994
Transfers	15,152	15,152	14,958	(194)
Appropriated Fund Balance	<u>(3,022)</u>	<u>(3,022)</u>	<u>(2,177)</u>	<u>845</u>
Total revenues	<u>\$ 30,659</u>	<u>30,659</u>	<u>30,464</u>	<u>(195)</u>
Reconciliation to GAAP basis:				
To record net change in taxes receivable and deferred revenues			1,395	
Appropriated Fund Balance			<u>2,177</u>	
Total adjustment to GAAP basis			<u>3,572</u>	
Total revenues and other sources, GAAP basis			<u>34,036</u>	
Expenditures				
Administration	\$ —	—	—	—
Principal	16,912	16,912	16,845	67
Interest	<u>13,747</u>	<u>13,747</u>	<u>13,619</u>	<u>128</u>
Total expenditures	<u>\$ 30,659</u>	<u>30,659</u>	<u>30,464</u>	<u>195</u>
Total expenditures and other uses, GAAP basis			<u>30,464</u>	
Special Service District fund:				
	<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>—</u>	<u>—</u>	<u>29</u>	<u>29</u>
	<u>\$ —</u>	<u>—</u>	<u>29</u>	<u>29</u>
Reconciliation to GAAP basis:				
Appropriated fund balance			<u>(29)</u>	
Total revenues and other sources, GAAP basis			<u>\$ —</u>	
Expenditures and other uses:				
Non agency	\$ 108	108	29	79
	<u>\$ 108</u>	<u>108</u>	<u>29</u>	<u>79</u>
Reconciliation to GAAP basis - to record net effect of unrecorded liabilities				
Total expenditures and other uses, GAAP basis			<u>\$ 29</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, 2020

(In thousands of dollars)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Grants in Aid				
Revenues				
Intergovernmental revenue	82,451	51,263	47,613	(3,650)
Other general revenues	\$ 2,222	2,222	420	(1,802)
Transfers	1,905	1,905	1,781	(124)
Appropriated Fund Balance	—	—	8,556	8,556
Total revenues	<u>\$ 86,578</u>	<u>55,390</u>	58,370	<u>2,980</u>
Reconciliation to GAAP basis:				
To record effect of receivables			11,771	
Appropriated Fund Balance			<u>(8,556)</u>	
Total revenues and other sources, GAAP basis			<u>61,585</u>	
Expenditures				
Administration	197	197	192	5
Public Safety	8,969	8,969	3,796	5,173
Infrastructure and Facilities	5,535	5,535	4,643	892
Social services	24,272	24,272	14,206	10,066
Health services	47,605	47,605	35,533	12,072
Total expenditures	<u>\$ 86,578</u>	<u>86,578</u>	58,370	<u>28,208</u>
Reconciliation to GAAP basis - to record net effect				
of unrecorded liabilities			<u>2,462</u>	
Total expenditures and other uses, GAAP basis			<u>60,832</u>	
Emergency Communications - 911				
Revenues				
Charges for Services	\$ 5,851	5,851	7,239	1,388
Transfers	415	415	415	—
Appropriated fund balance	1,518	1,518	(1,387)	(2,905)
Total revenues	<u>7,784</u>	<u>7,784</u>	6,267	<u>(1,517)</u>
Reconciliation to GAAP basis:				
Appropriated Fund Balance			<u>1,387</u>	
Total revenues and other sources, GAAP basis			<u>7,654</u>	
Expenditures				
Total expenditures	<u>\$ 7,784</u>	<u>7,784</u>	6,267	<u>1,517</u>
Reconciliation to GAAP basis - to record net effect				
of unrecorded liabilities			<u>(182)</u>	
Total expenditures and other uses, GAAP basis			<u>6,085</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, 2020

(In thousands of dollars)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Fulton Industrial District:				
Revenues				
Property Taxes	\$ 11,924	11,924	14,160	(2,236)
License and Permits	3,021	3,021	3,136	(115)
All Other	1,875	1,875	468	1,407
Transfers	500	500	450	50
Appropriated fund balance	\$ 25,360	25,360	69	25,291
Total revenues	<u>42,680</u>	<u>42,680</u>	18,283	<u>24,397</u>
Reconciliation to GAAP basis:				
To record net change in taxes receivable and deferred revenue			798	
Appropriated Fund Balance			<u>(69)</u>	
Total revenues and other sources, GAAP basis			<u>19,012</u>	
Expenditures				
Finance	\$ 84	92	85	7
Fire Rescue	3,708	3,708	3,700	8
Public Works	5,177	5,188	788	4,400
Non Agency	28,671	28,607	9,176	19,431
Police	5,040	5,085	4,534	551
Total expenditures	\$ <u>42,680</u>	<u>42,680</u>	18,283	<u>24,397</u>
Reconciliation to GAAP basis - to record net effect of unrecorded liabilities				
Total expenditures and other uses, GAAP basis			<u>(140)</u>	
			<u>18,143</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
General Government services:				
Revenues				
Miscellaneous	\$ 30	30	220	190
Appropriated Fund Balance	1,073	1,073	(143)	(1,216)
Total revenues	\$ <u>1,103</u>	<u>1,103</u>	77	<u>(1,026)</u>
Reconciliation to GAAP basis:				
Appropriated Fund Balance			143	
Total revenues and other sources, GAAP basis			<u>220</u>	
Expenditures				
Total administrative expenditures	\$ <u>1,103</u>	<u>1,103</u>	77	<u>1,026</u>
Total expenditures and other uses, GAAP basis			<u>77</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, 2020

(In thousands of dollars)

Public Education Government Television

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	variance Positive (Negative)
Revenues				
Miscellaneous	\$ —	—	60	60
Appropriated Fund Balance	<u>568</u>	<u>568</u>	<u>172</u>	<u>(396)</u>
Total revenues	<u>\$ 568</u>	<u>568</u>	232	<u>(336)</u>
Reconciliation to GAAP basis:				
Appropriated Fund Balance			<u>(172)</u>	
Total revenues and other sources, GAAP basis			<u>60</u>	
Expenditures				
Total expenditures	<u>\$ 568</u>	<u>568</u>	232	<u>336</u>
Reconciliation to GAAP basis - to record net effect of unrecorded liabilities				
Total expenditures and other uses, GAAP basis			<u>232</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, 2020

(In thousands of dollars)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Law Enforcement and Justice services:				
Revenues				
Anticipated revenues	\$ 5,590	5,590	8,130	2,540
Appropriated Fund Balance	6,187	6,187	(2,873)	(9,060)
Total revenues	<u>\$ 11,777</u>	<u>11,777</u>	5,257	<u>(6,520)</u>
Reconciliation to GAAP basis:				
Appropriated Fund Balance			<u>2,873</u>	
Total revenues and other sources, GAAP basis			<u>8,130</u>	
Expenditures				
Total expenditures and transfer out	\$ <u>11,777</u>	<u>11,777</u>	5,257	<u>6,520</u>
Reconciliation to GAAP basis - to record net effect of unrecorded liabilities				
Total expenditures and other uses, GAAP basis			<u>—</u>	
			<u>5,257</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Hotel Motel:				
Revenues				
Anticipated revenues	\$ 350	350	139	(211)
Total revenues	<u>\$ 350</u>	<u>350</u>	139	<u>(211)</u>
Reconciliation to GAAP basis:				
Total revenues and other sources, GAAP basis			<u>139</u>	
Expenditures				
Total Non-agency expenditures	\$ <u>350</u>	<u>350</u>	139	<u>211</u>
Total expenditures and other uses, GAAP basis			<u>139</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, 2020

(In thousands of dollars)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Social and Cultural services:				
Revenues				
Anticipated revenues and transfers in	\$ —	—	7	7
Appropriated Fund Balance	465	465	15	(450)
Total revenues	<u>\$ 465</u>	<u>465</u>	22	<u>(443)</u>
Reconciliation to GAAP basis:				
Appropriated Fund Balance			<u>(15)</u>	
Total revenues and other sources, GAAP basis			<u>7</u>	
Expenditures				
Total expenditures	<u>\$ 465</u>	<u>465</u>	22	<u>443</u>
Total expenditures and other uses, GAAP basis			<u>22</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Other Special revenue funds:				
Revenues				
Anticipated revenues	\$ —	—	—	—
Appropriated Fund Balance	95	95	—	(95)
Total revenues	<u>\$ 95</u>	<u>95</u>	—	<u>(95)</u>
Reconciliation to GAAP basis:				
Appropriated Fund Balance			<u>—</u>	
Total revenues and other sources, GAAP basis			<u>—</u>	
Expenditures				
Total Expenditures	95	95	—	95
Total expenditures	<u>\$ 95</u>	<u>95</u>	—	<u>95</u>
Reconciliation to GAAP basis - to record net effect of unrecorded liabilities				
Total expenditures and other uses, GAAP basis			<u>102</u>	
			<u>102</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
T-Splost Transportation Tax-Admin				
Revenues				
Anticipated revenues	\$ 500	500	424	(76)
Appropriated Fund Balance	1,127	1,127	(187)	(1,314)
Total revenues	<u>\$ 1,627</u>	<u>1,627</u>	238	<u>(1,389)</u>
Reconciliation to GAAP basis:				
Change in sales tax and interest receivable			96	
Appropriated Fund Balance			<u>187</u>	
Total revenues and other sources, GAAP basis			<u>520</u>	
Expenditures				
Total expenditures	<u>\$ 1,627</u>	<u>1,627</u>	238	<u>1,389</u>
Total expenditures and other uses, GAAP basis			<u>238</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 residual resources remaining for providing operational services to the 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 to the 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, 2020

(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	\$ 286	488	—	2,322	3,096
Due from other governments, net	—	—	8,473	—	8,473
Total current assets	<u>286</u>	<u>488</u>	<u>8,473</u>	<u>2,322</u>	<u>11,569</u>
Noncurrent assets:					
Nondepreciable capital assets	—	—	—	27,909	27,909
Depreciable capital assets (net of accumulated depreciation)	5,670	—	—	185	5,855
Total noncurrent assets	<u>5,670</u>	<u>—</u>	<u>—</u>	<u>28,094</u>	<u>33,764</u>
Total assets	<u>5,956</u>	<u>488</u>	<u>8,473</u>	<u>30,416</u>	<u>45,333</u>
Liabilities:					
Current liabilities (payable from current assets):					
Accounts payable & accrued expenses	\$ 1	293	8,473	124	8,891
Total liabilities	<u>1</u>	<u>293</u>	<u>8,473</u>	<u>124</u>	<u>8,891</u>
Net Position:					
Net investment in capital assets	5,670	—	—	28,094	33,764
Unrestricted	285	195	—	2,198	2,678
Total net position	<u>\$ 5,955</u>	<u>195</u>	<u>—</u>	<u>30,292</u>	<u>36,442</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, 2020

(In thousands of dollars)

	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	
Operating revenues:					
Charges for services	\$ —	—	24,004	2,963	26,967
Sales tax collected	—	—	—	295	295
Total operating revenues	—	—	24,004	3,258	27,262
Operating expenses:					
Administrative and general	—	—	—	447	447
Depreciation and amortization	214	—	—	45	259
Personal services	279	—	—	709	988
Contractual services	—	—	24,004	1,618	25,622
Operating services	196	—	—	—	196
Total operating expenses	689	—	24,004	2,819	27,512
Operating (loss) income	(689)	—	—	439	(250)
(Loss) Income before transfers	(689)	—	—	439	(250)
Transfer in (out)	—	—	—	(523)	(523)
Change in net position	(689)	—	—	(84)	(773)
Net position at beginning of year	6,644	195	—	30,376	37,215
Net position at end of year	\$ 5,955	195	—	30,292	36,442

FULTON COUNTY, GEORGIA

Combining Statement of Cash Flows
Non-major Enterprise Fund

For the year ended December 31, 2020

(In thousands of dollars)

	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	
Cash flows from operating activities:					
Receipts from customers and users and taxes	\$ —	—	20,296	3,258	23,554
Payments to suppliers	(196)	(453)	(20,296)	(2,207)	(23,152)
Payments to employees	(279)	—	—	(698)	(977)
Net cash (used in) provided by operating activities	<u>(475)</u>	<u>(453)</u>	<u>—</u>	<u>354</u>	<u>(574)</u>
Cash flows from capital and related financing activities:					
Additions to property, plant, and equipment	—	—	—	(57)	(57)
Net cash used by capital and related financing activities	<u>—</u>	<u>—</u>	<u>—</u>	<u>(57)</u>	<u>(57)</u>
Cash flows from non-capital financing activities:					
Transfer in (out)	—	—	—	(523)	(523)
Net cash provided by non-capital financing activities	<u>—</u>	<u>—</u>	<u>—</u>	<u>(523)</u>	<u>(523)</u>
(Decrease) increase in cash and cash equivalents	(475)	(453)	—	(226)	(1,154)
Cash and cash equivalents at beginning of year	<u>761</u>	<u>941</u>	<u>—</u>	<u>2,548</u>	<u>4,250</u>
Cash and cash equivalents at end of year	\$ <u>286</u>	<u>488</u>	<u>—</u>	<u>2,322</u>	<u>3,096</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (689)	—	—	439	(250)
Adjustments to reconcile operating (loss) income to net cash provided by (used in) operating activities:					
Depreciation and amortization	214	—	—	45	259
Changes in assets and liabilities:					
Change in due from other governments - net	—	—	(3,708)	—	(3,708)
Accounts and claims payable	—	(453)	7,224	(130)	6,641
Due to others	—	—	(3,516)	—	(3,516)
Net cash provided by (used in) operating activities	\$ <u>(475)</u>	<u>(453)</u>	<u>—</u>	<u>354</u>	<u>(574)</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, 2020

(in thousands of dollars)

Assets	Facilities Services fund	Insurance Stabilization fund	Risk Management fund	Owner Controlled Insurance fund	Total Internal Service Funds
Current assets:					
Cash and cash equivalents	\$ 698	27,992	40,602	429	69,721
Other current assets	<u>220</u>	<u>7,159</u>	<u>171</u>	<u>—</u>	<u>7,550</u>
Total assets	<u>918</u>	<u>35,151</u>	<u>40,773</u>	<u>429</u>	<u>77,271</u>
 Liabilities and Net Position					
Current liabilities:					
Accounts payable	918	4,622	719	—	6,259
Claims payable	<u>—</u>	<u>6,589</u>	<u>2,000</u>	<u>—</u>	<u>8,589</u>
Total liabilities	<u>918</u>	<u>11,211</u>	<u>2,719</u>	<u>—</u>	<u>14,848</u>
Net position:					
Unrestricted	<u>—</u>	<u>23,940</u>	<u>38,054</u>	<u>429</u>	<u>62,423</u>
Total net position	\$ <u><u>—</u></u>	<u><u>23,940</u></u>	<u><u>38,054</u></u>	<u><u>429</u></u>	<u><u>62,423</u></u>

FULTON COUNTY, GEORGIA

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

Internal Service Funds

For the year ended December 31, 2020

(in thousands of dollars)

	Facilities Services fund	Insurance Stabilization fund	Risk Management fund	Owner Controlled Insurance fund	Total Internal Service Funds
Operating revenues - charges for services	\$ 2,966	110,127	22,061	—	135,154
Operating expenses:					
Contractual services	—	91,049	—	—	91,049
Administrative and general	3,401	—	14,933	—	18,334
Total operating expenses	3,401	91,049	14,933	—	109,383
Operating income (loss)	(435)	19,078	7,128	—	25,771
Net position at beginning of year	435	4,862	30,926	429	36,652
Net position at end of year	\$ —	23,940	38,054	429	62,423

FULTON COUNTY, GEORGIA

Combining Statement of Cash Flows
Internal Service Funds

For the year ended December 31, 2020

(In thousands of dollars)

	<u>Facilities Services fund</u>	<u>Insurance Stabilization fund</u>	<u>Risk Management fund</u>	<u>Owner Controlled Insurance fund</u>	<u>Total Internal Service Funds</u>
Cash flows from operating activities:					
Receipts from customers and users	\$ 2,759	107,727	22,061	—	132,547
Payments to suppliers	(2,995)	(96,491)	(15,395)	—	(114,881)
Net cash provided by (used in) operating activities	<u>(236)</u>	<u>11,236</u>	<u>6,666</u>	<u>—</u>	<u>17,666</u>
Increase (decrease) in cash and cash equivalents	(236)	11,236	6,666	—	17,666
Cash and cash equivalents at beginning of year	<u>934</u>	<u>16,756</u>	<u>33,936</u>	<u>429</u>	<u>52,055</u>
Cash and cash equivalents at end of year	<u>\$ 698</u>	<u>27,992</u>	<u>40,602</u>	<u>429</u>	<u>69,721</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (435)	19,078	7,128	—	25,771
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Changes in assets and liabilities:					
Other current assets	(207)	(2,400)	(86)	—	(2,693)
Accounts and claims payable	406	(5,442)	(376)	—	(5,412)
Net cash provided by (used in) operating activities	<u>\$ (236)</u>	<u>11,236</u>	<u>6,666</u>	<u>—</u>	<u>17,666</u>

DESCRIPTION OF FIDUCIARY FUNDS

These funds account for activities by the County acts as trustee or custodian 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.

Custodial 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 custodial 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, 2020

(In thousands of dollars)

Assets:	Fulton County		Total
	Employees Retirement System fund	Fulton County OPEB Trust Fund	
Cash and cash equivalents	\$ 23,618	5	23,623
Due from Brokers for Securities Sold	2,194	—	2,194
Investments, at fair value:			
US Treasury Obligations	76,843	2,249	79,092
US Agency Obligations	70,075	—	70,075
Municipal bonds	4,327	—	4,327
International Comingled funds	82,454	—	82,454
Corporate debt	82,147	—	82,147
Corporate asset & mortgage backed securities	17,029	—	17,029
Bank loans	75,889	—	75,889
Global fixed income mutual funds	78,871	—	78,871
Emerging markets equity mutual funds	85,221	—	85,221
Domestic equities	431,263	—	431,263
Domestic equity index funds-Comingled trust	242,457	4,868	247,325
Domestic equity funds	52,528	—	52,528
Domestic fixed income mutual funds	14,434	—	14,434
Foreign Government/Agency debt	732	—	732
International equities	15,512	—	15,512
International equity mutual funds	191,891	—	191,891
Interest and dividends receivable	1,327	—	1,327
Accounts receivable	94	—	94
Prepaid pension benefits	12,633	—	12,633
Total assets	1,561,539	7,122	1,568,661
Liabilities:			
Due to Brokers for Securities Purchased	11,716	—	11,716
Due to others	709	—	709
Total liabilities	12,425	—	12,425
Net Position restricted for pension benefits and OPEB	\$ 1,549,114	7,122	1,556,236

FULTON COUNTY, GEORGIA

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

For the year ended December 31, 2020

(In thousands of dollars)

	Fulton County Employees Retirement System Fund	Fulton County OPEB Trust Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Additions:			
Investment income:			
Net appreciation in fair value of investments	\$ 176,106	950	\$ 177,056
Interest and dividends	28,551	—	28,551
Less: investment expenses	(3,625)	—	(3,625)
Net investment gain	<u>201,032</u>	<u>950</u>	<u>201,982</u>
Employee contributions	778	—	778
Employer contributions	68,776	—	68,776
Other income	<u>598</u>	<u>—</u>	<u>598</u>
Total additions	<u>271,184</u>	<u>950</u>	<u>272,134</u>
Deductions:			
Benefit payments	144,971	—	144,971
Refunds of contributions	67	—	67
Administrative fees and other expenses	<u>735</u>	<u>—</u>	<u>735</u>
Total deductions	<u>145,773</u>	<u>—</u>	<u>145,773</u>
Change in net position	125,411	950	126,361
Net position restricted for pension and OPEB:			
Beginning of year	<u>1,423,703</u>	<u>6,172</u>	<u>1,429,875</u>
End of year	<u>\$ 1,549,114</u>	<u>7,122</u>	<u>\$ 1,556,236</u>

FULTON COUNTY, GEORGIA

Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
Custodial Funds

December 31, 2020

(In thousands of dollars)

Assets	Tax Commissioner	Superior Court	State Court	Juvenile Court	Probate Court	Sheriff and Criminal Court	District Attorney	Total Custodial Funds
Cash and cash equivalents	\$ 40,759	42,115	7,079	89	648	36,336	270	127,296
Taxes receivable	126,248	—	—	—	—	—	—	126,248
Total assets	<u>\$ 167,007</u>	<u>42,115</u>	<u>7,079</u>	<u>89</u>	<u>648</u>	<u>36,336</u>	<u>270</u>	<u>253,544</u>
Liabilities								
Due to other taxing districts	\$ 167,007	—	—	—	—	—	—	167,007
Due to others	—	42,115	7,079	89	648	36,336	270	86,537
Total liabilities	<u>\$ 167,007</u>	<u>42,115</u>	<u>7,079</u>	<u>89</u>	<u>648</u>	<u>36,336</u>	<u>270</u>	<u>253,544</u>

FULTON COUNTY, GEORGIA

Statement of Changes in Assets and Liabilities

Fiduciary Funds
Custodial Funds

For the year ended December 31, 2020

(In thousands of dollars)

	<u>Balance January 1, 2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2020</u>
Tax Commissioner:				
Assets				
Cash and cash equivalents	\$ 19,347	646,256	624,844	40,759
Taxes receivable	<u>73,596</u>	<u>1,869,194</u>	<u>1,816,542</u>	<u>126,248</u>
	<u>\$ 92,943</u>	<u>2,515,450</u>	<u>2,441,386</u>	<u>167,007</u>
Liabilities				
Due to other taxing districts	\$ <u>92,943</u>	<u>2,515,450</u>	<u>2,441,386</u>	<u>167,007</u>
 Superior Court:				
Assets				
Cash and cash equivalents	\$ <u>37,153</u>	<u>183,007</u>	<u>178,045</u>	<u>42,115</u>
Liabilities				
Due to others	\$ <u>37,153</u>	<u>183,007</u>	<u>178,045</u>	<u>42,115</u>
 State Court:				
Assets				
Cash and cash equivalents	\$ <u>5,527</u>	<u>8,990</u>	<u>7,438</u>	<u>7,079</u>
Liabilities				
Due to others	\$ <u>5,527</u>	<u>8,990</u>	<u>7,438</u>	<u>7,079</u>

(Continued)

FULTON COUNTY, GEORGIA

Statement of Changes in Assets and Liabilities

Fiduciary Funds

Custodial Funds

For the year ended December 31, 2020

(In thousands of dollars)

	<u>Balance January 1, 2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2020</u>
Juvenile Court:				
Assets				
Cash and cash equivalents	\$ 88	55	54	89
Liabilities				
Due to others	\$ 88	55	54	89
 Probate Court:				
Assets				
Cash and cash equivalents	\$ 714	2,741	2,807	648
Liabilities				
Due to others	\$ 714	2,741	2,807	648
 Sheriff and Criminal Court:				
Assets				
Cash and cash equivalents	\$ 51,635	11,121	26,420	36,336
Liabilities				
Due to others	\$ 51,635	11,121	26,420	36,336
 District Attorney:				
Assets				
Cash and cash equivalents	\$ 284	81	95	270
Liabilities				
Due to others	\$ 284	81	95	270

(Continued)

FULTON COUNTY, GEORGIA

Statement of Changes in Assets and Liabilities

Fiduciary Funds

Custodial Funds

For the year ended December 31, 2020

(In thousands of dollars)

	<u>Balance January 1, 2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2020</u>
Total - All Custodial Funds:				
Assets				
Cash and cash equivalents	\$ 114,748	852,251	839,703	127,296
Taxes receivable	<u>73,596</u>	<u>1,869,194</u>	<u>1,816,542</u>	<u>126,248</u>
	\$ <u><u>188,344</u></u>	<u><u>2,721,445</u></u>	<u><u>2,656,245</u></u>	<u><u>253,544</u></u>
Liabilities				
Due to other taxing districts	\$ 92,943	2,515,450	2,441,386	167,007
Due to others	<u>95,401</u>	<u>205,995</u>	<u>214,859</u>	<u>86,537</u>
	\$ <u><u>188,344</u></u>	<u><u>2,721,445</u></u>	<u><u>2,656,245</u></u>	<u><u>253,544</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, 2020

(In thousands of dollars)

Calendar year	Annual principal and interest requirements		
	General obligation bonds	Fulton County water and sewerage revenue bonds	Totals
2021	\$ 15,529	45,135	60,664
2022	15,550	45,140	60,690
2023	15,562	45,131	60,693
2024	15,571	45,121	60,692
2025	15,576	45,042	60,618
2026	15,570	44,966	60,536
2027	15,546	44,890	60,436
2028	15,533	44,821	60,354
2029	15,522	44,745	60,267
2030	15,524	44,670	60,194
2031	15,515	44,849	60,364
2032	15,516	44,773	60,289
2033	15,547	44,705	60,252
2034	15,579	44,636	60,215
2035	15,614	31,508	47,122
2036	15,654	31,509	47,163
2037	15,693	31,510	47,203
2038	15,734	31,508	47,242
2039	15,774	31,508	47,282
2040	13,151	31,505	44,656
2041	13,252	31,508	44,760
2042	13,351	31,505	44,856
2043	13,461	31,507	44,968
2044	13,577	31,508	45,085
	<u>\$ 362,901</u>	<u>943,700</u>	<u>1,306,601</u>

FULTON COUNTY, GEORGIA

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

December 31, 2020

(In thousands of dollars)

<u>Calendar year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
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>\$ 226,865</u>	<u>136,036</u>	<u>362,901</u>
Unamortized premium at December 31, 2020	<u>7,543</u>	<u>(7,543)</u>	<u>—</u>
	<u>\$ 234,408</u>	<u>128,493</u>	<u>362,901</u>

FULTON COUNTY, GEORGIA

Other Schedules
Debt Service Requirements to Maturity
Water and Sewerage Revenue Bonds
Series 2020A, 2013 and 2011

December 31, 2020

(In thousands of dollars)

<u>Calendar year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2021	\$ 19,520	25,615	45,135
2022	20,490	24,650	45,140
2023	21,505	23,626	45,131
2024	22,570	22,551	45,121
2025	23,620	21,422	45,042
2026	24,725	20,241	44,966
2027	25,885	19,005	44,890
2028	27,110	17,711	44,821
2029	28,390	16,355	44,745
2030	29,735	14,935	44,670
2031	31,400	13,449	44,849
2032	32,795	11,978	44,773
2033	34,350	10,355	44,705
2034	35,655	8,981	44,636
2035	23,935	7,573	31,508
2036	24,655	6,854	31,509
2037	25,395	6,115	31,510
2038	26,155	5,353	31,508
2039	26,940	4,568	31,508
2040	27,745	3,760	31,505
2041	28,580	2,928	31,508
2042	29,220	2,285	31,505
2043	29,880	1,627	31,507
2044	30,590	918	31,508
	<u>650,845</u>	<u>292,855</u>	<u>943,700</u>
Unamortized premium at December 31, 2020	<u>42,400</u>	<u>(42,400)</u>	<u>—</u>
	<u>\$ 693,245</u>	<u>250,455</u>	<u>943,700</u>

FULTON COUNTY, GEORGIA
 Other Schedules
 Hotel/Motel Tax Collections and Expenditures
 Year ended December 31, 2020

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 of <u>Collected</u>
		Hotel/Motel Tax <u>Expended</u>	Hotel/Motel Tax <u>Obligated</u>	Hotel/Motel Tax Expended or Obligated	
7%	\$138,807	138,807	—	138,807	100.00%

FULTON COUNTY, GEORGIA
 Transportation Tax funds
 Schedule of Projects funded with Special Transportation Tax Proceeds
 Year ended December 31, 2020

	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
T-Splost Administration:	\$ 361,839	875,247	428,221	238,523	666,744	76.18%
T-Splost - City of South Fulton:						
Transportation projects	\$ 42,910,158	42,910,158	15,964,566	-	15,964,566	37.20%
T-Splost -Fulton Industrial District:						
Transportation Projects	\$ 1,482,727	4,199,045	1,126,787	668,374	1,795,161	42.75%

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.

120-123

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.

124-129

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.

130-133

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.

135-136

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

137-140

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011*
Governmental activities										
Net investment in capital assets	\$ 375,127	365,714	346,781	343,622	636,099	642,456	631,780	629,943	634,016	631,476
Restricted	155,483	132,851	115,665	112,664	108,268	83,667	58,776	50,442	42,280	50,807
Unrestricted	(1,316,231)	(1,296,402)	(1,269,267)	(983,014)	(868,781)	(752,312)	(288,608)	(263,967)	(201,606)	(92,710)
Total governmental activities net position	\$ <u>(785,621)</u>	<u>(797,837)</u>	<u>(806,821)</u>	<u>(526,728)</u>	<u>(124,414)</u>	<u>(26,189)</u>	<u>401,948</u>	<u>416,418</u>	<u>474,690</u>	<u>589,573</u>
Business-type activities										
Net investment in capital assets	\$ 856,530	794,295	734,511	709,360	682,414	676,910	684,168	692,910	706,517	729,671
Restricted	39,246	39,242	38,204	37,405	37,422	37,163	37,046	36,924	39,482	39,316
Unrestricted	167,717	214,691	245,031	256,109	270,440	263,317	258,068	247,969	240,012	246,619
Total business-type activities net position	\$ <u>1,063,493</u>	<u>1,048,228</u>	<u>1,017,746</u>	<u>1,002,874</u>	<u>990,276</u>	<u>977,390</u>	<u>979,282</u>	<u>977,803</u>	<u>986,011</u>	<u>1,015,606</u>
Primary government										
Net investment in capital assets	\$ 1,231,657	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
Restricted	194,729	172,093	153,869	150,069	145,690	120,830	95,822	87,366	81,762	90,123
Unrestricted	(1,148,514)	(1,081,711)	(1,024,236)	(726,905)	(598,341)	(488,995)	(30,540)	(19,830)	38,406	153,909
Total primary government net position	\$ <u>277,872</u>	<u>250,391</u>	<u>210,925</u>	<u>476,146</u>	<u>865,862</u>	<u>951,201</u>	<u>1,381,230</u>	<u>1,390,389</u>	<u>1,460,701</u>	<u>1,605,179</u>

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

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses										
Governmental activities										
Administration	\$ 139,518	122,666	141,514	141,830	139,252	141,749	105,273	97,238	107,704	109,122
Public Safety	189,764	206,991	179,644	204,524	193,356	230,712	194,248	183,440	181,224	184,163
Legal	180,087	171,726	167,891	184,615	163,502	189,080	140,617	130,556	131,545	148,350
Infrastructure and facilities	70,682	65,452	67,288	82,996	78,216	52,715	87,667	70,073	74,308	52,499
Social services	106,486	97,695	93,607	106,875	94,740	109,700	61,319	73,737	80,999	119,044
Health services	236,454	121,724	120,542	151,784	155,549	174,413	163,383	155,508	181,674	149,504
Interest and other debt related costs	15,992	15,785	17,689	16,374	12,979	13,427	14,492	15,324	16,204	18,364
Total governmental activities expenses	938,983	802,039	788,175	888,998	837,594	911,796	766,999	725,876	773,658	781,046
Business-type activities										
Water and sewerage services	140,521	126,032	133,183	118,902	125,640	124,351	118,392	115,655	135,118	148,303
Wolf Creek Amphitheatre	689	750	255	253	1,231	—	—	—	—	—
Contractual services	24,004	22,752	39,853	34,760	—	—	—	—	—	—
Airport services	2,819	2,396	1,980	2,002	1,092	1,192	1,227	1,227	1,471	1,218
Total business-type activities expenses	168,033	151,930	175,271	155,917	127,963	125,543	119,619	116,882	136,589	149,521
Total primary government expenses	\$ 1,107,016	953,969	963,446	1,044,915	965,557	1,037,339	886,618	842,758	910,247	930,567
Program Revenues										
Governmental activities										
Charges for services										
Public and Mental health fees	\$ —	—	8	387	499	4,974	5,261	7,397	7,734	7,661
Emergency communication fees	7,239	7,258	5,333	3,423	3,862	3,864	2,936	2,553	2,873	3,810
Legal and Social	33,243	26,016	25,399	24,050	24,350	25,203	27,275	26,903	31,079	28,988
License and permits	—	3,270	2,987	5,322	6,475	7,105	6,241	6,056	6,521	5,456
Other	11,409	10,783	9,458	8,137	7,181	8,812	8,236	12,075	9,312	10,113
Total Charges for Services	51,891	47,327	43,185	41,319	42,367	49,958	49,949	54,984	57,519	56,028
Operating grants and contributions	165,492	52,103	46,150	66,710	70,617	63,638	63,655	57,221	60,499	65,356
Capital grants and contributions	—	2,266	5,904	7,485	6,594	3,536	3,754	2,902	2,312	3,762
Total governmental activities program revenues	217,383	101,696	95,239	115,514	119,578	117,132	117,358	115,107	120,330	125,146
Business-type activities										
Charges for services	176,641	177,816	175,533	158,722	132,477	123,285	121,111	119,442	121,506	120,276
Capital grants and contributions	6,001	8,234	4,316	9,669	—	—	—	—	(13,249)	—
Total business-type activities program revenues	182,642	186,050	179,849	168,391	132,477	123,285	121,111	119,442	108,257	120,276
Total primary government program revenues	\$ 400,025	287,746	275,088	283,905	252,055	240,417	238,469	234,549	228,587	245,422
Net (Expense) Revenue										
Governmental activities	\$ (721,600)	(700,343)	(692,936)	(773,484)	(718,016)	(794,664)	(649,641)	(610,769)	(653,328)	(655,900)
Business-type activities	14,609	34,120	4,578	12,474	4,514	(2,258)	1,289	2,560	(28,332)	(29,245)
Total primary government net expense	\$ (706,991)	(666,223)	(688,358)	(761,010)	(713,502)	(796,922)	(648,352)	(608,209)	(681,660)	(685,145)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 665,880	609,540	589,027	558,945	525,840	544,654	549,782	474,198	467,779	477,259
Sales taxes	13,383	19,587	30,964	32,371	36,016	35,575	34,858	35,136	36,184	33,991
Other taxes	28,722	29,293	30,313	27,269	25,888	19,536	19,536	11,401	5,454	5,165
Intergovernmental unrestricted revenues	2,386	2,438	3,254	2,540	2,568	2,607	2,637	2,644	2,898	—
Commissions on tax collections	7,592	23,045	25,223	15,011	18,486	18,924	18,418	16,379	14,628	15,377
Use of money and property	9,739	19,150	14,341	8,687	5,438	6,051	6,862	6,320	6,517	7,091
Miscellaneous	5,591	5,210	9,039	7,715	13,069	10,120	6,861	6,419	4,985	6,582
Gain on sale of capital assets	—	(267)	—	15,085	—	—	—	—	—	—
Transfers in (out) - business type activities	523	1,331	936	1,737	(7,514)	—	49	—	—	—
Special and extraordinary items	—	—	(8,999)	(298,190)	—	—	—	—	—	—
Total governmental activities	733,816	709,327	694,098	371,170	619,791	637,467	639,003	552,497	538,445	545,465
Business-type activities										
Sales taxes	295	—	423	435	—	—	—	—	—	—
Use of money and property	884	4,800	3,700	1,426	858	366	377	225	666	610
Miscellaneous and transfer out	—	—	—	—	—	—	(1,687)	(2,559)	(1,929)	(1,626)
Transfers in (out) w govt. activities	(523)	(1,331)	(936)	(1,737)	7,514	—	(49)	—	—	—
Extraordinary items	—	—	—	—	—	—	1,549	(8,434)	—	—
Total business-type activities	656	3,469	3,187	124	8,372	366	190	(10,768)	(1,263)	(1,016)
Total primary government	\$ 734,472	712,796	697,285	371,294	628,163	637,833	639,193	541,729	537,182	544,449
Change in Net Position										
Governmental activities	\$ 12,216	8,984	1,162	(402,314)	(98,225)	(157,197)	(10,638)	(58,272)	(114,883)	(110,435)
Business-type activities	15,265	37,589	7,765	12,598	12,886	(1,892)	1,479	(8,208)	(29,595)	(30,261)
Total primary government	\$ 27,481	46,573	8,927	(389,716)	(85,339)	(159,089)	(9,159)	(66,480)	(144,478)	(140,696)

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General fund										
Unassigned	236,160	198,524	182,081	106,267	124,580	152,835	120,558	83,758	88,985	128,561
Unreserved	—	—	—	—	—	—	—	—	—	—
Total general fund	<u>\$ 236,160</u>	<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>
CARES fund										
Restricted	—	—	—	—	—	—	—	—	—	—
Total CARES fund	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Special Service District Fund*										
Assigned	N/A	26,259	23,739	15,739	4,008	8,082	4,536	5,842	6,714	5,123
Unreserved	N/A	—	—	—	—	—	—	—	—	—
Total Special District fund	<u>\$ N/A</u>	<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>
Library Bond fund										
Restricted	<u>\$ 14,849</u>	<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>
Total Library bond fund	<u>\$ 14,849</u>	<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>
All Other Governmental Funds										
Nonspendable	\$ —	—	—	—	—	—	—	—	—	—
Restricted	120,619	140,071	98,221	101,647	56,140	50,644	50,897	40,987	39,065	42,691
Committed	397	569	698	541	571	592	576	651	678	596
Assigned	133,936	91,616	92,944	87,404	81,133	64,374	42,913	43,479	41,264	57,780
Unassigned	—	—	—	—	—	—	—	—	—	(2,085)
Reserved	—	—	—	—	—	—	—	—	—	—
Unreserved, reported in:										
Special revenue funds	—	—	—	—	—	—	—	—	—	—
Capital projects funds	—	—	—	—	—	—	—	—	—	—
Total all other governmental funds	<u>\$ 254,952</u>	<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>
Total governmental funds	<u>\$ 505,961</u>	<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>

*reclassified to Other Governmental funds in FY 2020.

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues										
Taxes	\$ 705,093	665,384	696,787	575,978	583,667	605,771	602,967	520,687	513,212	515,240
Intergovernmental	167,878	56,807	55,308	76,735	79,779	69,781	70,046	62,767	65,709	69,118
Charges for services	33,571	42,870	40,638	29,313	34,125	38,608	39,424	40,487	43,675	41,400
Courts and law enforcement	22,776	24,232	24,783	21,695	20,253	23,169	22,703	24,820	21,951	24,549
Use of money and property	9,725	19,228	13,917	9,047	5,460	6,009	6,931	6,326	6,333	7,101
Licenses and permits	3,136	3,270	2,987	5,322	6,475	7,105	6,241	6,056	6,521	5,456
Miscellaneous	5,591	5,210	9,039	7,715	13,069	10,120	6,861	6,019	4,985	6,582
Net (depreciation) appreciation in investments	14	(78)	424	(360)	(22)	42	(69)	(6)	184	(10)
Total revenues	<u>947,784</u>	<u>816,923</u>	<u>843,883</u>	<u>725,445</u>	<u>742,806</u>	<u>760,605</u>	<u>755,104</u>	<u>667,156</u>	<u>662,570</u>	<u>669,436</u>
Expenditures										
Current:										
Administration	105,576	93,187	102,977	96,606	104,336	87,737	87,453	81,956	88,826	85,494
Public safety	142,456	172,564	137,616	139,387	143,451	142,406	161,388	154,879	149,401	145,552
Legal	134,488	136,664	128,284	124,189	120,474	115,786	115,418	108,685	106,993	115,204
Infrastructure and facilities	33,801	30,472	29,933	32,478	32,215	30,073	65,539	54,792	54,397	36,196
Social services	77,480	76,698	70,930	70,676	68,579	66,128	48,700	60,518	65,055	92,979
Health services	225,222	113,927	111,502	128,872	138,535	141,569	155,008	145,998	169,789	135,567
Other nonagency	92,574	87,130	79,758	70,192	72,972	67,718	28,907	25,948	30,946	32,941
Capital outlay	108,948	112,996	70,728	37,752	60,229	82,911	45,406	17,881	20,293	13,030
Debt service:										
Principal retirement	22,472	37,486	37,756	34,150	33,675	24,857	31,839	27,156	26,186	24,755
Interest	17,008	17,199	17,928	17,133	13,877	14,316	15,466	16,378	17,327	20,353
Total expenditures	<u>960,025</u>	<u>878,323</u>	<u>787,412</u>	<u>751,435</u>	<u>788,343</u>	<u>773,501</u>	<u>755,124</u>	<u>694,191</u>	<u>729,213</u>	<u>702,071</u>
Excess of revenues over (under) expenditures	(12,241)	(61,400)	56,471	(25,990)	(45,537)	(12,896)	(20)	(27,035)	(66,643)	(32,635)
Other Financing Sources (Uses)										
Capital lease refunding obligations	546	18,500	12,825	1,698	7,790	14,874	5,510	14,849	3,138	10,224
Proceeds from sale of bonds	—	39,335	—	149,785	—	—	—	—	—	—
Premium received on bonds	—	5,971	—	6,478	—	—	—	—	—	—
Payments to escrow agent	—	—	—	—	—	—	—	—	—	—
Proceeds from sale of capital assets	—	194	—	16,126	—	—	—	—	—	—
Transfer in from enterprise funds	523	1,331	936	1,737	577	—	49	400	—	—
Transfer out to enterprise funds	—	—	—	—	(1,400)	—	—	—	—	—
Transfers in	64,425	62,010	48,974	49,061	71,024	51,342	40,989	53,842	62,149	60,120
Transfers out	(64,425)	(62,010)	(48,974)	(49,061)	(71,024)	(51,342)	(40,989)	(53,842)	(62,149)	(60,120)
Total other financing sources (uses)	<u>1,069</u>	<u>65,331</u>	<u>13,761</u>	<u>175,824</u>	<u>6,967</u>	<u>14,874</u>	<u>5,559</u>	<u>15,249</u>	<u>3,138</u>	<u>10,224</u>
Net changes in fund balances	\$ <u>(11,172)</u>	<u>3,931</u>	<u>70,232</u>	<u>149,834</u>	<u>(38,570)</u>	<u>1,978</u>	<u>5,539</u>	<u>(11,786)</u>	<u>(63,505)</u>	<u>(22,411)</u>
Debt service as a percentage of noncapital expenditures	4.5	6.9	7.4	6.9	6.4	5.8	6.7	6.5	6.2	6.6

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
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
2020	72,024,564	1,288,949	7,953,764	81,267,277	10.00	40%	203,168,193

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)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Fulton County direct:										
General & bond	9.996	10.119	10.43	10.63	10.70	10.75	12.05	10.48	10.55	10.55
School	17.796	17.796	17.80	18.55	18.48	18.50	18.50	18.50	18.50	18.50
Special Services district	—	—	—	—	—	—	—	—	—	—
South Fulton tax district	—	0.000	0.00	4.43	11.58	11.58	12.47	12.47	10.47	8.97
Fulton Industrial tax district	<u>11.880</u>	<u>11.920</u>	<u>12.150</u>	<u>12.16</u>	—	—	—	—	—	—
Total direct	<u>39.672</u>	<u>39.835</u>	<u>40.38</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>
State of Georgia	0.00	0.00	0.00	0.00	0.00	0.05	0.10	0.15	0.20	0.25
Municipalities:										
City of Atlanta	10.230	10.230	10.23	10.82	10.86	10.87	11.45	11.75	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	20.74	21.74	21.74	21.74	21.74	21.74	21.74	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	12.619	12.620	12.62	12.62	12.62	12.62	12.62	12.62	12.62	11.56
City of East Point	13.450	13.450	13.89	15.00	15.00	15.00	15.00	15.00	15.00	13.75
City of Fairburn	9.560	9.566	9.57	9.57	9.57	9.73	9.82	9.70	9.98	9.93
City of Hapeville	16.000	16.110	16.11	16.44	16.61	16.61	16.61	16.61	16.61	16.61
City of Mountain Park	9.550	9.730	8.32	12.88	12.90	13.22	13.33	10.78	10.78	10.78
City of Palmetto	8.500	8.500	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.45
City of Roswell	4.955	4.955	4.96	5.46	5.46	5.46	5.46	5.46	5.46	5.46
City of Union city	14.043	14.330	14.95	16.43	15.69	15.69	15.69	15.60	10.60	10.24
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	5.269	5.320	5.61	5.05	4.73	4.73	4.73	4.73	4.73	4.73
City of John's Creek	4.397	3.940	4.34	4.86	4.36	4.61	4.61	4.61	4.61	4.61
City of Chattahoochee Hills	10.000	10.000	10.00	10.00	10.96	10.96	10.96	10.96	10.96	10.96
City of South Fulton	12.899	11.579	11.579	7.15	—	—	—	—	—	—

Source: Fulton County Tax Commissioner.

Schedule 7

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 2020*:			
Development Authority of Fulton County	\$ 2,557,271,729	3.15%	\$ 24,999,888
Georgia Power	591,782,470	0.73%	5,785,265
Atlanta Development Authority	425,138,396	0.52%	4,156,153
AT&T	281,360,750	0.35%	2,750,583
Coca Cola Company	263,933,982	0.32%	2,580,219
Google Inc.	259,141,239	0.32%	2,533,365
Delta Airlines	217,996,635	0.27%	2,131,135
Post Apartment Homes	158,637,060	0.20%	1,550,836
Suntrust Plaza Associates LLC	155,630,390	0.19%	1,521,443
Twitter Inc.	124,968,120	0.15%	1,221,688
Total ten major taxpayers	<u>\$ 5,035,860,771</u>	<u>6.20%</u>	<u>\$ 49,230,575</u>
Total County gross assessed value	<u>\$ 81,267,277,373</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 2011*:			
Development Authority of Fulton County	\$ 958,054,135	1.79%	\$ 9,849,755
Georgia Power	393,189,828	0.73%	4,042,385
Coca Cola	215,524,841	0.40%	2,215,811
AT&T	183,267,851	0.34%	1,884,177
BellSouth Telecommunications	143,310,755	0.27%	1,473,378
BF ATL, LLC	135,349,360	0.25%	1,391,527
Delta Airlines	128,422,871	0.24%	1,320,316
Post Apartment Homes	124,885,991	0.23%	1,283,953
SunTrust Plaza Associates LLC	96,150,900	0.18%	988,527
IEP Peachtree LLC	91,879,100	0.17%	944,609
Total ten major taxpayers	<u>\$ 2,470,035,642</u>	<u>4.61%</u>	<u>\$ 25,394,438</u>
(1) Total County gross assessed value	<u>\$ 53,528,260,715</u>		

Source: Fulton County Tax Commissioner.

Schedule 8-A

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

Fiscal Year	Total current year tax levy	Current tax collected	Percent of levy collected	Delinquent tax collected	Total tax collected	Total collections as percentage of current levy	Outstanding delinquent taxes	Outstanding delinquent taxes as percentage of current levy
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
2020 (2)	584,474	557,811	95.4	21,415	579,226	99.1	7,695	1.3

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

Fiscal Year	Total current year tax levy	Current tax collected	Percent of levy collected	Delinquent tax collected	Total tax collected	Total collections as percentage of current levy	Outstanding delinquent taxes	Outstanding delinquent taxes as percentage of current levy
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
2020 (2)	15,988	15,280	95.6	574	15,854	99.2	196	1.2

(1) 2014 & 2018 due date October 31 as opposed to normal due date of October 15
 (2) 2016 & 2020 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)

Fiscal Year	Total current year tax levy	Current tax collected	Percent of levy collected	Delinquent tax collected	Total tax collected	Total collections as percentage of current levy	Outstanding delinquent taxes	Outstanding delinquent taxes as percentage of current levy
2011	\$ —	—	— %	\$ 6	\$ 6	— %	\$ 60	—
2012	—	—	—	2	2	—	—	—
2013	—	—	—	—	—	—	—	—
2014	— (1)	—	—	—	—	—	—	—
2015	—	—	—	—	—	—	—	—
2016	— (2)	—	—	—	—	—	—	—
2017	— (3)	—	—	—	—	—	—	—
2018	— (1)	—	—	—	—	—	—	—
2019	—	—	—	—	—	—	—	—
2020	— (2)	—	—	—	—	—	—	—

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

Fiscal Year	Total current year tax levy	Current tax collected	Percent of levy collected	Delinquent tax collected	Total tax collected	Total collections as percentage of current levy	Outstanding delinquent taxes	Outstanding delinquent taxes as percentage of current levy
2011	\$ —	—	— %	\$ 1	\$ 1	— %	\$ 14	—
2012	—	—	—	1	1	—	14	—
2013	—	—	—	1	1	—	—	—
2014	— (1)	—	—	—	—	—	—	—
2015	—	—	—	1	1	—	—	—
2016	— (2)	—	—	—	—	—	—	—
2017	— (3)	—	—	—	—	—	—	—
2018	— (1)	—	—	—	—	—	—	—
2019	—	—	—	—	—	—	—	—
2020	— (2)	—	—	—	—	—	—	—

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 & 2020 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)

Fiscal Year	Total current year tax levy	Current tax collected	Percent of levy collected	Delinquent tax collected	Total tax collected	Total collections as percentage of current levy	Outstanding delinquent taxes	Outstanding delinquent taxes as percentage of current levy
2011	—	\$ —	— %	\$ 3	\$ 3	— %	\$ 7	—
2012	—	—	—	1	1	—	7	—
2013	—	—	—	—	—	—	—	—
2014	(1)	—	—	1	1	—	—	—
2015	—	—	—	—	—	—	—	—
2016	(2)	—	—	—	—	—	—	—
2017	(3)	—	—	—	—	—	—	—
2018	(1)	—	—	—	—	—	—	—
2019	—	—	—	—	—	—	—	—
2020	(2)	—	—	—	—	—	—	—

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

Fiscal Year	Total current year tax levy	Current tax collected	Percent of levy collected	Delinquent tax collected	Total tax collected	Total collections as percentage of current levy	Outstanding delinquent taxes	Outstanding delinquent taxes as percentage of current levy
2011	21,406	\$ 19,827	92.6 %	\$ 681	\$ 20,508	95.8 %	\$ 1,340	6.26%
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	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	1,320	4.4
2017	(3)	16,854	9,033	53.6	1,754	10,787	1,324	7.9
2018	(1)	7,543	7,106	94.2	8,874	15,980	1,466	19.4
2019	10,435	10,147	97.2	6,343	16,490	158.0	909	8.7
2020	(2)	12,870	12,080	93.9	(75)	12,005	623	4.8

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 & 2020 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, 2020

Name of governmental unit	Amount outstanding	Percentage applicable	Amount applicable
Direct debt:			
Fulton County General Obligation Library bonds	\$ 234,407,917	100.00%	234,407,917
Fulton County Urban Redevelopment Agency	91,984,025	100.00%	91,984,025
Fulton County capital lease obligations	50,535,855	100.00%	50,535,855
South Fulton Regional Jail Authority (Fulton project)	11,685,000	100.00%	11,685,000
City of Atlanta and Fulton County (County portion)			
Recreation Authority- Zoo Series 2007 (1)	1,002,500	95.65% *	958,912
Total direct debt	<u>389,615,297</u>		<u>389,571,709</u>
Contractual obligations and overlapping contractual obligations:			
Fulton County School District	11,495,000	100.00%	11,495,000
The Fulton-DeKalb Hospital Authority:			
Revenue Refunding Certificates-Series 2012	36,390,000	100.00%	36,390,000
Surgery Center project bonds - 2020	66,920,000	100.00%	66,920,000
City of Atlanta and Fulton County (City portion)			
Recreation Authority- Zoo Series 2007 (1)	3,007,500	95.65% *	2,876,736
Municipalities:			
Alpharetta	84,270,023	100.00%	84,270,023
Atlanta (including School District) (2)	268,117,000	94.20% *	252,573,555
Hapeville	9,015,000	100.00%	9,015,000
Fairburn	7,387,094	100.00%	7,387,094
Johns Creek (3)	39,232,296	100.00%	39,232,296
Milton	48,278,809	100.00%	48,278,809
Union City	11,221,807	100.00%	11,221,807
Roswell	5,363,029	100.00%	5,363,029
East Point Building Authority	35,444,786	100.00%	35,444,786
Total overlapping debt	<u>\$ 626,142,344</u>		<u>610,468,135</u>
Total direct and overlapping debt and contractual obligations and overlapping contractual obligations	<u>\$ 1,015,757,641</u>		<u>1,000,039,844</u>

* 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 which mature November 15, 2022.
- (2) Does not include the City of Atlanta's Certificates of Participation of \$70,436,000 as of December 31, 2020.
- (3) 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 \$20,920,000 as of December 31, 2020.
- (4) 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, 2020 is \$162,078,678.

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	Total Business-type activities	Estimated Water/Sewer connections	Debt per estimated connection		
2011	\$ 165,564	21,629 ⁽¹⁾	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	0.96%	786.20	430,397	430,397	173,579	2,480	818,768	786.20
2019	239,939	—	—	99,993	72,523	412,455	0.90%	781.74	408,464	408,464	175,964	2,321	820,919	781.74
2020	234,408	—	—	91,984	63,224	389,616	1.10%	1,005.07	693,245	693,245	179,017	3,873	1,082,861	1,005.07

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

⁽¹⁾ Balance for 2011 Facility Corporation bonds was restated by \$988 in accordance with GASB Statement No.65

Sources:

Personal Income and Population data from Schedule 15 - Demographic statistics

Schedule 11

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

Fiscal Year	General Obligation bonds*	Less debt service funds	Net bonded debt	Assessed value for bond purposes	Percentage of actual taxable value	Net bonded debt per capita (not in thousands)
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
2020	234,408	35,116	199,292	77,019,540	0.26	184.97

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>
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
2020	145,232	77,096	68,136	18,605	22,377	40,982	1.66

* 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	\$ 81,267,277
Less:	
Applicable property tax exemptions	<u>(4,247,737)</u>
Assessed value for bond purposes	<u><u>77,019,540</u></u>
Debt limit 10% of assessed value	7,701,954
Less amounts of debt applicable to the limit:	
General Obligation debt outstanding	234,408
less available debt service funds	<u>(35,116)</u>
Total amount applicable to debt limit	<u><u>199,292</u></u>
Legal Debt Margin	\$ <u><u>7,502,662</u></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
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%
2020	7,701,954	199,292	7,502,662	0.27%

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	
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	81,809 (1)	85,197,774 (1)	4.3	
2018	1,050,114	87,311 (1)	91,686,503 (1)	3.8	
2019	1,063,937	88,832 (1)	94,511,652 (1)	3.9	
2020	1,077,402	91,497 (1)	98,579,008 (1)	11.1	(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 2017-2019. 2020 data not yet available but estimated with a 3% increase from 2019 per capita personal income data applied to U.S Census 2020 mid year population estimate. (2017, 2018, and 2019 adjusted to currently available data)

(2) Annual unemployment rates from the Georgia Department of Labor; 2020 from the Georgia Dept of Labor, County Labor Force Estimates, (not seasonally adjusted)

Schedule 15

FULTON COUNTY, GEORGIA

Principal Employers
Current Year and Nine Years Ago

Top Ten major employers

Delta Air Lines, Inc.
United Parcel Service
Coca Cola, Inc.
Cox Communications
Georgia Pacific, LLC
Coca Cola Enterprises
Georgia Institute of Technology-North Avenue NW
Delta Global Services
Cox Enterprises
Souther Company

* From Niche.com, Fulton County companies with over 10,000 employees

(From 2011 CAFR)	<u>Employees*</u>	<u>Percentage of County employment</u>
Ten major employers-within Atlanta Metro Statistical area - 2008 (latest data available):		
Delta Airlines	22,257	4.95%
AT&T	21,915	4.87%
Cox Enterprises	13,583	3.02%
Bellsouth Corp	15,500	3.45%
United Parcel Service	10,745	2.39%
United States Postal Service	14,000	3.11%
Fulton County School system	12,777	2.84%
Atlanta City Municipal Government	7,934	1.76%
Georgia Institute of Technology	7,342	1.63%
IBM Corporation	7,500	1.67%

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

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 & Sewerage</u>	<u>All Other</u>	<u>Total Government</u>
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
2020	4,153	41	—	70	263	168	4,695

Sources: Fulton County Budget Book

FULTON COUNTY, GEORGIA

Operating Indicators by Function/Program
Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Atlanta/Fulton County Library										
Circulation-checked out	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	973,423
New library cards issued	55,893	60,601	49,623	43,382	55,058	49,927	68,915	129,974	86,184	46,876
Database inquiries (hits)	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	1,309,442
Transportation: Roadway miles paved	6	12	8	8	8	0	0	0	5	4.7
911 Emergency Communications calls:	425,742	417,562	408,656	433,398	668,379	657,973	710,475	650,337	558,630	413,355
Water and Sewerage fund:										
Wastewater average flows										
in millions of gallons per day:										
Camp Creek	15.63	14.22	16.44	15.70	17.23	14.86	15.06	16.73	15.95	19.89
John's Creek	3.57	3.89	8.75	8.62	8.43	8.48	8.08	8.44	9.31	10.28
Big Creek	17.91	18.73	18.77	18.35	19.06	19.82	19.35	19.41	21.08	23.37
Little River	0.84	0.82	0.98	0.90	0.87	0.83	0.81	0.70	0.94	1.11

*not available

Source: Fulton County Budget book and County departments

FULTON COUNTY, GEORGIA

Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Atlanta/Fulton County Library Branches, including main facility	34	34	34	36	36	34	34	34	34	34
Health and Wellness: Health centers	10	10	10	9	9	8	8	8	8	8
Jail and detention centers	3	3	3	3	3	3	4	4	4	4
Fire Stations	15*	15*	15*	15*	13*	13*	13*	0***	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	606**	68**	44**	44**	44**

*Three stations leased by municipalities

**Primarily all roadways were transferred to the new City of South Fulton on May 1, 2017. Additional roadways transferred subsequent to 12/31/2020 .

***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 the Coronavirus Aid, Relief, and Economic Security Act fund (CARES) 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, 2020, 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 15, 2021. 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.

PJC Group, LLC

Atlanta, Georgia
September 15, 2021