



Gwinnett

2019

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended December 31, 2019

GWINNETT COUNTY
GEORGIA



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— GEORGIA —



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BOARD OF COMMISSIONERS



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Prepared by: Department of Financial Services and the Communications Division

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Gwinnett 101 CITIZENS ACADEMY

Engaging our Community, One Citizen at a Time

Gwinnett 101 is a 10-week citizens academy offered twice each year that aims to develop and nurture informed and engaged residents, students, and business owners in our great county.

Participants will get a behind-the-scenes look at how Gwinnett County Government provides high-quality services to the community. Those who take part in this program will interact with leaders in their county government, visit county facilities to get a first-hand glimpse of how the county works, and build a network with others who live, work, and learn in Gwinnett County.

INTRODUCTORY SECTION

Letter of Transmittal
GFOA Certificate of Achievement
Gwinnett County Organizational Chart
County Administration/Department Directors
Elected and Judicially Appointed Officials
Department of Financial Services Organizational Chart
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June 15, 2020

Dear Residents, Stakeholders, Chairman, and Members of the Board of Commissioners of Gwinnett County:

Georgia state law requires that every general-purpose local government publish a complete set of audited financial statements within six months of the close of each fiscal year. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report of Gwinnett County, Georgia for the fiscal year ended December 31, 2019.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in the report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient and reliable information for the preparation of the County's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by Mauldin & Jenkins, CPAs & Advisors. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended December 31, 2019, were free of material misstatement. The independent audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded the statements are fairly presented in conformity with GAAP and issued an unmodified opinion. The independent auditor's report is presented as the first component of the financial section of the report.

The independent audit of the County's financial statements was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The reports are available in the CAFR under the heading [Single Audit Section](#).

GAAP 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. The MD&A contains a narrative overview and analysis of the financial activities of the County. Gwinnett County's MD&A can be found on pages 23 – 38 immediately following the independent auditors' report. This transmittal letter, which is designed to assist users in assessing the government's financial condition, should complement the MD&A.

The financial statements contained in this report were impacted by several major budgetary initiatives. With a focus on public safety and maintaining assets, the 2019 budget included funding to maintain core services such as the jail, courts, police and fire protection, roads, transit, and water, as well as funding new and ongoing initiatives reflective of the County's strategic priorities set by the Board of Commissioners. The priorities include mobility and access, livability and comfort, strong and vibrant local economy, communication and engagement, smart and sustainable government, and safe and healthy community. Refer to the "[Economic Factors and Next Year's Budgets and Rates](#)" write-up on pages 37 – 38 for additional information on 2019 budget initiatives compared to 2020 budget initiatives.

The County's reserve policies continue to impact the development of the annual budget. Separate reserve policies are in place for the General Fund, Special Revenue Funds, and Enterprise Funds. More information on Gwinnett County's reserve policies can be found in the 2020 Budget Document (pages II:68 – 69), which is available online at [GwinnettBudget.com](#). Also see [Note 1 \(O. Fund Balance\)](#) on pages 70 – 71 of this report.

The fiscal year 2019 budget continued Gwinnett County's history of sustainable, conservative budgeting practices and demonstrated its commitment to prudent financial planning. Cost savings measures, such as continuing the 90-day job vacancy policy, remained priorities in 2019. The County's policy of holding vacant positions unfilled for at least 90 days had a \$7.8 million positive impact on the financial statements in this document.

Changing demographics and a growing population have greatly impacted County finances in recent years. While the County benefited from this period of expansion, it resulted in increased demand for services. The County has met this challenge by increasing staffing levels and implementing programs necessary to meet the needs of a growing, diverse population. Continued emphasis is placed on the Gwinnett County Standard, a standard accomplished through smart management, fiscal responsibility, and sustainable decision making. By employing smart and sustainable models of fiscal responsibility and strategic planning of our resources, we will continue to deliver superior services to our residents while meeting the challenges faced today and maximizing the opportunities of the future.



PROFILE OF THE GOVERNMENT

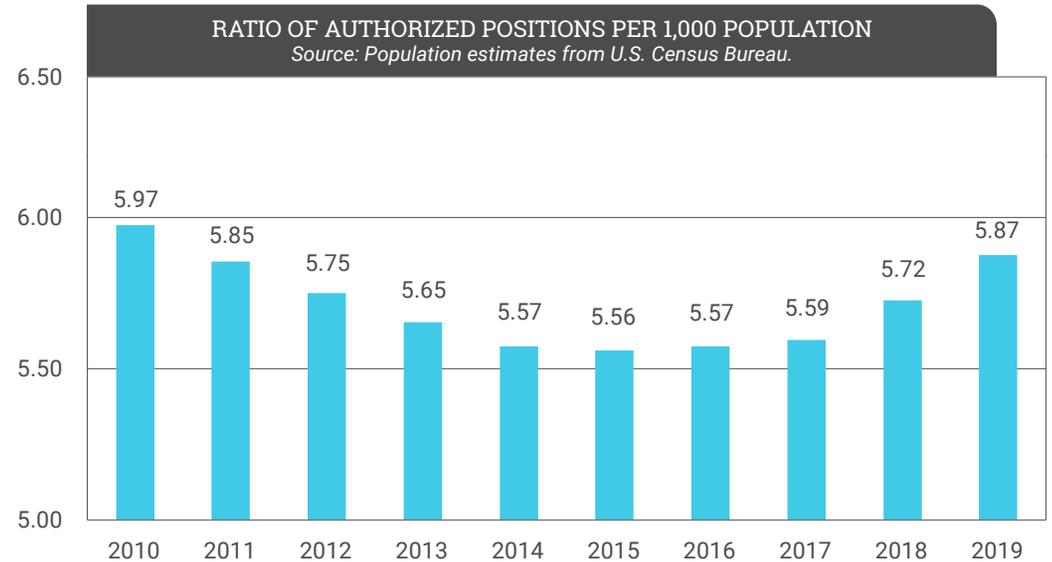
Gwinnett County is a world class residential, business, and tourist destination that was named for Button Gwinnett, one of Georgia's three signers of the Declaration of Independence. The Georgia legislature created Gwinnett County on December 15, 1818.

Gwinnett County is known as the northeast gateway to the metropolitan Atlanta area, with Interstate 85 running generally north/south through the county. Located in close proximity to the Hartsfield-Jackson Atlanta International Airport, the busiest airport in the world, the county is located within a two-hour flight from 80 percent of the United States' population. There are 16 incorporated municipalities within Gwinnett County's 437 square miles.

Population

According to estimates released by the U.S. Census Bureau in March 2020, Gwinnett County's population was estimated at 936,250 in 2019. Gwinnett's talented labor force, premier schools, rich cultural diversity, award-winning parks and recreation facilities, and affordable real estate continue to attract many businesses, newcomers, and visitors to the area. Gwinnett added an estimated 8,913 residents from July 1, 2018, to July 1, 2019, a growth rate of approximately 1 percent. According to estimates by Woods & Poole released in June 2019, the county's population is expected to reach one million by the year 2022.

Gwinnett County faces an ever present challenge of maintaining service levels with a growing population. Even as the economy slowed, the county's population continued to grow. For several years, the county added thousands of new residents, resulting in greater demand for services with fewer available resources. From 2010 to 2015, the county's population grew approximately 10 percent while County staff increased by only 2.3 percent, causing the ratio of authorized positions per 1,000 population to decline. This downward trend reversed in 2016, and the ratio of authorized positions per 1,000 population has continually increased since then. Slight staff reductions occurred in 2011 and 2012, but by 2013 the County began adding new positions. The County has continued adding new positions each year, gradually increasing the ratio of authorized positions per 1,000 population over the last five years.



Government Structure and Services Provided

The County's governing authority consists of a five-member Board of Commissioners, including a full-time chairman elected at-large and four part-time commissioners elected within districts. The County Administrator reports to the Board of Commissioners and manages the County's daily operations. The County also has 24 other elected officials, eight judicially-appointed officials, and eight retired senior judges. A complete list is located on page 17.

The County government provides traditional county services, such as road construction and maintenance, court-related functions, police, fire, emergency medical, solid waste, parks and recreation, water, sewer, and stormwater services.

Bond Rating

Gwinnett County has maintained AAA bond ratings from all three rating agencies since 1997. The triple-AAA rating validates Gwinnett's strong financial position, with sound General Fund reserves and excellent long-term financial planning strategies. Out of approximately 3,000 counties in the United States, fewer than 50 counties have achieved such a strong credit rating. The County's excellent credit rating has resulted in significant interest savings for Gwinnett residents and enabled the County to implement a strong capital improvement program.

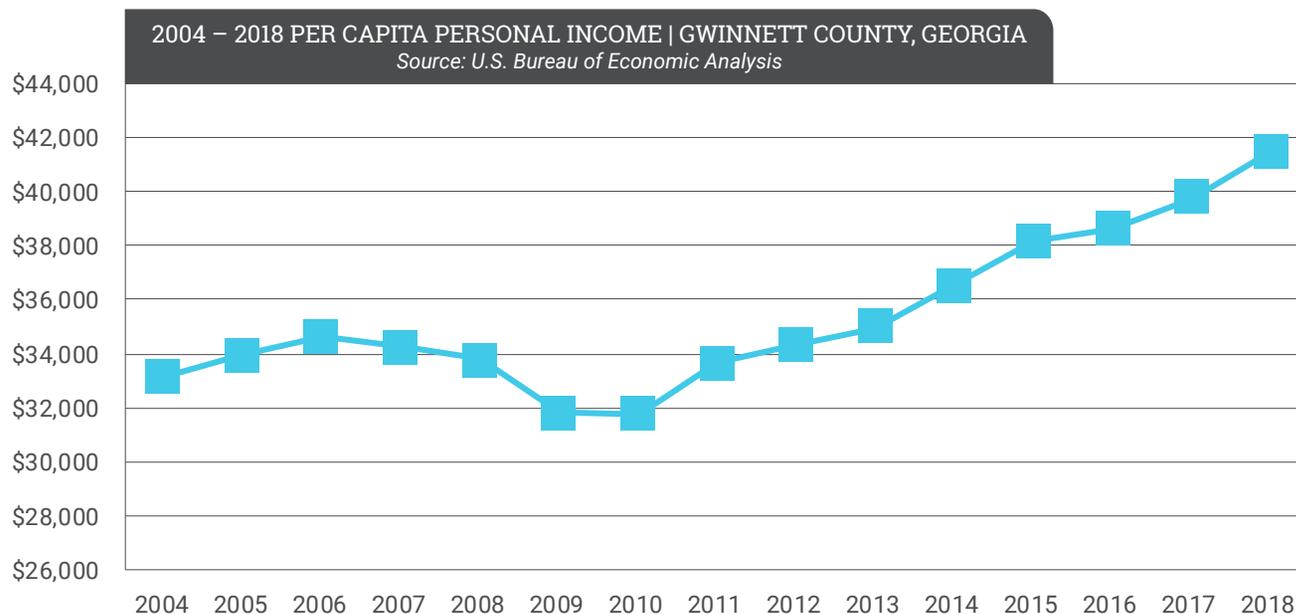
ASSESSING THE COUNTY'S ECONOMIC CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

Local Economy

Gwinnett County is operating in a period of expansion where the broader economy is helping drive growth. From 2015 to 2019, Gwinnett's population has increased nearly 5.4 percent and its population is expected to reach 1 million by the year 2022 (U.S. Census Bureau and Woods & Poole). This growth is one of the greatest catalysts for economic development. Improving home values, increasing construction activity, and ample job opportunities are helping contribute to both population growth and economic growth.

The current economic landscape offers a competitive labor environment characterized by job growth, low unemployment rates, and increasing wages. According to the Georgia Department of Labor, Gwinnett County had an unemployment rate of 3.0 percent in 2019, which was lower than the Atlanta Metropolitan area (3.2 percent), the state (3.4 percent), and the United States (3.7 percent). The talented workforce and quality of life Gwinnett County offers continues to attract businesses to the area, and this has resulted in a strong and competitive labor market. According to the Georgia Department of Labor, Gwinnett County's labor force grew more than 10 percent from 2013 to 2018. According to the U.S. Bureau of Labor Statistics, Gwinnett County achieved 1 percent employment growth from June 2018 to June 2019. Businesses are relocating or expanding their operations in Gwinnett through programs like Partnership Gwinnett, a public-private initiative spearheaded by the Gwinnett Chamber that is committed to job creation and retention, professional development, and education. In 2019, Partnership Gwinnett won 20 projects (seven relocations and 13 expansions) resulting in 3,125 jobs. The county's growing tourism industry has also had a significant impact on the local economy. According to the U.S. Travel Association, tourism expenditures reached approximately \$1.4 million in 2018.



Per capita personal income, a measure of standard of living, is another useful indicator of the county's economic well-being. Per capita personal income is the average income earned per person in a given area in a specified year. From 2009 to 2010, Gwinnett County residents saw their incomes decline slightly. In 2011, per capita personal income began to improve, and this upward trend has continued, exceeding 2007 (pre-recession) levels by 2013. According to the Bureau of Economic Analysis, Gwinnett County had a per capita personal income of \$41,458 in 2018, an increase of 4.4 percent over 2017.

Long-Term Financial Planning and Economic Development

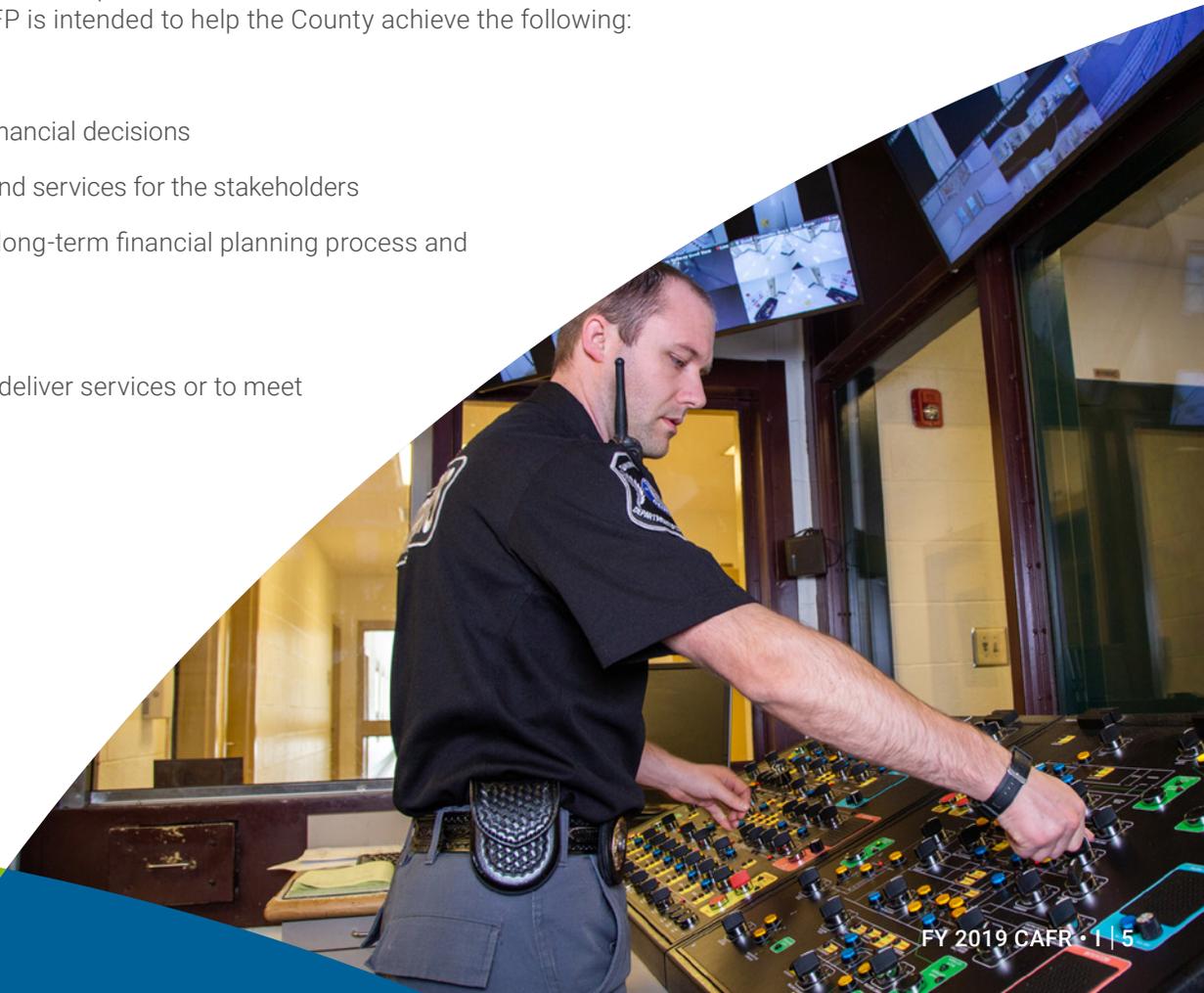
The Gwinnett County vision provides the overarching framework for strategic and operational decision making. The vision provides the continuity necessary to execute both short- and long-term policy and resource decisions.

Vision – *Gwinnett County sets the standard as a dynamic, vibrant community where all people can enjoy essential economic opportunities, safe neighborhoods, plentiful greenspace, and recreational facilities. We are committed to partnering with others in our community who share a dedication to making life better for our citizens.*

This vision serves as the foundation for the County's formal Long-Term Financial Planning Policy, which was adopted by the Board of Commissioners in 2012 and amended in 2017. The policy ensures ongoing financial sustainability beyond a single fiscal year budget cycle. The LTFP process evaluates known internal and external issues impacting the County's financial condition. Such issues are identified, presented, and mitigated when and where possible. The process begins by identifying critical areas that have, or are expected to have, an impact on the financial condition of the County over the next five years. Once the issues are identified, specific goals and objectives are developed for each structural deficiency.

The LTFP is a constantly changing and evolving document that is routinely updated and presented on an ongoing, five-year rolling basis. The LTFP is incorporated into the County's Business Planning Process and presented to the Chairman, the Board of Commissioners, and staff throughout the formulation of the annual budget. The LTFP is intended to help the County achieve the following:

1. Ensure the County can maintain financial sustainability
2. Ensure the County has sufficient long-term information to guide financial decisions
3. Ensure the County has sufficient resources to provide programs and services for the stakeholders
4. Ensure potential risks to ongoing operations are identified in the long-term financial planning process and communicated on a regular basis
5. Establish mechanisms to identify early warning indicators
6. Identify changes in expenditure or revenue structures needed to deliver services or to meet the goals adopted by the Board of Commissioners



The LTFP forecasts revenues, expenditures, and financial position at least five years into the future or longer where specific issues call for a longer time horizon. County staff regularly look for and implement opportunities to improve the quality of the forecasting, analysis, and strategy development that is part of the planning process. These improvements are primarily identified through the comparison of projected performance with actual results.

In addition to the LTFP, the County has developed other long-term planning tools to help meet its vision. Some of these tools include:

- 2040 Unified Plan
- Comprehensive Transportation Plan
- Comprehensive Transit Development Plan
- Water and Wastewater Master Plan
- Comprehensive Parks and Recreation Master Plan
- Open Space and Greenway Master Plan
- Countywide Trails Master Plan
- Solid Waste Management Plan



The Board of Commissioners adopted the [2040 Unified Plan](#) in February 2019. The state of Georgia mandates that a Unified Plan be re-written every 10 years. The 2040 Unified Plan was crafted after months of public input from stakeholder meetings, open house information sessions across the county, intercept interviews at parks, and surveys. The plan contains analysis, policies, maps, and proposals to help guide progress and development countywide through 2040. The Unified Plan provides a blueprint of how the County's residents and other stakeholders would like to see Gwinnett grow and develop. It affords the County an opportunity to review conditions in the community, anticipate future needs, and establish short-term and long-term goals. The plan, developed by consulting firm Pond & Co., traces Gwinnett's history, covers the results from public input sessions, incorporates demographic trends, and inventories the county's infrastructure, community amenities, land use, and built environment. It establishes a vision taking into account the County's needs and opportunities and incorporates five themes: Maintain Economic Development and Fiscal Health, Foster Redevelopment, Maintain Mobility and Accessibility, Provide More Housing Choices, and Keep Gwinnett a Preferred Place. Plans incorporated into the 2040 Unified Plan include the County's Comprehensive Transportation Plan, Connect Gwinnett: Transit Plan, Countywide Trails Master Plan, and water and sewer plans.

The [Comprehensive Transportation Plan](#) informs Gwinnett County officials and its residents on the subject of future transportation needs, identifies projects that address those needs, and assesses the advantages, costs, and potential funding sources for those projects. The County completed the update to the CTP named Destination2040 in 2017.

In 2018, the County completed a [Comprehensive Transit Development Plan](#) called Connect Gwinnett: Transit Plan. This plan relied upon extensive public outreach and data analysis to identify potential new markets and underserved areas as well as forecast growth corridors. The Connect Gwinnett: Transit Plan developed short-, mid-, and long-term phases with future transit service enhancements being based on the recommendations of the plan. Recommendations include expanded local service and new flex service areas in the short-term phase and a multimodal hub and heavy rail extension to Norcross in the long-term phase.

The Gwinnett County **Water and Wastewater Master Plan**, adopted in 2018, is fully aligned with the 2040 Unified Plan. This plan was jointly developed by the Department of Planning and Development and the Department of Water Resources, along with a large team of consultants, County staff, and residents. The plan outlines the water and wastewater infrastructure needs in the county through 2040, establishing “triggers” that will be measured and monitored by staff on an annual basis in order to establish a realistic project design and construction timeline to ensure that these infrastructure needs continue to be met for the residents of Gwinnett in a “just in time” fashion.

Gwinnett County has a history of being proactive in addressing its parks and recreation needs. Planning is key, but plans cannot remain static—not in a county whose population has grown from about 72,000 in 1970 to an estimated 936,250 in 2019. Gwinnett County is consistently re-evaluating the long-term recreation plan in a fiscally responsible manner, relying heavily on community involvement in the process. Gwinnett County’s **Comprehensive Parks and Recreation Master Plan**, supported by the 2017 Update of the Gwinnett County Parks and Recreation Capital Improvement Plan, provides the basis for today’s needs. Tomorrow’s needs are being re-evaluated in the 2020 Comprehensive Master Plan that will be completed in 2020. Resident input will be gathered through surveys, interviews, and public meetings. The plan will incorporate numerous factors including population growth, cultural diversity, leisure trends, service delivery, etc. Gaps in service levels, including facilities, services, partnerships and finances, will be identified, solutions suggested, and a plan for the future will emerge. This will provide a completely new look to parks and recreation facilities, programs, services, structure, and finances that will set the stage for future growth.

Keeping Gwinnett a preferred place to live includes making it easier for people to walk, run, and bike through their neighborhoods and to and from attractions such as local parks, schools, churches, and neighborhood shopping. Walking consistently ranks as the most popular recreational activity for Gwinnett’s residents and is one of the healthiest activities. The **Open Space and Greenway Master Plan**, amended by the Open Space and Greenway Master Plan Update, comprehensively explores open space acquisition, the development of a county greenway system, as well as administrative, management, and funding analysis. In conjunction with the greenway master plan, a **Countywide Trails Master Plan** was adopted in 2018 to ensure the connectivity of city and County trails to each other for a countywide map of existing and future trails. The Countywide Trails Master Plan was a collaborative effort between the Gwinnett County Department of Transportation and the Gwinnett County Department of Community Services as well as the cities and Community Improvement Districts across the county. The plan provides a high-quality network of trails to give the community an innovative way to travel across the county and a place to exercise and socialize with family, friends, and neighbors. It will be used as a guide to increase biking and walking options for transportation as well as recreational opportunities. Additional information about [Parks and Recreation Master Planning](#) is available on Gwinnett County’s website.

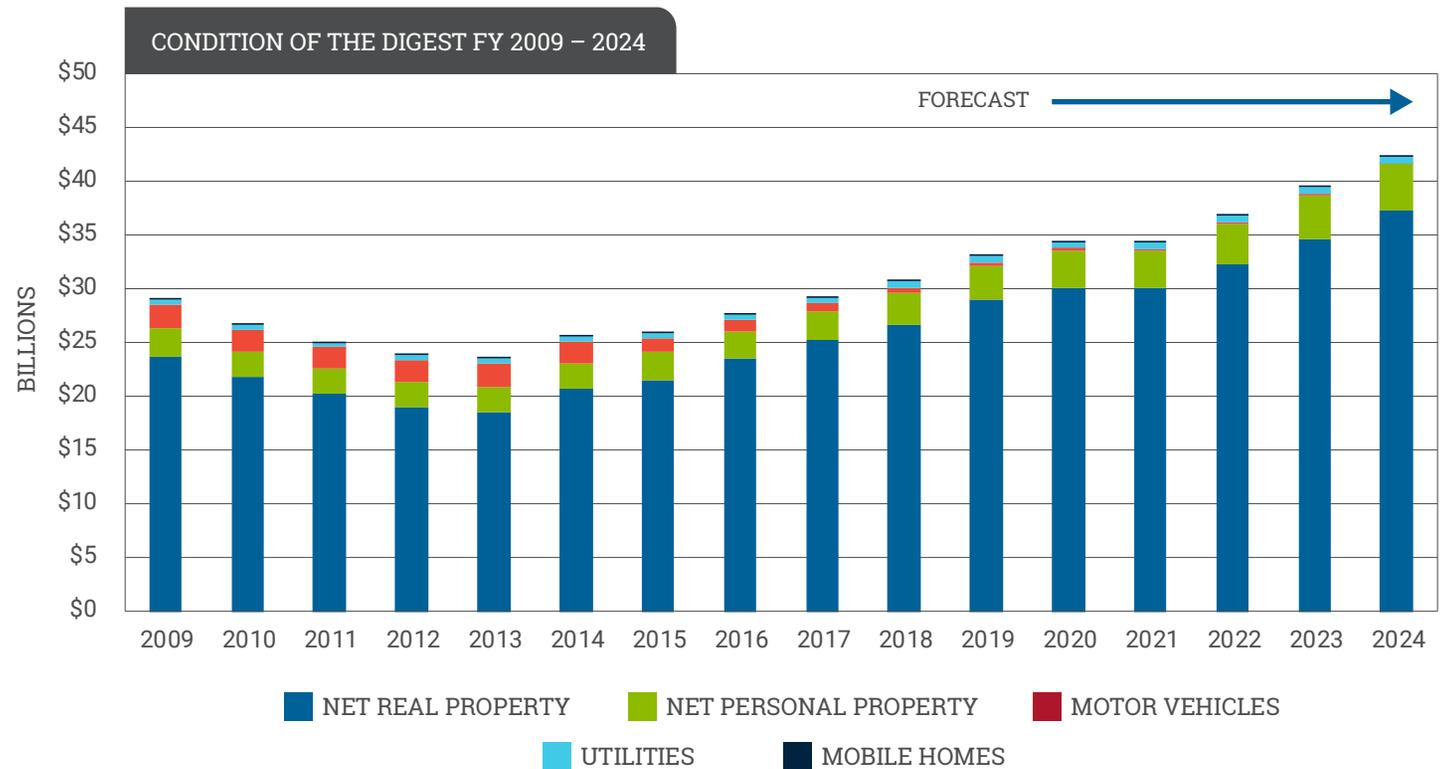
The [Solid Waste Management Plan](#) was last amended in 2008 and addresses provisions that were required by state law and regulations by examining the five core planning elements: waste reduction, waste collection, waste disposal, land limitation, and education and public involvement.



Property Taxes and the Condition of the Tax Digest

Property taxes are an extremely important revenue source for the County. More than one-third (35.7 percent) of the total revenues for all operating funds and nearly three-quarters (74.8 percent) of the revenues for the tax-related funds are derived from property taxes. Property taxes provide most of the funding in the General Fund for County operations and in the Recreation Fund for park operations and maintenance. Property tax revenues are also used to pay for service districts such as police, fire, and emergency medical services. Tax-related funds make up 47.7 percent of the fiscal year 2020 operating budget.

The amount of property tax revenue is based on the size of the tax digest and the millage rate. Prior to 2008, Gwinnett County experienced the benefits of a growing tax digest, which is the total value of all taxable property as determined by the Tax Assessor. County government was able to roll back the millage rate several times between 2003 and 2008, providing property tax relief while still having increasing revenues to meet community needs. But in 2008, the growth began to decline and between 2008 and 2013, the County experienced more than a 20 percent drop in the digest. This loss in value was the result of housing and economic conditions (namely, increased foreclosures, decreased construction, and the freeze in assessments). After five years of decline, the year-over-year change from 2013 to 2014 was positive, and this positive trend continued. Due to improving home values and increasing construction activity, the tax digest has grown nearly 20 percent from 2016 to 2019.



Since the inception of title *ad valorem* taxes in the spring of 2013, motor vehicle *ad valorem* taxes are being phased out and currently have a negative effect on the total digest growth as citizens transition from the old method of paying sales and use taxes and the annual *ad valorem* tax (“the birthday tax”) on newly purchased vehicles to paying a one-time title fee/tax based on the fair market value of the vehicle at the time a title is transferred. From 2018 to 2019, there was a decrease of \$1.4 million, or 21.7 percent, in motor vehicle *ad valorem* tax revenue. The County has received revenue from title *ad valorem* taxes to make up for this loss. Despite the decline in motor vehicle *ad valorem* taxes, growth in the overall countywide digest is expected to continue in the coming years.

Rising Health Care Costs

Gwinnett County continues to place a strong emphasis on the overall health and well-being of its employees. As the cost of health care continues to rise, Gwinnett has adopted a proactive approach to health care by encouraging employees to take an active role in their health through participation in the Wellness Program. Through interactive programs and challenges, biometric screenings, wellness assessments, wellness coaching, including an onsite wellness advocate, and educational lunch and learns, employees can understand their health risks and are encouraged to lead healthy, balanced lifestyles. Gwinnett has a holistic approach to well-being and rounds off the program by providing an onsite Employee Assistance Program counselor and retirement counselor.

The Wellness Program continues to benefit employees and provides a way for the County to encourage healthy habits. Employees who participate in the Wellness Program qualify for a reduction in medical premiums. The County contributes to employees' Health Savings Accounts and Health Reimbursement Arrangements based on Wellness Program participation by employees and their covered spouses. These incentives have aided in high participation rates of the Wellness Program. In 2019, more than 86 percent of eligible employees and 76 percent of spouses participated in the Wellness Program. The Wellness Program continues to offer more intuitive programming designed to aid in managing and improving chronic conditions. Through this initiative, the program has encouraged accountability and motivation for employees and spouses to improve their overall health.

The Gwinnett Employee Wellness Center provides another avenue for the County to encourage healthy behavior and disease management. During 2019, Gwinnett County entered into a partnership with a new Wellness Center provider, CareHere. Nearly 7,000 employees, retirees, and dependents visited the Wellness Center for everything from personal health appointments and acute care to occupational health services. As part of the new partnership with CareHere, the Wellness Center will offer added services in 2020, such as well woman and man visits, which will further aid in closing gaps in care and allow employees to access important health care at a convenient location with lower costs to employees and the health plan.

The County's costs continue to increase, following the trend for employers nationwide. Gwinnett participated in the Health Enhancement Research Organization Scorecard. This is a national non-profit benchmarking study that focuses on workforce health and health care costs. Gwinnett surpassed the national average in all areas of the Wellness Program, illustrating the understanding that a healthy workforce is crucial to the success of the organization and managing health plan costs.

Employee and employer costs increased by 6.7 percent for the 2020 rate renewals. As a part of the ongoing strategy to control long-term costs, the County continued an incremental 1 percent decrease to its subsidy for dependents. In 2019, Gwinnett County extended a high-tech radiology service for High Deductible Health Plan participants in an effort to direct them to lower-cost, high-quality facilities for high-tech imaging such as MRI, CT, and PET scans. Additionally, with the implementation of the new Wellness Center provider, improvements will be made to include an expanded formulary and increased chronic condition support.

Accrued Liabilities

Funding its Defined Benefit Pension and Other Post-Employment Benefits plans continues to be a priority for Gwinnett County. Beginning in 2007, the County closed the DB Pension plan to new employees and committed to amortize the unfunded liability over 20 years. In 2015, the Retirement Plan Management Committee decreased the DB plan's assumed rate of return and extended the amortization period by five additional years. These changes increased the plan's unfunded liability, but decreased the plan's dependence on market returns.

More details are in [Notes 12](#) and [13](#) of the Notes to Financial Statements.

Environmental Sustainability

Gwinnett County launched the Gwinnett Environmental Sustainability Program in 2009 to enhance efficiency in the use of valuable resources and reduce the impact of local government operations on the environment. This environmentally friendly initiative promotes protection and restoration of the community's natural resources through water and energy conservation and reduction in air pollution and waste. The Department of Planning and Development contributes to the Environmental Sustainability Program through the development and implementation of the following policies: Community Electric Vehicle Ready Policy, Community Energy Code Enforcement Policy, Community Green Building Incentive Policy, Community Outdoor Lighting Efficiency Policy, Community Revitalization Incentives Strategy Policy, Community Shade Coverage Requirements Policy, Community Shared & Reduced Parking Policy, Community Smart Growth Incentive Bonuses Policy, and Community Solar Energy Incentive Policy. For more information about these policies, see the [Environmental Sustainability](#) page on the County's website.

In addition to the environmental sustainability policies, another way Gwinnett County promotes an environmentally friendly environment is through LEED, an internationally recognized green building certification system providing third-party verification that a building or community was designed and built using strategies intended to improve performance in metrics such as energy savings, water efficiency, CO₂ emissions reduction, improved indoor environmental quality, and stewardship of resources and sensitivity to their impacts. Gwinnett County has set an example of LEED certified buildings including the Environmental and Heritage Center, the Gwinnett Senior Services Center, the Hamilton Mill branch of the Gwinnett County Public Library, the Police Training Facility, the Medical Examiner's Office and Morgue, and the Lilburn Branch Library and City Hall.

Gwinnett County confirmed its dedication to environmental sustainability in 2018 by becoming the first county in the region to earn Gold certification as a Green Community by the Atlanta Regional Commission. In 2019, Gwinnett County was upgraded to Platinum certification, the highest level of certification, an achievement that no other county in the region has received. The Green Communities Program is a voluntary certification program that recognizes counties and cities in metro Atlanta for leadership in implementing policies and practices that contribute to the efficient and sustainable use of resources in metro Atlanta.

Some efforts Gwinnett County made towards environmental sustainability in 2019 are as follows:

- Adopt-a-Road volunteers cleaned up 80 tons (160,000 pounds) of litter from 218 roads.
- Support Services and Gwinnett Clean & Beautiful hosted two public recycling events and collected 39 tons of paper; 18 tons of electronics; 13 tons of tires; 9,823 gallons of latex paint; 1,018 gallons of oil-based and flammable paint; 438 pairs of sneakers; 808 pounds of textiles; and 638 toner cartridges.
- Gwinnett Clean & Beautiful completed the first phase of its Food Waste Warriors Project at 14 Gwinnett County schools to reduce food waste.
- Water Resources and Gwinnett Clean & Beautiful held 23 stream cleanups with 453 volunteers to remove 28,295 pounds of debris from waterways.
- Water Resources and Gwinnett Clean & Beautiful collected more than 58 tons of household hazardous waste at an annual hazardous waste event.

Capital Improvement Program

Maintaining and expanding the County's infrastructure – including water, sewer, recreation, transportation, criminal justice, and public safety – remains a high priority. The Capital Improvement Program captures and coordinates the needs and plans of all County departments. A Capital Improvement Plan, or CIP, describes the capital projects and associated funding sources the County intends to undertake in the current year plus five additional future years, including the acquisition or construction of capital facilities and assets, and the maintenance thereof. In Gwinnett County, a capital project is defined as a project with a useful life of 10 years or more and a cost of at least \$250,000 within six consecutive years, or more than \$100,000 in one year. Each year, County staff develops a six-year, long-range CIP that describes and prioritizes the capital projects the County intends to undertake.

Internal Controls

County management maintains internal accounting controls to ensure that the County's assets are protected from loss, theft, or misuse. Adequate accounting data allows financial statements to conform to GAAP. These controls provide reasonable, but not absolute, assurance of meeting the County's objectives, recognizing that: 1) the cost of an accounting control should not exceed the likely benefit, and 2) evaluating costs and benefits requires management estimates and judgments.

Gwinnett County has implemented additional internal controls through the development of formal financial policies. The County operates under the following financial policies:

- Accounting and Financial Reporting Policy
- Long-Term Financial Planning Policy
- Operating and Capital Budget Policy
- Business Expenditure Policy
- Investment Policy
- Capital Asset Investment and Management Policy
- Debt Management Policy
- Reserve Policies for the General Fund, Special Revenue Funds, and Enterprise Funds

Additional information about the financial policies listed above is available in the [2020 Budget Document](#) (pages II: 41 – 69) located on the County's website.

The [Code of Ethics](#) is also a critical part of the County's internal control efforts. The County adopted and distributed a new countywide *Code of Ethics Ordinance* in late 2011. All employees and elected officials completed training on the new ordinance in 2012. The ordinance requires that every official and employee receive training within one year of their hire date, appointment, or swearing in, as well as every two years thereafter.

Budgetary Controls

No later than December 1 of each year, the Chairman of the Board of Commissioners submits a proposed budget for the ensuing calendar year for each County fund. The Board reviews the document, meets the legal requirements for advertising the budget and for holding public hearings, and then adopts the annual financial plan at the first regularly scheduled Commission meeting of the year.

Sound financial management and legal compliance require effective budget controls. State statutes require the County to operate under an annual balanced budget adopted by local resolution or ordinance. A budget ordinance or resolution is balanced when the sum of the estimated revenues and appropriated fund balances/net position is equal to appropriations. By law, expenditures may not exceed appropriations at the department level, within each fund. An automated funds-availability verification process provides operational control of departmental budgets. More details are in [Note 2](#) of the Notes to Financial Statements.

Internal Audit

The Office of Internal Audit provides independent, objective assurance and management advisory services that are designed to improve the County's operations. Internal Audit helps the Board of Commissioners, elected officials, and management accomplish their objectives by bringing a disciplined approach to evaluate the effectiveness of risk management, control, and governance processes. This is accomplished primarily through compliance, operational, financial, and information system audits for all Gwinnett County departments and offices.

Strategy and Performance Management

The Management Framework is the overarching structure of strategic and performance management within the County. There are six parts, which include Engagement, Priorities, Strategies, Tactics, Operations, and Results. The Management Framework will aid in achieving the County's priorities by defining how we will approach them, the decisions we will make within that approach to enable action, and the specific actions we will take to get results and ultimately produce value. It also ties each of those steps together through performance management so that we can measure our success, make more informed decisions, and target resources to areas that need the most improvement.

Engagement – Commitment – The continuous interaction between the organization and stakeholders resulting in the development of desirable and measurable improvement solutions.

Priority – Intent – Broad statements of intent that cascade down and guide decisions at all levels of the organization.

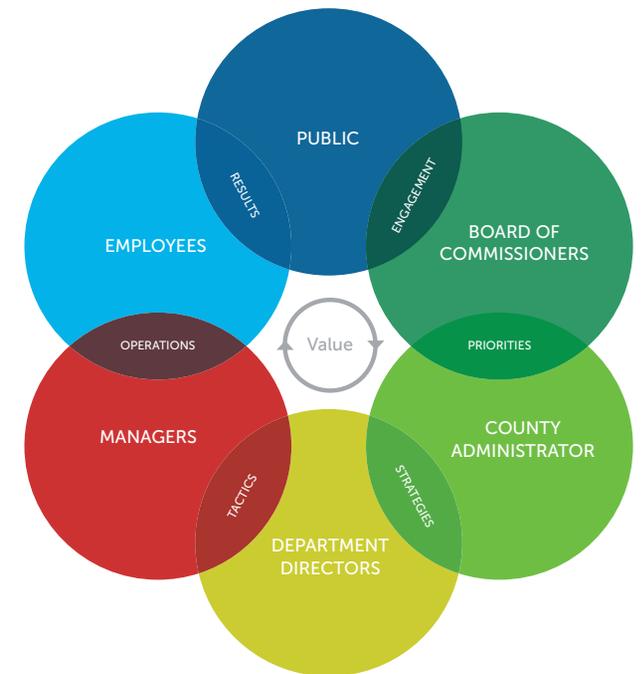
Strategy – Approach – The approach needed to narrow the scope of priorities into actionable decisions that propel the organization forward.

Tactic – Decision – Means by which a strategy is carried out; planned and ad hoc decisions meant to deal with the demands of the moment, and to move from one milestone to another in pursuit of the overall strategy.

Project/Initiative – A planned work or activity that is finished over a period of time and intended to achieve a particular tactic.

Operation – Action – The functions, processes, or tasks affected by the tactic (decision).

Result – Value – The measurable outcomes of operations taken in order to produce value.



ACCOMPLISHMENTS

Gwinnett County was able to accomplish many objectives throughout the year as a result of visionary leadership supported by long-term planning, community collaboration, flexibility, and the willingness to take action. Some of the accomplishments that align with the County's vision include:

"Enjoy essential economic opportunities"

The Gwinnett County Board of Commissioners is committed to ensuring growth in employment opportunities and high-quality jobs for its residents. With an estimated population of more than 936,000 in 2019, Gwinnett County is the second-most populous county in the state of Georgia (U.S. Census Bureau). Located near major interstate highways such as I-75, I-85, and I-20 and in proximity to Hartsfield-Jackson International Airport, the county is easily accessible and a premier location for establishing, growing, and conducting business. Businesses and their employees residing in Gwinnett are afforded a lower cost of living compared to other areas, a moderate climate, and numerous recreational opportunities.

Gwinnett County is a leader in capital investment and job creation in metro Atlanta. We are home to the global headquarters of the Fortune 500 companies AGCO Corporation and Asbury Automotive. In May 2019, permits were issued for a proposed development of a 1,000-employee Amazon fulfillment center. The facility will be the first of its kind in the state. Further, more than 60 international companies have chosen Gwinnett for their U.S. or global headquarter operations, such as Mitsubishi Electric, Ricoh Electronics, Hapag-Lloyd, and WIKA USA.

"Safe neighborhoods"

The Gwinnett County Police Department has attained accreditation from the Commission on Accreditation for Law Enforcement Agencies, Inc. since 1993. Less than 4 percent of more than 18,000 law enforcement agencies nationwide enjoy this prestigious recognition. First in 2013 and again in 2016, GCPD is one of the few police agencies nationwide to receive the Accreditation with Excellence Award, the highest level of accreditation. In 2019, GCPD responded to 516,570 incidents and reduced the violent crime rate and property crime rate by 1.4 percent and 2.6 percent, respectively. Thanks to the commitment of GCPD, 96 percent of residents surveyed reported feeling safe in their neighborhoods in 2019.

The County continues to place a strong emphasis on maintaining adequate staffing levels to serve a growing population and keep the community safe. As of December 31, 2019, GCPD had an authorized strength of 877 sworn officers supported by 275 non-sworn employees. These numbers include 42 new positions added during the 2019 budget process. The County's dedication to public safety continued with the recently adopted fiscal year 2020 budget, which will add an additional 41 positions at various times throughout the year.

GCPD has a Crime Prevention Unit which focuses on crime reduction and prevention as well as educational and safety programs based on community needs. Crime prevention duties include speaking to various groups on crime prevention methods, distributing crime prevention literature, staffing information booths, alerting victims on how to best avoid future victimization, developing crime prevention materials for use by the media, and developing or maintaining liaisons within neighborhood Community Oriented Police Service, or C.O.P.S, groups. In 2019, 861 crime prevention classes were taught to 43,045 residents.

"Plentiful greenspace and recreational facilities"

Gwinnett County Parks and Recreation offers award-winning parks and leisure activities year-round to Gwinnett County residents. Being responsive to the changing recreational needs of a diverse and growing community, GCPR has a citizen-driven and professional approach to provide safe, well-designed and maintained facilities and programs, providing responsible stewardship of human, fiscal, natural and historic resources. With 51 parks, five year-round and seven seasonal aquatic centers, sports diamonds, soccer pitches, and multipurpose sports fields and courts, there is something for everyone in Gwinnett County.

The County currently owns, maintains, and operates approximately 9,908 acres of passive and active parks, with 12 cultural and historical sites. The County's dedication to culture, recreation, and sustainability is easy to see with the park system supporting environmental conservation, stewardship of public lands, and historic restoration and programming through the natural and cultural resources section. The park system offers playgrounds, pavilions, dog parks, open space, multi-use trails, and recreational, educational, and cultural and historical programming to serve the diverse community in Gwinnett. For more information on Gwinnett County Parks, see [Explore Your Parks](#).

"Making life better for our citizens"

Gwinnett County is committed to the safety, health, and well-being of our residents. Some examples of ways the County made life better for residents in 2019 are as follows:

- Community Services expanded Family and Consumer Science programming by adding a Community Services Program Assistant position to increase educational programs which will be offered in English and Spanish.
- Planning and Development enhanced online services by redesigning the Licensing and Revenue website to simplify site navigation, enhance the customer experience, and minimize system errors by creating an online tax calculator for estimating occupation tax certificate fees for new businesses, a single login for user access to multiple accounts, and an option to print a copy of the occupation tax certificate.
- The County continued renovating the Norcross Assessment Center, implementing the Coordinated Entry System and developing a comprehensive and strategic plan to address homelessness.
- Health and Human Services served 368,749 residents and accommodated 140 additional seniors for congregate meals and programming with the opening of two satellite senior centers in Grayson and Snellville and the expansion of the Norcross Senior Center.
- Live Healthy Gwinnett launched Harvest Gwinnett, a community garden program to supplement the dietary needs of seniors and families.

"Partnering with others in our community"

Gwinnett County established and maintained numerous community partnerships in 2019, a few of which are described below:

- Through a partnership with the United Way, Gwinnett County provided financial assistance to Gwinnett-based emergency shelter providers allowing them to provide additional hotel/motel vouchers to assist homeless individuals and families.
- Live Healthy Gwinnett hosted a summer mobile market in partnership with the Atlanta Community Food Bank, which served 4,815 meals to 402 people, including 197 children.
- Community Outreach coordinated community multicultural outreach events including participation in the Gwinnett Multicultural Festival, Black History Month, Asian American Pacific Islander Heritage Month, Hispanic Heritage Month, Juneteenth Celebration, and numerous other festivals, conferences, expos, and events.
- Animal Welfare increased its public outreach program with Summer Camp, Pet Fest, Clear the Shelter, and Shelter Pets Rock events.



AWARDS AND ACKNOWLEDGEMENTS

The list below includes some of the numerous awards received by Gwinnett County departments in 2019. A complete list can be found at GwinnettStandard.com.

- *100 Club Award* and *Impact Awards* for Volunteer Gwinnett and Gwinnett County employees from Junior Achievement of Georgia
- *Achievement Award* for Live Healthy Gwinnett's *Be Active Gwinnett* program from the National Association of Counties
- Eight *Achievement Awards* from the National Association of Counties for police recruiting, voting wait time notification system, Volunteer Citizens on Patrol, *Be Active Gwinnett*, Adopt-A-Road management system, Junior Achievement program, Mow-Free Zones plan, and programs addressing food insecurity in older adults
- *2019 Digital Counties Survey Award* from the Center for Digital Government
- *Outstanding Planning Document Award* from the Georgia Planning Association for the 2040 Unified Plan
- *Innovation Awards* for the Snellville Microtransit Pilot program from Metro Magazine and Partnership Gwinnett
- *Green Government Award* from Clean & Beautiful for environmental consciousness and stewardship
- *PlanFirst Community Award* from the Georgia Department of Community Affairs
- *Community Diversity and Inclusion Award* from the International City/County Management Association in the large government category for the Community Outreach Program
- *Bronze Flame Award* from the International Association of Business Communicators for excellence in government communications for the Driver Record & Integrated Vehicle Enterprise System campaign
- *2019 Mission Lifeline® EMS Gold Level Recognition Award* from the American Heart Association
- *Distinguished Budget Presentation Award* from the Government Finance Officers Association
- *Certificate of Achievement for Excellence in Financial Reporting* from the Government Finance Officers Association
- *Excellence in Procurement Award* from the National Purchasing Institute
- *Plant of the Year Award* to Lanier Filter Plan and the Yellow River Reclamation Facility from the Georgia Association of Water Professionals

This document is made possible by the commitment of Financial Services staff throughout the year and especially during the annual audit and CAFR preparation. We recognize and appreciate the willingness of each County department and agency to work together toward common goals to benefit Gwinnett's residents. We thank independent auditors Mauldin & Jenkins, CPAs & Advisors, for their assistance. We also extend appreciation and thanks to Chairman Charlotte J. Nash, the District Commissioners, County Administrator Glenn P. Stephens, and Deputy County Administrator Phil Hoskins for their support, guidance, and advice in planning and conducting the County's financial activities in a responsible and progressive manner. Our continued solid financial position is a tribute to their dedication.

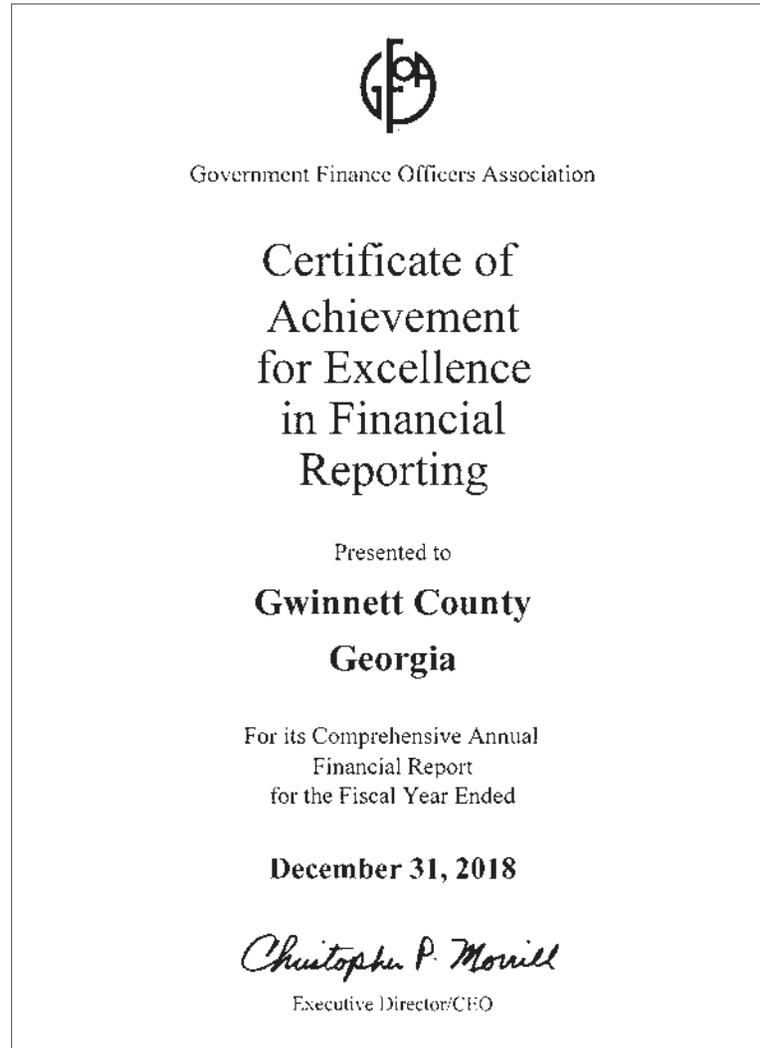
Respectfully submitted,



Maria B. Woods, CPA, CPFO
CFO/Director of Financial Services

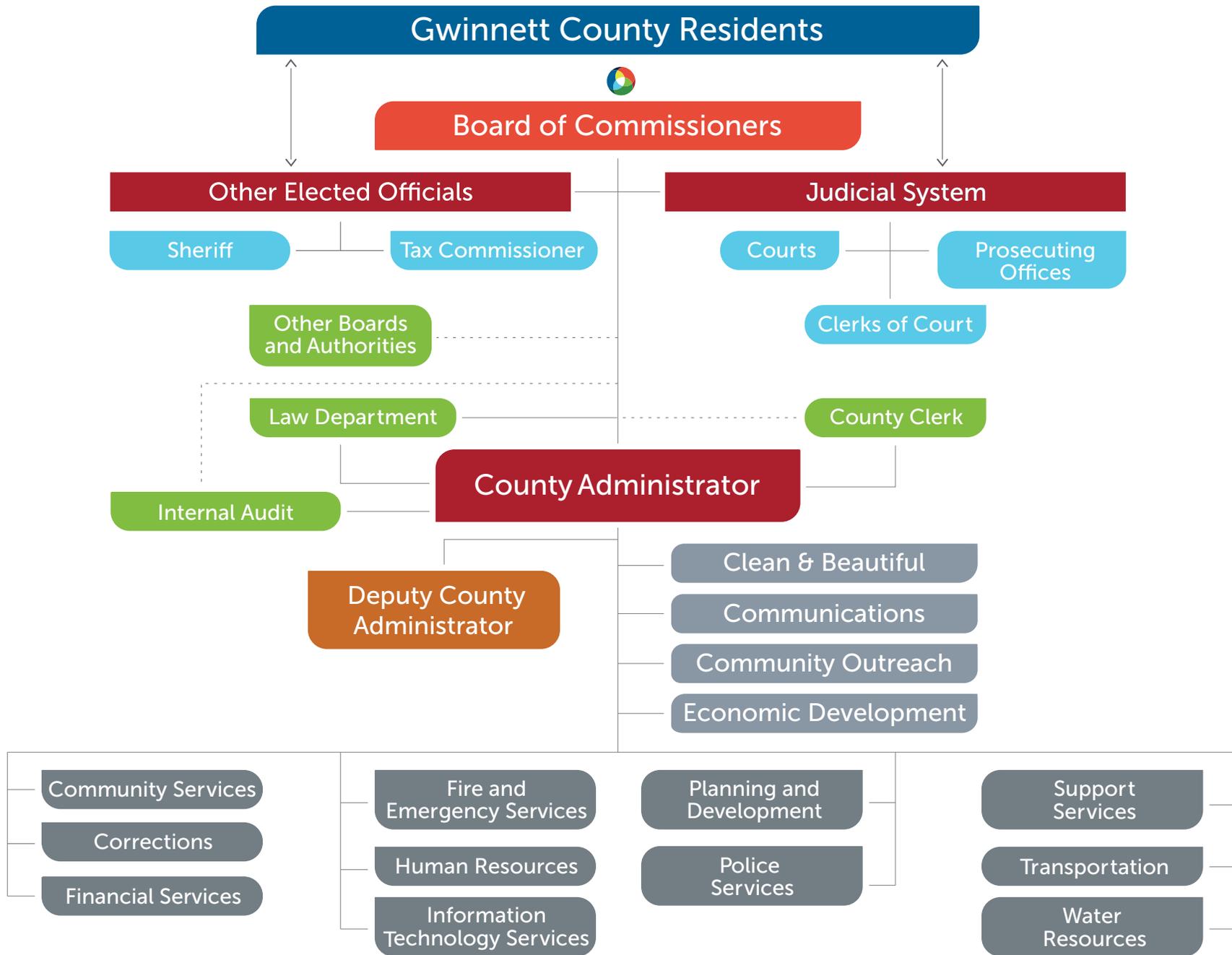
CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Gwinnett County for its comprehensive annual financial report for the fiscal year ended December 31, 2018.



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.

GWINNETT COUNTY
ORGANIZATIONAL CHART



COUNTY ADMINISTRATION & DEPARTMENT DIRECTORS

County Administrator

Glenn P. Stephens

Deputy County Administrator

Phil Hoskins

County Attorney

Mike Ludwiczak

Community Services

Tina Fleming, *Director*

Corrections

Darrell Johnson, *Warden*

Financial Services

Maria Woods, *CFO/Director*

Fire and Emergency Services

Chief Russell Knick

Human Resources

Vicki Casella, *Acting Director*

Information Technology Services

Abe Kani, *Director/CIO*

Planning and Development

Kathy Holland, *Director*

Police Services

Chief Tom Doran

Support Services

Angelia Parham, *Director*

Transportation

Alan Chapman, *Director*

Water Resources

Tyler Richards, *Director*

ELECTED OFFICIALS

Clerk of Court

Richard T. Alexander Jr.

District Attorney

Daniel J. Porter

Chief Magistrate Court Judge

Kristina H. Blum

Probate Court Judge

Christopher A. Ballar

Sheriff

R.L. "Butch" Conway

Solicitor

Brian Whiteside

Tax Commissioner

Richard Steele

State Court Judges

Pamela D. South, *Chief Judge*

Carla E. Brown

John F. Doran Jr.

Emily J. Brantley

Shawn F. Bratton

Ronda Colvin Leary

Howard E. Cook, *Senior Judge*

Joseph C. Iannazzone, *Senior Judge*

Robert W. Mock Sr., *Senior Judge*

Superior Court Judges

George F. Hutchinson III, *Chief Judge*

R. Timothy Hamil

Ronnie K. Batchelor

Warren P. Davis

Karen E. Beyers

Kathryn M. Schrader

Randolph G. Rich

Tracey D. Mason

Tracie H. Cason

Tadia D. Whitner

Angela D. Duncan

Fred A. Bishop Jr., *Senior Judge*

Melodie Snell Conner, *Senior Judge*

Tom Davis, *Senior Judge*

K. Dawson Jackson, *Senior Judge*

Debra K. Turner, *Senior Judge*

JUDICIALLY APPOINTED OFFICIALS

Juvenile Court Judges

Robert V. Rodatus, *Presiding Judge*

Robert Waller

Rodney Harris

Recorder's Court Judges

Michael Greene, *Chief Judge*

Ramón Alvarado

Kathrine Armstrong

Clerk of Recorder's Court

Jeff C. West

Court Administrator

Philip M. Boudewyns

GWINNETT COUNTY

DEPARTMENT OF
FINANCIAL SERVICES

CFO/Department Director

Deputy Director

Assistant Director

Purchasing
Division

Standards &
Controls
Division

Office of
Strategy &
Performance
Management

Tax Assessor
Division

Accounting
Division

Budget &
Grants
Management
Division

Treasury
Division

ACCOUNTING DIVISION

Laurie **Puckett**, CPA, CPFO, Director

Penny **Purchell**, CPA, CPFO, Financial Reporting Manager

Natalie **Williams**, Accounting Manager

Dana **Brunson**, Financial Analyst

Alicia **Carmon**, Financial Analyst

Deirdre **Diggs**, Financial Analyst

Tina **Dones**, Financial Analyst

Suhelly **Lopez**, Financial Analyst

Anna **Payne**, Financial Analyst

Erika **Rivera**, Financial Analyst

Denise **Troup**, Financial Analyst





FINANCIAL SECTION

Independent Auditors' Report
Management's Discussion and Analysis



INDEPENDENT AUDITORS' REPORT

**The Board of Commissioners of Gwinnett County
Lawrenceville, 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 **Gwinnett County, Georgia** (the "County"), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Gwinnett County Board of Health, which represents 8%, 33%, and 48%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Gwinnett County Board of Health, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes 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 report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Gwinnett County, Georgia, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparisons for the General Fund, the Fire and EMS District Fund, and the Police Services District Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Changes in the County's Net Pension Liability and Related Ratios, the Schedule of County Contributions - Pension, the Schedule of Changes in the County's Net OPEB Liability and Related Ratios, and the Schedule of County Contributions - OPEB on pages 23 through 38, pages 122, 123, 125, and 126, respectively, 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 and individual non-major fund financial statements and schedules; the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and the introductory, statistical, and disclosure 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 and schedules and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate 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 and individual non-major fund financial statements and schedules and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2020 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the County's 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.

Mauldin & Jenkins, LLC

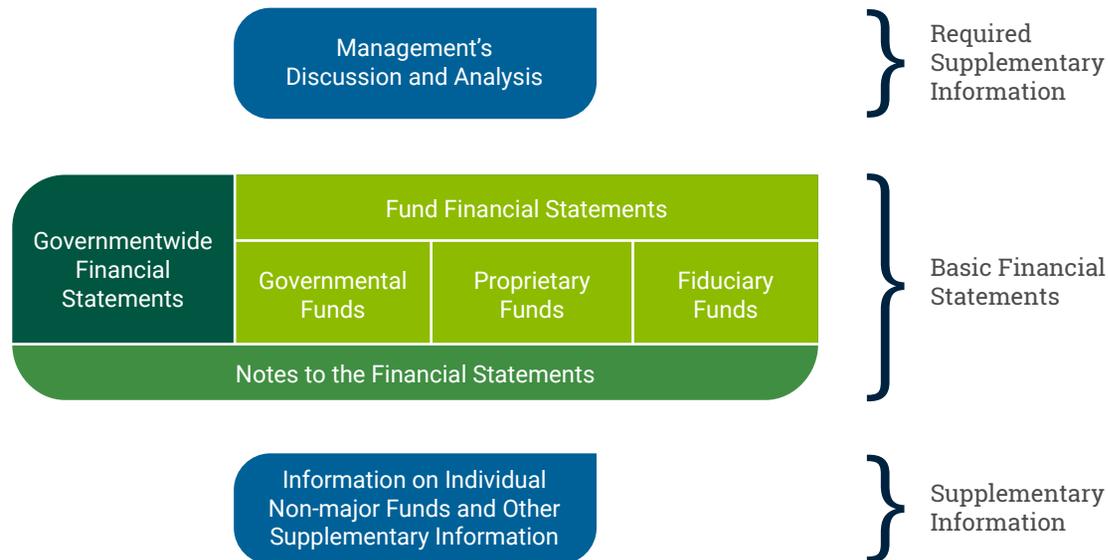
Atlanta, Georgia
June 15, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Gwinnett County, Georgia, we offer readers of Gwinnett County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2019. This discussion is intended to: 1) assist the reader in understanding significant financial issues; 2) provide an overview of the County's financial activities; 3) identify changes in the County's financial position; 4) identify material deviations from the original budget; and 5) identify individual fund issues or concerns. We encourage readers to consider the information presented within this section in conjunction with additional information that we have furnished in the financial statements and the notes to the financial statements.

Overview of the Financial Statements

This document is arranged in the following format:



The County's basic audited financial statements are comprised of three components: 1) governmentwide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This section also contains required supplementary information.

Governmentwide financial statements: The governmentwide financial statements are designed to provide readers with a broad overview of the County's finances in a manner similar to private-sector business reporting. All governmental and business-type activities are combined to arrive at a total for the primary government. There are two governmentwide statements, the statement of net position and the statement of activities, which are produced using the accrual basis of accounting. Additional information on the accrual basis of accounting can be found in [Note 1 \(C. Measurement focus, basis of accounting, and financial statement presentation\)](#) on page 65 of this report.

The statement of net position presents information on all of the County's assets and deferred outflows of resources, and liabilities and deferred inflows of resources (for all fund types except fiduciary), with the difference between these reported as net position. Increases or decreases in net position serve as a useful indicator of whether the financial position of the County is improving or deteriorating. This statement combines the governmental funds' current financial resources (short-term) with capital assets and long-term liabilities.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. The format of this statement is very different from a traditional "income statement." The format is intended to portray the extent to which governmental activities are funded by taxes and the extent to which business-type activities are supported by the revenues they generate. The statement presents all underlying events giving rise to the changes in net position, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes, and earned but unused vacation leave).

Each of the governmentwide 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 general government, public safety, judiciary, public works, health and welfare, culture and recreation, housing and development, tourism, and development authority. The business-type activities of the County include water and sewer, airport, economic development, solid waste, stormwater, and transit.

The governmentwide financial statements include Gwinnett County itself (known as the primary government), the Public Library System, the Gwinnett County Development Authority, and the Gwinnett County Health Department. These legally separate entities are designated as component units of the County due to the significance of their operational or financial relationships with the County. Financial information for these component units is reported separately from the financial information presented for the primary government itself. The Water and Sewerage Authority, the Airport Authority, the Recreation Authority, the Public Facilities Authority, the Stormwater Authority, and the Urban Redevelopment Agency, although also legally separate, operate solely on behalf of departments of the County and therefore are included as integral parts of the primary government.

The governmentwide financial statements can be found on pages 39 – 40 of this report. The component unit combining statements are presented on pages 58 – 60.

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. Gwinnett County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Gwinnett County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the governmentwide financial statements. However, unlike the governmentwide 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 more limited than that of the governmentwide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the governmentwide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities (in the governmentwide financial statements).

The County maintains separate governmental funds to account for the following activities: General; Special Revenue (Fire and Emergency Medical Services District, Police Services District, Street Lighting, Speed Hump, Authority Imaging, Juvenile Court Supervision, Tree Bank, Tourism, Stadium, Sheriff Special Justice, Sheriff Special Treasury, Sheriff Special State, Police Special Justice, Police Special State, Crime Victims Assistance, District Attorney Federal Justice Asset Sharing, District Attorney Federal Treasury Asset Sharing, Corrections Inmate Welfare, Sheriff Inmate, E-911, Loganville Emergency Medical Services District, Development and Enforcement Services District, Recreation District, Jimmy Carter Boulevard Tax Allocation District, Indian Trail TAD, Park Place TAD, Lake Lucerne TAD, Gwinnett Place TAD, and Grant); Capital Projects (2009 Sales Tax, 2014 Sales Tax, 2017 Sales Tax, and Other Capital Projects); and Debt Service. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Fire and Emergency Medical Services District, Police Services District, Other Capital Projects, 2009 Sales Tax, 2014 Sales Tax, and 2017 Sales Tax Funds, all of which are considered to be major funds. Data from the other (non-major) governmental funds are combined into a single, aggregated column.

Governmental funds are reported on the modified accrual basis of accounting. Information on the modified accrual basis of accounting can be found in [Note 1 \(C. Measurement focus, basis of accounting, and financial statement presentation\)](#) on page 65 of this report.

Gwinnett County adopts an annual appropriated budget for its general, special revenue, and debt service funds. Budgets for capital projects funds are adopted as multi-year project budgets and appropriated annually; any unspent budget at the end of the year is rolled forward to the next year. A budgetary comparison statement has been provided for the [General Fund](#), [Fire and EMS District Fund](#), and [Police Services District Fund](#). These statements are found on pages 46 – 49. The basic governmental fund financial statements can be found on pages 41 – 45.

Proprietary funds: Gwinnett County maintains two different types of proprietary funds. Enterprise funds are used to account for quasi-business functions where revenues typically come from charges or fees (water usage, airport rental, etc.) rather than taxes. The County uses enterprise funds to account for its water and sewer, airport, solid waste, stormwater, economic development, and transit activities. Internal service funds are an accounting mechanism used to accumulate and allocate costs internally among the County's various functions based on usage. The County uses internal service funds to account for its administrative support, fleet, group self-insurance, risk management, and auto liability activities. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the governmentwide financial statements.

Gwinnett County adopts an annual budget for management purposes for its enterprise and internal service funds. Proprietary fund financial statements provide the same type of information as the governmentwide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Water and Sewerage and Stormwater, which are considered to be major funds of the County. Data from the other (non-major) enterprise funds are combined into a single, aggregated column. Internal services funds are also presented in a single column.

The basic proprietary fund financial statements, which are reported on the accrual basis of accounting, can be found on pages 50 – 55 of this report.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the governmentwide financial statements because the resources of those funds are not owned by or available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds, and their financial statements are reported on the accrual basis of accounting as well. Gwinnett County maintains seven fiduciary funds, called custodial funds, for Tax Commissioner, Clerk of the Courts, Recorder's Court, Sheriff, Probate Court, Juvenile Court, and Corrections. The custodial funds are presented in total in one column in the [Fiduciary Funds Statement of Fiduciary Net Position](#) on page 56. The County also maintains fiduciary funds for Pension and Other Post-Employment Benefits trust funds. These funds are aggregated and presented on pages 56 – 57.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the governmentwide and fund financial statements. The notes to the financial statements can be found on pages 62 – 121 of this report.

FINANCIAL HIGHLIGHTS

- Gwinnett County's assets and deferred outflows of resources exceeded liabilities and deferred inflows at December 31, 2019, by \$7,235,926,000 (net position). Of this amount, \$497,032,000 (unrestricted net position) may be used to meet the government's ongoing obligations to residents and creditors.
- As of December 31, 2019, the County's governmental funds reported combined fund balances of \$1,193,028,000, an increase of \$42,093,000 when compared to the prior year. Of the \$1,193,028,000 total governmental fund balance, \$132,929,000 remains in the General Fund as unassigned.
- At December 31, 2019, the County's General Fund reported a fund balance of \$176,321,000, an increase of \$17,079,000, or 10.7 percent, from last fiscal year.
- As of December 31, 2019, the County's enterprise funds reported a combined net position of \$3,810,272,000, an increase of \$195,362,000 when compared to the prior year. Of the \$3,810,272,000 total enterprise net position, \$321,020,000 remains in the funds as unrestricted. The largest enterprise fund is the Water and Sewerage Fund, which is discussed in more detail later in the business-type activities section.
- Since 1997, the County has maintained a AAA credit rating from each of the three rating agencies that review public sector debt.
- The 2012 General Obligation Refunding Bonds were paid in full in January 2019 and the Debt Service fund was closed. These 2012 bonds refunded the 2003 General Obligation bonds that provided funding for an expansion of the County's Pre-Trial Detention Center.
- In July 2019, Gwinnett County refunded the callable maturities of the 2009A and 2009B Water and Sewerage Revenue Bonds. The transaction resulted in total debt savings of \$23.1 million and a net present value savings of \$18.2 million.



GOVERNMENTWIDE FINANCIAL ANALYSIS

As previously noted, over time net position serves as a useful indicator of a government's financial position. In the case of Gwinnett County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$7,235,926,000 at the close of the most recent fiscal year. This represents an increase of \$278,872,000, or 4.0 percent, from fiscal year 2018.

Gwinnett County's Net Position (in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 1,388,655	\$ 1,328,506	\$ 530,135	\$ 545,130	\$ 1,918,790	\$ 1,873,636
Capital assets	2,638,056	2,529,253	3,998,752	3,840,147	6,636,808	6,369,400
Total assets	4,026,711	3,857,759	4,528,887	4,385,277	8,555,598	8,243,036
Deferred outflows of resources	32,640	92,829	14,394	25,284	47,034	118,113
Long-term liabilities outstanding	489,462	547,793	616,112	696,922	1,105,574	1,244,715
Other liabilities	70,914	59,498	103,220	99,882	174,134	159,380
Total liabilities	560,376	607,291	719,332	796,804	1,279,708	1,404,095
Deferred inflows of resources	73,206	—	13,792	—	86,998	—
Net position:						
Net investment in capital assets	2,493,968	2,420,755	3,463,383	3,240,775	5,957,351	5,661,530
Restricted	755,674	764,072	25,869	27,355	781,543	791,427
Unrestricted	176,127	158,470	320,905	345,627	497,032	504,097
Total net position	\$ 3,425,769	\$ 3,343,297	\$ 3,810,157	\$ 3,613,757	\$ 7,235,926	\$ 6,957,054

By far, the largest portion of the County's net position (82.3 percent) at December 31, 2019, reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to residents; consequently, these assets are not available for future spending. Although the County's investment in 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 are not planned to be used to liquidate these liabilities.

An additional portion of the County's net position (10.8 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$497,032,000) may be used to meet the government's ongoing obligations to residents and creditors. For more information on fund balances and net position, see [Note 14](#).

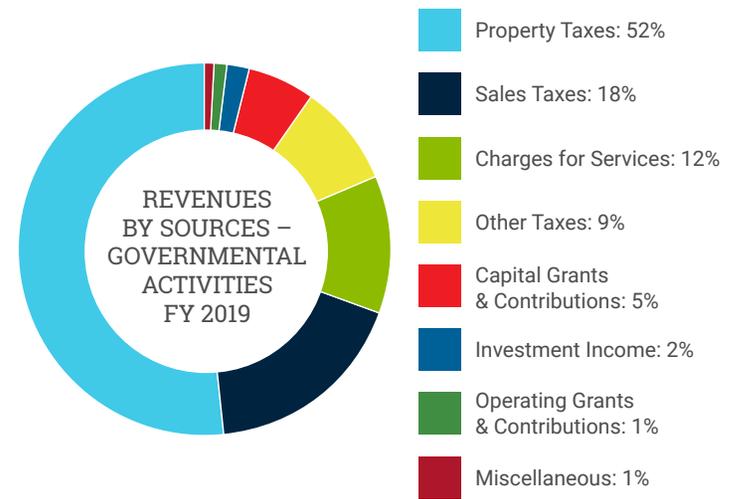
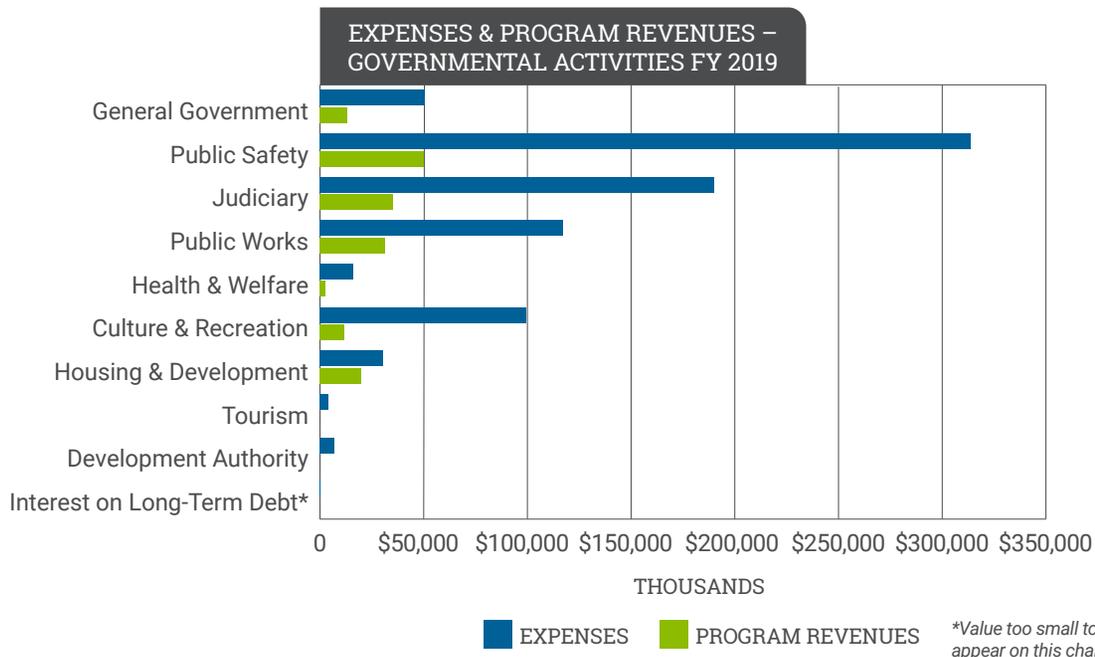
At the end of the current fiscal year, the County is able to report positive balances in all three categories of net position, for the government as a whole, as well as for its separate governmental and business-type activities. Growth in net position is an indication that the County's financial position has improved over 2018.

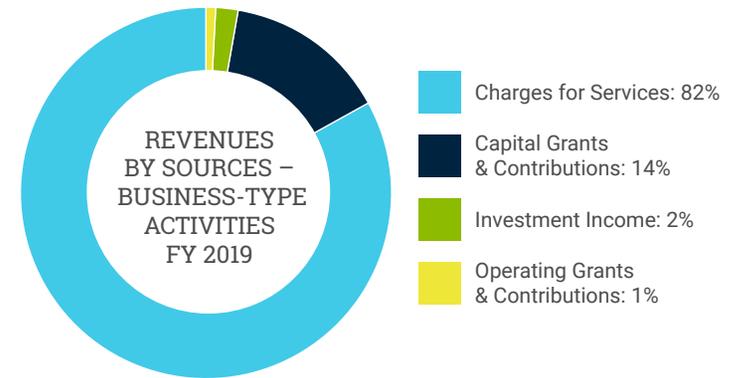
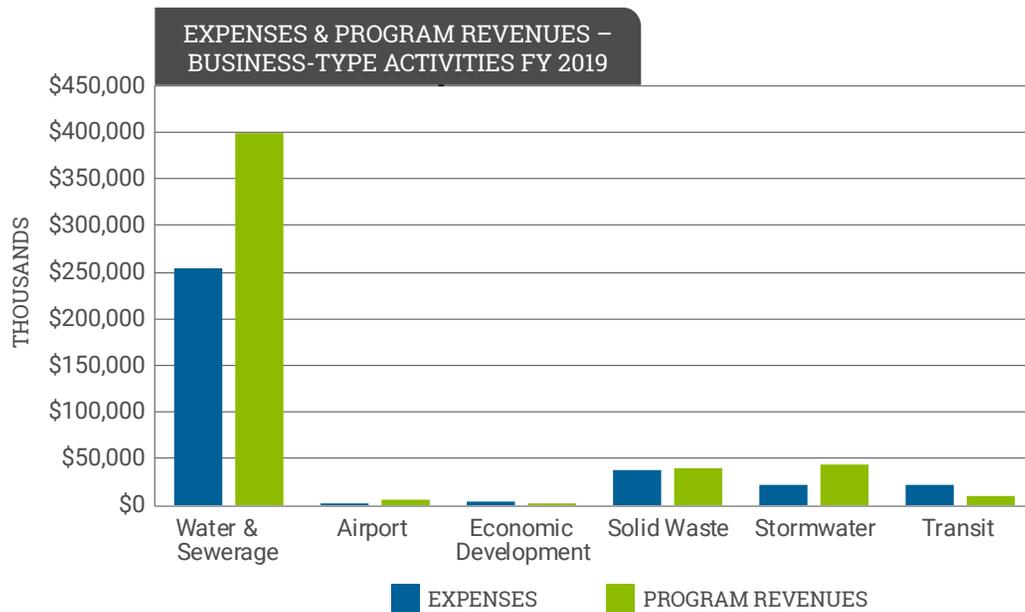
Gwinnett County's Changes In Net Position
(in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues:						
Charges for services	\$ 110,012	\$ 104,016	\$ 415,730	\$ 394,259	\$ 525,742	\$ 498,275
Operating grants and contributions	9,388	10,572	6,852	7,623	16,240	18,195
Capital grants and contributions	44,781	38,019	86,633	70,672	131,414	108,691
General revenues:						
Property taxes	485,073	446,359	—	—	485,073	446,359
Sales taxes	172,255	162,436	—	—	172,255	162,436
Other taxes	87,980	80,968	—	—	87,980	80,968
Investment income	18,908	12,028	12,211	8,315	31,119	20,343
Other	7,986	9,462	—	—	7,986	9,462
Total revenues	936,383	863,860	521,426	480,869	1,457,809	1,344,729
Expenses						
General government	50,778	46,360	—	—	50,778	46,360
Public safety	313,878	287,516	—	—	313,878	287,516
Judiciary	189,966	181,372	—	—	189,966	181,372
Public works	124,018	110,798	—	—	124,018	110,798
Health and welfare	16,044	14,838	—	—	16,044	14,838
Culture and recreation	99,407	91,666	—	—	99,407	91,666
Housing and development	30,647	23,110	—	—	30,647	23,110
Tourism	3,981	3,707	—	—	3,981	3,707
Development authority	6,868	4,571	—	—	6,868	4,571
Interest on long-term debt	104	169	—	—	104	169
Water and sewer	—	—	254,803	239,520	254,803	239,520
Airport	—	—	1,645	1,753	1,645	1,753
Economic development	—	—	3,253	405	3,253	405
Solid waste	—	—	38,079	43,170	38,079	43,170
Stormwater	—	—	22,954	28,095	22,954	28,095
Transit	—	—	22,512	21,826	22,512	21,826
Total expenses	835,691	764,107	343,246	334,769	1,178,937	1,098,876
Increase in net position before transfers	100,692	99,753	178,180	146,100	278,872	245,853
Transfers	(18,220)	(19,621)	18,220	19,621	—	—
Increase in net position after transfers	82,472	80,132	196,400	165,721	278,872	245,853
Net position – January 1	3,343,297	3,263,165	3,613,757	3,448,036	6,957,054	6,711,201
Net position – December 31	\$ 3,425,769	\$ 3,343,297	\$ 3,810,157	\$ 3,613,757	\$ 7,235,926	\$ 6,957,054

Governmental activities: Governmental activities increased the County’s net position by \$82,472,000, thereby accounting for 29.6 percent of the total growth in net position.

- Revenues increased by \$72.5 million, primarily due to increases in property taxes (\$38.7 million), sales taxes (\$9.8 million), other taxes (\$7.0 million), investment income (\$6.9 million), capital grants and contributions (\$6.8 million), and charges for services (\$6.0 million). These increases were offset by decreases in operating grants and contributions (\$1.2 million) and other revenues (\$1.5 million). The increase in property taxes is attributable to an improving digest characterized by rising home values and new construction. Sales taxes and other taxes have increased as the economy continues to strengthen. Investment income increased due to increased interest rates and more available cash to invest.
- Public safety expenses increased by \$26.4 million, primarily from an increase in personal services (\$6.4 million) due to an increase in the number of police positions, pay increases, and increases in health care costs; an increase in operating expenses (\$3.5 million); an increase in contributions to internal service funds (\$6.7 million); an increase in project-related expenses (\$4.2 million); and pension expense and OPEB expense allocations in the governmentwide statements (\$5.6 million).
- Judiciary expenses increased by \$8.6 million, primarily due to increases in personal services (\$6.3 million) and increases in contributions for self-funded insurance and indirect costs (\$1.8 million).
- Public works expenses increased by \$13.2 million, primarily due to increases in general operating expenses (\$2.2 million), contributions for self-funded insurance and indirect costs (\$0.8 million), project-related expenses (\$2.2 million), and recording contributions of assets to enterprise funds (\$6.7 million) and intergovernmental expense allocations (\$1.2 million) in the governmentwide statements.
- Housing and development expenses increased by \$7.5 million, primarily due to increases in personal services (\$2.8 million), contributions for self-funded insurance and indirect costs (\$1.2 million), and recording intergovernmental expense (\$4.4 million) allocations in the governmentwide statements. These increases are offset by a decrease in project-related expense allocations in the governmentwide statements (\$0.9 million).
- Culture and recreation expenses increased by \$7.7 million, primarily due to increases in personal services (\$0.9 million), contributions for self-funded insurance and indirect costs (\$1.8 million), payments to the library (\$0.9 million), project-related expenses (\$3.6 million), and recording intergovernmental expense allocations in the governmentwide statements (\$0.5 million).





Business-type activities: Business-type activities increased the County’s net position by \$196,400,000, accounting for 70.4 percent of the total growth in the government’s net position. Key elements of this increase were as follows:

- In 2019, Water and Sewerage Fund operating revenues were up approximately 6.8 percent, or \$21.5 million, compared to the prior year. The increase is primarily attributable to a 6.3 percent increase in water consumption, a rate increase effective January 1, 2019, and related increases in water retail revenues (\$4.6 million), sewer retail revenues (\$7.8 million), and conservation surcharges (\$6.0 million). Operating expenses increased 8.0 percent, or \$17.6 million, from the prior year. The increase is primarily attributable to a \$4.8 million increase in personal services due to pay increases and increases in employee benefit expenses; increases in variable costs, such as chemicals and utilities; and increases in bio-solid transportation and disposal costs. This fund ended the year with an increase in net position of \$152.4 million.
- The Stormwater Fund reported operating income of \$8.0 million, which was \$5.6 million higher than 2018. The fund ended the year with an increase in net position of \$28,739,000, which is up nearly \$6.6 million from last year’s increase, primarily due to a \$3.2 million decrease in depreciation expenses and a \$1.4 million decrease in personal services. A \$2.7 million one-time intergovernmental agreement payment to the city of Peachtree Corners in 2018 also contributed to the year-over-year decrease in expenses.
- The Airport Fund reported an increase in net position of \$5.4 million, which was an increase of approximately \$5.9 million from the 2018 change in net position, primarily due to an increase in capital contributions related to federal grants for airport improvements.
- The Solid Waste Fund reported an increase in net position of \$4.1 million, which was approximately \$1.9 million more than the 2018 change in net position. There was a decrease in operating revenues of approximately \$4.0 million, a decrease in operating expenses of \$2.6 million, and an increase in non-operating revenues of \$3.3 million related to an increase in investment income and assets that were disposed of in 2018 at a loss.
- The Transit Fund reported an increase in net position of \$1.7 million, which was approximately \$5.8 million less than the 2018 change in net position. This is primarily related to transfers of buses between Gwinnett County and the State Road and Tollway Authority in 2018.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds: The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements and its performance in relation to the annual budget. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of fiscal year 2019, the County's governmental funds reported combined ending fund balances of \$1,193,028,000, an increase of \$42,093,000 in comparison with the prior year. This increase is approximately \$45.4 million less than the 2018 increase in fund balances. Overall, revenues were up \$69.3 million, expenditures were up \$125.1 million, and net other financing sources were up \$10.4 million.

Major factors that contributed to the increase in governmental fund revenues included:

- An increase in property tax revenues of nearly \$38.7 million due to an improving digest
- An increase in investment income of \$11.1 million
- An increase in sales tax revenues of \$9.8 million
- An increase in charges for services of \$7.9 million
- An increase in insurance premium taxes of just over \$2.8 million
- An increase in intergovernmental revenues of \$0.3 million
- A decrease in fines of approximately \$2.1 million

Major factors that contributed to the overall increase in governmental fund expenditures included:

- An increase in capital expenditures of \$80.9 million. Capital outlay expenditures fluctuate from year to year as new projects are started and others are completed. Capital projects in progress for 2019 include the parking deck project and other improvements on the Infinite Energy Center campus; Gwinnett Justice and Administration Center courthouse addition and parking deck; multiple road improvement projects, such as Five Forks Trickum (Oak Road – Tom Smith Road); and multiple park renovations.
- An increase in salaries and benefits of almost \$17.5 million as a result of pay increases, new positions, and increased benefits costs
- An increase in general operating expenditures of \$5.1 million, primarily due to increases in costs for repairs and maintenance, supplies, and utilities
- An increase in contributions for self-funded insurance and indirect costs of \$11.2 million
- An increase in contributions to the Development Authority of \$4.3 million

The following paragraphs discuss the individual major governmental funds.

The General Fund is the primary tax and operating fund for all County revenues and expenditures that are not restricted to, or accounted for, in other funds. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$132,929,000, which is above the required fund balance reserve of three months operating expenditures including transfers out. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures.

Unassigned fund balance represents 48.1 percent of General Fund expenditures. Total fund balance increased \$17.1 million, as compared to an increase of \$5.1 million in 2018. This increase in operating results is attributed to a combination of factors:

- An increase in revenues of nearly \$26.5 million, primarily due to increases in real and personal property taxes, charges for services, and investment income, offset by slight decreases in motor vehicle *ad valorem* tax, fines and forfeitures, and permits and licenses revenues
- An increase in expenditures of \$12.1 million, primarily due to an increase of \$7.5 million in personal services, an increase in general operating expenditures of \$1.6 million, an increase in contributions to internal service funds of \$1.9 million for risk management and indirect cost allocations, and an increase in subsidies of \$1.0 million
- An increase in transfers from other funds of \$7.5 million, primarily due to the transfer of the remaining balance in the Debt Service Fund to the General Fund (\$8.5 million), offset by a decrease in transfers from grant funds (\$1.0 million)
- An increase in transfers to other funds by approximately \$9.9 million due to an increase in transfers to the Airport Fund (\$1.7 million), an increase in transfers to the Transit Fund (\$2.7 million), and an increase in transfers to capital funds (\$10.3 million) to fund future capital needs, offset by a decrease in transfers to Fire and EMS, Police, and Development and Enforcement Services District Funds due to a change in TAVT tax distribution (\$4.8 million)

The Fire and Emergency Medical Services District Fund accounts for the revenues and expenditures attributable to the Fire and EMS District. This district includes all properties within unincorporated Gwinnett County and all cities except Loganville. At the end of fiscal year 2019, restricted fund balance was \$68,405,000, which is above the required fund balance reserve of three months of normal operating expenditures and represents an increase of \$10.7 million from the fiscal year 2018 fund balance. Revenues increased \$9.3 million, primarily due to an increase in property tax revenues resulting from an increasing digest. Expenditures increased \$5.8 million, primarily due to increases in salary and overtime costs of \$2.0 million associated with pay-for-performance increases and new positions, an increase in general operating expenditures of \$1.3 million, and an increase in contributions to internal service funds of \$2.2 million for risk management and indirect cost allocations.

The Police Services District Fund accounts for the revenues and expenditures attributable to the Police Services District. This district includes all properties within unincorporated Gwinnett County and cities that do not operate their own police departments (Berkeley Lake, Buford, Grayson, Dacula, Peachtree Corners, Rest Haven, and Sugar Hill). At the end of fiscal year 2019, restricted fund balance was \$83,802,000, which is above the required fund balance reserve of three months of operating expenditures and represents an increase of \$15.0 million from the fiscal year 2018 fund balance. Revenues increased \$7.0 million, primarily due to increases in property tax, occupation tax, and insurance premium tax revenues, offset by a decline in fines and forfeitures revenue. Expenditures increased \$10.9 million, mainly due to salary and overtime costs of \$6.4 million associated with pay-for-performance increases and new positions, an increase in general operating expenditures of \$1.5 million, and an increase in contributions to internal service funds of \$4.6 million for risk management and indirect cost allocations. These increases were offset by a decrease in payments to other governments of \$1.5 million; in accordance with the Service Delivery Strategy agreement, payments to cities were required in 2018, but not in 2019.

The Other Capital Projects Fund accounts for the financial resources to be used for the purchase and construction of major capital facilities and equipment, other than those accounted for in specific funds. At the end of fiscal year 2019, the fund balance of the Other Capital Projects Fund was \$313,251,000, representing an increase of \$2.1 million from 2018. Expenditures exceeded revenues by \$89.0 million and were offset by transfers in of \$52.0 million. Transfers to the capital projects fund decreased approximately \$18.1 million from the prior year. Expenditures were \$38.6 million higher in 2019 due to the timing of capital projects. Capital outlay expenditures fluctuate from year to year as new projects are started and others are completed. Significant capital projects are discussed in the capital assets section of the analysis on [page 35](#).

The 2009 Sales Tax Fund accounts for the financial resources provided from the 2009 one percent Special Purpose Local Option Sales Tax. Such funds were approved by voter referendum for libraries, parks and recreation, public safety, and transportation projects. At the end of fiscal year 2019, the 2009 Sales Tax Fund reported a fund balance of \$77,596,000. Expenditures exceeded revenues by \$34.1 million. This is expected as sales tax revenues are no longer being collected under the 2009 program, and the County is focused on spending down the fund balance to close the fund.

The 2014 Sales Tax Fund accounts for the financial resources provided from the 2014 one percent Special Purpose Local Option Sales Tax. Such funds were approved by voter referendum for libraries, parks and recreation, public safety, senior service facilities, and transportation projects. At the end of fiscal year 2019, the 2014 Sales Tax Fund reported a fund balance of \$110,962,000. Expenditures exceeded revenues by \$42.5 million. This is expected as sales tax revenues are no longer being collected under the 2014 program. Capital expenditures continued on eligible projects during fiscal year 2019.

The 2017 Sales Tax Fund accounts for the financial resources provided from the 2017 one percent Special Purpose Local Option Sales Tax. Such funds were approved by voter referendum for libraries, parks and recreation, public safety, senior service facilities, civic center expansion, and transportation projects. At the end of fiscal year 2019, the 2017 Sales Tax Fund reported a fund balance of \$259,089,000. Revenues exceeded expenditures by \$78.1 million, as expenditures are just beginning on eligible projects. Sales tax collections started on April 1, 2017, and will be collected under the 2017 program until March 31, 2023.

Proprietary funds: The County's proprietary funds provide the same type of information related to business-type activities found in the governmentwide financial statements, but in more detail.

Unrestricted net position in the Water and Sewerage Fund at the end of fiscal year 2019 amounted to \$233,996,000. This represents a decrease of \$36,783,000 in unrestricted net position from the end of the previous year. The total increase in net position was \$152,350,000. Factors concerning the finances of this fund have already been addressed in the discussion of business-type activities on [page 30](#).



GENERAL FUND BUDGETARY HIGHLIGHTS

The original fiscal year 2019 budget was adopted with a \$42.2 million use of fund balance. As of December 31, 2019, there was a budgeted \$16.1 million use of fund balance after amendments. Due to salary savings and other budget surpluses, this budgeted use of fund balance was not utilized, and the fund ended the year with a contribution to fund balance of \$16.6 million.

Differences between the original budget and the final amended budget amount to a net increase in budgeted expenditures and transfers out of \$9.4 million and can be summarized as follows:

- Decrease of \$1.2 million in salaries and wages
- Increase of \$10.6 million in transfers to capital projects

GENERAL FUND ACTUAL REVENUES AND EXPENDITURES VERSUS BUDGET

Actual revenues were \$13.2 million over budget at the end of fiscal year 2019, which was primarily attributable to taxes exceeding budget by a net of \$11,278,000 due to increasing property values and higher than expected motor vehicle *ad valorem* tax revenues. Additionally, charges for services exceeded budget by \$416,000, investment income exceeded budget by \$638,000, intergovernmental revenues exceeded budget by \$278,000, and miscellaneous revenues exceeded budget by \$1,041,000. The only revenue categories that ended the year under budget were permits and licenses (\$77,000 under budget) and fines and forfeitures (\$338,000 under budget).

Actual expenditures were \$19.3 million under budget at the end of fiscal year 2019. The main contributing factors were as follows:

- Personal services expenditures were \$10.6 million under budget, primarily due to vacancies.
- General operating expenditures were \$5.3 million under budget with the largest single line item being professional services, which was \$2.3 million under budget. Other line items that were significantly under budget include miscellaneous services and charges, postal services, supplies, and license support agreements.
- Unspent reserves/contingencies and allocations were \$3.0 million.
- Capital outlay was \$0.3 million under budget at year end.
- Subsidy payments ended the year \$0.1 million under budget.

CAPITAL ASSETS

Capital assets: The County's investment in capital assets for its governmental and business-type activities as of December 31, 2019, amounted to \$6,636,808,000 (net of accumulated depreciation). Investments in capital assets included land, improvements, buildings, equipment, vehicles, infrastructure, and construction in progress.

Gwinnett County's Net Capital Assets (in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Land	\$ 714,742	\$ 702,753	\$ 79,249	\$ 78,674	\$ 793,991	\$ 781,427
Improvements	354,844	347,266	2,702,412	2,666,795	3,057,256	3,014,061
Buildings	595,782	520,990	607,589	622,083	1,203,371	1,143,073
Equipment	41,628	37,784	255,325	256,990	296,953	294,774
Vehicles	45,202	42,432	19,852	21,219	65,054	63,651
Infrastructure (roads, bridges, and sidewalks)	748,420	740,622	5,851	6,147	754,271	746,769
Construction in progress	137,438	137,406	328,474	188,239	465,912	325,645
Total	\$ 2,638,056	\$ 2,529,253	\$ 3,998,752	\$ 3,840,147	\$ 6,636,808	\$ 6,369,400

Total capital assets for governmental activities for 2019 totaled \$2,638,056,000, which is an increase of \$108.8 million, or 4.3 percent, over 2018. The total of governmental assets transferred from construction in progress to the asset records during the year totaled approximately \$192.7 million. Major projects consisted of the following:

- Conference center, parking deck project and other improvements on the Infinite Energy Center campus and Satellite Boulevard expansion: \$62,653,377
- Gwinnett Justice and Administration Center courthouse addition and parking deck: \$25,073,482
- Five Forks Trickum Road (Oak Road – Tom Smith): \$12,557,607
- Bay Creek Precinct: \$7,910,069
- Alexander Park Phase II: \$5,223,377

Total capital assets for business-type activities for 2019 totaled \$3,998,752,000, which is an increase of \$158.6 million, or 4.1 percent, from 2018. The total of business-type assets that were transferred from construction in progress to the asset records during the year totaled approximately \$71 million. Major projects consisted of the following:

- Water Reclamation Facility rehabilitation/improvements program: \$17,763,842
- Stormwater drainage improvements: \$12,393,583
- Pump station rehabilitation: \$4,929,659
- Sanitary sewer collection system renovation: \$4,337,523
- Distribution systems rehabilitation: \$3,843,726

Additional information on the County's capital assets can be found in [Note 7](#) on pages 90 – 92 of this report.

DEBT ADMINISTRATION

Long-Term Debt: At the end of the current fiscal year, the County had no general obligation debt outstanding. The County is obligated through an intergovernmental agreement for \$471.8 million in Water and Sewerage Authority Revenue Bonds. Debt service on these revenue bonds is paid from water and sewerage customer charges. For the Water and Sewerage Revenue Bonds, the County would be required to pay the principal and interest on those bonds should operating revenues not be adequate. There has never been an occasion when operating revenues have not been sufficient to cover all such payments.

In addition to general obligation bonds and Water and Sewerage revenue bonds, the County issues revenue debt to fund some of its capital needs through intergovernmental contracts or lease agreements between the County and the applicable authority/agency. The County pledges income derived from the acquired or constructed assets or excise taxes designated by law for such purposes to pay for the debt. The County is obligated for \$33.8 million in revenue bonds through the Urban Redevelopment Agency for the purchase of 103 acres within the Gwinnett Village Opportunity Zone for a redevelopment project. Also, the County has lease agreements with the Development Authority for bond issues to fund the Infinite Energy Center expansion, the original Infinite Energy Arena and parking deck, and the Coolray Field baseball stadium.

Gwinnett County's Outstanding Debt General Obligation Bonds, Revenue Bonds, and Leases (in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
General obligation bonds	\$ —	\$ 4,150	\$ —	\$ —	\$ —	\$ 4,150
Revenue bonds	—	—	505,565	589,545	505,565	589,545
Leases	137,934	99,399	—	—	137,934	99,399
Total	\$ 137,934	\$ 103,549	\$ 505,565	\$ 589,545	\$ 643,499	\$ 693,094

The County's total long-term bond debt decreased by \$49.6 million during the current fiscal year due to principal payments in the amount of \$48.3 million, lease payments of \$5.6 million, and the net effect of refunding bonds issued through the Water and Sewerage Authority in the amount of \$38.2 million, offset by Development Authority bond-related construction of \$42.5 million.

The County maintains a AAA credit rating from each of the three rating agencies that review public sector debt. Additional information regarding Gwinnett County's long-term debt can be found in [Note 8](#) on pages 93 – 101 of this report.

Legal Debt Limit

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed taxable property valuation. The 2012 general obligation bonds were paid in full in January 2019, and the debt service fund was closed. The County has used none of its legal debt limitation of \$3,301,140,000.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

As previously discussed in [“Assessing the County's Economic Condition”](#) in the Introductory section of this document, improvements in the housing, construction, and labor markets continue to indicate economic progress. The countywide tax digest has grown nearly 20 percent from 2016 to 2019, primarily due to rising home property values and new construction. From 2013 to 2019, the average value of a home in Gwinnett County rose approximately 67 percent from \$150,000 to \$250,000.

Gwinnett County took local economic factors and the County's strategic priorities into consideration when preparing the fiscal year 2020 budget. Other factors that influenced the budget were maintaining County assets, ensuring adequate reserves, funding pension and other post-employment benefits, and meeting the challenge of rising medical costs. Demographic changes and a growing population also had a major impact on the budget through an increased demand for services.

Developed within the framework of the County's five-year financial plan, the total 2020 adopted budget, including operating and capital, is \$1,844,126,481, up from the 2019 adopted budget of \$1,823,737,994. The 2020 budget addresses a broad spectrum of areas covering diverse needs such as public safety, parks, and economic development. It includes funding to maintain core County services such as the jail, courts, police and fire protection, roads, transit, and water, as well as funding additions for new and ongoing initiatives reflective of the County's strategic priorities set by the Board of Commissioners. The priorities include safe and healthy community, mobility and access, livability and comfort, strong and vibrant local economy, communication and engagement, and smart and sustainable government.



The 2020 adopted operating budget totals \$1,442,692,435 compared to the 2019 adopted budget of \$1,385,257,488. The year-over-year increase is primarily due to increases in personnel costs as the County adds necessary personnel, as well as increases in general operating costs. Both the 2019 and 2020 operating budgets provided funding for new positions to help maintain service levels and meet the demands of a growing population. The 2019 budget added 168 new positions, and the 2020 budget added 179 new positions. Many of the new positions added in both years were in support of the safe and healthy community priority—both budgets funded positions for Police, Fire and Emergency Services, Sheriff, and the courts. In support of the mobility and access priority, the 2020 budget adds new positions in the Department of Transportation to enhance the County’s traffic signal and communications system and to help reduce traffic congestion. The 2020 budget addresses the livability and comfort priority by providing funding for homelessness and affordable housing needs. In support of the communication and engagement priority, the 2020 budget continues community outreach programs, funds a position dedicated to enhancing community engagement, and includes funding for early and advance voting options for the 2020 elections. The 2020 budget supports the smart and sustainable government priority by funding positions necessary to maintain assets, increase customer service and satisfaction, and improve efficiency levels. The continuation of workforce retention measures including 4 percent pay-for-performance increases and the continuation of longevity pay for eligible employees are also included in the 2020 budget. Cost saving measures such as continuing the 90-day vacancy policy remain in effect for 2020.

The 2020 capital budget totals \$401,434,046, down from \$438,480,506 in 2019. The year-over-year decrease in the capital budget is primarily due to a higher than typical 2019 capital budget for facilities, infrastructure, and needed improvements to the County’s stormwater drainage systems. Capital project budgets are adopted as multi-year project budgets. As a result, many of the same capital projects funded in 2019 will continue to be funded in 2020. In support of the safe and healthy community priority, both the 2019 and 2020 capital budgets included funding for the Bay Creek Police Precinct and Alternate E-911 Center. The 2020 capital budget also includes funding for a Situational Awareness and Crime Response Center. Capital projects budgeted in both years in support of the mobility and access priority include the construction of or improvements to park-and-ride lots, various SPLOST-funded transportation improvements, roadway maintenance and enhancements, and funding to support the County’s trails system. The 2020 budget again includes funding to explore the development of a Bus Rapid Transit Corridor along Interstate 85 that in last year’s budget included preliminary engineering funding. Both the 2019 and 2020 capital budgets supported the comfort and livability priority by funding library relocations and the courthouse expansion and new parking deck. Strides to address homelessness will continue in 2020 with the build-out of the Norcross Assessment Center. In support of a strong and vibrant local economy, both the 2019 and 2020 capital budgets included funding for a small business resource center, the expansion of the civic center, and construction of The Water Tower: Global Innovation Hub @ Gwinnett.

Public involvement in the budget process continues to play a significant role in the development of the budget. Chairman Charlotte Nash, County staff, and six citizen reviewers studied departments’ and agencies’ business plans, budget requests, and revenue projections to make recommendations for the 2020 budget. Departmental business plans and budget presentations made to the budget review team may be viewed at TVGwinnett.com under [Video on Demand](#).

The six citizen reviewers who served on the Chairman’s Budget Review Team for 2020 included: David Cuffie (CEO, Total Vision Consulting LLC), Norwood Davis (CFO, 12Stone Church), Thuy Hotle (retired planner, Department of Planning and Development), Asif Jessani (Principal Marketing and Technology Consultant, CCS: Marketing and Technology), Santiago Marquez (President and CEO, Georgia Hispanic Chamber of Commerce), and Keith Roche (Lawrenceville City Councilman and retired business executive). We would like to thank these individuals for their time spent considering the many budget proposals.

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 government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the CFO/Director of Financial Services, Gwinnett County, 75 Langley Drive, Lawrenceville, GA 30046.



BASIC FINANCIAL STATEMENTS

Governmentwide Financial Statements
Fund Financial Statements

STATEMENT OF NET POSITION

December 31, 2019

(in thousands of dollars)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS:				
Cash and cash equivalents	\$ 591,660	223,769	815,429	58,596
Investments	139,919	2,506	142,425	—
Receivables, net of allowance	32,677	34,788	67,465	528
Internal balances	115	(115)	—	—
Due from other governments	69,232	4,656	73,888	1,469
Due from primary government	—	—	—	2,360
Inventories	1,834	3,068	4,902	—
Prepaid items	6,158	482	6,640	11
Restricted assets:				
Cash and cash equivalents	—	31,804	31,804	—
Lease receivable	329	—	329	—
Lease receivable from primary government	—	—	—	137,934
Noncurrent investments	546,731	194,241	740,972	—
Assets held for redevelopment	—	34,936	34,936	—
Capital assets:				
Land and construction in progress	852,180	407,723	1,259,903	—
Other capital assets, net of depreciation	1,785,876	3,591,029	5,376,905	906
Total assets	4,026,711	4,528,887	8,555,598	201,804
DEFERRED OUTFLOWS OF RESOURCES:				
Pension-related deferred outflows	22,154	3,125	25,279	8,015
OPEB-related deferred outflows	10,486	1,500	11,986	3,189
Deferred charge on refunding of bonds	—	9,319	9,319	1,084
Goodwill	—	450	450	—
Total deferred outflows of resources	32,640	14,394	47,034	12,288
LIABILITIES:				
Accounts payable	42,166	38,278	80,444	9,459
Other accrued payables	18,802	2,620	21,422	549
Retainage payable	6,152	10,024	16,176	—
Accrued interest payable	2,360	6,354	8,714	—
Due to others	1,182	320	1,502	—
Due to other governments	240	—	240	—
Customer deposits	—	4,071	4,071	—
Unearned revenue	12	41,553	41,565	43
Long-term liabilities:				
Due within one year	31,581	62,165	93,746	4,939
Due in more than one year	457,881	553,947	1,011,828	220,769
Total liabilities	560,376	719,332	1,279,708	235,759
DEFERRED INFLOWS OF RESOURCES:				
Pension-related deferred inflows	61,115	8,623	69,738	1,272
OPEB-related deferred inflows	12,091	1,731	13,822	8,765
Deferred gain on refunding	—	3,438	3,438	—
Total deferred inflows of resources	73,206	13,792	86,998	10,037
NET POSITION:				
Net investment in capital assets	2,493,968	3,463,383	5,957,351	784
Restricted for:				
Capital projects	649,907	—	649,907	—
Debt service	—	25,869	25,869	—
Special programs	105,767	—	105,767	—
Health programs	—	—	—	7,098
Unrestricted	176,127	320,905	497,032	(39,586)
Total net position	\$ 3,425,769	3,810,157	7,235,926	(31,704)

The notes to the basic financial statements are an integral part of this statement.

STATEMENT OF ACTIVITIES

Year Ended December 31, 2019

(in thousands of dollars)

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-Type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 50,778	12,619	610	11	(37,538)	—	(37,538)	—
Public safety	313,878	46,799	1,618	1,767	(263,694)	—	(263,694)	—
Judiciary	189,966	26,313	4,742	4,252	(154,659)	—	(154,659)	—
Public works	124,018	7,770	79	23,634	(92,535)	—	(92,535)	—
Health and welfare	16,044	156	2,045	217	(13,626)	—	(13,626)	—
Culture and recreation	99,407	5,385	235	6,186	(87,601)	—	(87,601)	—
Housing and development	30,647	10,970	59	8,714	(10,904)	—	(10,904)	—
Tourism	3,981	—	—	—	(3,981)	—	(3,981)	—
Development authority	6,868	—	—	—	(6,868)	—	(6,868)	—
Interest on long-term debt	104	—	—	—	(104)	—	(104)	—
Total governmental activities	835,691	110,012	9,388	44,781	(671,510)	—	(671,510)	—
Business-type activities:								
Water and sewer	254,803	337,573	—	61,555	—	144,325	144,325	—
Airport	1,645	1,072	—	4,093	—	3,520	3,520	—
Economic development	3,253	2,859	—	—	—	(394)	(394)	—
Solid waste	38,079	40,454	—	—	—	2,375	2,375	—
Stormwater	22,954	30,111	651	20,080	—	27,888	27,888	—
Transit	22,512	3,661	6,201	905	—	(11,745)	(11,745)	—
Total business-type activities	343,246	415,730	6,852	86,633	—	165,969	165,969	—
Total primary government	\$ 1,178,937	525,742	16,240	131,414	(671,510)	165,969	(505,541)	—
Component units:	\$ 55,719	8,205	22,058	—	—	—	—	(25,456)
General revenues:								
Property taxes					485,073	—	485,073	—
Sales taxes					172,255	—	172,255	—
Hotel motel taxes					12,059	—	12,059	—
Insurance premium tax					44,783	—	44,783	—
Business taxes					22,135	—	22,135	—
Other taxes					9,003	—	9,003	—
Lease interest income – development authority					—	—	—	6,812
Intergovernmental revenue from primary government, not restricted for specific programs					—	—	—	18,611
Intergovernmental revenue from State of Georgia not restricted for specific programs					—	—	—	1,267
Intergovernmental revenue from the federal government, not restricted for specific programs					—	—	—	81
Investment income					18,908	12,211	31,119	1,316
Miscellaneous					7,986	—	7,986	48
Total general revenues					772,202	12,211	784,413	28,135
Transfers					(18,220)	18,220	—	—
Total general revenues and transfers					753,982	30,431	784,413	28,135
Change in net position					82,472	196,400	278,872	2,679
Net position – beginning					3,343,297	3,613,757	6,957,054	(34,383)
Net position – ending					\$ 3,425,769	3,810,157	7,235,926	(31,704)

The notes to the basic financial statements are an integral part of this statement.

GOVERNMENTAL FUNDS BALANCE SHEET

December 31, 2019

(in thousands of dollars)

	General	Fire and EMS District	Police Services District	Other Capital Projects	2009 Sales Tax	2014 Sales Tax	2017 Sales Tax	Other Governmental Funds	Total
ASSETS:									
Cash and cash equivalents	\$ 130,627	48,800	43,559	125,354	51,987	22,430	71,467	66,091	560,315
Investments	52,266	21,549	44,044	191,021	30,649	87,336	182,167	32,983	642,015
Receivables, net of allowance:									
Taxes	7,011	3,069	1,158	—	—	—	—	1,427	12,665
Accounts	763	6,075	1,364	1,314	2,552	1,328	69	4,611	18,076
Due from other governments	—	—	39,208	—	405	5,904	18,840	4,875	69,232
Inventories	1,113	—	—	—	—	—	—	210	1,323
Prepaid items	311	71	369	—	407	—	—	40	1,198
Total assets	<u>\$ 192,091</u>	<u>79,564</u>	<u>129,702</u>	<u>317,689</u>	<u>86,000</u>	<u>116,998</u>	<u>272,543</u>	<u>110,237</u>	<u>1,304,824</u>
LIABILITIES:									
Accounts payable	\$ 4,024	1,112	1,448	3,710	5,482	4,604	12,154	3,856	36,390
Due to other governments	—	—	—	—	—	—	—	240	240
Payroll payable	7,211	4,154	3,735	—	—	—	—	1,579	16,679
Retainage payable	—	—	—	728	2,764	1,318	1,291	51	6,152
Due to others	121	—	414	—	158	114	9	355	1,171
Total liabilities	<u>11,356</u>	<u>5,266</u>	<u>5,597</u>	<u>4,438</u>	<u>8,404</u>	<u>6,036</u>	<u>13,454</u>	<u>6,081</u>	<u>60,632</u>
DEFERRED INFLOWS OF RESOURCES:									
Unavailable revenue	4,414	5,822	39,934	—	—	—	—	994	51,164
Total deferred inflows of resources	<u>4,414</u>	<u>5,822</u>	<u>39,934</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>994</u>	<u>51,164</u>
FUND BALANCES:									
Nonspendable	1,424	71	369	—	407	—	—	250	2,521
Restricted	—	68,405	83,802	202,260	77,189	110,962	259,089	102,583	904,290
Committed	—	—	—	—	—	—	—	329	329
Assigned	41,968	—	—	110,991	—	—	—	—	152,959
Unassigned	132,929	—	—	—	—	—	—	—	132,929
Total fund balance	<u>176,321</u>	<u>68,476</u>	<u>84,171</u>	<u>313,251</u>	<u>77,596</u>	<u>110,962</u>	<u>259,089</u>	<u>103,162</u>	<u>1,193,028</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 192,091</u>	<u>79,564</u>	<u>129,702</u>	<u>317,689</u>	<u>86,000</u>	<u>116,998</u>	<u>272,543</u>	<u>110,237</u>	<u>1,304,824</u>

The notes to the basic financial statements are an integral part of this statement.

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

December 31, 2019

(in thousands of dollars)

Fund balances – total governmental funds \$ 1,193,028

Amounts reported for governmental activities in the statement of net position are different because:

Long-term accounts receivable are not current financial resources and therefore are not reported in the governmental funds.

Lease receivable	\$ 329	
Long-term accounts receivable	131	
		460

Capital assets are not reported in fund statements.

Capital assets used in government activities are not current financial resources and therefore are not reported in the government funds.

2,635,574

Capital assets used in internal service funds are reported in the governmental activities column of the governmentwide statement of net position.

2,482

2,638,056

Deferred outflows/(inflows) for governmental activities are not current financial resources and therefore are not reported in the governmental funds.

Pension-related deferred outflows	22,154	
OPEB-related deferred outflows	10,486	
Pension-related deferred inflows	(61,115)	
OPEB-related deferred inflows	(12,091)	
		(40,566)

Interest payable on capital lease to component unit is not accrued in the fund statements.

(2,360)

Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported in the governmental funds.

Lease payable to component unit	(137,934)	
Accrued leave	(28,309)	
Estimated claims payable	(15,400)	
Net pension liability is not recorded on the fund financial statements.	(253,301)	
Net OPEB liability is not recorded on the fund financial statements.	(54,518)	

(489,462)

continued...

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION – *Continued*

Revenue deferred in the governmental funds due to availability criteria is susceptible to full accrual on the governmentwide statements.

Property tax	7,920	
Insurance premium tax	39,208	
Public safety – EMS	3,849	
Special assessments	187	
	<hr/>	51,164

Internal service funds are used to charge the cost of group insurance, risk management, fleet management, and administrative support services to individual funds. Assets and liabilities of these funds are included in governmental activities in the statement of net position.

Internal service funds net position	29,405	
Less items accounted for above:		
Capital assets	(2,482)	
Pension-related deferred outflows	(1,700)	
OPEB-related deferred outflows	(1,260)	
Net pension liability	19,436	
Net OPEB liability	6,555	
Plus accrued leave already accounted for above	3,839	
Plus claims payable already accounted for above	15,400	
Pension-related deferred inflows	4,689	
OPEB-related deferred inflows	1,452	
Plus amount due from enterprise funds	115	
	<hr/>	75,449

Net position of governmental activities	<hr/> <hr/>	\$ 3,425,769
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The notes to the basic financial statements are an integral part of this statement.

GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Year Ended December 31, 2019

(in thousands of dollars)

	General	Fire and EMS District	Police Services District	Other Capital Projects	2009 Sales Tax	2014 Sales Tax	2017 Sales Tax	Other Governmental Funds	Total
REVENUES:									
Taxes	\$ 291,353	106,561	113,841	—	—	—	172,255	58,134	742,144
Permits and licenses	286	946	4,406	—	—	—	—	4,766	10,404
Intergovernmental	4,067	831	321	—	5,287	3,951	8,665	17,473	40,595
Charges for services	29,465	17,439	1,120	—	—	—	—	40,011	88,035
Fines and forfeitures	3,331	—	6,942	—	—	—	—	1,266	11,539
Investment income	2,857	999	1,969	8,663	2,613	4,035	6,925	1,904	29,965
Miscellaneous	2,973	191	550	1,156	9	74	65	2,985	8,003
Total revenues	<u>334,332</u>	<u>126,967</u>	<u>129,149</u>	<u>9,819</u>	<u>7,909</u>	<u>8,060</u>	<u>187,910</u>	<u>126,539</u>	<u>930,685</u>
EXPENDITURES:									
Current operating:									
General government	28,526	—	—	—	—	—	—	—	28,526
Public safety	22,531	109,576	104,425	—	—	—	—	16,953	253,485
Judiciary	164,613	—	4,162	—	—	—	—	1,730	170,505
Public works	20,899	—	—	—	—	—	—	8,265	29,164
Health and welfare	13,215	—	—	—	—	—	—	—	13,215
Culture and recreation	23,273	—	—	—	—	—	—	36,999	60,272
Housing and development	2,800	665	1,538	—	—	—	—	10,041	15,044
Tourism	—	—	—	—	—	—	—	3,981	3,981
Development authority	—	—	—	—	—	—	—	11,050	11,050
Grant programs	—	—	—	—	—	—	—	15,627	15,627
Capital outlay	382	239	78	98,775	42,047	50,514	73,231	2,264	267,530
Debt service	—	—	—	—	—	—	—	4,254	4,254
Intergovernmental	109	—	—	—	—	—	36,587	4,099	40,795
Total expenditures	<u>276,348</u>	<u>110,480</u>	<u>110,203</u>	<u>98,775</u>	<u>42,047</u>	<u>50,514</u>	<u>109,818</u>	<u>115,263</u>	<u>913,448</u>
Revenues in excess of (less than) expenditures	<u>57,984</u>	<u>16,487</u>	<u>18,946</u>	<u>(88,956)</u>	<u>(34,138)</u>	<u>(42,454)</u>	<u>78,092</u>	<u>11,276</u>	<u>17,237</u>
OTHER FINANCING SOURCES (USES):									
Transfers in	8,907	3,057	1,529	52,041	—	—	—	636	66,170
Transfers out	(49,812)	(8,849)	(5,466)	(3,450)	—	—	—	(16,228)	(83,805)
Capital lease proceeds	—	—	—	42,491	—	—	—	—	42,491
Other financing sources (uses), net	<u>(40,905)</u>	<u>(5,792)</u>	<u>(3,937)</u>	<u>91,082</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(15,592)</u>	<u>24,856</u>
Net change in fund balances	17,079	10,695	15,009	2,126	(34,138)	(42,454)	78,092	(4,316)	42,093
Fund balances – January 1	159,242	57,781	69,162	311,125	111,734	153,416	180,997	107,478	1,150,935
Fund balances – December 31	<u>\$ 176,321</u>	<u>68,476</u>	<u>84,171</u>	<u>313,251</u>	<u>77,596</u>	<u>110,962</u>	<u>259,089</u>	<u>103,162</u>	<u>1,193,028</u>

The notes to the basic financial statements are an integral part of this statement.

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended December 31, 2019

(in thousands of dollars)

Net change in fund balances – total governmental funds	\$ 42,093
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays reported in the governmental funds exceed depreciation expense recorded in the statement of activities as follows:	
Capital expenditures – general	\$ 267,530
Capital expenditures reclassified as expense	(65,238)
Depreciation expense – general capital assets	(102,676)
	<hr/>
	99,616
Contributions of capital assets are not recorded in governmental funds.	8,678
The loss on disposition of capital assets is not reported in the fund statements.	(422)
Retirement of bonded debt is reported as an expenditure in the fund statements but represents a reduction of liability balances on the governmentwide statement of net position.	4,150
The current years change in the net pension liability and the related deferred inflows and outflows of resources increases net expenses of pensionable functions on the governmentwide statements.	(34,469)
The current years change in the net OPEB liability and the related deferred inflows and outflows of resources increases net expenses of pensionable functions on the governmentwide statements.	(198)
Accrued interest payable to component unit is not included on the fund financial statements.	227
Lease payments to the Development Authority are reported as expenditures in the fund statement and as a reduction of the lease payable in the governmentwide statements.	3,956
Internal Service funds are used to charge the cost of insurance, fleet, and administrative services activities to individual funds. A part of the net revenue of the internal service funds is reported with governmental activities.	219
Accrued expenses related to compensated absences are not reported in the fund statements.	(2,032)
Proceeds on lease payable to the Development Authority are reported as revenue in the fund statements and as an increase in lease payable in the governmentwide statements.	(42,491)
Capital lease revenue from View Point Health is reported as revenue for governmental activities and as a reduction of capital lease receivable in the governmentwide statements.	(43)
Some revenue earned is deferred in the governmental funds due to availability criteria.	3,188
Change in net position of governmental activities	<hr/> <u>\$ 82,472</u>

The notes to the basic financial statements are an integral part of this statement.

GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – Budget and Actual (Budget Basis)

Year Ended December 31, 2019

(in thousands of dollars)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (non-GAAP budget basis)</u>	<u>Variance-positive (negative)</u>
REVENUES:				
Taxes	\$ 254,281	280,075	291,353	11,278
Permits and licenses	363	363	286	(77)
Intergovernmental	3,789	3,789	4,067	278
Charges for services	28,434	29,049	29,465	416
Fines and forfeitures	3,669	3,669	3,331	(338)
Investment income	1,728	1,728	2,366	638
Miscellaneous	1,410	1,932	2,973	1,041
Total revenues	<u>293,674</u>	<u>320,605</u>	<u>333,841</u>	<u>13,236</u>
EXPENDITURES:				
Current operating:				
General government:				
Board of Commissioners	1,321	1,348	1,239	109
County administration	1,402	725	228	497
Financial services	9,703	9,014	8,648	366
Tax commissioner	14,315	14,280	13,715	565
Support services	113	162	143	19
Total general government	<u>26,854</u>	<u>25,529</u>	<u>23,973</u>	<u>1,556</u>
Public safety:				
Police services	2,346	2,395	2,192	203
Correctional services	17,874	17,244	16,775	469
Total public safety	<u>20,220</u>	<u>19,639</u>	<u>18,967</u>	<u>672</u>
Judiciary:				
Courts	48,226	53,822	50,542	3,280
District attorney	16,131	16,185	15,369	816
Sheriff	98,822	100,579	93,781	6,798
Solicitor	5,649	5,572	5,160	412
Total judiciary	<u>168,828</u>	<u>176,158</u>	<u>164,852</u>	<u>11,306</u>
Public works	<u>21,602</u>	<u>21,707</u>	<u>20,936</u>	<u>771</u>

continued...

GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – Budget and Actual (Budget Basis) – *Continued*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (non-GAAP budget basis)</u>	<u>Variance-positive (negative)</u>
Health and welfare:				
Physical health	1,575	1,575	1,575	—
Indigent medical care	225	225	225	—
Gwinnett Sexual Assault Center	200	200	200	—
Various subsidized agencies	2,793	2,793	2,700	93
General community services	17,461	17,257	15,889	1,368
Total health and welfare	<u>22,254</u>	<u>22,050</u>	<u>20,589</u>	<u>1,461</u>
Culture and recreation:				
Library	19,388	19,410	19,369	41
Total culture and recreation	<u>19,388</u>	<u>19,410</u>	<u>19,369</u>	<u>41</u>
Housing and development:				
Planning and development	734	730	680	50
Total housing and development	<u>734</u>	<u>730</u>	<u>680</u>	<u>50</u>
Miscellaneous	<u>18,170</u>	<u>10,384</u>	<u>6,982</u>	<u>3,402</u>
Total expenditures	<u>298,050</u>	<u>295,607</u>	<u>276,348</u>	<u>19,259</u>
Revenues in excess of (less than) expenditures	<u>(4,376)</u>	<u>24,998</u>	<u>57,493</u>	<u>32,495</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	165	8,702	8,907	205
Transfers out	(37,978)	(49,812)	(49,812)	—
Other financing sources (uses), net	<u>(37,813)</u>	<u>(41,110)</u>	<u>(40,905)</u>	<u>205</u>
Revenues and other financing sources more (less) than expenditures and other financing uses	<u>(42,189)</u>	<u>(16,112)</u>	<u>16,588</u>	<u>32,700</u>
Fund balance allocation	<u>42,189</u>	<u>16,112</u>	<u>—</u>	<u>(16,112)</u>
Fund balance – January 1	<u>—</u>	<u>—</u>	<u>159,740</u>	<u>159,740</u>
Fund balance – December 31	<u>\$ —</u>	<u>—</u>	<u>176,328</u>	<u>176,328</u>

The notes to the basic financial statements are an integral part of this statement.

FIRE AND EMS DISTRICT FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – Budget and Actual (Budget Basis)

Year Ended December 31, 2019

(in thousands of dollars)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (non-GAAP budget basis)</u>	<u>Variance-positive (negative)</u>
REVENUES:				
Taxes	\$ 100,603	102,027	106,561	4,534
Permits and licenses	855	855	946	91
Intergovernmental	679	689	831	142
Charges for services	15,555	15,555	17,439	1,884
Investment income	519	519	923	404
Miscellaneous	2	2	191	189
Total revenues	<u>118,213</u>	<u>119,647</u>	<u>126,891</u>	<u>7,244</u>
EXPENDITURES:				
Current operating:				
Public safety:				
Fire and emergency services	<u>117,187</u>	<u>115,445</u>	<u>109,815</u>	<u>5,630</u>
Total public safety	<u>117,187</u>	<u>115,445</u>	<u>109,815</u>	<u>5,630</u>
Housing and development:				
Planning and development	<u>792</u>	<u>717</u>	<u>665</u>	<u>52</u>
Total housing and development	<u>792</u>	<u>717</u>	<u>665</u>	<u>52</u>
Miscellaneous	<u>1,280</u>	<u>1,280</u>	<u>—</u>	<u>1,280</u>
Total expenditures	<u>119,259</u>	<u>117,442</u>	<u>110,480</u>	<u>6,962</u>
Revenues in excess of (less than) expenditures	<u>(1,046)</u>	<u>2,205</u>	<u>16,411</u>	<u>14,206</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	3,105	3,057	3,057	—
Transfers out	<u>(6,810)</u>	<u>(8,869)</u>	<u>(8,849)</u>	<u>20</u>
Other financing sources (uses), net	<u>(3,705)</u>	<u>(5,812)</u>	<u>(5,792)</u>	<u>20</u>
Revenues and other financing sources more (less) than expenditures and other financing uses	<u>(4,751)</u>	<u>(3,607)</u>	<u>10,619</u>	<u>14,226</u>
Fund balance allocation	<u>4,751</u>	<u>3,607</u>	<u>—</u>	<u>(3,607)</u>
Fund balance – January 1	<u>—</u>	<u>—</u>	<u>57,822</u>	<u>57,822</u>
Fund balance – December 31	<u>\$ —</u>	<u>—</u>	<u>68,441</u>	<u>68,441</u>

The notes to the basic financial statements are an integral part of this statement.

POLICE SERVICES DISTRICT FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – Budget and Actual (Budget Basis)

Year Ended December 31, 2019

(in thousands of dollars)

	Original Budget	Final Budget	Actual (non-GAAP budget basis)	Variance-positive (negative)
REVENUES:				
Taxes	\$ 97,343	110,843	113,841	2,998
Permits and licenses	4,125	4,125	4,406	281
Intergovernmental	286	286	321	35
Charges for services	1,084	1,084	1,120	36
Fines and forfeitures	7,900	7,900	6,942	(958)
Investment income	920	920	1,443	523
Miscellaneous	319	319	550	231
Total revenues	111,977	125,477	128,623	3,146
EXPENDITURES:				
Current operating:				
Public safety:				
Police services	114,478	114,201	104,503	9,698
Total public safety	114,478	114,201	104,503	9,698
Judiciary:				
Courts	1,701	1,629	1,379	250
Solicitor	697	695	548	147
Recorder's court	2,057	2,266	2,235	31
Total judiciary	4,455	4,590	4,162	428
Housing and development:				
Planning and development	1,439	1,636	1,538	98
Total housing and development	1,439	1,636	1,538	98
Miscellaneous	3,552	3,234	–	3,234
Total expenditures	123,924	123,661	110,203	13,458
Revenues in excess of (less than) expenditures	(11,947)	1,816	18,420	16,604
OTHER FINANCING SOURCES (USES):				
Transfers in	1,552	1,528	1,529	1
Transfers out	(5,426)	(5,475)	(5,466)	9
Other financing sources (uses), net	(3,874)	(3,947)	(3,937)	10
Revenues and other financing sources more (less) than expenditures and other financing uses	(15,821)	(2,131)	14,483	16,614
Fund balance allocation	15,821	2,131	–	(2,131)
Fund balance – January 1	–	–	69,666	69,666
Fund balance – December 31	\$ –	–	84,149	84,149

The notes to the basic financial statements are an integral part of this statement.

PROPRIETARY FUNDS STATEMENT OF NET POSITION

December 31, 2019

(in thousands of dollars)

	Enterprise Funds				
	Water and Sewerage	Stormwater	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
ASSETS:					
Current assets:					
Cash and cash equivalents	\$ 145,160	28,184	50,425	223,769	31,345
Investments	2,506	—	—	2,506	70
Accounts receivable, net of allowance	32,195	1,225	1,368	34,788	1,805
Due from other governments	—	804	3,852	4,656	—
Inventories	3,068	—	—	3,068	511
Prepaid items	426	6	50	482	4,960
Restricted cash and cash equivalents	31,804	—	—	31,804	—
Total current assets	215,159	30,219	55,695	301,073	38,691
Noncurrent assets:					
Investments	136,484	16,374	41,383	194,241	44,565
Assets held for redevelopment	—	—	34,936	34,936	—
Land and construction in progress	370,111	11,317	26,295	407,723	91
Other capital assets, net of depreciation	3,053,779	513,165	24,085	3,591,029	2,391
Total noncurrent assets	3,560,374	540,856	126,699	4,227,929	47,047
Total assets	3,775,533	571,075	182,394	4,529,002	85,738
DEFERRED OUTFLOWS OF RESOURCES:					
Pension-related deferred outflows	2,843	252	30	3,125	1,700
OPEB-related deferred outflows	1,313	143	44	1,500	1,260
Deferred charge on refunding of bonds	9,319	—	—	9,319	—
Goodwill	450	—	—	450	—
Total deferred outflows of resources	13,925	395	74	14,394	2,960
LIABILITIES:					
Current liabilities:					
Accounts payable	28,221	3,304	6,753	38,278	5,776
Payroll payable	2,321	215	84	2,620	2,123
Retainage payable	9,539	12	473	10,024	—
Accumulated leave benefits – current	2,310	189	83	2,582	2,311
Estimated claims payable – current	—	—	—	—	7,470

continued...

PROPRIETARY FUNDS STATEMENT OF NET POSITION – *Continued*

	Enterprise Funds				Internal Service Funds
	Water and Sewerage	Stormwater	Other Enterprise Funds	Total Enterprise Funds	
Current liabilities (<i>continued</i>):					
Customer deposits payable	4,071	–	–	4,071	–
Accrued interest payable – from restricted assets	5,935	–	419	6,354	–
Due to others	–	298	22	320	11
Notes payable – current	2,702	261	–	2,963	–
Revenue bonds payable – current – from restricted assets	55,330	–	1,290	56,620	–
Unearned revenue	48	–	41,505	41,553	12
Total current liabilities	110,477	4,279	50,629	165,385	17,703
Noncurrent liabilities:					
Accumulated leave benefits	1,346	119	55	1,520	1,528
Estimated claims payable	–	–	–	–	7,930
Notes payable	28,144	3,209	–	31,353	–
Revenue bonds payable	445,018	–	32,515	477,533	–
Net pension liability	32,506	2,884	348	35,738	19,436
Net OPEB liability	6,830	743	230	7,803	6,555
Total noncurrent liabilities	513,844	6,955	33,148	553,947	35,449
Total liabilities	624,321	11,234	83,777	719,332	53,152
DEFERRED INFLOWS OF RESOURCES:					
Pension-related deferred inflows	7,843	696	84	8,623	4,689
OPEB-related deferred inflows	1,515	165	51	1,731	1,452
Deferred gain on refunding	3,438	–	–	3,438	–
Total deferred inflows of resources	12,796	861	135	13,792	6,141
NET POSITION:					
Net investment in capital assets	2,892,476	521,000	49,907	3,463,383	2,482
Restricted for debt service	25,869	–	–	25,869	–
Unrestricted	233,996	38,375	48,649	321,020	26,923
Total net position	\$ 3,152,341	559,375	98,556	3,810,272	29,405
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds				(115)	
Net position of business-type activities				\$ 3,810,157	

The notes to the basic financial statements are an integral part of this statement.

PROPRIETARY FUNDS STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

Year Ended December 31, 2019

(in thousands of dollars)

	Enterprise Funds				Internal Service Funds
	Water and Sewerage	Stormwater	Other Enterprise Funds	Total Enterprise Funds	
OPERATING REVENUES:					
Residential and commercial service	\$ 322,044	—	—	322,044	—
Wholesale service	6,231	—	—	6,231	—
Public fire protection charges	717	—	—	717	—
Connection charges	1,428	—	—	1,428	—
Operating lease income and rental income from individual hangars	—	—	986	986	—
Charges to other funds	—	—	—	—	141,931
Employee contributions	—	—	—	—	6,805
User fees and charges	—	30,059	46,937	76,996	—
Miscellaneous	7,153	52	72	7,277	3,122
Total operating revenues	<u>337,573</u>	<u>30,111</u>	<u>47,995</u>	<u>415,679</u>	<u>151,858</u>
OPERATING EXPENSES:					
Water production	14,782	—	—	14,782	—
Distribution and collection	38,534	—	—	38,534	—
Engineering	7,076	—	—	7,076	—
Reclamation	41,671	—	—	41,671	—
Vehicle maintenance and repair	—	—	—	—	3,362
Benefit claims	—	—	—	—	35,121
Insurance premiums	—	—	—	—	29,715
Depreciation and amortization	93,342	12,358	4,026	109,726	838
Transit operations	—	—	18,987	18,987	—
General and administrative	41,081	9,743	41,206	92,030	83,532
Total operating expenses	<u>236,486</u>	<u>22,101</u>	<u>64,219</u>	<u>322,806</u>	<u>152,568</u>
Operating income (loss)	<u>101,087</u>	<u>8,010</u>	<u>(16,224)</u>	<u>92,873</u>	<u>(710)</u>
NON-OPERATING REVENUES (EXPENSES):					
Intergovernmental	—	651	6,201	6,852	—
Investment earnings	9,056	954	2,201	12,211	2,514
Interest expense	(18,544)	(108)	(1,336)	(19,988)	—
Gain (loss) on disposal of capital assets	(641)	(848)	50	(1,439)	38
Total non-operating revenues (expenses)	<u>(10,129)</u>	<u>649</u>	<u>7,116</u>	<u>(2,364)</u>	<u>2,552</u>
Income (loss) before transfers and contributions	<u>90,958</u>	<u>8,659</u>	<u>(9,108)</u>	<u>90,509</u>	<u>1,842</u>
Capital contributions	61,555	20,080	4,998	86,633	—
Transfers in	2	—	18,383	18,385	25
Transfers out	(165)	—	—	(165)	(610)
Change in net position	<u>152,350</u>	<u>28,739</u>	<u>14,273</u>	<u>195,362</u>	<u>1,257</u>
Net position – January 1	<u>2,999,991</u>	<u>530,636</u>	<u>84,283</u>		<u>28,148</u>
Net position – December 31	<u>\$ 3,152,341</u>	<u>559,375</u>	<u>98,556</u>		<u>29,405</u>
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds				1,038	
Change in net position of business-type activities				<u>\$ 196,400</u>	

The notes to the basic financial statements are an integral part of this statement.

The background is a solid green color. There are two abstract white lines: one is a thick, curved line that starts from the bottom left and curves upwards and to the right; the other is a thinner, straight line that starts from the top left and curves downwards and to the right. They intersect in the upper left quadrant.

DID YOU KNOW

In 2019, Water Resources reached more than 15,500 students and residents with water quality and conservation educational programs such as Water on Wheels and other community workshops.

PROPRIETARY FUNDS STATEMENT OF CASH FLOWS

Year Ended December 31, 2019

(in thousands of dollars)

	Enterprise Funds				
	Water and Sewerage	Stormwater	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers	\$ 337,965	30,143	50,282	418,390	151,846
Cash payments to suppliers for goods and services	(83,856)	(4,708)	(58,216)	(146,780)	(40,378)
Cash payments to employees for services	(51,555)	(5,021)	(1,686)	(58,262)	(45,479)
Claims and premiums paid	—	—	—	—	(63,105)
Net cash flows provided/(required) by operating activities	202,554	20,414	(9,620)	213,348	2,884
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Operating grants	—	(132)	8,351	8,219	—
Transfers from other funds	2	—	18,383	18,385	25
Transfers (to) other funds	(165)	—	—	(165)	(610)
Net cash provided/(required) by noncapital activities	(163)	(132)	26,734	26,439	(585)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital grants	—	—	3,105	3,105	—
Acquisition and construction of capital assets	(184,292)	(22,177)	(6,731)	(213,200)	(1,474)
Proceeds from sale of capital assets	138	5	51	194	38
Principal payments – revenue bonds	(56,300)	—	(1,630)	(57,930)	—
Proceeds from refunding bond issuance	153,137	—	—	153,137	—
Payment of bond issue costs	(656)	—	—	(656)	—
Payments to escrow agent	(154,590)	—	—	(154,590)	—
Principal payments – notes payable	(2,623)	(253)	—	(2,876)	—
Interest paid	(19,397)	(108)	(917)	(20,422)	—
Capital contributed by others	24,959	—	—	24,959	—
Net cash (required) by capital and related financing activities	(239,624)	(22,533)	(6,122)	(268,279)	(1,436)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from the sale of investments	156,834	32,803	18,481	208,118	31,830
Purchase of investments	(73,042)	(16,821)	(26,094)	(115,957)	(23,701)
Investment earnings	6,351	794	1,587	8,732	1,535
Net cash provided/(required) by investing activities	90,143	16,776	(6,026)	100,893	9,664
Net increase in cash and cash equivalents	52,910	14,525	4,966	72,401	10,527

continued...

PROPRIETARY FUNDS STATEMENT OF CASH FLOWS – *Continued*

	Enterprise Funds				Internal Service Funds
	Water and Sewerage	Stormwater	Other Enterprise Funds	Total Enterprise Funds	
Cash and cash equivalents at beginning of year	124,054	13,659	45,459	183,172	20,818
Cash and cash equivalents at end of year	\$ 176,964	28,184	50,425	255,573	31,345
Reconciliation of operating income (loss) to net cash provided/(required) by operating activities:					
CASH FLOWS FROM OPERATING ACTIVITIES:					
Operating income (loss)	\$ 101,087	8,010	(16,224)	92,873	(710)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation and amortization	93,342	12,358	4,026	109,726	838
CHANGE IN ASSETS AND LIABILITIES:					
Changes in net pension liability and related deferred inflows of resources	7,435	(532)	(182)	6,721	1,627
Changes in net OPEB liability and related deferred inflows of resources	124	(143)	8	(11)	233
(Increase) decrease in receivables	341	31	(168)	204	(6)
(Increase) decrease in inventories	443	—	—	443	(53)
(Increase) decrease in prepaid items	(336)	22	(50)	(364)	(1,428)
Increase (decrease) in payables	(702)	631	551	480	(27)
Increase in payroll payables	767	17	—	784	—
Increase (decrease) in unearned revenue	(22)	—	2,459	2,437	—
Increase (decrease) in other liabilities	75	20	(40)	55	2,410
Net cash provided/(required) by operating activities	\$ 202,554	20,414	(9,620)	213,348	2,884
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:					
Increase (decrease) amounts due from other governments	\$ —	783	(257)	526	—
Loss on disposal of capital assets	(779)	(853)	(1)	(1,633)	—
(Increase) decrease accrued interest	1,509	—	(419)	1,090	—
Capital contributed by others	36,596	20,080	—	56,676	—
Amortization of bond premium and deferred items on refunding	(656)	—	—	(656)	—
Increase in fair value of investments not classified as cash and cash equivalents	2,705	160	614	3,479	979

The notes to the basic financial statements are an integral part of this statement.

FIDUCIARY FUNDS STATEMENT OF FIDUCIARY NET POSITION

December 31, 2019

(in thousands of dollars)

	<u>Custodial Funds</u>	<u>Pension and OPEB Trust Funds</u>
ASSETS:		
Cash and cash equivalents	\$ 44,496	28,119
Investments, at fair value:		
U.S. treasury bonds	—	77,255
Asset-backed securities	—	18,078
U.S. governmental agencies	—	57,453
Commercial mortgage-backed securities	—	12,311
Corporate bonds	—	135,027
Collateralized mortgage obligations	—	19,877
Corporate equities	—	777,319
International equities	—	178,441
Preferred stock	—	4,565
Total investments	<u>—</u>	<u>1,280,326</u>
Securities lending collateral investment pool	—	78,433
Contributions receivable from employer	—	530
Prepaid assets	—	6,377
Taxes receivable	23,473	—
Total assets	<u>\$ 67,969</u>	<u>1,393,785</u>
LIABILITIES:		
Accounts payable	\$ —	2,821
Liability for securities lending agreement	—	78,433
Due to others	58,654	—
Total liabilities	<u>\$ 58,654</u>	<u>81,254</u>
NET POSITION:		
Net position – restricted for pension benefits	\$ —	1,149,166
Net position – restricted for OPEB	—	163,365
Net position – restricted for individuals, organizations, and other governments	9,315	—
Total net position	<u>\$ 9,315</u>	<u>1,312,531</u>

The notes to the basic financial statements are an integral part of this statement.

FIDUCIARY FUNDS STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Year Ended December 31, 2019

(in thousands of dollars)

	Custodial Funds	Pension and OPEB Trust Funds
ADDITIONS:		
Contributions:		
Employer	\$ —	53,530
Employee	—	6,176
Total contributions	—	59,706
Investment income:		
Net increase in the fair value of investments	—	220,024
Securities lending income	—	89
Interest and dividends	—	27,318
	—	247,431
Less – Investment expense	—	(5,022)
Securities lending expense	—	(15)
Net investment income	—	242,394
Taxes collected for other agencies	1,472,831	—
Court fees collected for other agencies	110,446	—
Court individual cases	15,046	—
Sheriff fees collected	7,433	—
Sheriff inmate account	3,868	—
Corrections inmate account	359	—
Total additions	1,609,983	302,100
DEDUCTIONS:		
Benefits paid	—	84,161
Insurance premiums	—	1,848
Administrative expenses	—	1,314
Payments of court fees to other agencies	110,445	—
Payments to others	14,737	—
Payments of taxes to other agencies	1,472,831	—
Payments of Sheriff fees to agencies	7,433	—
Payments from inmates to others	4,189	—
Total deductions	1,609,635	87,323
Net increase in fiduciary net position	348	214,777
Net position – beginning of year	8,967	1,097,754
Net positions – end of year	\$ 9,315	1,312,531

The notes to the basic financial statements are an integral part of this statement.

COMPONENT UNITS COMBINING STATEMENT OF NET POSITION

December 31, 2019

(in thousands of dollars)

	<u>Public Library</u>	<u>Development Authority</u>	<u>Health Department</u>	<u>Total</u>
ASSETS:				
Current assets:				
Cash and cash equivalents	\$ 7,606	36,063	14,927	58,596
Receivables, net of allowance	528	—	—	528
Lease receivable from primary government, current portion	—	4,110	—	4,110
Due from primary government	—	2,360	—	2,360
Due from other governments	—	—	1,469	1,469
Prepaid expense	—	—	11	11
Total current assets	<u>8,134</u>	<u>42,533</u>	<u>16,407</u>	<u>67,074</u>
Noncurrent assets:				
Lease receivable from primary government	—	133,824	—	133,824
Capital assets, net of depreciation	550	—	356	906
Total noncurrent assets	<u>550</u>	<u>133,824</u>	<u>356</u>	<u>134,730</u>
Total assets	<u>8,684</u>	<u>176,357</u>	<u>16,763</u>	<u>201,804</u>
DEFERRED OUTFLOWS OF RESOURCES:				
Pension experience differences	928	—	544	1,472
Pension assumption changes	1,581	—	824	2,405
Proportionate share of pension contributions	97	—	155	252
Pension contributions subsequent to the measurement date	1,025	—	2,861	3,886
OPEB experience differences	—	—	12	12
OPEB assumption changes	404	—	59	463
OPEB investment differences	25	—	235	260
Proportionate share of OPEB contributions	23	—	159	182
OPEB contributions subsequent to the measurement date	213	—	2,059	2,272
Deferred charge on refunding of bonds	—	1,084	—	1,084
Total deferred outflows of resources	<u>4,296</u>	<u>1,084</u>	<u>6,908</u>	<u>12,288</u>

continued...

COMPONENT UNITS COMBINING STATEMENT OF NET POSITION – *Continued*

	Public Library	Development Authority	Health Department	Total
LIABILITIES:				
Current liabilities:				
Accounts payable	790	7,716	953	9,459
Accrued salaries and related payments	549	—	—	549
Unearned revenue	—	—	43	43
Total current liabilities	<u>1,339</u>	<u>7,716</u>	<u>996</u>	<u>10,051</u>
Noncurrent liabilities:				
Due within one year	117	4,110	712	4,939
Due in more than one year	29,032	164,528	27,209	220,769
Total noncurrent liabilities	<u>29,149</u>	<u>168,638</u>	<u>27,921</u>	<u>225,708</u>
Total liabilities	<u>30,488</u>	<u>176,354</u>	<u>28,917</u>	<u>235,759</u>
DEFERRED INFLOWS OF RESOURCES:				
Pension experience differences	5	—	—	5
Pension investment differences	392	—	403	795
Proportionate share of pension contributions	472	—	—	472
OPEB experience differences	1,267	—	801	2,068
OPEB assumption changes	1,642	—	3,691	5,333
OPEB investment differences	—	—	189	189
Proportionate share of OPEB contributions	1,131	—	44	1,175
Total deferred inflows of resources	<u>4,909</u>	<u>—</u>	<u>5,128</u>	<u>10,037</u>
NET POSITION:				
Net investment in capital assets	428	—	356	784
Restricted for health programs	—	—	7,098	7,098
Unrestricted	(22,845)	1,087	(17,828)	(39,586)
Total net position	<u>\$ (22,417)</u>	<u>1,087</u>	<u>(10,374)</u>	<u>(31,704)</u>

The notes to the basic financial statements are an integral part of this statement.

COMPONENT UNITS COMBINING STATEMENT OF ACTIVITIES

Year Ended December 31, 2019

(in thousands of dollars)

	Expenses	Program Revenues		Public Library Total	Development Authority Total	Health Department Total	Total
		Charges for Services	Operating Grants and Contributions				
Public library	\$ 24,152	990	455	(22,707)	—	—	(22,707)
Development authority	7,277	690	—	—	(6,587)	—	(6,587)
Health department	24,290	6,525	21,603	—	—	3,838	3,838
Total component units	\$ 55,719	8,205	22,058	(22,707)	(6,587)	3,838	(25,456)
General Revenues:							
Lease interest income – development authority				—	6,812	—	6,812
Intergovernmental revenue from primary government, not restricted for specific programs				18,611	—	—	18,611
Intergovernmental revenue from State of Georgia, not restricted for specific programs				1,267	—	—	1,267
Intergovernmental revenue from the federal government, not restricted for specific programs				81	—	—	81
Investment income				59	1,257	—	1,316
Miscellaneous				16	32	—	48
Total general revenues				20,034	8,101	—	28,135
Change in net position				(2,673)	1,514	3,838	2,679
Net position – beginning				(19,744)	(427)	(14,212)	(34,383)
Net position – ending				\$ (22,417)	1,087	(10,374)	(31,704)

The notes to the basic financial statements are an integral part of this statement.

DID YOU KNOW

In 2019, the County's E-911 center dispatched 729,502 police calls and 96,521 fire calls.



NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

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NOTE 1.

Summary of Significant Accounting Policies

The financial statements of Gwinnett County, Georgia, have been prepared in conformity with Generally Accepted Accounting Principles as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the County are described below:

A. Reporting entity

The County operates under a Commission-County Administrator form of government. As required by GAAP, the financial statements of the reporting entity include those of 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 and financial relationships with the County. In conformity with GAAP, as set forth in the Statement of Governmental Accounting Standard No. 14, "The Financial Reporting Entity," as amended by GASB Statements No. 39, 61, 80, 84, and 85, the component units' financial statements have been included as blended or discretely presented component units. Blended component units, although legally separate entities, are in substance part of the County's operations, so financial data from these units are combined with the financial data of the primary government. Each discretely presented component unit, on the other hand, is reported separately in the governmentwide financial statements to emphasize that it is legally separate from the County. The component units' financial information disclosed within the governmentwide financial statements reflects the most recently audited financial statements. The following is a brief review of each component unit addressed in defining the government's reporting entity.

Included with the reporting entity as Blended Component Units:

The **Airport Authority**, consisting of a five-member board, is appointed by the governing authority of the County. The Airport Authority provides a means to issue revenue bonds for airport facilities. Although it is legally separate from the County, the Airport Authority is reported as if it were part of the primary government because its sole purpose is to finance, construct, equip, and maintain the County airport facility. Bond issuance authorizations are approved by the County, and the County is legally obligated to provide resources in case there are deficiencies in debt service payments. At December 31, 2019, the authority had no assets, liabilities, or fund equity. In addition, during 2019, the authority had no revenues or expenses.

The **Public Facilities Authority**, consisting of a three-member board, is appointed by the governing authority of the County. The Public Facilities Authority provides a means to issue revenue bonds. Although it is legally separate from the County, the authority is reported as if it were a part of the primary government because its sole purpose is to finance, construct, equip, expand, and maintain County fire station facilities. Bond issuance authorizations are approved by the County, and the County is legally obligated to provide resources in case there are deficiencies in debt service payments. At December 31, 2019, the authority had no assets, liabilities, or fund equity. In addition, during 2019, the authority had no revenues or expenses.

The **Recreation Authority**, consisting of a nine-member board, is appointed by the governing authority of the County. The Recreation Authority provides a means to issue revenue bonds for park facilities. Although it is legally separate from the County, the Recreation Authority is reported as if it were a part of the primary government because its sole purpose is to finance, construct, equip, and expand County park facilities. Bond issuance authorizations are approved by the County's governing authority, and the County is legally obligated to provide resources in case there are deficiencies in debt service payments. At December 31, 2019, the authority had no assets, liabilities, or fund equity. In addition, during 2019, the authority had no revenues or expenses.

The **Stormwater Authority**, consisting of a seven-member board, is appointed by the governing authority of the County. The Stormwater Authority provides a means to issue revenue bonds for stormwater infrastructure. Although it is legally separate from the County, the Stormwater Authority is reported as if it were a part of the primary government because its sole purpose is to finance, construct, expand, improve, and maintain stormwater management systems and facilities for the County.

Bond issuance authorizations are approved by the governing authority of the County, and the County is legally obligated to provide resources in case there are deficiencies in debt service payments and resources are not available from any other remedies. At December 31, 2019, the authority had no assets, liabilities, or fund equity. In addition, during 2019, the authority had no revenues or expenses.

The **Urban Redevelopment Agency** consists of a five-member board that is the same as the governing board of the County. The Urban Redevelopment Agency provides a means to issue revenue bonds. Although it is legally separate from the County, the authority is reported as if it were a part of the primary government because its sole purpose is to finance, construct, equip, and expand facilities and infrastructure for County redevelopment purposes, and its board is made up of members of the governing board of the County. Bond issuance authorizations are approved by the County, and the County is legally obligated to provide resources in case there are deficiencies in debt service payments. The 2019 activity of the Urban Redevelopment Agency included debt service on bonds issued for redevelopment. This activity is reported in the Economic Development Fund (non-major enterprise fund) financial statements.

The **Water and Sewerage Authority**, consisting of a five-member board, is appointed by the governing authority of the County. The Water and Sewerage Authority provides a means to issue revenue bonds for water and sewer facilities. Although it is legally separate from the County, the Water and Sewerage Authority is reported as if it were a part of the primary government because its sole purpose is to finance, construct, equip, and expand County water treatment and transmission facilities. Bond issuance authorizations are approved by the governing authority of the County, and the County is legally obligated to provide resources in case there are deficiencies in debt service payments and resources are not available from any other remedies. The 2019 activity of the Water and Sewerage Authority included refunding bonds and debt service on bonds. This activity is reported in the Water and Sewerage Fund financial statements.

Complete financial statements and/or audit statements of the individual blended component units may be obtained at the Gwinnett County Department of Financial Services located at:

75 Langley Drive
Lawrenceville, GA 30046

Included with the reporting entity as Discretely Presented Component Units:

The **Gwinnett County Public Library** (the "Library") operates the County's public libraries for the residents of the County. The Library Board consists of five members appointed by the Gwinnett County Board of Commissioners. Although the County does not have the authority to approve or modify the Library's operational or capital budgets, it does have the ability to control the amount of funding the County provides. Such funding is significant to the overall operations of the Library. Gwinnett County owns all Library land and building capital assets.

The Library operates on a fiscal year-end of December 31. Complete financial statements of the Library may be obtained at the entity's administrative office at the following address:

Gwinnett County Public Library
1001 Lawrenceville Highway
Lawrenceville, GA 30046

The **Development Authority of Gwinnett County** consists of a seven-member board appointed by the governing authority of the County. The Development Authority's sole purpose is to finance the acquisition or construction of industrial and commercial facilities deemed to be in the public interest through the issuance of bonds. These bonds are issued on behalf of various public or private entities, including the Gwinnett County Board of Education. Neither the Authority, the County, the state, nor any political subdivision thereof is obligated in any manner for repayment of these bonds except for the issuances described below. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. In 2001, the Development Authority issued revenue bonds for the expansion of the Gwinnett Center,

now known as the Infinite Energy Center. The County has entered into a lease agreement with the Development Authority to lease the Center for a 30-year period. The 2001 bonds were refinanced in 2010. In 2007, the Development Authority issued revenue bonds for a parking deck at the Infinite Energy Center. In 2008, the Development Authority issued revenue bonds to build the baseball stadium, known as Coolray Field, and a recycling center. The recycling bonds were cash-defeased in 2010. In early 2017, Gwinnett County and its Development Authority completed the refunding of selected maturities of 2008 Stadium Bonds. The date of issuance for these bonds was January 26, 2017. In 2018, the Development Authority issued revenue bonds for the Infinite Energy Center Expansion and Parking Deck Project. The County has pledged hotel/motel tax revenues to the Development Authority to satisfy the lease payments for these issues in an amount equal to the required debt service of the bonds (see [Note 8](#) for more information). Therefore, due to these agreements, a significant financial relationship exists, and the Development Authority is reported as a discretely presented component unit. The Development Authority operates on a fiscal year-end of December 31.

Complete financial statements of the individual component unit may be obtained at the Gwinnett County Department of Financial Services located at:

75 Langley Drive
Lawrenceville, GA 30046

The **Gwinnett County Board of Health**, doing business as the Gwinnett County Health Department, is considered a discretely presented component unit based upon the criteria in GASB Statement No. 14, as amended. The Board of Health consists of seven members. Two members are appointed by the city of Lawrenceville. The Gwinnett Board of Commissioners appoints three members, and the Chairman of the Board of Commissioners (or their designee) serves as a member. The County Superintendent of Schools rounds out the membership. County appointments or members make up the majority of the Board of Health. The County contributed approximately 5.6 percent of the board's revenues during its fiscal year ended June 30, 2019. Because the County appoints the majority of the board and because of the financial relationship between the Health Department and the County, the Health Department is reported as a discretely presented component unit.

The Board of Health operates on a June 30 fiscal year. The financial information presented for this discretely presented component unit is as of June 30, 2019.

The County does not prepare the financial statements of the Board of Health. The Board of Health engages other auditors to perform an audit of its financial records. Complete financial statements of the Gwinnett County Health Department may be obtained at the following address:

GNR Health
2570 Riverside Parkway
Lawrenceville, GA 30046

Related Organizations

The **Housing Authority of Gwinnett County** (the "Housing Authority") is considered a related organization based upon the criteria in GASB Statement No. 14. Pursuant to *Official Code of Georgia Annotated (O.C.G.A.) §8-3-4*, the Housing Authority is a separate legal entity from Gwinnett County. Further, pursuant to *O.C.G.A. §8-3-50*, the County appoints a voting majority of the Housing Authority members. However, the County is not able to impose its will upon the Housing Authority nor does a financial benefit/burden relationship exist between them.

The **Arts Facility Authority** is considered a related organization based upon the criteria in GASB Statement No. 14. The Arts Facility Authority is a separate legal entity from Gwinnett County. The County appoints the five-member board of the Arts Facility Authority. However, the County is not able to impose its will upon the Arts Facility Authority nor does a financial benefit/burden relationship exist between them.

Joint Venture

The Atlanta Regional Commission is considered a joint venture based upon the criteria in GASB Statement No. 14. Under Georgia law, the County, in conjunction with other cities and counties in the 10-county metropolitan Atlanta, Georgia area, is a member of the ARC. Membership in a Regional Commission is required by *O.C.G.A. §50-8-34*, which provides for the organizational structure of the RC in Georgia. The County paid dues in the amount of \$1,003,770 to the ARC for the year ended December 31, 2019. The RC Board membership includes the chief elected official of each county and municipality of the area. *O.C.G.A. §50-8-39.1* provides that the member governments are liable for any debts or obligations of an RC. Complete financial statements of the RC may be obtained at the following address:

Atlanta Regional Commission
40 Courtland Street NE
Atlanta, GA 30303

B. Governmentwide and fund financial statements

The governmentwide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmentwide financial statements do not provide information by fund, but distinguish between the County's governmental activities and business-type activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from discretely presented component units. The statement of net position includes noncurrent assets and liabilities. In addition, the governmentwide statement of activities reflects depreciation expenses on the County's capital assets.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not considered 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 governmentwide financial statements. Major individual government funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The governmentwide 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 funds do not have a measurement focus but use the accrual basis of accounting). 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 revenues in the year for which they are levied. 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 government generally considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Major revenue sources which are susceptible to accrual are property tax, sales tax, insurance premium tax, and intergovernmental revenue. Similar to accrual accounting, expenditures generally are recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, 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. For 2019, the County has recorded a \$39.2 million receivable and unavailable revenue for insurance premium tax due from

the state of Georgia for taxes collected in 2019, which will be paid to the County in 2020. The County has recorded a \$8.1 million receivable and unavailable revenue for property taxes and special assessments levied in 2019 and prior years, but expected to be collected in 2020 (adjusted for an allowance for doubtful accounts). The County also recorded a \$3.9 million receivable and unavailable revenue for emergency medical services provided in 2019, but expected to be collected in 2020 (adjusted for an allowance for doubtful accounts).

Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The non-major governmental and enterprise funds are aggregated into a single column within the respective fund financial statements.

The County reports the following major governmental funds:

The **General Fund** is Gwinnett 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.

The **Fire and Emergency Medical Services District Fund** accounts for the revenues and expenditures attributable to the Fire and Emergency Medical Services District. This district includes all properties within unincorporated Gwinnett County and all cities except Loganville. The city of Loganville operates its own fire department, but residents and businesses continue to receive County-provided emergency medical services. Properties in this district are taxed based on the services they receive. Property taxes and ambulance fees are the major revenue sources for this fund and are restricted to provide fire and emergency medical services in the district.

The **Police Services District Fund** accounts for the revenues and expenditures attributable to the Police Services District. This district includes all properties within unincorporated Gwinnett County and cities that do not operate their own police departments. Gwinnett County is responsible for providing police protection within this district. Properties in this district are taxed based on the services they receive. Property taxes and insurance premium taxes are the major revenue sources for this fund. Minor resources include permits and licenses, fines and forfeitures, and charges for services. These revenues are restricted to provide police services in the district.

The **Other Capital Projects Fund** accounts for the financial resources to be used for the purchase and construction of major capital facilities, other than those accounted for in specific funds, which are not financed by the proprietary funds. The primary resource for this fund is contributions from governmental operating funds.

The **2009 Sales Tax Fund** accounts for the financial resources provided from the 2009 one percent Special Purpose Local Option Sales Tax. Such resources are to be used for libraries, parks and recreation, public safety, transportation project, and courthouse facilities.

The **2014 Sales Tax Fund** accounts for the financial resources provided from the 2014 one percent Special Purpose Local Option Sales Tax. Such resources are to be used for libraries, parks and recreation, public safety, transportation projects, and senior service facilities.

The **2017 Sales Tax Fund** accounts for the financial resources provided from the 2017 one percent Special Purpose Local Option Sales Tax. Such resources are to be used for libraries, parks and recreation, public safety, senior services facilities, transportation projects, and civic center expansion.

The County reports the following major proprietary funds:

The **Water and Sewerage Fund** accounts for the activities of the Water and Sewerage Authority, a blended component unit of the government and the Water and Sewerage System. The system includes sewage treatment plants, sewage pumping stations and collection systems, and the water production plants and distribution systems.

The **Stormwater Fund** accounts for the provision of stormwater services to the residents of the County, including administration, operations, maintenance, billing, and collections.

Internal Service Funds are used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government on a cost reimbursement basis. The County's internal service funds include the Group Self-Insurance, Risk Management, Fleet Management, Auto Liability, and Administrative Support Funds.

Proprietary Funds distinguish operating revenues and expenses from non-operating 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. The principal operating revenues of the enterprise and internal service funds are charges to customers for sales and services. The Water and Sewerage Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds also include administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The County also reports the following fiduciary fund types:

Custodial Funds account for assets held by the government as an agent for the Tax Commissioner, Clerk of Courts, Recorder's Court, Sheriff, Probate Court, Juvenile Court, and Corrections. Custodial Funds are accounted for on the full accrual basis of accounting.

Pension and Other Employee Benefit Trust Funds account for the County's Defined Benefit Pension Plan and Other Post-Employment Benefits. These funds accumulate resources for pension and post-employment benefit payments to qualified retirees.

D. Cash, Cash Equivalents, and Investments

Cash and cash equivalents include demand deposits and savings accounts with financial institutions and deposits with fiscal agents. State of Georgia statutes and the County's investment policy 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 U.S. government instrumentally or sponsored corporation; prime bankers' acceptances; obligations of the state of Georgia and its political subdivisions; certain collateralized repurchase agreements; certain customized and collateralized bank products; and the state of Georgia Office of State Treasurer Georgia Fund-1 Liquidity Pool. The County's non-participating interest-earning investment contracts are recorded at cost. The remaining investments are carried at fair value.

There is negligible credit risk associated with the County's investments primarily due to reliance upon securities of the U.S. government and its agencies or instrumentalities by both the County and the Office of the State Treasurer. As with any fixed-income portfolio, market price risk exists in a changing interest rate environment and some of the County's investments are subject to decline in fair value as interest rates fluctuate. Securities with more than a small amount of market risk are held almost exclusively as investment of capital funds to be used for projects with long construction schedules.

Operating funds are currently invested in the Georgia Fund 1 Liquidity Pool, Georgia Fund 1 Plus, certificates of deposit of short duration, and U.S. government agency securities. Operating funds are also held in non-interest bearing checking accounts insured by the Federal Deposit Insurance Corporation and collateralized through the Georgia Secure Deposit Program or maintained in fully collateralized, interest-bearing demand deposit, savings, and public funds money market accounts with financial institutions. Georgia Fund 1 and Georgia Fund 1 Plus operate as stable asset value investment pools and are rated AA+ by Standard and Poor's. Georgia Fund 1 and Georgia Fund 1 Plus are managed by the Office of the State Treasurer under the policies included in Georgia Law *O.C.G.A. §36-83-1* and *§36-83-8*. The pools distribute earnings (net of management fees) on a monthly basis and determine participants' shares sold and redeemed based on \$1 per share. The pools also adjust the value of their investments to fair value as of year-end, and the County's investment in Georgia Fund 1 and Georgia Fund 1 Plus are reported at fair value. The County considers amounts held in Georgia Fund 1 and Georgia Fund 1 Plus as cash equivalents for financial statement presentation. (See [Note 3 – Cash, Cash Equivalents, and Investments](#) for additional information).

Pension and OPEB Trust Funds – The Pension and OPEB Trust Funds are authorized to invest in obligations of the United States Treasury or its agencies and instrumentalities; collateralized mortgage obligations; asset and mortgage-backed securities; taxable bonds that are obligations of any state and its agencies, instrumentalities, and political subdivisions; and certificates of deposit of national or state banks that are fully insured or collateralized by United States obligations. Additionally, they are authorized to invest in common stocks, money market instruments, and corporate bonds and debentures that are not in default as to principal and interest. Investments are recorded at fair value.

E. Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. For the most part, the effect of inter-fund activity has been removed from the governmentwide statement of net position. Any residual balances outstanding between the governmental and business-type activities are reported in the governmentwide statement of net position as “internal balances.” In the fund-level balance sheets or statements of net position, these receivables and payables are classified as “due from other funds” or “due to other funds.”

F. Inventories

Inventories are valued at cost using a weighted average costing assumption. The cost of inventories is recorded as an expenditure at the time individual inventory items are consumed (consumption method).

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the balance sheet date are recorded as prepaid items. The cost of the related payment is recorded as an expenditure over the time the related services are provided (consumption method).

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, dams, and similar items), are reported in the applicable governmental or business-type activities columns in the governmentwide financial statements. Governmental capital assets are recorded as expenditures (capital outlay) in the governmental funds and capitalized at cost in the governmentwide statement of net position. The County’s capitalization threshold is \$25,000 for software and \$5,000 for all other assets. Some assets under the threshold are capitalized for control purposes.

Capital assets are recorded at historical cost. Donated capital assets are recorded at their acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s useful life are expensed as incurred.

Major outlays for capital assets and major improvements are capitalized as projects are constructed.

In accordance with the Governmental Accounting Standards Board Statement No. 89, “Accounting for Interest Cost Incurred before the End of a Construction Period,” interest incurred during the construction period of capital assets is recorded as an expense and is not included as part of the capitalized value of the assets.

Depreciation is calculated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	25 – 50
Infrastructure	45 – 50
Improvements (other than buildings)	10 – 99
Equipment	3 – 10
Vehicles	2 – 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 on the statement of net position because their use is limited by applicable debt covenants.

J. Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County reports the deferred charge on debt refunding, goodwill, pension-related deferred outflows of resources, and OPEB-related deferred outflows of resources in the proprietary funds and the governmentwide statement of net position. A deferred charge on debt refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Goodwill results from transactions where the consideration provided exceeds the net position acquired. In accordance with the Governmental Accounting Standards Board Statement No. 69 as clarified by Statement No. 85, effective for 2018 and later years, Goodwill is reported as a deferred outflow of resources. This amount is deferred and amortized over future periods. Pension and OPEB-related deferred outflows of resources are discussed more in [Note 12](#) and [Note 13](#).

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 reports the deferred gain on refunding, pension-related deferred inflows of resources, and OPEB-related deferred inflows of resources in the proprietary funds and the governmentwide statement of net position. A deferred gain on debt refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

The County has unavailable revenue, which arises only under the modified accrual basis of accounting, that 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:

Unavailable Revenues	General	Fire and EMS Services District	Police Services District	Non-Major Governmental	Total
Property taxes	\$ 4,414	\$ 1,973	\$ 726	\$ 807	\$ 7,920
Insurance premium taxes	—	—	39,208	—	39,208
Emergency medical services	—	3,849	—	—	3,849
Special assessments	—	—	—	187	187
Total	\$ 4,414	\$ 5,822	\$ 39,934	\$ 994	\$ 51,164

K. Compensated Absences

The liability for accumulated unpaid vacation pay, other salary-related payments, and accumulated sick pay benefits for employees in the Defined Contribution Pension Plan have been accrued in the proprietary funds and the governmentwide statements of net position as accumulated leave benefits. Accumulated sick pay for employees in the Defined Contribution Pension Plan has been accrued as the County has a policy in which it pays out in cash a portion of accumulated sick pay at retirement for these employees. The amount accrued for this sick pay has been estimated based on the amount which is probable to be paid. These amounts are not considered a current liability within the governmental fund types' balance sheets since they will be paid from appropriations of subsequent years.

Accumulated sick pay benefits for all other employees have not been recorded as a liability because the payment of the benefits is contingent upon the future illness of an employee. It is not expected that any unrecorded sick pay benefits will exceed a normal year's accumulation.

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 been accrued in the County's Risk Management, Group Self-Insurance, and Auto Liability Funds (internal service funds), and the governmentwide statement of net position.

M. Pension Plan(s) and Other Post-Employment Benefits

The County provides a defined benefit pension plan to a large segment of the workforce. Eligibility is based on employment status and a vesting period. Benefits are based on years of service and other factors. As of January 1, 2016, it is the County's policy to fund the service cost and amortization of any unfunded prior service cost over 17 years. As discussed in [Note 12](#), a defined contribution plan was established effective August 1, 2000, to provide retirement benefits for appointed employees, appointed officials, and elected officials. Effective January 1, 2007, all new eligible employees were required to participate in this plan, and the defined benefit plan was closed to new employees. The County provides certain other benefits to retirees and otherwise terminated employees as post-employment benefits.

N. Long-term Obligations

In the governmentwide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are accrued and amortized over the life of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed upon issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

O. Fund Balance

Fund balance represents the difference between assets and liabilities and deferred inflows of resources in reporting which utilizes the current financial resources measurement focus. 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. Fund balances are classified as follows:

- **Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- **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.
- **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, through a resolution, may modify or rescind the commitment.
- **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 County Administrator, Deputy County Administrator, and Chief Financial Officer/Director of Financial Services collectively are authorized by the General Fund Operating Reserve Policy approved by the Board of Commissioners to assign fund balances for specific purposes in accordance with the intent and actions of the Board of Commissioners.

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. For unrestricted amounts of fund balance, it is the County's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

In order to maintain a prudent level of financial resources to guard its stakeholders against service disruption in the event of unexpected temporary revenue shortfalls or unpredicted one-time expenditures, Gwinnett County operates under the following fund balance reserve policies:

General Fund Reserve Policy – The County maintains a minimum level of unassigned fund balance in the General Fund equivalent to three months of regular, ongoing operating expenditures (including transfers out).

Special Revenue Funds Reserve Policy – The County maintains a minimum level of restricted or committed fund balance equivalent to three months of regular, ongoing operating expenditures (including transfers out) in all special revenue operating funds that receive property tax revenue (i.e., Recreation District Fund), assess a fee directly to residents (i.e., Speed Hump Fund), or include operational expenditures for more than 25 employees (i.e., E-911 Fund). Amounts used in the special revenue funds reserve policy calculation should not include any amounts allocated for another purpose by the Board of Commissioners.

Enterprise Funds Reserve Policy – The County maintains a minimum level of working capital in enterprise funds equivalent to three months of regular, ongoing operating expenses (including transfers out), except for the Local Transit Operating Fund, which is reported as part of the Transit Fund. The Local Transit Operating Fund, or any fund that is subsidized by the General Fund on an ongoing basis, maintains reserves equal to one month of regular, ongoing operating expenses (including transfers out), with any excess reverting back to the General Fund. For purposes of this calculation, working capital includes long-term investments that can be liquidated within five business days.

P. Net Position

Net position represents the difference between the assets and deferred outflows of resources, and the liabilities and deferred inflows of resources in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the County has spent) for the acquisition, construction, or improvement of those assets. Net position is reported as restricted using the same definition used for restricted fund balance described in the section above. All other net position is reported as unrestricted.

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Q. Interfund Transactions

Interfund services provided and used are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except interfund services provided and used, are reported as transfers.

R. Connection Charges

In the enterprise funds, fees charged to connect to the County's water and sewerage system, up to the cost of the connection, are recorded as operating income. The remaining portions of the fees are recorded as capital contributions.

S. System Development Charges

In the Water and Sewerage Fund, system development charges, in accordance with the *Water and Sewerage Ordinance*, are recorded as capital contributions.

T. Statement of Cash Flows

For purposes of the statement of cash flows, cash management pools, deposits in the Georgia Fund-1 state investment pool, and investments purchased with an original maturity date of three months or less are considered cash equivalents.

U. Allocation of Indirect Expenses

The County allocates indirect expenses of the General Fund and Administrative Support Fund to the enterprise funds and certain governmental functions based on their respective use of indirect services.

V. Management Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amount of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

W. Change in Accounting Principle

In conformity with GAAP, as set forth in Statement No. 84 of the Governmental Accounting Standards Board, "Fiduciary Activities," 2018 net position has been restated for the effects of recording liabilities and net position in the custodial funds, known as agency funds under prior standards.

The restatement affected the beginning net position in the custodial funds as follows:

	Tax Commissioner	Clerk of Courts	Recorders Court	Sheriff	Probate Court	Juvenile Court	Corrections
2018 net position, as previously reported	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Effect of GASB 84 on the statement of net position	-	8,719	-	218	-	-	30
2018 net position, as restated	\$ -	\$ 8,719	\$ -	\$ 218	\$ -	\$ -	\$ 30

NOTE 2.

Legal Compliance – Budgets

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

1. Prior to December 1, the Chairman submits a proposed budget to the Board of Commissioners governing expenditures of all County funds for the fiscal year commencing the following January 1.
2. In December, the Board of Commissioners holds a public hearing on the proposed budget to obtain citizen comments.
3. The Board of Commissioners formally adopts the budget (or continuation budget if the Commission requires additional review of the proposed budget) at the first regular meeting in January of the current budget year. Once the Commission has agreed on the proposed budget, a resolution is adopted by the Commission replacing the proposed budget. A balanced budget is required by law. The budget specifies the anticipated funding sources for each fund and appropriations for proposed expenditures to the departments or organization units named in each fund.
4. Expenditures of any Operating Budget Fund or Capital Budget Fund shall not exceed the appropriations authorized by the budget resolution and any amendments thereto or actual funding sources, whichever is less.
5. Expenditures of any Operating Budget Fund or Capital Budget Fund are subject to the policies as established by the Board of Commissioners and the County Administrator.
6. In accordance with the *Official Code of Georgia Annotated* § 33-8-8.3, proceeds from the tax on insurance premiums in the amount of \$30,291,123 are recorded within the Police Services Special District Fund for the primary purpose of funding police protection to inhabitants of unincorporated Gwinnett in its entirety, budgeted at \$129,352,548 and remaining funding of \$99,061,425 anticipated from direct revenues and taxes.
7. Budgets for capital projects funds are adopted on a multi-year basis as provided for in the *Official Code of Georgia Annotated* § 36-81-3(b)(2), and are appropriated annually. Any unspent budget at the end of the year is rolled forward to the next year.
8. Indirect Cost Allocations and Contributions as appropriated in any Fund within the various accounts of a Department or Agency are restricted for the express purpose as designated.
9. A vacancy period for a minimum of ninety days shall ensue immediately upon the separation of employment by an employee from a County department or Agency.
10. Transfers of appropriations in any Fund among the various categories within a Department or Agency shall require only the approval of the Director of Financial Services so long as the total budget for each Department or Agency is not increased.
11. The County's legal level of budgeting control (the level at which expenditures may not exceed appropriations) is at the department level for each fund for which a budget is required with the following provision:

Any increase in Appropriations in any Fund for a Department or Agency, whether through a change in anticipated revenues in any fund or through a transfer of appropriations among departments or agencies, shall require the approval of the Board of Commissioners, except in the following cases where authority is granted to:

The Department Director to:

- (a) set fee structures provided that they are not restricted by rate setting policies and agreements; and
- (b) allocate funds previously approved between existing capital projects within the SPLOST Programs or Enterprise Funds, within Department or Agency, within the same category of projects.

The Director of Financial Services to:

- (a) allocate funds to appropriate Departments or Agency from insurance proceeds for the replacement or repair of damaged equipment items;
- (b) allocate funds from Operating or Capital Non-Department contingencies and reserves to cover existing obligations/expenses in accordance with the intent and actions of the Board of Commissioners; however, in no case shall appropriations exceed actual available funding sources; allocate funds from established reserves for leave balances at retirement, salary adjustments and reclassification to Department and Agency as necessary to provide funding for compensation actions, reductions in force and retirement incentives; transfer funds resulting from salary savings or transfer balances resulting from under expenditures in operating accounts into Non-Departmental reserves to fund accrued liabilities and expend funds within Non-Departmental reserve to reduce said accrued liabilities;
- (c) authorize preparation and submission of applications for grant funding; however, acceptance of all grant awards is subject to the approval of the Board of Commissioners;
- (d) adjust revenue and appropriation budgets between capital projects as necessary to incorporate grant awards previously approved by the Board of Commissioners;
- (e) approve adjustment of revenues and appropriations within Department or Agency for capital categories/projects and revise allocated funding previously approved, or, as appropriate, transfer appropriations among fiscal years for projects as necessary to allow completion of each project and cover existing obligations/expenses in accordance with the intent and actions of the Board of Commissioners; however, in no case shall appropriations exceed actual available funding sources;
- (f) calculate savings associated with the future vacancy of any position and shall further have the authority to amend the budget of such Department or Agency at the time a vacancy arises unless an exception has been granted;
- (g) adjust revenue and appropriation budgets to incorporate collected revenue for confiscated assets in Special Use Funds, all revenue in Authority Imaging Fund, bond forfeitures, and capital projects to be allocated in contingencies or project specific levels; and
- (h) allocate \$250,000 from the other miscellaneous budget in General Fund towards efforts to address the opioid crisis in Gwinnett County.

The County Administrator to:

- (a) transfer funds from Department or Agency budgets to Contribution to Capital Projects for amounts up to \$50,000;
- (b) transfer funds within a capital fund from fund or program contingencies and/or savings in existing projects to establish new projects for amounts up to \$100,000;
- (c) grant exceptions to the ninety day vacancy period upon petition by a County Department or Agency so as to permit the vacant position to be filled through hire and appointment without a corresponding budgetary impact;
- (d) reallocate funding among projects approved by the Board of Commissioners;

- (e) allocate funds from the established Compensation Reserve to Department or Agency budgets to provide funding for approved compensation actions; and
 - (f) transfer funds to establish new projects related to economic development, Special Purpose Local Option Sales Tax Programs or Enterprise Funds within a capital fund from fund or program contingencies and/or savings in existing projects.
12. Authorities for transfers of appropriations shall not be used as an alternative to the normal budget process, and are intended to be used only when necessary to facilitate the orderly management of projects and/or programs; transfers approved under these authorities may not be used to change the approved scope or the objective of any capital project.
 13. Annual appropriated budgets are legally adopted for the General, Special Revenue, Debt Service, and Capital Projects Funds. Annual operating budgets are prepared for each Enterprise and Internal Service Fund for planning, control, cost allocation, and evaluation purposes. Budgetary amounts are not formally integrated into proprietary fund general ledgers. All appropriations lapse at fiscal year-end.
 14. Actual expenditures of each fund for the year may not exceed the budget for that fund, or amendments thereto, and may not exceed actual funding sources.
 15. The Board of Commissioners shall approve increases in authorized positions. Vacant positions and associated budget may be reallocated within the same Department or Agency or reassigned to another Department or Agency, and filled authorized positions and associated budget may be reassigned at the same grade level between a Department or Agency with the authorization of the County Administrator. Twenty five unallocated positions shall be available to allocate to Department or Agency with the authorization of the County Administrator as necessary.
 16. The County Administrator is granted authority to authorize benefits pursuant to *O.C.G.A. § 47-23-106* for retired Superior Court Judges.
 17. The compensation for county appointments by the Board of Commissioners to the various Boards and Authorities has been set. This does not preclude any department from reimbursing those members for actual expenditures incurred in the performance of duty.
 18. Eligible County employees may receive a pay increase as specified in the 2019 Compensation Plan. Pay increases shall be administered in accordance with current procedures as established by the County Administrator. Employee pay increases for any and all years beyond 2019 will depend upon availability of funds and appropriations by the Board of Commissioners.

Operational control of departmental budgets is accomplished through an automated system of preliminary checks of funds availability on an appropriation unit basis (group of accounts). Encumbrances, amounts of the budgetary appropriation reserved to meet an obligation, are maintained as a technique for budgetary control and are recorded when purchase orders are issued for goods and services. In the event of insufficient funds within an appropriation unit, purchase orders are not issued until an interdepartmental budget transfer is made within policy guidelines, or until the Board of Commissioners makes additional funds available.

The original budget for the year ended December 31, 2019, was amended through supplemental appropriations as follows (in thousands of dollars):

	Original Appropriation Budget	Increase/(Decrease) in Appropriation	Amended Appropriation Budget
General Fund	\$ 336,028	\$ 9,391	\$ 345,419
Special Revenue Funds	420,641	2,308	422,949
Debt Service Fund	4,255	8,536	12,791
Capital Projects Funds	215,880	46,233	262,113

The Statements of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (Budget Basis) reflect these revisions.

Due to legal requirements, revenues and appropriations for the governmental funds are budgeted on a basis that is not consistent with GAAP. The actual results of operations on the budget basis are presented in the Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – for the General, Fire and EMS District, Police Services District (Basic Financial Statements), and all other governmental funds (Combining Statements).

Adjustments necessary to convert the results of operations from the budget basis to the GAAP basis at year-end are as follows (in thousands of dollars):

	Fund Balances at End of Year				
	General Fund	Fire and EMS District	Police Services District	Non-major Special Revenue Funds*	Capital Projects
GAAP basis fund balance	\$ 176,321	\$ 68,476	\$ 84,171	\$ 100,608	\$ 760,898
Fair value adjustments	7	(35)	(22)	(151)	(2,067)
Budget basis	\$ 176,328	\$ 68,441	\$ 84,149	\$ 100,457	\$ 758,831

*Excludes grant funds

Proceeds from capital leases and related expenditures are not included in the budget to actual schedules.



NOTE 3.

Cash, Cash Equivalents, and Investments

Following are the components of the County's cash, cash equivalents, and investments as of December 31, 2019 (in thousands of dollars):

	Unrestricted	Restricted	Custodial Funds	Pension and Other Employee Trust Funds	Primary Government Total
Cash and Equivalents	\$ 815,429	\$ 31,804	\$ 44,496	\$ 28,119	\$ 919,848
Investments	883,397	—	—	1,280,326	2,163,723
Total	\$ 1,698,826	\$ 31,804	\$ 44,496	\$ 1,308,445	\$ 3,083,571

Credit Risk and Interest Rate Risk – County Investments

The investment objectives of the County are set forth below in the order of priority and are applicable to both the Liquidity Portfolio (near term cash needs) and the Investment Portfolio (longer term cash needs).

- A. Each investment decision shall first consider that capital losses are to be avoided, whether from deterioration of financial fundamentals or erosion of fair value due to rapidly changing interest rates or other market and non-market factors.
- B. The portfolios must be structured in such a manner that sufficient liquidity shall exist to pay obligations as they become due, without the requirement for unplanned liquidations of securities. The CFO/Director of Financial Services shall establish criteria for the preparation of cash projections, matching maturities, and maintenance of reserve, all in order to maintain liquidity.
- C. The County seeks market rates of return on its investments, consistent with its liquidity requirements and quality and duration/maturity constraints. The County further seeks to preserve its capital by maintaining a low volatility portfolio as it relates to price fluctuations, further modifying return objectives.
- D. County funds will at all times be invested in conformity with the laws of the state of Georgia, specifically sections 36-80-3, 36-80-4, 36-82-7, and 36-83-4, along with bond ordinances or covenants, the Investment Policy, and the Department's written administrative procedures.
- E. The County's investments are to be managed on a total rate of return basis while avoiding speculative strategies and highly volatile securities. Use of high-risk (volatile) derivative securities are prohibited from purchase in either the liquidity or investment portfolio. The County seeks to acquire securities with suitable characteristics and to hold those assets until such time as market conditions or other factors create clear opportunities for increased returns. Excessive trading without clearly demonstrable benefit to the County is prohibited.

Interest Rate Risk – County Investments

The County's Investment Policy breaks out the County's investments into a liquidity portfolio and an investment portfolio. The liquidity portfolio has assets that are categorized as short-term funds and will be invested in permitted investments with an average maturity of 12 months or less. The investment portfolio will be invested in permitted investments with a stated maturity of no more than 5 years from the date of purchase.

Fair Value Measurements – The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The County has the following recurring fair value measurements as of December 31, 2019:

Investment	Fair Value Measurement Using			Fair Value
	Level 1	Level 2	Level 3	
Federal agency securities	–	594,448,647	–	594,448,647
Federal mortgage-backed securities/collateralized mortgage obligations	–	161,235,339	–	161,235,339
Georgia state securities	–	23,410,042	–	23,410,042
U.S. treasury notes	69,802,493	–	–	69,802,493
Total investments measured at fair value	\$ 69,802,493	\$ 779,094,028	\$ –	\$ 848,896,521
Investments recorded at cost:				
Certificates of deposit				34,500,543
Investments not subject to level disclosure:				
Georgia Fund 1 Plus (classified as cash equivalents)				204,278,212
Georgia Fund 1 (classified as cash equivalents)				591,205,982
Total investments				<u>\$ 1,678,881,258</u>

The U.S. treasury notes classified in Level I of the fair value hierarchy are valued using prices quoted in active markets for those investments. The investments in federal agency securities, federal mortgage-backed securities/collateralized mortgage obligations, and Georgia state securities classified as Level 2 on the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The certificates of deposits are nonparticipating interest-earning investment contracts and, accordingly, are recorded at cost.

The State of Georgia Treasurer's Office manages two investment pools, Georgia Fund 1 and Georgia Fund 1 Plus, which do not meet the criteria of GASB Statement No. 79 and are thus valued at fair value in accordance with GASB Statement No. 31. As a result, the County does not disclose the investment in Georgia Fund 1 or Georgia Fund 1 Plus within the fair value hierarchy. The investments in Georgia Fund 1 and Georgia Fund 1 Plus have no limitations or restrictions on withdrawals and can be removed at any time.

Custodial Credit Risk: Deposits and Investments – County

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance; obligations of the U.S. government; or bonds of public authorities, counties, or municipalities; or to participate in the Georgia Secure Deposit Program.

On December 31, 2019, the County did not have debt or equity investments in any one organization, other than those issued by the U.S. Government, which represented more than 5 percent of investments.

As of December 31, 2019, the County's credit and interest rate risk related to the County's cash equivalents and investments, other than certificates of deposit classified as investments, was as follows:

Investment	Fair Value	Duration (Years)	Credit Quality
Federal agency securities	\$ 594,448,647	1.42	AA
Federal mortgage-backed securities/collateralized mortgage obligations	161,235,339	1.66	AA
Georgia state securities	23,410,042	0.82	AAA
U.S. treasury notes	69,802,493	1.35	AAA
Georgia Fund 1 Plus	204,278,212	0.11	AAKf
Georgia Fund 1	591,205,982	0.107	AAAf
Total fair value	<u>\$ 1,644,380,715</u>		



Pension Trust Fund Investments

As of December 31, 2019, the Pension Trust Fund had \$1,119,118,000 invested in the following types of investments (dollars in thousands) as categorized by credit risk:

Investment	Fair Value	Credit Quality
U.S. treasury bonds	\$ 16,218	AA
U.S. treasury bonds	51,310	–
Asset-backed securities	3,079	AAA
Asset-backed securities	3,753	AA
Asset-backed securities	1,270	A
Asset-backed securities	3,756	BBB
Asset-backed securities	3,944	–
U.S. government agencies	41,958	AA
U.S. government agencies	8,261	–
Commercial mortgage-backed securities	5,727	AAA
Commercial mortgage-backed securities	2,252	AA
Commercial mortgage-backed securities	46	A
Commercial mortgage-backed securities	2,736	–
Corporate bonds	5,324	AAA
Corporate bonds	3,184	AA
Corporate bonds	31,738	A
Corporate bonds	48,124	BBB
Corporate bonds	666	BB
Corporate bonds	28,990	–
Collateralized mortgage obligations	552	AAA
Collateralized mortgage obligations	14,242	AA
Collateralized mortgage obligations	129	BBB
Collateralized mortgage obligations	2,451	–
Corporate equities	679,445	–
International equities	155,973	–
Preferred stock	70	A
Preferred stock	3,920	–
Total	<u>\$ 1,119,118</u>	

Credit Risk – It is the Pension Trust Fund’s policy to limit investments in common or preferred stock of a corporation to those corporations listed on one or more of the recognized national stock exchanges in the United States of America, or those traded on the NASDAQ National Market. The policy also limits stock investments to not more than 5 percent of the assets of any fund in common or preferred stock of any one issuing corporation. Domestic bonds are limited to those with ratings that meet or exceed investment grade as defined by Moody’s, S&P, or Fitch. U.S. government treasuries and agency bonds are not classified by credit quality. Corporate equities, international equities, and mutual funds invested in equities are also not classified by credit quality.

On December 31, 2019, the Pension Trust Fund did not have debt or equity investments in any one organization, other than those issued by the U.S. Government, which represented more than 5 percent of plan net position.

On December 31, 2019, the Pension Trust Fund had \$1,119,118,000 invested in the following investments as categorized by interest rate risk (dollars in thousands):

Investment	Fair Value	Weighted Average Maturity (Years)
U.S. treasury bonds	\$ 67,528	15.0
Asset-backed securities	15,802	6.0
U.S. government agencies	50,219	18.1
Commercial mortgage-backed securities	10,761	31.1
Corporate bonds	118,026	14.0
Collateralized mortgage obligations	17,374	19.1
Corporate equities	679,445	–
International equities	155,973	–
Preferred stock	3,990	19.2
Total investments measured at fair value	<u>\$ 1,119,118</u>	

Interest Rate Risk – The Pension Trust Fund investment policy adopts the following asset mix to achieve the lowest level of risk for the plan: Equity Securities between 50 percent and 75 percent at fair value, and Fixed Income Securities between 25 percent and 50 percent and between 0 percent and 5 percent in Alternative Investments. Fixed Income Securities are indexed to Barclays Capital U.S. Aggregate. As of December 31, 2019, the Fixed Income Assets had an effective duration of 5.85 years compared to the Barclays Capital U.S. Aggregate of 5.87 years. The weighted average yield to maturity of the Portfolio was 2.58 percent compared to the Barclays Aggregate of 2.32 percent. Corporate equities, international equities, and related mutual funds invested in equities are also not classified by interest rate risk.

Fair Value Measurements – The Pension Trust Fund categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs.

As of December 31, 2019, the Pension Trust Fund had the following recurring fair value measurements (dollars in thousands):

Investment	Fair Value Measurement Using			Fair Value
	Level 1	Level 2	Level 3	
U.S. treasury bonds	67,528	—	—	67,528
Asset-backed securities	—	15,802	—	15,802
U.S. government agencies	—	50,219	—	50,219
Commercial mortgage-backed securities	—	10,761	—	10,761
Corporate bonds	—	118,026	—	118,026
Collateralized mortgage obligations	—	17,374	—	17,374
Corporate equities	596,822	82,623	—	679,445
International equities	149,831	—	6,142	155,973
Preferred stock	3,759	231	—	3,990
Total investments measured at fair value	\$ 817,940	\$ 295,036	\$ 6,142	\$ 1,119,118

The U.S. treasury bonds, corporate equities, international equities, and preferred stock classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those investments.

The investments in asset-backed securities, U.S. government agencies, commercial mortgage-backed securities, corporate bonds, collateralized mortgage obligations, corporate equities, and preferred stock classified as Level 2 on the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The international equities classified as level 3 on the fair value hierarchy are valued using ICE Data Services.

Foreign Currency Risk – At December 31, 2019, \$155,973,000, or 13.9 percent of Retirement Plan investment assets, had exposure of foreign currency risk through investments in foreign companies. The international equities by related currency (in thousands of dollars) are as follows:

Investment	Amount
Australian dollar	\$ 5,097
British pound	72,157
Canadian dollar	5,719
Swiss Franc	6,226
Euro	3,050
U.S. dollars invested in mutual funds with only international holdings*	63,724
Total	\$ 155,973

**U.S. dollars invested in mutual funds with only international holdings do not expose the County to foreign currency risk.*

Pension Trust Funds Custodial Credit Risk: Deposits – Custodial credit risk for deposits is the risk that in the event of a bank failure, the Pension Trust Fund may not be able to recover its deposits.

Securities Lending – State statutes and management committee policies permit the Pension Trust Fund to lend its securities to broker dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. The Pension Trust Fund’s custodians lend securities of the type on loan at year-end for collateral in the form of cash or other securities of 102 percent. The cash collateral is available to the Plan for investment without default.

Cash collateral is invested in overnight investments. At year-end, the Plan had no significant credit risk exposure to borrowers because the amounts the Pension Trust Fund owed the borrowers exceeded the amounts the borrowers owed the Pension Trust Fund. The contract with the Pension Trust Fund’s custodian requires it to indemnify the Pension Trust Fund if the borrowers fail to return the securities and if the collateral is inadequate to replace the securities loaned or fail to pay the Pension Trust Fund for income distributions by the securities’ issuers while the securities are on loan.

There were no significant borrower or lending agent default losses or recoveries of prior period losses during the year. There are no income distributions owing on the securities loaned. The Pension Trust Fund records the cash received as collateral under securities lending agreements and the investments purchased with that cash as securities lending short term collateral investment pool with a corresponding amount recorded as a liability.

Other Post-Employment Benefits Trust Fund Investments

As of December 31, 2019, the OPEB Trust Fund had \$161,208,000 invested in the following types of investments (dollars in thousands) as categorized by credit risk:

Investment	Fair Value	Credit Quality
U.S. treasury bonds	\$ 2,336	AA
U.S. treasury bonds	7,391	–
Asset-backed securities	443	AAA
Asset-backed securities	541	AA
Asset-backed securities	183	A
Asset-backed securities	541	BBB
Asset-backed securities	568	–
U.S. government agencies	6,044	AA
U.S. government agencies	1,190	–
Commercial mortgage-backed securities	825	AAA
Commercial mortgage-backed securities	324	AA
Commercial mortgage-backed securities	7	A
Commercial mortgage-backed securities	394	–
Corporate bonds	766	AAA
Corporate bonds	459	AA
Corporate bonds	4,572	A
Corporate bonds	6,932	BBB
Corporate bonds	96	BB
Corporate bonds	4,176	–
Collateralized mortgage obligations	80	AAA
Collateralized mortgage obligations	2,051	AA
Collateralized mortgage obligations	19	BBB
Collateralized mortgage obligations	353	–
Corporate equities	97,874	–
International equities	22,468	–
Preferred stock	10	A
Preferred stock	565	–
Total	<u>\$ 161,208</u>	

Credit Risk – It is the OPEB Trust Fund’s policy to limit investments in common or preferred stock of a corporation to those corporations listed on one or more of the recognized national stock exchanges in the United States of America, or those traded on the NASDAQ National Market. The policy also limits stock investments to not more than 5 percent of the assets of any fund in common or preferred stock of any one issuing corporation. Domestic bonds are limited to those with ratings that meet or exceed investment grade as defined by Moody’s, S&P, or Fitch. U.S. government treasuries and agency bonds are not classified by credit quality. Corporate equities, international equities, and related mutual funds invested in equities are also not classified by credit quality.

On December 31, 2019, the OPEB Trust Fund did not have debt or equity investments in any one organization, other than those issued by the U.S. Government, which represented more than 5 percent of plan net position.

On December 31, 2019, the OPEB Trust Fund had \$161,208,000 invested in the following investments as categorized by interest rate risk (dollars in thousands):

Investment	Fair Value	Weighted Average Maturity (Years)
U.S. treasury bonds	\$ 9,727	15.0
Asset-backed securities	2,276	6.1
U.S. government agencies	7,234	18.1
Commercial mortgage-backed securities	1,550	31.1
Corporate bonds	17,001	14.0
Collateralized mortgage obligations	2,503	19.1
Corporate equities	97,874	–
International equities	22,468	–
Preferred stock	575	19.2
Total investments measured at fair value	\$ 161,208	

Interest Rate Risk – The OPEB Trust Fund investment policy adopts the following asset mix to achieve the lowest level of risk for the plan: Equity Securities between 50 percent and 75 percent at fair value, and Fixed Income Securities between 25 percent and 50 percent and between 0 percent and 5 percent in Alternative Investments. Fixed Income Securities are indexed to Barclays Capital U.S. Aggregate. As of December 31, 2019, the Fixed Income Assets had an effective duration of 5.85 years compared to the Barclays Capital U.S. Aggregate of 5.87 years. The weighted average yield to maturity of the Portfolio was 2.58 percent compared to the Barclays Capital U.S. Aggregate of 2.32 percent. Corporate equities, international equities, and related mutual funds invested in equities are also not classified by interest rate risk.

Fair Value Measurements – The OPEB Trust Fund categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs.

As of December 31, 2019, the OPEB Trust Fund had the following recurring fair value measurements (dollars in thousands):

Investment	Fair Value Measurement Using			Fair Value
	Level 1	Level 2	Level 3	
U.S. treasury bonds	9,727	—	—	9,727
Asset-backed securities	—	2,276	—	2,276
U.S. government agencies	—	7,234	—	7,234
Commercial mortgage-backed securities	—	1,550	—	1,550
Corporate bonds	—	17,001	—	17,001
Collateralized mortgage obligations	—	2,503	—	2,503
Corporate equities	85,972	11,902	—	97,874
International equities	21,583	—	885	22,468
Preferred stock	542	33	—	575
Total investments measured at fair value	\$ 117,824	\$ 42,499	\$ 885	\$ 161,208

The U.S. treasury bonds, corporate equities, international equities, and preferred stock investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those investments.

The investments in asset-backed securities, U.S. government agencies, commercial mortgage-backed securities, corporate bonds, collateralized mortgage obligations, corporate equities, international equities, and preferred stock classified as Level 2 on the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The international equities classified as level 3 on the fair value hierarchy are valued using ICE Data Services.

Foreign Currency Risk – At December 31, 2019, \$22,468,000, or 13.9 percent of OPEB Plan investment assets, had exposure of foreign currency risk through investments in foreign companies. The international equities by related currency (in thousands of dollars) are as follows:

Investment	Amount
Australian dollar	\$ 734
British pound	10,394
Canadian dollar	824
Swiss Franc	897
Euro	439
U.S. dollars invested in mutual funds with only international holdings*	9,180
Total	\$ 22,468

**U.S. dollars invested in a mutual fund with only international holdings do not expose the County to foreign currency risk.*

OPEB Trust Funds Custodial Credit Risk: Deposits – Custodial credit risk for deposits is the risk that in the event of a bank failure, the OPEB Trust Fund may not be able to recover its deposits.

Securities Lending – State statutes and management committee policies permit the OPEB Trust Fund to lend its securities to broker dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. The OPEB Trust Fund’s custodians lend securities of the type on loan at year end for collateral in the form of cash or other securities of 102 percent. The cash collateral is available to the OPEB Trust Fund for investment without default.

Cash collateral is invested in overnight investments. At year end, the OPEB Trust Fund had no significant credit risk exposure to borrowers because the amounts the OPEB Trust Fund owed the borrowers exceeded the amounts the borrowers owed the OPEB Trust Fund. The contract with the OPEB Trust Fund’s custodian requires it to indemnify the OPEB Trust Fund if the borrowers fail to return the securities and if the collateral is inadequate to replace the securities loaned or fail to pay the OPEB Trust Fund for income distributions by the securities’ issuers while the securities are on loan.

There were no significant borrower or lending agent default losses or recoveries of prior period losses during the year. There are no income distributions owing on the securities loaned. The OPEB Trust Fund records the cash received as collateral under securities lending agreements and the investments purchased with that cash as securities lending short term collateral investment pool with a corresponding amount recorded as a liability.

NOTE 4.

Property Taxes

The County's property taxes were levied on the assessed values of real and personal property located in the county. The assessed value at January 1, 2019, upon which the 2019 levy was based, was the taxable assessed value of \$33,011,400,241 (40 percent of the estimated actual taxable value of \$82,528,500,603).

The County's 2019 millage rate of 13.319 mills includes a rate of 7.209 mills for general purposes, 0.36 mills for Development and Enforcement Services District*; 3.20 mills for Fire and Emergency Medical Services District*; 1.60 mills for Police Services District*; and 0.95 mills for the Recreation District.

Property taxes for fiscal year 2019 were due in a single installment on October 15.

Levy date	January 1, 2019
Tax bills mailed by	August 15, 2019
Payment due date	October 15, 2019
Delinquency date	October 16, 2019
Approximate lien date	February 21, 2020

** County service district funds were created in 2013. Millage rates are based on the location of the property and the services provided.*



NOTE 5.

Allowances For Uncollectible Receivables

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

Taxes receivable:

General Fund	\$	1,169
Fire and EMS District		512
Development and Enforcement Services District		33
Police Services District		193
Other Governmental Funds		191
		<hr/>
	\$	2,098
		<hr/> <hr/>

Accounts receivable:

Fire and EMS District	\$	4,643
Water and Sewerage Fund		1,601
Stormwater Fund		197
Other Enterprise Funds		104
		<hr/>
	\$	6,545
		<hr/> <hr/>

NOTE 6.

Due From/To Other Governments

The total amount due from other governments as of December 31, 2019, is \$73,888,000. A total of \$39,208,000 is due from the state of Georgia for insurance premium tax collected by the state in 2019 but not yet paid to the County. This amount was estimated using the amount received for 2019 and adjusting it for projected population growth or decline. A total of \$18,213,000 is due from the state for sales tax. The majority of the remaining \$16,467,000 is due from various grant agencies.

The total amount due to other governments as of December 31 2019, is \$240,000 due to the cities for E-911 expenditures.

NOTE 7.

Capital Assets

The County's capital asset activity for the year ended December 31, 2019, was as follows (in thousands of dollars):

Primary Government

	Balance January 1, 2019	Increases	Decreases	Balance December 31, 2019
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 702,753	11,989	—	714,742
Construction in progress	137,406	192,745	192,713	137,438
Total capital assets, not being depreciated	840,159	204,734	192,713	852,180
Capital assets, being depreciated:				
Land Improvements	548,025	27,079	—	575,104
Buildings	793,205	94,338	—	887,543
Equipment	211,386	25,602	10,212	226,776
Vehicles	115,888	17,829	4,813	128,904
Infrastructure	1,174,189	35,849	—	1,210,038
Total capital assets, being depreciated	2,842,693	200,697	15,025	3,028,365
Less accumulated depreciation for:				
Land Improvements	200,759	19,501	—	220,260
Buildings	272,215	19,546	—	291,761
Equipment	173,602	21,750	10,204	185,148
Vehicles	73,456	14,645	4,399	83,702
Infrastructure	433,567	28,051	—	461,618
Total accumulated depreciation	1,153,599	103,493	14,603	1,242,489
Total capital assets, being depreciated, net	1,689,094	97,204	422	1,785,876
Governmental-type activities capital assets, net	\$ 2,529,253	301,938	193,135	2,638,056

Governmental Activities:

General government	\$	15,786
Public safety		20,325
Judiciary		4,797
Public works		37,304
Health and Welfare		450
Culture and recreation		24,128
Housing and development		724
Total depreciation expense – governmental activities	\$	103,514
Transfer of assets to business activities		(21)
Total increase in accumulated depreciation	\$	103,493

	Balance January 1, 2019	Increases	Decreases	Balance December 31, 2019
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 78,674	575	—	79,249
Construction in progress	188,239	211,482	71,247	328,474
Total capital assets, not being depreciated	266,913	212,057	71,247	407,723
Capital assets, being depreciated:				
Buildings	867,253	6,198	687	872,764
Improvements	3,510,654	86,323	3,682	3,593,295
Equipment	660,690	35,027	36,263	659,454
Vehicles	50,041	2,656	539	52,158
Infrastructure	7,646	6	—	7,652
Total capital assets, being depreciated	5,096,284	130,210	41,171	5,185,323
Less accumulated depreciation for:				
Buildings	245,170	20,565	560	265,175
Improvements	843,859	49,694	2,670	890,883
Equipment	403,700	36,227	35,798	404,129
Vehicles	28,822	4,023	539	32,306
Infrastructure	1,499	302	—	1,801
Total accumulated depreciation	1,523,050	110,811	39,567	1,594,294
Total capital assets, being depreciated, net	3,573,234	19,399	1,604	3,591,029
Business-type activities capital assets, net	\$ 3,840,147	231,456	72,851	3,998,752

Business-Type Activities:

Water and sewer	\$	94,406
Airport		3,549
Solid waste		439
Stormwater		12,358
Transit		38
Total depreciation expense – business-type activities	\$	<u>110,790</u>
Transfer of capital assets from governmental activities		<u>21</u>
Total increase in accumulated depreciation	\$	<u><u>110,811</u></u>

Construction and Other Commitments

The County has active construction projects and other commitments as of December 31, 2019. At year-end the County's commitments with contractors were as follows (in thousands of dollars):

Contract value	\$	11,223,057
Spent-to-date		<u>1,330,755</u>
Remaining commitments	\$	<u><u>9,892,302</u></u>



NOTE 8.

Long-Term Obligations

The following is a summary of changes in long-term obligations for the year ended December 31, 2019 (in thousands of dollars):

Governmental Activities:	January 1, 2019	Additions	Retirements	December 31, 2019	Amounts due within one year
General obligation bonds	\$ 4,150	—	(4,150)	—	—
Lease payable	99,399	42,491	(3,956)	137,934	4,110
Accumulated leave benefits	25,885	20,851	(18,427)	28,309	20,001
Estimated claims payable	13,669	36,852	(35,121)	15,400	7,470
Net pension liability	325,521	—	(72,220)	253,301	—
Net OPEB liability	79,169	—	(24,651)	54,518	—
Total governmental activity long-term liabilities	\$ 547,793	100,194	(158,525)	489,462	31,581
Business-Type Activities:					
Revenue bonds					
Water and Sewer:					
2009A Water and sewer revenue bonds	\$ 142,810	—	(142,810)	—	—
2009B Water and sewer revenue bonds	23,955	—	(23,955)	—	—
2011 Water and sewer refunding bonds	106,345	—	(13,080)	93,265	13,725
2015 Water and sewer refunding bonds*	32,875	—	(8,060)	24,815	8,165
2016A Water and sewer refunding bonds*	145,990	—	(13,525)	132,465	13,750
2016 Water and sewer refunding bonds*	102,135	—	(9,460)	92,675	9,710
2019 Water and sewer refunding bonds	—	128,540	—	128,540	9,980
Total water and sewer bonds before discounts and premiums	554,110	128,540	(210,890)	471,760	55,330
Add: amounts for issuance premiums	11,271	24,597	(7,280)	28,588	—
Total water and sewer bonds payable	565,381	153,137	(218,170)	500,348	55,330
2018 Urban Redevelopment Agency revenue bonds	35,435	—	(1,630)	33,805	1,290
Total bonds payable	600,816	153,137	(219,800)	534,153	56,620
Notes payable	37,192	—	(2,876)	34,316	2,963
Accumulated leave benefits	3,620	2,895	(2,413)	4,102	2,582
Net pension liability	43,859	—	(8,121)	35,738	—
Net OPEB liability	11,435	—	(3,632)	7,803	—
Total business-type activity long-term liabilities	\$ 696,922	156,032	(236,842)	616,112	62,165

*Direct placement bonds

Governmental Activities

General Obligation Bonds

The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the County. General obligation bonds have been issued for general government activities and are reported in the governmental column of the governmentwide statement of net position. The 2003 G.O. Bonds provided funding of an expansion of the County's Pre-Trial Detention Center. In 2012, the County refunded the portion of those bonds maturing in 2014 through 2019. The 2012 Refunding G.O. Bonds were paid in full in January 2019.

General obligation bonds outstanding as of December 31, 2019, were as follows (in thousands of dollars):

	Interest Rate (%)	Interest Dates	Issue Date	Maturity Date	Authorized and Issued	Cumulatively Retired	Outstanding
2012 General Obligation Refunding	1.0 – 5.0	1/1 – 7/1	10/4/12	1/1/19	22,555	22,555	–
					\$ 22,555	\$ 22,555	\$ –

Advance Refunding of General Obligation Bonds

In 2012, the County refunded a portion of 2003 General Obligation Bonds maturing in 2014 through 2019, in the aggregate principal amount of \$24,385,000. With an original principal amount for the 2012 bonds of \$22,555,000, the net proceeds of \$24,817,713 were deposited in irrevocable trusts with an escrow agent to provide all future debt payments on the refunded bonds. The result of this transaction is a true-interest cost of 0.81 percent and a decrease in future debt service payments of \$2,268,762, resulting in a net present value debt service savings of \$2,212,687. The refunded bonds were then redeemed on January 1, 2013, and none remain outstanding.

On January 2, 2013, the County redeemed the remaining 2003 General Obligation Bonds maturing in 2020 through 2023 using available cash. The result of that redemption was a net present value savings of \$4.4 million.

Debt Margin

State statutes limit the amount of general obligation debt a government entity may issue to 10 percent of its total assessed valuation. The statutory limit at December 31, 2019 was \$3,301,140,000. The County has no general obligation bond debt outstanding as of December 31, 2019 and has used none of its legal debt limitation of \$3,301,140,000.

Lease Payable

The County has entered into a lease with the Development Authority for capital projects which are funded by the Authority's Bonds. These projects are for the expansion of the Gwinnett Civic and Cultural Center (the "Center") funded by the Authority's 2001 Bonds (as refunded by the Authority's 2010 Bonds), the Gwinnett Center Parking Deck Project (the "Parking Deck") funded by the Authority's 2007 Bonds, the Gwinnett Stadium Project (the "Stadium") funded by the Authority's 2008 Bonds (as refunded by the Authority's 2017 Bonds), and the Gwinnett Center Expansion and Parking Deck Project ("GC Expansion") funded by the Authority's 2018 Bonds. The County is absolutely and unconditionally obligated under the terms of the intergovernmental contract relating to these bonds. As a result, the County reports a capital lease obligation to component units, and the Development Authority reports a lease receivable from the primary government in an amount, and with future requirements, equal to the Development Authority bonds.

At December 31, 2019, proceeds from the issuance of the 2018 Bonds in the amount of \$28,565,749 had not been expended by the Authority, therefore there is no receivable from the County for this amount. As the bond proceeds are expended, the Development Authority's receivable and the County's capital lease obligation will increase and equal the bonds payable.

The value of assets acquired under capital leases by major asset class is as follows (in thousands of dollars):

	Cost	Accumulated Depreciation	Book Value
Assets under construction	\$ 12,150	\$ —	\$ 12,150
Land	5,000	—	5,000
Site improvements	23,830	(6,734)	17,096
Buildings	204,971	(48,799)	156,172
Equipment	3,570	(2,879)	691

For governmental funds, accumulated leave benefits, the net pension liability, and the net OPEB liability are liquidated by the General, Street Lighting, Crime Victims Assistance, Corrections Inmate Welfare, Fire and EMS District, Development and Enforcement Services District, Police Services District, Sales Tax, Recreation District, E-911, and Grants Funds. Estimated claims payable is liquidated by the Group Self-Insurance, Risk Management, and Auto Liability internal service funds.

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end, \$3,839,000 of internal service fund accumulated leave benefits, \$15,400,000 of internal service fund claims payable, \$19,436,000 of internal service fund net pension liability, and \$6,555,000 of internal service fund net OPEB liability were included in the preceding table.

Business-Type Activities

For business-type activities, accumulated leave benefits, the net pension liability, and the net OPEB liability are liquidated by the Water and Sewerage, Airport, Stormwater, Solid Waste, and Transit Funds.

Revenue Bonds

The County also issues bonds where the County pledges income derived from the acquired or constructed assets to pay debt service. The revenue bonds are related to proprietary activity and are reported in the enterprise funds, as they are expected to be repaid from enterprise funds revenues.

Water and Sewerage Bonds

The County is obligated through an intergovernmental agreement for \$471,760,000 in Water and Sewerage Authority Revenue Bonds. Debt Service on these revenue bonds is paid as lease payments from water and sewerage customer charges. The County has pledged future water customer revenues, net of specified operating expenses, to repay water and sewer revenue bonds. The bonds are payable from water customer net revenues through August 1, 2029.

In conformity with GAAP, as set forth in Statement No. 88 of the Governmental Accounting Standards Board, "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements," information about direct placement bonds are presented separately from other debt in the table on the next page.

The various bond indentures contain significant limitations and restrictions on annual debt service requirements, maintenance of and flow of moneys through various restricted accounts, minimum amounts to be maintained in various sinking funds, and minimum revenue bond coverages (net revenue must be 1.2 times annual debt service). Management believes the Authority is in compliance with all such significant financial limitations and restrictions. If these requirements are not met, the bondholders may declare principal and interest accrued to be immediately due.

Water and Sewerage revenue bonds outstanding as of December 31, 2019, were as follows (in thousands of dollars):

	Interest Rate %	Interest Dates	Issue Date	Maturity Date	Authorized and Issued	Cumulatively Retired	Outstanding
Business-Type							
2009A Water and Sewerage	1.87 – 4.0	2/1 – 8/1	10/22/09	8/1/28	235,575	235,575	–
2009B Water and Sewerage	5.35 – 5.45	2/1 – 8/1	10/22/09	8/1/29	23,955	23,955	–
2011 Water and Sewerage Refunding	2.0 – 5.0	2/1 – 8/1	7/1/11	8/1/25	163,615	70,350	93,265
2015 Water and Sewerage Refunding*	1.74	2/1 – 8/1	8/3/15	8/1/22	127,215	102,400	24,815
2016A Water and Sewerage Refunding*	1.69	2/1 – 8/1	5/19/16	8/1/28	145,990	13,525	132,465
2016 Water and Sewerage Refunding*	2.36	2/1 – 8/1	8/1/16	8/1/25	108,860	16,185	92,675
2019 Water and Sewerage Refunding	5.0	2/1 – 8/1	9/26/19	8/1/29	128,540	–	128,540
					\$ 933,750	\$ 461,990	471,760
	Premiums						28,588
	Net Business-Type Bonds Outstanding						\$ 500,348

* Direct placement bonds

Advance Refunding of Water and Sewerage Revenue Bonds

In 2005, the County advance refunded that portion of the Series 1997 Water and Sewerage Revenue Bonds maturing on and after August 1, 2011, in the aggregate principal amount of \$97,200,000; that portion of the Series 1998 Bonds maturing on and after August 1, 2009, in the aggregate principal amount of \$102,380,000; and that portion of the Series 1999 Bonds maturing on and after August 1, 2011, in the aggregate amount of \$50,000,000. The net proceeds of \$259,600,000 from the 2005 Water and Sewerage Refunding Bonds were deposited in irrevocable trusts with an escrow agent to provide all future debt service payments on the refunded bonds. The result of this transaction is a decrease in future debt service payments of \$16,085,880, resulting in a net present value savings to the County of \$13,543,952. The refunded bonds are considered defeased. At December 31, 2019, \$27,000,000 of outstanding revenue bonds were considered defeased.

In 2006, the County advance refunded that portion of the Series 2002 Water and Sewerage Revenue Bonds maturing on and after August 1, 2013, in the aggregate principal amount of \$116,500,000. With an original principal amount of \$121,375,000, net proceeds of \$114,945,000 were deposited in irrevocable trusts with an escrow agent to provide all future debt service payments on the refunded bonds. The result of this transaction is a decrease in future debt service payments of \$7,687,038, resulting in a net present value savings to the County of \$4,858,834. The refunded bonds are considered defeased. At December 31, 2019, \$93,940,000 of outstanding revenue bonds were considered defeased.

In 2011, the County advance refunded that portion of the Series 2003B Water and Sewerage Revenue Bonds maturing on and after August 1, 2013, in the aggregate principal amount of \$170,360,000. With an original principal amount of \$163,615,000, net proceeds of \$188,873,037 were deposited in irrevocable trusts with an escrow agent to provide all future debt service payments on the refunded bonds. The result of this transaction is a true-interest cost of 2.89 percent and a net present value debt service savings of approximately \$9.43 million. The refunded bonds are considered defeased. At December 31, 2019, \$96,960,000 of outstanding 2003B revenue bonds were considered defeased.

In July 2019, the Gwinnett Water and Sewerage Authority and the Board of Commissioners, respectively, approved resolutions allowing the authority to move forward with refunding the callable maturities of the 2009A and 2009B Water and Sewerage Revenue Bonds. The agenda item was awarded to JP Morgan Securities, LLC as they offered the lowest true interest rate of 1.51 percent, total debt savings of \$23.1 million, and a net present value savings of \$18.2 million. These 2019 refunding bonds had a principal amount of \$128,540,000, and the date of issuance for these bonds was September 26, 2019. The 2009A and 2009B bonds were retired.

Advance Refunding of Debt (Direct Placement)

In September and October 2014, the Gwinnett Water and Sewerage Authority and the Gwinnett Board of Commissioners approved resolutions allowing the authority to move forward with refunding the callable maturities of the 2005 Water and Sewerage Revenue Bonds on a forward/delayed delivery basis. The agenda item awarded the transaction to Citigroup (as the placement agent)/JP Morgan Chase (as the purchaser of these bonds). The date of issuance for these privately placed bonds was August 3, 2015. The interest rate was set at 1.74 percent. The result of this transaction is a total debt service savings of \$9.8 million and a present value savings of \$9.2 million. The debt service savings began in 2016.

In November and December 2014, the Gwinnett Water and Sewerage Authority and the Board of Commissioners, respectively, approved resolutions allowing the authority to move forward with refunding the callable maturities of the 2006 Water and Sewerage Revenue Bonds on a forward/delayed delivery basis. The agenda item was awarded to Wells Fargo as they offered the lowest true interest rate of 2.36 percent, total debt savings of \$14.7 million, and a net present value savings of \$13.2 million. These privately placed 2016 refunding bonds had a principal amount of \$108,860,000, and the date of issuance for these bonds was August 1, 2016. The 2006 bonds were retired. The debt service savings began in 2017.

In March 2016, the Gwinnett County Water and Sewerage Authority and the Gwinnett County Board of Commissioners approved resolutions allowing the authority to move forward with a direct purchase of the callable maturities (2019 – 2028) of the 2008 Water and Sewerage Authority Revenue Bonds. The bonds were awarded to Wells Fargo as they offered the lowest advance refunding true interest rate of 1.69 percent, total debt service savings of \$21.5 million, and a net present value savings of \$18.5 million. These privately placed 2016A refunding bonds were issued May 19, 2016 with an original principal amount of \$145,990,000. The debt service savings began in 2016. Net proceeds of \$147,248,778 were deposited in an irrevocable trust with an escrow agent to provide all future debt service payments on the refunded bonds. The refunded bonds are considered defeased. During 2018, all of the 2008 defeased bonds were called and retired.

Urban Redevelopment Agency

On December 18, 2018, the Urban Redevelopment Agency issued \$35,435,000 in Series 2018 bonds bearing interest rates ranging from 2.94 percent to 4.15 percent. The bond proceeds were used to purchase property consisting of land and buildings which are being held by the Agency with the intention of future redevelopment of the property and are not held primarily for the purpose of income or profit. The County is absolutely and unconditionally obligated under the terms of an intergovernmental contract for the debt service payments on the Urban Redevelopment Agency bonds.

Urban Redevelopment Agency revenue bonds outstanding as of December 31, 2019, were as follows (in thousands of dollars):

	Interest Rate %	Interest Dates	Issue Date	Maturity Date	Authorized and Issued	Cumulatively Retired	Outstanding
2018 Urban Redevelopment Agency Revenue Bonds	2.94 – 4.15	3/1 – 9/1	12/18/2018	9/1/2038	35,435	1,630	33,805
					\$ 35,435	\$ 1,630	\$ 33,805

The annual requirements to amortize revenue bonds payable as of December 31, 2019, excluding unamortized bond premiums of \$28,588,000, were as follows (in thousands of dollars):

Year Ended December	Business-Type Revenue Bonds						Total
	Revenue Bonds				Direct Placement Revenue Bonds		
	Urban Redevelopment Agency		Water and Sewerage		Water and Sewerage		
	Principal	Interest	Principal	Interest	Principal	Interest	
2020	1,290	1,257	23,705	10,086	31,625	4,857	72,820
2021	1,330	1,219	25,170	9,883	32,240	4,254	74,096
2022	1,370	1,179	26,405	8,647	32,850	3,638	74,089
2023	1,410	1,138	27,735	7,326	34,885	3,010	75,504
2024	1,455	1,093	29,120	5,940	35,610	2,284	75,502
2025 – 2029	8,055	4,689	89,670	12,114	82,745	3,119	200,392
2030 – 2034	9,670	3,065	–	–	–	–	12,735
2035 – 2038	9,225	970	–	–	–	–	10,195
Total	\$ 33,805	\$ 14,610	\$ 221,805	\$ 53,996	\$ 249,955	\$ 21,162	\$ 595,333

The amortization expense for fiscal year 2019 is included in depreciation expense.

Notes Payable

The enterprise funds have several Georgia Environmental Finance Authority loans for the construction and acquisition of buildings and equipment. Notes payable outstanding as of December 31, 2019, were as follows (in thousands of dollars):

Enterprise Funds	Interest Rates %	Interest Dates	Maturity Dates	Notes Payable January 1, 2019	Additions	Retirements	Notes Payable December 31, 2019
GEFA (CW4005PA)	3.00	Monthly	11/1/28	\$ 31,943	\$ —	\$ (2,529)	\$ 29,414
GEFA (CW03-002NP)	3.00	Monthly	4/1/31	3,724	—	(254)	3,470
GEFA (09-055)	3.00	Monthly	6/1/32	1,525	—	(93)	1,432
				\$ 37,192	\$ —	\$ (2,876)	\$ 34,316

The annual requirements to pay the notes outstanding at December 31, 2019, including interest of approximately \$5,556,000 were as follows (in thousands of dollars):

Year Ended December 31	Principal	Interest	Total
2020	2,963	989	3,952
2021	3,054	899	3,953
2022	3,147	806	3,953
2023	3,243	710	3,953
2024	3,341	612	3,953
2025 – 2029	16,659	1,494	18,153
2030 – 2032	1,909	46	1,955
Total	\$ 34,316	\$ 5,556	\$ 39,872

Operating Lease Commitments

The County leases certain equipment under operating leases. Rental expenses for all operating leases totaled \$5,702,323 for the year ended December 31, 2019. There were no significant future minimum rental payments, contingent rentals, or sublease rentals associated with leases in effect at December 31, 2019.

Component Unit Revenue Bonds – Development Authority

Component Unit	Interest Rate %	Interest Dates	Issue Date	Maturity Date	Authorized and Issued	Cumulatively Retired	Outstanding
Development Authority 2007 Parking Garage Bonds	4.125 – 5.0	3/1 – 9/1	8/30/07	9/1/27	12,000	5,960	6,040
2010 Arena Refunding Bonds	2.0 – 5.0	3/1 – 9/1	11/9/10	9/1/31	52,660	16,570	36,090
2017 Stadium Refunding Bonds	2.0 – 3.5	1/1 – 7/1	1/26/17	1/1/38	29,785	1,125	28,660
2018 Gwinnett Center Expansion Bonds	3.21 – 4.19	3/1 – 9/1	8/07/18	9/1/48	95,710	–	95,710
Subtotal					\$ 190,155	\$ 23,655	\$ 166,500
Premium							2,138
Total							<u>\$ 168,638</u>

The Development Authority (a discretely presented component unit) issued \$12 million in fixed-rate revenue bonds on July 31, 2007, to build a parking deck at the Infinite Energy Center (formerly the Gwinnett Center). On April 1, 2008, the Development Authority issued \$33 million in fixed-rate revenue bonds to build the baseball stadium, Coolray Field. In 2001, the Development Authority issued \$65 million in variable-rate revenue bonds to fund the construction of the Infinite Energy Center Arena, then later restructured those bonds to fixed-rate revenue bonds on November 9, 2010.

On January 26, 2017, the Authority issued \$29,785,000 in Series 2017 Revenue bonds to refund all but \$730,000 of the 2008 Stadium Bonds. Interest rates on the Series 2017 bonds range from 2.00 percent to 3.50 percent with annual maturities through 2038. The net proceeds from the Series 2017 Bonds were deposited in an irrevocable trust with an escrow agent to provide all future debt service payments on the refunded bonds. The result of this transaction is a decrease in future debt service payments of \$12,114,504 and present value savings, or economic gain, of \$8,290,352. The refunded bonds were called and repaid during 2018.

On August 7, 2018, the Authority issued \$95,710,000 in revenue bonds to finance the Infinite Energy Center (formerly the Gwinnett Center) Expansion and Parking Deck Project. The bonds bear interest rates ranging from 3.21 percent to 4.19 percent with annual maturities through 2048.

The estimated annual requirements to amortize the bonds payable as of December 31, 2019, were as follows (in thousands of dollars):

Year Ended December 31	Principal	Interest	Total Debt Service
2020	4,110	6,622	10,732
2021	4,280	6,450	10,730
2022	4,440	6,296	10,736
2023	4,630	6,103	10,733
2024	7,215	5,901	13,116
2025 – 2029	38,475	25,312	63,787
2030 – 2034	31,225	17,780	49,005
2035 – 2039	26,570	12,391	38,961
2040 – 2044	23,245	7,621	30,866
2045 – 2048	22,310	2,379	24,689
Total	\$ 166,500	\$ 96,855	\$ 263,355

Conduit Debt

From time to time, the Development Authority, has issued Industrial Development Revenue Bonds to provide financial assistance to both private and public sector entities for the acquisition and construction of industrial and commercial facilities deemed to be of public interest. Neither the Development Authority, the County, state, nor any political subdivision thereof is obligated in any manner for repayment of the bonds that are considered conduit debt. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. There are 31 series of industrial development bonds issued from January 1, 1996, to December 31, 2019, that have outstanding amounts. The total amount issued was \$1,037,995,849. The total amount of those bonds outstanding as of December 31, 2019, was \$827,272,359.

The aggregate principal amount outstanding for the 84 series issued prior to December 31, 1995, could not be determined; however, their original issue amounts totaled approximately \$231.5 million.

NOTE 9.

Interfund Balances and Transfers

There were no interfund receivables or payables as of December 31, 2019.

Interfund transfers for the year ended December 31, 2019, consisted of the following (in thousands of dollars):

TRANSFER TO	TRANSFER FROM							Total
	General	Fire and EMS District	Police Services District	Other Capital	Non-major Governmental	Water and Sewerage	Internal Service Funds	
General	\$ —	\$ —	\$ —	\$ —	\$ 8,742	\$ 165	\$ —	\$ 8,907
Fire and EMS District	3,055	—	—	—	2	—	—	3,057
Police Services District	1,529	—	—	—	—	—	—	1,529
Other Capital	29,737	8,849	5,426	—	7,419	—	610	52,041
Non-major Governmental	558	—	40	—	38	—	—	636
Non-major Enterprise	14,933	—	—	3,450	—	—	—	18,383
Water and Sewerage	—	—	—	—	2	—	—	2
Internal Service	—	—	—	—	25	—	—	25
Total	\$ 49,812	\$ 8,849	\$ 5,466	\$ 3,450	\$ 16,228	\$ 165	\$ 610	\$ 84,580

The majority of transfers from the General, Fire and EMS District, Police Services District, Other Capital, Non-major Governmental, Debt Service, Water and Sewerage, and Internal Service Funds are to fund ongoing and planned capital projects and vehicle replacements. Other transfers made during 2019 were:

- The General Fund transferred funds to the Transit Enterprise Fund and Airport Enterprise Fund to cover operating deficits.
- A portion of the supplemental title *ad valorem* tax that was collected in the General Fund was distributed to the Fire and EMS, Police, and Development and Enforcement Services District Funds.
- The Debt Service Fund was closed in 2019, and the remaining balance of \$8,537,000 was transferred to the General Fund.
- Transfers in the amount of \$3,450,000 were made from the Other Capital Funds to the Economic Development Fund for economic development activities.

NOTE 10.

Risk Management

A. Liability, Property, and Workers' Compensation

It is the policy of the County not to purchase commercial insurance for various types of losses to which it is exposed. Instead, County management believes it is more economical to manage its risks by purchasing limited liability coverages and internally setting aside assets for claim settlement in its Risk Management, Workers' Compensation, and Auto Liability Funds, which are all internal service funds. The Risk Management Fund services claims for the County resulting from general liability, errors and omissions, law enforcement liability, physical damage to County vehicles, property risks, and cyber security. The Auto Liability Fund services claims for the County resulting from automobile liability risks. The Workers' Compensation Fund, which is included for reporting purposes in the Risk Management Fund, services claims for the County resulting from workers' compensation risks. All departments, agencies, and authorities of the County participate in these funds.

The Risk Management, Workers' Compensation, and Auto Liability Funds allocate the cost of providing claims service and claims payment by charging a "premium," which is an allocation to each department or agency. These charges, which consider recent trends in actual claims experience of the County as a whole, are accounted for as interfund services provided and used. The County self-funds up to \$2,000,000 for general liability, errors and omissions, and law enforcement liability, with excess coverage of \$20,000,000. The County fully self-funds the automobile liability exposure up to \$500,000 for bodily injury or death of any one person in any one occurrence with an annual aggregate of \$700,000 for bodily injury or death of two or more persons in any one occurrence and \$50,000 because of injury to, or destruction of, property in any one occurrence and relies on governmental immunity above these levels. The County purchases direct coverage for property and crime insurance with a limit of \$1,400,000,000 and \$2,000,000, respectively. These policies provide for a \$100,000 deductible on property damage and a \$10,000 deductible on fidelity claims.

In addition, the County purchases direct coverage for off-duty liability for police and sheriff with a limit of \$2,000,000 and reservists liability with a limit of \$1,000,000 for Sheriff; fiduciary liability with a limit of \$15,000,000; and aviation coverage for the airport and helicopters with limits of \$50,000,000 and \$20,000,000, respectively. The County is self-funded depending on the year from \$250,000 to \$1,000,000 per occurrence for workers' compensation. Amounts exceeding this are covered by an excess workers' compensation policy. The County has used the excess coverage policy only once in the last three years; settlement claims exceeded self-funded coverage in 2017. In 2019, the County purchased cyber liability insurance with a limit of \$10,000,000 and a \$100,000 deductible.

Between June 1, 2002, and December 31, 2007, the County joined together with other counties in the state as part of the Association County Commissioners of Georgia Group Self-Insurance Workers' Compensation Fund Large Deductible Program. This is a public entity risk pool currently operating as a workers' compensation insurance program for member local governments. The Association County Commissioners of Georgia administers the workers' compensation pool. As part of the Group Self-Insurance Workers' Compensation Fund, the County is obligated to pay all claims, contributions, and assessments as prescribed by the pool to cooperate with the pool's agents and attorneys and finalize all of our claims as soon as possible. The County also allows the pool's agents and attorneys to represent the County in investigations, settlement discussions, and all levels of litigation out of any claim made against the County for workers' compensation within the scope of claims protection furnished by the fund.

The County is responsible to reimburse the fund for various deductibles of any claim between June 1, 2002, and December 31, 2007. Deductibles varied from \$250,000 to \$600,000 depending on the year. Amounts exceeding the various deductibles are covered by an excess workers' compensation policy. The fund is responsible to defend and protect members of the fund in accordance with workers' compensation law of Georgia. In 2008, the County was a part of the Association County Commissioners of Georgia Self-Insurance Workers' Compensation Fund Large Deductible Program due to open claims that occurred between June 1, 2002, and December 31, 2007. However, starting January 1, 2008, Gwinnett County left the Association County Commissioners of Georgia Self-Insurance Workers' Compensation Fund

Large Deductible Program for any new claims and became independently self-insured. The County hired a third party administrator, Alternative Service Concepts, Inc., to handle claims. The County is responsible for the first \$1,000,000 of any claim and amounts exceeding the \$1,000,000 retention are covered by an excess workers' compensation policy.

Outstanding liabilities are reported when it is probable a loss has occurred and the amount of that loss may be reasonably estimated. Liabilities include an actuarially determined 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 may be discounted; that is, they will reflect potential investment income that is expected to be earned on the loss reserves until they are paid.

Changes in balances of claims liabilities for each of the two years in the two-year period ended December 31, 2019, were as follows:

Fiscal Year	Beginning of Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2019	\$ 9,844,000	\$ 11,169,000	\$ 9,059,000	\$ 11,954,000
2018	9,235,000	7,702,000	7,093,000	9,844,000

At December 31, 2019, the Risk Management Fund held \$9,917,000 in cash and cash equivalents and the Auto Liability Fund held \$1,056,000 in cash and cash equivalents available for payment of these claims.

B. Group Health Insurance

The County accounts for the risks associated with the employee's health insurance plan in the Group Self-Insurance Fund, an internal service fund where assets are set aside for claim settlements. The County maintains specific stop loss coverage in the amount of \$325,000 per covered individual to reduce the exposure from catastrophic claims. One third-party administrator is employed to process claims for the group insurance health program. The County has not experienced any significant decreases in insurance coverage.

Changes in balances of claims liabilities for the Group Self-Insurance Fund during 2019 and 2018 were as follows:

Fiscal Year	Beginning of Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2019	\$ 3,825,000	\$ 25,683,000	\$ 26,062,000	\$ 3,446,000
2018	3,234,000	25,789,000	25,198,000	3,825,000

2019 Claims for Active Employees:

In 2019, there were 1,852 active employees electing medical coverage under self-funded medical plans. The County pays approximately 87 percent of the actuarial projected cost for medical and hospitalization costs incurred by these eligible participants. Expenses by type for the year ended December 31, 2019, were as follows (in thousands of dollars):

1,852 Active Employees Electing Medical Coverage	
Administrative Costs	\$ 1,239
Stop Loss Insurance	1,405
Claims Experience	26,062
Total	<u>\$ 28,706</u>

In 2019, there were 2,427 active employees electing medical coverage in the fully insured medical plans. The County pays approximately 92 percent of the actuarial projected cost for medical and hospitalization costs incurred by these eligible participants. Expenses for the year ended December 31, 2019, were as follows (in thousands of dollars):

2,427 Active Employees Electing Medical Coverage	
Fully Insured Premium	\$ 23,668

NOTE 11.

Deferred Compensation Plan

The County maintains a Section 457(b) Deferred Compensation Plan administered by a third party. As a result, the assets and liabilities of the plan are not recorded on the County's financial statements. All contributions to this plan are voluntary employee contributions.

NOTE 12.

Pensions

A. General Information about the Pension Plan

Plan Description

The Gwinnett County Public Employees Retirement System (the "Plan") is a single-employer defined benefit pension plan. The present plan covers all employees of Gwinnett County who are members of the Defined Benefit Pension Plan. The Plan was created as a successor to a previous plan by action of the Board of Commissioners on September 19, 2006. The Retirement Plans Management Committee, composed of seven members who serve without compensation by the Plan, is the trustee of the Plan. The Bank of New York Mellon is the custodian for the Plan. Transamerica is the third-party administrator of the Plan. Benefit provisions and contribution requirements are established and may be amended by the Retirement Plans Management Committee, subject to approval by the Gwinnett County Board of Commissioners.

Summary of Significant Accounting Policies

The Plan's significant accounting policies are as follows:

Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting. Contributions are paid and based on payrolls for time worked through December 31 each year.

Cash and Cash Equivalents

The Plan considers all depository accounts, money market depository accounts, and un-invested cash in investment trust accounts to be cash equivalents.

Valuation of Investments

Investments are recorded at fair value. The net appreciation (depreciation) in the fair value of investments held by the Plan is recorded as an increase (decrease) to investment income based on the valuation of investments as of the statement of fiduciary net position date. Investment income is recognized on the accrual basis as earned by the Plan.

Payment of Benefits

Benefits to retired participants are recorded when due in accordance with the terms of the Plan.

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 expenses during the reporting period. Actual results could differ from those estimates.

Separate, stand-alone financial statements of the Plan are prepared and can be obtained at the Gwinnett County Department of Financial Services located at:

75 Langley Drive
Lawrenceville, GA 30046

Benefits Provided

The following brief description of the pension plan terms is provided for general information purposes only. Participants should refer to the plan document for more complete information.

Normal retirement age under the Plan is 65. Employees having an employment or reemployment date prior to November 1, 2004, become fully vested after three years of service. Employees having an employment or reemployment date after November 1, 2004, become fully vested after five years of service.

Early retirement means the following when a Participant becomes eligible:

Schedule A: A participant accruing benefits under *Schedule A* shall be entitled to an Unreduced Early Retirement Pension when he completes 30 years of Vesting Service or attains 65 years of age with at least five years of participation. A Participant accruing benefits under *Schedule A* will be entitled to a Reduced Early Retirement Pension on the latter of the date he attains 60 years of age and completes 10 years of service.

Schedule B or Schedule C: A participant accruing benefits under *Schedule B* or *Schedule C* shall be entitled to an Unreduced Early Retirement Pension on the earlier of the following dates; (i) the Participant completes 30 years of Vesting Service; or (ii) latter of the date (A) he attains 50 years of age and (B) his age, combined with his years of Vesting Service, equals or exceeds 75 or he attains age 65 with five years of plan participation. A Participant accruing benefits under *Schedule B* or *Schedule C* will be entitled to a Reduced Early Retirement Pension on the latter of the date he attains 60 years of age and completes 10 years of service.

Normal retirement benefits are based on a participant's average monthly compensation for the highest 60 consecutive months of credited service out of the employee's last 120 months of credited service prior to termination of employment. Normal retirement factor is 2.25 percent of participant's average monthly compensation multiplied by years of full-time credited service for *Schedule A* and *B*. Normal retirement factor is 2.5 percent of participant's average monthly compensation multiplied by years of full-time credited service for *Schedule C*.

Participants who retire will receive a cost of living increase as follows:

Schedule A: There is no cost of living adjustment for benefits provided under *Schedule A*.

Schedule B or C: A participant receiving retirement, disability pension, survivor, or deferred vested benefits under the provisions of any of the Employee Contributory Plans shall be entitled to a cost of living adjustment of his benefit in the amount of 1 percent per year.

A participant who, prior to satisfying the requirements for a normal, early, or reduced retirement pension shall be entitled to receive a Disability Pension if the participant has completed 10 years of full-time service and is determined to be totally disabled by the Social Security Administration prior to the participant's termination of employment.

Joint and survivor retirement benefits to a participant's designated beneficiary are provided by the Plan, as well as a 10 year certain benefit option.

A Post-Retirement Death Benefit of up to \$15,000 (payable in a lump sum) is provided for each participant receiving an early, reduced, normal, or late retirement pension, who retires directly from County employment.

Eligibility

Full-time employees with an employment or reemployment commencement date before December 31, 2006, who did not elect to participate in the Defined Contribution Plan are eligible to participate in the Plan.

Employees hired or rehired on or after January 1, 2007; County commissioners, other elected officials and appointed officials with an employment or reemployment date after August 1, 2000; and employees who elected to participate in the Defined Contribution Plan are excluded from participation in the Defined Benefit Plan. The Defined Benefit Plan is closed to new entrants.

At January 1, 2019, the following employees were covered by the benefit terms:

Plan Membership as of January 1, 2019	
Inactive members or beneficiaries currently receiving benefits	2,369
Inactive members entitled to but not yet receiving benefits	807
Active members	1,208
Total	4,384

Contributions

Gwinnett County is required to contribute an actuarially determined amount annually to the Plan’s trust. The required contribution amount is determined using actuarial methods and assumptions approved by the Retirement Plans Management Committee. It is intended to satisfy the minimum contribution requirements as set forth in controlling state of Georgia statutes. Effective for the January 1, 2019, plan year, the recommended contribution for the County was set at \$41,349,740, and the County contributed \$41,620,000. The actuarially determined contribution for employees was \$6,380,069.

Net Pension Liability

The County’s net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019, with update procedures performed by the actuary to roll forward the total pension liability measured as of December 31, 2019.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing costs between the employer and plan members to that point. The assumptions used in the January 1, 2019, actuarial valuation were as follows:

Actuarial cost method	Entry age normal
Price inflation	2.50 percent
Salary increases	4.50 – 5.50 percent, average, including inflation
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation
Cost-of-living adjustments	1.00 percent
Mortality	Pre-Retirement Mortality: PubG.H-2010 Headcount Weighted General Median Employee projected generationally using projection scale MP-2019 Post-Retirement Health Mortality: PubG.H-2010 Headcount Weighted General Median Healthy Retiree projected generationally using projection scale MP-2019 Post-Retirement Disabled Mortality: PubNS.H-2010 Headcount Weighted Non-Safety Median Disabled Retiree projected generationally using projection scale MP-2019

The actuarial assumptions used in the January 1, 2019, valuation were based on the results of the last actuarial experience study, dated January 27, 2010, with the exception of the mortality assumption. The mortality assumption was updated for the December 31, 2019, measurement date.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis 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 ranges 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. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as provided by the Plan's Investment Consultant are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. large cap	30.0%	6.1%
U.S. mid cap	7.5%	7.2%
U.S. small cap	7.5%	7.2%
International	10.0%	9.4%
Global allocation	10.0%	7.0%
Real estate	5.0%	5.7%
Emerging markets	5.0%	4.5%
U.S. fixed income	20.0%	2.2%
Global fixed income	5.0%	1.5%
Cash	0.0%	0.8%
Total	100%	

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed the County will contribute the actuarially determined contribution. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of all current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the future projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

	Increase (Decrease)		Net Pension Liability (a) – (b)
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	
Balances at December 31, 2018	\$ 1,334,621,024	\$ 965,241,000	\$ 369,380,024
Changes for the year:			
Service cost	11,329,392	—	11,329,392
Interest	91,585,614	—	91,585,614
Difference between expected and actual experience	25,253,004	—	25,253,004
Changes in assumptions	50,585,697		
Contributions – employer	—	41,620,000	(41,620,000)
Contributions – employee	—	6,176,000	(6,176,000)
Net investment income	—	212,029,000	(212,029,000)
Benefit payments, including refunds of employee contributions	(75,169,000)	(75,169,000)	—
Administrative expense	—	(731,000)	731,000
Net changes	\$ 103,584,707	\$ 183,925,000	\$ (80,340,293)
Balances at December 31, 2019	\$ 1,438,205,731	\$ 1,149,166,000	\$ 289,039,731

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 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's net pension liability	\$ 460,709,705	\$ 289,039,731	\$ 145,775,690

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

For the year ended December 31, 2019, the County recognized pension expense of \$84,436,521. The following table provides a summary of the deferred inflows and outflows related to pensions as of December 31, 2019 (the measurement date):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,417,668	\$ —
Changes of assumptions	16,861,899	—
Net difference between projected and actual earnings on plan investments	—	69,737,977
Total	\$ 25,279,567	\$ 69,737,977

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

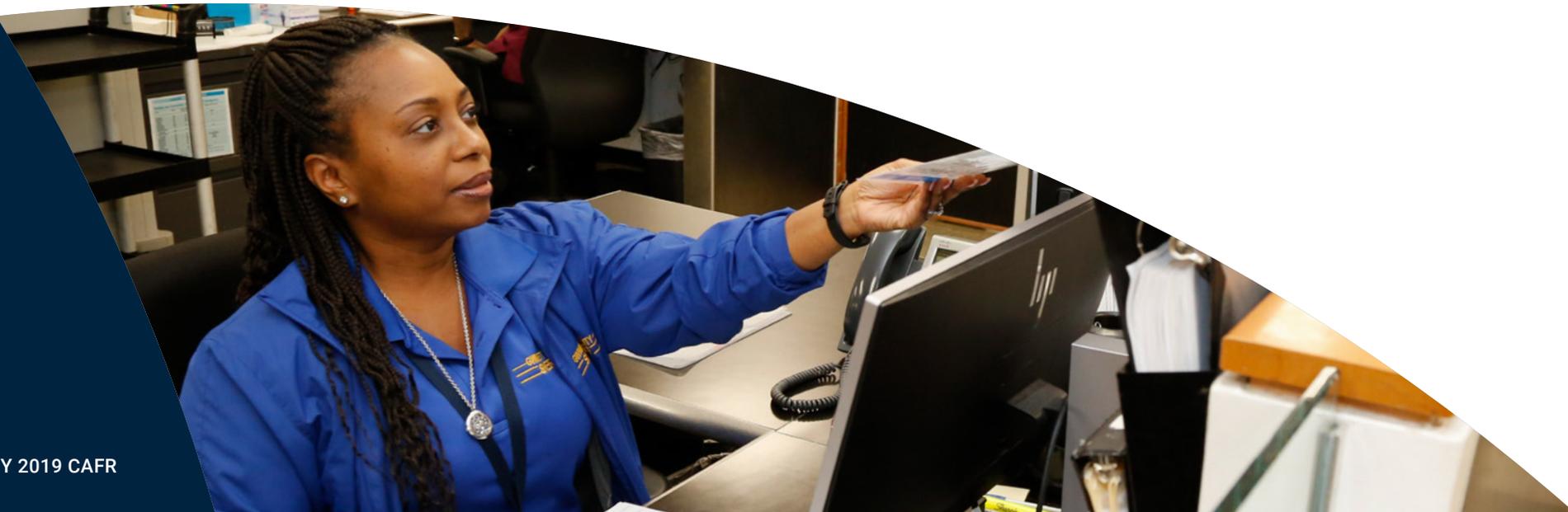
Year ended December 31:	Deferred Outflows of Resources (a)	Deferred Inflows of Resources (b)	Amount recognized in Pension Expenses as an increase or (decrease) to Pension Expense (a) – (b)
2020	\$ 25,279,567	\$ 17,861,608	\$ 7,417,959
2021	—	19,046,349	(19,046,349)
2022	—	3,740,866	(3,740,866)
2023	—	29,089,154	(29,089,154)
Thereafter	—	—	—



B. Defined Contribution Pension Plan

The Gwinnett County Defined Contribution Pension Plan (the “DC Plan”) is a defined contribution retirement plan established by Gwinnett County on August 1, 2000, to provide retirement benefits for appointed and elected officials. Effective January 1, 2007, all new eligible employees were required to participate in this plan, and the defined benefit plan was closed to new participants. The DC Plan is administered by Voya Financial. On December 31, 2019, there were 3,888 active participants. Plan participants are required to make a one-time, irrevocable election of either 2.5, 5.0, or 7.5 percent contribution of their pensionable earnings, and the County is required to contribute 11.5 percent of pensionable earnings (for employees hired prior to January 1, 2007) or 7.0 percent of pensionable earnings (for employees hired after January 1, 2007). Plan provisions and contribution requirements are established by and may be amended by the County Board of Commissioners within the scope of all applicable laws. The effective date of the plan was August 1, 2000. For the year ended December 31, 2019, the amount contributed by employees was \$8,719,014. The amount contributed by the County was \$17,084,026. Effective January 1, 2007, a 1 percent match of pensionable earnings for each employee who contributes at least 2.5 percent to their 457(b) account is made by the County to the DC Plan. Employees hired before January 1, 2016, vest in the County contributions on the following schedule: after one year of service they are vested 33 percent, after two years of service they are vested 67 percent, and after three years of service they are vested 100 percent. Employees hired on or after January 1, 2016, vest in the County contributions on the following schedule: after three years of service they are vested 33 percent, after four years of service they are vested 67 percent, and after five years of service they are vested 100 percent.

The DC Plan also contains an additional benefit – the Retiree Medical Savings Plan (401h). This plan is also administered by Voya Financial. All contributions to this plan are made by the County at 1.5 percent of pensionable earnings. This plan is for employees hired prior to January 1, 2007. Upon retirement, employees may receive disbursements from this account for eligible medical expenses. In 2019, the County contributed \$403,088 to this plan. Persons leaving County employment prior to retirement forfeit all rights or claims against the medical savings program and those funds are returned to the program for payment of expenses or redistribution in accordance with IRS §401h.



NOTE 13.

Other Post-Employment Benefits

During the year ended December 31, 2018, the County adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures for Other Post-Employment Benefits that are provided to the employees of state and local governmental employers.

General Information about the OPEB Plan

Plan Description

The Gwinnett County Retirement System Health Insurance Plan (the "OPEB Plan") is a single-employer defined benefit post-retirement health care plan, or Other Post-Employment Benefit plan. The Gwinnett County OPEB Trust is an irrevocable trust established pursuant to Section 115 of the Internal Revenue Code for the purpose of pre-funding other post-employment benefits provided under its welfare benefit plans in accordance with GASB Standards. The trust was established, effective January 1, 2007, by the Board of Commissioners to pre-fund medical and prescription drug benefits for retirees and other former employees (and their eligible dependents) who are eligible for such benefits under existing County policy. The Retirement Plans Management Committee, composed of seven members who serve without compensation by the OPEB Plan, is the trustee of the Plan. The Bank of New York Mellon is the custodian for the trust. Benefit provisions and contribution requirements are established and may be amended by the County Administrator.

Summary of Significant Accounting Policies

The Plan's significant accounting policies are as follows:

Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting. Contributions, which are based on payrolls for time worked through December 31 each year, are also accrued at year-end.

Cash and Cash Equivalents

The Plan considers all depository accounts, money market depository accounts, and un-invested cash in investment trust accounts to be cash equivalents.

Valuation of Investments

Investments are recorded at fair value. The net appreciation (depreciation) in the fair value of investments held by the Plan is recorded as an increase (decrease) to investment income based on the valuation of investments as of the statement of fiduciary net position date. Investment income is recognized on the accrual basis as earned by the Plan.

Payment of Benefits

Benefits to retired participants are recorded when due in accordance with the terms of the Plan.

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 expenses during the reporting period. Actual results could differ from those estimates.

Complete financial statements for the Gwinnett County Retirement System Health Insurance Plan can be obtained at the Gwinnett County Department of Financial Services located at:

75 Langley Drive
Lawrenceville, GA 30046

General

The following brief description of the OPEB plan terms is provided for general information purposes only. Participants should refer to the plan agreement for more complete information.

Retirement Options/Benefit Provisions

Eligible retirees and former employees who are not Medicare Eligible are offered the same health and prescription drug coverage as active employees with the addition of a Preferred Provider Organization Health Plan and a Bronze High Deductible Health Plan. Medicare Eligible retirees and former employees who are Medicare Eligible are offered a Medicare Advantage Plan. Retirees pay approximately 30 percent of actuarially calculated and self-supporting monthly rates. The County contributes the remainder of the rates, but it caps its contribution at specific monthly limits. Participants pay 100 percent of the cost of vision and dental coverage.

Eligibility

Eligible participants for Other Post-Employment Benefits include:

1. Retirees who retired directly from Gwinnett County and who elected to enroll in the retiree medical benefit plan
2. Retirees who retired directly from Gwinnett County and who elected to enroll in another, similar retiree medical benefit plan and who subsequently involuntarily lost that other coverage
3. Surviving beneficiaries receiving a Gwinnett County pension
4. Ex-elected officials who complete one full-term in office and who upon leaving office have no similar group health plan available to them
5. Certain disabled former employees

Plan Membership

The following schedule reflects membership in the OPEB Plan as of January 1, 2019:

Active participants	4,850
Inactive members or their beneficiaries currently receiving benefits	1,521
Inactive members entitled to but not yet receiving benefits	—
Total	<u>6,371</u>

Contributions

In 2019, Gwinnett County contributed an actuarially determined amount to the OPEB Plan's trust. The annual contribution amount is determined using actuarial methods and assumptions approved by the Retirement Plans Management Committee. Effective for the January 1, 2019, plan year, the recommended contribution for the County was set at \$10,562,991, and the County contributed \$11,910,000.

Net OPEB Liability

The County's net OPEB liability was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2019, with update procedures performed by the actuary to roll forward the total OPEB liability measured as of December 31, 2019.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the types of benefit provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing costs between the employer and plan members to that point. The assumptions used in the January 1, 2019, actuarial valuation were as follows:

Valuation date	January 1, 2019
Actuarial cost method	Entry age normal
Price inflation	2.50 percent
Salary increases	4.50 – 5.50 percent, average, including inflation
Investment rate of return	7.00 percent, net of investment expense, including inflation
Health care cost trend rate (used until hard cap is reached):	
Pre-Medicare eligible	7.00 percent
Medicare eligible	5.50 percent
Ultimate trend rate:	
Pre-Medicare eligible	4.50 percent
Medicare eligible	4.50 percent
Year of ultimate trend rate:	
Pre-Medicare	2024
Medicare	2021
Mortality	Pre-Retirement Mortality: PubG.H-2010 Headcount Weighted General Median Employee, projected generationally using projection scale MP-2019 Post-Retirement Health Mortality: PubG.H-2010 Headcount Weighted General Median Healthy Retiree, projected generationally using projection scale MP-2019 Post-Retirement Disabled Mortality: PubNS.H-2010 Headcount Weighted Non-Safety Median Disabled Retiree, projected generationally using projection scale MP-2019

The actuarial assumptions used for retirement, termination, and disability decrements for Plan participants who also are members of the County's defined benefit pension plan are based on the results of an actuarial experience study performed for the three year period ending January 1, 2009. The actuarial assumptions used for retirement and termination for Plan participants who also are members of the County's defined contribution pension plan are based on the results of an actuarial experience study performed for the period from January 1, 2007, through January 1, 2012. The remaining actuarial assumptions used in the January 1, 2019, valuation were based on the results of an actuarial experience study done concurrently with the January 1, 2019, valuation.

The long-term expected rate of return on OPEB plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class as provided by the Plan's Investment Consultant are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. large cap	30.0%	6.1%
U.S. mid cap	7.5%	7.2%
U.S. small cap	7.5%	7.2%
International	10.0%	9.4%
Global allocation	10.0%	7.0%
Real estate	5.0%	5.7%
Emerging markets	5.0%	4.5%
U.S. fixed income	20.0%	2.2%
Global fixed income	5.0%	1.5%
Cash	0.0%	0.8%
Total	100%	

The discount rate used to measure the total OPEB liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed the County will contribute the actuarially determined contribution. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make projected future benefit payments of all current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all of the future projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at December 31, 2018	\$ 223,117,939	\$ 132,513,000	\$ 90,604,939
Changes for the year:			
Service cost	4,697,672	—	4,697,672
Interest	15,567,693	—	15,567,693
Difference between expected and actual experience	(9,026,184)	—	(9,026,184)
Changes of assumptions	2,169,103	—	2,169,103
Contributions – employer	—	11,910,000	(11,910,000)
Net investment income	—	30,365,000	(30,365,000)
Benefit payments	(10,840,000)	(10,840,000)	—
Administrative expense	—	(583,000)	583,000
Net changes	2,568,284	30,852,000	(28,283,716)
Balances at December 31, 2019	\$ 225,686,223	\$ 163,365,000	\$ 62,321,223

Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability of the County, calculated using the discount rate of 7.00 percent, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's net OPEB liability	\$ 81,879,643	\$ 62,321,223	\$ 45,370,688

Sensitivity of the net OPEB liability to changes in the health care cost trend rate

The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using a health care cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Health Care Trend Rate	1% Increase
County's net OPEB liability	\$ 59,233,412	\$ 62,321,223	\$ 64,434,593

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2019, the County recognized OPEB expense of \$12,328,153. The following table provides a summary of the deferred inflows and outflows related to OPEB as of December 31, 2019 (the measurement date):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,874,877	\$ 7,483,247
Changes of assumptions	2,111,278	—
Net difference between projected and actual earnings on plan investments	—	6,338,979
Total	\$ 11,986,155	\$ 13,822,226

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

Year ended December 31:	Deferred Outflows of Resources (a)	Deferred Inflows of Resources (b)	Amount recognized in OPEB Expense as an increase of (decrease) to OPEB Expense (a) – (b)
2020	\$ 3,023,870	\$ 2,251,127	\$ 772,743
2021	3,023,870	2,251,127	772,743
2022	3,023,870	2,251,127	772,743
2023	2,599,377	5,757,346	(3,157,969)
Thereafter	315,168	1,311,499	(996,331)



NOTE 14.

Fund Balances and Net Position

A. Nonspendable, Restricted, Committed, Assigned, and Unassigned Fund Balances

Nonspendable, restricted, committed, assigned, and unassigned fund balances in the various funds as of December 31, 2019, were as follows (in thousands of dollars):

Fund balances	General	Fire and EMS District	Police Services District	Other Capital Projects	2009 Sales Tax	2014 Sales Tax	2017 Sales Tax	Other Governmental	Total
Nonspendable:									
Inventories	\$ 1,113	–	–	–	–	–	–	210	1,323
Prepaid items	311	71	369	–	407	–	–	40	1,198
Restricted for:									
Capital projects	–	–	–	202,260	77,189	110,962	259,089	–	649,500
Debt service	–	–	–	–	–	–	–	–	–
Special programs:									
Street lighting	–	–	–	–	–	–	–	1,724	1,724
Speed humps	–	–	–	–	–	–	–	1,038	1,038
Document printing	–	–	–	–	–	–	–	1,985	1,985
Juvenile court supervision	–	–	–	–	–	–	–	195	195
Tourism	–	–	–	–	–	–	–	7,458	7,458
Stadium operations	–	–	–	–	–	–	–	2,508	2,508
Law enforcement – sheriff	–	–	–	–	–	–	–	1,148	1,148
Law enforcement – police	–	–	–	–	–	–	–	2,223	2,223
Crime victims assistance	–	–	–	–	–	–	–	773	773
Law enforcement – district attorney	–	–	–	–	–	–	–	401	401
Corrections inmate welfare	–	–	–	–	–	–	–	545	545
Sheriff inmate store	–	–	–	–	–	–	–	3,809	3,809
E-911 services	–	–	–	–	–	–	–	30,925	30,925
Loganville EMS district	–	–	–	–	–	–	–	689	689
Development and enforcement services district	–	–	–	–	–	–	–	12,310	12,310
Recreation district	–	–	–	–	–	–	–	21,204	21,204
Jimmy Carter Boulevard tax allocation district	–	–	–	–	–	–	–	6,141	6,141
Indian Trail tax allocation district	–	–	–	–	–	–	–	2,033	2,033
Park Place tax allocation district	–	–	–	–	–	–	–	941	941
Lake Lucerne tax allocation district	–	–	–	–	–	–	–	244	244
Gwinnett Place tax allocation district	–	–	–	–	–	–	–	1,735	1,735
Grants	–	–	–	–	–	–	–	2,554	2,554
Fire and EMS district	–	68,405	–	–	–	–	–	–	68,405
Police services district	–	–	83,802	–	–	–	–	–	83,802
Committed to:									
Tree replacement	–	–	–	–	–	–	–	329	329
Assigned to:									
General fund – 2020 budget: appropriation of fund balance	41,968	–	–	–	–	–	–	–	41,968
Capital projects:									
General government projects	–	–	–	110,991	–	–	–	–	110,991
Unassigned									
	132,929	–	–	–	–	–	–	–	132,929
Total fund balances	\$ 176,321	68,476	84,171	313,251	77,596	110,962	259,089	103,162	1,193,028

B. Net Position

Net position in the governmentwide statements as of December 31, 2019, was as follows (in thousands of dollars):

Net Position	Governmental Activities	Business-type Activities	Total
Net investment in capital assets	\$ 2,493,968	\$ 3,463,383	\$ 5,957,351
Restricted for:			
Capital projects:			
2009 sales tax capital project fund	77,596	—	77,596
2014 sales tax capital project fund	110,962	—	110,962
2017 sales tax capital project fund	259,089	—	259,089
Fire and EMS district projects	73,958	—	73,958
Police services district projects	102,979	—	102,979
Development and enforcement services district projects	14,710	—	14,710
Recreation district projects	10,613	—	10,613
Debt service	—	25,869	25,869
Special programs:			
Street lighting	1,813	—	1,813
Speed humps	1,042	—	1,042
Document printing	1,985	—	1,985
Juvenile court supervision	195	—	195
Tourism	7,458	—	7,458
Stadium operations	2,508	—	2,508
Law enforcement – sheriff	1,148	—	1,148
Law enforcement – police	2,226	—	2,226
Crime victims assistance	621	—	621
Law enforcement – district attorney	401	—	401
Corrections inmate welfare	545	—	545
Sheriff inmate store	3,809	—	3,809
E-911 services	22,952	—	22,952
Loganville EMS district	689	—	689
Development and enforcement services district	2,996	—	2,996
Recreation district	8,233	—	8,233
Jimmy Carter Boulevard tax allocation district	6,160	—	6,160
Indian Trail tax allocation district	2,053	—	2,053
Park Place tax allocation district	957	—	957
Lake Lucerne tax allocation district	249	—	249
Gwinnett Place tax allocation district	1,763	—	1,763
Grants	2,350	—	2,350
Police services district	33,614	—	33,614
Unrestricted	176,127	320,905	497,032
Total net position	\$ 3,425,769	\$ 3,810,157	\$ 7,235,926

NOTE 15.

Tax Abatements

Under the *Gwinnett County Economic Development Ordinance* Section 2-151, et. seq. adopted April 19, 2006, the County participates in agreements with the Gwinnett County Development Authority and local businesses through a "Bonds for Title Program" which creates property tax abatements. A targeted business that receives a bond in exchange for the title of their property may receive a reduction of taxable value equal to the reciprocal of the number of years of the bond term applied to the market value of the total real estate. The gain in equity as the bond repayments are made becomes taxable in each subsequent year. Targeted businesses include: advanced manufacturing, headquarters and professional services, health sciences and services, information technology solutions, and supply chain management.

In order to qualify, certain eligibility requirements must be met and will differ if the targeted business is in a redevelopment area such as a community improvement district or tax allocation district. For businesses not located in a redevelopment area, at least two of the following conditions must be met over a specified period: 1) add at least 25 jobs, 2) pay an average salary at least 1.25 times the County average for the industry, or 3) have an estimated fiscal impact with a net present value to the County of at least \$250,000 as determined by the County's analysis. For those businesses located in a redevelopment area, requirements have a lower threshold and include satisfying at least two of the following conditions over a specified period: 1) add at least 10 new jobs, 2) pay at least the nationwide average salary for that industry, or 3) have an estimated fiscal impact with a net present value to the County of at least \$100,000, as determined by the County's analysis.

Any businesses receiving the abatement under this ordinance will agree not to relocate outside the County for the entire period during which the abatement is granted. If the business relocates, the full value of any and all abatements received pursuant to the ordinance will be reimbursed to the County or issuing Authority. Should the business fail to meet fiscal impact, income, or employment requirements, there will be a 20 percent reduction in the abatement to be received for the first such year. If requirements are not met for more than one year, there will be a 50 percent reduction for the second such year. A third year of non-attainment of requirements will result in a termination of the abatement pursuant to the Ordinance.

For the fiscal year ended December 31, 2019, the County abated property taxes totaling \$648,421 under this program.

NOTE 16.

Contingencies

A. Litigation

The County is a defendant in a number of legal actions in the nature of claims for alleged damages to persons and property, wrongful death, violation of civil rights, employment issues, and other similar types of actions arising in the course of County operations. There are a number of these wrongful death, civil rights, and personal injury cases pending against the County, which in the aggregate, create a significant risk of liability exposure to the County. Management believes based upon the opinion of legal counsel that current reserves in the Risk Management Fund should be adequate to cover this exposure.

B. Grants

The County participates in a number of federal financial assistance programs. These programs are subject to independent financial and compliance audits by 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, will not have a material effect on the County's financial position.



REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

Defined Benefit Pension Plan

Schedule of Changes in the County's Net Pension Liability and Related Ratios (in thousands)

	2019	2018	2017	2016	2015	2014
Total pension liability:						
Service cost	\$ 11,329	11,729	12,020	12,413	10,381	11,390
Interest	91,586	88,706	85,244	82,914	81,013	77,618
Difference between expected and actual experience	25,253	14,048	21,474	3,738	17,981	–
Changes of assumptions	50,586	–	–	–	121,862	–
Benefit payments	(75,169)	(70,723)	(67,254)	(63,539)	(59,323)	(54,595)
Net change in total pension liability	103,585	43,760	51,484	35,526	171,914	34,413
Total pension liability – beginning	1,334,621	1,290,861	1,239,377	1,203,851	1,031,937	997,524
Total pension liability – ending (a)	\$ 1,438,206	1,334,621	1,290,861	1,239,377	1,203,851	1,031,937
Plan fiduciary net position						
Contributions – employer	41,620	41,633	38,366	28,036	33,636	48,713
Contributions – employee	6,176	6,419	6,441	6,652	6,852	7,264
Net investment income	212,029	(54,537)	140,526	56,004	(2,182)	58,212
Benefit payments	(75,169)	(70,723)	(67,254)	(63,539)	(59,323)	(54,595)
Administrative expense	(731)	(757)	(724)	(818)	(638)	(878)
Net change in plan fiduciary net position	183,925	(77,965)	117,355	26,335	(21,655)	58,716
Plan fiduciary net position – beginning	965,241	1,043,206	925,851	899,516	921,171	862,455
Plan fiduciary net position – ending (b)	\$ 1,149,166	965,241	1,043,206	925,851	899,516	921,171
Net pension liability – ending (a) – (b)	\$ 289,040	369,380	247,655	313,526	304,335	110,766
Plan fiduciary net position as a percentage of the total pension liability	79.90%	72.32%	80.81%	74.70%	74.72%	89.27%
Covered payroll	90,763	94,553	94,048	97,303	104,557	109,082
County's net pension liability as a percentage of covered payroll	318.46%	390.66%	263.33%	322.22%	291.07%	101.54%

NOTE: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

REQUIRED SUPPLEMENTARY INFORMATION DEFINED BENEFIT PENSION PLAN

Schedule of County Contributions (in thousands)

	<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>	<u>2010</u>
Actuarially determined employer contribution	\$ 41,350	41,102	37,945	28,036	33,636	38,713	37,281	36,181	37,563	27,506
Actual County contributions	<u>41,620</u>	<u>41,633</u>	<u>38,366</u>	<u>28,036</u>	<u>33,636</u>	<u>48,713</u>	<u>57,281</u>	<u>55,181</u>	<u>64,063</u>	<u>60,947</u>
Annual contribution (excess)	\$ <u>(270)</u>	<u>(531)</u>	<u>(421)</u>	<u>—</u>	<u>—</u>	<u>(10,000)</u>	<u>(20,000)</u>	<u>(19,000)</u>	<u>(26,500)</u>	<u>(33,441)</u>
Covered payroll	\$ 90,763	94,553	94,048	97,303	104,557	109,082	110,766	116,610	128,215	132,626
Actual contributions as a percentage of covered payroll	45.86%	44.03%	40.79%	28.81%	32.17%	44.66%	51.71%	47.32%	49.97%	45.95%

Notes to the Required Supplementary Information

Methods and assumptions used in calculations of actuarially determined contributions in the Schedule of Contributions:

Valuation date	January 1, 2018
Actuarial cost method	Projected Unit Credit
Amortization method	Level Dollar
Amortization period	Closed
Remaining amortization period	15 years
Asset valuation method	Five-year smoothed market value
Actuarial assumptions:	
Investment rate of return (includes 3.0 percent inflation)	7.00%
Projected salary increases (includes 4.0 percent inflation)	4.50% – 5.50%
Price Inflation	2.50%
Wage Inflation	3.50%
Cost-of-living adjustments	1.00%

Changes of benefit terms

In 2007, the plan was amended and restated during the year to close the plan to new participants effective January 1, 2007.

In 2010, the employee contribution rates for Schedule B and Schedule C employees was increased 1.75 percent and plan compensation now includes overtime, overtime premium, scheduled overtime, and scheduled overtime premium.

Changes of assumption

In 2010, assumptions were updated as a result of an experience study for the three-year period ended January 1, 2009.

In 2015, the assumed rate of return on investments was reduced from 8.00 percent to 7.00 percent.

In 2019, the mortality assumption was updated to the Public Pension Plan Mortality Tables below:

- Pre-Retirement Mortality
PubG.H-2010 Headcount Weighted General Median Employee
Projection Scale: MP-2019
- Post Retirement Healthy Mortality
PubG.H-2010 Headcount Weighted General Median Healthy Retiree
Projection Scale: MP-2019
- Post Retirement Disabled Mortality
PubNS.H-2010 Headcount Weighted Non-Safety Median Disabled Retiree
Projection Scale: MP-2019

Complete financial statements for the Gwinnett County Defined Benefit Plan can be obtained at the Gwinnett County Department of Financial Services located at:

75 Langley Drive
Lawrenceville, GA 30046

REQUIRED SUPPLEMENTARY INFORMATION OTHER POST-EMPLOYMENT BENEFITS

Schedule of Changes in the County's Net OPEB Liability and Related Ratios (in thousands)

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability:			
Service cost	\$ 4,697	4,809	4,877
Interest	15,568	13,927	13,095
Difference between expected and actual experience	(9,026)	15,018	–
Changes of assumptions	2,169	476	–
Benefit payments	(10,840)	(10,525)	(11,279)
Net change in total OPEB liability	<u>2,568</u>	<u>23,705</u>	<u>6,693</u>
Total OPEB liability – beginning	<u>223,118</u>	<u>199,413</u>	<u>192,720</u>
Total OPEB liability – ending (a)	<u>\$ 225,686</u>	<u>223,118</u>	<u>199,413</u>
Plan net position			
Contributions – employer	11,910	10,649	10,212
Net investment income	30,365	(7,699)	19,436
Benefit payments	(10,840)	(10,525)	(11,279)
Administrative expense	(583)	(617)	(672)
Net change in plan net position	<u>30,852</u>	<u>(8,192)</u>	<u>17,697</u>
Plan net position – beginning	<u>132,513</u>	<u>140,705</u>	<u>123,008</u>
Plan net position – ending (b)	<u>\$ 163,365</u>	<u>132,513</u>	<u>140,705</u>
Net OPEB liability – ending (a) – (b)	<u>\$ 62,321</u>	<u>90,605</u>	<u>58,708</u>
Plan net position as a percentage of the total OPEB liability	72.39%	59.39%	70.56%
Covered payroll	272,337	260,420	240,315
Net OPEB liability as a percentage of covered payroll	22.88%	34.79%	24.43%

NOTE: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

REQUIRED SUPPLEMENTARY INFORMATION OTHER POST-EMPLOYMENT BENEFITS

Schedule of County Contributions (in thousands)

	<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>	<u>2010</u>
Actuarially determined employer contribution	\$ 10,563	9,327	9,521	10,494	9,895	9,389	11,137	15,641	16,255	15,219
Actual County contributions	<u>11,910</u>	<u>10,649</u>	<u>10,212</u>	<u>13,257</u>	<u>11,587</u>	<u>9,977</u>	<u>11,313</u>	<u>16,877</u>	<u>24,313</u>	<u>26,840</u>
Annual contribution (excess)	\$ <u>(1,347)</u>	<u>(1,322)</u>	<u>(691)</u>	<u>(2,763)</u>	<u>(1,692)</u>	<u>(588)</u>	<u>(176)</u>	<u>(1,236)</u>	<u>(8,058)</u>	<u>(11,621)</u>
Covered payroll	\$ 272,337	260,420	240,315	224,112	215,187	206,640	210,700	211,636	219,527	212,204
Actual contributions as a percentage of covered payroll	4.37%	4.09%	4.25%	5.92%	5.38%	4.83%	5.37%	7.97%	11.08%	12.65%

Notes to the Required Supplementary Information

Methods and assumptions used in calculations of actuarially determined contributions in the Schedule of Contributions:

Valuation date	January 1, 2018
Actuarial cost method	Projected Unit Credit
Amortization method	Level percent of pay
Amortization period	Closed
Remaining amortization period	27 years
Asset valuation method	Five-year smoothed market value
Actuarial assumptions:	
Price inflation	3.00%
Investment rate of return (includes inflation)	7.00%
Health care cost trend rate	Pre-Medicare eligible: 7.75% Medicare eligible: 5.75%
Ultimate trend rate	Pre-Medicare eligible: 5.00% Medicare eligible: 5.00%
Year of ultimate trend rate	Pre-Medicare: 2024 Medicare: 2021

For actuarial assumptions used in the actuarial valuation above, refer to [Note 13](#) of the financial statements.

Changes of benefit terms

There are no changes to benefit terms since the prior measurement date.

Changes of assumption

Since the prior measurement date, the health care cost trend rates and mortality assumptions have been updated. The pre-Medicare eligible health care cost trend rate changed from 7.75 percent to 7.00 percent, and the Medicare eligible health care cost trend rate changed from 5.75 percent to 5.50 percent.

In 2019, the mortality assumption was updated to the Public Pension Plan Mortality Tables below:

- Pre-Retirement Mortality
PubG.H-2010 Headcount Weighted General Median Employee
Projection Scale: MP-2019
- Post Retirement Healthy Mortality
PubG.H-2010 Headcount Weighted General Median Healthy Retiree
Projection Scale: MP-2019
- Post Retirement Disabled Mortality
PubNS.H-2010 Headcount Weighted Non-Safety Median Disabled Retiree
Projection Scale: MP-2019

Complete financial statements for the Gwinnett
County OPEB Plan can be obtained at the Gwinnett
County Department of Financial Services located at:

75 Langley Drive
Lawrenceville, GA 30046

DID YOU KNOW

*In 2019, Fire and Emergency Services completed 1,498 home surveys,
including 693 SeniorBSafe senior home surveys.*



NON-MAJOR GOVERNMENTAL FUNDS

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue

Street Lighting Fund

The Street Lighting Fund supports the County's street light program. Revenues are generated from properties benefiting from existing street lights and are restricted for the purpose of utility payments. Charges for services are collected as special assessment fees in the fourth quarter with property tax collections.

Speed Hump Fund

The Speed Hump Fund supports the County's speed hump program. Revenues are generated from properties benefiting from existing speed humps and are restricted for the purpose of maintenance. Charges for services are collected as special assessment fees in the fourth quarter with property tax collections.

Authority Imaging Fund

The Authority Imaging Fund accounts for revenues received from fees collected by the Clerk of Superior Court Authority for document printing. These monies must be used for the development, implementation, and maintenance of a statewide automated information system.

Juvenile Court Supervision Fund

The Juvenile Court Supervision Fund accounts for revenues collected as supervision fees from those who are placed under the courts' formal or informal supervision in order for the court to use those collections toward expenditures for specific ancillary services, as required by state law.

Tree Bank Fund

The Tree Bank Fund accounts for all financial transactions relating to the tree preservation and replacement plan in accordance with the *Gwinnett County Buffer, Landscape, and Tree Ordinance*. Revenue collected from developers, when the required tree density units cannot be met, is committed by the Board of Commissioners for the planting of trees.

Tourism Fund

The Tourism Fund accounts for the collection and disbursement of hotel/motel tax revenue in accordance with state law, which includes lease payments for the Infinite Energy Center and parking facility. The project was financed with bonds and is leased at cost with lease repayment terms mirroring the required debt service on the bonds. Lease payments are made in March and September and are reflected in the Development Authority line item. Other expenditures associated with this fund are quarterly payments to the Gwinnett Convention and Visitors Bureau, per a management agreement.

Stadium Fund

The Stadium Fund accumulates stadium-related revenues in order to make lease payments on the Stadium (Coolray Field) and pay other miscellaneous expenditures. The stadium project was financed with bonds and is leased at cost with lease repayment terms mirroring the required debt service on the bonds. Lease payments are made in January and July and are shown in the Development Authority line item. Motor vehicle rental taxes are restricted and expended in accordance with state law. Intergovernmental revenue is realized in the form of a one-time annual payment from the Gwinnett Convention and Visitors Bureau in January. Charges for services revenues from ticket sales, parking, rental fees, and naming rights are received in April, June, and October. Both intergovernmental and charges for services revenues are required to be expended in accordance with an operations and management agreement.

Sheriff Special Justice Fund

The Sheriff Special Justice Fund accounts for revenues resulting from the U.S. Department of Justice's confiscation of money or the sale of property from illegal drug and narcotics activities. The law states that any money or property confiscated in this manner shall be used for restricted purposes, and all expenditures are validated against federal guidelines.

Sheriff Special Treasury Fund

The Sheriff Special Treasury Fund accounts for revenues resulting from the U.S. Department of Treasury's confiscation of money or the sale of property from illegal drug and narcotics activities. The law states that any money or property confiscated in this manner shall be used for restricted purposes, and all expenditures are validated against federal guidelines.

Sheriff Special State Fund

The Sheriff Special State Fund accounts for revenues resulting from the state of Georgia's confiscation of money or the sale of property from illegal drug and narcotics activities. The law states that any money or property confiscated in this manner shall be used for restricted purposes, and all expenditures are validated against federal guidelines.

Police Special Justice Fund

The Police Special Justice Fund accounts for revenues resulting from the U.S. Department of Justice's confiscation of money or the sale of property from illegal drug and narcotics activities. The law states that any money or property confiscated in this manner shall be used for restricted purposes, and all expenditures are validated against federal guidelines.

Police Special State Fund

The Police Special State Fund accounts for revenues resulting from the state of Georgia's confiscation of money or the sale of property from illegal drug and narcotics activities. The law states that any money or property confiscated in this manner shall be used for restricted purposes, and all expenditures are validated against state guidelines.

Crime Victims Assistance Fund

The Crime Victims Assistance Fund accounts for revenues received from a 5 percent charge collected on fines within the Recorder's, Juvenile, State, Superior, and Magistrate Courts of Gwinnett County. Revenues are also received from 5 percent of fines from municipalities within Gwinnett County. These funds must be used to provide assistance to crime victims, in accordance with state law. Revenue is split between the Solicitor's and District Attorney's offices.

District Attorney Federal Justice Asset Sharing Fund

The District Attorney Federal Justice Asset Sharing Fund accounts for revenues received from an equitable sharing agreement between the Department of Justice and the Gwinnett County District Attorney for proceeds from confiscations. The law states that any money or property confiscated in this manner shall be used for restricted purposes, and all expenditures are validated against federal and state guidelines.

District Attorney Federal Treasury Asset Sharing Fund

The District Attorney Federal Treasury Asset Sharing Fund accounts for revenues received from an equitable sharing agreement between the Department of Treasury and the Gwinnett County District Attorney for proceeds from confiscations. The law states that any money or property confiscated in this manner shall be used for restricted purposes, and all expenditures are validated against federal and state guidelines.

Corrections Inmate Welfare Fund

The Corrections Inmate Welfare Fund accounts for proceeds received from commissary sales to provide recreational materials for the benefit of the inmates at the Corrections Facility, in accordance with state law.

Sheriff Inmate Fund

The Sheriff Inmate Fund accounts for proceeds received from commissary sales to provide recreational materials for the benefit of the inmates at the Detention Center, in accordance with guidelines established by the Georgia Sheriff's Association.

E-911 Fund

The E-911 Fund accounts for operations of the E-911 Communications Center. Revenues are primarily received from monthly subscriber fees remitted by wired and wireless telecommunication providers. Expenditures must comply with *Official Code of Georgia Annotated Title 46, chapter 5, Article 2, Part 4*.

Loganville Emergency Medical Services District Fund

The Loganville Emergency Medical Services District Fund accounts for the revenues and expenditures attributable to the Loganville Emergency Medical Services District. This district includes all properties within the portion of incorporated Loganville that lie within Gwinnett County. The County is responsible for providing emergency medical services within this district. The majority of expenditures are recorded in the fall based upon the certified property tax digest, as outlined in the intergovernmental agreement with the city of Loganville.

Development and Enforcement Services District Fund

The Development and Enforcement Services District Fund accounts for the revenues and expenditures attributable to the Development and Enforcement Services District. This district includes all properties within unincorporated Gwinnett County. The County is responsible for providing short-term planning and code enforcement services within this district. A property tax is levied, which is restricted, to support this service district.

Recreation District Fund

The Recreation District Fund includes the combined accounts of the Recreation Authority and the Recreation Fund, which account for the operations and maintenance of County parks and recreational facilities. Financing is provided by a specific annual property tax levy restricted for recreation and miscellaneous revenues including admissions, concessions, and sports activity fees.

Jimmy Carter Boulevard TAD Fund

The Jimmy Carter Boulevard TAD Fund accounts for the positive tax increment revenues attributable to the Jimmy Carter Tax Allocation District. These revenues are restricted and used to pay for the redevelopment costs that provide substantial public benefit in accordance with the Jimmy Carter Boulevard Redevelopment Plan. This TAD is located in the Gateway85 Gwinnett Community Improvement District along the Jimmy Carter Boulevard corridor adjacent to the city of Norcross.

Indian Trail TAD Fund

The Indian Trail TAD Fund accounts for the positive tax increment revenues attributable to the Indian Trail Tax Allocation District. These revenues are restricted and used to pay for redevelopment costs that provide substantial public benefit in accordance with the Indian Trail Redevelopment Plan. The Indian Trail TAD is located in the Gateway85 Gwinnett Community Improvement District at the I-85 and Indian Trail-Lilburn Road interchange adjacent to the city of Norcross.

Park Place TAD Fund

The Park Place TAD Fund accounts for positive tax increment revenues attributable to the Park Place Tax Allocation District. These revenues are restricted and used to pay for redevelopment costs that provide substantial public benefit in accordance with the Park Place Redevelopment Plan. The Park Place TAD is located in the Evermore Community Improvement District at the intersection of Highway 78 (Stone Mountain Highway) and Rockbridge Road.

Lake Lucerne TAD Fund

The Lake Lucerne TAD Fund accounts for positive tax increment revenues attributable to the Lake Lucerne Tax Allocation District. These revenues are restricted and used to pay for redevelopment costs that provide substantial public benefit in accordance with the Lake Lucerne Redevelopment Plan. The Lake Lucerne TAD is located in the Evermore Community Improvement District at the intersection of Highway 78 (Stone Mountain Highway) and Killian Hill Road.

Gwinnett Place TAD Fund

The Gwinnett Place TAD Fund accounts is used to account for positive tax increment revenues attributable to the Gwinnett Place Tax Allocation District. These revenues are restricted and used to pay for redevelopment costs that provide substantial public benefit in accordance with the Gwinnett Place Redevelopment Plan. This district includes properties in the Gwinnett Place Community Improvement District, which is located in the Gwinnett Place Redevelopment Area at the intersection of I-85 and Pleasant Hill Road in Duluth.

Grant Funds

The Grant Funds account for funds received under federal and state grant programs and the matching transfers from other funds.

DEBT SERVICE FUND

Debt Service Fund

The Debt Service Fund specifically accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Revenue is derived principally from a countywide property tax levied for debt services. This fund was closed in 2019, as the final payment was made on the 2003 G.O. Bond in January 2019.

OTHER GOVERNMENTAL FUNDS COMBINING BALANCE SHEET

December 31, 2019

(in thousands of dollars)

	Street Lighting	Speed Hump	Authority Imaging	Juvenile Court Supervision	Tree Bank	Tourism	Stadium	Sheriff Special Justice	Sheriff Special Treasury	Sheriff Special State	Police Special Justice
ASSETS:											
Cash and cash equivalents	\$ 1,716	631	1,985	196	329	6,624	2,420	459	392	309	879
Investments	630	404	—	—	—	—	—	—	—	—	—
Receivables, net of allowance:											
Taxes	217	4	—	—	—	—	—	—	—	—	—
Accounts	—	3	—	—	—	837	88	—	—	38	—
Due from other governments	—	—	—	—	—	—	—	—	—	—	—
Inventories	—	—	—	—	—	—	—	—	—	—	—
Prepaid items	—	—	—	—	—	—	—	—	—	—	3
Total assets	\$ 2,563	1,042	1,985	196	329	7,461	2,508	459	392	347	882
LIABILITIES:											
Accounts payable	\$ 653	—	—	1	—	3	—	—	50	—	—
Due to other governments	—	—	—	—	—	—	—	—	—	—	—
Payroll payable	3	—	—	—	—	—	—	—	—	—	—
Retainage payable	—	—	—	—	—	—	—	—	—	—	—
Due to others	—	—	—	—	—	—	—	—	—	—	—
Total liabilities	656	—	—	1	—	3	—	—	50	—	—
DEFERRED INFLOWS OF RESOURCES:											
Unavailable revenue – property taxes	183	4	—	—	—	—	—	—	—	—	—
Total deferred inflows of resources	183	4	—	—	—	—	—	—	—	—	—
FUND BALANCES:											
Nonspendable	—	—	—	—	—	—	—	—	—	—	3
Restricted	1,724	1,038	1,985	195	—	7,458	2,508	459	342	347	879
Committed	—	—	—	—	329	—	—	—	—	—	—
Total fund balances	1,724	1,038	1,985	195	329	7,458	2,508	459	342	347	882
Total liabilities, deferred inflows of resources and fund balances	\$ 2,563	1,042	1,985	196	329	7,461	2,508	459	392	347	882

Non-major Special Revenue Funds

Police Special State	Crime Victims Assistance	DA Federal Justice Asset Sharing	DA Federal Treasury Asset Sharing	Corrections Inmate Welfare	Sheriff Inmate	E-911	Loganville EMS District	Development & Enforcement Services District	Recreation District	Jimmy Carter Boulevard TAD	Indian Trail TAD	Park Place TAD
1,349	808	355	46	546	3,516	8,003	495	6,864	16,984	6,142	2,033	941
—	—	—	—	—	325	20,071	194	6,050	5,309	—	—	—
—	—	—	—	—	—	—	—	197	923	18	20	16
—	13	—	—	—	—	3,518	—	76	38	—	—	—
—	—	—	—	—	—	140	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	210	—	—	—
—	—	—	—	—	—	17	—	2	18	—	—	—
<u>1,349</u>	<u>821</u>	<u>355</u>	<u>46</u>	<u>546</u>	<u>3,841</u>	<u>31,749</u>	<u>689</u>	<u>13,189</u>	<u>23,482</u>	<u>6,160</u>	<u>2,053</u>	<u>957</u>
5	5	—	—	1	32	154	—	59	674	—	—	—
—	—	—	—	—	—	240	—	—	—	—	—	—
—	43	—	—	—	—	413	—	339	781	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	355	—	—	—	—
<u>5</u>	<u>48</u>	<u>—</u>	<u>—</u>	<u>1</u>	<u>32</u>	<u>807</u>	<u>—</u>	<u>753</u>	<u>1,455</u>	<u>—</u>	<u>—</u>	<u>—</u>
—	—	—	—	—	—	—	—	124	595	19	20	16
—	—	—	—	—	—	—	—	124	595	19	20	16
—	—	—	—	—	—	17	—	2	228	—	—	—
1,344	773	355	46	545	3,809	30,925	689	12,310	21,204	6,141	2,033	941
—	—	—	—	—	—	—	—	—	—	—	—	—
<u>1,344</u>	<u>773</u>	<u>355</u>	<u>46</u>	<u>545</u>	<u>3,809</u>	<u>30,942</u>	<u>689</u>	<u>12,312</u>	<u>21,432</u>	<u>6,141</u>	<u>2,033</u>	<u>941</u>
<u>1,349</u>	<u>821</u>	<u>355</u>	<u>46</u>	<u>546</u>	<u>3,841</u>	<u>31,749</u>	<u>689</u>	<u>13,189</u>	<u>23,482</u>	<u>6,160</u>	<u>2,053</u>	<u>957</u>

continued...

OTHER GOVERNMENTAL FUNDS COMBINING BALANCE SHEET – *Continued*

December 31, 2019

(in thousands of dollars)

	Non-major Special Revenue Funds			
	Lake Lucerne TAD	Gwinnett Place TAD	Grant	Total Other Governmental Funds
ASSETS:				
Cash and cash equivalents	\$ 245	1,735	89	66,091
Investments	–	–	–	32,983
Receivables, net of allowance:				
Taxes	4	28	–	1,427
Accounts	–	–	–	4,611
Due from other governments	–	–	4,735	4,875
Inventories	–	–	–	210
Prepaid items	–	–	–	40
Total assets	<u>\$ 249</u>	<u>1,763</u>	<u>4,824</u>	<u>110,237</u>
LIABILITIES:				
Accounts payable	\$ –	–	2,219	3,856
Due to other governments	–	–	–	240
Payroll payable	–	–	–	1,579
Retainage payable	–	–	51	51
Due to others	–	–	–	355
Total liabilities	<u>–</u>	<u>–</u>	<u>2,270</u>	<u>6,081</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue – property taxes	5	28	–	994
Total deferred inflows of resources	<u>5</u>	<u>28</u>	<u>–</u>	<u>994</u>
FUND BALANCES:				
Nonspendable	–	–	–	250
Restricted	244	1,735	2,554	102,583
Committed	–	–	–	329
Total fund balances	<u>244</u>	<u>1,735</u>	<u>2,554</u>	<u>103,162</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 249</u>	<u>1,763</u>	<u>4,824</u>	<u>110,237</u>

DID YOU KNOW

The County opened Bay Creek Police Precinct, the sixth precinct in Gwinnett, with full operation December 14, 2019.

OTHER GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES,

Year Ended December 31, 2019

(in thousands of dollars)

	Street Lighting	Speed Hump	Authority Imaging	Juvenile Court Supervision	Tree Bank	Tourism	Stadium	Sheriff Special Justice	Sheriff Special Treasury	Sheriff Special State	Police Special Justice
REVENUES:											
Taxes	\$ —	—	—	—	—	12,059	937	—	—	—	—
Permits and licenses	—	—	—	—	—	—	—	—	—	—	—
Intergovernmental	—	—	—	—	—	—	400	—	—	—	—
Charges for services	7,358	125	674	71	—	4	1,067	—	—	—	—
Fines and forfeitures	—	—	—	—	—	—	—	130	12	35	216
Investment earnings	37	30	2	—	—	112	20	—	—	—	—
Miscellaneous	3	—	—	—	—	—	—	4	—	—	—
Total revenues	<u>7,398</u>	<u>155</u>	<u>676</u>	<u>71</u>	<u>—</u>	<u>12,175</u>	<u>2,424</u>	<u>134</u>	<u>12</u>	<u>35</u>	<u>216</u>
EXPENDITURES:											
Current operating:											
Public safety	—	—	—	—	—	—	—	—	—	—	53
Judiciary	—	—	—	40	—	—	—	96	146	31	—
Public works	7,910	355	—	—	—	—	—	—	—	—	—
Culture and recreation	—	—	—	—	—	—	—	—	—	—	—
Housing and development	—	—	—	—	—	—	—	—	—	—	—
Tourism	—	—	—	—	—	3,981	—	—	—	—	—
Development authority	—	—	—	—	—	8,970	2,080	—	—	—	—
Grant programs	—	—	—	—	—	—	—	—	—	—	—
Capital outlay	—	—	—	—	—	—	—	—	—	62	—
Debt service	—	—	—	—	—	—	—	—	—	—	—
Intergovernmental	—	—	—	—	—	—	—	—	—	—	—
Total expenditures	<u>7,910</u>	<u>355</u>	<u>—</u>	<u>40</u>	<u>—</u>	<u>12,951</u>	<u>2,080</u>	<u>96</u>	<u>146</u>	<u>93</u>	<u>53</u>
Revenues in excess of (less than) expenditures	<u>(512)</u>	<u>(200)</u>	<u>676</u>	<u>31</u>	<u>—</u>	<u>(776)</u>	<u>344</u>	<u>38</u>	<u>(134)</u>	<u>(58)</u>	<u>163</u>
OTHER FINANCING SOURCES (USES):											
Transfers in	—	—	—	—	—	—	—	—	7	—	70
Transfers out	(20)	—	(883)	—	—	—	—	(7)	—	—	—
Other financing sources (uses), net	<u>(20)</u>	<u>—</u>	<u>(883)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(7)</u>	<u>7</u>	<u>—</u>	<u>70</u>
Net change in fund balances	(532)	(200)	(207)	31	—	(776)	344	31	(127)	(58)	233
Fund balances – January 1	<u>2,256</u>	<u>1,238</u>	<u>2,192</u>	<u>164</u>	<u>329</u>	<u>8,234</u>	<u>2,164</u>	<u>428</u>	<u>469</u>	<u>405</u>	<u>649</u>
Fund balances – December 31	\$ <u>1,724</u>	<u>1,038</u>	<u>1,985</u>	<u>195</u>	<u>329</u>	<u>7,458</u>	<u>2,508</u>	<u>459</u>	<u>342</u>	<u>347</u>	<u>882</u>

EXPENDITURES, AND CHANGES IN FUND BALANCES

Non-major Special Revenue Funds

Police Special State	Crime Victims Assistance	DA Federal Justice Asset Sharing	DA Federal Treasury Asset Sharing	Corrections Inmate Welfare	Sheriff Inmate	E-911	Loganville EMS District	Development & Enforcement Services District	Recreation District	Jimmy Carter Boulevard TAD	Indian Trail TAD	Park Place TAD
—	—	—	—	—	—	6	—	8,074	33,203	1,623	596	464
—	—	—	—	—	—	—	—	4,766	—	—	—	—
—	—	—	—	—	—	—	—	59	235	—	—	—
—	—	—	—	123	748	24,696	—	834	4,311	—	—	—
155	687	31	—	—	—	—	—	—	—	—	—	—
—	7	—	—	—	68	764	12	266	429	93	—	—
—	1	—	—	15	—	12	—	9	2,568	—	—	—
155	695	31	—	138	816	25,478	12	14,008	40,746	1,716	596	464
819	—	—	—	9	—	16,032	40	—	—	—	—	—
—	774	92	—	—	551	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	36,999	—	—	—
—	—	—	—	—	—	—	—	10,041	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
639	—	—	—	—	13	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	4,099	—	—	—	—	—	—
1,458	774	92	—	9	564	20,131	40	10,041	36,999	—	—	—
(1,303)	(79)	(61)	—	129	252	5,347	(28)	3,967	3,747	1,716	596	464
—	—	—	—	—	—	—	—	344	—	—	—	—
(30)	—	—	—	—	—	(152)	—	(2,801)	(3,562)	—	—	—
(30)	—	—	—	—	—	(152)	—	(2,457)	(3,562)	—	—	—
(1,333)	(79)	(61)	—	129	252	5,195	(28)	1,510	185	1,716	596	464
2,677	852	416	46	416	3,557	25,747	717	10,802	21,247	4,425	1,437	477
1,344	773	355	46	545	3,809	30,942	689	12,312	21,432	6,141	2,033	941

continued...

OTHER GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – *Continued*

Year Ended December 31, 2019

(in thousands of dollars)

	Non-major Special Revenue Funds			Total Non-major Special Revenue Funds	Debt Service	Total Other Governmental Funds
	Lake Lucerne TAD	Gwinnett Place TAD	Grant			
REVENUES:						
Taxes	\$ 125	847	—	57,934	200	58,134
Permits and licenses	—	—	—	4,766	—	4,766
Intergovernmental	—	—	16,779	17,473	—	17,473
Charges for services	—	—	—	40,011	—	40,011
Fines and forfeitures	—	—	—	1,266	—	1,266
Investment earnings	—	—	—	1,840	64	1,904
Miscellaneous	—	—	373	2,985	—	2,985
Total revenues	125	847	17,152	126,275	264	126,539
EXPENDITURES:						
Current operating:						
Public safety	—	—	—	16,953	—	16,953
Judiciary	—	—	—	1,730	—	1,730
Public works	—	—	—	8,265	—	8,265
Culture and recreation	—	—	—	36,999	—	36,999
Housing and development	—	—	—	10,041	—	10,041
Tourism	—	—	—	3,981	—	3,981
Development authority	—	—	—	11,050	—	11,050
Grant programs	—	—	15,627	15,627	—	15,627
Capital outlay	—	—	1,550	2,264	—	2,264
Debt service	—	—	—	—	4,254	4,254
Intergovernmental	—	—	—	4,099	—	4,099
Total expenditures	—	—	17,177	111,009	4,254	115,263
Revenues in excess of (less than) expenditures	125	847	(25)	15,266	(3,990)	11,276
OTHER FINANCING SOURCES (USES):						
Transfers in	—	—	215	636	—	636
Transfers out	—	—	(236)	(7,691)	(8,537)	(16,228)
Other financing sources (uses), net	—	—	(21)	(7,055)	(8,537)	(15,592)
Net change in fund balances	125	847	(46)	8,211	(12,527)	(4,316)
Fund balances – January 1	119	888	2,600	94,951	12,527	107,478
Fund balances – December 31	\$ 244	1,735	2,554	103,162	—	103,162

BUDGETARY COMPLIANCE

Special Revenue Funds

Schedule of revenues, expenditures, and changes in fund balances – budget and actual

Capital Projects Funds

Schedule of revenues, expenditures, and changes in fund balances – budget and actual

Debt Service Fund

Schedule of revenues, expenditures, and changes in fund balances – budget and actual

Grant Fund

Schedule of revenues and expenditures – budget and actual



SPECIAL REVENUE FUNDS SCHEDULE OF REVENUES, EXPENDITURES, AND

Year Ended December 31, 2019

(in thousands of dollars)

	Street Lighting			Speed Hump			Authority Imaging		
	Budget	Actual (non-GAAP Budget Basis)	Variance- positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance- positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance- positive (negative)
REVENUES:									
Taxes	\$ —	—	—	—	—	—	—	—	—
Permits and licenses	—	—	—	—	—	—	—	—	—
Intergovernmental	—	—	—	—	—	—	—	—	—
Charges for services	7,705	7,358	(347)	122	125	3	607	674	67
Fines and forfeitures	—	—	—	—	—	—	—	—	—
Investment earnings	9	37	28	19	30	11	2	2	—
Miscellaneous	—	3	3	—	—	—	—	—	—
Total revenues	7,714	7,398	(316)	141	155	14	609	676	67
EXPENDITURES:									
Current operating:									
Public safety	—	—	—	—	—	—	—	—	—
Judiciary	—	—	—	—	—	—	—	—	—
Public works	7,922	7,910	12	418	355	63	—	—	—
Culture and recreation	—	—	—	—	—	—	—	—	—
Housing and development	—	—	—	—	—	—	—	—	—
Tourism	—	—	—	—	—	—	—	—	—
Development authority	—	—	—	—	—	—	—	—	—
Total expenditures	7,922	7,910	12	418	355	63	—	—	—
Revenues in excess of (less than) expenditures	(208)	(512)	(304)	(277)	(200)	77	609	676	67
OTHER FINANCING SOURCES (USES):									
Transfers in	—	—	—	—	—	—	—	—	—
Transfers out	(20)	(20)	—	—	—	—	(883)	(883)	—
Other financing sources (uses), net	(20)	(20)	—	—	—	—	(883)	(883)	—
Revenues and other financing sources in excess of (less than) expenditures and other financing uses	(228)	(532)	(304)	(277)	(200)	77	(274)	(207)	67
Fund balance allocation	228	—	(228)	277	—	(277)	274	—	(274)
Fund balances – January 1	—	2,256	2,256	—	1,233	1,233	—	2,192	2,192
Fund balances – December 31	\$ —	1,724	1,724	—	1,033	1,033	—	1,985	1,985

CHANGES IN FUND BALANCES BUDGET & ACTUAL (BUDGET BASIS)

Juvenile Court Supervision			Tree Bank			Tourism			Stadium			Sheriff Special Justice		
Budget	Actual (non-GAAP Budget Basis)	Variance- positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance- positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance- positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance- positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance- positive (negative)
—	—	—	—	—	—	12,057	12,059	2	875	937	62	—	—	—
—	—	—	10	—	(10)	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	400	400	—	—	—	—
70	71	1	—	—	—	—	4	4	1,078	1,067	(11)	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	130	130	—
—	—	—	—	—	—	—	112	112	—	20	20	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—	4	4
70	71	1	10	—	(10)	12,057	12,175	118	2,353	2,424	71	130	134	4
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
43	40	3	—	—	—	—	—	—	—	—	—	223	96	127
—	—	—	20	—	20	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	4,475	3,981	494	—	—	—	—	—	—
—	—	—	—	—	—	8,970	8,970	—	2,080	2,080	—	—	—	—
43	40	3	20	—	20	13,445	12,951	494	2,080	2,080	—	223	96	127
27	31	4	(10)	—	10	(1,388)	(776)	612	273	344	71	(93)	38	131
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	(7)	(7)	—
—	—	—	—	—	—	—	—	—	—	—	—	(7)	(7)	—
27	31	4	(10)	—	10	(1,388)	(776)	612	273	344	71	(100)	31	131
(27)	—	27	10	—	(10)	1,388	—	(1,388)	(273)	—	273	100	—	(100)
—	164	164	—	329	329	—	8,234	8,234	—	2,164	2,164	—	428	428
—	195	195	—	329	329	—	7,458	7,458	—	2,508	2,508	—	459	459

continued...

SPECIAL REVENUE FUNDS SCHEDULE OF REVENUES, EXPENDITURES, AND

Year Ended December 31, 2019

(in thousands of dollars)

	Sheriff Special Treasury			Sheriff Special State			Police Special Justice		
	Budget	Actual (non-GAAP Budget Basis)	Variance- positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance- positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance- positive (negative)
REVENUES:									
Taxes	\$ —	—	—	—	—	—	—	—	—
Permits and licenses	—	—	—	—	—	—	—	—	—
Intergovernmental	—	—	—	—	—	—	—	—	—
Charges for services	—	—	—	—	—	—	—	—	—
Fines and forfeitures	12	12	—	35	35	—	216	216	—
Investment earnings	—	—	—	—	—	—	—	—	—
Miscellaneous	—	—	—	—	—	—	—	—	—
Total revenues	12	12	—	35	35	—	216	216	—
EXPENDITURES:									
Current operating:									
Public safety	—	—	—	—	—	—	148	53	95
Judiciary	162	146	16	135	93	42	—	—	—
Public works	—	—	—	—	—	—	—	—	—
Culture and recreation	—	—	—	—	—	—	—	—	—
Housing and development	—	—	—	—	—	—	—	—	—
Tourism	—	—	—	—	—	—	—	—	—
Development authority	—	—	—	—	—	—	—	—	—
Total expenditures	162	146	16	135	93	42	148	53	95
Revenues in excess of (less than) expenditures	(150)	(134)	16	(100)	(58)	42	68	163	95
OTHER FINANCING SOURCES (USES):									
Transfers in	—	7	7	—	—	—	—	70	70
Transfers out	—	—	—	—	—	—	—	—	—
Other financing sources (uses), net	—	7	7	—	—	—	—	70	70
Revenues and other financing sources in excess of (less than) expenditures and other financing uses	(150)	(127)	23	(100)	(58)	42	68	233	165
Fund balance allocation	150	—	(150)	100	—	(100)	(68)	—	68
Fund balances – January 1	—	469	469	—	405	405	—	649	649
Fund balances – December 31	\$ —	342	342	—	347	347	—	882	882

CHANGES IN FUND BALANCES BUDGET & ACTUAL (BUDGET BASIS) – *Continued*

Police Special State			Crime Victims Assistance			DA Federal Justice Asset Sharing			DA Federal Treasury Asset Sharing			Corrections Inmate Welfare		
Budget	Actual (non-GAAP Budget Basis)	Variance- positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance- positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance- positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance- positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance- positive (negative)
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	113	123	10
155	155	–	756	687	(69)	31	31	–	–	–	–	–	–	–
–	–	–	3	7	4	–	–	–	–	–	–	–	–	–
–	–	–	–	1	1	–	–	–	–	–	–	15	15	–
155	155	–	759	695	(64)	31	31	–	–	–	–	128	138	10
1,580	1,458	122	–	–	–	–	–	–	–	–	–	21	9	12
–	–	–	944	774	170	168	92	76	13	–	13	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
1,580	1,458	122	944	774	170	168	92	76	13	–	13	21	9	12
(1,425)	(1,303)	122	(185)	(79)	106	(137)	(61)	76	(13)	–	13	107	129	22
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
(30)	(30)	–	–	–	–	–	–	–	–	–	–	–	–	–
(30)	(30)	–	–	–	–	–	–	–	–	–	–	–	–	–
(1,455)	(1,333)	122	(185)	(79)	106	(137)	(61)	76	(13)	–	13	107	129	22
1,455	–	(1,455)	185	–	(185)	137	–	(137)	13	–	(13)	(107)	–	107
–	2,677	2,677	–	852	852	–	416	416	–	46	46	–	416	416
–	1,344	1,344	–	773	773	–	355	355	–	46	46	–	545	545

continued...

SPECIAL REVENUE FUNDS SCHEDULE OF REVENUES, EXPENDITURES, AND

Year Ended December 31, 2019

(in thousands of dollars)

	Sheriff Inmate			E-911			Loganville EMS District		
	Budget	Actual (non-GAAP Budget Basis)	Variance- positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance- positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance- positive (negative)
REVENUES:									
Taxes	\$ —	—	—	—	6	6	—	—	—
Permits and licenses	—	—	—	—	—	—	—	—	—
Intergovernmental	—	—	—	—	—	—	—	—	—
Charges for services	869	748	(121)	22,089	24,696	2,607	—	—	—
Fines and forfeitures	—	—	—	—	—	—	—	—	—
Investment earnings	—	68	68	415	539	124	11	12	1
Miscellaneous	—	—	—	—	12	12	—	—	—
Total revenues	869	816	(53)	22,504	25,253	2,749	11	12	1
EXPENDITURES:									
Current operating:									
Public safety	—	—	—	23,486	20,131	3,355	41	40	1
Judiciary	820	564	256	—	—	—	—	—	—
Public works	—	—	—	—	—	—	—	—	—
Culture and recreation	—	—	—	—	—	—	—	—	—
Housing and development	—	—	—	—	—	—	—	—	—
Tourism	—	—	—	—	—	—	—	—	—
Development authority	—	—	—	—	—	—	—	—	—
Total expenditures	820	564	256	23,486	20,131	3,355	41	40	1
Revenues in excess of (less than) expenditures	49	252	203	(982)	5,122	6,104	(30)	(28)	2
OTHER FINANCING SOURCES (USES):									
Transfers in	—	—	—	—	—	—	—	—	—
Transfers out	—	—	—	(1,461)	(152)	1,309	—	—	—
Other financing sources (uses), net	—	—	—	(1,461)	(152)	1,309	—	—	—
Revenues and other financing sources in excess of (less than) expenditures and other financing uses	49	252	203	(2,443)	4,970	7,413	(30)	(28)	2
Fund balance allocation	(49)	—	49	2,443	—	(2,443)	30	—	(30)
Fund balances – January 1	—	3,557	3,557	—	25,921	25,921	—	717	717
Fund balances – December 31	\$ —	3,809	3,809	—	30,891	30,891	—	689	689

CHANGES IN FUND BALANCES BUDGET & ACTUAL (BUDGET BASIS) – *Continued*

Development & Enforcement Services District			Recreation District			Jimmy Carter Boulevard TAD			Indian Trail TAD		
Budget	Actual (non-GAAP Budget Basis)	Variance-positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance-positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance-positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance-positive (negative)
7,640	8,074	434	31,787	33,203	1,416	1,470	1,623	153	568	596	28
3,952	4,766	814	—	—	—	—	—	—	—	—	—
52	59	7	202	235	33	—	—	—	—	—	—
416	834	418	4,895	4,311	(584)	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—
163	223	60	219	304	85	—	93	93	—	—	—
—	9	9	2,689	2,568	(121)	—	—	—	—	—	—
12,223	13,965	1,742	39,792	40,621	829	1,470	1,716	246	568	596	28
8,702	7,070	1,632	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	41,770	36,999	4,771	—	—	—	—	—	—
3,013	2,971	42	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—
11,715	10,041	1,674	41,770	36,999	4,771	—	—	—	—	—	—
508	3,924	3,416	(1,978)	3,622	5,600	1,470	1,716	246	568	596	28
344	344	—	—	—	—	—	—	—	—	—	—
(2,801)	(2,801)	—	(3,562)	(3,562)	—	—	—	—	—	—	—
(2,457)	(2,457)	—	(3,562)	(3,562)	—	—	—	—	—	—	—
(1,949)	1,467	3,416	(5,540)	60	5,600	1,470	1,716	246	568	596	28
1,949	—	(1,949)	5,540	—	(5,540)	(1,470)	—	1,470	(568)	—	568
—	10,797	10,797	—	21,326	21,326	—	4,425	4,425	—	1,437	1,437
—	12,264	12,264	—	21,386	21,386	—	6,141	6,141	—	2,033	2,033

continued...

SPECIAL REVENUE FUNDS SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET & ACTUAL (BUDGET BASIS) – *Cont.*

Year Ended December 31, 2019

(in thousands of dollars)

	Park Place TAD			Lake Lucerne TAD			Gwinnett Place TAD		
	Budget	Actual (non-GAAP Budget Basis)	Variance- positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance- positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance- positive (negative)
REVENUES:									
Taxes	\$ 397	464	67	110	125	15	731	847	116
Permits and licenses	—	—	—	—	—	—	—	—	—
Intergovernmental	—	—	—	—	—	—	—	—	—
Charges for services	—	—	—	—	—	—	—	—	—
Fines and forfeitures	—	—	—	—	—	—	—	—	—
Investment earnings	—	—	—	—	—	—	—	—	—
Miscellaneous	—	—	—	—	—	—	—	—	—
Total revenues	397	464	67	110	125	15	731	847	116
EXPENDITURES:									
Current operating:									
Public safety	—	—	—	—	—	—	—	—	—
Judiciary	—	—	—	—	—	—	—	—	—
Public works	—	—	—	—	—	—	—	—	—
Culture and recreation	—	—	—	—	—	—	—	—	—
Housing and development	—	—	—	—	—	—	—	—	—
Tourism	—	—	—	—	—	—	—	—	—
Development authority	—	—	—	—	—	—	—	—	—
Total expenditures	—	—	—	—	—	—	—	—	—
Revenues in excess of (less than) expenditures	397	464	67	110	125	15	731	847	116
OTHER FINANCING SOURCES (USES):									
Transfers in	—	—	—	—	—	—	—	—	—
Transfers out	—	—	—	—	—	—	—	—	—
Other financing sources (uses), net	—	—	—	—	—	—	—	—	—
Revenues and other financing sources in excess of (less than) expenditures and other financing uses	397	464	67	110	125	15	731	847	116
Fund balance allocation	(397)	—	397	(110)	—	110	(731)	—	731
Fund balances – January 1	—	477	477	—	119	119	—	888	888
Fund balances – December 31	\$ —	941	941	—	244	244	—	1,735	1,735

The background is a solid green color. Two curved lines, one in a darker shade of green than the other, cross each other on the left side of the page. The lines curve from the top and bottom edges towards the center.

DID YOU KNOW

In 2019, the Gwinnett Sheriff's Office established a veterans unit to lower recidivism among inmates who are military veterans.

CAPITAL PROJECTS FUNDS SCHEDULE OF REVENUES, EXPENDITURES, AND

Year Ended December 31, 2019

(in thousands of dollars)

	2009 Sales Tax			2014 Sales Tax		
	Budget	Actual	Variance-positive (negative)	Budget	Actual	Variance-positive (negative)
REVENUES:						
Sales tax proceeds	\$ —	—	—	—	—	—
Intergovernmental	5,287	5,287	—	3,951	3,951	—
Investment earnings (loss)	2,256	2,256	—	2,906	2,906	—
Miscellaneous	10	9	(1)	74	74	—
Total revenues	<u>7,553</u>	<u>7,552</u>	<u>(1)</u>	<u>6,931</u>	<u>6,931</u>	<u>—</u>
EXPENDITURES:						
Capital outlay	42,047	42,047	—	50,514	50,514	—
Intergovernmental	—	—	—	—	—	—
Total expenditures	<u>42,047</u>	<u>42,047</u>	<u>—</u>	<u>50,514</u>	<u>50,514</u>	<u>—</u>
Revenues in excess of (less than) expenditures	<u>(34,494)</u>	<u>(34,495)</u>	<u>(1)</u>	<u>(43,583)</u>	<u>(43,583)</u>	<u>—</u>
OTHER FINANCING SOURCES:						
Transfers in	—	—	—	—	—	—
Transfers out	—	—	—	—	—	—
Other financing sources, net	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Revenues and other financing sources in excess of (less than) expenditures and other financing uses	<u>(34,494)</u>	<u>(34,495)</u>	<u>(1)</u>	<u>(43,583)</u>	<u>(43,583)</u>	<u>—</u>
Fund balance allocation	<u>34,494</u>	<u>—</u>	<u>(34,494)</u>	<u>43,583</u>	<u>—</u>	<u>(43,583)</u>
Fund balances – January 1	<u>—</u>	<u>112,133</u>	<u>112,133</u>	<u>—</u>	<u>154,450</u>	<u>154,450</u>
Fund balances – December 31	<u>\$ —</u>	<u>77,638</u>	<u>77,638</u>	<u>—</u>	<u>110,867</u>	<u>110,867</u>

Budgets for capital projects funds are adopted on a multi-year basis and appropriated annually. Any unspent budget at the end of the year is rolled forward to the next year.

CHANGES IN FUND BALANCES BUDGET & ACTUAL (BUDGET BASIS)

2017 Sales Tax			Other Capital Projects		
Budget	Actual	Variance-positive (negative)	Budget	Actual	Variance-positive (negative)
172,255	172,255	—	—	—	—
8,665	8,665	—	—	—	—
5,312	5,312	—	6,430	6,430	—
66	65	(1)	1,156	1,156	—
186,298	186,297	(1)	7,586	7,586	—
73,231	73,231	—	56,284	56,284	—
36,587	36,587	—	—	—	—
109,818	109,818	—	56,284	56,284	—
76,480	76,479	(1)	(48,698)	(48,698)	—
—	—	—	52,041	52,041	—
—	—	—	(3,450)	(3,450)	—
—	—	—	48,591	48,591	—
76,480	76,479	(1)	(107)	(107)	—
(76,480)	—	76,480	107	—	(107)
—	181,329	181,329	—	312,625	312,625
—	257,808	257,808	—	312,518	312,518

Budgets for capital projects funds are adopted on a multi-year basis and appropriated annually. Any unspent budget at the end of the year is rolled forward to the next year.

DEBT SERVICE FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGET BASIS)

Year Ended December 31, 2019

(in thousands of dollars)

	Debt Service Fund		
	Budget	Actual	Variance-positive (negative)
REVENUES:			
Taxes	\$ 200	200	—
Investment earnings	64	64	—
Total revenues	264	264	—
EXPENDITURES:			
Debt service	12,791	12,791	—
Total expenditures	12,791	12,791	—
Revenues in excess of expenditures	(12,527)	(12,527)	—
Fund balance allocation	12,527	—	(12,527)
Fund balances – January 1	—	12,527	12,527
Fund balances – December 31	\$ —	—	—

GRANT FUND SCHEDULE OF REVENUES AND EXPENDITURES, BUDGET AND ACTUAL (BUDGET BASIS)

Year Ended December 31, 2019

(in thousands of dollars)

	Grant Fund		
	Budget	Actual (non-GAAP budget basis)	Variance-positive (negative)
REVENUES:			
Intergovernmental revenues	\$ 52,588	22,955	(29,633)
Local revenues	999	590	(409)
Total revenues	53,587	23,545	(30,042)
EXPENDITURES:			
Program expenditures	53,587	23,590	29,997
Revenues in excess of (less than) expenditures	\$ —	(45)	(45)



OTHER
ENTERPRISE
FUNDS

ENTERPRISE FUNDS

Other Enterprise Funds

Airport Fund

The Airport Fund includes the combined accounts of the Airport Enterprise Funds and the Airport Authority, which are used to account for the acquisition, construction, operations, and maintenance of the Gwinnett County Airport, Briscoe Field. Revenues are generally derived from the rental of space and facilities.

Economic Development Fund

The Economic Development Fund supports debt service and operations related to economic development.

Solid Waste Fund

The Solid Waste Fund accounts for the financial transactions related to solid waste management in accordance with the *Solid Waste Collection and Disposal Services Ordinance*. The primary intent of the ordinance is the reduction of solid waste being received at disposal facilities. Revenues are derived from non-exclusive franchise fees paid by commercial waste haulers and service fees paid by residential homeowners in unincorporated Gwinnett County.

Transit Fund

The Transit Fund accounts for the acquisition, improvement, maintenance, and operations of the transit system. Revenues are derived from fares, federal and state grants, and local taxes.

OTHER ENTERPRISE FUNDS COMBINING STATEMENT OF NET POSITION

December 31, 2019

(in thousands of dollars)

	Airport	Economic Development	Solid Waste	Transit	Total
ASSETS:					
Current assets:					
Cash and cash equivalents	\$ 2,224	2,495	37,169	8,537	50,425
Accounts receivable, net of allowance	43	262	1,032	31	1,368
Due from other governments	2,102	—	—	1,750	3,852
Prepaid Items	—	—	—	50	50
Total current assets	<u>4,369</u>	<u>2,757</u>	<u>38,201</u>	<u>10,368</u>	<u>55,695</u>
Noncurrent assets:					
Investments	—	—	34,234	7,149	41,383
Assets held for redevelopment	—	34,936	—	—	34,936
Land and construction in progress	17,579	—	1,317	7,399	26,295
Other capital assets, net of depreciation	6,597	—	25	17,463	24,085
Total noncurrent assets	<u>24,176</u>	<u>34,936</u>	<u>35,576</u>	<u>32,011</u>	<u>126,699</u>
Total assets	<u>28,545</u>	<u>37,693</u>	<u>73,777</u>	<u>42,379</u>	<u>182,394</u>
DEFERRED OUTFLOWS OF RESOURCES:					
Pension related deferred outflows	12	—	—	18	30
OPEB related deferred outflows	13	—	14	17	44
Total deferred outflows of resources	<u>25</u>	<u>—</u>	<u>14</u>	<u>35</u>	<u>74</u>
LIABILITIES:					
Current liabilities:					
Accounts payable	693	163	3,173	2,724	6,753
Payroll payable	25	—	27	32	84
Retainage payable	473	—	—	—	473
Accumulated leave benefits – current	27	—	21	35	83
Accrued interest payable	—	419	—	—	419
Due to others	1	—	—	21	22
Revenue Bonds payable – current	—	1,290	—	—	1,290
Unearned revenue	—	—	41,505	—	41,505
Total current liabilities	<u>1,219</u>	<u>1,872</u>	<u>44,726</u>	<u>2,812</u>	<u>50,629</u>
Noncurrent liabilities:					
Accumulated leave benefits	25	—	15	15	55
Revenue bonds payable	—	32,515	—	—	32,515
Net pension liability	134	—	—	214	348
Net OPEB liability	67	—	73	90	230
Total noncurrent liabilities	<u>226</u>	<u>32,515</u>	<u>88</u>	<u>319</u>	<u>33,148</u>
Total liabilities	<u>1,445</u>	<u>34,387</u>	<u>44,814</u>	<u>3,131</u>	<u>83,777</u>
DEFERRED INFLOWS OF RESOURCES:					
Pension related deferred inflows	32	—	—	52	84
OPEB related deferred inflows	15	—	16	20	51
Total deferred inflows of resources	<u>47</u>	<u>—</u>	<u>16</u>	<u>72</u>	<u>135</u>
NET POSITION:					
Net investment in capital assets	23,703	—	1,342	24,862	49,907
Unrestricted	3,375	3,306	27,619	14,349	48,649
Total net position	<u>\$ 27,078</u>	<u>3,306</u>	<u>28,961</u>	<u>39,211</u>	<u>98,556</u>

OTHER ENTERPRISE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

Year Ended December 31, 2019

(in thousands of dollars)

	<u>Airport</u>	<u>Economic Development</u>	<u>Solid Waste</u>	<u>Transit</u>	<u>Total</u>
OPERATING REVENUES:					
Operating lease and rental income from individual hangers	\$ 986	—	—	—	986
User fees and charges	—	2,859	40,453	3,625	46,937
Miscellaneous	35	—	1	36	72
Total operating revenues	<u>1,021</u>	<u>2,859</u>	<u>40,454</u>	<u>3,661</u>	<u>47,995</u>
OPERATING EXPENSES:					
Depreciation	439	—	38	3,549	4,026
Transit operations	—	—	—	18,987	18,987
General and administrative	1,224	1,917	38,065	—	41,206
Total operating expenses	<u>1,663</u>	<u>1,917</u>	<u>38,103</u>	<u>22,536</u>	<u>64,219</u>
Operating income (loss)	<u>(642)</u>	<u>942</u>	<u>2,351</u>	<u>(18,875)</u>	<u>(16,224)</u>
NON-OPERATING REVENUES:					
Intergovernmental	—	—	—	6,201	6,201
Investment earnings	49	13	1,757	382	2,201
Interest expense	—	(1,336)	—	—	(1,336)
Gain (loss) on disposal of capital assets	51	—	—	(1)	50
Total non-operating revenues (expenses)	<u>100</u>	<u>(1,323)</u>	<u>1,757</u>	<u>6,582</u>	<u>7,116</u>
Income (loss) before transfers and contributions	<u>(542)</u>	<u>(381)</u>	<u>4,108</u>	<u>(12,293)</u>	<u>(9,108)</u>
Capital contributions	4,093	—	—	905	4,998
Transfers in	<u>1,846</u>	<u>3,450</u>	<u>—</u>	<u>13,087</u>	<u>18,383</u>
Change in net position	5,397	3,069	4,108	1,699	14,273
Net position – January 1	<u>21,681</u>	<u>237</u>	<u>24,853</u>	<u>37,512</u>	<u>84,283</u>
Net position – December 31	<u>\$ 27,078</u>	<u>3,306</u>	<u>28,961</u>	<u>39,211</u>	<u>98,556</u>

OTHER ENTERPRISE FUNDS COMBINING STATEMENT OF CASH FLOWS

Year Ended December 31, 2019

(in thousands of dollars)

	Airport	Economic Development	Solid Waste	Transit	Total
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers	\$ 1,056	2,699	42,900	3,627	50,282
Cash payments to suppliers for goods and services	(18)	(1,804)	(37,633)	(18,761)	(58,216)
Cash payments to employees for services	(474)	—	(611)	(601)	(1,686)
Net cash flows provided/(required) by operating activities	564	895	4,656	(15,735)	(9,620)
CASH FLOWS FROM NONCAPITAL FINANCIAL ACTIVITIES:					
Operating grants	—	—	—	8,351	8,351
Transfers from other funds	1,846	3,450	—	13,087	18,383
Net cash provided by noncapital activities	1,846	3,450	—	21,438	26,734
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital grants	2,200	—	—	905	3,105
Acquisition and construction of capital assets	(5,284)	—	—	(1,447)	(6,731)
Proceeds from the sale of capital assets	51	—	—	—	51
Proceeds from bond issuance	—	(1,630)	—	—	(1,630)
Interest paid	—	(917)	—	—	(917)
Net cash (required) by capital and related financing activities	(3,033)	(2,547)	—	(542)	(6,122)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from the sale of investments	—	—	12,300	6,181	18,481
Purchase of investments	—	—	(20,202)	(5,892)	(26,094)
Investment earnings	49	17	1,289	232	1,587
Net cash provided/(required) by investing activities	49	17	(6,613)	521	(6,026)
Net increase (decrease) in cash and cash equivalents	(574)	1,815	(1,957)	5,682	4,966
Cash and cash equivalents at beginning of year	2,798	680	39,126	2,855	45,459
Cash and cash equivalents at end of year	\$ 2,224	2,495	37,169	8,537	50,425

continued...

OTHER ENTERPRISE FUNDS COMBINING STATEMENT OF CASH FLOWS – Continued

	Airport	Economic Development	Solid Waste	Transit	Total
Reconciliation of operating income (loss) to net cash provided/(required) by operating activities:					
CASH FLOWS FROM OPERATING ACTIVITIES:					
Operating income (loss)	\$ (642)	942	2,351	(18,875)	(16,224)
Adjustments to reconcile operating income (loss) to net cash provided/(required) by operating activities:					
Depreciation	439	–	38	3,549	4,026
CHANGE IN ASSETS AND LIABILITIES:					
Changes in net pension liability and related deferred inflows of resources	29	–	(262)	51	(182)
Changes in net OPEB liability and related deferred inflows of resources	9	–	(8)	7	8
(Increase) decrease in receivables	35	(156)	(13)	(34)	(168)
(Increase) in prepaids	–	–	–	(50)	(50)
Increase (decrease) in payables	677	109	82	(317)	551
Increase in unearned revenue	–	–	2,459	–	2,459
Increase (decrease) in other liabilities	17	–	9	(66)	(40)
Net cash provided/(required) by operating activities	<u>\$ 564</u>	<u>895</u>	<u>4,656</u>	<u>(15,735)</u>	<u>(9,620)</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:					
Increase (decrease) amounts due from other governments	1,893	–	–	(2,150)	(257)
Loss on disposal of capital assets	–	–	–	(1)	(1)
(Decrease) in accrued interest	–	(419)	–	–	(419)
Non-cash increase (decrease) in fair value of investments not classified as cash and cash equivalents	–	(4)	468	150	614



INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS

Group Self-Insurance Fund

The Group Self-Insurance Fund accounts for all financial transactions related to the payment of premiums and benefits for active employees' health, disability, and life insurance. Revenues are received from employee and employer contributions.

Risk Management Fund

The Risk Management Fund accounts for all financial transactions related to the County's payment of workers' compensation claims and property liability and casualty insurance. Revenues are received from charges to the user departments based on the number of employees, prior claims, and property liability coverage needs.

Fleet Management Fund

The Fleet Management Fund accounts for all financial transactions related to the maintenance of the County fleet. Revenues are derived from charges to the user departments for fuel, maintenance, repair, and insurance, plus a fixed flat rate surcharge per vehicle per month.

Auto Liability Fund

The Auto Liability Fund accounts for all financial transactions related to the County's property, liability, and casualty insurance coverage on vehicles. Revenues are contributions from other Gwinnett County funds and are based on the number of employees and actual third party automobile claims for County vehicles only.

Administrative Support Fund

The Administrative Support Fund accounts for the activities of all central support departments: County Administration (excluding the County Clerk, Community Outreach, Economic Development, Gwinnett Clean and Beautiful, and Internal Audit), Financial Services (excluding the Tax Assessor), Human Resources, Information Technology Services, Law, and Support Services. These activities are funded by indirect cost charges to all other funds receiving benefits.

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF NET POSITION

December 31, 2019

(in thousands of dollars)

	Group Self- Insurance	Risk Management	Fleet Management	Auto Liability	Administrative Support	Total
ASSETS:						
Current assets:						
Cash and cash equivalents	\$ 13,859	9,917	2,383	1,056	4,130	31,345
Investments	70	—	—	—	—	70
Accounts receivable, net of allowance	135	351	1,119	23	177	1,805
Inventories	—	—	511	—	—	511
Prepaid items	90	—	18	—	4,852	4,960
Total current assets	14,154	10,268	4,031	1,079	9,159	38,691
Noncurrent assets:						
Investments	21,552	13,688	—	2,392	6,933	44,565
Construction in progress	—	—	—	—	91	91
Other capital assets, net of depreciation	—	—	89	—	2,302	2,391
Total noncurrent assets	21,552	13,688	89	2,392	9,326	47,047
Total assets	35,706	23,956	4,120	3,471	18,485	85,738
DEFERRED OUTFLOWS OF RESOURCES:						
Pension-related deferred outflows	7	2	134	—	1,557	1,700
OPEB-related deferred outflows	29	13	87	—	1,131	1,260
Total deferred outflows of resources	36	15	221	—	2,688	2,960
LIABILITIES:						
Current liabilities:						
Accounts payable	1,836	189	1,502	30	2,219	5,776
Payroll payable	67	16	156	—	1,884	2,123
Accumulated leave benefits – current	43	30	177	—	2,061	2,311
Due to others	—	—	—	—	11	11
Estimated claims payable – current	3,446	3,047	—	977	—	7,470
Unearned revenue	12	—	—	—	—	12
Total current liabilities	5,404	3,282	1,835	1,007	6,175	17,703
Noncurrent liabilities:						
Accumulated leave benefits	33	35	121	—	1,339	1,528
Estimated claims payable	—	6,124	—	1,806	—	7,930
Net pension liability	80	20	1,534	—	17,802	19,436
Net OPEB liability	149	70	452	—	5,884	6,555
Total noncurrent liabilities	262	6,249	2,107	1,806	25,025	35,449
Total liabilities	5,666	9,531	3,942	2,813	31,200	53,152
DEFERRED INFLOWS OF RESOURCES:						
Pension-related deferred inflows	19	5	370	—	4,295	4,689
OPEB-related deferred inflows	33	15	100	—	1,304	1,452
Total deferred inflows of resources	52	20	470	—	5,599	6,141
NET POSITION:						
Investment in capital assets	—	—	89	—	2,393	2,482
Unrestricted	30,024	14,420	(160)	658	(18,019)	26,923
Total net position	\$ 30,024	14,420	(71)	658	(15,626)	29,405

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

Year Ended December 31, 2019

(in thousands of dollars)

	Group Self-Insurance	Risk Management	Fleet Management	Auto Liability	Administrative Support	Total
OPERATING REVENUES:						
Charges to other funds	\$ 55,762	9,375	7,778	1,750	67,266	141,931
Employee contributions	6,805	—	—	—	—	6,805
Miscellaneous	930	1,444	297	—	451	3,122
Total operating revenues	<u>63,497</u>	<u>10,819</u>	<u>8,075</u>	<u>1,750</u>	<u>67,717</u>	<u>151,858</u>
OPERATING EXPENSES:						
Vehicle maintenance and repair	—	—	3,362	—	—	3,362
Benefit claims	26,062	5,882	—	3,177	—	35,121
Insurance premiums	26,937	2,778	—	—	—	29,715
Depreciation and amortization	—	—	8	—	830	838
General and administrative	7,955	2,757	3,411	74	69,335	83,532
Total operating expenses	<u>60,954</u>	<u>11,417</u>	<u>6,781</u>	<u>3,251</u>	<u>70,165</u>	<u>152,568</u>
Operating income (loss)	<u>2,543</u>	<u>(598)</u>	<u>1,294</u>	<u>(1,501)</u>	<u>(2,448)</u>	<u>(710)</u>
NON-OPERATING REVENUES:						
Investment earnings	1,216	729	—	87	482	2,514
Gain on disposal of capital asset	—	—	38	—	—	38
Total non-operating revenues	<u>1,216</u>	<u>729</u>	<u>38</u>	<u>87</u>	<u>482</u>	<u>2,552</u>
Income (loss) before transfers	<u>3,759</u>	<u>131</u>	<u>1,332</u>	<u>(1,414)</u>	<u>(1,966)</u>	<u>1,842</u>
Transfers in	—	—	—	—	25	25
Transfers out	—	—	(478)	—	(132)	(610)
Change in net position	<u>3,759</u>	<u>131</u>	<u>854</u>	<u>(1,414)</u>	<u>(2,073)</u>	<u>1,257</u>
Net position – January 1	<u>26,265</u>	<u>14,289</u>	<u>(925)</u>	<u>2,072</u>	<u>(13,553)</u>	<u>28,148</u>
Net position – December 31	<u>\$ 30,024</u>	<u>14,420</u>	<u>(71)</u>	<u>658</u>	<u>(15,626)</u>	<u>29,405</u>

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF CASH FLOWS

**Year Ended
December 31, 2019**

(in thousands of dollars)

	Group Self- Insurance	Risk Management	Fleet Management	Auto Liability	Administrative Support	Total
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash received from customers	\$ 63,836	10,823	7,757	1,750	67,680	151,846
Cash payments to suppliers for goods and services	(6,661)	(2,257)	(3,254)	(87)	(28,119)	(40,378)
Cash payments to employees for services	(960)	(466)	(3,297)	—	(40,756)	(45,479)
Claims and premiums paid	(53,378)	(8,519)	—	(1,208)	—	(63,105)
Net cash flows provided/(required) by operating activities	2,837	(419)	1,206	455	(1,195)	2,884
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Transfers from other funds	—	—	—	—	25	25
Transfers (to) other funds	—	—	(478)	—	(132)	(610)
Net cash (required) by noncapital activities	—	—	(478)	—	(107)	(585)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Proceeds from sale of assets	—	—	38	—	—	38
Acquisition and construction of capital assets	—	—	(7)	—	(1,467)	(1,474)
Net cash provided/(required) by capital and related financing activities	—	—	31	—	(1,467)	(1,436)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Proceeds from the sale of investments	10,983	2,338	—	123	18,386	31,830
Purchase of investments	(5,658)	(1,455)	—	—	(16,588)	(23,701)
Investment earnings	759	431	—	69	276	1,535
Net cash provided by investing activities	6,084	1,314	—	192	2,074	9,664
Net increase/(decrease) in cash and cash equivalents	8,921	895	759	647	(695)	10,527
Cash and cash equivalents at beginning of year	4,938	9,022	1,624	409	4,825	20,818
Cash and cash equivalents at end of year	\$ 13,859	9,917	2,383	1,056	4,130	31,345
Reconciliation of operating income (loss) to net cash provided/(required) by operating activities:						
CASH FLOWS FROM OPERATING ACTIVITIES:						
Operating income (loss)	\$ 2,543	(598)	1,294	(1,501)	(2,448)	(710)
Adjustments to reconcile operating income to net cash provided/(required) by operating activities:						
Depreciation	—	—	8	—	830	838
CHANGE IN ASSETS AND LIABILITIES:						
Changes in net pension liability and related deferred outflows of resources	(14)	4	330	—	1,307	1,627
Changes in net OPEB liability and related deferred outflows of resources	38	(9)	(4)	—	208	233
(Increase) decrease in receivables	345	4	(318)	—	(37)	(6)
(Increase) in inventories	—	—	(53)	—	—	(53)
(Increase) decrease in prepaids	80	—	(8)	—	(1,500)	(1,428)
Increase (decrease) in payables	197	36	(108)	(13)	(139)	(27)
Increase (decrease) in other liabilities	(352)	144	65	1,969	584	2,410
Net cash provided/(required) by operating activities	\$ 2,837	(419)	1,206	455	(1,195)	2,884
Non-cash increase in fair value of investments not classified as cash and cash equivalents	457	298	—	18	206	979

The background is a solid dark green color. There are several thin, white, curved lines that intersect and sweep across the upper left portion of the image, creating a sense of movement and depth. The main text is positioned on the right side of the image.

DID YOU KNOW

*Gwinnett County received 58,000 applications and hired
1,397 new employees in 2019.*



FIDUCIARY FUNDS

FIDUCIARY FUNDS

TRUST FUNDS

Defined Benefit Pension Plan

The County established the Gwinnett County Defined Benefit Plan as a single-employer, locally-governed plan for the benefit of its employees and other eligible individuals as provided for in the Plan Document.

Other Post-Employment Benefit (OPEB) Plan

The trust was established by the Board of Commissioners to pre-fund medical and prescription drug benefits for retirees and other former employees (and their eligible dependents) who are eligible for such benefits under existing County policy.

CUSTODIAL FUNDS

Tax Commissioner

To account for the collection of property taxes and motor vehicle tag and title fees, which are disbursed to various taxing units.

Clerk of Courts

To account for the collection of various fines, forfeitures, jury fund receipts, real estate transfer taxes, fees, civil awards, etc., which are disbursed to other parties.

Recorder's Court

To account for the collection of various fines and forfeitures (mostly traffic violations), which are disbursed to other parties.

Sheriff

To account for the collection of cash bonds, fines, forfeitures, fifas, etc., which are disbursed to other parties.

Probate Court

To account for the collection of fees for firearms, licenses, certificates, marriage licenses, etc., which are disbursed to other parties.

Juvenile Court

To account for the collection of probation supervision fees, which are disbursed to other parties.

Corrections

To account for funds being held on an inmate's behalf, which are disbursed to other parties on behalf of the inmate.

PENSION AND OPEB TRUST FUNDS COMBINING STATEMENT OF FIDUCIARY NET POSITION

December 31, 2019

(in thousands of dollars)

	<u>Pension</u>	<u>OPEB</u>	<u>Total</u>
ASSETS:			
Cash and cash equivalents	\$ 24,687	3,432	28,119
Investments, at fair value:			
U.S. treasury bonds	67,528	9,727	77,255
Asset-backed securities	15,802	2,276	18,078
U.S. governmental agencies	50,219	7,234	57,453
Commercial mortgage-backed securities	10,761	1,550	12,311
Corporate bonds	118,026	17,001	135,027
Collateralized mortgage obligations	17,374	2,503	19,877
Corporate equities	679,445	97,874	777,319
International equities	155,973	22,468	178,441
Preferred stock	3,990	575	4,565
Total investments	<u>1,119,118</u>	<u>161,208</u>	<u>1,280,326</u>
Securities lending collateral investment pool	68,557	9,876	78,433
Contributions receivable from employer	—	530	530
Prepaid benefit payments	6,377	—	6,377
Total assets	<u>1,218,739</u>	<u>175,046</u>	<u>1,393,785</u>
LIABILITIES:			
Accounts payable	1,016	1,805	2,821
Liability for securities lending agreement	68,557	9,876	78,433
Total liabilities	<u>69,573</u>	<u>11,681</u>	<u>81,254</u>
Net position – restricted for pension and OPEB	<u>\$ 1,149,166</u>	<u>163,365</u>	<u>1,312,531</u>

PENSION AND OPEB TRUST FUNDS COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Year Ended December 31, 2019

(in thousands of dollars)

	<u>Pension</u>	<u>OPEB</u>	<u>Total</u>
ADDITIONS:			
Contributions:			
Employer	\$ 41,620	11,910	53,530
Employee	6,176	—	6,176
Total contributions	<u>47,796</u>	<u>11,910</u>	<u>59,706</u>
Investment income:			
Net increase in the fair value of investments	192,474	27,550	220,024
Securities lending income	78	11	89
Interest and dividends	23,884	3,434	27,318
Total investment income	<u>216,436</u>	<u>30,995</u>	<u>247,431</u>
Investment expense	(4,394)	(628)	(5,022)
Securities lending expense	(13)	(2)	(15)
Net investment income	<u>212,029</u>	<u>30,365</u>	<u>242,394</u>
Total increases	<u>259,825</u>	<u>42,275</u>	<u>302,100</u>
DEDUCTIONS:			
Benefits paid	75,169	8,992	84,161
Insurance premiums	—	1,848	1,848
Administrative expenses	731	583	1,314
Total deductions	<u>75,900</u>	<u>11,423</u>	<u>87,323</u>
Net increase in fiduciary net position	183,925	30,852	214,777
Net position – restricted for pension and OPEB			
Beginning of year	<u>965,241</u>	<u>132,513</u>	<u>1,097,754</u>
End of year	<u>\$ 1,149,166</u>	<u>163,365</u>	<u>1,312,531</u>

CUSTODIAL FUNDS COMBINING STATEMENT OF FIDUCIARY NET POSITION

December 31, 2019

(in thousands of dollars)

	<u>Tax Commissioner</u>	<u>Clerk of Courts</u>	<u>Recorder's Court</u>	<u>Sheriff</u>	<u>Probate Court</u>	<u>Juvenile Court</u>	<u>Corrections</u>	<u>Total</u>
ASSETS:								
Cash and cash equivalents	\$ 16,976	24,922	1,323	889	351	1	34	44,496
Taxes receivable	23,473	—	—	—	—	—	—	23,473
Total assets	\$ <u>40,449</u>	<u>24,922</u>	<u>1,323</u>	<u>889</u>	<u>351</u>	<u>1</u>	<u>34</u>	<u>67,969</u>
LIABILITIES:								
Due to others	\$ 40,449	15,893	1,323	637	351	1	—	58,654
Total liabilities	\$ <u>40,449</u>	<u>15,893</u>	<u>1,323</u>	<u>637</u>	<u>351</u>	<u>1</u>	<u>—</u>	<u>58,654</u>
NET POSITION:								
Restricted for individuals, organizations, and other governments	\$ <u>—</u>	<u>9,029</u>	<u>—</u>	<u>252</u>	<u>—</u>	<u>—</u>	<u>34</u>	<u>9,315</u>

CUSTODIAL FUNDS COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Year Ended December 31, 2019

(in thousands of dollars)

	<u>Tax Commissioner</u>	<u>Clerk of Courts</u>	<u>Recorder's Court</u>	<u>Sheriff</u>	<u>Probate Court</u>	<u>Juvenile Court</u>	<u>Corrections</u>	<u>Total</u>
ADDITIONS:								
Taxes collected for other agencies	\$ 1,472,831	—	—	—	—	—	—	1,472,831
Court fees collected for other agencies	—	97,241	10,361	—	2,744	100	—	110,446
Court individual cases	—	15,046	—	—	—	—	—	15,046
Sheriff fees collected	—	—	—	7,433	—	—	—	7,433
Sheriff inmate account deposits	—	—	—	3,868	—	—	—	3,868
Corrections inmate account deposits	—	—	—	—	—	—	359	359
Total additions	<u>\$ 1,472,831</u>	<u>112,287</u>	<u>10,361</u>	<u>11,301</u>	<u>2,744</u>	<u>100</u>	<u>359</u>	<u>1,609,983</u>
DEDUCTIONS:								
Payments of court fees to other agencies	\$ —	97,240	10,361	—	2,744	100	—	110,445
Payments to others	—	14,737	—	—	—	—	—	14,737
Payments of taxes to other agencies	1,472,831	—	—	—	—	—	—	1,472,831
Payments of Sheriff fees to agencies	—	—	—	7,433	—	—	—	7,433
Payments from inmates to others	—	—	—	3,834	—	—	355	4,189
Total deductions	<u>\$ 1,472,831</u>	<u>111,977</u>	<u>10,361</u>	<u>11,267</u>	<u>2,744</u>	<u>100</u>	<u>355</u>	<u>1,609,635</u>
Net increase in fiduciary net position	—	310	—	34	—	—	4	348
Beginning of year	<u>\$ —</u>	<u>8,719</u>	<u>—</u>	<u>218</u>	<u>—</u>	<u>—</u>	<u>30</u>	<u>8,967</u>
End of year	<u>\$ —</u>	<u>9,029</u>	<u>—</u>	<u>252</u>	<u>—</u>	<u>—</u>	<u>34</u>	<u>9,315</u>



STATISTICAL SECTION

STATISTICAL SECTION

(Unaudited)

This part of Gwinnett County’s comprehensive 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 government’s overall financial health.

Index

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 S2 – S6

Revenue Capacity

These schedules contain information to help the reader assess the County’s most significant local revenue source: property tax S7 – S10

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 debt in the future S11 – S14

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 S15 – S16

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the County’s financial report relates to the services the County provides and the activities it performs S17 – S19

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

NET POSITION BY COMPONENTS – LAST 10 FISCAL YEARS

(accrual basis of accounting in thousands of dollars)

	2010	2011⁽¹⁾	2012*	2013	2014⁽²⁾	2015⁽³⁾	2016⁽³⁾	2017⁽⁴⁾	2018	2019
Governmental activities										
Net investment in capital assets	\$ 2,220,825	2,277,439	2,320,301	2,348,661	2,353,452	2,318,384	2,375,340	2,396,352	2,420,755	2,493,968
Restricted	283,828	365,299	398,100	526,551	617,049	629,259	626,890	840,078	764,072	755,674
Unrestricted	522,661	491,493	510,907	478,218	286,312	294,332	272,872	26,735	158,470	176,127
Total governmental activities net position	3,027,314	3,134,231	3,229,308	3,353,430	3,256,813	3,241,975	3,275,102	3,263,165	3,343,297	3,425,769
Business-type activities										
Net investment in capital assets	2,591,610	2,592,634	2,614,293	2,664,664	2,718,527	2,790,538	2,949,587	3,059,003	3,240,775	3,463,383
Restricted	37,072	38,926	25,392	24,375	25,201	27,043	27,968	32,970	27,355	25,869
Unrestricted	137,219	190,964	235,397	221,920	247,511	309,121	324,551	356,063	345,627	320,905
Total business-type activities net position	2,765,901	2,822,524	2,875,082	2,910,959	2,991,239	3,126,702	3,302,106	3,448,036	3,613,757	3,810,157
Primary government										
Net investment in capital assets	4,812,435	4,870,073	4,934,594	5,013,325	5,071,979	5,108,922	5,324,927	5,455,355	5,661,530	5,957,351
Restricted	320,900	404,225	423,492	550,926	642,250	656,302	654,858	873,048	791,427	781,543
Unrestricted	659,880	682,457	746,304	700,138	533,823	603,453	597,423	382,798	504,097	497,032
Total primary government net position	\$ 5,793,215	5,956,755	6,104,390	6,264,389	6,248,052	6,368,677	6,577,208	6,711,201	6,957,054	7,235,926

(1) 2011 balances have been restated to reflect the cumulative effect of applying GASB Statement 65.

(2) 2014 balances have been restated to reflect the cumulative effect of applying GASB Statement 68.

(3) 2015 and 2016 balances for governmental activities have been restated to reflect the cumulative effect of a change in accounting procedure related to certain major road projects.

(4) 2017 balances have been restated to reflect the cumulative effect of applying GASB Statement 75.

CHANGES IN NET POSITION – LAST 10 FISCAL YEARS

(accrual basis of accounting in thousands of dollars)

	2010	2011	2012	2013	2014 ⁽¹⁾	2015 ⁽²⁾	2016 ⁽²⁾	2017 ⁽³⁾	2018	2019
Expenses										
Governmental activities:										
General government	\$ 96,653	97,991	57,690	47,960	64,035	42,338	42,353	46,931	46,360	50,778
Public safety	188,823	193,625	216,808	199,549	265,228	250,029	279,861	313,118	287,516	313,878
Judiciary	113,089	114,896	129,590	124,612	256,675	151,945	168,308	193,508	181,373	189,966
Public works	55,506	60,013	79,129	77,837	134,780	182,686	112,796	115,428	110,798	124,018
Health and welfare	11,528	11,762	7,081	7,634	9,305	9,228	9,707	16,844	14,838	16,044
Culture and recreation	69,493	69,252	67,090	68,905	71,624	77,237	80,377	87,131	91,666	99,407
Housing and development	25,374	18,098	18,908	18,851	28,996	21,601	23,604	22,047	23,110	30,647
Tourism	1,760	2,044	2,069	2,358	2,534	2,773	3,017	3,318	3,707	3,981
Development authority	6,675	4,367	4,947	4,881	4,773	4,622	4,586	5,246	4,571	6,868
Interest on long-term debt	2,661	2,659	1,921	442	460	277	197	191	169	104
Total governmental activities	571,562	574,707	585,233	553,029	838,410	742,736	724,806	803,762	764,108	835,691
Business-type activities:										
Water and sewer	209,840	213,048	236,249	261,693	240,840	239,093	227,738	241,795	239,520	254,803
Airport	1,811	2,359	1,150	2,106	1,448	1,482	1,286	1,372	1,753	1,645
Economic development	–	–	–	–	–	–	–	–	405	3,253
Solid waste	20,910	40,438	39,210	41,847	40,117	40,617	41,488	41,765	43,170	38,079
Stormwater	28,032	31,804	27,126	30,375	39,985	28,861	27,057	31,246	28,095	22,954
Transit	15,533	18,235	18,486	17,912	17,647	17,818	17,315	28,321	21,826	22,512
Total business-type activities	276,126	305,884	322,221	353,933	340,037	327,871	314,884	344,499	334,769	343,246
Total primary government expenses	\$ 847,688	880,591	907,454	906,962	1,178,447	1,070,607	1,039,690	1,148,261	1,098,877	1,178,937
Program revenues										
Governmental activities:										
Charges for services:										
General government	\$ 18,301	25,682	8,751	8,778	9,747	10,002	10,750	11,419	12,029	12,619
Public safety	23,093	25,586	32,902	31,987	33,909	37,508	37,394	38,203	39,790	46,799
Judiciary	31,174	30,193	32,087	31,770	30,489	28,933	28,145	28,219	28,619	26,313
Public works	6,256	6,279	6,387	6,914	6,882	6,601	7,239	7,593	7,826	7,770
Health and welfare	137	110	23	9	406	3	11	151	162	156
Culture and recreation	4,499	4,480	4,547	4,419	4,752	4,893	5,105	5,155	5,205	5,385
Housing and development	8,818	7,928	8,457	8,359	8,682	9,646	10,174	9,737	10,385	10,970
Operating grants and contributions	33,739	18,005	16,074	18,050	16,645	8,408	8,783	8,846	10,572	9,388
Capital grants and contributions	11,182	20,193	32,853	13,716	38,529	30,319	33,742	23,365	38,019	44,781
Total governmental activities program revenues	137,199	138,456	142,081	124,002	150,041	136,313	141,343	132,688	152,607	164,181

continued...

CHANGES IN NET POSITION – LAST 10 FISCAL YEARS

(accrual basis of accounting in thousands of dollars) *continued*

	2010	2011	2012	2013	2014 ⁽¹⁾	2015 ⁽²⁾	2016 ⁽²⁾	2017 ⁽³⁾	2018	2019
Business-type activities:										
Charges for services:										
Water and sewer	240,966	260,226	271,289	277,234	299,007	305,974	318,056	311,565	316,082	337,573
Airport	827	866	903	859	941	1,034	922	1,001	989	1,072
Economic development	—	—	—	—	—	—	—	—	106	2,859
Solid waste	20,740	41,131	41,929	42,570	42,061	42,677	43,219	43,725	44,438	40,454
Stormwater	29,973	30,494	30,863	30,887	31,182	31,226	31,587	31,902	29,365	30,111
Transit	4,274	5,011	4,845	4,719	4,212	4,404	3,655	2,966	3,279	3,661
Operating grants and contributions	5,740	6,605	5,946	6,504	6,391	6,432	5,340	7,422	7,623	6,852
Capital grants and contributions	18,616	17,571	14,209	22,389	29,948	44,405	76,259	73,333	70,672	86,633
Total business-type activities program revenues	321,136	361,904	369,984	385,162	413,742	436,152	479,038	471,914	472,554	509,215
Total primary government program revenues \$	458,335	500,360	512,065	509,164	563,783	572,465	620,381	604,602	625,161	673,396
Net (expense)/revenue										
Governmental activities	(434,363)	(436,251)	(443,152)	(429,027)	(688,369)	(606,423)	(583,463)	(671,074)	(611,501)	(671,510)
Business-type activities	45,010	56,020	47,763	31,229	73,705	108,281	164,154	127,415	137,785	165,969
Total primary government net expenses \$	(389,353)	(380,231)	(395,389)	(397,798)	(614,664)	(498,142)	(419,309)	(543,659)	(473,716)	(505,541)
General revenues and other changes in net position										
Governmental activities:										
Taxes:										
Property taxes	363,744	336,256	324,081	345,499	377,192	382,407	392,669	425,472	446,359	485,073
Sales taxes	128,594	134,752	142,571	138,351	142,480	146,564	150,031	151,800	162,436	172,255
Other taxes	54,363	64,284	64,063	62,822	64,636	74,491	75,392	79,539	80,968	87,980
Investment income	6,485	1,998	1,246	216	3,414	3,130	1,301	5,662	12,028	18,908
Miscellaneous	10,093	11,588	10,260	10,536	9,192	10,154	7,656	10,910	9,462	7,986
Transfers	(4,892)	(5,161)	(3,992)	(4,275)	(5,162)	(25,161)	(10,459)	(14,246)	(19,621)	(18,220)
Total governmental activities	558,387	543,717	538,229	553,149	591,752	591,585	616,590	659,137	691,632	753,982
Business-type activities:										
Investment income	346	1,044	803	373	1,413	2,021	791	4,269	8,315	12,211
Miscellaneous	7,634	—	—	—	—	—	—	—	—	—
Transfers	4,892	5,161	3,992	4,275	5,162	25,161	10,459	14,246	19,621	18,220
Total business-type activities	12,872	6,205	4,795	4,648	6,575	27,182	11,250	18,515	27,936	30,431
Total primary government	\$ 571,259	549,922	543,024	557,797	598,327	618,767	627,840	677,652	719,568	784,413
Changes in net position										
Governmental activities	124,024	107,466	95,077	124,122	(96,617)	(14,838)	33,127	(11,937)	80,131	82,472
Business-type activities	57,882	62,225	52,558	35,877	80,280	135,463	175,404	145,930	165,721	196,400
Total primary government	\$ 181,906	169,691	147,635	159,999	(16,337)	120,625	208,531	133,993	245,852	278,872

⁽¹⁾ 2014 balances have been restated to reflect the cumulative effect of applying GASB Statement 68.

⁽²⁾ 2015 and 2016 balances for governmental activities have been restated to reflect the cumulative effect of a change in accounting procedure related to certain major road projects.

⁽³⁾ 2017 balances have been restated to reflect the cumulative effect of applying GASB Statement 75.

FUND BALANCES, GOVERNMENTAL FUNDS – LAST 10 FISCAL YEARS

(modified accrual basis of accounting in thousands of dollars)

	2010								
General fund									
Reserved	\$ 5,695								
Unreserved	142,258								
Total general fund	147,953								
All other governmental funds									
Reserved	5,086								
Unreserved, reported in:									
Special revenue funds	67,502								
Capital project funds	307,259								
Debt service funds	33,980								
Parking deck project	220								
Total all other governmental funds	414,047								
Total	\$ 562,000								
	2011*	2012	2013**	2014	2015	2016	2017	2018	2019
General fund									
Nonspendable	\$ 7,204	2,232	1,499	4,656	4,780	5,115	1,872	1,836	1,424
Assigned	–	42,636	743	–	16,630	28,478	36,424	42,188	41,968
Unassigned	164,650	129,503	133,687	138,877	123,809	115,467	115,871	115,218	132,929
Total general fund	171,854	174,371	135,929	143,533	145,219	149,060	154,167	159,242	176,321
All other governmental funds									
Nonspendable	217	298	268	1,114	943	896	592	808	1,097
Restricted	362,990	396,810	493,340	582,588	590,253	585,678	796,424	890,799	904,290
Committed	60	62	114	182	204	247	301	329	329
Assigned	75,493	78,719	87,515	138,978	202,026	239,828	111,989	99,757	110,991
Total all other governmental funds	438,760	475,889	581,237	722,862	793,426	826,649	909,306	991,693	1,016,707
Total	\$ 610,614	650,260	717,166	866,395	938,645	975,709	1,063,473	1,150,935	1,193,028

* Fund balance reporting changed in 2011 per GASB 54.

** In fiscal year 2013, a total of \$64 million was transferred from the General Fund to the new Service District Funds to establish fund balance reserves in accordance with County policy and to distribute motor vehicle and supplemental title ad valorem taxes, per state law.

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS – LAST 10 FISCAL YEARS

(modified accrual basis of accounting in thousands of dollars)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues:										
Taxes	\$ 601,982	537,267	539,344	551,441	583,631	600,391	615,229	653,669	688,991	742,144
Permits and licenses	8,266	7,465	8,009	7,895	8,027	8,997	9,402	9,362	10,096	10,404
Intergovernmental	42,662	27,331	45,727	32,955	50,592	36,009	39,489	28,919	40,291	40,595
Charges for services	63,013	75,514	67,125	67,672	67,816	71,926	74,739	76,921	80,119	88,035
Fines and forfeitures	21,053	15,433	16,009	17,082	18,056	15,870	15,144	14,188	13,592	11,539
Investment income, earnings (losses)	6,072	4,936	3,348	(933)	7,603	5,512	3,920	8,148	18,839	29,965
Miscellaneous	12,007	12,450	10,189	10,536	9,204	10,181	7,668	10,982	9,494	8,003
Total revenues	755,055	680,396	689,751	686,648	744,929	748,886	765,591	802,189	861,422	930,685
Expenditures:										
General government	93,475	87,267	36,577	39,240	27,133	21,794	27,072	25,681	32,206	28,526
Public safety	176,088	175,397	196,917	187,750	189,916	196,573	214,729	219,514	238,247	253,485
Judiciary	120,098	116,534	129,630	127,275	131,424	133,332	144,553	151,156	160,985	170,505
Public works	19,360	20,007	21,256	20,926	20,763	20,148	22,014	24,080	25,586	29,164
Health and welfare	12,473	11,749	6,787	6,662	6,854	7,227	7,490	11,970	11,701	13,215
Culture and recreation	54,477	44,230	43,015	41,736	43,238	47,229	47,317	51,015	56,215	60,272
Housing and development	8,332	7,890	8,703	8,638	8,814	8,745	9,705	10,248	10,791	15,044
Tourism	1,760	2,044	2,069	2,358	2,534	2,773	3,017	3,318	3,707	3,981
Development authority	8,905	6,057	7,097	7,096	7,618	7,597	7,696	9,068	6,634	11,050
Grant programs	22,953	14,961	12,919	13,358	15,977	13,915	15,111	10,182	13,036	15,627
Capital outlay	138,448	130,741	141,153	112,100	103,276	169,637	183,346	145,837	186,621	267,530
Debt service:										
Principal	13,847	11,870	3,380	23,830	3,410	3,480	3,690	3,865	3,960	4,150
Interest	2,608	2,102	1,845	1,041	765	660	498	402	289	104
Issuance cost	–	–	253	–	–	–	–	–	–	–
Intergovernmental	19,313	22,041	35,895	24,569	31,310	34,188	35,947	35,788	38,394	40,795
Total expenditures	692,137	652,890	647,496	616,579	593,032	667,298	722,185	702,124	788,372	913,448
Excess (deficiency) of revenues over expenditures	62,918	27,506	42,255	70,069	151,897	81,588	43,406	100,065	73,050	17,237
Other financing sources/(uses):										
Transfers in	34,495	53,766	27,873	91,917	72,364	102,485	69,670	71,954	81,678	66,170
Transfers out	(39,578)	(32,658)	(30,781)	(95,080)	(75,032)	(111,823)	(76,012)	(84,255)	(91,919)	(83,805)
Proceeds from capital lease obligations	–	–	–	–	–	–	–	–	24,653	42,491
Refunding bonds issued	–	–	25,117	–	–	–	–	–	–	–
Payment to refunded bond escrow agent	–	–	(24,818)	–	–	–	–	–	–	–
Total other financing sources/(uses)	(5,083)	21,108	(2,609)	(3,163)	(2,668)	(9,338)	(6,342)	(12,301)	14,412	24,856
Net change in fund balances	\$ 57,835	48,614	39,646	66,906	149,229	72,250	37,064	87,764	87,462	42,093
Debt service as a percentage of noncapital expenditures	3.0%	2.7%	1.1%	5.0%	0.9%	0.8%	0.7%	0.7%	0.7%	0.6%

ASSESSED VALUE AND ESTIMATED VALUE OF TAXABLE PROPERTY – LAST 10 FISCAL YEARS

Fiscal Year Ended Dec. 31,	Real Property			Personal Property		Less: Tax Exemptions	Total Taxable Assessed Value	Total Direct Tax Rate	Total Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Other Real Property	Motor Vehicle	Other*					
2010	17,636,924,358	7,328,942,258	737,159,776	1,947,193,360	3,363,021,476	4,365,881,271	26,647,359,957	13.25	66,618,399,893	40%
2011	16,141,004,129	6,740,985,809	230,889,940	2,014,195,700	3,775,921,060	3,916,558,267	24,986,438,371	13.02	62,466,095,928	40%
2012	14,858,737,855	6,546,141,287	225,585,016	2,024,864,660	3,983,958,784	3,767,877,476	23,871,410,126	13.02	59,678,525,315	40%
2013	14,215,494,500	6,457,814,268	151,416,160	2,200,695,020	4,107,670,330	3,512,324,663	23,620,765,615	13.75	59,051,914,038	40%
2014	16,530,395,594	6,737,358,484	142,032,680	1,922,687,330	4,158,438,790	3,949,354,590	25,541,558,288	13.75	63,853,895,720	40%
2015	17,575,161,918	6,827,667,400	160,244,240	1,328,959,020	4,238,594,330	4,227,074,580	25,903,552,328	13.579	64,758,880,820	40%
2016	19,585,024,960	7,387,717,040	157,454,560	961,326,070	4,309,871,780	4,856,760,519	27,544,633,891	13.176	68,861,584,728	40%
2017	21,620,691,612	7,811,774,198	151,797,560	688,112,200	4,535,140,350	5,641,260,810	29,166,255,110	13.51	72,915,637,775	40%
2018	23,515,611,592	8,165,176,416	145,987,480	500,284,080	4,613,616,127	6,271,577,373	30,669,098,322	13.319	76,672,745,805	40%
2019	25,679,948,762	9,129,442,334	130,833,560	392,149,700	4,895,898,853	7,216,872,968	33,011,400,241	13.319	82,528,500,603	40%

Source: General Fund information from Gwinnett County Budget Division and Gwinnett County Tax Commissioner

* Includes mobile homes

DIRECT AND OVERLAPPING PROPERTY TAX RATES – LAST 10 FISCAL YEARS

(Rate per \$1,000 of Assessed Value)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund	11.78	11.78	11.78	7.40	7.40	7.229	6.826	7.40	7.209	7.209
Fire and EMS District	–	–	–	3.20	3.20	3.20	3.20	3.20	3.20	3.20
Police Services District	–	–	–	1.60	1.60	1.60	1.60	1.60	1.60	1.60
Development and Enforcement District	–	–	–	0.36	0.36	0.36	0.36	0.36	0.36	0.36
Recreation District	1.00	1.00	1.00	0.95	0.95	0.95	0.95	0.95	0.95	0.95
G.O. Bond Fund	0.23	–	–	–	–	–	–	–	–	–
G.O. Bond Fund II	0.24	0.24	0.24	0.24	0.24	0.24	0.24	–	–	–
Total County Tax	13.25	13.02	13.02	13.75	13.75	13.579	13.176	13.51	13.319	13.319
School M & O	19.25	19.25	19.25	19.25	19.80	19.80	19.80	19.80	19.80	19.80
School Bonds	1.30	1.30	1.30	1.30	2.05	2.05	2.05	2.05	2.05	1.95
Total School Tax	20.55	20.55	20.55	20.55	21.85	21.85	21.85	21.85	21.85	21.75
State Government	0.25	0.25	0.20	0.15	0.10	0.05	–	–	–	–
Total Property Tax	34.05	33.82	33.77	34.45	35.70	35.479	35.026	35.36	35.169	35.069

Source: Budget Division – Tax Levy Resolution



PRINCIPAL PROPERTY TAX PAYERS – CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2019			2010		
	Taxable Assessed Value ⁽¹⁾	Rank	Percentage of Total Taxable Assessed Value ⁽²⁾	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Georgia Power	\$ 170,521,000	1	0.52%	\$ 147,775,800	3	0.55%
Mall of Georgia, LLC	128,390,410	2	0.39%	84,975,871	5	0.32%
Publix	107,738,320	3	0.33%	135,728,936	2	0.51%
Jackson EMC	64,552,600	4	0.20%	68,886,840	7	0.26%
AT&T	54,073,140	5	0.16%	162,337,738	1	0.61%
Atlanta Gas Light	53,283,560	6	0.16%	42,205,200	9	0.17%
Bellsouth Telecommunications, Inc.	51,256,720	7	0.16%	—	—	—
Cisco Systems, formerly Scientific Atlanta, Inc.	48,178,200	8	0.15%	69,061,385	6	0.26%
Georgia Transmission Corporation	37,704,160	9	0.11%	—	—	—
McKesson Corporation	37,371,060	10	0.11%	—	—	—
Walmart				103,790,860	4	0.39%
CRLP Holdings				48,989,720	8	0.18%
Fourth Quarter Properties, LLC				40,880,000	10	0.15%

Sources: 1) Tax Assessor's Office.

2) The final tax digest dated 2/13/2020, which is the state certified digest updated with additional adjustments made during the year.

PROPERTY TAX LEVIES AND COLLECTIONS – LAST 10 FISCAL YEARS

Fiscal Year Ended Dec. 31,	Taxes Levied for the Fiscal Year ⁽¹⁾⁽²⁾	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy ⁽³⁾		Amount	Percentage of Levy
2010	866,282,489	810,612,693	93.2%	55,669,944	866,282,637	100.0%
2011	795,290,362	755,883,258	95.1%	39,406,428	795,289,686	100.0%
2012	750,615,415	722,927,859	96.4%	27,566,666	750,494,525	100.0%
2013	762,341,222	741,172,382	97.7%	20,991,644	762,164,026	100.0%
2014	841,101,262	818,211,594	97.5%	22,584,897	840,796,491	100.0%
2015	870,905,541	850,819,073	98.1%	19,664,086	870,483,159	100.0%
2016	935,434,895	911,155,811	97.8%	23,498,527	934,654,338	99.9%
2017	1,017,775,502	990,547,713	97.4%	25,408,425	1,015,956,138	99.8%
2018	1,072,614,239	1,044,486,574	97.3%	23,936,518	1,068,423,092	99.6%
2019	1,158,395,305	1,127,335,834	97.3%	—	1,127,335,834	97.3%

⁽¹⁾ Reflects original digest net of all digest corrections to date.

⁽²⁾ Includes County, School Board, and State, tax only. State rate ended in 2015. Street Lights, Speed Humps, Stormwater, and Solid Waste assessments not included.

⁽³⁾ Percentages are based on the original tax levy without taking into account subsequent digest corrections.

RATIOS OF OUTSTANDING DEBT BY TYPE – LAST 10 FISCAL YEARS

(in thousands of dollars except Population and Net Bonded Debt Per Capita)

Fiscal Year Ended Dec. 31,	Population ⁽¹⁾	Governmental Activities			
		Gwinnett County General Obligation Debt			
		Net General Obligation Bonds ⁽²⁾	Percentage of Assessed Property Value ⁽³⁾	Per Capita	Lease Payable ⁽²⁾
2010	808,007	36,010	0.24%	44.57	96,420
2011	822,415	29,629	0.21%	36.03	94,730
2012 ⁽⁵⁾	836,844	22,908	0.20%	27.37	92,580
2013	853,459	13,306	0.10%	15.59	90,365
2014	870,986	7,386	0.08%	8.48	87,520
2015	888,494	1,000	0.06%	1.13	84,545
2016	904,962	—	—	—	81,435
2017	918,186	—	—	—	78,175
2018	927,337	—	—	—	99,399
2019	936,250	—	—	—	137,934

Fiscal Year Ended Dec. 31,	Business-Type Activities		Total Primary Government	Percentage of Personal Income ⁽⁴⁾	Per Capita
	Revenue Bonds ⁽²⁾	Notes Payable ⁽²⁾			
2010	1,038,224	56,548	1,227,202	4.79%	1,518.80
2011	1,014,337	55,103	1,193,799	4.31%	1,451.58
2012 ⁽⁵⁾	961,500	52,750	1,129,738	3.93%	1,350.00
2013	899,277	50,347	1,053,295	3.53%	1,234.15
2014	835,777	47,872	978,555	3.07%	1,123.50
2015	769,492	45,320	900,357	2.65%	1,013.35
2016	709,546	42,691	833,672	2.38%	921.22
2017	638,230	39,983	756,388	2.07%	823.79
2018	600,816	37,192	737,407	1.92%	795.19
2019	534,153	34,316	706,403	Not yet available	754.50

Sources:

- 1) U.S. Census Bureau midyear population estimates. Estimates for 2010 – 2019 reflect county population estimates released March 2020 (new estimate for 2019, revised estimates for 2010 – 2018).
- 2) Debt information from CAFR Financial Statements and Note 8 to the Financial Statements. General Obligation Bond Debt is reported net of amounts in the debt service fund available to repay the principal.
- 3) Total taxable assessed value used in this calculation obtained from the Gwinnett County Tax Commissioner.
- 4) Personal income data from the U.S. Bureau of Economic Analysis. Website visited April 4, 2020. Per capita personal income calculated based on the U.S. Census Bureau's midyear population estimates.
- 5) GASB 63 and 65 were implemented in 2012; therefore deferred losses on refundings are no longer included.

Note: Personal income data last updated November 14, 2019.

LEGAL DEBT MARGIN INFORMATION – LAST 10 FISCAL YEARS

(in thousands of dollars)

	Fiscal Year Ended December 31,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 2,664,736	2,498,644	2,387,141	2,362,077	2,554,156	2,590,355	2,754,463	2,916,626	3,066,910	3,301,140
Total net debt applicable to limit	29,485	24,102	17,493	12,197	6,193	—	—	—	—	—
Legal debt margin	2,635,251	2,474,542	2,369,648	2,349,880	2,547,963	2,590,355	2,754,463	2,916,626	3,066,910	3,301,140
Total net debt applicable to the limit as a percentage of debt limit	1.1%	1.0%	0.7%	0.5%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%

Legal debt margin calculation for fiscal year 2019

Assessed value	\$ 33,011,400
Debt limit (10%) of assessed value	3,301,140
Debt applicable to limit:	
General obligation bonds	—
Less: amount set aside for repayment of general obligation debt	—
Total net debt applicable to limit	—
Legal debt margin	<u>\$ 3,301,140</u>

PLEDGED-REVENUE COVERAGE – WATER AND SEWERAGE – LAST 10 FISCAL YEARS

(in thousands of dollars)

Fiscal Year	Operating Revenue	Less: Operating Expenses ⁽¹⁾	Plus: Investment Income and Other ⁽²⁾	Net Revenue Available	Debt Service			Coverage	Required Coverage
					Principal	Interest	Total		
2010	253,931	103,460	402	150,873	39,315	44,212	83,527	1.81	1.2
2011	261,893	106,328	542	156,107	45,305	40,029	85,334	1.83	1.2
2012	271,875	109,574	556	162,857	47,250	41,398	88,648	1.84	1.2
2013	277,234	111,531	355	166,058	57,035	39,357	96,392	1.72	1.2
2014	299,007	108,637	868	191,238	58,955	37,055	96,010	1.99	1.2
2015	305,974	106,028	1,426	201,372	61,050	33,293	94,343	2.13	1.2
2016	318,056	120,834	272	197,494	65,430	24,006	89,436	2.21	1.2
2017	311,565	117,633	3,281	197,213	67,940	21,100	89,040	2.21	1.2
2018	316,082	121,595	6,454	200,941	69,900	18,960	88,860	2.26	1.2
2019	337,573	143,144	9,056	203,485	56,300	16,909	73,209	2.78	1.2

Notes: 1) Operating expenses other than interest on debt, depreciation, and amortization.

2) Excludes gain or loss on capital assets.

SUMMARY OF COUNTY DIRECT AND OVERLAPPING DEBT BY CATEGORY

(in thousands of dollars)

Jurisdiction	Gross Outstanding	Estimated Percentage Applicable ⁽¹⁾	Estimated Share of Overlapping Debt
Direct debt:			
Gwinnett County lease payable	\$ 137,934	100.00%	\$ 137,934
Overlapping debt:			
Gwinnett County School District: ⁽²⁾			
General obligation bonds	1,226,660	100.00%	1,226,660
Certificates of participation	129,666	100.00%	129,666
Total Gwinnett County School District	1,356,326		1,356,326
Municipalities within Gwinnett County: ⁽³⁾			
Auburn: Capital leases			
Notes payable	209	2.98%	6
Notes payable	387	2.98%	12
Total Auburn	596		18
Braselton: Revenue bonds payable	14,693	39.88%	5,860
Buford: General obligation bonds	76,528	92.26%	70,605
Duluth: Leases payable	285	100.00%	285
Lawrenceville: Revenue bonds	4,810	100.00%	4,810
Capital lease payable	74	100.00%	74
Total Lawrenceville	4,884		4,884
Loganville: Note payable	1,426	23.77%	339
Capital leases payable	867	23.77%	206
Total Loganville	2,293		545
Norcross: Bonds payable	7,425	100.00%	7,425
Capital lease payable	417	100.00%	417
Contracts payable	385	100.00%	385
Total Norcross	8,227		8,227
Peachtree Corners: Revenue bond	7,175	100.00%	7,175
Certificates of participation	8,000	100.00%	8,000
Total Peachtree Corners	15,175		15,175
Snellville: Revenue bonds	1,819	100.00%	1,819
Capital leases	639	100.00%	639
Total Snellville	2,458		2,458
Sugar Hill: Landfill closure/postclosure	1,160	100.00%	1,160
Suwanee: General obligation bonds payable	10,965	100.00%	10,965
Revenue bonds payable	27,463	100.00%	27,463
Total Suwanee	38,428		38,428
Total municipalities within Gwinnett County	164,727		147,645
Subtotal, overlapping debt	1,521,053		1,503,971
Total direct and overlapping debt	\$ 1,658,987		\$ 1,641,905

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the county. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of Gwinnett County. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

1) Based upon the percentage of the municipality's population within Gwinnett County (Source: U.S. Census Bureau's July 31, 2018 population estimates).

2) Based upon the Gwinnett County Board of Education's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019.

3) Based upon individual city's audit information for the fiscal year ended 2018.

DEMOGRAPHIC AND ECONOMIC STATISTICS – LAST 10 FISCAL YEARS

Year	Population⁽¹⁾	Personal Income (amounts expressed in thousands)⁽²⁾	Per Capita Personal Income	Unemployment Rate⁽³⁾
2010	808,007	\$ 25,635,975	\$ 31,727	9.2%
2011	822,415	\$ 27,721,884	\$ 33,708	8.7%
2012	836,844	\$ 28,730,169	\$ 34,332	7.8%
2013	853,459	\$ 29,830,288	\$ 34,952	6.9%
2014	870,986	\$ 31,838,592	\$ 36,555	6.0%
2015	888,494	\$ 33,914,378	\$ 38,171	5.2%
2016	904,962	\$ 34,969,756	\$ 38,642	4.8%
2017	918,186	\$ 36,485,773	\$ 39,737	4.2%
2018	927,337	\$ 38,464,221	\$ 41,478	3.5%
2019	936,250	Not yet available	Not yet available	3.0%

Sources:

- 1) U.S. Census Bureau midyear population estimates. Estimates for 2010 – 2019 reflect county population estimates released March 2020 (new estimate for 2019, revised estimates for 2010 – 2018).
- 2) Personal income data from the U.S. Bureau of Economic Analysis (website visited March 4, 2020). Per capita personal income calculated based on the U.S. Census Bureau's midyear population estimates.
- 3) Georgia Department of Labor, Workforce Statistics & Economic Research, Local Area Unemployment Statistics Unit (unemployment rates not seasonally adjusted). Website visited April 17, 2020.

Note: Personal income data last updated November 14, 2019.

PRINCIPAL EMPLOYERS – CURRENT YEAR AND NINE YEARS AGO

Employer	2019			2010		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Gwinnett County Public Schools	21,799	1	4.6%	20,421	1	5.4%
Gwinnett County Government	5,500 *	2	1.2%	4,817	2	1.3%
Northside Hospital, formerly Gwinnett Health Care System	4,331 **	3	0.9%	4,120	3	1.1%
Publix**	3,452	4	0.9%	2,908	5	0.8%
Walmart**	3,425 ***	5	0.7%	2,700	4	0.7%
State of Georgia (includes Georgia Gwinnett College)	2,715 **	6	0.6%	2,215	6	0.6%
U.S. Postal Service	2,223 ***	7	0.5%	2,068	8	0.5%
Kroger**	2,132	8	0.4%	2,084	7	0.5%
Primerica	1,763	9	0.4%	–	–	–
Pruitt Health	1,762	10	0.4%	–	–	–
Cisco, previously Scientific Atlanta	–	–	–	1,917	9	0.5%
Fiserv, previously Check Free	–	–	–	1,582	10	0.4%

Sources: Gwinnett County Office of Economic Development survey of companies, Q1 2020. 2010 principal employers obtained from page S-14 of Gwinnett County's 2010 Comprehensive Annual Financial Report. Total county employment from the Georgia Department of Labor Workforce Statistics & Economic Research's Annual (Not Seasonally Adjusted) Labor Force data for 2010 and 2019 (website visited April 21, 2020).

* Based on total authorized positions as of December 31, 2019.

** Full-time equivalent employees.

*** 2019 data not available; prior year data reported.

FULL-TIME EQUIVALENT COUNTY EMPLOYEES BY FUNCTION – LAST 10 FISCAL YEARS

Function	Fiscal Year Ended December 31,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government	556	538	555	567	571	583	593	611	637	660
Public safety:										
Police	1,066	1,068	1,065	1,065	1,066	1,067	1,104	1,063	1,129	1,152
Fire	844	844	844	844	851	889	898	916	952	961
Corrections	139	134	134	134	134	136	136	136	136	136
Sheriff	706	706	706	706	706	713	714	722	722	777
Judiciary	466	482	469	471	478	491	504	515	517	541
Transportation	148	149	145	143	143	143	147	153	156	164
Community services	245	242	242	240	245	250	270	318	338	350
Water resources	577	576	580	579	580	592	598	620	631	644
Planning and development	81	76	72	76	80	76	78	83	90	115
Total	4,828	4,815	4,812	4,825	4,854	4,940	5,042	5,137	5,308	5,500

Source: Department of Financial Services, Budget Group

OPERATING INDICATORS BY FUNCTION – LAST 10 FISCAL YEARS

Function	Fiscal Year Ended December 31,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police										
General calls	498,703	451,551	441,408	419,381	405,580	401,822	414,866	382,755	377,414	364,785
Traffic calls	203,910	207,904	205,281	184,644	162,705	147,778	143,734	129,674	133,216	144,496
Officers/1,000 population	1.03	1.00	0.97	0.97	0.93	0.88	0.85	0.88	0.89	0.93
Fire										
Calls answered	62,995	64,450	66,757	66,831	71,084	74,497	78,661	79,651	83,170	84,587
Inspections	11,375	14,063	11,833	13,448	14,004	14,634	16,903	17,257	17,966	19,367
Transportation										
Street resurfacing (miles)	90	80	130	135	135	135	130	170	140	144
Transit										
Total passengers	2,117,106	2,264,769	2,026,533	1,823,384	1,718,098	1,586,329	1,496,422	1,419,121	1,514,914	1,550,568
Parks and recreation										
Classes/programs/camps/events	6,581	6,047	6,313	6,651	7,030	7,150	7,459	7,967	7,794	7,803
Number of facility & pavilion rentals	14,283	11,298	11,781	10,385	9,543	11,530	12,099	11,126	11,201	12,227
Number of pool admissions & passes	522,322	575,000	541,000	418,310	461,893	471,480	439,434	439,063	445,045	479,542
Health and human services										
Number of senior citizens' one-way passenger trips	35,543	32,424	36,173	28,723	38,264	47,368	78,833	57,654	65,332	59,601
Water										
Plant capacity (mgd)	225	225	225	225	225	225	225	225	225	248
Average daily consumption (mgd)	74.7	74.4	71.7	63.9	61.2	58.9	69.0	63.4	70.0	67.0
Maximum daily pumpage (mgd)	100	101	113	81	86	80	109	107	109	109
Water meters installed	977	946	1,417	2,560	2,544	3,422	3,650	3,566	3,143	3,283
Miles of water mains installed	6	17	18	25	10	22	18	26	19	26
Number of customers	227,356	228,223	230,652	229,126	224,771	228,579	236,950	243,948	247,188	250,434
Sewer										
Average annual daily flow (mgd)	53	50	49	53	52	53	52	54	58	58
Number of customers	147,637	148,714	150,951	156,358	157,747	160,862	167,907	170,525	173,653	176,830
Miles of sewer mains installed	7	11	5	37	10	20	28	26	23	25

Source: County operating departments

CAPITAL ASSET STATISTICS BY FUNCTION – LAST 10 FISCAL YEARS

Function	Fiscal Year Ended December 31,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police precincts/stations	11	11	11	11	11	11	11	11	11	12
Fire stations	30	30	30	30	30	30	31	31	31	30
Transportation										
Miles County-maintained roads	2,750	2,750	2,750	2,750	2,750	2,500	2,568	2,572	2,606	2,650
Street lights maintained	48,774	48,539	48,697	48,607	48,865	47,723	48,209	48,819	49,886	50,842
Traffic signals maintained	666	675	685	695	701	705	713	720	725	732
Transit										
Transit buses	96	96	98	98	98	98	81	82	90	85
Parks and recreation										
Acreage total	8,988	8,992	8,978	9,282	9,413	9,646	9,646	9,875	9,908	9,908
Competition & leisure/play pools	17	17	17	17	17	17	17	17	17	17
Sports fields	150	150	154	170	175	175	179	182	183	182
Tennis courts	51	51	51	51	51	51	53	59	59	59
Playgrounds	52	61	63	67	69	68	72	75	75	77
Libraries	15	15	15	15	15	15	15	15	15	15
Library circulation	7,038,931	7,667,758	7,190,798	6,744,005	6,376,268	5,464,503	5,083,935	4,650,830	4,417,868	4,523,798
Water										
Miles of water mains	3,411	3,665	3,667	3,692	3,702	3,725	3,743	3,769	3,788	3,812
Fire hydrants	40,877	41,642	41,749	42,258	42,447	42,788	43,241	43,647	43,984	44,376
Raw water storage (mgd)	45	45	45	45	45	45	45	45	45	45
Sewer										
Miles of sewer mains	2,670	2,650	2,654	2,691	2,700	2,722	2,750	2,776	2,799	2,832
Treatment capacity (mgd)	102.6	103.0	100.5	100.5	100.5	100.5	100.5	100.5	100.5	100.5
Stormwater										
Miles of pipe	1,317	1,327	1,292	1,364	1,388	1,406	1,422	1,448	1,457	1,474

Source: County operating departments



SINGLE AUDIT SECTION

SINGLE AUDIT SECTION

December 31, 2019

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS –

Year ended December 31, 2019

Title	CFDA	Grantor Program Number	State/Local Pass-Through Entity	Federal Expenditures	Subrecipient Expenditures
U.S. Department of Housing and Urban Development					
Community Development Block Grants Cluster	14.218	B-14-UC-13-0004		359	–
Community Development Block Grants Cluster	14.218	B-15-UC-13-0004		1,323	–
Community Development Block Grants Cluster	14.218	B-16-UC-13-0004		459,448	268,238
Community Development Block Grants Cluster	14.218	B-17-UC-13-0004		1,311,860	740,133
Community Development Block Grants Cluster	14.218	B-18-UC-13-0201		3,185,776	2,972,533
Community Development Block Grants Cluster	14.218	B-19-UC-13-0201		1,601,097	1,601,097
SUBTOTAL – Community Development Block Grants Cluster				6,559,863	5,582,001
Community Development Block Grants/State's Program	14.228	11-NS-5063	Georgia Department of Community Affairs	2,417	–
SUBTOTAL				2,417	–
Emergency Solutions Grant Program	14.231	S-17-UC-13-0011		34,571	15,000
Emergency Solutions Grant Program	14.231	S-18-UC-13-0011		170,848	163,500
Emergency Solutions Grant Program	14.231	S-19-UC-13-0011		183,832	183,832
SUBTOTAL				389,251	362,332
Home Investment Partnerships Program	14.239	M-16-UC-13-0201		338,485	280,066
Home Investment Partnerships Program	14.239	M-17-UC-13-0201		1,035,757	906,443
Home Investment Partnerships Program	14.239	M-18-UC-13-0201		468,664	468,664
SUBTOTAL				1,842,906	1,655,173
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				8,794,437	7,599,506
U.S. Department of the Interior					
Outdoor Recreation Acquisition, Development and Planning	15.916	P18AP00642	Georgia Department of Natural Resources, Parks & Historic Sites Division	100,000	–
SUBTOTAL				100,000	–
TOTAL U.S. DEPARTMENT OF THE INTERIOR				100,000	–

continued...

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS –

Year ended December 31, 2019 *(continued)*

Title	CFDA	Grantor Program Number	State/Local Pass-Through Entity	Federal Expenditures	Subrecipient Expenditures
U.S. Department of Justice					
Crime Victim Assistance	16.575	C17-8-015	Georgia Criminal Justice Coordinating Council	38,963	–
Crime Victim Assistance	16.575	C18-8-081	Georgia Criminal Justice Coordinating Council	5,442	–
SUBTOTAL				44,405	–
State Criminal Alien Assistance Program	16.606	2015-AP-BX-0089		11,884	–
State Criminal Alien Assistance Program	16.606	2016-AP-BX-0376		917	–
State Criminal Alien Assistance Program	16.606	2019-AP-BX-0412		165,299	–
SUBTOTAL				178,100	–
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2013-DJ-BX-1049		12,324	–
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2016-DJ-BX-0095		29,765	–
SUBTOTAL				42,089	–
Equitable Sharing Program	16.922	GA067015A; GA0670200; GA0670000		245,566	–
SUBTOTAL				245,566	–
TOTAL U.S. DEPARTMENT OF JUSTICE				510,160	–
U.S. Department of Labor					
WIA Adult Program	17.258	WD1813	Atlanta Regional Commission	156,647	–
WIA Adult Program	17.258	WD1813	Atlanta Regional Commission	84,835	–
SUBTOTAL – WIOA Cluster				241,482	–
TOTAL U.S. DEPARTMENT OF LABOR				241,482	–

continued...

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS –

Year ended December 31, 2019 *(continued)*

Title	CFDA	Grantor Program Number	State/Local Pass-Through Entity	Federal Expenditures	Subrecipient Expenditures
U.S. Department of Transportation					
Airport Improvement Program	20.106	AP019-9036-34(135)	Georgia Department of Transportation	1,583,595	—
Airport Improvement Program	20.106	PID-T006984	Georgia Department of Transportation	981	—
SUBTOTAL				1,584,576	—
Highway Planning and Construction	20.205	UP1857	Atlanta Regional Commission	26,824	—
Highway Planning and Construction	20.205	UP1916	Atlanta Regional Commission	27,630	—
Highway Planning and Construction	20.205	PI 0006921	Georgia Department of Transportation	798,842	—
Highway Planning and Construction	20.205	PI 0006924	Georgia Department of Transportation	275,614	—
Highway Planning and Construction	20.205	PI 0012641	Georgia Department of Transportation	805,679	—
Highway Planning and Construction	20.205	PI 0012698	Georgia Department of Transportation	373,900	—
Highway Planning and Construction	20.205	PI 0012698	Georgia Department of Transportation	24,430	—
Highway Planning and Construction	20.205	PI 0012883	Georgia Department of Transportation	70,100	—
Highway Planning and Construction	20.205	PI 0012884	Georgia Department of Transportation	29,160	—
Highway Planning and Construction	20.205	PI 0013104	Georgia Department of Transportation	85,457	—
Highway Planning and Construction	20.205	PI 0013143	Georgia Department of Transportation	363,207	—
Highway Planning and Construction	20.205	PI 0013323	Georgia Department of Transportation	497,193	—
Highway Planning and Construction	20.205	PI 0013324	Georgia Department of Transportation	260,415	—
Highway Planning and Construction	20.205	PI 0013325	Georgia Department of Transportation	1,058,495	—
Highway Planning and Construction	20.205	PI 0012883	Georgia Department of Transportation	69,781	—
Highway Planning and Construction	20.205	PI 0012884	Georgia Department of Transportation	79,870	—
Highway Planning and Construction	20.205	CSHPP-007-00(535)	Georgia Department of Transportation	136,450	—
SUBTOTAL – Highway Planning and Construction Cluster				4,983,047	—
Federal Transit-Formula Grant	20.507	GA-90-X275-00		56,417	—
Federal Transit-Formula Grant	20.507	GA-2016-020-00		816,499	—
Federal Transit-Formula Grant	20.507	GA-2017-004-00 (OP)		20,223	—
Federal Transit-Formula Grant	20.507	GA-2018-001-00 (OP)		6,155,532	—
Federal Transit-Formula Grant	20.507	GA-2018-001-00 (OP)		32,016	—
SUBTOTAL – Federal Transit Cluster				7,080,687	—
New Freedom Program	20.521	AG1919	Atlanta Regional Commission	56,501	—
New Freedom Program	20.521	AG2024	Atlanta Regional Commission	35,334	—
SUBTOTAL – Transit Services Program Cluster				91,835	—
TOTAL U.S. DEPARTMENT OF TRANSPORTATION				13,740,145	—

continued...

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS –

Year ended December 31, 2019 *(continued)*

Title	CFDA	Grantor Program Number	State/Local Pass-Through Entity	Federal Expenditures	Subrecipient Expenditures
U.S. Department of Treasury					
Equitable Sharing Program	21.000	GA0670000		146,248	–
SUBTOTAL				146,248	–
TOTAL U.S. DEPARTMENT OF TREASURY				146,248	–
Environmental Protection Agency					
Congressionally Mandated Projects	66.202	XP9740-13-00-0		650,527	–
SUBTOTAL				650,527	–
TOTAL ENVIRONMENTAL PROTECTION AGENCY				650,527	–
U.S. Department of Health and Human Services					
Special Programs for the Aging – Title III, Part B-Supportive Services and Senior Center	93.044	AG1210	Atlanta Regional Commission	(43)	–
Special Programs for the Aging – Title III, Part B-Supportive Services and Senior Center	93.044	AG1407	Atlanta Regional Commission	42	–
Special Programs for the Aging – Title III, Part B-Supportive Services and Senior Center	93.044	AG1507	Atlanta Regional Commission	104	–
Special Programs for the Aging – Title III, Part B-Supportive Services and Senior Center	93.044	AG1613	Atlanta Regional Commission	24,371	–
Special Programs for the Aging – Title III, Part B-Supportive Services and Senior Center	93.044	AG1716	Atlanta Regional Commission	10,675	–
Special Programs for the Aging – Title III, Part B-Supportive Services and Senior Center	93.044	AG1813	Atlanta Regional Commission	5,223	–
Special Programs for the Aging – Title III, Part B-Supportive Services and Senior Center	93.044	AG1910	Atlanta Regional Commission	195,542	–
Special Programs for the Aging – Title III, Part B-Supportive Services and Senior Center	93.044	AG2009	Atlanta Regional Commission	53,423	–
Special Programs for the Aging – Title III, Part C-Nutrition Services	93.045	AG1117	Atlanta Regional Commission	(526)	–
Special Programs for the Aging – Title III, Part C-Nutrition Services	93.045	AG1407	Atlanta Regional Commission	203	–
Special Programs for the Aging – Title III, Part C-Nutrition Services	93.045	AG1507	Atlanta Regional Commission	1,046	–
Special Programs for the Aging – Title III, Part C-Nutrition Services	93.045	AG1613	Atlanta Regional Commission	39,767	–
Special Programs for the Aging – Title III, Part C-Nutrition Services	93.045	AG1716	Atlanta Regional Commission	120,892	–
Special Programs for the Aging – Title III, Part C-Nutrition Services	93.045	AG1813	Atlanta Regional Commission	58,640	–
Special Programs for the Aging – Title III, Part C-Nutrition Services	93.045	AG1910	Atlanta Regional Commission	430,997	–
Special Programs for the Aging – Title III, Part C-Nutrition Services	93.045	AG2009	Atlanta Regional Commission	70,862	–
Nutrition Services Incentive Program	93.053	AG1407	Atlanta Regional Commission	171	–
Nutrition Services Incentive Program	93.053	AG1613	Atlanta Regional Commission	34,681	–
Nutrition Services Incentive Program	93.053	AG1910	Atlanta Regional Commission	21,538	–
SUBTOTAL – Aging Cluster				1,067,608	–

continued...

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS –

Year ended December 31, 2019 *(continued)*

Title	CFDA	Grantor Program Number	State/Local Pass-Through Entity	Federal Expenditures	Subrecipient Expenditures
National Family Caregiver Support	93.052	AG1613	Atlanta Regional Commission	3,666	–
National Family Caregiver Support	93.052	AG1716	Atlanta Regional Commission	6,529	–
National Family Caregiver Support	93.052	AG1910	Atlanta Regional Commission	20,862	–
SUBTOTAL				31,057	–
Substance Abuse and Mental Health Services	93.243	1H79TI081037		402,034	402,034
SUBTOTAL				402,034	402,034
Temporary Assistance for Needy Families	93.558	42700-040-0000084054	Georgia Court Appointed Special Advocate	15,681	–
SUBTOTAL – Temporary Assistance for Needy Families Cluster				15,681	–
Children's Justice Act Program	93.643	42700-040-0000073834	Georgia Court Appointed Special Advocate	16,370	–
SUBTOTAL				16,370	–
Social Services Block Grant	93.667	AG1613	Atlanta Regional Commission	717	–
Social Services Block Grant	93.667	AG1910	Atlanta Regional Commission	18,652	–
Social Services Block Grant	93.667	AG2009	Atlanta Regional Commission	7,174	–
Social Services Block Grant	93.667	AG1507	Atlanta Regional Commission	407	–
Social Services Block Grant	93.667	AG1613	Atlanta Regional Commission	1,245	–
Social Services Block Grant	93.667	AG1910	Atlanta Regional Commission	23,650	–
SUBTOTAL				51,845	–
Medical Assistance Program	93.778	000272742B	Georgia Department of Community Health	4,537	–
SUBTOTAL – Medicaid Cluster				4,537	–
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				1,589,132	402,034
Executive Office of the President					
High Intensity Drug Trafficking Area	95.001	G17GA0009A		928,463	–
High Intensity Drug Trafficking Area	95.001	G18GA0009A		2,553,762	–
High Intensity Drug Trafficking Area	95.001	G19GA0009A		274,189	–
SUBTOTAL				3,756,414	–
TOTAL EXECUTIVE OFFICE OF THE PRESIDENT				3,756,414	–

continued...

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS –

Year ended December 31, 2019 *(continued)*

Title	CFDA	Grantor Program Number	State/Local Pass-Through Entity	Federal Expenditures	Subrecipient Expenditures
U.S. Department of Homeland Security					
Disaster Grants – Public Assistance	97.036	FEMA-4338-DR-GA	Georgia Emergency Management and Homeland Security Agency	45,111	–
SUBTOTAL				45,111	–
Hazard Mitigation Grant	97.039	HMGP-4284-0008	Georgia Emergency Management and Homeland Security Agency	29,636	–
SUBTOTAL				29,636	–
Emergency Management Performance Grants	97.042	OEM18-069	Georgia Emergency Management and Homeland Security Agency	50,000	–
SUBTOTAL				50,000	–
Assistance to Firefighters Grant	97.044	EMW-2016-FP-00596	Georgia Emergency Management and Homeland Security Agency	3,867	–
SUBTOTAL				3,867	–
Homeland Security Grant Program	97.067	EMW-2017-SS-0015-S01	Georgia Emergency Management and Homeland Security Agency	22,070	–
Homeland Security Grant Program	97.067	EMW-2018-SS-0067-S01	Georgia Emergency Management and Homeland Security Agency	20,474	–
Homeland Security Grant Program	97.067	EMW-2018-SS-0067-S01	Georgia Emergency Management and Homeland Security Agency	12,000	–
Homeland Security Grant Program	97.067	EMW-2018-SS-0067-S01	Georgia Emergency Management and Homeland Security Agency	49,246	–
Homeland Security Grant Program	97.067	EMW-2018-SS-0067-S01	Georgia Emergency Management and Homeland Security Agency	92,191	–
Homeland Security Grant Program	97.067	EMW-2018-SS-0067-S01	Georgia Emergency Management and Homeland Security Agency	4,349	–
SUBTOTAL				200,330	–
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY				328,944	–
TOTAL FEDERAL ASSISTANCE				29,857,489	8,001,540

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation and Accounting

The accompanying schedule of expenditures of federal awards presents the activity of all federal financial assistance programs of Gwinnett County, Georgia, with the exception of the Gwinnett County Board of Health. The County reporting entity is defined in [Note 1](#) to the County's financial statements. Federal financial assistance received directly from federal agencies and federal assistance passed through other government agencies are included on the schedule.

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting for governmental fund types and the accrual basis of accounting for proprietary fund types as more fully described in [Note 1](#) to the County's financial statements.

The County has elected not to utilize the federal de minimus indirect cost rate.



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

The Board of Commissioners of Gwinnett County Lawrenceville, 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 units, each major fund, and the aggregate remaining fund information of **Gwinnett County, Georgia** (the "County") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 15, 2020. Our report includes a reference to other auditors. Other auditors audited the financial statements of the Gwinnett County Board of Health, as described in our report on the County's 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 of 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.

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 15, 2020



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY THE UNIFORM GUIDANCE

The Board of Commissioners of Gwinnett County
Lawrenceville, Georgia

Report on Compliance for Each Major Federal Program

We have audited Gwinnett County, Georgia's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2019. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of the Gwinnett County Board of Health, which expended \$8,204,344 in federal awards which are not included in the County's Schedule of Expenditures of Federal Awards during the year ended December 31, 2019. Our audit, described below, did not include the operations of the Gwinnett County Board of Health because the component unit engaged other auditors to perform an audit in accordance with the Uniform Guidance.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 15, 2020

GWINNETT COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2019

(1) Summary of Auditors' Results

- (a) The type of report issued on whether the financial statements audited were prepared in accordance with GAAP: **unmodified opinion**
- (b) Internal control over financial reporting:
Material weaknesses identified: **no**
Significant deficiencies identified, not considered to be material weaknesses: **none reported**
- (c) Noncompliance material to the financial statements noted: **no**
- (d) Internal control over major federal programs:
Material weaknesses identified: **no**
Significant deficiencies identified, not considered to be material weaknesses: **none reported**
- (e) The type of report issued on compliance for major federal programs: **unmodified**
- (f) Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a): **no**
- (g) Major Programs:
Airport Improvement Grant, CFDA #20.106
Federal Transit Cluster, CFDA #20.507
HOME Grant, CFDA #14.239
Highway Planning & Construction, CFDA #20.205
- (h) Dollar threshold to distinguish between Type A and Type B programs: **\$895,725**
- (i) Audit qualified as a low-risk auditee under the Uniform Guidance: **no**

GWINNETT COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2019

(2) Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*

None.

(3) Findings and Questioned Costs Relating to Federal Awards

None.

DID YOU KNOW

*In 2019, Gwinnett County received 44 new grants
totaling \$55 million.*



DISCLOSURE SECTION

DISCLOSURE SECTION

(UNAUDITED)

CONTINUING ANNUAL AND EVENT DISCLOSURES

The following disclosures comply with amendments of the Securities and Exchange Commission (SEC) *Rule 15c2-12 (b) (5) (i) (A) to (D)*. Effective in 1995, the amendments required municipal bond underwriters to gain reasonable assurance from bond issuers that they will provide continuing annual information and notices of material events for disclosure to the secondary bond market.

The following table provides a summary of continuing bond disclosure requirements. All disclosure filings described below are filed via the Electronic Municipal Market Access (EMMA) platform.

	Annual Financial Information SEC Rule <i>15c2-12 (9b) (5) (I) (A)</i>	Audited Annual Financial Statements SEC Rule <i>15c2-12 (B) (5) (I) (B)</i>	Notice Of Material Events SEC Rule <i>(B) (5) (I) (C)</i>	Notice of Failure to Provide Annual Information SEC Rule <i>(B) (5) (I) (D)</i>
Nationally Recognized Municipal Securities Information	X	X		
Municipal Securities Rulemaking Board			X	X

AGREEMENT AND AFFECTED BOND ISSUE

In respective Bond Resolutions, the County and the Water and Sewerage Authority (the “Authority”) agreed to provide continuing disclosure of (a) annual information and (b) notices of material events upon issuing its:

- *Water and Sewerage Authority Refunding Bonds, Series 2011*
- *Water and Sewerage Authority Refunding Bonds, Series 2015*
- *Water and Sewerage Authority Refunding Bonds, Series 2016 and 2016A*
- *Water and Sewerage Authority Refunding Bonds, Series 2019*

DESCRIPTION OF THE WATER AND SEWERAGE SYSTEM

The Water System

Gwinnett County obtains all of its water supply needs from facilities located at Lake Sidney Lanier, a 38,000-acre lake located just north of the county. Withdrawal from Lake Lanier is regulated through permits issued by the U.S. Army Corps of Engineers and the Georgia Department of Natural Resources' Environmental Protection Division. The water system consists primarily of the intake and treatment facilities at Lake Lanier, transmission mains, distribution mains, booster stations, storage, and administration and operations facilities. The Lanier Filter Plant and the majority of the water system's facilities and pipes were constructed after 1970. The Shoal Creek Filter Plant was completed in 2004 and has operated continuously since that time, with production split between the two facilities. A brief description of primary water system facilities is provided below.

Water Production Facilities: The Lake Lanier facilities include two raw water intakes with pump stations, four raw water force mains, a surge tank, a raw water distribution structure, a raw water reservoir, two water filtration plants, two finished water pump stations, and a residuals handling facility. The Wayne Mason Water Supply Intake, dating from 1976, is located on the shore of Lake Lanier and has access to deep water in the main body of the lake. This intake consists of three 72-inch diameter fiber-glass pipes of varying lengths, arranged to withdraw water from approximately 10, 24, and 45 feet below normal surface elevation of the lake (1,071 feet above mean sea level). The Shoal Creek Intake and Pump Station uses a 10-foot diameter tunnel below the lake bottom to withdraw water from an elevation of 1,025 msl.

The Wayne Mason Water Supply Intake has six 30 million gallons per day pumps, allowing for a peak pumping capacity of 180 MGD and a firm capacity of 150 MGD. Two raw water force mains, which are 48-inch and 72-inch in diameter, follow a parallel route 2.9 miles to the Lanier Filter Plant. These mains are protected using a steel hydro-pneumatic surge tank, which prevents water column separation in the event of a power failure or emergency pump shutdown. A major upgrade to the Lanier Raw Water Pump Station was completed in January 2008. The work included new pumps and motors, hydraulic system, electrical switchgear, motor starters and controls, and HVAC systems.

The Shoal Creek Raw Water Pump Station has four 30 MGD pumps dedicated to the Shoal Creek Filter Plant, and four 50 MGD pumps dedicated to the Lanier Filter Plant. This design greatly improves the reliability of the water system by having backup pumping capability for both water production facilities. Two 72-inch diameter raw water mains carry water to the Shoal Creek and Lanier Filter Plants. This station went into operation in September 2004.

Construction of the Raw Water Distribution Structure was finished in 2005. This structure is the junction box for all raw water lines from both raw water pump stations. This structure allows distribution of water from either raw water pump station to either or both water treatment plants. This allows additional flexibility to maintain operations in the event of outages at either raw water pump station.

The Lanier Filter Plant is located on a 94-acre site north of the city of Buford. The plant has a treatment capacity of 150 MGD. Facility components consist of a 37 million-gallon raw water storage reservoir; ozone disinfection facilities; pre-treatment facilities (rapid mix and flocculation); filtration; clear wells; a high-service pump station; chemical storage, handling, and feed systems; and residuals handling facilities. High-service pumping to the water distribution system is accomplished with seven variable speed pumps, four at 50 MGD and three at 25 MGD, allowing a nominal firm capacity of 200 MGD. The plant is operated through the use of an integrated Supervisory Control and Data Acquisition computer system, which controls both the treatment facility and tanks/pump stations within the distribution system.

Additional improvements and enhancements to the Lanier Filter Plant have been ongoing, intended to enhance reliability and accommodate growth. The clear well storage was increased by 20 mg. This increased finished water storage, allowing multi-day averaging to reduce maximum day demand peaking factor from 1.67 to 1.5, which extended the sufficiency of the Lanier Filter Plant capacity by several years. Also, an upgrade of the residuals handling facility was completed in August 2002.

This improvement removed the previous liquid sludge contribution to the sanitary sewer system and replaced it with a dewatering system capable of producing a residuals product. Work was completed in 2008 to provide an enhanced Backwash Equalization Process to improve operation of the residuals facility. The addition of two backwash equalization tanks, a filtrate equalization tank, and recycle pump station enables the plant to recycle the filter backwash water. This new process allows the plant to save and recycle 2 – 4 MGD and thereby reduce the amount of raw water withdrawn from the lake. The existing backwash pumps were replaced in 2013. In 2014, standby generators capable of powering essential treatment processes were installed at both water plants and at one raw water pump station. An arc-flash and grounding project was complete in 2019 to improve electrical safety at both filter plants.

The Shoal Creek Filter Plant went into operation in September 2004. The Shoal Creek facility duplicates the processes employed at the Lanier facility, with the exception of the residuals handling process: all filter backwash water is pumped to the Lanier facility for dewatering. The Shoal Creek Filter Plant sits on an 88-acre site approximately three miles west of the Lanier Filter Plant. With its capacity of 98 MGD, the total water system capacity is now 248 MGD. Having the second facility greatly improves redundancy and reliability of the overall water system.

The 1986 Amendments to the *Safe Drinking Water Act* expanded requirements for testing and monitoring for lead and copper content of drinking water (the “*Lead and Copper Rule*”), along with other new water quality parameters. The County conducted a corrosion optimization study that examined options available to minimize corrosion. The County has conducted full-scale system evaluations of corrosion inhibitors to select products best suited for this specific water chemistry. EPD approved the County’s long-term corrosion control plan in 1995 and in 1999. Successful use of blended phosphate corrosion inhibitors has optimized the County’s corrosion control program. This program has reduced the Lead/Copper sampling frequency to one event every three years. The most recent sampling and testing was completed in 2019. The test results were in full compliance.

The 1996 Reauthorization of the *Safe Drinking Water Act* required that water systems begin publication and distribution of annual *Consumer Confidence Reports* in 1999. Our CCR is available on the Gwinnett County website and at various county facilities including libraries, GJAC, and the DWR Central Facility. The CCR used to be mailed annually with the water bills, but in 2018, the requirement changed and DWR can now send a notice in the Gwinnett County Connection newsletter in the water bill that the report is available online. CCRs detail all regulated contaminants, and certain unregulated contaminants, detected in drinking water. These include specific language dealing with particular contaminants (including lead), which may be found in drinking water and/or bottled waters. There has been a positive response from consumers regarding this report.

Vulnerability Assessment: *The Public Health, Security, and Bioterrorism Preparedness and Response Act of 2002* (PL107-188) required community water systems serving more than 100,000 persons to conduct Vulnerability Assessments and prepare specific Emergency Response Plans. The Vulnerability Assessment was completed by the March 2003 deadline, and the Emergency Response Plan was finished by September 2003, as required. Both documents were updated in 2013. Additional security upgrades are factored into future capital improvement planning based on the results of an updated 2013 Vulnerability Assessment. In 2019 additional security cameras were added at both filter plants, as well as an improved security system with card reader access on gates and doors.

Transmission Mains: The transmission system includes approximately 174 miles of transmission mains. The first major transmission main loop for the county was completed in 1980 and consisted of approximately 84 miles of 36- and 48-inch pipe. This loop around the county made it possible to reliably serve the entire area with water in the event of a major transmission main break. Large diameter pipes branch off of this loop to provide water service to all populated areas within the county, and also connect to wholesale customers neighboring the county. Because of continued growth, a third transmission main was installed along the western portion of the county. Connections between the main and original transmission system provide greater flexibility and reliability of the water distribution system. Over time additional improvements to the system have included: a transmission main from the Lanier Filter Plant to the 48-inch loop near Lawrenceville, a transmission main connecting the Shoal Creek Filter Plant to the Lanier Filter Plant, and a 60-inch transmission line from the Shoal Creek Filter Plant to the 48-inch transmission main on Peachtree Industrial Boulevard. These connections and extensions greatly reinforce the county loop system and add reliability.

Distribution Mains: The distribution main system consists of approximately 3,812 miles of pipes in addition to the transmission mains. These pipes consist of varying materials and sizes, and distribute water from the transmission main system to the customers.

Booster Stations: The Water System includes booster pump stations that raise water pressure in local areas to acceptable levels. They are used to provide service to customers in hilltop areas above the system delivery gradient or where limitations in transmission and storage capacity make delivery pressures too low. Currently, the water distribution system has 10 booster stations. While booster stations raise water pressure above the standard system gradient, topography dictates that other areas (considerably below the system delivery gradient) are relieved of excess pressure. This pressure management is accomplished by the creation of special zones that are isolated under normal circumstances by pressure-reducing valves.

To optimize service delivery, the County has established four separate pressure zones based on topography: South, Central, North, and Upper North. The Upper North Pressure Zone consists of the highest elevations in the county and is served by the Bogan Road Pump Station. The existing Bogan Road Pump Station was upsized in 2003 and in 2008 to better serve this growing area. The North Pressure Zone is served by three high-service pumps at the Lanier Filter Plant. During 2006, these pumps were replaced with three 25 MGD pumps with an increased delivery gradient to better serve this area. The Rock Quarry Road Pump Station, with a 10 mg tank and a 20 MGD pump station, was completed in summer 2004. The water is delivered to the Central Pressure Zone from four high-service pumps at the Lanier Filter Plant and three high-service pumps at the Shoal Creek Filter Plant through the County's transmission mains. The South Pressure Zone is a region with elevations lower than the rest of the county; water is delivered to the South Pressure Zone from the Central Pressure Zone through eight pressure-reducing valves which were upgraded in 2014.

Storage Facilities: Water system storage is either ground storage or elevated tanks. The finished water clear wells at the Lanier and Shoal Creek Filter Plants provide 58 million gallons of storage (38 mg at Lanier and 20 mg at Shoal Creek). Ground storage tanks (10 mg or 5 mg in size) are located near the cities of Norcross, Buford, Grayson, Snellville, and Lilburn. Completion of the Rock Quarry 10 mg tank in Buford and the clear well at the Shoal Creek Filter Plant boosts total finished water storage to 119 mg.

Customers of the Water System: As of December 31, 2019, the water system had 250,434 retail customers. The water system provides treated water to both retail and wholesale customers within and around the county. The water system provides water at retail rates directly to customers residing in unincorporated areas of the county, as well as to many customers within incorporated areas. As municipalities within the county annex contiguous areas, water and sewer service remains with Gwinnett County, and the residents of the contiguous areas continue to purchase water at retail rates. Gwinnett County provides direct retail service to the residents of Berkeley Lake, Dacula, Duluth, Grayson, Lilburn, Norcross, Peachtree Corners, Snellville, and Sugar Hill. The water system also provides direct retail service to some of the residents of the cities of Buford, Lawrenceville, Loganville, and Suwanee. The county also provides water to Buford, Lawrenceville, and Suwanee on a wholesale basis. The cities of Lawrenceville and Suwanee supplement their water systems with wells. The city of Buford has its own intake in Lake Lanier and its own water treatment plant. The Gwinnett County water system also sells water on a wholesale basis to the city of Auburn in Barrow County, the Town of Braselton in Barrow County, the city of Loganville in both Gwinnett and Walton Counties, and the Walton County Water and Sewer Authority. The County purchased the city of Duluth's water system in December 1991, the city of Grayson's water system in May 1993, the city of Sugar Hill's water and sewer system in December 1995, the city of Dacula's water system in May 1996, and the city of Norcross' water system in 2013.

Water Consumption 2010 – 2019

The following table shows the average daily consumption in MGD of water billed by the Water System during the years 2010 through 2019:

Year	Gwinnett County Consumption		Out-of-County Consumption	Total Average Daily
	Retail	Wholesale	Wholesale	Consumption
2010	63.39	2.77	0.08	66.24
2011	63.81	2.47	0.11	66.39
2012	60.34	2.38	0.22	62.94
2013	57.00	1.77	0.13	58.90
2014	57.45	1.79	0.19	59.43
2015	60.17	1.82	0.21	62.20
2016	68.90	2.15	0.22	71.27
2017	62.40	1.87	0.21	64.48
2018	63.30	1.68	0.18	65.16
2019	64.70	2.39	0.11	67.20

Non-revenue water is due to water system losses, fire flow, meter underreporting, and other causes. In 2010, non-revenue water was approximately 11 percent of the volume of water produced. On June 1, 2010, the governor signed the *Georgia Water Stewardship Act of 2010* (SB 370). This act states that all water providers in the state of Georgia with a population “equal to or greater than 3,300” must implement a water loss control program and conduct an annual water system audit using American Water Works Association’s Free Water Audit Software. Non-revenue water was calculated at 9.8 percent for 2019. The Department of Water Resources continues with a task force that is working towards decreasing non-revenue water by focusing on all areas of possible water loss and finding methods to track and account for water not currently metered. These efforts include a) tracking water use through hydrants by County departments, contractors, and for County projects; b) testing and replacing water meters; and c) reducing the overall pressures in certain areas of the county by creating new pressure zones in the higher pressure areas of the county.

The following tables show the 10 largest retail and wholesale customers of the water system during the 12 months ended December 31, 2019. Total Gwinnett County water usage during the 12 months ending December 31, 2019, was 24,538,098 thousands of gallons, generating \$174,515,118 in usage revenues (excluding late fees). No single retail customer accounted for more than 1.11 percent of total water system usage in 2019, and the 10 largest retail customers together accounted for 4.49 percent of such consumption. Gwinnett County generated \$24,052,835 in conservation tier charge revenue from water customers who exceeded consumption of 7,999 gallons in any given month.

Water Use: 10 Largest Retail Water Customers – 2019

Customer	Thousands of Gallons-Per-Year	MGD	Total Revenues Received
Gwinnett County Board of Education	271,854.6	0.74	\$ 1,371,524
Gwinnett County Government	221,964.1	0.61	1,107,600
Publix	210,728.1	0.58	1,051,533
Gwinnett County Jail	75,409.9	0.21	376,295
Phillips State Prison	67,056.4	0.18	334,611
3500 Peachtree Corners LP (Silverpoint Management)	56,869.9	0.16	283,780
Quality Technology Service	53,128.8	0.15	265,112
OFS Brightwave	50,375.5	0.14	251,373
Suzanna's Kitchen 1	48,828.9	0.13	243,656
LC Peachtree LLC	46,209.6	0.13	230,585
TOTAL	1,102,425.8	3.03	\$ 5,516,069

Water Use: Wholesale Water Customers – 2019

Customer	Thousands of Gallons-Per-Year	MGD	Total Revenues Received
City of Lawrenceville	670,152.5	1.83	\$ 3,344,061
City of Loganville	133,775.8	0.36	667,541
City of Braselton	51,764.9	0.14	258,307
City of Buford	16,719.2	0.04	83,429
Walton County Water	1,352.4	0.00	6,749
City of Suwanee	756.7	0.00	3,776
City of Auburn	4.2	0.00	21
Barrow County	2.6	0.00	13
TOTAL	874,528.3	2.37	\$ 4,363,897

Retail Monthly Meter Charges

Current Water Rates: Presented below are the major rate categories currently in effect. The previously adopted rates approved on December 16, 2014, were replaced on December 18, 2018. This rate resolution approved water and sewer rates from 2019 through 2025 with increases in 2019, 2021, 2023, and 2025 (see schedules that follow). Water rates are fixed by the County and are subject to change, as the County deems advisable. Rates set by the County are not subject to approval by any outside agency.

Meter Size	Base Water Fee
¾"	\$ 7.50
1"	16.50
1½"	27.00
2"	52.50
3"	144.00
4"	210.00
6"	400.00
8"	\$ 750.00

Retail Monthly Water Charges

Volume Charge: All accounts shall be charged the following volume charge for water that passes through the water meter:

Current Jan 1, 2019	Effective Jan 1, 2021	Effective Jan 1, 2023	Effective Jan 1, 2025
Tier 1: \$4.99/1,000 gal	Tier 1: \$5.06/1,000 gal	Tier 1: \$5.11/1,000 gal	Tier 1: \$5.16/1,000 gal
Tier 2: \$7.49/1,000 gal	Tier 2: \$7.59/1,000 gal	Tier 2: \$7.66/1,000 gal	Tier 2: \$7.74/1,000 gal
Tier 3: \$9.98/1,000 gal	Tier 3: \$10.12/1,000 gal	Tier 3: \$10.22/1,000 gal	Tier 3: \$10.32/1,000 gal

Note: Water charges are based on a three-tier system to promote conservation. Tier 1 rates are applied to consumption less than 8,000 gallons, Tier 2 rates are applied to consumption 8,000 – 12,000 gallons, and Tier 3 rates are applied to consumption greater than 12,000 gallons.

All irrigation and builder accounts are billed at 2.0 times the tier-one volumetric rate for all water passing through the water meter per billing period as follows:

Current Jan 1, 2019	Effective Jan 1, 2021	Effective Jan 1, 2023	Effective Jan 1, 2025
\$9.98/1,000 gal	\$10.12/1,000 gal	\$10.22/1,000 gal	\$10.32/1,000 gal



Fire Protection

The fee for fire protection taps is \$2.00 per inch of fire service pipe diameter. Also water that passes through the fire protection meter for purposes other than fire suppression is billed for water and sewer; the water volumetric rate applicable to non-fire-related water usage shall be 3.0 times the Tier 1 rate. Each private line is equipped with an approved detector meter at the customer's expense.

Connection Charge

Charges for connecting new services to the water system:

Meter Size	Charge per Connection
¾"	\$ 395
1"	527
1½"	1,036
2"	1,248
3"	1,562
4"	2,250
6"	3,890
8"	6,627
10"	9,630
12"	\$ 16,211

Water System Development Charges

Water Meter Size	January 1, 2015 – 2025
¾"	\$ 1,128
1"	3,610
1½"	8,573
2"	15,679
3"	39,142
4"	62,830
6"	125,434
8"	200,671
10"	Varies*
12"	Varies*

** Determined by the Department of Water Resources*

Raw Water Supply: The Georgia Environmental Protection Division has issued a Raw Water Withdrawal Permit (069-1290-06) to Gwinnett County that allows for withdrawal of water from Lake Sydney Lanier up to a monthly average rate of 150 MGD. Note that the maximum monthly withdrawal rates in each of 2017, 2018, and 2019 were 77.2 MGD, 76.7 MGD, and 88.4 MGD, respectively. The current Withdrawal Permit has an expiration date of August 15, 2026.

The U.S. Army Corps of Engineers issued a Record of Decision and Final Water Control Manual in 2017 which concluded that it was appropriate to reallocate an amount of storage in Lake Lanier to water supply so as to meet the projected water demands of Gwinnett County through the year 2050. Work related to finalizing water storage contracts that will reflect the COE's 2017 conclusions is currently ongoing between Gwinnett County, the State of Georgia, and the COE. It is anticipated that Gwinnett County will execute a water supply storage contract in 2021.

The Florida v. Georgia legal case in the U.S. Supreme Court which is related to water supply and allocation is ongoing. On December 12, 2019, U.S. Circuit Judge Paul J. Kelley ruled against Florida in an 81-page order stating there was not a recommendation to grant Florida's request for an equitable apportioning of waters in the Apalachicola-Chattahoochee-Flint river basin. The evidence had shown that Georgia's water use is reasonable, and the evidence has not shown that the benefits of apportionment would sustainably outweigh the potential harms. The U.S. Supreme Court will soon decide whether to accept Judge Kelly's recommendation which was favorable to Georgia/Gwinnett County. The date for the first hearing will be set in 2020 with a final ruling not likely until 2021.

Lake Lanier is a very dependable and very high quality water supply source with approximately 350 billion gallons of water stored in the Conservation Pool between elevation 1035' – 1071' msl.

The dependability of Lake Lanier supply is further enhanced by the large amount (40 million gallons) of high quality reclaimed water that is returned to the lake each day by Gwinnett County.

Extensive efforts by Gwinnett County on the water conservation front will continue to push per capita water use rates lower in the years to come, and available supply will meet projected Gwinnett County water demands even further into the future.

Having raw water intakes at two different locations in Lake Lanier and two separate water production plants puts Gwinnett County in a very good position with regard to redundancy dependability as it relates to both water supply and water production issues.



The Sewerage System

The sewage treatment facilities of the system (the “Sewerage System”) are comprised of three Water Reclamation Facilities (“WRFs”) that are wholly owned by the Water and Sewerage Authority. All of the sewerage system’s WRFs provide advanced treatment under some of the most stringent environmental requirements in the state of Georgia.

A water resources laboratory providing chemical and microbiological analyses ensures the WRFs provide consistent reporting and monitoring to the regulators. Additional laboratory services include monitoring and enforcement of industrial pretreatment requirements, and ambient water quality monitoring of the streams and rivers within the county, as needed. Separate process control laboratories are also maintained at each WRF to monitor plant performance and provide data for process control decisions.

Water Reclamation Facilities: The Sewerage System’s treatment facilities are the F. Wayne Hill Water Resources Center (WRC), the Yellow River WRF, and the Crooked Creek WRF. The following table shows the permitted capacity in MGD of each treatment facility and the approximate usage for each during 2019.

Sewerage System Capacity and Usage in 2019

(All flows are in millions of gallons per day, MGD)

Wastewater Reclamation Facilities (WRFs)	Permit	ADMMF	AADF
F. Wayne Hill WRC	60.0	41.76	35.14
Crooked Creek WRF	16.0	9.17	7.30
Yellow River WRF	22.0	18.19	15.21
TOTAL SYSTEM⁽¹⁾	98.0	69.12	57.65

⁽¹⁾ This total is the Average Daily Flow for the system’s Maximum Month and is not the sum of the ADMMF’s for the individual locations which may occur in different months.

The County reports the numbers of National Pollutant Discharge Elimination System permit violations experienced by the County’s WRFs. In the years 2009 through 2019, the violations reported were ten, four, two, zero, zero, one, zero, zero, zero, zero, and zero, respectively. Nine of the violations in 2009 and four in 2010 were permitted flow exceedances caused by flooding in the county in September 2009. Due to the severity of the flooding, the county was declared a natural disaster by the Federal Emergency Management Agency. Gwinnett County WRFs have won more than 154 awards from the National Association of Clean Water Agencies and the Georgia Association of Water Professionals in the years 2009 through 2019 for exceptional operations and permit compliance. In 2016, the F. Wayne Hill WRC was named “Co-Plant of the Year” in its size category by the Georgia Association of Water Professionals. During a major rehab in 2018, the Crooked Creek WRC was named Plant of the Year by the Georgia Association of Water Professionals. The Lanier Filter plant was also named Plant of the Year in 2018 and 2019. In 2019, the Yellow River Water Reclamation Facility won Plant of the Year from the Georgia Association of Water Professionals.

As part of a 50-year Water and Wastewater Master Plan, the F. Wayne Hill WRC started operation in early 2001. In late 2005, construction was completed on an additional 40 MGD of treatment capacity at the F. Wayne Hill WRC. The additional capacity brings the total water reclamation capacity of the F. Wayne Hill WRC to 60 MGD. The facility is part of a comprehensive plan to protect and conserve the County's limited water supply. The F. Wayne Hill WRC meets one of the strictest overall treatment requirements in the Southeast, producing high-quality reclaimed water that is clean enough to discharge to a drinking water supply source. The F. Wayne Hill WRC is permitted to discharge up to 40 MGD into Lake Sidney Lanier and 20 MGD into the Chattahoochee River. The F. Wayne Hill WRC began discharging to Lake Lanier after the completion of the pipeline to the Lake in 2010. The F. Wayne Hill WRC discharged 9,371 mg of reclaimed water in 2011, 8,426 mg in 2012, 9,640 mg in 2013, 10,659 mg in 2014, 12,056 mg in 2015, 13,610 mg in 2016, 12,840 mg in 2017, 13,590 mg in 2018, and 12,171 mg in 2019 to Lake Lanier.

In early 2007, construction began at the Yellow River WRF in order to consolidate wastewater flows from several smaller, aging wastewater treatment facilities in the Yellow River basin and treat that flow at one facility capable of producing an effluent that meets current Environmental Protection Division standards. The County chose to consolidate operations in the Yellow River basin to the single Yellow River site rather than upgrade and rehabilitate each of the smaller individual sites as a way to reduce the overall cost to our ratepayers and stakeholders. The result of consolidating operations into a single site resulted in reduced capital costs for construction as well as reduced long-term operating costs. This savings is possible through economies of scale achieved by building and operating a single large facility. The Yellow River WRF reconstruction went into operation in June 2011, at which time the permitted capacity increased from 13.5 to 22.0 MGD.

Several Crooked Creek WRF improvement projects started in 2009 to improve efficiency and provide reliable treatment capacity. Improvements completed in 2011 include a new influent pump station with in-line grinders and a new headworks with band screens and vortex grit removal. A new administration and maintenance building and new effluent filters were completed in 2014. A major renovation began in 2017 and is under construction with expected completion in 2021. This renovation includes new bioreactors, electrical facilities, backup generators, SCADA system, clarifiers and solids handling facilities.

In August 2011, Gwinnett County completed the Gas-to-Energy and Fats, Oils, and Grease/High-Strength Waste Receiving Facilities at F. Wayne Hill Water Resources Center at a cost of \$5 million and \$3.5 million, respectively, funded through the *American Reinvestment and Recovery Act*. Gwinnett County has realized a savings of more than \$1,200 per day since the start of the generator engine in August 2011. Both projects received an Achievement Award from the National Association of Counties. In June 2015, a Nutrient Recovery Facility began operations at the F. Wayne Hill WRC, recovering phosphorus for beneficial reuse as a fertilizer additive. This facility produces about one ton per day of slow release fertilizer additive. Gwinnett County has a 10-year contract with a commercial distributor to buy the fertilizer at \$400 per ton.

Collection System: Gwinnett County has approximately 2,838 miles of gravity sewers ranging in size from 8 inches to 72 inches in diameter, and approximately 218 active pump stations. These gravity sewers and pump stations collect and transmit the wastewater flow from the water customers who are served by the sewer system to the WRFs. Sewer service is provided in the central, western, and north central portions of the county. The Lower Apalachee and Lower Alcovy basins are only minimally served by sewers at this time. The 2040 Water and Wastewater Master Plan identified infrastructure improvement needs through the 2040 planning period and beyond based on flow projections. The County experiences sanitary sewer overflows, mainly due to root intrusion and grease accumulation in the sewer system. The County has a grease control and root control program to address these issues. The reportable overflows for 2009 to 2019 were 31, 30, 22, 23, 14, 25, 24, 43, 42, 12, and 17, respectively.

Interbasin connection by pumped flows allows management to direct flow to the treatment facility that is best able to handle the flows. In basins where treatment facilities are located down gradient of other treatment facilities, the up-gradient facilities have diversion gravity lines that allow flows to be diverted for downstream treatment when needed. All pump stations have remote telemetry capability, which reports power outages, high water level alarms, and other problems to a central control center that is manned continuously. Critical pump stations that could overflow into waters with the potential for human contact have backup telemetry as well. The telemetry system is monitored by a computer that periodically queries the current status of the stations and verifies the pump stations' ability to call in alarms.

All pump stations are visited and checked by maintenance personnel, and preventive maintenance is performed on a scheduled frequency. Alarms are investigated and needed repairs are promptly accomplished. Rights-of-way and easements are maintained for access to all sewer system gravity lines and pump stations. All pump stations have dual electrical feed and/or standby generators for emergency use. The County owns extra portable generators that can be transported to pump stations in power outage situations should a standby generator fail.

A state-approved industrial pretreatment program is in place. This program protects the treatment facilities from discharges to the sewers of materials that could upset or harm the biological treatment processes at the treatment plants. In addition, this program protects the sewer collection system from discharges of materials that could damage the gravity lines and/or the pump stations.

Customers of the Sewerage System: As of December 31, 2019, the Sewerage System had 176,830 retail customers. The city of Norcross was using the Sewerage System facilities on a wholesale basis until May of 2013 when Gwinnett County purchased Norcross' water and sewerage system. Beginning January 1, 2012, Gwinnett County entered into a new agreement with DeKalb County where each party pays retail sewer rates for all wastewater treated. Residents of Lilburn, Snellville, Berkeley Lake, Grayson, Duluth, Dacula, Suwanee, and Sugar Hill who are connected to the Sewerage System receive their service directly from the County. A portion of the residents of Buford are served by Buford's wastewater treatment system, while others are served by the County.

The following table shows the 10 largest retail users of the Sewerage System during 2019. Total Gwinnett County sewer usage during 2019 was 18,082,124 thousands of gallons, generating \$157,023,950 in usage revenues (excluding late fees). No single retail user accounted for more than 1.14 percent of total Sewerage System consumption in 2019, and the 10 largest users together accounted for 3.80 percent of such consumption. In addition to retail customers, the County also provided service to two municipal customers on a wholesale basis: DeKalb County and the city of Lawrenceville. DeKalb County produced 0.53 MGD of wastewater in 2019 and was billed \$1,565,514. The city of Lawrenceville produced 1.75 MGD of wastewater in 2019 and was billed \$5,164,365. These two wholesale customers accounted for 4.3 percent of the total Sewerage System consumption.



10 Largest Retail Sewerage Users – 2019

Customer	Thousands of Gallons-Per-Year	MGD	Total Revenues Received
Gwinnett County Board of Education	206,011.1	0.56	\$ 1,676,929
Gwinnett County Government	136,874.3	0.37	1,114,156
Publix	63,677.4	0.17	518,334
Gwinnett County Jail	53,573.2	0.15	436,085
OFS Brightwave	46,292.8	0.13	376,823
Parch Shores LP	45,661.3	0.12	371,682
Phillips State Prison	36,019.8	0.10	293,201
Quality Technology Service	34,713.1	0.09	282,564
Suzanna's Kitchen 2	32,443.0	0.08	264,086
3500 Peachtree Corners LP (Silverpoint Management)	31,071.3	0.08	252,920
TOTAL	686,337.3	1.85	\$ 5,586,780

Current Sewerage Rates: The schedule presented below shows sanitary sewer rates. The previously adopted rates approved on December 16, 2014, were replaced on December 18, 2018. This rate resolution approved water and sewer rates from 2019 through 2025 with increases in 2019, 2021, 2023, and 2025 (see schedules that follow). The sewer rates are subject to change by the County, as it deems advisable. Rates set by the County are not subject to the approval of any outside agency.

Volume Sewer Charge

The following volumetric sewer charge shall apply to all water consumed.

Current Rate Jan 1, 2019	Effective Jan 1, 2021	Effective Jan 1, 2023	Effective Jan 1, 2025
\$8.14/1,000 gal	\$8.30/1,000 gal	\$8.40/1,000 gal	\$8.50/1,000 gal

Note: In addition to the water base fee, all retail sewer accounts pay a base sewer fee of \$5.00 per billing period, with the exception of multi-family housing on a master meter. The base fee is separate from the volume charge for either water or sewer usage. Where one meter serves more than one unit, the monthly meter fee is \$10.00 per unit per billing period. Multi-family housing on water-only accounts shall be charged a base charge of \$7.50 per unit per billing-period. Base fees are effective until modified by the Board of Commissioners.

Industrial Surcharge

As computed for specific conditions of discharge:

Sewer System Development Charge

Water Meter Size	January 1, 2015 – 2021
¾"	\$ 4,147
1"	13,270
1½"	31,517
2"	57,643
3"	143,901
4"	230,988
6"	461,146
8"	737,751
10"	Varies*
12"	Varies*

**System development charges for meters larger than 8" will be determined by the Department of Water Resources to reflect anticipated average daily wastewater flows; insufficient data are available to develop equivalent flow factor for these large meters.*

ANNUAL FINANCIAL INFORMATION

SEC Rule 15c2-12(b)(5)(i)(A) requires annual financial information and operating data that are generally consistent with the presentation included in the Official Statement for each bond issue. The table on the following page provides a summary of combined operating results:



GWINNETT COUNTY WATER AND SEWERAGE SYSTEM AND AUTHORITY

SUMMARY OF COMBINED OPERATING RESULTS

(in thousands of dollars)

	2019	2018	2017*	2016	2015
Operating Revenues:					
Residential and commercial service	\$ 322,044	\$ 302,972	\$ 297,850	\$ 305,826	\$ 293,549
Wholesale service	6,231	4,760	5,240	4,999	4,532
Public fire protection charges to other funds	717	701	701	686	683
Connection charges	1,428	1,356	1,446	1,498	1,431
Miscellaneous	7,153	6,293	6,328	5,047	5,779
Total operating revenues	337,573	316,082	311,565	318,056	305,974
Operating Expenses:					
Water production	14,782	13,253	12,634	15,322	13,474
Distribution and collection	38,534	35,013	34,371	32,802	30,442
Engineering	7,076	6,959	5,931	5,112	4,547
Reclamation	41,671	33,956	32,072	35,708	35,986
Depreciation	93,342	97,278	96,719	81,671	78,968
General and administrative	41,081	32,414	32,625	31,890	21,579
Total operating expenses	236,486	218,873	214,352	202,505	184,996
Operating income	101,087	97,209	97,213	115,551	120,978
Non-operating Revenues (Expenses):					
Investment earnings	9,056	6,454	3,281	272	1,426
Interest expense	(18,544)	(19,896)	(18,858)	(25,589)	(34,569)
Loss on disposal of fixed assets	(641)	(598)	(1,962)	(1,526)	(17,667)
Income before operating transfers and contributions	90,958	83,169	79,674	88,708	70,168
Capital contributions	61,555	51,227	48,412	51,033	43,978
Transfers in	2	158	–	–	130
Transfers out	(165)	(165)	(165)	(165)	(165)
Increase in net position	152,350	134,389	127,921	139,576	114,111
Net position, January 1	2,999,991	2,865,602	2,744,044	2,604,468	2,490,357
Impact of restatement	–	–	(6,363)	–	–
Net position, December 31	\$ 3,152,341	\$ 2,999,991	\$ 2,865,602	\$ 2,744,044	\$ 2,604,468

*2017 net position was restated due to the implementation of GASB Statement No. 75.

SECURITY FOR THE BONDS

General

The Series 2011, 2015, 2016, 2016A, and 2019 Bonds are limited, special obligations of the Authority. The County and the Authority have entered into a Lease Agreement (the "Lease") dated November 1, 1985, and subsequently amended by the Amended and Restated Lease Contract in 1997 and supplemented by the Supplemental Lease Contract (the "Supplemental Lease") dated as of October 1, 2004, by which the Authority leased to the County all of its water and sewer facilities (collectively referred to as the "System"). Facilities acquired after November 1, 1985, are part of the System. The Lease is in effect until all revenue bonds are paid in full, but no later than October 1, 2054. The County manages and operates the System under the terms of the Lease and pledges the County's full faith and credit and taxing power as security for the revenue bonds issued by the Authority.

All bonds issued after execution of the Supplemental Lease are expressly junior and subordinates to the pledge of the net revenues with respect to bonds issued prior to that date. Lease payments equal to the debt service of all first and second lien bonds are to be paid directly by the County, on behalf of the Authority, into the Sinking Fund. The revenues of the Authority representing the lease payments from the County, as provided in the lease, have been pledged to the payment of the principal and interest on the Series 2002, 2003, 2005, 2006, 2008, 2011, 2015, and 2019 Bonds and any additional bonds or obligations issued therewith.

The Water and Sewerage Authority issued \$121,375,000 in refunding bonds ("2006 Refunding Bonds") on March 9, 2006. The 2006 Refunding Bonds were issued to: 1) refund the 2002 Bonds in part and 2) pay costs related to the issuance of the Bonds. The 2006 Refunding Bonds were issued at a true interest cost of 4.3846 percent and resulted in net present value savings of \$4.9 million, or 4.176 percent of the refunded par amount.

The Water and Sewerage Authority issued \$235,575,000 in revenue bonds (2009A Revenue Bonds) and \$23,955,000 in economic development Recovery Zone Bonds (2009B Recovery Zone Bonds) on October 22, 2009. The 2009 Bonds were issued to: 1) finance, in whole or in part, the costs of certain improvements and extensions to the water and sewerage system owned by the Authority, 2) refund all of the Series 2004 Bonds, and 3) pay the costs of issuing the Series 2009 Bonds. The 2009A Revenue Bonds were issued at a true interest cost of 3.3471 percent, and the 2009B Recovery Zone Bonds were issued at a true interest cost of 3.0228 percent.

The Water and Sewerage Authority issued \$163,615,000 in refunding bonds ("2011 Refunding Bonds") on July 1, 2011. The 2011 Refunding Bonds were issued to: 1) refund the 2003B Bonds and 2) pay costs related to the issuance of the Bonds. The 2011 Refunding Bonds were issued at a true interest cost of 2.918 percent and resulted in net present value savings of \$9.4 million, or 5.5 percent of the refunded par amount.

In September and October 2014, the Gwinnett Water and Sewerage Authority and the Gwinnett Board of Commissioners approved resolutions allowing the Authority to move forward with refunding the callable maturities of the 2005 Water and Sewerage Revenue Bonds on a forward/delayed delivery basis. On August 3, 2015, the Water and Sewerage Authority issued \$127,215,000 in Refunding Bonds ("2015 Refunding Bonds"). The 2015 Refunding Bonds were issued at a true interest cost of 1.74 percent and resulted in a total debt service savings of \$9.8 million and a net present value savings of \$9.2 million, or 7.3 percent of the refunded par amount. The debt service savings began in 2016.

In April 2016, the Gwinnett Water and Sewerage Authority and the Gwinnett County Board of Commissioners approved a resolution to provide for the issuance of Gwinnett County Water and Sewerage Authority Revenue Refunding Bonds, Series 2016A (the "Series 2016A Bonds") pursuant to and in conformity with the terms and conditions of a Trust Indenture dated as of October 1, 2004, between the Authority and the Bank of New York Mellon Trust Company, N.A., as Trustee, as supplemented, to finance, in whole or in part, the cost of acquiring by redemption, payment or otherwise all of the Gwinnett County Water and Sewerage Authority Revenue Bonds, Series 2008 maturing on and after August 1, 2019 and paying expenses necessary to accomplish same. This authorized the execution and delivery of a Supplemental Lease Contract with Gwinnett County, Georgia in connection to provide for the redemption of the Series 2008 Bonds to be refunded.

The Water and Sewerage Authority issued \$134,075,000 in refunding bonds ("2009 A&B Refunding Bonds") on August 20, 2019. The 2019 Refunding Bonds were issued to: 1) refund the 2009A and 2009B Bonds and 2) pay costs related to the issuance of the Bonds. The 2009A&B Refunding Bonds were issued at a true interest cost of 2.00 percent and resulted in net present value savings of \$11.8 million, or 10.3 percent of the refunded par amount.

Revenue Fund and Lease Payments

All revenue derived from ownership and operation of the System or from properties in connection therewith shall be collected by the County and deposited promptly into the Revenue Fund created pursuant to the Lease. The County shall first pay from the Revenue Fund the reasonable and necessary costs of operating and maintaining the System in accordance with sound business practices, but before making provisions for depreciation, interest expense, and amortization. The net revenues remaining in the Revenue Fund after the payment of such operating expenses, as provided in the Lease and the Supplemental Lease, are pledged to the payment of interest and principal of outstanding first and second lien debt. Net revenues remaining after the payment of debt service are paid to the Renewal and Extension Fund for the funding of capital projects.

The Lease requires the County to revise and adjust, as often as it shall appear necessary, the schedule of rates, fees, and charges for water and sewerage services and facilities to produce funds sufficient to operate and maintain the System on a sound businesslike basis and to make the lease payments as required. Pursuant to the Lease, the County has covenanted that such rates, fees, and charges shall be maintained at such level so as to produce net revenues equal to at least 1.2 times the debt service requirement in the then current year and, taking into account amounts on deposit therein, to create and maintain by the end of each year a balance in the Renewal and Extension Fund of not less than \$3,000,000.

With respect to second lien bonds issued as variable rate obligations, the debt service requirement is computed at a rate equal to the sum of (a) the lesser of: (i) the average interest rate on such variable rate bonds for the 12 consecutive months preceding the date of calculation, and (ii) the average of the BMA Index for the 12 consecutive months preceding the date of calculation; and (b) any fees associated with any liquidity facility or remarketing agreement related to such bonds.

Additional Bonds

As stated in the Supplemental Lease, the Authority will not issue additional bonds under the first lien debt after October 1, 2004. However, the Supplemental Lease does not restrict the issuance of additional second lien bonds. The following conditions must be met before the issuance of additional bonds:

- (a) None of the outstanding first and second lien bonds are in default as to payment of principal and interest; the Authority remains in compliance with the Lease as supplemented and amended; the County is in compliance with the Lease and has consented in writing to the issuance of such additional bonds.
- (b) All of the payments to the Sinking Fund for both first and second lien bonds are currently being made in full as required.
- (c) A firm of independent certified public accountants shall have certified that based on net revenues for a period of 12 full consecutive calendar months out of 18 consecutive calendar months preceding the month of adoption of the proceedings for the issuance of such additional bonds, the debt service coverage ratio for each full Sinking Fund year subsequent to issuance of the proposed additional bonds shall not be less than 1.10.
- (d) If such proposed additional bonds are issued to finance a capital project, the Authority shall have received a report of the Consulting Engineers setting forth the description of the project and projected future debt service coverage ratios.
- (e) All procedures relating to authorization of additional bonds and subsequent validation proceedings are followed.

ANNUAL DEBT SERVICE REQUIREMENTS

Debt service requirements on the Water and Sewerage Authority Revenue Bonds, Series 2011, 2015, 2016, 2016A, and 2019 are as follows:

Bond Year Ending December 31	Second Lien				
	Debt Service Requirements 2011	Debt Service Requirements 2015	Debt Service Requirements 2016	Debt Service Requirements 2016A	Debt Service Requirements 2019
2020	18,365,950	8,596,780	11,897,130	15,988,659	15,425,097
2021	18,364,700	8,569,710	11,932,974	15,991,283	16,688,000
2022	18,366,500	8,515,638	11,982,564	15,989,937	16,685,000
2023	18,371,000	–	21,905,428	15,989,619	16,690,250
2024	18,367,500	–	21,903,398	15,990,245	16,692,000
2025 – 2029	18,364,500	–	21,905,040	63,958,499	83,419,750
Total	110,200,150	25,682,128	101,526,534	143,908,242	165,600,097

AUDITED ANNUAL FINANCIAL STATEMENTS

The Financial Section of this Comprehensive Annual Financial Report contains the County’s Financial Statements with related Independent Auditors’ Report. The County also has separately issued financial statements for the Water and Sewerage Authority, with related Independent Auditors’ Report. These statements are consistent with the financial statements contained in the Official Statements in compliance with SEC *Rule 15c2-12(b)(5)(i)(A)* and *(B)*.

OTHER INFORMATION

Other relevant information is located in the Statistical Section of this Comprehensive Annual Financial Report.



Gwinnett

Gwinnett

COUNTY GOVERNMENT

Gwinnett Justice & Administration Center
75 Langley Drive | Lawrenceville, Georgia
www.gwinnettcounty.com

The County maintains several online resources to provide residents and businesses with detailed information about Gwinnett's financial operations.

Visit us at GwinnettCounty.com and click on the *Your Money* button.

[Guide to the Budget](#)

[Where Your Property Taxes Go](#)

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Communications Division

CREATED:

Spring 2020

We would like to express our appreciation to department directors and elected officials, Financial Services staff, Communications staff, and staff members in other departments for their exceptional contributions to the preparation of this document.

Questions about this document?

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