

Welcome to
City of Fairburn
Situated to Succeed

**ANNUAL
COMPREHENSIVE
FINANCIAL
REPORT**

FISCAL YEAR ENDED
SEPTEMBER 30, 2023

Prepared by
City of Fairburn, Georgia Finance Department

**CITY OF FAIRBURN, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2023**

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INTRODUCTORY SECTION
(Unaudited)

April 12, 2024

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, 2023, 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, 2023, 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. 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 stormwater 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 and 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 Google, US Foods, Nestle Purina, Toto USA, Duracell, Google; Electrolux, Pangborn, Smuckers, Owens Corning, and Clorox. 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 38% 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 (LOST); During fiscal year 2023, LOST distributions were renegotiated by for all cities in Fulton County. Overall increased revenues resulted in the City receiving larger distributions. 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 remains low, 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 collected \$12,659,514 over the 5-year life of the program. The total collected on TSPLOST II from April 1, 2022, through September 30, 2023 is \$4,748,429.

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 119% 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 maintain 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 and the General Fund.

Major Initiatives

The TSPLOST and Capital Improvements Projects completed in Fiscal Year 2023 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 Golightly Street Pedestrian Improvements Project.

This project involved the installation of new sidewalk with a beauty strip (fescue sod) on both sides of Golightly Street in the Lightning Neighborhood; a low-to-moderate (L/M) income residential community in poor condition facing several challenges such as deterioration, drugs, safety, visual blight, vacant lots, and poor maintenance. The project also consisted of the installation of new ADA handicap ramps, decorative crosswalks, and reconstructed driveways to accommodate pedestrian movements. Shared bike lane markings were also installed to encourage and accommodate safe bicycle travel along Golightly Street. The installation of canopy trees and associated streetscape landscaping were included in the project to enhance and beautify the corridor by providing attractive scenery and environmental quality for the future. Pedestrian scale streetlighting was also included in the project to increase visibility, improve safety and to further the beautification efforts in the Lightning Community. A small parking area was provided on City-owned property to accommodate off-street parking, eliminate undesired behavior, reduce potential for accidents and vehicle damage, and to increase safety for pedestrians and cyclists. Lastly, Golightly Street was resurfaced, to restore the structural integrity of a roadway in disrepair and to give the corridor a much-needed facelift. Prior to the completion of the project, Golightly Street was a dark corridor, in poor condition, absent of any facilities to accommodate alternative forms of transportation. The completion of the Golightly Street Pedestrian Improvements Project resolved these issues. In addition to these accomplishments, the Golightly Street Pedestrian Improvements Project provides pedestrian access to the Golightly Street Community Garden and provides connectivity to another recently completed CDBG Pedestrian Improvement Project, the Dodd Street Pedestrian Improvements Project. Lastly, it provides connectivity and serves as a precursor to the City of Fairburn's 2024 CDBG Project, the Golightly Rain Garden and Greenspace Project. It is important to note that the City of Fairburn received a Fulton County Community Development Block Grant (CDBG) Award of \$311,850 to help deliver this project. The remaining project expenditures were covered by TSPLOST Funds and Tree Bank Funds. No money from General Funds was required to deliver this project.

Completed the City of Fairburn's CDBG COVID Project, Operation F.A.C.T. (Fairburn Addressing COVID-19 Transmission) - Fairburn Parking Lot Project.

The objective of the project was to acquire the empty grassed lot directly across the street from the Fairburn Annex building and convert it to a paved parking lot. The goal is to use the new parking lot for overflow parking for a new annex COVID-19 testing location and for drive-thru COVID-19 testing. The Fairburn Annex building is located at 40 Washington Street. There are currently only six (6) parking spaces located at the Annex. The empty lot was located at 43 Washington Street. With the completion of the CDBG, Fairburn Parking Lot Project, thirty-nine (39) new parking spaces were created, which includes two (2) handicap parking spaces. In addition to the COVID-19 related benefits, the new parking lot can be used to address some of the parking issues in downtown Fairburn, especially the challenges surrounding the Fairburn Fall Festival. The work included grading complete, construction of a new parking lot, sidewalk, header curb, driveway apron, lighting, landscaping, and associated tasks. It is important to note that the City of Fairburn received a Fulton County Community Development Block Grant (CDBG) Award of

\$215,004 to help deliver this project. Fulton County received the funds from the Coronavirus Aid, Relief and Economic Security Act (CARES Act), making available supplemental Community Development Block Grant (CDBG) funding for grants to prevent, prepare for, and respond to coronavirus (CDBG-CV grants).

Completed the 2023 LMIG/TSPLOST City-Wide Resurfacing Project.

With the completion of this project, the City of Fairburn resurfaced approximately 10 miles roadway, which includes but is not limited to eleven (11) residential subdivisions. These subdivisions include Asbury Park Subdivision, Meadow Glen Subdivision, Foxwood Subdivision, Fairhaven Subdivision Phase I, Fairhaven Subdivision Phase III, Milam Manor Subdivision (City of Fairburn Jurisdiction), Camden Place Subdivision, Avalon Village Subdivision, The Pine Subdivision, Village Green Subdivision, and Park Village Subdivision. It is also important to note that the project was completed \$467,537 under the approved budget of \$2,936,329. It is also important to note that the City of Fairburn’s 2023 Local Maintenance Improvement Grant (LMIG) Award of \$205,886 was combined with Transportation Special Purpose Local Option Sales Tax (TSPLOST) funds to deliver this project. No money from General Funds was required to deliver this project.

Completed the Virlyn B. Smith Road Pedestrian Improvements Project.

In doing so, approximately 1.75 miles of new curb and gutter and sidewalk with a two-foot beauty strip (fescue sod) was installed along the west side of Virlyn B. Smith Road, from Rivertown Road to the SR 14/US 29 access ramp. The project also consisted of the installation of new ADA handicap ramps, decorative crosswalks at the existing subdivision entrances, and reconstructed driveways to accommodate pedestrian movements. The installation of canopy trees and associated streetscape landscaping were included in the project to enhance and beautify the corridor by providing attractive scenery and environmental quality for the future. The project also included the installation of decorative pedestrian lighting along the corridor to increase visibility, improve safety and to further the beautification efforts; a total of 65 new lights were installed.

Completed the Southeast Broad Street Pedestrian Improvements Project.

This project entailed the installation of pedestrian and drainage improvements on S.E. Broad Street/McLarin Road, from Bohannon Road to Senoia Road. The project also included the installation of new heavy-duty driveway aprons, and the installation of new ADA handicap ramps to accommodate pedestrian movements. This project is a Tier 1, TSPLOST 2 Pedestrian Improvements Project that provides connectivity to two (2) previously completed TSPLOST 1 Pedestrian Improvements Projects, the Bohannon Road Sidewalk Project, and the Harvest Rain/Senoia Road Pedestrian Improvements Project. It is important to note that Transportation Special Purpose Local Option Sales Tax (TSPLOST) funds were utilized to deliver this project. No money from General Funds was required to deliver this project.

Awards and Acknowledgements

The City of Fairburn received 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, 2022. This was the thirty-fourth 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 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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Fairburn
Georgia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morill

Executive Director/CEO

**CITY OF FAIRBURN, GEORGIA
CITY OFFICIALS
SEPTEMBER 30, 2023**

CITY CLERK

Brenda James

ECONOMIC DEVELOPMENT DIRECTOR

Sylvia Abernathy

HUMAN RESOURCES

TaLisha Champagne

UTILITY DIRECTOR

John Martin

FINANCE DIRECTOR

Bryan Stephens

BUILDING OPERATIONS DIRECTOR

Dana Smith

CHIEF OF POLICE

Anthony Bazydlo

STREETS AND GARAGE DIRECTOR

Gale Higgs

FIRE CHIEF

Cornelius Robinson

PARKS AND RECREATION DIRECTOR

Chapin Scott

COMMUNITY DEVELOPMENT DIRECTOR

Lester Thompson

CITY ATTORNEYS

Hilliard Starkey Law

PLANNING AND ZONING DIRECTOR

Denise Brookins



City of Fairburn, Georgia
Mayor and Council



MAYOR MARIO AVERY



COUNCIL MEMBER PRO TEM ALEX HEATH



COUNCIL MEMBER LINDA J. DAVIS MAYOR PRO-TEM



COUNCIL MEMBER PAT PALLEND



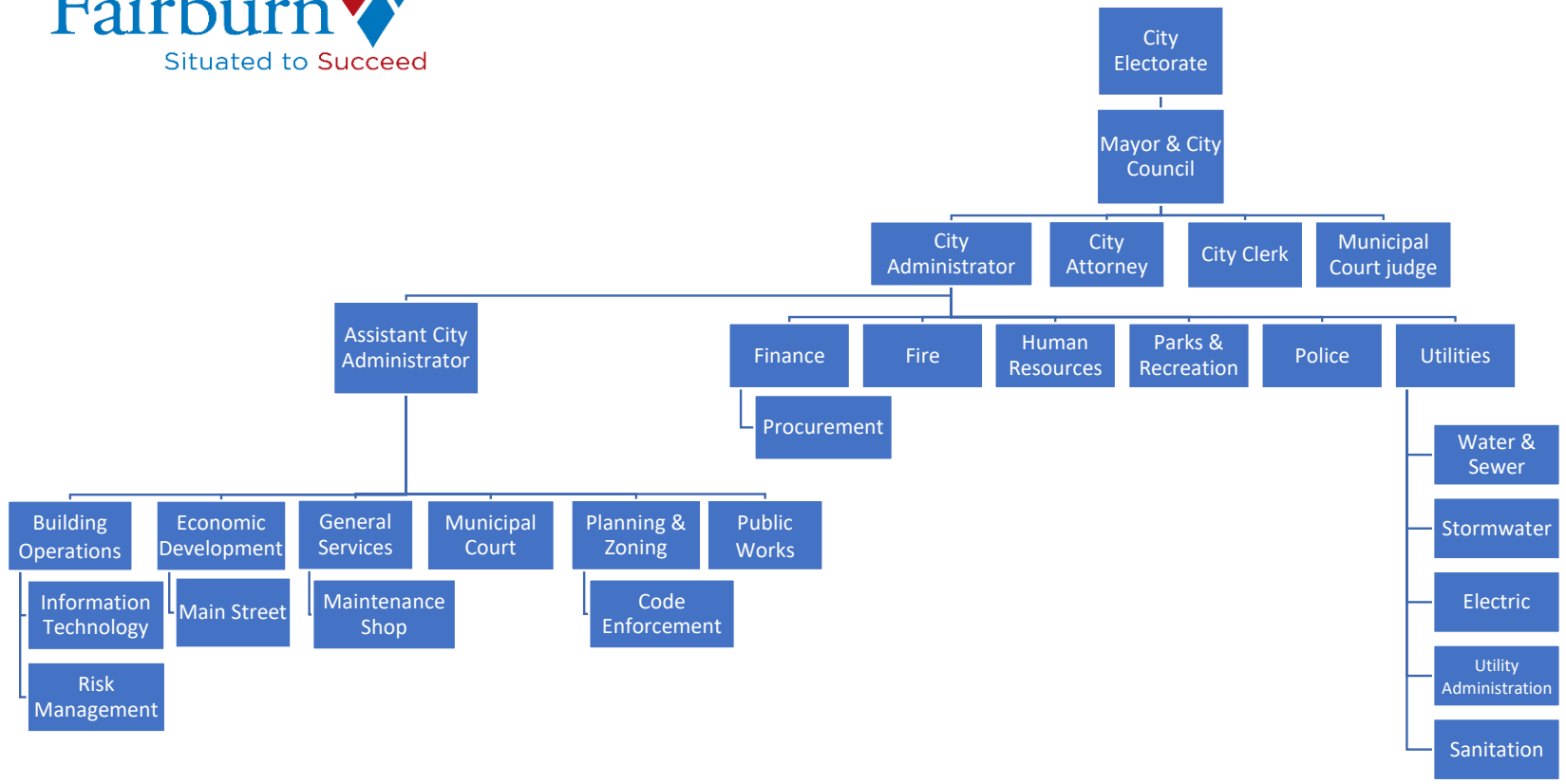
COUNCIL MEMBER HATTIE PORTIS-JONES



COUNCIL MEMBER ULYSSES SMALLWOOD



COUNCIL MEMBER JAMES WHITMORE



Revised 1/31/2024

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, 2023, 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, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparisons for the General 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.

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 April 12, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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
April 12, 2024

City of Fairburn, Georgia
Management's Discussion and Analysis
September 30, 2023

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, 2023. 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 2023 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 \$121,260,462 (net position). Of this amount, \$67,565,432 is invested in capital assets, net of related debt; \$8,395,068 is restricted; and \$45,299,962 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 \$7,817,761 as compared to an increase of \$8,460,958 in the prior fiscal year.
- At the end of the current fiscal year, total fund balance for the General Fund was \$24,992,720, an increase of \$3,730,028 over the prior fiscal year.

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 similar to 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 of 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 (nonmajor funds). The City's governmental fund financial statements are presented on pages 19 - 21.

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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.

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 24 - 26.

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):

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets:						
Current and other assets	\$ 43,434,622	\$ 39,873,733	\$ 32,347,468	\$ 29,155,840	\$ 75,782,090	\$ 69,029,573
Capital assets, net	54,602,196	50,350,836	34,605,759	35,514,604	89,207,955	85,865,440
Total assets	98,036,818	90,224,569	66,953,227	64,670,444	164,990,045	154,895,013
Deferred outflows of resources	2,983,669	1,473,581	986,519	979,375	3,970,188	2,452,956
Liabilities:						
Other liabilities	11,674,452	9,938,235	5,646,268	5,082,538	17,320,720	15,020,773
Long-term liabilities	9,848,442	8,059,081	14,572,031	16,510,510	24,420,473	24,569,591
Total liabilities	21,522,894	17,997,316	20,218,299	21,593,048	41,741,193	39,590,364
Deferred inflows of resources	277,127	2,303,965	5,681,451	2,010,939	5,958,578	4,314,904
Net position:						
Net investment in capital assets	46,964,676	44,553,676	20,600,756	19,912,632	67,565,432	64,466,308
Restricted	6,983,439	4,860,232	1,411,629	1,639,060	8,395,068	6,499,292
Unrestricted	25,272,351	21,982,961	20,027,611	20,494,140	45,299,962	42,477,101
Total net position	\$ 79,220,466	\$ 71,396,869	\$ 42,039,996	\$ 42,045,832	\$ 121,260,462	\$ 113,442,701

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Financial Position

The total net position of the City increased \$7,817,761 or 6.89%, from \$113,442,701 to \$121,260,462 as noted in the following table.

City of Fairburn Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues						
Charges for services	\$ 2,858,208	\$ 2,998,243	\$ 21,087,840	\$ 21,298,071	\$ 23,946,048	\$ 24,296,314
Operating grants and contributions	59,984	8,500	-	-	59,984	8,500
Capital grants and contributions	6,657,283	5,869,145	996,888	671,483	7,654,171	6,540,628
General revenues:						
Property taxes	12,215,558	9,906,626	-	-	12,215,558	9,906,626
Sales taxes	5,439,696	5,365,772	-	-	5,439,696	5,365,772
Franchise taxes	1,701,789	1,234,016	-	-	1,701,789	1,234,016
Insurance premium taxes	1,361,504	1,089,132	-	-	1,361,504	1,089,132
Motor vehicle taxes	834,477	852,503	-	-	834,477	852,503
Beer, wine, and liquor taxes	292,888	290,605	-	-	292,888	290,605
Hotel/Motel taxes	300,770	299,763	-	-	300,770	299,763
Other taxes	220,624	411,251	-	-	220,624	411,251
Miscellaneous	1,993,812	103,995	-	-	1,993,812	103,995
Gain on sale of capital assets	48,621	5,927	-	-	48,621	5,927
Unrestricted investment earnings	1,081,987	80,133	297,683	34,374	1,379,670	114,507
Total revenues	35,067,201	28,515,611	22,382,411	22,003,928	57,449,612	50,519,539
Expenses:						
General government	6,078,224	3,788,018	-	-	6,078,224	3,788,018
Judicial	650,750	602,511	-	-	650,750	602,511
Public safety	10,339,379	8,869,155	-	-	10,339,379	8,869,155
Public works	6,443,124	4,470,541	-	-	6,443,124	4,470,541
Culture and recreation	1,337,982	682,881	-	-	1,337,982	682,881
Planning and development	1,482,456	1,101,660	-	-	1,482,456	1,101,660
Interest on long-term debt	420,295	308,280	-	-	420,295	308,280
Electric	-	-	12,358,686	12,366,384	12,358,686	12,366,384
Water and sewer	-	-	8,253,701	7,811,365	8,253,701	7,811,365
Education complex	-	-	960,652	890,506	960,652	890,506
Stormwater	-	-	427,169	355,805	427,169	355,805
Sanitation	-	-	879,433	811,475	879,433	811,475
Total expenses	26,752,210	19,823,046	22,879,641	22,235,535	49,631,851	42,058,581
Increase (decrease) in net position before transfers	8,314,991	8,692,565	(497,230)	(231,607)	7,817,761	8,460,958
Transfers	(491,394)	(137,307)	491,394	137,307	-	-
Changes in net position	7,823,597	8,555,258	(5,836)	(94,300)	7,817,761	8,460,958
Net position, beginning of fiscal year	71,396,869	62,841,611	42,045,832	42,140,132	113,442,701	104,981,743
Net position, end of fiscal year	\$ 79,220,466	\$ 71,396,869	\$ 42,039,996	\$ 42,045,832	\$ 121,260,462	\$ 113,442,701

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Governmental Activities

Net position for governmental activities increased \$7,823,597 or 10.96%. Total governmental revenues increased \$6,551,590 or 22.98%. Capital grants and contributions increased \$788,138 primarily from increased spending of American Recovery Plan funds. Property taxes increased \$2,308,932 or 23.31% as assessed values for real property continue to rise in Fulton County. Sales taxes were consistent with the prior year. Franchise taxes and insurance premium taxes have increased \$467,773 (37.91%) and \$272,372 (25.01%), respectively, as the state and local economies continue to improve. Unrestricted investment earnings have increased \$1,001,854 or 1,250% as interest rates have risen dramatically. Miscellaneous revenue increased \$1,889,817, primarily from recognition of court revenues and tree bank fund collections. Other revenue sources have remained consistent with the prior year.

Overall expenses for governmental activities increased \$6,929,164 or 34.96%. General government expenses increased \$2,290,206 or 60.46% of management initiatives to increase salaries and benefits to improve employee retention as well as general inflationary pressures. Public safety expenses increased \$1,470,224 or 16.58% as a result of increases in wages and benefits to improve employee retention; and increases in depreciation as the department replaces older vehicles and equipment. Public works expenses increased \$1,972,583 or 44.12% based on increases in noncapitalizable road maintenance projects as well as increases in pension allocations to this department. Culture and recreation expenses increased \$655,101 or 95.93% as services have increased as the pandemic subsided, and the City invests more in cultural activities such as the Fairburn Festival. Planning and development expenses have increased \$380,796 or 34.57% salaries and benefits have increased and the City invests more in development projects.

Business-Type Activities

Net position for business-type activities decreased slightly by \$5,836 or less than 1% from the prior fiscal year. The activities of each enterprise fund are discussed below.

Electric Fund. Electric revenues increased \$301,177 or 2.92% as the economy improves and development increases. Overall operating expenses decreased \$10,544 or .09%. Cost of sales and services decreased \$707,609 or 6.7% and were offset by increases in general operating expenses, primarily increases in wages and benefits as the City improves employee retention. Prior year net position benefitted from the sale of wireless assets of \$1,447,116. Transfers to the General Fund were \$0 and \$250,000 for fiscal years 2023 and 2022 respectively.

Electric Fund, Summary of Changes in Net Position

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>	
OPERATING REVENUES					
Charges for sales and services	\$ 10,607,285	\$ 10,306,108	\$ 301,177	2.92	%
OPERATING EXPENSES					
Cost of sales and services	9,858,339	10,565,948	(707,609)	(6.70)	
General operating expenses	2,106,722	1,419,493	687,229	48.41	
Depreciation and amortization	390,533	380,697	9,836	2.58	
Total operating expenses	<u>12,355,594</u>	<u>12,366,138</u>	<u>(10,544)</u>	<u>(0.09)</u>	
Operating income	<u>(1,748,309)</u>	<u>(2,060,030)</u>	<u>311,721</u>	<u>(15.13)</u>	
NON OPERATING REVENUES					
Interest income	151,083	35	151,048	431,565.71	
Sale of wireless assets		1,447,116	(1,447,116)	(100.00)	
Interest expense	(3,092)	(246)	(2,846)	1,156.91	
Transfers in (out)	-	(250,000)	250,000	(100.00)	
Change in net position	<u>\$ (1,600,318)</u>	<u>\$ (863,125)</u>	<u>\$ 712,769</u>	<u>(82.58)</u>	%

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Water and Sewer Fund Operating income for the Water and Sewer Fund was \$1,358,853 for fiscal year 2023 compared to \$950,630 in the prior fiscal year, an increase of \$408,223 or 42.94%. Revenues increased by \$937,794 or 12.87% primarily due to increases in customers. Cost of sales increased \$578,534 or 14.03%, primarily from increases in sewage treatment expenses and technical services. General operating expenses decreased \$89,613 or 6.1%, as there were significant repair and maintenance costs incurred in the prior year. Transfers to meet General Fund obligations were \$634,000 and \$416,000 for 2023 and 2022, respectively.

Water and Sewer, Summary of Changes in Net Position

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
OPERATING REVENUES				
Charges for sales and services	\$ 8,225,703	\$ 7,287,909	\$ 937,794	12.87 %
OPERATING EXPENSES				
Cost of sales and services	4,703,228	4,124,694	578,534	14.03
General operating expenses	1,379,843	1,469,456	(89,613)	(6.10)
Depreciation and amortization	783,779	743,129	40,650	5.47
Total operating expenses	<u>6,866,850</u>	<u>6,337,279</u>	<u>529,571</u>	<u>8.36</u>
Operating income	<u>1,358,853</u>	<u>950,630</u>	<u>408,223</u>	<u>42.94</u>
NONOPERATING REVENUES (EXPENSE)				
Interest income	61,509	6,000	55,509	925.15
Interest expense	<u>(1,386,851)</u>	<u>(1,474,086)</u>	<u>87,235</u>	<u>(5.92)</u>
Total nonoperating revenue (expenses)	<u>(1,325,342)</u>	<u>(1,468,086)</u>	<u>142,744</u>	<u>(9.72)</u>
Capital contributions - tap fees	<u>996,888</u>	<u>671,483</u>	<u>325,405</u>	<u>48.46</u>
Transfers in (out)	<u>(634,705)</u>	<u>(415,595)</u>	<u>(219,110)</u>	<u>52.72</u>
Change in net position	<u>\$ 395,694</u>	<u>\$ (261,568)</u>	<u>\$ 657,262</u>	<u>(251.28) %</u>

Educational Complex Fund. This fund had operating losses of \$311,855 and \$132,875 for fiscal years 2023 and 2022, respectively. Revenues decreased \$87,975 as one tenant's lease ended during the fiscal year. General operating expenses increased \$99,742 or 183% from significant increases in repair and maintenance costs on facilities. Transfers from the General Fund to meet ongoing obligations were \$1,206,099 and \$902,902 in 2023 and 2022, respectively.

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Educational Complex Fund, Summary of Changes in Net Position

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
OPERATING REVENUES				
Charges for sales and services	\$ 338,479	\$ 426,454	\$ (87,975)	(20.63) %
OPERATING EXPENSES				
General operating expenses	154,235	54,493	99,742	183.04
Depreciation and amortization	496,099	504,836	(8,737)	(1.73)
Total operating expenses	650,334	559,329	91,005	16.27
Operating income (loss)	(311,855)	(132,875)	(178,980)	134.70
NONOPERATING REVENUES (EXPENSE)				
Interest income	85,091	28,339	56,752	200.26
Interest expense	(310,318)	(331,177)	20,859	(6.30)
Total nonoperating revenue (expenses)	(225,227)	(302,838)	77,611	(25.63)
Transfers in (out)	1,206,099	902,902	303,197	33.58
Change in net position	\$ 669,017	\$ 467,189	\$ 201,828	43.20 %

Stormwater Fund. This Fund was created during fiscal year 2010 to properly segregate infrastructure utility charges in accordance with State statutes. Revenues increased \$32,524 or 3.55% as new properties are added to the City. General operating expenses increased \$73,829 or 56.12% primarily from increases in contractual services related to stormwater repairs.

Stormwater Fund, Summary of Changes in Net Position

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
OPERATING REVENUES				
Charges for sales and services	\$ 947,433	\$ 914,909	\$ 32,524	3.55 %
OPERATING EXPENSES				
General operating expenses	205,375	131,546	73,829	56.12
Depreciation and amortization	221,794	224,259	(2,465)	(1)
Total operating expenses	427,169	355,805	71,364	20.06
Operating income (loss)	520,264	559,104	(38,840)	(6.95)
Change in net position	\$ 520,264	\$ 559,104	\$ (38,840)	(6.95) %

Sanitation Fund. Operating income decreased slightly by \$14,593 or 14.02%. Revenue increased by \$53,365 or 5.83%. General operating expenses increased \$67,958 or 8.37% primarily from increases in contracted refuse collection expenses and increases in bad debt expense. Transfers to the General Fund were \$80,000 and \$100,000 in fiscal 2023 and 2022, respectively.

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Sanitation Fund, Summary of Changes in Net Position

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
OPERATING REVENUES				
Charges for sales and services	\$ 968,940	\$ 915,575	\$ 53,365	5.83 %
OPERATING EXPENSES				
General operating expenses	879,433	811,475	67,958	8.37
Operating income	89,507	104,100	(14,593)	(14.02)
Transfers in (out)	(80,000)	(100,000)	20,000	(20.00)
Change in net position	<u>\$ 9,507</u>	<u>\$ 4,100</u>	<u>\$ 5,407</u>	<u>131.88 %</u>

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.

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 \$35,588,138 compared to \$28,923,222 in the prior fiscal year, an increase of \$6,664,916 or 23%.

City of Fairburn Summary of Governmental Fund Balances

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>
General Fund	\$ 24,992,720	\$ 21,262,692	\$ 3,730,028
General Obligation Bond Capital Projects Fund	4,044,148	3,168,202	875,946
TSPLOST Fund	2,169,711	2,204,157	(34,446)
American Rescue Plan	-	-	-
Other Governmental Funds	4,381,559	2,288,171	2,093,388
Total Governmental Fund Balances	<u>\$ 35,588,138</u>	<u>\$ 28,923,222</u>	<u>\$ 6,664,916</u>

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City of Fairburn Summary Changes in Governmental Fund Balance

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
Revenues				
Property taxes	\$ 12,430,390	\$ 9,836,548	\$ 2,593,842	26.37 %
Sales taxes	5,439,696	5,365,772	73,924	1.38
Franchise taxes	1,701,789	1,234,016	467,773	37.91
Insurance premium taxes	1,361,504	1,089,132	272,372	25.01
Motor vehicle taxes	834,477	852,503	(18,026)	(2.11)
Beer, wine, and liquor taxes	292,888	290,605	2,283	0.79
Hotel/Motel taxes	300,770	299,763	1,007	0.34
Other taxes	220,624	411,251	(190,627)	(46.35)
Licenses and permits	1,489,613	1,511,366	(21,753)	(1.44)
Intergovernmental	6,647,268	5,598,047	1,049,221	18.74
Fines and forfeitures	876,907	910,597	(33,690)	(3.70)
Charges for services	377,623	449,574	(71,951)	(16.00)
Interest revenue	1,130,816	84,787	1,046,029	1,233.71
Other revenues	2,107,877	231,001	1,876,876	812.50
Total revenues	<u>\$ 35,212,242</u>	<u>\$ 28,164,962</u>	<u>\$ 7,047,280</u>	<u>25.02</u>
Expenditures				
Current:				
General government	\$ 5,887,469	\$ 3,977,320	\$ 1,910,149	48.03
Judicial	638,087	610,290	27,797	4.55
Public safety	9,314,911	8,988,679	326,232	3.63
Public works	5,819,692	5,993,285	(173,593)	(2.90)
Parks and recreation	965,756	682,527	283,229	41.50
Planning and development	1,409,102	763,646	645,456	84.52
Capital outlays	5,779,854	3,494,190	2,285,664	65.41
Debt service:				
Principal	870,684	657,120	213,564	32.50
Interest	358,128	186,648	171,480	91.87
Total expenditures	<u>31,043,683</u>	<u>25,353,705</u>	<u>5,689,978</u>	<u>22.44</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,168,559</u>	<u>2,811,257</u>	<u>1,357,302</u>	<u>48.28</u>
Other Financing Sources (Uses)				
Issuance of financed purchases	1,430,000	1,987,232	(557,232)	(28.04)
Proceeds from sale of capital assets	48,621	6,907	41,714	603.94
Issuance of leased liabilities	1,509,130	-	1,509,130	100.00
Transfers in	2,734,397	2,310,156	424,241	18.36
Transfers out	(3,225,791)	(2,447,463)	(778,328)	31.80
Total other financing sources (uses)	<u>2,496,357</u>	<u>1,856,832</u>	<u>639,525</u>	<u>34.44</u>
Net change in fund balances	<u>\$ 6,664,916</u>	<u>\$ 4,668,089</u>	<u>\$ 1,996,827</u>	<u>42.78 %</u>

Excess of revenues over expenditures prior to other financing sources (uses) in the Governmental Funds before other financing sources and uses for the current fiscal year was \$4,168,559 as compared to \$2,811,257 in the prior fiscal year. The General Fund had an excess of \$6,018,831; The American Rescue Fund had an excess of \$73,662; the General Obligation Bond Capital Projects Fund had an excess of \$875,946; the TSPLOST Fund had a deficiency of \$34,446; and nonmajor governmental funds had a deficiency of \$2,765,434.

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Total governmental revenues increased \$7,047,280 or 25.02%. Property taxes increased \$2,593,842 or 26.37% as assessed values for real property continue to increase in Fulton County. Sales taxes were consistent with the prior year and increased slightly by \$73,924 or 1.38%. Franchise taxes and insurance premium taxes have increased \$467,773 (37.91%) and \$272,372 (25.01%), respectively, as the state and local economies continue to improve. Intergovernmental revenues increased \$1,049,221 or 18.74% as the City recognized additions revenues based on spending of American Recovery Plan funds. Interest revenues increased \$1,046,029 or 1,233% based on significant increases in interest rates. Other revenues increased \$1,876,876 or 812% primarily from recognition of court revenues and tree bank fund receipts.

Total governmental expenditures increased \$5,689,978 or 22.44%. General government expenditures increased \$1,910,149 or 48.03% primarily from management initiatives to increase salaries and benefits to improve employee retention, additional capital outlay of \$410,000, as well as general inflationary pressures. Public safety expenditures increased \$326,232 or 3.63% as a result of increases in wages and benefits to improve employee retention. Public works expenditures decreased slightly by \$173,593 or 2.9%. Culture and recreation expenditures increased \$283,229 or 41.5% as services have increased as the pandemic subsided and the City invests more in cultural activities such as the Fairburn Festival. Planning and development expenditures have increased \$645,456 or 84.52% as salaries and benefits have increased and the City invests more in development projects. Principal and interest costs have increased \$213,564 (32.5%) and \$171,480 (91.87%), respectively, as the City leased additional vehicles.

Analysis of Major Funds

General Fund

General Fund revenues increased \$5,501,657 or 26.49%. Property taxes increased \$2,183,526 or 26.12% as assessed values of real property continue to increase in Fulton County. Sales taxes were consistent with the prior year and increased slightly by \$73,924 or 1.38%. Franchise taxes and Insurance premium taxes have increased \$467,773 (37.91%) and \$272,372 (25.01%), respectively, as the state and local economies continue to improve. Interest revenues increased \$984,967 or 1,260% based on significant increases in interest rates. Other revenues increased \$1,876,876 or 812% primarily from recognition of court revenues and tree bank fund receipts.

General Fund expenditures increased \$3,269,811 or 19.26%. General government expenditures increased \$1,826,558 or 46.44% primarily from management initiatives to increase salaries and benefits to improve employee retention, additional capital outlay of \$410,000, as well as general inflationary pressures. Public safety expenditures increased \$289,541 or 3.27% as a result of increases in wages and benefits to improve employee retention. Public works expenses decreased slightly by \$65,611 or 3.13%. Culture and recreation expenditures increased \$279,169 or 40.99% as services have increased as the pandemic subsided, and the City invests more in cultural activities such as the Fairburn Festival. Planning and development expenditures have increased \$645,456 or 84.52% as salaries and benefits have increased and the City invests more in development projects. Principal and interest costs have increased \$193,564 and \$72,737, respectively, as the City leased additional vehicles.

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 \$1,940,299 and \$184,665 in fiscal years 2023 and 2022, respectively. At September 30, 2023, the City had \$4,210,480 of available funds to spend under this program.

**City of Fairburn, Georgia
Management's Discussion and Analysis
September 30, 2023**

General Obligation 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 \$1,888,089 and \$1,478,073 for fiscal 2023 and 2022, respectively. Property taxes increased \$410,016 or 27.74%, as assessed values continue to increase in Fulton County. This fund had capital outlays of \$229,245 for design of a new fire station. Debt service expenditures were \$801,047 and \$801,090 for fiscal years 2023 and 2022, respectively.

TSPLOST Fund

This fund accounts for the proceeds of the transportation special purpose local option sales tax for the various improvement projects approved by voter referendum. Intergovernmental revenues for this fund were \$3,674,359 and \$3,465,590 for fiscal years 2023 and 2022, respectively. Capital outlays for this fund increased \$313,704 or 9.11%, from \$3,443,930 in fiscal year 2022 to \$3,757,634 in fiscal year 2023, primarily for streetscape and roadway improvements.

General Fund Budgetary Highlights

The final amended budget 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 \$7,126,521 better than budgeted.

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

- General Fund revenues in total were \$5,162,856 better than budgeted. Budgeted revenues are generally based on prior years' activity and trends. Property taxes were \$1,778,707 better than budgeted as assessed values continued to increase. Sales taxes and franchise taxes were \$759,696 and \$301,789, respectively better than budgeted as budgets remain very conservative and as the general economy has improved faster than projected. Motor vehicle taxes were \$234,477 better than budgeted along with nationwide trends toward increased vehicle sales. Interest income was \$1,013,121 better than budgeted as interest rates were significantly higher than projected for the year. Miscellaneous revenue was \$1,116,080 better than projected as the budget did not contemplate additional court revenues or tree bank fund receipts.
- The actual expenditures of \$20,251,037 was \$2,281,849 less than budgeted as management continues to control measures implemented in prior years as well as very conservative budget estimates.

**City of Fairburn, Georgia
Management's Discussion and Analysis
September 30, 2023**

Capital Asset and Debt Administration

Capital Assets

The City has invested \$89,207,955 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	
	2023	2022	2023	2022	2023	2022
Land	\$ 5,747,956	\$ 5,337,956	\$ 3,924,899	\$ 3,924,899	\$ 9,672,855	\$ 9,262,855
Construction in Progress	14,606,650	10,747,295	43,715	43,715	14,650,365	10,791,010
Buildings, grounds and improvements	5,998,172	6,479,168	14,689,376	15,334,034	20,687,548	21,813,202
Machinery and equipment	748,900	785,618	280,595	328,980	1,029,495	1,114,598
Infrastructure	23,893,863	24,552,368	13,228,235	13,468,624	37,122,098	38,020,992
Vehicles	1,934,898	2,067,501	2,044,614	2,305,647	3,979,512	4,373,148
Right-to-use assets	1,671,757	380,930	394,325	108,705	2,066,082	489,635
	<u>\$ 54,602,196</u>	<u>\$ 50,350,836</u>	<u>\$ 34,605,759</u>	<u>\$ 35,514,604</u>	<u>\$ 89,207,955</u>	<u>\$ 85,865,440</u>

Net capital assets for governmental activities increased \$4,251,360 and is primarily related to infrastructure projects funded by TSPLOST funds as well as significant replacement of city-wide vehicles. Net capital assets for business-type activities decreased \$908,845 as depreciation expenses offset asset purchases. The detailed capital assets schedule is reported in Note 7 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 \$16,725,960 and \$10,836,321 for governmental activities. Bonds, notes, lease liabilities, and financed purchases outstanding as of the fiscal year ended September 30, 2023, 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.

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, Georgia
Management's Discussion and Analysis
September 30, 2023**

City of Fairburn Outstanding Long-Term Liabilities

	2023	2022
Governmental Activities		
2017 Refunding Bonds	\$ 6,125,000	\$ 6,765,000
Financed Purchases	3,007,000	1,604,031
Lease Liabilities	1,704,321	398,845
	\$ 10,836,321	\$ 8,767,876
 Business-type Activities		
Series 2013 Revenue Refunding Bonds	\$ 2,165,000	\$ 3,175,000
Series 2014 Utility Bonds	3,120,000	3,325,000
Series 2017 Educational Revenue Refunding Bonds	11,055,000	11,870,000
Lease Liabilities	385,960	98,316
	\$ 16,725,960	\$ 18,468,316

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 the Atlanta Airport. Commercial and industrial development has rebounded, especially large 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 is experiencing a vast amount of development interest and is projecting significant growth in the commercial tax base over the next five years.

Service levels have improved in areas such as sanitation, and revenue estimates are still conservatively made. The millage rate for property taxes for general operations remained at 8.1 mills and debt service millage remained at 1.46 for the October 2023 billing.

Electric rate add-ons for the power cost adjustment (PCA) and the environmental compliance cost recovery fee (ECCR) have remained unchanged since early 2013. The City has started extensive work with Electric Cities of Georgia on modernizing the electric rates during fiscal year 2024. Water and sewer rates have not changed in over a decade, however, the City has contracted with a third-party engineering firm to do analysis for possible rate adjustments to water and sewer rates in order for the future needs of the City are able to be met.

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, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 37,252,144	\$ 12,724,477	\$ 49,976,621
Restricted cash and cash equivalents	1,046,761	3,475,923	4,522,684
Investments	107,442	6,534,081	6,641,523
Investments with fiscal agent (restricted assets)	-	69,753	69,753
Accounts receivable, net of allowances	-	3,515,274	3,515,274
Taxes receivable, net of allowances	751,646	-	751,646
Lease receivable, current	35,907	227,666	263,573
Lease receivable, non current	199,497	5,562,294	5,761,791
Intergovernmental receivables	535,758	-	535,758
Inventory	18,424	-	18,424
Other receivables	349,065	238,000	587,065
Prepaid items	3,137,978	-	3,137,978
Capital assets:			
Non-depreciable	20,354,606	3,968,614	24,323,220
Depreciable, net of accumulated depreciation/amortization	34,247,590	30,637,145	64,884,735
Total assets	<u>98,036,818</u>	<u>66,953,227</u>	<u>164,990,045</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding of debt	434,622	659,898	1,094,520
Pension related items	2,549,047	326,621	2,875,668
Total deferred outflows of resources	<u>2,983,669</u>	<u>986,519</u>	<u>3,970,188</u>
LIABILITIES			
Accounts payable	1,894,308	2,159,805	4,054,113
Retainage payable	256,789	-	256,789
Funds held in escrow (due to others)	783,738	-	783,738
Accrued liabilities	126,762	25,003	151,765
Accrued interest payable	39,595	73,516	113,111
Unearned revenue	4,210,480	-	4,210,480
Customer deposits payable	1,100	745,755	746,855
Compensated absences due within one fiscal year	396,026	47,680	443,706
Compensated absences due in more than one fiscal year	276,261	14,810	291,071
Lease liabilities due within one fiscal year	372,997	101,727	474,724
Lease liabilities due in more than one fiscal year	1,331,324	284,233	1,615,557
Financed purchases due within one fiscal year	241,143	-	241,143
Financed purchases due in more than one fiscal year	2,765,857	-	2,765,857
Bonds payable due within one fiscal year	650,000	2,140,000	2,790,000
Bonds payable due in more than one fiscal year	5,475,000	14,272,988	19,747,988
Net pension liability	2,701,514	352,782	3,054,296
Total liabilities	<u>21,522,894</u>	<u>20,218,299</u>	<u>41,741,193</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred lease revenue	232,867	5,675,671	5,908,538
Pension related items	44,260	5,780	50,040
Total deferred inflows of resources	<u>277,127</u>	<u>5,681,451</u>	<u>5,958,578</u>
NET POSITION			
Net investment in capital assets	46,964,676	20,600,756	67,565,432
Restricted for debt service	12,476	1,341,876	1,354,352
Restricted for capital construction	3,026,740	-	3,026,740
Restricted for transportation projects	3,070,668	-	3,070,668
Restricted for law enforcement activities	42,673	-	42,673
Restricted for corpus of perpetual care cemetery funds (nonspendable)	10,000	-	10,000
Restricted for cemetery operating capital	76,563	-	76,563
Restricted by third party as letter of credit	-	69,753	69,753
Restricted for federal and state programs	414,861	-	414,861
Restricted for tourism	329,458	-	329,458
Unrestricted	25,272,351	20,027,611	45,299,962
Total net position	<u>\$ 79,220,466</u>	<u>\$ 42,039,996</u>	<u>\$ 121,260,462</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, 2023

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	\$ 6,078,224	\$ 1,504,775	\$ -	\$ -	\$ (4,573,449)	\$ -	\$ (4,573,449)
Judicial	650,750	852,905	-	-	202,155	-	202,155
Public safety	10,339,379	24,002	-	99,344	(10,216,033)	-	(10,216,033)
Public works	6,443,124	362,461	-	6,557,939	477,276	-	477,276
Culture and recreation	1,337,982	114,065	59,984	-	(1,163,933)	-	(1,163,933)
Planning and development	1,482,456	-	-	-	(1,482,456)	-	(1,482,456)
Interest and fiscal charges	420,295	-	-	-	(420,295)	-	(420,295)
Total governmental activities	<u>26,752,210</u>	<u>2,858,208</u>	<u>59,984</u>	<u>6,657,283</u>	<u>(17,176,735)</u>	<u>-</u>	<u>(17,176,735)</u>
Business-type activities:							
Electric	12,358,686	10,607,285	-	-	-	(1,751,401)	(1,751,401)
Water and sewer	8,253,701	8,225,703	-	996,888	-	968,890	968,890
Educational complex	960,652	338,479	-	-	-	(622,173)	(622,173)
Stormwater	427,169	947,433	-	-	-	520,264	520,264
Sanitation	879,433	968,940	-	-	-	89,507	89,507
Total business-type activities	<u>22,879,641</u>	<u>21,087,840</u>	<u>-</u>	<u>996,888</u>	<u>-</u>	<u>(794,913)</u>	<u>(794,913)</u>
Total primary government	<u>\$ 49,631,851</u>	<u>\$ 23,946,048</u>	<u>\$ 59,984</u>	<u>\$ 7,654,171</u>	<u>\$ (17,176,735)</u>	<u>\$ (794,913)</u>	<u>\$ (17,971,648)</u>
General revenues:							
Property taxes					\$ 12,215,558	\$ -	\$ 12,215,558
Franchise taxes					1,701,789	-	1,701,789
Insurance premium taxes					1,361,504	-	1,361,504
Sales and use taxes					5,439,696	-	5,439,696
Motor vehicle taxes					834,477	-	834,477
Beer, wine, and liquor taxes					292,888	-	292,888
Hotel/Motel taxes					300,770	-	300,770
Other taxes					220,624	-	220,624
Unrestricted investment earnings					1,081,987	297,683	1,379,670
Gain on sale of capital assets					48,621	-	48,621
Miscellaneous					1,993,812	-	1,993,812
Transfers					(491,394)	491,394	-
Total general revenues and transfers					<u>25,000,332</u>	<u>789,077</u>	<u>25,789,409</u>
Change in net position					7,823,597	(5,836)	7,817,761
Net position, beginning of fiscal year					<u>71,396,869</u>	<u>42,045,832</u>	<u>113,442,701</u>
Net position, end of fiscal year					<u>\$ 79,220,466</u>	<u>\$ 42,039,996</u>	<u>\$ 121,260,462</u>

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

CITY OF FAIRBURN, GEORGIA

BALANCE SHEET GOVERNMENTAL FUNDS SEPTEMBER 30, 2023

ASSETS	General Fund	American Rescue Plan Fund	General Obligation Bond Capital Projects Fund	TSPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 25,584,725	\$ 4,236,401	\$ 3,058,426	\$ 2,771,692	\$ 1,600,900	\$ 37,252,144
Restricted cash and cash equivalents	-	-	1,046,761	-	-	1,046,761
Investments	21,467	-	-	-	85,975	107,442
Taxes receivable, net of allowances	693,078	-	33,341	-	25,227	751,646
Lease receivable	235,404	-	-	-	-	235,404
Other receivables	349,065	-	-	-	-	349,065
Intergovernmental receivables	-	-	-	298,976	236,782	535,758
Due from other funds	87,876	-	-	-	-	87,876
Prepaid items	130,978	-	-	-	3,007,000	3,137,978
Inventory	18,424	-	-	-	-	18,424
Total assets	\$ 27,121,017	\$ 4,236,401	\$ 4,138,528	\$ 3,070,668	\$ 4,955,884	\$ 43,522,498
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 772,743	\$ 25,921	\$ 65,027	\$ 713,411	\$ 317,206	\$ 1,894,308
Retainage payable	-	-	-	187,346	69,443	256,789
Funds held in escrow	783,738	-	-	-	-	783,738
Accrued liabilities	122,245	-	-	-	-	122,245
Due to other funds	-	-	-	200	87,676	87,876
Unearned revenue	-	4,210,480	-	-	-	4,210,480
Customer deposits	1,100	-	-	-	-	1,100
Other liabilities	4,517	-	-	-	-	4,517
Total liabilities	1,684,343	4,236,401	65,027	900,957	474,325	7,361,053
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	211,087	-	29,353	-	-	240,440
Unavailable revenue - intergovernmental grants	-	-	-	-	100,000	100,000
Deferred lease revenue	232,867	-	-	-	-	232,867
Total deferred inflows of resources	443,954	-	29,353	-	100,000	573,307
FUND BALANCES						
Fund balances:						
Nonspendable for:						
Prepaid items	130,978	-	-	-	3,007,000	3,137,978
Inventory	18,424	-	-	-	-	18,424
Corpus of perpetual care cemetery funds	-	-	-	-	10,000	10,000
Lease receivable	2,537	-	-	-	-	2,537
Restricted for:						
Capital construction	-	-	4,031,672	-	-	4,031,672
Federal and state programs	-	-	-	-	8,155	8,155
Debt service	-	-	12,476	-	-	12,476
Law enforcement activities	-	-	-	-	42,673	42,673
Cemetery operating capital	-	-	-	-	76,563	76,563
Transportation projects	-	-	-	2,169,711	-	2,169,711
Tourism	-	-	-	-	329,458	329,458
Committed for:						
Tree bank	776,490	-	-	-	-	776,490
Assigned for:						
Capital construction	-	-	-	-	502,888	502,888
Federal and state programs	-	-	-	-	389,297	389,297
Planning and development	-	-	-	-	15,525	15,525
Unassigned	24,064,291	-	-	-	-	24,064,291
Total fund balances	24,992,720	-	4,044,148	2,169,711	4,381,559	35,588,138
Total liabilities, deferred inflows of resources, and fund balances	\$ 27,121,017	\$ 4,236,401	\$ 4,138,528	\$ 3,070,668	\$ 4,955,884	
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.						54,602,196
Some receivables are not available to pay for current-period expenditures and, therefore, are deferred inflows of resources in the governmental funds.						340,440
The net pension liability, 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.						(196,727)
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.						(11,113,581)
Net position of governmental activities						\$ 79,220,466

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, 2023

	General Fund	American Rescue Plan Fund	General Obligation Bond Capital Projects Fund	TSPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 20,393,279	\$ -	\$ 1,888,089	\$ -	\$ 300,770	\$ 22,582,138
Licenses and permits	1,489,613	-	-	-	-	1,489,613
Intergovernmental	-	1,866,637	-	3,674,359	1,106,272	6,647,268
Fines and forfeitures	852,905	-	-	-	24,002	876,907
Charges for services	377,623	-	-	-	-	377,623
Interest income	1,063,121	-	18,149	48,829	717	1,130,816
Miscellaneous revenue	2,093,327	-	-	-	14,550	2,107,877
Total revenues	<u>26,269,868</u>	<u>1,866,637</u>	<u>1,906,238</u>	<u>3,723,188</u>	<u>1,446,311</u>	<u>35,212,242</u>
Expenditures						
Current:						
General government	5,760,136	-	-	-	127,333	5,887,469
Judicial	638,087	-	-	-	-	638,087
Public safety	9,142,502	-	-	-	172,409	9,314,911
Public works	2,029,935	-	-	-	3,789,757	5,819,692
Culture and recreation	962,296	-	-	-	3,460	965,756
Planning and development	1,409,102	-	-	-	-	1,409,102
Capital outlay	-	1,792,975	229,245	3,757,634	-	5,779,854
Debt service:						
Principal retirements	230,685	-	640,000	-	-	870,685
Interest and fiscal charges	78,294	-	161,047	-	118,786	358,127
Total expenditures	<u>20,251,037</u>	<u>1,792,975</u>	<u>1,030,292</u>	<u>3,757,634</u>	<u>4,211,745</u>	<u>31,043,683</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,018,831</u>	<u>73,662</u>	<u>875,946</u>	<u>(34,446)</u>	<u>(2,765,434)</u>	<u>4,168,559</u>
Other financing sources (uses):						
Proceeds from disposal of capital assets	48,621	-	-	-	-	48,621
Issuance of financed purchases	-	-	-	-	1,430,000	1,430,000
Issuance of lease liabilities	-	-	-	-	1,509,130	1,509,130
Transfers in	764,705	-	-	-	1,969,692	2,734,397
Transfers out	(3,102,129)	(73,662)	-	-	(50,000)	(3,225,791)
Total other financing sources (uses)	<u>(2,288,803)</u>	<u>(73,662)</u>	<u>-</u>	<u>-</u>	<u>4,858,822</u>	<u>2,496,357</u>
Net change in fund balances	3,730,028	-	875,946	(34,446)	2,093,388	6,664,916
Fund balances, beginning of fiscal year	<u>21,262,692</u>	<u>-</u>	<u>3,168,202</u>	<u>2,204,157</u>	<u>2,288,171</u>	<u>28,923,222</u>
Fund balances, end of fiscal year	<u>\$ 24,992,720</u>	<u>\$ -</u>	<u>\$ 4,044,148</u>	<u>\$ 2,169,711</u>	<u>\$ 4,381,559</u>	<u>\$ 35,588,138</u>

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, 2023

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

Net change in fund balances - total governmental funds	\$	6,664,916
<p>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.</p>		
		4,251,360
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.</p>		
		(193,662)
<p>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:</p>		
Principal payment on bonds payable	\$	640,000
Principal payment on lease liabilities		203,654
Principal payment on financed purchases		27,031
Issuance of lease liabilities		(1,509,130)
Issuance of financed purchases		(1,430,000)
Amortization of deferred charges, prepaid bond insurance costs		(101,785)
		(2,170,230)
<p>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.</p>		
Change in accrued interest payable		39,617
Change in deferred inflows and outflows - pension related items and net pension asset		(422,812)
Change in compensated absences		(345,592)
		(738,687)
Change in net position - governmental activities	\$	7,823,597

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, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 8,030,116	\$ 8,763,594	\$ 10,542,301	\$ 1,778,707
Sales taxes	4,680,000	4,680,000	5,439,696	759,696
Franchise taxes	1,200,000	1,400,000	1,701,789	301,789
Insurance premium taxes	1,100,000	1,205,671	1,361,504	155,833
Beer, liquor, and wine taxes	270,000	270,000	292,888	22,888
Motor vehicle taxes	600,000	600,000	834,477	234,477
Other taxes	170,000	170,000	220,624	50,624
Licenses and permits	1,527,000	1,527,000	1,489,613	(37,387)
Fines and forfeitures	850,000	850,000	852,905	2,905
Interest income	50,000	50,000	1,063,121	1,013,121
Charges for services	613,500	613,500	377,623	(235,877)
Miscellaneous	175,747	977,247	2,093,327	1,116,080
Total revenues	<u>19,266,363</u>	<u>21,107,012</u>	<u>26,269,868</u>	<u>5,162,856</u>
Expenditures				
Current:				
General government:				
Mayor and council	369,037	369,036	353,711	15,325
Administration	1,334,784	1,275,036	1,199,620	75,416
City Administrator	1,675,400	2,649,398	2,314,371	335,027
Finance	1,068,913	1,170,913	1,053,702	117,211
Technology	294,486	315,357	279,616	35,741
Property management	410,903	665,481	559,116	106,365
Total general government	<u>5,153,523</u>	<u>6,445,221</u>	<u>5,760,136</u>	<u>685,085</u>
Judicial:				
Municipal court	883,617	733,617	638,087	95,530
Total judicial	<u>883,617</u>	<u>733,617</u>	<u>638,087</u>	<u>95,530</u>
Public safety:				
Police	4,993,790	5,155,139	4,997,360	157,779
Fire	4,184,920	4,379,920	4,145,142	234,778
Total public safety	<u>9,178,710</u>	<u>9,535,059</u>	<u>9,142,502</u>	<u>392,557</u>
Public works:				
Public works administration	537,531	537,531	491,136	46,395
Highways and streets	1,912,182	1,583,983	1,332,739	251,244
Maintenance and shop	242,939	242,939	206,060	36,879
Total public works	<u>2,692,652</u>	<u>2,364,453</u>	<u>2,029,935</u>	<u>334,518</u>
Culture and recreation:				
Recreation	1,091,288	1,892,789	962,296	930,493
Total culture and recreation	<u>1,091,288</u>	<u>1,892,789</u>	<u>962,296</u>	<u>930,493</u>
Planning and development:				
Protective inspection and enforcement	505,832	519,302	459,367	59,935
Planning and zoning	1,038,222	1,014,052	949,735	64,317
Total planning and development	<u>1,544,054</u>	<u>1,533,354</u>	<u>1,409,102</u>	<u>124,252</u>
Debt service:				
Principal retirements	348,393	28,393	230,685	(202,292)
Interest and fiscal charges	-	-	78,294	(78,294)
Total debt service	<u>348,393</u>	<u>28,393</u>	<u>308,979</u>	<u>(280,586)</u>
Total expenditures	<u>20,892,237</u>	<u>22,532,886</u>	<u>20,251,037</u>	<u>2,281,849</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,625,874)</u>	<u>(1,425,874)</u>	<u>6,018,831</u>	<u>7,444,705</u>
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	48,621	48,621
Transfers in	1,131,510	1,131,510	764,705	(366,805)
Transfers out	(2,902,129)	(3,102,129)	(3,102,129)	-
Total other financing sources (uses)	<u>(1,770,619)</u>	<u>(1,970,619)</u>	<u>(2,288,803)</u>	<u>(318,184)</u>
Net change in fund balances	(3,396,493)	(3,396,493)	3,730,028	7,126,521
Fund balance, beginning of fiscal year	<u>21,262,692</u>	<u>21,262,692</u>	<u>21,262,692</u>	<u>-</u>
Fund balance, end of fiscal year	<u>\$ 17,866,199</u>	<u>\$ 17,866,199</u>	<u>\$ 24,992,720</u>	<u>\$ 7,126,521</u>

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

**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, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 6,191,600	\$ 6,038,222	\$ 1,866,637	\$ (4,171,585)
Total revenues	6,191,600	6,038,222	1,866,637	(4,171,585)
EXPENDITURES				
Capital outlay	6,191,600	5,964,560	1,792,975	4,171,585
Total expenditures	6,191,600	5,964,560	1,792,975	4,171,585
Excess of revenues over expenditures	-	73,662	73,662	-
Other financing uses:				
Transfers out	-	(73,662)	(73,662)	-
Total other financing uses	-	(73,662)	(73,662)	-
Net change in fund balances	-	-	-	-
FUND BALANCES, beginning of fiscal year	-	-	-	-
FUND BALANCES, end of fiscal year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

CITY OF FAIRBURN, GEORGIA

STATEMENT OF NET POSITION PROPRIETARY FUNDS SEPTEMBER 30, 2023

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	\$ 130,643	\$ 5,609,222	\$ 1,825,028	\$ 4,388,200	\$ 771,384	\$ 12,724,477
Restricted cash and cash equivalents	-	3,352,924	122,999	-	-	3,475,923
Investments	6,534,081	-	-	-	-	6,534,081
Investments with fiscal agent (restricted assets)	69,753	-	-	-	-	69,753
Accounts receivable, net of allowances	1,710,698	1,447,122	-	179,454	178,000	3,515,274
Lease receivable	-	-	227,666	-	-	227,666
Other receivable	238,000	-	-	-	-	238,000
Total current assets	8,683,175	10,409,268	2,175,693	4,567,654	949,384	26,785,174
NONCURRENT ASSETS						
Capital assets:						
Non-depreciable	14,874	2,314,711	1,639,029	-	-	3,968,614
Depreciable, net of accumulated depreciation	4,054,263	12,556,486	9,329,704	4,696,692	-	30,637,145
Lease receivable	-	-	5,562,294	-	-	5,562,294
Total noncurrent assets	4,069,137	14,871,197	16,531,027	4,696,692	-	40,168,053
Total assets	12,752,312	25,280,465	18,706,720	9,264,346	949,384	66,953,227
DEFERRED OUTFLOWS OF RESOURCES						
Pension related items	234,801	91,820	-	-	-	326,621
Deferred loss on refunding of debt	-	23,260	636,638	-	-	659,898
Total deferred outflows of resources	234,801	115,080	636,638	-	-	986,519
LIABILITIES						
CURRENT LIABILITIES						
Accounts payable	808,214	1,246,604	1,002	28,105	75,880	2,159,805
Accrued liabilities	12,550	4,953	-	7,500	-	25,003
Accrued interest payable	-	-	73,516	-	-	73,516
Customer deposits	489,950	245,596	-	-	10,209	745,755
Compensated absences payable	35,106	12,574	-	-	-	47,680
Lease liabilities payable	37,643	64,084	-	-	-	101,727
Revenue bonds payable	-	1,265,000	875,000	-	-	2,140,000
Net pension liability	253,607	99,175	-	-	-	352,782
Total current liabilities	1,637,070	2,937,986	949,518	35,605	86,089	5,646,268
NONCURRENT LIABILITIES						
Compensated absences payable	14,810	-	-	-	-	14,810
Lease liabilities payable	102,449	181,784	-	-	-	284,233
Revenue bonds payable	-	4,092,988	10,180,000	-	-	14,272,988
Total noncurrent liabilities	117,259	4,274,772	10,180,000	-	-	14,572,031
Total liabilities	1,754,329	7,212,758	11,129,518	35,605	86,089	20,218,299
DEFERRED INFLOWS OF RESOURCES						
Deferred lease revenue	-	-	5,675,671	-	-	5,675,671
Pension related items	4,155	1,625	-	-	-	5,780
Total deferred outflows of resources	4,155	1,625	5,675,671	-	-	5,681,451
NET POSITION						
Net investment in capital assets	3,929,045	11,378,525	596,494	4,696,692	-	20,600,756
Restricted for debt service	-	1,265,000	76,876	-	-	1,341,876
Restricted by third party as letter of credit	69,753	-	-	-	-	69,753
Unrestricted	7,229,831	5,537,637	1,864,799	4,532,049	863,295	20,027,611
Total net position	\$ 11,228,629	\$ 18,181,162	\$ 2,538,169	\$ 9,228,741	\$ 863,295	\$ 42,039,996

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, 2023

	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	\$ 10,274,478	\$ 8,225,703	\$ 338,479	\$ 947,433	\$ 934,911	\$ 20,721,004
Miscellaneous income	332,807	-	-	-	34,029	366,836
Total operating revenues	<u>10,607,285</u>	<u>8,225,703</u>	<u>338,479</u>	<u>947,433</u>	<u>968,940</u>	<u>21,087,840</u>
OPERATING EXPENSES						
Cost of sales and services	9,858,339	4,703,228	-	-	-	14,561,567
General operating expenses	2,106,722	1,379,843	154,235	205,375	879,433	4,725,608
Depreciation and amortization	390,533	783,779	496,099	221,794	-	1,892,205
Total operating expenses	<u>12,355,594</u>	<u>6,866,850</u>	<u>650,334</u>	<u>427,169</u>	<u>879,433</u>	<u>21,179,380</u>
Operating income (loss)	<u>(1,748,309)</u>	<u>1,358,853</u>	<u>(311,855)</u>	<u>520,264</u>	<u>89,507</u>	<u>(91,540)</u>
NON-OPERATING REVENUES (EXPENSES)						
Investment income	151,083	61,509	85,091	-	-	297,683
Interest expense	(3,092)	(1,386,851)	(310,318)	-	-	(1,700,261)
Total non-operating revenues (expenses)	<u>147,991</u>	<u>(1,325,342)</u>	<u>(225,227)</u>	<u>-</u>	<u>-</u>	<u>(1,402,578)</u>
Income (loss) before contributions and transfers	<u>(1,600,318)</u>	<u>33,511</u>	<u>(537,082)</u>	<u>520,264</u>	<u>89,507</u>	<u>(1,494,118)</u>
Capital contributions	-	996,888	-	-	-	996,888
Transfers in	-	-	1,206,099	-	-	1,206,099
Transfers out	-	(634,705)	-	-	(80,000)	(714,705)
	<u>-</u>	<u>362,183</u>	<u>1,206,099</u>	<u>-</u>	<u>(80,000)</u>	<u>1,488,282</u>
Change in net position	<u>(1,600,318)</u>	<u>395,694</u>	<u>669,017</u>	<u>520,264</u>	<u>9,507</u>	<u>(5,836)</u>
Net position, beginning 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>
Net position, end of fiscal year	<u>\$ 11,228,629</u>	<u>\$ 18,181,162</u>	<u>\$ 2,538,169</u>	<u>\$ 9,228,741</u>	<u>\$ 863,295</u>	<u>\$ 42,039,996</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, 2023

	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	\$ 11,553,333	\$ 7,949,246	\$ 330,896	\$ 911,097	\$ 949,692	\$ 21,694,264
Payments to suppliers	(10,613,860)	(5,725,199)	(257,391)	(181,157)	(874,260)	(17,651,867)
Payments to employees	(1,318,582)	(233,775)	-	-	-	(1,552,357)
Net cash provided by (used in) operating activities	(379,109)	1,990,272	73,505	729,940	75,432	2,490,040
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES						
Transfers out to other funds	-	(634,705)	-	-	(80,000)	(714,705)
Transfers in from other funds	-	-	1,206,099	-	-	1,206,099
Net cash provided by (used in) non-capital financing activities	-	(634,705)	1,206,099	-	(80,000)	491,394
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchase of capital assets	(5,847)	(12,010)	-	-	-	(17,857)
Capital contributions - tap fees	-	565,032	-	-	-	565,032
Principal payment on lease liabilities	(26,772)	(39,856)	-	-	-	(66,628)
Principal payment on bonds	-	(1,215,000)	(815,000)	-	-	(2,030,000)
Interest payments	(3,093)	(1,386,851)	(315,736)	-	-	(1,705,680)
Net cash used in capital and related financing activities	(35,712)	(2,088,685)	(1,130,736)	-	-	(3,255,133)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on investments	151,083	61,510	85,091	-	-	297,684
Purchase of investments	(442,819)	-	-	-	-	(442,819)
Net cash provided by (used in) investing activities	(291,736)	61,510	85,091	-	-	(145,135)
Net increase (decrease) in cash and cash equivalents	(706,557)	(671,608)	233,959	729,940	(4,568)	(418,834)
Cash and cash equivalents, beginning of fiscal year	837,200	9,633,754	1,714,068	3,658,260	775,952	16,619,234
Cash and cash equivalents, end of fiscal year	\$ 130,643	\$ 8,962,146	\$ 1,948,027	\$ 4,388,200	\$ 771,384	\$ 16,200,400
Classified as:						
Cash and cash equivalents	\$ 130,643	\$ 5,609,222	\$ 1,825,028	\$ 4,388,200	\$ 771,384	\$ 12,724,477
Restricted cash and cash equivalents	-	3,352,924	122,999	-	-	3,475,923
	\$ 130,643	\$ 8,962,146	\$ 1,948,027	\$ 4,388,200	\$ 771,384	\$ 16,200,400
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES						
Operating income (loss)	\$ (1,748,309)	\$ 1,358,853	\$ (311,855)	\$ 520,264	\$ 89,507	\$ (91,540)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation and amortization	390,533	783,779	496,099	221,794	-	1,892,205
Change in assets and liabilities and deferred inflows/outflows of resources:						
(Increase) decrease in:						
Accounts receivable	997,648	(246,504)	2,000	(36,336)	(19,216)	697,592
Deferred outflows for pension items	(159,808)	(38,060)	-	-	-	(197,868)
Prepaid items	250	-	-	-	-	250
Increase (decrease) in:						
Accounts payable	(29,139)	117,507	(93)	24,218	5,173	117,666
Accrued liabilities and retainage payables	557	29	-	-	-	586
Deferred inflows for pension items	(159,057)	(115,376)	-	-	-	(274,433)
Deferred inflows for rent	-	-	(103,063)	-	-	(103,063)
Net pension asset	359,919	175,386	-	-	-	535,305
Customer deposits	(51,600)	(29,953)	(9,583)	-	(32)	(91,168)
Compensated absences payable	19,897	(15,389)	-	-	-	4,508
Net cash provided by (used in) operating activities	\$ (379,109)	\$ 1,990,272	\$ 73,505	\$ 729,940	\$ 75,432	\$ 2,490,040
NON CASH CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchase of capital assets through financed purchases	\$ (117,125)	\$ (237,147)	\$ -	\$ -	\$ -	\$ (354,272)
Issuance of financed purchases	117,125	237,147	-	-	-	354,272
Capital assets contributed from governmental activities	-	431,856	-	-	-	431,856
Total Non Cash Capital and Related Financing Activities	\$ -	\$ 431,856	\$ -	\$ -	\$ -	\$ 431,856

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, 2023

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) Statement No. 61 “The Financial Reporting Entity: Omnibus an Amendment of GASB Statement Nos. 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, lease liabilities, and general obligation bonds are recorded only when payment is due.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

In accordance with GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions," the corresponding assets (receivables) in nonexchange 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 **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 **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.

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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges 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 nonoperating revenues and expenses.

D. Budgets and Budgetary Accounting

Annual appropriated budgets are adopted for all funds except for the Cemetery Permanent 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 AAAf 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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 noncurrent 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, 2023, are recorded as prepaid items in both government-wide and fund financial statements.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Capital Assets

Capital assets, which include property, plant, equipment, right-to-use leased assets, 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
Right-to-use assets	4-5

M. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation benefits. Eligible employees accrue time based on their employment classification. Vacation time is allowed to be carried over from the current calendar year up to a maximum of between 104 and 416 hours, based on employment classification, 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Equity and Net Position (Continued)

Fund Balance (Continued)

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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Deferred Outflows/Inflows of Resources (Continued)

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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U. Leases (Continued)

Lessor (Continued)

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.

Lessee

The City is a lessee for noncancellable leases of vehicles. The City recognizes a lease liability and an intangible right-to-use asset in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$20,000 or more.

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U. Leases (Continued)

Lessee (Continued)

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

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

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

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

The governmental fund balance sheet includes 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 \$11,113,581 difference are as follows:

Bonds payable	\$ (6,125,000)
Leases liabilities payable	(1,704,321)
Financed purchases payable	(3,007,000)
Compensated absences	(672,287)
Accrued interest payable	(39,595)
Deferred loss on refunding	434,622
Net adjustment to reduce <i>fund balance - total governmental funds to arrive at net position governmental activities</i>	<u>\$ (11,113,581)</u>

NOTES TO FINANCIAL STATEMENTS

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

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 \$4,251,360 difference are as follows:

Capital outlay	\$ 6,607,590
Depreciation expense	<u>(2,356,230)</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>\$ 4,251,360</u>

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, 2023, the following functions and funds had excesses of actual expenditures over appropriations:

General Fund - Debt service principal	\$ 202,292
General Fund - Debt service interest	78,294
Grants Fund - Culture and recreation	3,460
Confiscated Assets Fund - Public safety	14,677
Capital Improvement Fund - Capital outlay	1,266,802
Capital Improvement Fund - Debt service interest	118,786

The above excess expenditures were funded by greater than anticipated revenues and available fund balance.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS

As of September 30, 2023, the City had the following investments:

<u>Investment</u>	<u>Maturities/Weighted Average Maturity</u>	<u>Fair Value</u>
Certificates of deposit	March 13, 2024 - June 17, 2027	\$ 177,195
Municipal Competitive Trust - intermediate	2.12	764,763
Municipal Competitive Trust - intermediate extended maturity	2.97	5,629,562
Municipal Competitive Trust - short term portfolio	0.43	139,756
Georgia Fund 1	30 days	11,378
Total		<u>\$ 6,722,654</u>

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	\$ 49,976,621
Restricted cash and cash equivalents	4,522,684
Investments	6,641,523
Investments with fiscal agent (restricted assets)	69,753
	<u>\$ 61,210,581</u>
Cash deposited with financial institutions	\$ 54,487,927
Certificates of deposit	177,195
Cash deposited with Georgia Fund 1	11,378
Municipal Competitive Trust - intermediate	764,763
Municipal Competitive Trust - intermediate extended maturity	5,629,562
Municipal Competitive Trust - short term portfolio	139,756
	<u>\$ 61,210,581</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, 2023, the City's investments in the Municipal Competitive Trust were rated between AA+ - AAA.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

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, 2023, the City had no bank balances that were exposed to custodial credit risk.

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, 2023:

Investment	Level 1	Level 2	Level 3	Fair Value
Municipal Competitive Trust - intermediate extended maturity	\$ -	\$ 5,629,562	\$ -	\$ 5,629,562
Municipal Competitive Trust - intermediate	-	764,763	-	764,763
Municipal Competitive Trust - short term portfolio	-	139,756	-	139,756
Total investments measured at fair value	<u>\$ -</u>	<u>\$ 6,534,081</u>	<u>\$ -</u>	<u>6,534,081</u>
Investments recorded at cost:				
Certificates of Deposit				<u>177,195</u>
Total investments				<u>\$ 6,711,276</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, 2023, 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	Nonmajor Governmental Funds
Receivables:				
Taxes	\$ 1,072,757	\$ 102,111	\$ -	\$ 25,227
Other	349,065	-	-	-
Intergovernmental	-	-	298,976	236,782
Less allowance for uncollectible receivables	(379,679)	(68,770)	-	-
Net total receivable	\$ 1,042,143	\$ 33,341	\$ 298,976	\$ 262,009
	Electric Fund	Water and Sewer Fund	Stormwater Fund	Nonmajor Enterprise Fund
Receivables:				
Accounts	\$ 2,034,213	\$ 1,915,226	\$ 223,254	\$ 238,358
Other	238,000	-	-	-
Less allowance for uncollectible receivables	(323,515)	(468,104)	(43,800)	(60,358)
Net total receivable	\$ 1,948,698	\$ 1,447,122	\$ 179,454	\$ 178,000

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NOTES TO FINANCIAL STATEMENTS

NOTE 6. LEASE RECEIVABLE

The City has leased the educational facility and downtown buildings 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. In the fiscal year ended September 30, 2023, the City modified the educational facility lease to extend through 2043, the resulting modification increased the lease receivable by \$4,272,689, and the deferred inflows by \$4,228,729. For the current year, the City recognized \$320,483 in lease revenue and \$81,116 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, 2029, September 30, 2031, and September 30, 2043. The combined deferred inflows of resources have a balance of \$5,908,538 as of September 30, 2022. As of September 30, 2023, the City's receivable for lease payments was \$6,025,364.

	<u>Beginning Balance</u>	<u>Modifications</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Lease receivable	\$ 269,432	\$ -	\$ (34,028)	\$ 235,404	\$ 35,907
Business-type activities:					
Lease receivable	\$ 1,741,952	\$ 4,272,689	\$ (224,681)	\$ 5,789,960	\$ 227,666
Total	<u>\$ 2,011,384</u>	<u>\$ 4,272,689</u>	<u>\$ (258,709)</u>	<u>\$ 6,025,364</u>	<u>\$ 263,573</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, 2023, 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	\$ 410,000	\$ -	\$ -	\$ 5,747,956
Construction in process	10,747,295	3,859,355	-	-	14,606,650
Total	<u>16,085,251</u>	<u>4,269,355</u>	<u>-</u>	<u>-</u>	<u>20,354,606</u>
Capital assets, being depreciated:					
Buildings and improvements	11,773,975	-	-	-	11,773,975
Infrastructure	40,108,738	403,200	-	-	40,511,938
Machinery and equipment	2,411,463	171,207	-	-	2,582,670
Vehicles	5,456,000	245,000	(112,903)	-	5,588,097
Right-to-use assets	410,232	1,518,828	-	-	1,929,060
Total	<u>60,160,408</u>	<u>2,338,235</u>	<u>(112,903)</u>	<u>-</u>	<u>62,385,740</u>
Less accumulated depreciation/ amortization for:					
Buildings and improvements	(5,294,807)	(480,996)	-	-	(5,775,803)
Infrastructure	(15,556,370)	(1,061,705)	-	-	(16,618,075)
Machinery and equipment	(1,625,845)	(207,925)	-	-	(1,833,770)
Vehicles	(3,388,499)	(377,603)	112,903	-	(3,653,199)
Right-to-use assets	(29,302)	(228,001)	-	-	(257,303)
Total	<u>(25,894,823)</u>	<u>(2,356,230)</u>	<u>112,903</u>	<u>-</u>	<u>(28,138,150)</u>
Total capital assets, being depreciated, net	<u>34,265,585</u>	<u>(17,995)</u>	<u>-</u>	<u>-</u>	<u>34,247,590</u>
Governmental activities capital assets, net	<u>\$ 50,350,836</u>	<u>\$ 4,251,360</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,602,196</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>3,968,614</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,968,614</u>
Capital assets, being depreciated:					
Distribution system	19,344,653	438,155	-	-	19,782,808
Infrastructure	13,520,213	-	-	-	13,520,213
Building and improvements	25,626,576	-	-	-	25,626,576
Machinery and equipment	1,475,706	-	-	-	1,475,706
Vehicles	4,004,627	-	-	-	4,004,627
Right-to-use assets	116,178	365,830	-	-	482,008
Total	<u>64,087,953</u>	<u>803,985</u>	<u>-</u>	<u>-</u>	<u>64,891,938</u>
Less accumulated depreciation/ amortization for:					
Distribution system	(10,792,569)	(459,245)	-	-	(11,251,814)
Infrastructure	(8,603,673)	(219,299)	-	-	(8,822,972)
Building and improvements	(10,292,542)	(644,658)	-	-	(10,937,200)
Machinery and equipment	(1,146,726)	(48,385)	-	-	(1,195,111)
Vehicles	(1,698,980)	(261,033)	-	-	(1,960,013)
Right-to-use assets	(7,473)	(80,210)	-	-	(87,683)
Total	<u>(32,541,963)</u>	<u>(1,712,830)</u>	<u>-</u>	<u>-</u>	<u>(34,254,793)</u>
Total capital assets, being depreciated, net	<u>31,545,990</u>	<u>(908,845)</u>	<u>-</u>	<u>-</u>	<u>30,637,145</u>
Business-type activities capital assets, net	<u>\$ 35,514,604</u>	<u>\$ (908,845)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,605,759</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	\$ 111,228
Public safety	661,645
Public works	1,161,863
Culture and recreation	365,054
Planning and development	56,440
	<hr/>
Total depreciation expense - governmental activities	<u>\$ 2,356,230</u>
Business-type activities:	
Water and sewer	\$ 750,670
Electric	390,533
Education complex	349,833
Stormwater	221,794
	<hr/>
Total depreciation expense - business-type activities	<u>\$ 1,712,830</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, 2023, was as follows:

	<u>Beginning Balance (1)</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Fiscal Year</u>
Governmental activities:					
General obligation refunding bonds	\$ 6,765,000	\$ -	\$ (640,000)	\$ 6,125,000	\$ 650,000
Financed purchases from direct borrowings	1,604,031	1,430,000	(27,031)	3,007,000	241,143
Lease liabilities	398,845	1,509,130	(203,654)	1,704,321	372,997
Net pension liability (asset)	(1,328,543)	4,558,389	(528,332)	2,701,514	-
Compensated absences	326,695	841,005	(495,413)	672,287	396,026
Governmental activities Long-term liabilities and obligations	<u>\$ 7,766,028</u>	<u>\$ 8,338,524</u>	<u>\$ (1,894,430)</u>	<u>\$ 14,210,122</u>	<u>\$ 1,660,166</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	\$ 3,325,000	\$ -	\$ (205,000)	\$ 3,120,000	\$ 210,000
Series 2013 Revenue Refunding Bonds	3,175,000	-	(1,010,000)	2,165,000	1,055,000
Plus unamortized bond premium	84,336	-	(11,348)	72,988	-
Series 2017 Educational Complex Revenue Refunding Bonds	11,870,000	-	(815,000)	11,055,000	875,000
	18,454,336	-	(2,041,348)	16,412,988	2,140,000
Lease liabilities	98,316	354,272	(66,628)	385,960	101,727
Net pension liability (asset)	(182,523)	621,598	(86,293)	352,782	-
Compensated absences	57,982	98,779	(94,271)	62,490	47,680
Business-type activities Long-term liabilities and obligations	<u>\$ 18,428,111</u>	<u>\$ 1,074,649</u>	<u>\$ (2,288,540)</u>	<u>\$ 17,214,220</u>	<u>\$ 2,289,407</u>

(1) - Amounts were reclassified between financed purchases from direct borrowings and lease liabilities

For governmental funds, compensated absences and the net pension liability (asset) are liquidated by the General Fund, financed purchases from direct borrowings and lease liabilities 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 lease liabilities 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 \$3,007,000, lease liabilities totaling \$1,704,321, and outstanding refunding bonds related to government activities of \$6,125,000. With respect to business-type activities, the City has outstanding lease liabilities of \$385,960 and direct placement revenue bonds of \$16,340,000. 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. The Series 2017 General Obligation Refunding Bonds currently outstanding mature as follows:

	Principal	Interest	Total
Fiscal Year Ending September 30,			
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	680,000	78,625	758,625
2029--2032	2,805,000	141,313	2,946,313
Total	\$ 6,125,000	\$ 701,314	\$ 6,826,314

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

Financed Purchases from Direct Borrowings – Governmental Activities. The City has entered into lease agreements as lessee for financing the acquisition of two fire engines. 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 payments as of the date of their inception. As of September 30, 2023, the City has not yet received the fire trucks related to the finance purchases payable. The fire trucks are still being constructed by the vendor and City has recorded the \$3,007,000 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>
2024	\$ 241,143	\$ 118,785	\$ 359,928
2025	250,606	109,322	359,928
2026	260,441	99,487	359,928
2027	270,664	89,264	359,928
2028	281,289	78,639	359,928
2029--2033	1,702,857	193,276	1,896,133
Total	<u>\$ 3,007,000</u>	<u>\$ 688,773</u>	<u>\$ 3,695,773</u>

The City has entered into agreements with a third party to lease vehicles for various departmental use, terminating at various dates through August of 2028. As the leases do not reflect stated interest rates, the City utilized its incremental borrowing rate as calculated at the inception of each lease agreement, ranging from 2.00% to 12.88%. Monthly payments range from \$503 to \$1,504 for each vehicle, over the various terms of the individual leases. The outstanding balance of the City's lease liabilities for vehicles as of September 30, 2023 was \$1,704,321. The City's lease vehicles are reported as right-to-use assets in the capital assets valued at \$1,929,060, net of accumulated amortization of \$257,303. Amortization of \$228,001 is included in governmental depreciation expense.

The City's total lease liability debt service requirements to maturity are as follows:

Fiscal Year Ending September 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 372,997	\$ 118,273	\$ 491,270
2025	401,404	89,866	491,270
2026	429,090	59,068	488,158
2027	397,758	26,333	424,091
2028	103,072	3,743	106,815
Total	<u>\$ 1,704,321</u>	<u>\$ 297,283</u>	<u>\$ 2,001,604</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:

Fiscal Year Ending September 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 2,140,000	\$ 462,192	\$ 2,602,192
2025	2,250,000	378,588	2,628,588
2026	1,195,000	344,983	1,539,983
2027	1,250,000	309,781	1,559,781
2028	1,300,000	273,182	1,573,182
2029-2033	7,575,000	749,988	8,324,988
2034-2036	630,000	12,800	642,800
Total	<u>16,340,000</u>	<u>\$ 2,531,514</u>	<u>\$ 18,871,514</u>
Plus unamortized bond premium	72,988		
	<u>\$ 16,412,988</u>		

Lease Liabilities – Business-type activities – The City has entered into agreements with a third party to lease vehicles for the Electric Fund and the Water and Sewer Fund, terminating at various dates through December of 2027. As the leases do not reflect stated interest rates, the City utilized its incremental borrowing rate as calculated at the inception of each lease agreement, ranging from 1.80% to 9.20%. Monthly payments range from \$471 to \$1,803 for each vehicle, over the various terms of the individual leases. The outstanding balance of the City's lease liabilities for vehicles as of September 30, 2023 was \$385,960. The City's lease vehicles are reported as right-to-use assets in the business-type capital assets valued at \$482,008, net of accumulated amortization of \$87,683. Amortization of \$80,210 is included in governmental depreciation expense.

The City's total lease liability debt service requirements to maturity are as follows:

Fiscal Year Ending September 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 101,727	\$ 564,839	\$ 666,566
2025	103,864	489,892	593,756
2026	103,041	408,753	511,794
2027	65,878	349,483	415,361
2028	11,450	1,189,418	1,200,868
Total	<u>\$ 385,960</u>	<u>\$ 3,002,385</u>	<u>\$ 3,388,345</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	TSPLOST Fund	\$ 200
General Fund	Nonmajor Governmental Funds	87,676
	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:

Transfer from	Transfer to	Amount
General Fund	Educational Complex Fund	\$ 1,132,437
General Fund	Nonmajor Governmental Funds	1,969,692
American Rescue Plan Fund	Educational Complex Fund	73,662
Water and Sewer Fund	General Fund	634,705
Nonmajor Proprietary Fund	General Fund	80,000
Nonmajor Governmental Funds	General Fund	50,000
	Total	\$ 3,940,496

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, 2023, 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	151
Active employees - vested	55
Active employees - nonvested	74
Total	<u>359</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, 2023, the City's contribution rate was 4.82% of annual payroll. City contributions to the Plan were \$573,845 for the fiscal year ended September 30, 2023.

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, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as January 1, 2022 with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2022.

Actuarial Assumptions. The total pension liability in the January 1, 2022 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, 2022 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, 2022 are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
Domestic equity	45%	6.40%
International equity	20%	6.80
Domestic fixed income	20%	0.40
Real estate	10%	3.90
Global fixed income	5%	0.46
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, 2023, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at 9/30/22	\$ 18,584,966	\$ 20,096,032	\$ (1,511,066)
Changes for the year:			
Service cost	462,407	-	462,407
Interest	1,373,087	-	1,373,087
Differences between expected and actual experience	49,159	-	49,159
Contributions—employer	-	614,625	(614,625)
Net investment income	-	(3,261,309)	3,261,309
Benefit payments, including refunds of employee contributions	(858,493)	(858,493)	-
Administrative expense	-	(34,025)	34,025
Net changes	1,026,160	(3,539,202)	4,565,362
Balances at 9/30/23	\$ 19,611,126	\$ 16,556,830	\$ 3,054,296

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 to Changes in the Discount Rate. The following presents the net pension liability of the City, calculated using the discount rate of 7.375%, 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%) or 1-percentage-point higher (8.375%) than the current rate:

	1% Decrease (6.375%)	Discount Rate (7.375%)	1% Increase (8.375%)
City's net pension liability	\$ 5,926,950	\$ 3,054,296	\$ 729,195

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, 2022 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, 2023, the City recognized pension expense of \$1,059,661. At September 30, 2023, 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	\$ 179,980	\$ 50,040
Net difference between projected and actual earnings on pension plan investments	2,121,843	-
City contributions subsequent to the measurement date	573,845	-
Total	\$ 2,875,668	\$ 50,040

City contributions subsequent to the measurement date of \$573,845 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:		
2024		\$ 571,532
2025		340,431
2026		393,191
2027		946,629
Total		\$ 2,251,783

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, 2023, there were 31 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, 2023 were \$73,177.

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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 14. RISK MANAGEMENT (CONTINUED)

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, 2023, the City had active construction contracts related to various construction projects. At fiscal year end, the City's commitments with contractors totaled approximately \$1,966,595.

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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 15. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Agreements with the Municipal Electric Authority of Georgia (Continued):

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 \$9,289,262 during fiscal year ended September 30, 2023.

At September 30, 2023, the outstanding debt of MEAG was approximately \$8.16 billion. The City's guarantee varies by individual projects undertaken by MEAG and totals approximately \$84.8 million at September 30, 2023.

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, 2023 is \$0.00.

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 established a precedent in fiscal year 2022 restricting 15% of the City's hotel/motel tax funds. For the fiscal year ended September 30, 2023, the City collected \$300,770 in hotel/motel revenues of which \$127,333 was expended for the promotion of tourism and \$50,000 was transferred to the General Fund.

NOTES TO FINANCIAL STATEMENTS

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. By act of the Georgia Legislature, the Water and Sewer Authority was renamed to be the Middle Chattahoochee Regional Water and Sewer Authority (the "Authority"). The Authority was created to provide alternative water and sewer resources for the Cities of Fairburn, Union City, and Palmetto. The 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 Authority issues revenue bonds to finance the construction of reservoir. Once completed, the member Cities will purchase water from the Authority.

The City does not provide financial support to the 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 Authority's Series 2007 Variable Rate Revenue Bonds if the Authority's resources cannot cover the debt service. During the fiscal year ended September 30, 2023, the City agreed to pay the Authority \$1,159,488 (reported as interest expense) for the City's proportionate share of the principal and interest on the 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.

As of December 31, 2022 (from the most recent available financial statements) the Middle Chattahoochee Regional 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%:

	Principal	Interest	Total
Fiscal Year Ending December 31,			
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	2,115,000	731,348	2,846,348
2028-2032	12,605,000	2,046,712	14,651,712
2033	2,955,000	59,100	3,014,100
Total	\$ 25,055,000	\$ 6,599,560	\$ 31,654,560

NOTES TO FINANCIAL STATEMENTS

NOTE 17. JOINTLY GOVERNED ORGANIZATION (CONTINUED)

Separate financial statements for the Middle Chattahoochee Regional Water and Sewer Authority can be obtained at the following address: Middle Chattahoochee Regional Water and Sewer Authority, 5047 Union Street, Union City, Georgia 30291.

NOTE 18. TAX ABATEMENTS

For the year ended September 30, 2023, City property tax revenues were reduced by \$334,955 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

To further economic development in the City, the Development Authority has issued Series 2019 and 2021 bonds that meet the definition of a conduit debt obligation. Those bonds have provided private-sector entities (Landmark Christian School) with access to capital for the acquisition and construction of industrial and commercial facilities. The bonds are secured by the property they finance and are payable solely from payments received from the private-sector entities on the underlying mortgage or promissory note. The Development Authority has not extended any additional commitments for the debt service payments of the bonds beyond the collateral and the payments from the private-sector entities on the underlying mortgage or promissory note and maintenance of the tax-exempt status of the conduit debt obligation. At September 30, 2023, the bonds have an aggregate outstanding principal amount payable of \$4,077,108 and \$2,333,800, none of which was recognized as a liability by the City Development Authority.

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

	2023	2022	2021	2020	2019
Total pension liability					
Service cost	\$ 462,407	\$ 522,418	\$ 413,025	\$ 423,119	\$ 436,627
Interest on total pension liability	1,373,087	1,312,348	1,193,945	1,102,502	1,065,229
Other changes	-	-	-	-	-
Differences between expected and actual experience	49,159	(150,120)	588,833	190,735	(379,192)
Changes of assumptions	-	-	-	436,807	-
Benefit payments, including refunds of employee contributions	(858,493)	(743,625)	(655,825)	(652,205)	(572,166)
Net change in total pension liability	1,026,160	941,021	1,539,978	1,500,958	550,498
Total pension liability - beginning	18,584,966	17,643,945	16,103,967	14,603,009	14,052,511
Total pension liability - ending (a)	\$ 19,611,126	\$ 18,584,966	\$ 17,643,945	\$ 16,103,967	\$ 14,603,009
Plan fiduciary net position					
Contributions - employer	\$ 614,625	\$ 443,530	\$ 492,118	\$ 518,325	\$ 504,950
Net investment income	(3,261,309)	3,968,972	1,459,490	443,205	1,353,412
Benefit payments, including refunds of employee contributions	(858,493)	(743,625)	(655,825)	(652,205)	(572,166)
Administrative expenses	(34,025)	(36,530)	(31,570)	(30,123)	(31,216)
Net change in plan fiduciary net position	(3,539,202)	3,632,347	1,264,213	279,202	1,254,980
Plan fiduciary net position - beginning	20,096,032	16,463,685	15,199,472	14,920,270	13,665,290
Plan fiduciary net position - ending (b)	\$ 16,556,830	\$ 20,096,032	\$ 16,463,685	\$ 15,199,472	\$ 14,920,270
City's net pension liability (asset) - ending (a) - (b)	\$ 3,054,296	\$ (1,511,066)	\$ 1,180,260	\$ 904,495	\$ (317,261)
Plan fiduciary net position as a percentage of the total pension liability (asset)	84.4%	108.1%	93.3%	94.4%	102.2%
Covered payroll	\$ 7,629,343	\$ 6,599,782	\$ 5,568,852	\$ 5,459,369	\$ 5,421,039
City's net pension liability (asset) as a percentage of covered payroll	40.0%	-22.9%	21.2%	16.6%	-5.9%
	2018	2017	2016	2015	
Total pension liability					
Service cost	\$ 459,081	\$ 430,351	\$ 358,809	\$ 426,065	
Interest on total pension liability	1,005,868	961,894	894,973	880,377	
Other changes	(286,177)	-	174,676	(352,216)	
Differences between expected and actual experience	158,946	(316,723)	(95,851)	(331,710)	
Changes of assumptions	-	-	-	-	
Benefit payments, including refunds of employee contributions	(528,299)	(487,933)	(450,275)	(418,094)	
Net change in total pension liability	809,419	587,589	882,332	204,422	
Total pension liability - beginning	13,243,092	12,655,503	11,773,171	11,568,749	
Total pension liability - ending (a)	\$ 14,052,511	\$ 13,243,092	\$ 12,655,503	\$ 11,773,171	
Plan fiduciary net position					
Contributions - employer	\$ 501,693	\$ 455,271	\$ 504,853	\$ 519,993	
Net investment income	1,795,324	1,201,570	117,480	1,082,171	
Benefit payments, including refunds of employee contributions	(528,299)	(487,933)	(450,275)	(418,094)	
Administrative expenses	(32,353)	(17,223)	(20,547)	(15,930)	
Net change in plan fiduciary net position	1,736,365	1,151,685	151,511	1,168,140	
Plan fiduciary net position - beginning	11,928,925	10,777,240	10,625,729	9,457,589	
Plan fiduciary net position - ending (b)	\$ 13,665,290	\$ 11,928,925	\$ 10,777,240	\$ 10,625,729	
City's net pension liability (asset) - ending (a) - (b)	\$ 387,221	\$ 1,314,167	\$ 1,878,263	\$ 1,147,442	
Plan fiduciary net position as a percentage of the total pension liability (asset)	97.2%	90.1%	85.2%	90.3%	
Covered payroll	\$ 5,794,145	\$ 5,434,761	\$ 5,264,479	\$ 4,444,802	
City's net pension liability (asset) as a percentage of covered payroll	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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially determined contribution	\$ 525,986	\$ 574,304	\$ 483,851	\$ 492,118	\$ 518,325
Contributions in relation to the actuarially determined contribution	<u>573,845</u>	<u>614,625</u>	<u>483,851</u>	<u>492,118</u>	<u>518,325</u>
Contribution deficiency (excess)	<u>\$ (47,859)</u>	<u>\$ (40,321)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 11,905,109	\$ 7,629,343	\$ 6,599,782	\$ 5,568,852	\$ 5,459,369
Contributions as a percentage of Covered payroll	4.82%	8.06%	7.33%	8.84%	9.49%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 504,950	\$ 501,693	\$ 455,271	\$ 504,853	\$ 519,993
Contributions in relation to the actuarially determined contribution	<u>504,950</u>	<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>	<u>\$ -</u>
Covered payroll	\$ 5,421,039	\$ 5,794,145	\$ 5,434,761	\$ 5,264,479	\$ 4,444,802
Contributions as a percentage of Covered payroll	9.31%	8.66%	8.38%	9.59%	11.70%

Notes to the Schedule:

(1) Actuarial Assumptions:

Valuation Date

January 1, 2023

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

**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.

Grants Fund – To account 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.

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, 2023**

ASSETS	Special Revenue Funds				Capital Project Fund Capital	Permanent Fund	Total Nonmajor Governmental Funds
	Confiscated Assets Fund	Grants Fund	Hotel/Motel Tax Fund	Development Authority Fund	Improvement Fund	Cemetery Fund	
Cash and cash equivalents	\$ 42,673	\$ 631,908	\$ 337,875	\$ 14,550	\$ 572,331	\$ 1,563	\$ 1,600,900
Investments	-	-	-	975	-	85,000	85,975
Taxes receivable	-	-	25,227	-	-	-	25,227
Intergovernmental receivables	-	236,782	-	-	-	-	236,782
Prepaid items	-	-	-	-	3,007,000	-	3,007,000
Total assets	<u>\$ 42,673</u>	<u>\$ 868,690</u>	<u>\$ 363,102</u>	<u>\$ 15,525</u>	<u>\$ 3,579,331</u>	<u>\$ 86,563</u>	<u>\$ 4,955,884</u>
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Due to other funds	\$ -	\$ 64,532	\$ 23,144	\$ -	\$ -	\$ -	\$ 87,676
Accounts payable	-	306,706	10,500	-	-	-	317,206
Retainage payable	-	-	-	-	69,443	-	69,443
Total liabilities	<u>-</u>	<u>371,238</u>	<u>33,644</u>	<u>-</u>	<u>69,443</u>	<u>-</u>	<u>474,325</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - intergovernmental grants	-	100,000	-	-	-	-	100,000
Total deferred inflows of resources	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000</u>
FUND BALANCES							
Nonspendable for:							
Corpus of perpetual care cemetery funds	-	-	-	-	-	10,000	10,000
Prepaid	-	-	-	-	3,007,000	-	3,007,000
Restricted for:							
Law enforcement activities	42,673	-	-	-	-	-	42,673
Cemetery operating capital	-	-	-	-	-	76,563	76,563
Tourism	-	-	329,458	-	-	-	329,458
Federal and state programs	-	8,155	-	-	-	-	8,155
Assigned for:							
Capital construction	-	-	-	-	502,888	-	502,888
Federal and state programs	-	389,297	-	-	-	-	389,297
Planning and development	-	-	-	15,525	-	-	15,525
Total fund balances	<u>42,673</u>	<u>397,452</u>	<u>329,458</u>	<u>15,525</u>	<u>3,509,888</u>	<u>86,563</u>	<u>4,381,559</u>
Total liabilities and fund balances	<u>\$ 42,673</u>	<u>\$ 868,690</u>	<u>\$ 363,102</u>	<u>\$ 15,525</u>	<u>\$ 3,579,331</u>	<u>\$ 86,563</u>	<u>\$ 4,955,884</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, 2023

	Special Revenue Funds				Capital Project Fund	Permanent Fund	Total Nonmajor Governmental Funds
	Confiscated Assets Fund	Grants Fund	Hotel/Motel Tax Fund	Development Authority Fund	Capital Improvement Fund	Cemetery Fund	
REVENUES							
Taxes	\$ -	\$ -	\$ 300,770	\$ -	\$ -	\$ -	\$ 300,770
Intergovernmental	-	1,106,272	-	-	-	-	1,106,272
Fines and forfeitures	24,002	-	-	-	-	-	24,002
Interest	533	-	-	-	-	184	717
Miscellaneous	-	-	-	14,550	-	-	14,550
Total revenues	24,535	1,106,272	300,770	14,550	-	184	1,446,311
EXPENDITURES							
Current							
Tourism	-	-	127,333	-	-	-	127,333
Public safety	19,687	152,722	-	-	-	-	172,409
Public works	-	941,935	-	-	2,847,822	-	3,789,757
Culture and recreation	-	3,460	-	-	-	-	3,460
Debt service - interest	-	-	-	-	118,786	-	118,786
Total expenditures	19,687	1,098,117	127,333	-	2,966,608	-	4,211,745
Excess (deficiency) of revenues over (under) expenditures	4,848	8,155	173,437	14,550	(2,966,608)	184	(2,765,434)
Other financing sources (uses):							
Issuance of financed purchase	-	-	-	-	1,430,000	-	1,430,000
Issuance of lease liabilities	-	-	-	-	1,509,130	-	1,509,130
Transfers in	-	388,672	-	-	1,581,020	-	1,969,692
Transfers out	-	-	(50,000)	-	-	-	(50,000)
Total other financing sources (uses)	-	388,672	(50,000)	-	4,520,150	-	4,858,822
Net change in fund balances	4,848	396,827	123,437	14,550	1,553,542	184	2,093,388
FUND BALANCES, beginning of fiscal year	37,825	625	206,021	975	1,956,346	86,379	2,288,171
FUND BALANCES, end of fiscal year	\$ 42,673	\$ 397,452	\$ 329,458	\$ 15,525	\$ 3,509,888	\$ 86,563	\$ 4,381,559

**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, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 5,000	\$ 5,000	\$ 24,002	\$ 19,002
Interest	10	10	533	523
Total revenues	<u>5,010</u>	<u>5,010</u>	<u>24,535</u>	<u>19,525</u>
EXPENDITURES				
Public safety	<u>5,010</u>	<u>5,010</u>	<u>19,687</u>	<u>(14,677)</u>
Net change in fund balances	-	-	4,848	4,848
FUND BALANCES, beginning of fiscal year	<u>37,825</u>	<u>37,825</u>	<u>37,825</u>	<u>-</u>
FUND BALANCES, end of fiscal year	<u>\$ 37,825</u>	<u>\$ 37,825</u>	<u>\$ 42,673</u>	<u>\$ 4,848</u>

**CITY OF FAIRBURN, GEORGIA
GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,141,461	\$ 1,288,658	\$ 1,106,272	\$ (182,386)
Total revenues	<u>1,141,461</u>	<u>1,288,658</u>	<u>1,106,272</u>	<u>(182,386)</u>
EXPENDITURES				
Public safety	59,000	158,344	152,722	5,622
Public works	1,471,133	1,518,986	941,935	577,051
Culture and recreation	-	-	3,460	(3,460)
Total expenditures	<u>1,530,133</u>	<u>1,677,330</u>	<u>1,098,117</u>	<u>579,213</u>
Excess/(deficiency) of revenues over expenditures	<u>(388,672)</u>	<u>(388,672)</u>	<u>8,155</u>	<u>396,827</u>
Other financing sources:				
Transfers in	388,672	388,672	388,672	-
Total other financing sources	<u>388,672</u>	<u>388,672</u>	<u>388,672</u>	<u>-</u>
Net change in fund balances	-	-	396,827	396,827
FUND BALANCES, beginning of fiscal year	<u>625</u>	<u>625</u>	<u>625</u>	<u>-</u>
FUND BALANCES, end of fiscal year	<u>\$ 625</u>	<u>\$ 625</u>	<u>\$ 397,452</u>	<u>\$ 396,827</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, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 205,000	\$ 205,000	\$ 300,770	\$ 95,770
Total revenues	205,000	205,000	300,770	95,770
EXPENDITURES				
Tourism	155,000	155,000	127,333	27,667
Total expenditures	155,000	155,000	127,333	27,667
Excess of revenues over expenditures	50,000	50,000	173,437	123,437
Other financing uses:				
Transfers out	(50,000)	(50,000)	(50,000)	-
Total other financing uses:	(50,000)	(50,000)	(50,000)	-
Net change in fund balances	-	-	123,437	123,437
FUND BALANCES, beginning of fiscal year	206,021	206,021	206,021	-
FUND BALANCES, end of fiscal year	<u>\$ 206,021</u>	<u>\$ 206,021</u>	<u>\$ 329,458</u>	<u>\$ 123,437</u>

**CITY OF FAIRBURN, GEORGIA
DEVELOPMENT AUTHORITY FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Miscellaneous	\$ 20,700	\$ 20,700	\$ 14,550	\$ (6,150)
Total revenues	20,700	20,700	14,550	(6,150)
EXPENDITURES				
Planning and development	20,700	20,700	-	20,700
Total expenditures	20,700	20,700	-	20,700
Net change in fund balances	-	-	14,550	14,550
FUND BALANCES, beginning of fiscal year	975	975	975	-
FUND BALANCES, end of fiscal year	<u>\$ 975</u>	<u>\$ 975</u>	<u>\$ 15,525</u>	<u>\$ 14,550</u>

**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, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
EXPENDITURES				
Capital outlay	\$ 1,381,020	\$ 1,581,020	\$ 2,847,822	\$ (1,266,802)
Debt service - interest	-	-	118,786	(118,786)
Total expenditures	<u>1,381,020</u>	<u>1,581,020</u>	<u>2,966,608</u>	<u>(1,385,588)</u>
Deficiency of revenues under expenditures	<u>(1,381,020)</u>	<u>(1,581,020)</u>	<u>(2,966,608)</u>	<u>(1,385,588)</u>
Other financing sources:				
Issuance of financed purchase	-	-	1,430,000	1,430,000
Issuance of lease liabilities	-	-	1,509,130	1,509,130
Transfers in	1,381,020	1,581,020	1,581,020	-
Total other financing sources	<u>1,381,020</u>	<u>1,581,020</u>	<u>4,520,150</u>	<u>2,939,130</u>
Net change in fund balances	-	-	1,553,542	1,553,542
FUND BALANCES, beginning of fiscal year	<u>1,956,346</u>	<u>1,956,346</u>	<u>1,956,346</u>	<u>-</u>
FUND BALANCES, end of fiscal year	<u>\$ 1,956,346</u>	<u>\$ 1,956,346</u>	<u>\$ 3,509,888</u>	<u>\$ 1,553,542</u>

**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	\$ 2,713,626	\$ 2,713,626	\$ 1,888,089	\$ (825,537)
Interest	500	500	18,149	17,649
Total revenues	<u>2,714,126</u>	<u>2,714,126</u>	<u>1,906,238</u>	<u>(807,888)</u>
Expenditures				
Capital outlays	1,910,000	1,910,000	229,245	1,680,755
Debt service - principal payments	640,000	640,000	640,000	-
Debt service - interest and fiscal charges	164,126	164,126	161,047	3,079
Total expenditures	<u>2,714,126</u>	<u>2,714,126</u>	<u>1,030,292</u>	<u>1,683,834</u>
Net change in fund balances	-	-	875,946	875,946
Fund balance, beginning of fiscal year	<u>3,168,202</u>	<u>3,168,202</u>	<u>3,168,202</u>	<u>-</u>
Fund balance, end of fiscal year	<u>\$ 3,168,202</u>	<u>\$ 3,168,202</u>	<u>\$ 4,044,148</u>	<u>\$ 875,946</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, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 3,600,000	\$ 3,600,000	\$ 3,674,359	\$ 74,359
Interest	1,000	1,000	48,829	47,829
Total revenues	<u>3,601,000</u>	<u>3,601,000</u>	<u>3,723,188</u>	<u>122,188</u>
EXPENDITURES				
Capital outlay	5,400,000	5,400,000	3,757,634	1,642,366
Total expenditures	<u>5,400,000</u>	<u>5,400,000</u>	<u>3,757,634</u>	<u>1,642,366</u>
Net change in fund balances	(1,799,000)	(1,799,000)	(34,446)	1,764,554
FUND BALANCES, beginning of fiscal year	<u>2,204,157</u>	<u>2,204,157</u>	<u>2,204,157</u>	<u>-</u>
FUND BALANCES (DEFICITS), end of fiscal year	<u>\$ 405,157</u>	<u>\$ 405,157</u>	<u>\$ 2,169,711</u>	<u>\$ 1,764,554</u>

CITY OF FAIRBURN, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH
TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
SERIES 2016 AND SERIES 2022
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Project Description	Priority	Project #	Original Estimated Cost	Expenditures			Estimated Percentage of Completion
				Prior Fiscal Years	Current Fiscal Year	Total	
SERIES 2016							
Road Resurfacing Phase I	Tier 1	1	\$ 7,737,167	\$ 7,737,167	\$ -	\$ 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	3,295,836	-	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	134,648	-	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	170,969	-	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	-	342,260	342,260	76.06%
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%
Total SERIES 2016 Project Expenditures			\$ 15,822,344	\$ 12,317,253	\$ 342,260	\$ 12,659,513	80.01%
SERIES 2022							
Maintenance and Safety Enhancements-City Wide Road Resurfacing	Tier 1	1	\$ 4,083,332	\$ -	\$ 1,865,123	\$ 1,865,123	45.68%
Pedestrian/Bicycle Improvements Phase I	Tier 1	2	1,900,000	-	1,051,236	1,051,236	55.33%
Roadway Projects	Tier 1	3	6,100,000	-	355,394	355,394	5.83%
Quick Response Projects	Tier 1	4	300,000	-	2,220	2,220	0.74%
Project Management	Tier 1	5	602,500	-	95,811	95,811	15.90%
Operation and Safety Improvements-Quiet Zone R/R Crossings	Tier 2	6	750,000	-	-	-	0.00%
Pedestrian/Bicycle Improvements Phase II	Tier 2	7	1,136,617	-	-	-	0.00%
Roadway Projects - Oakley Industrial Boulevard Extension Design	Tier 2	8	350,000	-	-	-	0.00%
Project Management	Tier 2	9	55,000	-	1,200	1,200	2.18%
Congestion Relief	Tier 3	10	500,000	-	44,390	44,390	8.88%
Operation and Safety Improvements	Tier 3	11	600,000	-	-	-	0.00%
Pedestrian/Bicycle Improvements Phase III	Tier 3	12	300,000	-	-	-	0.00%
Road Projects (Dodd Street Roundabout)	Tier 3	13	802,717	-	-	-	0.00%
Quick Response Projects	Tier 3	14	38,900	-	-	-	0.00%
Project Management	Tier 3	15	50,000	-	-	-	0.00%
Total SERIES 2022 Project Expenditures			\$ 17,569,066	\$ -	\$ 3,415,374	\$ 3,415,374	19.44%
Totals			\$ 33,391,410	\$ 12,317,253	\$ 3,757,634	\$ 16,074,887	

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	75
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	80
These schedules contain information to help the reader assess the City’s most significant local revenue source, property tax.	
Debt Capacity	85
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	90
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	92
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)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities										
Net investment in capital assets	\$ 46,964,676	\$ 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
Restricted	6,983,439	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
Unrestricted (deficit)	25,272,351	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
Total governmental activities net position	<u>\$ 79,220,466</u>	<u>\$ 71,396,869</u>	<u>\$ 62,841,611</u>	<u>\$ 50,509,440</u>	<u>\$ 42,740,674</u>	<u>\$ 33,859,811</u>	<u>\$ 29,192,441</u>	<u>\$ 27,237,209</u>	<u>\$ 24,438,569</u>	<u>\$ 19,460,929</u>
Business-type activities										
Net investment in capital assets	\$ 20,600,756	\$ 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
Restricted	1,411,629	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
Unrestricted	20,027,611	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
Total business-type activities net position	<u>\$ 42,039,996</u>	<u>\$ 42,045,832</u>	<u>\$ 42,140,132</u>	<u>\$ 40,075,016</u>	<u>\$ 36,906,027</u>	<u>\$ 33,699,783</u>	<u>\$ 31,135,960</u>	<u>\$ 29,241,106</u>	<u>\$ 26,103,831</u>	<u>\$ 24,590,021</u>
Primary government										
Net investment in capital assets	\$ 67,565,432	\$ 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
Restricted	8,395,068	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
Unrestricted	45,299,962	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
Total primary government net position	<u>\$ 121,260,462</u>	<u>\$ 113,442,701</u>	<u>\$ 104,981,743</u>	<u>\$ 90,584,456</u>	<u>\$ 79,646,701</u>	<u>\$ 67,559,594</u>	<u>\$ 60,328,401</u>	<u>\$ 56,478,315</u>	<u>\$ 50,542,400</u>	<u>\$ 44,050,950</u>

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)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses										
Governmental activities:										
General government	\$ 6,078,224	\$ 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
Judicial	650,750	602,511	647,656	483,820	528,341	432,718	374,430	343,417	406,912	415,245
Public safety	10,339,379	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
Public works	6,443,124	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
Planning and development	1,482,456	1,101,660	1,116,042	688,040	727,888	609,865	556,660	565,895	455,175	464,196
Culture and recreation	1,337,982	682,881	439,241	744,769	811,373	874,273	848,402	488,046	512,178	371,838
Interest on long-term debt	420,295	308,280	310,153	339,498	363,333	478,766	442,138	470,423	458,373	493,266
Total governmental activities expenses	<u>26,752,210</u>	<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>
Business-type activities:										
Electric	12,358,686	12,366,384 (4)	9,643,206	8,479,982	8,032,839	7,683,352	7,731,021	7,320,222	7,141,969	6,888,429
Water and Sewer	8,253,701	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
Educational Complex	960,652	890,506	938,836	979,161	966,323	1,179,563	1,089,108	1,093,164	1,146,332	1,014,781
Stormwater	427,169	355,805	332,443	309,145	274,249	712,463	724,917	723,063	724,079	673,145
Sanitation	879,433	811,475	733,743	741,752	663,210	733,866	648,129	617,473	635,480	675,849
Total business-type activities expenses	<u>22,879,641</u>	<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>
Total primary government expenses	<u>\$ 49,631,851</u>	<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>
Program Revenues										
Governmental activities:										
Charges for services	\$ 2,858,208	\$ 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
Operating grants and contributions	59,984	8,500	90,737	699,575 (2)	-	-	-	-	19,076	69,451
Capital grants and contributions	6,657,283	5,869,145	9,044,549 (3)	5,081,194	4,254,341	3,208,554 (1)	1,793,672	1,621,498	3,221,515	1,401,684
Total governmental activities program revenues	<u>9,575,475</u>	<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>
Business-type activities:										
Charges for services	21,087,840	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
Capital grants and contributions	996,888	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>22,084,728</u>	<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>
Total primary government program revenues	<u>\$ 31,660,203</u>	<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>

CITY OF FAIRBURN, GEORGIA

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Net (expense)/revenue										
Governmental activities	\$ (17,176,735)	\$ (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)
Business-type activities	(794,913)	(265,981)	1,357,865	3,041,642	3,882,704	3,311,027	2,618,048	3,872,507	2,444,265	2,037,595
Total primary government net (expense) revenue	<u>\$ (17,971,648)</u>	<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>\$ (4,690,333)</u>	<u>\$ (6,754,030)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 12,215,558	\$ 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
Sales and use taxes	5,439,696	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
Other taxes	4,712,052	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
Miscellaneous revenue	1,993,812	103,995	108,417	13,732	101,787	59,186	167,441	402,696	83,601	53,704
Unrestricted investment earnings	1,081,987	80,133	69,634	273,681	324,509	27,150	23,298	51,911	51,157	55,044
Gain on disposal of capital assets	48,621	5,927	124	15,101	-	-	15,530	22,424	52,915	416,474
Transfers	(491,394)	(137,307)	(700,000)	(96,633)	758,992	762,000	762,000	762,000	750,000	1,543,985
Total governmental activities	<u>25,000,332</u>	<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>
Business-type activities:										
Unrestricted investment earnings	297,683	34,374	7,251	30,714	51,258	14,796	25,536	26,768	28,140	6,044
Gain on Sale of Assets	-	-	-	-	31,274	-	13,270	-	-	-
Transfers	491,394	137,307	700,000	96,633	(758,992)	(762,000)	(762,000)	(762,000)	(750,000)	(1,543,985)
Total business-type activities	<u>789,077</u>	<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>
Total primary government	<u>\$ 25,789,409</u>	<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>
Change in Net Position										
Governmental activities	\$ 7,823,597	\$ 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
Business-type activities	(5,836)	(94,300)	2,065,116	3,168,989	3,206,244	2,563,823	1,894,854	3,137,275	1,722,405	499,654
Total primary government	<u>\$ 7,817,761</u>	<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>\$ 6,700,045</u>	<u>\$ 4,582,357</u>

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

Notes:

- (1) Capital grants and contributions increased due to the TSPLOST beginning in April 2017.
- (2) Operating grants and contributions increased due to CARES Act funding as a result of the COVID-19 pandemic.
- (3) Capital grants and contributions increased due to increased South Fulton CID activity as well as increased construction activity under large federal transportation projects.
- (4) 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)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund										
Nonspendable	\$ 151,939	\$ 276,489	\$ 205,192	\$ 123,589	\$ 116,944	\$ 122,541	\$ 99,203	\$ 186,813	\$ 246,026	\$ 149,285
Committed	776,490	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	24,064,291	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
Total General Fund	\$ 24,992,720	\$ 21,262,692	\$ 18,781,858	\$ 15,504,340	\$ 11,733,431	\$ 7,619,669	\$ 5,802,805	\$ 4,649,908	\$ 3,425,359	\$ 3,795,551
All other governmental funds										
Nonspendable	\$ 3,017,000	\$ 1,587,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Restricted	6,670,708	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
Assigned	907,710	380,946	648,475	174,800	246,161	970	970	409,860	1,112	967
Unassigned (deficit)	-	-	-	-	-	-	-	(18,564)	-	-
Total all other governmental funds	\$ 10,595,418	\$ 7,660,530	\$ 5,473,275	\$ 5,131,180	\$ 4,747,822	\$ 3,229,339	\$ 3,359,131	\$ 2,395,744	\$ 5,542,789	\$ 4,627,247

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)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Taxes	\$ 22,582,138 (2)	\$ 19,379,890	\$ 17,215,701	\$ 15,038,820	\$ 14,045,390 (2)	\$ 12,051,338	\$ 11,364,385	\$ 11,245,655	\$ 11,188,620	\$ 10,878,900
Licenses and permits	1,489,613	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
Intergovernmental	6,647,268	5,598,047	9,047,628 (3)	5,714,255	4,195,701	3,206,502 (1)	1,793,672	1,406,484	3,221,516	1,400,884
Fines and forfeitures	876,907	910,597	303,095	908,996	997,103	701,117	515,187	501,886	686,571	741,656
Charges for services	377,623	449,274	617,588	913,497	859,513	837,886	677,868	721,191	573,258	549,581
Interest income	1,130,816 (4)	84,787	78,462	312,195	352,619	29,202	23,298	51,911	51,157	55,044
Miscellaneous	2,107,877 (5)	231,001	173,186	129,047	330,101	194,761	303,723	584,279	151,187	149,041
Total revenues	35,212,242	28,164,962	29,104,183	24,624,196	22,905,436	18,282,583	16,316,577	16,248,430	17,278,124	14,591,228
Expenditures										
General government	5,887,469	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
Judicial	638,087	610,290	648,158	485,978	534,186	437,400	376,353	342,331	411,394	415,172
Public safety	9,314,911	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
Public works	5,819,692	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
Planning and development	965,756	763,646	763,503	398,005	713,382	552,164	523,412	527,173	486,107	461,352
Culture and recreation	1,409,102	682,527	398,482	659,665	501,501	619,309	531,522	586,329	351,519	299,003
Capital outlay	5,779,854	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
Debt service										
Principal	870,684	657,120	619,498	660,945	615,099	821,473	653,535	715,814	619,425	622,796
Interest	358,128	186,648	209,920	236,585	253,441	214,044	451,808	472,155	473,437	490,547
Bond issuance costs	-	-	-	-	-	134,684	-	-	-	-
Total expenditures	31,043,683	25,353,705	24,784,694	20,388,397	18,133,117	17,657,575	14,994,673	18,977,452	17,864,100	16,392,149
Excess (deficiency) of revenues over (under) expenditures	4,168,559	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)
Other financing sources (uses)										
Bonds issued	-	-	-	-	-	7,365,000	-	-	-	-
Payments to refund debt escrow agent	-	-	-	-	-	(7,230,316)	-	-	-	-
Issuance of lease liabilities	1,509,130	-	-	-	-	-	-	-	-	-
Financed purchases	1,430,000	1,987,232	-	-	100,934	165,380	-	-	328,421	371,613
Proceeds from sale of capital assets	48,621	6,907	124	15,101	-	-	32,380	44,526	52,915	487,338
Transfers in	2,734,397	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
Transfers out	(3,225,791)	(2,447,463)	(1,609,840)	(946,633)	(820,211)	(925,817)	(928,339)	(1,167,410)	(3,237,018)	(1,672,156)
Total other financing sources (uses)	2,496,357	1,856,832	(699,876)	(81,532)	859,926	1,062,064	794,380	806,526	1,131,336	2,402,936
Net change in fund balances	\$ 6,664,916	\$ 4,668,089	\$ 3,619,613	\$ 4,154,267	\$ 5,632,245	\$ 1,687,072	\$ 2,116,284	\$ (1,922,496)	\$ 545,360	\$ 602,015
Debt service as a percentage of noncapital expenditures	5.03%	4.70%	5.89%	5.65%	6.10%	7.39%	7.76%	8.68%	8.53%	9.22%

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

- Notes:**
- (1) Intergovernmental revenues increased as a result of the TSPLOST program starting in April 2017.
 - (2) Property taxes increase as the economy improved and assessed values increased.
 - (3) Intergovernmental revenues increase due to increased South Fulton CID activity as well as increased construction activity under large federal transportation projects.
 - (4) Increase in interest rates in FY 2023.
 - (5) Increase due to receipt of tree bank revenue.

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
2014	\$ 4,755,788	\$ 3,415,848	\$ 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
2023	12,215,558 (1)	5,439,696	834,477	1,701,789	1,361,504	292,888	300,770	220,624	22,367,306

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

Note:

(1) Increase in assessed values

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			
2013	\$ 346,405,540	\$ 866,013,850	\$ 248,934,510	\$ 622,336,275	\$ 13,301,506	\$ 33,253,765	\$ 608,641,556	\$ 1,521,603,890	9.70 (1)	40%	1.13%
2014	342,544,370	856,360,925	326,561,200	816,403,000	14,072,114	35,180,285	683,177,684	1,707,944,210	9.82	40%	1.01%
2015	367,717,060	919,292,650	339,414,250	848,535,625	14,501,454	36,253,635	721,632,764	1,804,081,910	9.73	40%	12.25%
2016	399,791,020	999,477,550	324,570,010	811,425,025	14,734,532	36,836,330	739,095,562	1,847,738,905	9.56	40%	5.63%
2017	458,002,930	1,145,007,325	425,312,310	1,063,280,775	14,679,795	36,699,488	897,995,035	2,244,987,588	9.56	40%	2.42%
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%	41.77%
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% (2)
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% (2)
2022	858,886,650	2,147,216,625	1,493,887,860	3,734,719,650	24,799,074	61,997,685	2,377,573,584	5,943,933,960	9.56	40%	14.19%

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 1.60 mills.

(2) Decline due to Google, large tax payer on personal property with inventory decline due to COVID-19 pandemic. Recovered in subsequent year.

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

Tax Digest Year	Direct Rates			Overlapping Rates			Total Direct and Overlapping Millage Rate
	City of Fairburn			State of Georgia	Fulton County	County School System	
	Operating Millage	Debt Service	Total				
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
2022	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	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value
Google	\$ 884,052,560	1	37.18%	\$ -	-	-
Development Authority of Fulton County	90,248,710	2	3.80%	18,100,528	2	2.97%
Duracell Distributing Inc	47,190,680	3	1.98%	-	-	-
Nestle Purina Petcare Company	46,327,760	4	1.95%	-	-	-
Solar Turbines Incorporated	27,065,760	5	1.14%	27,809,936	1	4.57%
Toto, USA	18,575,120	6	0.78%	10,849,092	6	1.78%
J L G Industries, Inc	17,056,160	7	0.72%	12,501,040	5	2.05%
U.S. Foods, Inc	15,761,040	8	0.66%	13,192,952	3	2.17%
Smucker Sales and Distributing	14,595,760	9	0.61%	-	-	-
Clorox Manufacturing Company	13,715,480	10	0.58%	-	-	-
CSX Transportation	-	-	-	12,833,340	4	2.11%
Playtex Manufacturing	-	-	-	10,714,984	7	1.76%
M.D. Hodges Enterprises	-	-	-	9,319,480	8	1.53%
DCT Southcreek Eagles Landing	-	-	-	9,319,440	9	1.53%
U.S. Foods, Inc	-	-	-	9,054,864	10	1.49%
All Others	1,202,984,554		50.60%	474,945,900		78.03%
Totals	<u>\$ 2,377,573,584</u>		<u>100.00%</u>	<u>\$ 608,641,556</u>		<u>100.00%</u>

Source: City of Fairburn Finance Department

Note: The 2022 tax digest was billed during fiscal year ended September 30, 2023. The 2013 column related taxes are based on the 2012 tax digest that were billed during fiscal year ended September 30, 2013.

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
2013	\$ 4,762,586	\$ 4,187,985	96.54%	\$ 563,573	\$ 4,751,558	\$ 11,028	0.23%	9.70	\$ 3,415,848
2014	4,569,262	4,520,945	98.94%	37,615	4,558,560	10,702	0.23%	9.82	3,762,572
2015	4,579,384	4,554,466	99.46%	11,519	4,565,985	13,399	0.29%	9.73	3,819,892
2016	4,668,151	4,650,813	99.63%	6,829	4,657,642	10,509	0.23%	9.56	3,862,730
2017	5,133,569	5,056,723	98.50%	66,516	5,123,239	10,330	0.20%	9.56	4,063,620
2018	6,561,997	6,439,602	98.13%	107,308	6,546,910	15,087	0.23%	9.56	4,343,841
2019	7,652,281	7,262,911	94.91%	207,754	7,470,665	181,616	2.37%	9.56	3,976,456
2020	8,809,358	8,682,747	98.56%	75,346	8,758,093	51,265	0.58%	9.56	4,550,878
2021	9,914,155	9,713,704	97.98%	129,635	9,843,339	70,816	0.71%	9.56	5,365,772
2022	12,403,929	12,136,797	97.85%	-	12,136,797	267,132	2.15%	9.56	5,439,696

Source: City of Fairburn Finance Department

CITY OF FAIRBURN, GEORGIA

RATIO OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities					Business-type Activities						
	General Obligation Bonds	Lease Liabilities	Financed Purchases	Net Bonded Debt to		Revenue Bonds		Lease Liabilities	Financed Purchases	Net Total Primary Government	Percent of Personal Income	Per Capita
				Actual Value of Taxable Property	Per Capita	Water and Sewer	Educational Complex					
2014	\$ 9,647,786	\$ -	\$ 663,818	0.63%	\$ 48	\$ 14,117,463	\$ 14,674,263	\$ -	\$ -	\$ 39,103,330	14.17%	\$ 2,856
2015	9,240,289	-	777,814	0.54%	57	14,101,806	14,318,621	-	-	38,438,530	13.93%	2,807
2016	8,827,858	-	472,000	0.49%	34	13,106,714	13,937,775	-	-	36,344,347	13.00%	2,602
2017	8,405,496	-	238,465	0.45%	15	12,091,993	13,526,653	-	109,705	34,372,312	10.80%	2,211
2018	9,124,188	-	112,372	0.41%	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
2023	6,125,000	1,704,321	3,007,000	0.10%	177	5,357,988	11,055,000	385,960	-	27,635,269	6.73%	1,630

Source: City of Fairburn Finance Department

CITY OF FAIRBURN, GEORGIA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT SEPTEMBER 30, 2023

<u>Governmental Unit</u>	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to City of Fairburn (1)</u>	<u>Amount Applicable to City of Fairburn</u>
Fulton County Board of Commissioners, Georgia			
Library General Obligation Bonds	\$ 234,408,000	1.971%	\$ 4,620,740
Economic Recovery Zone Bonds	91,984,000	1.971%	1,813,224
Fulton County Board of Education			
General Obligation Bonds	11,495,000	1.971%	226,594
	<u>337,887,000</u>		<u>6,660,558</u>
City of Fairburn, Georgia			
2017 General Obligation Bonds	6,125,000	100.00%	6,125,000
Financed Purchases	3,007,000	100.00%	3,007,000
Lease Liabilities	1,704,321		1,704,321
Total Direct Debt	<u>10,836,321</u>		<u>10,836,321</u>
Total direct and overlapping debt	<u>\$ 348,723,321</u>		<u>\$ 17,496,879</u>

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>
2014	\$ 608,641,556	10%	\$ 60,864,156	\$ 10,050,347	\$ 590,223	\$ 50,223,586
2015	683,177,684	10%	68,317,768	9,647,786	738,226	57,931,756
2016	721,632,764	10%	72,163,276	9,240,289	718,136	62,204,851
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
2023	2,377,573,584	10%	237,757,358	6,125,000	12,476	231,619,882

Source: City of Fairburn Finance Department

CITY OF FAIRBURN, GEORGIA
PLEDGED REVENUE BOND COVERAGE - WATER AND SEWER FUND AND 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>	
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
2023	18,832,988	18,048,132	784,856	1,215,000	223,529	1,438,529	0.55

Source: City of Fairburn Finance Department

Notes: Operating revenue and direct operating expenses includes both Water and 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	
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
2023	338,479	154,235	184,244	815,000	315,742	1,130,742	0.16

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 2017.

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

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)
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	5,190	4.90
2023	16,956	410,742,144	24,224	29.9	12	5,208	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>2023</u>		<u>2014</u>	
	<u>Number of Employees</u>	<u>Rank</u>	<u>Number of Employees</u>	<u>Rank</u>
U.S Food Services	668	1	793	1
Exel Logistics	555	2	249	6
Porex Corporation	355	3	450	2
Nestle Purina Petcare Co.	338	4	310	4
XPO Logistics Supply Chain, Inc.	290	5		
Landmark Christian	262	6		
Owens Corning	260	7	388	3
DSC Logistics	167	8		
Miller Electrical Contracting	145	9		
Adesa Atlanta LLC	144	10	200	7
Reynolds, Inc.			200	8
Fairburn Healthcare			108	10
Strack			300	5
Prism Pointe Technologies			200	9
	<u>3,184</u>		<u>3,198</u>	

Source: City of Fairburn Finance Department

CITY OF FAIRBURN, GEORGIA

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

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022 (1)	2023
Administrative	27	29	30	30	29	28	28	31	66	67
Police	37	43	39	39	39	45	50	43	40	48
Fire	44	45	42	40	40	40	40	35	42	40
Streets, Parks, and Recreation	12	17	18	18	18	19	18	12	14	24
Electric	9	10	9	9	9	9	9	5	5	6
Water and Sewer	8	8	8	9	9	9	9	8	8	8
	<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>175</u>	<u>193</u>

Source: City of Fairburn Finance Department

(1) 2022 numbers were restated for administrative to reflect accurate numbers. Increase was to fill vacant positions.

CITY OF FAIRBURN, GEORGIA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

<u>Function</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>	<u>2023</u>
Police										
Physical Arrests	1,268	633	549	729	775	803	169	335	544	669
Traffic Violations	4,640	3,982	3,252	5,638	5,681	11,321	8,594	6,685	6,199	16,449
Fire										
Number of Calls Answered	2,168	2,414	2,879	2,955	3,031	3,281	2,880	3,211	3,718	3,652
Inspections	723	990	886	518	401	456	210	169	574	489
Highways and Streets										
Streets Resurfaced (miles)	4.50	1.94	-	1.81	13.00	10.34	10.34	8.54	16.00	9.93
Potholes Repaired	90	100	120	115	25	122	122	177	87	60
Sanitation										
Refuse Collected (tons/day)	3,661	3,661	4,015	3,916	3,770	3,580	3,977	4,906	4,768	3,510
Recyclables Collected (tons/day)	637	650	730	667	661	520	578	451	532	1,495
Water										
Water Mains (miles)	93.1	70.9	71.1	71.1	71.1	71.1	71.1	74.3	86.0	86.0
Fire Hydrants	903	826	824	824	824	947	947	971	902	902
Water Main Breaks	6	6	8	6	6	4	4	7	8	6
Average Daily Consumption (thousands of gallons)	845	807	886	212	1,061	691	768	755	1,431	1,412
Wastewater and Sewer										
Stormwater system (miles)	38.45	36.76	36.76	36.76	36.76	36.76	36.76	37.04	37.04	37.44
Sanitary system (miles)	69.00	62.00	61.62	61.62	61.62	61.62	61.62	64.89	72.02	77.96
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	62	50	47	49	49	49	49	54	59	62
Highways and Streets										
Miles Paved	96.8	96.8	96.8	96.8	96.8	96.8	96.8	96.0	96.4	96.4
Miles Unpaved	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.6	3.0
Street Lights	712	712	712	712	712	760	760	760	760	760
Caution Lights	1	1	2	2	2	1	1	1	1	1
Electric										
Lines (miles)	79	81	81	81	81	81	81	79	81	85
Plant Capacity (KVA)	12,400	12,400	12,400	12,470	12,470	12,470	12,470	21,373	25,406	25,621

Source: City of Fairburn Finance Department

CITY OF FAIRBURN, GEORGIA

CAPITAL ASSETS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Water										
Water mains (miles)	91.9	70.9*	71.1	71.1	71.1	71.1	71.1	74.27	86	86
Fire hydrants	903	826**	824	824	824	947	947	971	902	902
Water main breaks	6	6	8	6	6	4	4	7	8	6
Wastewater and Sewer										
Stormwater system (miles)	38.21	36.76	36.76	36.76	36.76	36.76	36.76	37.04	37.04	37.44
Sanitary system (miles)	69	62	61.62	61.62	61.62	61.62	61.62	64.89	64.89	77.95
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	62	50	47	49	49	49	49	54	59	62
Highways and Streets										
Miles paved	96.8	96.8	96.8	96.8	96.8	96.8	96.8	96.04	96.43	96.43
Miles unpaved	3	3	3	3	3	3	3	3	3	3
Street lights	712	712	712	712	712	760	760	761	761	761
Caution lights	1	1	2	2	2	1	1	1	1	1
Electric										
Lines (miles)	79	81	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	3,183	3,153	3,187	3,470	3,470	3,574	3,574	4,061	3,463	4,234
Culture and recreation										
Parks acreage	144	144	144	146	146	146	146	146	146	146
Parks	2	2	2	3	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