2022

CITY OF SOUTH FULTON, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022



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ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022



Prepared by:
City of South Fulton, Georgia's Department of Finance and Administrative Services

INTRODUCTORY SECTION
(Unaudited)

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- List of Principal Officials



CITY OF SOUTH FULTON, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT
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May 29, 2024

Honorable Mayor
Members of the City Council
Citizens of the City of South Fulton
City of South Fulton, Georgia 30336

Ladies and Gentlemen:

The Annual Comprehensive Financial Report (ACFR) of the City of South Fulton, Georgia (the "City") for the fiscal year ended September 30, 2022, is hereby submitted. In doing so, the City complies with the Official Code of the State of Georgia O.C.G.A. § 36-81-7(a)(1), that requires the governing authority of each unit of local government having a population in excess of 1,500 persons according to the latest estimate of population by the United States Bureau of the Census or its successor agency or expenditures of $550,000 or more shall provide for and cause to be made an annual audit of the financial affairs and transactions of all funds and activities of the local government for each fiscal year of the local government.

Responsibility for both the accuracy of the data and the completeness and fairness of presentation, including disclosures, rests with the City. We believe the data presented is accurate in all material respects and that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activities of its various funds. All disclosures necessary to enable interested citizens to gain a reasonable understanding of the financial activities have been included.

Mauldin & Jenkins, LLC, Certified Public Accounts, issued an unmodified ("clean") opinion on the City of South Fulton's financial statements for the fiscal year ended September 30, 2022. 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 City of South Fulton receives financial assistance through various grant programs. As required by the Single Audit Act Amendments of 1996 and the various provisions of Uniform Guidance, audits of programs receiving federal grants have been performed for the fiscal year ended September 30, 2022. The required reports on supplementary information, compliance, internal controls, and various supplementary schedules are included under the Compliance Section.

The City of South Fulton has prepared the financial statements to meet the current applicable requirements of the Governmental Accounting Standards Board (GASB) and in conformity with Generally Accepted Accounting Principles (GAAP).

Formal Transmittal

This report consists of management's representations concerning the finances and policies of the City of South Fulton. Consequently, management assumes full responsibility for the completeness and reliability of all the information contained in this report. To provide a reasonable basis for making these representations, management of the City of South Fulton has established a comprehensive internal control framework designed to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of South Fulton's financial statements inconformity with GAAP.

History – City of South Fulton

The City of South Fulton is in southern Fulton County and is bordered by the City of Fairburn and the City of East Point, both to the south, Lithia Springs and the City of Douglasville to the west, and the City of Atlanta to the north and east. The City of South Fulton consists of incorporated communities in southern Fulton County. The City was chartered 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 10 miles west of the world's busiest airport, Hartsfield Jackson Atlanta International Airport.

Profile of the Government

- *Population* – The City of South Fulton in Fulton County, Georgia, is incorporated and is constituted and declared a body politic and corporate under the name of "City of South Fulton". Located 10 miles from downtown Atlanta and borders Fulton Industrial District, the City of South Fulton is positioned for significant economic growth. Two major interstate highways that border the City, Interstate 285 to the south and Interstate 20 to the north, provide easy roadway access to and from the City. For commuters, the roadway access is supplemented by Metropolitan Atlanta Rapid Transit Authority (MARTA) rail stations and several MARTA bus stops throughout the City limits. The City is also conveniently located less than five (5) miles from Charlie Brown Airport in Fulton County.

  The current population for 2022 is 111,158 (up 3,722 or 3.46%) from 107,436 in 2020. As a point of reference, 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 nonconsolidated governments with 97,668 citizens.

- *General Structure* – The City of South Fulton is empowered to levy a property tax on both real and personal property located within its boundaries. It is also empowered by the State to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing Council.

  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 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 policies set forth by the Council, overseeing all City employees, and managing the day-to-day operations.

- *Services Provided* – The City of South Fulton provides services under general governmental functions, such as: police protection, fire services, planning and development, road maintenance, sidewalk and curb maintenance, and parks and recreation, 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 sanitation services through its solid waste enterprise fund, under a contract with a third-party provider. User fees as charges for services provide the revenue to support sanitation services. As part of the City's portfolio for cultural affairs and recreation programs, the City owns and operates the

Wolf Creek Amphitheatre for hosting concerts, entertainment, and serves as a tourism venue. This activity is reported within the General Fund in fiscal year 2022.

- *Component Unit(s)* – Component units are functions of the City that are legally separate entities. These entities are in substance part of the City's operations, and therefore, financial data from these entities is present in the ACFR.

    - *South Fulton Development Authority* (SFDA) – The SFDA is responsible for the revitalization strategy for the City of South Fulton. The SFDA's mission is to encourage economic activity in the City of South Fulton. The SFDA works closely with the City's Economic Development Department and City Council in the effort to promote economic growth.

    - *Downtown Development Authority* (DDA) – The DDA is responsible for the revitalization strategy for the downtown area of the City of South Fulton. The DDA's mission is to encourage economic activity in the City of South Fulton's central business district by attracting businesses, residents, and visitors. The DDA works closely with the City's Planning and Development Department and city staff in assisting new businesses through the permitting process. The DDA is not reported in this ACFR due to activity being immaterial.

- *Budget Process* – In accordance with O.C.G.A. § 36-81-3, the City's annual budget serves as the foundation for the City of South Fulton's financial planning, control and professional management of city resources. The budget provides for setting priorities and an orderly means of controlling cash flows and disbursements. All departments of the City of South Fulton are required to submit requests for appropriations to the City Manager. The City Manager uses these requests as a starting point for developing a proposed budget. The City Manager then presents the proposed budget to the Mayor and Council for review and input, then followed by public hearings. The Council is required to hold public hearings on the proposed budget and to adopt the budget no later than September 30 (the close of the City's fiscal year). The City of South Fulton's city charter (local ordinance) Section 6.25(b) – Budget Adoption states that if the City council fails to adopt the budget by said date, the amounts appropriated for operation for the then current fiscal year shall be deemed adopted for the ensuing fiscal year on a month-to-month basis, with all items prorated accordingly, until such time as the City council adopts a budget for the ensuing fiscal year. Adoption of the budget shall take the form of an appropriations ordinance setting out the estimated revenues in detail by sources and making appropriations according to fund and by organizational unit, purpose, or activity as set out in the budget preparation ordinance adopted pursuant to Section 6.23 of the City's charter.

  The budget document includes the General Fund, special revenue funds, enterprise funds, capital projects and Transportation Special Purpose Local Option Sales Tax (T-SPLOST) funds, and the component unit. The budget encompasses a fiscal year that begins October 1 and ends September 30. In addition to serving as a fiscal plan, the budget document is also an internal control document to measure fiscal spending. Periodic review of monthly financial statements provides for transparency and insight into the City's operations.

Factors Affecting the Fiscal Year 2022 Budget

On April 28, 2019, Governor Kemp signed House Bill 182 (HB 182) that became effective January 1, 2020. HB 182 lowered the economic nexus threshold to just over $100,000 of gross revenue or 200 or more separate retail sales for retailers making sales of tangible personal property outside Georgia for delivery to purchasers in Georgia. Economic nexus rules stem from the ***United States Supreme Court decision in South Dakota v. Wayfair*** (U.S., No. 17-494) in 2018. HB 182 required retailers to collect sales and use taxes from the purchasers if their sales for the current or previous calendar year exceed the threshold. As a result, the City experienced positive revenue growth in its Local Option Sales Tax ("LOST") and Special Purpose Local Option Sales Tax ("SPLOST") programs since April 2020 and continues to do so. The Commission of the City of South Fulton considered many factors when approving the City's 2022 budget and are very aware of present economic conditions and its effect on its citizens. There were no contemplated increases to the rates of the business-type activities. Annually, the City Manager submits to the Mayor and Council a proposed

operating budget for the coming fiscal year which is required to be approved prior to September 30. Public hearings are held prior to adoption to allow citizens the opportunity to comment on the proposed budget.

Budgets are adopted for the General Fund, all special revenue funds, all capital projects funds, and enterprise funds. Budgets for enterprise funds are prepared for planning and control purposes only. The legal level of budgetary control is the department level, with the Mayor and Council being the only body authorized to make amendments to the budget. During the year, there were no significant increases in appropriations between the original budget and the final amended budget for the City's General Fund.

- *Governmental Funds With an Annual Appropriated Budget* – The annual budgets are prepared by fund, function, and department, for example: General Fund, Public Safety, Police, etc. Budget to actual comparison is provided in this report for each individual fund for which an appropriated budget has been adopted.

- *Legal Level of Budgetary Control* – The legal level of budgetary control is at the fund and department level. Department directors are allowed to make transfers within appropriated categories or their operational divisions. Mayor and Council approve appropriations and budget revisions between departments. Budgetary control is maintained with monthly reviews of actual results compared to budget and with budget confirmation prior to issuance of a purchase order.

- *Long-Term Financial Planning* – The City's policy is to maintain a minimum General Fund balance reserve equal to two and one-half (2 and ½) months of prior fiscal year operating expenditures. As of September 30, 2022, the General Fund balance is $79,257,146 or 103% of annual operation expenditures. Excess fund balances over the reserve requirements (if any) will be used to fund nonrecurring expenditures. The City plans to develop a rolling five-year capital plan to help dictate how to best use these excess funds.

City of South Fulton's Economic Outlook

- *Local Economy* – Emerging from 2021, 2022 presented opportunities for recovery, economically and fiscally. Economic resilience and recovery served the City well in its continued development. Property values are on the rise, businesses invest, and the local economy rebounds as a result.

  Diversified revenues come from governmental activities (program revenue) including revenues from property taxes, sales taxes, charges for services, fines and forfeitures, and donations. Another source of revenue comes from business-type activities (enterprise). Business-type activities, such as Solid Waste Utility Fund operate for profit whereby proceeds are reinvested into infrastructure (new refuse hauling vehicles, trash receptacles, and other capital investment (environmental cleanup).

Currently Known Conditions Affecting Future Operations

COVID-19 Disclosure for Coronavirus Aid, Relief, and Economic Security ("CARES") Act

On March 14, 2020, FEMA declared a national state of emergency. The City immediately shifted to an alternating work schedule and closed buildings to the public, in efforts to minimize exposure risks inherent in the workplace. The City maintained its alternating work schedule until May 2020 when it returned to normal operating schedules and reopened to the public. The City modified its operations to incorporate additional safety measures including, and not limited to, temperature checks for all citizens entering public facilities, enhanced daily cleaning cycles and sanitizing workstations, and installing plastic windows as safety barriers between customers and staff. This is now part of the City's normal operating procedures and protocols.

On March 27, 2020 the President signed the Coronavirus Aid Relief and Economic Security ("CARES") Act into public law 116-136. Title V of the CARES act created the Coronavirus Relief Fund ("CRF") to provide financial resources to state and local governments. On June 29, 2020, Georgia Governor Kemp signed the Georgia CARES Act into effect to provide funding to Georgia communities. Georgia issued the program as Phase One with a 30% allocation for immediate funding to cities and counties. The remaining 70% was made available on a reimbursement basis.

The Governor's emergency declaration effectively changed the mission and direction for public safety personnel. Through the Georgia CARES Act funding initiative, the City applied for and was awarded $4,136,829 of which $1,241,049 (30%) was funded immediately. CARES Act funds were used to cover extraordinary costs incurred March through July. The City placed these funds in a reserved account within its General Fund pending future appropriation. The extent of the impact of COVID-19 on the City's operational and financial performance will depend on future developments, including the duration and spread of the outbreak; possible vaccine; and other related variables, and therefore, the related financial impact and duration cannot be reasonably estimated at this time.

Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program authorized by the American Rescue Plan Act (ARPA)

The Coronavirus State and Local Fiscal Recovery Funds (SLFRF, or Fiscal Recovery Funds) program. The 2022 final rule became effective April 1, 2022. On December 29, 2022, Congress amended the SLFRF program in the Consolidated Appropriations Act, 2023 (2023 CAA) to provide state, local, territorial and Tribal governments more flexibility to use SLFRF funds to provide emergency relief from natural disasters, build critical transportation infrastructure, and support community development. On August 10, 2023, Treasury released an interim final rule implementing these new eligible uses; this interim final rule was published in the Federal Register on September 20, 2023.

The City received $11,352,517 in two allotments of $5,676,258 each. The City, in accordance with the latest updates to the Final Rule from 2022, elected the fixed amount of $10 million of revenue loss to be used for government services. The Mayor and Council also set aside $1.4 million for rent and mortgage assistance.

REPORTING ACHIEVEMENTS AND RECENT AWARDS

The Government Finance Officers Association (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to cities for its Annual Comprehensive Financial Report. To be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized financial report that satisfies both generally accepted accounting principles and applicable legal requirements.

The City is pleased to present the City's Annual Comprehensive Financial Report and submit the same to the Government Finance Officers Association (GFOA) for consideration in the Certificate of Achievement for Excellence in Financial Reporting program. We believe our current Annual Comprehensive Financial Report continues to meet the program's requirements.

Acknowledgements

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

Respectfully submitted,

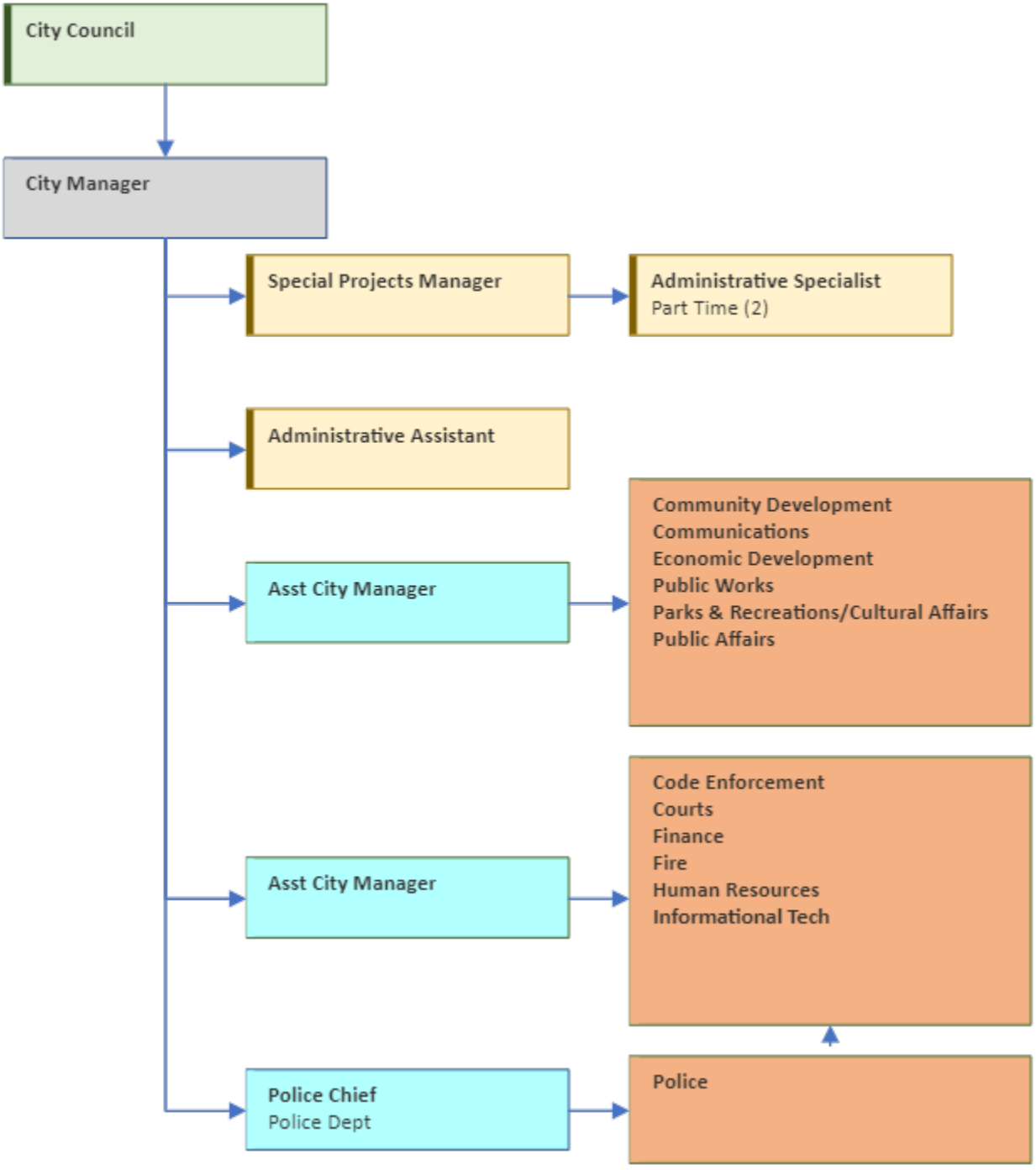
Sharon Subadan
City Manager

Rodney green (Jun 7, 2024 10:19 EDT)

Rodney M. Green
Deputy Chief Financial Officer

CITY OF SOUTH FULTON, GEORGIA

ORGANIZATIONAL CHART
SEPTEMBER 30, 2022



CITY OF SOUTH FULTON, GEORGIA

LIST OF PRINCIPAL OFFICIALS
September 30, 2022

Mayor

Mr. Kjalid Kamau

Council Members

District 1	Dr. Catherine Foster Roswell
District 2	Carmalitha Gumbs
District 3	Helen Zenobia Willis
District 4	Jaceey Sebastin
District 5	Corey Reeves
District 6	Natasha Williams
District 7	Linda Becquer-Pritchett

Appointed Officials

City Manager (Interim)	Ms. Sharon Subadan
City Attorney	Vincent D. Hyman

Directors

Deputy Chief Financial Officer	Rodney Green
Director - Information Technology (IT)	Namarr Strickland
Director - Human Resources	Patricia Redfern
Director - Communications	Gary Leftwich
Director - Public Works	Antonio Valenzuela
Director - Parks & Recreation	Ternard Turner
Director - Economic Development	Artie Jones
Chief - Police Department	Keith Meadows
Chief - Fire Department	Chad Jones
Director (interim) - Community Development and Regulatory Affairs (CDRA)	Reginald McClendon

FINANCIAL SECTION

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- Management's Discussion and Analysis
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- 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 Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type 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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of South Fulton, Georgia, as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

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 and Multiple Grant 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 ("GASB"), 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial 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 Annotated 48-8-249) (the "supplementary information"), as listed in the table of contents, are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2024, 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 of South Fulton, Georgia'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 of South Fulton, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
May 29, 2024

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, 2022. 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 fifth anniversary on May 1, 2022. 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 eighth largest City in the State of Georgia, serving a population of 107,436 (U.S. Census estimate for 2020). The City's daytime population remains consistent at more than 120,000 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 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 $395,901,274 (net position) which includes an unrestricted balance of $97,888,861.

- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $138,442,868 an increase of $26,945,157.

- At the end of the current fiscal year, the unassigned fund balance for the General Fund was $74,849,555 or 97% of total General Fund expenditures. The unassigned General Fund balance increased $14,735,467 when compared to the prior fiscal year which may be used to meet the City's ongoing obligations to its citizens and creditors.

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 charges (business-type activities). The governmental activities of the City include general government, judicial, public safety, public works, culture and recreation, housing and development, and interest on long-term debt. The government-wide financial statements can be found on pages 16 and 17 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 are reported as governmental 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 ten (10) 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, Capital Projects Fund, and Multiple Grant Fund, all of which are considered as major funds. Data from the other five (5) 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 fund financial statements can be found on pages 18 through 20 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.

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 24 through 46 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 schedules for the General Fund and the Multiple Grant Fund as presented on a generally accepted accounting principal basis in this section. Required supplementary information can be found on pages 47 through 50 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 51 through 59 of this report.

Statistical section. In addition to the basic financial statements and accompanying notes, this report also has various supplementary and statistical information such as a 10-year presentation of revenues, expenditures, and tax rates. The statistical section can be found on pages 60 through 76 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 combined net position increased from $364,142,599 to $395,901,274 in 2022. 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	
	9/30/2022	9/30/2021	9/30/2022	9/30/2021	9/30/2022	9/30/2021
ASSETS						
Current assets	$ 220,967,149	$ 165,750,857	$ 128,588	$ -	$ 221,095,737	$ 165,750,857
Capital assets, net	279,279,518	273,535,759	605,334	-	279,884,852	273,535,759
Total assets	500,246,667	439,286,616	733,922	-	500,980,589	439,286,616
LIABILITIES						
Other liabilities	36,823,265	21,580,381	635,715	-	37,458,980	21,580,381
Long-term liabilities	20,283,173	23,780,081	-	-	20,283,173	23,780,081
Total liabilities	57,106,438	45,360,462	635,715	-	57,742,153	45,360,462
DEFFERED INFLOWS OF RESOURCES						
Deferred revenues	47,337,162	29,783,555	-	-	47,337,162	29,783,555
Total deferred inflows of resources	47,337,162	29,783,555	-	-	47,337,162	29,783,555
NET POSITION						
Net Investment in capital assets	267,120,367	265,092,995	605,334	-	267,725,701	265,092,995
Restricted	30,286,712	51,456,443	-	-	30,286,712	51,456,443
Unrestricted (deficit)	98,395,988	47,593,161	(507,127)	-	97,888,861	47,593,161
Total net position	$ 395,803,067	$ 364,142,599	$ 98,207	$ -	$ 395,901,274	$ 364,142,599

A significant portion of the City's net position, $267,725,701 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 67.6% of the total net position compared to 72.8% 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 $29,173,604 as restricted for capital projects, $973,884 restricted for public safety, $229 restricted for hospitality and tourism, and $138,995 restricted for development. The City reported its unrestricted net position of $97,888,861 which may be used to meet the City's ongoing obligations to its citizens and creditors.

Current assets increased by $55,344,880 or 33% from $165,750,857 to $221,095,737 from several factors. The TSPLOST Fund had current fiscal year unspent revenues of $12,851,985 and the General Fund contributed to the increase with excess revenues over expenditures of $18,611,294. Total liabilities increased $12,381,691 or 27.3%. Contributing to the increase was the issuance in the prior fiscal year (2021) of $3 million of financed purchases for police vehicles and fire pumper trucks, ARPA unearned revenue of $9,290,491 and general increases in vendor liabilities due to the 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	
	9/30/2022	9/30/2021	9/30/2022	9/30/2021	9/30/2022	9/30/2021
REVENUES						
Program revenues						
Charges for services	$ 13,283,228	$ 8,705,041	$ -	$ -	$ 13,283,228	$ 8,705,041
Operating grants and contributions	115,362	34,114,476	-	-	115,362	34,114,476
Capital grants and contributions	22,207,336	-	-	-	22,207,336	-
General revenues						
Property taxes	32,693,719	29,040,306	-	-	32,693,719	29,040,306
Title ad valorem taxes	1,987,254	2,053,265	-	-	1,987,254	2,053,265
Sales taxes	32,626,606	27,738,613	-	-	32,626,606	27,738,613
Franchise taxes	5,651,812	7,533,433	-	-	5,651,812	7,533,433
Business taxes	3,035,599	1,971,342	-	-	3,035,599	1,971,342
Alcoholic beverage taxes	677,828	645,114	-	-	677,828	645,114
Hotel motel taxes	637,995	320,044	-	-	637,995	320,044
Transfer taxes	2,300,583	2,008,924	-	-	2,300,583	2,008,924
Insurance premium taxes	7,127,261	6,900,029	-	-	7,127,261	6,900,029
Other taxes	434,402	199,622	-	-	434,402	199,622
Miscellaneous revenues	15,784	92,476	-	-	15,784	92,476
Transfers	(445,150)	-	445,150	-	-	-
Total revenues	122,349,619	121,322,685	445,150	-	122,794,769	121,322,685
EXPENSES						
General government	13,957,887	14,027,988	-	-	13,957,887	14,027,988
Judicial	841,461	785,886	-	-	841,461	785,886
Public safety	38,794,443	30,115,600	-	-	38,794,443	30,115,600
Public works	24,218,977	22,537,237	-	-	24,218,977	22,537,237
Culture and recreation	4,740,482	4,418,031	-	-	4,740,482	4,418,031
Housing and development	7,484,200	6,045,466	-	-	7,484,200	6,045,466
Interest charges	651,701	562,641	-	-	651,701	562,641
Stormwater	-	-	346,943	-	346,943	-
Total expenses	90,689,151	78,492,849	346,943	-	91,036,094	78,492,849
Change in net position	31,660,468	42,829,836	98,207	-	31,758,675	42,829,836
Beginning Net Position	364,142,599	321,312,763	-	-	364,142,599	321,312,763
Ending Net Position	$ 395,803,067	$ 364,142,599	$ 98,207	$ -	$ 395,901,274	$ 364,142,599

Governmental activities. The net position for governmental activities increased by $31,660,468 in fiscal year 2022, increased by $42,829,836 in fiscal year 2021, and increased by $17,610,795 in fiscal year 2020. The City's governmental activities are heavily reliant on taxes to support operations. Taxes of $87,173,059 provided 71% of governmental revenues of general operations for fiscal year 2022.

The overall increase is from charges for services (up $4,578,187), housing and development revenues (up $2,266,463 associated with licenses and permits), public safety and judicial revenues (up $2,294,318 from fines and forfeitures), and sales and use taxes (up $4,887,993) compared to the prior fiscal year.

Overall, governmental expenses increased by $12,196,302 or 16% in fiscal year 2022. Public safety expenses increased by $8,678,843 or 29%; public works increased by $1,681,740 or 7%, and housing and development expenses increased by $1,438,734 or 24%.

Business-type activities. The net position for business-type activities increased by $98,207 in fiscal year 2022. The City started implementing the Municipal Separate Storm Sewer System (MS4) Program. At the onset of the program, the City incurred expenses that were funded, in part, by the General Fund. The City transferred to the Stormwater Utility Fund $445,150 to support $346,943 in expenses. The City purchased two street sweepers for $494,650 for drainage management, thereby, keeping the City of South Fulton's streets clear of debris.

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. The following is an analysis of the City's major funds.

General Fund. The General Fund is the chief operating fund of the City. As of September 30, 2022, the General Fund had an unassigned fund balance of $74,849,555 that represents 97% of General Fund expenditures. Table 3 below compares the operating results of the General Fund for fiscal years 2022 and 2021.

General Fund revenues increased by $11,670,730 or 13%. Sales taxes increased $4,887,993 or 17.6% as retail sales recovered from decreases realized during the pandemic. Property tax revenue increased by $2,944,032 or 10.2%. Business taxes increased by $1,064,257 or 54% due to enforcement programs. Licenses and permits increased by $2,116,613 or 70%, resulting from enforcement programs. Fines and forfeitures increased by $1,329,239 or 183% resulting from increased caseload in municipal court. Charges for services increased by $1,185,302 or 24% resulting from traffic camera revenue.

General Fund expenditures increased by $18,585,681 or 32%. The following programs increased expenditures over the prior fiscal year: Public Safety $12,016,903 or 49%, Public Works $2,519,200 or 30%, Parks and Recreation $868,963 or 22%, Housing and Development $1,373,323 or 22%, and Debt Service $1,095,940 or 262%. Hiring additional staff, coupled with the operational and equipment needs, such as police vehicles, computers, and furniture all contributed to the increases.

TSPLOST Fund. During fiscal year 2019, the City created a TSPLOST Fund. The City receives 16.6% distribution that is first distributed to the County and then to the City. The City received $21,270,153 in the fiscal year 2022 and spent $8,418,168 leaving fund balance or unspent TSPLOST proceeds of $50,098,251 (cumulatively).

Capital Grant Fund. The City received $1,163,122 in fiscal year 2022 of LMIG (Local Maintenance Improvement Grants) grants from the Georgia Department of Transportation. The City spent $654,829 in fiscal year 2022 on various road resurfacing projects.

Capital Projects Fund. The City maintains a Capital Projects Fund to track 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 $14,622,567 of these funds for various capital projects in fiscal year 2022, primarily road resurfacing.

Multiple Grant Fund. During fiscal year 2022, the City received $311,109 in grant funding and spent $1,098,289 in grant expenditures. The General Fund transferred $1,000,000 to the Multiple Grant Fund to cover the deficiency of revenues under expenditures.

Proprietary Fund. The City started implementing the Municipal Separate Storm Sewer System (MS4) Program. At the onset of the program, the City incurred expenses that were funded, in part, by the General Fund. The City transferred to the Stormwater Utility Fund $445,150 to support $346,943 in expenses. The City purchased two street sweepers for $494,650 for drainage management, thereby, keeping the City of South Fulton's streets clear of debris.

TABLE 3

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

	9/30/2022	9/30/2021	$ Increase (Decrease)	% Increase (Decrease)	
Revenues:					
Property taxes	$ 31,854,937	$ 28,910,905	$ 2,944,032	10.18	%
Title ad valorem taxes	1,987,254	2,053,265	(66,011)	(3.21)	
Sales taxes	32,626,606	27,738,613	4,887,993	17.62	
Business taxes	3,035,599	1,971,342	1,064,257	53.99	
Franchise taxes	5,651,812	7,533,433	(1,881,621)	(24.98)	
Insurance premium taxes	7,127,261	6,900,029	227,232	3.29	
Transfer taxes	2,300,583	2,008,924	291,659	14.52	
Alcoholic beverage excise taxes	677,828	645,114	32,714	5.07	
Other taxes	434,402	199,622	234,780	117.61	
Licenses and permits	5,132,836	3,016,223	2,116,613	70.17	
Intergovernmental	2,630,248	3,249,015	(618,767)	(19.04)	
Fines & forfeitures	2,053,951	724,712	1,329,239	183.42	
Charges for services	6,042,525	4,857,223	1,185,302	24.40	
Interest income	4,771	3,823	948	24.80	
Other revenues	11,013	88,653	(77,640)	(87.58)	
Total revenues	101,571,626	89,900,896	11,670,730	12.98	
Expenditures:					
General government	14,857,575	14,194,414	663,161	4.67	
Judicial	852,764	804,873	47,891	5.95	
Public safety	36,712,222	24,695,319	12,016,903	48.66	
Public works	10,896,894	8,377,394	2,519,500	30.07	
Culture and recreation	4,870,617	4,001,654	868,963	21.72	
Housing and development	7,524,725	6,151,402	1,373,323	22.33	
Debt service	1,514,159	418,219	1,095,940	262.05	
Total expenditures	77,228,956	58,643,275	18,585,681	31.69	
Excess of revenues over expenditures	24,342,670	31,257,621	(6,914,951)	(22.12)	
Other Financing Sources (Uses):					
Financed purchases from direct borrowings	-	3,364,412	(3,364,412)	(100.00)	
Issuance of lease liability	1,680,556	-	1,680,556	100.00	
Proceeds from sale of capital assets	819,935	-	819,935	100.00	
Transfers in	2,468,577	123,305	2,345,272	1,902.01	
Transfers out	(10,700,444)	(1,913,217)	(8,787,227)	459.29	
Total other financing sources (uses)	(5,731,376)	1,574,500	(7,305,876)	(464.01)	
Net change in fund balances	18,611,294	32,832,121	(14,220,827)	(43.31)	
Fund balances, beginning of fiscal year	60,645,852	27,813,731	32,832,121	118.04	
Fund balances, end of fiscal year	$ 79,257,146	$ 60,645,852	$ 18,611,294	30.69	%

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 strategic goals in five (5) priorities to better serve the citizens of the City of South Fulton. The following are the strategic 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 while maintaining the epitome of professionalism.

2. Grow Infrastructure and Solidify Finances
    - Build and diversify our revenue sources to ensure financial adequacy and stability to reduce dependence on any single source.

3. Increase Community Collaboration and Quality of Life
    - Strengthen relationships with our county and state legislators and surrounding municipalities that will aid the City of South Fulton to take a regional approach to services. Launch initiatives and create change that will improve our quality of life.

4. Focus on Economic Development
    - Promote a healthy and prosperous economy that supports small businesses, entrepreneurs, tourism, and public-private partnerships. Define and promote who the City is and market it to stakeholders.

5. Create an Efficient Government
    - Provide quality and efficient services to improve the quality of life for residents and businesses. Services include fire, police, parks and recreation, courts, economic development, zoning and land use, public works, and sanitation.

The City will employ an annual mid-year budget process to review and realign 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 2022, revenues over expenditures for the General Fund were $24,743,818 better than the budgeted amount. The components of this variance are described below:

Total revenues were $16,418,715 more than the final budget. Sales taxes were $10,626,606 more than budgeted as the City recovered from the reduced retail sales of the pandemic. Franchise taxes were $2,368,188 less than budgeted and all other revenue sources were $8,160,297 more than the budget.

Total expenditures were $7,717,377 lower than budgeted as a factor of realigning expenditures within the General Fund to meet the operational needs of some departments. The Law department expenditures were $634,900 lower than budgeted. Information Technology expenditures were $780,126 less than budget. General Services expenditures were $741,393 also less than budget. Risk Management expenditures were $516,906 higher than budget. Police department expenditures were $2,782,693 less than budget. Fire department expenditures were $870,163 higher than budget. Code Enforcement expenditures were $607,726 less than budget. The City appropriated increased funding for additional staff. The vacancies during fiscal year 2022 contributed to the expenditures being less than budgeted.

The Schedule of General Fund Revenues, Expenditures, and Changes in Fund Balance, Budget to Actual can be found on pages 47-49 of this report.

Capital Assets and Debt Administration

Capital assets. The City's capital assets for its governmental activities as of September 30, 2022 and 2021, amounted to $279,279,518 and $273,535,759, respectively. Capital assets decreased net $5,743,759 in fiscal year 2022 represented by increases in new assets and the addition of leased assets. The City's capital assets for its business-type activities as of September 30, 2022 amounted to $605,334. Fiscal year 2022 was the first year of business-type activities:

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

TABLE 4	Governmental Activities		Business-Type Activities	
	9/30/2022	9/30/2021	9/30/2022	9/30/2021
Land	$ 2,481,034	$ 1,511,115	$ -	$ -
Construction in progress	3,137,851	2,959,287	-	-
Buildings	11,953,578	10,014,805	-	-
Vehicles	8,369,246	5,046,706	-	-
Furniture and fixtures	633,068	601,654	-	-
Machinery and equipment	5,636,539	4,570,507	605,334	-
Infrastructure	245,740,384	248,831,685	-	-
Lease assets	1,327,818	-	-	-
	$ 279,279,518	$273,535,759	$ 605,334	$ -

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 year 2022 and 2021, respectively.

Long-term debt and obligations. At the end of fiscal year September 30, 2022, the City's net long-term debt decreased by $3,795,480 over the prior fiscal year. Compensated absences decreased $894,302 due to employee turnover and employees using or cashing out their compensated absences.

TABLE 5

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

	9/30/2022	9/30/2021
Financed purchases	$ 4,845,999	$ 8,442,764
Revenue bonds	15,720,000	16,380,000
Lease liabilities	1,355,587	-
Compensated absences	1,961,635	2,855,937
	$ 23,883,221	$ 27,678,701

Additional information on the City's long-term debt can be found in Note 8 of this report.

Economic Factors and Next Year's Budgets and Rates

These factors were considered in preparing the City's budget for the 2023 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 2023 budget includes the following investments:

- New vehicles to expand the public safety fleet, highlighted by several new additions to the fire apparatus fleet to include Fire Rescue Units and other response vehicles.
- Investments in public safety personnel, allowing the City to recruit and retain officers for our South Fulton Police Department.
- Invest in essential software and technology to improve operations and efficiency.
- Expand the City's commitment to implement the police beat redesign study by funding the design and engineering phase for future fire station sites.
- Installing electric charging stations to promote clean transportation.
- Initiate a pilot program for our public safety employees by offering a monthly housing allowance for those desiring to live within our city limits.

Transportation as a Tool for Transformation

In fiscal year 2022, the City's TSPLOST program resulted in more than 25 miles of paved roads (milled and overlayed). The fiscal year 2023 budget expands on these investments by investing more than $17.5 million in city-wide bridge and road maintenance. The City has also committed to focus heavily on expanding Public Works equipment, installing gateway signage, and implementing the City's Municipal Separate Storm Sewer System (MS4) Program.

Government Efficiency

As our City continues to grow, we must approve these critical investments to ensure citizens have access to a high-performing government. Building a government that works for the citizens of South Fulton streamlines processes and improves efficiency. Additionally, we must:

- Ensure all eligible South Fulton employees receive a 3% pay increase (mid-year).
- Expand the City's technology capabilities to expand online services.
- Invest in facility upgrades and renovations in alignment with our strategic goal to enhance the quality of life in South Fulton.
- Increase staffing levels in various City departments to ensure efficient and effective operations.

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 annual comprehensive 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, 4715 Frederick Drive, South Fulton, GA 30336.

City of South Fulton, Georgia
4715 Frederick Drive
Atlanta, GA 30336

CITY OF SOUTH FULTON, GEORGIA

STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Development Authority
ASSETS				
Cash and cash equivalents	$ 162,346,061	$ -	$ 162,346,061	$ 82,386
Accounts receivable	2,585,407	-	2,585,407	-
Taxes receivable	49,380,693	-	49,380,693	-
Due from other governments	5,146,433	-	5,146,433	-
Prepaid items	1,474,022	-	1,474,022	-
Internal balances	(128,588)	128,588	-	-
Due from primary government	-	-	-	298,013
Inventories	163,121	-	163,121	-
Capital assets:				
Nondepreciable	5,618,885	-	5,618,885	-
Depreciable, net of accumulated depreciation	273,660,633	605,334	274,265,967	-
Total assets	500,246,667	733,922	500,980,589	380,399
LIABILITIES				
Accounts payable	22,398,655	635,715	23,034,370	-
Accrued liabilities	1,236,058	-	1,236,058	-
Unearned revenues	9,290,491	-	9,290,491	-
Due to component unit	298,013	-	298,013	-
Lease liabilities, due within one fiscal year	333,908	-	333,908	-
Lease liabilities, due in more than one fiscal year	1,021,679	-	1,021,679	-
Financed purchases, due within one fiscal year	1,605,322	-	1,605,322	-
Financed purchases, due in more than one fiscal year	3,240,677	-	3,240,677	-
Revenue bonds, due within one fiscal year	680,000	-	680,000	-
Revenue bonds, due in more than one fiscal year	15,040,000	-	15,040,000	-
Compensated absences, due within one fiscal year	980,818	-	980,818	-
Compensated absences, due in more than one fiscal year	980,817	-	980,817	-
Total liabilities	57,106,438	635,715	57,742,153	-
DEFERRED INFLOWS OF RESOURCES				
Deferred revenues	47,337,162	-	47,337,162	-
Total deferred inflows of resources	47,337,162	-	47,337,162	-
NET POSITION				
Net investment in capital assets	267,120,367	605,334	267,725,701	-
Restricted for capital projects	29,173,604	-	29,173,604	-
Restricted for public safety	973,884	-	973,884	-
Restricted for hospitality and tourism	229	-	229	-
Restricted for development	138,995	-	138,995	380,399
Unrestricted	98,395,988	(507,127)	97,888,861	-
Total net position	$ 395,803,067	$ 98,207	$ 395,901,274	$ 380,399

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, 2022

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	Primary Government: Business-type Activities	Primary Government: Total	Component Unit: Development Authority
Primary government:								
Governmental activities:								
General government	$ 13,957,887	$ 926	$ 115,362	$ 413,635	$ (13,427,964)	$ -	$ (13,427,964)	$ -
Judicial	841,461	2,053,951	-	-	1,212,490	-	1,212,490	-
Public safety	38,794,443	5,583,928	-	-	(33,210,515)	-	(33,210,515)	-
Public works	24,218,977	-	-	21,793,701	(2,425,276)	-	(2,425,276)	-
Parks, recreation, and, cultural affairs	4,740,482	209,566	-	-	(4,530,916)	-	(4,530,916)	-
Housing and development	7,484,200	5,434,857	-	-	(2,049,343)	-	(2,049,343)	-
Interest on long-term debt	651,701	-	-	-	(651,701)	-	(651,701)	-
Total governmental activities	90,689,151	13,283,228	115,362	22,207,336	(55,083,225)	-	(55,083,225)	-
Business-type activities:								
Stormwater	346,943	-	-	-	-	(346,943)	(346,943)	-
Total business-type activities	346,943	-	-	-	-	(346,943)	(346,943)	-
Total primary government	$ 91,036,094	$ 13,283,228	$ 115,362	$ 22,207,336	$ (55,083,225)	$ (346,943)	$ (55,430,168)	$ -
Component Unit:								
Development Authority	$ 90,986	$ -	$ 299,675	$ -	$ -	$ -	$ -	$ 208,689
General revenues:								
Property taxes					32,693,719	-	32,693,719	-
Title ad valorem taxes					1,987,254	-	1,987,254	-
Sales taxes					32,626,606	-	32,626,606	-
Franchise taxes					5,651,812	-	5,651,812	-
Business taxes					3,035,599	-	3,035,599	-
Alcoholic beverage taxes					677,828	-	677,828	-
Hotel/motel taxes					637,995	-	637,995	-
Transfer taxes					2,300,583	-	2,300,583	-
Insurance premium taxes					7,127,261	-	7,127,261	-
Other taxes					434,402	-	434,402	-
Interest					4,771	-	4,771	-
Miscellaneous revenues					11,013	-	11,013	-
Transfers					(445,150)	445,150	-	-
Total general revenues					86,743,693	445,150	87,188,843	-
Change in net position					31,660,468	98,207	31,758,675	208,689
Net position, beginning of fiscal year					364,142,599	-	364,142,599	171,710
Net position, end of fiscal year					$ 395,803,067	$ 98,207	$ 395,901,274	$ 380,399

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

CITY OF SOUTH FULTON, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

ASSETS	General Fund	TSPLOST Fund	Capital Grant Fund	Capital Projects Fund	Multiple Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 93,433,418	$ 51,043,065	$ 752,918	$ 4,056,409	$ 12,364,461	$ 695,790	$ 162,346,061
Accounts receivable	197,089	1,606,514	-	-	733,692	48,112	2,585,407
Taxes receivable, net	48,988,444	-	-	-	-	392,249	49,380,693
Due from other governments	3,311,883	1,834,550	-	-	-	-	5,146,433
Due from other funds	5,856,937	-	-	8,153,294	-	9,307,927	23,318,158
Inventory	163,121	-	-	-	-	-	163,121
Prepaid items	1,474,022	-	-	-	-	-	1,474,022
Total assets	$ 153,424,914	$ 54,484,129	$ 752,918	$ 12,209,703	$ 13,098,153	$ 10,444,078	$ 244,413,895
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE							
LIABILITIES							
Accounts payable	$ 16,159,256	$ 2,263,954	$ -	$ 3,693,611	$ 281,834	$ -	$ 22,398,655
Accrued liabilities	1,126,219	-	-	-	-	-	1,126,219
Unearned revenue	-	-	-	-	-	9,290,491	9,290,491
Due to other funds	8,299,318	2,121,924	-	773,775	11,869,807	381,922	23,446,746
Due to component unit	298,013	-	-	-	-	-	298,013
Total liabilities	25,882,806	4,385,878	-	4,467,386	12,151,641	9,672,413	56,560,124
DEFERRED INFLOWS OF RESOURCES							
Deferred revenues	47,337,162	-	-	-	-	-	47,337,162
Unavailable revenues - intergovernmental	-	-	-	-	733,692	-	733,692
Unavailable revenues - taxes	947,800	-	-	-	-	392,249	1,340,049
Total deferred inflows of resources	48,284,962	-	-	-	733,692	392,249	49,410,903
FUND BALANCE							
Fund balance:							
Nonspendable:							
Prepaid items	1,474,022	-	-	-	-	-	1,474,022
Inventory	163,121	-	-	-	-	-	163,121
Restricted for:							
Hospitality and tourism	-	-	-	-	-	229	229
Capital projects	-	50,098,251	752,918	-	-	-	50,851,169
Public safety	-	-	-	-	-	240,192	240,192
Development	-	-	-	-	-	138,995	138,995
Assigned for:							
Capital projects	-	-	-	7,742,317	-	-	7,742,317
Public safety	-	-	-	-	212,820	-	212,820
Appropriation for next fiscal year's budget	1,603,281	-	-	-	-	-	1,603,281
Committed for:							
Tree replacement	1,167,167	-	-	-	-	-	1,167,167
Unassigned	74,849,555	-	-	-	-	-	74,849,555
Total fund balance	79,257,146	50,098,251	752,918	7,742,317	212,820	379,416	138,442,868
Total liabilities, deferred inflows of resources, and fund balance	$ 153,424,914	$ 54,484,129	$ 752,918	$ 12,209,703	$ 13,098,153	$ 10,444,078	
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.							279,279,518
Some receivables are not available to pay for current-period expenditures, and therefore, are deferred in the governmental funds.							2,073,741
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the governmental funds.							(23,993,060)
Net position of governmental activities							$ 395,803,067

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, 2022

	General Fund	TSPLOST Fund	Capital Grant Fund	Capital Projects Fund	Multiple Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:							
Property taxes	$ 31,854,937	$ -	$ -	$ -	$ -	$ 137,943	$ 31,992,880
Title ad valorem taxes	1,987,254	-	-	-	-	-	1,987,254
Sales taxes	32,626,606	-	-	-	-	-	32,626,606
Business taxes	3,035,599	-	-	-	-	-	3,035,599
Franchise taxes	5,651,812	-	-	-	-	-	5,651,812
Insurance premium taxes	7,127,261	-	-	-	-	-	7,127,261
Transfer taxes	2,300,583	-	-	-	-	-	2,300,583
Alcoholic beverage excise taxes	677,828	-	-	-	-	-	677,828
Other taxes	434,402	-	-	-	-	637,995	1,072,397
Licenses and permits	5,132,836	-	-	-	-	-	5,132,836
Fines and forfeitures	2,053,951	-	-	-	-	53,916	2,107,867
Charges for services	6,042,525	-	-	-	-	-	6,042,525
Intergovernmental	2,630,248	21,270,153	1,163,122	-	311,109	2,062,026	27,436,658
Interest income	4,771	-	-	-	-	-	4,771
Contributions and donations	11,013	-	-	-	-	-	11,013
Miscellaneous revenues	-	-	-	20,606	-	-	20,606
Total revenues	101,571,626	21,270,153	1,163,122	20,606	311,109	2,891,880	127,228,496
Expenditures:							
Current:							
General government	14,857,575	-	-	-	-	-	14,857,575
Judicial	852,764	-	-	-	-	-	852,764
Public safety	36,712,222	-	-	154,646	1,098,289	74,905	38,040,062
Public works	10,896,894	8,418,168	-	-	-	-	19,315,062
Parks, recreation, and, cultural affairs	4,870,617	-	-	-	-	240,964	5,111,581
Housing and development	7,524,725	-	-	-	-	-	7,524,725
Capital outlay	-	-	654,829	12,759,712	-	-	13,414,541
Debt service:							
Principal	1,378,144	-	-	1,192,525	-	-	2,570,669
Interest	136,015	-	-	515,134	-	-	651,149
Debt issuance costs	-	-	-	552	-	-	552
Total expenditures	77,228,956	8,418,168	654,829	14,622,569	1,098,289	315,869	102,338,680
Excess (deficiency) of revenues over (under) expenditures	24,342,670	12,851,985	508,293	(14,601,963)	(787,180)	2,576,011	24,889,816
Other financing sources (uses):							
Issuance of lease liability	1,680,556	-	-	-	-	-	1,680,556
Proceeds from sale of capital assets	819,935	-	-	-	-	-	819,935
Transfers in	2,468,577	-	-	9,255,294	1,000,000	-	12,723,871
Transfers out	(10,700,444)	-	-	-	-	(2,468,577)	(13,169,021)
Total other financing sources (uses)	(5,731,376)	-	-	9,255,294	1,000,000	(2,468,577)	2,055,341
Net change in fund balances	18,611,294	12,851,985	508,293	(5,346,669)	212,820	107,434	26,945,157
Fund balances, beginning of fiscal year	60,645,852	37,246,266	244,625	13,088,986	-	271,982	111,497,711
Fund balances, end of fiscal year	$ 79,257,146	$ 50,098,251	$ 752,918	$ 7,742,317	$ 212,820	$ 379,416	$ 138,442,868

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, 2022

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	26,945,157
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 outlays exceeded depreciation expense in the current period.		8,603,428
The net effect of various miscellaneous transactions involving capital assets (i.e., disposals) is to decrease net position.		(2,859,669)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		(4,847,362)
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.		2,901,178
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.		917,736
Change in net position - governmental activities	$	31,660,468

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

CITY OF SOUTH FULTON, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2022

	Business-type Activities
	Stormwater Fund
ASSETS	
Current assets:	
Due from other funds	$ 128,588
Total current assets	128,588
Noncurrent assets:	
Capital assets:	
Capital assets, being depreciated	628,951
Less accumulated depreciation	(23,617)
Total noncurrent assets	605,334
Total assets	733,922
LIABILITIES	
Current liabilities:	
Accounts payable	635,715
Total current liabilities	635,715
Total liabilities	635,715
NET POSITION (DEFICIT)	
Investment in capital assets	605,334
Unrestricted (deficit)	(507,127)
Total net position (deficit)	$ 98,207

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

CITY OF SOUTH FULTON, GEORGIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Business-type Activities
	Stormwater Fund
OPERATING EXPENSES	
Purchased contract services	$ 323,326
Depreciation	23,617
Total operating expenses	346,943
OPERATING LOSS BEFORE TRANSFERS	(346,943)
Transfers in	445,150
Change in net position	98,207
NET POSITION, beginning of fiscal year	-
NET POSITION, end of fiscal year	$ 98,207

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

CITY OF SOUTH FULTON, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Business-type Activities
	Stormwater Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments to suppliers and service providers	$ (310,849)
Net cash used in operating activities	(310,849)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Purchases of capital assets	(134,301)
Net cash used in capital financing activities	(134,301)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers in	445,150
Net cash provided by noncapital financing activities	445,150
Increase (decrease) in cash	-
Cash:	
Beginning of fiscal year	-
End of fiscal year	$ -
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	$ (346,943)
Adjustments to reconcile operating income to net cash used in operating activities:	
Depreciation	23,617
Increase in due from other funds	(128,588)
Increase in accounts payable	141,065
Net cash used in operating activities	$ (310,849)

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 which exclusively benefits the City even though it does not provide services directly to it. The Downtown Development Authority will be reported in the City's financial statements as a blended component unit for the year ended September 30, 2022 as there is a financial benefit or burden relationship as the City will provide support to the DDA and the services provided by the DDA exclusively benefit the City of South Fulton even though it does not provide services directly to it. There was no significant reportable activity for the DDA for the fiscal year ended September 30, 2022.

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 activities of the primary government. Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities and business-type activities. *Governmental activities* which normally are supported by taxes and intergovernmental revenues are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The statement of net position includes noncurrent assets and noncurrent 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 segment 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, proprietary 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the enterprise fund are charges to customers for services provided. Operating expenses for the enterprise fund include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

The **Multiple Grant Fund** is used to account for proceeds of various grant revenues and the related expenditures.

The City also reports the following major proprietary funds:

The **Stormwater Fund** is used to account for the revenues and maintenance of the City's stormwater infrastructure.

The City also reports the following fund type:

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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 and each Special Revenue fund each fiscal year through passage of an annual budget ordinance and amended as required. The City adopts project length budgets for the Capital Projects funds. During the fiscal year ended September 30, 2022, 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.

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, 2022, 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets

Capital assets, which include buildings, right-to-use lease 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:

Buildings	50 years
Right-to-use lease buildings	5-9 years
Vehicles	5 years
Furniture and fixtures	10 years
Machinery and equipment	5-10 years
Infrastructure	50 years

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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 assets that applies to future periods 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 assets that applies to future periods 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 inflows of resources in the period in which the amounts become available. Additionally, the City reports deferred revenues for the 2022 property tax digest which is levied for operation of the 2023 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.

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.

O. Leases

Lessee

The City is a lessee for noncancellable leases of buildings. The City recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of $10,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the City is reasonably certain to exercise.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Leases (Continued)

Lessee (Continued)

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

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 $23,993,060 difference are as follows:

Financed purchases from direct borrowings	$ (4,845,999)
Lease liabilities	(1,355,587)
Revenue bonds	(15,720,000)
Compensated absences	(1,961,635)
Accrued interest	(109,839)
Net adjustment to decrease *fund balances - total governmental funds* to arrive at *net position - governmental activities.*	$ (23,993,060)

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 $8,603,428 difference are as follows:

Capital outlay	$	17,563,189
Depreciation and amortization expense		(8,959,761)
Net adjustment to increase *net change in fund balances - total governmental funds* to arrive at *change in net position - governmental activities*	$	8,603,428

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 $2,901,178 difference are as follows:

Principal repayment on financed purchases	$	1,585,700
Principal reduction for writeoff of old building lease not renewed		2,011,065
Principal repayment on lease liabilities		324,969
Principal repayment on bonds		660,000
Issuance of lease liability		(1,680,556)
Net adjustment to increase *net change in fund balances - total governmental funds* to arrive at *change in net position - governmental activities.*	$	2,901,178

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 $917,736 difference are as follows:

Compensated absences	$	894,302
Accrued interest		23,434
Net adjustment to increase *net change in fund balances - total governmental funds* to arrive at *change in net position - governmental activities.*	$	917,736

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 nondepartmental expenditure categories require the approval of the City Council. Increases in appropriations in a departmental budget or in a nondepartmental expenditure category, require approval of the governing body in the form of amendments to the budget resolution.

For the fiscal year ended September 30, 2022, expenditures exceeded final budget in the following fund departments, as follows:

General Fund:		
General government:		
Mayor	$	41,932
Risk management		516,906
Judicial		54,782
Public safety: fire services		870,163
American Rescue Plan Fund:		
Transfers out	$	162,026
Hotel/Motel Tax Fund:		
Transfers out	$	190,926

The excess of expenditures over budget were primarily funded by revenues exceeding budgeted expectations.

NOTE 4. DEPOSITS

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, 2022, 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, 2022, all of the City's bank balances were insured and/or collateralized as defined by GASB and required by state statutes.

NOTE 4. DEPOSITS (CONTINUED)

Credit risk: State statutes authorize the City to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. Government; obligations fully insured or guaranteed by the U.S. Government or by a government agency of the United States; obligations of any corporation of the U.S. Government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. The City has no investment policy that would further limit its investment choices.

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, 2022 are for the year ending September 30, 2023 and property taxes are recorded as receivables and unavailable revenue when levied. Revenues are recognized in governmental funds when available.

Receiving at September 30, 2022, including any applicable allowances for uncollectible accounts, are as follows:

	General Fund	TSPLOST Fund	Multiple Grant Fund	Nonmajor Governmental	Total
Receivables:					
Accounts receivable	$ 197,089	$ 1,606,514	$ 733,692	$ 48,112	$ 2,585,407
Taxes	49,883,178	-	-	392,249	50,275,427
Other governments	3,311,883	1,834,550	-	-	5,146,433
Total receivables	53,392,150	3,441,064	733,692	440,361	58,007,267
Less allowance for uncollectible	894,734	-	-	-	894,734
Net total receivable	$ 52,497,416	$ 3,441,064	$ 733,692	$ 440,361	$ 57,112,533

NOTE 6. CAPITAL ASSETS

Capital asset activity for the City for the fiscal year ended September 30, 2022 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Nondepreciable capital assets:					
Land	$ 1,511,115	$ 1,376,219	$ (406,300)	$ -	$ 2,481,034
Construction in progress	2,959,287	2,397,989	-	(2,219,425)	3,137,851
Total	4,470,402	3,774,208	(406,300)	(2,219,425)	5,618,885
Depreciable capital assets:					
Buildings	11,207,726	4,648,278	(2,474,220)	-	13,381,784
Vehicles	8,212,152	5,217,986	(127,331)	-	13,302,807
Furniture and fixtures	629,089	94,323	-	-	723,412
Machinery and equipment	5,994,618	2,147,838	(10,698)	-	8,131,758
Infrastructure	264,611,535	-	-	2,219,425	266,830,960
Total	290,655,120	12,108,425	(2,612,249)	2,219,425	302,370,721
Less accumulated depreciation for:					
Buildings	(1,192,921)	(334,254)	98,969	-	(1,428,206)
Vehicles	(3,165,446)	(1,828,026)	59,911	-	(4,933,561)
Furniture and fixtures	(27,435)	(62,909)	-	-	(90,344)
Machinery and equipment	(1,424,111)	(1,071,108)	-	-	(2,495,219)
Infrastructure	(15,779,850)	(5,310,726)	-	-	(21,090,576)
Total accumulated depreciation	(21,589,763)	(8,607,023)	158,880	-	(30,037,906)
Lease assets, net (Note 7)					1,327,818
Total capital assets being amortized, net	269,065,357	3,501,402	(2,453,369)	2,219,425	273,660,633
Governmental activities capital assets, net	$ 273,535,759	$ 7,275,610	$ (2,859,669)	$ -	$ 279,279,518

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

Governmental activities:	
General government	$ 125,695
Public safety	2,659,376
Public works	5,350,155
Parks, recreation, and, cultural affairs	424,236
Housing and development	47,561
Total Depreciation Expense	$ 8,607,023

The decrease in the buildings category includes the write off in the amount of $2,474,220 of an old building lease that was not renewed by the City. The City removed the building associated with the lease from the capital asset listing.

NOTE 6. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Additions	Reductions	Ending Balance
Business-type activities:				
Vehicles	$ -	$ 628,951	$ -	$ 628,951
Total	-	628,951	-	628,951
Less accumulated depreciation for:				
Vehicles	-	(23,617)	-	(23,617)
Total	-	(23,617)	-	(23,617)
Total lease assets, net	$ -	$ 605,334	$ -	$ 605,334

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

Business-type activities:	
Stormwater Fund	$ 23,617
Total Depreciation Expense	$ 23,617

NOTE 7. LEASE ASSETS

A summary of lease asset activity for the City for the fiscal year ended September 30, 2022, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities:				
Lease assets:				
Buildings	$ -	$ 1,680,556	$ -	$ 1,680,556
Total	-	1,680,556	-	1,680,556
Less accumulated amortization for:				
Buildings	-	(352,738)	-	(352,738)
Total	-	(352,738)	-	(352,738)
Total lease assets, net	$ -	$ 1,327,818	$ -	$ 1,327,818

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

Governmental activities:	
General government	$ 352,738
Total Amortization Expense	$ 352,738

NOTE 8. LONG-TERM DEBT

The following is a summary of long-term debt activity of the City for the fiscal year ended September 30, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Financed purchases from direct borrowings	$ 8,442,764	$ -	$ (3,596,765)	$ 4,845,999	$ 1,605,322
Revenue bonds from direct placement	16,380,000	-	(660,000)	15,720,000	680,000
Lease liabilities	-	1,680,556	(324,969)	1,355,587	333,908
Compensated absences	2,855,937	1,904,056	(2,798,358)	1,961,635	980,818
Total governmental activities long-term liabilities	$ 27,678,701	$ 3,584,612	$ (7,380,092)	$ 23,883,221	$ 3,600,048

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.

The principal reduction under financed purchases from direct borrowings includes the write off of $2,011,065 of an old building lease that was not renewed by the City.

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
2023	$ 73,718	$ 239	$ 73,957
	$ 73,718	$ 239	$ 73,957

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NOTE 8. 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
2023	$ 217,681	$ 1,841	$ 219,522
2024	76,721	169	76,890
	$ 294,402	$ 2,010	$ 296,412

In October 2020, the City entered into an agreement with Enterprise Fleet Management to finance the purchase of thirty (30) vehicles for the City's Police Department. The vehicles are included in capital assets at a cost of $1,081,755. Interest has been imputed at a rate of .19% and the City will make monthly payments through June 2025. The debt service requirements to maturity are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2023	$ 269,660	$ 177	$ 269,837
2024	269,808	4	269,812
2025	100,744	4	100,748
	$ 640,212	$ 185	$ 640,397

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
2023	$ 271,437	$ 25,775	$ 297,212
2024	279,769	17,441	297,210
2025	288,359	8,852	297,211
	$ 839,565	$ 52,068	$ 891,633

NOTE 8. 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
2023	$ 276,898	$ 16,122	$ 293,020
2024	284,845	8,175	293,020
	$ 561,743	$ 24,297	$ 586,040

In September 2021, the City entered into an agreement with Georgia Municipal Association to finance the purchase of patrol vehicles for the City's Police Department. The vehicles are included in capital assets at a cost of $1,555,640. Interest has been imputed at a rate of 1.26% and the City will make monthly payments through September 2026. The debt service requirements to maturity are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2023	$ 307,186	$ 14,005	$ 321,191
2024	311,079	10,112	321,191
2025	315,021	6,170	321,191
2026	319,014	2,177	321,191
	$ 1,252,300	$ 32,464	$ 1,284,764

NOTE 8. LONG-TERM DEBT (CONTINUED)

Financed Purchases from Direct Borrowings (Continued)

In September 2021, the City entered into an agreement with Georgia Municipal Association to finance the purchase of pumper trucks for the City's Fire Department. The vehicles are included in capital assets at a cost of $1,369,500. Interest has been imputed at a rate of 1.78% and the City will make monthly payments through September 2028. The debt service requirements to maturity are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2023	$ 188,742	$ 21,076	$ 209,818
2024	192,102	17,717	209,819
2025	195,521	14,297	209,818
2026	199,001	10,817	209,818
2027	202,544	7,275	209,819
2028	206,149	3,669	209,818
	$ 1,184,059	$ 74,851	$ 1,258,910

As of September 30, 2022, the City had $7,861,899 of assets, with associated accumulated depreciation of $2,673,474, financed. The related depreciation expense for these assets is included in the capital asset depreciation expense.

Leases

City as a Lessee

In October 2021, the City entered into a lease agreement as lessee for the use of 6385 Old National Highway Suite 210 for a term of nine (9) years. The initial lease liability was recorded in the amount of $335,622. As of September 30, 2022, the value of the lease liability was $310,373. The City is required to make variable monthly principal and interest payments from $3,000 to $4,270. The City used its incremental borrowing rate of 4.0%. The building has a useful life equal to the remaining lease term of nine years and the value of the right-to-use asset as of the end of the current fiscal year was $335,622 and had accumulated amortization of $36,283.

NOTE 8. LONG-TERM DEBT (CONTINUED)

Leases (Continued)

City as a Lessee (continued)

In October 2021, the City entered into a lease agreement as lessee for the use of 5440 Fulton Industrial Boulevard for a term of five (5) years. The initial lease liability was recorded in the amount of $1,344,934. As of September 30, 2022, the value of the lease liability was $1,045,214. The City is required to make monthly principal and interest payments of $28,625. The City used its incremental borrowing rate of 4.0%. The building has a useful life equal to the remaining lease term of five years and the value of the right-to-use asset as of the end of the current fiscal year was $1,344,934 and had accumulated amortization of $316,455.

Year Ending June 30,	Principal	Interest	Total
2023	$ 333,908	$ 48,152	$ 382,060
2024	349,083	34,520	383,603
2025	364,939	20,267	385,206
2026	120,422	8,830	129,252
2027	38,315	6,799	45,114
2028-2031	148,920	10,348	159,268
Total	$ 1,355,587	$ 128,916	$ 1,484,503

Revenue Bonds from Direct Placement

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, 2022, 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:

NOTE 8. LONG-TERM DEBT (CONTINUED)

Revenue Bonds from Direct Placement (Continued)

Year Ending June 30,	Principal	Interest	Total
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	740,000	377,625	1,117,625
2027	760,000	356,250	1,116,250
2028-2032	4,140,000	1,438,823	5,578,823
2033-2037	4,770,000	805,125	5,575,125
2038-2040	3,210,000	138,937	3,348,937
Total	$ 15,720,000	$ 4,372,185	$ 20,092,185

NOTE 9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of September 30, 2022 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Multiple Grant Fund	$ 2,579,316
General Fund	TSPLOST Fund	2,121,924
General Fund	Capital Project Fund	773,775
General Fund	Nonmajor Governmental Funds	381,922
Capital Project Fund	General Fund	8,153,294
Stormwater Fund	General Fund	128,588
Nonmajor Governmental Funds	Multiple Grant Fund	9,290,491
Nonmajor Governmental Funds	General Fund	17,436
	Total	$ 23,446,746

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. The interfund between the Multiple Grant Fund and Nonmajor Governmental Funds is the result of the City not having a separate bank account for the ARPA funding.

The composition of amounts due from/to the primary government and its component unit is as follows:

Receivable Fund	Payable Fund	Amount
Development Authority	General Fund	$ 298,013

NOTE 9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

Interfund transfers:

Transfers In	Transfers Out		Amount
General Fund	Nonmajor Governmental Funds	$	2,468,577
Capital Projects Fund	General Fund		9,255,294
Multiple Grant Fund	General Fund		1,000,000
Stormwater Fund	General Fund		445,150
	Total	$	13,169,021

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations and (3) to transfer ARPA funding out of the ARPA Fund and into the General Fund for eligible expenditures under the ARPA grant incurred in the General Fund.

NOTE 10. 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, 2022, the City collected $637,995 in hotel/motel tax revenues. Of this amount, $406,551 or 63.7% 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 11. COMMITMENTS AND CONTINGENT LIABILITIES

Contractual Commitments:

In addition to liabilities enumerated in the balance sheet at September 30, 2022, the City has contractual commitments on uncompleted contracts of $241,138.

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 12. 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, 229 Peachtree St NE, Atlanta, Georgia 30303.

NOTE 13. 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 14. 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, 2022, the City of South Fulton's ad valorem tax revenues were reduced by $237,554 under agreements entered into by Fulton County.

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, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Property taxes	$ 32,052,911	$ 32,832,911	$ 31,854,937	$ (977,974)
Title ad valorem taxes	1,600,000	1,600,000	1,987,254	387,254
Sales taxes	22,000,000	22,000,000	32,626,606	10,626,606
Franchise taxes	8,020,000	8,020,000	5,651,812	(2,368,188)
Business taxes	2,500,000	2,500,000	3,035,599	535,599
Insurance taxes	6,900,000	6,900,000	7,127,261	227,261
Other taxes	125,000	125,000	434,402	309,402
Alcoholic beverage excise taxes	375,000	375,000	677,828	302,828
Transfer tax	1,400,000	1,400,000	2,300,583	900,583
Licenses and permits	3,729,000	3,729,000	5,132,836	1,403,836
Fines and forfeitures	15,000	515,000	2,053,951	1,538,951
Charges for services	4,389,000	4,389,000	6,042,525	1,653,525
Intergovernmental	700,000	700,000	2,630,248	1,930,248
Interest income	10,000	10,000	4,771	(5,229)
Contributions and donations	12,500	57,000	11,013	(45,987)
Total revenues	83,828,411	85,152,911	101,571,626	16,418,715
Expenditures:				
Current:				
General government:				
Legislative:				
Personnel	891,506	912,782	742,210	170,572
Supplies	119,600	124,589	147,007	(22,418)
Other services and charges	265,400	267,477	222,721	44,756
Total Legislative	1,276,506	1,304,848	1,111,938	192,910
Mayor:				
Personnel	212,238	162,238	211,444	(49,206)
Supplies	14,200	14,690	14,545	145
Other services and charges	36,500	86,010	78,881	7,129
Total Mayor	262,938	262,938	304,870	(41,932)
City clerk:				
Personnel	406,079	406,079	381,054	25,025
Supplies	31,500	25,500	12,475	13,025
Other services and charges	152,795	488,795	141,375	347,420
Total City clerk	590,374	920,374	534,904	385,470
City manager:				
Personnel	746,382	762,860	691,540	71,320
Supplies	14,100	14,100	8,840	5,260
Other services and charges	272,600	272,600	171,539	101,061
Total City manager	1,033,082	1,049,560	871,919	177,641
Financial:				
Personnel	1,247,304	1,087,304	990,203	97,101
Supplies	19,900	20,088	6,753	13,335
Other services and charges	336,900	496,851	496,021	830
Total Financial	1,604,104	1,604,243	1,492,977	111,266
Law:				
Personnel	649,510	649,510	717,501	(67,991)
Supplies	14,000	14,000	1,798	12,202
Other services and charges	878,700	906,069	215,380	690,689
Total Law	1,542,210	1,569,579	934,679	634,900

(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, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget
Human resources:				
Personnel	584,187	504,187	465,796	38,391
Supplies	103,180	83,866	16,428	67,438
Other services and charges	96,200	226,394	158,046	68,348
Total Human resources:	783,567	814,447	640,270	174,177
Communications:				
Personnel	431,176	431,176	415,900	15,276
Supplies	117,000	117,000	91,016	25,984
Other services and charges	184,750	197,729	66,595	131,134
Total Communications	732,926	745,905	573,511	172,394
IT and GIS:				
Personnel	872,806	872,806	779,028	93,778
Supplies	347,200	338,100	321,413	16,687
Other services and charges	2,701,500	2,724,969	2,055,308	669,661
Total IT and GIS	3,921,506	3,935,875	3,155,749	780,126
Purchasing:				
Personnel	303,942	303,942	165,631	138,311
Supplies	2,500	2,663	739	1,924
Other services and charges	108,800	114,543	101,239	13,304
Total Purchasing	415,242	421,148	267,609	153,539
General services administration:				
Personnel	652,368	652,368	490,147	162,221
Supplies	385,738	389,518	24,063	365,455
Other services and charges	714,215	748,344	534,627	213,717
Total General services administration	1,752,321	1,790,230	1,048,837	741,393
Risk management:				
Personnel	102,806	102,806	-	102,806
Supplies	1,420,100	1,420,100	2,153,756	(733,656)
Other services and charges	980,500	1,880,500	1,766,556	113,944
Total Risk management	2,503,406	3,403,406	3,920,312	(516,906)
Total General government	16,418,182	17,822,553	14,857,575	2,964,978
Judicial:				
Personnel	520,865	443,694	507,152	(63,458)
Supplies	14,340	21,217	14,056	7,161
Other services and charges	250,400	333,071	331,556	1,515
Total Judicial	785,605	797,982	852,764	(54,782)
Public safety:				
Police services:				
Personnel	18,105,503	18,105,503	13,854,344	4,251,159
Supplies	650,468	1,214,842	1,184,162	30,680
Furniture and Fixtures	-	-	1,524,219	(1,524,219)
Other services and charges	439,500	990,824	965,751	25,073
Total Police	19,195,471	20,311,169	17,528,476	2,782,693
Fire services:				
Personnel	15,180,836	15,180,836	16,184,800	(1,003,964)
Supplies	764,500	808,477	727,278	81,199
Other services and charges	396,300	424,494	371,892	52,602
Total Fire services	16,341,636	16,413,807	17,283,970	(870,163)
E-911 services:				
Other services and charges	1,913,410	1,913,410	1,899,776	13,634
Total E-911 services	1,913,410	1,913,410	1,899,776	13,634
Total Public safety	37,450,517	38,638,386	36,712,222	1,926,164

(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, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget
Public works:				
Personnel	973,109	973,109	1,040,677	(67,568)
Supplies	1,423,000	1,424,500	1,419,299	5,201
Other services and charges	8,944,026	8,987,924	8,436,918	551,006
Total Public works	11,340,135	11,385,533	10,896,894	488,639
Parks, recreation, and cultural affairs:				
Personnel	3,849,517	3,849,517	2,655,669	1,193,848
Supplies	915,150	1,187,612	1,049,766	137,846
Furniture and Fixtures	6,476	377,820	114,204	263,616
Other services and charges	1,219,635	1,079,970	1,050,978	28,992
Total Parks, recreation, and cultural affairs	5,990,778	6,494,919	4,870,617	1,624,302
Housing and development:				
Planning and zoning:				
Personnel	1,887,791	1,714,853	1,658,957	55,896
Supplies	35,150	37,989	16,807	21,182
Other services and charges	1,622,500	3,467,840	3,350,444	117,396
Total Planning and zoning	3,545,441	5,220,682	5,026,208	194,474
Economic development:				
Personnel	427,991	427,991	333,830	94,161
Supplies	56,400	56,400	28,412	27,988
Other services and charges	447,000	447,000	376,588	70,412
Total Economic development	931,391	931,391	738,830	192,561
Code enforcement:				
Personnel	1,347,188	1,347,188	736,989	610,199
Supplies	86,225	117,897	70,838	47,059
Other services and charges	934,000	902,328	951,860	(49,532)
Total Code enforcement	2,367,413	2,367,413	1,759,687	607,726
Total Housing and development	6,844,245	8,519,486	7,524,725	387,035
Debt service:				
Principal	2,286,305	1,783,805	1,378,144	405,661
Interest	-	111,395	136,015	(24,620)
Total debt service	2,286,305	1,895,200	1,514,159	381,041
Total expenditures	81,115,767	85,554,059	77,228,956	7,717,377
Excess (deficiency) of revenues over (under) expenditures	2,712,644	(401,148)	24,342,670	24,743,818
Other financing sources (uses)				
Issuance of lease liability	-	-	1,680,556	1,680,556
Proceeds from sale of capital assets	-	-	819,935	819,935
Transfers in	56,250	215,625	2,468,577	2,252,952
Transfers out	(10,700,446)	(10,700,444)	(10,700,444)	-
Total other financing sources (uses)	(10,644,196)	(10,484,819)	(5,731,376)	2,252,952
Net change in fund balance	(7,931,552)	(10,885,967)	18,611,294	26,996,770
Fund balance, beginning of fiscal year	60,645,852	60,645,852	60,645,852	-
Fund balance, end of fiscal year	$ 52,714,300	$ 49,759,885	$ 79,257,146	$ 26,996,770

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, 2022

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ 1,635,754	$ 1,635,754	$ 311,109	$ (1,324,645)
Total revenues	1,635,754	1,635,754	311,109	(1,324,645)
Expenditures:				
Public safety	550,000	2,185,754	1,098,289	1,087,465
Total expenditures	550,000	2,185,754	1,098,289	1,087,465
Excess (deficiency) of revenues over (under) expenditures	1,085,754	(550,000)	(787,180)	(237,180)
Other financing sources:				
Transfers in	550,000	550,000	1,000,000	450,000
Total other financing sources	550,000	550,000	1,000,000	450,000
Net change in fund balances	1,635,754	-	212,820	212,820
Fund balances, beginning of fiscal year	-	-	-	-
Fund balances, end of fiscal year	$ 1,635,754	$ -	$ 212,820	$ 212,820



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.

American Rescue Plan Fund – This fund is used to account for the proceeds and expenditures related to the American Rescue Plan Act grant.

Eastside TAD Fund – This fund is used to account for the tax revenues and development expenditures related to the Eastside Tax Allocation District (TAD).

Westside TAD Fund – This fund is used to account for the tax revenues and development expenditures related to the Westside Tax Allocation District (TAD).

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, 2022

ASSETS	Confiscated Assets Fund	American Rescue Plan Fund	Eastside TAD Fund	Westside TAD Fund	Hotel/Motel Tax Fund	Total Nonmajor Governmental Funds
Cash	$ 222,756	$ -	$ 35,007	$ 103,988	$ 334,039	$ 695,790
Accounts receivable	-	-	-	-	48,112	48,112
Taxes receivable	-	-	220,169	172,080	-	392,249
Due from other funds	17,436	9,290,491	-	-	-	9,307,927
Total assets	$ 240,192	$ 9,290,491	$ 255,176	$ 276,068	$ 382,151	$ 10,444,078
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Due to other funds	$ -	$ -	$ -	$ -	$ 381,922	$ 381,922
Unearned revenue	-	9,290,491	-	-	-	9,290,491
Total liabilities	-	9,290,491	-	-	381,922	9,672,413
DEFERRED INFLOWS OF RESOURCES						
Unavailable - property taxes	-	-	220,169	172,080	-	392,249
Total deferred inflows of resources	-	-	220,169	172,080	-	392,249
FUND BALANCES						
Restricted for:						
Hospitality and tourism	-	-	-	-	229	229
Public safety	240,192	-	-	-	-	240,192
Development	-	-	35,007	103,988	-	138,995
Total fund balances	240,192	-	35,007	103,988	229	379,416
Total liabilities, deferred inflows or resources, and fund balances	$ 240,192	$ 9,290,491	$ 35,007	$ 103,988	$ 382,151	$ 10,444,078

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, 2022

	Confiscated Assets Fund	American Rescue Plan Fund	Eastside TAD Fund	Westside TAD Fund	Hotel/Motel Tax Fund	Total Nonmajor Governmental Funds
REVENUES						
Property taxes	$ -	$ -	$ 34,691	$ 103,252	$ -	$ 137,943
Hotel/motel taxes	-	-	-	-	637,995	637,995
Intergovernmental	-	2,062,026	-	-	-	2,062,026
Fines and forfeitures	53,916	-	-	-	-	53,916
Total revenues	53,916	2,062,026	34,691	103,252	637,995	2,891,880
EXPENDITURES						
Current:						
Public safety	74,905	-	-	-	-	74,905
Parks, recreation, and, cultural affairs	-	-	-	-	240,964	240,964
Total expenditures	74,905	-	-	-	240,964	315,869
Excess (deficiency) of revenues over (under) expenditures	(20,989)	2,062,026	34,691	103,252	397,031	2,576,011
OTHER FINANCING USES:						
Transfers out	-	(2,062,026)	-	-	(406,551)	(2,468,577)
Total other financing uses	-	(2,062,026)	-	-	(406,551)	(2,468,577)
Net change in fund balances	(20,989)	-	34,691	103,252	(9,520)	107,434
FUND BALANCES, beginning of fiscal year	261,181	-	316	736	9,749	271,982
FUND BALANCES, end of fiscal year	$ 240,192	$ -	$ 35,007	$ 103,988	$ 229	$ 379,416

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, 2022

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 25,000	$ 25,000	$ 53,916	$ 28,916
Total revenues	25,000	25,000	53,916	28,916
Expenditures:				
Public safety	45,000	179,000	74,905	104,095
Total expenditures	45,000	179,000	74,905	104,095
Net change in fund balances	(20,000)	(154,000)	(20,989)	(75,179)
Fund balances, beginning of fiscal year	261,181	261,181	261,181	-
Fund balances, end of fiscal year	$ 241,181	$ 107,181	$ 240,192	$ (75,179)

CITY OF SOUTH FULTON, GEORGIA
AMERICAN RESCUE PLAN FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental revenues	$ 5,500,000	$ 5,777,626	$ 2,062,026	$ (3,715,600)
Total revenues	5,500,000	5,777,626	2,062,026	(3,715,600)
Excess of revenues over expenditures	5,500,000	5,777,626	2,062,026	(3,715,600)
Other financing uses:				
Transfers out	(1,540,000)	(1,900,000)	(2,062,026)	(162,026)
Total other financing uses	(1,540,000)	(1,900,000)	(2,062,026)	(162,026)
Net change in fund balances	3,960,000	3,877,626	-	(3,877,626)
Fund balances, beginning of fiscal year	-	-	-	-
Fund balances, end of fiscal year	$ 3,960,000	$ 3,877,626	$ -	$ (3,877,626)

CITY OF SOUTH FULTON, GEORGIA
EASTSIDE TAD FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Property Tax	$ 22,000	$ 22,000	$ 34,691	$ 12,691
Total revenues	22,000	22,000	34,691	12,691
Net change in fund balances	22,000	22,000	34,691	12,691
Fund balances, beginning of fiscal year	316	316	316	-
Fund balances, end of fiscal year	$ 22,316	$ 22,316	$ 35,007	$ 12,691

CITY OF SOUTH FULTON, GEORGIA
WESTSIDE TAD FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Property Tax	$ 40,000	$ 40,000	$ 103,252	$ 63,252
Total revenues	40,000	40,000	103,252	63,252
Net change in fund balances	40,000	40,000	103,252	63,252
Fund balances, beginning of fiscal year	736	736	736	-
Fund balances, end of fiscal year	$ 40,736	$ 40,736	$ 103,988	$ 63,252

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, 2022

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Hotel/motel taxes	$ 150,000	$ 575,000	$ 637,995	$ 62,995
Total revenues	150,000	575,000	637,995	62,995
Expenditures:				
Tourism	93,750	359,375	240,964	118,411
Total expenditures	93,750	359,375	240,964	118,411
Excess of revenues over expenditures	56,250	215,625	397,031	181,406
Other financing uses:				
Transfers out	(56,250)	(215,625)	(406,551)	(190,926)
Total other financing uses	(56,250)	(215,625)	(406,551)	(190,926)
Net change in fund balances	-	-	(9,520)	(9,520)
Fund balances, beginning of fiscal year	9,749	9,749	9,749	-
Fund balances, end of fiscal year	$ 9,749	$ 9,749	$ 229	$ (9,520)

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, 2022

PROJECT	ESTIMATED COST		EXPENDITURES			PROJECT COMPLETION
	ORIGINAL	CURRENT	PRIOR	CURRENT	TOTAL	
Corridor Resurfacing	$ 4,358,198	$ 9,327,217	$ 1,881,285	$ 7,445,932	$ 9,327,217	100%
Subdivisions Resurfacing	9,441,915	15,853,904	14,242,725	4,665	14,247,390	90%
Bridges	19,567,840	19,567,840	119,159	134,956	254,115	1%
ATMS - Flat Shoals Road	1,000,000	1,000,000	253,059	9,750	262,809	26%
Operation and Safety Improvement Projects	1,776,144	1,776,144	1,347,696	418,698	1,766,394	99%
Bike/Ped Projects	290,330	290,330	59,600	230,730	290,330	100%
Quick Response Projects (2%)	969,439	969,439	509,473	-	509,473	53%
PM/CM (5.5%)	3,077,183	3,077,183	1,197,615	173,437	1,371,052	45%
TOTAL TSPLOST	$ 40,481,049	$ 51,862,057	$ 19,610,612	$ 8,418,168	$ 28,028,780	

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.

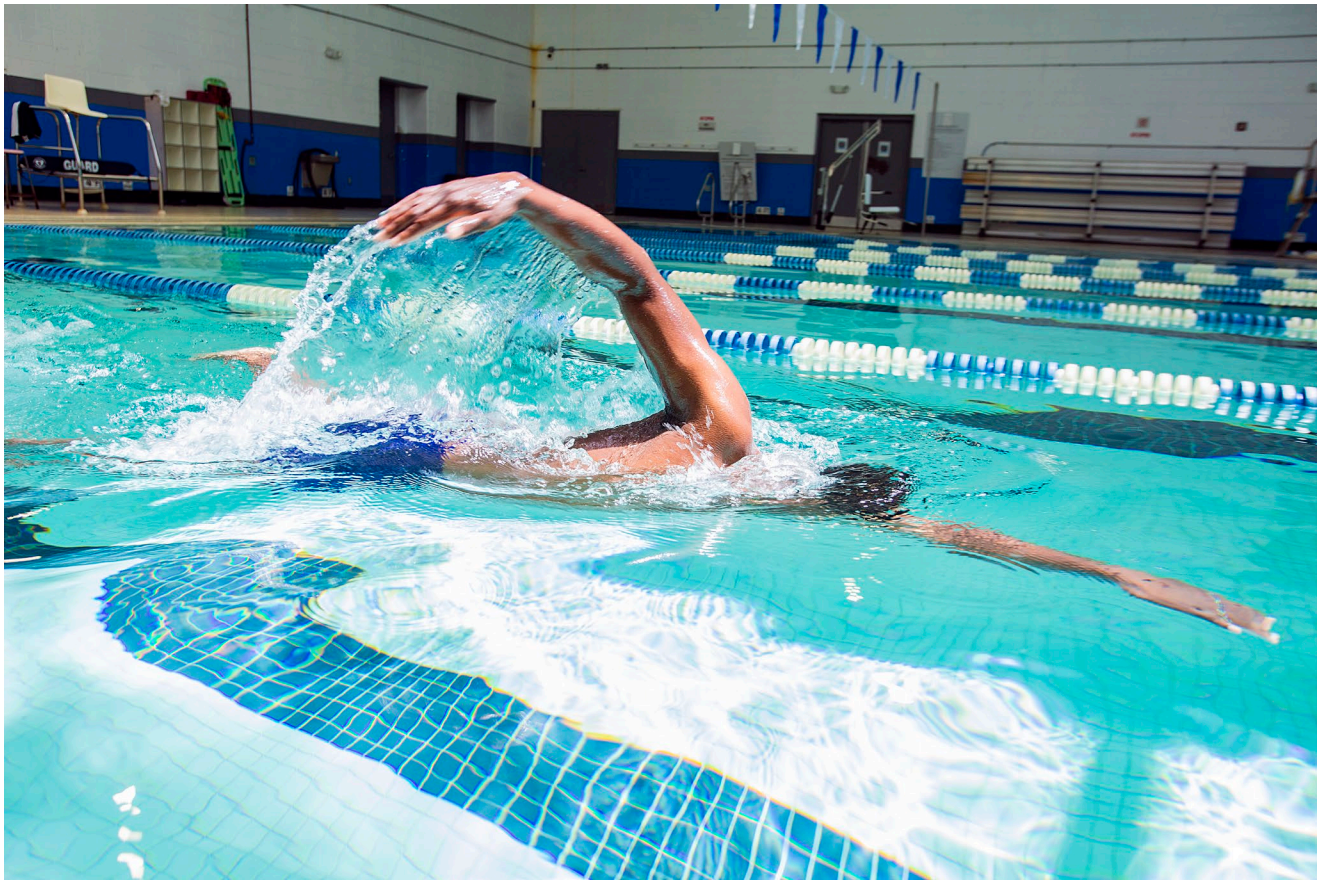


COMPONENT UNIT

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, 2022

	Development Authority Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments to suppliers and service providers	$ (390,659)
Net cash used in operating activities	(390,659)
Net decrease in cash and cash equivalents	(90,984)
Cash and cash equivalents:	
Beginning of fiscal year	173,370
End of fiscal year	$ 82,386
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	$ (90,986)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Change in assets and liabilities:	
Increase in due from primary government	(298,013)
Decrease in due to primary government	(1,660)
Net cash used in operating activities	$ (390,659)



STATISTICAL SECTION

STATISTICAL SECTION

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

Page

Financial Trends **60**

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 **62**

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

Debt Capacity **69**

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 **72**

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 **75**

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 annual comprehensive financial report.

CITY OF SOUTH FULTON, GEORGIA
NET POSITION BY COMPONENT
LAST SIX FISCAL YEARS
(accrual basis of accounting)

	2022	2021	2020	2019	2018	2017
Governmental activities:						
Net investment in capital assets	$ 267,120,367	$ 265,092,995	$ 268,365,263	$ 270,736,966 *1*	$ 13,090,650	$ 291,584
Restricted	30,286,712	51,456,443	29,289,044	22,457,468 *2*	-	-
Unrestricted	98,395,988	47,593,161	23,658,456	10,507,534	(7,935,621)	(6,155,811)
Total governmental activities net position	395,803,067	364,142,599	321,312,763	303,701,968	5,155,029	(5,864,227)
Business-type activities:						
Net investment in capital assets	605,334 *4*					
Unrestricted	(507,127)	-	- *3*	196,528 *3*	-	-
Total business-type activities net position	98,207	-	-	196,528	-	-
Primary government:						
Net investment in capital assets	267,725,701	265,092,995	268,365,263	270,736,966	13,090,650	291,584
Restricted	30,286,712	51,456,443	29,289,044	22,457,468	-	-
Unrestricted	97,888,861	47,593,161	23,658,456	10,704,062	(7,935,621)	(6,155,811)
Total primary government net position	$ 395,901,274	$ 364,142,599	$ 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 Annual Comprehensive Financial Report for fiscal year 2019, 2020 and 2021.
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.
4 During fiscal year 2022, the City created a Stormwater Fund which was reported as a proprietary fund.

CITY OF SOUTH FULTON, GEORGIA
CHANGES IN NET POSITION
LAST SIX FISCAL YEARS
(accrual basis of accounting)

	2022	2021	2020	2019	2018	2017
Expenses						
Governmental activities:						
General government	$ 13,957,887	$ 14,027,988	$ 14,031,490	$ 7,562,293	$ 4,508,869	$ 1,375,830
Judicial	841,461	785,886	778,800	849,522	622,080	10,278
Public safety	38,794,443	30,115,600	33,300,498	26,421,034	32,787,168	12,113,136
Public works	24,218,977	22,537,237	22,772,513	16,615,373	7,339,476	1,798,802
Parks, recreation, and, cultural affairs	4,740,482	4,418,031	4,198,093	2,642,631	4,987,263	1,813,405
Housing and development	7,484,200	6,045,466	4,936,332	4,192,784	2,828,989	862,905
Interest on long-term debt	651,701	562,641	750,365	62,810	322,566	20,233
Total governmental activities expenses	90,689,151	78,492,849	80,768,091	58,346,447	53,396,411	17,994,589
Business-type activities:						
Stormwater	346,943 *4*	-	-	-	-	-
Development	-	-	-	3,472 *3*	-	-
Total business-type activities expenses	346,943	-	-	3,472	-	-
Program revenues						
Governmental activities:						
Charges for services:						
General government	926	-	1,494	518	650	250,382
Judicial	2,053,951	724,712	429,389	452,019	274,348	-
Public safety	5,583,928	4,618,849	491,023	353,659	166,004	503,671
Parks, recreation, and, cultural affairs	209,566	193,086	194,990	559,745	338,751	140,843
Housing and development	5,434,857	3,168,394	3,710,553	2,278,878	1,927,579	495,833
Operating grants and contributions	115,362	34,114,476	22,953,889	27,066,418 *2*	3,630,149	-
Capital grants and contributions	22,207,336	-	-	262,902,562 *1*	13,029,454	157,313
Total governmental activities program revenues	35,605,926	42,819,517	27,781,338	293,613,799	19,366,935	1,548,042
Net (expense)/revenue:						
Governmental activities	(55,083,225)	(35,673,332)	(52,986,753)	235,267,352	(34,029,476)	(16,446,547)
Business-type activities	(346,943)	-	-	(3,472)	-	-
Total primary government net (expense) revenue	$ (55,430,168)	$ (35,673,332)	$ (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	$ 32,693,719	$ 29,040,306	$ 29,389,742	$ 30,265,167	$ 14,625,008	$ -
Title ad valorem taxes	1,987,254	2,053,265	1,658,468	395,350	854,804	340,407
Sales taxes	32,626,606	27,738,613	24,254,078	26,442,415	24,650,013	9,708,371
Franchise taxes	5,651,812	7,533,433	4,113,950	3,058,729	1,760,981	328,410
Business taxes	3,035,599	1,971,342	1,772,707	2,050,459	1,946,092	15,647
Alcoholic beverage excise taxes	677,828	645,114	332,706	262,382	301,332	113,744
Hotel/motel taxes	637,995	320,044	121,792	123,192	93,044	-
Transfer taxes	2,300,583	2,008,924	1,300,427	638,534	277,621	-
Insurance premium taxes	7,127,261	6,900,029	7,154,213	8,400	4,809	-
Other taxes	434,402	199,622	188,207	7,621	2,762	75,668
Interest	4,771	3,823	2,315	1,121	232	73
Miscellaneous revenues	11,013	88,653	308,943	174,744	573,570	-
Gain on sale of capital assets	-	-	-	-	9,937	-
Transfers	(445,150)	-	-	(200,000)	-	-
Total governmental activities	86,743,693	78,503,168	70,597,548	63,228,114	45,100,205	10,582,320
Business-type activities:						
Transfers	445,150	-	-	200,000	-	-
Total business-type activities	445,150	-	-	200,000	-	-
Total primary government	$ 87,188,843	$ 78,503,168	$ 70,597,548	$ 63,428,114	$ 45,100,205	$ 10,582,320
Change in Net Position						
Governmental and business-type activities	$ 31,758,675	$ 42,829,836	$ 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 Annual Comprehensive Financial Report for fiscal year 2019, 2020 and 2021.

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.

4 During fiscal year 2022, the City created a Stormwater Fund which was reported as a proprietary fund.

CITY OF SOUTH FULTON, GEORGIA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST SIX 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
2021	29,040,306	2,053,265	27,738,613	7,533,433	1,971,342	320,044	9,753,689	78,410,692
2022	32,693,719	1,987,254	32,626,606	5,651,812	3,035,599	637,995	10,540,074	87,173,059

Source: City's financial statements for the period and fiscal year 2017 and 2018, respectively, and Annual Comprehensive Financial Report for fiscal year 2019, 2020 and 2021.
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 SIX FISCAL YEARS
(modified accrual basis of accounting)

	2022	2021	2020	2019	2018	2017
General Fund						
Nonspendable - Prepaid items	$ 1,474,022	$ 416,201	$ 1,133,837	$ 1,202,681	$ 266,617	$ 22,720
Nonspendable - Inventory	163,121	3,262	3,175	29,354	23,289	-
Committed - Tree replacement	1,167,167	112,301	427,489	-	-	-
Assigned - Appropriations for next fiscal year's budget	1,603,281	-	-	-	-	-
Unassigned	74,849,555	60,114,088	26,249,230	9,374,794	(8,980,724)	(6,562,595)
Total General fund	$ 79,257,146	$ 60,645,852	$ 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	229	9,749	24,607	13,663	51,473	-
Restricted - Capital projects	50,851,169	37,490,891	29,098,591	22,289,952	-	-
Restricted - Public safety	240,192	261,181	154,647	142,654	-	-
Restricted - Development	138,995	1,052	-	-	-	-
Committed - Capital projects	-	13,087,936	16,355,094	-	-	-
Assigned - Public safety	212,820	-	-	-	-	-
Assigned - Capital projects	7,742,317	1,050	1,050	1,059,381	489,967	-
Unassigned (deficit)	-	-	(139,339)	(409,568)	(409,568)	-
Total all other governmental funds	$ 59,185,722	$ 50,851,859	$ 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 Annual Comprehensive Financial Report for fiscal year 2019, 2020 and 2021.
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 SIX FISCAL YEARS
(modified accrual basis of accounting)

	2022	2021	2020	2019	2018	2017
Revenues						
Taxes	$ 86,472,220	$ 78,282,343	$ 70,280,501	$ 63,072,251	$ 44,575,456	$ 10,198,183
Licenses and permits	5,132,836	3,016,223	3,615,853	2,209,578	1,822,564	716,326
Fines and forfeitures	2,107,867	831,246	498,933	668,616	278,348	33,130
Charges for services	6,042,525	4,857,223	712,663	766,625	606,420	641,273
Intergovernmental	27,436,658	27,983,121	22,803,351	27,153,510	3,122,290	-
Interest income	4,771	3,823	2,315	1,121	232	73
Contributions and donations	11,013	66,500	11,500	1,600	10,600	-
Miscellaneous revenues	20,606	22,153	297,443	173,144	573,570	-
Total revenues	127,228,496	115,062,632	98,222,559	94,046,445	50,989,480	11,588,985
Expenditures						
Current:						
General government	14,857,575	14,194,414	13,632,498	7,447,034	4,339,235	1,510,101
Judicial	852,764	804,873	765,531	838,857	612,473	10,278
Public safety	38,040,062	29,758,622	27,667,294	27,128,928	31,764,104	12,113,136
Public works	19,315,062	18,659,367	17,326,632	11,355,545	7,339,476	1,798,802
Parks, recreation, and, cultural affairs	5,111,581	4,213,251	3,714,549	2,443,333	4,862,923	1,813,405
Housing and development	7,524,725	6,151,402	4,845,484	4,139,461	2,735,477	862,905
Capital outlay	13,414,541	4,694,465	10,353,823	1,849,565	-	-
Debt service:						
Principal	2,570,669	1,841,163	598,781	5,743	-	-
Interest	651,149	562,039	369,764	62,810	322,566	20,233
Debt issuance costs	552	602	380,601	-	-	-
Total expenditures	102,338,680	80,880,198	79,654,957	55,271,276	51,976,254	18,128,860
Excess (deficiency) of revenues over (under) expenditures	24,889,816	34,182,434	18,567,602	38,775,169	(986,774)	(6,539,875)
Other financing sources (uses)						
Financed purchases from direct borrowings	1,680,556	4,006,896	3,534,970	2,706,585	-	-
Proceeds from sale of capital assets	819,935	-	-	-	9,937	-
Bond issuance	-	-	17,020,000	-	-	-
Transfers in	12,723,871	2,036,522	4,656,076	1,142,288	1,083,805	-
Transfers out	(13,169,021)	(2,036,522)	(4,656,076)	(1,342,288)	(1,083,805)	-
Total other financing sources (uses)	2,055,341	4,006,896	20,554,970	2,506,585	9,937	-
Net change in fund balances	$ 26,945,157	$ 38,189,330	$ 39,122,572	$ 41,281,754	$ (976,837)	$ (6,539,875)
Debt service as a percentage of noncapital expenditures	3.8%	3.2%	1.4%	0.1%	0.6%	0.1%

Source: City's financial statements for the period and fiscal year 2017 and 2018, respectively, and Annual Comprehensive Financial Report for fiscal year 2019, 2020 and 2021.
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 SIX 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%
2021	3,422,604,840	334,206,280	3,621,500	126,432,190	3,886,864,810	9,717,162,025	12.899	40%
2022	4,834,564,800	935,284,700	3,923,990	137,799,829	5,911,573,319	14,778,933,298	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 SIX CALENDAR YEARS

(rate per $1,000 of assessed value)

	South Fulton			Fulton County			School District				Total Direct and
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	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
2021	12.899	0.000	12.899	9.899	0.220	10.119	17.590	0.000	17.590	0.000	40.608
2022	12.899	0.000	12.899	8.870	0.220	9.090	17.240	0.000	17.240	1.000	39.229

Source: GA Dept of Revenue - Property Tax Millage Rates

CITY OF SOUTH FULTON, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND FIVE YEARS AGO

	2022			2017		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
HODGES M D ENTERPRISES INC	$ 44,531,360	1	0.75%			
GEORGIA POWER COMPANY	44,114,988	2	0.75%			
DEVELOPMENT AUTHORITY OF FULTON COUNTY	38,720,668	3	0.65%			
C K S PACKAGING INC	35,890,099	4	0.61%			
SVC MANUFACTURING INC	35,808,080	5	0.61%			
NATIONAL DISTRIBUTING CO INC	26,760,000	6	0.45%			
COLONIAL PIPELINE COMPANY	22,940,785	7	0.39%			
CROWN CASTLE FIBER LLC	20,843,120	8	0.35%			
CSX TRANSPORTATION INC	20,339,777	9	0.34%			
5474 OAKLEY INDUSTRIAL BLVD GA OWNER LLC	17,360,000	10	0.29%			
				$ 61,845,410	1	1.86%
COCA COLA COMPANY, THE				36,380,330	2	1.10%
K P R US LLC				29,901,710	3	0.90%
COX ENTERPRISES INC				27,073,110	4	0.82%
HOMER LEASE COMPANY INC				26,017,040	5	0.78%
NATIONAL DISTRIBUTING CO INC				22,444,510	6	0.68%
UNITED NATURAL FOODS INC				15,864,840	7	0.48%
INTERCONTINENTAL EXCHANGE HOLDINGS INC				13,965,000	8	0.42%
CEAI SANDTOWN VISTA LLC & ZP FUND III LLC				12,950,830	9	0.39%
SVC MANUFACTURING INC				12,056,440	10	0.36%
WALTON LAKES LLC						
	$ 307,308,877		5.20%	$ 258,499,220		7.79%

CITY OF SOUTH FULTON, GEORGIA

PROPERTY TAX LEVIES AND COLLECTIONS
LAST SIX 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%	$ 14,277,178	$ 14,277,178	99.04%	$ 138,176
2018	28,734,768	2,534,295	8.8%	26,091,800	28,626,095	99.62%	108,673
2019	27,536,893	4,168,449	15.1%	23,239,038	27,407,487	99.53%	129,406
2020	29,459,979	806,861	2.7%	28,504,667	29,311,528	99.50%	148,451
2021	32,270,545	1,102,223	3.4%	30,648,814	31,751,037	98.39%	519,508
2022	48,178,873	1,163,871	2.4%	-	1,163,871	2.42%	47,015,002

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 SIX FISCAL YEARS

Fiscal Year Ended September 30,	Governmental Activities				Percentage of Personal Income (1)	Per Capita (1)
	Financed Purchases	Revenue Bonds	Lease Liabilities	Total		
2017	$ -	$ -	$ -	$ -	- %	$ -
2018	-	-	-	-	-	-
2019	2,700,842	-	-	2,700,842	-	93.68
2020	5,637,031	17,020,000	-	22,657,031	0.69%	683.76
2021	8,442,764	16,380,000	-	24,822,764	0.81%	801.12
2022	4,845,999	15,720,000	1,355,587	21,921,586	0.51%	566.67

Source: City's financial statements for the period and fiscal year 2017 and 2018, respectively, and Annual Comprehensive Financial Report for fiscal year 2019, 2020 and 2021.

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, 2022

Governmental Unit	Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
Overlapping Debt			
Fulton County, Georgia	$ 489,664,000	7.27 %	$ 35,598,573
Fulton County School District	11,878,330	13.82 %	1,641,585
City of South Fulton, Georgia direct debt	21,921,586	100 %	21,921,586
Total direct and overlapping debt	$ 523,463,916		$ 59,161,744

Source: Fulton County Annual Comprehensive Financial Report 2022

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 SIX FISCAL YEARS

	2017	2018	2019	2020	2021	2022
Debt limit	$ 767,497,416	$ 331,717,619	$ 337,023,993	$ 359,850,353	$ 388,686,481	$ 591,157,332
Total net debt applicable to limit	-	-	-	-	-	-
Legal debt margin	$ 767,497,416	$ 331,717,619	$ 337,023,993	$ 359,850,353	$ 388,686,481	$ 591,157,332
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin	
Assessed value	$ 5,911,573,319
Add back: exempt real property	-
Total assessed value	5,911,573,319
Debt limit (10% of total assessed value)	591,157,332
Debt applicable to limit	
General obligation bonds	-
Legal debt margin	$ 591,157,332

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 SIX 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	5.50
2021	98,586	3,054,687,210	30,985	37.3	27,933	5.60
2022	111,151	4,299,876,435	38,685	39.6	27,605	4.30

(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 FOUR YEARS AGO

	2022			2018		
Employer	Employees (1)	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment (1)
UNITED PARCEL SERVICE, INC.	1050	1	5.72 %			
WALMART STORES EAST LP	803	2	4.37			
TIE DOWN INC.	798	3	4.35			
ALL-N-1 SECURITY SERVICES, INC	400	4	2.18			
PEPSICO-GATORADE	384	5	2.09			
GENERAL WHOLESALE COMPANY	382	6	2.08			
DIAZ WHOLESALE & MFG CO., INC.	275	7	1.50			
HOOD CONTAINER CORPORATION	259	8	1.41			
CKS PACKAGING, INC.	245	9	1.33			
NOVO HEALTH SERVICES, LLC	234	10	1.27			
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	4830		26.30 %	1043		26.12 %

(1) Source: South Fulton Business Permit Renewals

CITY OF SOUTH FULTON, GEORGIA

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

Function/Program	2017	2018	2019	2020	2021	2022
General Government						
Legislative	-	-	-	-	14	14
Administration	3	6	8	8	12	3
City Clerk	3	3	4	3	5	3
Finance	2	9	15	14	20	15
Licensing	3	3	3	3	3	-
Purchasing	1	1	3	3	4	1
Legal	-	-	-	-	5	5
Human Resources	2	3	5	3	5	7
Communication	1	2	5	4	5	3
Risk Management	-	-	-	-	1	1
Information Technology	2	2	9	4	10	2
Development Services	7	23	23	-	-	5
General Services	-	-	-	-	14	-
Judicial						
Municipal Court	-	5	7	7	8	6
Housing and Development						
Community Development and Regulatory Affairs	7	23	23	-	28	16
Economic Development	-	1	4	2	7	16
Code Enforcement	15	17	15	32	19	4
Public Safety						
Police	161	161	178	154	246	142
Fire	173	173	178	159	202	161
Public Works						
Building and Grounds	-	-	15	12	15	20
Stormwater	-	-	-	-	3	-
Parks and Recreation						
Parks and Recreation	80	64	77	48	77	34
Cultural Affairs	-	-	-	-	10	8
Total	460	496	572	456	713	466

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 2,184 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 SIX FISCAL YEARS

Function	2017	2018	2019	2020	2021	2022
General Government						
Ordinances approved	41	52	36	39	35	40
Software applications supported	N/A	N/A	N/A	N/A	N/A	N/A
Grants managed	-	2	3	5	19	5
Police						
Calls for service						
Part 1 crimes reported	-	49,718	77,536	91,690	83,539	95,243
Traffic citation issued	-	4,789	4,032	3,375	2,802	2,089
Physical arrest	-	426	5,156	4,339	6,907	9,527
	-	1,011	2,031	1,809	2,536	3,353
Fire						
Incident responses*	4,541	13,048	15,946	17,097	18,161	21,835
Average response time	6:54	7:02	7:03	0	10:16	8:17
Fire safety education classes	90	539	127	58	2	14
Smoke alarm installed	94	207	273	88	34	46
Inspection conducted	667	539	867	1,238	1,389	1,559
Public Works						
Average days to repair pothole	N/A	8	4	3	3	3
Traffic signaled timed	N/A	N/A	N/A	N/A	N/A	N/A
Community Development						
New building permits issued	N/A	2,194	2,643	2,654	4,549	7,351
Parcels annexed	-	-	1	-	-	-
Culture and Recreation						
Annual program	N/A	N/A	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 fiscal year 2017.
*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 SIX FISCAL YEARS

Function/Program	2017	2018	2019	2020	2021	2022
Police						
Police stations	-	3	4	4	4	4
Patrol units and support vehicles	-	113	139	139	173	173
Police motorcycles	-	8	8	8	8	8
Segway	-	2	2	2	2	2
Fire (Services transferred in 2018)						
Fire stations	-	9	9	9	9	9
Ladder units - front line	2	2	2	2	2	2
Ladder units - reserved	1	-	1	1	1	1
Engines - front line	10	9	9	9	9	9
Engines - reserved	2	1	2	2	2	2
Public Works						
Streets paved - (miles)	514	518	534	534	534	534
Streets unpaved - (miles)	25	22	20	20	20	20
General Government						
Land (acres)	-	-	-	-	-	-
Buildings						
Owned	-	27	27	27	27	27
Leased	-	5	5	5	5	5
Vehicles						
Owned	-	249	249	247	247	247
Leased	-	10	26	27	31	31
Parks - active and passive						
Park acreage (excluding Tom Lowe)	693	693	720	720	720	720
Greenway and walking trails (miles)*	2	2	2	2	2	2
Adaptive athletic fields	7	7	7	7	7	7
Athletic fields	29	29	29	29	29	29
Swimming pools**	2	2	2	2	2	2
Tennis courts***	47	47	47	47	47	47
Recreation buildings	9	9	10	10	10	10
Playgrounds/ADA	14/1	14/1	14/1	14/1	14/1	14/1
Picnic shelters/restrooms	20	20	20	20	20	20
Concession stands/offices	5	5	5	5	5	5
Restrooms (outdoor)	22	22	22	22	22	22
Basketball courts (outdoor)	5	5	5	5	5	5
Gymnasiums	3	3	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 trails/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