

NEW ISSUE - BOOK-ENTRY ONLY

**RATINGS: Fitch: "F1+"
S&P: "SP-1+"
(See "RATINGS" herein)**

In the opinion of Note Counsel, under existing law and subject to the conditions described in "TAX MATTERS" herein, interest on the Notes (a) is excludable from the gross income of the owners thereof for purposes of federal income taxation under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (b) is not a specific item of tax preference for purposes of the federal alternative minimum tax on individuals. In addition, such interest is included in the "adjusted financial statement income" (as defined in Section 56A of the Code) of certain corporations in determining the applicability and amount of the federal corporate alternative minimum tax imposed under Section 55(b) of the Code. Note Counsel is further of the opinion that under current law, the income on the Notes, including the interest thereon, is exempt from income taxation by the State of Georgia. See "TAX MATTERS" herein regarding other tax considerations.



\$275,000,000*
FULTON COUNTY, GEORGIA
GENERAL FUND TAX ANTICIPATION NOTES,
SERIES 2025

Dated: Date of Delivery

Due: December 30, 2025

This Official Statement relates to the sale and issuance by Fulton County, Georgia (the "County") of \$275,000,000* in aggregate principal amount of its General Fund Tax Anticipation Notes, Series 2025 (the "Notes") pursuant to: (a) Article IX, Section V, Paragraph V of the Constitution of the State of Georgia of 1983; (b) Section 36-80-2 of the Official Code of Georgia Annotated, as amended and supplemented; and (c) a resolution adopted by the Board of Commissioners of the County (the "Board of Commissioners") on March 5, 2025, as supplemented by a resolution expected to be adopted by the Board of Commissioners on May 7, 2025. The Notes are being issued for the purpose of: (a) paying certain current expenses of the County for calendar year 2025 in anticipation of the receipt of revenues from taxes levied or to be levied for the General Fund of the County and (b) paying the costs of issuance related to the Notes. See "AUTHORIZATION AND PURPOSE" herein.

The Notes will initially be issued in fully registered form, in denominations of \$5,000 or any integral multiple of \$5,000 in excess thereof and initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). Purchases of beneficial ownership interests in the Notes will be made in book-entry form only and purchasers will not receive physical delivery of certificates representing the beneficial ownership interests in the Notes so purchased. Payments of principal of and interest on the Notes will be made to Cede & Co., as nominee for DTC as registered owner of the Notes to be subsequently disbursed to the Beneficial Owners (as defined in Appendix F attached hereto). See "APPENDIX F - DTC AND THE BOOK-ENTRY ONLY SYSTEM" attached hereto.

Interest on the Notes (a) will accrue from the initial issue date to, but not including, the maturity date, (b) will be computed on the basis of a 360-day year comprised of twelve 30-day months, and (c) will be payable on December 30, 2025. The Notes are not subject to redemption prior to maturity. See "DESCRIPTION OF THE NOTES" herein.

The Notes are payable from revenues from taxes levied or to be levied for calendar year 2025 for the General Fund and other funds available to the County for such purpose. See "SECURITY AND SOURCES OF PAYMENT FOR THE NOTES" herein. For information related to the County and its financial condition generally, see "THE COUNTY," "FISCAL OVERVIEW OF THE COUNTY" and "PROPERTY TAXES" herein, and "APPENDIX A - MONTHLY CASH FLOW SUMMARIES," "APPENDIX B - AUDITED FINANCIAL STATEMENTS OF FULTON COUNTY FOR FISCAL YEAR ENDED DECEMBER 31, 2023," and "APPENDIX C - CERTAIN STATISTICAL AND FINANCIAL INFORMATION RELATING TO FULTON COUNTY, GEORGIA" attached hereto.

Electronic proposals for the purchase of the Notes will be received by the County via the BidCOMP/Parity electronic bid submission system ("Parity®") on May 7, 2025, until 10:00 a.m. local time in the City of Atlanta, or on such other date or time as may be determined by the County, with notice provided through Parity® all as provided in the Official Notice of Sale, dated April 29, 2025, relating to the Notes.

This cover page contains certain limited information for quick reference only. It is not, and is not intended to be, a summary of the matters relating to the Notes. Potential investors should read the entire Official Statement, including the inside front cover page and the appendices attached hereto, to obtain information essential to the making of an informed investment decision.

The Notes are being offered when, as, and if issued by the County and received by the Purchaser subject to prior sale and to withdrawal or modification of the offer without notice, and subject to the approving opinion of McGuireWoods LLP, Atlanta, Georgia, as Note Counsel. Certain legal matters will be passed upon for the County by Y. Soo Jo, Esq., as the County Attorney. Certain legal matters will be passed upon for the County by Greenberg Traurig, LLP, Atlanta, Georgia, as Disclosure Counsel. Raymond James & Associates, Inc., Atlanta, Georgia serves as financial advisor to the County in connection with the sale of the Notes. The Notes are expected to be delivered through the book-entry system of DTC on or about May 15, 2025.

_____, 2025

* Preliminary; subject to change.

This Preliminary Limited Offering Memorandum and the information contained herein are subject to change, completion and amendment without notice. The Series 2025 Bonds may not be sold nor may an offer to buy be accepted prior to the time the Limited Offering Memorandum is delivered in final form. Under no circumstances shall this Preliminary Limited Offering Memorandum constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

**MATURITY, PRINCIPAL AMOUNT, INTEREST RATE,
YIELD, PRICE, AND INITIAL CUSIP NUMBER[†]**

\$275,000,000*

**FULTON COUNTY, GEORGIA
GENERAL FUND TAX ANTICIPATION NOTES,
SERIES 2025**

Maturity	Principal Amount	Interest Rate	Yield	Price	Initial CUSIP Number[†]
December 30, 2025	\$275,000,000*				

* Preliminary; subject to change.

[†] Initial CUSIP® numbers have been assigned to the Notes by an organization not affiliated with the County or the Financial Advisor (as defined herein) and are included for the convenience of the owners of the Notes only at the time of initial issuance of the Notes. None of the County, the Financial Advisor nor the Purchaser or their agents or counsel is responsible for the selection, use or accuracy of the CUSIP® numbers nor is any representation made as to their correctness with respect to the Notes as included herein or at any time in the future. The CUSIP® number for a specific maturity is subject to being changed after the issuance of the Notes as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Notes.

FULTON COUNTY, GEORGIA

Board of Commissioners

Robert L. Pitts, *Chairman (At-Large)*

Bob Ellis, *Vice-Chair (District 2)*

Bridget Thorne, *Commissioner (District 1)*

Dana Barrett, *Commissioner (District 3)*

Mo Ivory, *Commissioner (District 4)*

Marvin S. Arrington, Jr., *Commissioner (District 5)*

Khadijah Abdur-Rahman, *Commissioner (District 6)*

Clerk to the Commission

Tonya R. Grier

County Manager

Richard "Dick" Anderson

Chief Operating Officer

Pamela Roshell, Ph.D.

County Attorney

Y. Soo Jo, Esq.

Chief Financial Officer

Sharon L. Whitmore, CPA, CPFO

CONSULTANTS TO FULTON COUNTY, GEORGIA

Note Counsel

McGuireWoods LLP

Atlanta, Georgia

Disclosure Counsel

Greenberg Traurig, LLP

Atlanta, Georgia

Financial Advisor to the County

Raymond James & Associates, Inc.

Atlanta, Georgia

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This Official Statement does not constitute a contract between the County or the Purchaser (as defined herein) and any one or more owners of the Notes, nor does it constitute an offer to sell or the solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make such an offer in such jurisdiction.

No dealer, broker, salesman or any other person has been authorized by the County or the Purchaser to give any information or to make any representations, other than those contained in this Official Statement, in connection with the offering of the Notes, and if given or made, such information or representations must not be relied upon as having been authorized by the County or any other person. The information and expressions of opinion in this Official Statement are subject to change without notice, and this Official Statement speaks only as of its date. Neither the delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create the implication that there has been no change in the matters described herein since the date hereof. Except as otherwise indicated, the information contained in this Official Statement, including in the appendices attached hereto, has been obtained from representatives of the County and from public documents, records and other sources considered to be reliable.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE COUNTY FOR PURPOSES OF RULE 15c2-12 ("RULE 15c2-12") OF THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC") PROMULGATED PURSUANT TO THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, EXCEPT FOR CERTAIN INFORMATION PERMITTED TO BE OMITTED PURSUANT TO PARAGRAPH (b)(1) OF RULE 15c2-12.

IN CONNECTION WITH THE OFFERING OF THE NOTES, THE PURCHASER MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE NOTES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE NOTES HAVE NOT BEEN REGISTERED WITH THE SEC UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE NOTE RESOLUTION (AS DEFINED HEREIN) BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE NOTES IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF THE STATES, IF ANY, IN WHICH THE NOTES HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN CERTAIN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE NOTES OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

In making an investment decision, investors must rely on their own examination of the County, and the terms of the offering, including the merits and risks involved. The Notes have not been recommended by any federal or state securities commission or regulatory authority. Any representation to the contrary may be a criminal offense.

The order and placement of information in this Official Statement, including the appendices attached hereto, are not an indication of relevance, materiality or relative importance, and this Official Statement, including the appendices attached hereto, must be read in its entirety. The captions and headings in this Official Statement are for convenience only and in no way define, limit or describe the scope or intent, or affect the meaning or construction, of any provision or section in this Official Statement.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS IN EITHER BOUND OR PRINTED FORMAT ("ORIGINAL BOUND FORMAT"), OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITE: WWW.MUNIOS.COM. THIS OFFICIAL STATEMENT MAY BE RELIED ON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT, OR IF IT IS PRINTED IN ITS ENTIRETY DIRECTLY FROM SUCH WEBSITE.

References to website addresses presented herein, including the County's website or any other website containing information about the County, are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for any purpose including for purposes of Rule 15c2-12.

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	1
General.....	1
Other Information	1
AUTHORIZATION AND PURPOSE	1
DESCRIPTION OF THE NOTES.....	2
BOOK-ENTRY ONLY SYSTEM.....	3
SECURITY AND SOURCES OF PAYMENT FOR THE NOTES	3
ENFORCEABILITY OF REMEDIES	3
THE COUNTY	4
General.....	4
Government	5
County Executive Management.....	5
Cybersecurity	7
FISCAL OVERVIEW OF THE COUNTY	8
Statement of Revenues, Expenditures, and Changes in General Fund Balances	9
Management's Discussion and Analysis (Unaudited).....	10
Operating Revenues and Expenses for Periods Ended December 31, 2024 and 2023 (Unaudited; Cash Basis)	11
General Obligation Bonds	12
Property Tax Supported Debt	13
Ratio of General Bonded Debt Outstanding	14
Pension and Other Post-Employment Benefits.....	14
PROPERTY TAXES	35
Property Tax Digest	35
Historical Assessed Value of Taxable Property	36
Property Tax Rates.....	37
Property Tax Collection Schedule	38
Major Taxpayers	39
LITIGATION.....	39
TAX MATTERS.....	40
Opinion of Note Counsel – Federal Income Tax Status of Interest.....	40
Reliance and Assumptions; Effect of Certain Changes	40
Certain Collateral Federal Tax Consequences	41
Original Issue Discount	41

Original Issue Premium	42
Information Reporting and Backup Withholding	43
Internal Revenue Service Audits	43
Opinion of Note Counsel - Georgia Income Tax Consequences	43
Changes in Federal and State Tax Law and Regulations.....	43
CONTINUING DISCLOSURE.....	44
CERTAIN LEGAL MATTERS	45
FINANCIAL STATEMENTS	45
FINANCIAL ADVISOR	45
RATINGS	45
COMPETITIVE SALE OF THE NOTES	46
FORWARD-LOOKING STATEMENTS	46
MISCELLANEOUS	47
AUTHORIZATION OF OFFICIAL STATEMENT	48
APPENDIX A - MONTHLY CASH FLOW SUMMARIES	
APPENDIX B - AUDITED FINANCIAL STATEMENTS OF FULTON COUNTY FOR FISCAL YEAR ENDED DECEMBER 31, 2023	
APPENDIX C - CERTAIN STATISTICAL AND FINANCIAL INFORMATION RELATING TO FULTON COUNTY, GEORGIA	
APPENDIX D - FORM OF NOTE COUNSEL OPINION	
APPENDIX E - FORM OF CONTINUING DISCLOSURE CERTIFICATE	
APPENDIX F - DTC AND THE BOOK-ENTRY ONLY SYSTEM	

OFFICIAL STATEMENT

relating to

\$275,000,000*

FULTON COUNTY, GEORGIA GENERAL FUND TAX ANTICIPATION NOTES SERIES 2025

Due: December 30, 2025

INTRODUCTION

General

The purpose of this Official Statement, which includes the inside front cover page and the appendices attached hereto, is to provide certain information in connection with the issuance and sale by Fulton County, Georgia (the "County") of \$275,000,000* in aggregate principal amount of its General Fund Tax Anticipation Notes, Series 2025 (the "Notes").

Other Information

This Official Statement speaks only as of its date and the information contained herein is subject to change. This Official Statement, including the inside front cover page and the appendices attached hereto, contains brief descriptions of, among other matters, the County, the Notes, the security, and sources of payment for the Notes, and the Note Resolution (as defined herein). Such descriptions and information do not purport to be comprehensive or definitive. The summaries of various constitutional provisions, statutes, the Note Resolution, and other documents are intended as summaries only and are qualified in their entirety by reference to such documents, and references herein to the Notes are qualified in their entirety to the form thereof included in the Note Resolution. Copies of the Note Resolution and other relevant documents and information are available, upon written request and payment of any applicable charge for copying, mailing, and handling, from Fulton County, Georgia, 141 Pryor Street, Atlanta, Georgia 30303.

AUTHORIZATION AND PURPOSE

The Notes are being issued pursuant to: (a) Article IX, Section V, Paragraph V of the Constitution of the State of Georgia of 1983 (the "State Constitution"); (b) Section 36-80-2 of the Official Code of Georgia Annotated, as amended and supplemented; and (c) a resolution adopted by the Board of Commissioners of the County (the "Board of Commissioners") on March 5, 2025, as supplemented by a resolution expected to be adopted by the Board of Commissioners on May 7, 2025 (together, the "Note Resolution").

* Preliminary; subject to change.

Pursuant to applicable constitutional and statutory authorizations, the County may incur debt by obtaining temporary loans, such as the Notes, in each year to pay expenses in anticipation of current year tax receipts under the following conditions: (a) the aggregate amount of all such temporary loans outstanding at any one time shall not exceed 75% of the total gross income from taxes collected in the last preceding year; (b) such temporary loans shall be payable on or before December 31 of the calendar year in which such loan is made; (c) all temporary loans obtained in any prior year are paid in full; and (d) the County shall not incur in any one calendar year an aggregate of such temporary loans or other contracts, notes, warrants, or obligations for current expenses in excess of the total anticipated revenue for such calendar year.

A portion of the proceeds of the Notes will be used to pay certain current expenses of the County for calendar year 2025 in anticipation of the receipt of revenues from taxes levied or to be levied for the General Fund of the County.

The Note Resolution authorizing the issuance of the Notes shall contain the following statement in order to establish that the amount of the Notes to be issued is within the limitation imposed by the State Constitution and statutes of the State of Georgia (the "State"), and that the other conditions set forth therein are met:

"The Board of Commissioners hereby finds and determines as follows: (a) the aggregate principal amount of the Notes herein authorized (\$275,000,000*) does not exceed \$589,997,341, being 75% of the total gross income from taxes collected by the County in calendar year 2024 for the General Fund (\$786,663,121); (b) the aggregate principal amount of the Notes, together with other contracts, notes, warrants or obligations of the County for current expenses in calendar year 2025 for the General Fund, do not exceed the total anticipated tax revenues of the County for the General Fund for calendar year 2025; (c) no temporary loan or other contract, note, warrant or other obligation for current expenses incurred in calendar year 2024 or any prior calendar year remains unpaid as of the date hereof; and (d) a need exists for the County to borrow \$275,000,000* to pay current expenses of the County in calendar year 2025 prior to the receipt of sufficient revenues from taxes levied or to be levied for the General Fund for 2025."

DESCRIPTION OF THE NOTES

The Notes will be dated as of the date of delivery thereof and payment therefor will be payable in lawful money of the United States of America upon presentation at the designated corporate trust office of the paying agent. The Notes will bear interest at the rate per annum indicated on the inside front cover page of this Official Statement. Interest on the Notes (a) will accrue from the initial issue date to, but not including, the maturity date, (b) will be computed on the basis of a 360-day year comprised of twelve 30-day months, and (c) will be payable on December 30, 2025. The Notes are not subject to redemption prior to maturity.

The Notes will initially be issued in fully registered form, in denominations of \$5,000 or any integral multiple of \$5,000 in excess thereof and initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). Purchases of beneficial ownership interests in the Notes will be made in book-entry form only and purchasers will not

* Preliminary; subject to change.

receive physical delivery of certificates representing the beneficial ownership interests in the Notes so purchased. Payments of principal of and interest on the Notes will be made to Cede & Co., as nominee for DTC as registered owner of the Notes to be subsequently disbursed to the Beneficial Owners (as defined in Appendix F attached hereto). See "APPENDIX F - DTC AND THE BOOK-ENTRY ONLY SYSTEM" attached hereto.

BOOK-ENTRY ONLY SYSTEM

Purchases of beneficial ownership interests in the Notes will be made in book-entry form only and purchasers will not receive physical delivery of bond certificates representing the beneficial ownership interests in the Notes so purchased. For a description of DTC and the book-entry only system, see "APPENDIX F - DTC AND THE BOOK-ENTRY ONLY SYSTEM" attached hereto.

SECURITY AND SOURCES OF PAYMENT FOR THE NOTES

The Notes are payable from revenues from taxes levied or to be levied for calendar year 2025 for the General Fund and other funds available to the County for such purpose.

For the purpose of providing funds for the payment of the principal of and interest on the Notes, the County is required to assess, levy, and collect a direct tax upon all real and personal property subject to taxation within the corporate limits of the County, the net proceeds of which will be in a sufficient amount to produce such sums as are required to pay the principal and interest thereon. Such sums are irrevocably pledged and appropriated to the payment of the principal and interest, when due, on the Notes.

For information related to the County and its financial condition generally, see "THE COUNTY," "FISCAL OVERVIEW OF THE COUNTY" and "PROPERTY TAXES" herein, and "APPENDIX A - MONTHLY CASH FLOW SUMMARIES," "APPENDIX B - AUDITED FINANCIAL STATEMENTS OF FULTON COUNTY FOR FISCAL YEAR ENDED DECEMBER 31, 2023," and "APPENDIX C - CERTAIN STATISTICAL AND FINANCIAL INFORMATION RELATING TO FULTON COUNTY, GEORGIA" attached hereto.

ENFORCEABILITY OF REMEDIES

The realization of value from the pledge of the taxing power of the County to the payment of the Notes upon any default will depend upon the exercise of various remedies specified by State law and the Note Resolution. These and other remedies may require judicial actions, which are often subject to discretion and delay, and which may be difficult to pursue. The enforceability of rights and remedies with respect to the Notes may be limited by state and federal laws, rulings, and decisions affecting remedies and by bankruptcy, reorganization, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereafter enacted. A court may decide not to order the specific performance of the covenants contained in the Note Resolution.

Notwithstanding the foregoing, O.C.G.A. § 36-80-5 provides that no county created under the State Constitution or the laws of the State shall be authorized to file a petition for relief from payment of its debts as they mature or a petition for composition of its debts under any federal statute providing for such relief or composition or otherwise to take advantage of any federal statute providing for the adjustment of debts of political subdivisions and public agencies and instrumentalities. O.C.G.A. § 36-80-5 also provides that no chief executive, board of commissioners, or other governmental officer, governing body, or organization shall be empowered to cause or authorize the filing by or on behalf of any county created under the State Constitution or laws of the State of any petition for relief from payment of its debts as they mature or a petition for composition of its debts under any federal statute providing for such relief or composition or otherwise to take advantage of any federal statute providing for the adjustment of debts of political subdivisions and public agencies and instrumentalities.

THE COUNTY

General

The County is the central county in the Atlanta Metropolitan Area and the most populous county in the State. As estimated by the U.S. Census Bureau as of July 1, 2024, the estimated population of the County was 1,090,354. Originally created in 1853 by the Georgia General Assembly and enlarged in 1931 by the absorption of two adjacent counties, the County encompasses approximately 523 square miles. The City of Atlanta occupies approximately 25% of the County, and accounts for almost half of the County's population. The fourteen other incorporated cities located in the County are: Alpharetta, Chattahoochee Hills, College Park, East Point, Fairburn, Hapeville, Johns Creek, Milton, Mountain Park, Palmetto, Roswell, Sandy Springs, South Fulton, and Union City. Urban and suburban areas associated with Atlanta, Hapeville, East Point, Sandy Springs, and College Park are located in the central section of the County; suburban areas associated with Alpharetta, Roswell, Johns Creek and Milton are located in the northern section of the County, and agricultural areas remain in the extreme ends of the 75-mile distance from the northern to the southern boundaries.

For additional information regarding the County, see "APPENDIX C - CERTAIN STATISTICAL AND FINANCIAL INFORMATION RELATING TO FULTON COUNTY, GEORGIA" attached hereto.

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Government

The County operates under the commission-county manager form of government. The Board of Commissioners is the governing and policy making body of the County. The Board of Commissioners consists of seven members, including the Chairman, that serve staggered four-year terms. The current members of the Board of Commissioners are as follows:

	District	Current Term Expires
Robert L. Pitts, <i>Chairman</i>	At-large	December 31, 2026
Bridget Thorne, Commissioner	1	December 31, 2026
Bob Ellis, <i>Vice Chair</i>	2	December 31, 2028
Dana Barrett, Commissioner	3	December 31, 2026
Mo Ivory, Commissioner	4	December 31, 2028
Marvin S. Arrington, Jr., Commissioner	5	December 31, 2026
Khadijah Abdur-Rahman, Commissioner	6	December 31, 2028

The Board of Commissioners sets levels of service to be provided by each department when it approves each annual department budget. It levies taxes, adopts a yearly capital improvement program, exercises authority over the County's health and welfare programs, authorizes County bond issues, and promotes new industrial activity through its Development Authority. It also regulates zoning, fire, and police protection service, in the unincorporated areas of the County.

The Board of Commissioners appoints the County Manager as its chief executive officer, who in turn appoints all department heads, except elected officials and some whose appointments are specifically provided for by law. The County Manager's chief function is to carry out County policy as set by the Board of Commissioners. The Finance Department is responsible for the collection, stewardship, and disbursement of County funds. The Finance Department compiles the County budget and the Annual Comprehensive Financial Report, accumulates data to evaluate programs, and analyzes revenue requirements. The County Attorney oversees an extensive litigation practice which includes employment, catastrophic personal injury, wrongful death, governmental contract, taxation, tax sales, tax assessment, environmental, construction, constitutional, and bankruptcy matters and extensive motion and appellate practice. The Office of the County Attorney also oversees a great variety of property and tax matters and provides internal advice, counsel and transactional services to the County department, management, and Board of Commissioners.

The fiscal year of the County is currently the twelve-month period beginning January 1 and ending on December 31 (the "Fiscal Year").

County Executive Management

Richard "Dick" Anderson, Fulton County Manager. Mr. Richard "Dick" Anderson was appointed Fulton County Manager in March, 2015 and serves as the top administrator for Georgia's largest county. He leads an organization of 4,700 professionals with a \$1 billion budget serving over 1 million citizens. Mr. Anderson's signature emphasis has been to make Fulton County "First in 3...Impact, Service and Efficiency." This has led to the County being recently named by Georgia Trend as one of four counties to watch in the future. Significant accomplishments have included comprehensive County efforts at COVID-19 testing and vaccinations for all citizens, as well as

the approval of a \$580 million transportation infrastructure investment with a first ever Special Purpose Local Option Sales Tax for transportation purposes (TSPLOST), a \$500 million water treatment infrastructure expansion and a \$100 million facilities renovation program. With an emphasis on customer service, Fulton County residents are indicating high levels of customer satisfaction and Fulton County employee compensation is tied to a customer satisfaction metric. As well, significant changes have been made to Behavioral Health, Public Health and Property Tax processes to improve the citizen experience.

Before joining Fulton County, Mr. Anderson held several executive positions in both the private and public sectors. He served most recently as the COO for the Federal Reserve working in Washington, D.C. with Chairman Bernanke and the Board of Governors to create a strategic plan for operations post the financial crisis. Previously, he served in Governor Sonny Perdue's administration as Executive Director of Georgia Regional Transportation Authority and led a strategic review of the state's transportation system. Mr. Anderson began his career in telecommunications and retired from BellSouth and AT&T after being Vice Chairman and Group President-Global Business.

Mr. Anderson has long been involved in the Atlanta community serving as the 2007 Metro Atlanta Chamber Chairman and on additional boards such as Children's Healthcare, Marcus Autism Center, Georgia Regional Transportation Authority, Clark Atlanta University and Camp Twin Lakes. He was recently named Citizen of the Year by the Greater North Fulton Chamber of Commerce.

Mr. Anderson graduated with BS and MBA degrees from Murray State University where he serves as an MSU trustee and was recognized by the Governor of Kentucky as Outstanding Alumni from a Kentucky university in 2016.

Pamela Roshell, Ph. D., Chief Operating Officer. Dr. Pamela Roshell serves as Chief Operating Officer. Prior to her appointment to the position of Chief Operating Officer, Dr. Pamela Roshell served as Fulton County's Chief Operating Officer Health, Human Services and Public Works. Dr. Roshell previously served as Deputy Chief Operating Officer for Health & Human Services and as Director of Senior Services, where she managed a \$20 million budget and drove policy implementation and strategy across a portfolio of intervention, prevention and supportive services for vulnerable populations. Dr. Roshell previously served as Regional Director for the U.S. Department of Health and Human Services and brings more than 20 years of experience in public administration, health policy, and gerontology in the public and nonprofit sectors.

Prior to her appointment as Regional Director, Dr. Roshell served in a variety of leadership roles at American Association of Retired Persons including State Director for AARP Georgia where she provided management and leadership to ensure that the Georgia State Office delivered value and relevant programs, services, outreach and consumer advocacy to AARP's more than 1 million members in Georgia.

Dr. Roshell is a graduate of Columbia College, and received a Master of Social Work degree with a specialty in Administration from the University of South Carolina. She has built on that specialty with the completion of a PhD in Social Policy, Planning and Administration from Clark Atlanta University.

Sharon Whitmore, Chief Financial Officer. Ms. Sharon Whitmore serves as the County's Chief Financial Officer. Ms. Whitmore leads all internal shared services functions including Diversity and Civil Rights Compliance, Department of Real Estate and Asset Management, Atlanta/Fulton County Emergency Management Agency and Emergency Services (911), Finance, Human Resources, Office of Strategy and Performance Management and Purchasing, and is responsible for internal departmental satisfaction with shared services and efficient operations. Ms. Whitmore has served with Fulton County for 30 years, and has held a number of roles including Interim Director of Finance and Interim County Manager. Prior to serving with Fulton County, Ms. Whitmore served with KPMG.

Ms. Whitmore holds a bachelor's degree in accounting from Kennesaw State University.

Y. Soo Jo, Esq., County Attorney. Ms. Jo serves as the County Attorney and brings more than 26 years of experience in the field of law, including practice as a public attorney with local, state and federal governments.

She has served most recently as an Assistant U.S. Attorney in the U.S. Attorney's Office for the Northern District of Georgia. Her previous public sector work includes service with the Gwinnett County Magistrate Court, the City of Atlanta Law Department, the Fulton County Attorney's Office, and with the Superior Court of Fulton County. During time in private practice with L.C. Davis Law, she represented the Georgia Department of Human Services.

Ms. Jo is a graduate of Georgetown University where she earned a Bachelor of Science degree in Languages and Linguistics. She also holds a Juris Doctorate degree from the Georgia State University School of Law. She brings extensive volunteer experience with the State Bar of Georgia and the Georgia Asian Pacific American Bar Association.

Cybersecurity

Over the years, the County has dedicated significant resources and has taken specific actions to strengthen its cyber security posture, including, but not limited to, engaging managed security service, network modernization, firewall replacement, improved endpoint protection, cloud migration, improved processes and procedures, including enterprise-wide security awareness training, external/internal penetration testing, and incident response tabletop exercises. Despite such actions, the County may be vulnerable to cyber-attacks and/or cyber incidents.

On January 28, 2024, the County became aware of a cyber incident which has been widely reported by local, national, and international media outlets (the "2024 Cyber Incident"). The 2024 Cyber Incident impacted multiple County systems, and the environment where the tax system, justice system, telephony system, and financial applications were housed was encrypted. Such applications, along with others, were migrated to hosted environments outside of the County's data centers.

The County has taken several proactive measures since the 2024 Cyber Incident to increase cyber protections and mitigate ongoing risks, including, but not limited to, developing disaster recovery and business continuity plans to promote resilience in the event of a significant cyber incident or other disruptions. Collectively, these measures create a comprehensive, multi-layered

defense strategy that enhances the County's ability to detect and respond to cyber threats, while also minimizing opportunities for unauthorized access and data compromise.

The County has and will continue to work with all applicable local, state, and federal law enforcement agencies, including the Department of Homeland Security and the Federal Bureau of Investigation regarding cyber security matters. To the best knowledge of the County, there was no indication that its financial data was accessed or exfiltrated without authorization. The 2024 Cyber Incident did not have a material impact on the County's operations or financial results in Fiscal Year 2024.

FISCAL OVERVIEW OF THE COUNTY

In addition to the information regarding the County set forth in "THE COUNTY" herein and "APPENDIX A - MONTHLY CASH FLOW SUMMARIES," "APPENDIX B - AUDITED FINANCIAL STATEMENTS OF FULTON COUNTY FOR FISCAL YEAR ENDED DECEMBER 31, 2023," and "APPENDIX C - CERTAIN STATISTICAL AND FINANCIAL INFORMATION RELATING TO FULTON COUNTY, GEORGIA" attached hereto, the County has provided the following financial information relating to the County. A complete review of this Official Statement, including the inside front cover page and the appendices attached hereto, is essential to the making of an informed investment decision by any potential purchaser of the Notes. In the making of an informed investment decision relating to the Notes, a potential purchaser should not conclude that the presentation of information in the body of this Official Statement, versus the presentation of information in Appendix A, Appendix B, or Appendix C attached hereto, denotes that the information related to the County so provided in the body of this Official Statement is of more relevance or importance than the information set forth in Appendix A, Appendix B, or Appendix C attached hereto.

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Statement of Revenues, Expenditures, and Changes in General Fund Balances

The following table presents the County's statement of revenues, expenditures, and changes in General Fund balances for Fiscal Years 2019 through 2023.

Fulton County, Georgia General Fund Revenues, Expenditures and Changes in General Fund Balances (Audited; Accrual Basis) (in thousands)⁽¹⁾

	2023	2022	2021	2020	2019
REVENUES:					
Taxes	\$708,098	\$701,220	\$679,731	\$672,445	\$631,231
Intergovernmental	30,102	6,773	8,451	2,090	7,099
Charges for Services	40,988	25,342	28,698	26,189	34,036
Courts and law enforcement	17,002	16,943	16,594	14,646	15,025
Use of Money and Property	15,341	8,190	3,838	6,236	12,788
Miscellaneous	3,059	2,485	1,449	5,278	4,712
Total Revenues	\$814,590	\$760,953	\$738,761	\$726,884	\$704,891
EXPENDITURES:					
<i>Current:</i>					
Administration	\$123,362	\$132,013	\$ 91,076	\$104,881	\$ 88,861
Public Safety	185,509	149,527	138,847	119,196	148,317
Legal	172,822	159,658	139,755	134,488	136,664
Infrastructure and facilities	36,322	32,017	27,931	28,476	27,712
Social Services	65,929	57,758	59,700	60,943	67,964
Health Services	75,667	91,545	86,911	84,724	80,469
Other nonagency	104,614	93,005	105,406	90,349	73,352
<i>Debt Service:</i>					
Principal Retirement	5,727	6,045	5,835	5,627	4,100
Interest	4,975	2,543	1,633	3,389	3,375
Total Expenditures	\$774,927	\$724,111	\$657,094	\$632,073	\$630,814
Excess (Deficiency) of Revenues over (under) expenditures	\$ 39,663	\$36,842	\$ 81,667	\$ 94,811	\$ 74,077
Other financing sources (uses):					
Proceeds from sale of capital assets	\$ --	\$ -	\$ -	\$ -	\$ 194
Transfers in	5,432	-	17	-	14
Transfers out	(57,442)	(58,711)	(59,516)	(57,175)	(57,842)
Total other financing sources (uses)	(52,010)	(58,711)	(59,499)	(57,175)	(57,634)
Net change in fund balances	(\$ 12,347)	(\$ 21,869)	\$ 22,168	\$ 37,636	\$ 16,443
Fund Balance at beginning of year	236,459	258,328	236,160	198,524	182,081
Fund Balance at end of year	\$224,112	\$236,459	\$258,328	\$236,160	\$198,524

⁽¹⁾ Audited financial information for Fiscal Year 2024 is not yet available.

Source: Fulton County, Georgia Finance Department.

For additional information, see "APPENDIX A - MONTHLY CASH FLOW SUMMARIES," "APPENDIX B - AUDITED FINANCIAL STATEMENTS OF FULTON COUNTY FOR FISCAL YEAR ENDED DECEMBER 31, 2023," and

"APPENDIX C - CERTAIN STATISTICAL AND FINANCIAL INFORMATION RELATING TO FULTON COUNTY, GEORGIA" attached hereto.

Management's Discussion and Analysis (Unaudited)

Preliminary Assessment of General Fund Performance for Fiscal Year 2024; Revenues (Unaudited). 2024 General fund revenues for all taxes were affected largely by the increase or growth in the County gross digest of over 9%, while maintaining a General fund millage rate of 8.87 since 2022. Both current and prior year tax collections, and charge for service income which includes commissions on tax collections, fluctuated from 2022 from 2021 slightly. The overall impact was slightly higher General fund tax and related revenues from taxes for 2022 as compared to 2021. Interest income was significantly higher in 2022 with higher yields, generating an additional \$2 million in interest earnings. The county continues to utilize the State of Georgia's Investment Fund 1, a pooled investment fund.

Preliminary Assessment of General Fund Performance for Fiscal Year 2024; Expenditures (Unaudited). Expenditures for Fiscal Year 2024 were slightly higher from 2023, an overall 3.6% increase that is largely driven by inflationary trends, including 3-3.5% salary increases along with non-salary inflation impacts. The majority of these non-salary increases are professional service costs throughout County departments, including "on year" election costs increased \$24 million from 2023 off election cycle, and inmate medical and facility costs increased approximately \$8 million in 2024. Offsetting these increases were less programming for capital spending in 2024 as compared to 2023. 2024's costs of mitigating a cyber incident were primarily funded from the County's risk management fund, which will receive subsequent insurable reimbursements.

Preliminary Assessment of General Fund Performance for Fiscal Year 2024; Fund Balance (Unaudited). The General Fund's fund balance as of December 31, 2024 continues at historically high levels at approximately \$239 million which continues to maintain a strong fund balance. The County maintains an advantageous position to fund continued service level efforts to external customers and constituents as well as improvements to internal functionality.

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Operating Revenues and Expenses for Periods Ended December 31, 2024 and 2023 (Unaudited; Cash Basis)

The following table presents unaudited, cash activity for the General Fund for the twelve months ended December 31, 2024 as compared to the twelve months ended December 31, 2023. Cash basis reporting differs significantly from accrual basis reporting. Timing of cash collections does not reflect revenues earned over the applicable twelve-month period, nor do cash payments reflect the actual expenses incurred during the same period.

	Cash Basis; Unaudited (in thousands)	
	2024	2023
Revenues:		
Current taxes	\$786,663	\$686,309
Prior year taxes	-	39,073
Intergovernmental	6,867	30,102
Charges for Services	38,764	39,807
Courts and Law enforcement	18,480	17,002
Use of Money and Property	16,434	12,423
Miscellaneous	11,881	14,364
Total Revenues	\$879,089	\$839,080
Expenditures:		
Administration	\$157,917	\$126,217
Public Safety	158,002	157,104
Legal	182,489	171,937
Infrastructure and facilities	40,969	38,161
Social Services	75,717	78,478
Health Services	78,118	77,905
Other non-agency	121,498	118,155
Debt Service:		
Principal	6,715	5,728
Interest	7,732	4,974
Total Expenditures	\$829,157	\$778,659
Excess (Deficiency) of Revenues Over (under) expenditures	49,932	60,421
Other Financing Sources (Uses)		
Transfers out	(37,616)	(57,442)
Total other financing sources (uses)	(\$ 37,616)	(\$ 57,442)
Net change in fund balances	12,316	2,979
Fund balance at beginning of year	227,342	224,363
Fund balance at end of year	\$239,658	\$227,342

Source: Fulton County, Georgia Finance Department.

General Obligation Bonds

Authorization and Debt Limit. The State Constitution requires approval from a majority of the qualified voters of the County ("Voter Approval") prior to the issuance of general obligation bonds (the "General Obligation Bonds"). Other than the Outstanding Authorized Library Bonds (as further described below), the County does not currently have any outstanding General Obligation Bonds at this time. Subject to Voter Approval, and as and to the extent issued, any such General Obligation Bonds would be supported by the County's then-applicable bond levy. For additional information related to the County's bond levy, see "APPENDIX C - CERTAIN STATISTICAL AND FINANCIAL INFORMATION RELATING TO FULTON COUNTY, GEORGIA" attached hereto.

Pursuant to the State Constitution, the total General Obligation Bonds issued by the County, shall never exceed 10% of the assessed value of all the taxable property in the County (the "Debt Limit"). As of December 31, 2024, the County's total outstanding General Obligation Bonds was approximately 0.19% of the assessed value of all of the taxable property in the County, which is less than the Debt Limit.

See "APPENDIX C - CERTAIN STATISTICAL AND FINANCIAL INFORMATION RELATING TO FULTON COUNTY, GEORGIA - FULTON COUNTY BONDED INDEBTEDNESS" attached hereto for more information on the legal debt margin. Certain other indebtedness of the County is property tax supported but does not require Voter Approval and is not applicable to the Debt Limit. See, "FISCAL OVERVIEW OF THE COUNTY - Property Tax Supported Debt" herein.

Outstanding Authorized Library Bonds. The County previously issued its \$133,210,000 Fulton County, Georgia General Obligation Library Bonds, Series 2010B (Taxable-Build America Bonds), and \$104,785,000 Fulton County, Georgia General Obligation Library Bonds, Series 2017, of which an aggregate principal amount of \$209,490,000 was outstanding as of December 31, 2024 (collectively, the "Outstanding Authorized Library Bonds").

For additional information regarding the County's financing activities, such as the use of General Obligation Bonds, and other forms of long-term financing, which in certain cases are property-tax supported but do not require Voter Approval and are not included in the calculation of the Debt Limit as applicable to the County, see "FISCAL OVERVIEW OF THE COUNTY - Ratio of General Bonded Debt Outstanding" herein, and "APPENDIX A - MONTHLY CASH FLOW SUMMARIES," "APPENDIX B - AUDITED FINANCIAL STATEMENTS OF FULTON COUNTY FOR FISCAL YEAR ENDED DECEMBER 31, 2023," and "APPENDIX C - CERTAIN STATISTICAL AND FINANCIAL INFORMATION RELATING TO FULTON COUNTY, GEORGIA" attached hereto.

Proposed Issuance of General Obligation Bonds. The County does not currently expect to issue additional General Obligation Bonds in Fiscal Year 2025. However, the County reserves the absolute right to issue additional General Obligation Bonds, subject to the Debt Limit, at the times and in the manner permissible under applicable law. Currently, the County does not have further authority to issue General Obligation Bonds without Voter Approval. In addition to the foregoing transactions, the County may also pursue other financing or refinancing opportunities that:

(a) lower costs of borrowing and/or maximize savings in accordance with long term planning objectives and/or (b) provide funding for projects approved by the Board of Commissioners.

Property Tax Supported Debt

Outstanding Property Tax Supported Debt. In addition to the Outstanding Authorized Library Bonds, the County has other long-term debt and other obligations, which are property tax supported, including contractual obligations with The Fulton-DeKalb Hospital Authority (the "Hospital Authority"), the Fulton County Urban Redevelopment Agency, Association of County Commissioners of Georgia, and the South Fulton Regional Jail Authority (collectively, the "Property Tax Supported Debt"). As of December 31, 2023, the County was responsible for \$528,856,443 in Property Tax Supported Debt. Such information is not yet available as of December 31, 2024. For more information on the County's Property Tax Supported Debt, see "APPENDIX C - CERTAIN STATISTICAL AND FINANCIAL INFORMATION RELATING TO FULTON COUNTY, GEORGIA - FULTON COUNTY BONDED INDEBTEDNESS - Computation of Direct and Overlapping Debt" attached hereto.

Proposed Issuance of Property Tax Supported Debt. In Fiscal Year 2025, the County does not expect to incur additional property tax supported debt. However, the County reserves the absolute right to issue additional Property Tax Supported Debt, at the times and in the manner permissible under applicable law. In addition to the foregoing transactions, the County may also pursue other financing or refinancing opportunities that: (a) lower costs of borrowing and/or maximize savings in accordance with long term planning objectives and/or (b) provide funding for projects approved by the Board of Commissioners.

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Ratio of General Bonded Debt Outstanding

The following table presents the County's ratio of general obligation debt outstanding, which (a) includes the Outstanding Authorized Library Bonds and (b) excludes Property Tax Supported Debt, for Fiscal Years 2015 through 2024.

Fulton County, Georgia Ratios of General Obligation Debt Outstanding⁽¹⁾ (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)
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
2024	209,490	54,262	155,228	109,049,433	0.14	142.36

⁽¹⁾ Details regarding the County's outstanding debt can be found in the notes to the Audited Financial Statements (as defined herein). See "APPENDIX B - AUDITED FINANCIAL STATEMENTS OF FULTON COUNTY FOR FISCAL YEAR ENDED DECEMBER 31, 2023" attached hereto.

Source: Fulton County Finance Department.

For additional information regarding the County's use of, and limitations pertaining to, General Obligation Bonds, see "APPENDIX A - MONTHLY CASH FLOW SUMMARIES," "APPENDIX B - AUDITED FINANCIAL STATEMENTS OF FULTON COUNTY FOR FISCAL YEAR ENDED DECEMBER 31, 2023," and "APPENDIX C - CERTAIN STATISTICAL AND FINANCIAL INFORMATION RELATING TO FULTON COUNTY, GEORGIA" attached hereto.

Pension and Other Post-Employment Benefits

The County is required to have actuarial valuations produced for its pension and other post-employment benefits ("OPEB") liabilities. Actuarial valuations are "forward-looking" information that reflect the judgment of the fiduciaries of the pension plans and are based upon a variety of assumptions, one or more of which may prove to be inaccurate or may change in the future, and will change with the future experience of the pension plans. Further, this summary of the County's pension and OPEB information is designed to provide an overview of such matters, and is qualified in its entirety, to the pension plan documents, the pension plan and OPEB actuarial valuations and the Audited Financial Statements. Certain of the data in the following summary has been compiled from preliminary actuarial valuation and other reports, which remain subject

to final review and approval by the applicable plan fiduciaries, actuaries and auditors, as the case may be, and therefore remain subject to change.

Other than membership data, the financial information included in the following summary is presented in thousands of dollars unless noted otherwise.

County Pension Plan. The County maintains for eligible employees the Fulton County Employees Retirement System Pension Plan (the "County Pension Plan"), a single-employer defined benefit retirement plan. The County Pension Plan was created effective September 1, 1991, as successor to four separate County-maintained pension plans, for all eligible employees of the County. Prior to the establishment of the County Pension 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 County Pension 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 County Pension 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 plan participant position, either active or retired.

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 County Pension 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, the County shall be required to make up any deficiency.

The County Pension 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 County Pension 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 the

State 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 guidelines.

The required contribution percentages developed in the most recent actuarial valuations for the County Pension Plan, and the actual contributions, but not including contributions of \$321 to the Supplemental Plan described in this note made for 2024 are as follows (in thousands of dollars):

	<u>2024</u>
Total required employer contributions:	
Dollar amount	\$62,340
Percent of covered payroll	1058.95%
Actual employer contributions:	
Dollar amount	\$61,952
Percent of covered payroll	1052.36%

Employee contribution rates are established in accordance with pension law. During 2024 actual countywide employee contributions were \$425 which represented 7.22% 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 County Pension Plan and current year payrolls for 2024 are as follows:

Members:	
Retired and receiving benefits	2,950
Terminated with vested benefits	17
Active employees:	
Vested	66
Total members	<u>3,033</u>
Total current year payroll for employees covered by the Plan (in thousands)	<u>\$5,887</u>

Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the County Pension 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 County Pension 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.

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 County Pension 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 January 1, 2025 valuation, the Fulton County Employees Retirement System Board approved a lower assumed rate of return from 6.70% to 6.60%. These changes affected the actuarial liability by \$16.9 million as of the date of this valuation.

The Fulton County Employees' Retirement System's total and net pension liability for the years ended December 31, 2024 and 2023 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, 2024	\$1,897,479	\$1,523,324	\$374,155	80.28%
December 31, 2023	1,900,928	1,453,658	447,270	76.47

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 6.60%, and the Fulton County Employees' Retirement System's net pension liability would be if it were calculated using a discount rate this is one-percentage-point lower (5.60%) or one-percentage-point higher (7.60%) than the current rate.

	1% Decrease (5.70%)	Current Discount (6.70%)	1% Increase (7.70%)
Fulton County Employees' Retirement System's net pension liability	\$559,258	\$374,155	\$216,427

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 County Pension Plan's fiduciary net position was projected to be available to make all projected benefit payments of current members of the County Pension Plan's. 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.

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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, 2023	<u>\$1,900,928</u>	<u>\$1,453,658</u>	<u>\$447,270</u>
Changes for the year:			
Service cost	1,185	-	1,185
Interest	122,269	-	122,269
Benefit changes	-	-	-
Difference between expected and actual experience	10,601	-	10,601
Change of assumptions	16,909	-	16,909
Contributions - employer	-	61,952	(61,952)
Contributions - employee	-	425	(425)
Net investment income	-	162,493	(162,493)
Benefit payments, including refunds of employee contributions	(154,413)	(154,413)	-
Administrative expense	-	(791)	791
Net changes	<u>(3,449)</u>	<u>69,666</u>	<u>(73,115)</u>
Balances at December 31, 2024	<u><u>\$1,897,479</u></u>	<u><u>\$1,523,324</u></u>	<u><u>\$374,155</u></u>

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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	January 1, 2025.
Actuarial cost method	Entry Age Normal.
Amortization method	Level Dollar, closed period.
Remaining amortization period	9-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	6.60% (1/1/2025 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 Fulton County Employees' Retirement System's target asset allocation.
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.

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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, 2024 as shown below.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return⁽¹⁾
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)	7.00	6.40
	<u>100.00%</u>	

⁽¹⁾ Expected real rate of return is net of inflation.

Pension Expense and Deferred Outflows of Resources Related to Pensions. The following table provides a summary of the deferred inflows and outflows related to pensions as of December 31, 2024 (the measurement date).

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on plan investments	-	\$5,139
Total	-	\$5,139

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

Year ended December 31	Deferred Outflows of Resources (a)	Deferred Inflows of Resources (b)	Amount recognized in Pension Expenses as an Increase or (Decrease) to Pension Expense (a) - (b)
2024	\$ -	\$15,599	\$(15,599)
2025	-	33,302	(33,302)
2026	-	(40,399)	40,399
2027	-	(13,641)	13,641
Thereafter	-	-	-
Total	\$-	(5,139)	\$5,139

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 2024, 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 (the "County Supplemental Plan") was created to pay benefits in excess of the limitations required for compliance with federal tax laws. The accrued liability estimate for the County Supplemental Plan is approximately \$1.4 million as of January 1, 2025 biannual actuarial valuation date. Plan assets total \$1 million, and the unfunded balance is \$0.3 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 County Supplemental Plan.

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

Defined Contribution Plan. The Fulton County Defined Contribution Pension Plan (the "Defined Contribution 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 Defined Contribution Plan. On December 31, 2024, the Defined Contribution Plan had 6,274 total participants of which 4,414 actively employed participants contributed 6% of their pensionable earnings, approximately \$18,909 during Fiscal Year 2024. The County also contributed \$25,173 which was 8% of their pensionable earnings throughout the year. The County also contributed an additional \$2,005 in matched funds into the Defined Contribution Plan for those Participants

electing to participate in the Deferred Compensation Plan (as defined herein). Participants fully vest the matched contributions over a five-year period.

Deferred Compensation Plan. The County has adopted a deferred compensation plan (the "Deferred Compensation Plan") in accordance with the 2001 revisions of Section 457 of the Internal Revenue Code. The Deferred Compensation Plan, available to all County employees, allows an employee to voluntarily defer a certain percentage of gross compensation, not to exceed \$23.0 for those less than 50 years of age, and an additional \$7.5 for all others above 50 years of age in 2024. The Deferred Compensation Plan assets are held in custodial accounts for the exclusive benefit of the Deferred Compensation Plan participants and their beneficiaries and, therefore, the Deferred Compensation 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 Deferred Compensation Plan.

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 "Hospital Authority Plan"). Effective May 19, 2008, the Hospital Authority Plan was frozen. All employees participating in the Hospital Authority Plan prior to May 19, 2008, remain participants and are eligible for pension benefits in accordance with the Hospital Authority Plan's design and rules. Participating employees who completed three years of full-time continuous services as of December 31, 2007, were considered fully vested as of May 19, 2008. Although frozen, the Hospital Authority expects to continue the Plan indefinitely; however, it has the right under the Hospital Authority Plan to terminate the Hospital Authority Plan. In the event of termination of the Hospital Authority Plan, amounts shall be set aside for payment to participants or their beneficiaries in the following orders: (a) an amount for active and retired Participants, vested terminated Participants or their beneficiaries; (b) an amount for each Participant qualified for early retirement under the provisions of the Hospital Authority Plan; and (c) 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 by writing to Grady Health System, Administrative Offices, Chief Financial Officer, 80 Jesse Hill Jr. Drive, S.E. Atlanta, Georgia 30303. The Grady Memorial Hospital Corporation ("GMHC"), which is a component unit of the Hospital Authority, sponsors a defined contribution saving plan, which covers substantially all of its employees. Total matching contributions made and accrued under the savings plan totaled approximately \$13.3 million for the year ended December 31, 2023. Beginning January 1, 2009, the deferred retirement savings program changed from the previous 403(b) plan sponsored by the Hospital Authority to a 401(k) Plan sponsored by GMHC. GMHC matches employee contributions dollar for dollar up to 4% of eligible employees' base compensation after completion of one year of eligible service. Employees are immediately fully vested in matching contributions.

Other Post-Employment Benefits. The County, through the Board of Commissioners' 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. The 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 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

OPEB 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.

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 for above benefits are:

- (1) Contract employees.
- (2) Seasonal employees.
- (3) Temporary employees.
- (4) Employees working for Family & Children Services.
- (5) Employees working for Adult Probation.
- (6) Employees working for 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, calculated using the discount rate of 3.72%, and the Fulton County Employees' Retirement 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 of healthcare trends rates were 1% lower and 1% higher than the current healthcare trend rates used for the December 31, 2022 study, the latest available.

	Discount Rates		
	1% Decrease (2.72%)	Current (3.72%)	1% Increase (4.72%)
Net OPEB Liability	\$1,493,142	\$1,282,596	\$1,114,860

	Healthcare Trend Rates		
	1% Decrease	Current	1% Increase
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.

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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 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>

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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 Plan Fiduciary Net Position of \$8,715 above is 0.64% of the Total OPEB Liability as of December 31, 2023.

The County's annual OPEB cost and Net OPEB Liability and changes in the Net OPEB Liability for the year ended December 31, 2021 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

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

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	\$115/year per covered individual, assumed to increase at 3% per year.

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Required Supplementary Information (in thousands) - Schedule of Contributions from the Employer and Other Contributing Entities.

**Schedule of Contributions from the Employer and Other Contributing Entities
Contributions in Relation to
The Actuarially Determined Employer Contribution**

Year Ended December 31	Actuarially Determined Employer Contribution	County Employer Contribution	DFACS Employer Contribution	Total Employer Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	48,586	47,203	27	47,230	1,356	27,820	169.77%
2016	50,493	45,953	24	45,977	4,516	23,391	196.56
2017	52,988	57,213	15	57,228	(4,240)	20,374	280.89
2018	59,746	59,199	4	59,203	543	14,845	398.80
2019	64,773	64,777	-	64,777	(4)	12,956	499.99
2020	66,233	68,578	-	68,578	(2,345)	9,865	695.19
2021	62,358	71,686	-	71,686	(9,328)	8,034	892.28
2022	56,325	64,968	-	64,968	(8,643)	7,177	905.26
2023	61,500	65,725	-	65,725	(4,225)	6,315	1040.84
2024	62,340	61,952	-	61,952	388	5,887	1052.36

Required Supplementary Information (in thousands) - Schedule of Employer's Net Pension Liability.

Schedule of Employer's Net Pension Liability

Year Ended December 31	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
2015	\$1,677,001	1,217,955	459,046	72.63%	27,820	1,650.06%
2016	1,706,579	1,211,837	494,742	71.01	23,391	2,115.10
2017	1,833,170	1,382,953	450,217	75.44	20,374	2,209.76
2018	1,852,863	1,223,532	629,331	66.03	14,845	4,239.35
2019	1,865,254	1,423,026	442,228	76.29	12,956	3,413.31
2020	1,881,914	1,548,336	333,578	82.27	9,865	3,381.43
2021	1,893,046	1,664,070	228,976	87.90	8,034	2,850.09
2022	1,900,620	1,321,228	579,392	69.52	7,177	8,073.17
2023	1,900,928	1,453,658	447,270	76.47	6,315	7,083.09
2024	1,897,479	1,523,324	374,155	80.28	5,887	6,355.65

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Required Supplementary Information (in thousands) - Schedule of Pension Investment Returns.

Schedule of Pension Investment Returns

Year Ended December 31	Annual money-weighted rate of return, net of investment expense
2015	(0.88)%
2016	6.40
2017	20.91
2018	(6.00)
2019	23.36
2020	14.56
2021	12.87
2022	(15.83)
2023	17.28
2024	11.55%

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Required Supplementary Information (in thousands) - Schedule of Changes in Net Pension Liability Last Ten Fiscal Years.

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	\$ 1,185	\$ 1,302	\$ 1,499	\$ 1,895	\$ 2,434	\$ 2,700	\$ 3,768	\$ 2,348	\$ 3,283	\$ 3,678
Interest	122,269	124,111	125,520	126,615	128,358	129,377	129,929	123,205	122,576	122,562
Change of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	10,601	11,312	8,989	15,210	4,636	4,854	6,717	20,982	16,293	6,262
Change of assumptions	16,909	17,118	22,388	17,469	26,158	17,554	17,675	112,435	15,734	15,489
Benefit payments, including refunds	(154,413)	(153,535)	(150,822)	(150,057)	(144,926)	(142,094)	(138,396)	(132,378)	(128,309)	(125,402)
Net change in total pension liability	(3,449)	308	7,574	11,132	16,660	12,391	19,693	126,592	29,577	22,589
Total pension liability - beginning	\$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
Total pension liability - ending (a)	\$1,897,479	\$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
Plan fiduciary net position										
Contributions - employer	\$ 61,952	\$ 65,725	\$ 64,968	\$ 71,686	\$ 68,578	\$ 64,777	\$ 59,203	\$ 57,228	\$ 45,977	\$ 47,230
Contributions - employee	425	427	394	600	778	859	1,110	1,358	1,633	1,868
Net investment income	162,493	220,634	(256,661)	194,154	201,615	276,707	(80,562)	245,564	75,369	(11,187)
Benefit payments, including refunds	(154,413)	(153,535)	(150,822)	(150,057)	(144,926)	(142,094)	(138,396)	(132,378)	(128,309)	(125,402)
Administrative expense	(791)	(821)	(721)	(649)	(735)	(755)	(776)	(656)	(788)	(581)
Net change in plan fiduciary net position	\$ 69,666	\$ 132,430	(\$ 342,842)	\$ 115,734	\$ 125,310	\$ 199,494	(\$ 159,421)	\$ 171,116	(\$ 6,118)	(\$ 88,072)
Plan fiduciary net position - beginning	\$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
Plan fiduciary net position - ending (b)	\$1,523,324	\$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
Net pension liability - ending (a) - (b)	\$ 374,155	\$ 447,270	\$ 579,392	\$ 228,976	\$ 333,578	\$ 442,228	\$ 629,331	\$ 450,217	\$ 494,741	\$ 459,046
Plan fiduciary net position as a percentage of the Total pension liability	80.28%	76.47%	69.52%	87.90%	82.27%	76.29%	66.03%	75.44%	71.01%	72.63%
Covered payroll	\$5,887	\$6,315	\$7,177	\$8,034	\$9,865	\$12,956	\$14,845	\$20,374	\$23,391	\$27,820
Net pension liability as a percentage of covered payroll	6355.65%	7083.09%	8073.17%	2850.08%	3381.55%	3413.37%	4239.26%	2209.76%	2115.09%	1650.06%

Note: 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 1/1/25 Valuation: The Board approved changes to reduce the net investment return from 6.70% to 6.60% as of December 31, 2024.

Change of Assumptions as of 1/1/24 valuation: Board approved changes include a reduction of the net investment return from 6.80% to 6.70% as of December 31, 2023. 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.

Required Supplementary Information (in thousands) - Schedule of Changes in Net OPEB Liability and Related Ratios Last Ten Fiscal Years. The following table presents the Schedule of Changes in Net OPEB Liability and Related Ratios Last Ten Fiscal Years.

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

	2023	2022	2021	2020	2019	2018
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 pension liability	49,618	(428,985)	36,131	681,971	29,320	37,768
Total OPEB liability - beginning	\$1,289,740	\$1,718,725	\$1,682,594	\$1,000,623	\$ 971,303	\$933,535
Total OPEB liability - ending	<u>\$1,339,358</u>	<u>\$1,289,740</u>	<u>\$1,718,725</u>	<u>\$1,682,594</u>	<u>\$1,000,623</u>	<u>\$971,303</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	\$ 1,571	(\$ 1,476)	\$ 1,498	\$ 950	\$ 1,236	(\$ 226)
Plan fiduciary net position - beginning	\$ 7,144	\$ 8,620	\$ 7,122	\$ 6,172	\$ 4,936	\$ 5,162
Plan fiduciary net position - ending	<u>\$ 8,715</u>	<u>\$ 7,144</u>	<u>\$ 8,620</u>	<u>\$ 7,122</u>	<u>\$ 6,172</u>	<u>\$ 4,936</u>
Net OPEB liability - ending	<u>\$1,330,643</u>	<u>\$1,282,596</u>	<u>\$1,710,105</u>	<u>\$1,675,472</u>	<u>\$ 994,451</u>	<u>\$966,367</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.

Notes to Required Supplementary Information (in thousands) - 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.

Notes to Required Supplementary Information (in thousands) - 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.

Notes to Required Supplementary Information (in thousands) - Actuarial Methods and Assumptions.

Changes of assumptions-Pension: Effective as of the January 1, 2025 valuation, the Fulton County Employees Retirement System Board approved a lower assumed rate of return from 6.70% to 6.60%. These changes affected the actuarial liability by \$16.9 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	January 1, 2025.
Actuarial cost method	Entry Age Normal.
Amortization method	Level Dollar, closed period.
Remaining amortization period	9 year average remaining.
	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.
Asset valuation method	
Inflation rate	2.5%.
Projected salary increases	3.0-6.0%, depending on age, and if Public Safety employee.
	6.60%. 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 Fulton
Investment rate of return	

	County Employees' Retirement 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 Disabled Retiree Amount-weighted Mortality Tables, sex-distinct, projected generationally with Scale MP-2020 from 2012.

Changes of assumptions-OPEB: Assumption 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.
- The following assumption changes were taken from the latest pension valuation. These assumptions were based on an actuarial experience study for the period December 31, 2017 to December 31, 2021 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).
- Disabled 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.

PROPERTY TAXES

Property Tax Digest

The County is primarily dependent on property tax, in addition to sales tax collections, for over three fourths of its total revenues, followed by license and fee revenues and grants. See "SECURITY AND SOURCES OF PAYMENT FOR THE NOTES" herein.

The County endeavors to reappraise a portion of the real property located in the County annually so that all real property is reappraised every three years. A taxpayer may appeal the reappraised value of his property. Georgia law requires the Fulton County Tax Commissioner (the "Tax Commissioner") to issue temporary tax bills to taxpayers in appeal equal to the higher of the taxpayer's return of value or 85% of the current year's valuation as set by the Fulton County Board of Assessors (the "Board of Assessors"). A taxpayer with property in appeal may elect to be billed 100% of the valuation pending the appeal hearing. In addition, taxes in appeal are not considered delinquent if the taxpayer pays the County the amount of taxes which would be due based on the assessed valuation for the prior year or based on the portion of the undisputed assessed valuation.

The assessment of real property in the County, overseen by the Board of Assessors, continues to generate significant appeals although the number of appeals is either resolved at the Board of Assessor level, or if not, is forwarded to a Board of Equalization for final determination. In Fiscal Year 2024, there was no significant detrimental effect to General Fund revenues as a result of tax appeals.

All taxes levied on real and personal property in the County, together with interest thereon and penalties for late payment, constitute a lien on and against the subject property arising after January 1 in the year in which taxed. Georgia law provides that taxes have priority over any other debt, lien, or claim of any kind. Exceptions to this rule can be found but they are limited in scope.

Collection of delinquent real property taxes is enforceable by tax sale of such realty. Delinquent personal property taxes are similarly enforceable by seizure and sale of such property. There can be no assurance, however, that the value of the property sold, in the event of a tax sale, will be sufficient to produce the amount required to pay in full the delinquent taxes, including any interest or penalty thereon.

When the last day for the payment of taxes arrives, the tax collector notifies the taxpayer in writing that taxes have not been paid and that unless paid, an execution will be issued. At any time after 30 days from giving the notice previously described, upon the request of the County, the Tax Commissioner, as ex-officio sheriff, issues an execution for nonpayment of the taxes. No notice is required for delinquent taxes on personal property, and executions may be issued on the first day following the last day for payment of taxes. All delinquent accounts are placed on the general execution docket in the Superior Court of Fulton County. The Tax Commissioner then publishes a notice of the sale in a local newspaper weekly for four weeks and gives the taxpayer 10 days' written notice by registered or certified mail. A public sale of the property is then made by the Tax Commissioner at the Fulton County Courthouse on the first Tuesday of the month after the required notices are given.

For additional information relating to the County's collection of property taxes, see "APPENDIX C - CERTAIN STATISTICAL AND FINANCIAL INFORMATION RELATING TO FULTON COUNTY, GEORGIA - PROPERTY AND OTHER TAXES" attached hereto.

Historical Assessed Value of Taxable Property

The following table presents the County's Historical Assessed Value of Taxable Property for Fiscal Years 2015 through 2024.

Fulton County, Georgia
Historical Assessed Value of Taxable Property⁽¹⁾
Last Ten Fiscal Years
(in thousands)

Fiscal Year	Real Property	Personal and Business Property	Public Utilities	Total Assessed Value	Total Direct Tax Rate	Assessed Value as a Percentage of Actual Value	Estimated Actual Value
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	203,138,193
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
2024	104,610,880	1,692,338	10,195,552	116,498,770	9.04	40	291,246,926

⁽¹⁾ The above assessed values may be reduced somewhat due to the following exemptions: (a) 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. School taxes are exempt. (b) A regular homestead exemption is allowed on all owner-occupied homes, except for purposes of school and bond tax levies. (c) An exemption is allowed on qualifying real property devoted to agricultural or historic purposes. (d) A 100% Freeport exemption exists on applicable business inventories. (e) Assessed values are established by the Fulton County Board of Assessors on January 1 of each year. (f) 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.

Source: Fulton County Tax Commissioner and Georgia Department of Revenue.

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Property Tax Rates

The following table presents the County's Property Tax Rates for Fiscal Years 2015 through 2024.

**Fulton County, Georgia
Property Tax Rates⁽¹⁾
Last Ten Fiscal Years
(Rate per \$1,000 Assessed Value)**

Fiscal Year	County Bonds and Operating	Fulton Industrial Tax District	South Fulton Special Tax District	County Schools	State	Total
2015	10.75	-	11.58	18.50	0.05	40.83
2016	10.70	-	11.58	18.48	-	40.76
2017	10.63	12.16	4.43	18.55	-	45.77
2018	10.43	12.15	-	17.80	-	40.38
2019	10.12	11.92	-	17.80	-	39.84
2020	10.00	11.88	-	17.80	-	39.67
2021	9.54	9.55	-	17.59	-	36.68
2022	9.07	9.55	-	17.24	-	35.86
2023	9.05	9.34	-	17.14	-	35.53
2024	9.04	9.41	-	17.08	-	35.53

⁽¹⁾ Does not include tax millage rates for municipalities, the Atlanta Independent School District or community improvement districts located wholly or partially within the County. For 2024, such tax millage rates (exclusive of community improvement districts) were as follows: (1) Alpharetta - 5.75, (2) Atlanta - 11.40, (3) Atlanta Independent School District - 20.50, (4) Atlanta Special Services District - 2.00, (5) Chattahoochee Hills - 8.20, (6) College Park - 11.608, (7) Downtown Development District - 5.00, (8) East Point - 13.00, (9) Fairburn - 9.56, (10) Hapeville - 17.509, (11) Johns Creek - 3.896, (12) Milton - 4.745, (13) Mountain Park - 6.037, (14) Palmetto - 7.942, (15) Roswell - 4.949, (16) Sandy Springs - 4.731, (17) Union City - 12.114, and (18) City of South Fulton - 12.399. Millage rates have, in certain cases, been rounded to the nearest 100th of a percent.

Source: Fulton County Tax Commissioner.

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Property Tax Collection Schedule

County taxes are typically due by October 15th of each year; provided, however, in certain years the due date has been delayed as described in the below table. Currently, the County anticipates that the due date for Fiscal Year 2025 will be October 31st. No delays are anticipated at this time, which would impact the County's ability to pay the Notes at maturity, but circumstances can change throughout the process.

The following table presents the County's General Fund Property Tax Levy and Collections for Fiscal Years 2015 through 2024.

Fulton County, Georgia General Fund Property Tax Levy and Collections⁽¹⁾ Last Ten Fiscal Years (in thousands)

Fiscal Year	Total Tax Levy	Current Tax Collected	Percent of Levy Collected	Delinquent Tax Collected	Total Tax Collected	Total Collections as Percent of Current Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as Percent of Current Levy
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 ⁽⁴⁾	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
2024 ⁽²⁾	704,708	673,493	95.6	34,965	708,458	100.5	7,889	1.1

⁽¹⁾ Amounts represented for Real Estate & Personal Property Taxes.

⁽²⁾ In Fiscal Years 2016 and 2020 through 2024, the due date was November 15th, as opposed to normal due date of October 15th.

⁽³⁾ In Fiscal Year 2017, the due date was January 15th of the subsequent year, as opposed to a normal due date of October 15th.

⁽⁴⁾ In Fiscal Year 2018, the due date was October 31st, as opposed to a normal due date of October 15th.

Source: Fulton County Tax Commissioner.

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Major Taxpayers

The following table presents the County's ten principal taxpayers for Fiscal Year 2024.

Fulton County, Georgia Ten Principal Taxpayers⁽¹⁾⁽²⁾

	Assessment	Percentage of Total Assessed Value	Taxes
Ten principal taxpayers of 2024:			
Development Authority of Fulton County	\$ 3,178,025,181	2.73%	\$28,189,083
Georgia Power	816,410,187	0.70	7,241,558
Atlanta Development Authority	556,694,285	0.48	4,937,878
Google Inc.	309,631,328	0.27	2,746,430
Norfolk Southern Railway Company	283,387,389	0.24	2,513,646
AT&T	246,718,200	0.21	2,188,390
Coca Cola Company	236,127,038	0.20	2,094,447
Post Apartment Homes	197,618,060	0.17	1,752,872
Delta Airlines	169,960,640	0.15	1,507,551
Twitter Inc.	145,645,521	0.13	1,291,876
Total ten major taxpayers	\$ 6,140,217,829	5.27%	\$54,463,731
Total County gross assessed value	\$116,498,770,364		

⁽¹⁾ Taxes and assessments based on values at time of presentment.

⁽²⁾ Totals may not add due to rounding.

Source: Fulton County Tax Commissioner.

LITIGATION

The County, like other similar bodies, is subject to a variety of suits and proceedings arising in the ordinary conduct of its affairs. The County, after reviewing the current status of all pending and threatened litigation with the County Attorney, Y. Soo Jo, Esq., believes that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits which have been filed and of any actions or claims pending or, to the knowledge of the County, threatened against the County or its officials in such capacity are adequately covered by insurance or sovereign immunity or will not have a material adverse effect upon the financial position or results of operations of the County.

There is no litigation now pending or, to the knowledge of the County, threatened against the County which restrains or enjoins the issuance or delivery of the Notes, the execution, delivery or performance of all agreements and certificates relating to the Notes, or the use of the proceeds of the Notes or which questions or contests the validity of the Notes, the Note Resolution, all agreements and certificates relating to the Notes, or the proceedings and authority under which they are to be issued, executed and delivered. Neither the creation, organization, nor existence of the County, nor the title of the present members or other officials of the County to their respective offices, is being currently contested or questioned to the knowledge of the County.

TAX MATTERS

Opinion of Note Counsel – Federal Income Tax Status of Interest

Note Counsel's opinion regarding the federal income tax status of the interest on the Notes will state that, under current law and assuming continuing compliance with the Covenants (as defined herein), interest on the Notes (a) is excludable from the gross income of the owners thereof for purposes of federal income taxation under Section 103 of the Code and (b) is not a specific item of tax preference for purposes of the federal alternative minimum tax on individuals. In addition, such interest is included in the "adjusted financial statement income" (as defined in Section 56A of the Code) of certain corporations in determining the applicability and amount of the federal corporate alternative minimum tax imposed under Section 55(b) of the Code. See "FORM OF NOTE COUNSEL OPINION" in APPENDIX D hereto.

Note Counsel's opinion speaks as of its date, is based on current legal authority and precedent, covers certain matters not directly addressed by such authority and precedent, and represents Note Counsel's judgment as to the excludability of interest on the Notes for federal income tax purposes. Note Counsel's opinion does not contain or provide any opinion or assurance regarding the future activities of the County or about the effect of future changes in the Code, the applicable regulations, or the interpretation or the enforcement thereof by the Internal Revenue Service (the "IRS") and the courts.

Although Note Counsel is of the opinion that interest on the Notes is excludable from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Notes may otherwise affect the federal tax liability of an owner of the Notes. The nature and extent of these other federal tax consequences depend on the owner's particular tax status and levels of other income or deductions. Note Counsel will express no opinion regarding any such other tax consequences and prospective purchasers of the Notes should consult their own tax advisors with respect thereto.

Reliance and Assumptions; Effect of Certain Changes

In delivering its opinion regarding the federal income tax treatment of interest on the Notes, Note Counsel is relying upon certifications of representatives of the County, the purchasers of such Notes, and other persons as to facts material to the opinion, which Note Counsel has not independently verified.

In addition, Note Counsel is assuming continuing compliance with the Covenants by the County. The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied after the issuance of the Notes in order for interest on the Notes to be and remain excludable from gross income for purposes of federal income taxation. These requirements include, by way of example and not limitation, restrictions on the use, expenditure, and investment of the proceeds of the Notes and the use of the property financed or refinanced by the Notes, limitations on the source of the payment of and the security for the Notes, and the obligation to rebate certain excess earnings on the gross proceeds of the Notes to the United States Treasury. The tax compliance certificate for the Notes to be entered into by the County (the "Tax Certificate") contains covenants (the "Covenants") with which the County has agreed to comply. Failure by the

County to comply with the Covenants could cause interest on the Notes to become includable in gross income for federal income tax purposes retroactively to their date of issue. If such a failure were to occur, the available enforcement remedies may be limited by applicable provisions of law and, therefore, may not be adequate to prevent interest on the Notes from becoming includable in gross income for federal income tax purposes.

Note Counsel has no responsibility to monitor compliance with the Covenants after the date of issue of the Notes.

Certain requirements and procedures contained, incorporated, or referred to in the Tax Certificate, including the Covenants, may be changed and certain actions may be taken or omitted subject to the terms and conditions set forth in the Tax Certificate. Note Counsel expresses no opinion concerning any effect on the excludability of interest on the Notes from gross income for federal income tax purposes of any such subsequent change or action that may be made, taken, or omitted upon the advice or approval of counsel other than Note Counsel.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Notes. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner thereof. Prospective purchasers of the Notes, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning or disposing of the Notes.

Prospective purchasers of the Notes should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers including, without limitation, banks and other financial institutions, certain insurance companies, dealers in tax-exempt obligations, certain corporations (including S corporations and foreign corporations), certain foreign corporations subject to the "branch profits tax," individual recipients of Social Security or Railroad Retirement benefits, owners of an interest in a financial securitization trust, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations and taxpayers attempting to qualify for the earned income tax credit.

Original Issue Discount

Notes purchased in the initial public offering with yields higher than their applicable interest rates, as shown on the inside cover page hereof, have been sold with "original issue discount." Each such Note is referred to below as an "OID Note." The excess of (a) the stated amount payable at the maturity (excluding qualified stated interest) of any OID Note over (b) the issue price of the OID Note as determined under Section 1273 of the Code (which may differ from the price shown on the inside front cover page of this Official Statement) constitutes the amount of original issue discount, which is treated in the same manner as interest on the Notes for federal income tax purposes.

The Code provides that the amount of original issue discount accrues in accordance with a constant interest method based on the compounding of interest. In the case of an original owner

of an OID Note, the amount of original issue discount that is treated as having accrued on such OID Note is added to the owner's adjusted basis in determining, for federal income tax purposes, gain or loss upon the disposition of the OID Note (including its sale, redemption, or payment at maturity). The amounts received upon such disposition that are attributable to accrued original issue discount will be excludable from the gross income of the owner for federal income tax purposes.

The accrual of original issue discount and its effect on the redemption, sale or other disposition of OID Notes that are not purchased in the initial public offering may be determined according to rules that differ from those described above.

In addition, original issue discount that accrues in each year to an owner of an OID Note is included in the calculation of the distribution requirements of certain regulated investment companies and may result in some of the collateral federal income tax consequences discussed in this section. Consequently, the owner of an OID Notes should be aware that the accrual of original issue discount in each year may result in additional distribution requirements or other collateral federal income tax consequences although such owner has not received cash attributable to such original issue discount in such year.

Prospective purchasers of OID Notes should consult their own tax advisors with respect to the precise determination for federal income tax purposes of the original issue discount accrued upon sale or redemption of such OID Notes (including OID Notes not purchased in the initial public offering) and with respect to the state and local tax consequences of owning OID Notes.

Original Issue Premium

Notes purchased in the initial public offering with yields lower than their applicable interest rates, as shown on the inside cover page hereof, have been sold with "note premium." Each such Note is referred to below as an "OIP Note." The excess of (a) the owner's basis in the OIP Note immediately after acquisition over (b) the amount payable at maturity (excluding qualified stated interest) as determined under Section 171 of the Code constitutes the amount of the note premium. Under the Code, the note premium is amortized based on the owner's yield over the remaining term of the OIP Note (or, in the case of certain callable OIP Notes, to an earlier call date that results in a lowest yield on the OIP Note). The owner of an OIP Note must amortize the note premium by offsetting the qualified stated interest allocable to each interest accrual period against the note premium allocable to that period. No deduction is allowed for such amortization of note premium even though the owner is required to decrease the adjusted basis in the owner's OIP Note by the amount of the amortizable note premium, which will result in an increase in the gain (or decrease in the loss) recognized for federal income tax purposes upon a sale or disposition of the OIP Note prior to its maturity.

Prospective purchasers of any OIP Notes should consult their own tax advisors regarding the treatment of note premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, sale, exchange, or other disposition of, and amortization of note premium on, such OIP Notes.

Information Reporting and Backup Withholding

Prospective purchasers should be aware that the interest on the Notes is subject to information reporting to the IRS in a manner similar to interest paid on taxable obligations. In addition, interest on the Notes may be subject to backup withholding if the interest is paid to an owner who or which (a) is not an "exempt recipient" and (b) (i) fails to furnish an accurate U.S. taxpayer identification number in the manner required, (ii) has been notified of a failure to report all interest and dividends required to be shown on federal income tax returns or (iii) fails to certify under penalty of perjury that the owner is not subject to withholding. Individuals generally are not exempt recipients, although corporations and other entities generally are.

The reporting and backup withholding requirements do not in and of themselves affect the excludability of interest on the Notes from gross income for federal income tax purposes, and amounts withheld under the backup withholding rules may be refunded or credited against the owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS.

Internal Revenue Service Audits

The IRS has established a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Notes, the IRS will, under its current procedures, treat the County as the taxpayer. As such, the beneficial owners of the Notes will have only limited rights, if any, to participate in the audit or any administrative or judicial review or appeal thereof. Any action of the IRS, including but not limited to the selection of the Notes for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the marketability or market value of the Notes.

Opinion of Note Counsel - Georgia Income Tax Consequences

Note Counsel's opinion will also state that, under current law, interest on the Notes is exempt from income taxation by the State of Georgia. Note Counsel will express no opinion regarding (a) other tax consequences arising with respect to the Notes under the laws of the State of Georgia or (b) any consequences arising with respect to the Notes under the tax laws of any state or local jurisdiction other than the State of Georgia. Prospective purchasers of the Notes should consult their own tax advisors regarding the tax status of interest on the Notes in a particular state or local jurisdiction other than the State of Georgia.

Changes in Federal and State Tax Law and Regulations

Legislation affecting tax-exempt obligations is regularly considered by the U.S. Congress and various state legislatures. Such legislation may effect changes in federal or state income tax rates and the application of federal or state income tax laws (including the substitution of another type of tax), or may repeal or reduce the benefit of the excludability of interest on the tax-exempt obligations from gross income for federal or state income tax purposes.

The U.S. Department of the Treasury and the IRS and state regulatory authorities are continuously drafting regulations to interpret and apply the provisions of the Code and state law

and court proceedings may be filed the outcome of which could modify the federal or state tax treatment of tax-exempt obligations.

There can be no assurance that legislation proposed or enacted after the date of issue of the Notes, regulatory interpretation of the Code or state laws or actions by a court involving either the Notes or other tax-exempt obligations will not have an adverse effect on the Notes' federal or state tax status, marketability, or market price or on the economic value of the tax-exempt status of the interest on the Notes.

Prospective purchasers of the Notes should consult their own tax advisors regarding the potential consequences of any such proposed or pending federal or state tax legislation, regulations or litigation, as to which Note Counsel expresses no opinion.

CONTINUING DISCLOSURE

The Notes will have a stated maturity of 18 months or less. As such, the provisions of paragraph (b)(5) of Rule 15c2-12 of the U.S. Securities and Exchange Commission (the "SEC") promulgated pursuant to the Securities Exchange Act of 1934, as in effect on the date hereof (the "Rule"), other than paragraph (b)(5)(i)(C) of the Rule, shall not apply to the Notes pursuant to paragraph (d)(3) of the Rule.

In order to assist the Purchaser in complying with paragraph (b)(5)(i)(C) of the Rule, simultaneously with the issuance of the Notes, the County will enter into a continuing disclosure undertaking for the benefit of the holders of the Notes (the "Disclosure Certificate"), substantially in the form attached hereto as "APPENDIX E - FORM OF CONTINUING DISCLOSURE CERTIFICATE." The County, as an "obligated person" under the Rule, will undertake in the Disclosure Certificate to provide notice of the occurrence of certain enumerated events (each a "Listed Event Notice"). Each Listed Event Notice, if applicable will be filed by the County, or on behalf of the County, on the Electronic Municipal Market Access system, administered by the Municipal Securities Rulemaking Board. The specific nature and timing of the filing of each Listed Event Notice and other details of the County's undertakings are more fully described in "APPENDIX E - FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto.

The following disclosure is being provided by the County for the sole purpose of assisting the Purchaser in complying with the Rule: The County previously entered into continuing disclosure undertakings (the "Prior Undertakings") as an "obligated person" under the Rule. For the previous five-year period beginning on April 29, 2020 and ending on April 29, 2025 (the "Compliance Period"), the County may have inadvertently failed to: (a) file or timely file certain annual financial information and/or operating data; (b) provide certain required annual financial information and/or operating data in its annual filings; and/or (c) file or timely file certain notices. However, the County does not have any actual knowledge of any specific instances in which it has failed to comply, in all material respects, with the Prior Undertakings during the Compliance Period.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance, validity, sale, and delivery of the Notes are subject to the approving opinion of McGuireWoods LLP, Atlanta, Georgia, as Note Counsel. The proposed form of the opinion of Note Counsel, which will be concurrently delivered with the issuance of the Notes is attached hereto as APPENDIX D. The actual legal opinion of Note Counsel to be delivered may vary from the text of APPENDIX D, if necessary, to reflect facts and law on the date of delivery of the Notes. The legal opinion of Note Counsel will speak only as of its date and subsequent distribution thereof by recirculation of this Official Statement or otherwise will not create any implication that Note Counsel has reviewed or expresses any opinions concerning any of the matters referenced in the opinion subsequent to its date.

Certain legal matters in connection with the Notes will be passed upon for the County by the County Attorney, Y. Soo Jo, Esq. Certain legal matters will be passed upon by Greenberg Traurig, LLP, Atlanta, Georgia, as Disclosure Counsel.

FINANCIAL STATEMENTS

The financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of 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 (collectively, the "Audited Financial Statements") were audited by PJC Group, LLC, as independent auditor (the "Auditor"). The Audited Financial Statements and the related Independent Auditor's Report dated June 28, 2024 (the "Auditor's Report") are attached hereto as "APPENDIX B - AUDITED FINANCIAL STATEMENTS OF FULTON COUNTY FOR FISCAL YEAR ENDED DECEMBER 31, 2023." The Auditor has not been engaged to perform, and has not performed, since the date of the Auditor's Report, any procedures on the Audited Financial Statements addressed in the Auditor's Report. In addition, the has not been engaged to perform, and has not performed any procedures relating to this Official Statement.

FINANCIAL ADVISOR

Raymond James & Associates, Inc., Atlanta, Georgia, has served as financial advisor (the "Financial Advisor") to the County in connection with the sale of the Notes. The Financial Advisor's fee for services rendered in connection with the sale of the Notes is contingent on the issuance and delivery of the Notes. The Financial Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement, including the inside front cover page and the appendices attached hereto.

RATINGS

Fitch Ratings, Inc. ("Fitch") and S&P Global Ratings ("S&P," and together with Fitch, the "Rating Agencies") have assigned ratings of "F1+" and "SP-1+," respectively, to the Notes.

The ratings, including any related outlook with respect to potential changes in such ratings, reflect only the respective views of the Rating Agencies, and an explanation of the significance of such ratings may be obtained from the Rating Agencies furnishing the ratings. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies, and assumptions of its own. There is no assurance that such ratings will remain unchanged for any given period of time or that they will not be revised downward or withdrawn entirely by the rating agency furnishing the same, if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings or other actions by the Rating Agencies or either of them, may have an adverse effect on the liquidity and/or market price of the affected Notes. The County has not undertaken any responsibility to oppose any such revision, suspension, or withdrawal.

COMPETITIVE SALE OF THE NOTES

The Notes are being purchased by _____ (the "Purchaser"), as the successful bidder pursuant to a competitive sale of the Notes. The Purchaser has agreed to purchase the Notes, at a price equal to \$_____ (representing the principal amount of the Notes of \$_____, plus/minus net original issue discount/bond premium of \$_____, and less an underwriting discount of \$_____).

The Purchaser's obligation to purchase the Notes is subject to certain conditions precedent set forth in the Official Notice of Sale, dated April 29, 2025, relating to the Notes and the Purchaser's bid form, but the Purchaser will be obligated to purchase all of the Notes, if it purchases any of the Notes. The Notes were initially offered to the public at the prices set forth on the inside front cover page of this Official Statement.

The prices and other terms with respect to the offering and sale of the Notes may be changed from time to time by the Purchaser after such Notes are released for sale, and the Notes may be offered and sold at prices other than the initial offering prices, including sales to dealers whom may sell the Notes into investment accounts.

FORWARD-LOOKING STATEMENTS

Any statements made in this Official Statement, including the inside front cover page and the appendices attached hereto, involving estimates, projections, forecasts, or matters of opinion, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates, projections, forecasts, or matters of opinion will be realized.

Use of the words "shall" or "will" in this Official Statement or in summaries of documents to describe future events or continuing obligations is not intended as a representation that such event or obligation will occur but only that the document contemplates or requires such event to occur or obligation to be fulfilled.

The statements contained in this Official Statement, including the inside front cover page and the appendices attached hereto, that are not purely historical, are "forward-looking

statements." Such statements generally are identifiable by the terminology used, such as "may," "will," "should," "expect," "project," "forecast," "intend," "plan," "anticipate," "believe," "estimate," "predict," "potential," "budget" or other similar words. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included or incorporated by reference in this Official Statement are based on information available on the date hereof and the County assumes no obligation to update any such forward-looking statements. It is important to note that the actual results could differ materially from those in such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including, but not limited to, risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in regional, domestic, and international social, economic, political, business, industry, market, legal, legislative, judicial, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials, the outbreak of any disease or public health threat, other future global health concerns, and other events or circumstances beyond the control of the County. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the County. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement, including the inside front cover page and the appendices attached hereto, will prove to be accurate.

MISCELLANEOUS

The references, excerpts, and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Notes, the security for and the source for repayment for the Notes and the rights and obligations of the holders of the Notes. Copies of such documents may be obtained as specified under "INTRODUCTION - Other Information" herein.

The appendices attached hereto, are integral parts of this Official Statement and should be read together with all other parts of this Official Statement.

Any statements made in this Official Statement involving matters of opinion or of estimates, forecasts, or projections, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates, forecasts, projections, or matters of opinion will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of the Notes.

AUTHORIZATION OF OFFICIAL STATEMENT

The execution and delivery of this Official Statement, and its distribution and use by the Purchaser in connection with the initial public offering, sale, and distribution of the Notes by the Purchaser, have been authorized and approved by the County.

FULTON COUNTY, GEORGIA

By: _____
Robert L. Pitts,
Chairman

FULTON COUNTY, GEORGIA

By: _____
Sharon L. Whitmore,
CPA, CPFO, Chief Financial Officer

APPENDIX A

MONTHLY CASH FLOW SUMMARIES

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Fulton County, Georgia
General Fund
PROJECTED CASH FLOWS 2025

Cash Flow Summary (in thousands)

	Actual (1) Jan.	Actual (1) Feb	Actual (1) March	Projected (1) April	Projected (1) May	Projected (1) Jun.	Projected (1) Jul.	Projected (1) Aug.	Projected (1) Sep.	Projected (1) Oct.	Projected (1) Nov.	Projected (1) Dec.	Projected (1) 2025	BUDGET 2025	Actual (1) 2024
Beginning Fund Balance	\$ 239,657.9	224,594.8	173,246.0	108,643.9	77,366.8	293,691.6	231,238.8	172,521.0	104,229.5	49,210.8	101,759.5	575,935.0	\$ 239,657.9	\$ 239,657.9	227,341.6
Borrowings:															
Capital funds	0.0								0.0	0.0	0.0	0.0	0.0		0.0
Risk Mgt fund	0.0										0.0	0.0	0.0		0.0
TAN Proceeds / In(Out)	0.0	0.0	0.0	0.0	275,000.0							(275,000.0)	0.0	0.0	0.0
Total Available funds	239,657.9	224,594.8	173,246.0	108,643.9	352,366.8	293,691.6	231,238.8	172,521.0	104,229.5	49,210.8	101,759.5	300,935.0	239,657.9	239,657.9	227,341.6
Receipts:															
100 Taxes, includes public utility	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4,724.0	123,264.5	535,000.0	42,059.7	705,048.2	705,048.2	670,106.3
110 Motor Vehicle	74.7	149.2	126.3	125.4	83.3	83.3	83.3	88.8	92.4	85.8	91.5	219.3	1,303.3	1,303.3	1,333.2
110 TAVT Tax	2,675.3	3,272.3	2,618.0	3,401.1	2,700.0	2,700.0	3,000.0	3,118.4	2,605.5	2,844.9	2,864.5	2,864.5	34,800.0	34,800.0	33,498.3
120 Current Intangible	544.3	495.8	370.8	563.6	569.3	569.3	569.3	645.9	563.7	498.1	500.0	9.9	5,900.0	5,900.0	6,123.5
150 Prior Year	20,852.8	4,173.7	15,860.4	500.0	250.0	250.0	250.0	100.0	100.0	100.0	50.0	18.1	42,505.0	42,505.0	43,815.4
160 St Real Est Transfer Tax	316.0	250.8	191.6	308.2	324.9	324.9	324.9	417.1	373.6	324.0	200.0	44.0	3,400.0	3,400.0	3,291.9
170 LOST	2,420.9	2,247.4	2,095.5	1,800.0	1,900.0	1,900.0	1,900.0	1,900.0	1,900.0	1,900.0	1,800.0	1,236.2	23,000.0	23,000.0	22,127.0
210 Intergov't Federal	0.0	21.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	48.4	0.0	115.0	185.0	185.0	48.4
220 Intergov't. State	336.4	304.3	304.3	399.4	398.7	200.0	300.0	300.0	292.6	307.2	427.7	329.4	3,900.0	3,900.0	4,308.0
230 Intergov't. local	51.1	33.9	18.5	10.6	10.0	15.0	10.0	10.0	10.0	243.0	134.5	1,653.4	2,200.0	2,200.0	2,509.3
300 Chgs for Service	1,454.5	1,304.0	2,131.7	1,998.2	1,288.8	1,288.8	1,288.8	946.7	1,206.3	3,000.0	18,239.4	1,484.8	35,632.0	35,632.0	38,764.4
400 Courts & Law Enf.	1,286.3	1,442.8	1,448.8	2,063.5	1,473.7	1,473.7	1,473.7	1,559.0	1,618.2	1,700.0	1,599.6	1,104.4	18,243.7	18,243.7	18,480.2
510 Investment Income	2,169.3	1,098.1	708.5	600.0	1,500.0	1,000.0	600.0	400.0	600.0	297.0	268.9	758.8	10,000.6	10,000.6	12,713.4
520 Rents & Royalties	244.8	369.0	225.3	48.4	238.2	238.2	238.2	365.6	206.5	500.0	200.4	549.8	3,424.4	3,424.4	3,720.7
600 Other Income	700.5	365.0	293.1	617.8	279.1	279.1	279.1	653.8	511.6	800.0	3,000.0	221.5	8,000.6	8,000.6	11,479.2
700 Financial Institution Tax/Other	0.0	2,319.6	3,617.4	430.5	0.0	0.0	11,200.0	0.0	0.0	0.0	0.0	0.0	17,567.5	17,567.5	6,769.5
Total Receipts	33,126.9	17,847.5	30,010.2	12,866.7	11,016.0	10,322.3	21,517.3	10,386.9	15,317.3	135,673.5	564,356.9	52,668.8	915,110.3	915,110.3	879,088.7
Disbursements:															
100 Salaries	21,810.8	22,049.8	44,013.1	11,603.6	33,055.7	23,027.0	23,027.0	23,027.0	23,209.1	34,452.0	24,000.0	24,000.0	307,275.1	315,950.3	282,875.1
110 Social Security	1,583.0	1,604.1	3,241.7	734.4	2,382.0	1,556.2	1,594.1	1,594.1	1,594.1	2,382.0	1,594.1	1,594.1	21,453.9	23,019.6	20,508.0
120 Contractual Services	5,906.5	17,654.5	18,302.8	8,000.0	8,000.0	21,782.3	18,824.7	26,317.5	20,330.4	16,303.4	32,999.8	29,966.0	224,387.9	228,590.0	219,444.6
130 Operating Expenses	2,584.6	3,026.2	4,500.2	4,000.0	4,000.0	4,000.0	4,000.0	5,500.0	5,500.0	5,200.0	5,000.0	7,890.6	55,201.6	60,730.2	49,161.0
140 Capital Items	1,300.3	0.0	0.0	100.0	0.0	200.0	13,083.4	0.0	100.0	200.0	100.0	10,000.0	25,083.7	25,767.5	15,225.6
150/170 Other Misc. Exp.	555.9	2,728.6	1,418.9	1,428.0	2,775.6	1,765.4	1,428.0	4,065.5	1,428.0	5,413.0	8,313.1	22,574.6	53,894.6	91,258.3	42,362.2
151 Ins. Health/Life	6,739.6	6,627.1	9,611.7	6,739.6	6,739.6	6,739.6	6,739.6	6,739.6	6,739.6	6,739.6	6,739.6	10,929.3	87,824.5	87,824.5	88,390.7
153 Pension/DC County Paid	7,192.8	7,433.9	9,178.4	7,192.7	8,192.7	7,192.7	7,192.7	7,192.7	7,192.7	8,192.7	7,192.7	6,207.0	89,553.7	93,198.3	87,530.9
160 Debt Service	0.0	0.0	0.0	0.0	200.0	2,166.3	0.0	0.0	0.0	0.0	0.0	9,532.4	11,898.7	11,898.7	10,743.5
Grady Operating & Health Clinics	0.0	7,453.0	3,726.5	3,726.5	3,726.5	3,726.5	3,726.5	3,726.4	3,726.5	3,726.5	3,726.5	3,726.5	44,717.8	44,717.8	43,723.3
Grady Debt	516.5	619.1	619.0	619.0	619.1	619.1	619.1	515.6	515.6	515.6	515.6	515.6	6,808.9	6,817.8	6,807.5
Total Disbursements	48,190.0	69,196.3	94,612.3	44,143.8	69,691.2	72,775.1	80,235.1	78,678.4	70,336.0	83,124.8	90,181.4	126,936.0	928,100.4	989,773.0	866,772.4
General Fund - Fund Balance	\$ 224,594.8	173,246.0	108,643.9	77,366.8	293,691.6	231,238.8	172,521.0	104,229.5	49,210.8	101,759.5	575,935.0	226,667.8	\$ 226,667.8	\$ 164,995.2	239,657.9

(1) Unaudited

Source: Fulton County Finance Department

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APPENDIX B

**AUDITED FINANCIAL STATEMENTS OF FULTON COUNTY
FOR FISCAL YEAR ENDED DECEMBER 31, 2023**

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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		%
	2023	2022	2023	2022	2023	2022	Change
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		%
	2023	2022	2023	2022	2023	2022	Change
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.fultoncountygga.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 Activities	Business-type Activities	Total	
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
Opoid 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)

Functions/Programs	Program revenues				Net (Expense) Revenue and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental activities	Business-type activities	Total	
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)

	General	American Rescue Plan	Library Bond	Other Governmental Funds	Total Governmental Funds
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	\$ 279,495	91,884	6,402	321,052	698,833
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	22,265	91,884	130	15,823	130,102
Deferred Inflows of Resources:					
Unavailable revenue	33,118	—	—	2,765	35,883
Total deferred inflows or resources	33,118	—	—	2,765	35,883
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	224,112	—	6,272	302,464	532,848
Total liabilities, deferred inflows of resources and fund balances	\$ 279,495	91,884	6,402	321,052	698,833

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		(715,329)
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		(20,020)
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.		
		35,883
Net position - total governmental activities	\$	(915,583)

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)
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Amounts reported for governmental activities in the Statement of Activities are different from amounts reported for governmental funds in the Statement of Revenues, Expenditures and 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	\$ <u><u>26,616</u></u>
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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)

	Non-GAAP budgetary basis			Variance
	Original Budget	Final Budget	Actual	Positive Negative
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)

	Non-GAAP budgetary basis			Variance
	Original Budget	Final Budget	Actual	Positive Negative
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)

	Non-GAAP budget basis			Variance
	Original Budget	Final Budget	Actual	Positive Negative
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			30,980	
Total revenues and other sources, GAAP basis			\$ 36,510	
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			\$ 39,256	
 Total change in fund balance	\$ —	—	—	—
Beginning fund balance	—	—	—	—
Ending fund balance	\$ —	—	—	—

See accompanying notes to the financial statements.

FULTON COUNTY, GEORGIA

Statement of Net Position Proprietary Funds

December 31, 2023

(In thousands of dollars)

Assets	Business Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Water and sewerage system fund	Other Enterprise funds	Total Enterprise Funds	
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	215,072	12,538	227,610	103,129
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	1,541,215	97,428	1,638,643	—
Total assets	1,756,287	109,966	1,866,253	103,129
Deferred Outflows of Resources				
Deferred charge on refunding of bonds	—	—	—	—
Total deferred outflows of resources	—	—	—	—

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 Activities- Internal Service Funds
	Water and sewerage system fund	Other Enterprise funds	Total Enterprise 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
	<u>5,487</u>	<u>492</u>	<u>5,979</u>	<u>12,785</u>
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	—
	<u>38,335</u>	<u>—</u>	<u>38,335</u>	<u>—</u>
Total current liabilities	<u>43,822</u>	<u>492</u>	<u>44,314</u>	<u>12,785</u>
Non-current liabilities:				
Revenue bonds payable - noncurrent	581,562	—	581,562	—
Other long-term liabilities	1,634	—	1,634	—
Total non-current liabilities	<u>583,196</u>	<u>—</u>	<u>583,196</u>	<u>—</u>
Total liabilities	<u>627,018</u>	<u>492</u>	<u>627,510</u>	<u>12,785</u>
Deferred Inflows of Resources				
Leases	353	65,267	65,620	—
Deferred gain on refunding	2,080	—	2,080	—
Total deferred inflows of resources	<u>2,433</u>	<u>65,267</u>	<u>67,700</u>	<u>—</u>
Net Position:				
Net investment in capital assets	934,652	33,163	967,815	—
Restricted for debt retirement	23,755	—	23,755	—
Unrestricted	<u>168,429</u>	<u>11,044</u>	<u>179,473</u>	<u>90,344</u>
Total net position	<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 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	169,124	3,629	172,753	146,423
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	130,198	1,960	132,158	143,286
Operating income (loss)	38,926	1,669	40,595	3,137
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)	(6,988)	973	(6,015)	3,756
Income (loss) before contributions and transfers	31,938	2,642	34,580	6,893
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	\$ 1,126,836	44,207	1,171,043	90,344

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
	Trust Funds	Funds
Assets:		
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
	<hr/>	<hr/>
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	<hr/> 222,175	<hr/> —
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	<hr/> 288,735	<hr/> 3,519,335
	<hr/>	<hr/>
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	<hr/> 154,482	<hr/> 3,519,335
Change in net position	<hr/> 134,253	<hr/> —
Net position -		
Beginning of year	<hr/> 1,329,453	<hr/> —
End of year	<hr/> <hr/> \$ 1,463,706	<hr/> <hr/> —

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	
	Fulton County Board of Health	Fulton-DeKalb Hospital Authority	Total
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)

		Program revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Fulton County Board of Health	Fulton-DeKalb Hospital Authority	Total
Functions/Programs	Expenses						
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
Unavailable revenues					
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):

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

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 3 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 AAAs 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)	-	-
	\$	<u>1,439,601</u>	<u>8,715</u>	<u>139,922</u>

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.

		December 31, 2023 ratings				
Fixed Income:	Fair Value	AAA	AA	A	BBB	BB & N/R
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	\$ 1,448,316				

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 3 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.

	Level 1	Level 2	Level 3	Total
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	\$	368,721
Investments		77,262
Restricted		
Cash and cash equivalents		51,390
Total	\$	<u>497,373</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	\$	26,529
Total	\$	<u>26,529</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>	Total Amount of Taxes Abated (Incentives Abated) for the year 2023 (in thousands)
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>		Total Amount of Taxes Abated (Incentives Abated) for the year 2023 (in thousands)
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>	Total Amount of Taxes Abated (Incentives Abated) <u>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):

	<u>2023</u>
Taxes Receivable:	
General Fund	\$ 2,757
Debt Service Fund	47
South Fulton/Fulton Industrial District	271
Custodial Funds	<u>10,026</u>
	\$ <u>13,101</u>
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):

	January 1, 2023	Increases	Decreases	December 31, 2023
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	236,851	66,743	(39,578)	264,016
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	1,163,485	43,725	—	1,207,210
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	(685,488)	(29,841)	—	(715,329)
Net capital assets being depreciated	477,997	13,884	—	491,881
Net capital assets, excluding lease assets	\$ 714,848	80,627	(39,578)	755,897
Lease assets, net of accumulated amortization				149,447
Total capital assets, net - governmental activities				905,344

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

	January 1, 2023	Increases	Decreases	December 31, 2023
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	163,508	8,246	(2,287)	169,467
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	(8,516)	(13,791)	2,287	(20,020)
Net lease and subscription assets-governmental activities	154,992	(5,545)	—	149,447

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	873
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):

	<u>January 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>December 31, 2023</u>
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	343,676	111,713	(4,844)	450,545
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	1,834,161	18,658	—	1,852,819
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	(778,784)	(39,933)	—	(818,717)
Net capital assets being depreciated	1,055,377	(21,275)	—	1,034,102
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, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>December 31, 2023</u>
Airport fund:				
Capital assets not being depreciated:				
Land and land improvements	\$ 27,909	—	—	27,909
Total capital assets not being depreciated	27,909	—	—	27,909
Capital assets being depreciated:				
Equipment	1,724	132	—	1,856
Buildings and other improvements	5,457	—	—	5,457
Total capital assets being depreciated	7,181	132	—	7,313
Less accumulated depreciation for:				
Equipment	(1,501)	(105)	—	(1,606)
Buildings and other improvements	(5,457)	—	—	(5,457)
Total accumulated depreciation	(6,958)	(105)	—	(7,063)
Net capital assets being depreciated	223	27	—	250
Net capital assets-Airport fund	\$ 28,132	27	—	28,159
	<u>January 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>December 31, 2023</u>
Wolf Creek Amphitheater fund:				
Capital assets being depreciated:				
Equipment	\$ 300	—	(114)	186
Buildings and other improvements	7,212	—	—	7,212
Total capital assets being depreciated	7,512	—	(114)	7,398
Less accumulated depreciation for:				
Equipment	(186)	—	—	(186)
Buildings and other improvements	(2,026)	(182)	—	(2,208)
Total accumulated depreciation	(2,212)	(182)	—	(2,394)
Net capital assets being depreciated	5,300	(182)	(114)	5,004
Net capital assets-Wolf Creek Amphitheater fund	\$ 5,300	(182)	(114)	5,004
Business-type activities:				
Water and Sewerage			\$ 39,933	
Airport			105	
Wolf Creek Amphitheater			182	
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):

	January 1, 2023	Increases	Decreases/ Other Changes	December 31, 2023
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	253,237	40,138	(160,038)	133,337
Capital assets being depreciated:				
Equipment	566,950	73,164	(367)	639,747
Buildings	665,256	263,416	—	928,672
Total capital assets being depreciated	1,232,206	336,580	(367)	1,568,419
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	(711,070)	(79,760)	358	(790,472)
Net capital assets being depreciated	521,136	256,820	(9)	777,947
Net capital assets-component unit activities	\$ 774,373	296,958	(160,047)	911,284

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):

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

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	\$ 13,921	-	3,029	10,892	2,030
Business-type activities:					
Water & Sewerage fund	445	-	92	353	93
Airport	66,223	-	956	65,267	1,002
Total-Business-type activities	\$ 66,668	-	1,048	65,620	1,095

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, 2022	Additions	Retirements	Other	December 31, 2023	Due within 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				
December 31		Principal	Interest	Total
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	218,674	907	(27,495)	192,086	30,399
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	\$ 101,450	-	(2,771)	98,679	14,334

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	56,260	3,362
Total	\$ 97,090	9,970

(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 represnting 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 Governmental 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>	<u>6.40%</u>
	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:

Year ended December 31:	Deferred Outflows of Resources (a)	Deferred Inflows of Resources (b)	Amount recognized in Pension Expenses as an Increase or (Decrease) to Pension Expense (a)-(b)
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>		
	1% Decrease	Current	1% Increase
	<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>		
	Current		
	1% Decrease	trend rates	1% Increase
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:	Restricted	Committed	Assigned
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	\$ 133,483	187	175,066

- (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)

	2023	2022	2021	2020	2019	2018
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	49,618	(428,985)	36,131	681,971	29,320	37,768
Total OPEB liability - beginning	\$ 1,289,740	1,718,725	1,682,594	1,000,623	971,303	933,535
Total OPEB liability - ending	\$ 1,339,358	1,289,740	1,718,725	1,682,594	1,000,623	971,303
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	\$ 1,571	(1,476)	1,498	950	1,236	(226)
Plan fiduciary net position - beginning	\$ 7,144	8,620	7,122	6,172	4,936	5,162
Plan fiduciary net position - ending	\$ 8,715	7,144	8,620	7,122	6,172	4,936
Net OPEB Liability - ending	1,330,643	1,282,596	1,710,105	1,675,472	994,451	966,367
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.

**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 stylized and cursive.

Atlanta, Georgia
June 28, 2024

APPENDIX C

CERTAIN STATISTICAL AND FINANCIAL INFORMATION RELATING TO FULTON COUNTY, GEORGIA

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In addition to the information provided in the Official Statement, including each of the appendices attached thereto, with respect to the Fulton County General Fund Tax Anticipation Notes, Series 2025 (the "Notes"), Fulton County, Georgia (the "County") has provided the following general information regarding the County, including ad valorem taxation, collection and enforcement, financial data, debt structure, and certain economic and demographic trends. A complete review of this Appendix C, together with the body of the Official Statement and all other appendices attached thereto, is essential to the making of an informed investment decision by any purchaser of the Notes. In the making of an informed investment decision relating to the Notes, a potential purchaser should not conclude that the presentation of information in this Appendix C, versus presentation of same in the body of the Official Statement, denotes that the information so provided in this Appendix C is of less relevance or importance than the information set forth in the body of the Official Statement.

*The information contained in this Appendix C has been obtained from sources the County believes to be reliable but takes no responsibility for the accuracy thereof. Due to the timing of the availability of certain information and the frequency with which updates to such information become available, the information presented in this Appendix C may not reflect the current economic conditions of the County. **All of the following information, estimates and expressions of opinion are subject to change without notice.** The delivery of the information contained in this Appendix C shall not, under any circumstances, create any implication that there has been no material change in the affairs of the County since the date of the Official Statement.*

The County expressly disclaims any obligation or commitment to update the information provided in this Appendix C. The County has not authorized anyone to give any information or to make any representations not contained herein or supplemental hereto, and if given or made, such other information or representations must not be relied upon as having been authorized.

All capitalized terms used herein and not otherwise expressly defined herein shall have the respective meanings set forth in the Official Statement.

GENERAL INFORMATION

County Services

For Fiscal Year 2023, the County employed approximately 4,700 people on a full-time basis, which figure includes elected officials and department heads. The County justice and court system, tax assessment and collections, libraries, and public behavioral health services are the responsibilities of the County government. Public hospital facilities are administered by The Fulton-DeKalb Hospital Authority, which oversees operations at Grady Memorial Hospital Corporation (which includes satellite health facilities). Water treatment and distribution and sewage disposal are provided to County residents connected to these services. The school system for the County, outside the limits of the City of Atlanta, is operated by the Fulton County Board of Education, which is an independent governmental unit. The County owns and operates Fulton County Executive Airport-Charlie Brown Field, a general aviation airport facility designed for heavy corporate use.

Through contractual arrangements, the County provides financial support to The Fulton-DeKalb Hospital Authority, the Fulton County Board of Health and the Fulton County Urban Redevelopment Agency.

Population

The U.S. Census Bureau estimated that the County's population as of July 1, 2023 was 1,079,105, and remains the most populous county in the State of Georgia (the "State"). The following table presents the estimated population of the ten-county Atlanta region, which includes the County and the City of Atlanta, for 1990, 2000, 2010, 2020, and 2023.

**Estimated Population
Ten-County Atlanta Region and the City of Atlanta
1990-2023**

	1990	2000	2010	2020	2023
Cherokee	90,204	141,903	214,346	266,620	286,602
Clayton	181,436	236,517	259,424	297,595	298,300
Cobb	447,745	607,751	688,078	766,149	776,743
DeKalb	546,171	665,865	691,893	764,382	762,992
Douglas	71,120	92,174	132,403	144,237	149,160
Fayette	62,415	91,263	106,567	119,194	983,526
Fulton	648,779	816,006	920,581	1,066,710	1,079,105
Gwinnett	352,910	588,448	805,321	957,062	983,526
Henry	58,741	119,341	203,922	240,712	254,613
Rockdale	54,091	70,111	85,215	93,570	95,987
<i>Ten-County Atlanta Region</i>	2,513,612	3,429,379	4,107,750	4,716,231	5,670,554
<i>City of Atlanta</i>	393,929	416,474	420,003	498,736	510,823

⁽¹⁾ As of July 1, 2024, latest data available.

Source: U.S. Department of Commerce, Bureau of the Census, Population Estimates.

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Employment

Largest Employers. The following table presents the top ten largest employers in the County.

Top Ten Largest Employers⁽¹⁾ Third Quarter of Fiscal Year 2024

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

⁽¹⁾ Represents employment covered by unemployment insurance excluding all government agencies except correctional institutions, state and local hospitals, state colleges and universities. Data shown for the Third Quarter of 2024. Employers are listed alphabetically by area, not by the number of employees.

Source: Georgia Department of Labor, Fulton County Area Labor Profile, Updated: February 2025.

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Employment Statistics. The following table presents the estimated labor force and employment for the County and other counties comprising the Fulton area, the State, and the United States.

**Labor Force Activity
December 2024⁽¹⁾**

	Labor Force	Employed	Unemployed	Unemployment Rate (%)
Fulton	589,918	567,833	22,085	3.7%
Carroll	58,499	56,557	1,942	3.3
Cherokee	145,801	141,934	3,867	2.7
Clayton	143,875	137,329	6,546	4.5
Cobb	440,943	428,073	12,870	2.9
Coweta	79,553	77,113	2,440	3.1
DeKalb	414,564	399,843	14,721	3.6
Douglas	76,842	74,037	2,805	3.7
Fayette	60,908	59,121	1,787	2.9
Forsyth	133,117	129,613	3,504	2.6
Gwinnett	511,959	496,566	15,393	3.0
Fulton Area	2,655,979	2,568,019	87,960	3.3
Georgia	5,376,670	5,193,719	182,951	3.4
United States	167,746,000	161,294,000	6,452,000	3.8

⁽¹⁾ Reflects the latest information available. Labor Force includes residents of the County who are employed or actively seeking employment.

Source: Georgia Department of Labor, Fulton County Area Labor Profile, Updated: February 2025.

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Average Employment and Weekly Wage by Industry Mix. The following table shows a summary of the industry mix for the County.

**Industry Mix
Third Quarter of 2024⁽¹⁾⁽²⁾**

Industry	Number of Firms	Fulton Employment		Weekly Wages
		Number	Percent	
Goods-Producing	4,993	52,602	5.5%	\$1,757
Service-Providing	59,699	783,734	82.7	1,831
Unclassified - industry not assigned	8,596	3,956	0.4	1,819
Total - Private Sector	73,288	840,292	88.6	1,826
Total - Government	556	107,667	11.4	1,656
ALL INDUSTRIES	73,844	947,958	100.0	1,807

⁽¹⁾ Denotes confidential data relating to individual employers and cannot be released. These data use the North American Industrial Classification System (NAICS) categories. Average weekly wage is derived by dividing gross payroll dollars paid to all employees - both hourly and salaried - by the average number of employees who had earnings; average earnings are then divided by the number of weeks in a reporting period to obtain weekly figures. Figures in other columns may not sum accurately due to rounding. All figures are 3rd Quarter of 2024.

⁽²⁾ These data represent jobs that are covered by unemployment insurance laws.

Source: Georgia Department of Labor, Fulton County Area Labor Profile, Updated: February 2025.

Per Capita Personal Income

Per capita income in the County has generally trended upward since 2019 and has remained greater than the per capita income for the State. The following table sets forth per capita income for the County and the State for the period 2019 through 2023.

	Fulton County	State of Georgia
2019	93,334	48,529
2020	93,399	51,460
2021	100,995	56,079
2022	100,577	57,193
2023	106,131	59,691

⁽¹⁾ U.S. Bureau of Economic Analysis, Updated: April 2025.

FULTON COUNTY GENERAL FUND

Budgeting

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, receive budget requests from County departments, agencies, elected officials, and authorities who receive funding from the county through the budget process.
- (2) Meetings may be held by the County Manager to review budget requests, justifications, and recommendations.
- (3) By November 15, the County Manager presents a proposed budget for the fiscal year beginning the following January 1 to the Board of Commissioners. This budget includes recommended expenditures, including but not limited to capital outlay, and public works projects for the following year, and estimated revenues to finance them. Notice of the availability of the proposed budget to the public is published in advance of the presentation to the Board of Commissioners and in accordance with O.C.G.A. 36-81-5(e). The proposed budget serves as the acting budget until the final budget is adopted.
- (4) A duly noticed public hearing is held, typically in December, after presentation of the proposed budget but before adoption of the final budget for the purposes of receiving public comment. The budget is legally adopted by the Board of Commissioners no later than the second regular meeting of the Board of Commissioners in January of the current budget year. A balanced budget for the general fund, each special revenue fund, and each debt service fund 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:
 - a. Departments, are authorized to transfer certain amounts within departmental budgets, with certain exceptions which require the approval of the County Manager or designee (i.e., salary savings).
 - b. Budget amendments that would increase total department appropriations require Board approval.
- (6) For FY 2025, budgets are legally adopted for the major funds, including the General Fund (annually), American Rescue Plan Fund, and the Library Bond Fund. Formal budgetary integration is employed as a management control device during the year for these three funds. Budgets were also

legally adopted for debt service fund and other special revenue funds for the fiscal year ending December 31, 2025. 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 December 31.

- (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 County Manager and subsequently appropriated by the Board of Commissioners. Several supplemental appropriations are anticipated during 2025.

The Board of Commissioners approved the 2025 General Fund Budget of the County on January 29, 2025.

Basis of Accounting

The County maintains a General Fund and designated special funds. The County's accounting records for general governmental operations are routinely maintained on a cash basis during the fiscal year in accordance with legal budgetary requirements. At year end, adjustments are made by the County to conform to accounting principles generally accepted in the United States of America for governmental financial statements. 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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The governmental fund financial statements are reported using the current resources measurement focus and the modified accrual basis of accounting. 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.

Previous Annual Tax Anticipation Note and Other Borrowings

Because a major portion of revenues for the General Fund of the County comes from property taxes which are not due until October 15 (although such taxes are payable July 1 through October 15), it is necessary for the County to borrow working capital for operations during a portion of the year. To that end, the tax anticipation notes are issued early in each fiscal year for the entire amount required and proceeds are invested to mature, as needed, based upon cash flow projections. Investments are made in obligations of the United States governmental agencies, United States Treasury bills and notes, banker's acceptances, the Georgia Local Government Investment Pool and repurchase agreements of very short duration.

Set forth below is the County's General Fund annual tax anticipation note borrowing for the previous ten fiscal years ended December 31 in the years shown:

Fiscal Year	Principal Amount
2015	\$200,000,000
2016	150,000,000
2017	200,000,000
2018	— ⁽¹⁾
2019	200,000,000
2020	200,000,000
2021	175,000,000
2022	175,000,000
2023	200,000,000
2024	225,000,000

⁽¹⁾ In Fiscal Year 2018, the County issued a line of credit with a financial institution for an amount up to \$200,000,000 to provide operating capital for 2018 until property tax collections were received by the County. As of December 31, 2018, no amounts were outstanding under such line of credit.

Source: Fulton County Finance Department.

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Historical Revenues and Expenditures

Fulton County, Georgia General Fund Balance Cash Flow Summary (Cash Basis) Historical Revenues and Expenditures Last Five Fiscal Years Ended December 31,

	2024	2023	2022	2021	2020
CASH AND AVAILABLE RESOURCES ⁽¹⁾					
Beginning cash, January 1	\$ 227,341,577	\$ 224,363,249	\$ 249,919,335	\$226,934,120	\$205,287,403
Capital improvement funds	-	-	-	-	-
Total	\$ 227,341,577	\$ 224,363,249	\$ 249,919,335	\$226,934,120	\$205,287,403
REVENUES ⁽²⁾					
Current tax	\$ 692,233,308	\$ 635,289,320	\$ 604,343,631	\$581,936,860	\$573,296,434
Prior year taxes	43,815,454	39,073,088	33,605,123	39,378,050	37,253,291
All other	143,039,938	164,717,606	122,380,332	128,961,135	113,544,064
Total revenues	879,088,700	839,080,014	760,329,086	750,276,045	724,093,789
Total cash and revenues	\$1,106,430,277	\$1,063,443,263	\$1,010,248,421	\$977,210,165	\$929,381,192
EXPENDITURES ⁽²⁾					
General fund expenditures	\$ 866,772,399	\$ 836,101,686	\$ 785,885,172	\$727,290,830	\$702,447,072
Use of other resources	-	-	-	-	-
Total expenditures	\$ 866,772,399	\$ 836,101,686	785,885,172	\$727,290,830	\$702,447,072
Ending cash, December 31 st	\$ 239,657,878	\$ 227,341,577	\$ 224,363,249	\$249,919,335	\$226,934,120

⁽¹⁾ Estimated cash balance at beginning of current Fiscal Year available to meet cash flow requirements during Fiscal Year.

⁽²⁾ Revenues and expenditures shown are prepared on an unaudited cash basis.

Source: Fulton County Finance Department.

General Fund Revenues by Source and General Fund Expenditures by Function

For information regarding General Fund revenues by source and General Fund expenditures by function, see the County's Annual Comprehensive Financial Reports, which are available on the County's website and the EMMA website.

PROPERTY AND OTHER TAXES

Property Tax

The County endeavors to reappraise a portion of the real property located in the County annually so that all real property is reappraised every three years. A taxpayer may appeal the reappraised value of his property. Georgia law requires the Fulton County Tax Commissioner (the "Tax Commissioner") to issue temporary tax bills to taxpayers in appeal equal to the higher of the taxpayer's return of value or 85% of the current year's valuation as set by the Fulton County Board

of Assessors (the "Board of Assessors"). A taxpayer with property in appeal may elect to be billed 100% of the valuation pending the appeal hearing. In addition, taxes in appeal are not considered delinquent if the taxpayer pays the County the amount of taxes which would be due based on the assessed valuation for the prior year or based on the portion of the undisputed assessed valuation.

The assessment of real property in the County, overseen by the Board of Assessors, continues to generate significant appeals although the number of appeals is on the decline.

All taxes levied on real and personal property in the County, together with interest thereon and penalties for late payment, constitute a lien on and against the subject property arising after January 1 in the year in which taxed. Georgia law provides that taxes have priority over any other debt, lien, or claim of any kind. Exceptions to this rule can be found but they are limited in scope.

Collection of delinquent real property taxes is enforceable by tax sale of such realty. Delinquent personal property taxes are similarly enforceable by seizure and sale of such property. There can be no assurance, however, that the value of the property sold, in the event of a tax sale, will be sufficient to produce the amount required to pay in full the delinquent taxes, including any interest or penalty thereon.

When the last day for the payment of taxes arrives, the tax collector notifies the taxpayer in writing that taxes have not been paid and that unless paid, an execution will be issued. At any time after thirty days from giving the notice previously described, upon the request of the County, the Tax Commissioner, as ex-officio sheriff, issues an execution for nonpayment of the taxes. No notice is required for delinquent taxes on personal property, and executions may be issued on the first day following the last day for payment of taxes. All delinquent accounts are placed on the general execution docket in the Superior Court of Fulton County. The Tax Commissioner then publishes a notice of the sale in a local newspaper weekly for four weeks and gives the taxpayer ten days' written notice by registered or certified mail. A public sale of the property is then made by the Tax Commissioner at the Fulton County Courthouse on the first Tuesday of the month after the required notices are given.

Motor Vehicle Tax

In 2012, the Georgia General Assembly passed legislation providing for a new method of taxation for motor vehicles purchased or leased on or after March 1, 2013 and titled in Georgia. These vehicles are exempt from sales and use tax and annual ad valorem tax, also known as the "birthday tax." These taxes are replaced by a one-time tax that is imposed on the fair market value of the vehicle called the title ad valorem tax fee ("TAVT"). The fair market value is the taxable base of the motor vehicle.

In calendar year 2022, the law requires the Department of Revenue ("Department") to evaluate TAVT revenues to determine if the TAVT rate will change for the calendar year following the year of the calculation. The law sets forth the specific methodology to be followed by the Department in determining whether the rate is to change or stay the same. For future years the rate may be adjusted, but in no event can the rate exceed 9%. The rate for the subsequent tax years, if increased, will be set by the Commissioner of the Department and will be published by August 31 of the year prior to the rate change.

Applications for title and TAVT payments are submitted directly to the county in which the purchaser registers the vehicle (*i.e.* county of residence) and must be paid at the time application for title and registration are made. Vehicles purchased prior to March 1, 2013 continue to be subject to the yearly "birthday tax." The State of Georgia Motor Vehicle Tax Unit assesses the value of these motor vehicles by make, model, and year and provides the information to each county tax office for billing.

Public Utility Tax

The State of Georgia Property Tax Unit also assesses the value of the respective property of public utilities and divides the respective assessment(s) into two parts, assessed value of property and assessed value of franchise, and provides these amounts to the respective county which bills these taxes to the respective utility company.

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FULTON COUNTY BONDED INDEBTEDNESS

Computation of Direct and Overlapping Debt

The County's tax supported debt, including direct general obligation debt, overlapping jurisdiction debt and contractual indebtedness, is set forth in the following table:

Fulton County, Georgia Computation of Direct and Overlapping Debt as of December 31, 2023

Name of Governmental Unit	Amount Outstanding	Percentage Applicable to Fulton County	Amount Applicable to Fulton County
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	<u>\$ 528,856,443</u>		<u>\$ 528,856,443</u>
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: ⁽¹⁾			
Alpharetta	104,130,535	100.00	104,130,535
Atlanta (including School District ⁽²⁾)	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 ⁽³⁾	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 Urban Redevelopment Authority	15,040,000	100.00	15,040,000
Roswell	89,205,658	100.00	89,205,658
East Point Building Authority	31,804,148	100.00	31,804,148
Total overlapping debt	<u>\$1,074,050,508</u>		<u>\$1,036,234,670</u>
Total direct and overlapping debt and contractual obligations and overlapping contractual obligations	<u>\$1,602,906,951</u>		<u>\$1,565,091,114</u>

* 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 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.

⁽²⁾ Does not include the City of Atlanta's Certificates of Participation of \$54,428,000 as of December 31, 2023.

⁽³⁾ 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.

Calculation of City of Atlanta overlapping percentages:	M&O A.V. (\$000s)	% of M&O A.V.	Bond A.V. (\$000s)	% Bond A.V.
City of Atlanta in Fulton	\$42,418,391	94.19%	\$48,407,716	94.31%
City of Atlanta in DeKalb	2,614,391	5.81	2,919,703	5.69
	<u>\$45,032,782</u>	<u>100.00%</u>	<u>\$51,327,419</u>	<u>100.00%</u>

** Based on 2023 Tax Digest values from the Georgia Department of Revenue.

Source: Fulton County Finance Department.

Constitutional Debt Limitation

The constitutional limit on direct general obligation bonds is the amount equal to 10% of the assessed valuation of taxable property. Ten percent of the assessed valuation of taxable property, as of December 31, 2023, is \$10,236,099. As of December 31, 2023, the County had direct general obligation debt outstanding in the amount of \$48,075. Therefore, the County's unused debt margin was approximately \$10,068,000 as of December 31, 2023.

Fulton County, Georgia Legal Debt Margin Information as of December 31, 2024 and Last Ten Fiscal Years (in thousands)

Assessed value	\$116,498,770
Less:	
Applicable property tax exemptions	(7,449,337)
Assessed value for bond purposes	<u>109,049,433</u>
Debt limit 10% of assessed value	<u>10,904,943</u>
Less amounts of debt applicable to the limit:	
General Obligation debt outstanding	209,490
less available debt service funds	<u>(54,262)</u>
Total amount applicable to debt limit	<u>155,228</u>
Legal Debt Margin	<u>\$ 10,749,715</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
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
2024	10,904,943	155,228	10,749,715	0.14

General Obligation Bonds

See "FISCAL OVERVIEW OF THE COUNTY - General Obligation Bonds" in the Official Statement.

Multi-Year Lease Payment Limitations

Pursuant to the laws of the State, the County is authorized to enter into multiyear lease, purchase or lease purchase contracts provided that the principal portion of such contract, when added to the amount of debt incurred by the County pursuant to Article IX, Section V,

Paragraph I of the Constitution of Georgia does not exceed 10% of the assessed value of all taxable property within the County.

Further, pursuant to the laws of the State, the County may not execute, renew, refinance or restructure multiyear lease, purchase, or lease purchase contracts with respect to real property if the lesser of either of the following is exceeded:

(i) the average annual payments for such contracts does not exceed an amount equal to 7.5% of the governmental fund revenues of the County for the calendar year preceding the delivery of such contract plus any available special county 1% sales and use tax proceeds collected pursuant to O.C.G.A. § 48-8-111; or

(ii) the outstanding principal balance of the aggregate of all such outstanding contracts exceeds \$25,000,000; except that with respect to any county (such as the County) which, prior to July 1, 2000, had entered into such a contract, the outstanding principal balance of which exceeded \$25,000,000, such outstanding contracts may be renewed, refinanced, or restructured, but no new contracts may be developed and executed until the outstanding principal balance of such outstanding contracts has been reduced so that the \$25,000,000 limitation or the limitation in (i) above (whichever is lower) is not exceeded.

For information relating to other financed purchases and leases, see "APPENDIX B - AUDITED FINANCIAL STATEMENTS OF FULTON COUNTY FOR FISCAL YEAR ENDED DECEMBER 31, 2023" attached to the Official Statement.

APPENDIX D

FORM OF NOTE COUNSEL OPINION

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May __, 2025

Board of Commissioners of
Fulton County, Georgia
Atlanta, Georgia

\$ _____
Fulton County, Georgia
General Fund Tax Anticipation Notes, Series 2025

Ladies and Gentlemen:

We have served as Note Counsel to Fulton County, Georgia (the “County”) in connection with the issuance and sale of the County’s \$ _____ General Fund Tax Anticipation Notes, Series 2025 (the “Notes”), dated the date of their delivery.

In connection with this opinion, we have examined (i) Article IX, Section V, Paragraph V of the Georgia Constitution of 1983, as amended (the “Constitution”), (ii) the applicable laws of (A) the State of Georgia (the “State”), including without limitation, Section 36-80-2 of the Official Code of Georgia Annotated, as amended and (B) the United States of America, including without limitation the Internal Revenue Code of 1986, as amended (the “Code”), and (iii) copies of proceedings and other documents relating to the issuance and sale of the Notes by the County as we have deemed necessary to render this opinion, including, without limitation, an initial authorizing Note Resolution of the Board of Commissioners of the County (the “Board”) adopted on March 5, 2025, and an amendatory and supplemental Pricing Note Resolution of the Board adopted on [May 7, 2025].

As to questions of fact material to our opinion, we have relied upon and are assuming the accuracy of certifications and representations of the County, County officers and other public officials and certain other third parties contained in certificates and other documents delivered at closing, including, without limitation, certifications as to the use of proceeds of the Notes, without undertaking to verify them by independent investigation.

We have assumed that all signatures on documents, certificates and instruments examined by us are genuine, all documents, certificates and instruments submitted to us as originals are authentic, and all documents, certificates and instruments submitted to us as copies conform to the originals. In addition, we have assumed that all documents, certificates and instruments relating to this financing have been duly authorized, executed and delivered by all parties to them other than the County, and we have further assumed the due organization, existence and powers of all parties other than the County.

Based on the foregoing, in our opinion, under current law:

1. The Notes have been duly authorized and issued in accordance with the Constitution and laws of the State and constitute valid and binding general obligations of the County enforceable against the County in accordance with their terms.

2. Interest on the Notes (a) is excludable from the gross income of the owners of the Notes for purposes of federal income taxation under Section 103 of the Code and (b) is not a specific item of tax preference for purposes of the federal alternative minimum income tax on individuals (a "Specific Tax Preference Item"). However, such interest is included in the "adjusted financial statement income" (as defined in Section 56A of the Code) of certain corporations in determining the applicability and amount of the federal corporate alternative minimum tax imposed under Section 55(b) of the Code. We express no opinion regarding other federal tax consequences arising with respect to the Notes.

In delivering this opinion, we are assuming continuing compliance with the Covenants (as defined below) by the County, so that interest on the Notes will remain excludable from gross income for federal income tax purposes under Section 103 of the Code. The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied after the issuance of the Notes in order for interest on the Notes to be and remain excludable from gross income for purposes of federal income taxation under Section 103 of the Code and not become a Specific Tax Preference Item. These requirements include, by way of example and not limitation, restrictions on the use, expenditure and investment of the proceeds of the Notes and the use of the property financed or refinanced by the Notes, limitations on the source of the payment of and the security for the Notes, and the obligation to rebate certain excess earnings on the gross proceeds of the Notes to the United States Treasury. The tax certificate and related documents for the Notes (the "Tax Certificate") delivered at closing by the County contain covenants (the "Covenants") under which the County has agreed to comply with these requirements. A failure to comply with the Covenants could cause interest on the Notes to become includable in gross income for federal income tax purposes retroactive to their date of issue. In the event of noncompliance with the Covenants, the available enforcement remedies may be limited by applicable provisions of law and, therefore, may not be adequate to prevent interest on the Notes from becoming includable in gross income for federal income tax purposes.

We have no responsibility to monitor compliance with the Covenants after the date of issue of the Notes.

Certain requirements and procedures contained, incorporated or referred to in the Tax Certificate, including the Covenants, may be changed and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such document. We express no opinion concerning any effect on the excludability of interest on the Notes from gross income for federal income tax purposes under Section 103 of the Code of any such subsequent change or action that may be made, taken or omitted upon the advice or approval of counsel other than this firm.

3. Interest on the Notes is exempt from income taxation by the State. We express no opinion regarding (i) other tax consequences arising with respect to the Notes under the laws of the State or (ii) any consequences arising with respect to the Notes under the tax laws of any state or local jurisdiction other than the State.

This opinion is subject to the effect of any applicable bankruptcy, insolvency (including, without limitation, laws relating to preferences, fraudulent transfers and equitable subordination), reorganization, moratorium and other similar laws affecting creditors' rights generally. This opinion is subject to the effect of general principles of equity (regardless of whether considered in a proceeding in equity or at law), including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing.

Our services as Note Counsel to the County have been limited to rendering the foregoing opinions based on our review of such legal proceedings and other documents as we deem necessary to approve the validity of the Notes and the tax status of the interest on the Notes. The foregoing opinions are in no respect an opinion as to the business or financial resources of the County or the ability of the County to provide for the payment of the Notes or the accuracy or completeness of any information that anyone may have relied upon in making the decision to purchase the Notes. This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Very truly yours,

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APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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CONTINUING DISCLOSURE CERTIFICATE

This **CONTINUING DISCLOSURE CERTIFICATE** (this "Disclosure Certificate") dated May 15, 2025, is executed and delivered by **FULTON COUNTY, GEORGIA** (the "County") in connection with the issuance of \$275,000,000 in aggregate principal amount of its General Fund Tax Anticipation Notes, Series 2025 (the "Notes"). The County covenants and agrees as follows:

Section 1. Definitions.

(a) For the purposes of this Disclosure Certificate, all capitalized terms used, but not otherwise defined in this Disclosure Certificate shall have the meanings ascribed to such terms in the hereinafter defined Note Resolution and Official Statement, as applicable.

(b) In addition to the terms defined elsewhere in this Disclosure Certificate, the following terms shall have the following meanings for the purposes of this Disclosure Certificate:

"Actual Knowledge" as used in this Disclosure Certificate, and for the purposes of this Disclosure Certificate, the County shall be deemed to have "actual knowledge" of the occurrence of any event only if and to the extent the individual or individuals employed by the County and directly responsible for the administration of this Disclosure Certificate on behalf of the County have actual knowledge of or receive written notice of the occurrence of such event.

"Beneficial Owner" means any beneficial owner of the Notes. Beneficial ownership is to be determined consistent with the definition thereof contained in Rule 13d-3 of the SEC, or, in the event such provisions do not adequately address the situation at hand (in the opinion of nationally recognized bond counsel), beneficial ownership is to be determined based upon ownership for federal income tax purposes.

"Business Day" means a day other than: (a) a Saturday or Sunday; or (b) a day on which banks are required or authorized to be closed; or (c) a day on which the County is required or authorized to be closed; or (d) a day on which the New York Stock Exchange is closed.

"EMMA" means the Electronic Municipal Market Access system, a service of the MSRB.

"Filing" or **"Filings"** means, as applicable, any Notice Event Filing or Voluntary Filing under this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended.

"Note Resolution" means those certain resolutions adopted by the Board of Commissioners of the County on March 5, 2025 and May 7, 2025.

"Notice Event" means an event listed in Section 3 of this Disclosure Certificate.

"Notice Event Filing" means any notice of the occurrence of a Notice Event that the County files or causes to be filed with the Repository.

"Obligated Person" means the County and any person who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Notes (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities).

"Official Statement" means the Official Statement dated May __, 2025 relating to the Notes.

"Participating Underwriter" means _____ in its capacity as the initial purchaser of the Notes required to comply with the Rule in connection with the initial offering of the Notes.

"Repository" means each entity authorized and approved by the SEC from time to time to act as a repository for purposes of complying with the Rule. As of the date of this Disclosure Certificate, the only Repository recognized by the SEC for such purpose is the MSRB, which currently accepts continuing disclosure filings through the EMMA website at <http://emma.msrb.org>.

"Rule" means Rule 15c2-12 of the SEC promulgated pursuant to the Securities Exchange Act of 1934, in effect as of the date hereof.

"SEC" means the United States Securities and Exchange Commission.

"Voluntary Filing" means the information that the County files or causes to be filed with the Repository pursuant to Section 5 of this Disclosure Certificate.

Section 2. Scope of this Disclosure Certificate.

(a) The County has agreed to enter into this Disclosure Certificate and undertake the disclosure obligations hereunder, all at the request of the Participating Underwriter and as a condition precedent to the Participating Underwriter's initial purchase of the Notes, in order to assist the Participating Underwriter with compliance with the Rule. The disclosure obligations of the County under this Disclosure Certificate relate solely to the Notes. Such disclosure obligations are not applicable to any other securities issued or to be issued by the County, whether issued for the benefit of the County or otherwise, nor to any other securities issued by or on behalf of the County.

(b) This Disclosure Certificate shall inure solely to the benefit of the County, the Participating Underwriter, and the Beneficial Owners, and shall create no rights in any other person or entity.

(c) This Disclosure Certificate shall terminate upon: (i) the defeasance, redemption or payment in full of all Notes, in accordance with the Note Resolution, or (ii) the delivery of an opinion of counsel expert in federal securities laws retained by the County to the effect that continuing disclosure is no longer required under the Rule as to the Notes.

Section 3. Reporting of Notice Events.

The County shall file, or cause to be filed, a Notice Event Filing with the Repository, in the appropriate format required by the MSRB and in a timely manner not in excess of ten Business Days after the County has Actual Knowledge of the occurrence of any of the following Notice Events with respect to the Notes:

- (a) Principal and interest payment delinquencies;
- (b) Non-payment related defaults, if material;
- (c) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) Substitution of credit or liquidity providers or their failure to perform;
- (f) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes;
- (g) Modifications to rights of holders of the Notes, if material;
- (h) Bond calls, if material, and tender offers;
- (i) Defeasances;
- (j) Release, substitution or sale of property securing repayment of the Notes, if material;
- (k) Rating changes;
- (l) Bankruptcy, insolvency, receivership or similar event of the Obligated Person. Such an event is considered to occur when there is an appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person;

(m) The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of an Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(n) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(o) Incurrence of a financial obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Obligated Person, any of which affect security holders, if material; or

(p) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Obligated Person, any of which reflect financial difficulties.

Section 4. Responsibility for Content of Reports and Filings.

(a) The County shall be responsible for the content of each Filing (or any portion thereof) pursuant to this Disclosure Certificate.

(b) Each Filing distributed by the County shall be in a form suitable for distributing publicly and shall contain the CUSIP numbers of the Notes and such other identifying information prescribed by the MSRB from time to time. Each Notice Event Filing shall be in substantially the form set forth in EXHIBIT A attached hereto.

(c) Any report, notice or other filing to be made public pursuant to this Disclosure Certificate may consist of a single document or separate documents composing a package and may incorporate by reference other clearly identified documents or specified portions thereof previously filed with the Repository or the SEC; provided that any final official statement incorporated by reference must be available from the Repository.

(d) Notwithstanding any provision in this Disclosure Certificate to the contrary, nothing in this Disclosure Certificate shall be construed to require the County to interpret or provide an opinion concerning information made public pursuant to this Disclosure Certificate.

(e) Notwithstanding any provision in this Disclosure Certificate to the contrary, the County shall not make public information which is not permitted to be publicly disclosed under any applicable data confidentiality or privacy law or other legal requirement.

Section 5. Voluntary Filings.

(a) The County may voluntarily file, or cause to be filed, a Voluntary Filing from time to time.

(b) Nothing in this Disclosure Certificate shall be deemed to prevent the County from disseminating any other information using the means of dissemination set forth in this Disclosure Certificate or including any other information in any Filing, in addition to that required by this Disclosure Certificate. If the County chooses to include any information in any Filing in addition to that which is specifically required by this Disclosure Certificate, the County shall have no obligation under this Disclosure Certificate to update such information or include it in any future Filing.

(c) Notwithstanding the foregoing provisions of this Section 5, the County is under no obligation to provide any Voluntary Filing.

Section 6. Defaults; Remedies.

Notwithstanding any provision of this Disclosure Certificate or the Note Resolution to the contrary, no default under this Disclosure Certificate shall constitute a default or event of default under the Note Resolution. To the extent permitted by law, the sole and exclusive remedy of any Beneficial Owner for the enforcement of the provisions hereof shall be an action for mandamus or specific performance, as applicable, by court order, to cause the County to comply with its obligations hereunder.

Section 7. Amendment or Waiver.

(a) This Disclosure Certificate shall not be amended or modified except as provided in this Section 7. No modification, amendment, alteration or termination of all or any part of this Disclosure Certificate shall be construed to be, or operate as, altering or amending in any way the provisions of the Note Resolution.

(b) Notwithstanding any other provision of this Disclosure Certificate, the County may amend this Disclosure Certificate and any provision of this Disclosure Certificate may be waived, if: (i) the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Obligated Person or type of business conducted by such Obligated Person; (ii) the undertaking, as amended, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (iii) the amendment does not materially impair the interests of the Beneficial Owners of the Notes, as determined by an unqualified opinion of counsel expert in federal securities laws retained by the County or by the approving vote of Beneficial Owners of the Notes pursuant to the terms of the governing instrument at the time of the amendment.

(c) The County shall prepare or cause to be prepared a notice of any of the foregoing amendment(s) or modification(s) and shall file, or caused to be filed, such notice in accordance with Section 5 of this Disclosure Certificate.

Section 8. Severability. In case any part of this Disclosure Certificate is held to be illegal or invalid, such illegality or invalidity shall not affect the remainder or any other section of this Disclosure Certificate. This Disclosure Certificate shall be construed or enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application of this Disclosure Certificate affect any legal and valid application.

Section 9. Dissemination Agents. The County may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor disseminating agent.

[SIGNATURE PAGE TO FOLLOW]

**SIGNATURE PAGE TO
CONTINUING DISCLOSURE CERTIFICATE
FULTON COUNTY, GEORGIA
GENERAL FUND TAX ANTICIPATION NOTES,
SERIES 2025**

IN WITNESS WHEREOF, the County has caused this Disclosure Certificate to be executed, on the date first written above, by its duly authorized officer.

FULTON COUNTY, GEORGIA

By: _____
Sharon L. Whitmore, CPA, CPFO
Chief Financial Officer

EXHIBIT A

**NOTICE TO REPOSITORY OF THE OCCURRENCE OF
[INSERT THE NOTICE EVENT]**

Relating to

\$275,000,000

**FULTON COUNTY, GEORGIA
GENERAL FUND TAX ANTICIPATION NOTES,
SERIES 2025**

Originally Issued on May 15, 2025

CUSIP Number _____

Notice is hereby given by Fulton County, Georgia (the "County"), as an obligated person with respect to the above-referenced notes under the U.S. Securities and Exchange Commission's Rule 15c2-12, that **[**INSERT THE NOTICE EVENT**]** has occurred. **[**DESCRIBE NOTICE EVENT AND MATERIAL CIRCUMSTANCES RELATED THERETO**]**.

This Notice is based on the best information available to the County at the time of dissemination hereof and is not guaranteed by the County as to the accuracy or completeness of such information. The County will disseminate additional information concerning **[**NOTICE EVENT**]**, as and when such information becomes available to the County, to the extent that the dissemination of such information would be consistent with the requirements of Rule 15c2-12 and the County's obligation under that certain Continuing Disclosure Certificate dated May 15, 2025. **[**Any questions regarding this notice should be directed in writing only to the County. However, the County will not provide additional information or answer questions concerning [**NOTICE EVENT**] except in future written notices, if any, disseminated by the County in the same manner and to the same recipients as this Notice**].**

DISCLAIMER: All information contained in this Notice has been obtained by the County from sources believed to be reliable as of the date hereof. Due to the possibility of human or mechanical error as well as other factors, however, such information is not guaranteed as to the accuracy, timeliness or completeness. Under no circumstances shall the County have any liability to any person or entity for (a) any loss, damage, cost, liability or expense in whole or in part caused by, resulting from or relating to this Notice, including, without limitation, any error (negligent or otherwise) or other circumstances involved in procuring, collecting, compiling, interpreting, analyzing, editing, transcribing, transmitting, communicating or delivering any information contained in this Notice, or (b) any direct, indirect, special, consequential or incidental damages whatsoever related thereto.

Dated: _____

APPENDIX F

DTC AND THE BOOK-ENTRY ONLY SYSTEM

Unless otherwise defined herein, capitalized terms used in this Appendix F and not otherwise defined herein shall have the meanings assigned thereto in the Official Statement.

The information in this Appendix F concerning DTC and DTC's book-entry system has been obtained from DTC and neither the County nor the Purchaser make any representation or warranty or take any responsibility for the accuracy or completeness of such information.

DTC will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Note certificate will be issued for the Notes in the aggregate principal amount set forth on the inside front cover of this Official Statement and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and together with the Direct Participants, the "Participants"). The DTC Rules applicable to its Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("Beneficial Owner") is in turn to be recorded on the Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes

are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note Resolution. For example, Beneficial Owners may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to U.S. Bank Trust Company, National Association, as the note registrar designated by the County, and request that copies of the notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium, if any, and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the County on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments of principal, premium, if any, and interest on the Notes, as applicable, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County,

disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Participants.

DTC may discontinue providing its services as securities depository with respect to the Notes at any time by giving reasonable notice to the County. Under such circumstances, in the event that a successor securities depository is not obtained, Note certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Note certificates will be delivered and registered in the name of the Beneficial Owner.

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