

CITY OF FAIRBURN GEORGIA



ANNUAL COMPREHENSIVE FINANCIAL REPORT

*FISCAL YEAR ENDED
SEPTEMBER 30, 2022*

*Prepared by
City of Fairburn, Georgia Finance Department*

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

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INTRODUCTORY SECTION
(Unaudited)

May 10, 2023

The Honorable Mario Avery, Mayor
Members of the Fairburn City Council
and Citizens of the City of Fairburn

Dear Mayor, Council Members and Citizens:

The Annual Comprehensive Financial Report (ACFR) of the City of Fairburn, GA for the fiscal year ended September 30, 2022, is submitted herewith. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City. To the best of our knowledge, the enclosed data are accurate in all material aspects and fairly present the financial position and results of operations of the City. All disclosures necessary to enable interested citizens to gain a reasonable understanding of the City's financial affairs are included.

To provide a reasonable basis for making its representations, management has established a comprehensive framework of internal controls surrounding the accounting system. Internal accounting controls are designed to provide a reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

In compliance with state laws requiring an annual audit by independent certified public accountants, the financial statements for the fiscal year ended September 30, 2022, were audited by Mauldin & Jenkins, LLC, a firm of licensed certified public accountants. The goal of an independent audit is to provide reasonable assurance that the financial statements are free of material misstatements. The audit involved performing procedures to obtain audit evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and evaluating the risks of material misstatement whether due to fraud or error. Mauldin & Jenkins expressed an unmodified opinion, and it is included in this report. Their audit was conducted in accordance with auditing standards generally accepted in the United States of America and with *Government Auditing Standards* issued by the Comptroller of the United States of America. An unmodified opinion indicates that the audit did not disclose any conditions that would cause the basic financial statements not to be fairly presented in all material aspects. The independent auditor's report can be found at the beginning of the financial section.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Fairburn's MD&A can be found immediately following the independent auditor's report.

Profile of the City of Fairburn

The territory on which the City of Fairburn was originally located was acquired by the State of Georgia from the Creek Indians in the treaty of Indian Springs in 1825. U.S. Government records show a settlement as early as 1830, but the City's real growth began with the construction of the Atlanta and West Point Railroad in 1854. The City of Fairburn was incorporated on February 17, 1854, and adopted its City Charter on August 3, 1925 (Georgia Statutes 1925).

It is believed that Fairburn was named for a township in the County of York, England by William McBride, the City's first postmaster, to honor his ancestral hometown. Fairburn was once the county seat for Campbell County, Georgia, from 1870 until the County was dissolved in 1931. A telephone system was installed in 1905 and the City received electric lights in 1911. Fairburn gained worldwide distinction in 1921 by erecting the first monument to World War I.

City Administration and Officials

The City of Fairburn operates as a Mayor/Council form of government with a City Administrator. The Mayor and six council members are part-time employees. The Mayor, while a part-time employee, is also the City's Chief Executive Officer. A full-time City Administrator is appointed by and serves at the pleasure of the Mayor and Council and is responsible for carrying out their policy directives and managing the day-to-day operations of the City.

The Mayor and City Council are elected by the entire City and serve "at large" rather than representing various districts. Each year at the first regularly scheduled meeting in January, the Council elects a Mayor Pro Tem from among its members. Fairburn's Mayor Pro Tem assumes all duties and powers of the Mayor during the Mayor's absence or disability. The Mayor and Council Members serve four-year staggered terms.

The Mayor presides at all meetings of the City Council; however, the Mayor can only cast tie-breaking votes.

It is the responsibility of the Fairburn City Council to set policy for City operations, to set millage rates for property taxes, to approve a balanced budget for the City's operations, to pass ordinances and to hear and act on requests for rezoning and annexation.

The Code for the State of Georgia requires the City to adopt by local resolution an annual balanced budget. The annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund, function and department and is closely monitored throughout the year. All activities of the City including: the general fund, the special revenue funds, the debt service fund, the capital project funds, and enterprise funds are included in the annual budget. The City's legal level of control is at the department level. Administrative budgetary control, however, is maintained at the line-item level. As conditions change, the budget process allows for transfers and amendments. Transfers of funds less than \$1,000 within a department may be authorized by the budget officer to meet unforeseen needs without Council action. Transfers of funds greater than \$1,000 within a department are authorized by the Mayor and City Administrator. Increases in departmental or fund appropriations (amendments) are approved by the Council.

City Services

The City of Fairburn provides a range of municipal government services to its residents including police and fire protection; planning and engineering; code enforcement; street maintenance; municipal court; traffic control and park operations and maintenance. In addition, electric, water, sewer and storm water services are provided to residents by the City and are primarily financed by charges to the customers of the related service. Solid waste collection and disposal services are offered to the citizens through a contractual agreement.

Local Economy

As a part of the Atlanta Metropolitan area, Fairburn is positioned for significant economic growth with easy access to markets in the Northeastern, Southern and Midwestern States by air, rail, or highway. The City of Fairburn is located ten miles south of Atlanta Hartsfield-Jackson International Airport, the world's busiest airport. A mainline operated by CSX provides access to their growing Fairburn intermodal yard. The community is bisected by Interstate 85 and contains portions of three state highways. Downtown Fairburn is about a 25-minute drive from the intersection of I-75, I-85, and I-20 in downtown Atlanta near the State Capital.

Fairburn works in partnership with a wide range of organizations to market the area to potential developers. The Economic & Community Development Group of the Electric Cities of Georgia is an important partner in marketing the City to developers and in helping to provide extensive support to existing utility customers. The Fulton County Development Authority and the State of Georgia's Department of Economic Development also regularly present Fairburn to interested site locators.

Fairburn is the long-time home to several large manufacturing facilities. Nestle-Purina's Fairburn plant has laid claim to be the largest dry pet food manufacturing facility in the world. Owens-Corning and Porex celebrated their 40th and 50th anniversaries, respectively, during this decade. These businesses remain some of the region's largest employers.

The City is also home to many regional distribution facilities, including US Foods, Pittsburgh Paint & Glass, Toto, Duracell/Sonoco/DHL; Google; Electrolux, Pangborn, Mobis, Smuckers, S.C. Johnson, Clorox, and Aaron Rents. These large warehouses take advantage of Fairburn's proximity to downtown Atlanta, the Atlanta Airport, and the CSX intermodal facilities, as well as its easy access to I-85. It is because of these amenities that Fairburn continues to attract large industrial warehouse users. And to ensure City residents and others in South Fulton have access to the employment opportunities these companies provide, the City's strategic investment in the Fairburn Educational Campus aims to create a qualified workforce to meet the employment needs of its business sector. The Fairburn Educational Campus is home to two educational institutions: Brenau University South and Georgia Military College.

The City has seen several signs that the local economy is stable. The collection of City revenues has increased by 50% over the last five years. Tax collections have remained positive. In addition, the City continues to focus on plans for residential and economic growth. Retail sales are also steadily increasing as evidenced by the Local Option Sales Taxes; 27% over fiscal year 2014 which is when the City of Fairburn's allocation increased due to an increase in the City's population (40% increase since 2010). New home permits have continued to increase over the last 5 years.

The City's proximity to Pinewood Atlanta Studio in adjoining Fayette County and Atlanta Metro Studios in Union City bodes well for future economic development. Fairburn's State Road (SR) 74 interchange on Interstate 85 is the gateway to Pinewood from both downtown Atlanta and the Atlanta Airport, creating an opportunity for commercial and residential growth that caters to the Studio's users and suppliers. Fairburn strives to capitalize on the ever-expanding film industry and associated careers by teaming with our local colleges to offer training in these fields.

Fairburn continues to be the home of the Georgia Renaissance Festival, a re-creation of a 16th-Century European Country Faire. Located on 120 acres just minutes from downtown Fairburn, the festival attracts more than 250,000 visitors annually. As part of Fairburn's marketing strategy, the City looks to partner with the Renaissance Festival to capture some of the tourism dollars this event generates.

The City has been building upon its inherent strengths in areas such as location, transportation, infrastructure, and partnerships. Overall, the City's economic development, both residential and commercial/industrial is stable. The unemployment rate is stable, and our population is steadily increasing, indicating that the City has a solid base to its financial position. The increase in revenue in conjunction with the reduction in spending has enabled the City to remain consistent with the services offered to its citizens and has allowed the City to remain fiscally strong.

Long-Term Financial Planning

The City's transportation improvements were funded with the 2016 Transportation Special Purpose Local Option Sales Tax (TSPLOST). On November 8, 2016, voters approved the TSPLOST. This seventy-five cents sales tax program can only be spent on transportation improvements, such as roads, bridges, sidewalks, bicycle paths and signal lights. The TSPLOST I initiative was collected from April 1, 2017 to March 30, 2022. The City anticipates collecting a minimum of \$13,751,484 over the 5-year life of the program.

The Government Finance Officers Association recommends an unassigned general fund balance of at least two months of expenditures for governments. Two months of expenditure for the City of Fairburn is 17% of total expenditures. Currently the City of Fairburn has 124% of expenditures in unassigned general fund balance. The City of Fairburn is placing an emphasis on financial stability which includes increasing revenues, reducing expenditures, and minimizing debt. The City has devoted attention to the redevelopment of various areas of the City. The City is also focused on developing the SR 74 corridor. Attracting more restaurants and businesses for both the downtown area and the SR 74 corridor are top priorities.

Relevant Financial Policies

The City of Fairburn operates under a set of fiscal policies to ensure the City is financially sound. These policies cover five financial areas: 1) budget, 2) capital, 3) revenue, 4) fund balance and 5) debt. Below is a summary of those policies which are relevant to understanding the financial statements and the financial condition of the City.

1. The City of Fairburn will finance all current expenditures with current revenues. Fairburn will avoid balancing current expenditures through the obligation of future resources. The City will adopt a balanced annual operating budget each year.

2. Capital budgeting is essential and prevents excessive costs in any one budget year. Capital purchases maintains the City's infrastructure. The City continued a multi-year initiative to resurface roads, build sidewalks, upgrade/replace traffic control devices and other transportation related purposes. Capital transportation projects are currently funded by the 2016 TSPLOST.

Major Initiatives

The TSPLOST and Capital Improvements Projects completed in Fiscal Year 2022 included: 1) resurfacing and reconstructing (reclamation) of city roads, and the 2) installation of sidewalks, and other pedestrian improvements to include handicap ramps.

- Completed the Oakley Industrial Boulevard (OIB) Full-Depth Reclamation Project - Phase II. An IGA with the South Fulton CID for \$606,008 and an IGA with the City of South Fulton for \$504,019 were secured to help deliver this project. Approximately 3 miles of centerline roadway were reclaimed and resurfaced as a part of the Phase II, Oakley Industrial Boulevard Full-Depth Reclamation Project.
- Completed the Rivertown Road Pedestrian Improvements Project. This project entailed the installation of five-foot sidewalk along the north side of Rivertown Road from the bridge just south of Magnolia Lane to Virlyn B. Smith Road (approximately 5,000 linear feet). The installation of a Rectangular Rapid Flashing Beacon (RRFB) or a HAWK (High-Intensity Activated Crosswalk) and high visibility crosswalk at the existing ADA ramps near the bridge by Magnolia Lane was also included in the project.
- Completed the 2021 LMIG/TSPLOST Resurfacing Project/Roadway Improvements on Various City Roads A Local Maintenance Improvement Grant (LMIG) Award of \$182,153 was combined with TSPLOST funds to take advantage of the economies of scale. This allowed for a Contract Award of \$1,649,113 which was used for approximately 6 miles of roadway improvements.
- The Margaret Street Pedestrian Improvements Project was completed. The scope of work of the Margaret Street Pedestrian Improvements Project included the removal of existing curb and gutter and header curb, and the installation of new header curb and sidewalk. The scope of Add Alternate #1 included pedestrian crosswalks to the north (W. Campbellton Street) and south (Orchard Street) of Margaret Street. Add Alternate #2 included milling, asphalt paving, the installation of traffic-print textured paving crosswalks, manhole adjustments and associated tasks. The total project expenditure for the Margaret Street Pedestrian Improvements Project was \$344,320. However, the City of Fairburn received a \$239,338 Fulton County Community Development Block Grant (CDBG) Award in August of 2021. These funds were utilized to cover the construction costs associated with the Base Bid and Add Alternate #1. The construction costs of that exceeded the CDBG award amount (\$104,983), were covered by TSPLOST Infrastructure-Roadway funds. These costs were associated with Add Alternate #2, the roadway components of the project.
- Completed the 2022 LMIG/TSPLOST Resurfacing Project/Roadway Improvements on Various City Roads. A Local Maintenance Improvement Grant (LMIG) Award of \$200,796 was combined with TSPLOST funds to take advantage of the economies of scale. This allowed for a Contract Award of \$1,802,279 and approximately 7 miles of roadway improvements to be delivered. The project also came in approximately \$100,000 under budget, with a final construction cost of \$1,707,183.

- The City of Fairburn’s Downtown LCI Streetscape Project was also substantially completed in fiscal year 2022. The improvements associated with this project include the installation of new and wider brick paver sidewalks, new granite header curb, raised planter beds, street trees, both street and decorative pedestrian lighting, pedestrian plazas, benches, landscaping, and improved infrastructure. The project also included traffic signal upgrades at Smith Street, Campbellton Road, and Dodd Street. The former Smith Street underpass was rehabilitated into a pedestrian walkway and plaza space as a part of the of the Downtown LCI Streetscape Project. The improvements at this location include a brick staircase, an ADA ramp, a bioretention area, and aesthetic improvements to the underpass. The intent of these improvements is to improve access to MARTA and downtown for students and residents of the south side of Fairburn. These improvements have dramatically changed the look of downtown Fairburn. The Contractor, Precision 2000, Inc. (P2K), has been unable to formally complete the project until CSX Transportation (CSXT) approved the proposed shoring required to construct the proposed retaining and thirty (30) associated parking spaces on E. Broad Street. STV Incorporated, the engineering firm reviewing the shoring design on behalf of CSXT, approved the Temporary Shoring Drawings and Calculations on March 6th, 2022. Other initiatives completed during Fiscal Year 2022 were City of Fairburn Community Development Block Grant Projects. The target population for these public facility improvement projects were the residents of Fairburn, particularly those who live in the Lightning Community. The Lightning District is a low-to-moderate (L/M) income residential community. Phase II (21-003). The improvements to Cora Robinson Park included a large community pavilion constructed on a concrete slab to accommodate future picnic tables and seating units; a new parking lot to accommodate small gatherings, accessible sidewalk, and project landscaping. The chain-link fencing surrounding the Park was also replaced with decorative wrought iron fencing with intermittent brick columns.

Awards and Acknowledgements

The City of Fairburn has applied for the Certificate of Achievement for Excellence in Financial Reporting to the Government Finance Officers Association of the United States and Canada (GFOA) for the fiscal year ended September 30, 2021. The application is under review. We do believe the report meets the requirements for the award and this will be the thirty third consecutive year, the City has achieved this prestigious award. To be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is valid for one year. We believe that our fiscal year FY 2022 ACFR continues to meet the Certificate of Achievement Program’s requirements and we are submitting the FY 2022 ACFR to GFOA to determine their eligibility for certificates.

The preparation of this report was accomplished with the dedicated efforts of the Finance Department staff and through the cooperation of all City departments. We appreciate the dedication and support of each staff member for the contributions made in the preparation of this report. We would also like to thank the Mayor and City Council for the support and guidance they have given us in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully Submitted,

Bryan Stephens

Bryan Stephens, Finance Director

**CITY OF FAIRBURN, GEORGIA
CITY OFFICIALS
SEPTEMBER 30, 2022
CITY COUNCIL**

Mario Avery, Mayor
Linda J. Davis, Mayor Pro Tem
Hattie Portis-Jones
Alex Heath
Ulysses Smallwood
Pat Pallend
James Whitmore

CITY ADMINISTRATOR

Tony Phillips

CITY CLERK

Brenda James

HUMAN RESOURCES

TaLisha Champagne

FINANCE DIRECTOR

Bryan Stephens

CHIEF OF POLICE

Anthony Bazydlo

FIRE CHIEF

Cornelius Robinson

COMMUNITY DEVELOPMENT DIRECTOR

Lester Thompson

PLANNING AND ZONING DIRECTOR

Denise Brookins

ECONOMIC DEVELOPMENT DIRECTOR

Sylvia Abernathy

UTILITY DIRECTOR

John Martin

BUILDING OPERATIONS DIRECTOR

Dana Smith

STREETS AND GARAGE DIRECTOR

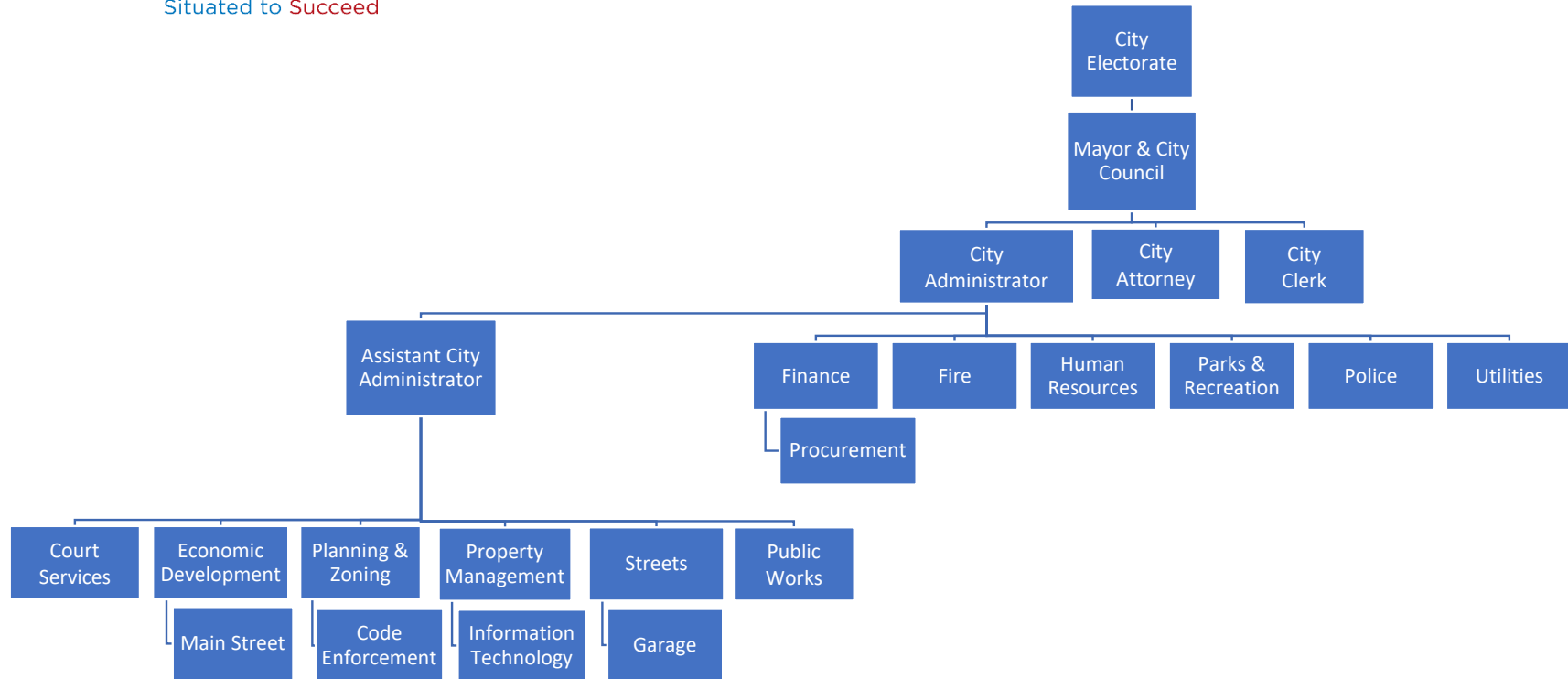
Gale Higgs

PARKS AND RECREATION DIRECTOR

Chapin Scott

CITY ATTORNEYS

Hilliard Starkey Law



Revised 1/27/2023

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members
of the City Council
City of Fairburn, 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, each major fund, and the aggregate remaining fund information of the **City of Fairburn, Georgia** (the "City"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Fairburn, Georgia's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fairburn, Georgia, as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparisons for the General Fund, Grants Fund, and American Rescue Plan Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of a Matter – Change in Accounting Principle

As described in Note 6 to the financial statements, during the fiscal year ended September 30, 2022, the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risk. Such procedures include examining, on a test basis, evidence regarding the amount 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 circumstance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Changes in the City's Net Pension Liability and Related Ratios and the Schedule of City Contributions, as presented in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the Schedule of Projects Constructed with Transportation Special Purpose Local Option Sales Tax Proceeds (the "supplementary information"), as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 10, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
May 10, 2023

City of Fairburn, Georgia
Management's Discussion and Analysis
September 30, 2022

As management of the City of Fairburn (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements and the notes to the financial statements.

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2022 are as follows:

- The assets and deferred outflows of resources for the City of Fairburn exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$113,442,701 (net position). Of this amount, \$64,466,308 is invested in capital assets, net of related debt; \$6,499,292 is restricted; and \$42,477,101 is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$8,460,958 as compared to an increase of \$14,397,287 in the prior fiscal year.
- At the end of the current fiscal year, total fund balance for the General Fund was \$241,262,692, an increase of \$2,480,834 over the prior fiscal year.
- Transfers from Enterprise Funds for General Fund operations were \$900,000, \$0 and \$600,000 in fiscal 2022, 2021 and 2020, respectively.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Discussion and Analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to those financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner like a private-sector business. All governmental and business-type activities are consolidated to arrive at a total for the Primary Government. There are two government-wide statements, the statement of net position and the statement of activities, which are described below.

The statement of net position presents information on all the City's assets, deferred outflows of resources, deferred inflows of resources, and liabilities, 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 City is improving or deteriorating. It is important to note that this statement consolidates the governmental fund's current financial resources (short-term) with capital assets and long-term liabilities.

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

The governmental activities of the City include general government, judicial, public safety, public works, culture and recreation, and planning and development.

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The business-type activities of the City include electric, water and sewer, educational complex, stormwater, and sanitation. The City's government-wide financial statements are presented on pages 17 and 18.

Reporting the City's Most Significant Funds

Unlike government-wide financial statements, the focus of fund financial statements is directed at specific activities of the City rather than the City as a whole. Except for the General Fund, a special revenue fund is established to satisfy managerial control over committed resources or to satisfy finance-related legal requirements established by external parties or governmental statutes or regulations. The City's fund financial statements are divided into two broad categories, namely, (1) governmental funds and (2) proprietary funds.

Governmental Funds

Governmental fund financial statements consist of a balance sheet and statement of revenues, expenditures, and change in fund balances and are prepared on an accounting basis that is significantly different from that used to prepare the government-wide financial statements.

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted to cash. For example, amounts reported on the balance sheet include items such as cash and receivables collectible within a fiscal year, but do not include capital assets such as land and buildings. Fund liabilities include amounts that are to be paid within a fiscal year. The difference between a fund's total assets, deferred inflows of resources, and total liabilities is labeled as the fund balance, and generally indicates the amount that can be used to finance the next fiscal year's activities. Likewise, the statement of revenues, expenditures, and changes in fund balances for governmental funds reports only those revenues and expenditures that were collected in cash or paid with cash, respectively, during the current period or very shortly after the end of the fiscal year.

For the most part, the balances and activities accounted for in governmental funds are also reported in the governmental activities' columns of the government-wide financial statements. However, because different accounting basis are used to prepare fund financial statements, there are often significant differences between the totals presented in these financial statements. For this reason, there is an analysis at the bottom of the balance sheet that reconciles the total fund balances to the amount of net position presented in the governmental activities' column on the statement of net position. Also, on page 21, there is a reconciliation of the statement of revenues, expenditures, and changes in fund balance of governmental funds to the statement of activities.

The City presents in separate columns funds that are most significant to the City (major funds) and all other governmental funds are aggregated and reported in a single column (non-major funds). The City's governmental fund financial statements are presented on pages 19 and 20.

Proprietary Funds

Proprietary fund financial statements consist of a statement of net position, the statement of revenues, expenses, and changes in fund net position and the statement of cash flows, which are prepared on the full accrual basis of accounting. For financial reporting purposes, proprietary funds are grouped into Enterprise Funds.

The City uses Enterprise Funds to account for business-type activities that typically charge fees to customers for the use of specific goods or services. Balances and activities accounted for in the City's Enterprise Funds are also reported in the business-type activities columns of the government-wide financial statements and use the same basis of accounting as the government-wide statements.

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The City presents in separate columns Enterprise Funds that are most significant to the City (major enterprise funds) and all other Enterprise Funds are aggregated and reported in a single column. A statement of cash flows is presented at the fund financial statement level for proprietary funds.

The City's proprietary fund financial statements are presented on pages 25 - 27.

OVERVIEW OF THE CITY'S FINANCIAL POSITION AND OPERATIONS

The City's overall financial position and operations for the past two fiscal years are summarized as follows based on the information included in the government-wide financial statements (see pages 17 and 18):

City of Fairburn Summary of Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021 (Restated)	2022	2021 (Restated)	2022	2021 (Restated)
Assets:						
Current and other assets	\$ 39,873,733	\$ 30,516,264	\$ 29,155,840	\$ 30,085,152	\$ 69,029,573	\$ 60,601,416
Capital assets, net	50,350,836	45,767,617	35,514,604	36,618,931	85,865,440	82,386,548
Total assets	90,224,569	76,283,881	64,670,444	66,704,083	154,895,013	142,987,964
Deferred outflows of resources	1,473,581	1,705,531	979,375	1,249,427	2,452,956	2,954,958
Liabilities:						
Other liabilities	9,938,235	6,717,158	5,082,538	5,105,068	15,020,773	11,822,226
Long-term liabilities	8,059,081	7,889,452	16,510,510	18,648,899	24,569,591	26,538,351
Total liabilities	17,997,316	14,606,610	21,593,048	23,753,967	39,590,364	38,360,577
Deferred inflows of resources	2,303,965	541,191	2,010,939	2,059,411	4,314,904	2,600,602
Net position:						
Net investment in capital assets	44,553,676	39,187,800	19,912,632	19,449,454	64,466,308	58,637,254
Restricted	4,860,232	3,905,013	1,639,060	2,145,601	6,499,292	6,050,614
Unrestricted	21,982,961	19,748,798	20,494,140	20,545,077	42,477,101	40,293,875
Total net position	\$ 71,396,869	\$ 62,841,611	\$ 42,045,832	\$ 42,140,132	\$ 113,442,701	\$ 104,981,743

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Financial Position

The total net position of the City increased \$8,460,958 or 8.06%, from \$104,981,743 to \$113,442,701 as noted in the following table:

City of Fairburn Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues						
Charges for services	\$ 2,998,243	\$ 2,653,975	\$ 19,850,955	\$ 18,657,053	\$ 22,849,198	\$ 21,311,028
Operating grants and contributions	8,500	90,737	-	-	8,500	90,737
Capital grants and contributions	5,869,145	9,044,549	671,483	1,219,090	6,540,628	10,263,639
General revenues:						
Property taxes	9,906,626	8,680,841	-	-	9,906,626	8,680,841
Sales taxes	5,365,772	4,550,878	-	-	5,365,772	4,550,878
Franchise taxes	1,234,016	1,262,038	-	-	1,234,016	1,262,038
Insurance premium taxes	1,089,132	1,052,080	-	-	1,089,132	1,052,080
Motor vehicle taxes	852,503	862,927	-	-	852,503	862,927
Beer, wine, and liquor taxes	290,605	295,599	-	-	290,605	295,599
Hotel/Motel taxes	299,763	220,709	-	-	299,763	220,709
Other taxes	411,251	244,910	-	-	411,251	244,910
Miscellaneous	103,995	108,417	1,447,116	-	1,551,111	108,417
Gain on sale of capital assets	5,927	124	-	-	5,927	124
Unrestricted investment earnings	80,133	69,634	34,374	7,251	114,507	76,885
Total revenues	28,515,611	29,137,418	22,003,928	19,883,394	50,519,539	49,020,812
Expenses:						
General government	3,788,018	2,873,534	-	-	3,788,018	2,873,534
Judicial	602,511	647,656	-	-	602,511	647,656
Public safety	8,869,155	7,775,503	-	-	8,869,155	7,775,503
Public works	4,470,541	2,943,118	-	-	4,470,541	2,943,118
Culture and recreation	682,881	439,241	-	-	682,881	439,241
Planning and development	1,101,660	1,116,042	-	-	1,101,660	1,116,042
Interest on long-term debt	308,280	310,153	-	-	308,280	310,153
Electric	-	-	12,366,384	9,643,206	12,366,384	9,643,206
Water & sewer	-	-	7,811,365	6,870,050	7,811,365	6,870,050
Education complex	-	-	890,506	938,836	890,506	938,836
Stormwater	-	-	355,805	332,443	355,805	332,443
Sanitation	-	-	811,475	733,743	811,475	733,743
Total expenses	19,823,046	16,105,247	22,235,535	18,518,278	42,058,581	34,623,525
Increase in net position before transfers	8,692,565	13,032,171	(231,607)	1,365,116	8,460,958	14,397,287
Transfers	(137,307)	(700,000)	137,307	700,000	-	-
Changes in net position	8,555,258	12,332,171	(94,300)	2,065,116	8,460,958	14,397,287
Net position, beginning of fiscal year	62,841,611	50,509,440	42,140,132	40,075,016	104,981,743	90,584,456
Net position, end of fiscal year	\$ 71,396,869	\$ 62,841,611	\$ 42,045,832	\$ 42,140,132	\$ 113,442,701	\$ 104,981,743

Governmental Activities

Net position for governmental activities increased \$8,555,258 or 13.61%. Total governmental revenues decreased \$621,807 or 2.13%. Charges for services increased \$344,268 or 12.97% primarily because of increases in fines and forfeitures. This increase was because of the backlog of court cases during the pandemic that were now being adjudicated faster, and an increase in officers writing citations. Capital grants and contributions decreased \$3,175,404 or 35.1% as the prior year revenues benefitted from intergovernmental agreements for various infrastructure projects. Property taxes increased \$1,225,785 or 14.12% as assessed values for real property continue to rise in Fulton County. Sales taxes increased \$814,894 or 17.91% along with general increases in retail activity as the pandemic subsided. Other revenue sources have remained consistent with the prior year.

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Overall expenses for governmental activities increased \$3,717,799 or 23%. General government expenses increased \$914,484 or 31.82% because of increases in staffing for general administration and legal expenses. Public safety expenses increased \$1,093,652 or 14.07% because of increases in wages and benefits and incentive payments. Public works expenses increased \$1,527,423 or 51.9% based on increases in noncapitalizable road maintenance projects. Culture and recreation expenses increased \$243,640 or 55.47% as services have increased as the pandemic subsided.

Business-Type Activities

Net position for business type activities decreased slightly by \$94,300 or less than 1% from the prior fiscal year. The activities of each enterprise fund are discussed below.

Electric Fund. Electric revenues increased \$1,006,047 or 10.82% as the City changed out old meters and corrected software billing implementation issues from 2021. Overall operating expenses increased \$2,724,019 or 28.25%. Cost of sales and services increased \$2,689,963 or 34.15% primarily from increased costs for wholesale electricity. General operating expenses and depreciation were consistent with the prior year. Transfers to the General Fund were \$250,000 and zero for fiscal years 2022 and 2021, respectively. There was a one time asset sale to MEAG for \$1,447,116.

Electric Fund, Summary of Changes in Net Position

	<u>2022</u>	<u>2021</u>	<u>\$ Change</u>	<u>% Change</u>
OPERATING REVENUES				
Charges for sales and services	\$ 10,306,108	\$ 9,300,061	\$ 1,006,047	10.82 %
OPERATING EXPENSES				
Cost of sales and services	10,565,948	7,875,985	2,689,963	34.15
General operating expenses	1,419,493	1,388,827	30,666	2.21
Depreciation and amortization	380,697	377,307	3,390	0.90
Total operating expenses	<u>12,366,138</u>	<u>9,642,119</u>	<u>2,724,019</u>	<u>28.25</u>
Operating income	<u>(2,060,030)</u>	<u>(342,058)</u>	<u>(1,717,972)</u>	<u>502.25</u>
NON OPERATING REVENUES				
Interest income	35	77	(42)	(54.55)
Sale of wireless assets	1,447,116	-	1,447,116	-
Interest expense	(246)	(1,087)	841	(77.37)
Transfers in (out)	<u>(250,000)</u>	<u>-</u>	<u>(250,000)</u>	<u>-</u>
Change in net position	<u>\$ (863,125)</u>	<u>\$ (343,068)</u>	<u>\$ (520,057)</u>	<u>151.59 %</u>

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Water and Sewer Fund. Operating income for the Water and Sewer fund was \$950,630 for fiscal year 2022 compared to \$1,730,578 in the prior fiscal year, a decrease of \$779,948 or 45.07%. Revenues increased slightly by \$169,360 or 2.38%. Cost of sales increased \$484,898 or 13.32%, primarily from increases in sewage treatment expenses and technical services. General operating expenses increased \$463,943 or 46.14%, primarily due to repair and maintenance costs and contractual services. Transfers to meet General Fund obligations were \$550,000 and zero for 2022 and 2021, respectively.

Water and Sewer, Summary of Changes in Net Position

	<u>2022</u>	<u>2021</u>	<u>\$ Change</u>	<u>% Change</u>
OPERATING REVENUES				
Charges for sales and services	\$ 7,287,909	\$ 7,118,549	\$ 169,360	2.38 %
OPERATING EXPENSES				
Cost of sales and services	4,124,694	3,639,796	484,898	13.32
General operating expenses	1,469,456	1,005,513	463,943	46.14
Depreciation and amortization	743,129	742,662	467	0.06
Total operating expenses	<u>6,337,279</u>	<u>5,387,971</u>	<u>949,308</u>	<u>17.62</u>
Operating income	<u>950,630</u>	<u>1,730,578</u>	<u>(779,948)</u>	<u>(45.07)</u>
NON OPERATING REVENUES (EXPENSE)				
Interest income	6,000	5,422	578	10.66
Interest expense	(1,474,086)	(1,482,079)	7,993	(0.54)
Total non-operating revenue (expenses)	<u>(1,468,086)</u>	<u>(1,476,657)</u>	<u>8,571</u>	<u>(0.58)</u>
Capital contributions - tap fees	671,483	1,219,090	(547,607)	(44.92)
Transfers in (out)	(415,595)	-	(415,595)	-
Change in net position	<u>\$ (261,568)</u>	<u>\$ 1,473,011</u>	<u>\$ (1,734,579)</u>	<u>(117.76) %</u>

Educational Complex Fund. This fund had operating losses of \$132,875 and \$79,113 for fiscal years 2022 and 2021, respectively. Revenues decreased \$78,664 as one tenant discontinued their lease. General operating expenses decreased \$24,902 or 4.26% primarily as assets become fully depreciated. Transfers from the General Fund to meet ongoing obligations were \$902,902 and \$700,000 in 2022 and 2021, respectively.

Educational Complex Fund, Summary of Changes in Net Position

	<u>2022</u>	<u>2021</u>	<u>\$ Change</u>	<u>% Change</u>
OPERATING REVENUES				
Charges for sales and services	\$ 426,454	\$ 505,118	\$ (78,664)	(15.57) %
OPERATING EXPENSES				
General operating expenses	54,493	62,699	(8,206)	(13.09)
Depreciation and amortization	504,836	521,532	(16,696)	(3.20)
Total operating expenses	<u>559,329</u>	<u>584,231</u>	<u>(24,902)</u>	<u>(4.26)</u>
Operating income (loss)	<u>(132,875)</u>	<u>(79,113)</u>	<u>(53,762)</u>	<u>67.96</u>
NON OPERATING REVENUES (EXPENSE)				
Bond issuance costs	-	-	-	-
Interest income	28,339	1,752	26,587	1,517.52
Interest expense	(331,177)	(354,605)	23,428	(6.61)
Total non-operating revenue (expenses)	<u>(302,838)</u>	<u>(352,853)</u>	<u>50,015</u>	<u>(14.17)</u>
Transfers in (out)	902,902	700,000	202,902	28.99
Change in net position	<u>\$ 467,189</u>	<u>\$ 268,034</u>	<u>\$ 199,155</u>	<u>74.30 %</u>

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Stormwater Fund. This fund was created during fiscal year 2010 to properly segregate infrastructure utility charges in accordance with State statutes. Revenues increased \$54,248 or 6.3% as new properties are added to the City. General operating expenses increased \$23,362 or 7.03% primarily from increases in bad debt expenses and increases in depreciation.

Stormwater Fund, Summary of Changes in Net Position

	2022	2021	\$ Change	% Change	
OPERATING REVENUES					
Charges for sales and services	\$ 914,909	\$ 860,661	\$ 54,248	6.30	%
OPERATING EXPENSES					
General operating expenses	131,546	115,671	15,875	13.72	
Depreciation and amortization	224,259	216,772	7,487	3	
Total operating expenses	355,805	332,443	23,362	7.03	
Operating income (loss)	559,104	528,218	30,886	5.85	
Change in net position	\$ 559,104	\$ 528,218	\$ 30,886	5.85	%

Sanitation Fund. Operating income decreased \$34,821 or 25.07%. Revenue increased by \$42,911 or 4.92%. General operating expenses increased \$77,732 or 10.59% primarily from increases in contracted refuse collection expenses and increases in bad debt expense. Transfers to the General Fund were \$100,000 and zero in fiscal 2022 and 2021, respectively.

Sanitation Fund, Summary of Changes in Net Position

	2022	2021	\$ Change	% Change	
OPERATING REVENUES					
Charges for sales and services	\$ 915,575	\$ 872,664	\$ 42,911	4.92	%
OPERATING EXPENSES					
General operating expenses	811,475	733,743	77,732	10.59	
Operating income	104,100	138,921	(34,821)	(25.07)	
Transfers in (out)	(100,000)	-	(100,000)	-	
Change in net position	\$ 4,100	\$ 138,921	\$ (134,821)	(97.05)	%

Financial Analysis of the City's Funds

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

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Governmental Fund Balance

The City's combined fund balances as of the end of the current fiscal year for governmental funds, presented on page 19, were \$28,923,222 compared to \$24,255,133 in the prior fiscal year, an increase of \$4,668,089 or 19.25%.

City of Fairburn Summary of Governmental Fund Balances

	2022	2021	\$ Change
General Fund	\$ 21,262,692	\$ 18,781,858	\$ 2,480,834
General Obligation Bond Capital Projects Fund	3,168,202	2,489,491	678,711
TSPLOST Fund	2,204,157	2,177,843	26,314
Grants Fund	625	473,670	(473,045)
American Rescue Plan	-	-	-
Other Governmental Funds	<u>2,287,546</u>	<u>332,271</u>	<u>1,955,275</u>
Total Governmental Fund Balances	<u>\$ 28,923,222</u>	<u>\$ 24,255,133</u>	<u>\$ 4,668,089</u>

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City of Fairburn Summary Changes in Governmental Fund Balance

	2022	2021	\$ Change	% Change
Revenues				
Property taxes	\$ 9,836,848	\$ 8,726,560	\$ 1,110,288	12.72 %
Sales taxes	5,365,772	4,550,878	814,894	17.91
Franchise taxes	1,234,016	1,262,038	(28,022)	(2.22)
Insurance premium taxes	1,089,132	1,052,080	37,052	3.52
Motor vehicle taxes	852,503	862,927	(10,424)	(1.21)
Beer, wine, and liquor taxes	290,605	295,599	(4,994)	(1.69)
Hotel/Motel taxes	299,763	220,709	79,054	35.82
Other taxes	411,251	244,910	166,341	67.92
Licenses and permits	1,511,366	1,668,523	(157,157)	(9.42)
Intergovernmental	5,598,047	9,047,628	(3,449,581)	(38.13)
Fines and forfeitures	910,597	303,095	607,502	200.43
Charges for services	449,274	617,588	(168,314)	(27.25)
Interest revenue	84,787	78,462	6,325	8.06
Other revenues	231,001	173,186	57,815	33.38
Total revenues	<u>\$ 28,164,962</u>	<u>\$ 29,104,183</u>	<u>\$ (939,221)</u>	<u>(3.23)</u>
Expenditures				
Current:				
General government	\$ 3,977,320	\$ 2,999,655	\$ 977,665	32.59
Judicial	610,290	648,158	(37,868)	(5.84)
Public safety	8,988,679	8,288,811	699,868	8.44
Public works	5,993,285	5,944,896	48,389	0.81
Parks and recreation	682,527	398,482	284,045	71.28
Planning and development	763,646	763,503	143	0.02
Capital outlays	3,494,190	4,911,771	(1,417,581)	(28.86)
Debt service:				
Principal	657,120	619,498	37,622	6.07
Interest	186,648	209,920	(23,272)	(11.09)
Total expenditures	<u>25,353,705</u>	<u>24,784,694</u>	<u>569,011</u>	<u>2.30</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,811,257</u>	<u>4,319,489</u>	<u>(1,508,232)</u>	<u>(34.92)</u>
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	6,907	124	6,783	5,470.16
Financed purchases	1,987,232	-	1,987,232	-
Transfers in	2,310,156	909,840	1,400,316	153.91
Transfers out	(2,447,463)	(1,609,840)	(837,623)	52.03
Total other financing sources (uses)	<u>1,856,832</u>	<u>(699,876)</u>	<u>2,556,708</u>	<u>(365.31)</u>
Net change in fund balances	<u>\$ 4,668,089</u>	<u>\$ 3,619,613</u>	<u>\$ 1,048,476</u>	<u>28.97 %</u>

Excess of revenues over expenditures prior to other financing sources (uses) in the Governmental Funds for the current fiscal year was \$2,811,257 as compared to \$4,319,489 in the prior fiscal year. The General Fund had an excess of \$3,786,985; the General Obligation Bond Capital Projects Fund had an excess of \$678,711; the TSPLOST Fund had an excess of \$26,314; the Grants Fund had a deficiency of \$922,669; the American Rescue Plan fund had an excess of \$134,405 and non-major governmental funds had a deficiency of \$892,489.

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Total governmental revenues decreased \$939,221 or 3.23%. Property taxes increased \$1,109,988 or 12.72% as assessed values of real property continue to increase. Sales taxes increased \$814,894 or 17.91% along with general improvements in the overall economy. Intergovernmental revenues decreased \$3,449,581 or 38.13% as prior year revenues benefitted from CARES act funding from Fulton County; other intergovernmental agreements with the South Fulton Community Improvement District related to infrastructure improvements as well as additional federal transportation grants. Fines and forfeitures increased \$607,502 or 200.43% mainly due to more officers writing more citations and court cases being resolved as a faster pace with the pandemic delays subsiding. Charges for services decreased \$168,014 or 27.20% as a result of significant decreases in disposal fees.

Total governmental expenditures increased \$569,011 or 2.3%. General government expenses increased by \$977,665 or 32.59% primarily from increases in staffing for general administration and increases in legal expenses. Public safety expenditures increased by \$699,868 or 8.44% primarily from increases in wages and benefits and incentive payments. Parks and recreation expenses increased \$284,045 or 71.28% as services have increased as the pandemic has subsided. Capital outlays decreased \$1,417,581 or 28.86% as prior year expenses included infrastructure projects funded by intergovernmental grants.

Analysis of Major Funds

General Fund

General Fund revenues increased \$2,211,352 or 11.92%. Property taxes increased \$951,105 or 12.84% as assessed values of real property continue to increase. Sales taxes increased \$814,894 or 17.91% along with general improvements in the overall economy. Fines and forfeitures increased \$622,840 or 227% mainly due to more officers writing more citations and court cases being resolved at a faster pace with pandemic delays subsiding.

General Fund expenditures increased \$2,734,349 or 19%. General government expenses increased by \$933,923 or 31.13% primarily from increases in staffing for general administration and increases in legal expenses. Public safety expenditures increased by \$1,124,667 or 14.55% primarily from increases in wages and benefits and incentive payments. Public works expenses increased \$415,154 or 24.71% primarily from increases in street maintenance expenses. Parks and recreation expenses increased \$284,045 or 71.28% as services have increased as the pandemic has subsided.

General Obligation Bond Capital Projects Fund

The General Obligation Bond Capital Projects Fund accounts for the City's general obligation bond proceeds to be used for the acquisition and construction of major capital facilities. These bonds are repaid by a separate millage applied to property taxes. Property taxes for this fund were \$1,478,073 and \$1,318,891 for fiscal 2022 and 2021, respectively. Property taxes increased \$159,182 or 12.07% as assessed values have increased. Expenditures for this fund were primarily debt service expenditure. Debt service expenditures were \$801,090 and \$801,025 for fiscal 2022 and 2021, respectively.

TSPLOST Fund

This fund accounts for the proceeds of the transportation special purpose local option sales tax for the various improvement projects as approved by voter referendum. Intergovernmental revenues were \$3,465,590 and \$5,227,528 for fiscal 2022 and 2021, respectively. Revenues for fiscal 2021 also included \$2,285,652 of revenues from the South Fulton Community Improvement District. TSPLOST sales tax revenues increased from \$2,759,723 in fiscal 2021 to \$3,358,060 in fiscal 2022 as the economy continues to improve. Capital outlays decreased from \$4,686,506 in fiscal 2021 to \$3,443,930 in fiscal 2022 as the Community Improvement District projects were completed in the prior year.

City of Fairburn, Georgia
Management's Discussion and Analysis
September 30, 2022

Grants Fund

The Grants Fund is a special revenue fund and accounts for federal and state funded grants awarded to the City for completing specific projects and purchases, and the corresponding expenditures which are restricted to specific purposes. Revenues were \$1,947,792 and \$3,740,497 for fiscal 2022 and 2021, respectively. Revenues were significantly higher in the prior fiscal year as the City received \$2,659,976 for a major transportation grant compared to \$938,850 under the same grant in fiscal 2022.

American Rescue Plan Fund

The American Rescue Plan Fund is a special revenue fund and accounts for the amounts awarded to the City under the Coronavirus State and Local Fiscal Recovery Funds program, provided for under the American Rescue Plan Act of 2021. The City received a total of \$6,261,782 under this program and expended \$184,665 in fiscal 2022.

General Fund Budgetary Highlights

The final amended budgets passed by the City Council anticipated revenues and transfers from the Enterprise Funds being sufficient to meet operations of the General Fund. Actual results were \$5,611,814 better than budgeted.

A comparison of the final budgets to actual results are located on page 22.

- General Fund revenues in total were \$2,835,021 better than budgeted. Budgeted revenues are generally based on prior years' activity and trends. Property taxes were \$420,626 better than budgeted as assessed values continue to increase. Sales taxes were \$1,565,772 better than budgeted as budgets remain very conservative and as the general economy has improved faster than projected. Motor vehicle taxes were \$302,503 better than budgeted along with nationwide trends toward increased vehicle sales as a result of the pandemic. Fines and forfeitures were \$301,362 better than projected mainly due to more officers writing more citations and court cases being resolved as a faster pace with the pandemic delays subsiding. Charges for services were \$307,926 less than budgeted as disposal fees continue to decrease from prior years estimates.
- The actual expenditures of \$16,981,226 were \$1,514,032 less than budgeted as management continues control measures implemented in prior years as well as very conservative budget estimates.

City of Fairburn, Georgia
Management's Discussion and Analysis
September 30, 2022

Capital Asset and Debt Administration

Capital Assets

The City has invested \$85,865,440 in capital assets (net of accumulated depreciation). Capital assets held by the City at the end of the current and previous fiscal years are summarized as follows:

City of Fairburn, Summary of Capital Assets, net of Accumulated Depreciation

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 5,337,956	\$ 5,337,956	\$ 3,924,899	\$ 3,924,899	\$ 9,262,855	\$ 9,262,855
Construction in Progress	10,747,295	12,454,590	43,715	-	10,791,010	12,454,590
Buildings, grounds and improvements	6,479,168	6,537,867	15,334,034	15,978,691	21,813,202	22,516,558
Machinery and equipment	785,618	909,228	328,980	264,393	1,114,598	1,173,621
Infrastructure	24,552,368	18,891,527	13,468,624	13,860,975	38,020,992	32,752,502
Vehicles	2,448,431	1,636,449	2,414,352	2,589,973	4,862,783	4,226,422
	\$ 50,350,836	\$ 45,767,617	\$ 35,514,604	\$ 36,618,931	\$ 85,865,440	\$ 82,386,548

Net capital assets for governmental activities increased \$4,583,219 and is primarily related to infrastructure projects funded by TSPLOST funds as well as intergovernmental revenues from the South Fulton Community Improvement District and federal transportation grants. Net capital assets for business-type activities decreased \$1,104,327 as depreciation expenses offset asset purchases. The detailed capital assets schedule is reported in Note 6 of the footnotes to the financial statements.

Long-term Debt

At the end of the current fiscal year, the City had long-term debt related to business-type activities of \$18,370,000 and \$8,767,876 for governmental activities. Bonds, notes, and financed purchases outstanding as of the fiscal year ended September 30, 2022 are fully secured by the full faith and credit of the City. Business-type activities debt is secured by electric, water and sewer, and educational complex revenues while governmental debt is secured by general revenues.

City of Fairburn, Georgia
Management's Discussion and Analysis
September 30, 2022

The debt position of the City is summarized below and is more fully analyzed in Note 8 of the footnotes to the financial statements.

City of Fairburn Outstanding Long-Term Liabilities

	<u>2022</u>	<u>2021</u>
<u>Governmental Activities</u>		
2011 General Obligation Bonds	\$ -	\$ 490,000
2017 Refunding Bonds	6,765,000	6,895,000
Financed Purchases	<u>2,002,876</u>	<u>52,764</u>
	<u>\$ 8,767,876</u>	<u>\$ 7,437,764</u>
 <u>Business-type Activities</u>		
Series 2013 Revenue Refunding Bonds	\$ 3,175,000	\$ 4,145,000
Series 2014 Utility Bonds	3,325,000	3,520,000
Series 2017 Educational Revenue Refunding Bonds	11,870,000	12,465,000
Financed Purchases	<u>98,316</u>	<u>-</u>
	<u>\$ 18,468,316</u>	<u>\$ 20,130,000</u>

Economic Factors and Next Fiscal Year's Budgets and Rates

The City continues to enjoy the benefits of its location along I-85 and its proximity to Hartsfield Jackson Atlanta Airport. Commercial and industrial development industries have enjoyed continued growth along with increases in local retail sectors. Major regional distribution centers along Oakley Industrial Boulevard and national retailers along the Highway 74 corridor to Tyrone and Peachtree City south of the Interstate 85 interchange.

The city will continue to estimate revenues conservatively. We are embarking on completing our first five-year capital improvement plan. Property taxes for general operations remained at 8.1 mills and debt service millage remained at 1.46 for the October 2022 billing.

Electric rate add-ons for the power cost adjustment (PCA) and the environmental compliance cost recovery fee (ECCR) have remained steady since early 2013. However, the city has partnered with Electric Cities of Georgia to update the leadership on the need for possible rate updates. Water and sewer rates have not changed, but the city's leadership has started dialogue with various other local municipalities on water needs for the City.

Contacting the City's Financial Management

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City's Finance Department (770) 964-2244, City Hall, 56 Malone Street, Fairburn, Georgia 30213-1341.

CITY OF FAIRBURN, GEORGIA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 33,388,853	\$ 12,949,800	\$ 46,338,653
Restricted cash and cash equivalents	1,028,543	3,669,434	4,697,977
Investments	107,389	6,091,331	6,198,720
Investments with fiscal agent (restricted assets)	-	69,684	69,684
Accounts receivable, net of allowances	-	2,804,750	2,804,750
Taxes receivable, net of allowances	737,245	-	737,245
Lease receivable, current	35,312	280,889	316,201
Lease receivable, non current	234,120	1,461,063	1,695,183
Intergovernmental receivables	808,689	-	808,689
Inventory	21,096	-	21,096
Other receivables	356,649	1,646,116	2,002,765
Prepaid items	1,827,294	250	1,827,544
Net pension asset	1,328,543	182,523	1,511,066
Capital assets:			
Non-depreciable	16,085,251	3,968,614	20,053,865
Depreciable, net of accumulated depreciation	34,265,585	31,545,990	65,811,575
Total assets	<u>90,224,569</u>	<u>64,670,444</u>	<u>154,895,013</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding of debt	536,407	850,622	1,387,029
Pension related items	937,174	128,753	1,065,927
Total deferred outflows of resources	<u>1,473,581</u>	<u>979,375</u>	<u>2,452,956</u>
LIABILITIES			
Accounts payable	1,890,421	2,042,139	3,932,560
Retainage payable	82,994	-	82,994
Funds held in escrow (due to others)	699,541	-	699,541
Accrued liabilities	72,361	24,417	96,778
Accrued interest payable	79,212	78,935	158,147
Unearned revenue	6,077,116	-	6,077,116
Customer deposits payable	1,100	836,923	838,023
Compensated absences due within one fiscal year	291,489	44,598	336,087
Compensated absences due in more than one fiscal year	35,206	13,384	48,590
Financed purchases due within one fiscal year	104,001	25,526	129,527
Financed purchases due in more than one fiscal year	1,898,875	72,790	1,971,665
Bonds payable due within one fiscal year	640,000	2,030,000	2,670,000
Bonds payable due in more than one fiscal year	6,125,000	16,424,336	22,549,336
Total liabilities	<u>17,997,316</u>	<u>21,593,048</u>	<u>39,590,364</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred lease revenue	264,333	1,730,726	1,995,059
Pension related items	2,039,632	280,213	2,319,845
Total deferred inflows of resources	<u>2,303,965</u>	<u>2,010,939</u>	<u>4,314,904</u>
NET POSITION			
Net investment in capital assets	44,553,676	19,912,632	64,466,308
Restricted for debt service	12,369	1,569,376	1,581,745
Restricted for capital construction	2,165,770	-	2,165,770
Restricted for transportation projects	2,351,868	-	2,351,868
Restricted for law enforcement activities	37,825	-	37,825
Restricted for corpus of perpetual care cemetery funds (nonspendable)	10,000	-	10,000
Restricted for cemetery operating capital	76,379	-	76,379
Restricted by third party as letter of credit	-	69,684	69,684
Restricted for tourism	206,021	-	206,021
Unrestricted	21,982,961	20,494,140	42,477,101
Total net position	<u>\$ 71,396,869</u>	<u>\$ 42,045,832</u>	<u>\$ 113,442,701</u>

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

CITY OF FAIRBURN, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 3,788,018	\$ 1,521,749	\$ -	\$ -	\$ (2,266,269)	\$ -	\$ (2,266,269)
Judicial	602,511	896,362	-	-	293,851	-	293,851
Public safety	8,869,155	14,235	-	138,230	(8,716,690)	-	(8,716,690)
Public works	4,470,541	438,891	-	5,583,007	1,551,357	-	1,551,357
Culture and recreation	682,881	127,006	8,500	147,908	(399,467)	-	(399,467)
Planning and development	1,101,660	-	-	-	(1,101,660)	-	(1,101,660)
Interest and fiscal charges	308,280	-	-	-	(308,280)	-	(308,280)
Total governmental activities	<u>19,823,046</u>	<u>2,998,243</u>	<u>8,500</u>	<u>5,869,145</u>	<u>(10,947,158)</u>	<u>-</u>	<u>(10,947,158)</u>
Business-type activities:							
Electric	12,366,384	10,306,108	-	-	-	(2,060,276)	(2,060,276)
Water and sewer	7,811,365	7,287,909	-	671,483	-	148,027	148,027
Educational complex	890,506	426,454	-	-	-	(464,052)	(464,052)
Stormwater	355,805	914,909	-	-	-	559,104	559,104
Sanitation	811,475	915,575	-	-	-	104,100	104,100
Total business-type activities	<u>22,235,535</u>	<u>19,850,955</u>	<u>-</u>	<u>671,483</u>	<u>-</u>	<u>(1,713,097)</u>	<u>(1,713,097)</u>
Total primary government	<u>\$ 42,058,581</u>	<u>\$ 22,849,198</u>	<u>\$ 8,500</u>	<u>\$ 6,540,628</u>	<u>\$ (10,947,158)</u>	<u>\$ (1,713,097)</u>	<u>\$ (12,660,255)</u>
General revenues:							
Property taxes					\$ 9,906,626	\$ -	\$ 9,906,626
Franchise taxes					1,234,016	-	1,234,016
Insurance premium taxes					1,089,132	-	1,089,132
Sales and use taxes					5,365,772	-	5,365,772
Motor vehicle taxes					852,503	-	852,503
Beer, wine, and liquor taxes					290,605	-	290,605
Hotel/Motel taxes					299,763	-	299,763
Other taxes					411,251	-	411,251
Unrestricted investment earnings					80,133	34,374	114,507
Gain on sale of capital assets					5,927	-	5,927
Miscellaneous					103,995	1,447,116	1,551,111
Transfers					(137,307)	137,307	-
Total general revenues and transfers					<u>19,502,416</u>	<u>1,618,797</u>	<u>21,121,213</u>
Change in net position					8,555,258	(94,300)	8,460,958
Net position, beginning of fiscal year					<u>62,841,611</u>	<u>42,140,132</u>	<u>104,981,743</u>
Net position, end of fiscal year					<u>\$ 71,396,869</u>	<u>\$ 42,045,832</u>	<u>\$ 113,442,701</u>

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

CITY OF FAIRBURN, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

ASSETS	General		TSPLOST	Grants	American Rescue Plan	Nonmajor Governmental	Total Governmental
	General Fund	Obligation Bond Capital Projects Fund					
Cash and cash equivalents	\$ 22,329,793	\$ 2,154,058	\$ 2,034,555	\$ 68,642	\$ 6,164,046	\$ 637,759	\$ 33,388,853
Restricted cash and cash equivalents	-	1,028,543	-	-	-	-	1,028,543
Investments	21,414	-	-	-	-	85,975	107,389
Taxes receivable, net of allowances	680,801	35,334	-	-	-	21,110	737,245
Lease receivable	269,432	-	-	-	-	-	269,432
Other receivables	356,649	-	-	-	-	-	356,649
Intergovernmental receivables	-	-	317,313	491,376	-	-	808,689
Due from other funds	87,876	-	-	-	-	-	87,876
Prepaid items	250,294	-	-	-	-	1,577,000	1,827,294
Inventory	21,096	-	-	-	-	-	21,096
Total assets	\$ 24,017,355	\$ 3,217,935	\$ 2,351,868	\$ 560,018	\$ 6,164,046	\$ 2,321,844	\$ 38,633,066
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ 1,563,111	\$ 23,622	\$ 64,517	\$ 141,087	\$ 86,930	\$ 11,154	\$ 1,890,421
Retainage payable	-	-	82,994	-	-	-	82,994
Funds held in escrow	699,541	-	-	-	-	-	699,541
Accrued liabilities	40,113	-	-	-	-	-	40,113
Due to other funds	-	-	200	64,532	-	23,144	87,876
Unearned revenue	-	-	-	-	6,077,116	-	6,077,116
Customer deposits	1,100	-	-	-	-	-	1,100
Other liabilities	32,248	-	-	-	-	-	32,248
Total liabilities	2,336,113	23,622	147,711	205,619	6,164,046	34,298	8,911,409
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	154,217	26,111	-	-	-	-	180,328
Unavailable revenue - intergovernmental grants	-	-	-	353,774	-	-	353,774
Deferred lease revenue	264,333	-	-	-	-	-	264,333
Total deferred inflows of resources	418,550	26,111	-	353,774	-	-	798,435
FUND BALANCES							
Fund balances:							
Nonspendable for:							
Prepaid items	250,294	-	-	-	-	1,577,000	1,827,294
Inventory	21,096	-	-	-	-	-	21,096
Corpus of perpetual care cemetery funds	-	-	-	-	-	10,000	10,000
Lease receivable	5,099	-	-	-	-	-	5,099
Restricted for:							
Capital construction	-	3,155,833	-	-	-	-	3,155,833
Debt service	-	12,369	-	-	-	-	12,369
Law enforcement activities	-	-	-	-	-	37,825	37,825
Cemetery operating capital	-	-	-	-	-	76,379	76,379
Transportation projects	-	-	2,204,157	-	-	-	2,204,157
Tourism	-	-	-	-	-	206,021	206,021
Committed for:							
Tree bank	8,000	-	-	-	-	-	8,000
Assigned for:							
Capital construction	-	-	-	-	-	379,346	379,346
Federal and state programs	-	-	-	625	-	-	625
Planning and development	-	-	-	-	-	975	975
Unassigned	20,978,203	-	-	-	-	-	20,978,203
Total fund balances	21,262,692	3,168,202	2,204,157	625	-	2,287,546	28,923,222
Total liabilities, deferred inflows of resources, and fund balances	\$ 24,017,355	\$ 3,217,935	\$ 2,351,868	\$ 560,018	\$ 6,164,046	\$ 2,321,844	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	50,350,836
Some receivables are not available to pay for current-period expenditures and, therefore, are deferred inflows of resources in the governmental funds.	534,102
The deferred outflows of resources and deferred inflows of resources, related to pensions are not current financial resources and therefore, are not reported in the governmental funds.	(1,102,458)
The net pension asset is not a current financial resources and is not recorded in the governmental funds.	1,328,543
Long-term liabilities, including bonds payable and related items, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(8,637,376)
Net position of governmental activities	\$ 71,396,869

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

CITY OF FAIRBURN, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	General Fund	General Obligation Bond Capital Projects Fund	TSPLOST Fund	Grants Fund	American Rescue Plan Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues							
Taxes	\$ 17,602,054	\$ 1,478,073	\$ -	\$ -	\$ -	\$ 299,763	\$ 19,379,890
Licenses and permits	1,511,366	-	-	-	-	-	1,511,366
Intergovernmental	-	-	3,465,590	1,947,792	184,665	-	5,598,047
Fines and forfeitures	896,362	-	-	-	-	14,235	910,597
Charges for services	449,274	-	-	-	-	-	449,274
Interest income	78,154	1,728	4,654	-	-	251	84,787
Miscellaneous revenue	231,001	-	-	-	-	-	231,001
Total revenues	20,768,211	1,479,801	3,470,244	1,947,792	184,665	314,249	28,164,962
Expenditures							
Current:							
General government	3,933,578	-	-	-	-	43,742	3,977,320
Judicial	610,290	-	-	-	-	-	610,290
Public safety	8,852,961	-	-	87,970	-	47,748	8,988,679
Public works	2,095,546	-	-	2,782,491	-	1,115,248	5,993,285
Culture and recreation	682,527	-	-	-	-	-	682,527
Planning and development	763,646	-	-	-	-	-	763,646
Capital outlay	-	-	3,443,930	-	50,260	-	3,494,190
Debt service:							
Principal retirements	37,120	620,000	-	-	-	-	657,120
Interest and fiscal charges	5,558	181,090	-	-	-	-	186,648
Total expenditures	16,981,226	801,090	3,443,930	2,870,461	50,260	1,206,738	25,353,705
Excess (deficiency) of revenues over (under) expenditures	3,786,985	678,711	26,314	(922,669)	134,405	(892,489)	2,811,257
Other financing sources (uses):							
Proceeds from disposal of capital assets	6,907	-	-	-	-	-	6,907
Issuance of financed purchases	-	-	-	-	-	1,987,232	1,987,232
Transfers in	950,000	-	-	449,624	-	910,532	2,310,156
Transfers out	(2,263,058)	-	-	-	(134,405)	(50,000)	(2,447,463)
Total other financing sources (uses)	(1,306,151)	-	-	449,624	(134,405)	2,847,764	1,856,832
Net change in fund balances	2,480,834	678,711	26,314	(473,045)	-	1,955,275	4,668,089
Fund balances, beginning of fiscal year	18,781,858	2,489,491	2,177,843	473,670	-	332,271	24,255,133
Fund balances, end of fiscal year	\$ 21,262,692	\$ 3,168,202	\$ 2,204,157	\$ 625	\$ -	\$ 2,287,546	\$ 28,923,222

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

CITY OF FAIRBURN, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$	4,668,089
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.		4,584,199
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		344,722
The disposals of capital assets are not reflected on the governmental funds but the net effect of the disposal is reflected on the statement of activities.		(980)
Issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of bond insurance costs, premiums, discounts, and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The effect of these differences in the treatment of long-term debt and related items is as follows:		
Principal payment on bonds payable		620,000
Principal payment on financed purchases		37,120
Issuance of financed purchases		(1,987,232)
Amortization of deferred charges, prepaid bond insurance costs		(115,837)
Amortization of bond premium		1,047
		(1,444,902)
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.		
Change in accrued interest payable		(12,878)
Change in deferred inflows and outflows- pension related items and net pension asset		412,520
Change in compensated absences		4,488
		4,488
Change in net position - governmental activities	\$	8,555,258

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

**CITY OF FAIRBURN, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance With
	Original	Final		Final Budget
Revenues				
Property taxes	\$ 7,267,163	\$ 7,938,149	\$ 8,358,775	\$ 420,626
Sales taxes	3,800,000	3,800,000	5,365,772	1,565,772
Franchise taxes	1,100,000	1,100,000	1,234,016	134,016
Insurance premium taxes	960,000	960,000	1,089,132	129,132
Beer, liquor, and wine taxes	246,306	246,306	290,605	44,299
Motor vehicle taxes	550,000	550,000	852,503	302,503
Other taxes	130,000	130,000	411,251	281,251
Licenses and permits	1,420,488	1,420,488	1,511,366	90,878
Fines and forfeitures	595,000	595,000	896,362	301,362
Interest income	200,000	200,000	78,154	(121,846)
Charges for services	757,200	757,200	449,274	(307,926)
Miscellaneous	203,047	236,047	231,001	(5,046)
Total revenues	17,229,204	17,933,190	20,768,211	2,835,021
Expenditures				
Current:				
General government:				
Mayor and council	359,450	414,332	286,634	127,698
Administration	1,050,628	780,918	593,205	187,713
City Administrator	1,270,616	1,453,242	1,406,206	47,036
Finance	709,327	802,129	786,909	15,220
Technology	15,000	91,000	76,254	14,746
Property management	704,613	885,910	784,370	101,540
Total general government	4,109,634	4,427,531	3,933,578	493,953
Judicial:				
Municipal court	702,385	785,385	610,290	175,095
Total judicial	702,385	785,385	610,290	175,095
Public safety:				
Police	4,734,999	4,895,414	4,707,883	187,531
Fire	4,072,338	4,062,030	4,145,078	(83,048)
Total public safety	8,807,337	8,957,444	8,852,961	104,483
Public works:				
Public works administration	539,630	539,830	459,869	79,961
Highways and streets	1,569,000	1,536,213	1,378,752	157,461
Maintenance and shop	306,648	306,648	256,925	49,723
Total public works	2,415,278	2,382,691	2,095,546	287,145
Culture and recreation:				
Recreation	632,101	744,101	682,527	61,574
Total culture and recreation	632,101	744,101	682,527	61,574
Planning and development:				
Protective inspection and enforcement	384,918	379,766	354,154	25,612
Planning and zoning	706,140	657,010	409,492	247,518
Total planning and development	1,091,058	1,036,776	763,646	273,130
Debt service:				
Principal retirements	27,619	161,330	37,120	124,210
Interest and fiscal charges	5,260	-	5,558	(5,558)
Total debt service	32,879	161,330	42,678	118,652
Total expenditures	17,790,672	18,495,258	16,981,226	1,514,032
Excess (deficiency) of revenues over (under) expenditures	(561,468)	(562,068)	3,786,985	4,349,053
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	6,907	6,907
Transfers in	950,000	950,000	950,000	-
Transfers out	(3,518,912)	(3,518,912)	(2,263,058)	1,255,854
Total other financing sources (uses)	(2,568,912)	(2,568,912)	(1,306,151)	1,262,761
Net change in fund balances	(3,130,380)	(3,130,980)	2,480,834	5,611,814
Fund balance, beginning of fiscal year	18,781,858	18,781,858	18,781,858	-
Fund balance, end of fiscal year	\$ 15,651,478	\$ 15,650,878	\$ 21,262,692	\$ 5,611,814

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

CITY OF FAIRBURN, GEORGIA
GRANTS FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 3,579,958	\$ 3,579,958	\$ 1,947,792	\$ (1,632,166)
Total revenues	3,579,958	3,579,958	1,947,792	(1,632,166)
EXPENDITURES				
Public safety	-	76,432	87,970	(11,538)
Public works	4,029,582	4,147,458	2,782,491	1,364,967
Total expenditures	4,029,582	4,223,890	2,870,461	1,353,429
Deficiency of revenues under expenditures	(449,624)	(643,932)	(922,669)	(278,737)
Other financing sources:				
Transfers in	449,624	449,624	449,624	-
Total other financing sources	449,624	449,624	449,624	-
Net change in fund balances	-	(194,308)	(473,045)	(278,737)
FUND BALANCES, beginning of fiscal year	473,670	473,670	473,670	-
FUND BALANCES, end of fiscal year	\$ 473,670	\$ 279,362	\$ 625	\$ (278,737)

**CITY OF FAIRBURN, GEORGIA
 AMERICAN RESCUE PLAN FUND
 STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 3,130,891	\$ 3,130,891	\$ 184,665	\$ (2,946,226)
Total revenues	3,130,891	3,130,891	184,665	(2,946,226)
EXPENDITURES				
Capital outlay	3,130,891	2,996,486	50,260	2,946,226
Total expenditures	3,130,891	2,996,486	50,260	2,946,226
Excess of revenues over expenditures	-	134,405	134,405	-
Other financing uses:				
Transfers out	-	(134,405)	(134,405)	-
Total other financing uses	-	(134,405)	(134,405)	-
Net change in fund balances	-	-	-	-
FUND BALANCES, beginning of fiscal year	-	-	-	-
FUND BALANCES, end of fiscal year	\$ -	\$ -	\$ -	\$ -

CITY OF FAIRBURN, GEORGIA

STATEMENT OF NET POSITION PROPRIETARY FUNDS SEPTEMBER 30, 2022

ASSETS	Business-type Activities - Enterprise Funds					Total
	Electric Fund	Water and Sewer Fund	Educational Complex Fund	Stormwater Fund	Nonmajor Sanitation Fund	
CURRENT ASSETS						
Cash and cash equivalents	\$ 837,200	\$ 6,371,853	\$ 1,306,535	\$ 3,658,260	\$ 775,952	\$ 12,949,800
Restricted cash and cash equivalents	-	3,261,901	407,533	-	-	3,669,434
Investments	6,091,331	-	-	-	-	6,091,331
Investments with fiscal agent (restricted assets)	69,684	-	-	-	-	69,684
Accounts receivable, net of allowances	1,302,230	1,200,618	-	143,118	158,784	2,804,750
Lease receivable	-	-	280,889	-	-	280,889
Other receivable	1,644,116	-	2,000	-	-	1,646,116
Prepaid items	250	-	-	-	-	250
Total current assets	9,944,811	10,834,372	1,996,957	3,801,378	934,736	27,512,254
NONCURRENT ASSETS						
Capital assets:						
Non-depreciable	14,874	2,314,711	1,639,029	-	-	3,968,614
Depreciable, net of accumulated depreciation	4,321,824	12,626,143	9,679,537	4,918,486	-	31,545,990
Lease receivable	-	-	1,461,063	-	-	1,461,063
Net pension asset	106,312	76,211	-	-	-	182,523
Total noncurrent assets	4,443,010	15,017,065	12,779,629	4,918,486	-	37,158,190
Total assets	14,387,821	25,851,437	14,776,586	8,719,864	934,736	64,670,444
DEFERRED OUTFLOWS OF RESOURCES						
Pension related items	74,993	53,760	-	-	-	128,753
Deferred loss on refunding of debt	-	67,717	782,905	-	-	850,622
Total deferred outflows of resources	74,993	121,477	782,905	-	-	979,375
LIABILITIES						
CURRENT LIABILITIES						
Accounts payable	837,353	1,129,097	1,095	3,887	70,707	2,042,139
Accrued liabilities	11,993	4,924	-	7,500	-	24,417
Accrued interest payable	-	-	78,935	-	-	78,935
Customer deposits	541,550	275,549	9,583	-	10,241	836,923
Compensated absences payable	26,200	18,398	-	-	-	44,598
Financed purchases payable	12,916	12,610	-	-	-	25,526
Revenue bonds payable	-	1,215,000	815,000	-	-	2,030,000
Total current liabilities	1,430,012	2,655,578	904,613	11,387	80,948	5,082,538
NONCURRENT LIABILITIES						
Compensated absences payable	3,819	9,565	-	-	-	13,384
Financed purchases payable	36,824	35,966	-	-	-	72,790
Revenue bonds payable	-	5,369,336	11,055,000	-	-	16,424,336
Total noncurrent liabilities	40,643	5,414,867	11,055,000	-	-	16,510,510
Total liabilities	1,470,655	8,070,445	11,959,613	11,387	80,948	21,593,048
DEFERRED INFLOWS OF RESOURCES						
Deferred lease revenue	-	-	1,730,726	-	-	1,730,726
Pension related items	163,212	117,001	-	-	-	280,213
Total deferred outflows of resources	163,212	117,001	1,730,726	-	-	2,010,939
NET POSITION						
Net investment in capital assets	4,286,958	10,422,560	284,628	4,918,486	-	19,912,632
Restricted for debt service	-	1,215,000	354,376	-	-	1,569,376
Restricted by third party as letter of credit	69,684	-	-	-	-	69,684
Unrestricted	8,472,305	6,147,908	1,230,148	3,789,991	853,788	20,494,140
Total net position	\$ 12,828,947	\$ 17,785,468	\$ 1,869,152	\$ 8,708,477	\$ 853,788	\$ 42,045,832

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

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

	Business-type Activities - Enterprise Funds					Total
	Electric Fund	Water and Sewer Fund	Educational Complex Fund	Stormwater Fund	Nonmajor Sanitation Fund	
OPERATING REVENUES						
Charges for sales and services	\$ 10,004,694	\$ 7,287,909	\$ 426,454	\$ 914,909	\$ 915,575	\$ 19,549,541
Miscellaneous income	301,414	-	-	-	-	301,414
Total operating revenues	<u>10,306,108</u>	<u>7,287,909</u>	<u>426,454</u>	<u>914,909</u>	<u>915,575</u>	<u>19,850,955</u>
OPERATING EXPENSES						
Cost of sales and services	10,565,948	4,124,694	-	-	-	14,690,642
General operating expenses	1,419,493	1,469,456	54,493	131,546	811,475	3,886,463
Depreciation and amortization	380,697	743,129	504,836	224,259	-	1,852,921
Total operating expenses	<u>12,366,138</u>	<u>6,337,279</u>	<u>559,329</u>	<u>355,805</u>	<u>811,475</u>	<u>20,430,026</u>
Operating income (loss)	<u>(2,060,030)</u>	<u>950,630</u>	<u>(132,875)</u>	<u>559,104</u>	<u>104,100</u>	<u>(579,071)</u>
NON-OPERATING REVENUES (EXPENSES)						
Interest income	35	6,000	28,339	-	-	34,374
Sale of wireless assets	1,447,116	-	-	-	-	1,447,116
Interest expense	(246)	(1,474,086)	(331,177)	-	-	(1,805,509)
Total non-operating revenues (expenses)	<u>1,446,905</u>	<u>(1,468,086)</u>	<u>(302,838)</u>	<u>-</u>	<u>-</u>	<u>(324,019)</u>
Income (loss) before contributions and transfers	<u>(613,125)</u>	<u>(517,456)</u>	<u>(435,713)</u>	<u>559,104</u>	<u>104,100</u>	<u>(903,090)</u>
Capital contributions - tap fees	-	671,483	-	-	-	671,483
Transfers in	-	134,405	902,902	-	-	1,037,307
Transfers out	(250,000)	(550,000)	-	-	(100,000)	(900,000)
	<u>(250,000)</u>	<u>255,888</u>	<u>902,902</u>	<u>-</u>	<u>(100,000)</u>	<u>808,790</u>
Change in net position	<u>(863,125)</u>	<u>(261,568)</u>	<u>467,189</u>	<u>559,104</u>	<u>4,100</u>	<u>(94,300)</u>
Net position, beginning of fiscal year	<u>13,692,072</u>	<u>18,047,036</u>	<u>1,401,963</u>	<u>8,149,373</u>	<u>849,688</u>	<u>42,140,132</u>
Net position, end of fiscal year	<u>\$ 12,828,947</u>	<u>\$ 17,785,468</u>	<u>\$ 1,869,152</u>	<u>\$ 8,708,477</u>	<u>\$ 853,788</u>	<u>\$ 42,045,832</u>

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

CITY OF FAIRBURN, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Electric Fund	Water and Sewer Fund	Educational Complex Fund	Stormwater Fund	Nonmajor Sanitation Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 9,051,658	\$ 7,280,335	\$ 703,683	\$ 916,053	\$ 902,306	\$ 18,854,035
Payments to suppliers	(11,063,461)	(5,556,065)	(345,682)	(131,695)	(803,755)	(17,900,658)
Payments to employees	(884,053)	(255,233)	-	-	-	(1,139,286)
Net cash provided by (used in) operating activities	<u>(2,895,856)</u>	<u>1,469,037</u>	<u>358,001</u>	<u>784,358</u>	<u>98,551</u>	<u>(185,909)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES						
Transfers out to other funds	(250,000)	(550,000)	-	-	(100,000)	(900,000)
Transfers in from other funds	-	134,405	902,902	-	-	1,037,307
Net cash provided by (used in) non-capital financing activities	<u>(250,000)</u>	<u>(415,595)</u>	<u>902,902</u>	<u>-</u>	<u>(100,000)</u>	<u>137,307</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchase of capital assets	(22,999)	(226,874)	-	(187,937)	-	(437,810)
Sale of wireless telecommunication equipment	1,447,116	-	-	-	-	1,447,116
Capital contributions - tap fees	-	671,483	-	-	-	671,483
Principal payment on financed purchases	(3,191)	(3,114)	-	-	-	(6,305)
Principal payment on bonds	-	(1,165,000)	(775,000)	-	-	(1,940,000)
Interest payments	(246)	(1,474,086)	(336,332)	-	-	(1,810,664)
Net cash used in capital and related financing activities	<u>1,420,680</u>	<u>(2,197,591)</u>	<u>(1,111,332)</u>	<u>(187,937)</u>	<u>-</u>	<u>(2,076,180)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on investments	35	6,001	28,339	-	-	34,375
Maturity of investments	141,049	-	-	-	-	141,049
Net cash provided by investing activities	<u>141,084</u>	<u>6,001</u>	<u>28,339</u>	<u>-</u>	<u>-</u>	<u>175,424</u>
Net increase (decrease) in cash and cash equivalents	(1,584,092)	(1,138,148)	177,910	596,421	(1,449)	(1,949,358)
Cash and cash equivalents, beginning of fiscal year	2,421,292	10,771,902	1,536,158	3,061,839	777,401	18,568,592
Cash and cash equivalents, end of fiscal year	<u>\$ 837,200</u>	<u>\$ 9,633,754</u>	<u>\$ 1,714,068</u>	<u>\$ 3,658,260</u>	<u>\$ 775,952</u>	<u>\$ 16,619,234</u>
Classified as:						
Cash and cash equivalents	\$ 837,200	\$ 6,371,853	\$ 1,306,535	\$ 3,658,260	\$ 775,952	\$ 12,949,800
Restricted cash and cash equivalents	-	3,261,901	407,533	-	-	3,669,434
	<u>\$ 837,200</u>	<u>\$ 9,633,754</u>	<u>\$ 1,714,068</u>	<u>\$ 3,658,260</u>	<u>\$ 775,952</u>	<u>\$ 16,619,234</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES						
Operating income (loss)	\$ (2,060,030)	\$ 950,630	\$ (132,875)	\$ 559,104	\$ 104,100	\$ (579,071)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation and amortization	380,697	743,129	504,836	224,259	-	1,852,921
Change in assets and liabilities and deferred inflows/outflows of resources:						
(Increase) decrease in:						
Accounts receivable	(1,238,625)	(4,894)	277,229	1,144	(13,426)	(978,572)
Deferred outflows for pension items	31,030	20,141	-	-	-	51,171
Increase (decrease) in:						
Accounts payable	77,414	(181,754)	(2,734)	(149)	7,720	(99,503)
Accrued liabilities and retainage payables	(10,574)	(20,497)	-	-	-	(31,071)
Deferred inflows for pension items	139,506	100,477	-	-	-	239,983
Deferred inflows for rent	-	-	(288,455)	-	-	(288,455)
Net pension asset	(207,288)	(146,595)	-	-	-	(353,883)
Customer deposits	(15,825)	(2,680)	-	-	157	(18,348)
Compensated absences payable	7,839	11,080	-	-	-	18,919
Net cash provided by (used in) operating activities	<u>\$ (2,895,856)</u>	<u>\$ 1,469,037</u>	<u>\$ 358,001</u>	<u>\$ 784,358</u>	<u>\$ 98,551</u>	<u>\$ (185,909)</u>
NON CASH CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchase of capital assets through financed purchases	(52,931)	(51,690)	-	-	-	(104,621)
Issuance of financed purchases	52,931	51,690	-	-	-	104,621
Total Non Cash Capital and Related Financing Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

NOTES TO FINANCIAL STATEMENTS

**CITY OF FAIRBURN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The City of Fairburn, Georgia was incorporated February 17, 1854 and adopted its City Charter on August 3, 1925 (Georgia Statutes 1925). The City operates under the Mayor and Council form of government and provides the following services as authorized by its charter: public safety (police and fire), street, sanitation, electric, water, and stormwater utilities, planning and zoning, and general administrative services.

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

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the City (the "primary government") and its component unit. The component unit discussed below is included in the City's reporting entity because of the significance of its operational or financial relationship with the City. Blended component unit, although also legally separate entity, is in substance, part of the City's operations, and data from this unit is combined with the data of the City.

Based upon criteria set forth by Governmental Accounting Standards Board (GASB) 61 "The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and 34," the accompanying financial statements present the City and its component unit, an entity for which the City is considered to be financially accountable. The Development Authority (or Downtown Development Authority) of the City was created for the purpose of revitalizing and redeveloping the central business district of the City, developing and promoting for the public good and general welfare, trade, commerce, industry, and employment opportunities, and to promote the general welfare within the City. The Development Authority is composed of seven (7) members created and appointed by the City Council and Mayor. The Development Authority is reported in the City's financial statements as a blended component unit special revenue fund as it provides services exclusively to the City as a financing instrument. The blended component unit has a September 30th fiscal year-end. Financial information with regard to the Development Authority can be obtained directly from the City, City Hall, 56 Malone Street, Fairburn, Georgia 30213. Separate financial statements for the Development Authority are not prepared.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government including its blended component unit. (For the most part, the effect of interfund activity has been removed from the government-wide financial statements). Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities and business-type activities. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not considered program revenues are reported instead as general revenues.

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary 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. Property taxes are recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

The City reports the following major governmental funds:

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

The **General Obligation Bond Capital Projects Fund** accounts for the City's general obligation bond proceeds to be used for the acquisition and construction of major capital facilities.

The **TSPLOST Fund** accounts for the proceeds of the transportation special purpose local option sales tax for the various improvement projects as approved by voter referendum.

The **Grants Fund** is a special revenue fund and accounts for federal and state funded grants awarded to the City for completing specific projects and purchases, and the corresponding expenditures which are restricted to specific purposes.

The **American Rescue Plan Fund** is a special revenue fund and accounts for the amounts awarded to the City under the Coronavirus State and Local Fiscal Recovery Funds program, provided for under the American Rescue Plan Act of 2021.

Additionally, the City reports the following fund types within the nonmajor governmental funds:

The **special revenue funds** account for revenue sources that are legally restricted or committed to expenditures for specific purposes.

The **capital projects fund** accounts for financial resources to be used for the acquisition and construction of major capital projects.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The **permanent fund** accounts for amounts received by the City which can only be used for a specific purpose. The principal of perpetual care cemetery funds are not available for expenditures based on legal or contractual requirements and must remain in trust and not be encroached upon. Only the income from such funds may be used for maintenance and upkeep of the Fairburn municipal cemetery.

The City reports the following major enterprise (or proprietary) funds:

The **Electric Fund** accounts for the activities of the City's electric distribution operations.

The **Water and Sewer Fund** accounts for the activities of the City's water and sewer operations offered to its residents and businesses.

The **Educational Complex Fund** accounts for the activities of the City's educational complex operations offered to residents and businesses.

The **Stormwater Fund** accounts for the activities of the City's storm water operations.

The City reports the following nonmajor proprietary fund:

The **Sanitation Fund** accounts for the activities of the City's sanitation operations.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's proprietary funds' function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

In accounting and reporting for its proprietary operations, the City applies all GASB pronouncements. Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges for goods and services provided. Operating expenses of the enterprise funds include the cost of these goods and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets and Budgetary Accounting

Annual appropriated budgets are adopted for all funds except for the Cemetery Permanent Fund and the Development Authority Fund. The Cemetery Permanent Fund has its expenditures controlled by legal use restrictions imposed by a trust agreement. The budgets for the proprietary funds are for management control purposes and are not required to be reported. Budgets are prepared by the City Administrator prior to September 1 for the fiscal year to commence October 1. The City Administrator is authorized to transfer between line items within the budget without the City Council's approval and expenditures may not exceed the legally adopted budget without City Council approval. The level of control does not allow expenditures to legally exceed budgeted appropriations at the department level. Budgets are adopted on a modified accrual basis, which is consistent with generally accepted accounting principles for governmental funds. All appropriations lapse at fiscal year-end. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is not employed by the City. The Development Authority has no operational activity and no budget is adopted.

E. Cash and Cash Equivalents

Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only investments with original maturities of three months or less meet this definition. For purposes of the statement of cash flows, all highly liquid investments with an original maturity of less than 90 days are considered to be cash equivalents. Investments are reported at fair value as determined by quoted market prices.

F. Deposits and Investments

The local government investment pool, "Georgia Fund 1," created by OCGA 36-83-8, is a stable asset value investment pool, which follows Standard and Poor's criteria for AAf rated money market funds and is regulated by the Georgia Office of the State Treasurer. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principle (\$1 per share value). The asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on \$1 per share. The pool also adjusts the value of its investments to fair market value as of fiscal year-end and the City's investment in the Georgia Fund 1 is reported at fair value. The City considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Deposits and Investments (Continued)

The City's nonparticipating interest-earning investment contracts (certificates of deposit) are recorded at cost. The City's remaining investments are recorded at fair value. Increases or decreases in the fair value during the year are recognized as a component of interest income.

G. Property Taxes Receivable

The tax digest for the calendar year is compiled by the Fulton County Tax Commissioner's Office and is presented to the City by the first of August. The City bills and collects its own property taxes. The digest is reviewed by the City and tax bills are mailed by October 31st of each year and due on or before December 15th. The City may place liens for any and all debts after the due date. Ad valorem property tax revenue is recorded when it becomes available. Available means when due, or past due and receivable within the current period, expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Such time thereafter shall not exceed 60 days. Delinquent property taxes for which the City has a property lien are shown as taxes receivable. Receivables are shown net of an allowance for uncollectible amounts when necessary.

H. Interfund Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds (if any), as reported in the fund financial statements, are offset by a fund balance nonspendable account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. The General Fund may report nonspendable fund balance related to interfund advances.

I. Inventory and Prepaid Items

Inventory is valued at cost, using the first-in, first-out method. The cost of governmental fund type inventory is recorded as an expenditure when consumed rather than when purchased. Prepaid items are accounted for using the consumption method. Payments made to vendors for services that will benefit periods beyond September 30, 2022, are recorded as prepaid items in both government-wide and fund financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Restricted Assets

Certain proceeds of revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants.

K. Grants from Other Governments

Federal and State governmental units represent an important source of supplementary funding used to finance housing, business development employment, construction programs, capital asset additions, and other activities beneficial to the community. This funding, primarily in the form of grants, is recorded in both governmental and proprietary funds. Grant contributions in the proprietary funds, which are for the purpose of construction activities, or land easement or capital asset acquisitions, are recorded as capital contributions within the statement of revenues and expenses. For all funds, a grant receivable is recorded when the City has met all eligibility requirements.

L. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two (2) years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. Infrastructure (e.g., roads, bridges, sidewalks, and similar items) prior to July 1, 2003 have not been reported.

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

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

<u>Assets</u>	<u>Years</u>
Distribution system	50
Infrastructure	30
Buildings and improvements	15-40
Vehicles	10-20
Machinery and equipment	3-10
Computer equipment	3-5

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation benefits. Vacation time is allowed to be carried over from the current calendar year up to a maximum of 240 hours without special approval from the City Administrator. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

N. Unearned Revenue

Unearned revenues arise in both the governmental fund level and government-wide level when resources are received by the City before it has a legal claim to them. In subsequent periods, when the City has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

O. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts (if any) are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable (if any) are reported net of the applicable bond premium or discount. Bond issuance costs (if any) are expensed when incurred.

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and bond issuance costs (if any), during the current period. The face amount of debt issued is reported as other financing sources. Premiums (if any) received on debt issuances are reported as other financing sources while discounts (if any) on debt issuances are reported as other financing uses. Issuance costs (if any), whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Equity and Net Position

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

Fund Balance – Generally, fund balance represents the difference between the assets, deferred outflows of resources, deferred inflows of resources, and liabilities under the current financial resources management focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

Fund balances are classified as follows:

Nonspendable – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

Restricted – Fund balances are reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by a formal vote and passage of an ordinance of the City Council. Only the City Council may modify or rescind the commitment by passage of a subsequent ordinance.

Assigned – Fund balances are reported as assigned when amounts are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. The City Council established a policy through a unanimous vote and passage of a resolution which expressly delegated to the City Administrator the authority to assign funds for particular purposes.

Unassigned – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the General Fund. The Mayor and City Council approved a policy through a resolution to build and maintain an unassigned fund balance in the General Fund equal to between twenty and thirty percent (20-30%) of operating budget, or an amount equal to 3 to 4 months’ operating expenditures. If at the end of any fiscal year, the fund balance falls below the targeted range, City staff will present a plan to the City Council for aligning the fund balance with the intent and purposes of this approved policy. Only deficits in fund balances may be reported as unassigned fund balance in other governmental funds.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Equity and Net Position (Continued)

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

Net Position – Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the previous section. All other net position is reported as unrestricted. The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Restrictions on the government-wide statement of net position represent amounts segregated to meet debt covenants and State laws.

Q. 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 amount of assets, deferred outflows of resources, deferred inflows of resources, and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from those estimates.

R. Interfund Transactions

Interfund services provided and used in the fund financial statements are accounted for as revenue, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund that is reimbursed.

S. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. One of the items that qualifies for reporting in this category is the deferred loss on refunding reported in the government-wide statement of net position and the proprietary funds statement of net position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunding or refunded debt.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category. Unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and intergovernmental grants and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The City also reports deferred revenue on a lease receivables, which is reported both at the fund level and the government wide level.

The City also has deferred outflows and inflows of resources related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the City's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example, the assumed dates of retirement of Plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of Plan members. Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of Plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five year period. Additionally, any contributions made by the City to the pension plan before fiscal year end but subsequent to the measurement date of the City's net pension liability are reported as deferred outflows of resources. These items are reported in the government-wide financial statements and also in the fund level statements for the City's proprietary funds.

T. Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Fairburn Retirement Plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U. Leases

Lessor

The City is a lessor for a noncancellable leases of space within buildings. The City recognizes a lease receivable asset and a deferred inflow of resources in the fund level and government wide financial statements. The City recognizes lease receivable assets with an initial, individual value of \$25,000 or more.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

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

- The lease agreements entered into by the City do not contain a stated interest rate. Therefore, the City has used its estimated incremental borrowing rate as the discount rate for the lease. The City has estimated this incremental borrowing rate to be 1.32% and 1.05% (based on the lease period) for the leases in which the City is currently involved as the lessor.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease receivable are composed of fixed payments that the City is reasonably certain to collect.

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

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NOTES TO FINANCIAL STATEMENTS

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

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$8,637,376 difference are as follows:

Bonds payable	\$ (6,765,000)
Financed purchases payable	(2,002,876)
Compensated absences	(326,695)
Accrued interest payable	(79,212)
Deferred loss on refunding	<u>536,407</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position of governmental activities</i>	<u><u>\$ (8,637,376)</u></u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period”. The details of this \$4,584,199 difference are as follows:

Capital outlay	\$ 6,557,243
Depreciation expense	<u>(1,973,044)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u><u>\$ 4,584,199</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 3. LEGAL COMPLIANCE - BUDGETS

A. Budgets and Budgetary Accounting

Prior to September 1 of each fiscal year, all departments of the City submit requests for appropriations to the City Administrator so that a budget may be prepared. The budget is prepared by fund, function and activity, and includes information of the prior fiscal year, current fiscal year estimates, and requested appropriations for the next fiscal year.

Before September 30, the proposed budget is presented to the City Council for review. City Council holds public hearings and may add to, subtract from or change appropriations. The budget is then approved by an affirmative vote of a majority of the City's council.

B. Excess Expenditures Over Appropriations

Expenditures may not legally exceed budgeted appropriations at the department level (e.g. administration). For the fiscal year ended September 30, 2022, the following functions and funds had excesses of actual expenditures over appropriations:

General Fund			
Public safety - Fire		\$	83,048
Debt service - Interest			5,588
Grants Fund - Public Safety			11,538

NOTE 4. DEPOSITS AND INVESTMENTS

As of September 30, 2022, the City had the following investments:

Investment	Maturities / Weighted Average Maturity	Fair Value
Certificates of deposit	March 13, 2023 - June 17, 2027	\$ 177,073
Municipal Competitive Trust - intermediate	2.66	656,329
Municipal Competitive Trust - intermediate extended maturity	3.91	5,301,200
Municipal Competitive Trust - short term portfolio	0.48	133,802
Georgia Fund 1	33 days	10,796
Total		\$ 6,279,200

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Below is a reconciliation of cash and cash equivalents and investments to the Statement of Net Position.

As reported in the Statement of Net Position	
Primary government	
Cash and cash equivalents	\$ 46,338,653
Restricted cash and cash equivalents	4,697,977
Investments	6,198,720
Investments with fiscal agent (restricted assets)	69,684
	<u>\$ 57,305,034</u>
Cash deposited with financial institutions	\$ 51,025,834
Certificates of deposit	177,073
Cash deposited with Georgia Fund 1	10,796
Municipal Competitive Trust - intermediate	656,329
Municipal Competitive Trust - intermediate extended maturity	5,301,200
Municipal Competitive Trust - short term portfolio	133,802
	<u>\$ 57,305,034</u>

Interest rate risk. The City has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk. State statutes authorize the City to invest in obligations of the State of Georgia or other States; obligations issued by the U.S. Government; obligations fully insured or guaranteed by the U.S. Government or by a government agency of the United States; obligations of any corporation of the U.S. Government; prime bankers' acceptances; the local government investment pool established by State law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. As of September 30, 2022, the City's investments in the Municipal Competitive Trust were rated between AA+ - AAA.

Custodial credit risk – deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes, and City policy, require all deposits and investments (other than Federal or State government instruments) to be collateralized at 110% by depository insurance, obligations of the U.S. Government, or bonds of public authorities, counties, or municipalities. As of September 30, 2022, the City had no bank balances that were exposed to custodial credit risk.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Measurements. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets that the City has the ability to access. Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset in active markets, as well as inputs that are observable for the asset (other than quoted prices), such as interest rates, foreign exchange rates and yield curves that are observable at commonly quoted intervals. Level 3 inputs are unobservable inputs for the asset which are typically based on the City's own assumptions, as there is little, if any, related market activity.

The City has the following recurring fair value measurements as of September 30, 2022:

Investment	Level 1	Level 2	Level 3	Fair Value
Municipal Competitive Trust - intermediate extended maturity	\$ -	\$ 5,301,200	\$ -	\$ 5,301,200
Municipal Competitive Trust - intermediate	-	656,329	-	656,329
Municipal Competitive Trust - short term portfolio	-	133,802	-	133,802
Total investments measured at fair value	<u>\$ -</u>	<u>\$ 6,091,331</u>	<u>\$ -</u>	<u>\$ 6,091,331</u>
Investments recorded at cost:				
Certificates of Deposit				<u>177,073</u>
Total investments				<u>\$ 6,268,404</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RECEIVABLES

Property taxes are levied on property values assessed as of January 1. The tax bills are levied on October 1 and are mailed by October 31 to the taxpayers. The billings are considered due upon receipt by the taxpayer; however, the actual due date is December 15. After this date, the bill becomes delinquent and penalties and interest may be assessed by the City. Property taxes are recorded as receivables and unavailable revenues when levied. Revenues are recognized in the governmental funds when available (received within 60 days of fiscal year-end).

Receivables at September 30, 2022, for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	General Fund	General Obligation Bond Capital Projects Fund	TSPLOST Fund	Grants Fund	Nonmajor Governmental Funds
Receivables:					
Taxes	\$ 993,380	\$ 84,770	\$ -	\$ -	\$ 21,110
Accounts	-	-	-	-	-
Intergovernmental	-	-	317,313	491,376	-
Other	356,649	-	-	-	-
Less allowance for uncollectible	(312,579)	(49,436)	-	-	-
Net total receivable	<u>\$ 1,037,450</u>	<u>\$ 35,334</u>	<u>\$ 317,313</u>	<u>\$ 491,376</u>	<u>\$ 21,110</u>
	Electric Fund	Water & Sewer Fund	Stormwater Fund	Educational Complex Fund	Nonmajor Enterprise Funds
Receivables:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts	1,453,895	1,496,796	168,718	-	193,433
Intergovernmental	-	-	-	-	-
Other	1,644,116	-	-	2,000	-
Less allowance for uncollectible	(151,665)	(296,176)	(25,600)	-	(34,649)
Net total receivable	<u>\$ 2,946,346</u>	<u>\$ 1,200,620</u>	<u>\$ 143,118</u>	<u>\$ 2,000</u>	<u>\$ 158,784</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LEASE RECEIVABLE

The City has leased the educational facility and buildings in downtown to third parties. The City receives variable monthly payments ranging from \$1,578 to \$25,324, which include the principal and interest components of the payments. As the leases do not contain a specific interest rate, the City has used its incremental borrowing rate of 1.32% for the educational facility and a downtown building and 1.05% for the second downtown lease as the discount rate for the leases. For the current year, the City recognized \$328,454 in lease revenue and \$30,306 in interest revenue related to the leases. Also, the City has a deferred inflow of resources associated with the leases that will be recognized over the lease terms which end on September 30, 2028, September 30, 2029, and September 30, 2031. This deferred inflows of resources has a balance of \$1,995,059 as of September 30, 2022. As of September 30, 2022, the City's receivable for lease payments was \$2,011,384.

	Beginning Balance Restated	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Lease receivable	\$ 304,333	\$ -	\$ (34,901)	\$ 269,432	\$ 35,312
Business-type activities:					
Lease receivable	\$ 2,019,181	\$ -	\$ (277,229)	\$ 1,741,952	\$ 280,889
Total	<u>\$ 2,323,514</u>	<u>\$ -</u>	<u>\$ (312,130)</u>	<u>\$ 2,011,384</u>	<u>\$ 316,201</u>

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NOTES TO FINANCIAL STATEMENTS

NOTE 7. CAPITAL ASSETS

Primary Government

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 5,337,956	\$ -	\$ -	\$ -	\$ 5,337,956
Construction in process	12,454,590	4,925,636	-	(6,632,931)	10,747,295
Total	<u>17,792,546</u>	<u>4,925,636</u>	<u>-</u>	<u>(6,632,931)</u>	<u>16,085,251</u>
Capital assets, being depreciated:					
Buildings and improvements	11,378,978	394,997	-	-	11,773,975
Infrastructure	33,475,807	-	-	6,632,931	40,108,738
Machinery and equipment	2,426,203	89,441	(104,181)	-	2,411,463
Vehicles	5,611,950	1,147,169	(892,887)	-	5,866,232
Total	<u>52,892,938</u>	<u>1,631,607</u>	<u>(997,068)</u>	<u>6,632,931</u>	<u>60,160,408</u>
Less accumulated depreciation for:					
Buildings and improvements	(4,841,111)	(453,696)	-	-	(5,294,807)
Infrastructure	(14,584,280)	(972,090)	-	-	(15,556,370)
Machinery and equipment	(1,516,975)	(212,071)	103,201	-	(1,625,845)
Vehicles	(3,975,501)	(335,187)	892,887	-	(3,417,801)
Total	<u>(24,917,867)</u>	<u>(1,973,044)</u>	<u>996,088</u>	<u>-</u>	<u>(25,894,823)</u>
Total capital assets, being depreciated, net	<u>27,975,071</u>	<u>(341,437)</u>	<u>(980)</u>	<u>6,632,931</u>	<u>34,265,585</u>
Governmental activities capital assets, net	<u>\$ 45,767,617</u>	<u>\$ 4,584,199</u>	<u>\$ (980)</u>	<u>\$ -</u>	<u>\$ 50,350,836</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 3,924,899	\$ -	\$ -	\$ -	\$ 3,924,899
Construction in process	-	43,715	-	-	43,715
Total	<u>3,924,899</u>	<u>43,715</u>	<u>-</u>	<u>-</u>	<u>3,968,614</u>
Capital assets, being depreciated:					
Distribution system	19,253,963	90,690	-	-	19,344,653
Infrastructure	13,332,276	187,937	-	-	13,520,213
Building and improvements	25,626,576	-	-	-	25,626,576
Machinery and equipment	1,360,238	115,468	-	-	1,475,706
Vehicles	4,016,184	104,621	-	-	4,120,805
Total	<u>63,589,237</u>	<u>498,716</u>	<u>-</u>	<u>-</u>	<u>64,087,953</u>
Less accumulated depreciation for:					
Distribution system	(10,340,860)	(451,709)	-	-	(10,792,569)
Infrastructure	(8,384,404)	(219,269)	-	-	(8,603,673)
Building and improvements	(9,647,885)	(644,657)	-	-	(10,292,542)
Machinery and equipment	(1,095,845)	(50,881)	-	-	(1,146,726)
Vehicles	(1,426,211)	(280,242)	-	-	(1,706,453)
Total	<u>(30,895,205)</u>	<u>(1,646,758)</u>	<u>-</u>	<u>-</u>	<u>(32,541,963)</u>
Total capital assets, being depreciated, net	<u>32,694,032</u>	<u>(1,148,042)</u>	<u>-</u>	<u>-</u>	<u>31,545,990</u>
Business-type activities capital assets, net	<u>\$ 36,618,931</u>	<u>\$ (1,104,327)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,514,604</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. CAPITAL ASSETS (CONTINUED)

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

Governmental activities:	
General government	\$ 64,254
Public safety	453,612
Public works	1,058,190
Culture and recreation	359,834
Planning and development	<u>37,154</u>
Total depreciation expense - governmental activities	<u>\$ 1,973,044</u>
Business-type activities:	
Water and sewer	\$ 691,969
Electric	380,697
Education complex	349,833
Stormwater	<u>224,259</u>
Total depreciation expense - business-type activities	<u>\$ 1,646,758</u>

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NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT

Primary Government

Long-term liability and obligation activity for the fiscal year ended September 30, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Fiscal Year</u>
Governmental activities:					
Series 2011 General Obligation Bonds	\$ 490,000	\$ -	\$ (490,000)	\$ -	\$ -
Unamortized bond premium	1,047	-	(1,047)	-	-
Series 2017 Refunding Bonds	6,895,000	-	(130,000)	6,765,000	640,000
Financed purchases from direct borrowings	52,764	1,987,232	(37,120)	2,002,876	104,001
Net pension liability (asset)	1,008,900	1,645,263	(3,982,706)	(1,328,543)	-
Compensated absences	331,183	332,737	(337,225)	326,695	291,489
Governmental activities					
Long-term liabilities and obligations	<u>\$ 8,778,894</u>	<u>\$ 3,965,232</u>	<u>\$ (4,978,098)</u>	<u>\$ 7,766,028</u>	<u>\$ 1,035,490</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Fiscal Year</u>
Business-type activities:					
Series 2014 Revenue Bonds	\$ 3,520,000	\$ -	\$ (195,000)	\$ 3,325,000	\$ 205,000
Series 2013 Revenue Refunding Bonds	4,145,000	-	(970,000)	3,175,000	1,010,000
Plus unamortized bond premium	97,053	-	(12,717)	84,336	-
Series 2017 Educational Complex Revenue Refunding Bonds	12,645,000	-	(775,000)	11,870,000	815,000
	20,407,053	-	(1,952,717)	18,454,336	2,030,000
Financed purchases from direct borrowings	-	104,621	(6,305)	98,316	25,526
Net pension liability (asset)	171,360	226,033	(579,916)	(182,523)	-
Compensated absences	44,973	44,598	(31,589)	57,982	44,598
Business-type activities					
Long-term liabilities and obligations	<u>\$ 20,623,386</u>	<u>\$ 375,252</u>	<u>\$ (2,570,527)</u>	<u>\$ 18,428,111</u>	<u>\$ 2,100,124</u>

All of the City's revenue bonds are direct placement bonds.

For governmental funds, compensated absences and the net pension liability (asset) are liquidated by the General Fund and financed purchases from direct borrowings are liquidated by the General Fund. For business-type activities, compensated absences and the net pension liability (asset) are liquidated by the Water and Sewer Fund and the Electric Fund while financed purchases from direct borrowings are liquidated by the Electric Fund and Water and Sewer Fund.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

The City has outstanding financed purchases from direct borrowings related to government activities totaling \$2,002,876 and outstanding refunding bonds related to government activities of \$6,765,000. With respect to business-type activities, the City has outstanding direct placement revenue bonds of \$18,370,000. The City has pledged equipment as collateral for the financed purchases from direct borrowings related to government activities and business-type activities. There is no pledged collateral on any of the bonds for governmental activities or business-type activities. The full faith and credit of the City and net revenues from business-type activities are pledged as security on the bonds. All financed purchases from direct borrowings contain an event of default that allows the lender to demand full payment in the case of a missed payment.

General Obligation Bonds – Governmental activities. On March 9, 2011, the City of Fairburn issued \$10,415,000 in General Obligation Bonds, Series 2011 with interest rates ranging from 3% to 5.75%. The purpose of which is to pay the cost of (a) acquiring, constructing and furnishing a fire station, certain City recreation facilities and downtown renewal projects, (b) constructing and installing certain road rebuilding projects, and (c) other projects of the City as may be determined in accordance with O.C.G.A. 36-824.2 (collectively, the “Projects”). Interest on the bonds is payable semiannually on June 1 and December 1 of each fiscal year, commencing on June 1, 2011. These bonds originally were set to mature on December 1, 2031, but were partially refunded with the Series 2017 General Obligation Bonds discussed below.

On October 6, 2017, the City issued \$7,365,000 of Series 2017 General Obligation Refunding Bonds to refund all but \$1,855,000 of the Series 2011 General Obligation Bonds outstanding. The bonds were issued at an interest rate of 2.5% with annual maturities through fiscal year 2032. The net proceeds from the Series 2017 Bonds were deposited in an irrevocable trust with an escrow agent to provide all future debt service payments on the refunded bonds. The result of this transaction is a decrease in future debt service payments of \$648,970 and a present value savings, or economic gain, of \$556,430. The refunded bonds are considered defeased. During the fiscal year ended September 30, 2021, all of the Series 2011 defeased bonds were called and retired.

The 2011 Series of Bonds have been fully paid as of September 30, 2022.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

General Obligation Bonds – Governmental activities (Continued)

The series 2017 general obligation refunding bonds currently outstanding mature as follows:

Fiscal Year Ending September 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 640,000	\$ 161,125	\$ 801,125
2024	650,000	145,000	795,000
2025	655,000	128,688	783,688
2026	665,000	112,188	777,188
2027	670,000	95,500	765,500
2028-2032	3,485,000	219,938	3,704,938
Total	<u>\$ 6,765,000</u>	<u>\$ 862,439</u>	<u>\$ 7,627,439</u>

Financed Purchases from Direct Borrowings – Governmental Activities - The City has entered into lease agreements as lessee for financing the acquisition of various public safety and public works vehicles. The lease agreements qualify as financed purchases from direct borrowings for accounting purposes and, therefore, have been recorded at the present values of the future minimum lease payments as of the date of their inception. As of September 30, 2022, the City had vehicles and machinery and equipment with a total cost of \$511,166, accumulated depreciation of \$58,141 and a net book value of \$453,025 under financed purchases from direct borrowings as reported in its governmental activities. The City has a financed purchase for a fire truck in which the City has not yet received the fire truck related to the finance purchase payable. The fire truck is still being constructed by the vendor and City has recorded the \$1,577,000 as a prepaid asset.

The City's total financed purchases debt service requirements to maturity are as follows:

Fiscal Year Ending September 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 104,001	\$ 90,624	\$ 194,625
2024	193,326	84,409	277,735
2025	203,166	74,566	277,732
2026	206,851	64,158	271,009
2027	193,083	53,836	246,919
2028-2032	712,737	172,005	884,742
2033	389,712	16,965	406,677
Total	<u>\$ 2,002,876</u>	<u>\$ 556,563</u>	<u>\$ 2,559,439</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

Direct Placement Revenue Refunding Bonds – Business-type activities – On September 25, 2014, the City issued \$4,610,000 (at a premium of \$197,436), 2% to 4% revenue bonds (Combined Public Utility Revenue Bonds, Series 2014) with varying semi-annual principal and interest payments due (April 1 and October 1) through October 1, 2034 for the purpose of acquiring, constructing, equipping and installing certain improvements or extensions to the water and sewer elements of the City's combined electric and water and sewerage system and acquiring certain wastewater treatment rights, purchasing a debt service reserve surety, and paying the costs of issuing the Series 2014 Bonds, including the payment of a premium for a financial guaranty insurance policy.

On September 26, 2013, the City issued \$9,310,000, 1.209% to 4.854% revenue bonds (Taxable Refunding Revenue Bonds, Series 2013) with varying semi-annual principal and interest payments due (April 1 and October 1) through October 1, 2024. The net proceeds from these bonds along with \$1,095,570 of City funds were used to refund the outstanding balance of the Series 2006 Revenue Refunding Bonds. The refunding portion of this transaction resulted in a debt service savings of \$257,312 and the negative net present value cash-flow savings was determined to be \$838,258 during fiscal year 2013.

On September 20, 2011, the Downtown Development Authority, as a blended component unit of the City of Fairburn, issued \$15,280,000 of Series 2011 Educational Complex Revenue Bonds bearing interest rates ranging from 2% to 4.75% payable July 1 and January 1 beginning 2012 with the bonds maturing on July 1, 2033. The 2011 bonds were issued for the purpose of refunding the Series 2008 Educational Bonds and financing the additional acquisition, construction, and installation of the education campus with parking and related facility. The refunding portion of this transaction resulted in a negative debt service savings of \$1,986,680 and the negative net present value cash-flow savings was determined to be \$839,726 during fiscal year 2011. The Series 2011 Educational Complex Revenue Bonds were partially refunded with the Series 2017 Education Bonds discussed below.

On October 6, 2017, the City issued \$13,125,000 of Series 2017 Educational Complex Refunding Bonds to refund all but \$2,100,000 of the Series 2011 Education Complex Bonds outstanding. The bonds were issued at an interest rate of 2.66% with annual maturities through fiscal year 2033. The net proceeds from the Series 2017 Educational Complex Refunding Bonds were deposited in an irrevocable trust with an escrow agent to provide all future debt service payments on the refunded bonds. The result of this transaction is a decrease in future debt service payments of \$780,305 and a present value savings, or economic gain, of \$643,630. The refunded bonds are considered defeased. During the fiscal year ended September 30, 2021, all of the Series 2011 defeased bonds were called and retired.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

Direct Placement Revenue Refunding Bonds – Business-type activities (Continued)

The Downtown Development Authority is responsible for promoting industrial and commercial development within the City of Fairburn. However, the City of Fairburn does provide financial support each year and has contractually obligated itself to use its taxing powers to guarantee the repayment of principal and interest on the Educational Complex revenue bonds issued by the Downtown Development Authority.

Revenue bonds (Series 2013, 2014, and 2017) currently outstanding mature as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal Year Ending September 30,			
2023	\$ 2,030,000	\$ 564,839	\$ 2,594,839
2024	2,140,000	489,892	2,629,892
2025	2,250,000	408,753	2,658,753
2026	1,195,000	349,483	1,544,483
2027	1,250,000	314,481	1,564,481
2028-2032	7,225,000	988,127	8,213,127
2033-2036	2,280,000	92,543	2,372,543
Total	<u>\$ 18,370,000</u>	<u>\$ 3,208,118</u>	<u>\$ 21,578,118</u>
Plus unamortized bond premium	<u>84,336</u>		
	<u>\$ 18,454,336</u>		

Financed Purchases from Direct Borrowings – Business-type activities – The City has entered into lease agreements as lessee for financing the acquisition of electric and water/sewer vehicles. The lease agreements qualify as financed purchases from direct borrowings for accounting purposes and, therefore, have been recorded at the present values of the future minimum lease payments as of the date of their inception. As of September 30, 2022, the City had vehicles and machinery and equipment with a total cost of \$104,620, accumulated depreciation of \$7,473 and a net book value of \$97,147 under financed purchases from direct borrowings as reported in its governmental activities.

The City's total financed purchases debt service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal Year Ending September 30,			
2023	\$ 25,526	\$ 1,688	\$ 27,214
2024	26,028	1,187	27,215
2025	26,539	676	27,215
2026	20,223	164	20,387
Total	<u>\$ 98,316</u>	<u>\$ 3,715</u>	<u>\$ 102,031</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	TSPLOST Fund	\$ 200
General Fund	Grants Fund	64,532
General Fund	Nonmajor Governmental Funds	23,144
	Total	\$ 87,876

All interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The interfund balance owed to the General Fund by the TSPLOST Fund is for allowable TSPLOST expenditures.

Interfund transfers:

Transfers In	Transfers Out	Amount
Nonmajor Governmental Funds	General Fund	\$ 910,532
Educational Complex Fund	General Fund	902,902
General Fund	Water and Sewer Fund	550,000
Grants Fund	General Fund	449,624
General Fund	Electric Fund	250,000
Water and Sewer Fund	American Rescue Plan Fund	134,405
General Fund	Sanitation Fund	100,000
General Fund	Nonmajor Governmental Funds	50,000
	Total	\$ 3,347,463

Transfers are used to (1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them, (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, (3) to move unrestricted service revenues to the General Fund to supplant property taxes, (4) to transfer unrestricted hotel/motel revenues to the General Fund, and (5) move American Rescue Plan funding to reimburse funds which incurred allowable program expenses/expenditures.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. PENSION PLAN

Plan Description. The City, as authorized by the City Council, has established a defined benefit pension plan (the “City of Fairburn Retirement Plan”) covering all full-time employees. The City Council in its role as the Plan Sponsor, has the sole authority to amend the provisions, including specific benefit provisions and contribution requirements of the Plan as provided by the Plan document. Effective January 1, 2015, the Plan was amended to provide for immediate participation for employees. The City’s pension plan is affiliated with the Georgia Municipal Employee Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association (GMA). Contributions made by the City are commingled with contributions made by other members of GMEBS for investment purposes. Active plan members (employees of the City) are not required to make contributions to the Plan. The City does not own any securities on its own. Investment income from the securities is allocated on a pro rata basis.

The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303 or by calling (404) 688-0472 or on the internet at www.gacities.com.

Plan Membership. At January 1, 2022, the date of the most recent actuarial valuation, there were 326 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	79
Terminated vested participants not yet receiving benefits	117
Active employees - vested	63
Active employees - nonvested	67
Total	<u>326</u>

Contributions. The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the Plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the Plan. The funding policy for the Plan, as adopted by the City Council, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by Plan members during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of Plan members, as determined by the City Council. At this time, Plan members are not required to make contributions to the Plan. For the fiscal year ended September 30, 2022, the City's contribution rate was 8.06% of annual payroll. City contributions to the Plan were \$614,625 for the fiscal year ended September 30, 2022.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. PENSION PLAN (CONTINUED)

Net Pension Liability (asset) of the City. The City's net pension liability (asset) was measured as of September 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as January 1, 2021 with update procedures performed by the actuary to roll forward to the total pension liability measured as of **September 30, 2021**.

Actuarial Assumptions. The total pension liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation 2.25%
- Salary increases 2.25% plus service based merit increases
- Investment rate of return 7.375%, net of pension plan investment expense, including inflation.

Mortality rates for the January 1, 2021 valuation were based on the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25. The assumptions and methods used to value the Plan were approved in December 2019 by the Board based on an experience study for the period January 1, 2015 through June 30, 2019 conducted in November and December of 2019. Cost of living adjustments were assumed to be 2.25% although the Plan allowance for annual cost of living adjustment is variable, as established by the City Council, in an amount not to exceed 4%.

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 ranges 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 arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of **September 30, 2021** are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
Domestic equity	45%	6.55%
International equity	20%	7.30
Domestic fixed income	20%	0.40
Real estate	10%	3.65
Global fixed income	5%	0.50
Cash	—%	
Total	100%	

* Rates shown are net of the 2.25% assumed rate of inflation

NOTES TO FINANCIAL STATEMENTS

NOTE 10. PENSION PLAN (CONTINUED)

Discount Rate. The discount rate used to measure the total pension liability (asset) was 7.375%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability

Changes in the Net Pension Liability (asset) of the City. The changes in the components of the net pension liability (asset) of the City for the fiscal year ended September 30, 2022, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at 9/30/21	\$ 17,643,945	\$ 16,463,685	\$ 1,180,260
Changes for the year:			
Service cost	522,418	-	522,418
Interest	1,312,348	-	1,312,348
Differences between expected and actual experience	(150,120)	-	(150,120)
Contributions—employer	-	443,530	(443,530)
Net investment income	-	3,968,972	(3,968,972)
Benefit payments, including refunds of employee contributions	(743,625)	(743,625)	-
Administrative expense	-	(36,530)	36,530
Net changes	941,021	3,632,347	(2,691,326)
Balances at 9/30/22	\$ 18,584,966	\$ 20,096,032	\$ (1,511,066)

The required schedule of changes in the City's net pension liability (asset) and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability or asset.

Sensitivity of the Net Pension Liability (asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of the City, calculated using the discount rate of 7.375 percent, as well as what the City's net pension asset or liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.375 percent) or 1-percentage-point higher (8.375 percent) than the current rate:

	1% Decrease (6.375%)	Discount Rate (7.375%)	1% Increase (8.375%)
City's net pension liability (asset)	\$ 1,233,314	\$ (1,511,066)	\$ (3,735,997)

NOTES TO FINANCIAL STATEMENTS

NOTE 10. PENSION PLAN (CONTINUED)

Changes in the Net Pension Liability (asset) of the City. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of **September 30, 2021** and the current sharing pattern of costs between employer and employee.

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. For the fiscal year ended September 30, 2022, the City recognized pension expense of \$95,055. At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 342,100	\$ 100,080
Changes in assumptions	109,202	-
Net difference between projected and actual earnings on pension plan investments	-	2,219,765
City contributions subsequent to the measurement date	614,625	-
Total	<u>\$ 1,065,927</u>	<u>\$ 2,319,845</u>

City contributions subsequent to the measurement date of \$614,625 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal year ending September 30:	
2023	\$ (301,038)
2024	(391,483)
2025	(622,584)
2026	(553,438)
Total	<u>\$ (1,868,543)</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 11. DEFERRED COMPENSATION PLAN

The City of Fairburn, Georgia offers its employees an Internal Revenue Code Section 457 Plan (the "Plan") which is a deferred compensation plan that qualifies as a defined contribution pension plan. The Plan is administered by a third party administrator, ICMA. The City has no fiduciary relationship with the trust. Accordingly, the Plan assets are not reported in the City's financial statements. Plan provisions and contribution requirements are established and may be amended by the City's Mayor and Council. At September 30, 2022, there were 27 Plan members in the respective plans.

Employees are not required to contribute to the Plan. Employees may contribute a portion of their gross salary, not to exceed the IRS guidelines, into the Plan. Effective October 1, 2012, the City no longer matches employee contributions. The Plan allows employees to increase, decrease, stop, and restart deferrals as often as they wish without penalties or fees. Total employee contributions for the fiscal year ended September 30, 2022 were \$69,795.

NOTE 12. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the Atlanta, Georgia area, is a member of the Atlanta Regional Commission (ARC). Dues to the ARC are assessed at the County level and are, accordingly, paid on the City's behalf by Fulton County. Membership in the ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the ARC in Georgia. The ARC Board membership includes the chief elected official of each county and various municipalities of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the ARC. Separate financial statements may be obtained from ARC, 229 Peachtree St NE, Suite 100, Atlanta, Georgia 30303.

NOTE 13. RELATED ORGANIZATIONS

The City's governing body is responsible for appointing a majority of the board members of the City of Fairburn Housing Authority. However, the City has no further accountability for this organization.

NOTE 14. RISK MANAGEMENT

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other municipalities in the State as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Georgia Municipal Association Group Self-Insurance Workers' Compensation Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments.

NOTES TO FINANCIAL STATEMENTS

NOTE 14. RISK MANAGEMENT (CONTINUED)

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

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

Settled claims have not exceeded the coverage in the past three fiscal years.

The City carries commercial insurance for other risks of losses. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage in the past three fiscal years.

NOTE 15. COMMITMENTS AND CONTINGENCIES

Litigation:

The City is a defendant in certain legal actions in the nature of claims for alleged damages to persons and property and other similar types of actions rising in the course of City operations. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the City.

Contractual Commitments:

For the fiscal year ended September 30, 2022, the City had active construction contracts related to various construction projects. At fiscal year end, the City's commitments with contractors totaled approximately \$267,181.

Grant Contingencies:

The City has received Federal and State grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, management of the City believes such disallowances, if any, will not be significant.

NOTES TO FINANCIAL STATEMENTS

NOTE 15. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Agreements with the Municipal Electric Authority of Georgia:

The Municipal Electric Authority of Georgia (MEAG) is a public corporation and an instrumentality of the State of Georgia created to supply electricity to local government electric distribution systems. As provided by State law, MEAG establishes rates and charges so as to produce revenues sufficient to cover its costs, including debt service, but it may not operate any of its projects for profit, unless any such profits insure to the benefit of the public.

The City of Fairburn is a participant in the Municipal Electric Authority of Georgia (MEAG Power) and has a contractual agreement to purchase a portion of its power requirements from Southeastern Power Administration (SEPA). All power requirements that are in excess of that provided by SEPA are purchased from MEAG Power at prices intended to cover the operating costs of the system and to retire any debt service incurred by MEAG on the City's behalf. In the event that revenues are insufficient to cover all costs and retire the outstanding debt, each participating City has guaranteed a portion of the unpaid debt based on their individual entitlement shares of the output and services of generating units acquired or constructed by MEAG. In addition, in the event of discontinued service to a participant in default, the City would be obligated to purchase additional power subject to contractual limitations. Payments to MEAG are made monthly based on KWH usage. The total payments under these contracts amounted to \$9,522,857 during fiscal year ended September 30, 2022.

At September 30, 2022, the outstanding debt of MEAG was approximately \$6.48 billion. The City's guarantee varies by individual projects undertaken by MEAG and totals approximately \$80.7 million at September 30, 2022.

During fiscal year 2009, MEAG and MEAG's bond holders authorized the usage of Municipal Competitive Trust ("MCT") funds. The original intended use of the MCT funds were to reduce MEAG's costs and thus charge individual participants, such as the City of Fairburn, less in power on a monthly basis. The MCT funds were only to be used in response to remedy potential deregulation in the State of Georgia. Since deregulation has not occurred in the State of Georgia, MEAG and MEAG's bond holders authorized the usage of the MCT funds as if deregulation had actually occurred. As a result, the City will receive a credit reduction in its monthly purchased power invoice; effectively reducing the City's cost. The projected benefits of this reduction over the next year as of September 30, 2022 is \$0.00.

NOTES TO FINANCIAL STATEMENTS

NOTE 16. HOTEL/MOTEL LODGING TAX

The City established a 3% tax under O.C.G.A. 48-13-51(a)(1) on gross hotel occupancy revenues for the purpose of promoting tourism, conventions, and trade shows. Local governments imposing a tax under this code section are required to expend in each fiscal year at least the same percentage of hotel/motel tax revenues they expended in the previous fiscal year for the promotion of tourism, conventions, and trade shows. The City did not set a precedent until fiscal year 2022 resulting in a restriction of the City's hotel/motel tax funds. For the fiscal year ended September 30, 2022, the City collected \$299,763 in hotel/motel revenues of which \$43,742 was expended for the promotion of tourism and \$50,000 was transferred to the General Fund.

NOTE 17. JOINTLY GOVERNED ORGANIZATION

On March 13, 2001, the City of Fairburn, the City of Union City, and the City of Palmetto created by joint resolutions pursuant to the authority of the General Assembly of the State of Georgia, the South Fulton Municipal Regional Water and Sewer Authority (the "Water and Sewer Authority"). By act of the Georgia Legislature, the Water and Sewer Authority was renamed to be the Middle Chattahoochee Regional Water and Sewer Authority. The Water and Sewer Authority was created to provide alternative water and sewer resources for the Cities of Fairburn, Union City, and Palmetto. The Water and Sewer Authority is governed by a board of seven (7) directors, three (3) of whom are the chief elected official of each member city, three (3) of whom are appointed, one (1) each by each of the member cities, and one (1) director being appointed by members of the local delegation of the Georgia General Assembly who represent all, or any part of, a member city. The Water and Sewer Authority issues revenue bonds to finance the construction of reservoir. Once completed, the member Cities will purchase water from the Water and Sewer Authority.

The City does not provide financial support to the Water and Sewer Authority, but has contractually obligated itself to use its full taxing power to guarantee the repayment of approximately 34.72% of the principal and interest on the Water and Sewer Authority's Series 2007 Variable Rate Revenue Bonds if the Water and Sewer Authority's resources cannot cover the debt service. During the fiscal year ended September 30, 2022, the City agreed to pay the Water and Sewer Authority \$1,199,168 (reported as interest expense) for the City's proportionate share of the principal and interest on the Water and Sewer Authority's bonds from revenues of the City's Water and Sewer Fund.

On July 1, 2014, the Authority entered into an agreement to refinance the Series 2007 Variable Rate Revenue Bonds Authority with the Series 2014 bonds. The net results of the refinancing resulted in an economic loss of \$3,953,000 and a deferred outflow of resources on the refunding of \$4,087,845.

NOTES TO FINANCIAL STATEMENTS

NOTE 17. JOINTLY GOVERNED ORGANIZATION (CONTINUED)

As of December 31, 2021 (from the most recent available financial statements) the Water and Sewer Authority's debt service requirements on the Series 2014 Revenue Bonds were as follows using the current interest rate of 3.670%:

Fiscal Year Ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,575,000	\$ 1,144,226	\$ 2,719,226
2023	1,675,000	1,070,850	2,745,850
2024	1,780,000	984,475	2,764,475
2025	1,900,000	892,475	2,792,475
2026	2,025,000	814,600	2,839,600
2027-2031	11,905,000	2,603,560	14,508,560
2032-2033	5,770,000	233,600	6,003,600
Total	<u>\$ 26,630,000</u>	<u>\$ 7,743,786</u>	<u>\$ 34,373,786</u>

Separate financial statements for the Water and Sewer Authority can be obtained at the following address: Middle Chattahoochee Regional Water and Sewer Authority, P.O. Box 855, Fairburn, Georgia 30213.

NOTE 18. TAX ABATEMENTS

For the year ended September 30, 2022, City property tax revenues were reduced by \$359,019 under agreements entered into by Fulton County. Under the agreements, taxes on both real property and personal property are reduced based on investments made by the corporation to whom the incentives were offered as long as the corporation meets certain investment targets.

NOTE 19. CONDUIT DEBT

On September 24, 2019, the Development Authority issued \$5,000,000 in taxable revenue bonds for the purpose of funding the Landmark Christian School Project. Neither the City, nor the Development Authority, is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as a liability in the accompanying financial statements. The amount outstanding at September 30, 2022 could not be determined.

NOTE 20. RESTATEMENTS

In accordance with GASB Statement No. 84, *Fiduciary Activities*, management of the City has determined that the activity of the City's Municipal Court Fund should be consolidated and reported within the City's General Fund. As a result, previously reported net position of the Municipal Court Fund as of September 30, 2021 is restated to be zero. The City's municipal court activity is properly accounted for within the City's General Fund as of September 30, 2022.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FAIRBURN GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION - RETIREMENT PLAN
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY (ASSET)
AND RELATED RATIOS

	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability								
Service cost	\$ 522,418	\$ 413,025	\$ 423,119	\$ 436,627	\$ 459,081	\$ 430,351	\$ 358,809	\$ 426,065
Interest on total pension liability	1,312,348	1,193,945	1,102,502	1,065,229	1,005,868	961,894	894,973	880,377
Other Changes	-	-	-	-	(286,177)	-	174,676	(352,216)
Differences between expected and actual experience	(150,120)	588,833	190,735	(379,192)	158,946	(316,723)	(95,851)	(331,710)
Changes of assumptions	-	-	436,807	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(743,625)	(655,825)	(652,205)	(572,166)	(528,299)	(487,933)	(450,275)	(418,094)
Net change in total pension liability	941,021	1,539,978	1,500,958	550,498	809,419	587,589	882,332	204,422
Total pension liability - beginning	17,643,945	16,103,967	14,603,009	14,052,511	13,243,092	12,655,503	11,773,171	11,568,749
Total pension liability - ending (a)	<u>\$ 18,584,966</u>	<u>\$ 17,643,945</u>	<u>\$ 16,103,967</u>	<u>\$ 14,603,009</u>	<u>\$ 14,052,511</u>	<u>\$ 13,243,092</u>	<u>\$ 12,655,503</u>	<u>\$ 11,773,171</u>
Plan fiduciary net position								
Contributions - employer	\$ 443,530	\$ 492,118	\$ 518,325	\$ 504,950	\$ 501,693	\$ 455,271	\$ 504,853	\$ 519,993
Net investment income	3,968,972	1,459,490	443,205	1,353,412	1,795,324	1,201,570	117,480	1,082,171
Benefit payments, including refunds of employee contributions	(743,625)	(655,825)	(652,205)	(572,166)	(528,299)	(487,933)	(450,275)	(418,094)
Administrative expenses	(36,530)	(31,570)	(30,123)	(31,216)	(32,353)	(17,223)	(20,547)	(15,930)
Net change in plan fiduciary net position	3,632,347	1,264,213	279,202	1,254,980	1,736,365	1,151,685	151,511	1,168,140
Plan fiduciary net position - beginning	16,463,685	15,199,472	14,920,270	13,665,290	11,928,925	10,777,240	10,625,729	9,457,589
Plan fiduciary net position - ending (b)	<u>\$ 20,096,032</u>	<u>\$ 16,463,685</u>	<u>\$ 15,199,472</u>	<u>\$ 14,920,270</u>	<u>\$ 13,665,290</u>	<u>\$ 11,928,925</u>	<u>\$ 10,777,240</u>	<u>\$ 10,625,729</u>
City's net pension liability (asset) - ending (a) - (b)	<u>\$ (1,511,066)</u>	<u>\$ 1,180,260</u>	<u>\$ 904,495</u>	<u>\$ (317,261)</u>	<u>\$ 387,221</u>	<u>\$ 1,314,167</u>	<u>\$ 1,878,263</u>	<u>\$ 1,147,442</u>
Plan fiduciary net position as a percentage of the total pension liability (asset)	108.1%	93.3%	94.4%	102.2%	97.2%	90.1%	85.2%	90.3%
Covered payroll	\$ 6,599,782	\$ 5,568,852	\$ 5,459,369	\$ 5,421,039	\$ 5,794,145	\$ 5,434,761	\$ 5,264,479	\$ 4,444,802
City's net pension liability (asset) as a percentage of covered payroll	-22.9%	21.2%	16.6%	-5.9%	6.7%	24.2%	35.7%	25.8%

Notes to the Schedule

The schedule will present 10 years of information once it is accumulated.

CITY OF FAIRBURN GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION - RETIREMENT PLAN
SCHEDULE OF CITY CONTRIBUTIONS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 614,625	\$ 483,851	\$ 492,118	\$ 518,325	\$ 504,950
Contributions in relation to the actuarially determined contribution	<u>614,625</u>	<u>483,851</u>	<u>492,118</u>	<u>518,325</u>	<u>504,950</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 7,629,343	\$ 6,599,782	\$ 5,568,852	\$ 5,459,369	\$ 5,421,039
Contributions as a percentage of Covered payroll	8.06%	7.33%	8.84%	9.49%	9.31%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Actuarially determined contribution	\$ 501,693	\$ 455,271	\$ 504,853	\$ 519,993	
Contributions in relation to the actuarially determined contribution	<u>501,693</u>	<u>455,271</u>	<u>504,853</u>	<u>519,993</u>	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Covered payroll	\$ 5,794,145	\$ 5,434,761	\$ 5,264,479	\$ 4,444,802	
Contributions as a percentage of Covered payroll	8.66%	8.38%	9.59%	11.70%	

Notes to the Schedule:

(1) Actuarial Assumptions:

Valuation Date

January 1, 2022

Cost Method

Projected Unit Credit

Actuarial Asset Valuation Method

Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amounts that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.

Assumed Rate of Return on Investments

7.375%

Projected Salary Increases

2.25% plus service based merit increases

Cost-of-living Adjustment

2.25%

Amortization Method

Closed level dollar for remaining unfunded liability.

Remaining Amortization Period

N/A

(2) The schedule will present 10 years of information once it is accumulated.

**COMBINING AND INDIVIDUAL
FUND STATEMENTS
AND SCHEDULES**

CITY OF FAIRBURN, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt services and capital projects.

Confiscated Assets Fund – To account for the City's share of excess funds received from confiscated capital and equipment. These monies must be used for police related expenditures and are restricted by Federal law.

Hotel/Motel Tax Fund – To account for the lodging tax levied in the City of which a precedent set by the City is restricted for tourism.

Development Authority Fund – To provide services exclusively to the City as a financing instrument for developing and promoting for the public good and general welfare, trade, commerce, industry, and employment opportunities, and to promote the general welfare within the City.

CAPITAL PROJECT FUND

Capital Improvement Fund – To account for the capital expenditures made by the City on long-term projects.

PERMANENT FUND

Cemetery Fund – To account for monies received by the City which can only be used for a specific purpose. The principal of perpetual care cemetery funds are not available for expenditures based on legal or contractual requirements and must remain in trust and not be encroached upon (reported as nonspendable). Only the income from such funds may be used for maintenance and upkeep of the Fairburn municipal cemetery.

**CITY OF FAIRBURN, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022**

ASSETS	Special Revenue Funds			Capital Project Fund	Permanent Fund	Total Nonmajor Governmental Funds
	Confiscated Assets Fund	Hotel/Motel Tax Fund	Development Authority Fund	Capital Improvement Fund	Cemetery Fund	
Cash and cash equivalents	\$ 37,825	\$ 208,055	\$ -	\$ 390,500	\$ 1,379	\$ 637,759
Investments	-	-	975	-	85,000	85,975
Taxes receivable	-	21,110	-	-	-	21,110
Prepaid items	-	-	-	1,577,000	-	1,577,000
Total assets	<u>\$ 37,825</u>	<u>\$ 229,165</u>	<u>\$ 975</u>	<u>\$ 1,967,500</u>	<u>\$ 86,379</u>	<u>\$ 2,321,844</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Due to other funds	\$ -	\$ 23,144	\$ -	\$ -	\$ -	\$ 23,144
Accounts payable	-	-	-	11,154	-	11,154
Total liabilities	<u>-</u>	<u>23,144</u>	<u>-</u>	<u>11,154</u>	<u>-</u>	<u>34,298</u>
FUND BALANCES						
Nonspendable for:						
Corpus of perpetual care cemetery funds	-	-	-	-	10,000	10,000
Prepaid	-	-	-	1,577,000	-	1,577,000
Restricted for:						
Law enforcement activities	37,825	-	-	-	-	37,825
Cemetery operating capital	-	-	-	-	76,379	76,379
Tourism	-	206,021	-	-	-	206,021
Assigned for:						
Capital construction	-	-	-	379,346	-	379,346
Planning and development	-	-	975	-	-	975
Total fund balances	<u>37,825</u>	<u>206,021</u>	<u>975</u>	<u>1,956,346</u>	<u>86,379</u>	<u>2,287,546</u>
Total liabilities and fund balances	<u>\$ 37,825</u>	<u>\$ 229,165</u>	<u>\$ 975</u>	<u>\$ 1,967,500</u>	<u>\$ 86,379</u>	<u>\$ 2,321,844</u>

CITY OF FAIRBURN, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Special Revenue Funds			Capital	Permanent Fund	Total
	Confiscated Assets Fund	Hotel/Motel Tax Fund	Development Authority Fund	Project Fund Capital Improvement Fund	Cemetery Fund	Nonmajor Governmental Funds
REVENUES						
Taxes	\$ -	\$ 299,763	\$ -	\$ -	\$ -	\$ 299,763
Fines and forfeitures	14,235	-	-	-	-	14,235
Interest	82	-	-	-	169	251
Total revenues	14,317	299,763	-	-	169	314,249
EXPENDITURES						
Current						
Tourism	-	43,742	-	-	-	43,742
Public safety	47,748	-	-	-	-	47,748
Public works	-	-	-	1,115,248	-	1,115,248
Total expenditures	47,748	43,742	-	1,115,248	-	1,206,738
Excess (deficiency) of revenues over (under) expenditures	(33,431)	256,021	-	(1,115,248)	169	(892,489)
Other financing sources (uses):						
Issuance of financed purchase	-	-	-	1,987,232	-	1,987,232
Transfers in	-	-	-	910,532	-	910,532
Transfers out	-	(50,000)	-	-	-	(50,000)
Total other financing sources (uses)	-	(50,000)	-	2,897,764	-	2,847,764
Net change in fund balances	(33,431)	206,021	-	1,782,516	169	1,955,275
FUND BALANCES, beginning of fiscal year	71,256	-	975	173,830	86,210	332,271
FUND BALANCES, end of fiscal year	\$ 37,825	\$ 206,021	\$ 975	\$ 1,956,346	\$ 86,379	\$ 2,287,546

CITY OF FAIRBURN, GEORGIA
GENERAL OBLIGATION BOND CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Tax revenue	\$ 1,000,000	\$ 1,000,000	\$ 1,478,073	\$ 478,073
Interest	2,268	2,268	1,728	(540)
Total revenues	<u>1,002,268</u>	<u>1,002,268</u>	<u>1,479,801</u>	<u>477,533</u>
Expenditures				
Capital outlays	199,720	199,720	-	199,720
Debt service - principal payments	620,000	620,000	620,000	-
Debt service - interest and fiscal charges	182,548	182,548	181,090	1,458
Total expenditures	<u>1,002,268</u>	<u>1,002,268</u>	<u>801,090</u>	<u>201,178</u>
Net change in fund balances	-	-	678,711	678,711
Fund balance, beginning of fiscal year	<u>2,489,491</u>	<u>2,489,491</u>	<u>2,489,491</u>	<u>-</u>
Fund balance, end of fiscal year	<u>\$ 2,489,491</u>	<u>\$ 2,489,491</u>	<u>\$ 3,168,202</u>	<u>\$ 678,711</u>

**CITY OF FAIRBURN, GEORGIA
TSPLOST FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 2,380,027	\$ 2,380,027	\$ 3,465,590	\$ 1,085,563
Interest	-	-	4,654	4,654
Total revenues	<u>2,380,027</u>	<u>2,380,027</u>	<u>3,470,244</u>	<u>1,090,217</u>
EXPENDITURES				
Capital outlay	5,113,295	5,113,295	3,443,930	1,669,365
Total expenditures	<u>5,113,295</u>	<u>5,113,295</u>	<u>3,443,930</u>	<u>1,669,365</u>
Net change in fund balances	(2,733,268)	(2,733,268)	26,314	2,759,582
FUND BALANCES, beginning of fiscal year	<u>2,177,843</u>	<u>2,177,843</u>	<u>2,177,843</u>	<u>-</u>
FUND BALANCES (DEFICITS), end of fiscal year	<u>\$ (555,425)</u>	<u>\$ (555,425)</u>	<u>\$ 2,204,157</u>	<u>\$ 2,759,582</u>

**CITY OF FAIRBURN, GEORGIA
CONFISCATED ASSETS FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 50,000	\$ 50,000	\$ 14,235	\$ (35,765)
Interest	-	-	82	82
Total revenues	50,000	50,000	14,317	(35,683)
EXPENDITURES				
Public safety	50,000	50,000	47,748	2,252
Net change in fund balances	-	-	(33,431)	(33,431)
FUND BALANCES, beginning of fiscal year	71,256	71,256	71,256	-
FUND BALANCES, end of fiscal year	<u>\$ 71,256</u>	<u>\$ 71,256</u>	<u>\$ 37,825</u>	<u>\$ (33,431)</u>

**CITY OF FAIRBURN, GEORGIA
HOTEL/MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 200,000	\$ 200,000	\$ 299,763	\$ 99,763
Total revenues	200,000	200,000	299,763	99,763
EXPENDITURES				
Tourism	-	75,000	43,742	31,258
Total expenditures	-	75,000	43,742	31,258
Excess of revenues over expenditures	200,000	125,000	256,021	68,505
Other financing uses:				
Transfers out	(200,000)	(125,000)	(50,000)	75,000
Total other financing uses:	(200,000)	(125,000)	(50,000)	75,000
Net change in fund balances	-	-	206,021	174,763
FUND BALANCES, beginning of fiscal year	-	-	-	-
FUND BALANCES, end of fiscal year	\$ -	\$ -	\$ 206,021	\$ 174,763

**CITY OF FAIRBURN, GEORGIA
CAPITAL IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	<u>Budget</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Capital outlay	\$ 2,910,532	\$ 2,910,532	\$ 1,115,248	\$ 1,795,284
Total expenditures	<u>2,910,532</u>	<u>2,910,532</u>	<u>1,115,248</u>	<u>1,795,284</u>
Other financing sources:				
Issuance of financed purchase	1,014,148	1,014,148	1,987,232	973,084
Transfers in	<u>1,896,384</u>	<u>1,896,384</u>	<u>910,532</u>	<u>(985,852)</u>
Total other financing sources	<u>2,910,532</u>	<u>2,910,532</u>	<u>2,897,764</u>	<u>(12,768)</u>
Net change in fund balances	-	-	1,782,516	1,782,516
FUND BALANCES, beginning of fiscal year	<u>173,830</u>	<u>173,830</u>	<u>173,830</u>	<u>-</u>
FUND BALANCES, end of fiscal year	<u>\$ 173,830</u>	<u>\$ 173,830</u>	<u>\$ 1,956,346</u>	<u>\$ 1,782,516</u>

CITY OF FAIRBURN, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH
TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
SERIES 2016
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022

Project Description	Priority	Project #	Original Estimated Cost	Expenditures			Estimated Percentage of Completion
				Prior Fiscal Years	Current Fiscal Year	Total	
Road Resurfacing Phase I	Tier 1	1	\$ 7,737,167	\$ 6,804,503	\$ 932,664	\$ 7,737,167	100.00%
Pedestrian/Bicycle Improvements Phase I	Tier 1	2	136,891	136,891	-	136,891	100.00%
Road Projects (Howell Avenue Extension, Rivertown Connector, Park Road Extension, Oakley Industrial Boulevard Full Depth Reclamation)	Tier 1	3	3,295,836	1,828,394	1,467,442	3,295,836	100.00%
Quick Response Projects	Tier 1	4	233,775	64,453	-	64,453	27.57%
Project Management/Construction Management	Tier 1	5	285,092	1,802	132,846	134,648	47.23%
Road Resurfacing Phase II	Tier 2	6	552,987	-	552,987	552,987	100.00%
Quiet Zone Railroad Crossings	Tier 2	7	750,000	-	-	-	0.00%
Pedestrian/Bicycle Improvements Phase II	Tier 2	8	353,171	149,464	21,505	170,969	48.41%
Oakley Industrial Boulevard Extension Design	Tier 2	9	315,000	-	224,302	224,302	71.21%
Quick Response Projects	Tier 2	10	41,254	-	-	-	0.00%
Project Management/Construction Management	Tier 2	11	50,310	-	-	-	0.00%
Congestion Relief	Tier 3	12	450,000	-	-	-	0.00%
Operation and Safety Improvements	Tier 3	13	541,902	-	-	-	0.00%
Pedestrian/Bicycle Improvements Phase III	Tier 3	14	184,316	-	-	-	0.00%
Road Projects (Dodd Street Roundabout)	Tier 3	15	802,717	-	-	-	0.00%
Quick Response Projects	Tier 3	16	41,417	-	-	-	0.00%
Project Management/Construction Management	Tier 3	17	50,509	-	-	-	0.00%
Totals			\$ 15,822,344	\$ 8,985,507	3,331,746	\$ 12,317,253	77.85%
				Plus expenditures using local funds			
				- Road Projects (Howell Avenue Extension, Rivertown Connector, Park Road Extension, Oakley Industrial Boulevard Full Depth			112,184
				Total TSPLOST Expenditures			\$ 3,443,930

STATISTICAL SECTION

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

	<u>Page</u>
Financial Trends	74
These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	
Revenue Capacity	79
These schedules contain information to help the reader assess the City’s most significant local revenue source, property tax.	
Debt Capacity	84
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	
Demographic and Economic Information	89
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	
Operating Information	91
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	

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

CITY OF FAIRBURN, GEORGIA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental activities										
Net investment in capital assets	\$ 44,553,676	\$ 39,187,800	\$ 31,192,270	\$ 27,918,745	\$ 25,016,287	\$ 22,594,407	\$ 22,115,350	\$ 17,754,866	\$ 14,409,108	\$ 14,079,774
Restricted	4,860,232	3,905,013	4,102,009	3,673,598	2,367,845	2,495,233	1,718,140	4,597,718	3,730,051	1,719,514
Unrestricted (deficit)	21,982,961	19,748,798	15,215,161	11,148,331	6,475,679	4,102,801	3,403,719	2,085,985	1,321,770	985,380
Total governmental activities net position	\$ 71,396,869	\$ 62,841,611	\$ 50,509,440	\$ 42,740,674	\$ 33,859,811	\$ 29,192,441	\$ 27,237,209	\$ 24,438,569	\$ 19,460,929	\$ 16,784,668
Business-type activities										
Net investment in capital assets	\$ 19,912,632	\$ 19,449,454	\$ 18,711,776	\$ 17,983,218	\$ 17,683,581	\$ 17,963,925	\$ 18,084,503	\$ 17,474,092	\$ 14,547,120	\$ 16,801,838
Restricted	1,639,060	2,145,601	1,189,571	1,154,510	1,119,371	69,371	514,098	1,763,687	3,178,531	471,521
Unrestricted	20,494,140	20,545,077	20,173,669	17,768,299	14,896,831	13,102,664	10,642,505	6,866,052	6,864,370	7,001,733
Total business-type activities net position	\$ 42,045,832	\$ 42,140,132	\$ 40,075,016	\$ 36,906,027	\$ 33,699,783	\$ 31,135,960	\$ 29,241,106	\$ 26,103,831	\$ 24,590,021	\$ 24,275,092
Primary government										
Net investment in capital assets	\$ 64,466,308	\$ 58,637,254	\$ 49,904,046	\$ 45,901,963	\$ 42,699,868	\$ 40,558,332	\$ 40,199,853	\$ 35,228,958	\$ 28,956,228	\$ 30,881,612
Restricted	6,499,292	6,050,614	5,291,580	4,828,108	3,487,216	2,564,604	2,232,238	6,361,405	6,908,582	2,191,035
Unrestricted	42,477,101	40,293,875	35,388,830	28,916,630	21,372,510	17,205,465	14,046,224	8,952,037	8,186,140	7,987,113
Total primary government net position	\$ 113,442,701	\$ 104,981,743	\$ 90,584,456	\$ 79,646,701	\$ 67,559,594	\$ 60,328,401	\$ 56,478,315	\$ 50,542,400	\$ 44,050,950	\$ 41,059,760

Source: Annual Comprehensive Financial Report for the respective fiscal year from the City's finance department.

CITY OF FAIRBURN, GEORGIA

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses										
Governmental activities:										
General government	\$ 3,788,018	\$ 2,873,534	\$ 2,455,156	\$ 3,483,825	\$ 3,354,065	\$ 3,419,943	\$ 2,930,921	\$ 2,394,281	\$ 2,296,568	\$ 2,104,230
Judicial	602,511	647,656	483,820	528,341	432,718	374,430	343,417	406,912	415,245	479,159
Public safety	8,869,155	7,775,503	8,233,961	7,084,748	6,637,237	6,304,295	6,600,498	6,322,171	6,110,784	6,057,633
Public works	4,470,541	2,943,118	3,874,327	1,874,254	2,007,720	3,042,932	2,981,768	2,540,254	2,243,308	1,757,055
Planning and development	1,101,660	1,116,042	688,040	727,888	609,865	556,660	565,895	455,175	464,196	366,955
Culture and recreation	682,881	439,241	744,769	811,373	874,273	848,402	488,046	512,178	371,838	298,124
Interest on long-term debt	308,280	310,153	339,498	363,333	478,766	442,138	470,423	458,373	493,266	499,027
Total governmental activities expenses	<u>19,823,046</u>	<u>16,105,247</u>	<u>16,819,571</u>	<u>14,873,762</u>	<u>14,394,644</u>	<u>14,988,800</u>	<u>14,380,968</u>	<u>13,089,344</u>	<u>12,395,205</u>	<u>11,562,183</u>
Business-type activities:										
Electric	12,366,384 (5)	9,643,206	8,479,982	8,032,839	7,683,352	7,731,021	7,320,222	7,141,969	6,888,429	6,420,188
Water and Sewer	7,811,365	6,870,050	6,600,957	6,311,072	5,954,189	5,725,971	5,720,744	5,321,360	5,641,267	5,022,941
Educational Complex	890,506	938,836	979,161	966,323	1,179,563	1,089,108	1,093,164	1,146,332	1,014,781	999,890
Stormwater	355,805	332,443	309,145	274,249	712,463	724,917	723,063	724,079	673,145	597,486
Sanitation	811,475	733,743	741,752	663,210	733,866	648,129	617,473	635,480	675,849	580,521
Total business-type activities expenses	<u>22,235,535</u>	<u>18,518,278</u>	<u>17,110,997</u>	<u>16,247,693</u>	<u>16,263,433</u>	<u>15,919,146</u>	<u>15,474,666</u>	<u>14,969,220</u>	<u>14,893,471</u>	<u>13,621,026</u>
Total primary government expenses	<u>\$ 42,058,581</u>	<u>\$ 34,623,525</u>	<u>\$ 33,930,568</u>	<u>\$ 31,121,455</u>	<u>\$ 30,658,077</u>	<u>\$ 30,907,946</u>	<u>\$ 29,855,634</u>	<u>\$ 28,058,564</u>	<u>\$ 27,288,676</u>	<u>\$ 25,183,209</u>
Program Revenues										
Governmental activities:										
Charges for services	\$ 2,998,243	\$ 2,653,975	\$ 3,545,194	\$ 4,207,409	\$ 2,936,355	\$ 2,967,781	\$ 3,066,529	\$ 2,714,155	\$ 2,132,445	\$ 1,854,075
Operating grants and contributions	8,500	90,737	699,575 (3)	-	-	-	-	19,076	69,451	42,793
Capital grants and contributions	5,869,145	9,044,549 (4)	5,081,194	4,254,341	3,208,554 (2)	1,793,672	1,621,498	3,221,515	1,401,684	558,236
Total governmental activities program revenues	<u>8,875,888</u>	<u>11,789,261</u>	<u>9,325,963</u>	<u>8,461,750</u>	<u>6,144,909</u>	<u>4,761,453</u>	<u>4,688,027</u>	<u>5,954,746</u>	<u>3,603,580</u>	<u>2,455,104</u>
Business-type activities:										
Charges for services	21,298,071	18,657,053	19,257,249	19,039,757	18,412,160	17,451,224	17,794,173	16,865,395	16,631,066	15,485,677
Capital grants and contributions	671,483	1,219,090	895,390	1,090,640	1,162,300	1,085,970	1,553,000	548,090	300,000	-
Total business-type activities program revenues	<u>21,969,554</u>	<u>19,876,143</u>	<u>20,152,639</u>	<u>20,130,397</u>	<u>19,574,460</u>	<u>18,537,194</u>	<u>19,347,173</u>	<u>17,413,485</u>	<u>16,931,066</u>	<u>15,485,677</u>
Total primary government program revenues	<u>\$ 30,845,442</u>	<u>\$ 31,665,404</u>	<u>\$ 29,478,602</u>	<u>\$ 28,592,147</u>	<u>\$ 25,719,369</u>	<u>\$ 23,298,647</u>	<u>\$ 24,035,200</u>	<u>\$ 23,368,231</u>	<u>\$ 20,534,646</u>	<u>\$ 17,940,781</u>

CITY OF FAIRBURN, GEORGIA

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Net (expense)/revenue										
Governmental activities	\$ (10,947,158)	\$ (4,315,986)	\$ (7,493,608)	\$ (6,412,012)	\$ (8,249,735)	\$ (10,227,347)	\$ (9,692,941)	\$ (7,134,598)	\$ (8,791,625)	\$ (9,107,079)
Business-type activities	(265,981)	1,357,865	3,041,642	3,882,704	3,311,027	2,618,048	3,872,507	2,235,670	2,037,595	1,864,651
Total primary government net (expense) revenue	<u>\$ (11,213,139)</u>	<u>\$ (2,958,121)</u>	<u>\$ (4,451,966)</u>	<u>\$ (2,529,308)</u>	<u>\$ (4,938,708)</u>	<u>\$ (7,609,299)</u>	<u>\$ (5,820,434)</u>	<u>\$ (4,898,928)</u>	<u>\$ (6,754,030)</u>	<u>\$ (7,242,428)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 9,906,626	\$ 8,680,841	\$ 7,571,527	\$ 6,554,283	\$ 5,179,553	\$ 4,564,177	\$ 4,746,634	\$ 4,647,950	\$ 4,755,788	\$ 4,798,827
Sales and use taxes	5,365,772	4,550,878	3,976,456	4,343,841	4,063,620	3,862,730	3,819,892	3,762,572	3,415,848	(1) 1,416,172
Other taxes	4,177,270	3,938,263	3,508,510	3,209,463	2,825,596	2,787,403	2,686,024	2,764,043	2,633,485	2,367,550
Miscellaneous revenue	103,995	108,417	13,732	101,787	59,186	167,441	402,696	83,601	53,704	113,268
Unrestricted investment earnings	80,133	69,634	273,681	324,509	27,150	23,298	51,911	51,157	55,044	62,924
Gain on disposal of capital assets	5,927	124	15,101	-	-	15,530	22,424	52,915	416,474	-
Transfers	(137,307)	(700,000)	(96,633)	758,992	762,000	762,000	762,000	750,000	1,543,985	1,390,635
Total governmental activities	<u>19,502,416</u>	<u>16,648,157</u>	<u>15,262,374</u>	<u>15,292,875</u>	<u>12,917,105</u>	<u>12,182,579</u>	<u>12,491,581</u>	<u>12,112,238</u>	<u>12,874,328</u>	<u>10,149,376</u>
Business-type activities:										
Unrestricted investment earnings	34,374	7,251	30,714	51,258	14,796	25,536	26,768	28,140	6,044	11,100
Gain on Sale of Assets	-	-	-	31,274	-	13,270	-	-	-	3,700
Transfers	137,307	700,000	96,633	(758,992)	(762,000)	(762,000)	(762,000)	(750,000)	(1,543,985)	(1,390,635)
Total business-type activities	<u>171,681</u>	<u>707,251</u>	<u>127,347</u>	<u>(676,460)</u>	<u>(747,204)</u>	<u>(723,194)</u>	<u>(735,232)</u>	<u>(721,860)</u>	<u>(1,537,941)</u>	<u>(1,375,835)</u>
Total primary government	<u>\$ 19,674,097</u>	<u>\$ 17,355,408</u>	<u>\$ 15,389,721</u>	<u>\$ 14,616,415</u>	<u>\$ 12,169,901</u>	<u>\$ 11,459,385</u>	<u>\$ 11,756,349</u>	<u>\$ 11,390,378</u>	<u>\$ 11,336,387</u>	<u>\$ 8,773,541</u>
Change in Net Position										
Governmental activities	\$ 8,555,258	\$ 12,332,171	\$ 7,768,766	\$ 8,880,863	\$ 4,667,370	\$ 1,955,232	\$ 2,798,640	\$ 4,977,640	\$ 4,082,703	\$ 1,042,297
Business-type activities	(94,300)	2,065,116	3,168,989	3,206,244	2,563,823	1,894,854	3,137,275	1,513,810	499,654	488,816
Total primary government	<u>\$ 8,460,958</u>	<u>\$ 14,397,287</u>	<u>\$ 10,937,755</u>	<u>\$ 12,087,107</u>	<u>\$ 7,231,193</u>	<u>\$ 3,850,086</u>	<u>\$ 5,935,915</u>	<u>\$ 6,491,450</u>	<u>\$ 4,582,357</u>	<u>\$ 1,531,113</u>

Source: Annual Comprehensive Financial Report for the respective fiscal year from the City's finance department.

Notes:

- (1) Sales taxes increased as a result of increased allocations from Fulton County based on population increases.
- (2) Capital grants and contributions increased due to the TSPLOST beginning in April 2017.
- (3) Operating grants and contributions increased due to CARES Act funding as a result of the COVID-19 pandemic.
- (4) Capital grants and contributions increased due to increased South Fulton CID activity as well as increased construction activity under large federal transportation projects.
- (5) Electric expenses increased primarily from increased wholesale electric rates.

CITY OF FAIRBURN, GEORGIA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund										
Nonspendable	\$ 276,489	\$ 205,192	\$ 123,589	\$ 116,944	\$ 122,541	\$ 99,203	\$ 186,813	\$ 246,026	\$ 149,285	\$ 164,419
Committed	8,000	8,000	417,115	417,115	385,533	382,976	280,994	-	-	-
Restricted	-	-	-	141,126	141,126	141,566	146,315	149,740	-	-
Assigned			135,834							
Unassigned	20,978,203	18,568,666	14,827,802	11,058,246	6,970,469	5,179,060	4,035,786	3,029,593	3,646,266	1,184,518
Total General Fund	<u>\$ 21,262,692</u>	<u>\$ 18,781,858</u>	<u>\$ 15,504,340</u>	<u>\$ 11,733,431</u>	<u>\$ 7,619,669</u>	<u>\$ 5,802,805</u>	<u>\$ 4,649,908</u>	<u>\$ 3,425,359</u>	<u>\$ 3,795,551</u>	<u>\$ 1,348,937</u>
All other governmental funds										
Nonspendable	\$ 1,587,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Restricted	5,692,584	4,814,800	4,946,380	4,491,661	3,218,369	3,348,161	1,994,448	5,531,677	4,616,280	6,464,093
Assigned	380,946	648,475	174,800	246,161	970	970	409,860	1,112	967	967
Unassigned (deficit)	-	-	-	-	-	-	(18,564)	-	-	(3,214)
Total all other governmental funds	<u>\$ 7,660,530</u>	<u>\$ 5,473,275</u>	<u>\$ 5,131,180</u>	<u>\$ 4,747,822</u>	<u>\$ 3,229,339</u>	<u>\$ 3,359,131</u>	<u>\$ 2,395,744</u>	<u>\$ 5,542,789</u>	<u>\$ 4,627,247</u>	<u>\$ 6,471,846</u>

Source: Annual Comprehensive Financial Report for the respective fiscal year from the City's finance department.

CITY OF FAIRBURN, GEORGIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues										
Taxes	\$ 19,379,890	\$ 17,215,701	\$ 15,038,820	\$ 14,045,390 (3)	\$ 12,051,338	\$ 11,364,385	\$ 11,245,655	\$ 11,188,620	\$ 10,878,900 (1)	\$ 8,514,927
Licenses and permits	1,511,366	1,668,523	1,607,386	2,125,009	1,261,777	1,638,444	1,737,024	1,405,815	816,122	726,342
Intergovernmental	5,598,047	9,047,628 (4)	5,714,255	4,195,701	3,206,502 (2)	1,793,672	1,406,484	3,221,516	1,400,884	198,686
Fines and forfeitures	910,597	303,095	908,996	997,103	701,117	515,187	501,886	686,571	741,656	752,705
Charges for services	449,274	617,588	913,497	859,513	837,886	677,868	721,191	573,258	549,581	371,152
Interest income	84,787	78,462	312,195	352,619	29,202	23,298	51,911	51,157	55,044	62,924
Miscellaneous	231,001	173,186	129,047	330,101	194,761	303,723	584,279	151,187	149,041	519,487
Total revenues	<u>28,164,962</u>	<u>29,104,183</u>	<u>24,624,196</u>	<u>22,905,436</u>	<u>18,282,583</u>	<u>16,316,577</u>	<u>16,248,430</u>	<u>17,278,124</u>	<u>14,591,228</u>	<u>11,146,223</u>
Expenditures										
General government	3,977,320	2,999,655	2,992,573	3,539,095	3,406,195	3,416,997	2,878,496	2,410,195	2,261,908	2,050,041
Judicial	610,290	648,158	485,978	534,186	437,400	376,353	342,331	411,394	415,172	472,604
Public safety	8,988,679	8,288,811	7,988,409	7,125,945	6,538,231	6,207,250	6,181,773	6,143,312	6,022,743	5,834,889
Public works	5,993,285	5,944,896	3,352,766	2,867,417	1,989,357	2,814,324	2,782,641	2,363,652	1,915,233	1,503,387
Planning and development	763,646	763,503	398,005	713,382	552,164	523,412	527,173	486,107	461,352	365,540
Culture and recreation	682,527	398,482	659,665	501,501	619,309	531,522	586,329	351,519	299,003	225,307
Capital outlay	3,494,190	4,911,771	3,613,471	1,983,051	2,944,718	19,472	4,490,740	4,605,059	3,903,395	2,513,359
Debt service										
Principal	657,120	619,498	660,945	615,099	821,473	653,535	715,814	619,425	622,796	651,801
Interest	186,648	209,920	236,585	253,441	214,044	451,808	472,155	473,437	490,547	505,602
Bond issuance costs	-	-	-	-	134,684	-	-	-	-	-
Total expenditures	<u>25,353,705</u>	<u>24,784,694</u>	<u>20,388,397</u>	<u>18,133,117</u>	<u>17,657,575</u>	<u>14,994,673</u>	<u>18,977,452</u>	<u>17,864,100</u>	<u>16,392,149</u>	<u>14,122,530</u>
Excess (deficiency) of revenues over (under) expenditures	2,811,257	4,319,489	4,235,799	4,772,319	625,008	1,321,904	(2,729,022)	(585,976)	(1,800,921)	(2,976,307)
Other financing sources (uses)										
Bonds issued	-	-	-	-	7,365,000	-	-	-	-	-
Payments to refund debt escrow agent	-	-	-	-	(7,230,316)	-	-	-	-	-
Original bond premium	-	-	-	-	-	-	-	-	-	-
Financed purchases	1,987,232	-	-	100,934	165,380	-	-	328,421	371,613	228,424
Proceeds from sale of capital assets	6,907	124	15,101	-	-	32,380	44,526	52,915	487,338	39,345
Transfers in	2,310,156	909,840	850,000	1,579,203	1,687,817	1,690,339	1,929,410	3,987,018	3,216,141	1,617,260
Transfers out	(2,447,463)	(1,609,840)	(946,633)	(820,211)	(925,817)	(928,339)	(1,167,410)	(3,237,018)	(1,672,156)	(226,625)
Total other financing sources (uses)	<u>1,856,832</u>	<u>(699,876)</u>	<u>(81,532)</u>	<u>859,926</u>	<u>1,062,064</u>	<u>794,380</u>	<u>806,526</u>	<u>1,131,336</u>	<u>2,402,936</u>	<u>1,658,404</u>
Net change in fund balances	<u>\$ 4,668,089</u>	<u>\$ 3,619,613</u>	<u>\$ 4,154,267</u>	<u>\$ 5,632,245</u>	<u>\$ 1,687,072</u>	<u>\$ 2,116,284</u>	<u>\$ (1,922,496)</u>	<u>\$ 545,360</u>	<u>\$ 602,015</u>	<u>\$ (1,317,903)</u>
Debt service as a percentage of noncapital expenditures	4.70%	5.89%	5.65%	6.10%	7.39%	7.76%	8.68%	8.53%	9.22%	9.97%

Source: Comprehensive Annual Financial Report for the respective fiscal year from the City's finance department.

- Notes: (1) Sales taxes increased as a result of increased allocations from Fulton County based on population increases.
(2) Intergovernmental revenues increased as a result of the TSPLOST program starting in April 2017.
(3) Property taxes increase as the economy improved and assessed values increased.
(4) Intergovernmental revenues increase due to increased South Fulton CID activity as well as increased construction activity under large federal transportation projects.

CITY OF FAIRBURN, GEORGIA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(accrual basis of accounting)

Fiscal Year	Property Tax	Sales Tax	Motor Vehicle Tax	Franchise Tax	Insurance Premium Tax	Beer, Wine and Liquor Tax	Hotel/Motel Tax	Other Taxes	Total
2013	\$ 4,798,827	\$ 1,416,172	\$ 310,474	\$ 954,200	\$ 645,170	\$ 215,282	\$ 190,252	\$ 52,172	\$ 8,582,549
2014	4,755,788	3,415,848 (1)	458,803	1,015,129	668,012	218,456	178,468	94,617	10,805,121
2015	4,647,950	3,762,572	449,619	1,088,695	702,662	232,352	207,009	83,706	11,174,565
2016	4,766,434	3,819,892	307,241	1,047,515	750,679	244,803	241,576	94,210	11,272,350
2017	4,564,177	3,862,730	326,482	1,021,148	813,131	249,041	220,251	157,350	11,214,310
2018	5,179,553	4,063,620	331,566	951,504	867,515	264,586	285,075	125,350	12,068,769
2019	6,554,283	4,343,841	402,236	1,215,781	935,573	250,078	257,125	148,670	14,107,587
2020	7,571,527	3,976,456	579,231	1,269,600	997,441	265,113	190,904	206,221	15,056,493
2021	8,680,841	4,550,878	862,927	1,262,038	1,052,080	295,599	220,709	244,910	17,169,982
2022	9,906,626	5,365,772	852,503	1,234,016	1,089,132	290,605	299,763	411,251	19,449,668

Source: Annual Comprehensive Financial Report for the respective fiscal year from the City's finance department.

Note:

(1) Sales taxes increased as a result of increased allocations from Fulton County based on population increases.

CITY OF FAIRBURN, GEORGIA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE
ALL TAXABLE PROPERTY
LAST TEN YEARS
(accrual basis of accounting)

Tax Digest Year	Real Property		Personal Property		Public Utility		Total Property		Total Direct Tax Rate	Ratio of Total Assessed to Total Estimated Actual Value	Percent Increase in Estimated Actual Value Over Prior Year
	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value			
2012	\$ 373,027,370	\$ 932,217,975	\$ 216,286,170	\$ 524,280,375	\$ 11,866,310	\$ 29,665,775	\$ 601,179,850	\$ 1,486,164,125	9.98 (1)	40%	1.13%
2013	346,405,540	932,568,425	248,934,510	540,715,425	13,301,506	29,665,775	608,641,556	1,502,949,625	9.70 (2)	40%	1.01%
2014	342,544,370	866,013,850	326,561,200	622,336,275	14,072,114	33,253,765	683,177,684	1,521,603,890	9.82	40%	12.25%
2015	367,717,060	999,477,550	339,414,250	848,535,625	14,501,454	36,253,635	721,632,764	1,884,266,810	9.73	40%	5.63%
2016	399,791,020	1,145,007,325	324,570,010	811,425,025	14,734,532	36,836,330	739,095,562	1,993,268,680	9.56	40%	2.42%
2017	458,002,930	1,281,870,150	425,312,310	1,063,280,775	14,679,795	36,699,488	897,995,035	2,381,850,413	9.56	40%	19.49%
2018	512,748,060	1,281,870,150	746,741,225	1,866,853,063	13,580,161	33,950,403	1,273,069,446	3,182,673,615	9.56	40%	33.62%
2019	584,119,660	1,460,299,150	1,054,826,631	2,637,066,578	16,756,639	41,891,598	1,655,702,930	4,139,257,325	9.56	40%	30.06%
2020	632,592,280	1,581,480,700	951,615,080	2,379,037,700	17,764,075	44,410,188	1,601,971,435	4,004,928,588	9.56	40%	-3.25%
2021	781,175,080	1,952,937,700	1,283,204,540	3,208,011,350	17,722,991	44,307,478	2,082,102,611	5,205,256,528	9.56	40%	29.97%

Source: City of Fairburn Finance Department

Notes:

- (1) Includes Property taxes for general operations at 8.1 mills and additional property tax to cover the debt payments related to the 2011 general obligation bonds at 1.88 mills.
- (2) Includes Property taxes for general operations at 8.1 mills and additional property tax to cover the debt payments related to the 2011 general obligation bonds at 1.60 mills.
- (3) Decline due to Google, large tax payer on personal property with inventory decline due to COVID-19 pandemic.

CITY OF FAIRBURN, GEORGIA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN TAX DIGEST YEARS
(Rate per \$1,000 of assessed value)

<u>Tax Digest Year</u>	<u>Direct Rates</u>			<u>Overlapping Rates</u>			<u>Total Direct and Overlapping Millage Rate</u>
	<u>City of Fairburn</u>			<u>State of Georgia</u>	<u>Fulton County</u>	<u>County School System</u>	
	<u>Operating Millage</u>	<u>Debt Service</u>	<u>Total</u>				
2012	8.100	1.880	9.980	0.200	10.550	18.500	39.230
2013	8.100	1.600	9.700	0.150	10.480	18.500	38.830
2014	8.100	1.720	9.820	0.100	12.050	18.500	40.470
2015	8.100	1.630	9.730	0.050	10.750	18.500	39.030
2016	8.100	1.460	9.560	0.000	10.700	18.480	38.740
2017	8.100	1.460	9.560	0.000	10.630	18.546	38.736
2018	8.100	1.460	9.560	0.000	10.430	17.796	37.786
2019	8.100	1.460	9.560	0.000	10.119	17.796	37.475
2020	8.100	1.460	9.560	0.000	9.996	17.796	37.352
2021	8.100	1.460	9.560	0.000	9.996	17.240	36.796

Source: City of Fairburn Finance Department

CITY OF FAIRBURN, GEORGIA

PRINCIPAL PROPERTY TAX PAYERS CURRENT AND NINE FISCAL YEARS AGO

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value
Google	\$ 884,052,560	1	42.46%	\$ -		-
Development Authority of Fulton County	90,248,710	2	4.33%	18,100,528	2	3.01%
Duracell Distributing Inc	47,190,680	3	2.27%	-		-
Nestle Purina Petcare Company	46,327,760	4	2.23%	-		-
Solar Turbines Incorporated	27,065,760	5	1.30%	27,809,936	1	4.63%
Toto, USA	18,575,120	6	0.89%	10,849,092	6	1.80%
J L G Industries, Inc	17,056,160	7	0.82%	12,501,040	5	2.08%
U.S. Foods, Inc	15,761,040	8	0.76%	13,192,952	3	2.19%
Smucker Sales and Distributing	14,595,760	9	0.70%	-		-
Clorox Manufacturing Company	13,715,480	10	0.66%	-		-
CSX Transportation	-		-	12,833,340	4	2.13%
Playtex Manufacturing	-		-	10,714,984	7	1.78%
M.D. Hodges Enterprises	-		-	9,319,480	8	1.55%
DCT Southcreek Eagles Landing	-		-	9,319,440	9	1.55%
U.S. Foods, Inc	-		-	9,054,864	10	1.51%
All Others	907,513,581		43.59%	467,484,194		77.76%
Totals	<u>\$ 2,082,102,611</u>		<u>100.00%</u>	<u>\$ 601,179,850</u>		<u>100.00%</u>

Source: City of Fairburn Finance Department

Note: The 2021 tax digest was billed during fiscal year ending September 30, 2022. The 2012 column related taxes are based on the 2011 tax digest that were billed during fiscal year ended September 30, 2012.

CITY OF FAIRBURN, GEORGIA

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

Tax Digest Year	Total Tax Levy	Collections of Current Years Taxes During Year	Percentage of Levy Collected During Year	Collection of Prior Years Taxes During Year	Total Collections	Accumulated Uncollected Taxes by Digest Year	Ratio of Accumulated Uncollected Taxes to Current Year's Levy	Millage Rates	Local Option Sales Tax Collected
2012	\$ 4,616,738	\$ 4,492,199	96.54%	\$ 117,051	\$ 4,609,251	\$ 7,487	0.16%	9.98	\$ 1,416,172
2013	4,762,586	4,187,985	87.94%	562,982	4,750,967	11,619	0.24%	9.70	3,415,848 (1)
2014	4,569,262	4,520,945	98.94%	37,015	4,557,961	11,301	0.25%	9.82	3,762,572
2015	4,579,384	4,554,466	99.46%	10,926	4,565,392	13,992	0.31%	9.73	3,819,892
2016	4,668,151	4,650,813	99.63%	6,164	4,656,977	11,174	0.24%	9.56	3,862,730
2017	5,133,569	5,056,723	98.50%	66,142	5,122,865	10,704	0.21%	9.56	4,063,620
2018	6,561,997	6,439,602	98.13%	107,551	6,547,153	14,844	0.23%	9.56	4,343,841
2019	7,652,281	7,262,911	94.91%	204,718	7,467,629	184,652	2.41%	9.56	3,976,456
2020	8,809,358	8,682,747	98.56%	196,537	8,879,284	67,688	0.77%	9.56	4,550,878
2021	9,914,155	9,713,704	97.98%	62,090	9,775,794	200,450	2.02%	9.56	5,365,772

Source: City of Fairburn Finance Department

Notes:

(1) Sales taxes increased as a result of increased allocations from Fulton County based on population increases.

CITY OF FAIRBURN, GEORGIA

RATIO OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities				Business-type Activities						
	General Obligation Bonds	Financed Purchases	Net Bonded Debt to Actual Value of Taxable Property	Per Capita	Water & Sewer	Educational Complex	Notes Payable	Financed Purchases	Net Total Primary Government	Percent of Personal Income	Per Capita
2013	\$ 10,050,347	\$ 515,001	0.68%	\$ 38	\$ 9,310,000	\$ 15,009,635	-	\$ -	34,884,983	11.92%	2,543
2014	9,647,786	663,818	0.64%	48	14,117,463	14,674,263	-	-	39,103,330	14.17%	2,856
2015	9,240,289	777,814	0.61%	57	14,101,806	14,318,621	-	-	38,438,530	13.93%	2,807
2016	8,827,858	472,000	0.47%	34	13,106,714	13,937,775	-	-	36,344,347	13.00%	2,602
2017	8,405,496	238,465	0.42%	15	12,091,993	13,526,653	-	109,705	34,372,312	10.80%	2,211
2018	9,124,188	112,372	0.38%	7	11,058,695	14,678,770	-	83,774	35,057,799	11.01%	2,209
2019	8,563,141	158,207	0.27%	9	9,993,714	14,042,513	-	57,705	32,815,280	10.08%	1,957
2020	7,982,094	77,262	0.19%	4	8,895,268	13,366,256	-	28,958	30,349,838	8.56%	1,718
2021	7,386,047	52,764	0.18%	3	7,762,053	12,645,000	-	-	27,845,864	7.77%	1,591
2022	6,765,000	2,002,876	0.13%	117	6,584,336	11,870,000	-	98,316	27,320,528	6.58%	1,594

Source: City of Fairburn Finance Department

CITY OF FAIRBURN, GEORGIA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT SEPTEMBER 30, 2022

Governmental Unit	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to City of Fairburn (1)	Amount Applicable to City of Fairburn
Fulton County Board of Commissioners, Georgia			
Library General Obligation Bonds	\$ 228,617,629	2.388%	\$ 5,458,394
Fulton County Board of Education			
General Obligation Bonds	-	2.388%	-
	228,617,629		5,458,394
City of Fairburn, Georgia			
2011 General Obligation Bonds	6,752,631	100.00%	6,752,631
Financed Purchases	2,002,876	100.00%	2,002,876
Total Direct Debt	8,755,507		8,755,507
Total direct and overlapping debt	\$ 237,373,136		\$ 14,213,901

Source: Assessed value data used to estimate applicable percentages provided by the various Tax Assessors and the Georgia Department of Revenue Property Tax Division.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Fairburn, Georgia. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

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

CITY OF FAIRBURN, GEORGIA

LEGAL DEBT MARGIN LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Assessed Value</u>	<u>Percent</u>	<u>Debt Limit</u>	<u>Amount Applicable</u>	<u>Restricted to Debt Service</u>	<u>Legal Debt Margin</u>
2013	\$ 601,179,850	10%	\$ 60,117,985	\$ 10,050,347	\$ 533,489	\$ 49,534,149
2014	608,641,556	10%	60,864,156	9,647,786	590,223	50,626,147
2015	683,177,684	10%	68,317,768	9,240,289	738,226	58,339,253
2016	721,632,764	10%	72,163,276	8,827,858	718,136	62,617,282
2017	739,095,562	10%	73,909,556	8,405,496	215,777	65,288,283
2018	897,995,035	10%	89,799,504	9,124,188	12,361	80,662,955
2019	1,273,069,446	10%	127,306,945	8,563,141	12,373	118,731,431
2020	1,655,702,930	10%	165,570,293	7,982,094	12,382	157,575,817
2021	1,601,971,435	10%	160,197,144	7,386,047	12,389	152,798,708
2022	2,082,102,611	10%	208,210,261	6,765,000	12,369	201,432,892

Source: City of Fairburn Finance Department

CITY OF FAIRBURN, GEORGIA
PLEDGED REVENUE BOND COVERAGE - WATER & SEWER FUND & ELECTRIC FUND
COMBINED UTILITY REVENUE BONDS (Series 2000; Series 2006; Series 2013; Series 2014)
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Operating Revenue</u>	<u>Direct Operating Expenses (2)</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest (1)</u>	<u>Total</u>	
2013	\$ 13,621,290	\$ 10,600,700	\$ 3,020,590	\$ 725,000	\$ 374,385	\$ 1,099,385	2.75
2014	14,669,539	9,982,534	4,687,005	-	334,901	334,901	14.00
2015	14,635,792	9,822,190	4,813,602	-	489,612	489,612	9.83
2016	15,453,582	10,333,956	5,119,626	980,000	473,808	1,453,808	3.52
2017	15,351,316	10,694,171	4,657,145	1,000,000	454,575	1,454,575	3.20
2018	16,375,792	10,981,640	5,394,152	1,050,000	416,109	1,466,109	3.68
2019	16,945,442	11,605,021	5,340,421	1,050,000	397,856	1,447,856	3.69
2020	17,088,887	12,469,988	4,618,899	1,085,000	361,120	1,446,120	3.19
2021	16,418,610	13,910,121	2,508,489	1,120,000	320,806	1,440,806	1.74
2022	17,594,017	17,579,591	14,426	1,165,000	274,665	1,439,665	0.01

Source: City of Fairburn Finance Department

Notes: Operating revenue and direct operating expenses includes both Water & Sewer and Electric Operations

(1) Interest expense does not include interest payments to the Middle Chattahoochee Regional Water and Sewer Authority - Joint Governed Organization.

(2) Direct operating expenses includes cost of sales and services and general operating expenses and excludes depreciation and amortization expenses.

CITY OF FAIRBURN, GEORGIA
PLEDGED REVENUE BOND COVERAGE - EDUCATIONAL COMPLEX FUND
EDUCATIONAL COMPLEX REVENUE BONDS - SERIES 2017, 2011 AND 2008
LAST TEN FISCAL YEARS

Fiscal Year	Operating Revenue	Direct Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2013	\$ 503,377	\$ 86,976	\$ 416,401	\$ - (2)	\$ 639,975	\$ 639,975	0.65
2014	516,649	103,815	412,834	355,000	638,200	993,200	0.42
2015	537,314	134,427	402,887	375,000	632,875	1,007,875	0.40
2016	537,010	90,732	446,278	400,000	623,125	1,023,125	0.44
2017	498,543	96,326	402,217	430,000	603,475	1,033,475	0.39
2018	446,154	37,010	409,144	520,000	487,625	1,007,625	0.41
2019	488,148	40,575	447,573	645,000	403,640	1,048,640	0.43
2020	487,888	77,075	410,813	685,000	377,718	1,062,718	0.39
2021	505,118	62,699	442,419	730,000	354,605	1,084,605	0.41
2022	426,454	54,493	371,961	775,000	331,177	1,106,177	0.34

Source: City of Fairburn Finance Department

Notes: The Series 2008 Series Revenue Bonds were refunded during fiscal year 2011. The Series 2011 Bonds were refunded in

(1) Direct operating expenses excludes depreciation and amortization expenses.

(2) The first principal payment on the Series 2011 Revenue Bonds is due in fiscal year 2014.

CITY OF FAIRBURN, GEORGIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population	Personal Income (1)	Per Capita Income (1)	Median Age (1)	Median Education Level in Years of Formal Schooling (1)	School Enrollment (3)	Unemployment Rate (2)
2013	13,720	\$ 292,579,000	\$ 21,325	32.0	12	4,897	9.50
2014	13,693	275,941,336	20,152	32.0	12	4,908	7.90
2015	13,696	276,001,792	20,152	32.0	12	4,822	7.40
2016	13,967	279,549,505	20,015	32.0	12	5,270	5.50
2017	15,543	318,382,812	20,484	32.0	12	5,390	4.20
2018	15,872	318,535,168	20,069	32.0	12	5,354	3.20
2019	16,768	325,550,720	19,415	32.3	12	5,293	3.90
2020	17,664	354,498,816	20,069	28.8	12	5,293	3.90
2021	17,500	358,470,000	20,484	28.8	12	5,664	5.20
2022	17,136	415,102,464	24,224	32.3	12	5,323	4.90

Notes:

(1) Source: U.S. Census.

(2) Source: Georgia Department of Labor.

(3) Includes: Creekside High School; Bear Creek Middle School; Campbell Elementary School; Evelyn C. West Elementary School and Landmark Christian School.

CITY OF FAIRBURN, GEORGIA
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND NINE FISCAL YEARS PRIOR

<u>Employer</u>	<u>2022</u>		<u>2013</u>	
	<u>Number of Employees</u>	<u>Rank</u>	<u>Number of Employees</u>	<u>Rank</u>
U.S Food Services	664	1	795	1
Exel Logistics	555	2	249	5
Porex Corporation	355	3	256	4
Nestle Purina Petcare Co.	338	4	310	3
XPO Logistics Supply Chain, Inc.	290	5	-	-
Landmark Christian	262	6	-	-
Owens Corning	260	7	388	2
DSC Logistics	167	8	-	-
Miller Electrical Contracting	145	9	-	-
Adesa Atlanta LLC	144	10	133	8
LTI Flexible Products	-	-	158	7
Reynolds, Inc.	-	-	210	6
Fairburn Healthcare	-	-	108	9
Prism Pointe Technology	-	-	69	10
	<u>3,180</u>		<u>2,676</u>	

Source: City of Fairburn Finance Department

CITY OF FAIRBURN, GEORGIA

FULL TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

<u>Function</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Administrative	27	27	29	30	30	29	28	28	31	34
Police	37	37	43	39	39	39	45	50	43	40
Fire	44	44	45	42	40	40	40	40	35	42
Streets, Parks, and Recreation	13	12	17	18	18	18	19	18	12	14
Electric	10	9	10	9	9	9	9	9	5	5
Water and Sewer	6	8	8	8	9	9	9	9	8	8
	<u>137</u>	<u>137</u>	<u>152</u>	<u>146</u>	<u>145</u>	<u>144</u>	<u>150</u>	<u>154</u>	<u>134</u>	<u>143</u>

Source: City of Fairburn Finance Department

CITY OF FAIRBURN, GEORGIA

OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police										
Physical Arrests	967	1,268	633	549	729	775	803	169	335	544
Traffic Violations	5,455	4,640	3,982	3,252	5,638	5,681	11,321	8,594	6,685	6,199
Fire										
Number of Calls Answered	2,078	2,168	2,414	2,879	2,955	3,031	3,281	2,880	3,211	3,718
Inspections	673	723	990	886	518	401	456	210	169	574
Highways and Streets										
Streets Resurfaced (miles)	2.12	4.50	1.94	-	1.81	13.00	10.34	10.34	8.54	16.00
Potholes Repaired	99	90	100	120	115	25	122	122	177	87
Sanitation										
Refuse Collected (tons/day)	3,599	3,661	3,661	4,015	3,916	3,770	3,580	3,977	4,906	4,768
Recyclables Collected (tons/day)	622	637	650	730	667	661	520	578	451	532
Water										
Water Mains (miles)	92.2	93.1	70.9	71.1	71.1	71.1	71.1	71.1	74.3	86.0
Fire Hydrants	903	903	826	824	824	824	947	947	971	902
Water Main Breaks	10	6	6	8	6	6	4	4	7	8
Average Daily Consumption (thousands of gallons)	817	845	807	886	212	1,061	691	768	755	1,431
Wastewater and Sewer										
Stormwater system (miles)	38.45	38.45	36.76	36.76	36.76	36.76	36.76	36.76	37.04	37.04
Sanitary system (miles)	69.00	69.00	62.00	61.62	61.62	61.62	61.62	61.62	64.89	72.02
Public Safety										
Fire Stations	2	2	2	2	2	2	2	2	2	2
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Patrol Units	33	62	50	47	49	49	49	49	54	59
Highways and Streets										
Miles Paved	96.8	96.8	96.8	96.8	96.8	96.8	96.8	96.8	96.0	96.4
Miles Unpaved	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.6
Street Lights	709	712	712	712	712	712	760	760	760	760
Caution Lights	1	1	1	2	2	2	1	1	1	1
Electric										
Lines (miles)	79	79	81	81	81	81	81	81	79	81
Plant Capacity (KVA)	12,400	12,400	12,400	12,400	12,470	12,470	12,470	12,470	21,373	25,406

Source: City of Fairburn Finance Department

CITY OF FAIRBURN, GEORGIA

CAPITAL ASSETS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Water										
Water Mains (miles)	91.9	91.9	70.9*	71.1	71.1	71.1	71.1	71.1	74.27	86
Fire Hydrants	903	903	826**	824	824	824	947	947	971	902
Water Main Breaks	15	6	6	8	6	6	4	4	7	8
Wastewater and Sewer										
Stormwater system (miles)	38.21	38.21	36.76	36.76	36.76	36.76	36.76	36.76	37.04	37.04
Sanitary system (miles)	69	69	62	61.62	61.62	61.62	61.62	61.62	64.89	64.89
Public Safety										
Fire Stations	2	2	2	2	2	2	2	2	2	2
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Patrol Units	33	62	50	47	49	49	49	49	54	59
Highways and Streets										
Miles Paved	96.5	96.8	96.8	96.8	96.8	96.8	96.8	96.8	96.04	96.43
Miles Unpaved	3	3	3	3	3	3	3	3	3	3
Street Lights	712	712	712	712	712	712	760	760	761	761
Caution Lights	1	1	1	2	2	2	1	1	1	1
Electric										
Lines (miles)	79	79	81	81	81	81	81	81	81	81
Number of substations	2	2	2	2	2	2	2	2	2	2
Number of service connections	2,955	3,183	3,153	3,187	3,470	3,470	3,574	3,574	4,061	3,463
Culture and recreation										
Parks acreage	144	144	144	144	146	146	146	146	146	146
Parks	2	2	2	2	3	3	3	3	3	3
Community centers	1	1	1	1	1	1	1	1	1	1

Source: City of Fairburn Finance Department

* Previous reports included City of Atlanta and private lines

** 826 hydrants in G.I.S. inventory