2020

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020



CITY OF SOUTH FULTON, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020



Prepared by:
City of South Fulton Department of Finance and Administrative Services

INTRODUCTORY SECTION
(Unaudited)

- Table of Contents
- Letter of Transmittal
- Organizational Chart
- List of Principal Officials



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GOVERNMENT OF THE CITY OF SOUTH FULTON

TAMMI SADDLER JONES
CITY MANAGER

NINA ROBINSON
INTERIM FINANCE DIRECTOR

May 24, 2021

Honorable Bill Edwards, Mayor
Members of the City Council, and
Citizens of South Fulton, Georgia

Ladies and Gentlemen:

The comprehensive annual financial report of the City of South Fulton, Georgia (the "City") for the fiscal year ended September 30, 2020 is hereby submitted. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal controls established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable rather than absolute assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of the City.

The City's financial statements have been audited by Mauldin & Jenkins, LLC, a firm of licensed certified public accountants. The independent auditors have issued an unmodified or "clean" opinion on the City of South Fulton's financial statements for the fiscal year ended September 30, 2020. The independent auditor's report is presented as the first component of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it. The basic audited financial statements with combining and individual fund statements and schedules along with required supplementary information follow the MD&A.

The statistical section contains selected historical financial data, debt statistics, and the miscellaneous social and economic data generally presented on a multi-year basis.

History-City of South Fulton

South Fulton is located in southern Fulton County and is bordered by Fairburn and East Point to the south, Lithia Springs and Douglasville to the west, and City of Atlanta to the north and east. The City of South Fulton was originally unincorporated communities in Southern Fulton County. The City was chartered on May 1, 2017 and is comprised of 85.64 Square Miles that includes 17 parks totaling 692 acres, 9 Fire Stations, 4 Police Precincts and is situated only 10 miles west of the world's busiest airport, Hartsfield Jackson Atlanta International Airport.

Form of Government

The City of South Fulton operates under a mayor and council-city manager form of government. South Fulton City Council is comprised of a mayor and seven (7) council members. The City is divided into seven (7) council districts. The council members who are elected for the seven (7) districts must reside in the district that they represent.

The Council enacts ordinances, establishes policy, adopts the annual budget, and establishes the ad valorem tax millage rate for each year. The City Manager is responsible for implementing the policies set forth by the Council, overseeing all City employees, and managing the day to day operations of the City.

Services Provided

The services provided by the City under general governmental functions include police protection, fire services, planning and development, road maintenance, sidewalk and curb maintenance, and parks and cultural affairs operation and maintenance. These services are primarily funded by property taxes, franchise fees, occupational taxes, local option sales taxes, and miscellaneous service revenues.

In addition, the City provides fire inspection services, criminal history background checks, and solid waste services. These services are provided for a fee that is set forth by the City Council.

Economic Outlook

Located just 10 miles from downtown Atlanta and bordering Fulton Industrial District, the City of South Fulton is positioned for significant economic growth. As the economy continues to recover and survive the impacts of the COVID-19 pandemic, the City is focused on development and revenue enhancement. Two major interstate highways that border the City, 1-285 to the south and 1-20 to the north, provide easy roadway access to and from the City. For commuters, the roadway access is supplemented by MARTA (Metropolitan Atlanta Rapid Transit Authority) rail station and several MARTA bus stops throughout the City limits. The City is also conveniently located, less than 5 miles from the Charlie Brown Airport in Fulton County.

At the time of incorporation and based on the 2017 census projections, the City of South Fulton ranked 8th in the state for consolidated governments and 4th for Non-consolidated governments with 97,668 citizens. Current estimated citizenry has increased to 99,152 in 2020.

During the 2017 legislative session, the Georgia General Assembly approved legislation that allowed the City to change its Hotel/Motel tax rate from 5% to 8%. The City appropriates half of this special revenue to support South Fulton Convention and Visitors Bureau, a non-profit organization established to promote tourism. The other half of the special revenue is restricted to tourism product development. Some of the items that fall under tourism product development are meetings and conventions, exhibits and public spaces, visitor information and welcome centers, parks, trails, and other recreational and cultural facilities.

In 2020, nearly 92 percent of its residents hold at least a high school diploma, and the average household income is about $78,000, making the City one of the best-educated and most-affluent in the south metro Atlanta area. This income level is higher than the State of Georgia's median household income of $61,980 and slightly above the United States median household income of $65,712.

Despite the effects of the COVID-19 pandemic, the City has maintained its commitment to avoid layoffs and furloughs. Through sound financial decision making and the implementation of policies to mitigate the current impacts, the decisions made have provided a sustainable path forward into 2021 and beyond.

Budget

The budget is the City's annual financial operating plan. The annual budget includes the general fund, special revenue funds, capital projects funds, and TSPLOST funds. The budget encompasses a fiscal year that begins on October 1 and ends on September 30.

The City Manager is responsible for presenting a proposed budget to the Mayor and Council. This budget must be balanced within each fund. The budget must generally be approved prior to the start of the new fiscal year, although local statute does allow the City to operate for a period of no more than 30 days without an approved budget under certain circumstances.

Long-term Financial Planning

The City's policy is to maintain a minimum General Fund balance reserve equal to 2 and ½ months of prior fiscal year operating expenditures. As of September 30, 2020, the General Fund balance is $27,813,731 or 47.8% of annual operating expenditures. Excess fund balances over reserve requirements (if any) will be used to fund non-recurring expenditures. The City plans to develop a rolling 5-year capital plan to help dictate how to best use these excess funds.

Awards

The Government Finance Officers Association (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended. This report for the Fiscal Year ended September 30, 2020 will be the City's second award submission. To be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report.

The report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year. We believe that our current comprehensive annual financial report will meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA for consideration.

Acknowledgments

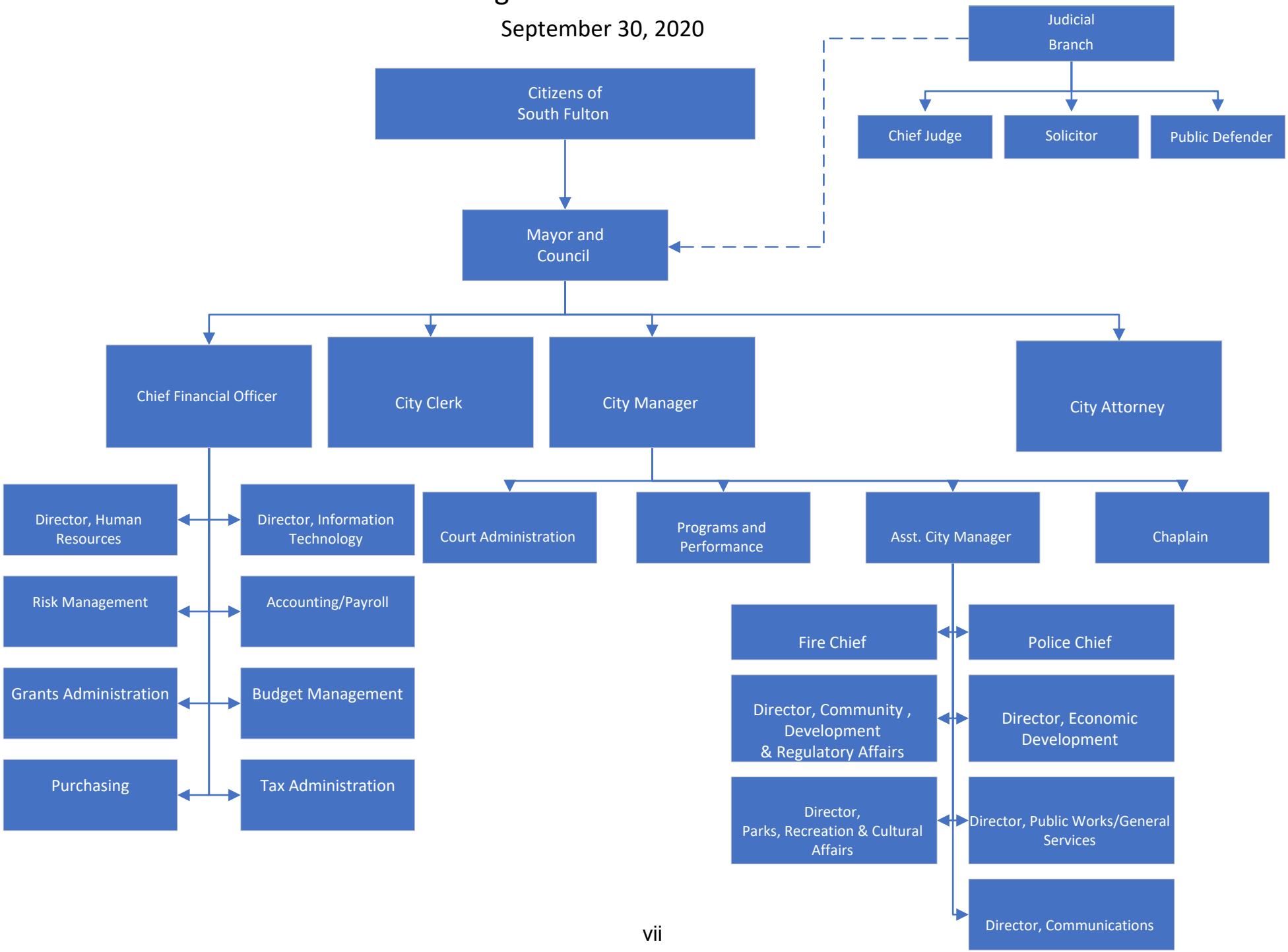
I would like to express my gratitude to the Mayor, City Council, and City Manager for their support and guidance in the preparation of this report. I would also like to express my appreciation to the City's staff for their assistance and cooperation in the preparation of the content of this report. Special thanks and consideration to the members of the Finance and Administrative Services team for their efforts in developing an award-winning report to represent the commitment to a resilient City of South Fulton.

Nina Robinson
Controller

City of South Fulton, Georgia

Organizational Chart

September 30, 2020



City of South Fulton, Georgia

Elected Officials

September 30, 2020

William "Bill" Edwards

Mayor

City Council Members

Councilwoman
Catherine F. Rowell
Distict 1

Councilwoman
Carmelitha Gumbs
District 2

Councilwoman
Helen Z. Willis
District 3

Councilwoman
Naeema Gilyard
District 4

Councilman
Corey Reeves
District 5

Councilman
khalid kamau
District 6

Councilman
Mark Baker
District 7

Appointed Executive Officials

Odie Donald III
City Manager

Melanie D. Winfield
Assistant City Manager

S. Diane White
City Clerk

Emilia Walker
City Attorney

Department Heads

Phenix Gaston
Court Administrator

Anquilla Henderson
Human Resources Director

Sterling Jones
Interim Fire Chief

Gary Leftwich
Communications & External Affairs Director

Keith Meadows
Police Chief

Frank S. Milazi
Chief Financial Officer

Christopher Pike
Economic Development Director

Tony Phillips
Parks & Recreation Director

Shayla Reed
Community Development & Regulatory Affairs Director

Namarr Strickland
Information Technology Director

Antonio Valenzuela
Public Works Director

FINANCIAL SECTION

- Independent Auditor's Report
- Management's Discussion and Analysis
- Basic Financial Statements
    - Government-Wide Financial Statements
    - Fund Financial Statements
- Notes to the Financial Statements
- Required Supplementary Information
- Combining, Individual Fund Statements and Schedules



MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the City Council of the
City of South Fulton, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **City of South Fulton, Georgia** (the "City"), as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City'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 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of South Fulton, Georgia as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparisons for the General Fund for the fiscal 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 and the budgetary comparison for the General Fund, as listed in the table of contents, 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 City of South Fulton, Georgia's basic financial statements. The combining and individual fund statements and schedules and the schedule of expenditures of transportation special purpose local option sales tax proceeds, as required by the official code of Georgia 48-8-121, as well as the introductory and the statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules and the schedule of expenditures of transportation special purpose local option sales tax proceeds 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 fund statements and schedules and the schedule of expenditures of transportation special purpose local option sales tax proceeds, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 24, 2021 on our consideration of the City'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 City'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 City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
May 24, 2021

As management of the City of South Fulton, Georgia, (the "City") we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

CITY ACTIVITY HIGHLIGHTS

South Fulton was incorporated in May of 2017 and celebrated its third anniversary on May 1, 2020. Positioned in a metro area, South Fulton is a demographically diverse community and covers an 85 square mile area in southwest Fulton County, Georgia. City of South Fulton is the third largest City in Fulton County and the fifth largest City in the State of Georgia, serving a population of 95,158 (U.S. Census estimate for 2016). The City's daytime population remains consistent at more than 110,000 as a result of the concentration of major industries and business districts located within the City limits, including wholesale trade, educational services, retail trade, waste management and remediation, and food services. The City is home to the South Fulton Parkway Corridor, which connects Hartsfield Jackson Atlanta International Airport to the City and the Old National Highway Corridor. The City is adjacent to the Fulton Industrial District, one of the largest industrial and business areas in the metro Atlanta region. The City also houses the Wolf Creek Amphitheater, an outdoor recreation and concert venue.

Policy making, and legislative authority of the government is vested in the Mayor and seven Council Members, who are elected for four-year terms. Council Members are elected by district, and the Mayor is elected at-large by popular vote. Terms of office begin after the certification of the election and swearing into office. The City operates under a council/manager form of government, where the Council is the legislative authority, and the Mayor possesses all the executive powers granted to the government under the constitution and laws of the State of Georgia and the City of South Fulton charter. The City Manager maintains all the administrative powers granted to the government under the constitution and laws of the State of Georgia and the City's charter. The City is empowered to levy a property tax on both real and personal property located within its boundaries and is qualified to levy all other taxes granted to municipalities within the State of Georgia.

Financial Highlights

- The government-wide assets of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $321,312,763 (net position) which includes an unrestricted balance of $23,658,456.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $73,308,381 an increase of $39,122,572.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was $26,249,230 or 45.12% of total General Fund expenditures. Unassigned General Fund balance increased $16,874,436 when compared to the prior fiscal year which may be used to meet the City's ongoing obligations to its citizens and creditors.
- The City's Urban Redevelopment Authority issued $17,020,000 of revenue bonds for the purpose of capital improvements throughout the City.

The Current Situation of South Fulton

On November 18, 2018, the City of South Fulton successfully transitioned all City services from Fulton County. The pace and breadth of policy development and organizational establishment since early 2017 has been significant. Rightly so, this has been the focus of the City since inception in 2017. The City Council has worked tirelessly to

make decisions and advance the burgeoning City so that it is functional and operational. While the process has been fraught with disagreement at times, the intent and heart behind the City's development debates has been positive.

Now the City is turning its focus to more operational matters as there is a significant amount of organizational, process, technology, relational and policy matters yet to firmly establish. Being a new City, it brings with it the positive of a considerable amount of control and better services, but also brings a significant need for the development of new processes, systems, relationships, and direction.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner like a private-sector business.

The *statement of net position* presents information on all the City's assets, deferred inflows of resources, and liabilities, with the difference between these items reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows.* Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal years (e.g., uncollected taxes and earned but unused vacation leave).

Both government-wide financial statements distinguish functions of the City 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 City include general government, municipal court, public safety, public works, park, recreation, and cultural affairs, and housing and development and interest on long-term debt. The government-wide financial statements can be found on pages 15 and 16 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of South Fulton, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into two (2) categories: governmental funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal period. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both 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.

The City maintains seven (7) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund; TSPLOST Fund; Capital Grant Fund, and the Capital Projects Fund, all of which are considered to be major funds. Data from the other three (3) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental funds financial statements can be found on pages 17 through 19 of this report.

The City adopts an annual appropriated budget for its major governmental funds as well as its nonmajor governmental funds. Budgetary comparison statements have been provided for the governmental funds to demonstrate compliance with this budget.

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 government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on page 20 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21 through 40 of this report.

Required supplementary information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information such as the budgetary comparison schedule for the General Fund as presented on a generally accepted accounting principal basis in this section. Required supplementary information can be found on pages 41 through 43 of this report.

Combining and individual fund statements and schedules. In addition to the basic financial statements and accompanying notes, this report also presents combining and individual fund statements and schedules. This section can be found on pages 44 through 54 of this report.

Statistical section. In addition to the basic financial statements and accompanying notes, this report also presents various supplementary and statistical information such as 10-year presentation of revenues, expenditures, and tax rates. The statistical section can be found on pages 55 through 71 of this report.

Government-wide Financial Analysis

Net position

As noted earlier, the net position may serve over time as a useful indicator of a government's financial position. The City's governmental activities net position increased from $303,701,968 to $321,312,763 in fiscal year 2020. Our analysis below focuses on the net position (**Table 1**) as compared to the previous fiscal year.

TABLE 1 — City of South Fulton, Georgia's Statement of Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	9/30/2020	9/30/2019	9/30/2020	9/30/2019	9/30/2020	9/30/2019
ASSETS						
Current assets	$ 117,934,002	$ 67,901,925	$ -	$ 196,528	$ 117,934,002	$ 68,098,453
Capital assets, net	274,394,407	273,437,808	-	-	274,394,407	273,437,808
Total assets	392,328,409	341,339,733	-	196,528	392,328,409	341,536,261
LIABILITIES						
Other liabilities	18,762,919	5,918,855	-	-	18,762,919	5,918,855
Long-term liabilities	23,113,561	4,426,070	-	-	23,113,561	4,426,070
Total liabilities	41,876,480	10,344,925	-	-	41,876,480	10,344,925
DEFFERED INFLOWS OF RESOURCES						
Deferred revenues	29,139,166	27,292,840	-	-	29,139,166	27,292,840
Total deferred inflows of resources	29,139,166	27,292,840	-	-	29,139,166	27,292,840
NET POSITION						
Net Investment in capital assets	268,365,263	270,736,966	-	-	268,365,263	270,736,966
Restricted	29,289,044	22,457,468	-	-	29,289,044	22,457,468
Unrestricted	23,658,456	10,507,534	-	196,528	23,658,456	10,704,062
Total net position	$ 321,312,763	$ 303,701,968	$ -	$ 196,528	$ 321,312,763	$ 303,898,496

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded deferred inflows of resources and liabilities by $321,312,763. A significant portion of the City's net position, $268,365,263, reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding and less accumulated depreciation (net capital assets). The amount of net investment in capital assets equals 83.5% of the total net position compared to 89% of the prior fiscal year. The City used its capital assets to provide various services to its citizens; consequently, these assets are not available for future spending, including the payment of the related debt. The City of South Fulton's total net position also includes $29,098,591 restricted for capital projects, $165,846 restricted for public safety, and $24,607 restricted for hospitality and tourism. The City reported its unrestricted net position surplus of $23,658,456 which may be used to meet the City's ongoing obligations to its citizens and creditors.

Current assets increased by $49,835,549 or 73% from $68,098,453 to $117,934,002 from several factors. The TSPLOST Fund had unspent revenues of $7,339,753 and the Capital Projects Fund had unspent debt proceeds of $15,234,632. Also contributing to the increase were excess revenues over expenditures for the General Fund of $21,767,872. Total liabilities increased $31,531,555 or 305%. Contributing to the increase was the issuance of $17 million of revenue bonds and general increases in vendor and other operating liabilities of $12,838,596 due to timing of payment of these liabilities.

Table 2 summarizes these changes in net position as described above.

TABLE 2 — City of South Fulton, Georgia's Statement of Activities

	Governmental Activities		Business-type Activities		Total Primary Government	
	9/30/2020	9/30/2019	9/30/2020 *	9/30/2019	9/30/2020	9/30/2019
REVENUES						
Program revenues						
Charges for services	$ 4,827,449	$ 3,644,819	$ -	$ -	$ 4,827,449	$ 3,644,819
Operating grants and contributions	22,953,889	27,066,418	-	-	22,953,889	27,066,418
Capital grants and contributions	-	262,902,562	-	-	-	262,902,562
General revenues						
Property taxes	29,389,742	30,265,167	-	-	29,389,742	30,265,167
Title ad valorem taxes	1,658,468	395,350	-	-	1,658,468	395,350
Sales taxes	24,254,078	26,442,415	-	-	24,254,078	26,442,415
Franchise taxes	4,113,950	3,058,729	-	-	4,113,950	3,058,729
Business taxes	1,772,707	2,050,459	-	-	1,772,707	2,050,459
Alcoholic beverage taxes	332,706	262,382	-	-	332,706	262,382
Hotel/motel taxes	121,792	123,192	-	-	121,792	123,192
Transfer taxes	1,300,427	638,534	-	-	1,300,427	638,534
Insurance premium taxes	7,154,213	8,400	-	-	7,154,213	8,400
Other taxes	188,207	7,621	-	-	188,207	7,621
Miscellaneous revenues	311,258	175,865	-	-	311,258	175,865
Total revenues	98,378,886	357,041,913	-	-	98,378,886	357,041,913
EXPENSES						
General governments	14,031,490	11,092,633	-	-	14,031,490	11,092,633
Municipal court	778,800	849,522	-	-	778,800	849,522
Public safety	33,300,498	26,421,034	-	-	33,300,498	26,421,034
Public works	22,772,513	13,085,033	-	-	22,772,513	13,085,033
Parks, recreation, and cultural affairs	4,198,093	2,642,631	-	-	4,198,093	2,642,631
Housing and development	4,936,332	4,192,784	-	3,472	4,936,332	4,196,256
Interest charges	750,365	62,810	-	-	750,365	62,810
Total expenses	80,768,091	58,346,447	-	3,472	80,768,091	58,349,919
TRANSFERS	-	(200,000)	-	200,000	-	-
Change in net position	17,610,795	298,495,466	-	196,528	17,610,795	298,691,994
Beginning Net Position	303,701,968	5,206,502	-	-	303,701,968	5,206,502
Ending Net Position	$ 321,312,763	$ 303,701,968	$ -	$ 196,528	$ 321,312,763	$ 303,898,496

* See change in reporting entity footnote as the Development Authority is no longer reported as a blended component unit enterprise fund as was the case in fiscal year 2019. For fiscal year 2020, the Development Authority Fund is reported as a discretely presented component unit.

Governmental activities. The net position for governmental activities increased by $17,610,795 in fiscal year 2020 and increased by $298,495,466 in fiscal year 2019. Most of the increase in net position in fiscal year 2019 is due to donated capital assets (infrastructure) of $262,902,565 that was received from Fulton County. The City's governmental activities are heavily reliant on taxes to support operations. Taxes of $70,286,290 provided 71% of governmental revenues of general operations for fiscal year 2020.

Operating grants which include TSPLOST revenues decreased $4,112,529 or 15% as prior fiscal year revenues included settlement of prior fiscal year allocations from Fulton County. Charges for services increased $1,182,630 or 32% because of increases in building permits and tree restoration fees. Title ad valorem taxes increased $1,263,118 or 319% as vehicle sales increased in line with national trends resulting from the pandemic. Sales taxes decreased $2,188,337 or 8% as a result of pandemic related decreases in retail activity. Insurance premium taxes were $7,154,213 in fiscal year 2020 compared to only $8,400 in the prior fiscal year, as the City met all state requirements for the first time to collect this type of tax.

Overall, governmental expenses increased by $22,421,644 or 38% in fiscal year 2020 from 58,346,447 in 2019 to $80,768,091 in fiscal year 2020. This increase is the result of the completion of the final transition of all operations from Fulton County to the City. As the City began to fill the operational positions, personnel costs, contracted costs, and supplies have increased during fiscal year 2020 which resulted in the following increases by functions: General government expenses increased by $2,938,857 or 26%; Public Safety expenses increased $6,879,464 or 26%; and Parks, Recreation, and Cultural Affairs increased $1,555,462 or 59%. Public works expenses increased $9,687,480 or 74% as a result of the initial expenses of $9,328,639 of TSPLOST funds.

Business-type activities. During fiscal year 2019, the City created a Development Authority Fund which is reported as a blended component unit/proprietary fund. The City's General Fund transferred $200,000 to the Development Authority Fund during fiscal year 2019 and this Fund only reported expenses of $3,472 and which resulted in a remaining cash balance and net position balance of $196,528. For fiscal year 2020, this fund qualified as a discretely presented component unit and is reported separately from the Cities activities.

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Following is analysis of the City's major funds.

General Fund. The General Fund is the chief operating fund of the City. As of September 30, 2020, the General Fund had unassigned fund balance of $26,249,230 which represents 45.12% of operating expenditures. Table 3 below compares operating results of the General fund for fiscal years 2020 and 2019.

General Fund revenues increased $8,953,981 or 12.61%. Property taxes decreased $701,216 or 2.33% as certain properties were reallocated to Fulton County. Title ad valorem taxes increased $1,263,118 or 319%; Transfer taxes increased $661,893 or 103.66% and Franchise taxes increased $1,055,221 or 34.5%, respectively, as the City resolved equitable distribution of these taxes with Fulton County. Sales taxes decreased $2,188,337 or 8.28% as retail sales decreased from the pandemic. Licenses and permits increased $1,406,275 or 63.64% as the City has taken full authority for these activities from Fulton County. Insurance premium taxes increased $7,145,813 as the City became eligible for these tax revenues in fiscal year 2020.

General Fund expenditures increased $5,300,946 or 10.02%. General government expenses increased $2,655,124 or 24.19% as a result of increases in staffing, general liability insurance and legal fees. Parks, recreation, and cultural affairs expenses increased $1,303,278 or 55.51% as the City directs more resources to these activities. Housing and development expenses increased $706,023 or 17.06% as the City has fully taken over these functions from Fulton County. Public Safety expenses, by far the City's largest category of expenditures remained relatively consistent with the prior fiscal year increasing $431,388 or 1.62%.

TABLE 3

City of South Fulton, Georgia's General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances

	9/30/2020	9/30/2019	$ Increase (Decrease)	% Increase (Decrease)
Revenues:				
Property taxes	$ 29,383,953	$ 30,085,169	$ (701,216)	-2.33%
Title ad valorem taxes	1,658,468	395,350	1,263,118	319.49%
Sales taxes	24,254,078	26,442,415	(2,188,337)	-8.28%
Business taxes	1,772,707	2,050,459	(277,752)	-13.55%
Franchise taxes	4,113,950	3,058,729	1,055,221	34.50%
Insurance premium taxes	7,154,213	8,400	7,145,813	85069.20%
Transfer taxes	1,300,427	638,534	661,893	103.66%
Alcoholic beverage excise taxes	332,706	262,382	70,324	26.80%
Other taxes	188,207	7,621	180,586	2369.58%
Licenses & permits	3,615,853	2,209,578	1,406,275	63.64%
Intergovernmental	4,720,023	4,440,768	279,255	6.29%
Fines & forfeitures	429,389	452,019	(22,630)	-5.01%
Charges for services	712,663	766,625	(53,962)	-7.04%
Interest income	2,315	1,121	1,194	106.51%
Other revenues	308,943	174,744	134,199	76.80%
Total revenues	79,947,895	70,993,914	8,953,981	12.61%
Expenditures:				
General government	13,632,498	10,977,374	2,655,124	24.19%
Municipal court	765,531	838,857	(73,326)	-8.74%
Public safety	27,119,263	26,687,875	431,388	1.62%
Public works	7,997,993	7,825,205	172,788	2.21%
Parks, recreation, and cultural affairs	3,651,254	2,347,976	1,303,278	55.51%
Housing and development	4,845,484	4,139,461	706,023	17.06%
Debt service	168,000	62,329	105,671	169.54%
Total expenditures	58,180,023	52,879,077	5,300,946	10.02%
Excess of revenues over expenditures	21,767,872	18,114,837	3,653,035	20.17%
Other Financing Sources (Uses):				
Financed purchase from direct borrowings	-	2,393,808	(2,393,808)	100.00%
Transfers in	47,553	65,645	(18,092)	-27.56%
Transfers out	(4,608,523)	(1,276,643)	(3,331,880)	260.99%
Total other financing sources (uses)	(4,560,970)	1,182,810	(5,743,780)	-485.60%
Net change in fund balances	17,206,902	19,297,647	(2,090,745)	-10.83%
Fund balances (deficits), beginning of fiscal year	10,606,829	(8,690,818)	19,297,647	-222.05%
Fund balances, end of fiscal year	$ 27,813,731	$ 10,606,829	$ 17,206,902	162.22%

TSPLOST Fund. During fiscal year 2019, the City created a TSPLOST Fund which received $21,257,861 of intergovernmental revenue and had no expenditures; therefore, resulting in ending fund balance of $21,257,861. Revenue figures from the Georgia Department of Revenue now show three years of historic data which indicates that the Transportation Special Purpose Local Option Tax program is running at a 90% collection rate as measured against Georgia's original projections at the time that the referendum was adopted. At this rate in a normal environment, it means all Tier 1 projects should be fully funded. Effective in Fiscal Year 2020, the City will begin oversight and management of all TSPLOST revenues and projects. The City receives 16.6% distribution that is first distributed to Fulton County and then to the City. Prior to this date, Fulton County maintained oversight of the completion of TPLOST projects. The City received additional TSPLOST funds of $16,668,392 in fiscal year 2020 and used $9,328,639 on various transportation projects primarily street resurfacing.

Capital Grant Fund. The City received $1,222,517 and $1,087,771 in fiscal years 2020 and 2019, respectively, of LMIG (Local Maintenance Improvement Grants) grants from the Georgia Department of Transportation. The City spent $1,753,631 and $433,824 in fiscal years 2020 and 2019, respectively, on various road resurfacing projects.

Capital Projects Fund. The City maintains a Capital Projects Fund for the purpose of tracking various capital expenditures financed from a combination of transfers from the General Fund, financed purchase arrangements, and the issuance of $17,020,000 of Series 2020 Revenue Bonds through its Urban Redevelopment Agency. The City used $8,600,192 of these funds for various capital projects in fiscal year 2020, primarily road resurfacing. As a result of the issuance of the 2020 revenue bonds, the City had debt service requirements of $1,181,146 from this fund.

General Fund Budgetary Highlights

The City's budget has utilized a conservative approach based on the relevant information available. Emphasis was given to ensuring financial stability and long-term viability while providing revenue enhancement, instituting financial priorities methodologies and disciplined decision making. The City will pursue these goals in five (5) priorities to better serve the Citizens of the City of South Fulton and the following are the priorities: Invest in Developing Strong Teams. Grow Infrastructure and Solidify Finances, Increase Community Collaboration and Quality of Life, Focus on Economic Development, and Create an Efficient Government.

1. Invest in Developing Strong Teams

- Develop a cohesive servant-leader environment of trust and cooperation.
- Commit to a shared vision.
- Maintain the standards of professionalism.

2. Grow Infrastructure and Solidify Finances

- Build on current Revenue Sources.
- Diversify and create new Revenue Sources.
- Ensure Financial adequacy in reserves and fund balance.
- Reduce dependency on any single revenue source.

3. Increase Community Collaboration and Improve Quality of Life

- Strengthen relationships with county and state legislators.
- Build on alliances with surrounding municipalities to implement regional approach to service delivery.
- Offer healthy living and enrichment options in cultural affairs. Also enhance parks and recreation facilities that will improve the health and quality of life of the City's residents and visitors.

4. Economic Development

- Develop an economic development strategy – what are we best suited for?
  - ✓ Include existing business retention and expansion as well as recruitment of new.
  - ✓ Explore incentives and their roles in attracting new businesses.
  - ✓ Explore the role of a development authority and perhaps a downtown development authority particularly as a project funding mechanism.
  - ✓ Encourage small businesses and entrepreneurs – incubator.

- Identify key parcels that the City or development authority could acquire and use for economic development purposes.
  - ✓ Identify an area for a "downtown"
  - ✓ Identify redevelopment areas.

5. Create an Efficient Government

- Develop strategy or plan – to feed into recreation and cultural affairs strategic plan to enhance the City' parks and recreational facilities to be used by residents, business, and visitors to improve quality of life.
- Develop strategy or plan – to support service enhancements in fire, police, courts, economic development, zoning, procurement, and public works.
- Community engagement and communication in person and via social media exchanges.

The City will employ an annual mid-year budget process to review and re-align appropriations and priorities made during the annual budget process with any significant unexpected trends. This will ensure adjustments facilitating appropriations to be in alignment with expected resources. Differences between the original budget and final amended budget will then be resolved via official City Council action.

For fiscal year 2020, revenues over expenditures for the General Fund were $11,961,230 better than the budgeted amount. Components of this variance are described below:

Total revenues were $652,629 less than the final budgeted and $6,125,943 better than the original budget. Actual property tax collections were $640,608 lower than budgeted as property values stabilized and additional properties that were previously considered part of the City tax base were removed from the updated tax digest and properly returned to the Fulton Industrial District. Title ad valorem taxes were $1,358,468 better than the original budget as vehicle sales were unexpectedly greater than projected during the pandemic. Sales taxes were $745,922 less than originally budgeted as the pandemic reduced retail sales in the City. Insurance premium taxes were $2,154,213 better than originally budgeted as the City was very conservative in its budgeting given the fact that the City had no prior experience with this revenue stream. Licenses and permits were $1,727,353 better than originally budgeted as the City assumed these functions from Fulton County. Intergovernmental revenues were $606,477 less than budgeted because of a miscalculation in the amount expected from intergovernmental agreements and ongoing needs for clarification on issues related to City limit demarcations.

Total expenditures were $12,613,859 lower than budgeted as a factor of realigning expenditures within the General Fund to meet the operational needs of some departments. The Financial department expenditures were $6,493,784 lower than budgeted as the unallocated contingency balance was retained to build fund balance. Police department expenditures were $393,137 lower than budget because of less need in fiscal year 2020 in this department to replace outdated fleets of vehicles transitioned from Fulton County to the City. Public works expenditures were $67,937 lower than budget due to less unexpected transition costs in fiscal year 2020 vs fiscal year 2019.

The Schedule of General Fund Revenues, Expenditures, and Changes in Fund Balance, Budget to Actual can be found on pages 41 through 43 of this report.

Capital Assets and Debt Administration

Capital assets. The City's capital assets for its governmental activities as of September 30, 2020 and 2019, amounted to $274,394,407 and $273,437,808, respectively. There was a significant increase in capital assets in fiscal 2019 over 2018 as a result of donated infrastructure assets in the amount of $262,902,562 which was transferred from Fulton County and represents the City's largest area of investments in capital assets. Capital assets increased net $956,599 in fiscal year 2020 represented by significant replacement of older vehicles of $3,105,700, primarily police and fire vehicles, and significant investments in equipment of $4,840,073 primarily police radios and body cameras. These increases in new assets were offset by current year depreciation of existing assets of $7,333,612.

City of South Fulton, Georgia's Capital Assets (net of depreciation)

TABLE 4

	September 30, 2020	September 30, 2019
Land	$ 1,511,115	$ 1,511,115
Construction in progress	324,438	359,932
Buildings	10,396,478	8,272,634
Vehicles	4,599,677	4,680,264
Furniture and fixtures	82,293	611,241
Machinery and equipment	5,093,946	358,111
Infrastructure	252,386,460	257,644,511
	$ 274,394,407	$ 273,437,808

Additional information on the City's capital assets can be found in Note 6 of this report.

Short-term borrowings. The City did not require short-term borrowing for fiscal years 2020 and 2019, respectively.

Long-term debt and obligations. At the end of fiscal year September 30, 2020, the City's net long-term debt increased by $22,482,371 over the prior fiscal year. The largest increase was the issuance of $17,020,000 of Series 2020 Revenue Bonds for various redevelopment projects. The City also entered into financed purchase agreements totaling $3,534,970, primarily for purchases of police equipment and vehicles. Compensated absences increased $2,526,182 as all public safety personnel were transferred from Fulton County to the City.

TABLE 5

City of South Fulton, Georgia's Long-term Debt

	September 30, 2020	September 30, 2019
Financed purchases	$ 5,637,031	$ 2,700,842
Compensated absences	4,251,410	1,725,228
Revenue bonds	17,020,000	-
	$ 26,908,441	$ 4,426,070

Additional information on the City's long-term debt can be found in Note 7 of this report.

Economic Factors and Next Year's Budgets and Rates

These factors were considered in preparing the City's budget for the 2021 fiscal year.

A Safer, Stronger South Fulton

The City is committed to ensuring that all residents feel and are safe, providing an environment where businesses can succeed and thrive. To that end, the fiscal year 2021 budget includes the following investments:

- Additional vehicles to expand the police and fire apparatus fleet;
- Investments in public safety personnel, allowing the City to recruit and retain qualified candidates;
- Investments in essential software related to crime suppression and investigations;
- Investments in infrastructure as a tool for transformation; and
- Commitment to transparency to build the public trust.

Destination South Fulton

Maintaining a strong, diverse, and resilient South Fulton requires that business and industry can operate in an environment that supports commerce. We accomplish this by nurturing small business assets, and intentionally connecting local businesses to government service delivery. Some ways the fiscal year 2021 budget supports South Fulton as a key destination for businesses include:

- Support for small business resource scents on Old National Highway and Roosevelt Highway;
- Financing key investments in land acquisition and development opportunities through funding for the South Fulton Development Authority;
- Funding revitalization efforts of key corridors throughout the city through expansion of the state supported Main Street Program; and
- Continuing the support and investment began in fiscal year 2020 to support the framework to ensure that local and small business are afforded the opportunity to compete for city procurement opportunities.

High Performing Government

As our City continues to grow, we must approve these critical investments to ensure that citizens in all seven (7) Districts benefit from our inclusive prosperity. It is imperative that we make all the critical investments in our fiscal year 2021 Budget and Financial Plan to ensure that residents in all seven (7) districts receive world class services and municipal support. Key among these activities is the ongoing development of the City's strategic plan. This plan will codify the Mayor-Council's vision for the City and provide strategic direction allowing for the development and implementation of departmental goals and performance measures. Building a government that works for the citizens of the City of South Fulton streamlines processes and improves efficiency.

The City will restrict the use of one-time revenues to capital projects when the City starts to accumulate fund balance.

Requests for Information

This comprehensive annual financial report is designed to provide a general overview of the City of South Fulton, Georgia's finances for all those with interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, Department of Finance and Administrative Services, City of South Fulton, 5440 Fulton Industrial Blvd, South Fulton, GA 30336.

City of South Fulton
5440 Fulton Industrial Blvd
Atlanta, GA 30336

CITY OF SOUTH FULTON, GEORGIA

STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	Primary Government	Component Unit
	Governmental Activities	Development Authority
ASSETS		
Cash and cash equivalents	$ 82,652,707	$ 181,245
Accounts receivable	289,592	-
Taxes receivable	30,049,963	-
Due from other governments	3,803,068	-
Prepaid items	1,133,837	-
Due from component unit	1,660	-
Inventories	3,175	-
Capital assets:		
Nondepreciable	1,835,553	-
Depreciable, net of accumulated depreciation	272,558,854	-
Total assets	392,328,409	181,245
LIABILITIES		
Accounts payable	11,367,763	-
Accrued liabilities	3,208,163	-
Due to primary government	-	1,660
Retainage payable	392,113	-
Financed purchases from direct borrowings, due within one fiscal year	1,029,175	-
Financed purchases from direct borrowings, due in more than one fiscal year	4,607,856	-
Revenue bonds, due within one fiscal year	640,000	-
Revenue bonds, due in more than one fiscal year	16,380,000	-
Compensated absences, due within one fiscal year	2,125,705	-
Compensated absences, due in more than one fiscal year	2,125,705	-
Total liabilities	41,876,480	1,660
DEFERRED INFLOWS OF RESOURCES		
Deferred revenues	29,139,166	-
Total deferred inflows of resources	29,139,166	
NET POSITION		
Net investment in capital assets	268,365,263	-
Restricted for capital projects	29,098,591	-
Restricted for public safety	165,846	-
Restricted for hospitality and tourism	24,607	-
Unrestricted	23,658,456	179,585
Total net position	$ 321,312,763	$ 179,585

The accompanying notes are an integral part of these financial statements.

CITY OF SOUTH FULTON, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Governmental Activities	Net (Expenses) Revenues and Changes in Net Position: Component Unit: Development Authority
Primary government:						
Governmental activities:						
General government	$ 14,031,490	$ 1,494	$ -	$ -	$ (14,029,996)	$ -
Municipal court	778,800	429,389	-	-	(349,411)	-
Public safety	33,300,498	491,023	5,062,980	-	(27,746,495)	-
Public works	22,772,513	-	17,890,909	-	(4,881,604)	-
Parks, recreation, and cultural affairs	4,198,093	194,990	-	-	(4,003,103)	-
Housing and development	4,936,332	3,710,553	-	-	(1,225,779)	-
Interest on long-term debt	750,365	-	-	-	(750,365)	-
Total governmental activities	$ 80,768,091	$ 4,827,449	$ 22,953,889	$ -	(52,986,753)	-
Component Unit:						
Development Authority	$ 16,943	$ -	$ -	$ -	-	(16,943)
General revenues:						
Property taxes					29,389,742	-
Title ad valorem taxes					1,658,468	-
Sales taxes					24,254,078	-
Franchise taxes					4,113,950	-
Business taxes					1,772,707	-
Alcoholic beverage taxes					332,706	-
Hotel/motel taxes					121,792	-
Transfer taxes					1,300,427	-
Insurance premium taxes					7,154,213	-
Other taxes					188,207	-
Interest					2,315	-
Miscellaneous revenues					308,943	-
Total general revenues					70,597,548	-
Change in net position					17,610,795	(16,943)
Net position, beginning of fiscal year, as restated					303,701,968	196,528
Net position, end of fiscal year					$ 321,312,763	$ 179,585

The accompanying notes are an integral part of these financial statements.

CITY OF SOUTH FULTON, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

ASSETS	General Fund	TSPLOST Fund	Capital Grant Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 32,868,748	$ 30,311,191	$ 2,254,608	$ 16,488,500	$ 729,660	$ 82,652,707
Accounts receivable	130,285	-	-	-	159,307	289,592
Taxes receivable, net	30,049,963	-	-	-	-	30,049,963
Due from other governments	2,374,105	1,428,963	-	-	-	3,803,068
Due from other funds	1,273,717	317,701	-	-	582,179	2,173,597
Due from component unit	1,660	-	-	-	-	1,660
Inventory	3,175	-	-	-	-	3,175
Prepaid items	1,133,837	-	-	-	-	1,133,837
Total assets	$ 67,835,490	$ 32,057,855	$ 2,254,608	$ 16,488,500	$ 1,471,146	$ 120,107,599
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE						
LIABILITIES						
Accounts payable	$ 6,406,672	$ 3,068,128	$ 1,753,631	$ 132,356	$ 6,976	$ 11,367,763
Retainage payable	-	392,113	-	-	-	392,113
Accrued liabilities	3,065,180	-	-	-	-	3,065,180
Due to other funds	899,880	-	-	-	1,273,717	2,173,597
Total liabilities	10,371,732	3,460,241	1,753,631	132,356	1,280,693	16,998,653
DEFERRED INFLOWS OF RESOURCES						
Deferred revenues	29,139,166	-	-	-	-	29,139,166
Unavailable revenues - intergovernmental	-	-	-	-	150,538	150,538
Unavailable revenues - taxes	510,861	-	-	-	-	510,861
Total deferred inflows of resources	29,650,027	-	-	-	150,538	29,800,565
FUND BALANCE						
Fund balance:						
Nonspendable:						
Prepaid items	1,133,837	-	-	-	-	1,133,837
Inventory	3,175	-	-	-	-	3,175
Restricted for:						
Hospitality and tourism	-	-	-	-	24,607	24,607
Capital projects	-	28,597,614	500,977	-	-	29,098,591
Public safety	-	-	-	-	154,647	154,647
Assigned for:						
Capital projects	-	-	-	1,050	-	1,050
Committed for:						
Tree replacement	427,489	-	-	-	-	427,489
Capital projects	-	-	-	16,355,094	-	16,355,094
Unassigned (deficit)	26,249,230	-	-	-	(139,339)	26,109,891
Total fund balance	27,813,731	28,597,614	500,977	16,356,144	39,915	73,308,381
Total liabilities, deferred inflows of resources, and fund balance	$ 67,835,490	$ 32,057,855	$ 2,254,608	$ 16,488,500	$ 1,471,146	
Amounts reported for governmental activities in the statement of net position are different because:						
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.						274,394,407
Some receivables are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.						661,399
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.						(27,051,424)
Net position of governmental activities						$ 321,312,763

The accompanying notes are an integral part of these financial statements.

CITY OF SOUTH FULTON, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	General Fund	TSPLOST Fund	Capital Grant Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	$ 29,383,953	$ -	$ -	$ -	$ -	$ 29,383,953
Title ad valorem taxes	1,658,468	-	-	-	-	1,658,468
Sales taxes	24,254,078	-	-	-	-	24,254,078
Business taxes	1,772,707	-	-	-	-	1,772,707
Franchise taxes	4,113,950	-	-	-	-	4,113,950
Insurance premium taxes	7,154,213	-	-	-	-	7,154,213
Transfer taxes	1,300,427	-	-	-	-	1,300,427
Alcoholic beverage excise taxes	332,706	-	-	-	-	332,706
Other taxes	188,207	-	-	-	121,792	309,999
Licenses and permits	3,615,853	-	-	-	-	3,615,853
Fines and forfeitures	429,389	-	-	-	69,544	498,933
Charges for services	712,663	-	-	-	-	712,663
Intergovernmental	4,720,023	16,668,392	1,222,517	-	192,419	22,803,351
Interest income	2,315	-	-	-	-	2,315
Contributions and donations	11,500	-	-	-	-	11,500
Miscellaneous revenues	297,443	-	-	-	-	297,443
Total revenues	79,947,895	16,668,392	1,222,517	-	383,755	98,222,559
Expenditures:						
Current:						
General government	13,632,498	-	-	-	-	13,632,498
Municipal court	765,531	-	-	-	-	765,531
Public safety	27,119,263	-	-	-	548,031	27,667,294
Public works	7,997,993	9,328,639	-	-	-	17,326,632
Parks, recreation, and cultural affairs	3,651,254	-	-	-	63,295	3,714,549
Housing and development	4,845,484	-	-	-	-	4,845,484
Capital outlay	-	-	1,753,631	8,600,192	-	10,353,823
Debt service:						
Principal	162,540	-	-	436,241	-	598,781
Interest	5,460	-	-	364,304	-	369,764
Debt issuance costs	-	-	-	380,601	-	380,601
Total expenditures	58,180,023	9,328,639	1,753,631	9,781,338	611,326	79,654,957
Excess (deficiency) of revenues over (under) expenditures	21,767,872	7,339,753	(531,114)	(9,781,338)	(227,571)	18,567,602
Other financing sources (uses):						
Financed purchases from direct borrowings	-	-	-	3,534,970	-	3,534,970
Transfers in	47,553	-	-	4,461,000	147,523	4,656,076
Transfers out	(4,608,523)	-	-	-	(47,553)	(4,656,076)
Bond issuance	-	-	-	17,020,000	-	17,020,000
Total other financing sources (uses)	(4,560,970)	-	-	25,015,970	99,970	20,554,970
Net change in fund balances	17,206,902	7,339,753	(531,114)	15,234,632	(127,601)	39,122,572
Fund balances, beginning of fiscal year, as restated	10,606,829	21,257,861	1,032,091	1,121,512	167,516	34,185,809
Fund balances, end of fiscal year	$ 27,813,731	$ 28,597,614	$ 500,977	$ 16,356,144	$ 39,915	$ 73,308,381

The accompanying notes are an integral part of these financial statements.

CITY OF SOUTH FULTON, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	39,122,572
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.		956,599
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		156,327
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(19,956,189)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds		(2,668,514)
Change in net position - governmental activities	$	17,610,795

The accompanying notes are an integral part of these financial statements.

CITY OF SOUTH FULTON, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
SEPTEMBER 30, 2020

	Municipal Court Fund
ASSETS	
Cash	$ 60,805
Total assets	$ 60,805
LIABILITIES	
Due to others	$ 60,805
Total liabilities	$ 60,805

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS



NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of South Fulton, Georgia (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. The Financial Reporting Entity

The City, which was incorporated by a voter approved referendum on November 8, 2016, commenced operations on May 1, 2017 pursuant to the election of a mayor and council on April 18, 2017. Policy-making and legislative authority are vested in the Mayor and City Council which consists of (7) seven council members and the Mayor. The government provides such services as general government administration, judicial services through its municipal court, code enforcement, building and zoning, housing and development, culture and recreation, and public works.

Discretely Presented Component Unit:

The South Fulton Development Authority (the "Development Authority") was established for the purposes of attracting development, industry, and employment opportunities to the City. The Board of the Development Authority is made up of nine (9) board members from the local community who are appointed by the Mayor and City Council. While there is a financial benefit or burden relationship as the City has provided support to the Development Authority, the Development Authority intends to issue debt on behalf of 3rd parties and will be collecting a fee to do so. It will not be functioning as a financing entity exclusively for the benefit of the City but rather for the community as a whole. Therefore, the Development Authority is reported in the City's financial statements as a proprietary type discretely presented component unit. Separate financial statements for the Development Authority are not prepared.

Blended Component Unit:

The South Fulton Downtown Development Authority (the "DDA") was established in 2020 by the City Council pursuant to the Georgia Downtown Development Authorities Law. It operates through a Board of Directors consisting of seven (7) members appointed by the City Council and Mayor and they may also be removed by the Mayor and City Council. The purpose of the DDA is to revitalize and redevelop the central business district of the City, promote the public good and general welfare, trade, commerce, industry and employment opportunities. The Downtown Development Authority will be reported in the City's financial statements as a blended component unit for the year ending September 30, 2021 as there is a financial benefit or burden relationship as the City will provide support to the DDA. There was no reportable activity for the DDA for the fiscal year ended September 30, 2020.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. The statement of net position includes non-current assets and non-current liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to those 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 properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. As such, property tax revenues will be recognized in the current fiscal year for the previous tax year's levy. 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 City considers property taxes to be available if they are collected within 60 days of the end of the current fiscal period for which they are levied. Other revenues susceptible to accrual are considered available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to long-term liabilities, such as compensated absences and claims and judgments, are recorded only when payment is due.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Property taxes, sales taxes, franchise taxes, business taxes, excise taxes, and licenses and permits associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period if availability criteria are met. All other revenue items are considered to be measurable and available only when cash is received by the City.

In accordance with GASB Statement No. 33, "Accounting and Financial Reporting for Non-exchange 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.

In accordance with GASB Statement No. 34, major individual governmental funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The **General Fund** is the City'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 **TSPLOST Fund** accounts for proceeds of a sales tax levied in Fulton County, which will be used by the City for the exclusive purpose of transportation improvement projects within the City.

The **Capital Grant Fund** is a capital projects fund used to account for expenditures related to the construction, acquisition, and/or installation of the City's capital assets paid with capital grants from federal and state sources.

The **Capital Projects Fund** is used to account for expenditures related to the construction, acquisition, and/or installation of the City's capital assets as well as debt issued by the City which will be used by the City to fund various capital projects within the City.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The City also reports the following fund types:

The **Special Revenue** funds are used to account for revenue sources which are legally restricted or committed to expenditures for specific purposes, such as, grants and hotel/motel taxes.

The **Capital Projects** funds are used to account for expenditures related to construction, acquisition, or installation of the City's capital assets.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, and 2) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

D. Budgets

Formal budgetary accounting is employed as a management control device for the funds of the City. The governmental fund budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. An annual operating budget is adopted for the General Fund, each special revenue fund, and each capital projects fund each fiscal year through passage of an annual budget ordinance and amended as required. During the fiscal year ended September 30, 2020, the original budget was amended through supplemental appropriations. These changes are reflected in the budgetary comparison schedule. All appropriations lapse at fiscal year-end. The City does not use encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

E. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City.

F. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Interfund Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as "due to/from other funds."

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond September 30, 2020, are recorded as prepaid items in both government-wide and fund financial statements. These items are accounted for using the consumption method.

I. Inventories

Inventories are valued at cost, which approximates market, using the weighted average cost method. The consumption method is used to account for inventories. Under the consumption method, inventory items are recognized as expenditures when used.

J. Capital Assets

Capital assets, which include buildings, parks, furniture and fixtures, vehicles and machinery and equipment and infrastructure, are reported in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives is not capitalized.

Capital assets of the City are depreciated using the straight line method over the following useful lives:

Building	50 years
Vehicles	5 years
Furniture and fixtures	10 years
Machinery and equipment	5-10 years
Infrastructure	50 years

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The City has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents 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 City has two types of items that qualify for reporting in this category. The first item, *unavailable revenue*, is only reported in the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes and intergovernmental revenue as these amounts are deferred and will be recognized as inflow of resources in the period in which the amounts become available. Additionally, the City reports deferred revenues for the 2020 property tax digest which is levied for operation of the 2021 fiscal year and thus reported as deferred revenues in the fund and in the Statement of Net Position.

L. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity for all other reporting is classified as “net position.”

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities and deferred inflows of resources under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. 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 City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Fund Equity (Continued)

- **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 City Council through the adoption of a resolution. Only the City Council may modify or rescind the commitment, also through a resolution.

- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The authority to assign fund balances remains with the City Council.

- **Unassigned** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds. The City, by resolution, has created a minimum fund balance policy to be no less than two-and-one-half months of its prior fiscal year's actual operating expenditures of the General Fund, in order to cover unforeseen emergencies and/or revenue shortfalls. The City's resolution states the minimum fund balance policy is effective beginning the City's third fiscal year which will be fiscal year ending September 30, 2021.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order: (1) Committed, (2) Assigned, and (3) Unassigned.

Net Position – Net position represents the difference between assets and deferred outflows of resources and 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 City has spent) for the acquisition, construction or improvement of those assets.

Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Use of 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, deferred inflows of resources, and liabilities, the 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.

N. Compensated Absences

The compensated absences policy of the City provides for accumulation of up to 120 hours per employee. For the City's government-wide statements, an expense and a liability for compensated absences and the salary-related payments are recorded as leave is earned.

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes reconciliations between *fund balance – total governmental fund* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds." The details of this $27,051,424 difference are as follows:

Financed purchases from direct borrowings	$ (5,637,031)
Revenue bonds	(17,020,000)
Compensated absences	(4,251,410)
Accrued interest	(142,983)
Net adjustment to decrease *fund balances - total governmental funds* to arrive at *net position - governmental activities.*	$ (27,051,424)

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balance includes a reconciliation between net change in fund balance and change in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures, however, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this $956,599 difference are as follows:

Capital outlay	$	8,290,211
Depreciation expense		(7,333,612)
Net adjustment to increase *net change in fund balances - total governmental funds* to arrive at *change in net position - governmental activities*	$	956,599

Another element of that reconciliation explains that "The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position." The details of this $19,956,189 difference are as follows:

Principal repayment on financed purchases	$	598,781
Issuance of financed purchases		(3,534,970)
Issuance of revenue bonds		(17,020,000)
Net adjustment to decrease *net change in fund balances - total governmental funds* to arrive at *change in net position - governmental activities.*	$	(19,956,189)

Another element of that reconciliation explains that "Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds." The details of this $2,668,514 difference are as follows:

Compensated absences	$	(2,526,182)
Accrued interest		(142,332)
Net adjustment to decrease *net change in fund balances - total governmental funds* to arrive at *change in net position - governmental activities.*	$	(2,668,514)

NOTE 3. LEGAL COMPLIANCE – BUDGETS

A. Budgets and Budgetary Accounting

The budget is officially adopted by the governing body prior to the beginning of its fiscal year, or a resolution authorizing the continuation of necessary and essential expenditures to operate the City will be adopted. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level, within the fund.

Transfers of appropriations within a department budget are allowed without City Council approval. Transfers of appropriations between non-departmental expenditure categories require the approval of the City Council. Increases in appropriations in a departmental budget or in a non-departmental expenditure category, require approval of the governing body in the form of amendments to the budget resolution.

For the fiscal year ended September 30, 2020, expenditures exceeded final budget in the following funds department, as follows:

Multiple Grant Fund:		
Public safety	$	319

The excess of expenditures over budget were primarily funded by transfers from the General Fund.

NOTE 4. DEPOSITS AND INVESTMENTS

Custodial Credit Risk – Deposits: State statutes require all deposits and investments (other than federal or state government instruments) to be covered by depository insurance or pledged securities. Amounts that exceed standard depository insurance limits are required to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of September 30, 2020, the financial institution holding all of the City's deposits is a participant of the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer, requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on tier assigned by the State. As of September 30, 2020, all of the City's bank balances were insured and/or collateralized as defined by GASB and required by State Statutes.

NOTE 5. RECEIVABLES

Property taxes are levied on property values assessed as of January 1, which is also the lien date. The City contracts with Fulton County to bill and collect City of South Fulton property taxes. The taxes were levied on September 1 based on the assessed value of property as listed on the previous January 1 and were due on October 31. Property taxes levied on September 1, 2020 are for the year ended September 30, 2021 and property taxes are recorded as receivables and unavailable revenue when levied. Revenues are recognized in governmental funds when available.

Receivables at September 30, 2020, including any applicable allowances for uncollectible accounts, are as follows:

	General Fund	TSPLOST Fund	Nonmajor Governmental	Total
Receivables:				
Accounts receivable	$ 130,285	$ -	$ 159,307	$ 289,592
Taxes	30,615,963	-	-	30,615,963
Other governments	2,374,105	1,428,963	-	3,803,068
Total receivables	33,120,353	1,428,963	159,307	34,708,623
Less allowance for uncollectible	566,000	-	-	566,000
Net total receivable	$ 32,554,353	$ 1,428,963	$ 159,307	$ 34,142,623

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NOTE 6. CAPITAL ASSETS

Capital asset activity for the City for the fiscal year ended September 30, 2020 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Nondepreciable capital assets:					
Land	$ 1,511,115	$ -	$ -	$ -	$ 1,511,115
Construction in progress	359,932	324,438	-	(359,932)	324,438
Total	1,871,047	324,438	-	(359,932)	1,835,553
Depreciable capital assets:					
Buildings	8,702,209	-	-	2,505,517	11,207,726
Vehicles	5,622,050	3,105,700	-	(2,156,283)	6,571,467
Furniture and fixtures	617,048	20,000	-	(541,196)	95,852
Machinery and equipment	462,234	4,840,073	-	551,894	5,854,201
Infrastructure	262,902,562	-	-	-	262,902,562
Total	278,306,103	7,965,773	-	359,932	286,631,808
Less accumulated depreciation for:					
Buildings	(429,575)	(381,673)	-	-	(811,248)
Vehicles	(941,786)	(1,030,004)	-	-	(1,971,790)
Furniture and fixtures	(5,807)	(7,752)	-	-	(13,559)
Machinery and equipment	(104,123)	(656,132)	-	-	(760,255)
Infrastructure	(5,258,051)	(5,258,051)	-	-	(10,516,102)
Total	(6,739,342)	(7,333,612)	-	-	(14,072,954)
Total capital assets being depreciated, net	271,566,761	632,161	-	359,932	272,558,854
Governmental activities capital assets, net	$ 273,437,808	$ 956,599	$ -	$ -	$ 274,394,407

Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:	
General government	$ 54,587
Public safety	1,612,137
Public works	5,323,094
Parks, recreation, and cultural affairs	343,794
Total Depreciation Expense	$ 7,333,612

NOTE 7. LONG-TERM DEBT

The following is a summary of long-term debt activity of the City for the year ended September 30, 2020:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Financed purchases from direct borrowings	$ 2,700,842	$ 3,534,970	$ (598,781)	$ 5,637,031	$ 1,029,175
Revenue bonds	-	17,020,000	-	17,020,000	640,000
Compensated absences	1,725,228	4,064,222	(1,538,040)	4,251,410	2,125,705
Total governmental activities long-term liabilities	$ 4,426,070	$ 24,619,192	$ (2,136,821)	$ 26,908,441	$ 3,794,880

The City's compensated absences will be liquidated by the General Fund and purchases from direct financing will be liquidated by the General Fund and the Capital Projects Fund.

Financed Purchases from Direct Borrowings

In May 2019, the City entered into an agreement with Enterprise Fleet Management to finance the purchase of ten (10) vehicles for the City's Police Department. The vehicles are included in capital assets at a cost of $317,937. Interest has been imputed at a rate of 1.88% and the City will make monthly payments through September 2023. The debt service requirements to maturity are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2021	$ 77,757	$ 1,488	$ 79,245
2022	78,995	869	79,864
2023	73,718	239	73,957
	$ 230,470	$ 2,596	$ 233,066

NOTE 7. LONG-TERM DEBT (CONTINUED)

Financed Purchases from Direct Borrowings (Continued)

In October 2019, the City entered into an agreement with Enterprise Fleet Management to finance the purchase of twenty-seven (27) vehicles for the City's Police Department. The vehicles are included in capital assets at a cost of $863,111. Interest has been imputed at a rate of .69% and the City will make monthly payments through June 2024. The debt service requirements to maturity are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2021	$ 214,044	$ 5,469	$ 219,513
2022	215,844	3,669	219,513
2023	217,681	1,841	219,522
2024	76,721	169	76,890
	$ 724,290	$ 11,148	$ 735,438

In November 2019, the City entered into an agreement with Motorola to finance the purchase of radio equipment for the City's Police Department. The radios are included in capital assets at a cost of $1,358,424. Interest has been imputed at a rate of 3.07% and the City will make monthly payments through December 2024. The debt service requirements to maturity are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2021	$ 255,508	$ 41,704	$ 297,212
2022	263,352	33,860	297,212
2023	271,437	25,775	297,212
2024	279,769	17,441	297,210
2025	288,358	8,852	297,210
	$ 1,358,424	$ 127,632	$ 1,486,056

NOTE 7. LONG-TERM DEBT (CONTINUED)

Financed Purchases from Direct Borrowings (Continued)

In November 2019, the City entered into an agreement with KS Bank to finance the purchase of body cameras for the City's Police Department. The body cameras are included in capital assets at a cost of $1,313,435. Interest has been imputed at a rate of 2.87% and the City will make annual payments through November 2023. The debt service requirements to maturity are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2021	$ 261,663	$ 31,357	$ 293,020
2022	269,173	23,847	293,020
2023	276,898	16,122	293,020
2024	284,845	8,175	293,020
	$ 1,092,579	$ 79,501	$ 1,172,080

In September 2019, the City entered into an agreement with Jones Bridge Road Associates, LLC, to finance the purchase of a building located at 7490 Old National Hwy, Atlanta, GA, 30296, to be used as a Public Safety facility. The building is included in capital assets at a cost of $2,393,808. Interest has been imputed at a rate of 3.25% and the City will make monthly payments through December 2029. The debt service requirements to maturity are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2021	$ 220,203	$ 7,397	$ 227,600
2022	224,951	7,557	232,508
2023	229,842	7,721	237,563
2024	234,880	7,890	242,770
2025	240,069	8,064	248,133
2026-2030	1,081,323	36,323	1,117,646
	$ 2,231,268	$ 74,952	$ 2,306,220

As of September 30, 2020, the City had $6,246,715 of assets, with associated accumulated depreciation of $719,881, financed. The related depreciation expense for these assets is included in the capital asset depreciation expense.

NOTE 7. LONG-TERM DEBT (CONTINUED)

Revenue Bonds

In December 2019, the Urban Redevelopment Authority issued direct placement, Series 2020 Revenue Bonds to finance the City's urban redevelopment project. The bonds were issued for an original amount of $17,020,000 bearing interest at 2.85% per annum payable semi-annually on February 1 and August 1 and maturing in February 2040. As of September 30, 2020, the outstanding principal is $17,020,000. The bonds are secured by an ad valorem tax levied by the City. In the event of default, outstanding bonds payable accrue additional interest, but there is no acceleration clause enforceable for immediate payment upon default. The debt service requirements to maturity are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2021	$ 640,000	$ 475,950	$ 1,115,950
2022	660,000	457,425	1,117,425
2023	680,000	438,330	1,118,330
2024	700,000	418,665	1,118,665
2025	720,000	398,430	1,118,430
2026-2030	3,915,000	1,668,319	5,583,319
2031-2035	4,505,000	1,069,391	5,574,391
2036-2040	5,200,000	379,050	5,579,050
	$ 17,020,000	$ 5,305,560	$ 22,325,560

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of September 30, 2020 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	$ 1,273,717
Nonmajor Governmental Funds	General Fund	582,179
TSPLOST Fund	General Fund	317,701
	Total	$ 2,173,597

The outstanding balances between funds result mainly from the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made.

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

Interfund transfers:

Transfers In	Transfers Out	Amount
General Fund	Nonmajor Governmental Funds	$ 47,553
Capital Project Fund	General Fund	4,461,000
Nonmajor Governmental Funds	General Fund	147,523
	Total	$ 4,656,076

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

NOTE 9. HOTEL/MOTEL LODGING TAX

The City has levied an occupancy tax of 8% for the rent of a guest room at a hotel or motel in the City as authorized by the Official Code of Georgia Annotated (O.C.G.A.) §48-13-51(b). For the fiscal year ended September 30, 2020, the City collected $121,792 in hotel/motel tax revenues. Of this amount, $47,553 or $39.04% was transferred to the General Fund and the remaining portion was expended for hospitality and tourism as stipulated by O.C.G.A. §48-13-51(b).

NOTE 10. COMMITMENTS AND CONTINGENT LIABILITIES

Contractual Commitments:

In addition to liabilities enumerated in the balance sheet at September 30, 2020, the City has contractual commitments on uncompleted contracts of $4,929,326.

Litigation:

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of management and legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

NOTE 11. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities around the Metropolitan Atlanta Georgia area, is a member of the Atlanta Regional Commission (ARC) and is required to pay annual dues thereto, which Fulton County has paid on behalf of the City of South Fulton. Membership in ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organization structure of ARC. ARC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the ARC. Separate financial statements may be obtained from ARC, 40 Courtland Street NE, Atlanta, Georgia 30303.

NOTE 12. RISK MANAGEMENT

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City participates in the Georgia Interlocal Risk Management Agency Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

As part of the risk pool, the City is obligated to pay all contributions and assessments as prescribed by the pool, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The City is also to allow the pool's agents and attorneys to represent the City in investigation, settlement discussions, and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the workers' compensation law of Georgia. The funds are to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

The City carries commercial insurance for these risks of losses. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the past two years.

NOTE 13. TAX ABATEMENTS

Fulton County has entered into property tax abatement agreements with local businesses through the Development Authority of Fulton County, for the purpose of attracting or retaining businesses within the County. For the fiscal year ended September 30, 2020, the City of South Fulton's ad valorem tax revenues were reduced by $45,342 under agreements entered into by Fulton County.

NOTE 14. PRIOR PERIOD RESTATEMENT

During the fiscal year ended September 30, 2020, the City determined that a restatement to beginning fund balance of the Multiple Grant Fund was required in order to recognize grant revenue that was improperly reported as a deferred inflow of resources for unavailable revenue in the prior fiscal year. This restatement had no effect on beginning net position of governmental activities since the deferred inflow of resources is recognized as revenue under the accrual basis of accounting. The restatement is as follows:

Beginning fund balance, Multiple Grant Fund, as previously reported	$	(409,568)
Effect of restatement		420,767
Beginning fund balance, Multiple Grant Fund, as restated	$	11,199

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NOTE 15. CHANGE IN REPORTING ENTITY

During the fiscal year ended September 30, 2020, the South Fulton Development Authority (the "Development Authority"), previously reported as a proprietary-type blended component unit, was reclassified as a proprietary-type discretely presented component unit as the Development Authority can issue bonds on behalf of third parties in exchange for a fee. Therefore, the following restatement was required for the City's beginning business-type activities net position, the Development Authority Fund's beginning net position previously reported as a blended component unit (proprietary fund), and the Development Authority's beginning net position as a discretely presented component unit, to properly report the change in reporting entity:

Primary Government

	Total Primary Government
Net position - beginning of fiscal year, as previously reported	$ 303,898,496
Effect of change in reporting entity:	(196,528)
Net position - beginning of fiscal year, restated	$ 303,701,968

Blended Component Unit

	Development Authority Fund
Net position - beginning of fiscal year, as previously reported	$ 196,528
Effect of change in reporting entity	(196,528)
Net position - beginning of fiscal year, restated	$ -

Discretely Presented Component Unit

	Development Authority
Net position- beginning of fiscal year, as previously reported	$ -
Effect of change in reporting entity	196,528
Net position - beginning of fiscal year, restated	$ 196,528

REQUIRED SUPPLEMENTARY INFORMATION



CITY OF SOUTH FULTON, GEORGIA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Property taxes	$ 31,059,536	$ 30,024,561	$ 29,383,953	$ (640,608)
Title ad valorem taxes	300,000	1,658,468	1,658,468	-
Sales taxes	25,000,000	24,254,078	24,254,078	-
Franchise taxes	2,400,000	3,689,410	4,113,950	424,540
Business taxes	2,024,000	1,772,960	1,772,707	(253)
Insurance taxes	5,000,000	7,154,213	7,154,213	-
Other taxes	75,000	31,191	188,207	157,016
Alcoholic beverage excise taxes	270,000	332,706	332,706	-
Transfer tax	350,000	1,300,427	1,300,427	-
Licenses and permits	1,888,500	3,615,853	3,615,853	-
Fines and forfeitures	340,000	429,389	429,389	-
Charges for services	712,920	712,410	712,663	253
Intergovernmental	4,395,996	5,326,500	4,720,023	(606,477)
Interest income	1,000	2,315	2,315	-
Contributions and donations	-	-	11,500	11,500
Miscellaneous revenues	5,000	296,043	297,443	1,400
Total revenues	73,821,952	80,600,524	79,947,895	(652,629)
Expenditures:				
Current:				
General government:				
Legislative:				
Personnel	923,274	912,247	749,152	163,095
Supplies	152,600	172,727	140,431	32,296
Other services and charges	302,400	276,181	239,716	36,465
Total Legislative	1,378,274	1,361,155	1,129,299	231,856
Mayor:				
Personnel	213,872	213,872	178,793	35,079
Supplies	14,000	14,286	13,335	951
Other services and charges	93,910	78,666	21,259	57,407
Total Mayor	321,782	306,824	213,387	93,437
City clerk:				
Personnel	437,204	437,204	355,548	81,656
Supplies	21,100	17,100	9,007	8,093
Other services and charges	560,540	593,944	483,807	110,137
Total City clerk	1,018,844	1,048,248	848,362	199,886
City manager:				
Personnel	920,514	920,514	843,295	77,219
Supplies	19,300	14,430	8,241	6,189
Other services and charges	519,970	305,898	128,892	177,006
Total City manager	1,459,784	1,240,842	980,428	260,414
Financial:				
Personnel	1,682,856	1,312,275	1,312,275	-
Supplies	30,000	15,552	15,552	-
Other services and charges	383,100	258,497	258,497	-
Contingency	2,600,000	6,493,784	-	6,493,784
Total Financial	4,695,956	8,080,108	1,586,324	6,493,784
Law:				
Other services and charges	600,000	1,600,000	1,113,681	486,319
Total Law	600,000	1,600,000	1,113,681	486,319
		6,509,336		*(continued)*

CITY OF SOUTH FULTON, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget
Human resources:				
Personnel	501,665	467,565	467,565	-
Supplies	60,500	10,889	10,889	-
Other services and charges	197,500	170,732	169,969	763
Total Human resources:	759,665	649,186	648,423	763
Communications:				
Personnel	442,220	442,220	281,954	160,266
Supplies	42,000	42,723	6,101	36,622
Other services and charges	337,604	219,191	136,487	82,704
Total Communications	821,824	704,134	424,542	279,592
IT and GIS:				
Personnel	828,695	520,862	382,947	137,915
Supplies	362,500	377,017	377,017	-
Other services and charges	1,494,419	1,134,570	1,134,570	-
Total IT and GIS	2,685,614	2,032,449	1,894,534	137,915
Purchasing:				
Personnel	296,960	296,960	246,489	50,471
Supplies	10,000	10,000	2,085	7,915
Other services and charges	130,500	130,500	70,291	60,209
Total Purchasing	437,460	437,460	318,865	118,595
General services administration:				
Personnel	688,194	880,571	822,482	58,089
Supplies	726,136	868,221	589,850	278,371
Other services and charges	2,978,000	3,054,759	3,045,516	9,243
Total General services administration	4,392,330	4,803,551	4,457,848	345,703
Risk management:				
Personnel	28,758	28,760	6,146	22,614
Supplies	2,737	2,737	372	2,365
Other services and charges	22,500	22,500	10,287	12,213
Total Risk management	53,995	53,997	16,805	37,192
Total General government	18,625,528	22,317,954	13,632,498	8,685,456
Municipal court:				
Personnel	582,903	500,391	467,624	32,767
Supplies	15,000	15,000	5,066	9,934
Other services and charges	417,180	347,429	292,841	54,588
Total Municipal court	1,015,083	862,820	765,531	97,289
Public safety:				
Police services:				
Personnel	14,218,834	12,150,459	11,821,837	328,622
Supplies	843,100	812,075	766,590	45,485
Other services and charges	720,100	470,533	451,503	19,030
Total Police	15,782,034	13,433,067	13,039,930	393,137
Fire services:				
Personnel	14,156,545	12,370,545	11,421,856	948,689
Supplies	705,000	678,430	485,003	193,427
Other services and charges	216,000	235,514	196,151	39,363
Total Fire services	15,077,545	13,284,489	12,103,010	1,181,479
E-911 services:				
Other services and charges	1,920,000	1,976,323	1,976,323	-
Total E-911 services	1,920,000	1,976,323	1,976,323	-
Total Public safety	32,779,579	28,693,879	27,119,263	1,574,616

(continued)

CITY OF SOUTH FULTON, GEORGIA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget
Public works:				
Personnel	640,704	640,703	366,567	274,136
Supplies	741,650	580,707	547,541	33,166
Other services and charges	6,376,463	6,844,520	7,083,885	(239,365)
Total Public works	7,758,817	8,065,930	7,997,993	67,937
Parks, recreation, and cultural affairs:				
Personnel	3,758,838	4,137,763	2,639,622	1,498,141
Supplies	609,000	850,443	679,504	170,939
Other services and charges	886,000	547,007	332,128	214,879
Total Parks, recreation, and cultural affairs	5,253,838	5,535,213	3,651,254	1,883,959
Housing and development:				
Planning and zoning:				
Personnel	2,877,301	2,044,010	2,044,010	-
Supplies	54,400	16,565	16,565	-
Other services and charges	2,080,737	2,444,821	2,444,821	-
Total Planning and zoning	5,012,438	4,505,396	4,505,396	-
Economic development:				
Personnel	469,525	469,525	234,705	234,820
Supplies	75,000	34,409	17,288	17,121
Other services and charges	213,500	140,756	88,095	52,661
Total Economic development	758,025	644,690	340,088	304,602
Total Housing and development	5,770,463	5,150,086	4,845,484	304,602
Debt service:				
Principal	-	162,540	162,540	-
Interest	-	5,460	5,460	-
Total debt service	-	168,000	168,000	-
Total expenditures	71,203,308	70,793,882	58,180,023	12,613,859
Excess of revenues over expenditures	2,618,644	9,806,642	21,767,872	11,961,230
Other financing sources (uses)				
Transfers in	-	-	47,553	47,553
Transfers out	(2,618,644)	(9,806,642)	(4,608,523)	5,198,119
Total other financing sources (uses)	(2,618,644)	(9,806,642)	(4,560,970)	5,245,672
Net change in fund balance	-	-	17,206,902	17,206,902
Fund balance, beginning of fiscal year	10,606,829	10,606,829	10,606,829	-
Fund balance, end of fiscal year	$ 10,606,829	$ 10,606,829	$ 27,813,731	$ 17,206,902

Note: See footnotes 1 and 3 of the basic financial statements for budgetary policies.



NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted or committed to expenditures for particular purposes.

Confiscated Assets Fund – This fund accounts for the use of confiscated assets by the Police Department; these funds are restricted by the applicable State of Georgia confiscation and seizure laws.

Multiple Grant Fund – This fund accounts for the restricted revenue streams resulting from various capital and operating grants awarded to the City.

Hotel/Motel Fund – This fund accounts for the collection of the restricted portion of hotel/motel taxes as required by the Official Code of Georgia Annotated (OCGA) §48-13-51(b).

CITY OF SOUTH FULTON, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	Special Revenue Funds			
ASSETS	Confiscated Assets Fund	Multiple Grant Fund	Hotel/Motel Tax Fund	Total Nonmajor Governmental Funds
Cash	$ 147,734	$ 522,355	$ 59,571	$ 729,660
Accounts receivable	-	150,538	8,769	159,307
Due from other funds	13,889	568,290	-	582,179
Total assets	$ 161,623	$ 1,241,183	$ 68,340	$ 1,471,146
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Due to other funds	$ -	$ 1,229,984	$ 43,733	$ 1,273,717
Accounts payable	6,976	-	-	6,976
Total liabilities	6,976	1,229,984	43,733	1,280,693
DEFERRED INFLOWS OF RESOURCES				
Unavailable - intergovernmental	-	150,538	-	150,538
Total deferred inflows of resources	-	150,538	-	150,538
FUND BALANCES (DEFICITS)				
Restricted for:				
Hospitality and tourism	-	-	24,607	24,607
Public safety	154,647	-	-	154,647
Unassigned (deficit)	-	(139,339)	-	(139,339)
Total fund balances (deficits)	154,647	(139,339)	24,607	39,915
Total liabilities, deferred inflows or resources, and fund balances	$ 161,623	$ 1,241,183	$ 68,340	$ 1,471,146

CITY OF SOUTH FULTON, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue Funds			
	Confiscated Assets Fund	Multiple Grant Fund	Hotel/Motel Tax Fund	Total Nonmajor Governmental Funds
REVENUES				
Hotel/motel taxes	$ -	$ -	$ 121,792	$ 121,792
Intergovernmental	-	192,419	-	192,419
Fines and forfeitures	69,544	-	-	69,544
Total revenues	69,544	192,419	121,792	383,755
EXPENDITURES				
Current:				
Public safety	57,551	490,480	-	548,031
Parks, recreation, and cultural affairs	-	-	63,295	63,295
Total expenditures	57,551	490,480	63,295	611,326
Excess (deficiency) of revenues over (under) expenditures	11,993	(298,061)	58,497	(227,571)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	147,523	-	147,523
Transfers out	-	-	(47,553)	(47,553)
Total other financing sources (uses)	-	147,523	(47,553)	99,970
Net change in fund balances	11,993	(150,538)	10,944	(127,601)
FUND BALANCES, beginning of fiscal year, as restated	142,654	11,199	13,663	167,516
FUND BALANCES (DEFICITS), end of fiscal year	$ 154,647	$ (139,339)	$ 24,607	$ 39,915

CITY OF SOUTH FULTON, GEORGIA

CONFISCATED ASSETS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ -	$ 59,132	$ 69,544	$ 10,412
Total revenues	-	59,132	69,544	10,412
Expenditures:				
Public safety	-	59,132	57,551	1,581
Total expenditures	-	59,132	57,551	1,581
Net change in fund balances	-	-	11,993	8,831
Fund balances, beginning of fiscal year	142,654	142,654	142,654	-
Fund balances, end of fiscal year	$ 142,654	$ 142,654	$ 154,647	$ 8,831

CITY OF SOUTH FULTON, GEORGIA

MULTIPLE GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ 4,198,772	$ 192,419	$ 192,419	$ -
Total revenues	4,198,772	192,419	192,419	-
Expenditures:				
Public safety	4,198,772	490,161	490,480	(319)
Total expenditures	4,198,772	490,161	490,480	(319)
Deficiency of revenues under expenditures	-	(297,742)	(298,061)	(319)
Other financing sources:				
Transfers in	-	297,742	147,523	(150,219)
Total other financing sources	-	297,742	147,523	(150,219)
Net change in fund balances	-	-	(150,538)	(150,538)
Fund balances, beginning of fiscal year, as restated	11,199	11,199	11,199	-
Fund balances (deficit), end of fiscal year	$ 11,199	$ 11,199	$ (139,339)	$ (150,538)

CITY OF SOUTH FULTON, GEORGIA

HOTEL/MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Hotel/motel taxes	$ 240,000	$ 121,792	$ 121,792	$ -
Total revenues	240,000	121,792	121,792	-
Expenditures:				
Tourism	150,000	63,295	63,295	-
Total expenditures	150,000	63,295	63,295	-
Excess of revenues over expenditures	90,000	58,497	58,497	-
Other financing uses:				
Transfers out	(90,000)	(47,553)	(47,553)	-
Total other financing uses	(90,000)	(47,553)	(47,553)	-
Net change in fund balances	-	10,944	10,944	-
Fund balances, beginning of fiscal year	13,663	13,663	13,663	-
Fund balances, end of fiscal year	$ 13,663	$ 24,607	$ 24,607	$ -

CITY OF SOUTH FULTON, GEORGIA
TSPLOST FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ 17,952,330	$ 17,951,476	$ 16,668,392	$ (1,283,084)
Total revenues	17,952,330	17,951,476	16,668,392	(1,283,084)
Expenditures:				
Capital outlay	17,952,330	17,951,476	9,328,639	8,622,837
Total expenditures	17,952,330	17,951,476	9,328,639	8,622,837
Net change in fund balances	-	-	7,339,753	7,339,753
Fund balances, beginning of fiscal year	21,257,861	21,257,861	21,257,861	-
Fund balances, end of fiscal year	$ 21,257,861	$ 21,257,861	$ 28,597,614	$ 7,339,753

CITY OF SOUTH FULTON, GEORGIA

CAPITAL GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ -	$ 1,222,517	$ 1,222,517	$ -
Total revenues	-	1,222,517	1,222,517	-
Expenditures:				
Capital outlay	-	1,753,631	1,753,631	-
Total expenditures	-	1,753,631	1,753,631	-
Net change in fund balances	-	(531,114)	(531,114)	-
Fund balances, beginning of fiscal year	1,032,091	1,032,091	1,032,091	-
Fund balances, end of fiscal year	$ 1,032,091	$ 500,977	$ 500,977	$ -

CITY OF SOUTH FULTON, GEORGIA
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Budget			Variance With
	Original	Final	Actual	Final Budget
Expenditures:				
Debt service:				
Principal	$ -	$ 436,241	$ 436,241	$ -
Interest	-	364,304	364,304	-
Debt issuance costs	-	380,601	380,601	-
Capital outlay	11,160,089	8,600,192	8,600,192	-
Total expenditures	11,160,089	9,781,338	9,781,338	-
Other financing sources:				
Financed purchases from direct borrowings	-	3,536,067	3,534,970	1,097
Proceeds from bond issuance	9,499,348	17,020,000	17,020,000	-
Transfers in	1,660,741	4,461,000	4,461,000	-
Total other financing sources	11,160,089	25,017,067	25,015,970	1,097
Net change in fund balances	-	15,235,729	15,234,632	1,097
Fund balances, beginning of fiscal year	1,121,512	1,121,512	1,121,512	-
Fund balances, end of fiscal year	$ 1,121,512	$ 16,357,241	$ 16,356,144	$ 1,097

CITY OF SOUTH FULTON, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH PROCEEDS FROM TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX (TSPLOST) FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

PROJECT	ESTIMATED COST		EXPENDITURES			PROJECT
	ORIGINAL	CURRENT	PRIOR	CURRENT	TOTAL	COMPLETION
Corridor Resurfacing	$ 4,358,198	$ 4,358,198	$ -	$ 480,629	$ 480,629	0%
Subdivisions Resurfacing	9,441,915	9,441,915	-	8,441,394	8,441,394	89%
Bridges	19,567,840	22,256,164	-	19,607	19,607	0%
ATMS - Flat Shoals Road	1,000,000	1,000,000	-	-	-	0%
Quick Response Projects (2%)	969,439	969,439	-	-	-	0%
PM/CM (5.5%)	3,077,183	3,077,183	-	387,009	387,009	13%
TOTAL TSPLOST	$ 38,414,575	$ 41,102,899	$ -	$ 9,328,639	$ 9,328,639	

Note: TSPLOST projects in the City of South Fulton city limits will be completed with the TSPLOST revenue collected by Fulton County and distributed monthly to the City.



AGENCY FUND

Agency funds are used to account for assets held by the City as an agent for individuals.

Municipal Court Fund – To account for the collection of cash appearance bonds by the Municipal Court.

CITY OF SOUTH FULTON, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Balance September 30, 2019	Additions	Deductions	Balance September 30, 2020
MUNICIPAL COURT FUND				
Assets:				
Cash	$ 68,298	$ 529,140	$ 536,633	$ 60,805
Liabilities:				
Due to others	$ 68,298	$ 529,140	$ 536,633	$ 60,805



COMPONENT UNIT

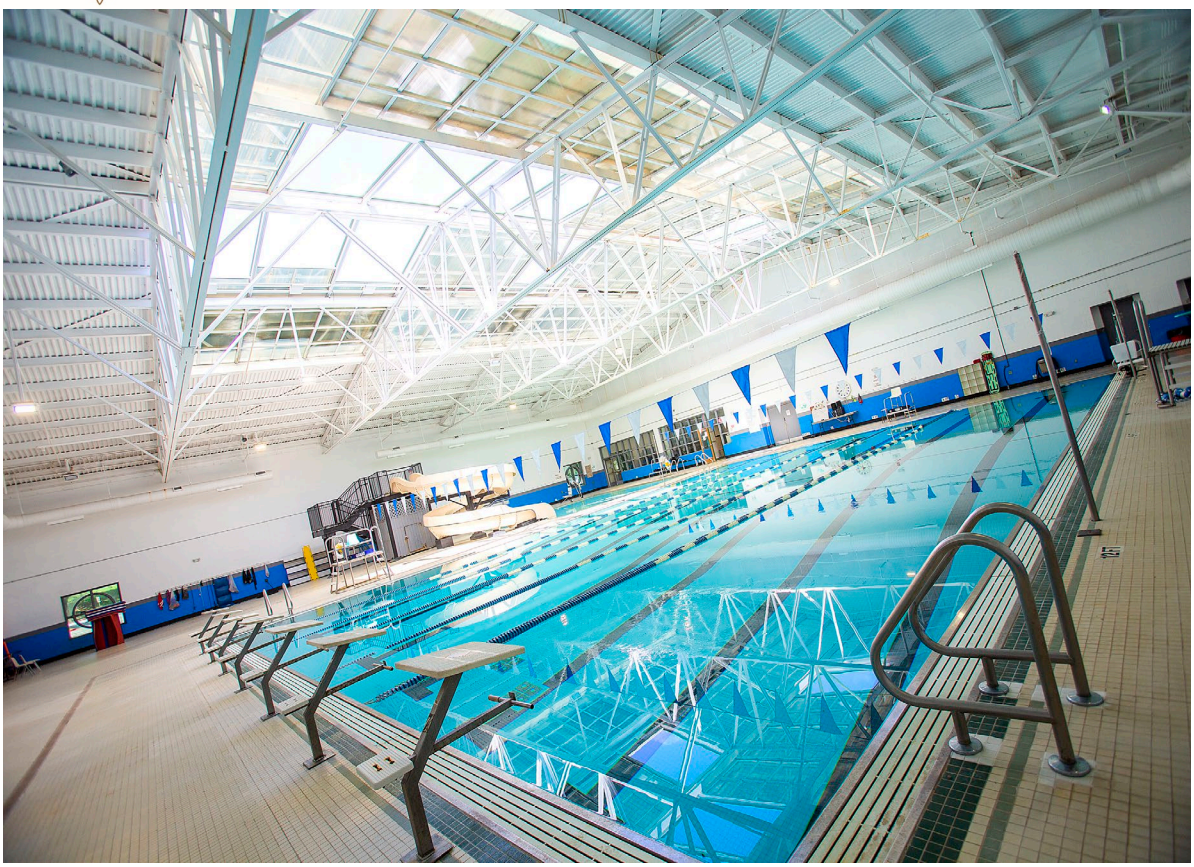
Development Authority – To account for development activities undertaken throughout the City.

CITY OF SOUTH FULTON, GEORGIA

STATEMENT OF CASH FLOWS
COMPONENT UNIT - DEVELOPMENT AUTHORITY
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Development Authority Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments to suppliers and service providers	$ (15,283)
Net cash used in operating activities	(15,283)
Net decrease in cash and cash equivalents	(15,283)
Cash and cash equivalents:	
Beginning of fiscal year	$ 196,528
End of fiscal year	$ 181,245
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	$ (16,943)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Change in assets and liabilities:	
Increase in due to primary government	1,660
Net cash used in operating activities	$ (15,283)

The accompanying notes are an integral part of these financial statements.



STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of South Fulton, Georgia's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Page

Financial Trends **55**

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

Revenue Capacity **60**

These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.

Debt Capacity **64**

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

Demographic and Economic Information **67**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information **70**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report.

CITY OF SOUTH FULTON, GEORGIA

NET POSITION BY COMPONENT
LAST FOUR FISCAL YEARS
(accrual basis of accounting)

	2020		2019		2018	2017
Governmental activities:						
Net investment in capital assets	$ 268,365,263		$ 270,736,966	*1*	$ 13,090,650	$ 291,584
Restricted	29,289,044		22,457,468	*2*	-	-
Unrestricted	23,658,456		10,507,534		(7,935,621)	(6,155,811)
Total governmental activities net position	321,312,763		303,701,968		5,155,029	(5,864,227)
Business-type activities:						
Unrestricted	-	*3*	196,528	*3*	-	-
Total business-type activities net position	-		196,528		-	-
Primary government:						
Net investment in capital assets	268,365,263		270,736,966		13,090,650	291,584
Restricted	29,289,044		22,457,468		-	-
Unrestricted	23,658,456		10,704,062		(7,935,621)	(6,155,811)
Total primary government net position	$ 321,312,763		$ 303,898,496		$ 5,155,029	$ (5,864,227)

Source: City's financial statements for the period and fiscal year 2017 and 2018, respectively, and Comprehensive Annual Financial Report for fiscal year 2019 and 2020.

Note: Fiscal period 2017 was the City's first period of operation and consisted of five (5) months of activity.

1 Increase in net investment in capital assets in fiscal year 2019 is the result of the City receiving donated infrastructure capital assets from Fulton County in the amount of $262,902,561.

2 Increase in restricted net position in fiscal year 2019 is due to the City receiving $21,257,861 of intergovernmental revenue from Fulton County relating to TSPLOST.

3 During fiscal year 2019, the City created a Development Fund which was reported as a blended component unit - Proprietary Fund. During fiscal year 2020, management reclassified this fund to a discretely presented component unit.

CITY OF SOUTH FULTON, GEORGIA

CHANGES IN NET POSITION
LAST FOUR FISCAL YEARS
(accrual basis of accounting)

	2020	2019	2018	2017
Expenses				
Governmental activities:				
General government	$ 14,031,490	$ 7,562,293	$ 4,508,869	$ 1,375,830
Municipal court	778,800	849,522	622,080	10,278
Public safety	33,300,498	26,421,034	32,787,168	12,113,136
Public works	22,772,513	16,615,373	7,339,476	1,798,802
Parks, recreation, and cultural affairs	4,198,093	2,642,631	4,987,263	1,813,405
Housing and development	4,936,332	4,192,784	2,828,989	862,905
Interest on long-term debt	750,365	62,810	322,566	20,233
Total governmental activities expenses	80,768,091	58,346,447	53,396,411	17,994,589
Business-type activities:				
Development	-	3,472 *3*	-	-
Total business-type activities expenses	-	3,472	-	-
Program revenues				
Governmental activities:				
Charges for services:				
General government	$ 1,494	$ 518	$ 650	$ 250,382
Municipal court	429,389	452,019	274,348	-
Public safety	491,023	353,659	166,004	503,671
Parks, recreation, and cultural affairs	194,990	559,745	338,751	140,843
Housing and development	3,710,553	2,278,878	1,927,579	495,833
Operating grants and contributions	22,953,889	27,066,418 *2*	3,630,149	-
Capital grants and contributions	-	262,902,562 *1*	13,029,454	157,313
Total governmental activities program revenues	27,781,338	293,613,799	19,366,935	1,548,042
Net (expense)/revenue:				
Governmental activities	(52,986,753)	235,267,352	(34,029,476)	(16,446,547)
Business-type activities	-	(3,472)	-	-
Total primary government net (expense) revenue	$ (52,986,753)	$ 235,263,880	$ (34,029,476)	$ (16,446,547)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	$ 29,389,742	30,265,167	$ 14,625,008	$ -
Title ad valorem taxes	1,658,468	395,350	854,804	340,407
Sales taxes	24,254,078	26,442,415	24,650,013	9,708,371
Franchise taxes	4,113,950	3,058,729	1,760,981	328,410
Business taxes	1,772,707	2,050,459	1,946,092	15,647
Alcoholic beverage excise taxes	332,706	262,382	301,332	113,744
Hotel/motel taxes	121,792	123,192	93,044	-
Transfer taxes	1,300,427	638,534	277,621	-
Insurance premium taxes	7,154,213	8,400	4,809	-
Other taxes	188,207	7,621	2,762	75,668
Interest	2,315	1,121	232	73
Miscellaneous revenues	308,943	174,744	573,570	-
Gain on sale of capital assets	-	-	9,937	-
Transfers	-	(200,000)	-	-
Total governmental activities	70,597,548	63,228,114	45,100,205	10,582,320
Business-type activities:				
Transfers	-	200,000	-	-
Total business-type activities	-	200,000	-	-
Total primary government	$ 70,597,548	$ 63,428,114	$ 45,100,205	$ 10,582,320
Change in Net Position				
Governmental and business-type activities	$ 17,610,795	$ 298,691,994	$ 11,070,729	$ (5,864,227)

Source: City's financial statements for the period and fiscal year 2017 and 2018, respectively, and Comprehensive Annual Financial Report for fiscal year 2019 and 2020.

Note: Fiscal period 2017 was the City's first period of operation, and consisted of five months of activity.

1 Increase in capital grants and contributions in fiscal year 2019 is the result of the City receiving donated infrastructure capital assets from Fulton County in the amount of $262,902,561.

2 Increase in operating grants and contributions in fiscal year 2019 is due to the City receiving $21,257,861 of intergovernmental revenue from Fulton County relating to TSPLOST.

3 During fiscal year 2019, the City created a Development Fund which was reported as a blended component unit - Proprietary Fund. During fiscal year 2020, management reclassified this fund to a discretely presented component unit.

CITY OF SOUTH FULTON, GEORGIA

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST FOUR FISCAL YEARS
(accrual basis of accounting)

Fiscal Year	Property Taxes	TAVT Taxes	Sales Taxes	Franchise Taxes	Business Taxes	Hotel/Motel Taxes	Other Taxes (1)	Total
2017	$ -	$ 340,407	$ 9,708,371	$ 328,410	$ 15,647	$ -	$ 189,412	$ 10,582,247
2018	14,625,008	854,804	24,650,013	1,760,981	1,946,092	93,044	586,524	44,516,466
2019	30,265,167	395,350	26,442,415	3,058,729	2,050,459	123,192	916,937	63,252,249
2020	29,389,742	1,658,468	24,254,078	4,113,950	1,772,707	121,792	8,975,553	70,286,290

Source: City's financial statements for the period and fiscal year 2017 and 2018, respectively, and Comprehensive Annual Financial Report for fiscal year 2019 and 2020.

Notes:

(1) Includes Alcoholic Beverage taxes, Transfer taxes, Insurance Premium taxes, and Other taxes.

CITY OF SOUTH FULTON, GEORGIA

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST FOUR FISCAL YEARS
(modified accrual basis of accounting)

	2020	2019	2018	2017
General Fund				
Nonspendable - Prepaid items	$ 1,133,837	$ 1,202,681	$ 266,617	$ 22,720
Nonspendable - Inventory	3,175	29,354	23,289	-
Committed - Tree replacement	427,489	-	-	-
Unassigned	26,249,230	9,374,794	(8,980,724)	(6,562,595)
Total General fund	$ 27,813,731	$ 10,606,829	$ (8,690,818)	$ (6,539,875)
All Other Governmental Funds				
Nonspendable - Prepaid items	$ -	$ 62,131	$ 1,042,234	$ -
Restricted - Hospitality and tourism	24,607	13,663	51,473	-
Restricted - Capital projects	29,098,591	22,289,952	-	-
Restricted - Public safety	154,647	142,654	-	-
Committed - Capital projects	16,355,094	-	-	-
Assigned - Capital projects	1,050	1,059,381	489,967	-
Unassigned (deficit)	(139,339)	(409,568)	(409,568)	-
Total all other governmental funds	$ 45,494,650	$ 23,158,213	$ 1,174,106	$ -

Source: City's financial statements for the period and fiscal year 2017 and 2018, respectively, and Comprehensive Annual Financial Report for fiscal year 2019 and 2020.
Note: Fiscal period 2017 was the City's first period of operation, and consisted of five months of activity.

CITY OF SOUTH FULTON, GEORGIA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST FOUR FISCAL YEARS
(modified accrual basis of accounting)

	2020	2019	2018	2017
Revenues				
Taxes	$ 70,280,501	$ 63,072,251	$ 44,575,456	$ 10,198,183
Licenses and permits	3,615,853	2,209,578	1,822,564	716,326
Fines and forfeitures	498,933	668,616	278,348	33,130
Charges for services	712,663	766,625	606,420	641,273
Intergovernmental	22,803,351	27,153,510	3,122,290	-
Interest income	2,315	1,121	232	73
Contributions and donations	11,500	1,600	10,600	-
Miscellaneous revenues	297,443	173,144	573,570	-
Total revenues	98,222,559	94,046,445	50,989,480	11,588,985
Expenditures				
Current:				
General government	13,632,498	7,447,034	4,339,235	1,510,101
Municipal court	765,531	838,857	612,473	10,278
Public safety	27,667,294	27,128,928	31,764,104	12,113,136
Public works	17,326,632	11,355,545	7,339,476	1,798,802
Parks, recreation, and cultural affairs	3,714,549	2,443,333	4,862,923	1,813,405
Housing and development	4,845,484	4,139,461	2,735,477	862,905
Capital outlay	10,353,823	1,849,565	-	-
Debt service:				
Principal	598,781	5,743	-	-
Interest and debt issuance costs	750,365	62,810	322,566	20,233
Total expenditures	79,654,957	55,271,276	51,976,254	18,128,860
Excess (deficiency) of revenues over (under) expenditures	18,567,602	38,775,169	(986,774)	(6,539,875)
Other financing sources (uses)				
Proceeds from financed purchases from direct borrowings	3,534,970	2,706,585	-	-
Proceeds from sale of capital assets	-	-	9,937	-
Proceeds from bond issuance	17,020,000	-	-	-
Transfers in	4,656,076	1,142,288	1,083,805	-
Transfers out	(4,656,076)	(1,342,288)	(1,083,805)	-
Total other financing sources (uses)	20,554,970	2,506,585	9,937	-
Net change in fund balances	$ 39,122,572	$ 41,281,754	$ (976,837)	$ (6,539,875)
Debt service as a percentage of noncapital expenditures	1.9%	0.1%	0.6%	0.1%

Source: City's financial statements for the period and fiscal year 2017 and 2018, respectively, and Comprehensive Annual Financial Report for fiscal year 2019 and 2020.
Note: Fiscal period 2017 was the City's first period of operation, and consisted of five months of activity.

CITY OF SOUTH FULTON, GEORGIA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF ALL TAXABLE PROPERTY
LAST FOUR CALENDAR YEARS

Tax Year	Real	Personal	Motor Vehicle	Public Utility	Total Property: Total Taxable Assessed Value	Total Property: Estimated Actual Taxable Value	Total Direct Tax Rate	Assessed Value as a % of Actual Value
2017	$ 1,905,777,870	$ 960,655,460	$ 59,199,320	$ 144,357,012	$ 3,069,989,662	$ 7,674,974,155	7.149	40%
2018	2,408,502,730	765,227,830	-	143,445,632	3,317,176,192	8,292,940,480	11.579	40%
2019	2,718,707,870	497,655,930	4,376,100	149,500,033	3,370,239,933	8,425,599,833	11.579	40%
2020	3,058,256,040	369,378,820	4,055,560	166,813,111	3,598,503,531	8,996,258,828	12.899	40%

Source: GA Dept of Revenue - Tax Digest Consolidated Summary

CITY OF SOUTH FULTON, GEORGIA

PROPERTY TAX RATES - ALL OVERLAPPING GOVERNMENTS
DIRECT AND OVERLAPPING GOVERNMENTS
LAST FOUR CALENDAR YEARS

(rate per $1,000 of assessed value)

	South Fulton			Fulton County			School District				
Tax Digest Year	Operating Millage	Debt Service	Total	Operating Millage	Debt Service Millage	Total Fulton County Millage	Operating Millage	Debt Service Millage	Total School District Millage	State	Total Direct & Overlapping Rates
2017	7.149	0.000	7.149	10.380	0.250	10.630	18.546	0.000	18.546	0.000	36.325
2018	11.579	0.000	11.579	10.200	0.230	10.430	17.796	0.000	17.796	0.000	39.805
2019	11.579	0.000	11.579	9.899	0.220	10.119	17.796	0.000	17.796	0.000	39.494
2020	12.899	0.000	12.899	9.899	0.220	10.119	17.796	0.000	17.796	0.000	40.814

Source: GA Dept of Revenue - Property Tax Millage Rates

CITY OF SOUTH FULTON, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND THREE YEARS AGO

	2020			2017		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
GEORGIA POWER COMPANY	$ 41,057,221	1	1.14%			
NATIONAL DISTRIBUTING CO INC	-	2	0.00%			
CSX	21,654,061	3	0.60%			
DEVELOPMENT AUTHORITY OF FULTON COUNTY	17,560,781	4	0.49%			
BELLSOUTH TELECOMMUNICATIONS LLC	17,514,502	5	0.49%			
GEORGIA TRANSMISSION CORPORATION	15,458,796	6	0.43%			
CEAI SANDTOWN VISTA LLC & ZP FUND III LLC	15,052,680	7	0.42%			
MSC WEST ELEVEN LLC	12,428,520	8	0.35%			
WALTON LAKES LLC	12,042,641	9	0.33%			
UNITED NATURAL FOODS INC	11,999,880	10	0.33%			
				$ 61,845,410	1	2.01%
COCA COLA COMPANY THE				36,380,330	2	1.19%
K P R US LLC				29,901,710	3	0.97%
COX ENTERPRISES INC				27,073,110	4	0.88%
HOMER LEASE COMPANY INC				26,017,040	5	0.85%
NATIONAL DISTRIBUTING CO INC				22,444,510	6	0.73%
UNITED NATURAL FOODS INC				15,864,840	7	0.52%
INTERCONTINENTAL EXCHANGE HOLDINGS INC				13,965,000	8	0.45%
CEAI SANDTOWN VISTA LLC & ZP FUND III LLC				12,950,830	9	0.42%
SVC MANUFACTURING INC				12,056,440	10	0.39%
WALTON LAKES LLC						
	$ 164,769,082		4.58%	$ 258,499,220		8.42%

CITY OF SOUTH FULTON, GEORGIA

PROPERTY TAX LEVIES AND COLLECTIONS
LAST FOUR FISCAL YEARS

Fiscal Year Ended Sept 30	Total Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collected in Subsequent Years	Total Collections to Date		Total Taxes Outstanding
		Amount	Percentage of Levy		Amount	Percentage of Levy	
2017*	$ 14,415,354	$ -	0.0%	$ 14,207,045	$ 14,207,045	98.55%	$ 208,309
2018	28,734,768	2,534,295	8.8%	26,008,985	28,543,280	99.33%	191,488
2019	27,536,893	4,168,449	15.1%	22,954,791	27,123,240	98.50%	413,653
2020	29,459,979	806,861	2.7%	-	806,861	2.74%	28,653,118

Source: City of South Fulton Finance Department

* 2017 Taxes delayed, due date 1/15/2018

CITY OF SOUTH FULTON, GEORGIA

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST FOUR FISCAL YEARS

Fiscal Year Ended September 30,	Governmental Activities			Percentage of Personal Income (1)	Per Capita (1)
	Financed Purchases	Revenue Bonds	Total		
2017	$ -	$ -	$ -	- %	$ -
2018	-	-	-	-	-
2019	2,700,842	-	2,700,842	-	93.68
2020	5,637,031	17,020,000	22,657,031	-	683.76

Source: City's financial statements for the period and fiscal year 2017 and 2018, respectively, and Comprehensive Annual Financial Report for fiscal year 2019 and 2020.

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

CITY OF SOUTH FULTON, GEORGIA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
as of September 30, 2020

Governmental Unit	Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
Overlapping Debt			
Fulton County, Georgia	$ 412,455,147	4.31 %	$ 17,785,066
Fulton County School District	32,715,000	8.12 %	2,655,149
City of South Fulton, Georgia direct debt	22,657,031	100 %	22,657,031
Total direct and overlapping debt	$ 467,827,178		$ 43,097,246

Source: Fulton County Comprehensive Annual Financial Report 2019

Assessed value data used to estimate applicable percentages provided by the State Department of Revenue.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses 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.

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the City's taxable assessed value that is within the government's boundaries and dividing it by the City's total taxable assessed value.

CITY OF SOUTH FULTON, GEORGIA

LEGAL DEBT MARGIN INFORMATION
LAST FOUR FISCAL YEARS

	2017	2018	2019	2020
Debt limit	$ 767,497,416	$ 331,717,619	$ 337,023,993	$ 359,850,353
Total net debt applicable to limit	-	-	-	-
Legal debt margin	$ 767,497,416	$ 331,717,619	$ 337,023,993	$ 359,850,353
Total net debt applicable to the limit as a percentage of debt limit	0.00% -	0.00%	0.00%	0.00%

Legal Debt Margin

Assessed value	$ 3,598,503,531
Add back: exempt real property	-
Total assessed value	3,598,503,531
Debt limit (10% of total assessed value)	359,850,353
Debt applicable to limit	
General obligation bonds	-
Legal debt margin	$ 359,850,353

Note: Under state finance law, the City's outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying the general obligation bonds.

CITY OF SOUTH FULTON, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS INFORMATION
LAST FOUR FISCAL YEARS

Fiscal Year	Population (1)	Personal Income (1)	Per Capita Personal Income (1)	Median Age (1)	School Enrollment (2)	Unemployment Rate (3)
2017	95,158	$ 2,429,003,108	$ 25,526	34.7	19,077	3.81 %
2018	97,277	2,683,483,322	27,586	36.3	18,828	3.70
2019	99,357	2,864,462,310	28,830	35.3	18,760	7.30
2020	99,152	3,285,500,672	33,136	34.9	21,906	3.70

(1) Source: U. S. Bureau of Labor Statistics
(2) Source: Fulton County Board of Education
(3) Bureau of Labor Statistics July, 2017

Note: 2017 population, per capita, and personal income are estimates based on past regional trends.
Note: School enrollment is based on beginning of school year.

CITY OF SOUTH FULTON, GEORGIA

PRINCIPAL EMPLOYERS
CURRENT YEAR AND TWO YEARS AGO

	2020			2018		
Employer	Employees (1)	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment (1)
WALMART STORES EAST LP	1358	1	2.59 %			
PUBLIX SUPERMARKET	741	2	1.41			
COSTCO WHOLESALE CORPORATION	597	3	1.14			
HALPERNS STEAK AND SEAFOOD COMPANY LLC	550	4	1.05			
KROGER	508	5	0.97			
ALL-N-1 SECURITY SERVICES, INC	440	6	0.84			
FLEXIBLE STAFFING SOLUTIONS, INC.	250	7	0.48			
ENTERPRISE RENT A CAR	247	8	0.47			
JONES TRANSPORTATION INC	226	9	0.43			
CYMILLEUM MANAGEMENT LLC	206	10	0.39			
KROGER				233	1	5.83 %
MCDONALDS				184	2	4.61
HOME DEPOT				174	3	4.36
THE JON SMITH GROUP LLC				115	4	2.88
ARBOR TERRACE AT CASCADE				88	5	2.20
FRANKS DETAIL INC				61	6	1.53
STEELCASE INC				54	7	1.35
COMPREHENSIVE THERAPY CONSULTANTS INC				51	8	1.28
C H ROBINSON COMPANY INC				45	9	1.13
KEDPLASMA LLC				38	10	0.95
Totals	5,123		9.77 %	1,043		26.12 %

(1) Source: South Fulton Business Permit Renewals

CITY OF SOUTH FULTON, GEORGIA

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST FOUR FISCAL YEARS

Function/Program	2017	2018	2019	2020
General Government				
Administration	3	6	8	8
City Clerk	3	3	4	3
Finance	2	9	15	14
Purchasing	1	1	3	3
Licensing	3	3	3	3
Human Resources	2	3	5	3
Communication	1	2	5	4
Information Technology	2	2	9	4
Development Services	7	23	23	-
Economic Development	-	1	4	2
Code Enforcement	15	17	15	32
Judicial				
Municipal Court	-	5	7	7
Public Safety				
Police	161	161	178	154
Fire	173	173	178	159
Public Works				
Building & Grounds	-	-	15	12
Parks and Recreation	80	64	77	48
Total	453	473	549	456

Source: City of South Fulton Human Resources Department

Notes: All full-time employees, except sworn fire and police employees, are scheduled to work 2,080 hours per year (including vacation and sick).

Fire Department employees are scheduled to work 2,750 hours per year (including sick and vacation).

Police Department employees are scheduled to work 2184 hours per year (including sick and vacation)
Headcount number is inclusive of vacant, funded positions

CITY OF SOUTH FULTON, GEORGIA

OPERATING INDICATORS BY FUNCTION
LAST FOUR FISCAL YEARS

Function	2017	2018	2019	2020
General Government				
Ordinances approved				
Special events held	41	52	36	39
Software applications supported	N/A	N/A	N/A	N/A
Grants managed	-	2	3	5
Police				
Calls for Service				
Part 1 Crimes Reported	-	49,718	77,536	91,690
Traffic citation issued	-	4,789	4,032	3,375
Physical Arrest	-	426.00	5,156.00	4,339
	-	1,011	2,031	1,809
Fire				
Incident responses*	4,541	13,048	15,946	17,097
Average response time	6:54	7:02	7:03	8:44
Fire Safety education classes	90	539	127	0:00
Smoke Alarm Installed	94	207	273	88
Inspection conducted	667	539	867	1,238
Public works				
Average days to repair pothole	N/A	8	4	3
Traffic signaled timed	N/A	N/A	N/A	N/A
Community Development				
New building permits issued	N/A	2,194	2,643	2,654
Parcels annexed	-	-	1	-
Culture and Recreation				
Annual program	N/A	N/A	N/A	N/A

Source: Various City and County departments.
Police, Fire, Public Works, Community Development Services, and
Culture and Recreation were not part of City of South Fulton for FY2017.
*Total Emergency Call Volume 17,097. South Fulton 15,948 and FID 1,149 (estimated)

CITY OF SOUTH FULTON, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION
LAST FOUR FISCAL YEARS

Function/Program	2017	2018	2019	2020
Police				
Police Stations	-	3	4	4
Patrol units and support vehicles	-	113	139	139
Police motorcycles	-	8	8	8
Segway	-	2	2	2
Fire (Services transferred in 2018)				
Fire Stations	-	9	9	9
Ladder units - front line	2	2	2	2
Ladder units - reserved	1	-	1	1
Engines - front line	10	9	9	9
Engines - reserved	2	1	2	2
Public Works				
Streets paved - (miles)	514	518	534	534
Streets Unpaved - (miles)	25	22	20	20
General Government				
Land (acres)				
Buildings				
Owned	-	27	27	27
Leased	-	5	5	5
Vehicles				
Owned	-	249	249	247
Leased	-	10	26	27
Parks - active and passive				
Park acreage (excluding Tom Lowe)	693	693	720	720
Greenway and walking trails (miles)*	2	2	2	2
Adaptive athletic fields	7	7	7	7
Athletic fields	29	29	29	29
Swimming pools**	2	2	2	2
Tennis courts	47	47	47	47
Recreation buildings	9	9	10	10
Playgrounds/ADA	14/1	14/1	14/1	14/1
Picnic shelters/restrooms	20	20	20	20
Concession Stands/Offices	5	5	5	5
Restrooms (outdoor)	22	22	22	22
Basketball Courts (outdoor)	5	5	5	5
Gymnasiums	3	3	3	3

Notes:

*Outdoor walking trails are at Sandtown, Trammell Crow, Wilkerson Mill, Cedar Grove, and Creel Parks. There is one indoor walking track at Welcome All Park. Estimated total miles are 2 for all trials/tracks.

**Total swimming pools to include one (1) lap pool (25 yards with 7 lanes, shallow end 4 ft., middle 5 ft., deep end 12 ft.) and one (1) splash pool (30 ft. x 30 ft. and 3 ft in depth)

***43 hard surface courts and 4 clay courts

Source: Various City Departments

COMPLIANCE SECTION



MAULDIN & JENKINS
CPAs & ADVISORS

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 Honorable Mayor and Members
of the City Council of the
City of South Fulton, 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of South Fulton, Georgia (the "City") as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 24, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2020-001, that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 financial statements. 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.*

City's Response to the Finding

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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
May 24, 2021

CITY OF SOUTH FULTON, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? __X__ yes _____no

Significant deficiency(ies) identified? _____ yes __X__none reported

Noncompliance material to financial statements noted? _____ yes __X__no

Federal Awards

There was not an audit of major federal awards programs for the fiscal year ended September 30, 2020 due to the City not expending $750,000 or more in federal awards.

CITY OF SOUTH FULTON, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2020-001 Revenue Recognition and Prior Period Adjustment

Criteria: Internal controls should be in place to ensure that revenues are properly recognized and recorded in the correct reporting entity/fund.

Condition: Internal controls were not sufficient to detect material misstatements in the reporting of the City's intergovernmental revenue in the Multiple Grant Fund.

Context/Cause: During our audit for the fiscal year ended September 30, 2020, an audit adjustment was required to record an inter-fund receivable and intergovernmental revenue in the Multiple Grant Fund. Initially, the City recognized grant revenue in the General Fund that related to amounts that were deferred inflows of resources for unavailable revenue in the prior fiscal year in the Multiple Grant Fund. It was determined that the grant funds were actually received during fiscal year 2019 and therefore, should have been recognized as revenue in the Multiple Grant Fund as of September 30, 2019.

Effects/Possible Effects: In the Multiple Grant Fund, an audit entry was required to increase (debit) inter-fund receivables and increase (credit) beginning fund balance in the amount of $420,767 while in the General Fund, an audit entry was required to decrease (debit) intergovernmental revenue and to increase (credit) inter-fund payables. The restatement of beginning fund balance of the Multiple Grant Fund was required as the revenue should have been recognized in the Multiple Grant Fund in fiscal year 2019 instead of remaining deferred.

Recommendation: We recommend the City carefully review all revenue accounts to ensure its transactions are correctly classified and reported in the correct period and reporting entity/fund in accordance with the requirements under generally accepted accounting principles (GAAP).

Auditee's Response: Auditee concurs with the finding. We will take necessary steps in the future to ensure that revenues and unavailable revenues are properly recorded and classified in our accounting records.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Not Applicable