CITY OF South Fulton
A City on the RISE! Georgia

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended
September 30, 2023

CITY OF SOUTH FULTON, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023



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

INTRODUCTORY SECTION
(Unaudited)

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



CITY OF SOUTH FULTON, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

TABLE OF CONTENTS

Page Number

INTRODUCTORY SECTION

Table of Contents ..... i and ii
Letter of Transmittal ..... iii-x
Organizational Chart xi
List of Principal Officials xii

FINANCIAL SECTION

Independent Auditor's Report 1-4
Management's Discussion and Analysis 5-16
Basic Financial Statements:
Government-Wide Financial Statements
Statement of Net Position 17
Statement of Activities 18
Fund Financial Statements
Balance Sheet – Governmental Funds 19
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds 20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 21
Statement of Net Position – Proprietary Funds 22
Statement of Revenues, Expenditures, and Changes in Fund Net Position – Proprietary Funds 23
Statement of Cash Flows – Proprietary Funds 24
Notes to Financial Statements 25-48
Required Supplementary Information:
General Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (GAAP Basis) 49-51
American Rescue Plan Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (GAAP Basis) 52
Combining and Individual Fund Statements and Schedules:
Combining Balance Sheet – Nonmajor Governmental Funds 53
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds 54
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (GAAP Basis) – Confiscated Assets Fund 55
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (GAAP Basis) – Multiple Grant Fund 56
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (GAAP Basis) – Eastside TAD Fund 57

CITY OF SOUTH FULTON, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

TABLE OF CONTENTS (CONTINUED)

FINANCIAL SECTION (Continued)

Combining and Individual Fund Statements and Schedules (Continued):

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (GAAP Basis) – Westside TAD Fund 58

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (GAAP Basis) – Hotel/Motel Tax Fund 59

Schedule of Expenditures of Transportation Special Purpose Local Option Sales Tax Proceeds 60

Statement of Cash Flows – Component Unit – Development Authority 61

STATISTICAL SECTION

Net Position by Component 62

Changes in Net Position 63

Governmental Activities Tax Revenues by Source 64

Fund Balances of Governmental Funds 65

Changes in Fund Balances of Governmental Funds 66

Assessed Value and Estimated Actual Value of All Taxable Property 67

Property Tax Rates – All Overlapping Governments 68

Principal Property Taxpayers 69

Property Tax Levies and Collections 70

Ratios of Outstanding Debt by Type 71

Direct and Overlapping Governmental Activities Debt 72

Legal Debt Margin Information 73

Demographic and Economic Statistics Information 74

Principal Employers 75

Full-Time Equivalent City Government Employees by Function 76

Operating Indicators by Function 77

Capital Asset Statistics by Function 78

OFFICE OF THE
CITY MANAGER

SHARON D. SUBADAN, ICMA-CM, MPS, CPM
CITY MANAGER

June 20, 2025

HONORABLE MAYOR & CITY COUNCIL

khalid kamau
MAYOR

DR. CATHERINE F. ROWELL
DISTRICT 1

CARMALITHA GUMBS
DISTRICT 2

HELEN ZENOBIA WILLIS
DISTRICT 3

JACEEY SEBASTIAN
DISTRICT 4

KEOSHA B. BELL
DISTRICT 5

NATASHA WILLIAMS-BROWN
DISTRICT 6

LINDA BECQUER PRITCHETT
DISTRICT 7

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

Ladies and Gentlemen:

The Finance Department is pleased to present the Annual Comprehensive Financial Report (ACFR) of the City of South Fulton, Georgia (the "City") for the fiscal year ended September 30, 2023, 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), which 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 $550,000.00 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 the accuracy, completeness, and fairness of the presentation, including disclosures, rests with the management. We believe the data, as presented, is accurate in all material respects and presented fairly 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. To provide a reasonable basis for making these representations, the City has established an internal control framework that is designed to both protect the government's assets from loss, theft or misuse, and to compile sufficient reliable information for the presentation of the City's financial statements that are in conformance with GAAP. The cost of internal controls should never outweigh their benefits. The City's framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements are free from material misstatement. As management, we assert, to the best of our knowledge and belief, that the ACFR is complete and reliable in all material respects. Mauldin & Jenkins, LLC, Certified Public Accountants, issued an unmodified ("clean") opinion on the City of South Fulton's financial statements for the fiscal year ended September 30, 2023.

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 multiple provisions of Uniform Guidance, audits of programs receiving federal grants have been performed for the fiscal year ended September 30, 2023. 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, the 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 in conformity 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 consisted of incorporated communities in Southern Fulton County. The city was chartered on May 1, 2017. It is comprised of 94.2 square miles that include 17 parks totaling 692 acres, 9 Fire Stations, and 4 Police Precincts. The city is 10 miles west of the world's busiest airport, Hartsfield Jackson Atlanta International Airport.

Profile of the Governments

- *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 bordering the 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 City of South Fulton is one of nine cities with a Council-Mayor form of Government. The current population for 2023 is 110,911 (down 247 or - 0.22 percent) from 111,158 in 2022. The 2023 population is up 3,475 (or 3.23 percent) 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, including consolidated governments, and 4th for non-consolidated governments with 97,668 citizens.

- *General Structure* – The City of South Fulton is empowered to levy a property tax on real and personal property located within its boundaries. The State enables the city 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 are elected for the seven (7) districts and 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 annually. The City Manager is responsible for implementing organizational policies as 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, parks and recreation, and cultural affairs operation and maintenance. Property taxes, franchise fees, occupational taxes, local option sales taxes, and miscellaneous revenues primarily fund services.

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 operates the Wolf Creek Amphitheatre under a usage agreement with Fulton County, while the transfer is being negotiated, for hosting concerts, entertainment, and serving as a tourism venue. This activity is reported within the General Fund in fiscal year 2023.

- *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 Annual Comprehensive Financial Report.

    - *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. The SFDA works closely with the City's Economic Development Department and the City Council to promote economic growth.

    - *Downtown Development Authority (DDA)* – The DDA is responsible for the revitalization strategy for the two identified Tax Allocation District areas of the City of South Fulton. The DDA's mission is to encourage economic activity in the City of South Fulton's business districts by attracting businesses, residents, and visitors. The DDA works closely with the City's Economic Development Department and other city staff to attract new businesses and guide them through permitting. 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 City departments 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 presents the proposed budget to the Mayor and Council for review and input, 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 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 under Section 6.23 of the City's charter.

  The budget document includes the general fund, special revenue funds, enterprise funds, capital projects, Transportation Special Purpose Local Option Sales Tax (T-SPLOST) funds, and component units. 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 transparency and insight into the City's operations.

Factors Affecting the FY2023 Budget

On April 28, 2019, Governor Kemp signed House Bill 182 (HB 182) into effect beginning 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 requires 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 2023 budget and is very aware of present economic conditions and their effect on its citizens. While there were no contemplated increases to the rates of the business-type activities, the City increased the Alcoholic Beverage License Tax in May 2023, effective for renewals beginning November 2023 (fiscal year 2024).

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 at the department level, with the Mayor and the City Council as the governing body authorized to amend 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* – Annual budgets are prepared by fund, function, and department, for example, General Government, Public Safety, Police, etc. A budget-to-actual comparison is provided in this report for each 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 the budget and with budget confirmation prior to the issuance of a purchase order.

- *Long-Term Financial Planning*—The City's policy is to maintain a minimum unassigned fund balance in its general fund of 25 percent of the prior year's operating expenditures. As of September 30, 2023, the General Fund balance is $102,613,600 (125%) of annual operating expenditures. Excess fund balances over the reserve requirements (if any) will be used to fund non-recurring expenditures. The City will develop a five-year capital plan to strategize growth and investment in future capital needs.

City of South Fulton's Economic Outlook

- *Local Economy* – The fiscal year 2023 presented opportunities for continued economic and fiscal recovery. Economic resilience and recovery served the City well in its continued development. Property values are increasing, businesses are investing, and the local economy is growing.

  Looking ahead to fiscal year 2024, the City of South Fulton is positioned for continued economic expansion driven by several key factors. Anticipated development projects along the Fulton Industrial Boulevard corridor and in the Highway 92 commercial area are expected to broaden the tax base and attract new business investment. The City is also exploring infrastructure enhancements to improve transportation connectivity and support population growth. Housing development activity remains strong, reflecting sustained demand and residential interest in the area. Additionally, the City continues to monitor labor market dynamics and broader economic conditions to inform workforce development and strategic planning initiatives. In response to the growing city and demands for services, the City will invest in its workforce by raising the minimum wage to $20/hour for all employees and implementing pay and classification study recommendations to build and stabilize the workforce. Additional public safety officers in Police and Fire will be added. Investing in public spaces will improve the walkability of the community and expand the functionality of public parks. These forward-looking efforts will help guide policy decisions and resource allocation in the upcoming fiscal year.

  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 funds). Business-type activities, such as the Solid Waste Fund, operate for profit, and proceeds are reinvested into infrastructure (new refuse hauling vehicles, trash receptacles, and other capital investments) and environmental cleanup.

Currently Known Conditions Affecting Future Operations

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, the Treasury released an interim final rule implementing the new eligible uses. The 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.

Acknowledgments

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 Chief Financial Officer, other Finance staff, and supporting departments, as well as the certified public accounting firm, Mauldin & Jenkins, LLC, for making this report possible.

This ACFR reflects our ongoing commitment to the citizens of the City of South Fulton. A City On The Rise!

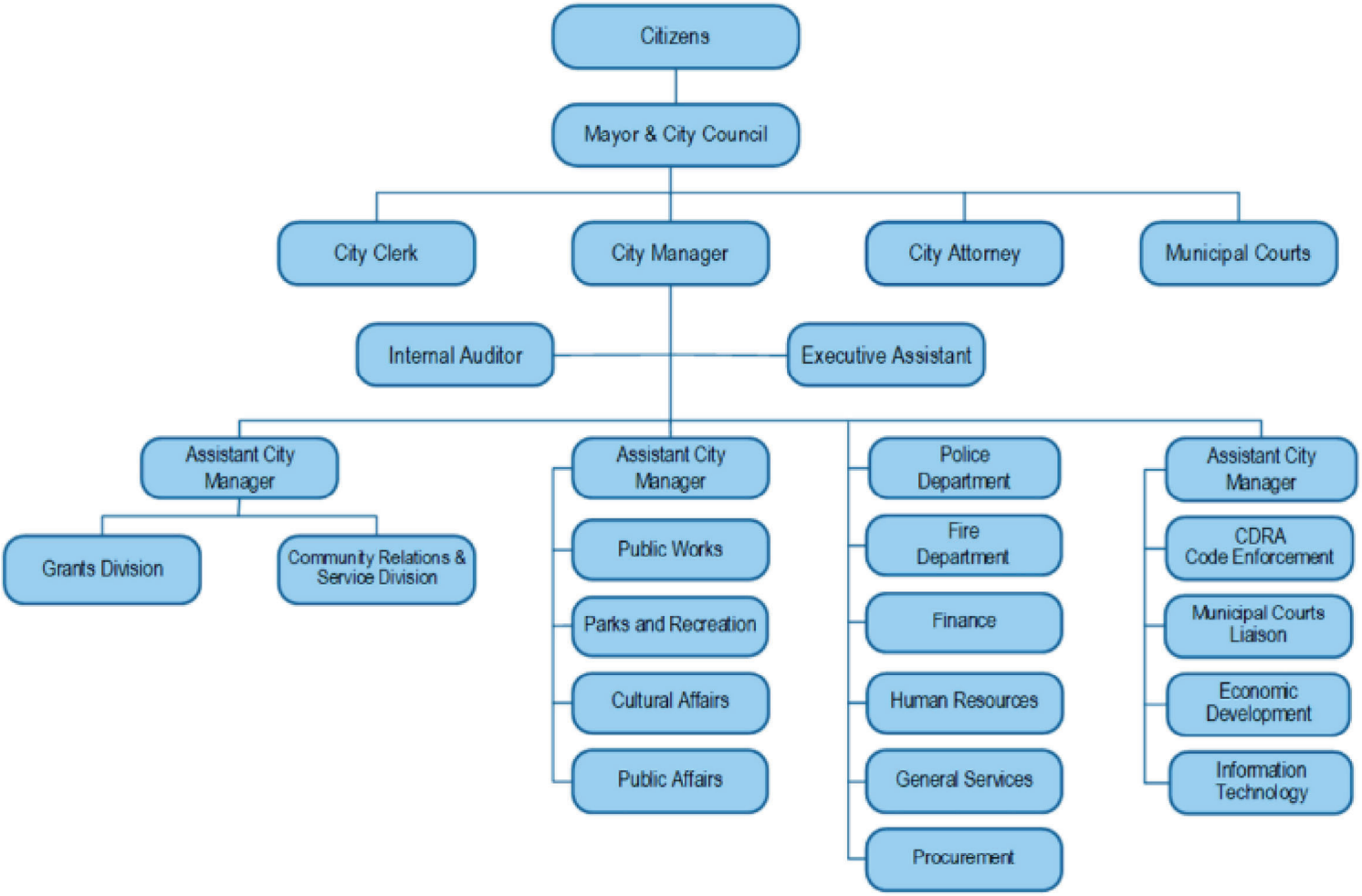
Respectfully submitted,

Sharon D. Subadan, ICMA-CM, MPS, CMP
City Manager

Althea Philord-Bradley
Chief Financial Office

CITY OF SOUTH FULTON, GEORGIA

ORGANIZATIONAL CHART
JUNE 20, 2025



CITY OF SOUTH FULTON, GEORGIA

LIST OF PRINCIPAL OFFICIALS
SEPTEMBER 30, 2023

Mayor

khalid kamau

Council Members

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

Appointed Officials

City Manager	Ms. Sharon Subadan
City Attorney	Vincent D. Hyman
City Clerk	Corey Adams

Directors

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

FINANCIAL SECTION

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



MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

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

Report on the 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, 2023, 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, 2023, 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.

200 GALLERIA PARKWAY S.E., SUITE 1700 • ATLANTA, GEORGIA 30339-5946 • 770-955-8600 • FAX 770-980-4489 • www.mjcpa.com
MEMBERS OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

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 American Rescue Plan 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 June 20, 2025, 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
June 20, 2025

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 City's financial activities for the fiscal year ended September 30, 2023. 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.

The government's policy-making and legislative authority is vested in the mayor and the seven Council Members elected for four years. Council Members are elected by district, and the mayor is elected at large by popular vote. Terms of office begin after the election is certified and the swearing-in to 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 can levy a property tax on real and personal property within its boundaries. It 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 $450,554,142 (net position), which includes an unrestricted balance of $116,244,538.

- As of the close of the current fiscal year, the City's governmental funds reported a combined ending **fund balance** of $187,736,442, an increase of $51,179,455 over the prior fiscal year.

- At the end of the current fiscal year, the unassigned fund balance for the General Fund was $96,037,624 or 117% of total General Fund expenditures. The unassigned General Fund balance increased $21,188,069 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 have been significant. Rightly so, this has been the focus of the City since its 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 have 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 be firmly established. Being a new City, it brings with it the positives 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 17 and 18 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, American Rescue Plan Fund and TSPLOST Fund, all of which are considered as major funds. Data from the other seven (7) 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 19 through 21 of this report.

The City adopts an annual appropriated budget for its major and non-major 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 25 through 48 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 American Rescue Plan Fund as presented on a generally accepted accounting principal basis in this section. Required supplementary information can be found on pages 49-52 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 53 through 61 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 62 through 78 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 $395,803,067 to $448,995,149 in 2023. Our analysis below focuses on the net position (**Table 1**) compared to the previous fiscal year.

City of South Fulton, Georgia's Statement of Net Position

Table 1	Governmental Activities		Business-Type Activities		Government-Wide Total	
	9/30/2023	9/30/2022 Restated	9/30/2023	9/30/2022 Restated	9/30/2023	9/30/2022 Restated
ASSETS						
Curent assets	$ 267,076,510	$ 219,044,193	$ 7,580,998	$ 128,588	$ 274,657,508	$ 219,172,781
Current assets, net	281,864,490	279,279,518	534,289	605,334	282,398,779	279,884,852
Total assets	**548,941,000**	**498,323,711**	**8,115,287**	**733,922**	**557,056,287**	**499,057,633**
LIABILITIES						
Curent liabilities	29,455,854	36,786,190	6,556,294	635,715	36,012,148	37,421,905
Long-term liabilities	18,321,192	20,283,173	-	-	18,321,192	20,283,173
Total liabilities	**47,777,046**	**57,069,363**	**6,556,294**	**635,715**	**54,333,340**	**57,705,078**
DEFERRED INFLOWS OF RESOURCES						
Deferred revenues	52,168,805	47,337,162	-	-	52,168,805	47,337,162
Total deferred inflows of resources	**52,168,805**	**47,337,162**	**-**	**-**	**52,168,805**	**47,337,162**
NET POSITION						
Net investment in capital assets	263,479,743	267,120,367	534,289	605,334	264,014,032	267,725,701
Restricted	70,295,572	28,680,198	-	-	70,295,572	28,680,198
Unrestricted (deficit)	115,219,834	98,116,621	1,024,704	(227,760)	116,244,538	97,888,861
Total net position	**$ 448,995,149**	**$ 393,917,186**	**$ 1,558,993**	**$ 377,574**	**$ 450,554,142**	**$ 394,294,760**

A significant portion of the City's net position, $264,014,032, 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 net investment in capital assets equals 58.6% of the total net position compared to 67.9% 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 $69,370,694 for capital projects, $359,563 for public safety, and $565,315 for development. The City reported an unrestricted net position of $116,244,538, which may be used to meet its ongoing obligations to its citizens and creditors.

Due to several factors, current assets increased by $54,484,727 or 25% from $219,172,781 to $274,657,508. The TSPLOST Fund had current fiscal year unspent revenues of $19,478,155, and the General Fund contributed to the increase with excess revenues over expenditures of $39,146,252 (excluding other financing sources (uses)). Total liabilities decreased by $3,371,738 or 6%. The reduction in financed purchases from direct borrowings ($1,605,322) and a decrease in revenue bonds from direct placement ($680,000) contributed to the reduced liabilities.

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

Table 2 — City of South Fulton, Georgia Statement of Activities

	Governmental Activities		Business-Type Activities		Total Primary Government	
	9/30/2023	9/30/2022*	9/30/2023	9/30/2022*	9/30/2023	9/30/2022
REVENUES						
Program Revenues						
Charges for services	$ 8,979,791	$ 13,283,228	2,911,391	$ 506,661	$ 11,891,182	$ 13,789,889
Operating grants and contributions	5,390,897	115,362	-	-	5,390,897	115,362
Capital grants and contributions	21,881,875	22,207,336	-	-	21,881,875	22,207,336
General revenues					-	-
Property taxes	49,681,348	32,693,719	-	-	49,681,348	32,693,719
Title ad valorem taxes	2,380,970	1,987,254	-	-	2,380,970	1,987,254
Sales taxes	34,694,331	32,626,606	-	-	34,694,331	32,626,606
Franchise taxes	6,643,310	5,145,151	-	-	6,643,310	5,145,151
Business taxes	4,751,491	3,035,599	-	-	4,751,491	3,035,599
Alcoholic beverage taxes	737,336	677,828	-	-	737,336	677,828
Hotel/motel taxes	630,638	637,995	-	-	630,638	637,995
Transfer taxes	1,439,300	2,300,583	-	-	1,439,300	2,300,583
Insurance premium taxes	8,925,282	7,127,261	-	-	8,925,282	7,127,261
Other taxes	372,145	434,402	-	-	372,145	434,402
Miscellaneous revenues	195,493	15,784	-	-	195,493	15,784
Transfers	(1,679,286)	(445,150)	1,679,286	445,150	-	-
Total revenues	145,024,921	121,842,958	4,590,677	951,811	149,615,598	122,794,769
EXPENSES						
General government	18,634,398	13,957,887	-	-	18,634,398	13,957,887
Judicial	845,303	841,461	-	-	845,303	841,461
Public safety	43,070,676	38,794,443	-	-	43,070,676	38,794,443
Public works	13,965,442	23,770,812			13,965,442	23,770,812
Culture and recreation	5,334,104	4,740,482	-	-	5,334,104	4,740,482
Housing and development	7,439,886	7,484,200	-	-	7,439,886	7,484,200
Interest on long-term debt	657,149	651,701	-	-	657,149	651,701
Stormwater	-	-	576,953	346,943	576,953	346,943
Sanitation	-	-	2,832,305	448,165	2,832,305	448,165
Total Expenses	89,946,958	90,240,986	3,409,258	795,108	93,356,216	91,036,094
Change in net position	55,077,963	31,601,972	1,181,419	156,703	56,259,382	31,758,675
Beginning net position, restated	393,917,186	362,315,214	377,574	220,871	394,294,760	362,536,085
Ending net position	**$ 448,995,149**	**$ 393,917,186**	**$ 1,558,993**	**$ 377,574**	**$ 450,554,142**	**$ 394,294,760**

* 2022 fund balance for the General Fund was restated to move the Sanitation Fund to a separate Enterprise Fund and fund balance for the TSPLOST Fund was restated to correct an error in the prior year balance related to receivables.

Governmental activities. The net position for governmental activities increased by $55,077,963 in fiscal year 2023, by $31,601,972 in fiscal year 2022, by $42,829,836 in fiscal year 2021, and by $17,610,795 in fiscal year 2020. The City's governmental activities are heavily reliant on taxes to support operations. A variety of taxes in the amount of $110,256,151 provided 76% of governmental revenues of general operations for fiscal year 2023.

The overall increase is from property taxes, which were up approximately $17 million, operating grants and contributions (up $5 million), local option sales taxes (up $4 million), housing and development revenues (up $1.7 million associated with licenses and permits), and insurance premium taxes (up approximately $1.8 million) compared to the prior fiscal year.

Governmental expenses decreased by $294K or less than 1% in fiscal year 2023. Expense controls and a change in service priorities resulted in minimal increases. A change in organizational priorities shifted expenses within the general government (increase of approximately $4.7 million), public safety (increase of $4.2 million), and public works (decrease of $9.8 million).

Business-Type activities. The net position for business-type activities increased by $1,181,419 in fiscal year 2023. Beginning June 1, 2023, the City created the Solid Waste Fund (Sanitation program) and separated the operating costs from the General Fund. Solid Waste program revenues were $2,911,391, and operating expenses were $2,832,305 for the fiscal year.

The City continued developing the Municipal Separate Storm Sewer System (MS4) Program. To support the MS4 initiative, the City transferred $1,679,286 to the Stormwater Utility Fund to cover operating expenses and infrastructure investment.

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, 2023, the General Fund had an unassigned fund balance of $96,037,624 that represents 117% of General Fund expenditures. Table 3 compares the operating results of the General Fund for fiscal years 2023 and 2022.

General Fund revenues increased by $19,739,915 or 19.43%. Sales taxes increased $2,067,725 or 6.34%. Property tax revenue increased by $18,003,466 or 56.52%. Business taxes increased by $1,715,892 or 56.53% due to continued enforcement programs. Insurance premium taxes increased by $1,798,021 or 25.23%. Other categories showed declines in revenue; transfer taxes decreased by $861,283 (37.44%). Licenses and permits declined by $1,880,800 (36.64%), reflecting a reduction in construction activity across the City. Fines and forfeitures were down by $1,055,983 (51.41%). Charges for services decreased by $1,500,267 (24.83%), primarily due to a decline in traffic camera citation revenues.

General Fund expenditures increased by $4,657,216 or 6.01%. The following programs increased expenditures over the prior fiscal year: General government $3,446,715 or 23.2%; and Public Safety $3,693,523 or 10.06%. The following experienced a decrease in expenditures: Public Works $2,296,772 or down 20.55%, and Housing and Development $856,413 or down 11.50%. Hiring additional staff and purchasing operational and equipment needs, such as police vehicles, computers, and furniture, contributed to the increases.

American Rescue Plan Fund. During fiscal year 2023, the City received $1,214,699 in American Rescue Plan funding, $16,805 in interest earnings, and spent $1,214,699 in American Rescue Plan expenditures related to various community programs.

TSPLOST Fund. During fiscal year 2019, the City established the TSPLOST I Fund to account for its share of the Transportation Special Purpose Local Option Sales Tax (TSPLOST) proceeds. Under this program, the City receives 16.55% of the total collections, which are first distributed to the County before being allocated to participating municipalities. In fiscal year 2021, the City ratified the creation of the TSPLOST II Fund. These funds are distributed to the City directly by the Georgia Department of Revenue. For fiscal year 2023, the City received $21,781,855 in TSPLOST II proceeds and $44,384 in interest earnings. Expenditures totaled $2,348,084 for the fiscal year, resulting in a cumulative ending fund balance of $67,969,892.

Proprietary Funds. This category of funds includes business-type activities or enterprise funds. The City has two programs that meet the criteria, the Sanitation Fund and the Stormwater Fund. The following is an analysis of the City's major proprietary fund.

Sanitation Fund. Effective June 1, 2023, the City transitioned its sanitation operations into a standalone Sanitation Fund, previously accounted for within the General Fund. For fiscal year 2023, the Sanitation program generated $2,911,391 in revenue and incurred $2,832,305 in operating expenses.

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Table 3 — City of South Fulton, Georgia, General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances

	9/30/2023	9/30/2022*	$ Increase (decrease)	% Increase (decrease)
Revenues				
Property taxes	$ 49,858,403	$ 31,854,937	$ 18,003,466	56.52%
Title ad valorem taxes	2,380,970	1,987,254	393,716	19.81%
Sales taxes	34,694,331	32,626,606	2,067,725	6.34%
Business taxes	4,751,491	3,035,599	1,715,892	56.53%
Franchise taxes	6,643,310	5,651,812	991,498	17.54%
Insurance premium taxes	8,925,282	7,127,261	1,798,021	25.23%
Transfer taxes	1,439,300	2,300,583	(861,283)	-37.44%
Alcoholic beverage taxes	737,336	677,828	59,508	8.78%
Other taxes	372,145	434,402	(62,257)	-14.33%
Licenses and permits	3,252,036	5,132,836	(1,880,800)	-36.64%
Fines and forfeitures	997,968	2,053,951	(1,055,983)	-51.41%
Charges for services	4,542,258	6,042,525	(1,500,267)	-24.83%
Intergovernmental	2,582,657	2,630,248	(47,591)	-1.81%
Interest income	132,554	4,771	127,783	2678.33%
Contributions and donations	250			
Miscellaneous revenues	1,500	11,013	(9,513)	-86.38%
Total revenues	**121,311,791**	**101,571,626**	**19,739,915**	**19.43%**
Expenditures				
General government	18,304,290	14,857,575	3,446,715	23.20%
Judicial	840,075	852,764	(12,689)	-1.49%
Public safety	40,405,745	36,712,222	3,693,523	10.06%
Public works	8,879,489	11,176,261	(2,296,772)	-20.55%
Culture and recreation	5,274,899	4,870,617	404,282	8.30%
Housing and development	6,659,312	7,524,725	(865,413)	-11.50%
Debt service	1,801,729	1,514,159	287,570	18.99%
Total Expenses	**82,165,539**	**77,508,323**	**4,657,216**	**6.01%**
Excess of revenues over expenditures	**39,146,252**	**24,063,303**	**15,082,699**	**62.68%**
Other financing sources (uses)				
Issuance of lease liability	822,493	1,680,556	(858,063)	-51.06%
Proceeds from sale of capital assets	-	819,935	(819,935)	-100.00%
Transfers in	296,516	2,468,577	(2,172,061)	-87.99%
Transfers out	(16,629,440)	(10,700,444)	(5,928,996)	55.41%
Total other financing sources (uses)	(15,510,431)	(5,731,376)	(9,779,055)	170.62%
Change in fund balance	23,635,821	18,331,927	5,303,644	28.93%
Beginning fund balance, restated	78,977,779	60,645,852	377,574	0.62%
Ending fund balance	**$ 102,613,600**	**$ 78,977,779**	**$ 5,681,218**	**7.19%**

* 2022 fund balance for the General Fund was restated to move the Sanitation Fund to a separate Enterprise Fund and fund balance for the TSPLOST Fund was restated to correct an error in the prior fiscal year balance related to receivables.

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 conduct periodic reviews of the adopted budget to assess any significant deviations or emerging needs. Rather than a formal mid-year amendment process, budget adjustments will be made as necessary based on operational priorities and available resources. Any required appropriations will be presented for approval through official City Council action to ensure alignment with the City's fiscal goals. For fiscal year 2023, revenues over expenditures for the General Fund were $36,063,795 better than the budgeted amount. The components of this variance are described below:

Total revenues were $20,394,262 higher than the final budget. Sales and Business taxes were $13,194,331 and $2,351,491 higher than the final budget. Charges for services were $3,667,293 higher than the budget expectations. All other revenue sources, net, were $1,181,147 more than the budget.

Total expenditures were $18,548,167 lower than budgeted due to realigning expenditures within the General Fund to meet the operational needs in various departments. The Law department expenditures were $1,348,891 lower than budgeted. Information Technology department expenditures were $837,559, less than the final budget. General Services department expenditures were $1,500,047, less than the final budget. The Risk Management department's expenditure was $334,189 less than the final budget. The Police Department expenditures were $2,199,817 less than the final budget. Fire department expenditure was also $444,131 less than the final budget. Expenditures for Public Works and the Parks and Recreation departments were $4,716,018 and $3,047,608 less than the final budget, respectively. Through the budget process, the City increased funding for additional staff. Vacancies during fiscal year 2023 and controlled spending contributed to the overall expenditure being less than the final budget.

The Schedule of General Fund Revenues, Expenditures, and Changes in Fund Balance, Budget to Actual can be found on pages 49-51 of this report.

Capital Assets and Debt Administration

Capital assets. The City's capital assets for its governmental activities as of September 30, 2023, and 2022 amounted to $281,864,490 and $279,279,518, respectively. Capital assets increased by $2,584,972 in fiscal year 2023 due to additions to Construction in progress and property acquisitions.

Table 4 **City of South Fulton, Georgia, Capital Assets, net of depreciation**

	9/30/2023	9/30/2022	Net Change
Land	$ 3,308,991	$ 2,481,034	$ 827,957
Construction in-progress	6,293,275	3,137,851	3,155,424
Buildings	13,386,843	11,953,578	1,433,265
Vehicles	8,593,127	8,369,246	223,881
Furniture and fixtures	569,997	633,068	(63,071)
Machinery and equipment	5,971,280	5,636,539	334,741
Infrastructure	242,186,573	245,740,384	(3,553,811)
Leased assets	1,554,404	1,327,818	226,586
Total	**$ 281,864,490**	**$ 279,279,518**	**$ 2,584,972**

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 2023 or 2022.

Long-term debt and obligations. As of September 30, 2023, the end of the fiscal year, the City's net long-term debt decreased by $1,647,146 from the prior fiscal year due to principal payments made in 2023. Compensated absences increased by $384,206 due to the hiring of additional staff.

Table 5 **City of South Fulton, Georgia, Long-Term Debt**

	9/30/2023	9/30/2022	Net Change
Financed purchases from direct borrowings	$ 3,240,677	$ 4,845,999	$ (1,605,322)
Lease liabilities	1,609,557	1,355,587	253,970
Revenue bonds	15,040,000	15,720,000	(680,000)
Compensated absences	2,345,841	1,961,635	384,206
Total	**$ 22,236,075**	**$ 23,883,221**	**$ (1,647,146)**

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

Economic Factors and Next Year's Budgets and Rates

These factors were considered in preparing the City's 2023-2024 fiscal year budget.

Fiscal Year 2023-2024 Budget

The City will continue to 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: quality of life and public infrastructure enhancements; public safety; workforce development and implementation of best practices; future facilities for public service and funding for the implementation strategy; and planning for the future.

1. Quality of life and public infrastructure enhancements
    - Provide funding towards operations and implement the first phase of our streetlight plan.
    - Introduce funding for the first phase of the parks and recreation master plan.
    - Pave roads, repair sidewalks, improve right-of-way addressing maintenance needs, and improve pedestrian safety.
    - Develop and implement a customer call satisfaction call center to improve response to citizens.

2. Public safety
    - Provide funding for the Emergency Medical Response (EMS) expansion plan.
    - Provide funding for fifteen additional police officers.
    - Purchase vehicles and equipment.
    - Conduct station improvements and fire initiatives.

3. Workforce development and implementation of best practices
    - Increase funding to bring our lowest-paid employees to a minimum wage of twenty dollars per hour.
    - Perform a city-wide reorganization to create a Procurement, General Services, and Cultural Affairs Department. Consolidate the communications functions into a Public Affairs Department and enhance the Finance Department with needed resources under the leadership of a Chief Financial Officer.
    - Set aside funding for the anticipated salary study recommendations.

4. Future facilities for public service and funding for the implementation strategy
    - Create a funding stream for debt issuance to acquire land and build a Fire Headquarters and Training Center, a new Police Headquarters, and a permanent city hall.
    - Set aside funding to improve facilities at parks throughout the city.

5. Planning for the future
    - Provide for the Comprehensive Plan update, Historic Resources Plan, Trail Plan, Facilities Master Plan, Development Impact Fee Study, and Comprehensive Transportation Plan.

The City reviews its monthly financial performance and trends and follows a budget process to review and realign appropriations. Funding priorities are established in the annual budget process. This process ensures adjustments to appropriations align with expected resources. Differences between the original budget and the final amended budget are resolved via official City Council action.

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, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Development Authority
ASSETS				
Cash and cash equivalents	$ 205,666,535	$ 2,898,842	$ 208,565,377	$ -
Accounts receivable	2,170,771	5,502,306	7,673,077	-
Taxes receivable	52,077,203	-	52,077,203	-
Due from other governments	5,097,511	-	5,097,511	-
Prepaid items	1,060,135	-	1,060,135	-
Internal balances	820,150	(820,150)	-	-
Due from primary government	-	-	-	368,331
Inventories	184,205	-	184,205	-
Capital assets:				
Nondepreciable	9,602,266	-	9,602,266	-
Depreciable, net of accumulated depreciation	272,262,224	534,289	272,796,513	-
Total assets	548,941,000	8,115,287	557,056,287	368,331
LIABILITIES				
Accounts payable	15,954,943	733,512	16,688,455	-
Accrued liabilities	1,141,905	-	1,141,905	-
Due to component unit	368,331	-	368,331	-
Unearned revenue	8,075,792	5,822,782	13,898,574	-
Lease liabilities, due within one fiscal year	627,638	-	627,638	-
Lease liabilities, due in more than one fiscal year	981,919	-	981,919	-
Financed purchases, due within one fiscal year	1,414,324	-	1,414,324	-
Financed purchases, due in more than one fiscal year	1,826,353	-	1,826,353	-
Revenue bonds, due within one fiscal year	700,000	-	700,000	-
Revenue bonds, due in more than one fiscal year	14,340,000	-	14,340,000	-
Compensated absences, due within one fiscal year	1,172,921	-	1,172,921	-
Compensated absences, due in more than one fiscal year	1,172,920	-	1,172,920	-
Total liabilities	47,777,046	6,556,294	54,333,340	-
DEFERRED INFLOWS OF RESOURCES				
Deferred revenues	52,168,805	-	52,168,805	-
Total deferred inflows of resources	52,168,805	-	52,168,805	-
NET POSITION				
Net investment in capital assets	263,479,743	534,289	264,014,032	-
Restricted for capital projects	69,370,694	-	69,370,694	-
Restricted for public safety	359,563	-	359,563	-
Restricted for development	565,315	-	565,315	368,331
Unrestricted	115,219,834	1,024,704	116,244,538	-
Total net position	$ 448,995,149	$ 1,558,993	$ 450,554,142	$ 368,331

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, 2023

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	$ 18,634,398	$ 762	$ 474,625	$ -	$ (18,159,011)	$ -	$ (18,159,011)	$ -
Judicial	845,303	997,968	-	-	152,665	-	152,665	-
Public safety	43,070,676	4,118,936	3,077,433	-	(35,874,307)	-	(35,874,307)	-
Public works	13,965,442	-	1,098,765	21,881,875	9,015,198	-	9,015,198	-
Parks, recreation, and cultural affairs	5,334,104	271,555	740,074	-	(4,322,475)	-	(4,322,475)	-
Housing and development	7,439,886	3,590,570	-	-	(3,849,316)	-	(3,849,316)	-
Interest on long-term debt	657,149	-	-	-	(657,149)	-	(657,149)	-
Total governmental activities	89,946,958	8,979,791	5,390,897	21,881,875	(53,694,395)	-	(53,694,395)	-
Business-type activities:								
Stormwater	576,953	-	-	-	-	(576,953)	(576,953)	-
Sanitation	2,832,305	2,911,391	-	-	-	79,086	79,086	-
Total business-type activities	3,409,258	2,911,391	-	-	-	(497,867)	(497,867)	-
Total primary government	$ 93,356,216	$ 11,891,182	$ 5,390,897	$ 21,881,875	$ (53,694,395)	$ (497,867)	$ (54,192,262)	$ -
Component Unit:								
Development Authority	$ 162,068	$ -	$ 150,000	$ -	$ -	$ -	$ -	$ (12,068)
General revenues:								
Property taxes					49,681,348	-	49,681,348	-
Title ad valorem taxes					2,380,970	-	2,380,970	-
Sales taxes					34,694,331	-	34,694,331	-
Franchise taxes					6,643,310	-	6,643,310	-
Business taxes					4,751,491	-	4,751,491	-
Alcoholic beverage taxes					737,336	-	737,336	-
Hotel/motel taxes					630,638	-	630,638	-
Transfer taxes					1,439,300	-	1,439,300	-
Insurance premium taxes					8,925,282	-	8,925,282	-
Other taxes					372,145	-	372,145	-
Interest					193,743	-	193,743	-
Miscellaneous revenues					1,750	-	1,750	-
Transfers					(1,679,286)	1,679,286	-	-
Total general revenues					108,772,358	1,679,286	110,451,644	-
Change in net position					55,077,963	1,181,419	56,259,382	(12,068)
Net position, beginning of fiscal year, restated					393,917,186	377,574	394,294,760	380,399
Net position, end of fiscal year					$ 448,995,149	$ 1,558,993	$ 450,554,142	$ 368,331

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

CITY OF SOUTH FULTON, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

ASSETS	General Fund	American Rescue Plan Fund	TSPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 118,175,739	$ 10,334,942	$ 65,893,981	$ 11,261,873	$ 205,666,535
Accounts receivable	240,314	-	-	1,930,457	2,170,771
Taxes receivable, net	52,077,203	-	-	-	52,077,203
Due from other governments	3,322,559	-	1,774,952	-	5,097,511
Due from other funds	5,023,376	41,270	1,128,327	11,658,210	17,851,183
Inventory	184,205	-	-	-	184,205
Prepaid items	1,060,135	-	-	-	1,060,135
Total assets	$ 180,083,531	$ 10,376,212	$ 68,797,260	$ 24,850,540	$ 284,107,543
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE					
LIABILITIES					
Accounts payable	$ 14,518,561	$ 191,777	$ 827,368	$ 417,237	$ 15,954,943
Accrued liabilities	1,049,053	-	-	-	1,049,053
Unearned revenue	-	8,075,792	-	-	8,075,792
Due to other funds	9,514,930	2,091,838	-	5,424,265	17,031,033
Due to component unit	368,331	-	-	-	368,331
Total liabilities	25,450,875	10,359,407	827,368	5,841,502	42,479,152
DEFERRED INFLOWS OF RESOURCES					
Deferred revenues	51,282,382	-	-	886,423	52,168,805
Unavailable revenues - intergovernmental	-	-	-	986,470	986,470
Unavailable revenues - taxes	736,674	-	-	-	736,674
Total deferred inflows of resources	52,019,056	-	-	1,872,893	53,891,949
FUND BALANCE					
Fund balance:					
Nonspendable:					
Prepaid items	1,060,135	-	-	-	1,060,135
Inventory	184,205	-	-	-	184,205
Restricted for:					
Capital projects	-	16,805	67,969,892	556,629	68,543,326
Public safety	-	-	-	359,563	359,563
Development		-	-	565,315	565,315
Assigned for:					
Capital projects	-	-	-	15,777,552	15,777,552
Committed for:					
Tree replacement	5,331,636	-	-	-	5,331,636
Unassigned	96,037,624	-	-	(122,914)	95,914,710
Total fund balance	102,613,600	16,805	67,969,892	17,136,145	187,736,442
Total liabilities, deferred inflows of resources, and fund balance	$ 180,083,531	$ 10,376,212	$ 68,797,260	$ 24,850,540	
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.					281,864,490
Some receivables are not available to pay for current-period expenditures, and, therefore, are deferred in the governmental funds.					1,723,144
Long-term liabilities are not due and payable in the current period, and, therefore, are not reported in the governmental funds.					(22,328,927)
Net position of governmental activities					$ 448,995,149

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, 2023

	General Fund	American Rescue Plan Fund	TSPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	$ 49,858,403	$ -	$ -	$ 426,320	$ 50,284,723
Title ad valorem taxes	2,380,970	-	-	-	2,380,970
Sales taxes	34,694,331	-	-	-	34,694,331
Business taxes	4,751,491	-	-	-	4,751,491
Franchise taxes	6,643,310	-	-	-	6,643,310
Insurance premium taxes	8,925,282	-	-	-	8,925,282
Transfer taxes	1,439,300	-	-	-	1,439,300
Alcoholic beverage excise taxes	737,336	-	-	-	737,336
Other taxes	372,145	-	-	630,638	1,002,783
Licenses and permits	3,252,036	-	-	-	3,252,036
Fines and forfeitures	997,968	-	-	187,529	1,185,497
Charges for services	4,542,258	-	-	-	4,542,258
Intergovernmental	2,582,657	1,214,699	21,781,855	1,340,763	26,919,974
Interest income	132,554	16,805	44,384	-	193,743
Contributions and donations	250	-	-	-	250
Miscellaneous revenues	1,500	-	-	100,020	101,520
Total revenues	121,311,791	1,231,504	21,826,239	2,685,270	147,054,804
Expenditures:					
Current:					
General government	18,304,290	474,625	-	556,907	19,335,822
Judicial	840,075	-	-	-	840,075
Public safety	40,405,745	-	-	537,496	40,943,241
Public works	8,879,489	-	2,348,084	-	11,227,573
Parks, recreation, and cultural affairs	5,274,899	-	-	334,351	5,609,250
Housing and development	6,659,312	740,074	-	-	7,399,386
Capital outlay	-	-	-	6,152,215	6,152,215
Debt service:					
Principal	1,625,510	-	-	1,228,335	2,853,845
Interest	176,219	-	-	480,930	657,149
Total expenditures	82,165,539	1,214,699	2,348,084	9,290,234	95,018,556
Excess (deficiency) of revenues over (under) expenditures	39,146,252	16,805	19,478,155	(6,604,964)	52,036,248
Other financing sources (uses):					
Issuance of lease liability	822,493	-	-	-	822,493
Transfers in	296,516	-	-	14,950,154	15,246,670
Transfers out	(16,629,440)	-	-	(296,516)	(16,925,956)
Total other financing sources (uses)	(15,510,431)	-	-	14,653,638	(856,793)
Net change in fund balances	23,635,821	16,805	19,478,155	8,048,674	51,179,455
Fund balances, beginning of fiscal year, restated	78,977,779	-	48,491,737	9,087,471	136,556,987
Fund balances, end of fiscal year	$ 102,613,600	$ 16,805	$ 67,969,892	$ 17,136,145	$ 187,736,442

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, 2023

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	51,179,455
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.		2,584,972
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		(350,597)
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.		2,031,352
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.		(367,219)
Change in net position - governmental activities	$	55,077,963

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

CITY OF SOUTH FULTON, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2023

	Business-Type Activities		
		Nonmajor Fund	
	Sanitation	Stormwater	
ASSETS	**Fund**	**Fund**	**Total**
Current assets:			
Cash and cash equivalents	$ 2,898,842	$ -	$ 2,898,842
Accounts receivable, net	5,502,306	-	5,502,306
Due from other funds	-	701,149	701,149
Total current assets	8,401,148	701,149	9,102,297
Noncurrent assets:			
Capital assets:			
Capital assets, being depreciated	-	628,951	628,951
Less accumulated depreciation	-	(94,662)	(94,662)
Total noncurrent assets	-	534,289	534,289
Total assets	8,401,148	1,235,438	9,636,586
LIABILITIES			
Current liabilities:			
Accounts payable	698,614	34,898	733,512
Due to other funds	1,521,299	-	1,521,299
Unearned revenue	5,822,782	-	5,822,782
Total current liabilities	8,042,695	34,898	8,077,593
Total liabilities	8,042,695	34,898	8,077,593
NET POSITION			
Investment in capital assets	-	534,289	534,289
Unrestricted	358,453	666,251	1,024,704
Total net position	$ 358,453	$ 1,200,540	$ 1,558,993

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 FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Business-Type Activities		
	Sanitation Fund	Nonmajor Fund Stormwater Fund	Total
OPERATING REVENUES			
Charges for services	$ 2,911,391	$ -	2,911,391
Total operating revenues	2,911,391	-	2,911,391
OPERATING EXPENSES			
Purchased contract services	$ 2,832,305	$ 505,908	3,338,213
Depreciation	-	71,045	71,045
Total operating expenses	2,832,305	576,953	3,409,258
OPERATING INCOME (LOSS) BEFORE TRANSFERS	79,086	(576,953)	(497,867)
Transfers in	-	1,679,286	1,679,286
Change in net position	79,086	1,102,333	1,181,419
NET POSITION, beginning of year, restated	279,367	98,207	377,574
NET POSITION, end of year	$ 358,453	$ 1,200,540	1,558,993

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

CITY OF SOUTH FULTON, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Business-Type Activities		
	Sanitation Fund	Nonmajor Fund Stormwater Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 3,231,867	$ -	$ 3,231,867
Payments to suppliers and service providers	(824,185)	(1,679,286)	(2,503,471)
Net cash provided by (used in) operating activities	2,407,682	(1,679,286)	728,396
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	-	1,679,286	1,679,286
Net cash provided by noncapital financing activities	-	1,679,286	1,679,286
Increase in cash	2,407,682	-	2,407,682
Cash:			
Beginning of year	491,160	-	491,160
End of year	$ 2,898,842	$ -	$ 2,898,842
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	$ 79,086	$ (576,953)	$ (497,867)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	-	71,045	71,045
Increase in accounts receivable	(5,502,306)	-	(5,502,306)
Increase in due from other funds	-	(572,561)	(572,561)
Increase (decrease) in accounts payable	661,540	(600,817)	60,723
Increase in due to other funds	1,346,580	-	1,346,580
Increase in unearned revenue	5,822,782	-	5,822,782
Net cash provided by (used in) operating activities	$ 2,407,682	$ (1,679,286)	$ 728,396

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 seven (7) 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. The Financial Reporting Entity (Continued)

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, 2023 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, 2023.

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 and fiduciary funds. 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 government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. As such, property tax revenues will be recognized in the current fiscal year for the previous tax year's levy. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers property taxes to be available if they are collected within 60 days of the end of the current fiscal period for which they are levied. Other revenues susceptible to accrual are considered available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to long-term liabilities such as compensated absences and claims and judgments, are recorded only when payment is due.

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 revenues of the enterprise funds are charges to customers for services provided. Operating expenses for the enterprise funds 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

In accordance with GASB Statement No. 33, "Accounting and Financial Reporting for Non-exchange Transactions," the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source.

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

The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **American Rescue Plan Fund** is used to account for the proceeds and expenditures related to the American Rescue Plan Act grant.

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 City also reports the following major proprietary fund:

The **Sanitation Fund** is used to account for the revenues and maintenance of the City's sanitation system.

The City also reports the following fund types:

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

D. Budgets

Formal budgetary accounting is employed as a management control device for the funds of the City. The governmental fund budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. An annual operating budget is adopted for the General fund 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, 2023, 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.”

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond September 30, 2023, are recorded as prepaid items in both government-wide and fund financial statements. These items are accounted for using the consumption method.

I. Inventories

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

J. Capital Assets

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net 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 2023 property tax digest which is levied for operation of the 2024 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.

M. 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)

M. 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 $22,328,927 difference are as follows:

Financed purchases from direct borrowings	$	(3,240,677)
Lease liabilities		(1,609,557)
Revenue bonds		(15,040,000)
Compensated absences		(2,345,841)
Accrued interest		(92,852)
Net adjustment to decrease *fund balances - total governmental funds* to arrive at *net position - governmental activities.*	$	(22,328,927)

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 $2,584,972 difference are as follows:

Capital outlay	$	12,599,937
Depreciation and amortization expense		(10,014,965)
Net adjustment to increase *net change in fund balances - total governmental funds* to arrive at *change in net position - governmental activities*	$	2,584,972

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 $2,031,352 difference are as follows:

Principal repayment on financed purchases	$	1,605,322
Principal repayment on lease liabilities		568,523
Principal repayment on bonds		680,000
Issuance of lease liability		(822,493)
Net adjustment to increase *net change in fund balances - total governmental funds* to arrive at *change in net position - governmental activities*.	$	2,031,352

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 $367,219 difference are as follows:

Compensated absences	$	(384,206)
Accrued interest		16,987
Net adjustment to decrease *net change in fund balances - total governmental funds* to arrive at *change in net position - governmental activities.*	$	(367,219)

NOTE 3. LEGAL COMPLIANCE – BUDGETS

A. Budgets and Budgetary Accounting

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

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

For the fiscal year ended September 30, 2023, expenditures exceeded final budget in the following fund departments, as follows:

General Fund:	
Debt service	$ 446,340
Transfers out	13,143,710
Hotel/Motel Tax Fund:	
Transfers out	91,916

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

B. Deficit Fund Balance

The Multiple Grants Fund has a deficit fund balance of $122,914. The deficit is caused by unavailable revenues which will be recognized in future periods when the revenues become available.

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, 2023, 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, 2023, 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.

Operating funds of the City are currently invested in the Georgia Fund 1.

Interest Rate Risk. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

At September 30, 2023, information on the credit risk and interest rate risk related to the City's investments is disclosed as follows:

Investment	Average Maturity	Credit Rating	Fair Value
Georgia Fund 1	30	AAAf/S1	$ 45,119,173

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

The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the City does not disclose investment in the Georgia Fund 1 within the fair value hierarchy.

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, 2023 are for the year ended September 30, 2024 and property taxes are recorded as receivables and deferred revenue when levied.

Receivables at September 30, 2023, including any applicable allowances for uncollectible accounts, are as follows:

	General Fund	TSPLOST Fund	Nonmajor Governmental	Sanitation Fund	Total
Receivables:					
Accounts receivable	$ 240,314	$ -	$ 1,930,457	$ 5,842,787	$ 2,170,771
Taxes	53,021,271	-	-	-	53,021,271
Other governments	3,322,559	1,774,952	-	-	5,097,511
Total receivables	56,584,144	1,774,952	1,930,457	5,842,787	60,289,553
Less allowance for uncollectible	944,068	-	-	340,481	944,068
Net total receivable	$ 55,640,076	$ 1,774,952	$ 1,930,457	$ 5,502,306	$ 59,345,485

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NOTE 6. CAPITAL ASSETS

Capital asset activity for the City for the fiscal year ended September 30, 2023 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Nondepreciable capital assets:					
Land	$ 2,481,034	$ 827,957	$ -	$ -	$ 3,308,991
Construction in progress	3,137,851	3,509,274	-	(353,850)	6,293,275
Total	5,618,885	4,337,231	-	(353,850)	9,602,266
Depreciable capital assets:					
Buildings	13,381,784	1,866,294	-	-	15,248,078
Vehicles	13,302,807	2,521,084	-	-	15,823,891
Furniture and fixtures	723,412	9,270	-	-	732,682
Machinery and equipment	8,131,758	1,614,607	-	-	9,746,365
Infrastructure	266,830,960	1,428,958	-	353,850	268,613,768
Right-to-use lease asset - Buildings	1,680,556	822,493	-	-	2,503,049
Total	304,051,277	8,262,706	-	353,850	312,667,833
Less accumulated depreciation/amortization for:					
Buildings	(1,428,206)	(433,029)	-	-	(1,861,235)
Vehicles	(4,933,561)	(2,297,203)	-	-	(7,230,764)
Furniture and fixtures	(90,344)	(72,341)	-	-	(162,685)
Machinery and equipment	(2,495,219)	(1,279,866)	-	-	(3,775,085)
Infrastructure	(21,090,576)	(5,336,619)	-	-	(26,427,195)
Right-to-use lease asset - Buildings	(352,738)	(595,907)	-	-	(948,645)
Total	(30,390,644)	(10,014,965)	-	-	(40,405,609)
Total capital assets being depreciated/amortized, net	273,660,633	(1,752,259)	-	353,850	272,262,224
Governmental activities capital assets, net	$ 279,279,518	$ 2,584,972	$ -	$ -	$ 281,864,490

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

Governmental activities:	
General government	$ 859,308
Public safety	3,138,580
Public works	5,424,452
Parks, recreation, and cultural affairs	536,461
Housing and development	56,164
Total depreciation and amortization expense	$ 10,014,965

NOTE 6. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Additions	Reductions	Ending Balance
Business-type activities:				
Depreciable capital assets				
Machinery	$ 81,497	$ -	$ -	$ 81,497
Vehicles	547,454	-	-	547,454
Total	628,951	-	-	628,951
Less accumulated depreciation for:				
Machinery	(1,686)	(16,299)		(17,985)
Vehicles	(21,931)	(54,746)	-	(76,677)
Total	(23,617)	(71,045)	-	(94,662)
Total business-type activities capital assets, net	$ 605,334	$ (71,045)	$ -	$ 534,289

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

Business-type activities:	
Stormwater Fund	$ 71,045
Total depreciation expense	$ 71,045

NOTE 7. LONG-TERM DEBT

The following is a summary of long-term debt activity of the City for the fiscal year ended September 30, 2023:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Financed purchases from direct borrowings	$ 4,845,999	$ -	$ (1,605,322)	$ 3,240,677	$ 1,414,324
Revenue bonds from direct placement	15,720,000	-	(680,000)	15,040,000	700,000
Lease liabilities	1,355,587	822,493	(568,523)	1,609,557	627,638
Compensated absences	1,961,635	1,815,910	(1,431,704)	2,345,841	1,172,921
Total governmental activities long-term liabilities	$ 23,883,221	$ 2,638,403	$ (4,285,549)	$ 22,236,075	$ 3,914,883

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

NOTE 7. LONG-TERM DEBT (CONTINUED)

Financed Purchases from Direct Borrowings

In October 2020, 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
2024	$ 76,720	$ 169	$ 76,889
	$ 76,720	$ 169	$ 76,889

In October 2021, 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
2024	$ 269,808	$ 4	$ 269,812
2025	100,746	4	100,750
	$ 370,554	$ 8	$ 370,562

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
2024	$ 279,770	$ 17,441	$ 297,211
2025	288,358	8,852	297,210
	$ 568,128	$ 26,293	$ 594,421

NOTE 7. LONG-TERM DEBT (CONTINUED)

Financed Purchases from Direct Borrowings (Continued)

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

Fiscal Year Ending September 30,	Principal	Interest	Total
2024	$ 284,845	$ 8,175	$ 293,020
	$ 284,845	$ 8,175	$ 293,020

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
2024	$ 311,079	$ 10,112	$ 321,191
2025	315,021	6,170	321,191
2026	319,013	2,177	321,190
	$ 945,113	$ 18,459	$ 963,572

NOTE 7. 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
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
	$ 995,317	$ 53,775	$ 1,049,092

As of September 30, 2023, the City had $7,861,899 of assets, with associated accumulated depreciation of $4,014,919 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, 2023, the value of the lease liability was $283,746. 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%.

NOTE 7. 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, 2023, the value of the lease liability was $737,933. The City is required to make monthly principal and interest payments of $28,625. The City used its incremental borrowing rate of 4.0%.

In October 2022, the City entered into a lease agreement as lessee for the use of 100 Hartsfield Center for a term of four (4) years. The initial lease liability was recorded in the amount of $522,128. As of September 30, 2023, the value of the lease liability was $397,981. The City is required to make monthly principal and interest payments of $11,750. The City used its incremental borrowing rate of 4.0%.

In January 2023, the City entered into a lease agreement as lessee for the use of 6095 Boat Rock Boulevard for a term of two (2) years. The initial lease liability was recorded in the amount of $300,365. As of September 30, 2023, the value of the lease liability was $189,897. The City is required to make monthly principal and interest payments of $13,000. The City used its incremental borrowing rate of 4.0%.

Year Ending September 30,	Principal	Interest	Total
2024	$ 627,638	$ 52,965	$ 680,603
2025	536,271	28,936	565,207
2026	258,412	11,838	270,250
2027	38,315	6,799	45,114
2028	41,714	5,204	46,918
2029-2031	107,207	5,143	112,350
Total	$ 1,609,557	$ 110,885	$ 1,720,442

NOTE 7. LONG-TERM DEBT (CONTINUED)

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 semiannually on February 1 and August 1 and maturing in February 2040. As of September 30, 2023, the outstanding principal is $15,040,000. 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:

Year Ending September 30,	Principal	Interest	Total
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	780,000	334305	1,114,305
2029-3033	4,260,000	1,319,123	5,579,123
2034-2038	4,910,000	667,185	5,577,185
2039-2040	2,170,000	62,273	2,232,273
Total	$ 15,040,000	$ 3,933,856	$ 18,973,856

NOTE 8. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of September 30, 2023 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	$ 3,502,077
General Fund	Sanitation Fund	1,521,299
TSPLOST Fund	General Fund	1,128,327
American Rescue Plan Fund	General Fund	41,270
Stormwater Fund	General Fund	701,149
Nonmajor Governmental Funds	General Fund	7,644,184
Nonmajor Governmental Funds	American Rescue Plan Fund	2,091,838
Nonmajor Governmental Funds	Nonmajor Governmental Funds	1,922,188
	Total	$ 18,552,332

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 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	$ 368,331

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

Interfund transfers:

Transfers In	Transfers Out		Amount
General Fund	Nonmajor Governmental Funds	$	296,516
Nonmajor Governmental Funds	General Fund		14,950,154
Stormwater Fund	General Fund		1,679,286
	Total	$	16,925,956

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 and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 9. HOTEL/MOTEL LODGING TAX

The City has levied an occupancy tax of 8% for the rent of a guest room at a hotel or motel in the City as authorized by the Official Code of Georgia Annotated (O.C.G.A.) §48-13-51(b). For the fiscal year ended September 30, 2023, the City collected $630,638 in hotel/motel tax revenues. Of this amount, $296,516 or 47% was transferred to the General Fund and the remaining portion was expended for hospitality and tourism as stipulated by O.C.G.A. §48-13-51(b).

NOTE 10. COMMITMENTS AND CONTINGENT LIABILITIES

Contractual Commitments:

In addition to liabilities enumerated in the balance sheet at September 30, 2023, the City has contractual commitments on uncompleted contracts of $1,563,625.

Litigation:

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

NOTE 11. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities around the Metropolitan Atlanta Georgia area, is a member of the Atlanta Regional Commission (ARC) and is required to pay annual dues thereto, which Fulton County has paid on behalf of the City of South Fulton. Membership in ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organization structure of ARC. ARC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the ARC. Separate financial statements may be obtained from ARC, 229 Peachtree St NE, Atlanta, Georgia 30303.

NOTE 12. RISK MANAGEMENT

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

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

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

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

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

NOTE 13. TAX ABATEMENTS

Fulton County has entered into property tax abatement agreements with local businesses through the Development Authority of Fulton County, for the purpose of attracting or retaining businesses within the County. For the fiscal year ended September 30, 2023, the City of South Fulton's ad valorem tax revenues were reduced by $195,472 under agreements entered into by Fulton County.

NOTE 14. RESTATEMENTS

During the fiscal year ended September 30, 2023, the City established a separate proprietary fund to account for its sanitation activities, which were previously reported within the General Fund. Additionally, the City determined that a restatement of beginning net position of governmental activities and beginning fund balance of the TSPLOST Fund was necessary due to an error reported in the prior fiscal year. Accounts receivable in the TSPLOST Fund was overstated by $1,606,514. In a prior fiscal year, the City erroneously recorded an amount due from a contractor for overpayment of invoices. During the fiscal year ended September 30, 2023, the City determined that the receivable was recorded in error and there were no additional amounts due from the contractor.

Adjustments to beginning net position and fund balance for the above were as follows:

	Reporting Units Affected by Adjustments to Beginning Balances				
	Government-Wide		Funds		
	Governmental Activities	Business-Type Activities	General Fund	TSPLOST	Sanitation Fund
September 30, 2022, as previously reported	$ 395,803,067	$ 98,207	$ 79,257,146	$ 50,098,251	$ -
Move Sanitation Fund to separate Proprietary fund	(279,367)	279,367	(279,367)	-	279,367
Correction of an error - TSPLOST receivable	(1,606,514)	-	-	(1,606,514)	-
September 30, 2022, as restated	$ 393,917,186	$ 377,574	$ 78,977,779	$ 48,491,737	$ 279,367

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, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Property taxes	$ 51,908,000	$ 51,908,000	$ 49,858,403	$ (2,049,597)
Title ad valorem taxes	1,700,000	1,700,000	2,380,970	680,970
Sales taxes	21,500,000	21,500,000	34,694,331	13,194,331
Franchise taxes	7,100,000	7,100,000	6,643,310	(456,690)
Business taxes	2,400,000	2,400,000	4,751,491	2,351,491
Insurance taxes	7,127,000	7,127,000	8,925,282	1,798,282
Other taxes	145,000	145,000	372,145	227,145
Alcoholic beverage excise taxes	525,000	525,000	737,336	212,336
Transfer tax	1,890,000	1,890,000	1,439,300	(450,700)
Licenses and permits	2,628,100	2,628,100	3,252,036	623,936
Fines and forfeitures	700,000	700,000	997,968	297,968
Charges for services	874,965	874,965	4,542,258	3,667,293
Intergovernmental	2,396,664	2,396,664	2,582,657	185,993
Interest income	2,800	2,800	132,554	129,754
Contributions and donations	20,000	20,000	250	(19,750)
Miscellaneous revenues	-	-	1,500	1,500
Total revenues	100,917,529	100,917,529	121,311,791	20,394,262
Expenditures:				
Current:				
General government:				
Legislative:				
Personnel	1,008,450	1,008,450	770,942	237,508
Supplies	203,700	192,969	204,268	(11,299)
Other services and charges	213,300	214,631	202,953	11,678
Total legislative	1,425,450	1,416,050	1,178,163	237,887
Mayor:				
Personnel	257,900	257,900	211,913	45,987
Supplies	37,600	16,766	14,041	2,725
Other services and charges	33,800	51,634	59,104	(7,470)
Total mayor	329,300	326,300	285,058	41,242
City clerk:				
Personnel	599,300	599,300	391,165	208,135
Supplies	32,000	30,000	26,091	3,909
Other services and charges	698,140	995,640	630,063	365,577
Total city clerk	1,329,440	1,624,940	1,047,319	577,621
City manager:				
Personnel	996,500	996,500	743,534	252,966
Supplies	14,200	14,200	7,953	6,247
Other services and charges	376,000	364,000	324,954	39,046
Total city manager	1,386,700	1,374,700	1,076,441	298,259
Financial:				
Personnel	1,285,200	1,285,200	1,250,370	34,830
Supplies	35,600	35,900	28,360	7,540
Other services and charges	959,600	1,024,901	274,087	750,814
Total financial	2,280,400	2,346,001	1,552,817	793,184
Grants:				
Personnel	239,500	239,900	-	239,900
Supplies	2,500	8,500	-	8,500
Other services and charges	21,400	19,000	-	19,000
Total financial	263,400	267,400	-	267,400
Law:				
Personnel	830,300	830,300	784,654	45,646
Supplies	10,550	10,841	1,206	9,635
Other services and charges	1,126,700	1,123,909	365,099	758,810
Total law	1,967,550	1,965,050	1,150,959	814,091

(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, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget
Human resources:				
Personnel	$ 766,800	$ 766,800	$ 651,982	$ 114,818
Supplies	169,250	163,750	29,915	133,835
Other services and charges	205,900	208,300	274,858	(66,558)
Total human resources:	1,141,950	1,138,850	956,755	182,095
Communications:				
Personnel	652,700	652,700	365,011	287,689
Supplies	158,200	154,600	88,439	66,161
Other services and charges	1,471,250	324,500	198,844	125,656
Total communications	2,282,150	1,131,800	652,294	479,506
IT and GIS:				
Personnel	1,121,300	1,121,300	954,054	167,246
Supplies	440,900	639,086	579,471	59,615
Other services and charges	2,330,000	2,622,684	2,011,986	610,698
Total IT and GIS	3,892,200	4,383,070	3,545,511	837,559
Purchasing:				
Personnel	309,500	309,500	29,676	279,824
Supplies	7,500	12,000	5,912	6,088
Other services and charges	287,800	281,500	214,432	67,068
Total purchasing	604,800	603,000	250,020	352,980
General services administration:				
Personnel	1,265,900	1,265,900	512,033	753,867
Supplies	427,000	437,000	330,290	106,710
Other services and charges	1,040,000	2,104,289	1,464,819	639,470
Total general services administration	2,732,900	3,807,189	2,307,142	1,500,047
Risk management:				
Personnel	121,100	121,100	180,619	(59,519)
Supplies	1,758,400	1,748,900	1,367,809	381,091
Other services and charges	2,756,500	2,766,000	2,753,383	12,617
Total risk management	4,636,000	4,636,000	4,301,811	334,189
Total general government	24,272,240	24,752,950	18,304,290	6,448,660
Judicial:				
Personnel	571,200	571,200	562,629	8,571
Supplies	16,840	17,259	12,641	4,618
Other services and charges	531,936	528,036	264,805	263,231
Total judicial	1,119,976	1,116,495	840,075	276,420
Public safety:				
Police services:				
Personnel	17,925,000	17,925,000	15,892,622	2,032,378
Supplies	1,543,450	1,561,638	1,394,460	167,178
Other services and charges	995,800	1,197,112	1,196,851	261
Total police	20,464,250	20,683,750	18,483,933	2,199,817
Fire services:				
Personnel	18,908,600	18,908,600	18,492,938	415,662
Supplies	1,001,700	966,700	887,164	79,536
Other services and charges	544,445	566,445	617,512	(51,067)
Total fire services	20,454,745	20,441,745	19,997,614	444,131
E-911 services:				
Other services and charges	1,929,030	1,929,030	1,924,198	4,832
Total E-911 services	1,929,030	1,929,030	1,924,198	4,832
Total public safety	42,848,025	43,054,525	40,405,745	2,648,780

(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, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget
Public works:				
Personnel	$ 2,282,700	$ 2,282,700	$ 2,185,520	$ 97,180
Supplies	1,982,000	2,302,998	2,077,219	225,779
Other services and charges	8,444,526	9,009,809	4,616,750	4,393,059
Total public works	12,709,226	13,595,507	8,879,489	4,716,018
Parks, recreation, and cultural affairs:				
Personnel	5,502,122	5,502,122	3,153,481	2,348,641
Supplies	1,097,050	1,306,591	861,112	445,479
Other services and charges	1,496,735	1,513,794	1,260,306	253,488
Total parks, recreation, and cultural affairs	8,095,907	8,322,507	5,274,899	3,047,608
Housing and development:				
Planning and zoning:				
Personnel	1,673,200	1,673,200	1,317,730	355,470
Supplies	87,725	88,625	70,173	18,452
Vehicles	-	98,660	98,447	213
Other services and charges	1,736,752	1,628,192	1,457,171	171,021
Total planning and zoning	3,497,677	3,488,677	2,943,521	545,156
Economic development:				
Personnel	478,700	478,700	424,539	54,161
Supplies	112,600	123,528	113,458	10,070
Other services and charges	915,642	1,546,794	833,960	712,834
Total economic development	1,506,942	2,149,022	1,371,957	777,065
Code enforcement:				
Personnel	1,927,000	1,927,000	1,352,971	574,029
Supplies	253,900	235,233	145,625	89,608
Other services and charges	1,031,500	1,025,167	845,238	179,929
Total economic development	3,212,400	3,187,400	2,343,834	843,566
Total housing and development	5,004,619	5,637,699	6,659,312	1,322,221
Debt service:				
Principal	1,560,512	1,323,012	1,625,510	(302,498)
Interest	99,377	32,377	176,219	(143,842)
Total debt service	1,659,889	1,355,389	1,801,729	(446,340)
Total expenditures	95,709,882	97,835,072	82,165,539	18,013,367
Excess of revenues over expenditures	5,207,647	3,082,457	39,146,252	36,063,795
Other financing sources (uses)				
Issuance of lease liability	-	-	822,493	822,493
Transfers in	204,600	204,600	296,516	91,916
Transfers out	(3,485,732)	(3,485,730)	(16,629,440)	(13,143,710)
Total other financing sources (uses)	(3,281,132)	(3,281,130)	(15,510,431)	(12,229,301)
Net change in fund balance	1,926,515	(198,673)	23,635,821	23,834,494
Fund balance, beginning of fiscal year, restated	78,977,779	78,977,779	78,977,779	-
Fund balance, end of fiscal year	$ 80,904,294	$ 78,779,106	$ 102,613,600	$ 23,834,494

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, 2023

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental revenues	$ 1,214,699	$ 1,214,699	$ 1,214,699	$ -
Interest income	-	16,805	16,805	-
Total revenues	1,214,699	1,231,504	1,231,504	-
Expenditures:				
General government	474,625	474,625	474,625	-
Housing and development	740,074	740,074	740,074	-
Total expenditures	1,214,699	1,214,699	1,214,699	-
Net change in fund balances	-	16,805	16,805	-
Fund balances, beginning of fiscal year	-	-	-	-
Fund balances, end of fiscal year	$ -	$ 16,805	$ 16,805	$ -



NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

Multiple Grant Fund – This fund is used to account for proceeds of various grant revenues and the related expenditures.

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 Tax 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).

Capital Project Funds

Capital project funds account for amounts for financial resources to be used for acquisition and construction of major capital projects.

Capital Grant Fund – This fund accounts to 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.

Capital Projects Fund – This 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.

CITY OF SOUTH FULTON, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	Special Revenue Funds					Capital Project Funds		
ASSETS	Confiscated Assets Fund	Multiple Grant Fund	Eastside TAD Fund	Westside TAD Fund	Hotel/Motel Tax Fund	Capital Grant Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
Cash	$ 188,485	$ 2,270,413	$ 256,496	$ 308,819	$ 362,916	$ -	$ 7,874,744	$ 11,261,873
Accounts receivable	-	993,170	520,565	365,858	50,864	-	-	1,930,457
Due from other funds	171,078	2,091,838	-	-	-	1,232,670	8,162,624	11,658,210
Total assets	$ 359,563	$ 5,355,421	$ 777,061	$ 674,677	$ 413,780	$ 1,232,670	$ 16,037,368	$ 24,850,540
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
LIABILITIES								
Accounts payable	$ -	$ 41,511	$ -	$ -	$ 115,910	$ -	$ 259,816	$ 417,237
Due to other funds	-	4,450,354	-	-	297,870	676,041	-	5,424,265
Total liabilities	-	4,491,865	-	-	413,780	676,041	259,816	5,841,502
DEFERRED INFLOWS OF RESOURCES								
Deferred revenues	-	-	520,565	365,858	-	-	-	886,423
Unavailable revenues - intergovernmental	-	986,470	-	-	-	-	-	986,470
Total deferred inflows of resources	-	986,470	520,565	365,858	-	-	-	1,872,893
FUND BALANCES (DEFICITS)								
Restricted for:								
Capital projects	-	-	-	-	-	556,629	-	556,629
Public safety	359,563	-	-	-	-	-	-	359,563
Development	-	-	256,496	308,819	-	-	-	565,315
Assigned for:								
Capital projects	-	-	-	-	-	-	15,777,552	15,777,552
Unassigned	-	(122,914)	-	-	-	-	-	(122,914)
Total fund balances (deficits)	359,563	(122,914)	256,496	308,819	-	556,629	15,777,552	17,136,145
Total liabilities, deferred inflows or resources, and fund balances (deficits)	$ 359,563	$ 5,355,421	$ 777,061	$ 674,677	$ 413,780	$ 1,232,670	$ 16,037,368	$ 24,850,540

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, 2023

	Special Revenue Funds					Capital Project Funds		
	Confiscated Assets Fund	Multiple Grant Fund	Eastside TAD Fund	Westside TAD Fund	Hotel/Motel Tax Fund	Capital Grant Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
REVENUES								
Property taxes	$ -	$ -	$ 221,489	$ 204,831	$ -	$ -	$ -	$ 426,320
Hotel/motel taxes	-	-	-	-	630,638	-	-	630,638
Intergovernmental	-	108,093	-	-	-	1,232,670	-	1,340,763
Fines and forfeitures	187,529	-	-	-	-	-	-	187,529
Miscellaneous revenues	-	-	-	-	-	-	100,020	100,020
Total revenues	187,529	108,093	221,489	204,831	630,638	1,232,670	100,020	2,685,270
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	556,907	556,907
Public safety	68,158	443,827	-	-	-	-	25,511	537,496
Parks, recreation, and cultural affairs	-	-	-	-	334,351	-	-	334,351
Capital outlay	-	-	-	-	-	1,428,959	4,723,256	6,152,215
Debt service:								
Principal	-	-	-	-	-	-	1,228,335	1,228,335
Interest	-	-	-	-	-	-	480,930	480,930
Total expenditures	68,158	443,827	-	-	334,351	1,428,959	7,014,939	9,290,234
Excess (deficiency) of revenues over (under) expenditures	119,371	(335,734)	221,489	204,831	296,287	(196,289)	(6,914,919)	(6,604,964)
OTHER FINANCING SOURCES (USES):								
Transfers in	-	-	-	-	-	-	14,950,154	14,950,154
Transfers out	-	-	-	-	(296,516)	-	-	(296,516)
Total other financing sources (uses)	-	-	-	-	(296,516)	-	14,950,154	14,653,638
Net change in fund balances (deficits)	119,371	(335,734)	221,489	204,831	(229)	(196,289)	8,035,235	8,048,674
FUND BALANCES, beginning of fiscal year	240,192	212,820	35,007	103,988	229	752,918	7,742,317	9,087,471
FUND BALANCES (DEFICITS), end of fiscal year	$ 359,563	$ (122,914)	$ 256,496	$ 308,819	$ -	$ 556,629	$ 15,777,552	$ 17,136,145

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, 2023

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 100,000	$ 187,000	$ 187,529	$ 529
Total revenues	100,000	187,000	187,529	529
Expenditures:				
Public safety	100,000	187,000	68,158	118,842
Total expenditures	100,000	187,000	68,158	118,842
Net change in fund balances	-	-	119,371	(118,313)
Fund balances, beginning of fiscal year	240,192	240,192	240,192	-
Fund balances, end of fiscal year	$ 240,192	$ 240,192	$ 359,563	$ (118,313)

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, 2023

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ 129,869	$ 443,876	$ 108,093	$ (335,783)
Total revenues	129,869	443,876	108,093	(335,783)
Expenditures:				
Public safety	1,442,080	443,876	443,827	49
Total expenditures	1,442,080	443,876	443,827	49
Deficiency of revenues under expenditures	(1,312,211)	-	(335,734)	(335,734)
Other financing sources:				
Transfers in	1,099,391	-	-	-
Total other financing sources	1,099,391	-	-	-
Net change in fund balances	(212,820)	-	(335,734)	(335,734)
Fund balances, beginning of fiscal year	212,820	212,820	212,820	-
Fund balances (deficit), end of fiscal year	$ -	$ 212,820	$ (122,914)	$ (335,734)

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, 2023

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Property Tax	$ -	$ -	$ 221,489	$ 221,489
Total revenues	-	-	221,489	221,489
Net change in fund balances	-	-	221,489	221,489
Fund balances, beginning of fiscal year	35,007	35,007	35,007	-
Fund balances, end of fiscal year	$ 35,007	$ 35,007	$ 256,496	$ 221,489

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, 2023

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Property Tax	$ -	$ -	$ 204,831	$ 204,831
Total revenues	-	-	204,831	204,831
Net change in fund balances	-	-	204,831	204,831
Fund balances, beginning of fiscal year	103,988	103,988	103,988	-
Fund balances, end of fiscal year	$ 103,988	$ 103,988	$ 308,819	$ 204,831

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, 2023

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Hotel/motel taxes	$ 545,600	$ 545,600	$ 630,638	$ 85,038
Total revenues	545,600	545,600	630,638	85,038
Expenditures:				
Parks, recreation, and cultural affairs	341,000	341,000	334,351	6,649
Total expenditures	341,000	341,000	334,351	6,649
Excess of revenues over expenditures	204,600	204,600	296,287	91,687
Other financing uses:				
Transfers out	(204,600)	(204,600)	(296,516)	(91,916)
Total other financing uses	(204,600)	(204,600)	(296,516)	(91,916)
Net change in fund balances	-	-	(229)	(229)
Fund balances, beginning of fiscal year	229	229	229	-
Fund balances, end of fiscal year	$ 229	$ 229	$ -	$ (229)

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, 2023

PROJECT	ESTIMATED COST		EXPENDITURES			PROJECT COMPLETION
	ORIGINAL	CURRENT	PRIOR	CURRENT	TOTAL	
Corridor Resurfacing	$ 4,358,198	$ 9,827,217	$ 9,327,217	$ 77,820	$ 9,405,037	96%
Subdivisions Resurfacing	9,441,915	15,853,904	14,247,390	-	14,247,390	90%
Bridges	19,567,840	19,567,840	254,115	15,683	269,798	1%
ATMS - Flat Shoals Road	1,000,000	1,000,000	262,809	16,200	279,009	28%
OSI Projects	1,776,144	3,044,862	1,766,394	1,278,468	3,044,862	100%
Bike/Ped Projects	290,330	663,440	290,330	373,110	663,440	100%
Quick Response Projects (2%)	969,439	969,439	509,473	-	509,473	53%
PM/CM (5.5%)	3,077,183	3,077,183	1,371,052	586,803	1,957,855	64%
TOTAL TSPLOST	$ 40,481,049	$ 54,003,885	$ 28,028,780	$ 2,348,084	$ 30,376,864	

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.



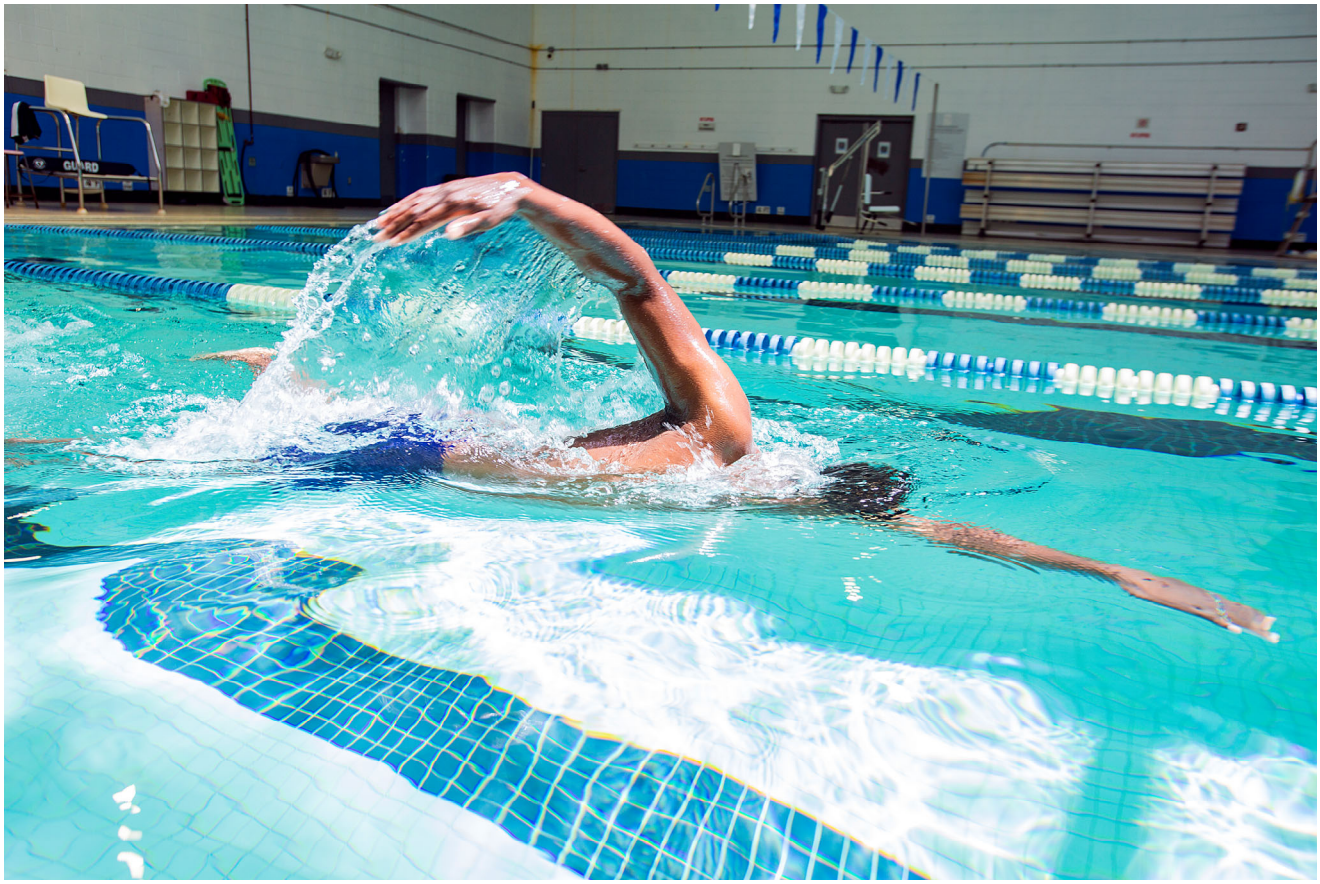
COMPONENT UNIT

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, 2023

	Development Authority Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments to suppliers and service providers	$ (232,386)
Net cash used in operating activities	(232,386)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfer in from other funds	150,000
Net cash provided by noncapital financing activities	150,000
Net decrease in cash and cash equivalents	(82,386)
Cash and cash equivalents:	
Beginning of fiscal year	82,386
End of fiscal year	$ -
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	$ (162,068)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Change in assets and liabilities:	
Increase in due from primary government	(70,318)
Net cash used in operating activities	$ (232,386)



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 **62**

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 **67**

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

Debt Capacity **71**

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 **74**

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 **76**

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 SEVEN FISCAL YEARS
(accrual basis of accounting)

	2023	2022 Restated		2021	2020	2019		2018	2017
Governmental activities:									
Net investment in capital assets	$ 263,479,743	$ 267,120,367		$ 265,092,995	$ 268,365,263	$ 270,736,966	1	$ 13,090,650	$ 291,584
Restricted	70,295,572	28,680,198		51,456,443	29,289,044	22,457,468	2	-	-
Unrestricted	115,219,834	98,116,621		47,593,161	23,658,456	10,507,534		(7,935,621)	(6,155,811)
Total governmental activities net position	448,995,149	393,917,186		364,142,599	321,312,763	303,701,968		5,155,029	(5,864,227)
Business-type activities:									
Net investment in capital assets	534,289	605,334	4	-	-	-		-	-
Unrestricted	1,024,704	(227,760)		-	-	196,528	3	-	-
Total business-type activities net position	1,558,993	377,574		-	-	196,528		-	-
Primary government:									
Net investment in capital assets	264,014,032	267,725,701		265,092,995	268,365,263	270,736,966		13,090,650	291,584
Restricted	70,295,572	28,680,198		51,456,443	29,289,044	22,457,468		-	-
Unrestricted	116,244,538	97,888,861		47,593,161	23,658,456	10,704,062		(7,935,621)	(6,155,811)
Total primary government net position	$ 450,554,142	$ 394,294,760		$ 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 in subsequent years.
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.
4 During fiscal year 2020, management reclassified this fund to a discretely presented component unit.
5 During fiscal year 2023, management reclassified this fund to an enterprise fund. It was previously reported in the General Fund.
6 2022 fund balance for the General Fund was restated to move the Sanitation Fund to a separate Enterprise Fund and fund balance for the TSPLOST Fund was restated to correct an error in the prior year balance related to receivables.

CITY OF SOUTH FULTON, GEORGIA

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

	2023	2022 Restated [5]	2021	2020	2019	2018	2017
Expenses							
Governmental activities:							
General government	$ 18,634,398	$ 13,957,887	$ 14,027,988	$ 14,031,490	$ 7,562,293	$ 4,508,869	$ 1,375,830
Judicial	845,303	841,461	785,886	778,800	849,522	622,080	10,278
Public safety	43,070,676	38,794,443	30,115,600	33,300,498	26,421,034	32,787,168	12,113,136
Public works	13,965,442	23,770,812	22,537,237	22,772,513	16,615,373	7,339,476	1,798,802
Parks, recreation, and cultural affairs	5,334,104	4,740,482	4,418,031	4,198,093	2,642,631	4,987,263	1,813,405
Housing and development	7,439,886	7,484,200	6,045,466	4,936,332	4,192,784	2,828,989	862,905
Interest on long-term debt	657,149	651,701	562,641	750,365	62,810	322,566	20,233
Total governmental activities expenses	89,946,958	90,240,986	78,492,849	80,768,091	58,346,447	53,396,411	17,994,589
Business-type activities:							
Stormwater	576,953	346,943 [4]	-	-	-	-	-
Sanitation	2,832,305 [5]	448,165	-	-	-	-	-
Development	-	-	-	-	3,472 [3]	-	-
Total business-type activities expenses	3,409,258	795,108	-	-	3,472	-	-
Program revenues							
Governmental activities:							
Charges for services:							
General government	762	926	-	1,494	518	650	250,382
Judicial	997,968	2,053,951	724,712	429,389	452,019	274,348	-
Public safety	4,118,936	5,583,928	4,618,849	491,023	353,659	166,004	503,671
Parks, recreation, and cultural affairs	271,555	209,566	193,086	194,990	559,745	338,751	140,843
Housing and development	3,590,570	5,434,857	3,168,394	3,710,553	2,278,878	1,927,579	495,833
Operating grants and contributions	5,390,897	115,362	34,114,476	22,953,889	27,066,418 [2]	3,630,149	-
Capital grants and contributions	21,881,875	22,207,336	-	-	262,902,562 [1]	13,029,454	157,313
Total governmental activities program revenues	36,252,563	35,605,926	42,819,517	27,781,338	293,613,799	19,366,935	1,548,042
Business-type activities:							
Charges for services:							
Sanitation	2,911,391	506,661	-	-	-	-	
Total business-type activities program revenues	2,911,391	506,661	-	-	-	-	
Net (expense)/revenue:							
Governmental activities	(53,694,395)	(54,635,060)	(35,673,332)	(52,986,753)	235,267,352	(34,029,476)	(16,446,547)
Business-type activities	(497,867)	(288,447)	-	-	(3,472)	-	-
Total primary government net (expense) revenue	$ (54,192,262)	$ (54,923,507)	$ (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	$ 49,681,348	$ 32,693,719	$ 29,040,306	$ 29,389,742	$ 30,265,167	$ 14,625,008	$ -
Title ad valorem taxes	2,380,970	1,987,254	2,053,265	1,658,468	395,350	854,804	340,407
Sales taxes	34,694,331	32,626,606	27,738,613	24,254,078	26,442,415	24,650,013	9,708,371
Franchise taxes	6,643,310	5,145,151	7,533,433	4,113,950	3,058,729	1,760,981	328,410
Business taxes	4,751,491	3,035,599	1,971,342	1,772,707	2,050,459	1,946,092	15,647
Alcoholic beverage excise taxes	737,336	677,828	645,114	332,706	262,382	301,332	113,744
Hotel/motel taxes	630,638	637,995	320,044	121,792	123,192	93,044	-
Transfer taxes	1,439,300	2,300,583	2,008,924	1,300,427	638,534	277,621	-
Insurance premium taxes	8,925,282	7,127,261	6,900,029	7,154,213	8,400	4,809	-
Other taxes	372,145	434,402	199,622	188,207	7,621	2,762	75,668
Interest	193,743	4,771	3,823	2,315	1,121	232	73
Miscellaneous revenues	1,750	11,013	88,653	308,943	174,744	573,570	-
Gain on sale of capital assets	-	-	-	-	-	9,937	-
Transfers	(1,679,286)	(445,150)	-	-	(200,000)	-	-
Total governmental activities	108,772,358	86,237,032	78,503,168	70,597,548	63,228,114	45,100,205	10,582,320
Business-type activities:							
Transfers	1,679,286	445,150	-	-	200,000	-	-
Total business-type activities	1,679,286	445,150	-	-	200,000	-	-
Total primary government	$ 110,451,644	$ 86,682,182	$ 78,503,168	$ 70,597,548	$ 63,428,114	$ 45,100,205	$ 10,582,320
Change in Net Position							
Governmental and business-type activities	$ 56,259,382	$ 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 in subsequent years.

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.

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5 During fiscal year 2023, management reclassified this fund to an enterprise fund. It was previously reported in the General Fund. 2022 net position and fund balance was restated.

CITY OF SOUTH FULTON, GEORGIA

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST SEVEN 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
2023	49,681,348	2,380,970	34,694,331	6,643,310	4,751,491	630,638	11,474,063	110,256,151

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

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)

	2023	2022 Restated (1)	2021	2020	2019	2018	2017
General Fund							
Nonspendable - Prepaid items	$ 1,060,135	$ 1,474,022	$ 416,201	$ 1,133,837	$ 1,202,681	$ 266,617	$ 22,720
Nonspendable - Inventory	184,205	163,121	3,262	3,175	29,354	23,289	-
Committed - Tree replacement	5,331,636	1,167,167	112,301	427,489	-	-	-
Assigned - Appropriations for next fiscal year's budget	-	1,603,281	-	-	-	-	-
Unassigned	96,037,624	74,570,188	60,114,088	26,249,230	9,374,794	(8,980,724)	(6,562,595)
Total General fund	$ 102,613,600	$ 78,977,779	$ 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	68,543,326	49,244,655	37,490,891	29,098,591	22,289,952	-	-
Restricted - Public safety	359,563	240,192	261,181	154,647	142,654	-	-
Restricted - Development	565,315	138,995	1,052	-	-	-	-
Committed - Capital projects	-	-	13,087,936	16,355,094	-	-	-
Assigned - Public safety	-	212,820	-	-	-	-	-
Assigned - Capital projects	15,777,552	7,742,317	1,050	1,050	1,059,381	489,967	-
Unassigned (deficit)	(122,914)	-	-	(139,339)	(409,568)	(409,568)	-
Total all other governmental funds	$ 85,122,842	$ 57,579,208	$ 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 in subsequent years.

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

(1) 2022 fund balance for the General Fund was restated to move the Sanitation Fund to a separate Enterprise Fund and fund balance for the TSPLOST Fund was restated to correct an error in the prior year balance related to receivables.

CITY OF SOUTH FULTON, GEORGIA

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

	2023	2022	2021	2020	2019	2018	2017
Revenues							
Taxes	$ 110,859,526	$ 85,965,559	$ 78,282,343	$ 70,280,501	$ 63,072,251	$ 44,575,456	$ 10,198,183
Licenses and permits	3,252,036	5,132,836	3,016,223	3,615,853	2,209,578	1,822,564	716,326
Fines and forfeitures	1,185,497	2,107,867	831,246	498,933	668,616	278,348	33,130
Charges for services	4,542,258	6,042,525	4,857,223	712,663	766,625	606,420	641,273
Intergovernmental	26,919,974	27,436,658	27,983,121	22,803,351	27,153,510	3,122,290	-
Interest income	193,743	4,771	3,823	2,315	1,121	232	73
Contributions and donations	250	11,013	66,500	11,500	1,600	10,600	-
Miscellaneous revenues	101,520	20,606	22,153	297,443	173,144	573,570	-
Total revenues	147,054,804	126,721,835	115,062,632	98,222,559	94,046,445	50,989,480	11,588,985
Expenditures							
Current:							
General government	19,335,822	14,857,575	14,194,414	13,632,498	7,447,034	4,339,235	1,510,101
Judicial	840,075	852,764	804,873	765,531	838,857	612,473	10,278
Public safety	40,943,241	38,040,062	29,758,622	27,667,294	27,128,928	31,764,104	12,113,136
Public works	11,227,573	18,866,897	18,659,367	17,326,632	11,355,545	7,339,476	1,798,802
Parks, recreation, and cultural affairs	5,609,250	5,111,581	4,213,251	3,714,549	2,443,333	4,862,923	1,813,405
Housing and development	7,399,386	7,524,725	6,151,402	4,845,484	4,139,461	2,735,477	862,905
Capital outlay	6,152,215	13,414,541	4,694,465	10,353,823	1,849,565	-	-
Debt service:							
Principal	2,853,845	2,570,669	1,841,163	598,781	5,743	-	-
Interest	657,149	651,149	562,039	369,764	62,810	322,566	20,233
Debt issuance costs	-	552	602	380,601	-	-	-
Total expenditures	95,018,556	101,890,515	80,880,198	79,654,957	55,271,276	51,976,254	18,128,860
Excess (deficiency) of revenues over (under) expenditures	52,036,248	24,831,320	34,182,434	18,567,602	38,775,169	(986,774)	(6,539,875)
Other financing sources (uses)							
Financed purchases from direct borrowings	822,493	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	15,246,670	12,723,871	2,036,522	4,656,076	1,142,288	1,083,805	-
Transfers out	(16,925,956)	(13,169,021)	(2,036,522)	(4,656,076)	(1,342,288)	(1,083,805)	-
Total other financing sources (uses)	(856,793)	2,055,341	4,006,896	20,554,970	2,506,585	9,937	-
Net change in fund balances	$ 51,179,455	$ 26,886,661	$ 38,189,330	$ 39,122,572	$ 41,281,754	$ (976,837)	$ (6,539,875)
Debt service as a percentage of noncapital expenditures	4.3%	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 in subsequent years.
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%
2023	5,926,070,645	1,243,803,000	4,140,560	149,498,915	7,323,513,120	18,309,782,800	12.399	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 SEVEN CALENDAR YEARS

(rate per $1,000 of assessed value)

Tax Digest Year	South Fulton Operating Millage	South Fulton Debt Service	South Fulton Total	Fulton County Operating Millage	Fulton County Debt Service Millage	Fulton County Total Fulton County Millage	School District Operating Millage	School District Debt Service Millage	School District Total School District Millage	State	Total Direct and 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	0.000	39.229
2023	12.399	0.000	12.399	8.870	0.220	9.090	17.140	0.000	17.140	0.000	38.629

Source: GA Dept of Revenue - Property Tax Millage Rates

CITY OF SOUTH FULTON, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND SIX YEARS AGO

	2023			2017		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
GEORGIA POWER COMPANY	$ 50,201,660	1	0.69%			
HODGES M D ENTERPRISES, INC.	44,749,440	2	0.61%			
DEVELOPMENT AUTHORITY OF FULTON COUNTY	40,517,339	3	0.55%			
SVC MANUFACTURING, INC.	37,194,000	4	0.51%			
REPUBLIC NATIONAL DISTRIBUTING CO., INC.	36,842,920	5	0.50%			
C K S PACKAGING, INC.	36,798,440	6	0.50%			
COLONIAL PIPELINE COMPANY	25,345,632	7	0.35%			
SOUTHEAST COMMERCIAL, LLC	25,344,120	8	0.35%			
SAND BAY FEE OWNER, LLC	21,730,120	9	0.30%			
GEORGIA TRANSMISSION CORPORATION	20,957,217	10	0.29%			
COCA COLA COMPANY, THE				$ 61,845,410	1	1.86%
K P R US, LLC				36,380,330	2	1.10%
COX ENTERPRISES, INC.				29,901,710	3	0.90%
HOMER LEASE COMPANY, INC.				27,073,110	4	0.82%
NATIONAL DISTRIBUTING CO., INC.				26,017,040	5	0.78%
UNITED NATURAL FOODS, INC.				22,444,510	6	0.68%
INTERCONTINENTAL EXCHANGE HOLDINGS, INC.				15,864,840	7	0.48%
CEAI SANDTOWN VISTA LLC & ZP FUND III, LLC				13,965,000	8	0.42%
SVC MANUFACTURING, INC.				12,950,830	9	0.39%
WALTON LAKES, LLC				12,056,440	10	0.36%
	$ 339,680,888		4.64%	$ 258,499,220		7.79%

CITY OF SOUTH FULTON, GEORGIA

PROPERTY TAX LEVIES AND COLLECTIONS
LAST SEVEN 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%	$ 14,280,400	$ 14,280,400	99.06%	$ 134,954
2018	28,734,768	2,534,295	8.8%	26,098,852	28,633,147	99.65%	101,621
2019	27,536,893	4,168,449	15.1%	23,242,774	27,411,223	99.54%	125,670
2020	29,459,979	806,861	2.7%	28,522,075	29,328,936	99.56%	131,043
2021	32,270,545	1,102,223	3.4%	30,812,885	31,915,108	98.90%	355,437
2022	48,178,873	1,163,871	2.4%	39,409,460	40,573,331	84.21%	7,605,542
2023	52,092,984	886,691	1.7%	-	886,691	1.70%	51,206,293

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 SEVEN 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
2023	3,240,677	15,040,000	1,609,557	19,890,234	0.50%	550.17

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

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 20, 2023

Governmental Unit	Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
Overlapping Debt			
Fulton County, Georgia	$ 529,647,000	6.68 %	$ 35,380,420
Fulton County School District	9,502,663	15.17 %	1,441,554
Direct Debt			
City of South Fulton, Georgia	19,890,234	100 %	19,890,234
Total direct and overlapping debt	$ 559,039,897		$ 56,712,208

Source: Fulton County Annual Comprehensive Financial Report 2023

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 SEVEN FISCAL YEARS

	2017	2018	2019	2020	2021	2022	2023
Debt limit	$ 767,497,416	$ 331,717,619	$ 337,023,993	$ 359,850,353	$ 388,686,481	$ 591,157,332	$ 732,351,312
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	$ 732,351,312
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%	0.00%

	Legal Debt
Assessed value	$ 7,323,513,120
Add back: exempt real property	-
Total assessed value	7,323,513,120
Debt limit (10% of total assessed value)	732,351,312
Debt applicable to limit	
General obligation bonds	-
Legal debt margin	$ 732,351,312

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 SEVEN 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
2023	110,920	4,010,090,760	36,153	39.6	31,904	5.50

(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 FIVE YEARS AGO

	2023			2018		
Employer	Employees (1)	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment (1)
United Parcel Service, Inc.	1,050	1	4.48 %			
WALMART STORES	803	2	3.43			
ALL-N-1 SECURITY SERVICES, INC.	700	3	2.99			
PepsiCo-Gatorade	502	4	2.14			
ROYSTON, LLC	600	5	2.56			
United Natural Foods	560	6	2.39			
Miller Zell, Inc.	293	7	1.25			
Atlanta Beverage Company	247	8	1.05			
Home Depot #130	239	9	1.02			
Harry and David, LLC	225	10	0.96			
KROGER				233	1	5.83 %
MCDONALDS				184	2	4.61
HOME DEPOT				174	3	4.36
THE JON SMITH GROUP, LLC				115	4	2.88
ARBOR TERRACE AT CASCADE				88	5	2.20
FRANKS DETAIL, INC.				61	6	1.53
STEELCASE, INC.				54	7	1.35
COMPREHENSIVE THERAPY CONSULTANTS, INC.				51	8	1.28
C H ROBINSON COMPANY, INC.				45	9	1.13
KEDPLASMA, LLC				38	10	0.95
Totals	5,219		22.28 %	1,043		26.12 %

(1) Source: South Fulton Business Permit Renewals

CITY OF SOUTH FULTON, GEORGIA

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

Function/Program	2017	2018	2019	2020	2021	2022	2023
General Government							
Legislative	-	-	-	-	14	14	14
Executive	3	6	8	8	12	3	10
City Clerk	3	3	4	3	5	3	5
Finance	2	9	15	14	20	15	13
Licensing	3	3	3	3	3	-	-
Purchasing	1	1	3	3	4	1	3
Legal	-	-	-	-	5	5	6
Human Resources	2	3	5	3	5	7	6
Communication	1	2	5	4	5	3	8
Risk Management	-	-	-	-	1	1	1
Information Technology	2	2	9	4	10	2	11
Development Services	7	23	23	-	-	-	-
General Services	-	-	-	-	14	5	12
Judicial							
Municipal Court	-	5	7	7	8	6	6
Housing and Development							
Community Development and Regulatory Affairs	7	23	23	-	28	16	23
Economic Development	-	1	4	2	7	4	4
Code Enforcement	15	17	15	32	19	16	25
Public Safety							
Police	161	161	178	154	246	142	258
Fire	173	173	178	159	202	161	192
Public Works							
Building and Grounds	-	-	15	12	15	20	33
Stormwater	-	-	-	-	3	-	-
Parks and Recreation							
Parks and Recreation	80	64	77	48	77	34	64
Cultural Affairs	-	-	-	-	10	8	11
Total	460	496	572	456	713	466	705

Source: City of South Fulton Human Resources Department

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

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

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

CITY OF SOUTH FULTON, GEORGIA

OPERATING INDICATORS BY FUNCTION
LAST SEVEN FISCAL YEARS

Function	2017	2018	2019	2020	2021	2022	2023
General Government							
Ordinances approved	41	52	36	39	35	40	36
Software applications supported	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Grants managed	-	2	3	5	19	5	22
Police							
Calls for Service	-	49,718	77,536	91,690	83,539	95,243	99,440
Part 1 Crimes Reported	-	4,789	4,032	3,375	2,802	2,089	2,893
Traffic citation issued	-	426	5,156	4,339	6,907	9,527	8,059
Physical Arrest	-	1,011	2,031	1,809	2,536	3,353	2,871
Fire							
Incident responses*	4,541	13,048	15,946	17,097	18,161	21,835	23,107
Average response time	6:54	7:02	7:03	-	10:16	8:17	10:14
Fire Safety education classes	90	539	127	58	2	14	23
Smoke Alarm Installed	94	207	273	88	34	46	153
Inspection conducted	667	539	867	1,238	1,389	1,559	1,614
Public works							
Average days to repair pothole	N/A	8	4	3	3	3	3
Community Development							
New building permits issued	N/A	2,194	2,643	2,654	4,549	7,351	7,435
Parcels annexed	-	-	1	-	-	-	-
Culture and Recreation							
Annual program	N/A	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 SEVEN FISCAL YEARS

Function/Program	2017	2018	2019	2020	2021	2022	2023
Police							
Police Stations	-	3	4	4	4	4	4
Patrol units and support vehicles	-	113	139	139	173	173	173
Police motorcycles	-	8	8	8	8	8	8
Segway	-	2	2	2	2	2	2
Fire (Services transferred in 2018)							
Fire Stations	-	9	9	9	9	9	9
Ladder Units - front line	2	2	2	2	2	2	2
Ladder Units - reserved	1	-	1	1	1	1	1
Engines - front line	10	9	9	9	9	9	9
Engines - reserved	2	1	2	2	2	2	2
Mini Pumper	-	-	-	-	-	-	1
Public Education Fire Safety Trailer	-	-	-	-	-	-	1
Command Vehicle	-	-	-	-	-	-	1
Public Works							
Streets Paved - (miles)	514	518	534	534	534	534	534
Streets Unpaved - (miles)	25	22	20	20	20	20	20
General Government							
Land (acres)	-	-	-	-	50	50	50
Buildings							
Owned	-	27	27	27	27	27	27
Leased	-	5	5	5	5	5	5
Machinery and Equipment							
Owned	-	-	-	-	-	-	43
Vehicles							
Owned	-	249	249	247	247	247	442
Leased	-	10	26	27	31	31	31
Parks - active and passive							
Park Acreage (excluding Tom Lowe)	693	693	720	720	720	720	720
Greenway and Walking Trails (miles)*	2	2	2	2	2	2	2
Adaptive Athletic Fields	7	7	7	7	7	7	7
Athletic Fields	29	29	29	29	29	29	29
Swimming Pools**	2	2	2	2	2	2	2
Tennis Courts	47	47	47	47	47	47	47
Recreation Buildings	9	9	10	10	10	10	10
Playgrounds/ADA	14/1	14/1	14/1	14/1	14/1	14/1	14/1
Picnic Shelters/Restrooms	20	20	20	20	20	20	20
Concession Stands/Offices	5	5	5	5	5	5	5
Restrooms (outdoor)	22	22	22	22	22	22	22
Basketball Courts (outdoor)	5	5	5	5	5	5	5
Gymnasiums	3	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