

ANNUAL COMPREHENSIVE FINANCIAL REPORT



FULTON COUNTY, GEORGIA

**FISCAL YEAR ENDED
DECEMBER 31, 2023**

Prepared Under Authority Granted by
The Board of Commissioners of Fulton County

INTRODUCTORY SECTION

FULTON COUNTY, GEORGIA ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended December 31, 2023

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

7001 Fulton County Government Center

Atlanta, Georgia 30303

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FULTON COUNTY, GEORGIA

Annual Comprehensive Financial Report

Year ended December 31, 2023

Table of Contents

	Page
Introductory Section (Unaudited):	
Title Page	i
Table of Contents	ii
List of Principal Officials.....	v
Organization Chart.....	vi
Letter of Transmittal	vii
Certificate of Achievement for Excellence in Financial Reporting	xvi
Financial Section:	
Independent Auditors' Report.....	1
Management's Discussion and Analysis.....	4
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	15
Statement of Activities	16
Fund Financial Statements:	
Governmental Funds Financial Statements:	
Balance Sheet	17
Reconciliation of the Balance Sheet	
To the Statement of Net Position	18
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes	
In Fund Balances of Governmental Funds to the Statement of Activities	20
Statement of Revenues, Expenditures, and Changes in Fund Balances	
General Fund Budget to Actual - Non-GAAP Budgetary basis.....	21
Statement of Revenues, Expenditures, and Changes in Fund Balances	
American Rescue Fund, Budget to Actual - Non-GAAP Budgetary basis	23
Proprietary Funds Financial Statements:	
Statement of Net Position.....	24
Statement of Revenues, Expenses, and Changes in Fund Net Position	26
Statement of Cash Flows	27
Fiduciary Fund Financial Statements:	
Statement of Fiduciary Net Position	28
Statement of Changes in Fiduciary Net Position.....	29
Component Units:	
Combining Statement of Net Position.....	30
Combining Statement of Activities	31
Notes to the Financial Statements	32
Required Supplementary Information	88
Notes to Required Supplementary Information	91

FULTON COUNTY, GEORGIA

Annual Comprehensive Financial Report

Year ended December 31, 2023

Table of Contents

Financial Section: (continued)	
Combining Statements and Schedules:	
Non-major Governmental Funds:	
Combining Balance Sheet	93
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	96
Schedule of Revenues, Expenditures, and Changes in Fund Balances	
Debt Service Fund Budget to Actual - Non-GAAP Budgetary basis	99
Special Revenue Funds Budget to Actual - Non-GAAP Budgetary basis	100
Non-major Enterprise Funds:	
Combining Statement of Net Position	105
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	106
Combining Statement of Cash Flows	107
Internal Service Funds:	
Combining Statement of Net Position	108
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	109
Combining Statement of Cash Flows	110
Fiduciary Funds:	
Combining Statement of Fiduciary Net Position-Pension and OPEB	111
Combining Statement of Changes in Fiduciary Net Position-Pension and OPEB	112
Custodial Funds:	
Combining Statement of Fiduciary Assets and Liabilities	113
Combining Statement of Changes in Fiduciary Assets and Liabilities	114
Other Schedules:	
Summary of Debt Service Requirements to Maturity	117
Debt Service Requirements to Maturity - General	
Obligation 2010 and 2017 Library Bonds	118
Debt Service Requirements to Maturity - Water and Sewerage	
Bonds, Series 2020A, 2020B and 2013	119
Hotel/Motel Collections and Expenditures	120
Transportation Tax funds	
Schedule of Projects funded with Special Transportation Tax Proceeds	121

FULTON COUNTY, GEORGIA

Annual Comprehensive Financial Report

Year ended December 31, 2023

Table of Contents

Statistical Section (Unaudited):

Net Position by Component - Last Ten Fiscal Years	Schedule 1.....	122
Changes in Net Position - Last Ten Fiscal Years	Schedule 2.....	123
Fund Balances, Governmental Funds - Last Ten Fiscal Years	Schedule 3.....	124
Changes in Fund Balances - Governmental Funds - Last Ten Fiscal Years	Schedule 4.....	125
Assessed and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years	Schedule 5.....	126
Property Tax Rates – Direct and Overlapping Governments - Last Ten Fiscal Years – Operating and Bond Levies	Schedule 6.....	127
Principal Taxpayers – Current Year and Nine Years Ago - General Fund Property Tax Levy and Collections - Last Ten Fiscal Years	Schedule 7.....	128
Debt Service Fund Property Tax Levy and Collections - Last Ten Fiscal Years	Schedule 8-A.....	129
Special Service District Fund Property Tax Levy and Collections - Last Ten Fiscal Years	Schedule 8-A.....	129
Northeast Special Service Sub-District Fund – Property Tax Levy and Collections – Last Ten Fiscal Years	Schedule 8-B.....	130
Northwest Special Service Sub-District Fund – Property Tax Levy and Collections – Last Ten Fiscal Years	Schedule 8-B.....	130
South Fulton Special District Fund – Property Tax Levy and Collections – Last Ten Fiscal Years	Schedule 8-C.....	131
Computation of Direct and Overlapping Debt, December 31, 2023	Schedule 8-C.....	131
Computation of Direct and Overlapping Debt, December 31, 2023	Schedule 9.....	132
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	Schedule 9.....	132
Ratios of General Obligation Debt Outstanding – Last Ten Fiscal Years	Schedule 10.....	133
Ratios of General Obligation Debt Outstanding – Last Ten Fiscal Years	Schedule 10.....	133
Schedule of Revenue Bond Coverage, Fulton County Water & Sewerage System - Last Ten Fiscal Years	Schedule 11.....	134
Schedule of Revenue Bond Coverage, Fulton County Water & Sewerage System - Last Ten Fiscal Years	Schedule 12.....	135
Legal Debt Margin Information – Last Ten Fiscal Years	Schedule 13.....	136
Demographic Information – Last Ten Fiscal Years	Schedule 14.....	137
Principal Employers – Current Year and Nine Years Ago - Full-time Equivalent County Employees	Schedule 15.....	138
By Function/Program - Last Ten Fiscal Years	Schedule 16.....	139
Operating Indicators by Function/Program - Last Ten Fiscal Years	Schedule 17.....	140
Capital Asset Statistics by Function/Program - Last Ten Fiscal Years	Schedule 18.....	141
Report on Internal Control over Financial Reporting and on Compliance and On Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....		142

**FULTON COUNTY
GEORGIA
2023**

BOARD OF COMMISSIONERS OF FULTON COUNTY

Robb Pitts, Chairman
Bob Ellis, Vice-Chair
Khadijah Abdur-Rahman, Commissioner
Marvin S. Arrington, Jr., Commissioner
Dana Barrett, Commissioner
Natalie Hall, Commissioner
Bridget Thorne, Commissioner

Clerk to the Commission

Tonya R. Grier

County Manager

Dick Anderson

County Attorney

Soo Jo, Esq.

Chief Financial Officer

Sharon Whitmore

Chief Operating Officer

Justice, Public Safety, Technology

Alton Adams

Chief Operating Officer

Health, Human Services, Public Works

Pamela Roshell

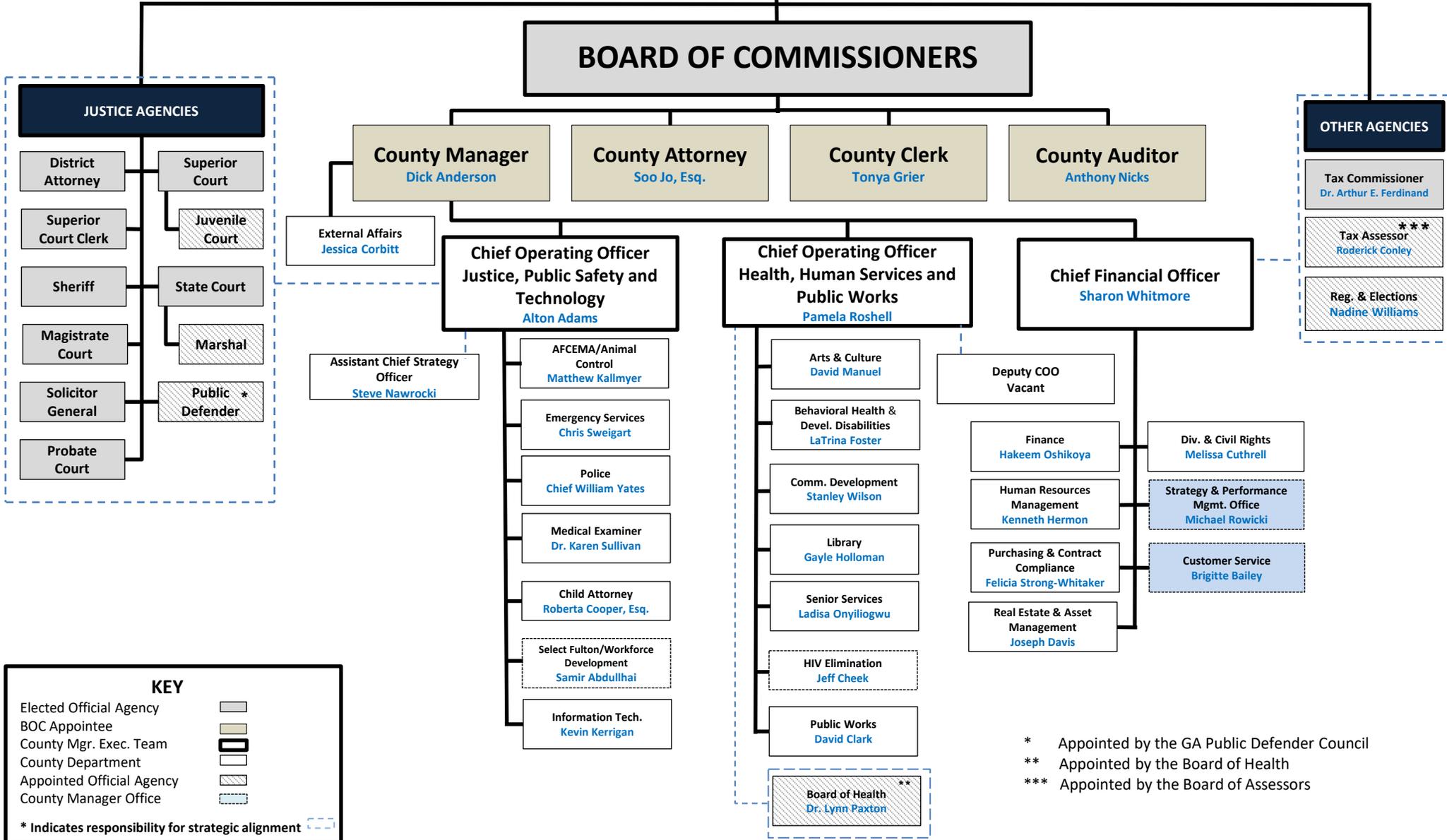
County Auditor

PJC Group, LLC



CITIZENS OF FULTON COUNTY

BOARD OF COMMISSIONERS



KEY

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

* Indicates responsibility for strategic alignment

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

LETTER OF TRANSMITTAL



June 28, 2024

To the Board of Commissioners,
County Manager, and
Citizens of Fulton County, Georgia

The Finance Department is pleased to present the Annual Comprehensive Financial Report (ACFR) of Fulton County, Georgia (the “County”), for the fiscal year ended December 31, 2023. The ACFR is provided to give detailed information about the financial position and activities of the County to citizens, the Board of Commissioners, County staff and external users. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the County. All disclosures necessary to enable the reader to gain an understanding of the County’s financial activities are included. Generally accepted accounting standards require management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management Discussion & Analysis section (MD&A). This letter of transmittal is designed to complement the MD&A that follows, and should be read in conjunction with that section.

The County’s financial statements have been audited by the *PJC Group, LLC*. The goal of the independent audit is to provide reasonable assurance that the financial statements of the County for the year ended December 31, 2023 are free of material misstatements. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors’ judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. The independent auditors rendered unmodified opinions that the County’s financial statements for the year ended December 31, 2023, are fairly presented in conformity with GAAP. The independent auditors’ report is presented as lead component of the financial section of this report.

This report and other historical audited financial statements, prior year fiscal operating budgets, and other financial reports may be accessed via the County's website at <https://www.fultoncountyga.gov/inside-fulton-county/fulton-county-departments/finance/annual-financial-reports>.

Profile of the Government

The County is the central county in the Atlanta Metropolitan Area and the most populous county in Georgia. The estimated population of the County as of the July 1, 2023 mid-year U.S. Census Bureau estimate was 1,079,105. Fulton is the most populous county in the State of Georgia with approximately 10% of the entire State's population and remains the 43rd most populous in the United States. Originally created in 1853 by the Georgia General Assembly and enlarged in 1931 by the absorption of two adjacent counties, the County encompasses 523 square miles. The City of Atlanta occupies about 131.4 square miles, or about 25% of the County, and accounts for almost half of its population. The fourteen other incorporated cities located in the County, from north to south, include Milton, Alpharetta, Roswell, Johns Creek, Mountain Park, Sandy Springs, continuing south with East Point, South Fulton, Hapeville, College Park, Union City, Fairburn, Palmetto then Chattahoochee Hills.

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

The Georgia State Legislature created the Board of County Commissioners in 1880 and in 1973 and 1974 amended the Board to its current seven members. The Board constitutes the governing authority for the County (Ga. Law 1880, page 500). In 2013 under House Bill 171, the geographic composition of the Board was changed, making six of the seven positions elected by geographic districts and one elected county-wide to serve as Chair. The county-wide position is designated, by election, as the chairperson of the Board of Commissioners. Members are part-time and since HB 171 now serve staggered four-year terms. A County Manager implements the Board's policies, administers the county government, appoints department heads, and supervises approximately 1,700 of the County's 4,700 full-time employees, the remainder supervised by each constitutional officer serving as their department head. The power of Home Rule was granted to the County by amendment to the Georgia Constitution in 1982.

The financial statements, schedules, and statistical tables included in this report pertain to all functions and funds directly under the control of the Fulton County Board of Commissioners. Also included are custodial funds administered and controlled by various elected or appointed officials or boards which are not reported upon by any other entity. This report includes all funds of the County as well as those entities determined to have met the criteria for inclusion in the County's reporting entity. Various potential component units were evaluated. A component unit was considered to be part of the County's reporting entity when it was concluded that the County was financially accountable for the entity or the nature and significance of the relationship between the County and the entity was such that exclusion would cause the County's financial statements to be misleading or incomplete. This report includes all funds and activities of the Fulton County Building Authority, Fulton County Urban Redevelopment Agency and the Fulton County Facilities Corporation which are reported as blended component units and the Fulton-DeKalb Hospital Authority and the Fulton County Board of Health, which are discretely presented.

County Accomplishments in 2023

Below are listed some of Fulton County's efforts in fiscal 2023:

Justice & Safety

- *Completed Phase I & II Jail Feasibility and Board approval for \$1.6 Billion new jail facility.*
- *Disposed over 122 thousand court case backlogs due to Covid-19 health crisis.*
- *Reduced Fulton County jail population by 1,000 inmates.*

Health & Human Services

- *Department of Behavioral Health and Developmental Disabilities began construction on the County's first-ever Behavioral Health Crisis Center located at Oak Hill Child, Adolescent & Family Center.*
- *Adoption of Project Care to plan and improve health access across the County and provider access.*
- *Opening of Morehouse Health Clinic to provide services in "healthcare desert".*

Arts & Libraries

- *Provided over \$2.5 Million in funding to arts and culture organizations to support diversity and local communities.*
- *Increased Library virtual circulation, now exceeding over 1.3 Million visits annually.*

Infrastructure & Economic Development

- *Opened \$38 million world class animal shelter, protecting animals and residents County-wide.*
- *Fulton County achieved continued recognition as a top 20 county for economic development.*
- *Began Fulton County Executive Airport improvement plan.*
- *Continued property acquisition along Fulton Industrial Corridor to reinvestments and redevelopment.*

Open & Responsible Government

- *Opened Elections HUB and Operations Center to improve efficiencies and transparencies of election process and to support departmental operations.*
- *Board of Assessors launched on Onsite paperless filling for Homestead exemption process.*
- *Implemented enhanced call center management and customer service kiosk with various departments.*

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

On the following page, the near-term interpretation of the above vision is outlined with the County's 2024 strategic initiatives, continuing the five year Strategic Plan designed to guide the County's decisions.



Justice & Safety

- Continue Court Backlog Project to process cases impacted by the pandemic and eliminate backlog by 2024
- Improve End-to-End performance of the Justice System by utilization of upgraded processes, technology, and results reporting
- Support the public safety agencies in the start-up of the Justice Diversion Center
- Decide on a funding mechanism for the Jail Feasibility Study to cover the costs for planning and construction of a new facility
- Complete the Continuity of Services planning and programming for emergency situations to ensure services are provided to the citizens and government continuity



Health & Human Services

- Receive DBHDD funding from the State and complete the construction of the Behavioral Health Crisis Center, and source clinical and administrative staff
- Start construction of the North Health and Human Services Center and initiate the feasibility plans for a new South facility
- Continue the efforts need to improve access to healthcare in underserved areas of the County that have been identified with gaps in public health resources
- Explore innovative service delivery models for affordable housing; and implement a Tiny Homes project
- Continue development of Integrated Prevention and Care Plan to address HIV Elimination



Arts & Libraries

- Fully implement the transition of FGTV under Arts and Culture to enhance and improve Fulton Films programming and services
- Continue implementation the Strategic Plan for the Vision of the Library of the Future with a focus on early literacy and digital inclusion
- Continue discussions with interested parties to develop retail space available in the Central Library



Infrastructure & Economic Development

- Continue execution of Renew the District with a strategic investment to accelerate re-development and attract development partners increase economic opportunities on the FIB corridor
- Continue \$100M+ expansion of Fulton County Airport to stimulate economic development
- Modernize IT infrastructure with \$18M in capital investment to provide virtual services and promote remote working to improve customer experience
- Working on closing the digital divide through increased broadband access under the Affordable Connectivity Program (ACP) in cooperation with private partners



Open & Responsible Government

- Continue to enhance IT infrastructure to provide employees with the most efficient and effective remote work technology
- Improve Fulton County's elections process through full utilization of technology and updated training models
- Continue to attract, hire, and retain top talent using the Key Classification and Employee Compensation Program
- Start construction on the Reimaging of the County's Workplace to provide employees with increased flexibility and collaboration spaces
- Completion of a Central Warehouse for the consolidation of specific services for Registration and Elections, Emergency Management, Real Estate and Asset Management, Information and Technology, Clerk to the Courts, Marshall, Police, and Sheriff
- Continue the upgrade and enhancement of ERP system for improved internal services and processing times

ECONOMIC CONDITIONS AND OUTLOOK

Fulton County has historically enjoyed a diverse economy, dynamic business community, and efficient transportation and logistical network which provide a competitive destination for companies across all major industries. These attributes contributed to several companies continuing to relocate or opening new facilities in recent years and will continue to do so over the next several years. While the economic cycles can foster or impede growth in the short term, long term financial outcomes remain positive for the local area.

Below are notables from the February 24, 2024 press release from Rajeev Dhawan, long time economist with the Center. This press release discussed the possibility of interest rate reductions expected in 2024, and how that will deliver a resurgence in growth for fiscal 2025. He relates that inflation has pulled back from the 9% high in mid 2022 to just over 3% in early 2024, but indicates inflation is always “sticky” as it declines at a slower pace than output. He believes the Federal Reserve should not wait to experience a pronounced growth slowdown before starting to lower interest rates. These rate cuts would offer relief to the housing market via mortgage rates, which could begin a refinancing boom among people who have recently purchased homes at current high mortgage rates. He does note that issues and geo-political hostilities are a concern as it can affect the price of worldwide oil, causing supply shocks, and raising overall prices. Other extracts from the recent press release from the Economic Forecasting Center at J.Mack Robinson’s College:

Highlights from Rajeev Dhawan’s February 24, 2024 National Economic Forecast

- **GDP real growth** on an annual basis will be 2.3 % in 2024, 1.5% in 2025, and 2.2% in 2026.
- **National Job growth** will weaken by the 2nd half of 2024 to only 25,000 monthly gains but rebound to 115,000 job gains by late-2025 as Fed rate cuts bolster investment spending. Job growth is expected to increase further to 137,000 monthly adds by late 2026.
- **CPI inflation** drop to 2.4% in 2024, moderate further to 1.6% in 2025, and return to a modest 2.2% in 2026. Core inflation, which averaged 4.8% in 2023, will drop to 2.9% in 2024m then 2.2 % in 2025.
- **The 30-year mortgage rate** will average 6.8% in 2023 but moderate sharply to 5.8% in 2025 and decrease slightly to 5.7% in 2026.

Rajeev Dhawan also tells us that Georgia’s economy is seeing benefits from migration from other areas of the country, along with investments of electric vehicle and supplier and general manufacturing construction but is also being buffeted by national job market compression and global growth woes.

Mr. Dhawan notes to trends that help Georgia’s economy as compared to the national outlook. Large, positive domestic migration numbers into Georgia, which boosts spending over and above what job growth numbers imply. The other aspect of growth is Georgia’s ability to outpace other areas specific to its electric vehicle manufacturing boom, which largely affects the periphery of metro Atlanta and Savannah is good news for segments of general construction. Once these plants are fully online, it will lead to hiring in the manufacturing area in the 2025-2026 timeframe.

Some of the global factors affecting Georgia’s growth prospects include the Ukraine Russian war and its destabilizing effect on European markets. He also noted that the German economy is also not “firing on all cylinders”. China has not accelerated its economy post covid and has its own issues with a massive property bubble, and also notes the recent middle east turmoil also affects global economic health.

Highlights from Rajeev Dhawan's February 24, 2024 Economic Forecast for Atlanta and Georgia

- **Georgia jobs:** Georgia added 100,200 jobs (12,200 premium jobs) in 2023, but will moderate sharply to 37,400 jobs (6,800 premium) in 2024 but add significantly more jobs in 2025 with 79,100 jobs (20,100) premium. Fiscal 2026 continued growth should add another 101,300 jobs (29,100 premium).
- **Nominal personal income** will grow 5.2% in 2024, and higher by 5.7% growth in 2025, and continue to rise to 5.8% in 2024.
- **Atlanta jobs:** The metro added 61,700 jobs (6,800 premium positions) in 2023, and expectations in 2024 to grow by 26,100 jobs (4,300 premium) in 2024 and add significantly more jobs, 56,700 (14,500 premium) in 2025. 2026 is expected to see even higher job growth at 73,900 (21,800 premium) jobs.
- **Atlanta housing permitting activity** decreased by 18.7 percent in 2023 as predicted by the Forecasting Center; single-family permits will fell by 7.8 percent, but multi-family permits fell sharply by 31.2 percent. Permit numbers will continue to fall in 2024, somewhat stabilize in 2025 then return to growth in fiscal 2026.

This above information was presented in the February 24, 2024 quarterly press release from the Economic Forecasting Center at the J.Mack College of Business at Georgia State University in Atlanta.

According to the Bureau of Economic Analysis, during 2023, per capita personal income in the United States rose to \$68,531, a 4.7 percent increase from the previous year's level of \$65,473. Per capita personal income in the state of Georgia reached \$58,581 in 2023, a 3.5 percent increase from 2022 levels (\$56,588). Among the largest counties in the State, Fulton County maintains its lead with per capita personal income of \$100,614 in 2022, as compared to a 1% higher level of \$101,688 for 2021. (County data for 2023 is not yet available). Among Georgia's largest counties, Fulton continues to lead the way with average wages largely due to Fulton's high concentration of college-educated workers, business headquarters, high-tech companies, healthcare and research universities are some of the reasons why the county ranks among the top counties in the nation in terms of average wages.

Accrual basis General fund sales tax collections were largely the same in 2023 as compared to 2022, to \$17.6 million, as compared to fiscal year 2022 of \$17.7 million. This includes the County's pro-rata share of the 1% sales tax. The County wide Transportation Special Purpose Local Option Sales Tax collected taxes for an administrative role which garners a fractional percentage of these T-Splost collections. These allocations and cumulative spending are shown as the last schedule before the statistical section in this financial statement. The County and it's municipalities concluded the process of re-negotiating the allocations of the local option sales tax for the next ten year period as required by State law, which will provide slight increases in the County's allocation of sales tax over the next few years.

GASB 77 requires analysis and disclosure of the annual effect of providing tax abatements throughout the County. Development Authority of Fulton County (DAFC) leads economic development across Fulton County by facilitating projects which result in new and retained jobs, new capital investment that grows the economy (direct, indirect and induced benefits) and expansion of the Fulton County tax base. These projects are also designed to retaining or adding several thousand full and part time jobs in the county over the long term. Detailed 2023 required disclosures are contained in the footnotes.

FINANCIAL INFORMATION

Fulton County management is responsible for establishing and maintaining internal controls designed to ensure that the assets of the County are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived; and 2) the evaluation of costs and benefits requires estimates and judgments by management.

The accompanying financial statements were prepared in conformity with GAAP and with standards set forth by:

- 1) The Governmental Accounting Standards Board (GASB);
- 2) The American Institute of Certified Public Accountants and its Committee on Governmental Accounting and Auditing; and
- 3) The Government Finance Officers Association of the United States and Canada (GFOA).

As a recipient of federal, state, and local financial assistance, the County is responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. Internal control is subject to periodic evaluation by management and by the Internal Audit Department. GAAP also requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

RELEVANT FINANCIAL POLICIES

In developing and evaluating the County's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits required estimates and judgments by management.

All internal control evaluations occur with the above framework. We believe the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The objective of the County's budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Commissioners. Under Fulton County Budget Law, all expenditures are subject to an annual appropriation. Strict controls are in place to ensure that expenditures do not exceed these appropriations at either the departmental or the fund level.

FIDUCIARY OPERATIONS

Effective September 1, 1991, the Fulton County Employees' Retirement System (the Plan) was established as successor to four separate pension plans previously maintained (the General Employees' Pension Plan, the Public Safety Pension Plan, the Judges and Solicitors' Pension Plan, and the Employees' Pension Plan). The Plan continues its commitment to maintaining a well-diversified portfolio of equities and bonds professionally managed within the risk parameters established by the pension fund's investment policy and the requirements of State law. Net position available for plan benefits and other pertinent data related to the County's retirement system, are described more fully in the notes to the financial statements.

On June 16, 1999, the County adopted a 401(A) defined contribution plan and closed the Employee Retirement System Plan to new participants. All active participants in the Fulton County Employees' Retirement System have the annual option to migrate to the defined contribution plan. The County contracts with professional investment managers to actively manage the County's pension funds.

The County currently offers post employment health and life insurance benefits for all eligible retirees. These benefits are currently financed on a pay-as-you-go basis. The County previously implemented Government Accounting Standard 75 in 2018 to provide recognition of the actuarially determined OPEB liabilities and annual expense in the annual financial statements along with all required footnote disclosures.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Fulton County for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2022. This was the 35th consecutive year Fulton County has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

In addition, the County received the GFOA Award for Distinguished Budget Presentation. To qualify for the Distinguished Budget Presentation Award, the County's budget document was judged to be proficient in several categories as a policy document, financial plan, operations guide and as a communications device.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

The preparation of the Annual Comprehensive Financial Report was made possible by the dedicated service of the entire staff of the Department of Finance. Each member of the Division and the Department has my sincere appreciation for their contributions in the preparation of this report.

In closing, I would also like to express my sincere appreciation to the Fulton County Board of Commissioners and the County Manager for their leadership and support in the planning and conducting of the financial operations of the County government, without which the preparation of this report would not have been possible.

Sincerely,



Sharon Whitmore, CPA, CPFO
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Fulton County
Georgia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

**INDEPENDENT
AUDITORS' REPORT**

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Fulton County, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Fulton County, Georgia (the "County"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the general fund and American Rescue fund budget to actual comparisons, and the aggregate remaining fund information of Fulton County, Georgia, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of The Fulton-Dekalb Hospital Authority and the Fulton County Board of Health, which statements reflect total assets (in thousands) of \$2,072,031, total net position (in thousands) of \$1,345,654, and total revenues (in thousands) of \$2,155,074 which collectively represent the County's aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based solely on the reports of the other auditors.

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 Statement section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence that 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County'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 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 judgement 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 judgement 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 County'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County'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 finding, 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 on pages 4 - 14 and required supplementary information on pages 88 – 92 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 County's basic financial statements. The combining statements and schedules, the Summary of Debt Service Requirements to Maturity Schedule, the Debt Service Requirements to Maturity – Bonds Schedule, Hotel/Motel Collections and Expenditures Schedule and the Schedule of Projects funded with Special Transportation Tax Proceeds and the other information such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the combining statements and schedules, the Summary of Debt Service Requirements to Maturity Schedule, the Debt Service Requirements to Maturity – Bonds Schedule, Hotel/Motel Collections and Expenditures Schedule and the Schedule of Projects funded with Special Transportation Tax Proceeds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 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 28, 2024, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of the laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of the testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Atlanta, Georgia
June 28, 2024

**MANAGEMENT'S
DISCUSSION
AND
ANALYSIS**

Management's Discussion and Analysis **(Unaudited)** **(in thousands)**

As management of Fulton County (the County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 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 earlier in this report. All financial information contained in this section is in thousands of dollars.

Financial Highlights

The assets and deferred outflows of resources of the County exceeded liabilities and deferred inflows of resources at the close of the fiscal year by \$255,460. Of this amount, unrestricted assets are now in a deficit position by (\$1,348,544), primarily due to the liability for other post-employment benefits, as required by Government Accounting Standards No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, as well as the net pension liability of the County's defined benefit pension plan, as required by Government Accounting Standard No. 68, *Accounting and Financial Reporting for Pensions*.

The County's total net position for both governmental and business activities increased by \$73,582 in 2023. Business-type activities increased \$46,966 while the governmental activities increased \$26,616 due primarily to recognition of the County's reduced OPEB liability along with related inflows and outflows as of December 31, 2023. The Business-type activities increase in net position in 2023 was due to a 5% rate increase in rates for 2023 as compared to 2022. The County's governmental activities net position was affected by various factors, but pension and OPEB variations are a large component of changes in governmental activities. While governmental activities expenses increased from FY 2022 due to a base compensation increase, these were significantly offset by the recognition of the effects of the above mentioned OPEB and pension liabilities. Utilization of American Rescue plan funds as increased overall spending, although these resources were used to offset those expenditures and are included in the Operating Grants and Contributions on the Statement of Activities.

As of the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$532,848, a decrease of \$(17,481) in comparison with the previous year. The fund balance for the County's General Fund decreased by \$(12,347), the American Rescue plan (ARPA) fund recorded revenues to match 2023 expenditures, while the amounts received in excess of expenditures was recorded as unearned revenue as of December 31, 2023 of \$88,720; the Library bond capital projects fund decreased by \$(1,302) with expenditures of capital resources, while Other Governmental funds decreased fund balance by \$(3,832). It is important to recognize that the governmental fund financial statements differ from the Statement of Activities primarily because cash resources used for capital outlay are treated as expenditures in the governmental funds statements but are capitalized and not considered expenditures in the statement of activities. Substantial capital outlays continued in 2023 for improvements for County facilities funded largely with the Fulton County Urban Redevelopment bonds, allowing facility upgrades in designated sections of the County.

At the close of the fiscal year, total fund balance for the General Fund was \$224,112, which is available to meet the government's other ongoing obligations to citizens and creditors.

The County's total long term governmental liabilities as of December 31, 2023 totaled \$2,376,781, of which \$1,777,914 or 76%, relates to recognition of the County's net pension liability of \$447,270, and post-employment health benefits offered to eligible retirees of \$1,330,644. These liabilities are further disclosed in the footnotes with their required provisions for recognition of the County's OPEB and net pension liability.

All of the County's principal and interest payments were made timely throughout 2023. No new long term bond issuances occurred in fiscal 2023, but a lease amendment for \$10,914 was entered into to provide additional capital resources for behavioral health facilities. In May 2023 the County issued \$200 million in Tax Anticipation Notes to provide short term cash resources to General fund operations until 2023 tax receipts materialize in the latter part of 2023, which was repaid by December 31, 2023. Business-type liabilities decreased with the schedule maturities on existing long-term debt.

Deferred Outflows of Resources related to the County's defined benefit plan decreased to \$58,148 while deferred outflows of resources related to the County's OPEB obligations also decreased to \$220,613 as of December 31, 2023. Deferred Inflows of Resources for the County's Other Post-Employment Benefit plan also decreased to \$378,954 as of December 31, 2023. These values can significantly vary as the market value of the pension assets change year to year, or with actuarial assumption changes which can significantly affect the calculations for the County's OPEB plan. The Water and Sewerage System fund continues to amortize the gain on the 2021 refunding of the 2011 Water and Sewerage revenue bonds, of which \$2,080 remains as of December 31, 2023. Added during fiscal year 2022 are the deferred inflows due to leases and recognized under GASB Statement 87, which now total \$10,892 in governmental funds, but was substantially more in Business-type funds, totaling \$65,620 as of December 31, 2023. These revenues that will be recognized in future periods.

The County's capital assets used for governmental activities increased during 2023 with continuing improvements to facilities funded in part by outstanding facility bonds issued via the County's Fulton County Urban Redevelopment Agency. 2023 saw the opening of the new Animal Control Facility, one of the newest and largest in the region. As of December 31, 2023, governmental capital assets, net of depreciation is \$905,344, of which \$264,016 are land or capital assets under construction. Right to use assets funded by lease agreements totaled, net of amortization, \$94,081 as of December 31, 2023, while newly capitalized subscription-based technology arrangements, net of amortization, total \$55,366 at year end.

Business-type capital assets totaled \$1,517,810, of which \$478,454 is land and land improvements as well as capital assets currently under construction relating to water and wastewater capital projects. Depreciation is based on useful life of the underlying asset using the straight-line method. Intangible assets, related specifically to remaining long term wastewater treatment capacity rights of \$87,232, are included within the capital asset footnote.

Overview of the Financial Statements

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

Government-wide financial statements

These statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to private-sector business.

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

The *Statement of Activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include administration, public safety, legal, which includes criminal courts and facilities, general government infrastructure and facilities, social services, health services, debt related costs, and other functions that benefit all the above categories. The business-type activities are the Water and Sewerage system and Fulton County Airport-Brown field.

The government-wide financial statements include not only the County itself (known as the *primary government*) but also for the Fulton-DeKalb Hospital Authority and the Fulton County Board of Health, both presented as discretely presented component units. Financial information for these component units are reported separately from the financial information presented for the primary government itself. Combining schedules of these component units is shown on pages 30-31 of this report, while the government-wide financial statements are on pages 15-16 of this report.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the fund statements for the County's General, Special Service District fund, and Library bond capital projects funds, which are considered major funds under the requirements of GASB 34. In addition, the County maintains many individual governmental funds. All other governmental type funds are classified and summarized as non-major governmental funds within the governmental fund financial statements.

The basic governmental fund financial statements can be found on pages 17-23 of this report.

Proprietary fund statements

The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its water and sewerage system fund, and the Fulton County Executive Airport at Charlie Brown Field, and the Wolf Creek Amphitheater fund as well as temporary contractual service funds for both the newly incorporated City of South Fulton and the Fulton County Board of Health. Internal service funds are used to accumulate and allocate cost internally among the County's various functions. The County uses internal service funds to account for a portion of its general facilities services, such as fleet vehicle costs, office supplies, health costs for employees and retirees, risk management and project related insurance costs, known as the Owner Controlled Insurance Program (OCIP). Because these funds predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewerage system fund which is considered a major proprietary fund of the County. The Fulton County Airport at Brown Field, the two new contractual service funds mentioned above are all classified as a non-major enterprise funds. All four internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements.

Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 24-27 of this report.

Fiduciary fund statements

Fiduciary funds are used to account for resources held for the benefit of parties outside the County. These funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The three funds are the County's defined benefit retirement plan, which is administered by the County with the assistance of professional fund managers, the Other Postemployment Benefit plan, and various custodial funds. These funds are included as a separate column and represent the balance sheet and activities of the Tax Commissioner's office, the Sheriff's office and Criminal courts, District Attorney, and Superior, Probate, Juvenile and State Court.

The basic fiduciary fund financial statements can be found on pages 28-29 of this report.

Component unit financial statements

The two discretely presented component unit combining statements of net position and statement of changes of net position are presented on page 30-31 of this report.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financials can be found on pages 32-87.

Required Supplementary Information

Governmental accounting standards require certain information to be presented regarding pension and other post-employment benefits. Multi-year information pertaining to actuarially determined employer contributions, net pension liability and each year's changes in pension liability, investment returns on pension assets, as well as assumptions thereon and relevant notes are all contained in this section on pages 88-92.

Other Information

The combining statements referred to earlier in connection with one major and non-major governmental funds, enterprise funds and internal service funds are presented immediately following the notes to the financial statements. Combining statements and schedules can be found on pages 93-121 of this report.

Government-wide Financial Analysis

The table below is a summary of the net position of the County as of the end of the fiscal year (in thousands).

	Governmental Activities		Business-type Activities		Total		%
	2023	2022	2023	2022	2023	2022	Change
Current and other assets	\$ 812,854	848,380	348,443	426,281	1,161,297	1,274,661	(9)
Capital assets	905,344	809,946	1,517,810	1,432,485	2,423,154	2,242,431	8
Total Assets	1,718,198	1,658,326	1,866,253	1,858,766	3,584,451	3,517,092	2
Deferred Outflows of resources	278,761	492,084	-	-	278,761	492,084	(43)
Current liabilities	144,257	186,314	24,204	38,955	168,461	225,269	(25)
Long-term liabilities	2,376,781	2,418,681	603,306	625,888	2,980,087	3,044,569	(2)
Total Liabilities	2,521,038	2,604,995	627,510	664,843	3,148,548	3,269,838	(4)
Deferred Inflows of resources	391,504	487,614	67,700	69,846	459,204	487,614	(6)
Net Position:							
Net investment in capital assets	399,373	476,110	967,815	950,757	1,367,188	1,426,867	(4)
Restricted	213,061	180,027	23,755	22,610	236,816	202,637	17
Unrestricted	(1,528,017)	(1,598,336)	179,473	150,710	(1,348,544)	(1,447,626)	(7)
Total Net (Deficit) Position	\$ (915,583)	(942,199)	1,171,043	1,124,077	255,460	181,878	40

Net capital assets comprised the bulk of the assets of the County. This includes land, buildings, equipment, water and sewer systems, intangible assets, and any capitalizable improvements as well as assets currently under construction. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The County has \$946,350 in cash and investments, excluding any pension or custodial funds, of which approximately \$49.2 million is restricted for both general obligation bond and enterprise fund debt.

Governmental activities also have approximately \$214 million of restrictions on the above cash and investments for debt service, construction, state and federal grants, and other similar type external restrictions. The Business-type funds have \$93 million in restricted cash and investments for future water and sewerage system improvements, primarily the Big Creek Wastewater Plant expansion project. As restricted cash is invested in capital assets, the related net position restriction shifts from “Restricted net position” to “Net investment in capital assets”.

At the end of the current fiscal year, the County reports positive balances in all three categories of net position, for the government, while unrestricted net position for governmental activities remains in a deficit to the increasing liability for post-employment health care.

The table below is a summary of the activities of the County as of the end of the fiscal year (in thousands).

	Governmental Activities		Business-type Activities		Total		% Change
	2023	2022	2023	2022	2023	2022	
Revenues:							
Program revenues:							
Charges for services	\$ 56,528	41,442	171,612	166,293	228,140	207,735	10
Operating grants and contributions	122,099	183,923	-	-	122,099	183,923	(34)
Capital grants and contributions	7,940	250	12,386	6,427	20,326	6,677	204
General revenues:							
Taxes	752,870	723,392	1,141	662	754,011	724,054	4
Intergovernmental	2,497	2,022	-	-	2,497	2,022	23
Other charges for services	25,693	20,370	-	-	25,693	20,370	26
Use of money and property	34,203	16,312	12,701	5,130	46,904	21,442	119
Miscellaneous & all other	3,383	2,660	-	-	3,383	2,660	27
Total revenues	<u>1,005,213</u>	<u>990,371</u>	<u>197,840</u>	<u>178,512</u>	<u>1,203,053</u>	<u>1,168,883</u>	3
Expenses:							
Administration	156,258	193,401	-	-	156,258	193,401	(19)
Public Safety	266,597	261,187	-	-	266,597	261,187	2
Legal	250,016	255,676	-	-	250,016	255,676	(2)
Infrastructure & facilities	61,035	69,051	-	-	61,035	69,051	(12)
Social services	108,126	201,680	-	-	108,126	201,680	(46)
Health services	129,295	168,529	-	-	129,295	168,529	(23)
Interest and debt costs	7,270	6,563	-	-	7,270	6,563	11
Water & Sewerage	-	-	148,800	142,618	148,800	142,618	4
Wolf Creek Amphitheater	-	-	296	186	296	186	59
Board of Health contractual	-	-	-	68	-	68	(100)
Airport services	-	-	1,778	1,698	1,778	1,698	5
Total expenses	<u>978,597</u>	<u>1,156,087</u>	<u>150,874</u>	<u>144,570</u>	<u>1,129,471</u>	<u>1,300,657</u>	(13)
Change in net position	26,616	(165,716)	46,966	33,942	73,582	(131,774)	(156)
Beginning net (deficit) position	(942,199)	(776,483)	1,124,077	1,090,135	181,878	313,652	(42)
Ending net (deficit) position	<u>\$ (915,583)</u>	<u>(942,199)</u>	<u>1,171,043</u>	<u>1,124,077</u>	<u>255,460</u>	<u>181,878</u>	40

Analysis of governmental activities

Net position of the governmental activities of the County decreased from the December 31, 2022 deficit of \$(942,199) to a deficit of \$(915,583) as of December 31, 2023. Fiscal 2023 saw lower increases in personnel costs with moderated annual increases as compared to 2022. Other salary related increases were incurred by various departments in their continuing efforts to maintain staffing levels. Recognition of changes to the County’s net pension and OPEB liabilities, along with the related changes in deferred inflows and outflows also contributed to a significantly lower net deficit realized for governmental activities in 2023.

Total tax revenues increased 4% overall as compared to the previous year, as increased values captured by the County applied to the same millage rate increased billings and collections, however areas within tax allocation districts remit additional tax revenues to their special funds as opposed to the County's General fund. Interest rates and related revenue substantially increased in 2023 as compared to 2022 with higher yields on investments generating the additional revenues. Governmental expenditures decreased substantially, largely due the effect of recognizing last year's increases to OPEB and pension liability adjustments. Expenditures are classified as "health" category of expenditures. Infrastructure and facilities expenditures also increased with continued effort at facility operational improvements, cybersecurity improvements.

Significant changes to recognition of pensions and OPEB's under Governmental Accounting Standards can greatly affect the annual change in net position year to year. The statement of activities includes depreciation on capital assets used by these governmental functions, including roadways, but does not include costs for capitalizable assets, which differs from the presentation on the statement of revenues and expenditures and changes in fund balances.

Analysis of business-type activities

Charges for water and sewerage services are the primary component of the County's business-type activities. Sewerage expenses are greater than water as more resources and efforts are required to treat wastewater than produce potable water. Revenues are on an increasing trend given the County's recent successive rate increase of 5%, for fiscal 2023. The recent series of rate increases is to fund the newly issued 2020B System revenue bonds to fund substantial capital improvements at the Big Creek wastewater facility, which should be complete by 2025. The County throughout 2023 also operated the Fulton County Executive Airport - Brown Field as non-major enterprise funds for 2023. The Wolf Creek fund is largely dormant throughout 2023.

Governmental Funds Financial Analysis

As noted earlier, the focus of the County's governmental fund statements is to provide information on near-term flows, outflows, and balances of resources available to spend. Revenues from property and sales taxes were slightly higher than 2022 by \$30 million, as assessment increases were offset by the County utilizing the rollback millage rate for property taxes. Revenues from the American Rescue plan decreased from 2022 by \$15 million, while 2023 saw the finalization of the Emergency Rental Assistance program and FEMA programs, a \$75 million reduction from 2022. Other federal aid increased \$5 million from the 2022 and is restricted to program efforts. Recognition of these federal revenues is based on the expenditures incurred for the specific program. Other categories of revenue for non-major governmental funds were relatively stable to 2022.

Total governmental expenditures on page 19 of \$1,015 million decreased slightly by approximately \$16 million from 2022 but affected by different key variables. Across the board salary increases of 3%, plus some additional compensation increases in various departments were offset by decreases in spending on federal American Rescue Plan activity, as well as social service spending in other governmental funds, which is largely attributable to the maturity of the federal Rental Assistance and FEMA program spending. Salary and benefit costs in 2023 were slightly higher than 2022 amounts, The General fund reported an ending fund balance of \$224,112, a decrease of \$(12,347) from fiscal 2022's balance of \$236,459.

The County's General fund provides for courts, jail, behavioral health, libraries, human services, community programs and support services to all County departments. The South Fulton Taxing district provides public safety, zoning, inspections, and parks and recreation activity to the remaining unincorporated section of

Fulton County, although to a much smaller geographic footprint as the City of South Fulton annexed substantial sections below Interstate I-20 in May of 2021. The County's Fulton County Urban Redevelopment Agency's capital plan continues with its primary project of Justice Center improvements at completion, while a new Animal Shelter facility was completed in 2023. Also of note, \$10,914 was added to through a lease financing with the Association of County Commissioners of Georgia for a new behavioral health facility which will serve constituents with a host of available resources.

Other non-major governmental funds include debt service, grants-in-aid, capital projects and other activities which remained relatively constant in fiscal 2023. Other Governmental Funds fund balance is \$302,464 at year end. Of this amount, \$127,211 is restricted, \$187 is committed, and \$175,066 is categorized as assigned.

Budgetary Highlights and Control

The objective of the County's budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Commissioners. Fulton County Budget Law requires expenditures be subject to an annual appropriation. Strict controls are in place to ensure that expenditures do not exceed these appropriations at either the departmental or the fund level. The 2023 General Fund revenue budget was adopted at approximately \$823 million, significantly higher than the approved 2022 budgeted revenues of \$750 million which anticipated the increase in property value assessments for 2023. The General fund budgetary appropriations in 2023 totaled \$897 million, which was 4% higher than 2022's \$857 million in appropriations. Increases throughout all departments were budgeted for 2023 in salary and benefit appropriations, as the Board of Commissioners provided a 7% cost of living increase for employees. 2023 actual expenditures were lower than budgetary appropriations due to the difficulty encountered in trying to place candidates in unfilled budgeted positions and unutilized program expenditures in 2023. The legally adopted budget for governmental services for the County's major governmental funds is by department and appears on pages 21-23 of this report. No changes to the original adopted budget occurred during the year. Reallocations from non-agency to agency budgets throughout the year fund operational needs as necessary in each County department.

Capital Assets

The County's net investment in capital assets for its governmental and business-type activities as of year-end amounts to \$1,367,188 (net of accumulated depreciation). The net investment in capital assets includes land, equipment, buildings, roadway networks, improvements to these assets and construction in progress less any related debt outstanding or unspent bond proceeds to finance acquisition of these assets. The significant activities for 2023 include continued upgrades to the Big Creek wastewater treatment facility and continued work on library and facility improvements throughout the County.

Capital Asset activity for 2023 and 2022 is shown below:

	Governmental Activities		Business-type Activities		Total		% Change
	2023	2022	2023	2022	2023	2022	
Capital assets not being depreciated:							
Land & land improvements	\$ 67,196	66,716	38,110	38,110	105,306	104,826	-
Construction in progress	196,820	170,135	440,344	333,475	637,164	503,610	27
Capital assets, shown net of depreciation:							
Equipment	9,112	12,150	2,234	1,269	11,346	13,419	(15)
Buildings and improvements	479,015	461,923	5,004	5,186	484,019	467,109	4
Roadway network	3,754	3,924	-	-	3,754	3,924	-
Water System	-	-	196,468	197,571	196,468	197,571	-
Sewerage System	-	-	748,418	762,821	748,418	762,821	(2)
Intangible assets	-	-	87,232	92,372	87,232	92,372	(6)
Total net capital assets	\$ 755,897	714,848	1,517,810	1,430,804	2,273,707	2,145,652	6
Right to use assets, net of accumulated amortization	149,447	95,098	-	-	149,447	95,098	57
Total capital assets, net	905,344	809,946	1,517,810	1,430,804	2,423,154	2,240,750	8

Additional information relating to capital assets and infrastructure is presented in Note 7 of the financial statements footnotes on pages 56-58. Intangible assets for future wastewater treatment capacity for the Water and Sewerage system fund are presented in the above capital asset summary.

Debt Administration

The County's governmental activities recorded liabilities of \$2,376,781 are primarily comprised of the required accruals for net other post-employment benefit liability of \$1,330,644, as well as the recognition of the County's net pension liability of \$447,270 as of December 31, 2023. Required pension disclosures are shown on pages 72-78, and in the required supplementary information with relevant notes on pages 88-92. Other post-employment benefit information required by GASB 75 is shown on pages 79-84 in the footnotes to the financial statements as well as within required supplementary information on page 88 following the footnotes. Governmental Accounting Standard No. 68 "Accounting and Financial Reporting for Pensions" now requires the primary government to report the difference between the actuarially determined liability and the net position of the defined benefit pension plan, based on market values, as a liability. GASB 75 now required full recognition of the actuarially determined Net OPEB liability as of year-end. Changes to the market value of pension assets yielded a substantial decrease in the estimated liability in the previous fiscal year 2022 financial statements.

At December 31, 2023 the County had a number of debt issues outstanding.

The 2017 Library General Obligation bonds along with the 2010 Library general obligation bonds totaled \$216,174 as of December 31, 2023. These resources are dedicated to County library facilities as well as renovations of existing libraries, authorized and now all issued under the 2008 referendum.

The County previously issued Recovery Zone bonds, Qualified Energy bonds, and Facility Improvement bonds through the Fulton County Urban Redevelopment Agency (FCURA) for capital facilities and energy efficiency improvements. The FCURA bonds outstanding at December 31, 2023 were \$115,137. \$55 million was issued in late 2021 for new animal control facilities, which were placed in service in 2023.

Also at December 31, 2023, net of accreted discounts, \$601,672 remains outstanding related to Business-type activities with the County’s Water and Sewerage Revenue Bonds, which finance system capital assets utilized for water treatment and distribution along with wastewater treatment. The System’s 2020B revenue bonds were the most recently issued, in the amount of \$120,364 which provided resources to refund the existing 2011 Water and Sewerage Refunding bonds, as well as reduce the amount of cash held as a debt service reserve on the 2011 revenue bonds.

The County’s bonded obligations currently possess the following ratings: In late 2022, Fitch increase the rating on the Water and Sewerage bonds below from AA- to AA, and ratings remained constant in 2023.

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

At December 31, 2023, total other financed purchases were \$38,714, which decreased with scheduled principal maturities of \$7,135 but the County added \$10,914 with a 2023 financing to augment available funds for a behavioral health facility in the north section of the County, of which \$25 million remains outstanding as of December 31, 2023. The Jail Mechanical, Electrical and Plumbing renovations comprises the bulk of these type obligations, with \$10,243 outstanding as of December 31, 2023. The lease agreement with the South Fulton Jail Authority reduced with principal payments paid during 2023 reducing the outstanding balance to \$9,385.

Under existing state statutes, the County's general obligation bonded debt issuances are subject to a legal limitation based on 10% of total assessed value of real and personal property, and disclosed on page 63 of the footnotes. Additional information relating to long-term debt and other obligations is presented in Note 8 to the financial statements also on page 60.

GASB 87 Lease Recognition and GASB 96 Subscription based Information Technology Agreements

New accounting standards for the recognition of long-term agreements, leases, and obligations have been implemented for fiscal year 2022, both as the lessor as well as lessee. The County, within governmental activities, does lease space and facilities to other organizations, including cell tower sites, and office space. \$10,892 has been recorded as a receivable in Governmental activities as of December 31, 2023. The Fulton County Executive Airport has a long-term contract with a UPS facility for space for a term ending in 2067. As annual amounts are slightly under \$2 million for several years, this yields the most significant asset for the Airport fund. \$65,267 has been recorded as the receivable as of December 31, 2023. The Water and Sewerage fund also has a small receivable relating to leasing space to the State of Georgia.

As a lessee, the County has recorded substantial liabilities within its governmental activities for various agreements, some of which extend to 2068. A total of \$94,081 has been recorded as a lease liability as of December 31, 2023, of which \$7,912 is due within one year. The most significant lease is for a central warehouse space that is used by Registration and Elections, judicial agencies and other departments. This agreement requires annual payments ranging from \$3,900 to \$5,500 until 2037. \$58,703 comprises this central warehouse lease liability, which is included in the total recorded by the County. Other leases for office space, storage, and parking constitute the remainder of the liability, all with varying annual payments and maturities.

New in 2023 was the recognition of subscription-based information technology agreements. These arrangements provide software capabilities beyond one year and augment the capabilities of County operations. The related liabilities are discounted at a factor used for 2023 of 5.0%. \$59.9 million is the estimated value of these capital assets as of January 1, 2023 and were amortized by \$4,823 in 2023 to a year end value of \$55,366. The related liabilities offset these values, and payments for up to a seven-year period have been added to the County lease liabilities and are \$143,477 as of December 31, 2023. Most significant of these new SBITA's are the County's enterprise wide financial and human resource systems, along with many other judicial and infrastructure systems used in various departments.

Cyber Incident in 2024

In early 2024, Fulton County like many organizations became the target of an attempted incident to discover and recover information from the County's various information systems. The County employed various vendors related to both technology, legal, and other disciplines to best mitigate and address the attempt, its ramifications, as well as its criminal intent. The County made no ransom type payments of any kind to the criminal organization that took responsibility for the event, and no compromised data of any significance was to the County's knowledge, released to the public. Improvements to system access, as well as decisions on maintaining various technology-based systems have been implemented, yielding a higher level of system resilience, redundancy, and stability.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Director, 141 Pryor Street, Suite 7001, Atlanta, Georgia 30303. Please also see the County's website at www.fultoncountyga.gov/inside-fulton-county/fulton-county-departments/finance, as this report and other reports are available for download.

**BASIC
FINANCIAL
STATEMENTS**

FULTON COUNTY, GEORGIA

Statement of Net Position

December 31, 2023

(in thousands of dollars)

	Primary Government			Component Units
	Governmental	Business-type	Total	
	Activities	Activities		
Assets:				
Cash and cash equivalents	\$ 731,271	111,889	843,160	395,250
Investments	10,000	—	10,000	77,262
Receivables (net of allowances):				
Taxes	39,283	—	39,283	—
Interest	4,202	526	4,728	—
Accounts	6	13,994	14,000	257,129
Leases	2,030	1,095	3,125	—
Due from other governments, net	17,133	6,777	23,910	30,145
Other current assets	67	—	67	220,014
Restricted assets:				
Cash and cash equivalents	—	42,471	42,471	51,390
Investments	—	50,719	50,719	—
Interest receivable	—	139	139	—
Investment in joint venture	—	56,308	56,308	—
Capital assets (non-depreciable)	264,016	478,454	742,470	133,337
Capital assets (net of accumulated depreciation)	641,328	1,039,356	1,680,684	778,838
Long term lease receivable	8,862	64,525	73,387	—
Other non-current assets	—	—	—	128,667
Total assets	1,718,198	1,866,253	3,584,451	2,072,032
Deferred Outflows of Resources:				
Pension related deferred outflows	58,148	—	58,148	51,154
OPEB related deferred outflows	220,613	—	220,613	2,727
Total deferred outflow of resources	278,761	—	278,761	53,881
Liabilities:				
Accounts payable and accrued expenses	42,583	5,979	48,562	381,903
Accrued interest	1,370	—	1,370	—
Due to others	5,645	—	5,645	59
Claims payable	5,939	—	5,939	76,817
Liabilities (payable from restricted assets):				
Contracts and other payables	—	17,758	17,758	—
Unearned revenue	88,720	467	89,187	—
Non-current liabilities:				
Due within one year	54,176	20,110	74,286	30,399
Due in more than one year	2,322,605	583,196	2,905,801	289,755
Total liabilities	2,521,038	627,510	3,148,548	778,933
Deferred Inflows of Resources:				
Leases	10,892	65,620	76,512	—
Pension related deferred inflows	—	—	—	252
Opiod settlement	1,658	—	1,658	—
OPEB related deferred inflows	378,954	—	378,954	1,073
Deferred gain on refunding	—	2,080	2,080	—
Total deferred inflow of resources	391,504	67,700	459,204	1,325
Net Position:				
Net investment in capital assets	399,373	967,815	1,367,188	882,647
Restricted for debt retirement	49,267	23,755	73,022	2,579
Restricted for construction	150,105	—	150,105	52,308
Restricted for other purposes	13,689	—	13,689	33,031
Unrestricted	(1,528,017)	179,473	(1,348,544)	375,090
Total net position (deficit)	\$ (915,583)	1,171,043	255,460	1,345,655

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA

Statement of Activities

For the year ended December 31, 2023

(In thousands of dollars)

	Program revenues			Net (Expense) Revenue and Changes in Net Position			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental activities	Business-type activities		Total
Functions/Programs								
Primary Government								
Governmental activities:								
Administration	\$ 156,258	6,233	—	—	(150,025)	—	(150,025)	—
Public safety	266,597	8,279	—	—	(258,318)	—	(258,318)	—
Legal	250,016	30,114	—	3,018	(216,884)	—	(216,884)	—
Infrastructure and facilities	61,035	—	—	4,922	(56,113)	—	(56,113)	—
Social services	108,126	11,902	50,296	—	(45,928)	—	(45,928)	—
Health services	129,295	—	71,803	—	(57,492)	—	(57,492)	—
Interest	7,270	—	—	—	(7,270)	—	(7,270)	—
Total governmental activities	978,597	56,528	122,099	7,940	(792,030)	—	(792,030)	—
Business-type activities:								
Water and sewerage services	148,800	169,124	—	12,386	—	32,710	32,710	—
Wolf Creek Enterprise fund	296	—	—	—	—	(296)	(296)	—
Airport	1,778	2,488	—	—	—	710	710	—
Total business-type activities	150,874	171,612	—	12,386	—	33,124	33,124	—
Total primary government	1,129,471	228,140	122,099	20,326	(792,030)	33,124	(758,906)	—
Component Units	1,948,784	2,002,087	40,557	112,430	—	—	—	206,290
General revenues:								
Property taxes					697,487	—	697,487	—
Sales taxes					19,039	1,141	20,180	—
Other taxes					36,344	—	36,344	—
Intergovernmental not restricted for specific programs					2,497	—	2,497	55,500
Commission on tax collections					25,693	—	25,693	—
Use of money and property					34,203	12,701	46,904	7,108
Miscellaneous					3,383	—	3,383	13,363
Gain on sale of capital assets					—	—	—	260
Total general revenues					818,646	13,842	832,488	76,231
Change in net position					26,616	46,966	73,582	282,521
Net position-beginning					(942,199)	1,124,077	181,878	1,063,134
Net position (deficit) - ending					\$ (915,583)	1,171,043	255,460	1,345,655

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA

Balance Sheet
Governmental Funds

December 31, 2023

(in thousands of dollars)

	<u>General</u>	<u>American Rescue Plan</u>	<u>Library Bond</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:					
Cash and cash equivalents	\$ 225,623	91,465	6,324	305,242	628,654
Investments	10,000	—	—	—	10,000
Receivables (net of allowances):					
Taxes	37,832	—	—	1,451	39,283
Interest	2,200	419	78	1,060	3,757
Accounts	—	—	—	6	6
Due from other governments	3,846	—	—	13,287	17,133
Due from other funds	(6)	—	—	6	—
Total assets	<u>\$ 279,495</u>	<u>91,884</u>	<u>6,402</u>	<u>321,052</u>	<u>698,833</u>
Liabilities:					
Accounts payable	\$ 22,265	3,164	130	10,178	35,737
Due to others	—	—	—	5,645	5,645
Unearned revenues	—	88,720	—	—	88,720
Total liabilities	<u>22,265</u>	<u>91,884</u>	<u>130</u>	<u>15,823</u>	<u>130,102</u>
Deferred Inflows of Resources:					
Unavailable revenue	33,118	—	—	2,765	35,883
Total deferred inflows or resources	<u>33,118</u>	<u>—</u>	<u>—</u>	<u>2,765</u>	<u>35,883</u>
Fund Balances:					
Restricted	—	—	6,272	127,211	133,483
Committed	—	—	—	187	187
Assigned	—	—	—	175,066	175,066
Unassigned	224,112	—	—	—	224,112
Total fund balances	<u>224,112</u>	<u>—</u>	<u>6,272</u>	<u>302,464</u>	<u>532,848</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 279,495</u>	<u>91,884</u>	<u>6,402</u>	<u>321,052</u>	<u>698,833</u>

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA

Reconciliation of the Balance Sheet to the Statement of Net Position

Governmental Funds

December 31, 2023

(in thousands of dollars)

Fund Balances - total governmental funds			\$ 532,848
Amounts reported for governmental activities in the Statement of Net Position are different from amounts reported for governmental funds in the Balance Sheet because:			
Capital assets used in governmental activities are not financial resources and therefore not reported in governmental funds:			
	Capital assets:		
	Land	67,196	
	Buildings	1,032,278	
	Equipment	166,420	
	Roadway network	8,512	
	Construction in progress	196,820	
	Less Accumulated Depreciation	<u>(715,329)</u>	
	Total capital assets, net of accumulated depreciation		755,897
Lease assets used in governmental activities are not financial resources and therefore not reported in governmental funds:			
	Lease assets:		
	Right to Use	109,573	
	Subscription based technology agreements	59,894	
	Less Accumulated Amortization	<u>(20,020)</u>	
	Total Lease assets, net of accumulated amortization		149,447
Lease Receivables used in governmental activities not report in governmental funds			
		Short term	2,030
		Long term	8,862
Deferred results and contributions to pension plans made after the measurement date are recorded as expenditures in governmental funds but must be deferred in the statement of net position			
	Deferred outflows - defined benefit pension plan		58,148
	Deferred outflows - other postemployment benefit plan		220,613
Certain amounts related to the net pension and OPEB liabilities are deferred and amortized over time			
	Deferred inflows - leases		(10,892)
	Deferred inflows - opioid settlement		(1,658)
	Deferred inflows - other postemployment benefit plan		(378,954)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds:			
	Library general obligation bonds payable		(209,350)
	Urban Recovery Zone bonds payable		(112,115)
	Unamortized bond premiums		(9,846)
	Intergovernmental agreement liability-SF Jail Authority		(9,385)
	Compensated absences		(49,439)
	Net pension liability		(447,270)
	Net other post employment benefits (OPEB)		(1,330,644)
	Financed Purchases		(38,714)
	Claims and judgments		(19,724)
	Landfill closure and postclosure costs		(847)
	Leases and subscription based technology agreements		(149,447)
	Accrued interest		(1,370)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities.			
			90,344
Some deferred revenues reported in the governmental funds are recognized as revenues in the governmental activities.			
			<u>35,883</u>
Net position - total governmental activities			<u>\$ (915,583)</u>

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

For the year ended December 31, 2023

(In thousands of dollars)

	General	American Rescue Plan	Library Bond	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 708,098	—	—	28,196	736,294
Intergovernmental	30,102	33,834	—	66,942	130,878
Charges for services	40,988	—	—	10,791	51,779
Courts and law enforcement	17,002	—	—	13,112	30,114
Use of money and property	15,341	5,422	259	13,181	34,203
Licenses and permits	—	—	—	328	328
Miscellaneous	3,059	—	—	324	3,383
	<u>814,590</u>	<u>39,256</u>	<u>259</u>	<u>132,874</u>	<u>986,979</u>
Expenditures:					
Current:					
Administration	123,362	939	—	5,264	129,565
Public safety	185,509	513	—	29,591	215,613
Legal	172,822	29,003	—	—	201,825
Infrastructure and facilities	36,322	—	—	825	37,147
Social services	65,929	1,871	—	13,292	81,092
Health services	75,667	6,930	—	37,871	120,468
Other nonagency	104,614	—	—	1,996	106,610
Capital outlay	—	—	1,561	78,527	80,088
Debt service:					
Principal retirement	5,727	—	—	19,431	25,158
Interest	4,975	—	—	12,833	17,808
Total expenditures	<u>774,927</u>	<u>39,256</u>	<u>1,561</u>	<u>199,630</u>	<u>1,015,374</u>
Excess (deficiency) of revenues over (under) expenditures	<u>39,663</u>	<u>—</u>	<u>(1,302)</u>	<u>(66,756)</u>	<u>(28,395)</u>
Other financing sources (uses):					
Issuance of capital lease refunding obligations	—	—	—	10,914	10,914
Transfers in	5,432	—	—	57,997	63,429
Transfers out	<u>(57,442)</u>	<u>—</u>	<u>—</u>	<u>(5,987)</u>	<u>(63,429)</u>
Total other financing sources (uses)	<u>(52,010)</u>	<u>—</u>	<u>—</u>	<u>62,924</u>	<u>10,914</u>
Net change in fund balances	<u>(12,347)</u>	<u>—</u>	<u>(1,302)</u>	<u>(3,832)</u>	<u>(17,481)</u>
Fund balance at beginning of year	<u>236,459</u>	<u>—</u>	<u>7,574</u>	<u>306,296</u>	<u>550,329</u>
Fund balance at end of year	\$ <u>224,112</u>	<u>—</u>	<u>6,272</u>	<u>302,464</u>	<u>532,848</u>

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA

Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities

For the year ended December 31, 2023

(in thousands of dollars)

Net change in fund balances - governmental funds \$ (17,481)

Amounts reported for governmental activities in the Statement of Activities are different from amounts reported for governmental funds in the Statement of Revenues, Expenditures Changes in Fund Balances, because:

Governmental funds report capital outlays as expenditures. However, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense for governmental activities:

Acquisition of capital assets	70,957
Depreciation and amortization expense	(43,632)

Bond proceeds provide current financial resources to governmental funds, but the issuance of debt increases long-term liabilities for governmental activities. Repayment of bond principal is an expenditure in the governmental funds, but reduces long-term liabilities for governmental activities. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized for governmental activities:

Issuance of Capital lease obligations	(10,914)
Tax Anticipation Note proceeds	(200,000)
Tax Anticipation Note payments	200,000
Principal repayments	25,158
Principal on lease liabilities	13,791
Amortization of bond premium and discount	912
Change in accrued interest	256

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Net other postemployment benefits (OPEB) obligations	(62,281)
Compensated absences	(285)
Claims and judgments	(3,517)
Landfill closure costs	821
Pension expense	27,771

Some revenues for governmental activities do not provide current financial resources and are not reported as revenues for governmental funds.

Property and other taxes	18,234
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The loss on sale of capital assets is reported on the statement of activities, while governmental funds report the proceeds from the sale as an increase to financial resources. The change in net assets differs from the change in fund balance by the cost of the capital assets sold or donated.

(67)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds are included in governmental activities.

6,893

Change in net position - governmental activities \$ 26,616

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget to Actual (Non-GAAP Budgetary Basis)

For the year ended December 31, 2023

(In thousands of dollars)

	<u>Non-GAAP budgetary basis</u>			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Revenue Per Budget Law, less Rollback	\$ 805,800	805,800	821,666	15,866
Sales Tax	17,000	17,000	17,414	414
Total revenues and other sources, non-GAAP budget basis	<u>\$ 822,800</u>	<u>822,800</u>	839,080	<u>16,280</u>
Reconciliation to GAAP basis:				
To record net change in taxes receivable and deferred revenue			(17,284)	
To record net change in use of money and property and Court and Law revenues for receivables			4,099	
Indirect cost reimbursements recorded as revenues for budgetary purposes			(5,873)	
Total adjustment to GAAP basis			<u>(19,058)</u>	
Total revenues and other sources, GAAP basis			<u>820,022</u>	
Expenditures:				
Board of Commissioners	\$ 4,478	4,478	3,799	679
Clerk to the Commission	1,324	1,324	1,106	218
County Manager	3,828	3,828	3,504	324
County Auditor	1,410	1,418	1,371	47
Community Development	872	872	815	57
Economic Development	14,654	14,654	13,004	1,650
External Affairs	2,927	2,927	2,798	129
Arts & Culture	9,685	9,685	9,295	390
Senior Services	27,670	28,870	27,535	1,335
Diversity and Civil Rights Compliance	1,514	1,514	1,204	310
Finance	7,706	7,706	6,797	909
Human Resources	5,833	5,960	5,535	425
Information Technology	35,149	35,149	31,955	3,194
Purchasing	4,960	4,960	4,507	453
County Attorney	5,070	5,070	5,070	—
Child Attorney	3,681	3,822	3,802	20
Tax Assessor	22,147	22,147	18,921	3,226
Tax Commissioner	18,747	18,747	18,525	222
Registration and Elections	7,604	8,553	7,729	824
Ryan White	190	190	93	97
Police	10,648	11,436	10,851	585
Sheriff	142,707	142,707	142,515	192
Emergency services - 911	3,517	3,517	3,368	149
Emergency Management	5,664	5,664	5,533	131
Medical Examiner	6,457	6,457	5,971	486
Solicitor General	12,516	12,516	11,466	1,050

See accompanying notes to the financial statements.

(continued)

FULTON COUNTY, GEORGIA

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget to Actual (Non-GAAP Budgetary Basis)

For the year ended December 31, 2023

(In thousands of dollars)

	<u>Non-GAAP budgetary basis</u>			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
Juvenile Court	16,927	16,927	16,031	896
Probate Court	6,318	6,318	4,959	1,359
County Marshal	7,425	7,425	7,180	245
State Court-General	8,810	8,810	7,995	815
State Court Judges	6,894	6,894	6,523	371
Magistrate Court	4,978	5,116	5,056	60
Superior Court-General	23,399	23,399	22,576	823
Superior Court Judges	9,720	9,720	9,667	53
Clerk of Superior Court	21,820	21,820	21,558	262
District Attorney	41,643	41,643	36,860	4,783
Public Defender	25,378	25,378	24,688	690
Real Estate and Asset Management	39,378	39,515	38,707	808
Public Works	500	500	500	—
Family and Children Services	1,685	1,685	1,316	369
Library	30,496	30,496	27,824	2,672
Fulton-DeKalb Hospital Authority (Grady Hospital)	49,814	49,814	49,776	38
Fulton County Board of Health	11,151	11,151	11,021	130
Behavioral Health	18,466	18,466	14,852	3,614
Non-Agency	211,783	208,295	181,943	26,352
Total expenditures and other uses, non-GAAP budget basis	<u>\$ 897,543</u>	<u>897,543</u>	836,101	<u>61,442</u>
Reconciliation to GAAP basis - to record net effect of unrecorded liabilities	—		2,141	
Expenditures incurred on behalf of reimbursing funds for indirect costs			<u>(5,873)</u>	
Total expenditures and other uses, GAAP basis			<u>\$ 832,369</u>	
Total change in fund balance	\$ (74,743)	(74,743)	(12,347)	62,396
Beginning fund balance	<u>224,363</u>	<u>224,363</u>	<u>236,459</u>	<u>12,096</u>
Ending fund balance	<u>\$ 149,620</u>	<u>149,620</u>	<u>224,112</u>	<u>74,492</u>

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA
American Rescue Plan
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Budget Basis)

For the year ended December 31, 2023
(In thousands of dollars)

	<u>Non-GAAP budget basis</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Revenue per Budget Law				
Total revenues and other sources, non-GAAP budget basis	\$ 49,792	75,044	5,530	(69,514)
Reconciliation to GAAP basis:				
To record change in interest revenues			(9)	
To record unearned revenue			30,989	
Total adjustment to GAAP basis			<u>30,980</u>	
Total revenues and other sources, GAAP basis			<u>\$ 36,510</u>	
Expenditures and other uses:				
Administration	\$ 1,532	8,650	1,571	7,079
Public Safety	3,289	3,678	368	3,310
Legal	12,776	36,227	28,884	7,343
Social Services	24,065	6,323	1,871	4,452
Health services	4,761	16,797	3,821	12,976
Non-Agency	3,369	3,369	—	3,369
Total expenditures and other uses, non-GAAP budget basis	\$ 49,792	75,044	36,515	38,529
Reconciliation to GAAP basis - to record net effect of unrecorded liabilities			2,741	
Total expenditures and other uses, GAAP basis			<u>\$ 39,256</u>	
Total change in fund balance	\$ —	—	—	—
Beginning fund balance	—	—	—	—
Ending fund balance	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA

Statement of Net Position
Proprietary Funds

December 31, 2023

(In thousands of dollars)

Assets	<u>Business Type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Water and sewerage system fund</u>	<u>Other Enterprise funds</u>	<u>Total Enterprise Funds</u>	<u>Activities- Internal Service Funds</u>
Current assets:				
Cash and cash equivalents	\$ 100,479	11,410	111,889	102,617
Interest receivable	478	48	526	—
Accounts receivable, net	13,994	—	13,994	—
Due from other governments, net	6,699	78	6,777	—
Interest receivable	—	—	—	445
Lease receivable	93	1,002	1,095	—
Other current assets	—	—	—	67
Restricted assets:				
Cash and cash equivalents	42,471	—	42,471	—
Investments	50,719	—	50,719	—
Interest receivable	139	—	139	—
Total current assets	<u>215,072</u>	<u>12,538</u>	<u>227,610</u>	<u>103,129</u>
Noncurrent assets:				
Long term lease receivable	260	64,265	64,525	—
Investment in joint venture	56,308	—	56,308	—
Long term lease receivable	—	—	—	—
Nondepreciable capital assets	450,545	27,909	478,454	—
Depreciable capital assets (net of accumulated depreciation)	1,034,102	5,254	1,039,356	—
Total noncurrent assets	<u>1,541,215</u>	<u>97,428</u>	<u>1,638,643</u>	<u>—</u>
Total assets	<u>1,756,287</u>	<u>109,966</u>	<u>1,866,253</u>	<u>103,129</u>
Deferred Outflows of Resources				
Deferred charge on refunding of bonds	—	—	—	—
Total deferred outflows of resources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA

Statement of Net Position (continued)
Proprietary Funds

December 31, 2023

(In thousands of dollars)

Liabilities and Net Position	Business Type Activities - Enterprise Funds			Governmental
	Water and sewerage system fund	Other Enterprise funds	Total Enterprise Funds	Activities- Internal Service Funds
Liabilities:				
Current liabilities (payable from current assets):				
Accounts payable & accrued expenses	\$ 4,797	492	5,289	6,846
Accrued liabilities	690	—	690	—
Claims payable	—	—	—	5,939
	5,487	492	5,979	12,785
Current liabilities (payable from restricted assets):				
Contracts and other payables	17,758	—	17,758	—
Revenue bonds payable - current	20,110	—	20,110	—
Unearned revenue	467	—	467	—
	38,335	—	38,335	—
Total current liabilities	43,822	492	44,314	12,785
Non-current liabilities:				
Revenue bonds payable - noncurrent	581,562	—	581,562	—
Other long-term liabilities	1,634	—	1,634	—
Total non-current liabilities	583,196	—	583,196	—
Total liabilities	627,018	492	627,510	12,785
Deferred Inflows of Resources				
Leases	353	65,267	65,620	—
Deferred gain on refunding	2,080	—	2,080	—
Total deferred inflows of resources	2,433	65,267	67,700	—
Net Position:				
Net investment in capital assets	934,652	33,163	967,815	—
Restricted for debt retirement	23,755	—	23,755	—
Unrestricted	168,429	11,044	179,473	90,344
Total net position	\$ 1,126,836	44,207	1,171,043	90,344

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA

Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds

For the year ended December 31, 2023

(In thousands of dollars)

	Business Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Water and sewerage system fund	Other Enterprise funds	Total Enterprise Funds	
Operating revenues:				
Charges for services	\$ —	2,488	2,488	146,423
Sales tax collected	—	1,141	1,141	—
Water and sewerage charges	169,124	—	169,124	—
Total operating revenues	<u>169,124</u>	<u>3,629</u>	<u>172,753</u>	<u>146,423</u>
Operating expenses:				
Administrative and general	5,677	212	5,889	32,012
Depreciation and amortization	39,933	287	40,220	—
Personal services	24,458	823	25,281	—
Contractual services	42,013	638	42,651	111,274
Operating services	18,117	—	18,117	—
Total operating expenses	<u>130,198</u>	<u>1,960</u>	<u>132,158</u>	<u>143,286</u>
Operating income (loss)	<u>38,926</u>	<u>1,669</u>	<u>40,595</u>	<u>3,137</u>
Non-operating revenues (expenses):				
Loss on investment in joint venture and capital assets	(2,639)	(114)	(2,753)	—
Interest income	11,614	1,087	12,701	3,756
Interest expense	(15,963)	—	(15,963)	—
Total non-operating revenues (expenses)	<u>(6,988)</u>	<u>973</u>	<u>(6,015)</u>	<u>3,756</u>
Income (loss) before contributions and transfers	<u>31,938</u>	<u>2,642</u>	<u>34,580</u>	<u>6,893</u>
Capital contributions	12,386	—	12,386	—
Change in net position	44,324	2,642	46,966	6,893
Net position at beginning of year	1,082,512	41,565	1,124,077	83,451
Net position at end of year	<u>\$ 1,126,836</u>	<u>44,207</u>	<u>1,171,043</u>	<u>90,344</u>

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA

Statement of Cash Flows
Proprietary Funds

For the year ended December 31, 2023

(In thousands of dollars)

	Business Type Activities - Enterprise Funds			Governmental
	Water and sewerage system fund	Other Enterprise funds	Total Enterprise Funds	Activities- Internal Service Funds
Cash flows from operating activities:				
Receipts from customers and users	\$ 170,481	3,573	174,054	152,378
Payments to suppliers	(81,660)	(849)	(82,509)	(145,579)
Payments to employees	(24,566)	(822)	(25,388)	—
Net cash provided by operating activities	<u>64,255</u>	<u>1,902</u>	<u>66,157</u>	<u>6,799</u>
Cash flows from capital and related financing activities:				
Principal and interest payments on revenue bonds	(39,534)	—	(39,534)	—
Additions to capital assets	(113,141)	(132)	(113,273)	—
Net cash used by capital and related financing activities	<u>(152,675)</u>	<u>(132)</u>	<u>(152,807)</u>	<u>—</u>
Cash flows from investing activities:				
Purchase of investments	(49,905)	—	(49,905)	—
Proceeds from sale of investments	115,534	—	115,534	—
Interest received on investments	11,792	1,087	12,879	3,456
Net cash provided by investing activities	<u>77,421</u>	<u>1,087</u>	<u>78,508</u>	<u>3,456</u>
(Decrease) increase in cash and cash equivalents	(10,999)	2,857	(8,142)	10,255
Cash and cash equivalents at beginning of year	<u>153,949</u>	<u>8,553</u>	<u>162,502</u>	<u>92,362</u>
Cash and cash equivalents at end of year	<u>\$ 142,950</u>	<u>11,410</u>	<u>154,360</u>	<u>102,617</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 38,926	1,669	40,595	3,137
Adjustments to reconcile operating (loss) income to net cash provided by (used in) operating activities:				
Depreciation and amortization	39,933	287	40,220	—
Changes in assets and liabilities:				
Changes in customer receivables - net	(450)	—	(450)	—
Lease receivables	(92)	(956)	(1,048)	—
Other assets	—	—	—	5,955
Change in due from other governments - net	1,807	(10)	1,797	—
Accounts and claims payable and accrued liabilities	2,144	4	2,148	(2,293)
Change in interest receivable	—	(48)	(48)	—
Accrued liabilities	(108)	—	(108)	—
Change in deferred inflows (leases)	92	956	1,048	—
Change in deferred outflows (gain on refunding)	(1,098)	—	(1,098)	—
Contractual and other payables	(16,899)	—	(16,899)	—
Net cash provided by (used in) operating activities	<u>\$ 64,255</u>	<u>1,902</u>	<u>66,157</u>	<u>6,799</u>
Non-cash transactions:				
Donated capital assets contributed by outside sources	12,386	—	—	—
Gain (loss) on investment in joint venture	(2,639)	—	—	—

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA

Statement of Fiduciary Net Position
Fiduciary Funds

December 31, 2023

(In thousands of dollars)

	Pension and OPEB	Custodial
Assets:	Trust Funds	Funds
Cash and cash equivalents	\$ 110,148	139,922
Due from Brokers for Securities Sold	1,205	—
Investments, at fair value:		
US Treasury Obligations	29,531	—
US Agency Obligations	88,796	—
Municipal bonds	5,366	—
International Comingled funds	84,240	—
Corporate debt	68,641	—
Corporate asset & mortgage backed securities	17,933	—
Bank loans	77,514	—
Emerging markets equity mutual funds	73,414	—
Domestic equities	375,618	—
Domestic equity index funds-Comingled trust	229,360	—
Domestic equity funds	38,333	—
Domestic fixed income mutual funds	38,552	—
International equities	32,873	—
Real estate investment contracts	1,309	—
International equity mutual funds	183,009	—
Taxes receivable (net of allowance)		146,397
Interest and dividends receivable	2,156	—
Accounts receivable	89	—
Prepaid pension benefits	13,199	—
Total assets	<u>1,471,286</u>	<u>286,319</u>
Liabilities:		
Due to Brokers for Securities Purchased	7,526	—
Due to other taxing districts	—	178,132
Due to others	54	108,187
Total liabilities	<u>7,580</u>	<u>286,319</u>
Net Position:		
Net Position restricted for pension benefits	1,454,991	—
Net Position restricted for OPEB	8,715	—
Total net position	<u>\$ 1,463,706</u>	<u>—</u>

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA

Statement of Changes in Fiduciary Net Position
Fiduciary Funds

For the year ended December 31, 2023

(In thousands of dollars)

	Pension and OPEB Trust Funds	Custodial Fund
Additions:		
Investment income:		
Net appreciation in fair value of investments	\$ 184,648	—
Interest and dividends	41,609	—
Less: investment expenses	(4,082)	—
Net investment gain	222,175	—
Employee contributions	427	—
Employer contributions	66,046	—
Other income	87	—
Taxes collected for other government agencies	—	3,225,007
Court fees collected for other agencies and individuals	—	294,328
Total additions	288,735	3,519,335
Deductions:		
Benefit payments	153,387	—
Transfer of plan assets to 401(A) plan or other plans	274	—
Administrative fees and other expenses	821	—
Payment of taxes to other government agencies	—	3,225,007
Court payments to other agencies and individuals	—	294,328
Total deductions	154,482	3,519,335
Change in net position	134,253	—
Net position -		
Beginning of year	1,329,453	—
End of year	\$ 1,463,706	—

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA
Combining Statement of Net Position
Component Units
December 31, 2023
(in thousands)

	Component Unit	Component Unit	Total
	Fulton County Board of Health	Fulton-DeKalb Hospital Authority	
Assets:			
Cash and cash equivalents	\$ 26,529	368,721	395,250
Investments	—	77,262	77,262
Receivables (net of allowances):			
Accounts	—	257,129	257,129
Due from other governments, net	3,833	26,312	30,145
Other current assets	—	220,014	220,014
Restricted assets:			
Cash and cash equivalents	—	51,390	51,390
Capital assets (non-depreciable)	—	133,337	133,337
Capital assets (net of accumulated depreciation)	891	777,947	778,838
Other non-current assets	157	128,510	128,667
Total assets	<u>31,410</u>	<u>2,040,622</u>	<u>2,072,032</u>
Deferred Outflows of Resources:			
Pension related deferred outflows	21,248	29,906	51,154
OPEB related deferred outflows	2,727	—	2,727
Total deferred outflow of resources	<u>23,975</u>	<u>29,906</u>	<u>53,881</u>
Liabilities:			
Accounts payable and accrued expenses	6,764	375,139	381,903
Due to others	59	—	59
Claims payable	—	76,817	76,817
Non-current liabilities:			
Due within one year	—	30,399	30,399
Due in more than one year	29,389	260,366	289,755
Total liabilities	<u>36,212</u>	<u>742,721</u>	<u>778,933</u>
Deferred Inflows of Resources:			
Pension related deferred inflows	252	—	252
OPEB related deferred inflows	1,073	—	1,073
Total deferred inflow of resources	<u>1,325</u>	<u>—</u>	<u>1,325</u>
Net Position:			
Net investment in capital assets	704	881,943	882,647
Restricted for debt retirement	—	2,579	2,579
Restricted for construction	—	52,308	52,308
Restricted for other purposes	4,492	28,539	33,031
Unrestricted	12,652	362,438	375,090
Total net position	<u>\$ 17,848</u>	<u>1,327,807</u>	<u>1,345,655</u>

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA

Combining Statement of Activities

Component Units

For the year ended December 31, 2023

(In thousands of dollars)

Functions/Programs	<u>Expenses</u>	<u>Program revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Fulton County Board of Health</u>	<u>Fulton-DeKalb Hospital Authority</u>	<u>Total</u>
Component units							
Fulton County Board of Health	55,209	25,882	25,413	—	(3,914)	—	(3,914)
Fulton-DeKalb Hospital Authority (Grady)	1,893,575	1,976,205	15,144	112,430	—	210,204	210,204
Total component units	1,948,784	2,002,087	40,557	112,430	(3,914)	210,204	206,290
General revenues:							
Intergovernmental not restricted for specific programs					—	55,500	55,500
Use of money and property					—	7,108	7,108
Miscellaneous					—	13,363	13,363
Gain on sale of capital assets					—	260	260
Total general revenues					—	76,231	76,231
Change in net position					(3,914)	286,435	282,521
Net position-beginning, as restated					21,762	1,041,372	1,063,134
Net position - ending					\$ 17,848	1,327,807	1,345,655

See accompanying notes to the financial statements.

**NOTES TO
THE
FINANCIAL
STATEMENTS**

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

(1) Summary of Significant Accounting Policies

The financial statements of Fulton County, Georgia (the “County”) have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applicable to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County’s significant accounting policies are described below:

(a) *Financial Reporting Entity*

The County was created by Legislative Act in 1853 and operates under the appointed County management and County Commission (seven members) form of government. As required by GAAP, the financial statements of the financial reporting entity present the County (the primary government) and its component units. The component units discussed below are included in the County’s reporting entity because of the significance of their operational or financial relationships with the County.

In conformity with accounting principles, as set forth in GASB Statement No. 61, *The Financial Reporting Entity: Omnibus-an amendment of GASB Statements No. 14 and No. 34*, the financial statements of the component units have been included as blended component units with the exception of the Fulton-DeKalb Hospital Authority and the Fulton County Board of Health, which are presented in separate columns from the County’s financial information to emphasize that it is legally separate from the County.

Blended Component Units - The Fulton County Building Authority (the “Building Authority”) is governed by a board which is comprised solely of members appointed by the County’s Board of Commissioners. Although it is legally separate from the County’s Board of Commissioners, the Building Authority is reported as if it were a part of the primary government because its sole purpose is to finance and construct County public buildings. This entity no longer has any outstanding bonded debt.

The Fulton County Facilities Corporation was created in 1999 as a public purpose, non-profit corporation, organized and existing under the laws of the State of Georgia. It was organized for the purpose, among others, of promoting and assisting the County in acquiring and constructing capital projects. The Facilities Corporation is governed by a five-member Board of Directors comprised of three members of the existing Fulton County Board of Commissioners, the County Manager, and the County Finance Director. While legally separate from the County’s Board of Commissioners, the Facilities Corporation is reported as if it were a part of the primary government. No debt is outstanding nor anticipated.

The Fulton County Urban Redevelopment Agency was created in 2010 is also governed by a board which is comprised solely of members of the Board of Commissioners. It is reported as if it were a part of the primary government, as its sole purpose is to finance and construct redevelopment projects within designated urban areas as allowed under Georgia code. Complete financial statements for these entities can be obtained at the following address:

Fulton County
Suite 7001, 141 Pryor Street S.W.
Atlanta, Georgia 30303

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

(1) Summary of Significant Accounting Policies (continued)

Discretely Presented Component Units - The Fulton-DeKalb Hospital Authority (the “Hospital Authority”) is governed by a ten-member board, of which seven members are appointed by the Fulton County Board of Commissioners. Fulton County provided \$49.8 million in funding to the Hospital Authority during 2023, of which \$6.8 million was paid for debt service to the trustee.

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

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

Certain assets and obligations of the Hospital Authority were excluded from the Agreement. Specifically, the Hospital Authority retained certain assets and obligations related to its sponsorship of The Fulton-DeKalb Hospital Authority Employee Pension Plan (the Plan – a frozen plan effective May 19, 2008) and pre-existing hospital revenue bond issued. Complete financial statements of the Hospital Authority can be obtained from its administrative offices at the following address:

Fulton DeKalb Hospital Authority, VP of Finance
145 Edgewood Ave. SE, 2nd floor,
Administrative Offices
Atlanta, Georgia 30303

Pursuant to House Bill 885 of the Georgia State Legislature, the Fulton County Board of Health (FCBOH) began providing County wide health care services previously provided by the Fulton County Health Department. The FCBOH contracted with Fulton County for employees and support services under an intergovernmental agreement that can extend up to 50 years or until the entity assumes full functionality of internal services. The Fulton County Board of Commissioners appoints four of the seven members of the Fulton County Board of Health. The County paid the Fulton County Board of Health approximately \$11.0 million during calendar year 2023 for provision of these health services. Fulton County continues to serve a variety of significant support services as deemed necessary by both parties without any reimbursement.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

(1) Summary of Significant Accounting Policies (continued)

Actual personnel costs of County employees directly contracted with the Board of Health, contractors, vendors and other payments incurred on behalf of the Board of Health are administered by the County and accounted for as a contractual service fund in the County's financial statement. The financial statements presented for the Fulton County Board of Health represent the 12 months ending June 30, 2023. This support provides a basis to categorize the Fulton County Board of Health as a discretely presented component unit.

The County's Board of Commissioners are also responsible for appointing the members of the boards of a number of other organizations, including the Hospital Authority of Fulton County and the Fulton County Housing Authority, but the County's accountability for these organizations does not extend beyond making the appointments.

Joint Ventures

City of Atlanta and Fulton County Recreation Authority - The County is a one-third joint venture partner with the City of Atlanta, Georgia (two-thirds share) in the City of Atlanta and Fulton County Recreation Authority (the "Recreation Authority"), which is comprised of the Atlanta Zoo and the Stadium/Arena Authority. Both the City and the County appoint members to the Recreation Authority Board according to their share of the joint venture. Neither the City nor the County exercises direct control over the ongoing operations of the Recreation Authority, which is administered by its Board and is a component unit of the City of Atlanta.

The County, under a separate guarantor agreement, paid annual debt service for the 2007 Recreation Authority Atlanta Zoo bonds with approximately three-fourths participation from the City of Atlanta, and one-fourth participation from Fulton County. This obligation matured in previous years and no County obligations related to the Authority are outstanding as of December 31, 2023. Complete financial statements for the Recreation Authority are available below.

Atlanta Fulton County Recreation Authority
State Farm Arena
1 State Farm Drive
Atlanta, Georgia 30303

Atlanta Regional Commission - The County is a joint venture partner with the Atlanta Regional Commission based on GASB Statement No. 61. Under Georgia law, the County, in conjunction with other cities and counties in the ten-county metropolitan Atlanta, Georgia area, is a member of the Atlanta Regional Commission (ARC). Membership in a regional commission is required by O.C.G.A. 50-8-34 which provides for the organization structure of regional commissions in Georgia. The County paid dues in the amount of \$971 to the ARC for the year ended December 31, 2023. The regional commission's Board membership includes the chief elected official of each county and municipality of the area. O.C.G.A. 50-8-39 provides that the member governments are liable for any debts or obligations of a regional commission. Complete financial statements of the Atlanta Regional Commission may be obtained at the address below:

Atlanta Regional Commission
40 Courtland Street, N.E.
Atlanta, Georgia 30303

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

(1) Summary of Significant Accounting Policies (continued)

Atlanta-Fulton County Water Resources Commission - The Atlanta-Fulton County Water Resource Commission is a joint venture between the County and the City of Atlanta for the construction and operation of a water treatment facility in north Fulton County. The County and the City share equally the costs of construction of the plant, and each is entitled to receive 50% of the total water supply treated by the plant or 50% of the plant's capacity, whichever is greater. The costs of operation of the plant were borne pro rata by the City and the County on the basis of water delivered to each party. The County incurred charges of approximately \$7.7 million in 2023 for water produced at this facility, which is classified as an operating cost to the Fulton County Water & Sewerage System.

The Atlanta-Fulton County Water Resources Commission is governed by a seven-member management commission, three members of the Commission are appointed by the City, three are appointed by the County, and one independent member is elected by the vote of the other members. Both the City and County approve the annual budget of the Commission.

At December 31, 2023, the County's share of the depreciated cost of the facility is shown as "Investment in joint venture" in the accompanying statement of net position.

Complete financial statements for the Atlanta-Fulton County Water Resource Commission can be obtained from the following respective administrative office:

Atlanta-Fulton County Water Resource Commission
9750 Spruill Road
Alpharetta, Georgia 30022

(b) Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the County and its component units. Eliminations have been made to minimize the double-counting of internal activities, but interfund services provided and used are not eliminated but shown as the internal services activities. Government-wide financial statements do not provide information by fund, but distinguish between the County's governmental activities and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions, and reported separately from business-type activities. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Net Position presents the County's non-fiduciary assets and liabilities, with the difference reported as net position. This net position is reported in three categories:

Net investment in capital assets consists of capital assets, net of accumulated depreciation, and reduced by outstanding debt that is attributable to the acquisition, construction, and improvement of those assets. The outstanding debt is offset by any unspent proceeds from such debt.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

(1) Summary of Significant Accounting Policies (continued)

Restricted net position results from restrictions placed on net position by external sources such as creditors, grantors and contributors, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of net position which does not meet the definition of the two preceding categories.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Administrative overhead charges are included in direct expenses for the business-type activities. Some functions, such as general government and administration include expenses that are in essence indirect expenses of other functions. The County has elected not to charge all of these indirect expenses to other functions. Program revenues include (1) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and the major individual enterprise fund are reported as separate columns in the fund financial statements; non-major funds are combined in a single column.

(c) *Measurement Focus, Basis of Accounting, and Financial Statement Presentation*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Custodial fund financial statements also use the economic resources measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year in which the levy is assessed. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as receivables in the current fiscal period.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

(1) Summary of Significant Accounting Policies (continued)

All other revenue items are considered to be measurable and available only when cash is received by the County. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to non-vested unmatured sick pay, compensated absences and other long-term commitments and contingencies are recorded only when payment is due. In accordance with GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions," the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the enterprise funds and the internal service funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The generally accepted accounting principles applicable are those similar to business in the private sector.

Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, other governmental units, and/or other funds.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

The County reports the following major governmental funds:

General Fund

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

American Rescue Plan Fund

The American Rescue Plan Act passed Congress in 2021 to continue funding to local governments to assist with the financial effects of Covid-19. \$103.3 million received in May of 2021, while an additional \$103.3 was received in June of 2022. \$88.7 million of these funds received are recorded as unearned revenue as of December 31, 2023, as not all these funds were expended by year end.

Library Bond Fund

This capital project fund primarily consists of the 2008 voter approved bond issuances of \$167 million in 2010 and \$104 million in 2017, which is for construction of new and renovation of existing library facilities.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

(1) Summary of Significant Accounting Policies (continued)

The County reports the following major proprietary fund:

Water and Sewerage System Fund

The Fulton County, Georgia Water and Sewerage System Fund (the “System”) accounts for the provision of water and sewerage services to individuals, organizations, and other governmental units within Fulton County (the “County”), except for those areas of the County serviced by the City of Atlanta and other small municipalities. Additionally, the System sells water and treatment plant capacity to neighboring jurisdictions at contractually established rates. All revenues from sources applicable to such services and all expenses incurred in the provision of such services are recorded in the accounts of the System.

The County reports four non-major proprietary funds:

Fulton County Executive Airport-Brown field

The Fulton County, Georgia Airport Fund (the “fund”) accounts for the provision of services to tenants and the public for airport operations. These services include maintenance of all buildings, access roads, runway, ramps, hangars and parking lots. Collections of rentals are restricted to use for services for the airport. A long term lease receivable is the largest asset next to the historical cost of runway and runway improvements.

Wolf Creek Amphitheater

Wolf Creek Amphitheater fund provided for the operations of a world-class event venue located in South Fulton County. Outdoor music concerts, plays, performances and festivals were generally offered from May through October. This venue is largely inactive for 2023.

Contractual Service fund-Fulton County Board of Health

The County entered into an intergovernmental agreement with the newly established Fulton County Board of Health to provide both personnel effort and administrative support for actual costs incurred. This fund which recorded the payroll and fringe benefit expenses incurred and revenues earned from providing these services is now complete and will close out in 2024.

Contractual Service fund-City of South Fulton

The County entered into an intergovernmental agreement with the City of South Fulton to provide a complement of municipal services for a set fee with varying expected expiration dates for each functional service. This fund records the expenses incurred and revenues earned from providing these services, all of which finalized throughout 2019 except for final accounting and reconciliation of amounts due or payable with the County.

The County reports the following fiduciary funds:

Fulton County Employees' Retirement System

The fund accounts for accumulated resources for the County's defined benefit pension payments to qualified County employees.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

(1) Summary of Significant Accounting Policies (continued)

Fulton County Other Post-Employment Benefits Fund

The fund accounts for accumulated resources for post-employment health benefits to qualified County employees.

Custodial Funds

Custodial Funds account for the assets held by the Tax Commissioner, Superior, State, Juvenile and Probate courts, the Sheriff and Criminal court and the District Attorney, or its elected officials, in a trustee capacity for individuals, governmental units, and/or other funds.

The County reports the following other fund types:

Internal Service funds

Internal service funds account for self-insured health activities, vehicle maintenance and repair, risk management services, and other activities provided to other departments of the County on a cost reimbursement basis.

(d) *Cash, Cash Equivalents, and Investments*

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments are reported at fair value based on quoted market values. Interest income on investments is accrued as earned. The net appreciation (depreciation) in the fair value of investments is based on the valuation of investments as of the balance sheet date.

(e) *Inventories*

Inventories of the government funds are recorded as expenditures at the time of purchase (purchase method). Inventories of the Hospital Authority, which are primarily pharmaceuticals and supplies, are valued at the lower of cost or market. Cost is determined on an average cost basis for supplies and first in, first out basis for pharmaceuticals.

(f) *Interfund Receivables/Payables*

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables are classified as "due from other funds" and the payables as "due to other funds" on the governmental financial statements but are eliminated in the government-wide financial statements.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

(1) Summary of Significant Accounting Policies (continued)

(g) Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, as well as lease and subscription based technology arrangements, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are generally defined as assets with an individual cost in excess of \$5,000 for equipment or \$100,000 for all other assets, and a useful life in excess of one year. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets, donated works of art or capital assets acquired through a service concession arrangement, are recorded at their acquisition value at the date of donation. General infrastructure assets consist of the road network that were acquired or that received substantial improvements subsequent to January 1, 1980 and are reported at estimated historical cost using various industry and trade cost data combined with actual information maintained at the County. The majority of the roadway network infrastructure has been transferred to municipal governments throughout the County.

The cost of normal maintenance and repairs that do not add to the value of the asset or that materially extend assets lives are not capitalized. Net interest cost incurred during the construction of facilities is capitalized as part of the cost of such facilities for business-type activities. No such capitalized interest was incurred in 2023.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Buildings and related improvements	40 years
Plant and related components	50 years
Intangible assets	28-40 years
Roadway networks and related infrastructure	20-50 years
Equipment	2-10 years
Lease assets	2-50 years
Subscription based technology arrangements	3-5 years

Property under financed purchases and leases are stated at the lower of the present value of the minimum lease payments or the fair market value at the inception of the lease. Once placed in use, such property is amortized on the straight-line basis over the shorter of the economic useful life of the asset or remaining lease term.

The County initially paid \$58 million with neighboring Cobb County, Georgia in 2003 for the purchase of long-term wastewater treatment capacity at the R.L. Sutton wastewater treatment plant and the adjoining underground conveyance system. An additional \$.8 million was added during fiscal 2023. The County previously incurred \$99.9 million in similar capital costs through facilities owned by the City of Atlanta. The County will share in the cost of annual capital improvements at these facilities on a pro rata basis are included within the capital asset disclosure of the Water and Sewerage System fund. These assets are being depreciated over 28 years for the Atlanta facilities and 40 years for the Cobb County facilities, utilizing the straight-line method. Depreciation of these intangible assets approximated \$5.9 million for 2023 and is classified as an operating cost on the Statement of Revenues, Expenses and Changes in Net Position - Proprietary funds. The balance as of December 31, 2023 is approximately \$87.2 million.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

(1) Summary of Significant Accounting Policies (continued)

The government maintains certain collections of art which have not been capitalized as they are (1) held for public exhibition, education, or research in furtherance of public service rather than financial gain, (2) protected, kept unencumbered, cared for and preserved, and (3) subject to policy that requires the proceeds from any sales of collection items to be used to acquire other items for the collection.

(h) Bond Premiums and Discounts/Debt Issuance Costs

Bond premiums or discounts are deferred and amortized over the term of the debt. Bond debt issuance costs are expenses as incurred to comply with new Governmental Accounting Reporting Requirement Statement No. 65. Bond premiums or discounts are also now presented separate from the face value of the outstanding debt, and classified as Deferred Outflows of Financial Resources on the Statement of Net Position on page 15.

(i) Restricted Assets

Certain proceeds of Enterprise Fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets because their use is limited by bond covenants.

(j) Deferred Outflows/Inflows of Resources-Governmental funds

Deferred outflows of resources represent a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has one item that qualifies for reporting in this category – the deferred charge on refunding reported in the enterprise funds and government-wide statements of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is no longer reported net of debt and is deferred and amortized over the shorter of the life of the refunded bonds.

Deferred inflows of resources represent an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The County has unavailable revenue, which arises only under the modified accrual basis of accounting, which qualifies for reporting in this category on the governmental funds balance sheet. New to 2023 is the Grants in Aid fund’s \$1,658 which relates to Opioid settlements funds remaining unspent as of December 31, 2023.

The following amounts are deferred and recognized as an inflow of resources in the period that the amounts become available, in thousands:

	General fund	South Fulton Special District fund	Grants in Aid fund	Debt Service fund	Total
<u>Unavailable revenues</u>	<u>33,118</u>	<u>335</u>	<u>1,658</u>	<u>772</u>	<u>35,883</u>
Property taxes	\$ 33,118	335	1,658	772	35,883

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

(1) Summary of Significant Accounting Policies (continued)

(k) *Compensated Absences*

County employees upon separation are reimbursed for an accumulated annual vacation leave up to a maximum of 360 hours. Employees are not reimbursed for accumulated sick leave if terminated prior to retirement and is not reported in the accompanying financial statements. Nonexempt employees who work overtime can accrue compensatory leave for each overtime hour worked, up to a specified maximum. At separation, employees are paid for any accumulated compensatory leave and any earned holiday leave. Starting in 2007, the policy was amended so that exempt employees are no longer eligible to accrue compensatory time without executive management approval.

Liabilities for compensated absences other than sick leave are all considered long-term obligations of the County as amounts were not matured and payable at year-end. As a result, for governmental activities, the accrued compensation amounts are reported as a liability, but no liability is reported on the governmental fund statements.

Proprietary funds record accumulated vacation leave as an expense and liability as the benefits accrue. The liability for accumulated vacation leave is classified as noncurrent in the Proprietary Funds, as that portion which will be paid in the forthcoming year cannot be reasonably estimated. These liabilities are paid to employees generally from the fund that incurred their payroll cost at time of departure. The General fund currently pays the predominate share of these costs.

(l) *Estimated Claims Payable*

The liability for claims and judgments against the County, including the estimated liability for claims incurred but not reported at year-end has not matured as of year-end and as a result has been accrued in the government-wide statements, the Insurance Stabilization Fund and Risk Management Fund (Internal Service Funds); but no liability has been accrued in the governmental fund statements. These claims are not long term and will be paid within one year.

(m) *Net Patient Service Revenues*

The Hospital Authority reports net patient service revenue at the estimated net realizable amounts due from patients, third-party payors, and others for services rendered, including estimated retroactive revenue adjustments (if necessary) due to future audits, reviews, and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations.

(n) *Uncompensated Care*

The Hospital Authority provides care to patients who meet certain criteria under its charity and indigent care policy without charge or at amounts less than its established rates, based upon the patient's ability to pay. Because the Hospital does not pursue collection of amounts determined to qualify as charity and indigent care, they are not reported as revenue.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

(1) Summary of Significant Accounting Policies (continued)

(o) Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

(2) Budgetary Accounting and Compliance

The County prepares its annual budgets on a non-GAAP basis. The major differences between the budget and GAAP are (1) revenues (principally property taxes, accounts receivable, grants, and interest receivables) are recorded when cash is received (budget) as opposed to when susceptible to accrual (GAAP), (2) Expenditures (principally payroll, workers' compensation, and purchases) are recorded when paid (budget) as opposed to when incurred (GAAP); (3) Debt service requirements due January 1, 2024 are recorded as expenditures in 2023 (budget) as opposed to 2024 when obligations are due (GAAP); (4) Utilized fund balance to meet balanced budget requirements is recorded as revenue on the budgetary basis statements but not in the governmental fund statement of revenues, expenditures and changes in fund balances for governmental funds.

The nature and amount of the adjustments necessary to convert the actual results of operations on a GAAP basis to the budgetary basis, which is a cash basis, as adjusted for specific accruals, are as follows for the County's two major funds (in thousands of dollars):

	Net changes in fund balance	
	General Fund	American Rescue Fund
GAAP basis	\$ (12,347)	—
Adjustments to accruals:		
Tax revenues and receivables	13,185	—
Liabilities	2,141	—
Budget basis	\$ 2,979	—

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

- (1) Prior to November 15 of the preceding budget year, the County Manager, and the Chief Financial Officer, receives budget requests from County departments.
- (2) Hearings may be held by the County Manager to review budget requests, justifications, and recommendations.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

(2) Budgetary Accounting and Compliance (continued)

- (3) By November 15, the County Manager presents a recommended budget for the fiscal year beginning the following January 1 to the Board of Commissioners. This budget includes recommended expenditures and estimated revenues to finance them and is published in accordance with O.C.G.A requirements and serves as the acting budget until the final budget is adopted.
- (4) A public hearing is held in December and the budget is legally adopted by the Board of Commissioners during a January meeting of the current budget year. A balanced budget is required by law.
- (5) The level of legal budgetary control (the level at which expenditures may not exceed appropriations) is at the department level with the following provisions:
 - (i) Departments, with the approval of the County Manager or designee, are authorized, with certain exceptions, to transfer amounts within departmental budgets.
 - (ii) Budget amendments that would increase total department appropriations, salary appropriations require Board approval.
- (6) Budgets are legally adopted for the two major funds, the General Fund and American Rescue Plan Fund. Formal budgetary integration is employed as a management control device during the year for these two funds. Budgets were also legally adopted for debt service fund and other special revenue funds for the fiscal year ending December 31, 2023. Project-length budgets are adopted upon approval for the capital project, including the major capital project fund for bond funded Library improvements and construction. Generally, annual adopted appropriations, encumbered and unencumbered, lapse at December 31. The Public and Mental Health services are now largely inactive and hold residual funds for accrued compensation payments with no annual budget necessary for this previously budgeted final payout.
- (7) Total appropriations for any fund may be increased if, during the year, sources of revenue become available to the County in excess of original anticipations, and these amounts are anticipated by the Budget Commission and subsequently appropriated by the Board of Commissioners. No supplemental appropriations were made during 2023.

(3) Cash and Investments – Primary Government

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

Custodial Credit Risk

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

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

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

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. As of December 31, 2023, the County’s primary governmental and business-type funds had the following investments:

	December 31, 2023			
	Fair value	< 1 year	1-5 years	6-10 years
Fixed Income:				
US Agency Obligations	\$ 50,719	50,719	-	-
Fixed Income subtotal	50,719	50,719	-	-
Certificate of Deposits	10,000			
Money Market Funds	9,754			
Georgia Fund 1	842,153			
Total cash equivalents and investments	\$ 912,626			

State of Georgia statutes authorize the County to invest in direct obligations of the U.S. government, obligations insured or guaranteed by the U.S. government or a U.S. government agency, obligations of any corporation of the U.S. government, prime bankers’ acceptances, obligations of the State of Georgia or other states, certain collateralized repurchase agreements, certain obligations of other political subdivisions of the State of Georgia and certain certificates of deposit. In accordance with its investment policy and bond covenants, the Water and Sewerage System fund manages its exposure to the risk of declines in fair values of investment by limiting the maturities of its investments to a maximum of three to five years for all construction and debt related accounts.

The Georgia Fund 1 is managed by the State of Georgia Office of the State Treasurer to maximize current income while preserving principal and providing daily liquidity. It is managed to maintain a constant net asset value of \$1.00 and a weighted maturity of 90 days or less. During 2023 and as of December 31, 2023, the County utilized Georgia Fund 1 as its primary investment vehicle.

Fair Value Measurement

GASB Statement No. 72, *Fair Value Measurement and Application*, enhances comparability of governmental financial statements by requiring fair value measurement for certain assets and liabilities using a consistent definition and accepted valuation techniques. The standard establishes a hierarchy of inputs used to measure fair value that prioritizes the inputs into three categories – Level 1, Level 2 and Level 3 inputs – considering the relative reliability of the inputs. The hierarchy gives the highest priority of unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 2 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 inputs are quoted (unadjusted) prices in active markets for identical financial assets or liabilities that are accessible at the measurement date;

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the financial asset or liability, either directly or indirectly;

Level 3 inputs are unobservable inputs for the financial asset or liability.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

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

The level in the fair value hierarchy within which a fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. Local Government Investment Pools, such as Georgia Fund 1 are categorized as a Level 1, as are the money market funds, listed in the Interest Rate Risk chart on the previous page. Level 1 securities are valued using prices quoted in active markets for those securities, while Level 2 are subject to pricing by an alternate pricing source due to lack of information by a primary vendor. No Level 2 or 3 investments or securities were held in Primary government funds as of December 31, 2023.

Credit Quality Risk

Credit Quality Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The \$9,754 in money market funds possess the highest quality short-term ratings. The \$842,153 in Georgia Fund 1 is rated AA+ and managed by the State of Georgia. The following is a summary of the carrying amounts of the cash, cash equivalents, and investments of the County's governmental and business-type activities at December 31, 2023 (in thousands of dollars):

Balances by category:	2023
Cash and deposits	\$ 33,724
Cash equivalents	851,907
Investments	60,719
	<u>\$ 946,350</u>
Balances as presented in the Statement of Net Position:	
Unrestricted activities:	
Cash and cash equivalents	\$ 843,160
Investments	10,000
Restricted activities:	
Cash and cash equivalents	42,471
Investments	50,719
	<u>\$ 946,350</u>

Cash and Investments – Fiduciary Funds

The Pension Trust Fund, reported as a fiduciary fund, is authorized by its approved policy, to invest, in addition to the County's other authorized investments, in corporate bonds and debentures which are not in default as to principal and interest. Additionally, the Pension Trust Fund can invest in corporate stock (common or preferred), provided that the total cost of such investments does not exceed 65% of the assets of the Pension Trust Fund.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of a bank failure, the Pension Trust fund's deposits may not be recovered. Fulton County uses a centralized cash disbursements account for all of its funds, including those of this fund. Although cash applicable to the Pension Trust Fund is delineated for financial reporting purposes, the portion of the corresponding bank account balance applicable to the Plan is not separately identifiable. The Policy of the Pension Trust fund is to ensure that pension liabilities are met when due. Assets are invested so as to provide for the solvency over time and to maximize the investment return within a reasonable level of risk. In accordance with the Official Code of Georgia Annotated Public Retirement System Investment Authority Law, Public Retirement Systems, adopted in the Pension plan policy as well, may invest in the following:

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

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

- (a) Domestic stocks, including small, mid, and large market capitalization ranges;
- (b) International stocks including emerging markets;
- (c) U.S. Treasury Notes and Bonds, U.S. Government Agency Securities, Mortgage-Backed Securities such as Global fixed income mutual funds and Collateralized Mortgage-Backed securities (CMBS) non-agency issues which are fully collateralized by agency paper;
- (d) All other types of investments which are permitted under the Fulton County Employees' Retirement System Boards' enabling resolutions and Georgia law.

The following is a summary of the carrying amounts of the cash, cash equivalents and investments of the Fiduciary funds at December 31, 2023 (in thousands of dollars):

	2023		
	Pension Trust Fund	OPEB Trust Fund	Custodial Funds
Balances by category:			
Cash and cash equivalents	\$ 110,143	5	139,922
Investments	1,335,779	8,710	-
Due from Brokers for Securities Sold	1,205	-	-
Due to Brokers for Securities Purchased	(7,526)	-	-
	\$ 1,439,601	8,715	139,922

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

Credit Quality Risk

Credit Quality Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The table below shows the Pension Trust fund's exposure to credit quality risk for the fixed income investments held as of December 31, 2023. The OPEB Trust fund's \$8,715 is comprised of domestic equity funds (\$6,810); Domestic fixed income mutual funds (\$1,264), and international equities, (\$636) and \$5 cash equivalents.

	Fair Value	December 31, 2023 ratings				
		AAA	AA	A	BBB	BB & N/R
Fixed Income:						
US Treasury Obligations	\$ 27,960	27,960	-	-	-	-
US Agency Obligations	88,796	-	88,796	-	-	-
Municipal General Obligations	5,366	3,052	2,314	-	-	-
Foreign Government/Agency debt	-	-	-	-	-	-
Corporate Debt	68,641	2,076	4,987	27,058	31,047	3,473
Corporate Asset & Mortgage Backed Securities	17,933	15,635	715	577	1,006	-
Bank loans	77,514	-	-	-	-	77,514
Domestic Fixed Income Mutual fund	38,620	-	38,620	-	-	-
Fixed Income totals	\$ 324,830	48,723	135,432	27,635	32,053	80,987

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

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

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The following table provides information about Pension Trust fund’s exposure to interest rate risk as of December 31, 2023:

	December 31, 2023				
	Fair Value	3-12mos	1-5yrs	6-10yrs	>10yrs
Fixed Income:					
US Treasury Obligations	\$ 27,960	5,935	13,528	7,185	1,312
US Agency Obligations	88,796	5,806	16,302	16,953	49,735
Municipal General Obligations	5,366	-	-	880	4,486
Corporate Debt	68,641	8,975	36,604	15,641	7,421
Corporate Asset & Mortgage Backed Securities	17,933	115	11,802	3,194	2,822
Bank loans	77,514	77,514	-	-	-
Domestic Fixed Income Mutual fund	38,620	-	-	38,620	-
Fixed Income subtotal	324,830	98,345	78,236	82,473	65,776
Equity securities	375,618				
Real Estate Investment Trusts (REITs)	1,309				
Domestic equity index funds-comingled trust	223,967				
Emerging markets equity mutual funds	73,414				
Domestic equity mutual funds	45,143				
International equities	32,959				
International equity mutual funds	183,009				
International comingled funds	84,240				
Cash and Cash Equivalents	110,148				
Due to/from Brokers for Securities Purchased	(6,321)				
Total cash equivalents and investments	<u>\$ 1,448,316</u>				

Fair Value Measurement - Fiduciary Funds

GASB Statement No. 72, Fair Value Measurement and Application, enhances comparability of governmental financial statements by requiring fair value measurement for certain assets and liabilities using a consistent definition and accepted valuation techniques. The standard establishes a hierarchy of inputs used to measure fair value that prioritizes the inputs into three categories – Level 1, Level 2 and Level 3 inputs – considering the relative reliability of the inputs. The hierarchy gives the highest priority of unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 2 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 inputs are quoted (unadjusted) prices in active markets for identical financial assets or liabilities that are accessible at the measurement date;

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the financial asset or liability, either directly or indirectly;

Level 3 inputs are unobservable inputs for the financial asset or liability.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

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

The level in the fair value hierarchy within which a fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The following table provides information about Pension Trust fund’s categorization by Level as of December 31, 2023. The OPEB’s Trust funds investments are all categorized as Level 2.

	December 31, 2023			
	Total	Level 1	Level 2	Level 3
US Treasury Obligations	\$ 27,960	-	27,960	-
US Agency Obligations	88,796	-	88,796	-
Municipal Obligations	5,366	-	5,366	-
Corporate Debt	68,641	-	68,641	-
Corporate Asset & Mortgage Backed Securities	17,933	-	17,933	-
Bank loans	77,514	-	77,514	-
Domestic Fixed Income Mutual fund	38,620	38,620	-	-
Domestic equities	382,428	382,428	-	-
Real Estate Investment Trusts (REITs)	1,309	1,309	-	-
Domestic equity index funds-comingled trust	223,967	-	223,967	-
Domestic equity mutual funds	38,333	38,333	-	-
International equities	32,959	32,959	-	-
International equity mutual funds	183,009	183,009	-	-
International comingled funds	84,240	-	84,240	-
Emerging markets equity funds	73,414	-	73,414	-
Cash and Cash Equivalents	110,148	110,148	-	-
Due to/from Brokers for Securities Purchased	(6,321)	(6,321)	-	-
Total cash equivalents and investments	\$ 1,448,316	780,485	667,831	-

Debt and Equity securities classified in Level 1 are valued using prices quoted in active markets. Debt and equity securities in Level 2 are valued using either a bid evaluation, which uses market quotations, yields, maturities, call features and ratings. Also used for Level 2 are matrix pricing techniques which value securities based on the relationship to benchmark quoted prices. No Level 3 investments were held as of December 31, 2023.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

(3) Cash and Investments – Component units

Hospital Authority

The Hospital Authority maintains a cash and investments pool utilized by the Hospital Authority. In 2016, the Hospital Authority implemented Statement No. 72 of the Governmental Accounting Standards Board, Fair Value Measurement and Application, which requires the Hospital Authority to use valuation techniques which are appropriate under the circumstances and are a market approach, a cost approach or an income approach. Statement No. 72 establishes a hierarchy of inputs used to measure fair value consisting of three levels. Level 1 inputs are quoted prices for identical assets or liabilities in active market. Level 2 inputs are inputs, other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for asset or liability.

The following is a summary of the fair value hierarchy for deposits and investments of the Hospital Authority as of December 31, 2023.

		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and Cash Equivalents	\$	45,689	-	-	45,689
Mutual funds		44,978	-	-	44,978
Common collective trust funds		11,695	-	-	11,695
Money Market funds		20	-	-	20
Real assets		-	91	-	91
Miscellaneous assets		-	-	576	576
Equity securities		8,135	-	-	8,135
Foreign depository receipt		2,394	-	-	2,394
Exchange traded funds		7,623	-	-	7,623
Fixed Income		37,177	-	-	37,177
	\$	<u>157,711</u>	<u>91</u>	<u>576</u>	<u>158,378</u>

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of a bank failure, the Hospital Authority's deposits may not be returned to it. As of December 31, 2023, Grady Memorial Hospital Corporation's deposits were either covered by federal depository insurance or collateralized through securities held by the pledging financial institution's trust department in the Hospital Authority's name.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Hospital Authority does not have a formal investment policy that limits investment maturities. The Authority's practice is to structure its portfolio to meet cash requirements for ongoing operations with shorter term or more liquid investments.

Credit Risk

Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. The Authority's investment practice seeks to minimize credit risk through diversification of investments within the choices allowed under state statutes. Concentration of Credit Risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The Hospital Authority has no formal policy on concentration of credit risk beyond that stipulated by the Georgia government Code. The Authority held 87% of its total investments at Wells Fargo as of December 31, 2023. No limits exist on U.S. issued fixed income securities. Prohibited investments are also specified in the policy.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

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

Hospital Authority

Basic combined discretely presented component unit financial statements:

Unrestricted:		2023
Cash and cash equivalents	\$	<u>368,721</u>
Investments		77,262
Restricted		
Cash and cash equivalents		<u>51,390</u>
Total	\$	<u><u>497,373</u></u>

Fulton County Board of Health

The Fulton County Board of Health maintains a cash account and has no investments as of December 31, 2023 nor maintained any during the year. Currently the Board does not utilize an investment policy, nor had any balances exposed to custodial or interest rate risk as defined by GASB standards. The amount below reflects the June 30, 2023 balances reported by the Fulton County Board of Health.

Basic combined discretely presented component unit financial statements:

Unrestricted:		2023
Cash and cash equivalents	\$	<u>26,529</u>
Total	\$	<u><u>26,529</u></u>

(4) Taxes

(a) Property Taxes

The County Tax Commissioner bills and collects property taxes for Fulton County as well as those of the Fulton County Board of Education, the Cities of Atlanta, Sandy Springs, Mountain Park, Chattahoochee Hills, South Fulton and Johns Creek and the City of Atlanta Board of Education. Collections of taxes for the County are accounted for in the Governmental Funds types. Collections and remittance of taxes for other entities are accounted for in the Tax Commissioner Fund (a Custodial Fund). Taxes are generally levied at approximately July 1, based on property values as of January 1, and are payable from various due dates from August 15 through October 15 depending on the taxing governmental entity. After the due date, interest is charged on unpaid taxes, with a penalty being assessed in addition to interest charges as receivables become greater than 120 days delinquent. The Board of Commissioners generally establishes the property tax millage rates by June 30. Unpaid property taxes may attach as an enforceable lien on property as of January 1.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

(4) Taxes (continued)

(b) *Local Option Sales Tax*

The County receives approximately 5% of a 1% local option sales tax levied on all retail sales made within the County. The proceeds of such tax collected each year are used to reduce, on a dollar-for-dollar basis, the millage equivalent amount of property taxes, which would otherwise be required to be levied in the subsequent year.

(c) *Transportation Special Purpose Local Option Sales tax*

During fiscal year 2017, County voters approved a specific sales tax of \$.75 in all areas of the County except the City of Atlanta, which approved a \$.5% increase. These revenues accrue to each geographic area based on population and are dedicated to local transportation improvements and repairs designed to ease traffic burdens upon County residents. The County was charged with overall administration of the transportation project distribution, which is shown as a new Special Revenue fund labeled as T-Splost Administration. These funds are used to fund a small administrative effort at ensuring proper distribution of funds to each municipality. The County also entered into an agreement with the newly incorporated City of South Fulton to administer their portion of this tax and provide transportation project management and construction. This agreement has now concluded, and the City of South Fulton now undertakes these improvements directly.

(d) *Tax Abatements*

GASB Statement No. 77, *Tax Abatement Disclosures* requires state and local governments to disclose tax abatement agreements entered by other governments that reduce the reporting government's tax revenues. Fulton County, through the Development Authority of Fulton County, allows for taxable revenue bond financing, pursuant to the Georgia Development Authorities law, under Title 36 Chapter 62 of the Official Code of Georgia, in order to promote the creation of jobs and stimulate development activity within Fulton County. The taxable revenue bond financings result in the reduction of ad valorem (real and/or personal property) taxes.

The County offers a reduction in property taxes through the structure of these financing arrangements. Specifically, the Development Authority of Fulton County, a tax-exempt public organization created independently from the County, may enter into agreements with private individuals or entities in order to incentivize these businesses to build, relocate, expand, or renovate in Fulton County. These agreements involve a bond issuance and sale-leaseback transaction, whereby the Development Authority takes title to property and leases it back to the company. The company is responsible for making ad valorem tax payments on its leasehold interest. The rental payments for the leasehold offset the debt service on the bonds over a fixed 10 year term, so that at the end of the incentive period the bonds are fully retired and the company regains title of the property through an option to purchase.

Fulton County's long-standing policy for Development Incentives provides for a 50% ramp up over a 10-year period. Following completion of construction, a company pays property taxes on its leasehold interest in the project of 50% of the fair market value of the real and/or personal

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

(4) Taxes (continued)

property in the first year, with a 5% increase each year over a 10-year period, after which the company takes title back to the property and must then pay taxes on the full fair market value of the property. The company has a smaller property tax obligation through this financing arrangement than it would under outright ownership of the property due to the reduced value of the company's leasehold interest in the property over the designated ramp-up period. 2023 values are shown on the following pages:

The Development Authority considers the economic impacts of a proposed project and weighs such benefits against the costs of reduced revenue impacts when considering whether to enter into a taxable revenue bond deal with an individual or entity. Generally eligible projects involve a commitment of significant capital investment and/or the creation of net new jobs to the County, which propose a favorable return on investment for the County. For residential projects, a commitment by the developer to provide affordable housing may be required. There are no additional commitments other than to provide favorable tax treatment. There are no provisions for recapturing incentives; however, the Development Authority can immediately return title to a company for a non-performing project, which cancels the incentive going forward. There are no amounts receivable from other governments. There are no quantitative thresholds used to determine disclosures of these type agreements.

<u>Tax Abatement Program</u>	<u>Total Amount of Taxes Abated (Incentives Abated) for the year 2023 (in thousands)</u>
Fulton County Development Authority	<u>\$9,927</u>

Another abatement utilized in Fulton County is the Local Enterprise Zone Program, which allows for qualified businesses and service enterprises located within enterprise zone to the following exemptions from county ad valorem taxes under O.C.G.A 36-88-8(a)(1) and Fulton County Code of Ordinances Sec. 118-101.

- (1) One hundred percent of the county ad valorem taxes for the first five years;
- (2) Eighty percent of the county ad valorem taxes for the next two years;
- (3) Sixty percent of the county ad valorem taxes for the next (eighth) year;
- (4) Forty percent of the county ad valorem taxes for the next (ninth) year; and
- (5) Twenty percent of the county ad valorem taxes for the last (tenth) year.

Fulton County considers enterprise zone designations for major projects on a case by case basis. In order to be designated as an enterprise zone, a nominated area must meet three of four criteria, as established by the state, including evidence of pervasive poverty, above average unemployment, general economic distress, and underdevelopment. Qualifying business or service enterprises that are located within a designated enterprise zone, create and maintain five or more new full-time job equivalents, and provide additional economic stimulus, as approved by the Fulton County Board of Commissioners, may be entitled to property tax exemptions on a downward sliding scale over a 10-year period. Qualified industries include those businesses primarily involved in manufacturing, warehousing and distribution, processing, telecommunications, tourism, research and development, finance, insurance, and real estate activities.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

(4) Taxes (continued)

Businesses must apply to Select Fulton, the economic development organization for Fulton County, in addition to the municipality located within the particular enterprise zone and upon approval must enter into a contractual agreement that outlines the tax exemptions offered to the business, in addition to guidelines for the recapture, revocation, or reimbursement of taxes should the business violate the terms of the contractual agreement or enabling statutes.

Generally, failure to maintain the incentive qualification will result in revocation and recapture of all incentives granted prior to the expiration of the incentive term. Creation of at least five net new full time jobs, ten percent of which should be filled with low to moderate income individuals, whenever possible, is a commitment made by recipients. There are no additional commitments other than to provide favorable tax treatment. There are no amounts receivable from other governments. There are no quantitative thresholds used to determine disclosures of these type agreements.

<u>Tax Abatement Program</u>	<u>Total Amount of Taxes Abated (Incentives Abated) for the year 2023 (in thousands)</u>
Local Enterprise Zone Program	<u>\$390</u>

An additional abatement available in Fulton County is the State of Georgia Preferential Property Tax Assessment Program for Rehabilitated Historic Property, which allows for an 8 and ½ year property tax assessment freeze on historic properties that have been substantially rehabilitated.

State of Georgia statutes O.C.G.A. 48-5-7(c) and O.C.G.A 48-8-7.2 allow the property owner to file the preliminary certification form with the local county tax commission to initiate the freeze, substantially rehabilitate the property within two years, and then once substantially rehabilitated, must file a final certification request to the Department of Natural Resources Historic Preservation Division. Upon final approval, the property owner must file the paperwork with the Fulton County Tax Assessor's office to continue the property tax assessment freeze for the remaining 6 ½ years. In the ninth year, the assessment increases to 50 percent of the difference between the initial frozen valuation and the current assessment value. In the tenth year, the property tax assessment returns to the full fair market value.

The property must qualify for listing on the National/Georgia Register of Historic Places. The rehabilitation must meet the Department of Natural Resources' (DNR) *Standards for Rehabilitation* and must be completed within two years. For a residential property, the substantial rehabilitation test is met when the qualified rehabilitation has increased the fair market value of the building or structure by not less than 50 percent. For commercial property, the test is met when the rehabilitation has increased the fair market value of the building or structure by not less than 100 percent. For mixed use property, the test is met if the rehabilitation has increased the fair market value of the building or structure by not less than 75 percent.

A property owner who fails to have property classified as rehabilitated historic property and listed on the Georgia Register of Historic Places for the preferential assessment shall be required to pay the difference between the amount of taxes on the property during the period that the assessment was frozen and the amount of taxes which would have been due had the property been assessed at the regular fair market value, plus interest on the past due taxes.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

(4) Taxes (continued)

There are no additional commitments other than to provide favorable tax treatment. There are no amounts receivable from other governments.

<u>Tax Abatement Program</u>	<u>Total Amount of Taxes Abated (Incentives Abated) for the year 2023 (in thousands)</u>
Georgia Preferential Property Tax Assessment Program for Rehabilitated Historic Property	<u>\$602</u>

Other Government Agreements for Abatements of Property taxes:

County property tax revenues were reduced by \$1,654 under agreements entered into with the City of Atlanta, reduced by \$393 under agreements entered into by the City of Alpharetta, reduced \$374 with agreements with the City of Sandy Springs, reduced by \$47 for the City of East Point, reduced by \$85 with the City of Hapeville, and reduced by \$2 with agreements with the City of Union City.

(5) Allowances for Uncollectible Receivables

Allowances for uncollectible receivables at December 31, 2023 are as follows (in thousands of dollars):

Taxes Receivable:	2023
General Fund	\$ 2,757
Debt Service Fund	47
South Fulton/Fulton Industrial District	271
Custodial Funds	10,026
	\$ 13,101
Accounts Receivable – Water and Sewerage System Fund	\$ <u>1,045</u>

(6) Due from Other Governments

Governmental type funds include receivables of \$17,133 from other governments for various activities. The General fund is owed \$3,846 due from other local government entities related to financing the activities of the Atlanta-Fulton County Water Resource Commission as well as for animal control services as of December 31, 2023. Additionally, due from other governments in the Other Governmental Funds include a receivable of \$7,967 for federal and state financial assistance related to various grantor receivables in grants in aid, \$5,193 for covid-19 related items reimbursable from Federal Emergency Management Agency funding, a \$28 in the Fulton Industrial district, and receivable for \$99 is due for capital costs for an emergency communication system from one municipality.

Business-type funds are owed \$6,777 which is net of an allowance of \$5,836 from other area municipalities to the Water and Sewerage System Fund for wastewater treatment charges, sewer use fees, water line construction and miscellaneous surcharges not yet remitted to the County at December 31, 2023. \$68 is owed from another governmental entity for contractual services.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

(7) Capital and Lease Assets

The County's capital and lease assets, which include property, plant, equipment and infrastructure assets, as well as intangible right to use and subscription-based technology arrangements, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and are reported separately in the following pages. A summary of changes in the capital assets of governmental type activity is as follows (in thousands):

	<u>January 1,</u> <u>2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>December 31,</u> <u>2023</u>
Capital assets not being depreciated:				
Land and land improvements	\$ 66,716	547	(67)	67,196
Construction in progress	170,135	66,196	(39,511)	196,820
Total capital assets not being depreciated	<u>236,851</u>	<u>66,743</u>	<u>(39,578)</u>	<u>264,016</u>
Capital assets being depreciated:				
Equipment	161,659	4,761	—	166,420
Buildings and other improvements	993,314	38,964	—	1,032,278
Roadway network	8,512	—	—	8,512
Total capital assets being depreciated	<u>1,163,485</u>	<u>43,725</u>	<u>—</u>	<u>1,207,210</u>
Less accumulated depreciation for:				
Equipment	(149,509)	(7,799)	—	(157,308)
Buildings and other improvements	(531,391)	(21,872)	—	(553,263)
Roadway network	(4,588)	(170)	—	(4,758)
Total accumulated depreciation	<u>(685,488)</u>	<u>(29,841)</u>	<u>—</u>	<u>(715,329)</u>
Net capital assets being depreciated	<u>477,997</u>	<u>13,884</u>	<u>—</u>	<u>491,881</u>
Net capital assets, excluding lease assets	<u>\$ 714,848</u>	<u>80,627</u>	<u>(39,578)</u>	<u>755,897</u>
Lease assets, net of accumulated amortization				<u>149,447</u>
Total capital assets, net - governmental activities				<u><u>905,344</u></u>

A summary of changes in the lease and subscription-based technology arrangement assets of governmental type activity contained above is as follows (in thousands):

	<u>January 1,</u> <u>2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>December 31,</u> <u>2023</u>
Lease assets being amortized:				
Right to Use	\$ 103,614	8,246	(2,287)	109,573
Subscription based technology arrangements	59,894	—	—	59,894
Total lease and subscription assets being amortized	<u>163,508</u>	<u>8,246</u>	<u>(2,287)</u>	<u>169,467</u>
Less accumulated amortization for:				
Right to Use	(8,516)	(9,263)	2,287	(15,492)
Subscription based technology arrangements	—	(4,528)	—	(4,528)
Total accumulated amortization	<u>(8,516)</u>	<u>(13,791)</u>	<u>2,287</u>	<u>(20,020)</u>
Net lease and subscription assets-governmental activities	<u>154,992</u>	<u>(5,545)</u>	<u>—</u>	<u>149,447</u>

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

(7) Capital and Lease Assets (continued)

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

Administration	\$ 4,363
Public Safety	9,163
Legal	9,599
Infrastructure and facilities	10,908
Social services	8,726
Health services	<u>873</u>
Total depreciation expense, governmental activities	<u>\$ 43,632</u>

Roadways owned by the state or municipalities are not included in the above totals. Generally, transportation infrastructure located in unincorporated Fulton County is represented above. Assets constructed by others and deeded to the County are recorded as capital contributions and recorded when donated. A small amount of residual roadways remains above as the County is almost completely municipalized.

A summary of the capital assets of business-type activity is as follows (in thousands):

	January 1, 2023	Increases	Decreases	December 31, 2023
Water and Sewerage System fund:				
Capital assets not being depreciated:				
Land improvements	\$ 10,201	—	—	10,201
Construction in progress	333,475	111,713	(4,844)	440,344
Total capital assets not being depreciated	<u>343,676</u>	<u>111,713</u>	<u>(4,844)</u>	<u>450,545</u>
Capital assets being depreciated:				
Equipment	20,646	375	—	21,021
Water system	331,392	5,288	—	336,680
Sewerage system	1,300,385	12,197	—	1,312,582
Intangible assets	181,738	798	—	182,536
Total capital assets being depreciated	<u>1,834,161</u>	<u>18,658</u>	<u>—</u>	<u>1,852,819</u>
Less accumulated depreciation for:				
Equipment	(18,033)	(1,004)	—	(19,037)
Water system	(133,821)	(6,391)	—	(140,212)
Sewerage system	(537,564)	(26,600)	—	(564,164)
Intangible assets	(89,366)	(5,938)	—	(95,304)
Total accumulated depreciation	<u>(778,784)</u>	<u>(39,933)</u>	<u>—</u>	<u>(818,717)</u>
Net capital assets being depreciated	<u>1,055,377</u>	<u>(21,275)</u>	<u>—</u>	<u>1,034,102</u>
Net capital assets-Water and Sewerage System fund	<u>\$ 1,399,053</u>	<u>90,438</u>	<u>(4,844)</u>	<u>1,484,647</u>

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

(7) Capital and Lease Assets (continued)

	<u>January 1,</u> <u>2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>December 31,</u> <u>2023</u>
Airport fund:				
Capital assets not being depreciated:				
Land and land improvements	\$ 27,909	—	—	27,909
Total capital assets not being depreciated	<u>27,909</u>	<u>—</u>	<u>—</u>	<u>27,909</u>
Capital assets being depreciated:				
Equipment	1,724	132	—	1,856
Buildings and other improvements	<u>5,457</u>	<u>—</u>	<u>—</u>	<u>5,457</u>
Total capital assets being depreciated	<u>7,181</u>	<u>132</u>	<u>—</u>	<u>7,313</u>
Less accumulated depreciation for:				
Equipment	(1,501)	(105)	—	(1,606)
Buildings and other improvements	<u>(5,457)</u>	<u>—</u>	<u>—</u>	<u>(5,457)</u>
Total accumulated depreciation	<u>(6,958)</u>	<u>(105)</u>	<u>—</u>	<u>(7,063)</u>
Net capital assets being depreciated	<u>223</u>	<u>27</u>	<u>—</u>	<u>250</u>
Net capital assets-Airport fund	\$ <u>28,132</u>	<u>27</u>	<u>—</u>	<u>28,159</u>
	<u>January 1,</u> <u>2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>December 31,</u> <u>2023</u>
Wolf Creek Amphitheater fund:				
Capital assets being depreciated:				
Equipment	\$ 300	—	(114)	186
Buildings and other improvements	<u>7,212</u>	<u>—</u>	<u>—</u>	<u>7,212</u>
Total capital assets being depreciated	<u>7,512</u>	<u>—</u>	<u>(114)</u>	<u>7,398</u>
Less accumulated depreciation for:				
Equipment	(186)	—	—	(186)
Buildings and other improvements	<u>(2,026)</u>	<u>(182)</u>	<u>—</u>	<u>(2,208)</u>
Total accumulated depreciation	<u>(2,212)</u>	<u>(182)</u>	<u>—</u>	<u>(2,394)</u>
Net capital assets being depreciated	<u>5,300</u>	<u>(182)</u>	<u>(114)</u>	<u>5,004</u>
Net capital assets-Wolf Creek Amphitheater fund	\$ <u>5,300</u>	<u>(182)</u>	<u>(114)</u>	<u>5,004</u>
Business-type activities:				
Water and Sewerage			\$ 39,933	
Airport			105	
Wolf Creek Amphitheater			<u>182</u>	
Total depreciation expense, business-type activities			<u>\$ 40,220</u>	

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

(7) Capital and Lease Assets— Component units

A summary of the capital assets of the Fulton DeKalb Hospital Authority, a component unit, is as follows (in thousands):

	<u>January 1, 2023</u>	<u>Increases</u>	<u>Decreases/ Other Changes</u>	<u>December 31, 2023</u>
Capital assets not being depreciated:				
Land	\$ 5,101	17,369	—	22,470
Construction in progress	248,136	22,769	(160,038)	110,867
Total capital assets not being depreciated	<u>253,237</u>	<u>40,138</u>	<u>(160,038)</u>	<u>133,337</u>
Capital assets being depreciated:				
Equipment	566,950	73,164	(367)	639,747
Buildings	665,256	263,416	—	928,672
Total capital assets being depreciated	<u>1,232,206</u>	<u>336,580</u>	<u>(367)</u>	<u>1,568,419</u>
Less accumulated depreciation for:				
Equipment	(414,419)	(42,806)	—	(457,225)
Buildings and other improvements	(296,651)	(36,954)	358	(333,247)
Total accumulated depreciation	<u>(711,070)</u>	<u>(79,760)</u>	<u>358</u>	<u>(790,472)</u>
Net capital assets being depreciated	<u>521,136</u>	<u>256,820</u>	<u>(9)</u>	<u>777,947</u>
Net capital assets-component unit activities	<u>\$ 774,373</u>	<u>296,958</u>	<u>(160,047)</u>	<u>911,284</u>

Total depreciation expense for the Hospital Authority was \$79,760. All depreciation was incurred on assets acquired to provide health services.

A summary of the capital assets, including right to use assets, of the Fulton County Board of Health, a component unit, is as follows (in thousands):

	<u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases/ Other Changes</u>	<u>June 30, 2023</u>
Capital assets being depreciated:				
Equipment	\$ 883	304	—	1,187
Right to use leased equipment	—	230	—	230
Total capital assets being depreciated	<u>883</u>	<u>534</u>	<u>—</u>	<u>1,417</u>
Less accumulated depreciation for:				
Equipment	(337)	(146)	—	(483)
Right to use lease equipment	—	(43)	—	(43)
Total accumulated depreciation	<u>(337)</u>	<u>(189)</u>	<u>—</u>	<u>(526)</u>
Net capital assets being depreciated	<u>546</u>	<u>345</u>	<u>—</u>	<u>891</u>
Net capital assets-component unit activities	<u>\$ 546</u>	<u>345</u>	<u>—</u>	<u>891</u>

Total depreciation expense for the Fulton County Board of Health was \$189. All depreciation was incurred on assets acquired to provide health services.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

(8) Lease Receivables

The County, as lessor, has various long-term agreements with tenants for office space and cell tower space for a range of periods. As the lease contracts do not contain a specific interest rate, the County has used its incremental borrowing rate of 1.5% in 2022 and 4.0% in 2023 as the discount rate for valuation of each lease. In 2023, Fulton County was lessor for various cell tower sites throughout the County for period until 2067, and a range of annual payments from all cell tower leases from \$95 to \$228. The County was also lessor for office space under agreements extending to 2028, with a range of expected payments from various tenants from \$2,188 to \$69 in the final year of these leases. For the current year, the County recognized \$3,029 in lease revenues and \$197 in interest revenue related to these cell tower and office space leases, all of which is reported as governmental activities. Also, the County has a deferred inflow of resources associated with these leases that will be recognized over the lease term. Total deferred inflow of resources for the County is a balance of \$10,892 as of December 31, 2023. As of December 31, 2023, the ending balance of the lease receivables was \$10,892, of which \$2,030 and \$8,862 are short-term and long-term lease receivables, respectively.

Within the business activities are the Fulton County Executive airports leases for certain hangar facilities and space with various commercial concerns, with annual rents ranging from \$1,745 to \$2,327 annually for periods through fiscal 2068, with \$1,163 due in the final year. For the current year, the County recognized \$956 in lease revenue and \$993 in interest revenue related to these leases. Fulton County was also a lessor for the State of Georgia's Department of Motor Vehicles for office space at the County's water and sewerage facility in northern Fulton. Annual payments of approximately \$98/year extend to September 2027. \$92 in lease income along with \$7 in interest revenue was recorded for fiscal 2023 in the Water and Sewerage system fund for this lease. The calculated ending balance for the business-type receivables, both for the water and sewerage and the airport fund are \$65,620, of which \$1,095 and \$64,525 are short-term and long-term lease receivables, respectively.

	Balance January 1, 2023	Additions	Reductions	Balance December 31, 2023	Due Within One Year
Governmental activities:					
Cell towers	\$ 6,327	-	154	6,173	140
Building/facilities	7,594	-	2,875	4,719	1,890
Total-Governmental activities	<u>\$ 13,921</u>	<u>-</u>	<u>3,029</u>	<u>10,892</u>	<u>2,030</u>
Business-type activities:					
Water & Sewerage fund	445	-	92	353	93
Airport	66,223	-	956	65,267	1,002
Total-Business-type activities	<u>\$ 66,668</u>	<u>-</u>	<u>1,048</u>	<u>65,620</u>	<u>1,095</u>

A five year presentation of expected inflows is on the following page.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

(8) Lease Receivables (continued)

Below is a schedule of the above expected inflows for these long-term agreements:

Year	Governmental activities			Business-type activities		
	Principal	Interest	Total	Principal	Interest	Total
2024	2,030	164	2,194	1,095	984	2,079
2025	1,247	133	1,380	1,111	968	2,079
2026	1,238	114	1,352	1,128	951	2,079
2027	703	96	799	1,117	934	2,051
2028	206	85	291	1,105	918	2,023
2029-2033	636	391	1,027	5,363	4,334	9,697
2034-2038	732	340	1,072	5,253	3,948	9,201
2039-2043	731	288	1,019	6,124	3,528	9,652
2044-2048	444	236	680	7,033	3,041	10,074
2049-2053	324	210	534	7,603	2,497	10,100
2054-2058	436	183	619	8,710	1,896	10,606
2059-2063	568	147	715	9,929	1,207	11,136
2064-2068	528	104	632	10,049	422	10,471
2069-2073	621	62	683	-	-	-
2074-2076	448	14	462	-	-	-
Totals	<u>10,892</u>	<u>2,567</u>	<u>13,459</u>	<u>65,620</u>	<u>25,628</u>	<u>91,248</u>

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

(9) Long-Term Debt & Other Obligations

(a) Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended December 31, 2023 (in thousands of dollars):

	December 31,				December 31,	Due within
	2022	Additions	Retirements	Other	2023	one year
Governmental activities:						
Library General Obligation Bonds	\$ 215,445	-	(6,095)	-	209,350	6,370
Less deferred charges, net	7,099	-	-	(275)	6,824	
Total Library General Obligation Bonds	222,544	-	(6,095)	(275)	216,174	
Fulton County Urban Redevelopment Agency	123,253	-	(11,138)	-	112,115	11,429
Less deferred charges, net	3,659	-	-	(637)	3,022	
Total Fulton County Urban Redevelopment Agency	126,912	-	(11,138)	(637)	115,137	
Intergovernmental agreement-SF Jail Authority	10,175	-	(790)	-	9,385	815
Compensated absences	49,154	12,130	(11,845)	-	49,439	12,130
Financed purchases	34,935	10,914	(7,135)	-	38,714	7,924
Lease and subscription-based technology arrangements	154,992	8,246	(13,791)	-	149,447	14,879
Net other post employment benefits	1,282,596	102,368	(39,688)	(14,632)	1,330,644	-
Net pension liability	579,392	-	-	(132,122)	447,270	-
Claims and judgments	16,207	-	-	3,517	19,724	629
Post-closure care	1,668	-	(821)	-	847	-
Total Governmental activities	\$ 2,478,575	133,658	(91,303)	(144,149)	2,376,781	54,176
Business-type activities:						
Water & Sewerage Revenue Bonds	\$ 594,921	-	(19,914)	-	575,007	20,110
Less deferred charges, net	29,225	-	-	(2,560)	26,665	
Total Water & Sewerage Revenue Bonds	624,146	-	(19,914)	(2,560)	601,672	
Other long-term liabilities	1,742	589	(697)	-	1,634	
Total business-type activities	\$ 625,888	589	(20,611)	(2,560)	603,306	20,110

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

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

Bonds Payable

General Obligation Bonds - The County issued \$104,785 in January 2017 of Library General Obligation bonds, in addition to the 2010 issuance of \$167 million to provide funds for the acquisition and construction of major library facilities and renovations to existing library buildings. These general obligation bonds are direct obligations and pledge the full faith and credit of the County and are reported as a governmental activity in the government-wide Statement of Net Position. No other general obligation bonds are outstanding.

<u>Governmental Type - Issue year</u>	<u>Interest Rate Range</u>	<u>Final Maturity Date</u>	<u>Outstanding Balance</u>	<u>Annual Principal Installments</u>	<u>Purpose</u>
2010 General Obligation	4,175-5.148%	2039	108,515	5,320-8,560	Library facilities
2017 General Obligation	3.00-5.00%	2044	100,835	1,050-13,310	Library facilities
			\$ <u>209,350</u>		

Revenue Bonds Payable - The County issued \$290.5 million for a major wastewater treatment plant upgrade in 2020, as well as \$120.3 million in revenue refunding bonds in early fiscal 2021 (known as the 2020B Series) bonds, to refinance the 2011 Water and Sewerage revenue bonds. The County pledges income derived from the acquired constructed assets to pay debt service. The County has issued revenue bonds for the general government and for proprietary activities. Water and Sewerage Revenue bonds are paid from business-type activities. Revenue bonds outstanding are as follows (in thousands):

<u>Business Type – Issue Year</u>	<u>Interest Rate Range</u>	<u>Final Maturity Date</u>	<u>Outstanding balance</u>	<u>Annual Principal Installments</u>	<u>Purpose</u>
2020B Water and Sewerage* *privately placed financing	1.04%	2027	61,147	15,050-19,914	Water/Sewer facilities
2013 Water and Sewerage	3.375-5.00%	2034	223,265	3,560-33,905	Water/Sewer facilities
2020A Water and Sewerage	2.25-5.00%	2044	290,595	1,500-30,590	Water/Sewer facilities
			\$ <u>575,007</u>		

Debt Margins - The County is subject to the Municipal Finance Law of Georgia which limits the amount of net bonded debt (exclusive of revenue bonds) the County may have outstanding up to 10% of the average assessed valuation of the past five years. Ten percent of the assessed valuation of taxable property is \$10,236,099. As of December 31, 2023, the County had \$216,174 of direct general obligation debt less \$48,075 of funds to service this debt. Therefore, the County's unused debt margin was \$10,068,000 as of December 31, 2023.

Accumulated Leave Benefits – For governmental funds, accumulated leave benefits, including net pension liabilities and OPEB benefits are liquidated by the General, South Fulton Taxing District, 911, Grants-in-Aid and other smaller governmental funds. Business-type activities liquidate same liabilities from the Water & Sewerage System or Airport fund.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

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

Covenants - The various bond indentures contain a number of limitations and restrictions. The County believes they are in compliance with each of these covenants as of the date of this report.

Defeased Debt - In current and prior years, the County defeased certain outstanding revenue and general obligation bonds by placing the proceeds of new bonds and County resources in irrevocable trusts to provide for all future debt service payments on the old bonds.

The annual requirements to amortize bonds payable as of December 31, 2023, including interest payments are as follows (in thousands of dollars):

Year Ending December 31	Library General Obligation Bonds		Water and Sewerage Revenue Bonds		Total Primary Government	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	6,370	9,201	20,110	19,413	26,480	28,614
2024	6,660	8,916	20,442	19,003	27,102	27,919
2025	6,975	8,595	20,785	18,584	27,760	27,179
2026	7,305	8,241	21,140	18,153	28,445	26,394
2027	7,655	7,878	27,110	17,711	34,765	25,589
2028-2032	44,295	33,329	156,670	67,073	200,965	100,402
2033-2037	56,530	21,744	135,795	34,876	192,325	56,620
2038-2042	60,250	8,739	142,365	15,168	202,615	23,907
2043-2045	13,310	267	30,590	918	43,900	1,185
Total	209,350	106,910	575,007	210,899	784,357	317,809
Deferred charges/ premiums	6,824	(6,824)	26,665	(26,665)	33,489	(33,489)
Total	\$ 216,174	100,086	601,672	184,234	817,846	284,320

Fulton County Project-South Fulton Regional Jail Authority

The County on October 1, 2018, entered into an intergovernmental agreement with the South Fulton Municipal Regional Jail Authority, an entity that is empowered to sell property for the operations of a jail within the County. The previously constructed and operated jail facility refunded outstanding debt under this arrangement, in which the County agreed to pay the Authority amounts sufficient to pay the debt service on the Authority's 2018 bond of \$12,825. The interest rate under this agreement is 2.99%, and \$9,385 remained outstanding as of December 31, 2023. Total payments for this agreement total \$10,999 which includes interest of \$1,614.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

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

Fulton County Urban Redevelopment Agency bonds

The County entered into various long-term obligations as shown below with the Fulton County Urban Redevelopment Authority (FCURA) in the total amount of \$112,115 as of December 31, 2023 for public building improvements within the declared economic recovery zones within Fulton County. FCURA finances the costs of acquiring, constructing, renovating and equipping various public purpose projects within declared economic recovery zones within Fulton County. The County entered into Public-Purpose Master Lease agreements for all these bond issues, in which the County agreed to make annual lease payments, subject to annual appropriation that is sufficient to pay principal and interest to the Authority. The amounts shown below do not include any of these subsidies.

Governmental activities Issue Year:	Interest Rate Range	Final Maturity	Outstanding Balance	Annual Principal	Purpose
2010 Economic Recovery*	4.70%	2025	\$ 4,256	2,095-2,161	Governmental facilities
2011 Qualified Energy*	3.18%	2026	1,407	466-492	Energy systems
2017 Facility Improvements*	2.29%	2032	28,815	2,920-3,500	Facility Improvements
2019 Facility Improvements	3.00-5.00%	2032	29,375	2,680-3,850	Facility Improvements
2021 Facility Improvements*	1.53%	2036	48,262	3,288-4,169	Facility Improvements
Total			\$ 112,115		

*privately placed financing

The annual requirements to amortize these FCURA obligations as of December 31, 2023, including interest payments of \$20,993 are as follows (in thousands of dollars):

Year ended December 31,	South Fulton Regional Jail Authority	Fulton County Urban Redevelopment Agency
2023	1,096	14,393
2024	1,101	14,382
2025	1,096	12,147
2026	1,095	11,657
2027	1,099	11,672
2028-2032	5,512	51,031
2033-2036	-	12,642
Total minimum lease payments	\$ 10,999	127,924
Less: Amount representing interest	(1,614)	(15,809)
Present value of minimum lease payments	\$ 9,385	112,115

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

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

Tax Anticipation Note

The County issued a \$200 million tax anticipation note on May 25, 2023 to fund cash requirements until the primary source of cash revenues of property taxes are received generally in October and November of each year. The interest cost on this borrowing was approximately \$3.84 million. The note was fully paid on December 29, 2023, with an interest rate yield of 3.15%.

Liability for Tax Anticipation Note, January 1, 2023	\$ -
Issued	200,000,000
Matured and paid	<u>200,000,000</u>
Liability for Tax Anticipation Note, December 29, 2023	\$ -

Other Long-term Obligations – Financed Purchases

The County entered into an amended agreement with the Association of County Commissioners for additional lease proceeds to build out an existing facility, in an amount of \$10,914. With other existing financed purchase obligations, a total of \$38,714 is outstanding as of December 31, 2023, with interest rates ranging from 1.63-4.05%. These financed purchases require the County to make lease payments equal to the debt payments made by the owner of the facility or holder of the lease. The County can exercise its option to purchase each facility upon prepayment of the respective lease. Assets currently financed through these arrangements are \$134,290 as of December 31, 2023, of which \$23,632 is buildings; \$53,205 is equipment and \$57,453 is recorded for mechanical, electrical and plumbing improvements to the County’s jail. Accumulated amortization on these finance purchased assets is approximately \$53 million as of December 31, 2023, as approximately \$5 million was recorded for amortization for fiscal year 2023.

The annual requirements to amortize these other financed purchase obligations as of December 31, 2023, including interest payments of \$4,382 are as follows (in thousands):

Year Ended December 31	Financed Purchases
2024	\$ 9,107
2025	10,660
2026	2,695
2027	2,695
2028	2,695
2029-2033	13,476
2034	<u>2,695</u>
Total minimum lease payments	<u>44,023</u>
Amounts representing interest	<u>(5,309)</u>
Present value of minimum lease payments	<u>\$ 38,714</u>

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

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

Other Long-term Obligations – Lease Liabilities

Under GASB Standard 87, liabilities are estimated for County as lessee for various lease liabilities made in prior years, which are categorized below, all of which utilized a 1.5% incremental borrowing rate with the exception of four renewed leases in 2023, which utilized a 5.0% rate.

The County previously entered into several leases for office, storage and parking space for various County departments. These payments range from 5,513 to \$231 through 2032, then drop to \$88 until 2067. The most significant lease is for a central warehouse space for Registration and Elections, Judicial agencies and other departments. As of December 31, 2023, the value of the central warehouse lease was \$58,703, with annual payments specific to this lease ranging from \$3,996 to \$5,499 until 2037. 2023 saw recognition of subscription-based technology agreements of \$59,894, including enterprise-wide software systems, ranging in payments from \$8,359 to \$13,859 over the next seven years. These are also included in the schedule below.

The County also leases properties that are used pro-bono by the Fulton County Board of Health. The value of these lease liabilities as of December 31, 2023 is \$5,881, with payments ranging from \$1,019 to \$1,318 until 2028. The amount classified as interest expense in the fiscal 2023 government-wide statement of activities for the interest component of these lease liabilities is \$106.

The annual requirements to amortize these lease liabilities as of December 31, 2023, including interest payments of \$21,983 are as follows (in thousands):

Year Ended		Principal	Interest	Total
December 31				
2024	\$	14,879	4,468	19,347
2025		15,634	4,001	19,635
2026		17,261	3,471	20,732
2027		18,318	2,870	21,188
2028		20,320	2,191	22,511
2029-2033		40,262	3,534	43,796
2034-2038		20,699	949	21,648
2039-2043		297	147	444
2044-2048		320	124	444
2049-2053		344	99	443
2054-2058		371	72	443
2059-2063		400	44	444
2064-2068		342	13	355
Totals	\$	149,447	21,983	171,430

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

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

(g) Hospital Authority Long-Term Debt and other Obligations

Changes in the Hospital Authority's non-current liabilities for the year ended December 31, 2023 are noted below (in thousands):

	January 1, 2023	Additions	Retirements	December 31, 2023	Due within one year
Long-term debt:					
Revenue Certificates	\$ 124,280	-	(27,190)	97,090	7,905
Notes payable	92,926	398	-	93,324	21,801
Lease obligations	1,468	509	(305)	1,672	693
Total long-term debt	<u>218,674</u>	<u>907</u>	<u>(27,495)</u>	<u>192,086</u>	<u>30,399</u>
Other long-term liabilities:					
Workers Compensation	3,980	-	(1,020.00)	2,960	1,429
General Professional	54,763	-	(389.00)	54,374	12,905
Accrued OPEB	36	-	(36)	-	-
Other	42,671	-	(1,326)	41,345	-
Total	<u>\$ 101,450</u>	<u>-</u>	<u>(2,771)</u>	<u>98,679</u>	<u>14,334</u>

Year Ending December 31	Authority Long Term Debt	
	Principal	Interest
2024	\$ 7,905	1,584
2025	8,030	1,455
2026	8,165	1,324
2027	8,295	1,190
2028	8,435	1,055
Thereafter	<u>56,260</u>	<u>3,362</u>
Total	<u>\$ 97,090</u>	<u>9,970</u>

(h) Hospital Authority Financed Purchase Obligations

The Fulton DeKalb Hospital Authority leases certain property, buildings, and equipment under both operating and financing leases expiring through 2048. Leases with terms greater than 12 months are recorded with the related ROU assets and ROU obligations at the present value of lease payments over the term. The Authority uses its incremental borrowing rate to discount lease payments based on information available at lease commencement, as most leases do not provide a readily determinable implicit interest rate. The incremental borrowing rate for the year ended December 31, 2023 ranged from 1.05% to 7.02%. Leases that include rental escalation clauses and renewal options are factored into the determination of lease payments when appropriate.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

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

(h) Hospital Authority Finance Purchase Obligations

The following table presents the ROU assets and lease liabilities included in the accompanying 2023 combined statement of net position:

Operating Leases:			
	Operating lease ROU ssets, included in other assets	\$	35,686
	Operating lease liabilities, included in other liabilities		32,542
	Accounts payable and accrued expenses		6,183
	Total operating lease liabilities	\$	<u>38,725</u>
Finance Leases:			
	Building and equipment	\$	38,461
	Accumulated amortization		(16,487)
	Capital Assets	\$	<u>21,974</u>
	Current installments of obligations under finance leases	\$	1,163
	Long-term portion of obligations under finance leases		29,849
	Total finance lease liabilities	\$	<u>31,012</u>

The undiscounted future lease payments under noncancelable operating and financing leases and reconciliation to the corresponding liabilities included in the Authority's statement of net position are as follows:

Year Ending December 31	Operating Leases	Financed Leases	Lease with Grady Memorial Hospital Corp.	Total
2024	\$ 7,771	755	2,500	11,026
2025	7,070	381	2,500	9,951
2026	5,529	291	2,500	8,320
2027	4,473	256	2,500	7,229
2028	4,418	118	2,500	7,036
Thereafter	16,610	25	48,543	65,178
Total	<u>45,871</u>	<u>1,826</u>	<u>61,043</u>	<u>108,740</u>
Amounts representing interest	(7,146)	(154)	(31,703)	(39,003)
Present value	\$ <u>38,725</u>	<u>1,672</u>	<u>29,340</u>	<u>69,737</u>

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

(10) Other Long-Term Obligations

(a) Fulton County

The County owns two closed landfill sites within the County geographic boundaries. State and Federal laws and regulations require the County to monitor and maintain these closed landfills for approximately another 4 years. The County recognized expenditures specific to landfill postclosure care approximated \$821 thousand in 2023, which are funded by the General fund. In 1997, the County received a postclosure care financial assurance certification. An average inflation assumption of 3.15% is applied to the estimated annual costs. These costs could vary based on new technologies or other changes to applicable laws and regulations.

(b) Hospital Authority

Line of Credit - During June 2021, the Hospital obtained a new credit facility as a general revolving credit facility, with an initial expiration date of June 2022. This provides a \$60 million general working capital component only which accrues interest at one-month Secured Overnight Financing Rate plus 110 basis points, and carries a 15 basis point commitment fee on the unused line. No amounts remained outstanding as of December 31, 2023. The Hospital was required to transfer \$80,000 as collateral under this agreement for this revolving credit facility.

(c) Fulton County Board of Health

The FCBOH reported only a minimum lease obligation for leased right to use assets of \$187 as of June 30, 2023, which are payable for the next three years of \$57 per year, and \$14 for 2027.

(11) Interfund Assets/Liabilities and Transfers

\$6 is owed to the General fund from the newly created FEMA Covid special revenue fund as of December 31, 2023. Interfund transfers are attributable to the budgeted allocation of resources from one fund to another for capital outlay projects, matching resources for federal and state grants, and other transfers adopted within the County's budget. These transfers are reported below (in thousands of dollars):

Transferred From	Transferred To			Total
	General fund	American Rescue Plan fund	Non-Major Govern- mental funds	
General fund	\$ -	-	57,442	57,442
Non-Major Governmental funds	5,432	-	555	5,987
	\$ 5,432	-	57,997	63,429

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

(12) Risk Management

The County is self-insured for workers' compensation, unemployment, auto and general liability. The County pays for such claims as they become due from this fund, including claims and judgments. The present value of the estimated future liability for outstanding claims, including estimated incurred but unreported claims, as of December 31, 2023, which is expected to be paid after one year, is \$19,724. This estimated future liability is reported in the governmental activities of the government-wide statements. The County purchases commercial insurance for these exposures at various claim levels. The County has not experienced any significant decrease in insurance coverage in 2023. Settled claims have not exceeded commercial coverage in each of the past three fiscal years.

Additionally, the County is partially self-insured for employee medical claims. The County accounts for its liability for such medical claims and estimated incurred and unreported claims, together with the accumulation of resources for their payment through employee charges and County contributions, in the Insurance Stabilization Fund (Internal Service Fund). At December 31, 2023, the present value of the estimated future liability for outstanding claims, including estimated incurred, but not reported claims, is \$9,439. At December 31, 2023, the County held \$60,046 in cash and cash equivalents that is available for payment of these claims.

The County has also recorded a liability within the Risk Management Fund of \$2,775 to provide for resources to insure for general, employee and vehicle liability and automobile physical damage. At December 31, 2023, the County held \$41,532 in cash and cash equivalents and \$186 in interest receivable that are available for payment of these and future claims.

Outstanding liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. Liabilities include an estimated amount for claims that have been incurred but not reported. Actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards; therefore, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. Liabilities are discounted, that is, they reflect potential investment income that is expected to be earned on the loss reserves until they are paid.

Changes in the balances of claims liabilities for the County for the period ended December 31, 2023 was as follows (in thousands of dollars):

	Beginning of fiscal year liability	Current year claims and changes in estimates	Claims payments	Balance at fiscal year-end
2023	\$ 30,953	138,846	(137,861)	31,938
2022	23,264	133,094	(125,405)	30,953
2021	27,079	117,457	(121,272)	23,264

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

(13) Retirement Plans

(a) *County Pension Plan (in thousands, except for membership data)*

The County maintains for eligible employees the Fulton County Employees Retirement System Pension Plan (the “Plan”), a single-employer defined benefit retirement plan. The Plan was created effective September 1, 1991, as successor to four separate County-maintained pension plans, for all eligible employees of Fulton County. Prior to the establishment of the Plan, the employees of the County were participants in one of two predecessor plans, the General Employees’ Pension Plan or the Employees’ Pension Plan. Employees who did not elect to participate in the Plan will continue to be eligible for the same benefits of the prior plan in which they participated; however, participation was made a condition of employment for new employees as of September 1, 1991.

The Plan is administered by an eleven member board of trustees which includes two members of the Board of Commissioners, the County Manager, the Chief Financial Officer, a representative citizen of the County, a designee of the Commission’s Chairman, four retirees of the County, of which one was a Peace Officer, and one active employee.

On June 16, 1998, the County adopted a 401(A) defined contribution plan. All active participants in the Fulton County Employees’ Retirement System have the annual option to remain in their current defined benefit plan or elect to participate in the new defined contribution plan. Employees hired on or after July 1, 1999 participate in the Fulton County Defined Contribution Plan.

The funding method and determination of benefits payable are provided in or authorized by various acts of the Georgia Legislature and statutes enacted by the County under home rule powers granted by the State. The Plan generally provides that funds to provide retirement benefits are to be accumulated from employee and County contributions and income from the investment of accumulated funds. Should the accumulated funds be insufficient to meet and pay the benefits when due, Fulton County shall be required to make up any deficiency.

The Plan provides monthly retirement benefits that represent 2.25% of the participants’ monthly earnings (the average of the highest three 12-month period of employment) for the first five years of credible service and then 2.5% thereafter. The Plan awards cost-of-living increases annually, up to a 3% maximum. Benefits also may be payable at termination, death, or disability.

The County’s contribution is the actuarially determined amount necessary to fund benefits, less employee contributions. The actuarially determined contribution amount is the sum of the annual normal cost and the amortization of the unfunded actuarial accrued liability over the years remaining in the allowable funding period. The actuarial cost method used for funding purposes is the entry age normal cost method. This is one of the approved methods for such plans in Georgia and provides for contributions based on a level percentage of future payroll. The unfunded actuarial accrued liability is amortized on a closed basis over a period established by State of Georgia guidelines.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

(13) Retirement Plans (continued)

The required contribution percentages developed in the most recent actuarial valuations for the Plan, and the actual contributions, but not including contributions of \$321 to the Supplemental Plan described in this note, made for 2023 are as follows (in thousands of dollars):

	<u>2023</u>
Total required employer contributions:	
Dollar amount	\$ 61,500
Percent of covered payroll	973.93%
Actual employer contributions:	
Dollar amount	\$ 65,725
Percent of covered payroll	1040.84%

Employee contribution rates are established in accordance with pension law. During 2023 actual countywide employee contributions were \$427 which represented 6.76% of covered payroll. Employee contributions exceeded those set forth in pension law due to back-due contributions required of employees covered by certain of the County's prior separate plans, who under older pension laws, have the ability to increase retirement benefits by making back-due contributions.

Membership

Current membership in the Plan and current year payrolls for 2023 are as follows:

Members:	
Retired and receiving benefits	\$ 3,016
Terminated with vested benefits	17
Active employees:	
Vested	<u>77</u>
Total members	<u>3,110</u>
Total current year payroll for employees covered by the Plan (in thousands)	\$ <u>6,315</u>

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

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

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

(13) Retirement Plans (continued)

The actuarial present value of accumulated plan benefits is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. An actuarial valuation of the Plan is performed annually each January 1, and an update is performed to determine the Actuarial Value of Assets and Actuarial Accrued Liability.

Effective as of the December 31, 2023 valuation, the Fulton County Employees Retirement System Board approved a lower assumed rate of return from 6.80% to 6.70%. These changes affected the actuarial liability by \$17.1 million as of the date of this valuation.

The System’s total and net pension liability for the years ended December 31, 2023 and 2022 are as follows:

Fiscal year ended	Total Pension Liability	Fiduciary Net Position	Net Pension Liability	Fiduciary net position as a percentage of Total Pension Liability
December 31, 2023	\$ 1,900,928	1,453,658	\$ 477,270	76.47%
December 31, 2022	\$ 1,900,920	1,321,228	\$ 579,392	69.52%

Sensitivity of the Net Pension Liability to Changes in the discount rate

The following presents the net pension liability of the County, calculated using the discount rate of 6.70%, and the System’s net pension liability would be if it were calculated using a discount rate this is one-percentage-point lower (5.70%) or one-percentage-point higher (7.70%) than the current rate.

	1% Decrease (5.70%)	Current Discount (6.70%)	1% Increase (7.70%)
System’s net pension liability	\$634,819	\$447,270	\$287,698

The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rates (as a percentage of pay) and the County contributions will be made equal to the actuarial determined contribution. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected benefit payments of current plan members. Therefore, the long-term expected rate of return on the pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

(13) Retirement Plans (continued)

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

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at December 31, 2022	\$ 1,900,620	1,321,228	579,392
Changes for the year:			
Service cost	1,302	-	1,302
Interest	124,111	-	124,111
Benefit changes	-	-	-
Difference between expected and actual experience	11,312	-	11,312
Change of assumptions	17,118	-	17,118
Contributions - employer	-	65,725	(65,725)
Contributions - employee	-	427	(427)
Net investment income	-	220,634	(220,634)
Benefit payments, including refunds of employee contributions	(153,535)	(153,535)	-
Administrative expense	-	(821)	821
Net changes	\$ 308	132,430	(132,122)
Balances at December 31, 2023	<u>\$ 1,900,928</u>	<u>1,453,658</u>	<u>447,270</u>

Methods and assumptions used in the calculations of actuarially determined contributions

The following actuarial methods and assumptions were used to determine the most recent contribution rate reported:

Valuation Date	December 31, 2023
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar, closed period.
Remaining amortization period	12 year average remaining, depending on which bases.
Asset valuation method	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the expected return on the actuarial value, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the market value.
Investment rate of return	6.70% (12/31/23 valuation). The net investment return assumption is a long-term estimate derived from historical data, current and recent market expectations, and professional judgment. As part of the analysis, a building block approach was used that reflects inflation expectations and anticipated risk premiums for each of the portfolio's asset classes, as well as the System's target asset allocation.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

(13) Retirement Plans (continued)

Methods and assumptions used in the calculations of actuarially determined contributions

Inflation rate	2.5%
Projected salary increases	3.0%-6.0% depending on age, and if Public Safety employee
 Mortality Rates-Pre-Retirement	 Pri-2012 Employee Blue Collar Amount-weighted Mortality Tables, sex-distinct, projected generationally with Scale MP-2020 from 2012.
 Mortality Rates-Healthy Annuitants	 Pri-2012 Healthy Retiree Blue Collar Amount-weighted Mortality Tables times 105% for Males, (no adjustment for Females) projected generationally with Scale MP-2020 from 2012.
 Mortality Rates-Disabled Annuitants	 Pri-2012 Disables Retiree Amount-weighted Mortality Tables, sex-distinct, projected generationally with Scale MP-2020 from 2012.

The following presents target allocations and long-term expected rates of return for the Plan. The long-term expected rate of return on pension plan investments was determined using a building – block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the pension plan’s target asset allocation as of December 31, 2023 as shown below.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return*</u>
U.S. Large Cap Equity	31.50%	6.90%
U.S. Small/Mid Cap Equity	14.00%	7.70%
International Large Cap Equity	12.50%	6.50%
Emerging Market Equity	5.00%	9.40%
International Small Cap Equity	5.00%	7.80%
Bank Loans	5.00%	6.80%
Domestic Fixed Income	20.00%	5.30%
Asset Allocation (60/40 EQ/FI Tft)	<u>7.00%</u>	6.40%
	100.00%	

*Expected real rate of return is net of inflation

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

(13) Retirement Plans (continued)

Pension Expense and Deferred Outflows of Resources Related to Pensions

For the year ended December 31, 2023, the County recognized pension expense of \$37,954. The following table provides a summary of the deferred inflows and outflows related to pensions as of December 31, 2023 (the measurement date).

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on plan investments	\$ 58,148	\$ -
Total	\$ 58,148	\$ -

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

	Deferred Outflows of Resources	Deferred Inflows of Resources	Amount recognized in Pension Expenses as an Increase or (Decrease) to Pension Expense
Year ended December 31:	(a)	(b)	(a)-(b)
2024	\$ 8,721	\$ -	\$ 8,721
2025	29,241	-	29,241
2026	46,944	-	46,944
2027	(26,758)	-	(26,758)
Thereafter	-	-	-
Total	58,148	-	58,148

Note: In accordance with Paragraph 71 of GASB Statement 68, the difference between projected and actual earnings on investments is recognized over a closed five-year period. Assumption changes and the difference between expected and actual total pension liability experience are each recognized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan (active employees and inactive employees), determined as of the beginning of the measurement period. For 2023, the period is one year, and therefore those changes are recognized immediately.

Fulton County Employees' Retirement System Supplemental Plan

On January 1, 2000, the Fulton County Employees' Retirement System Supplemental Plan was created to pay benefits in excess of the limitations required for compliance with federal tax laws. The accrued liability estimate for this plan is approximately \$1.4 million as of January 1, 2023 biannual actuarial valuation date. Plan assets total \$1 million, and the unfunded balance is \$.3 million which is being amortized on a two-year level dollar method. Participant information, actuarial funding methods, and other assumptions are the same as the Fulton County Employees' Retirement System. This liability does not appear on the actuarial information presented for the Fulton County Employees Retirement System Plan.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

(13) Retirement Plans (continued)

Complete financial statements for the Plan can be obtained at the following address:

Fulton County
Suite 7001
141 Pryor Street, N.W.
Atlanta, Georgia 30303

(b) *Defined Contribution Plan (in thousands)*

The Fulton County Defined Contribution Pension Plan was established in June 1999 to provide retirement benefits for new employees, appointees and other County officials, as the defined benefit plan was closed. Empower Retirement, who acquired Mass Mutual, serves as an independent administrator of the plan. At December 31, 2023, the plan had 6,264 total participants, of which 4,486 actively employed participants contributed 6% of their pensionable earnings, approximately \$19,135 during 2023. The County also contributed \$25,513 which was 8% of their pensionable earnings throughout the year. The County also contributed an additional \$2,184 in matched funds into the Plan for those Participants electing to participate in the County's Deferred Compensation Plan. Participants fully vest the matched contributions over a five-year period.

(c) *Deferred Compensation Plan (in thousands)*

The County has adopted a deferred compensation plan (the "Plan") in accordance with the 2001 revisions of Section 457 of the Internal Revenue Code. The Plan, available to all Fulton County employees, allows an employee to voluntarily defer a certain percentage of gross compensation, not to exceed \$22.5 for those less than 50 years of age, and an additional \$7.5 for all others above 50 years of age and older. Plan assets are held in custodial accounts for the exclusive benefit of the Plan participants and their beneficiaries and, therefore, the plan assets and liabilities are not recorded on the County's financial statements. Empower Retirement, who acquired Mass Mutual, serves as an independent administrator of the plan.

(d) *Hospital Authority Pension Plan*

The Hospital Authority has a single-employer trustee noncontributory defined benefit pension plan, known as The Fulton-DeKalb Hospital Authority Employees Retirement Plan (the "Plan"). Effective May 19, 2008, the Plan was frozen. All employees participating in the Plan prior to May 19, 2008, the remaining participants are eligible for pension benefits in accordance with the Plan's design and rules. Participating employees were considered fully vested as of May 19, 2008. The Hospital Authority expects to continue the Plan indefinitely; however, it has the right under the Plan to terminate the Plan. Should the Plan terminate, amounts shall be set aside for payment to participants or their beneficiaries in the following orders: (1) an amount for active and retired Participants, vested terminated Participants or their beneficiaries; (2) an amount for each Participant qualified for early retirement under the provisions of the Plan; and (3) for all remaining Participants. Detailed information about the pension plan's fiduciary net position is available in a separate publicly available financial report which may be obtained from the Grady Memorial Hospital Corporation, which is a component unit of the Fulton DeKalb Hospital Authority. The Authority sponsors a defined contribution saving plan covering its employees, which \$13.3 million was contributed and accrued under this savings plan for fiscal 2023.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

(13) Retirement Plans *(continued)*

(e) Fulton County Board of Health

The Board of Health utilizes the State of Georgia Employee Retirement System, which is a cost sharing multiple employer defined benefit pension plan established by the Georgia General Assembly during the 1949 Legislative session for the purpose of providing retirement allowances for employees. As of June 30, 2023, the Board of Health reported a liability of \$27.7 million for its proportionate share of the net pension liability, as of a measurement date of June 30, 2022.

(14) Other Post-Employment Benefits

Fulton County (in thousands, except for employee participant data)

The County, through Board action, provides single employer health care and life insurance benefits for retired employees through an independent third-party administrator, in which all of the County's employees may become eligible for these benefits if they reach normal retirement age while working for the County. Fulton County contributes 75-90% of the premium cost for health care coverage, based upon the plan chosen by the participant and what required employee match existed at separation date. The County also contributes 100% of the premium cost for \$10 of life insurance coverage for those employees retiring after December 1, 1988. The County pays 75% of the life insurance premiums for those persons who retired prior to December 1, 1988. The total cost to provide retiree health care and life insurance benefits, in the Health Insurance Stabilization fund, an internal service fund, is recognized as paid; such costs approximated \$39,688 in 2023; \$44,597 in 2022; and \$50,640 in 2021. The County contributions to this liability is funded by the above Health Insurance Stabilization fund, which in turn is funded by premiums charged to primarily the County's General fund as well as other funds consisting of payroll costs. In accordance with GASB Statement No. 74 and 75, *Accounting and Financial Reporting by Employers for Postemployment Benefit Plans Other Than Pension Plans*, as well as GASB the County's annual other postemployment benefit (OPEB) cost is calculated based on the actuarially determined employer contribution of the employer (ADEC) which is required to be actuarially determined biannually.

The Actuarially Determined Employer Contribution and Total OPEB Obligation amounts were determined under the Entry age normal, lever percentage of pay method. As of the December 31, 2022 valuation date, (the latest available) the number of retirees with current health care coverage was 3,229. Approximately 4,219 active employees are covered in this plan.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of future events. Examples include assumptions of future employment, mortality, and health care cost trends. Amounts determined regarding annual required contributions are subject to revision as results are compared with past expectations and new estimates are made about future trends. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the County and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

(14) Other Post-Employment Benefits (continued)

costs between the County and plan member to that point. There are no legal or contractual funding limitations that would potentially affect the projection of benefits for financial accounting purposes. The actuarial methods and assumptions used include techniques designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The County made no contribution to the irrevocable trust fund in 2023, but has \$8.7 million dedicated to pay for future OPEB claims against the Total OPEB Liability of \$1,339,358 as of December 31, 2023.

Summary of Key Valuation Result: Total OPEB Liability (TOL) represents the value of all future benefit payments for current retirees and active employees taking into account assumptions about demographics, turnover, mortality, disability, retirement, health care trends, and other actuarial assumptions.

	<u>12/31/2023</u>	<u>12/31/2022</u>
Net OPEB Liability	\$1,330,643	\$1,282,596
Annual OPEB expense	102,368	197,761
Service cost of beginning of year	145,004	145,004
Total Covered Payroll	283,969	283,969

Plan Provisions and Eligibility

Eligibility for medical, vision, dental and life insurance benefits depends, in part, upon the retirement plan in which an employee participates. The conditions below are separated based on the retirement plan participation.

Defined Benefit Pension plan participants: Retirees from active service are eligible to receive above benefits provided they satisfy one of the following:

- (1) Qualify for unreduced retirement when leave employment:
 - *After age 65 with 10 years of service
 - *After age 60 with at least 15 years of service
 - *After 10 years of service upon which the sum of age and years of service Equal or exceed 79
- (2) Leave employment due to disability in line of duty for peace officers
- (3) Leave employment due to disability after 10 years of service
- (4) Leave employment after 15 years of service
- (5) Leave employment due to reduction in workforce after age 55 with 10 years of service

Defined Contribution Pension plan participants who transferred from the above defined benefit plan prior to 2002 are eligible to receive above benefits provided they satisfy one of the following:

- (1) Leave employment after 15 years of service
- (2) Leave employment due to reduction in workforce after age 55 with 10 years of service
- (3) Leave employment as a peace officer after age 55 with 25 years of service

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

(14) Other Post-Employment Benefits (continued)

Defined Contribution Pension plan participants who never participated in the above defined benefit plan are eligible to receive above benefits provided they satisfy one of the following:

- (1) Qualify for unreduced retirement when leave employment:
 - *After age 65 with 10 years of service
 - *After age 60 with at least 15 years of service
 - *After 10 years of service upon which the sum of age and years of service Equal or exceed 80
- (2) Leave employment due to disability in line of duty for peace officers
- (3) Leave employment due to disability after 10 years of service

Excluded from eligibility are contract, seasonal and temporary employees as well as employees working for the State department of Family and Children’s services, Adult Probation and Fulton County Housing Authority.

Sensitivity of the Net OPEB Liability to Changes in the discount rate and healthcare cost trend rates

The following presents the net OPEB liability of the County as of December 31, 2022, the values as of the last required actuarial study, calculated using the discount rate of 3.72%, and the System’s net OPEB liability would be if it were calculated using a discount rate 1% lower (2.72%) or 1% higher (4.72%) than the current rate. Also shown are the net OPEB liabilities if the rates if healthcare trends rates were 1% lower and 1% higher than the current healthcare trend rates used for the same December 31, 2022 study, the latest available.

	<u>Discount Rates</u>		
	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
	<u>(2.72%)</u>	<u>(3.72%)</u>	<u>(4.72%)</u>
Net OPEB liability	\$1,493,142	\$1,282,596	\$1,114,860

	<u>Healthcare Trend Rates</u>		
	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
	<u>trend rates</u>	<u>trend rates</u>	<u>trend rates</u>
Net OPEB liability	\$1,107,131	\$1,282,596	\$1,504,340

The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rates (as a percentage of pay) and the county contributions will be made equal to the actuarial determined contribution. Based on these assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected benefit payments of current plan members. Therefore, the long-term expected rate of return on the OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

(14) Other Post-Employment Benefits (continued)

OPEB Expense and Deferred Outflows of Resources Related to OPEB

The County last required study for the year ended December 31, 2022 recognized total OPEB expense of \$197,761 for the year ended December 31, 2022, all within the governmental activities. Included in OPEB expense are recognized amounts related to the deferred outflows and inflows of resources for OPEB's. Estimated OPEB expense for the year ended December 31, 2023 is \$102,368. These deferred outflows updated as of December 31, 2023 consist of \$96,316 comprised of the difference between expected and actual experience, and \$62,898 for changes in assumptions or other inputs, offset by deferred inflows comprise of the difference between expected and actual earnings of \$873. The combined deferred outflows and inflows of \$158,341 are being recognized each year as shown below until fully recognized, approximately four years.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 45,725	\$ 142,042
Change of assumptions or other inputs	174,015	236,912
Net difference between projected and actual earnings on plan investments	\$ 873	\$ -
Total	<u>\$ 220,613</u>	<u>\$ 378,954</u>

Year ended December 31:	Deferred Outflows of Resources (a)	Deferred Inflows of Resources (b)	Amount recognized in OPEB Expenses as an Increase or (Decrease) to OPEB Expense (a)-(b)
2024	108,886	94,738	14,148
2025	109,209	94,739	14,470
2026	844	94,738	(93,894)
2027	445	94,739	(94,294)
2028	445	-	445
Thereafter	784	-	784
Total	<u>\$ 220,613</u>	<u>\$ 378,954</u>	<u>\$ (158,341)</u>

(based on data from December 31, 2022 OPEB actuarial evaluation, the most recent available)

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

(14) Other Post-Employment Benefits (continued)

The County's annual OPEB cost charged was \$102,368 and net OPEB liability and changes in the net OPEB liability for the year ended December 31, 2023 are presented below:

Change in Net OPEB Liability	2023
Service Cost	\$ 145,004
Interest expense	39,040
amortization of difference between expected and actual experiences and change in assumption	(94,738)
Benefit payments	(39,688)
Investment Income- OPEB trust fund	(1,571)
Change in net OPEB liability	48,047
Net OPEB liability - January 1	1,282,596
Net OPEB liability - December 31	\$ 1,330,643

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

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at December 31, 2022	\$ 1,289,740	7,144	1,282,596
Changes for the year:			
Service cost	145,004	-	145,004
Interest	39,040	-	39,040
Difference between expected and actual experience	(35,510)	-	(35,510)
Change of assumptions	(59,228)	-	(59,228)
Contributions - employer	-	-	-
Contributions - employee	-	-	-
Net investment income	-	1,571	(1,571)
Benefit payments	(39,688)	-	(39,688)
Administrative expense	-	-	-
Net changes	\$ 49,618	1,571	48,047
Balances at December 31, 2023	\$ 1,339,358	8,715	1,330,643

The net OPEB plan's fiduciary net position of \$8,715 above is .64% of the Total OPEB Liability as of December 31, 2023.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

(14) Other Post-Employment Benefits (continued)

Methods and assumptions used in the calculations of actuarially determined contributions for the total OPEB liability

The following actuarial methods and assumptions were used in this actuarial evaluation:

Valuation Date	January 1, 2023, the latest available.
Actuarial cost Method	Entry age normal
Actuarial Value of Assets	Market Value
Termination rates before retirement due to Disability or Withdrawals	Rates used - Age 40-60 used 0%.
Inflation	2.50%
Investment rate of return	6.80%.
Discount Rate	3.72%
Healthcare cost trend rate	7.00% for Anthem medical and Kaiser pre 65 plans, 8% for Anthem prescription and 5% for Medicare Advantage plan in 2022 reduced by .25% annually to 4.5%. 3% for vision. Administrative expense estimated at 3%.
Projected salary increases	3.00%
Mortality Rates-Active employees	Pri-2012 Employee Blue Collar Amount-weighted Mortality Table with approximate adjustment to reflect recent experience.
Mortality Rates-Healthy Retirees	Pri-2012 Healthy retiree Blue Collar Amount-weighted Mortality Tables times 105% for Males (No adjustment for Females), with approximate adjustment to reflect generational improvements under Scale MP-2016
Mortality Rates-Disabled Participants	Pri-2012 Disabled Retiree Amount-weighted Mortality Table with approximate adjustment to reflect generational improvements under Scale MP-2016
Retirement	Non-Public Safety- 20% at first eligibility plus 20-25 years, 30% plus 20-25 years, then 100%; Public Safety- 50% at first eligibility plus 10 years, 20% plus 10-15 years, 50% 15-20 years, then 100%.
Participation	90% for retiree medical and vision; 100% for life insurance.
Administrative expenses	\$151/year per covered individual, assumed to increase at 3% per year.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

(15) Commitments and Contingencies

(a) *Fulton County*

- (1) **Litigation** – The County is a defendant in a number of other legal actions in the nature of claims for damages to persons and property, civil rights violations, condemnation, and other similar types of actions arising in the course of normal County operations. In the opinion of County management, after consultation with legal counsel, an aggregate liability up to \$26 million is believed to be reasonably possible, of which approximately \$13 million is believed to be probable. The County will continue to assert its position in a defense against all unsettled claims. The County has accrued adequate reserves for these and future cases, \$19 million within the long-term debt and approximately \$3 million as payables in the Risk Management Fund on page 108.
- (2) **Grants** - The County participates in a number of Federal financial assistance programs. These programs are subject to independent financial and compliance audits by independent auditors and grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.
- (3) **Commitments** - Commitments for water and sewerage system improvements approximate \$111 million, most of which attributable to the Big Creek sewerage treatment plant upgrade. \$17 million for building and building improvements and \$6 million for library system capital improvements and \$11 million related to American Rescue Plan funds as of December 31, 2023.

(b) *Hospital Authority*

General and Professional Liability – The Hospital is self-insured for its general and professional liability insurance coverage. The Hospital’s self-insured retention is \$7.5 million per claim and \$30 million in the aggregate. Commercial insurance has been obtained to provide excess and umbrella coverage of \$95 million in excess of the Authority’s self-insured retention limits on a claims-made basis. The general and professional self-insurance reserves included in the accompanying combined financial totaled \$54.4 million (undiscounted) at December 31, 2023.

Workers’ Compensation Liability – The Hospital also self-insures its workers’ compensation liability exposures up to limits of \$500 thousand per claim. Commercial insurance has been obtained to provide for excess workers’ compensation liability coverage. The Authority recorded an undiscounted reserve for workers’ compensation at December 31, 2023 of \$3.0 million.

Employee Health Benefits – The Hospital also self-insures employee health benefits up to limits of \$300 thousand per claim. The Hospital recognized related reserves for accrued medical benefits at December 31, 2023 of approximately \$6.8 million, which includes estimates of the claims incurred but not reported.

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

(16) Fund Balance

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

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

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

FULTON COUNTY, GEORGIA

Notes to the Financial Statements

December 31, 2023

(16) Fund Balance (continued)

The specific purposes of the governmental funds fund balances, classified as other than unassigned, at December 31, 2023 are as follows (in thousands):

Fund Balances:	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
Library capital projects	\$ 23,882	-	-
Debt service	49,267	-	-
Grants in Aid	6,936	-	-
Emergency Services - 911	6,753	-	-
Emergency Rental assistance	345	-	-
FEMA Covid	16,494	-	-
Law Enforcement and Justice services	12,691	-	-
Public Education Government Television	-	187	-
South Fulton Special District	-	-	26,203
Special Service District	-	-	202
General Government services	-	-	1,210
Social and Cultural services	-	-	3,089
Other special revenue	-	-	5,366
T-Splost Administration	-	-	3,890
Other Capital and Transportation projects	17,115	-	135,106
Totals	<u>\$ 133,483</u>	<u>187</u>	<u>175,066</u>

- (a) *Fulton County Board of Health* – a restatement of beginning net position and fund balance was reported by the Board of Health within the financial statements ending June 30, 2023. This regarded the correction of payables related to amounts due to the Georgia State Health Benefits Program and the Employee retirement System of Georgia. Net position was adjusted by \$21 million, and the fund balance was adjusted by \$18.8 million.

(17) Subsequent Events

On May 23, 2024 the County issued a \$225 million Tax Anticipation Note, which will mature December 31, 2024.

In early 2024 the County was an attempted victim of a cyber security incident, in which the County did not make any ransom payments to any criminal organization. This is further disclosed in the Management’s Discussion and Analysis section on page 14.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

(Unaudited)

FULTON COUNTY, GEORGIA

Required Supplementary Information in thousands

December 31, 2023

Contributions in Relation to the Actuarially Determined Employer Contribution (in thousands)

Year Ended	Actuarially Determined Employer Contribution	County Employer Contribution	DFACS Employer Contribution	Total Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
December 31, 2014	\$ 55,255	57,441	88	57,529	(2,274)	32,828	175.24 %
December 31, 2015	48,586	47,203	27	47,230	1,356	27,820	169.77
December 31, 2016	50,493	45,953	24	45,977	4,516	23,391	196.56
December 31, 2017	52,988	57,213	15	57,228	(4,240)	20,374	280.89
December 31, 2018	59,746	59,199	4	59,203	543	14,845	398.81
December 31, 2019	64,773	64,777	-	64,777	(4)	12,956	499.98
December 31, 2020	66,233	68,578	-	68,578	(2,345)	9,865	695.16
December 31, 2021	62,358	71,686	-	71,686	(9,328)	8,034	892.28
December 31, 2022	56,325	64,968	-	64,968	(8,643)	7,177	905.26
December 31, 2023	61,500	65,725	-	65,725	(4,225)	6,315	1040.84

Schedule of Employer's Net Pension Liability

Year Ended	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll
December 31, 2014	\$ 1,654,412	1,306,027	348,385	78.94 %	32,828	1,061.24 %
December 31, 2015	1,677,001	1,217,955	459,046	72.63	27,820	1,650.06
December 31, 2016	1,706,579	1,211,837	494,742	71.01	23,391	2,115.10
December 31, 2017	1,833,170	1,382,953	450,217	75.44	20,374	2,209.76
December 31, 2018	1,852,863	1,223,532	629,331	66.03	14,845	4,239.35
December 31, 2019	1,865,254	1,423,026	442,228	76.29	12,956	3,413.31
December 31, 2020	1,881,914	1,548,336	333,578	82.27	9,865	3,381.43
December 31, 2021	1,893,046	1,664,070	228,976	87.90	8,034	2,850.09
December 31, 2022	1,900,620	1,321,228	579,392	69.52	7,177	8,073.17
December 31, 2023	1,900,928	1,453,658	447,270	76.47	6,315	7,083.09

Schedule of Pension Investment Returns

Year Ended	Annual money-weighted rate of return, net of investment expense
December 31, 2014	5.05%
December 31, 2015	(0.88)%
December 31, 2016	6.40%
December 31, 2017	20.91%
December 31, 2018	(6.00)%
December 31, 2019	23.36%
December 31, 2020	14.56%
December 31, 2021	12.87%
December 31, 2022	(15.83)%
December 31, 2023	17.28%

FULTON COUNTY, GEORGIA

Required Supplementary Information in thousands

December 31, 2023

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	\$ 1,302	1,499	1,895	2,434	2,700	3,768	2,348	3,283	3,678	4,291
Interest	124,111	125,520	126,615	128,358	129,377	129,929	123,205	122,576	122,562	120,935
Change of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	11,312	8,989	15,210	4,636	4,854	6,717	20,982	16,293	6,262	21,902
Change of assumptions	17,118	22,388	17,469	26,158	17,554	17,675	112,435	15,734	15,489	15,352
Benefit payments, including refunds	(153,535)	(150,822)	(150,057)	(144,926)	(142,094)	(138,396)	(132,378)	(128,309)	(125,402)	(117,044)
Net change in total pension liability	308	7,574	11,132	16,660	12,391	19,693	126,592	29,577	22,589	45,436
Total pension liability - beginning	\$ 1,900,620	1,893,046	1,881,914	1,865,254	1,852,863	1,833,170	1,706,578	1,677,001	1,654,412	1,608,976
Total pension liability - ending (a)	\$ 1,900,928	1,900,620	1,893,046	1,881,914	1,865,254	1,852,863	1,833,170	1,706,578	1,677,001	1,654,412
Plan fiduciary net position										
Contributions-employer	\$ 65,725	64,968	71,686	68,578	64,777	59,203	57,228	45,977	47,230	57,529
Contributions-employee	427	394	600	778	859	1,110	1,358	1,633	1,868	2,129
Net investment income	220,634	(256,661)	194,154	201,615	276,707	(80,562)	245,564	75,369	(11,187)	64,143
Benefit payments, including refunds	(153,535)	(150,822)	(150,057)	(144,926)	(142,094)	(138,396)	(132,378)	(128,309)	(125,402)	(117,044)
Administrative expense	(821)	(721)	(649)	(735)	(755)	(776)	(656)	(788)	(581)	(705)
Net change in plan fiduciary net position	\$ 132,430	(342,842)	115,734	125,310	199,494	(159,421)	171,116	(6,118)	(88,072)	6,052
Plan fiduciary net position - beginning	\$ 1,321,228	1,664,070	1,548,336	1,423,026	1,223,532	1,382,953	1,211,837	1,217,955	1,306,027	1,299,975
Plan fiduciary net position - ending (b)	\$ 1,453,658	1,321,228	1,664,070	1,548,336	1,423,026	1,223,532	1,382,953	1,211,837	1,217,955	1,306,027
Net pension liability - ending (a) - (b)	447,270	579,392	228,976	333,578	442,228	629,331	450,217	494,741	459,046	348,385
Plan fiduciary net position as a percentage of the Total pension liability	76.47%	69.52%	87.90%	82.27%	76.29%	66.03%	75.44%	71.01%	72.63%	78.94%
Covered payroll	\$ 6,315	7,177	8,034	9,865	12,956	14,845	20,374	23,391	27,820	32,828
Net pension liability as a percentage of covered payroll	7083.09%	8073.17%	2850.08%	3381.55%	3413.37%	4239.26%	2209.76%	2115.09%	1650.06%	1061.24%

Note: Schedule is intended to show information for 10 years, and in thousands. Additional years will be displayed as information becomes available.

See accompanying notes to required supplementary information and accompanying independent auditors report

No benefit changes have been made since GASB 67/68 implementation

Assumption changes as of the 12/31/23 Valuation: The Board approved changes to reduce the net investment return from 6.80% to 6.70% as of December 31, 2023.

Change of Assumptions as of 1/1/23 valuation: Board approved changes include a reduction of the net investment return from 6.90% to 6.80% as of December 31, 2022. Other changes included migrating to the Pri-2012 Healthy Retiree Blue Collar Amount-weighted Mortality Table times 105% for Males (No adjustment for Females), projected generationally with Scale MP-2020 from 2012; migrating to the Pri-2012 Employee Blue Collar Amount and Disabled Retiree Amount-weighted Mortality Table - projected generationally with Scale MP-2020 from 2012; inflation rate increased from 2.0% to 2.5%; active withdrawal and active disability rate assumptions were removed, retirement rates were adjusted slightly to better reflect recent experience; adjustments to spousal age difference; salary scale for non-public safety participants was changed to 3.0% for all years, and liability load for unused vacation, 27th pay period and unused vacation time were combined into a single 8.2% load.

FULTON COUNTY, GEORGIA

Required Supplementary Information
in thousands

December 31, 2023

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability						
Service cost	\$ 145,004	145,004	32,073	32,073	31,887	30,661
Interest	39,040	39,040	40,500	40,501	38,229	36,754
Change of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	(35,510)	(213,063)	-	128,147	-	5,236
Change of assumptions	(59,228)	(355,369)	-	522,046	-	-
Benefit payments	(39,688)	(44,597)	(36,442)	(40,796)	(40,796)	(34,883)
Net change in total OPEB liability	<u>49,618</u>	<u>(428,985)</u>	<u>36,131</u>	<u>681,971</u>	<u>29,320</u>	<u>37,768</u>
Total OPEB liability - beginning	\$ <u>1,289,740</u>	<u>1,718,725</u>	<u>1,682,594</u>	<u>1,000,623</u>	<u>971,303</u>	<u>933,535</u>
Total OPEB liability - ending	\$ <u><u>1,339,358</u></u>	<u><u>1,289,740</u></u>	<u><u>1,718,725</u></u>	<u><u>1,682,594</u></u>	<u><u>1,000,623</u></u>	<u><u>971,303</u></u>
Plan fiduciary net position						
Contributions-employer	\$ -	-	-	-	-	-
Contributions-employee	-	-	-	-	-	-
Net investment income	1,571	(1,476)	1,498	950	1,236	(226)
Benefit payments	-	-	-	-	-	-
Administrative expense	-	-	-	-	-	-
Net change in plan fiduciary net position	\$ <u>1,571</u>	<u>(1,476)</u>	<u>1,498</u>	<u>950</u>	<u>1,236</u>	<u>(226)</u>
Plan fiduciary net position - beginning	\$ <u>7,144</u>	<u>8,620</u>	<u>7,122</u>	<u>6,172</u>	<u>4,936</u>	<u>5,162</u>
Plan fiduciary net position - ending	\$ <u><u>8,715</u></u>	<u><u>7,144</u></u>	<u><u>8,620</u></u>	<u><u>7,122</u></u>	<u><u>6,172</u></u>	<u><u>4,936</u></u>
Net OPEB Liability - ending	<u><u>1,330,643</u></u>	<u><u>1,282,596</u></u>	<u><u>1,710,105</u></u>	<u><u>1,675,472</u></u>	<u><u>994,451</u></u>	<u><u>966,367</u></u>
Plan fiduciary net position as a percentage of the Total OPEB liability	0.64%	0.55%	0.49%	0.42%	0.62%	0.51%
Covered payroll	\$ 283,969	283,969	223,191	223,191	271,171	260,742
Net OPEB liability as a percentage of covered payroll	468.59%	451.67%	766.21%	750.69%	366.72%	370.62%

*Note: Schedule is intended to show information for 10 years. Additional years will be displayed as information becomes available.

See accompanying notes to required supplementary information and accompanying independent auditors report.

FULTON COUNTY, GEORGIA

Notes to Required Supplementary Information
Unaudited, and in thousands

December 31, 2023

(1) Schedule of Changes in the Net Pension Liability

The total pension liability contained in this schedule was provided by the Plan's actuary, Segal Consulting. The net pension liability is measured as the total pension liability less the amount of the fiduciary net position of the Plan.

(2) Schedule of Contributions from the Employer and Other Contributing Entities

The required contributions and percentage of those contributions actually made are presented in the schedule.

(3) Actuarial Methods and Assumptions

Changes of assumptions-Pension: Effective as of the December 31, 2023 valuation, the Fulton County Employees Retirement System Board approved a lower assumed rate of return from 6.80% to 6.70%. These changes affected the actuarial liability by \$17.1 million as of the date of this valuation.

Methods and assumptions used in the calculations of actuarially determined contributions: The following actuarial methods and assumptions were used to determine the most recent contribution rate reported:

Valuation Date	December 31, 2023
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar, closed period.
Remaining amortization period	12 year average remaining, depending on which bases.
Asset valuation method	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the expected return on the actuarial value, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the market value.
Inflation rate	2.5%
Projected salary increases	3.0-6.0%, depending on age, and if Public Safety employee

FULTON COUNTY, GEORGIA

Notes to Required Supplementary Information
Unaudited, and in thousands

December 31, 2023

(3) Actuarial Methods and Assumptions (continued)

Investment rate of return	6.70%. The net investment return assumption is a long-term estimate derived from historical data, current and recent market expectations, and professional judgment. As part of the analysis, a building block approach was used that reflects inflation expectations and anticipated risk premiums for each of the portfolio's asset classes, as well as the System's target asset allocation.
Mortality Rates-Pre-retirement	Pri-2012 Employee Blue Collar Amount-weighted Mortality Tables, sex-distinct, projected generationally with Scale MP-2020 from 2012.
Mortality Rates-Healthy Annuitants	Pri-2012 Healthy Retiree Blue Collar Amount-weighted Mortality Tables times 105% for Males (No adjustment for Females), projected generationally with Scale MP-2020 from 2012.
Mortality Rates-Disabled Annuitants	Pri-2012 Disables Retiree Amount-weighted Mortality Tables, sex-distinct, projected generationally with Scale MP-2020 from 2012.

Changes of assumptions-OPEB: Assumptions changes for the December 31, 2022 measurement date are summarized below:

- The effective discount rate from the 20-year Bond GO Index for December 31, 2022 was 3.72%. For the December 31, 2020 measurement date, the discount rate used was 4.00%.
- Healthcare cost and trend assumptions were updated to reflect most recent experience and projections.
- The actuarial factors used to estimate individual and spouse costs by age and by gender were updated based on a review of historical claims experience by age, gender and status.

Assumption changes below were based on an experience study for the period December 31, 2017 to December 31, 2021 and were approved by the Pension Board in 2022.

- Healthy Retiree and Dependent Spouse Mortality updated to Pri-2012 Health Retiree Blue Collar Headcount-weighted Mortality Table times 105% for Males (No adjustment for Females)
- Disables Life Mortality updated to Pri-2012 Disabled retiree Blue Collar headcount-weighted Mortality table.
- Pre-Retirement Mortality updated to Pri-2012 Employee Blue Collar headcount-weighted Mortality table.
- Mortality was projected generationally with Scale MP-2020 from 2012.
- Inflation was updated to 2.5%.
- Removed withdrawal rates, disability rates and slight adjustments to current experience.

**COMBINING
STATEMENTS
AND
SCHEDULES**

DESCRIPTION OF NON-MAJOR GOVERNMENTAL FUNDS

The County's Non-Major Governmental Funds are categorized as Debt Service fund, Special Revenue Funds and Capital Project Funds, and are described below:

Debt Service Fund - accounts for resources accumulated to provide debt service payments for the County's required principal and interest payments for the fiscal year and future periods.

Special Revenue funds – account for resources accumulated to provide various activities that by nature are restricted to a particular purpose or for which the County has decided to track separately, and include the following:

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

Special Service District – The original special service district for financial reporting purposes, which contains residual resources subsequent to municipal incorporations throughout Fulton County.

Grants-in-Aid - accounts for significant financial assistance received from federal and state agencies. This fund is used to account for the revenues and the expenditures of monies received from the granting agencies in accordance with the terms of the grant agreements.

Emergency Rental Assistance – accounts for resources provided used, and accumulated for rental and utility assistance that are funded via state and federal sources.

FEMA Covid – accounts for resources provided, used, and accumulated for covid mitigation and related efforts that are submitted for reimbursement from the Federal Emergency Management Agency.

Emergency Services - 911 – accounts for resources provided, used, and accumulated for 911 dispatch, routing and other services.

General Governmental Services – accounts for resources provided used, and accumulated for various services offered within the County that are not recouped through an internal reimbursements or charges.

DESCRIPTION OF NON-MAJOR GOVERNMENTAL FUNDS (continued)

Special Revenue funds – (continued)

Public Health services-accounts for residual resources for future claims for provision of health services to County residents until June 30, 2017. Services are now provided by the Fulton County Board of Health, a discretely presented component unit.

Public Education Government Television – accounts for resources provided, used, and accumulated from cable provider fees for acquiring equipment and other assets used for public access educational and various other governmental programming.

Law Enforcement and Justice Services - accounts for the resources obtained, accumulated, and used for various adjudication activities, including indigent defense, court ordered payments, seized property and other related assets.

Hotel/Motel Taxes - accounts for the resources obtained from taxes obtained from hotel visitors that are used to fund travel and tourism.

Social and Cultural services – accounts for resources accumulated and provided to various other entities that assist County efforts to provide social, cultural, and community assistance throughout the County. The bulk of this activity will be reported in the General fund in future years, while activities deriving dedicated income from outside resources will remain within this fund.

Other Special Revenue funds – accounts for resources accumulated and provided for various other purposes not included in the above funds.

T-Splost Transportation Tax Administration fund – accounts for sales tax revenues accumulated specifically for administration of the County-wide transportation tax.

DESCRIPTION OF NON-MAJOR GOVERNMENTAL FUNDS (continued)

Capital Project funds – account for resources accumulated for various bond issues and other sources for the purpose of capital improvement for the County. These funds include the following:

Library Capital Fund – accounts for the resources obtained through intergovernmental agreement for library expenditures within a tax allocation district.

Fulton County Urban Redevelopment Agency – accounts for the resources used in the design, construction, renovation, and furnishing of certain capital projects that are leased exclusively to Fulton County.

Capital Improvements Fund - accounts for capital expenditures funded by transfers from the General Fund, in the areas of health, jail, library, and public buildings.

Fulton County Building Authority - accounts for residual resources used after construction of certain County buildings including the Government Center and Judicial Complex.

Other Capital Projects - accounts for capital lease purchases of buildings, vehicles, and office equipment.

Special Services District (SSD) Projects - accounts for special services district capital expenditures in the area of parks, fire protection other public works.

Transportation Sales Tax Projects funds (FID and COSF) - accounts for dedicated sales tax proceeds for transportation projects with the unincorporated area of Fulton County known as Fulton Industrial District and contractually with the City of South Fulton.

Transportation Improvements - accounts for resources dedicated to roadway networks within unincorporated Fulton County.

FULTON COUNTY, GEORGIA

Combining Balance Sheet
Non-Major Governmental Funds

December 31, 2023

(in thousands of dollars)

	Debt Service fund	Special Revenue Funds						General Government Services
		Fulton Industrial District	Special Service District	Grants in Aid	Emergency Rental Assistance	FEMA Covid	Emergency Services 911	
Assets:								
Cash and cash equivalents	\$ 48,907	26,270	901	3,259	345	11,245	7,152	2,096
Receivables (net of allowances):								
Taxes	920	467	—	—	—	—	—	—
Interest	212	118	—	—	—	50	32	—
Accounts	—	—	—	—	—	—	—	6
Due from other funds	—	—	—	—	—	6	—	—
Due from other governments	—	28	—	7,967	—	5,193	99	—
Total assets	<u>\$ 50,039</u>	<u>26,883</u>	<u>901</u>	<u>11,226</u>	<u>345</u>	<u>16,494</u>	<u>7,283</u>	<u>2,102</u>
Liabilities:								
Accounts payable	\$ —	345	699	2,632	—	—	235	—
Due to others	—	—	—	—	—	—	295	892
Total liabilities	<u>—</u>	<u>345</u>	<u>699</u>	<u>2,632</u>	<u>—</u>	<u>—</u>	<u>530</u>	<u>892</u>
Deferred Inflows of Resources:								
Unavailable revenue	<u>772</u>	<u>335</u>	<u>—</u>	<u>1,658</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total deferred inflows of resources	<u>772</u>	<u>335</u>	<u>—</u>	<u>1,658</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balances (deficit):								
Restricted	49,267	—	—	6,936	345	16,494	6,753	—
Committed	—	—	—	—	—	—	—	—
Assigned	—	26,203	202	—	—	—	—	1,210
Total fund balances (deficit)	<u>49,267</u>	<u>26,203</u>	<u>202</u>	<u>6,936</u>	<u>345</u>	<u>16,494</u>	<u>6,753</u>	<u>1,210</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 50,039</u>	<u>26,883</u>	<u>901</u>	<u>11,226</u>	<u>345</u>	<u>16,494</u>	<u>7,283</u>	<u>2,102</u>

(continued)

FULTON COUNTY, GEORGIA

Combining Balance Sheet
Non-Major Governmental Funds

December 31, 2023

(in thousands of dollars)

	Special Revenue Funds						
	Public Health services	Public Education Government Television	Law Enforcement and Justice services	Hotel/ Motel Taxes	Social and Cultural services	Other Special Revenue	T-Splot Transportation Tax Admin
Assets:							
Cash and cash equivalents	\$ 24	213	14,223	—	6,077	7,797	3,902
Receivables (net of allowances):							
Taxes	—	—	—	—	—	—	64
Interest	—	—	—	—	—	—	17
Accounts	—	—	—	—	—	—	—
Due from other funds	—	—	—	—	—	—	—
Due from other governments	—	—	—	—	—	—	—
Total assets	\$ 24	213	14,223	—	6,077	7,797	3,983
Liabilities:							
Accounts payable	\$ 24	26	—	—	62	2,431	93
Due to others	—	—	1,532	—	2,926	—	—
Total liabilities	24	26	1,532	—	2,988	2,431	93
Deferred Inflows of Resources:							
Unavailable revenue	—	—	—	—	—	—	—
Total deferred inflows of revenues	—	—	—	—	—	—	—
Fund balances (deficit):							
Restricted	—	—	12,691	—	—	—	—
Committed	—	187	—	—	—	—	—
Assigned	—	—	—	—	3,089	5,366	3,890
Total fund balances (deficit)	—	187	12,691	—	3,089	5,366	3,890
Total liabilities, deferred inflows of resources and fund balances	\$ 24	213	14,223	—	6,077	7,797	3,983

continued

FULTON COUNTY, GEORGIA

Combining Balance Sheet
Non-Major Governmental Funds

December 31, 2023

(in thousands of dollars)

Capital Projects Funds								
Library Capital	Fulton County Urban Rede- velopment Agency	Capital Improve- ments	Fulton County Building Authority	Other capital projects	Special Service District projects	Transport- ation Sales Tax projects-FID	Transport- ation Improve- ments	Total Non-major Governmental Funds
17,534	18,050	96,203	423	26,554	2,652	2,905	8,510	305,242
—	—	—	—	—	—	—	—	1,451
76	—	432	—	85	—	—	38	1,060
—	—	—	—	—	—	—	—	6
—	—	—	—	—	—	—	—	6
—	—	—	—	—	—	—	—	13,287
<u>17,610</u>	<u>18,050</u>	<u>96,635</u>	<u>423</u>	<u>26,639</u>	<u>2,652</u>	<u>2,905</u>	<u>8,548</u>	<u>321,052</u>
—	1,358	1,900	—	3	75	294	1	10,178
—	—	—	—	—	—	—	—	5,645
—	1,358	1,900	—	3	75	294	1	15,823
—	—	—	—	—	—	—	—	2,765
—	—	—	—	—	—	—	—	2,765
17,610	16,692	—	423	—	—	—	—	127,211
—	—	—	—	—	—	—	—	187
—	—	94,735	—	26,636	2,577	2,611	8,547	175,066
17,610	16,692	94,735	423	26,636	2,577	2,611	8,547	302,464
<u>17,610</u>	<u>18,050</u>	<u>96,635</u>	<u>423</u>	<u>26,639</u>	<u>2,652</u>	<u>2,905</u>	<u>8,548</u>	<u>321,052</u>

FULTON COUNTY, GEORGIA

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

For the year ended December 31, 2023

(in thousands of dollars)

	Special Revenue Funds							
	Debt Service fund	Fulton Industrial District	Special Service District	Grants in Aid	Emergency Rental Assistance	FEMA Covid	Emergency Services 911	General Government Services
Revenues:								
Taxes	\$ 19,357	7,253	—	—	—	—	—	—
Intergovernmental	706	—	—	58,077	—	219	—	—
Charges for services	—	247	—	2,265	—	—	8,279	—
Courts and law enforcement	—	—	—	—	—	—	—	—
Use of money and property	1,118	1,265	—	—	—	94	32	—
License and permits	—	328	—	—	—	—	—	—
Miscellaneous	—	42	—	—	—	—	—	269
	<u>21,181</u>	<u>9,135</u>	<u>—</u>	<u>60,342</u>	<u>—</u>	<u>313</u>	<u>8,311</u>	<u>269</u>
Expenditures:								
Current:								
Administration	5	7	—	186	—	—	—	33
Public safety	—	3,302	19	5,143	—	—	7,306	—
Infrastructure and facilities	—	666	—	77	—	—	—	—
Social services	—	—	—	12,936	261	—	—	—
Health services	—	—	—	37,652	—	219	—	—
Other nonagency	—	1,853	—	—	—	—	—	—
Capital outlay	—	—	—	—	—	—	—	—
Debt service:								
Principal retirement	19,431	—	—	—	—	—	—	—
Interest	12,833	—	—	—	—	—	—	—
	<u>32,269</u>	<u>5,828</u>	<u>19</u>	<u>55,994</u>	<u>261</u>	<u>219</u>	<u>7,306</u>	<u>33</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,088)</u>	<u>3,307</u>	<u>(19)</u>	<u>4,348</u>	<u>(261)</u>	<u>94</u>	<u>1,005</u>	<u>236</u>
Other financing sources (uses):								
Issuance of capital lease refunding obligations	—	—	—	—	—	—	—	—
Transfers in	16,702	500	—	767	—	—	415	—
Transfers out	—	(415)	—	—	—	—	—	—
	<u>16,702</u>	<u>85</u>	<u>—</u>	<u>767</u>	<u>—</u>	<u>—</u>	<u>415</u>	<u>—</u>
Net change in fund balances	5,614	3,392	(19)	5,115	(261)	94	1,420	236
Fund balance at beginning of year	<u>43,653</u>	<u>22,811</u>	<u>221</u>	<u>1,821</u>	<u>606</u>	<u>16,400</u>	<u>5,333</u>	<u>974</u>
Fund balance (deficit) at end of year	<u>\$ 49,267</u>	<u>26,203</u>	<u>202</u>	<u>6,936</u>	<u>345</u>	<u>16,494</u>	<u>6,753</u>	<u>1,210</u>

continued

FULTON COUNTY, GEORGIA

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

For the year ended December 31, 2023

(in thousands of dollars)

Special Revenue Funds							
	Public Health services	Public Education Government Television	Law Enforcement and Justice services	Hotel/Motel Taxes	Social and Cultural services	Other Special Revenue	T-Splot Transportation Tax Admin
\$	—	—	—	143	—	—	1,443
	—	—	—	—	—	4,922	—
	—	—	—	—	—	—	—
	—	—	13,112	—	—	—	—
	—	—	—	—	438	29	163
	—	—	—	—	—	—	—
	—	4	—	—	—	—	—
	—	4	13,112	143	438	4,951	1,606
	—	—	—	—	—	4,922	111
	—	—	13,821	—	—	—	—
	—	82	—	—	—	—	—
	—	—	—	—	95	—	—
	—	—	—	—	—	—	—
	—	—	—	143	—	—	—
	—	—	—	—	—	—	—
	—	—	—	—	—	—	—
	—	82	13,821	143	95	4,922	111
	—	(78)	(709)	—	343	29	1,495
	—	—	—	—	—	—	—
	—	—	—	—	—	—	—
	—	—	(5,432)	—	—	—	—
	—	—	(5,432)	—	—	—	—
	—	(78)	(6,141)	—	343	29	1,495
	—	265	18,832	—	2,746	5,337	2,395
\$	—	187	12,691	—	3,089	5,366	3,890

(continued)

FULTON COUNTY, GEORGIA

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

For the year ended December 31, 2023

(in thousands of dollars)

	Capital Projects Funds							Total Nonmajor Governmental Funds	
	Library Capital	Fulton County Urban Rede- velopment Agency	Capital Improve- ments	Fulton County Building Authority	Other Capital Projects	Special Service District Projects	Transport- ation Sales Tax projects-FID		Transport- ation Improve- ments
Revenues:									
Taxes	\$ —	—	—	—	—	—	—	28,196	
Intergovernmental	—	—	—	—	3,018	—	—	66,942	
Charges for services	—	—	—	—	—	—	—	10,791	
Courts and law enforcement	—	—	—	—	—	—	—	13,112	
Use of money and property	2,161	1,324	4,171	—	1,831	—	125	430	13,181
License and permits	—	—	—	—	—	—	—	—	328
Miscellaneous	—	—	—	—	—	—	—	9	324
Total revenues	<u>2,161</u>	<u>1,324</u>	<u>4,171</u>	<u>—</u>	<u>4,849</u>	<u>—</u>	<u>125</u>	<u>439</u>	<u>132,874</u>
Expenditures:									
Current:									
Administration	—	—	—	—	—	—	—	—	5,264
Public safety	—	—	—	—	—	—	—	—	29,591
Infrastructure and facilities	—	—	—	—	—	—	—	—	825
Social services	—	—	—	—	—	—	—	—	13,292
Health services	—	—	—	—	—	—	—	—	37,871
Other nonagency	—	—	—	—	—	—	—	—	1,996
Capital outlay	579	37,340	39,552	—	410	57	40	549	78,527
Debt service:									
Principal retirement	—	—	—	—	—	—	—	—	19,431
Interest	—	—	—	—	—	—	—	—	12,833
Total expenditures	<u>579</u>	<u>37,340</u>	<u>39,552</u>	<u>—</u>	<u>410</u>	<u>57</u>	<u>40</u>	<u>549</u>	<u>199,630</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,582</u>	<u>(36,016)</u>	<u>(35,381)</u>	<u>—</u>	<u>4,439</u>	<u>(57)</u>	<u>85</u>	<u>(110)</u>	<u>(66,756)</u>
Other financing sources (uses):									
Issuance of capital lease refunding obligations	—	—	—	—	10,914	—	—	—	10,914
Transfers in	—	—	37,588	—	2,025	—	—	—	57,997
Transfers out	—	(25)	(115)	—	—	—	—	—	(5,987)
Total other financing sources (uses)	<u>—</u>	<u>(25)</u>	<u>37,473</u>	<u>—</u>	<u>12,939</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>62,924</u>
Net change in fund balances	1,582	(36,041)	2,092	—	17,378	(57)	85	(110)	(3,832)
Fund balance at beginning of year	16,028	52,733	92,643	423	9,258	2,634	2,526	8,657	306,296
Fund balance at end of year	<u>\$ 17,610</u>	<u>16,692</u>	<u>94,735</u>	<u>423</u>	<u>26,636</u>	<u>2,577</u>	<u>2,611</u>	<u>8,547</u>	<u>302,464</u>

FULTON COUNTY, GEORGIA
Debt Service and Special Revenue funds
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budget Basis)
For the year ended December 31, 2023

(In thousands of dollars)

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Debt Service funds:				
Revenues				
Taxes	\$ 19,597	19,597	19,839	242
Other revenues per Budget law	1,900	1,900	2,130	230
Transfers	—	—	16,702	16,702
Appropriated Fund Balance	11,767	11,767	(6,402)	(18,169)
Total revenues	\$ 33,264	33,264	32,269	(995)
Reconciliation to GAAP basis:				
To record net change in taxes receivable and deferred revenues			(1,001)	
To record net change in interest receivab depreciation of investments			213	
Appropriated Fund Balance			6,402	
Total adjustment to GAAP basis			5,614	
Total revenues and other sources, GAAP basis			37,883	
Expenditures				
Administration	\$ 5	5	5	—
Principal	\$ 19,431	19,431	19,431	—
Interest	13,828	13,828	12,833	995
Total expenditures	\$ 33,264	33,264	32,269	995
Total expenditures and other uses, GAAP basis			32,269	
Special Service District fund:				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Revenues per Budget Law	\$ —	—	—	—
Appropriated Fund Balance	21	21	19	(2)
	\$ 21	21	19	(2)
Reconciliation to GAAP basis:				
Appropriated fund balance			(19)	
Total revenues and other sources, GAAP basis			\$ —	
Expenditures and other uses:				
Non agency	\$ 21	21	19	2
	\$ 21	21	19	2
Reconciliation to GAAP basis - to record net effect of unrecorded liabilities				
Total expenditures and other uses, GAAP basis			\$ 19	

FULTON COUNTY, GEORGIA

Special Revenue funds

Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budget Basis)

For the year ended December 31, 2023

(In thousands of dollars)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Grants in Aid				
Revenues				
Intergovernmental revenue	61,500	61,500	54,841	(6,659)
Other general revenues	\$ 1,800	1,800	2,265	465
Transfers	2,265	2,265	767	(1,498)
Appropriated Fund Balance	18,417	18,417	889	(17,528)
Total revenues	\$ <u>83,982</u>	<u>83,982</u>	<u>58,762</u>	<u>(25,220)</u>
Reconciliation to GAAP basis:				
To record effect of receivables			3,236	
Appropriated Fund Balance			(889)	
Total revenues and other sources, GAAP			<u>61,109</u>	
Expenditures				
Administration	1,457	1,457	186	1,271
Public Safety	14,749	14,749	5,143	9,606
Infrastructure and Facilities	78	78	77	1
Social services	26,681	26,681	12,340	14,341
Health services	41,017	41,017	41,017	—
Total expenditures	\$ <u>83,982</u>	<u>83,982</u>	<u>58,762</u>	<u>25,220</u>
Reconciliation to GAAP basis - to record net effect				
of unrecorded liabilities			(2,768)	
Total expenditures and other uses, GAAP basis			<u>55,994</u>	
Emergency Services - 911				
Revenues				
Charges for Services	\$ 6,220	6,220	8,279	2,059
Transfers	415	415	415	—
Appropriated fund balance	1,572	1,572	(1,413)	(2,985)
Total revenues	<u>8,207</u>	<u>8,207</u>	<u>7,281</u>	<u>(926)</u>
Reconciliation to GAAP basis:				
Appropriated Fund Balance			1,413	
To record effect of interest receivable			32	
Total revenues and other sources, GAAP basis			<u>8,726</u>	
Expenditures				
Total expenditures	\$ <u>8,207</u>	<u>8,207</u>	7,281	<u>926</u>
Reconciliation to GAAP basis - to record net effect				
of unrecorded liabilities			25	
Total expenditures and other uses, GAAP basis			<u>7,306</u>	

FULTON COUNTY, GEORGIA

Special Revenue funds

Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budget Basis)

For the year ended December 31, 2023

(In thousands of dollars)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Fulton Industrial District:				
Revenues				
Property Taxes	\$ 4,319	4,319	7,405	(3,086)
License and Permits	526	526	328	198
All Other	1,571	1,571	1,511	60
Transfers	500	500	500	—
Appropriated fund balance	\$ 20,942	20,942	69	20,873
Total revenues	<u>27,858</u>	<u>27,858</u>	9,813	<u>18,045</u>
Reconciliation to GAAP basis:				
To record net change in taxes receivable and deferred revenue			(109)	
Appropriated Fund Balance			<u>(69)</u>	
Total revenues and other sources, GAAP basis			<u>9,635</u>	
Expenditures				
Finance	\$ 87	87	7	80
Fire Rescue	325	325	325	—
Public Works	1,463	1,463	667	796
Non Agency	22,244	22,244	1,964	20,280
Transfers	415	415	415	—
Police	3,324	3,324	2,998	326
Total expenditures	\$ <u>27,858</u>	<u>27,858</u>	6,376	<u>21,482</u>
Reconciliation to GAAP basis - to record net effect of unrecorded liabilities				
Total expenditures and other uses, GAAP basis			<u>(133)</u>	
			<u>6,243</u>	
General Government services:				
Revenues				
Miscellaneous	\$ 30	30	269	239
Appropriated Fund Balance	885	885	(236)	(1,121)
Total revenues	\$ <u>915</u>	<u>915</u>	33	<u>(882)</u>
Reconciliation to GAAP basis:				
Appropriated Fund Balance			236	
Total revenues and other sources, GAAP basis			<u>269</u>	
Expenditures				
Total administrative expenditures	\$ <u>915</u>	<u>915</u>	33	<u>882</u>
Total expenditures and other uses, GAAP basis			<u>33</u>	

FULTON COUNTY, GEORGIA

Special Revenue funds

Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budget Basis)

For the year ended December 31, 2023

(In thousands of dollars)

Public Education Government Television

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	variance Positive (Negative)
Revenues				
Miscellaneous	\$ —	—	4	4
Appropriated Fund Balance	<u>264</u>	<u>264</u>	<u>78</u>	<u>(186)</u>
Total revenues	<u>\$ 264</u>	<u>264</u>	<u>82</u>	<u>(182)</u>
Reconciliation to GAAP basis:				
Appropriated Fund Balance			<u>(78)</u>	
Total revenues and other sources, GAAP basis			<u>4</u>	
Expenditures				
Total expenditures	<u>\$ 264</u>	<u>264</u>	<u>82</u>	<u>182</u>
Reconciliation to GAAP basis - to record net effect of unrecorded liabilities				
Total expenditures and other uses, GAAP basis			<u>—</u>	
			<u>82</u>	

Emergency Rental Assistance

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues				
Intergovernmental	\$ 42,979	43,851	—	(43,851)
Use of Money and Property	<u>—</u>	<u>—</u>	<u>53</u>	<u>53</u>
Total revenues	<u>\$ 42,979</u>	<u>43,851</u>	<u>53</u>	<u>(43,798)</u>
Reconciliation to GAAP basis:				
Change in interest receivable			<u>(53)</u>	
Total revenues and other sources, GAAP basis			<u>—</u>	
Expenditures				
Total expenditures	<u>\$ 42,979</u>	<u>43,851</u>	<u>257</u>	<u>43,594</u>
Reconciliation to GAAP basis - to record net effect of unrecorded liabilities				
Total expenditures and other uses, GAAP basis			<u>4</u>	
			<u>261</u>	

FULTON COUNTY, GEORGIA

Special Revenue funds

Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budget Basis)

For the year ended December 31, 2023

(In thousands of dollars)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Law Enforcement and Justice services:				
Revenues				
Anticipated revenues	\$ 5,655	5,655	13,113	7,458
Appropriated Fund Balance	8,291	8,291	6,253	(2,038)
Total revenues	<u>\$ 13,946</u>	<u>13,946</u>	19,366	<u>5,420</u>
Reconciliation to GAAP basis:				
Appropriated Fund Balance			(6,254)	
Total revenues and other sources, GAAP basis			<u>13,112</u>	
Expenditures				
Total expenditures and transfer out	<u>\$ 13,946</u>	<u>19,378</u>	19,366	<u>12</u>
Reconciliation to GAAP basis - to record net effect of unrecorded liabilities				
Total expenditures and other uses, GAAP basis			<u>(113)</u>	
			<u>19,253</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Hotel Motel:				
Revenues				
Anticipated revenues	\$ 50	50	143	93
Total revenues	<u>\$ 50</u>	<u>50</u>	143	<u>93</u>
Reconciliation to GAAP basis:				
Total revenues and other sources, GAAP basis			<u>143</u>	
Expenditures				
Total Non-agency expenditures	<u>\$ 50</u>	<u>50</u>	143	<u>(93)</u>
Total expenditures and other uses, GAAP basis			<u>143</u>	
FEMA Covid				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Total Intergovernmental revenues	\$ 28,465	20,522	10,823	(9,699)
Use of Money and Property	—	—	44	44
Total intergovernmental revenues	<u>\$ 28,465</u>	<u>20,522</u>	10,868	<u>(9,654)</u>
Reconciliation to GAAP basis:				
To record net change in intergovernmental receivable			(10,555)	
Total revenues and other sources, GAAP basis			<u>313</u>	
Expenditures				
Total expenditures	<u>\$ 28,465</u>	<u>20,522</u>	513	<u>20,009</u>
Reconciliation to GAAP basis - to record net effect of unrecorded liabilities				
Total expenditures and other uses, GAAP basis			<u>294</u>	
			<u>219</u>	

FULTON COUNTY, GEORGIA

Special Revenue funds

Schedule of Revenues and Expenditures

Budget and Actual (Non-GAAP Budget Basis)

For the year ended December 31, 2023

(In thousands of dollars)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Social and Cultural services:				
Revenues				
Anticipated revenues and transfers in	\$ 50	50	438	388
Appropriated Fund Balance	<u>590</u>	<u>590</u>	<u>(343)</u>	<u>(933)</u>
Total revenues	<u>\$ 640</u>	<u>640</u>	95	<u>(545)</u>
Reconciliation to GAAP basis:				
Appropriated Fund Balance			<u>343</u>	
Total revenues and other sources, GAAP basis			<u>438</u>	
Expenditures				
Total expenditures	<u>\$ 640</u>	<u>640</u>	95	<u>545</u>
Total expenditures and other uses, GAAP basis			<u>95</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Other Special revenue funds:				
Revenues				
Anticipated revenues	\$ 5,496	5,496	4,922	(574)
Other revenues	—	—	29	29
Appropriated Fund Balance	<u>—</u>	<u>—</u>	<u>(302)</u>	<u>(302)</u>
Total revenues	<u>\$ 5,496</u>	<u>5,496</u>	4,649	<u>(847)</u>
Reconciliation to GAAP basis:				
Appropriated Fund Balance			<u>302</u>	
Total revenues and other sources, GAAP basis			<u>4,951</u>	
Expenditures				
Total Expenditures	5,496	5,496	4,620	876
Transfers out	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total expenditures	<u>\$ 5,496</u>	<u>5,496</u>	4,620	<u>876</u>
Reconciliation to GAAP basis - to record net effect of unrecorded liabilities				
			<u>302</u>	
Total expenditures and other uses, GAAP basis			<u>4,922</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
T-Splost Transportation Tax-Admin				
Revenues				
Anticipated revenues	\$ 150	150	1,590	1,440
Appropriated Fund Balance	<u>2,331</u>	<u>2,331</u>	<u>(1,479)</u>	<u>(3,810)</u>
Total revenues	<u>\$ 2,481</u>	<u>2,481</u>	111	<u>(2,370)</u>
Reconciliation to GAAP basis:				
Change in sales tax and interest receivable			16	
Appropriated Fund Balance			<u>1,479</u>	
Total revenues and other sources, GAAP basis			<u>1,606</u>	
Expenditures				
Total expenditures	<u>\$ 2,481</u>	<u>2,481</u>	111	<u>2,370</u>
Total expenditures and other uses, GAAP basis			<u>111</u>	

DESCRIPTION OF NON-MAJOR ENTERPRISE FUNDS

Enterprise funds are used to accumulate expenses incurred for providing services to external parties that are to be recovered through user fees or charges.

Wolf Creek Amphitheater fund – used to account for the operations of a world-class event venue located in the southern part of Fulton County.

City of South Fulton Contractual services fund – used to account for the residual resources remaining for providing operational services to the City of South Fulton based on an intergovernmental agreement.

Fulton County Board of Health Contractual services fund – used to account for the provision of operational services to the Fulton County Board of Health, a separate legal entity, based on an intergovernmental agreement.

Airport fund – The Fulton County Airport-Brown field fund accounts for services to tenants and the public for operation and collections from rentals for airport facilities.

FULTON COUNTY, GEORGIA

Combining Statement of Net Position
Non-major Enterprise Fund

December 31, 2023

(In thousands of dollars)

Assets	Business Type Activities- Enterprise Funds				Total Non-major Enterprise Funds
	Wolf Creek Amphitheatre fund	City of South Fulton Contractual services fund	Fulton County Board of Health Contractual services fund	Airport Fund	
Current assets:					
Cash and cash equivalents	\$ 261	554	—	10,595	11,410
Interest receivable	—	—	—	48	48
Due from other governments, net	—	—	78	—	78
Lease receivable	—	—	—	1,002	1,002
Total current assets	<u>261</u>	<u>554</u>	<u>78</u>	<u>11,645</u>	<u>12,538</u>
Noncurrent assets:					
Long term lease receivable	—	—	—	64,265	64,265
Nondepreciable capital assets	—	—	—	27,909	27,909
Depreciable capital assets (net of accumulated depreciation)	5,004	—	—	250	5,254
Total noncurrent assets	<u>5,004</u>	<u>—</u>	<u>—</u>	<u>92,424</u>	<u>97,428</u>
Total assets	<u>5,265</u>	<u>554</u>	<u>78</u>	<u>104,069</u>	<u>109,966</u>
Liabilities:					
Current liabilities (payable from current assets):					
Accounts payable & accrued expenses	\$ —	359	78	55	492
Total current liabilities	<u>—</u>	<u>359</u>	<u>78</u>	<u>55</u>	<u>492</u>
Total liabilities	<u>—</u>	<u>359</u>	<u>78</u>	<u>55</u>	<u>492</u>
Deferred Inflow of Resources:					
Leases	—	—	—	65,267	65,267
Net Position:					
Net investment in capital assets	5,004	—	—	28,159	33,163
Unrestricted	261	195	—	10,588	11,044
Total net position	<u>\$ 5,265</u>	<u>195</u>	<u>—</u>	<u>38,747</u>	<u>44,207</u>

FULTON COUNTY, GEORGIA

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Non-major Enterprise Fund

For the year ended December 31, 2023

(In thousands of dollars)

	Business Type Activities- Enterprise Funds				Total Non-major Enterprise Funds
	Wolf Creek Amphitheatre fund	City of South Fulton Contractual services fund	Fulton County Board of Health Contractual services fund	Airport Fund	
Operating revenues:					
Charges for services	\$ —	—	—	2,488	2,488
Sales tax collected	—	—	—	1,141	1,141
Total operating revenues	—	—	—	3,629	3,629
Operating expenses:					
Administrative and general	—	—	—	212	212
Depreciation and amortization	182	—	—	105	287
Personal services	—	—	—	823	823
Contractual services	—	—	—	638	638
Total operating expenses	182	—	—	1,778	1,960
Operating (loss) income	(182)	—	—	1,851	1,669
Non-operating revenues (expenses):					
Loss on investment in joint venture and capital assets	(114)	—	—	—	(114)
Interest income	—	—	—	1,087	1,087
Total non-operating revenues (expenses)	(114)	—	—	1,087	973
(Loss) Income before transfers	(296)	—	—	2,938	2,642
Change in net position	(296)	—	—	2,938	2,642
Net position at beginning of year	5,561	195	—	35,809	41,565
Net position at end of year	\$ 5,265	195	—	38,747	44,207

FULTON COUNTY, GEORGIA

Combining Statement of Cash Flows
Non-major Enterprise Fund

For the year ended December 31, 2023

(In thousands of dollars)

	Business Type Activities- Enterprise Funds				Total Non-major Enterprise Funds
	Wolf Creek Amphitheatre fund	City of South Fulton Contractual services fund	Fulton County Board of Health Contractual services fund	Airport Fund	
Cash flows from operating activities:					
Receipts from customers and users and taxes	\$ —	—	(10)	3,583	3,573
Payments to suppliers	—	—	10	(859)	(849)
Payments to employees	—	—	—	(822)	(822)
Net cash (used in) provided by operating activities	—	—	—	1,902	1,902
Cash flows from capital and related financing activities:					
Additions to capital assets	—	—	—	(132)	(132)
Net cash used by capital and related financing activities	—	—	—	(132)	(132)
Cash flows from investing activities:					
Interest received on investments	—	—	—	1,087	1,087
Net cash used in investing activities	—	—	—	1,087	1,087
(Decrease) increase in cash and cash equivalents	—	—	—	2,857	2,857
Cash and cash equivalents at beginning of year	261	554	—	7,738	8,553
Cash and cash equivalents at end of year	\$ 261	554	—	10,595	11,410
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (182)	—	—	1,851	1,669
Adjustments to reconcile operating (loss) income to net cash provided by (used in) operating activities:					
Depreciation and amortization	182	—	—	105	287
Changes in assets and liabilities:					
Lease receivable (short and long term)	—	—	—	(956)	(956)
Change in due from other governments - net	—	—	(10)	—	(10)
Accounts and claims payable	—	—	10	(6)	4
Change in interest receivable	—	—	—	(48)	(48)
change in deferred inflows (leases)	—	—	—	956	956
Net cash provided by (used in) operating activities	\$ —	—	—	1,902	1,902

DESCRIPTION OF INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department to other departments on a cost reimbursement basis. The objective is not to make a profit but rather to recover the total cost of providing the goods or services over a period of time.

The Internal Service funds include the following:

Facilities Services Fund - used to account for purchase of gasoline, vehicle maintenance parts, printing supplies, postage, central supplies, and computer equipment. These items are purchased in bulk and then charged back to the user departments.

Insurance Stabilization Fund - used to account for the payment of health, dental, vision claims and life insurance premiums on behalf of County employees and retirees. County contributions and employee premiums are paid into the fund based on estimated annual costs.

Risk Management Fund - used to account for resources to insure for general, employee and vehicle liability and vehicle physical damage.

Owner Controlled Insurance Fund - used to account for County provided insurance for contractors performing capital project activities.

FULTON COUNTY, GEORGIA

Combining Statement of Net Position
Internal Service Funds

December 31, 2023

(in thousands of dollars)

Assets	Facilities Services fund	Insurance Stabilization fund	Risk Management fund	Owner Controlled Insurance fund	Total Internal Service Funds
Current assets:					
Cash and cash equivalents	\$ 610	60,046	41,532	429	102,617
Interest receivable	—	259	186	—	445
Other current assets	67	—	—	—	67
Total assets	<u>677</u>	<u>60,305</u>	<u>41,718</u>	<u>429</u>	<u>103,129</u>
Liabilities and Net Position					
Current liabilities:					
Accounts payable	571	3,500	2,775	—	6,846
Claims payable	—	5,939	—	—	5,939
Total liabilities	<u>571</u>	<u>9,439</u>	<u>2,775</u>	<u>—</u>	<u>12,785</u>
Net position:					
Unrestricted	<u>106</u>	<u>50,866</u>	<u>38,943</u>	<u>429</u>	<u>90,344</u>
Total net position	<u>\$ 106</u>	<u>50,866</u>	<u>38,943</u>	<u>429</u>	<u>90,344</u>

FULTON COUNTY, GEORGIA

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

Internal Service Funds

For the year ended December 31, 2023

(in thousands of dollars)

	Facilities Services fund	Insurance Stabilization fund	Risk Management fund	Owner Controlled Insurance fund	Total Internal Service Funds
Operating revenues - charges for services	\$ 5,409	119,024	21,990	—	146,423
Operating expenses:					
Contractual services	—	111,274	—	—	111,274
Administrative and general	5,425	—	26,587	—	32,012
Total operating expenses	5,425	111,274	26,587	—	143,286
Operating income (loss)	(16)	7,750	(4,597)	—	3,137
Non-operating revenues (expenses):					
Interest income	—	259	3,497	—	3,756
Total non-operating revenues(expenses)	—	259	3,497	—	3,756
Change in net position	(16)	8,009	(1,100)	—	6,893
Net position at beginning of year	122	42,857	40,043	429	83,451
Net position at end of year	\$ 106	50,866	38,943	429	90,344

FULTON COUNTY, GEORGIA

Combining Statement of Cash Flows
Internal Service Funds

For the year ended December 31, 2023

(In thousands of dollars)

	Facilities Services fund	Insurance Stabilization fund	Risk Management fund	Owner Controlled Insurance fund	Total Internal Service Funds
Cash flows from operating activities:					
Receipts from customers and users	\$ 5,409	124,979	21,990	—	152,378
Payments to suppliers	(5,186)	(113,319)	(27,074)	—	(145,579)
Net cash provided by (used in) operating activities	<u>223</u>	<u>11,660</u>	<u>(5,084)</u>	<u>—</u>	<u>6,799</u>
Increase (decrease) in cash and cash equivalents	223	11,660	(5,084)	—	6,799
Cash flows from investing activities:					
Interest received on investments	<u>—</u>	<u>—</u>	<u>3,456</u>	<u>—</u>	<u>3,456</u>
Net cash provided by (used in) investing activities	<u>—</u>	<u>—</u>	<u>3,456</u>	<u>—</u>	<u>3,456</u>
Cash and cash equivalents at beginning of year	<u>387</u>	<u>48,386</u>	<u>43,160</u>	<u>429</u>	<u>92,362</u>
Cash and cash equivalents at end of year	<u>\$ 610</u>	<u>60,046</u>	<u>41,532</u>	<u>429</u>	<u>102,617</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (16)	7,750	(4,597)	—	3,137
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Changes in assets and liabilities:					
Other current assets	<u>—</u>	<u>5,955</u>	<u>—</u>	<u>—</u>	<u>5,955</u>
Accounts and claims payable	<u>239</u>	<u>(2,045)</u>	<u>(487)</u>	<u>—</u>	<u>(2,293)</u>
Net cash provided by (used in) operating activities	<u>\$ 223</u>	<u>11,660</u>	<u>(5,084)</u>	<u>—</u>	<u>6,799</u>

DESCRIPTION OF FIDUCIARY FUNDS

These funds account for activities by the County acts as trustee or custodian for other governmental entities, individuals or non-profit organizations and consist of the following:

Pension Trust fund – used to account for the County’s single employer defined benefit pension plan, (Fulton County Employees Retirement System) which was closed in 1999 to new participants. Resources are accumulated for benefits of eligible employees

OPEB Trust fund – used to account for assets designated for future post-employment benefit payments for eligible employees and dependents.

Custodial Funds account for monies and property received and held by the County as trustee, custodian, or agent for other governmental entities, individuals or non-profit organizations and consist of the following:

Tax Commissioner - to account for all real, personal, intangible, and intangible recording taxes collected and forwarded to the County and other governmental units.

The following custodial funds are used to account for fines, fees and other monies collected by the courts and remitted to other parties in accordance with court orders and state law:

**Superior Court
State Court
Juvenile Court
Probate Court
Sheriff and Criminal Court
District Attorney**

FULTON COUNTY, GEORGIA

Combining Statement of Fiduciary Net Position Pension and OPEB Trust Funds

December 31, 2023

(In thousands of dollars)

Assets:	Fulton County		Total
	Employees Retirement System fund	Fulton County OPEB Trust Fund	
Cash and cash equivalents	\$ 110,143	5	110,148
Due from Brokers for Securities Sold	1,205	—	1,205
Investments, at fair value:			
US Treasury Obligations	27,960	1,571	29,531
US Agency Obligations	88,796	—	88,796
Municipal bonds	5,366	—	5,366
International Comingled funds	84,240	—	84,240
Corporate debt	68,641	—	68,641
Corporate asset & mortgage backed securities	17,933	—	17,933
Bank loans	77,514	—	77,514
Emerging markets equity mutual funds	73,414	—	73,414
Domestic equities	375,618	—	375,618
Domestic equity index funds-Comingled trust	223,967	5,393	229,360
Domestic equity mutual funds	38,333	—	38,333
Domestic fixed income mutual funds	37,356	1,196	38,552
International equities	32,323	550	32,873
Real estate investment trusts	1,309	—	1,309
International equity mutual funds	183,009	—	183,009
Interest and dividends receivable	2,156	—	2,156
Accounts receivable	89	—	89
Prepaid pension benefits	13,199	—	13,199
Total assets	1,462,571	8,715	1,471,286
Liabilities:			
Due to Brokers for Securities Purchased	7,526	—	7,526
Due to others	54	—	54
Total liabilities	7,580	—	7,580
Net Position restricted for pension benefits and OPEB	\$ 1,454,991	8,715	1,463,706

FULTON COUNTY, GEORGIA

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

For the year ended December 31, 2023

(In thousands of dollars)

	Fulton County	Fulton County	
	Employees	OPEB	
	Retirement	Trust Fund	Total
	System Fund	Trust Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Additions:			
Investment income:			
Net appreciation in fair value of investments	\$ 183,077	1,571	\$ 184,648
Interest and dividends	41,609	—	41,609
Less: investment expenses	<u>(4,082)</u>	<u>—</u>	<u>(4,082)</u>
Net investment gain	220,604	1,571	222,175
Employee contributions	427	—	427
Employer contributions	66,046	—	66,046
Other income	<u>87</u>	<u>—</u>	<u>87</u>
Total additions	<u>287,164</u>	<u>1,571</u>	<u>288,735</u>
Deductions:			
Benefit payments	153,387	—	153,387
Transfer of plan assets to 401(A) plan or other plans	274	—	274
Administrative fees and other expenses	<u>821</u>	<u>—</u>	<u>821</u>
Total deductions	<u>154,482</u>	<u>—</u>	<u>154,482</u>
Change in net position	132,682	1,571	134,253
Net position restricted for pension and OPEB:			
Beginning of year	<u>1,322,309</u>	<u>7,144</u>	<u>1,329,453</u>
End of year	<u>\$ 1,454,991</u>	<u>8,715</u>	<u>\$ 1,463,706</u>

FULTON COUNTY, GEORGIA

Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
Custodial Funds

December 31, 2023

(In thousands of dollars)

Assets	Tax Commissioner	Superior Court	State Court	Juvenile Court	Probate Court	Sheriff and Criminal Court	District Attorney	Total Custodial Funds
Cash and cash equivalents	\$ 31,735	48,573	7,407	98	548	51,500	61	139,922
Taxes receivable	146,397	—	—	—	—	—	—	146,397
Total assets	<u>\$ 178,132</u>	<u>48,573</u>	<u>7,407</u>	<u>98</u>	<u>548</u>	<u>51,500</u>	<u>61</u>	<u>286,319</u>
Liabilities								
Due to other taxing districts	\$ 178,132	—	—	—	—	—	—	178,132
Due to others	—	48,573	7,407	98	548	51,500	61	108,187
Total liabilities	<u>\$ 178,132</u>	<u>48,573</u>	<u>7,407</u>	<u>98</u>	<u>548</u>	<u>51,500</u>	<u>61</u>	<u>286,319</u>

FULTON COUNTY, GEORGIA

Statement of Changes in Assets and Liabilities

Fiduciary Funds

Custodial Funds

For the year ended December 31, 2023

(In thousands of dollars)

	<u>Balance January 1, 2023</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2023</u>
Tax Commissioner:				
Assets				
Cash and cash equivalents	\$ 37,391	688,832	694,488	31,735
Taxes receivable	<u>133,549</u>	<u>2,365,235</u>	<u>2,352,387</u>	<u>146,397</u>
	<u>\$ 170,940</u>	<u>3,054,067</u>	<u>3,046,875</u>	<u>178,132</u>
Liabilities				
Due to other taxing districts	<u>\$ 170,940</u>	<u>3,054,067</u>	<u>3,046,875</u>	<u>178,132</u>
 Superior Court:				
Assets				
Cash and cash equivalents	\$ <u>32,105</u>	<u>123,811</u>	<u>107,343</u>	<u>48,573</u>
Liabilities				
Due to others	\$ <u>32,105</u>	<u>123,811</u>	<u>107,343</u>	<u>48,573</u>
 State Court:				
Assets				
Cash and cash equivalents	\$ <u>5,999</u>	<u>17,745</u>	<u>16,337</u>	<u>7,407</u>
Liabilities				
Due to others	\$ <u>5,999</u>	<u>17,745</u>	<u>16,337</u>	<u>7,407</u>

(Continued)

FULTON COUNTY, GEORGIA

Statement of Changes in Assets and Liabilities

Fiduciary Funds

Custodial Funds

For the year ended December 31, 2023

(In thousands of dollars)

	<u>Balance January 1, 2023</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2023</u>
Juvenile Court:				
Assets				
Cash and cash equivalents	\$ 99	86	87	98
Liabilities				
Due to others	\$ 99	86	87	98
 Probate Court:				
Assets				
Cash and cash equivalents	\$ 519	2,230	2,201	548
Liabilities				
Due to others	\$ 519	2,230	2,201	548
 Sheriff and Criminal Court:				
Assets				
Cash and cash equivalents	\$ 52,131	59,431	60,062	51,500
Liabilities				
Due to others	\$ 52,131	59,431	60,062	51,500
 District Attorney:				
Assets				
Cash and cash equivalents	\$ 77	95	111	61
Liabilities				
Due to others	\$ 77	95	111	61

*The District Attorney's opening balance corrected to include previous held funds

(Continued)

FULTON COUNTY, GEORGIA

Statement of Changes in Assets and Liabilities

Fiduciary Funds

Custodial Funds

For the year ended December 31, 2023

(In thousands of dollars)

	Balance January 1, 2023	Additions	Deductions	Balance December 31, 2023
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total - All Custodial Funds:				
Assets				
Cash and cash equivalents	\$ 128,321	892,230	880,629	139,922
Taxes receivable	<u>133,549</u>	<u>2,365,235</u>	<u>2,352,387</u>	<u>146,397</u>
	<u>\$ 261,870</u>	<u>3,257,465</u>	<u>3,233,016</u>	<u>286,319</u>
Liabilities				
Due to other taxing districts	\$ 170,940	3,054,067	3,046,875	178,132
Due to others	<u>90,930</u>	<u>203,398</u>	<u>186,141</u>	<u>108,187</u>
	<u>\$ 261,870</u>	<u>3,257,465</u>	<u>3,233,016</u>	<u>286,319</u>

OTHER SCHEDULES

Summary of Debt Service Requirements to Maturity

Debt Service Requirements to Maturity - General Obligation Bonds

Debt Service Requirements to Maturity - Water and Sewerage Revenue Bonds

Hotel/Motel Tax Collections and Expenditures

Schedule of Projects funded with Special Transportation Tax Proceeds

FULTON COUNTY, GEORGIA

Other Schedules
Summary of Debt Service Requirements to Maturity

December 31, 2023

(In thousands of dollars)

<u>Calendar year</u>	<u>Annual principal and interest requirements</u>		
	<u>General obligation bonds</u>	<u>Fulton County water and sewerage revenue bonds</u>	<u>Totals</u>
2024	\$ 15,571	39,523	55,094
2025	15,576	39,445	55,021
2026	15,570	39,369	54,939
2027	15,546	39,293	54,839
2028	15,533	44,821	60,354
2029	15,522	44,745	60,267
2030	15,524	44,671	60,195
2031	15,515	44,849	60,364
2032	15,516	44,773	60,289
2033	15,547	44,705	60,252
2034	15,579	44,636	60,215
2035	15,614	31,508	47,122
2036	15,654	31,510	47,164
2037	15,693	31,510	47,203
2038	15,734	31,508	47,242
2039	15,774	31,508	47,282
2040	13,151	31,505	44,656
2041	13,252	31,508	44,760
2042	13,351	31,505	44,856
2043	13,461	31,507	44,968
2044	13,577	31,507	45,084
	<u>\$ 316,260</u>	<u>785,906</u>	<u>1,102,166</u>

FULTON COUNTY, GEORGIA

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

December 31, 2023

(In thousands of dollars)

<u>Calendar year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2024	\$ 6,370	9,201	15,571
2025	6,660	8,916	15,576
2026	6,975	8,595	15,570
2027	7,305	8,241	15,546
2028	7,655	7,878	15,533
2029	8,015	7,507	15,522
2030	8,415	7,109	15,524
2031	8,840	6,675	15,515
2032	9,280	6,236	15,516
2033	9,745	5,802	15,547
2034	10,230	5,349	15,579
2035	10,740	4,874	15,614
2036	11,280	4,374	15,654
2037	11,845	3,848	15,693
2038	12,435	3,299	15,734
2039	13,055	2,719	15,774
2040	10,950	2,201	13,151
2041	11,500	1,752	13,252
2042	12,070	1,281	13,351
2043	12,675	786	13,461
2044	13,310	267	13,577
	<u>\$ 209,350</u>	<u>106,910</u>	<u>316,260</u>
Unamortized premium at December 31, 2023	<u>6,824</u>	<u>(6,824)</u>	<u>—</u>
	<u>\$ 216,174</u>	<u>100,086</u>	<u>316,260</u>

FULTON COUNTY, GEORGIA

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

December 31, 2023

(In thousands of dollars)

<u>Calendar year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2024	\$ 20,110	19,413	39,523
2025	20,442	19,003	39,445
2026	20,785	18,584	39,369
2027	21,140	18,153	39,293
2028	27,110	17,711	44,821
2029	28,390	16,355	44,745
2030	29,735	14,936	44,671
2031	31,400	13,449	44,849
2032	32,795	11,978	44,773
2033	34,350	10,355	44,705
2034	35,655	8,981	44,636
2035	23,935	7,573	31,508
2036	24,655	6,855	31,510
2037	25,395	6,115	31,510
2038	26,155	5,353	31,508
2039	26,940	4,568	31,508
2040	27,745	3,760	31,505
2041	28,580	2,928	31,508
2042	29,220	2,285	31,505
2043	29,880	1,627	31,507
2044	30,590	917	31,507
	<u>575,007</u>	<u>210,899</u>	<u>785,906</u>
Unamortized premium at December 31, 2023	<u>26,665</u>	<u>(26,665)</u>	<u>—</u>
	<u>\$ 601,672</u>	<u>184,234</u>	<u>785,906</u>

FULTON COUNTY, GEORGIA
 Other Schedules
 Hotel/Motel Tax Collections and Expenditures
 Year ended December 31, 2023

Collection Period from January 1st to December 31st					
Collection Rate	Hotel/Motel Tax <u>Collected</u>	<u>Expenditures and Obligations</u>			Expended or Obligated as a Percentage of <u>Collected</u>
		Hotel/Motel Tax <u>Expended</u>	Hotel/Motel Tax <u>Obligated</u>	Hotel/Motel Tax <u>Expended or Obligated</u>	
7%	\$143,010	143,010	—	143,010	100.00%

FULTON COUNTY, GEORGIA
 Transportation Tax funds
 Schedule of Projects funded with Special Transportation Tax Proceeds
 Year ended December 31, 2023

	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
T-Splost Administration:	\$ 361,839	2,384,901	928,844	111,315	1,040,159	43.61%
T-Splost - City of South Fulton:						
Transportation projects	\$ 42,910,158	42,910,158	15,964,566	-	15,964,566	37.20%
T-Splost -Fulton Industrial District:						
Transportation Projects	\$ 1,482,727	4,199,045	1,795,161	40,495	1,835,656	43.72%

Note: in 2019, all T-Splost remaining unexpended cash collected for the City of South Fulton were transferred to the City. This payment of \$13,558,438 is not reflected as project expenditures in the above schedule.

STATISTICAL SECTION

(Unaudited)

Statistical Section

This part of the Fulton County 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 County's overall financial health.

Contents

Pages

Financial Trends

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

122-125

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.

126-131

Debt Capacity

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

132-135

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.

137-138

Operating Information

These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.

139-141

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

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities										
Net investment in capital assets	\$ 399,373	476,110	366,493	375,127	365,714	346,781	343,622	636,099	642,456	631,780
Restricted	213,061	180,027	188,924	155,483	132,851	115,665	112,664	108,268	83,667	58,776
Unrestricted	(1,529,675)	(1,598,336)	(1,331,900)	(1,316,231)	(1,296,402)	(1,269,267)	(983,014)	(868,781)	(752,312)	(288,608)
Total governmental activities net position	\$ <u>(917,241)</u>	<u>(942,199)</u>	<u>(776,483)</u>	<u>(785,621)</u>	<u>(797,837)</u>	<u>(806,821)</u>	<u>(526,728)</u>	<u>(124,414)</u>	<u>(26,189)</u>	<u>401,948</u>
Business-type activities										
Net investment in capital assets	\$ 967,815	950,757	909,828	856,530	794,295	734,511	709,360	682,414	676,910	684,168
Restricted	23,755	22,610	22,424	39,246	39,242	38,204	37,405	37,422	37,163	37,046
Unrestricted	179,473	150,710	157,883	167,717	214,691	245,031	256,109	270,440	263,317	258,068
Total business-type activities net position	\$ <u>1,171,043</u>	<u>1,124,077</u>	<u>1,090,135</u>	<u>1,063,493</u>	<u>1,048,228</u>	<u>1,017,746</u>	<u>1,002,874</u>	<u>990,276</u>	<u>977,390</u>	<u>979,282</u>
Primary government										
Net investment in capital assets	\$ 1,367,188	1,426,867	1,276,321	1,231,657	1,160,009	1,081,292	1,052,982	1,318,513	1,319,366	1,315,948
Restricted	236,816	202,637	211,348	194,729	172,093	153,869	150,069	145,690	120,830	95,822
Unrestricted	(1,350,202)	(1,447,626)	(1,174,017)	(1,148,514)	(1,081,711)	(1,024,236)	(726,905)	(598,341)	(488,995)	(30,540)
Total primary government net position	\$ <u>253,802</u>	<u>181,878</u>	<u>313,652</u>	<u>277,872</u>	<u>250,391</u>	<u>210,925</u>	<u>476,146</u>	<u>865,862</u>	<u>951,201</u>	<u>1,381,230</u>

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses										
Governmental activities										
Administration	\$ 156,258	193,401	127,768	139,518	122,666	141,514	141,830	139,252	141,749	105,273
Public Safety	266,597	261,187	212,581	189,764	206,991	179,644	204,524	193,356	230,712	194,248
Legal	250,016	255,676	185,798	180,087	171,726	167,891	184,615	163,502	189,080	140,617
Infrastructure and facilities	61,035	69,051	48,191	70,682	65,452	67,288	82,996	78,216	52,715	87,667
Social services	108,126	201,680	175,651	106,486	97,695	93,607	106,875	94,740	109,700	61,319
Health services	129,295	168,529	153,481	236,454	121,724	120,542	151,784	155,549	174,413	163,383
Interest	7,270	6,563	13,798	15,992	15,785	17,689	16,374	12,979	13,427	14,492
Total governmental activities expenses	978,597	1,156,087	917,268	938,983	802,039	788,175	888,998	837,594	911,796	766,999
Business-type activities										
Water and sewerage services	148,800	142,618	135,652	140,521	126,032	133,183	118,902	125,640	124,351	118,392
Wolf Creek Amphitheatre	296	186	218	689	750	255	253	1,231	—	—
Contractual services	—	68	10,540	24,004	22,752	39,853	34,760	—	—	—
Airport services	1,778	1,698	1,467	2,819	2,396	1,980	2,002	1,092	1,192	1,227
Total business-type activities expenses	150,874	144,570	147,877	168,033	151,930	175,271	155,917	127,963	125,543	119,619
Total primary government expenses	\$ 1,129,471	1,300,657	1,065,145	1,107,016	953,969	963,446	1,044,915	965,557	1,037,339	886,618
Program Revenues										
Governmental activities										
Charges for services										
Public and Mental health fees	\$ —	—	—	—	—	8	387	499	4,974	5,261
Emergency communication fees	8,279	6,952	6,693	7,239	7,258	5,333	3,423	3,862	3,864	2,936
Legal and Social	32,297	21,915	28,936	33,243	26,016	25,399	24,050	24,350	25,203	27,275
License and permits	—	—	—	—	3,270	2,987	5,322	6,475	7,105	6,241
Other	15,952	12,575	15,075	11,409	10,783	9,458	8,137	7,181	8,812	8,236
Total Charges for Services	56,528	41,442	50,704	51,891	47,327	43,185	41,319	42,367	49,958	49,949
Operating grants and contributions	122,099	183,923	158,934	165,492	52,103	46,150	66,710	70,617	63,638	63,655
Capital grants and contributions	7,940	250	3,927	—	2,266	5,904	7,485	6,594	3,536	3,754
Total governmental activities program revenues	186,567	225,615	213,565	217,383	101,696	95,239	115,514	119,578	117,132	117,358
Business-type activities										
Charges for services	171,612	166,293	170,071	176,641	177,816	175,533	158,722	132,477	123,285	121,111
Capital grants and contributions	12,386	6,427	3,858	6,001	8,234	4,316	9,669	—	—	—
Total business-type activities program revenues	183,998	172,720	173,929	182,642	186,050	179,849	168,391	132,477	123,285	121,111
Total primary government program revenues	\$ 370,565	398,335	387,494	400,025	287,746	275,088	283,905	252,055	240,417	238,469
Net (Expense) Revenue										
Governmental activities	\$ (792,030)	(930,472)	(703,703)	(721,600)	(700,343)	(692,936)	(773,484)	(718,016)	(794,664)	(649,641)
Business-type activities	33,124	28,150	26,052	14,609	34,120	4,578	12,474	4,514	(2,258)	1,289
Total primary government net expense	\$ (758,906)	(902,322)	(677,651)	(706,991)	(666,223)	(688,358)	(761,010)	(713,502)	(796,922)	(648,352)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 697,487	669,631	667,857	665,880	609,540	589,027	558,945	525,840	544,654	549,782
Sales taxes	19,039	18,334	15,916	13,383	19,587	30,964	32,371	36,016	35,575	34,858
Other taxes	36,344	35,427	28,722	28,722	29,293	30,313	27,269	25,888	19,536	19,536
Intergovernmental unrestricted revenues	839	2,022	2,500	2,386	2,438	3,254	2,540	2,568	2,607	2,637
Commissions on tax collections	25,693	20,370	16,356	7,592	23,045	25,223	15,011	18,486	18,924	18,418
Use of money and property	34,203	16,312	7,573	9,739	19,150	14,341	8,687	5,438	6,051	6,862
Miscellaneous	3,383	2,660	1,986	5,591	5,210	9,039	7,715	13,069	10,120	6,861
Gain on sale of capital assets	—	—	—	—	(267)	—	15,085	—	—	—
Transfers in (out) - business type activities	—	—	—	523	1,331	936	1,737	(7,514)	—	49
Special and extraordinary items	—	—	(28,069)	—	—	(8,999)	(298,190)	—	—	—
Total governmental activities	816,988	764,756	712,841	733,816	709,327	694,098	371,170	619,791	637,467	639,003
Business-type activities										
Sales taxes	1,141	662	574	295	—	423	435	—	—	—
Use of money and property	12,701	5,130	16	884	4,800	3,700	1,426	858	366	377
Miscellaneous and transfer out	—	—	—	—	—	—	—	—	—	(1,687)
Transfers in (out) w govt. activities	—	—	—	(523)	(1,331)	(936)	(1,737)	7,514	—	(49)
Extraordinary items	—	—	—	—	—	—	—	—	—	1,549
Total business-type activities	13,842	5,792	590	656	3,469	3,187	124	8,372	366	190
Total primary government	\$ 830,830	770,548	713,431	734,472	712,796	697,285	371,294	628,163	637,833	639,193
Change in Net Position										
Governmental activities	\$ 24,958	(165,716)	9,138	8,984	8,984	1,162	(402,314)	(98,225)	(157,197)	(10,638)
Business-type activities	46,966	33,942	26,642	37,589	37,589	7,765	12,598	12,886	(1,892)	1,479
Total primary government	\$ 71,924	(131,774)	35,780	46,573	46,573	8,927	(389,716)	(85,339)	(159,089)	(9,159)

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General fund										
Unassigned	224,112	236,459	258,328	236,160	198,524	182,081	106,267	124,580	152,835	120,558
Unreserved	—	—	—	—	—	—	—	—	—	—
Total general fund	<u>\$ 224,112</u>	<u>236,459</u>	<u>258,328</u>	<u>236,160</u>	<u>198,524</u>	<u>182,081</u>	<u>106,267</u>	<u>124,580</u>	<u>152,835</u>	<u>120,558</u>
ARP 2023-2021 fund (CARES 2020 fund)										
Restricted	—	—	—	—						
Total CARES fund	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>						
Special Service District Fund*										
Assigned	N/A	N/A	N/A	N/A	26,259	23,739	15,739	4,008	8,082	4,536
Unreserved	N/A	N/A	N/A	N/A	—	—	—	—	—	—
Total Special District fund	<u>\$ N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>26,259</u>	<u>23,739</u>	<u>15,739</u>	<u>4,008</u>	<u>8,082</u>	<u>4,536</u>
Library Bond fund										
Restricted	<u>\$ 6,272</u>	<u>7,574</u>	<u>14,849</u>	<u>14,849</u>	<u>60,094</u>	<u>115,519</u>	<u>131,372</u>	<u>26,704</u>	<u>55,179</u>	<u>110,248</u>
Total Library bond fund	<u>\$ 6,272</u>	<u>7,574</u>	<u>14,849</u>	<u>14,849</u>	<u>60,094</u>	<u>115,519</u>	<u>131,372</u>	<u>26,704</u>	<u>55,179</u>	<u>110,248</u>
All Other Governmental Funds										
Nonspendable	\$ —	—	—	—	—	—	—	—	—	—
Restricted	127,211	155,829	165,492	120,619	140,071	98,221	101,647	56,140	50,644	50,897
Committed	187	265	205	397	569	698	541	571	592	576
Assigned	175,066	150,202	156,290	133,936	91,616	92,944	87,404	81,133	64,374	42,913
Unassigned	—	—	—	—	—	—	—	—	—	—
Reserved	—	—	—	—	—	—	—	—	—	—
Unreserved, reported in:										
Special revenue funds	—	—	—	—	—	—	—	—	—	—
Capital projects funds	—	—	—	—	—	—	—	—	—	—
Total all other governmental funds	<u>\$ 302,464</u>	<u>306,296</u>	<u>321,987</u>	<u>254,952</u>	<u>232,256</u>	<u>191,863</u>	<u>189,592</u>	<u>137,844</u>	<u>115,610</u>	<u>94,386</u>
Total governmental funds	<u>\$ 532,848</u>	<u>550,329</u>	<u>595,164</u>	<u>505,961</u>	<u>517,133</u>	<u>513,202</u>	<u>442,970</u>	<u>293,136</u>	<u>331,706</u>	<u>329,728</u>

*reclassified to Other Governmental funds in FY 2020.

Note: Implementation of GASB Statement No. 54 as of December 31, 2011 changed fund balance reporting requirements.

FULTON COUNTY, GEORGIA
Changes in Fund Balances, Governmental funds
Last Ten Fiscal Years
(modified accrual basis of accounting, in thousands)

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Taxes	\$ 736,294	724,523	712,624	705,093	665,384	696,787	575,978	583,667	605,771	602,967
Intergovernmental	130,878	186,195	165,361	167,878	56,807	55,308	76,735	79,779	69,781	70,046
Charges for services	51,779	32,725	35,499	33,571	42,870	40,638	29,313	34,125	38,608	39,424
Courts and law enforcement	30,114	28,413	28,443	22,776	24,232	24,783	21,695	20,253	23,169	22,703
Use of money and property	34,203	16,312	7,573	9,725	19,228	13,917	9,047	5,460	6,009	6,931
Licenses and permits	328	674	3,118	3,136	3,270	2,987	5,322	6,475	7,105	6,241
Miscellaneous	3,383	2,660	1,986	5,591	5,210	9,039	7,715	13,069	10,120	6,861
Net (depreciation) appreciation in investments	—	—	—	14	(78)	424	(360)	(22)	42	(69)
Total revenues	986,979	991,502	954,604	947,784	816,923	843,883	725,445	742,806	760,605	755,104
Expenditures										
Current:										
Administration	129,565	140,642	100,259	105,576	93,187	102,977	96,606	104,336	87,737	87,453
Public safety	215,613	186,967	166,655	142,456	172,564	137,616	139,387	143,451	142,406	161,388
Legal	201,825	181,794	144,700	134,488	136,664	128,284	124,189	120,474	115,786	115,418
Infrastructure and facilities	37,147	35,161	34,639	33,801	30,472	29,933	32,478	32,215	30,073	65,539
Social services	81,092	142,983	136,471	77,480	76,698	70,930	70,676	68,579	66,128	48,700
Health services	120,468	149,248	140,320	225,222	113,927	111,502	128,872	138,535	141,569	155,008
Other nonagency	106,610	95,080	112,134	92,574	87,130	79,758	70,192	72,972	67,718	28,907
Capital outlay	80,088	58,733	52,317	108,948	112,996	70,728	37,752	60,229	82,911	45,406
Debt service:										
Principal retirement	25,158	25,596	22,633	22,472	37,486	37,756	34,150	33,675	24,857	31,839
Interest	17,808	15,659	14,747	17,008	17,199	17,928	17,133	13,877	14,316	15,466
Total expenditures	1,015,374	1,031,863	924,875	960,025	878,323	787,412	751,435	788,343	773,501	755,124
Excess of revenues over (under) expenditures	(28,395)	(40,361)	29,729	(12,241)	(61,400)	56,471	(25,990)	(45,537)	(12,896)	(20)
Other Financing Sources (Uses)										
Capital lease refunding obligations	10,914	—	—	546	18,500	12,825	1,698	7,790	14,874	5,510
Proceeds from sale of bonds	—	—	55,000	—	39,335	—	149,785	—	—	—
Premium received on bonds	—	—	—	—	5,971	—	6,478	—	—	—
Proceeds from sale of capital assets	—	—	—	—	194	—	16,126	—	—	—
Transfer in from enterprise funds	—	—	—	523	1,331	936	1,737	577	—	49
Transfer out to enterprise funds	—	—	—	—	—	—	—	(1,400)	—	—
Transfers in	63,429	59,360	69,731	64,425	62,010	48,974	49,061	71,024	51,342	40,989
Transfers out	(63,429)	(59,360)	(69,731)	(64,425)	(62,010)	(48,974)	(49,061)	(71,024)	(51,342)	(40,989)
Total other financing sources (uses)	10,914	—	55,000	1,069	65,331	13,761	175,824	6,967	14,874	5,559
Net changes in fund balances	\$ (17,481)	(40,361)	84,729	(11,172)	3,931	70,232	149,834	(38,570)	1,978	5,539
Debt service as a percentage of noncapital expenditures	4.5	4.2	4.3	4.5	6.9	7.4	6.9	6.4	5.8	6.7

FULTON COUNTY, GEORGIA
 Assessed and Estimated Actual Value of Taxable Property
 Last Ten Fiscal Years
 (in thousands)

Fiscal Year	Real Property	Public Utilities	Personal and Business	Total assessed value	Total Direct Tax Rate	Assessed value as a percentage of Actual Value	Estimated actual value
2014	\$ 44,423,387	1,063,189	7,721,837	53,208,413	12.05	40%	133,021,033
2015	49,532,798	1,137,292	7,190,827	57,860,917	10.75	40%	144,652,293
2016	50,666,238	1,129,634	7,406,453	59,202,325	10.70	40%	148,005,813
2017	52,989,392	1,099,925	7,258,374	61,347,691	10.63	40%	153,369,228
2018	62,198,013	1,083,247	7,330,223	70,611,483	10.43	40%	176,528,708
2019	69,018,610	1,259,277	7,879,300	78,157,187	10.12	40%	195,392,968
2020	72,024,564	1,288,949	7,953,764	81,267,277	10.00	40%	203,168,193
2021	77,657,763	1,366,452	8,181,903	87,206,118	9.54	40%	218,015,296
2022	85,427,255	1,316,103	8,789,869	95,533,227	9.07	40%	238,833,068
2023	98,135,505	1,514,831	9,994,525	109,644,861	9.05	40%	274,112,154

Source: Fulton County Tax Commissioner.

Note: The above assessed values may be reduced somewhat due to the following exemptions:

- (1) A special full value homestead exemption is allowed on owner-occupied residences of persons who are age 70 or over who meet certain income requirements. This exemption applies only to Fulton County taxes. State and school taxes are not exempt.
- (2) A regular homestead exemption is allowed on all owner-occupied homes, except for purposes of school and bond tax levies.
- (3) An exemption is allowed on qualifying real property devoted to agricultural or historic purposes.
- (4) A 100% Freeport exemption exists on applicable business inventories.
- (5) Assessed values are established by the Fulton County Board of Tax Assessors on January 1 of each year.
- (6) An exemption is allowed for property used in or which is a part of any facility for the primary purpose of eliminating or reducing air or water pollution if the facilities have been certified by the Georgia Department of Natural Resources.

FULTON COUNTY, GEORGIA

Property Tax Rates - Direct and Overlapping Governments

Last Ten Fiscal Years

Operating and Bond Levies

(Rate per \$1,000 Assessed Value)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Fulton County direct:										
General & bond	9.050	9.070	9.540	9.996	10.119	10.43	10.63	10.70	10.75	12.05
School	17.140	17.240	17.590	17.796	17.796	17.80	18.55	18.48	18.50	18.50
South Fulton tax district	—	—	—	—	—	—	4.43	11.58	11.58	12.47
Fulton Industrial tax district	9.340	9.550	9.550	11.880	11.920	12.150	12.16	—	—	—
Total direct	<u>35.530</u>	<u>35.860</u>	<u>36.680</u>	<u>39.672</u>	<u>39.835</u>	<u>40.38</u>	<u>45.77</u>	<u>40.76</u>	<u>40.83</u>	<u>43.02</u>
State of Georgia	—	—	—	—	—	—	—	—	0.05	0.10
Municipalities:										
City of Atlanta	11.400	10.900	10.230	10.230	10.230	10.23	10.82	10.86	10.87	11.45
City of Atlanta Special Services District	2.000	2.000	2.000	—	—	—	—	—	—	—
Downtown Development district	5.000	5.000	5.000	5.000	5.000	5.00	5.00	5.00	5.00	5.00
City of Atlanta school district	20.500	20.500	20.740	20.740	20.740	20.74	21.74	21.74	21.74	21.74
City of Alpharetta	5.750	5.750	5.750	5.750	5.750	5.75	5.75	5.75	5.75	5.75
City of College Park	12.619	13.619	12.619	12.619	12.620	12.62	12.62	12.62	12.62	12.62
City of East Point	13.000	13.000	13.250	13.450	13.450	13.89	15.00	15.00	15.00	15.00
City of Fairburn	9.560	9.560	9.560	9.560	9.566	9.57	9.57	9.57	9.73	9.82
City of Hapeville	15.209	15.729	15.729	16.000	16.110	16.11	16.44	16.61	16.61	16.61
City of Mountain Park	6.255	7.080	9.000	9.550	9.730	8.32	12.88	12.90	13.22	13.33
City of Palmetto	8.500	8.500	8.500	8.500	8.500	8.50	8.50	8.50	8.50	8.50
City of Roswell	4.949	4.463	4.718	4.955	4.955	4.96	5.46	5.46	5.46	5.46
City of Union city	11.114	12.284	13.197	14.043	14.330	14.95	16.43	15.69	15.69	15.69
City of Sandy Springs	4.731	4.731	4.731	4.731	4.731	4.73	4.73	4.73	4.73	4.73
City of Milton	4.753	4.921	5.218	5.269	5.320	5.61	5.05	4.73	4.73	4.73
City of John's Creek	3.896	4.376	4.376	4.397	3.940	4.34	4.86	4.36	4.61	4.61
City of Chattahoochee Hills	9.000	9.000	9.460	10.000	10.000	10.00	10.00	10.96	10.96	10.96
City of South Fulton	12.399	12.899	12.899	12.899	11.579	11.579	7.15	—	—	—

Source: Fulton County Tax Commissioner.

Schedule 7**FULTON COUNTY, GEORGIA**

Principal Taxpayers

Current Year and Nine Years Ago

	<u>Assessment</u>	<u>Percentage of total assessed value</u>	<u>Taxes**</u>
Ten major taxpayers of 2023*:			
Development Authority of Fulton County	\$ 3,003,538,778	2.74%	\$ 26,641,389
Georgia Power	718,652,839	0.66%	6,374,451
Atlanta Development Authority	577,890,711	0.53%	5,125,891
Google Inc.	286,521,173	0.26%	2,541,443
Norfolk Southern Railway Compayn	230,651,728	0.21%	2,045,881
AT&T	210,378,537	0.19%	1,866,058
Coca Cola Company	182,836,136	0.17%	1,621,757
Post Apartment Homes	169,021,321	0.15%	1,499,219
Delta Airlines	158,489,560	0.14%	1,405,802
Twitter Inc.	157,011,760	0.14%	1,392,694
Total ten major taxpayers	<u>\$ 5,694,992,543</u>	<u>5.19%</u>	<u>\$ 50,514,585</u>
Total County gross assessed value	<u>\$ 109,644,861,385</u>		

*Taxes and assessments based on values at time of presentment

Source: Fulton County Tax Commissioner

	<u>Assessment</u>	<u>Percentage of total assessed value</u>	<u>Taxes</u>
Ten major taxpayers of 2014*:			
Development Authority of Fulton County	\$ 1,160,301,668	2.18%	\$ 13,669,514
AT&T	430,270,738	0.81%	5,069,020
Georgia Power	425,990,975	0.80%	5,018,600
Coca Cola	222,026,303	0.42%	2,615,692
Post Apartment Homes	176,237,782	0.33%	2,076,257
Corporate Property Investors	107,531,880	0.20%	1,266,833
Delta Airlines	99,561,311	0.19%	1,172,932
SunTrust Plaza Associates LLC	94,698,250	0.18%	1,115,640
Hines One Atlantic Center LP	85,841,280	0.16%	1,011,296
Selig Enterprises, Inc.	83,373,353	0.16%	982,221
Total ten major taxpayers	<u>\$ 2,885,833,540</u>	<u>5.42%</u>	<u>\$ 33,998,005</u>
(1) Total County gross assessed value	<u>\$ 53,208,412,707</u>		

Source: Fulton County Tax Commissioner.

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

Fiscal Year		Total current year tax levy	Current tax collected	Percent of levy collected		Delinquent tax collected	Total tax collected	Total collections as percentage of current levy		Outstanding delinquent taxes	Outstanding delinquent taxes as percentage of current levy
2014	(1)	458,863	443,945	96.7 %	\$	22,903	\$ 466,848	101.7 %	\$	13,329	2.9%
2015		449,477	437,411	97.3		17,517	454,928	101.2		13,204	2.9
2016	(2)	463,919	440,273	94.9		8,744	449,017	96.8		11,555	2.5
2017	(3)	479,316	320,442	66.9		22,785	343,227	71.6		10,385	2.2
2018	(1)	528,319	504,080	95.4		159,945	664,025	125.7		10,176	1.9
2019		554,955	539,521	97.2		44,858	584,379	105.3		8,656	1.6
2020	(2)	584,474	557,811	95.4		21,415	579,226	99.1		7,695	1.3
2021	(2)	585,983	558,159	95.3		28,474	586,633	100.1		7,835	1.3
2022	(2)	609,481	578,040	94.8		30,336	608,376	99.8		8,862	1.5
2023	(2)	642,489	611,593	95.2		35,007	646,600	100.6		7,503	1.2

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

Fiscal Year		Total current year tax levy	Current tax collected	Percent of levy collected		Delinquent tax collected	Total tax collected	Total collections as percentage of current levy		Outstanding delinquent taxes	Outstanding delinquent taxes as percentage of current levy
2014	(1)	12,272	\$ 11,888	96.9 %	\$	640	\$ 12,528	102.1 %	\$	201	1.6%
2015		12,568	12,240	97.4		441	12,681	100.9		252	2.0
2016	(2)	13,053	12,412	95.1		236	12,648	96.9		270	2.1
2017	(3)	13,474	9,176	68.1		629	9,805	72.8		282	2.1
2018	(1)	14,327	13,691	95.6		4,320	18,011	125.7		281	2.0
2019		15,004	14,607	97.4		1,154	15,761	105.0		237	1.6
2020	(2)	15,988	15,280	95.6		574	15,854	99.2		196	1.2
2021	(2)	16,194	15,445	95.4		815	16,260	100.4		196	1.2
2022	(2)	17,168	16,330	95.1		832	17,162	100.0		217	1.3
2023	(2)	17,281	16,496	95.5		964	17,460	101.0		176	1.0

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

(2) 2016, 2020, 2021, 2022 & 2023 due date November 15 as opposed to a normal due date of October 15

(3) 2017 due date January 15 of subsequent year as opposed to a normal due date of October 15

Amounts represented for Real Estate & Personal Property Taxes

Schedule 8-B

FULTON COUNTY, GEORGIA
 Special Service District Fund Property Tax Levy and Collections
 Last Ten Fiscal Years
 (in thousands)

Fiscal Year	Total current year tax levy	Current tax collected	Percent of levy collected	Delinquent tax collected	Total tax collected	Total collections as percentage of current levy	Outstanding delinquent taxes	Outstanding delinquent taxes as percentage of current levy
2014	\$ —	—	— %	\$ —	\$ —	— %	\$ —	0.0%
2015	— (1)	—	—	—	—	—	—	—
2016	—	—	—	—	—	—	—	—
2017	— (2)	—	—	—	—	—	—	—
2018	— (3)	—	—	—	—	—	—	—
2019	— (1)	—	—	—	—	—	—	—
2020	—	—	—	—	—	—	—	—
2021	— (2)	—	—	—	—	—	—	—
2022	— (2)	—	—	—	—	—	—	—
2023	— (2)	—	—	—	—	—	—	—

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

Fiscal Year	Total current year tax levy	Current tax collected	Percent of levy collected	Delinquent tax collected	Total tax collected	Total collections as percentage of current levy	Outstanding delinquent taxes	Outstanding delinquent taxes as percentage of current levy
2014	\$ — (1)	—	— %	\$ —	\$ —	— %	\$ —	0.0%
2015	—	—	—	1	1	—	—	—
2016	— (2)	—	—	—	—	—	—	—
2017	— (3)	—	—	—	—	—	—	—
2018	— (1)	—	—	—	—	—	—	—
2019	—	—	—	—	—	—	—	—
2020	— (2)	—	—	—	—	—	—	—
2021	— (2)	—	—	—	—	—	—	—
2022	— (2)	—	—	—	—	—	—	—
2023	— (2)	—	—	—	—	—	—	—

Source: Fulton County Tax Commissioner's office

- (1) 2014 & 2018 due date October 31 as opposed to normal due date of October 15
 - (2) 2016, 2020, 2021, 2022 & 2023 due date November 15 as opposed to a normal due date of October 15
 - (3) 2017 due date January 15 of subsequent year as opposed to a normal due date of October 15
- Amounts represented for Real Estate & Personal Property Taxes

FULTON COUNTY, GEORGIA

Northwest Special Service Sub-District Fund Property Tax Levy and Collections
Last Nine Fiscal Years
(in thousands)

Fiscal Year		Total current year tax levy	Current tax collected	Percent of levy collected	Delinquent tax collected	Total tax collected	Total collections as percentage of current levy	Outstanding delinquent taxes	Outstanding delinquent taxes as percentage of current levy
2014	(1)	\$ —	\$ —	— %	\$ 1	\$ 1	— %	\$ —	—
2015-2023		—	—	—	—	—	—	—	—

FULTON COUNTY, GEORGIA

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

Fiscal Year		Total current year tax levy	Current tax collected	Percent of levy collected	Delinquent tax collected	Total tax collected	Total collections as percentage of current levy	Outstanding delinquent taxes	Outstanding delinquent taxes as percentage of current levy
2014	(1)	\$ 28,522	\$ 26,914	94.4 %	\$ 1,872	\$ 28,786	100.9 %	\$ 1,397	4.9%
2015		29,306	28,041	95.7	1,505	29,546	100.8	1,389	4.7
2016	(2)	30,096	28,134	93.5	1,098	29,232	97.1	1,320	4.4
2017	(3)	10,821	6,436	59.5	1,754	8,190	75.7	1,324	12.2
2018	(1)	—	—	—	4,224	4,224	—	1,173	—
2019		—	—	—	85	85	—	824	—
2020	(2)	—	—	—	116	116	—	502	—
2021	(2)	—	—	—	26	26	—	297	—
2022	(2)	—	—	—	64	64	—	189	—
2023	(2)	—	—	—	242	242	—	53	—

FULTON COUNTY, GEORGIA

Fulton Industrial Special District Fund Property Tax Levy and Collections
Last Nine Fiscal Years
(in thousands)

Fiscal Year		Total current year tax levy	Current tax collected	Percent of levy collected	Delinquent tax collected	Total tax collected	Total collections as percentage of current levy	Outstanding delinquent taxes	Outstanding delinquent taxes as percentage of current levy
2017	(3)	6,033	2,597	43.0	—	2,597	43.0	—	0.0%
2018	(1)	7,543	7,106	94.2	4,651	11,757	155.9	292	3.9
2019		10,435	10,147	97.2	258	10,405	99.7	85	0.8
2020	(2)	12,870	12,079	93.9	(190)	11,889	92.4	121	0.9
2021	(2)	12,259	11,565	94.3	800	12,365	100.9	185	1.5
2022	(2)	3,866	3,677	95.1	1,090	4,767	123.3	217	5.6
2023	(2)	4,397	4,130	93.9	1,556	5,686	129.3	708	16.1

Source: Fulton County Tax Commissioner's office

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

(2) 2016, 2020, 2021, 2022 & 2023 due date November 15 as opposed to a normal due date of October 15

(3) 2017 due date January 15 of subsequent year as opposed to a normal due date of October 15

Amounts represented for Real Estate & Personal Property Taxes

Schedule 9

FULTON COUNTY, GEORGIA
Computation of Direct and Overlapping Debt
as of December 31, 2023

Name of governmental unit	Amount outstanding	Percentage applicable	Amount applicable
Direct debt:			
Fulton County General Obligation Library bonds	\$ 216,173,662	100.00%	216,173,662
Fulton County Urban Redevelopment Agency	115,137,362	100.00%	115,137,362
Fulton County financed purchases	38,713,915	100.00%	38,713,915
South Fulton Regional Jail Authority (Fulton project)	9,385,000	100.00%	9,385,000
Leases and other subscription arrangements	149,446,504	100.00%	149,446,504
Total direct debt	528,856,443		528,856,443
Contractual obligations and overlapping contractual obligations:			
Fulton County School District	—	100.00%	—
The Fulton-DeKalb Hospital Authority:			
Surgery Center project bonds - 2020	61,720,000	100.00%	61,720,000
Surgery Center project bonds - 2021	7,435,000	100.00%	7,435,000
Municipalities:			
Alpharetta	104,130,535	100.00%	104,130,535
Atlanta (including School District) (1)	664,790,000	94.31% *	626,974,162
Hapeville	4,785,000	100.00%	4,785,000
Fairburn	6,125,000	100.00%	6,125,000
Johns Creek (2)	36,893,552	100.00%	36,893,552
Milton	43,896,439	100.00%	43,896,439
Union City	8,225,176	100.00%	8,225,176
South Fulton URA, latest published data 2021	15,040,000	100.00%	15,040,000
Roswell	89,205,658	100.00%	89,205,658
East Point Building Authority, latest published data 2021	31,804,148	100.00%	31,804,148
Total overlapping debt	\$ 1,074,050,508		1,036,234,670
Total direct and overlapping debt and contractual obligations and overlapping contractual obligations	\$ 1,602,906,951		1,565,091,114

* For above debt funded through property tax collections the percentage of overlapping debt applicable is estimated using taxable property values for the specific geographic area.

- (1) Does not include the City of Atlanta's Certificates of Participation of \$54,428,000 as of December 31, 2023.
- (2) Does not include the City of Johns Creek Certificate of Participation issued by the Georgia Municipal Association on behalf of the City in the amount remaining of \$16,270,000 as of December 31, 2023.
- (3) Does not include the City of Sandy Springs obligations pursuant to an annually renewable lease agreement with the Public Facilities Authority. The balance including premium, as of December 31, 2023 is \$219,600,682

Calculation of City of Atlanta overlapping percentages:	M&O A.V. (\$000s)	% of M&O A.V.	Bond A.V. (\$000's)
City of Atlanta in Fulton	\$ 42,418,391	94.19%	\$ 48,407,716
City of Atlanta in DeKalb	2,614,391	5.81%	2,919,703
	\$ 45,032,782	100.00%	\$ 51,327,419

**Based on 2023 Digest values from Georgia Dept of Revenue (from DOR website for 2023 values)

Schedule 10

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

Fiscal Year	Governmental Activities									Business-type activities				Total	
	General Obligation bonds	Leases and Subscription technology arrangements	Fulton County Facilities Corporation bonds	Fulton County Urban Redevelopment Agency bonds	Financed purchases & Intergovernmental agreements	Total Governmental activities	% of Personal Income	Per Capita debt (not in thousands)	Water & Sewerage Revenue Bonds	Total Business-type activities	Estimated Water/Sewer connections	Debt per estimated connection	Total Debt Primary Government	Per Capita debt (not in thousands)	
2014	\$ 153,044	—	84,680	25,136	61,896	324,756	1.31%	840.39	512,536	512,536	164,988	3,107	837,292	840.39	
2015	148,548	—	75,506	23,243	66,948	314,245	1.14%	798.58	492,765	492,765	167,299	2,945	807,010	798.58	
2016	143,881	—	58,058	21,291	64,690	287,920	0.97%	743.10	472,519	472,519	171,750	2,751	760,439	743.10	
2017	250,294	—	39,967	64,274	56,941	411,476	1.11%	828.87	451,733	451,733	172,081	2,625	863,209	828.87	
2018	245,227	—	21,199	59,651	62,294	388,371	0.96%	786.20	430,397	430,397	173,579	2,480	818,768	786.20	
2019	239,939	—	—	99,993	72,523	412,455	0.89%	781.74	408,464	408,464	175,964	2,321	820,919	781.74	
2020	234,408	—	—	91,984	63,224	389,616	1.10%	1,005.07	693,245	693,245	179,017	3,873	1,082,861	1,005.07	
2021	228,618	—	—	138,793	53,662	421,073	0.99%	1,002.03	646,423	646,423	179,731	3,597	1,067,496	1,002.03	
2022	222,544	95,098	—	126,912	45,110	489,664	0.88%	947.96	624,146	624,146	182,108	3,427	1,018,712	947.96	
2023	216,174	149,447	—	115,137	48,099	528,857	1.01%	1,047.65	601,672	601,672	184,608	3,259	1,130,529	1,047.65	

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

Sources:

Personal Income and Population data from Schedule 15 - Demographic statistics

Schedule 11

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

Fiscal Year	General Obligation bonds*	Less debt service funds	Net bonded debt	Assessed value for bond purposes	Percentage of actual taxable value	Net bonded debt per capita (not in thousands)
2014	\$ 153,044	13,546	139,498	50,337,606	0.28 %	\$ 140.01
2015	148,548	18,291	130,257	54,588,184	0.24	128.90
2016	143,881	22,729	121,152	55,916,272	0.22	118.39
2017	250,294	22,575	227,719	57,938,549	0.39	218.66
2018	245,227	31,542	213,685	66,900,764	0.32	203.49
2019	239,939	32,939	207,000	73,828,332	0.28	194.56
2020	234,408	35,116	199,292	77,019,540	0.26	184.97
2021	228,618	39,327	189,291	82,490,198	0.23	177.68
2022	222,544	41,671	180,873	89,950,761	0.20	168.31
2023	216,174	48,075	168,099	102,360,994	0.16	155.78

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

Sources:

Population data from Schedule 15 - Demographic statistics

Schedule 12

FULTON COUNTY, GEORGIA
Schedule of Revenue Bond Coverage
Fulton County Water and Sewerage System
Last Ten Fiscal Years
(in thousands)

<u>Fiscal Year</u>	<u>Operating revenues*</u>	<u>Operating expenses*</u>	<u>Net earnings</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Coverage</u>
2014	(1) 119,366	67,639	(2) 51,727	4,920	22,311	27,231	1.90
2015	121,605	69,066	52,539	14,650	22,123	36,773	1.43
2016	129,236	71,696	57,540	15,325	21,453	36,778	1.56
2017	125,476	69,734	55,742	16,090	20,687	36,777	1.52
2018	138,650	75,835	62,815	16,875	19,898	36,773	1.71
2019	154,067	73,660	80,407	17,720	19,057	36,777	2.19
2020	145,232	77,096	68,136	18,605	22,377	40,982	1.66
2021	153,437	79,112	74,325	19,585	20,015	39,600	1.88
2022	163,116	83,366	79,750	19,718	19,825	39,543	2.02
2023	176,858	88,821	88,037	19,914	19,620	39,534	2.23

* As defined in the Fulton County, Georgia Water and Sewerage Bond Resolutions.

- (1) Includes one-time revenues for sale of future wastewater treatment capacity or property to other municipalities of \$3.7 million in 2014
(2) Includes a one-time contractual termination payment of \$13,249

Schedule 13

FULTON COUNTY, GEORGIA

Legal Debt Margin Information

Last Ten Fiscal Years

(in thousands)

Assessed value		\$ 109,644,861
Less:		
Applicable property tax exemptions		(7,283,867)
Assessed value for bond purposes		<u>102,360,994</u>
Debt limit 10% of assessed value		10,236,099
Less amounts of debt applicable to the limit:		
General Obligation debt outstanding		216,174
less available debt service funds		<u>(48,075)</u>
Total amount applicable to debt limit		<u>168,099</u>
Legal Debt Margin		<u>\$ 10,068,000</u>

	Debt Limit	Total net bonded debt applicable to limit	Legal Debt Margin	Total net debt applicable to the limit as a % of debt limit
2014	\$ 5,033,761	139,498	4,894,263	0.29%
2015	5,458,818	130,257	5,328,561	0.24%
2016	5,591,627	121,152	5,470,475	0.22%
2017	5,793,855	227,719	5,566,136	0.41%
2018	6,690,076	213,685	6,476,391	0.33%
2019	7,382,833	207,000	7,175,833	0.29%
2020	7,701,954	199,292	7,502,662	0.27%
2021	8,249,020	189,291	8,059,729	0.23%
2022	8,995,076	180,873	8,814,203	0.21%
2023	10,236,099	168,099	10,068,000	0.17%

Schedule 14

FULTON COUNTY, GEORGIA

Demographic Information
Last Ten Fiscal Years

Fiscal Year	Fulton County Population	Per capita personal Income(1)	Fulton County Personal Income(1) (in thousands)	Unemployment Rate	
2014	996,319	\$ 68,018	\$ 63,937,957	6.3	%
2015	1,010,562	69,977	70,716,189	5.4	
2016	1,023,336	75,987	75,824,470 (1)	5.4	
2017	1,041,423	81,809	85,197,774 (1)	4.3	
2018	1,050,114	87,609 (1)	91,555,622 (1)	3.8	
2019	1,063,937	93,307 (1)	98,685,270 (1)	3.9	
2020	1,069,394	92,999 (1)	99,449,827 (1)	11.1	
2021	1,062,451	101,688 (1)	108,046,686 (1)	4.9	
2022	1,073,698	100,614 (1)	108,123,538 (1)	2.8	
2023	1,079,105	103,722 (1)	111,926,670 (1)	3.1	(2)

Population data from U.S. Census Bureau mid-year population estimates, of which July 1, 2020, 2021, and 2021 was amended upon release of the July 1, 2023 data.

Income data from U.S. Bureau of Economic Analysis

(1) Data amended to match U.S. Department of Commerce-Bureau of Economic Analysis for 2018-2022. 2023 data not yet available. but estimated with a 2% increase from 2022 per capita personal income data applied to U.S Census 2023 mid year population estimate. (2018, 2019, 2020, and 2021 adjusted to currently available data)

(2) Annual unemployment rates from the Georgia Department of Labor; 2023 from the Georgia Dept of Labor, County Labor Force Estimates-December 2023

FULTON COUNTY, GEORGIA

Principal Employers
Current Year and Nine Years Ago

Top Ten major employers 2023

Amzn Wvcs, LLC
Childrens Healthcare of Atlanta
Delta Air Lines, Inc.
Emory Healthcare, Inc.
Georgia Institute of Technology
Georgia State University
Grady Health System
Northside Hospital, Inc.
Publix Super Markets, Inc.
United Parcel Service

* From Georgia Department of Labor, Fulton County Area Labor Profile, updated Feb 2024

(From 2014 CAFR)	Employees*	Percentage of County employment
Ten major employers-within 29 county Atlanta Metro Statistical area - 2014		
Delta Airlines	31,237	3.95%
Emory University/Emory Healthcare	29,937	3.79%
Wal-Mart Stores, Inc.	20,532	2.60%
Home Depot, Inc.	20,000	2.53%
AT&T	17,882	2.26%
Kroger Co.	14,753	1.87%
WellStar Health system	13,500	1.71%
Publix Super Markets, Inc.	9,494	1.20%
United States Postal Service-Atlanta district	9,385	1.19%
Northside Hospital	9,016	1.14%

* From the Metro Atlanta Chamber of Commerce, within 29 Metro-Atlanta county area.
dated 12/9/2014; these statistics could include employees working in other areas outside Fulton County.

** Georgia Department of Labor statistic for average employment-Fulton County 4rth qtr 2014 was 790,423

Schedule 16

FULTON COUNTY, GEORGIA
Full-time County Employees by Function/Program
Last Ten Fiscal Years
(in thousands)

<u>Fiscal Year</u>	<u>General Government</u>	<u>Police</u>	<u>Fire</u>	<u>Emergency Services (911)</u>	<u>Water & Sewerage</u>	<u>All Other</u>	<u>Total Government</u>
2014	4,122	165	135	58	292	245	5,017
2015	4,320	169	135	64	278	262	5,228
2016	4,230	175	166	69	268	261	5,169
2017	4,240	175	166	66	262	288	5,197
2018	4,071	37	4	66	260	558	4,996
2019	4,113	37	—	70	258	139	4,617
2020	4,153	41	—	70	263	168	4,695
2021	4,191	46	—	69	262	136	4,704
2022	4,211	19	—	68	270	163	4,731
2023	4,036	21	2	69	268	222	4,618

Sources: Fulton County Budget Book

FULTON COUNTY, GEORGIA

Operating Indicators by Function/Program
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Atlanta/Fulton County Library										
Circulation-checked out	2,758,653	3,002,518	3,080,554	2,921,168	3,214,856	2,820,468	973,423	1,736,383	2,172,082	2,227,767
New library cards issued	43,382	55,058	49,927	68,915	129,974	86,184	46,876	60,691	64,168	70,709
Database inquiries (hits)	1,016,484	8,178,590	8,697,718	8,487,402	8,179,353	7,720,262	1,309,442	1,281,451	139,203	1,769,666
Transportation: Roadway miles paved	8	8	-	-	-	5	4.7	-	2.2	-
911 Emergency Communications calls:	433,398	668,379	657,973	710,475	650,337	558,630	413,355	436,171	356,573	580,093
Water and Sewerage fund:										
Wastewater average flows										
in millions of gallons per day:										
Camp Creek	15.70	17.23	14.86	15.06	16.73	15.95	19.89	17.47	18.57	17.36
John's Creek	8.62	8.43	8.48	8.08	8.44	9.31	10.28	9.58	9.34	9.22
Big Creek	18.35	19.06	19.82	19.35	19.41	21.08	23.37	20.08	19.05	17.89
Little River	0.90	0.87	0.83	0.81	0.70	0.94	1.11	0.94	0.83	0.82

*not available

Source: Fulton County Budget book and County departments

FULTON COUNTY, GEORGIA

Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Atlanta/Fulton County Library Branches, including main facility	36	36	34	34	34	34	34	34	34	34
Health and Wellness: Health centers	9	9	8	8	8	8	8	-	-	-
Jail and detention centers	3	3	3	4	4	4	4	4	4	4
Fire Stations	15*	13*	13*	13*	0***	0***	0***	0***	0***	0***
Water and Sewerage fund: Wastewater treatment plants	4	4	4	4	4	4	4	4	4	4
Water treatment plant - (joint venture)	1	1	1	1	1	1	1	1	1	1
County owned roadways (in miles)	684	684	606**	68**	44**	44**	44**	5.6**	5.6**	5.6**

*Three stations leased by municipalities

**Primarily all roadways were transferred to the new City of South Fulton on May 1, 2017 through 12/31/2021 .

***All fire stations have been transferred to leasing municipalities.

All data from County departments

- Health centers are now operated by the separate Fulton County Board of Health

**Report on Internal Control
over Financial Reporting and on
Compliance and Other Matters
Based on an Audit of
Financial Statements
Performed in Accordance
with
Government Auditing Standards**

**Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other Matters Based
on an Audit of Financial Statements Performed in Accordance
with *Government Auditing Standards***

**To the Board of Commissioners
Fulton County, Georgia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund the general fund and American Rescue fund budget to actual comparisons, and the aggregate remaining fund information of Fulton County, Georgia (the "County"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 28, 2024. Our report includes a reference to other auditors who audited the financial statements of the Fulton-Dekalb Hospital Authority and the Fulton County Board of Health, as described in our report on the County's basic financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal controls that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "PJC Group, LLC". The signature is written in a cursive, flowing style.

Atlanta, Georgia
June 28, 2024