

# CITY OF FAIRBURN GEORGIA



## ANNUAL COMPREHENSIVE FINANCIAL REPORT

*FISCAL YEAR ENDED  
SEPTEMBER 30, 2021*

*Prepared by  
City of Fairburn, Georgia Finance Department*

**CITY OF FAIRBURN, GEORGIA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2021**

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**CITY OF FAIRBURN, GEORGIA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2021**

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**INTRODUCTORY SECTION**  
(Unaudited)

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July 27, 2022

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, 2021, 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, 2021, 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 rendered an unmodified opinion, and it is included in this report. Their audit was conducted in accordance with auditing standards generally accepted in the United States of America and with Government Auditing Standards issued by the Comptroller of the United States of America. An unmodified opinion indicates that the audit did not disclose any conditions that would cause the basic financial statements not to be fairly presented in all material aspects. The independent auditor's report can be found at the beginning of the financial section.

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

### ***Profile of the City of Fairburn***

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

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

### ***City Administration and Officials***

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

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

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

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

The Code for the State of Georgia requires the City to adopt by local resolution an annual balanced budget. The annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund, function and department and is closely monitored throughout the year. All activities of the City including: the general fund, the special revenue funds, the debt service fund, the capital project funds, and enterprise funds are included in the annual budget. The City's legal level of control is at the department level. Administrative budgetary control; however,

is maintained at the line-item level. As conditions change, the budget process allows for transfers and amendments. Transfers of funds less than \$1,000 within a department may be authorized by the budget officer to meet unforeseen needs without Council action. Transfers of funds greater than \$1,000 within a department are authorized by the Mayor and City Administrator. Increases in departmental or fund appropriations (amendments) are approved by the Council.

### *City Services*

The City of Fairburn provides a range of municipal government services to its residents including police and fire protection; planning and engineering; code enforcement; street maintenance; municipal court; traffic control and park operations and maintenance.

In addition, electric, water, sewer and storm water services are provided to residents by the City and are primarily financed by charges to the customers of the related service. Solid waste collection and disposal services are offered to the citizens through a contractual agreement.

### *Local Economy*

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

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

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

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

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

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

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

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

### ***Long-Term Financial Planning***

The City's transportation improvements will be 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 will be collected from April 1, 2017 to March 30, 2022 or until a maximum of \$655 million is reached by Fulton County. The City anticipates collecting a minimum of \$13,751,484 over the 5-year life of the program.

The Government Finance Officers Association recommends an unassigned general fund balance of at least two months of expenditures for governments. Two months of expenditures for the City of Fairburn is 17% of total expenditures. The Mayor and Council approved a policy to maintain a general fund balance of 20-30% of expenditures. Currently the City of Fairburn has 131% of expenditures in unassigned general fund balance. The City of Fairburn is placing an emphasis on financial stability which includes increasing revenues, reducing expenditures and minimizing debt. The City has devoted attention to the redevelopment of various areas of the City. The City is also focused on developing the SR 74 corridor. Attracting more restaurants and businesses for both the downtown area and the SR 74 corridor are top priorities.



### ***Relevant Financial Policies***

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

1. The City of Fairburn will finance all current expenditures with current revenues. Fairburn will avoid balancing current expenditures through the obligation of future resources. The City will adopt a balanced annual operating budget each year.
2. Capital budgeting is essential and prevents excessive costs in any one budget year. Capital purchases maintains the City's infrastructure. The City continued a multi-year initiative to resurface roads, build sidewalks, upgrade/replace traffic control devices and other transportation related purposes. Capital transportation projects are currently funded by the 2016 TSPLOST.
3. The City of Fairburn has a stable and diversified revenue structure. Revenues that are unique to a particular year and are considered one-time are not used for ongoing expenditures.
4. Fairburn strives to maintain an unassigned General Fund balance of at least 20-30% of expenditures to offset potential economic downturns and to ensure sufficient resources for current liabilities. Unassigned fund balances will only be used for one-time expenditures and not recurring operating expenditures.

### ***Major Initiatives***

The City is committed to promoting community development and improving the infrastructure. Among the City's top priorities is the redevelopment of various areas within the City including the downtown area and the SR 74 corridor. To address some of the priorities of the City, the citizens of Fairburn approved a 2016 TSPLOST to fund various transportation projects over the course of five years. The fiscal year 2019 projects included: 1) resurfacing and reconstructing roads, 2) installing sidewalks, 3) installing roadway lighting, 4) installing medians 5) constructing new roads and 6) installation of handicap ramps.

Other initiatives included the completion of the Gateway Project which was a joint venture with Union City to upgrade the pedestrian facilities at the intersection of SR 14/US 29 and SR 138. The project included enhancements such as a pedestrian plaza with decorative pavers, a seat wall, gateway signage and landscaping as well as a bus pull out lane.

The design for the Park and Ride lot was completed and construction began. Future expansion will include bus pull outs and shelters. The project will relieve traffic on SR 74 during peak hours.

Fairburn continues to improve and upgrade its public infrastructure with projects including the Frankie Mae Arnold Stage and Courtyard in the downtown area. The City constructed four

fishing/viewing docks at Duncan Park. Security cameras were added to the Park as well as fencing around the basketball courts. City Hall, Municipal Court and the police station were renovated.

The City began the process of migration the software program utilized by utilities to place them on the same software as the Finance Department. The migration will prevent the Finance Department from re-entering information from one system into another and increasing the risk for human error. It will also provide real-time information.

The City of Fairburn is in the process of completing major downtown improvements with new sidewalks, lighting, benches, landscaping, and improved infrastructure which will dramatically change the look of downtown Fairburn.

### *Awards and Acknowledgements*

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Fairburn for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2020. This was the thirty second consecutive year, the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. In addition, The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Distinguished Budget Presentation Award to the City of Fairburn for fiscal year 2019-2020. In order to receive the budget award, the entity had to satisfy nationally recognized guidelines for effective budget presentation.

The Certificate of Achievement is valid for one year. We believe that our fiscal year 2021 ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting the fiscal year 2021 ACFR to GFOA to determine their eligibility for certificates.

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

Respectfully Submitted,

*Peterson David*

Peterson David  
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, 2020

*Christopher P. Morill*

Executive Director/CEO

**CITY OF FAIRBURN, GEORGIA  
CITY OFFICIALS  
SEPTEMBER 30, 2021  
CITY COUNCIL**

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

**CITY ADMINISTRATOR**

Vacant

**PLANNING AND ZONING DIRECTOR**

Tarika Peeks

**CITY CLERK**

Deannia Ray

**ECONOMIC DEVELOPMENT DIRECTOR**

Sylvia Abernathy

**HUMAN RESOURCES**

Linda Johnson

**UTILITY DIRECTOR**

John Martin

**INTERIM FINANCE DIRECTOR**

Rodrique Taylor

**BUILDING INSPECTOR**

Harvey Stokes

**CHIEF OF POLICE**

Stoney Mathis

**STREETS AND GARAGE DIRECTOR**

Gale Higgs

**FIRE CHIEF**

Cornelius Robinson

**PARKS AND RECREATION DIRECTOR**

Chapin Payne

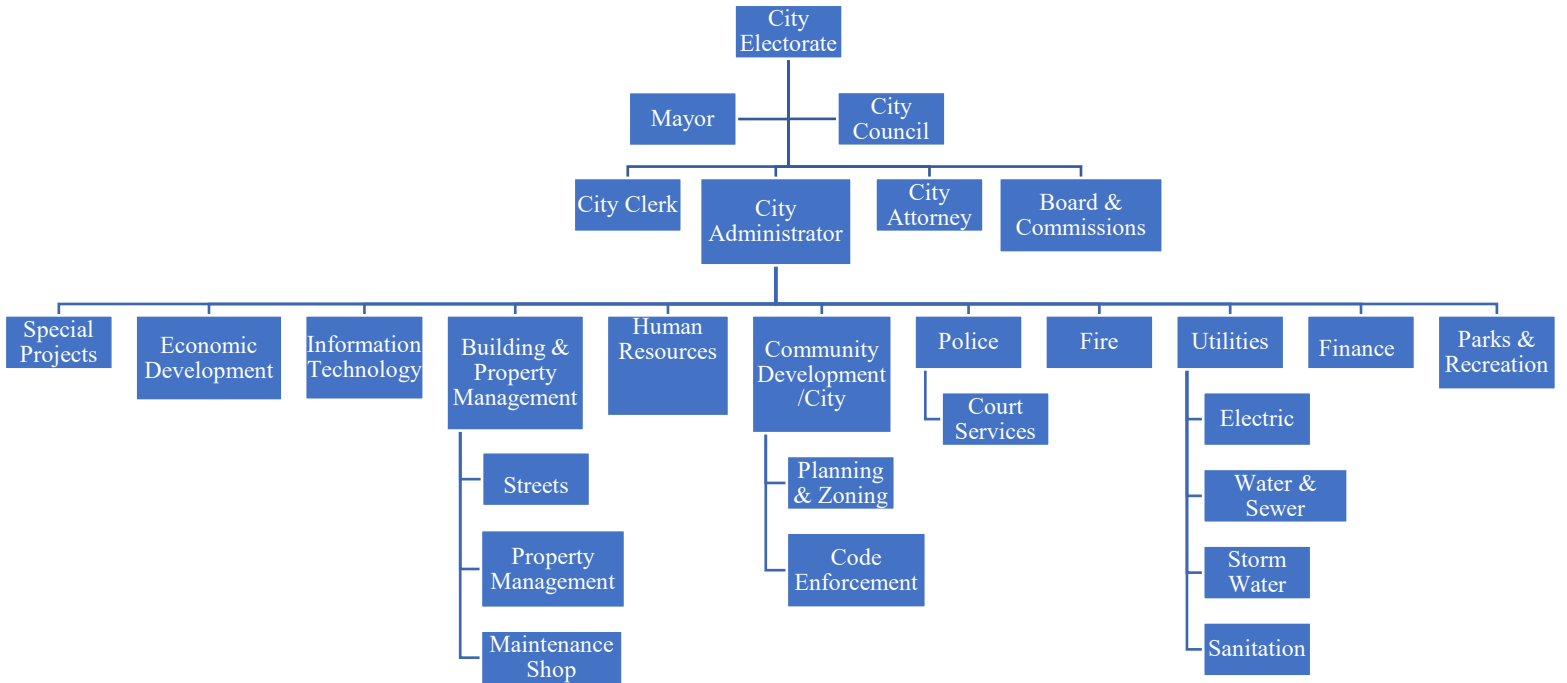
**COMMUNITY DEVELOPMENT DIRECTOR**

Lester Thompson

**CITY ATTORNEYS**

Turner & Ross, LLC

City of Fairburn, Georgia  
 Organizational Chart  
 September 30, 2021



## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

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**To the Honorable Mayor and Members  
of the City Council  
City of Fairburn, Georgia**

### **Report on the Financial Statements**

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 fiscal year ended September 30, 2021, 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.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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**Opinions**

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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund and Grants Fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 20, the City of Fairburn, Georgia implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, as of October 1, 2020. This standard significantly changed the accounting for the City's Municipal Court Fund. Our opinions are not modified with respect to this matter.

**Other Matters***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 on pages 4-15 and pages 63 and 64, respectively 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 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.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Fairburn, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, the schedule of projects constructed with transportation special purpose local option sales tax proceeds, and introductory and statistical sections, are presented for purposes of additional analysis and are not a required part of the basic financial statements.



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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 (collectively the “supplementary information”) are the responsibility of management and were derived from and relate 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.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 27, 2022 on our consideration of the City of Fairburn, Georgia’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 effectiveness of the City of Fairburn, Georgia’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Fairburn, Georgia’s internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Atlanta, Georgia  
July 27, 2022

**City of Fairburn, Georgia**  
**Management's Discussion and Analysis**  
**September 30, 2021**

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, 2021. 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 2021 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 \$104,981,743 (net position). Of this amount, \$58,637,254 is invested in capital assets, net of related debt; \$6,050,614 is restricted; and \$40,293,875 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 \$14,397,287 as compared to an increase of \$10,937,755 in the prior fiscal year.
- At the end of the current fiscal year, total fund balance for the General Fund was \$18,781,858, an increase of \$3,413,352 over the prior fiscal year.
- Transfers from Enterprise Funds for General Fund operations were \$0, \$600,000 and \$1,246,992 in fiscal 2021, 2020 and 2019, respectively.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

### **Government-wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner 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.

**City of Fairburn, Georgia**  
**Management's Discussion and Analysis**  
**September 30, 2021**

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 16 and 17.

**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 20, there is a reconciliation of the statement of revenues, expenditures, and changes in fund balance of governmental funds to the statement of activities.

The City presents in separate columns funds that are most significant to the City (major funds) and all other governmental funds are aggregated and reported in a single column (non-major funds). The City's governmental fund financial statements are presented on pages 18 and 19.

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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 23 - 25.

**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 16 and 17):

**City of Fairburn Summary of Net Position**

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Assets:</b>						
Current and other assets	\$ 30,211,931	\$ 23,913,333	\$ 28,065,971	\$ 26,165,999	\$ 58,277,902	\$ 50,079,332
Capital assets, net	45,767,617	37,639,548	36,618,931	37,619,138	82,386,548	75,258,686
Total assets	75,979,548	61,552,881	64,684,902	63,785,137	140,664,450	125,338,018
<b>Deferred outflows of resources</b>	1,705,531	1,635,706	1,249,427	1,436,836	2,954,958	3,072,542
<b>Liabilities:</b>						
Other liabilities	6,717,158	4,108,553	5,105,068	4,570,196	11,822,226	8,678,749
Long-term liabilities	7,889,452	8,265,579	18,648,899	20,534,146	26,538,351	28,799,725
Total liabilities	14,606,610	12,374,132	23,753,967	25,104,342	38,360,577	37,478,474
<b>Deferred inflows of resources</b>	236,858	305,015	40,230	42,615	277,088	347,630
<b>Net position:</b>						
Net investment in capital assets	39,187,800	31,192,270	19,449,454	18,711,776	58,637,254	49,904,046
Restricted	3,905,013	3,966,175	2,145,601	1,189,571	6,050,614	5,155,746
Unrestricted	19,748,798	15,350,995	20,545,077	20,173,669	40,293,875	35,524,664
Total net position	\$ 62,841,611	\$ 50,509,440	\$ 42,140,132	\$ 40,075,016	\$ 104,981,743	\$ 90,584,456

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**Financial Position**

The total net position of the City increased \$14,397,287 or 15.89%, from \$90,584,456 to \$104,981,743 as noted in the following table.

**City of Fairburn Summary of Changes in Net Position**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Revenues:</b>						
Program revenues						
Charges for services	\$ 2,653,975	\$ 3,545,194	\$ 18,657,053	\$ 19,257,249	\$ 21,311,028	\$ 22,802,443
Operating grants and contributions	90,737	699,575	-	-	90,737	699,575
Capital grants and contributions	9,044,549	5,081,194	1,219,090	895,390	10,263,639	5,976,584
General revenues:						
Property taxes	8,680,841	7,571,527	-	-	8,680,841	7,571,527
Sales taxes	4,550,878	3,976,456	-	-	4,550,878	3,976,456
Franchise taxes	1,262,038	1,269,600	-	-	1,262,038	1,269,600
Insurance premium taxes	1,052,080	997,441	-	-	1,052,080	997,441
Motor vehicle taxes	862,927	579,231	-	-	862,927	579,231
Beer, wine, and liquor taxes	295,599	265,113	-	-	295,599	265,113
Hotel/Motel taxes	220,709	190,904	-	-	220,709	190,904
Other taxes	244,910	206,221	-	-	244,910	206,221
Miscellaneous	108,417	13,732	-	-	108,417	13,732
Gain on sale of capital assets	124	15,101	-	-	124	15,101
Unrestricted investment earnings	69,634	273,681	7,251	30,714	76,885	304,395
<b>Total revenues</b>	<b>29,137,418</b>	<b>24,684,970</b>	<b>19,883,394</b>	<b>20,183,353</b>	<b>49,020,812</b>	<b>44,868,323</b>
<b>Expenses:</b>						
General government	2,873,534	2,455,156	-	-	2,873,534	2,455,156
Judicial	647,656	483,820	-	-	647,656	483,820
Public safety	7,775,503	8,233,961	-	-	7,775,503	8,233,961
Public works	2,943,118	3,874,327	-	-	2,943,118	3,874,327
Culture and recreation	439,241	744,769	-	-	439,241	744,769
Planning and development	1,116,042	688,040	-	-	1,116,042	688,040
Interest on long-term debt	310,153	339,498	-	-	310,153	339,498
Electric	-	-	9,643,206	8,479,982	9,643,206	8,479,982
Water & sewer	-	-	6,870,050	6,600,957	6,870,050	6,600,957
Education complex	-	-	938,836	979,161	938,836	979,161
Stormwater	-	-	332,443	309,145	332,443	309,145
Sanitation	-	-	733,743	741,752	733,743	741,752
<b>Total expenses</b>	<b>16,105,247</b>	<b>16,819,571</b>	<b>18,518,278</b>	<b>17,110,997</b>	<b>34,623,525</b>	<b>33,930,568</b>
Increase in net position before transfers	13,032,171	7,865,399	1,365,116	3,072,356	14,397,287	10,937,755
Transfers	(700,000)	(96,633)	700,000	96,633	-	-
Changes in net position	12,332,171	7,768,766	2,065,116	3,168,989	14,397,287	10,937,755
Net position, beginning of fiscal year	50,509,440	42,740,674	40,075,016	36,906,027	90,584,456	79,646,701
Net position, end of fiscal year	\$ 62,841,611	\$ 50,509,440	\$ 42,140,132	\$ 40,075,016	\$ 104,981,743	\$ 90,584,456

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**Governmental Activities**

Net position for governmental activities increased \$12,332,171 or 24.42%. Total governmental revenues increased \$4,452,448 or 18.04%. Charges for services, which previously included municipal court fines, decreased \$891,219 or 25.14% as a result of the implementation of GASB 84 (See Note 20) which reports fines and forfeitures in a separate fiduciary fund. Operating grants and contributions decreased \$608,838 or 87% as prior year revenues benefited from CARES Act funding from the federal government related to the pandemic. Capital grants and contributions increased \$3,963,355 or 78% as a result of a \$1,716,971 increase in TSPLOST allocations with the remainder attributable to increases in federal grants and intergovernmental agreements for various infrastructure projects. Property taxes increased \$1,109,314 or 14.65% as assessed values for real property continue to rise in Fulton County. Sales taxes increased \$574,422 or 14.45% along with general increases in retail activity as the pandemic subsided. Motor vehicle taxes increased \$283,696 or 48.98% along with nationwide trends in additional vehicle purchases as a result of the pandemic. Unrestricted investment earnings decreased \$204,047 as interest rates have decreased.

Overall expenses for governmental activities decreased \$714,324 or 4.25%. General government expenses increased \$418,378 or 17.04% as a result of increases in repair and maintenance, professional expenses, contractual services and merchant fees. Public safety expenses decreased \$458,458 or 5.57% as a result of unfilled positions. Public works expenses decreased \$931,209 or 24.04% as prior year expenses included more road resurfacing projects. Culture and recreation expenses decreased \$305,525 as a result of reductions in service from the pandemic. Planning and development expenses increased \$428,002 or 62.21% as a result of additional depreciation allocated to this category.

**Business-Type Activities**

Net position for business type activities increased \$2,065,116 or 5.15% from the prior fiscal year. The activities of each enterprise fund are discussed below.

**Electric Fund.** Electric revenues decreased by \$237,596 or 2.49%. Overall operating expenses increased \$1,166,023 or 13.76%. Cost of sales and services increased \$1,136,938 or 16.87% primarily from increased costs for wholesale electricity. General operating expenses and depreciation were consistent with the prior year. Transfers from the General Fund were zero and \$24,695 for fiscal years 2021 and 2020 respectively.

**Electric Fund, Summary of Changes in Net Position**

	<b>2021</b>	<b>2020</b>	<b>\$ Change</b>	<b>% Change</b>
<b>OPERATING REVENUES</b>				
Charges for sales and services	\$ 9,300,061	\$ 9,537,657	\$ (237,596)	(2.49) %
<b>OPERATING EXPENSES</b>				
Cost of sales and services	7,875,985	6,739,047	1,136,938	16.87
General operating expenses	1,388,827	1,360,252	28,575	2.10
Depreciation and amortization	377,307	376,797	510	0.14
Total operating expenses	<u>9,642,119</u>	<u>8,476,096</u>	<u>1,166,023</u>	<u>13.76</u>
Operating income	<u>(342,058)</u>	<u>1,061,561</u>	<u>(1,403,619)</u>	<u>(132.22)</u>
<b>NON OPERATING REVENUES</b>				
Interest income	77	62	15	24.19
Interest expense	(1,087)	(3,886)	2,799	(72.03)
Transfers in (out)	-	24,695	(24,695)	(100.00)
Change in net position	<u>\$ (343,068)</u>	<u>\$ 1,082,432</u>	<u>\$ (1,428,299)</u>	<u>(131.95) %</u>

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**Water and Sewer Fund.** Operating income for the Water and Sewer fund was \$1,730,578 for fiscal year 2021 compared to \$2,438,634 in the prior fiscal year, a decrease of \$708,056 or 29.03%. Revenues decreased \$432,681 or 5.73% and expenses increased 275,375 or 5.39%. Transfers to meet General Fund obligations were zero and \$550,000 for 2021 and 2020, respectively.

**Water and Sewer Fund, Summary of Changes in Net Position**

	2021	2020	\$ Change	% Change
<b>OPERATING REVENUES</b>				
Charges for sales and services	\$ 7,118,549	\$ 7,551,230	\$ (432,681)	(5.73) %
<b>OPERATING EXPENSES</b>				
Cost of sales and services	3,639,796	3,433,850	205,946	6.00
General operating expenses	1,005,513	936,839	68,674	7.33
Depreciation and amortization	742,662	741,907	755	0.10
Total operating expenses	5,387,971	5,112,596	275,375	5.39
Operating income	1,730,578	2,438,634	(708,056)	(29.03)
<b>NON OPERATING REVENUES (EXPENSE)</b>				
Interest income	5,422	24,675	(19,253)	(78.03)
Interest expense	(1,482,079)	(1,488,361)	6,282	(0.42)
Total non-operating revenue (expenses)	(1,476,657)	(1,463,686)	(12,971)	0.89
Capital contributions - tap fees	1,219,090	895,390	323,700	36.15
Transfers in (out)	-	(550,000)	550,000	(100.00)
Change in net position	\$ 1,473,011	\$ 1,320,338	\$ 152,673	11.56 %

**Educational Complex Fund.** This fund had an operating losses of \$79,113 and \$113,555 for fiscal years 2021 and 2020, respectively. Revenues were consistent with the prior year. General operating expenses decreased \$17,212 or 2.86% primarily from decreases in repair and maintenance costs.

**Educational Complex Fund, Summary of Changes in Net Position**

	2021	2020	\$ Change	% Change
<b>OPERATING REVENUES</b>				
Charges for sales and services	\$ 505,118	\$ 487,888	\$ 17,230	3.53 %
<b>OPERATING EXPENSES</b>				
General operating expenses	62,699	77,075	(14,376)	(18.65)
Depreciation and amortization	521,532	524,368	(2,836)	(0.54)
Total operating expenses	584,231	601,443	(17,212)	(2.86)
Operating income (loss)	(79,113)	(113,555)	34,442	(30.33)
<b>NON OPERATING REVENUES (EXPENSE)</b>				
Interest income	1,752	5,977	(4,225)	(70.69)
Interest expense	(354,605)	(377,718)	23,113	(6.12)
Total non-operating revenue (expenses)	(352,853)	(371,741)	18,888	(5.08)
Transfers in (out)	700,000	671,938	28,062	4.18
Change in net position	\$ 268,034	\$ 186,642	\$ 81,392	43.61 %

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**Stormwater Fund.** This Fund was created during fiscal year 2010 to properly segregate infrastructure utility charges in accordance with State statutes. Revenues increased \$23,032 or 2.75% as new properties are added to the City. General operating expenses increased \$23,928 or 7.54% as a result of increases in contractual services.

**Stormwater Fund, Summary of Changes in Net Position**

	<u>2021</u>	<u>2020</u>	<u>\$ Change</u>	<u>% Change</u>
<b>OPERATING REVENUES</b>				
Charges for sales and services	\$ 860,661	\$ 837,629	\$ 23,032	2.75 %
<b>OPERATING EXPENSES</b>				
General operating expenses	115,671	91,931	23,740	25.82
Depreciation and amortization	216,772	217,214	(442)	(0)
Total operating expenses	332,443	309,145	23,298	7.54
Change in net position	\$ 528,218	\$ 528,484	\$ (266)	(0.05) %

**Sanitation Fund.** Operating income increased \$37,828 or 37.42%. Revenue increased slightly by \$29,819 or 3.54%. General operating expenses decreases slightly by \$8,009. Transfers to the General Fund were zero and \$50,000 in fiscal 2021 and 2020, respectively.

**Sanitation Fund, Summary of Changes in Net Position**

	<u>2021</u>	<u>2020</u>	<u>\$ Change</u>	<u>% Change</u>
<b>OPERATING REVENUES</b>				
Charges for sales and services	\$ 872,664	\$ 842,845	\$ 29,819	3.54 %
<b>OPERATING EXPENSES</b>				
General operating expenses	733,743	741,752	(8,009)	(1.08)
Operating income	138,921	101,093	37,828	37.42
Transfers in (out)	-	(50,000)	50,000	(100.00)
Change in net position	\$ 138,921	\$ 51,093	\$ 87,828	171.90 %

**Financial Analysis of the City's Funds**

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



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**Governmental Fund Balance**

The City's combined fund balances as of the end of the current fiscal year for governmental funds, presented on page 18, were \$24,255,133 compared to \$20,635,520 in the prior fiscal year.

**City of Fairburn Summary of Governmental Fund Balances**

	<b>2021</b>	<b>2020</b>	<b>\$ Change</b>
General Fund, as restated	\$ 18,781,858	\$ 15,368,506	\$ 3,413,352
General Obligation Bond Capital Projects Fund	2,489,491	2,195,841	293,650
TSPLOST Fund	2,177,843	1,627,993	549,850
Grants Fund	473,670	1,003,585	(529,915)
Other Governmental Funds	332,271	439,595	(107,324)
Total Governmental Fund Balances	<u>\$ 24,255,133</u>	<u>\$ 20,635,520</u>	<u>\$ 3,619,613</u>

-The General Fund's fund balance was increased by \$3,413,352 due to increases in tax revenue and overall revenues exceeding expenditures and transfers out for the fiscal year.

-The General Obligation Bond Fund's fund balance increased by \$293,650 as property taxes exceeded debt service requirements and capital outlay.

-The TSPLOST Fund's fund balance increased \$549,850 due to sales taxes exceeding capital outlay.

-Grants Fund's fund balance decreased \$529,915 as expenditures exceeded intergovernmental revenues and transfers in.

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**City of Fairburn Summary Changes in Governmental Fund Balance**

	<u>2021</u>	<u>2020</u>	<u>\$ Change</u>	<u>% Change</u>
<b>Revenues</b>				
Property taxes	\$ 8,726,560	\$ 7,553,854	\$ 1,172,706	15.52 %
Sales taxes	4,550,878	3,976,456	574,422	14.45
Franchise taxes	1,262,038	1,269,600	(7,562)	(0.60)
Insurance premium taxes	1,052,080	997,441	54,639	5.48
Motor vehicle taxes	862,927	579,231	283,696	48.98
Beer, wine, and liquor taxes	295,599	265,113	30,486	11.50
Hotel/Motel taxes	220,709	190,904	29,805	15.61
Other taxes	244,910	206,221	38,689	18.76
Licenses and permits	1,668,523	1,607,386	61,137	3.80
Intergovernmental	9,047,628	5,714,255	3,333,373	58.33
Fines and forfeitures	303,095	908,996	(605,901)	(66.66)
Charges for services	617,588	913,497	(295,909)	(32.39)
Interest revenue	78,462	312,195	(233,733)	(74.87)
Other revenues	173,186	129,047	44,139	34.20
Total revenues	<u>\$ 29,104,183</u>	<u>\$ 24,624,196</u>	<u>\$ 4,479,987</u>	<u>18.19</u>
<b>Expenditures</b>				
<b>Current:</b>				
General government	\$ 2,999,655	\$ 2,992,573	\$ 7,082	0.24
Judicial	648,158	485,978	162,180	33.37
Public safety	8,288,811	7,988,409	300,402	3.76
Public works	5,944,896	3,352,766	2,592,130	77.31
Parks and recreation	398,482	398,005	477	0.12
Planning and development	763,503	659,665	103,838	15.74
Capital outlays	4,911,771	3,613,471	1,298,300	35.93
<b>Debt service:</b>				
Principal	619,498	660,945	(41,447)	(6.27)
Interest	209,920	236,585	(26,665)	(11.27)
Total expenditures	<u>24,784,694</u>	<u>20,388,397</u>	<u>4,396,297</u>	<u>21.56</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,319,489</u>	<u>4,235,799</u>	<u>83,690</u>	<u>1.98</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital assets	124	15,101	(14,977)	-
Transfers in	909,840	850,000	59,840	7.04
Transfers out	(1,609,840)	(946,633)	(663,207)	70.06
Total other financing sources (uses)	<u>(699,876)</u>	<u>(81,532)</u>	<u>(618,344)</u>	<u>758.41</u>
<b>Net change in fund balances</b>	<u>\$ 3,619,613</u>	<u>\$ 4,154,267</u>	<u>\$ (534,654)</u>	<u>(12.87) %</u>

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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 \$4,319,489 as compared to \$4,235,799 in the prior fiscal year. The General Fund had an excess of \$4,309,982; the General Obligation Bond Capital Projects Fund had an excess of \$293,650; the TSPLOST Fund had an excess of \$549,850; the Grants Fund had a deficiency of \$1,083,212 and non-major governmental funds had an excess of \$249,219.

Total governmental revenues increased \$4,479,987 or 18.19%. Property taxes increased \$1,172,706 or 15.52% as assessed values of real property continue to increase. Sales taxes increased \$574,422 or 14.45% along with general improvements in the overall economy. Intergovernmental revenues increased \$3,333,373 or 58.33% mostly attributable to federal funding received through the state DOT for various transportation projects; and other intergovernmental agreements with the South Fulton Community Improvement District related to infrastructure improvements. Fines and forfeitures decreased \$605,901 or 66.66% as a result of the implementation of GASB 84 which reports fines and forfeitures in a separate fiduciary fund. Motor vehicle taxes increased \$283,696 or 48.98% along with nationwide trends in additional vehicle purchases as a result of the pandemic. Interest revenues decreased \$233,733 or 74.87% as interest rates have decreased. Charges for services decreased \$295,909 or 32.39% as a result of significant decreases in disposal fees.

Total governmental expenditures increased \$4,396,297 or 21.56%. General government expenses increased by \$7,082. Judicial expenditures increased \$162,180 or 33.37% as prior year expenses were impacted by the pandemic. Public safety expenditures increased by \$300,402 or 3.76%. Public works expenditures increased \$2,592,130 or 77.31% because of increases in intergovernmental projects and transportation grants. Capital outlays increased \$1,298,300 or 35.93% as certain TSPLOST projects which were deferred from prior years. Other changes in expenditure categories did not have a significant impact on total expenditures.

### **General Fund Budgetary Highlights**

The final amended budgets passed by the City Council anticipated revenues and transfers from the Enterprise Funds being sufficient to meet operations of the General Fund. Actual results were \$6,687,943 better than budgeted.

A comparison of the final budgets to actual results are located on page 21.

- General Fund revenues in total were \$4,232,385 better than budgeted. Budgeted revenues are generally based on prior years' activity and trends. Property taxes were \$1,611,312 better than budgeted as assessed values continue to increase. Sales taxes were \$1,650,878 better than budgeted as budgets remain very conservative and as the general economy has improved faster than projected. Motor vehicle taxes were \$577,927 better than budgeted along with nationwide trends toward increased vehicle sales as a result of the pandemic. License and permits were \$371,235 better than budgeted as construction permit applications were better than projected. Fines and forfeitures were \$381,478 less than projected as the budget did not contemplate the impact of GASB 84 on the General fund.
- The actual expenditures of \$14,246,877 were \$1,563,707 less than budgeted as management continues control measures implemented in prior years as well as very conservative budget estimates.

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**Capital Asset and Debt Administration**

**Capital Assets**

The City has invested \$82,386,548 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	
	2021	2020	2021	2020	2021	2020
Land	\$ 5,337,956	\$ 5,337,956	\$ 3,924,899	\$ 3,924,899	\$ 9,262,855	\$ 9,262,855
Construction in Progress	12,454,590	6,885,903	-	7,905	12,454,590	6,893,808
Buildings, grounds and improvements	6,537,867	6,391,764	15,978,691	16,623,348	22,516,558	23,015,112
Machinery and equipment	909,228	819,461	264,393	271,851	1,173,621	1,091,312
Infrastructure	18,891,527	16,999,628	13,860,975	13,925,236	32,752,502	30,924,864
Vehicles	1,636,449	1,204,836	2,589,973	2,865,899	4,226,422	4,070,735
	<u>\$ 45,767,617</u>	<u>\$ 37,639,548</u>	<u>\$ 36,618,931</u>	<u>\$ 37,619,138</u>	<u>\$ 82,386,548</u>	<u>\$ 75,258,686</u>

Net capital assets for governmental activities increased \$8,128,069 and is primarily related to infrastructure projects funded by TSPLOST funds as well as intergovernmental revenues from the South Fulton Community Improvement District and federal transportation grants. Net capital assets for business-type activities decreased \$1,000,207 as depreciation expenses offset asset purchases. The detailed capital assets schedule is reported in Note 6 of the footnotes to the financial statements.

**Long-term Debt**

At the end of the current fiscal year, the City had long-term debt related to business-type activities of \$20,310,000 and \$7,437,764 for governmental activities. Bonds, notes, and financed purchases outstanding as of the fiscal year ended September 30, 2021 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 Outstanding Long-Term Liabilities**

	<u>2021</u>	<u>2020</u>
<b>Governmental Activities</b>		
2011 General Obligation Bonds	\$ 490,000	\$ 960,000
2017 Refunding Bonds	6,895,000	7,020,000
Financed Purchases	52,764	77,262
	<u>\$ 7,437,764</u>	<u>\$ 8,057,262</u>
<b>Business-type Activities</b>		
Series 2011 Education Campus Bonds	\$ -	\$ 585,000
Series 2013 Revenue Refunding Bonds	4,145,000	5,075,000
Series 2014 Utility Bonds	3,520,000	3,710,000
Series 2017 Educational Revenue Refunding Bonds	12,645,000	12,790,000
Financed Purchases	-	28,958
	<u>\$ 20,310,000</u>	<u>\$ 22,188,958</u>

**City of Fairburn, Georgia**  
**Management's Discussion and Analysis**  
**September 30, 2021**

**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 is also rebounding, 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.

Service levels continue to improve and revenue estimates are conservatively made. Property taxes for general operations remained at 8.1 mills and debt service millage remained at 1.46 for the October 2021 billing.

Electric rate add-ons for the power cost adjustment (PCA) and the environmental compliance cost recovery fee (ECCR) have remained steady since early 2013. Water and sewer rates have not changed in quite some time however, level of service has improved for all citizens of Fairburn, Georgia.

**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, 2021**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 25,744,557	\$ 14,324,567	\$ 40,069,124
Restricted cash and cash equivalents	1,026,885	4,244,025	5,270,910
Investments	107,378	6,232,415	6,339,793
Investments with fiscal agent (restricted assets)	-	69,649	69,649
Accounts receivable, net of allowances	-	2,835,065	2,835,065
Taxes receivable, net of allowances	528,317	-	528,317
Intergovernmental receivables	2,291,817	-	2,291,817
Inventory	6,558	-	6,558
Other receivables	301,749	360,000	661,749
Prepaid items	198,634	250	198,884
Prepaid bond insurance (unamortized balance)	6,036	-	6,036
Capital assets:			
Non-depreciable	17,792,546	3,924,899	21,717,445
Depreciable, net of accumulated depreciation	27,975,071	32,694,032	60,669,103
Total assets	<u>75,979,548</u>	<u>64,684,902</u>	<u>140,664,450</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred loss on refunding of debt	646,208	1,069,503	1,715,711
Pension related items	1,059,323	179,924	1,239,247
Total deferred outflows of resources	<u>1,705,531</u>	<u>1,249,427</u>	<u>2,954,958</u>
<b>LIABILITIES</b>			
Accounts payable	1,584,526	2,141,642	3,726,168
Retainage payable	262,317	-	262,317
Funds held in escrow (due to others)	710,145	-	710,145
Accrued liabilities	72,403	49,578	121,981
Accrued interest payable	66,334	84,090	150,424
Unearned revenue	3,130,891	-	3,130,891
Customer deposits payable	1,100	855,271	856,371
Compensated absences due within one fiscal year	243,709	34,487	278,196
Compensated absences due in more than one fiscal year	87,474	10,486	97,960
Financed purchases due within one fiscal year	25,733	-	25,733
Financed purchases due in more than one fiscal year	27,031	-	27,031
Bonds payable due within one fiscal year	620,000	1,940,000	2,560,000
Bonds payable due in more than one fiscal year	6,766,047	18,467,053	25,233,100
Net pension liability due in more than one fiscal year	1,008,900	171,360	1,180,260
Total liabilities	<u>14,606,610</u>	<u>23,753,967</u>	<u>38,360,577</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related items	236,858	40,230	277,088
Total deferred inflows of resources	<u>236,858</u>	<u>40,230</u>	<u>277,088</u>
<b>NET POSITION</b>			
Net investment in capital assets	39,187,800	19,449,454	58,637,254
Restricted for debt service	12,389	2,075,952	2,088,341
Restricted for capital construction	1,478,485	-	1,478,485
Restricted for transportation projects	2,177,843	-	2,177,843
Restricted for law enforcement activities	71,256	-	71,256
Restricted for corpus of perpetual care cemetery funds (nonspendable)	10,000	-	10,000
Restricted for cemetery operating capital	76,210	-	76,210
Restricted by third party as letter of credit	-	69,649	69,649
Restricted for federal and state programs	78,830	-	78,830
Unrestricted	19,748,798	20,545,077	40,293,875
Total net position	<u>\$ 62,841,611</u>	<u>\$ 42,140,132</u>	<u>\$ 104,981,743</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, 2021**

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
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 2,873,534	\$ 1,668,523	\$ -	\$ -	\$ (1,205,011)	\$ -	\$ (1,205,011)
Judicial	647,656	273,522	-	-	(374,134)	-	(374,134)
Public safety	7,775,503	29,573	90,737	546,817	(7,108,376)	-	(7,108,376)
Public works	2,943,118	617,588	-	8,274,549	5,949,019	-	5,949,019
Culture and recreation	439,241	64,769	-	223,183	(151,289)	-	(151,289)
Planning and development	1,116,042	-	-	-	(1,116,042)	-	(1,116,042)
Interest and fiscal charges	310,153	-	-	-	(310,153)	-	(310,153)
Total governmental activities	<u>16,105,247</u>	<u>2,653,975</u>	<u>90,737</u>	<u>9,044,549</u>	<u>(4,315,986)</u>	<u>-</u>	<u>(4,315,986)</u>
Business-type activities:							
Electric	9,643,206	9,300,061	-	-	-	(343,145)	(343,145)
Water and sewer	6,870,050	7,118,549	-	1,219,090	-	1,467,589	1,467,589
Educational complex	938,836	505,118	-	-	-	(433,718)	(433,718)
Stormwater	332,443	860,661	-	-	-	528,218	528,218
Sanitation	733,743	872,664	-	-	-	138,921	138,921
Total business-type activities	<u>18,518,278</u>	<u>18,657,053</u>	<u>-</u>	<u>1,219,090</u>	<u>-</u>	<u>1,357,865</u>	<u>1,357,865</u>
Total primary government	<u>\$ 34,623,525</u>	<u>\$ 21,311,028</u>	<u>\$ 90,737</u>	<u>\$ 10,263,639</u>	<u>\$ (4,315,986)</u>	<u>\$ 1,357,865</u>	<u>\$ (2,958,121)</u>
General revenues:							
Property taxes					\$ 8,680,841	\$ -	\$ 8,680,841
Franchise taxes					1,262,038	-	1,262,038
Insurance premium taxes					1,052,080	-	1,052,080
Sales and use taxes					4,550,878	-	4,550,878
Motor vehicle taxes					862,927	-	862,927
Beer, wine, and liquor taxes					295,599	-	295,599
Hotel/Motel taxes					220,709	-	220,709
Other taxes					244,910	-	244,910
Unrestricted investment earnings					69,634	7,251	76,885
Gain on sale of capital assets					124	-	124
Miscellaneous					108,417	-	108,417
Transfers					(700,000)	700,000	-
Total general revenues and transfers					<u>16,648,157</u>	<u>707,251</u>	<u>17,355,408</u>
Change in net position					12,332,171	2,065,116	14,397,287
Net position, beginning of fiscal year					<u>50,509,440</u>	<u>40,075,016</u>	<u>90,584,456</u>
Net position, end of fiscal year					<u>\$ 62,841,611</u>	<u>\$ 42,140,132</u>	<u>\$ 104,981,743</u>

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

**CITY OF FAIRBURN, GEORGIA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2021**

ASSETS	General Fund	General Obligation Bond Capital Projects Fund	TSPLOST Fund	Grants Fund	American Rescue Plan Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 19,070,896	\$ 1,485,311	\$ 1,811,163	\$ -	\$ 3,130,891	\$ 246,296	\$ 25,744,557
Restricted cash and cash equivalents	-	1,026,885	-	-	-	-	1,026,885
Investments	21,403	-	-	-	-	85,975	107,378
Taxes receivable, net of allowances	488,378	16,795	-	-	-	23,144	528,317
Other receivables	301,749	-	-	-	-	-	301,749
Intergovernmental receivables	76,432	-	1,001,616	1,213,769	-	-	2,291,817
Due from other funds	87,876	-	-	-	-	-	87,876
Prepaid items	198,634	-	-	-	-	-	198,634
Inventory	6,558	-	-	-	-	-	6,558
<b>Total assets</b>	<b>\$ 20,251,926</b>	<b>\$ 2,528,991</b>	<b>\$ 2,812,779</b>	<b>\$ 1,213,769</b>	<b>\$ 3,130,891</b>	<b>\$ 355,415</b>	<b>\$ 30,293,771</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts payable	\$ 515,317	\$ 23,621	\$ 539,193	\$ 506,395	\$ -	\$ -	\$ 1,584,526
Retainage payable	-	-	95,543	166,774	-	-	262,317
Funds held in escrow	710,145	-	-	-	-	-	710,145
Accrued liabilities	42,689	-	-	-	-	-	42,689
Due to other funds	-	-	200	64,532	-	23,144	87,876
Unearned revenue	-	-	-	-	3,130,891	-	3,130,891
Customer deposits	1,100	-	-	-	-	-	1,100
Other liabilities	29,714	-	-	-	-	-	29,714
<b>Total liabilities</b>	<b>1,298,965</b>	<b>23,621</b>	<b>634,936</b>	<b>737,701</b>	<b>3,130,891</b>	<b>23,144</b>	<b>5,849,258</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue - property taxes	94,671	15,879	-	-	-	-	110,550
Unavailable revenue - intergovernmental grants	76,432	-	-	2,398	-	-	78,830
<b>Total deferred inflows of resources</b>	<b>171,103</b>	<b>15,879</b>	<b>-</b>	<b>2,398</b>	<b>-</b>	<b>-</b>	<b>189,380</b>
<b>FUND BALANCES</b>							
Fund balances:							
Nonspendable for:							
Prepaid items	198,634	-	-	-	-	-	198,634
Inventory	6,558	-	-	-	-	-	6,558
Corpus of perpetual care cemetery funds	-	-	-	-	-	10,000	10,000
Restricted for:							
Capital construction	-	2,477,102	-	-	-	-	2,477,102
Debt service	-	12,389	-	-	-	-	12,389
Law enforcement activities	-	-	-	-	-	71,256	71,256
Cemetery operating capital	-	-	-	-	-	76,210	76,210
Transportation projects	-	-	2,177,843	-	-	-	2,177,843
Committed for:							
Tree bank	8,000	-	-	-	-	-	8,000
Assigned for:							
Capital construction	-	-	-	-	-	173,830	173,830
Federal and state programs	-	-	-	473,670	-	-	473,670
Planning and development	-	-	-	-	-	975	975
Unassigned	18,568,666	-	-	-	-	-	18,568,666
<b>Total fund balances</b>	<b>18,781,858</b>	<b>2,489,491</b>	<b>2,177,843</b>	<b>473,670</b>	<b>-</b>	<b>332,271</b>	<b>24,255,133</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 20,251,926</b>	<b>\$ 2,528,991</b>	<b>\$ 2,812,779</b>	<b>\$ 1,213,769</b>	<b>\$ 3,130,891</b>	<b>\$ 355,415</b>	

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.	45,767,617
Some receivables are not available to pay for current-period expenditures and, therefore, are deferred inflows of resources in the governmental funds.	189,380
The deferred outflows of resources and deferred inflows of resources, related to pensions are not current financial resources and therefore, are not reported in the governmental funds.	822,465
The net pension liability is not a current financial resources and is not recorded in the governmental funds.	(1,008,900)
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.	(7,184,084)
Net position of governmental activities	<u>\$ 62,841,611</u>

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, 2021**

	General Fund	General Obligation Bond Capital Projects Fund	TSPLOST Fund	Grants Fund	American Rescue Plan Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>							
Taxes	\$ 15,676,101	\$ 1,318,891	\$ -	\$ -	\$ -	\$ 220,709	\$ 17,215,701
Licenses and permits	1,668,523	-	-	-	-	-	1,668,523
Intergovernmental	79,603	-	5,227,528	3,740,497	-	-	9,047,628
Fines and forfeitures	273,522	-	-	-	-	29,573	303,095
Charges for services	617,588	-	-	-	-	-	617,588
Interest income	68,336	1,049	8,828	-	-	249	78,462
Miscellaneous revenue	173,186	-	-	-	-	-	173,186
Total revenues	<u>18,556,859</u>	<u>1,319,940</u>	<u>5,236,356</u>	<u>3,740,497</u>	<u>-</u>	<u>250,531</u>	<u>29,104,183</u>
<b>Expenditures</b>							
Current:							
General government	2,999,655	-	-	-	-	-	2,999,655
Judicial	648,158	-	-	-	-	-	648,158
Public safety	7,728,294	-	-	559,205	-	1,312	8,288,811
Public works	1,680,392	-	-	4,264,504	-	-	5,944,896
Culture and recreation	398,482	-	-	-	-	-	398,482
Planning and development	763,503	-	-	-	-	-	763,503
Capital outlay	-	225,265	4,686,506	-	-	-	4,911,771
Debt service:							
Principal retirements	24,498	595,000	-	-	-	-	619,498
Interest and fiscal charges	3,895	206,025	-	-	-	-	209,920
Total expenditures	<u>14,246,877</u>	<u>1,026,290</u>	<u>4,686,506</u>	<u>4,823,709</u>	<u>-</u>	<u>1,312</u>	<u>24,784,694</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,309,982</u>	<u>293,650</u>	<u>549,850</u>	<u>(1,083,212)</u>	<u>-</u>	<u>249,219</u>	<u>4,319,489</u>
<b>Other financing sources (uses):</b>							
Proceeds from disposal of capital assets	124	-	-	-	-	-	124
Transfers in	356,543	-	-	553,297	-	-	909,840
Transfers out	(1,253,297)	-	-	-	-	(356,543)	(1,609,840)
Total other financing sources (uses)	<u>(896,630)</u>	<u>-</u>	<u>-</u>	<u>553,297</u>	<u>-</u>	<u>(356,543)</u>	<u>(699,876)</u>
Net change in fund balances	3,413,352	293,650	549,850	(529,915)	-	(107,324)	3,619,613
<b>Fund balances, beginning of fiscal year, as restated</b>	<u>15,368,506</u>	<u>2,195,841</u>	<u>1,627,993</u>	<u>1,003,585</u>	<u>-</u>	<u>439,595</u>	<u>20,635,520</u>
<b>Fund balances, end of fiscal year</b>	<u>\$ 18,781,858</u>	<u>\$ 2,489,491</u>	<u>\$ 2,177,843</u>	<u>\$ 473,670</u>	<u>\$ -</u>	<u>\$ 332,271</u>	<u>\$ 24,255,133</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, 2021**

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

Net change in fund balances - total governmental funds	\$	3,619,613
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 - see footnote 2 for detail of amount.		8,128,069
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		33,111
Issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction; however has any effect on net position. Also, governmental funds report the effect of bond insurance costs, premiums, discounts, and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The effect of these differences in the treatment of long-term debt and related items is as follows:		
Principal payment on bonds payable		595,000
Principal payment on financed purchases		24,498
Amortization of deferred charges, prepaid bond insurance costs		(113,833)
Amortization of bond premium		1,047
		506,712
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in accrued interest payable		8,599
Change in deferred inflows and outflows- pension related items and net pension liability		32,578
Change in compensated absences		3,489
		34,666
Change in net position - governmental activities	\$	12,332,171

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, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 5,796,357	\$ 5,796,357	\$ 7,407,669	\$ 1,611,312
Sales taxes	2,900,000	2,900,000	4,550,878	1,650,878
Franchise taxes	1,094,000	1,094,000	1,262,038	168,038
Insurance premium taxes	917,609	917,609	1,052,080	134,471
Beer, liquor, and wine taxes	170,000	170,000	295,599	125,599
Motor vehicle taxes	285,000	285,000	862,927	577,927
Other taxes	115,000	115,000	244,910	129,910
Intergovernmental	-	-	79,603	79,603
Licenses and permits	1,297,288	1,297,288	1,668,523	371,235
Fines and forfeitures	655,000	655,000	273,522	(381,478)
Interest income	250,448	250,448	68,336	(182,112)
Charges for services	700,400	700,400	617,588	(82,812)
Miscellaneous	143,372	143,372	173,186	29,814
<b>Total revenues</b>	<b>14,324,474</b>	<b>14,324,474</b>	<b>18,556,859</b>	<b>4,232,385</b>
<b>Expenditures</b>				
Current:				
General government:				
Mayor and council	337,341	337,341	243,453	93,888
Administration	881,735	893,610	672,872	220,738
City Administrator	1,194,311	1,194,311	947,582	246,729
Finance	572,263	572,262	574,463	(2,201)
Technology	15,000	15,000	14,995	5
Property management	637,982	626,106	546,290	79,816
Total general government	3,638,632	3,638,630	2,999,655	638,975
Judicial:				
Municipal court	710,447	710,447	648,158	62,289
Total judicial	710,447	710,447	648,158	62,289
Public safety:				
Police	4,249,856	4,259,634	4,320,428	(60,794)
Fire	3,743,712	3,733,935	3,407,866	326,069
Total public safety	7,993,568	7,993,569	7,728,294	265,275
Public works:				
Public works administration	358,928	363,857	321,113	42,744
Highways and streets	1,365,470	1,360,541	1,088,571	271,970
Maintenance and shop	277,721	277,722	270,708	7,014
Total public works	2,002,119	2,002,120	1,680,392	321,728
Culture and recreation:				
Recreation	491,307	491,307	398,482	92,825
Total culture and recreation	491,307	491,307	398,482	92,825
Planning and development:				
Protective inspection and enforcement	364,914	359,914	341,125	18,789
Planning and zoning	581,204	586,204	422,378	163,826
Total planning and development	946,118	946,118	763,503	182,615
Debt service:				
Principal retirements	24,498	24,498	24,498	-
Interest and fiscal charges	3,895	3,895	3,895	-
Total debt service	28,393	28,393	28,393	-
<b>Total expenditures</b>	<b>15,810,584</b>	<b>15,810,584</b>	<b>14,246,877</b>	<b>1,563,707</b>
Excess (deficiency) of revenues over (under) expenditures	(1,486,110)	(1,486,110)	4,309,982	5,796,092
<b>Other financing sources (uses)</b>				
Proceeds from sale of capital assets	-	-	124	124
Transfers in	212,000	212,000	356,543	144,543
Transfers out	(2,000,481)	(2,000,481)	(1,253,297)	747,184
Total other financing sources (uses)	(1,788,481)	(1,788,481)	(896,630)	891,851
Net change in fund balances	(3,274,591)	(3,274,591)	3,413,352	6,687,943
<b>Fund balance, beginning of fiscal year, as restated</b>	<b>15,368,506</b>	<b>15,368,506</b>	<b>15,368,506</b>	<b>-</b>
<b>Fund balance, end of fiscal year</b>	<b>\$ 12,093,915</b>	<b>\$ 12,093,915</b>	<b>\$ 18,781,858</b>	<b>\$ 6,687,943</b>

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

**CITY OF FAIRBURN, GEORGIA**  
**GRANTS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 6,159,019	\$ 6,159,019	\$ 3,740,497	\$ (2,418,522)
Total revenues	6,159,019	6,159,019	3,740,497	(2,418,522)
<b>EXPENDITURES</b>				
Public safety	590,216	615,216	559,205	56,011
Public works	6,937,785	6,912,785	4,264,504	2,648,281
Total expenditures	7,528,001	7,528,001	4,823,709	2,704,292
Excess (deficiency) of revenues over (under) expenditures	(1,368,982)	(1,368,982)	(1,083,212)	285,770
<b>Other financing sources:</b>				
Transfers in	553,297	553,297	553,297	-
Total other financing sources	553,297	553,297	553,297	-
Net change in fund balances	(815,685)	(815,685)	(529,915)	285,770
<b>FUND BALANCES, beginning of fiscal year</b>	1,003,585	1,003,585	1,003,585	-
<b>FUND BALANCES, end of fiscal year</b>	\$ 187,900	\$ 187,900	\$ 473,670	\$ 285,770

# CITY OF FAIRBURN, GEORGIA

## STATEMENT OF NET POSITION PROPRIETARY FUNDS SEPTEMBER 30, 2021

ASSETS	Business-type Activities - Enterprise Funds					Total
	Electric Fund	Water and Sewer Fund	Educational Complex Fund	Stormwater Fund	Nonmajor Sanitation Fund	
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	\$ 2,421,292	\$ 7,564,109	\$ 499,926	\$ 3,061,839	\$ 777,401	\$ 14,324,567
Restricted cash and cash equivalents	-	3,207,793	1,036,232	-	-	4,244,025
Investments	6,232,415	-	-	-	-	6,232,415
Investments with fiscal agent (restricted assets)	69,649	-	-	-	-	69,649
Accounts receivable, net of allowances	1,349,721	1,195,724	-	144,262	145,358	2,835,065
Other receivable	358,000	-	2,000	-	-	360,000
Prepaid items	250	-	-	-	-	250
Total current assets	10,431,327	11,967,626	1,538,158	3,206,101	922,759	28,065,971
<b>CAPITAL ASSETS</b>						
Non-depreciable	14,874	2,270,996	1,639,029	-	-	3,924,899
Depreciable, net of accumulated depreciation	4,626,591	13,083,263	10,029,370	4,954,808	-	32,694,032
Total capital assets	4,641,465	15,354,259	11,668,399	4,954,808	-	36,618,931
Total noncurrent assets	4,641,465	15,354,259	11,668,399	4,954,808	-	36,618,931
Total assets	15,072,792	27,321,885	13,206,557	8,160,909	922,759	64,684,902
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Pension related items	106,023	73,901	-	-	-	179,924
Deferred loss on refunding of debt	-	131,595	937,908	-	-	1,069,503
Total deferred outflows of resources	106,023	205,496	937,908	-	-	1,249,427
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES</b>						
Accounts payable	759,939	1,310,851	3,829	4,036	62,987	2,141,642
Accrued liabilities	22,567	19,511	-	7,500	-	49,578
Accrued interest payable	-	-	84,090	-	-	84,090
Customer deposits	557,375	278,229	9,583	-	10,084	855,271
Compensated absences payable	17,604	16,883	-	-	-	34,487
Revenue bonds payable	-	1,165,000	775,000	-	-	1,940,000
Net pension liability	100,976	70,384	-	-	-	171,360
Total current liabilities	1,458,461	2,860,858	872,502	11,536	73,071	5,276,428
<b>NONCURRENT LIABILITIES</b>						
Compensated absences payable	4,576	5,910	-	-	-	10,486
Revenue bonds payable	-	6,597,053	11,870,000	-	-	18,467,053
Total noncurrent liabilities	4,576	6,602,963	11,870,000	-	-	18,477,539
Total liabilities	1,463,037	9,463,821	12,742,502	11,536	73,071	23,753,967
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Pension related items	23,706	16,524	-	-	-	40,230
Total deferred outflows of resources	23,706	16,524	-	-	-	40,230
<b>NET POSITION</b>						
Net investment in capital assets	4,641,465	9,766,594	86,587	4,954,808	-	19,449,454
Restricted for debt service	-	1,165,000	910,952	-	-	2,075,952
Restricted by third party as letter of credit	69,649	-	-	-	-	69,649
Unrestricted	8,980,958	7,115,442	404,424	3,194,565	849,688	20,545,077
Total net position	\$ 13,692,072	\$ 18,047,036	\$ 1,401,963	\$ 8,149,373	\$ 849,688	\$ 42,140,132

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, 2021**

	Business-type Activities - Enterprise Funds					Total
	Electric Fund	Water and Sewer Fund	Educational Complex Fund	Stormwater Fund	Nonmajor Sanitation Fund	
<b>OPERATING REVENUES</b>						
Charges for sales and services	\$ 9,005,969	\$ 7,118,549	\$ 487,798	\$ 860,661	\$ 872,664	\$ 18,345,641
Miscellaneous income	294,092	-	17,320	-	-	311,412
Total operating revenues	9,300,061	7,118,549	505,118	860,661	872,664	18,657,053
<b>OPERATING EXPENSES</b>						
Cost of sales and services	7,875,985	3,639,796	-	-	-	11,515,781
General operating expenses	1,388,827	1,005,513	62,699	115,671	733,743	3,306,453
Depreciation and amortization	377,307	742,662	521,532	216,772	-	1,858,273
Total operating expenses	9,642,119	5,387,971	584,231	332,443	733,743	16,680,507
Operating income (loss)	(342,058)	1,730,578	(79,113)	528,218	138,921	1,976,546
<b>NON-OPERATING REVENUES (EXPENSES)</b>						
Interest income	77	5,422	1,752	-	-	7,251
Interest expense	(1,087)	(1,482,079)	(354,605)	-	-	(1,837,771)
Total non-operating revenues (expenses)	(1,010)	(1,476,657)	(352,853)	-	-	(1,830,520)
Income (loss) before contributions and transfers	(343,068)	253,921	(431,966)	528,218	138,921	146,026
Capital contributions - tap fees	-	1,219,090	-	-	-	1,219,090
Transfers in	-	-	700,000	-	-	700,000
	-	1,219,090	700,000	-	-	1,919,090
Change in net position	(343,068)	1,473,011	268,034	528,218	138,921	2,065,116
<b>Net position, beginning of fiscal year</b>	14,035,140	16,574,025	1,133,929	7,621,155	710,767	40,075,016
<b>Net position, end of fiscal year</b>	<u>\$ 13,692,072</u>	<u>\$ 18,047,036</u>	<u>\$ 1,401,963</u>	<u>\$ 8,149,373</u>	<u>\$ 849,688</u>	<u>\$ 42,140,132</u>

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, 2021**

	Electric Fund	Water and Sewer Fund	Educational Complex Fund	Stormwater Fund	Nonmajor Sanitation Fund	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers and users	\$ 9,208,924	\$ 7,021,728	\$ 505,118	\$ 837,305	\$ 842,808	\$ 18,415,883
Payments to suppliers	(8,370,901)	(3,975,802)	(64,441)	(104,135)	(730,464)	(13,245,743)
Payments to employees	(870,651)	(231,084)	-	-	-	(1,101,735)
Net cash provided by (used in) operating activities	<u>(32,628)</u>	<u>2,814,842</u>	<u>440,677</u>	<u>733,170</u>	<u>112,344</u>	<u>4,068,405</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>						
Transfers in from other funds	-	-	700,000	-	-	700,000
Net cash provided by non-capital financing activities	<u>-</u>	<u>-</u>	<u>700,000</u>	<u>-</u>	<u>-</u>	<u>700,000</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Purchase of capital assets	(6,050)	(612,048)	-	-	-	(618,098)
Capital contributions - tap fees	-	1,219,090	-	-	-	1,219,090
Principal payment on financed purchases	(28,958)	-	-	-	-	(28,958)
Principal payment on bonds	-	(1,120,000)	(730,000)	-	-	(1,850,000)
Interest payments	(1,087)	(1,482,079)	(360,687)	-	-	(1,843,853)
Net cash used in capital and related financing activities	<u>(36,095)</u>	<u>(1,995,037)</u>	<u>(1,090,687)</u>	<u>-</u>	<u>-</u>	<u>(3,121,819)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest on investments	77	5,422	1,752	-	-	7,251
Purchases of investments	(105,000)	-	-	-	-	(105,000)
Net cash provided by (used in) investing activities	<u>(104,923)</u>	<u>5,422</u>	<u>1,752</u>	<u>-</u>	<u>-</u>	<u>(97,749)</u>
Net increase (decrease) in cash and cash equivalents	(173,646)	825,227	51,742	733,170	112,344	1,548,837
Cash and cash equivalents, beginning of fiscal year	2,594,938	9,946,675	1,484,416	2,328,669	665,057	17,019,755
Cash and cash equivalents, end of fiscal year	<u>\$ 2,421,292</u>	<u>\$ 10,771,902</u>	<u>\$ 1,536,158</u>	<u>\$ 3,061,839</u>	<u>\$ 777,401</u>	<u>\$ 18,568,592</u>
<b>Classified as:</b>						
Cash and cash equivalents	\$ 2,421,292	\$ 7,564,109	\$ 499,926	\$ 3,061,839	\$ 777,401	\$ 14,324,567
Restricted cash and cash equivalents	-	3,207,793	1,036,232	-	-	4,244,025
	<u>\$ 2,421,292</u>	<u>\$ 10,771,902</u>	<u>\$ 1,536,158</u>	<u>\$ 3,061,839</u>	<u>\$ 777,401</u>	<u>\$ 18,568,592</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>						
Operating income (loss)	\$ (342,058)	\$ 1,730,578	\$ (79,113)	\$ 528,218	\$ 138,921	\$ 1,976,546
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation and amortization	377,307	742,662	521,532	216,772	-	1,858,273
Change in assets and liabilities and deferred inflows/outflows of resources:						
(Increase) decrease in:						
Accounts receivable	(89,647)	(103,016)	-	(23,356)	(30,116)	(246,135)
Deferred outflows for pension items	(24,273)	(32,757)	-	-	-	(57,030)
Increase (decrease) in:						
Accounts payable	45,809	426,987	(1,742)	4,036	3,279	478,369
Accrued liabilities and retainage payables	(5,036)	2,184	-	7,500	-	4,648
Deferred inflows for pension items	(4,642)	2,257	-	-	-	(2,385)
Net pension liability	27,219	33,263	-	-	-	60,482
Customer deposits	(1,490)	6,195	-	-	260	4,965
Compensated absences payable	(15,817)	6,489	-	-	-	(9,328)
Net cash provided by (used in) operating activities	<u>\$ (32,628)</u>	<u>\$ 2,814,842</u>	<u>\$ 440,677</u>	<u>\$ 733,170</u>	<u>\$ 112,344</u>	<u>\$ 4,068,405</u>

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

**CITY OF FAIRBURN, GEORGIA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**CUSTODIAL FUND**  
**SEPTEMBER 30, 2021**

	<b>Municipal Court Fund</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 887,551
Total assets	887,551
<b>NET POSITION</b>	
Restricted:	
Individuals, organizations, and other governments	887,551
Total net position	\$ 887,551

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



**CITY OF FAIRBURN, GEORGIA**  
**STATEMENT OF CHANGES IN**  
**FIDUCIARY NET POSITION**  
**CUSTODIAL FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	<b>Municipal Court Fund</b>
<b>ADDITIONS</b>	
Criminal and civil bonds	\$ 1,134,657
Total additions	1,134,657
<b>DEDUCTIONS</b>	
Disbursements paid to other agencies	311,217
Other custodial disbursements	3,628
Total deductions	314,845
Change in fiduciary net position	819,812
<b>NET POSITION, beginning of year, restated</b>	67,739
<b>NET POSITION, end of year</b>	\$ 887,551

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

## **NOTES TO FINANCIAL STATEMENTS**

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**CITY OF FAIRBURN, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

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

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

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

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

## NOTES TO FINANCIAL STATEMENTS

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### 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 and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

The City reports the following major governmental funds:

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

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

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

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

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

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

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

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The **custodial fund** accounts for the collection and disbursement of monies by the City on behalf of other governments, agencies, and individuals, such as cash bonds and traffic fines.

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

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

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

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

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

The City reports the following nonmajor proprietary fund:

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

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

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### D. Budgets and Budgetary Accounting

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

#### E. Cash and Cash Equivalents

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

#### F. Deposits and Investments

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

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **F. Deposits and Investments (Continued)**

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

#### **G. Property Taxes Receivable**

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

#### **H. Interfund Receivables and Payables**

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

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

#### **I. Inventory and Prepaid Items**

Inventory is valued at cost, using the first-in, first-out method. The cost of governmental fund type inventory is recorded as an expenditure when consumed rather than when purchased. Prepaid items are accounted for using the consumption method. Payments made to vendors for services that will benefit periods beyond September 30, 2021, are recorded as prepaid items in both government-wide and fund financial statements. Additionally, the government-wide financial statements report bond insurance costs as a prepaid item and it is amortized over the term of the related debt using the effective interest method.



## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### J. Restricted Assets

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

#### K. Grants from Other Governments

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

#### L. Capital Assets

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

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

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

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### M. Compensated Absences

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

#### N. Unearned Revenue

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

#### O. Long-Term Obligations

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

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### P. Fund Equity and Net Position

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

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

Fund balances are classified as follows:

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

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

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

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

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### P. Fund Equity and Net Position (Continued)

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

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

#### Q. Management Estimates

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

#### R. Interfund Transactions

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

#### S. Deferred Outflows/Inflows of Resources

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### S. Deferred Outflows/Inflows of Resources (continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item that qualifies 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 has deferred outflows and inflows of resources related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the City's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example, the assumed dates of retirement of Plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of Plan members. Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of Plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five year period. Additionally, any contributions made by the City to the pension plan before fiscal year end but subsequent to the measurement date of the City's net pension liability are reported as deferred outflows of resources. These items are reported in the government-wide financial statements and also in the fund level statements for the City's proprietary funds.

#### T. Pensions

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

## NOTES TO FINANCIAL STATEMENTS

### NOTE 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 \$7,184,084 difference are as follows:

Bonds payable	\$ (7,385,000)
Financed purchases payable	(52,764)
Compensated absences	(331,183)
Accrued interest payable	(66,334)
Unamortized premium on bonds	(1,047)
Deferred loss on refunding	646,208
Prepaid bond insurance cost	<u>6,036</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position of governmental activities</i>	<u><u>\$ (7,184,084)</u></u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period”. The details of this \$8,128,069 difference are as follows:

Capital outlay	\$ 9,875,340
Depreciation expense	<u>(1,747,271)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u><u>\$ 8,128,069</u></u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3. LEGAL COMPLIANCE - BUDGETS

#### A. Budgets and Budgetary Accounting

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

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

#### B. Excess Expenditures Over Appropriations

Expenditures may not legally exceed budgeted appropriations at the department level (e.g. administration). For the fiscal year ended September 30, 2021, the following functions and funds had excesses of actual expenditures over appropriations:

General Fund	
General government - finance	\$ 2,201
Public safety - police	60,794
Confiscated Assets Fund - Public safety	1,312
Hotel/Motel Tax Fund - Transfers out	226,543
General Obligation Bond Capital Projects Fund- Capital outlay	40,759

### NOTE 4. DEPOSITS AND INVESTMENTS

As of September 30, 2021, the City had the following investments:

Investment	Maturities / Weighted Average Maturity	Fair Value
Certificates of deposit	March 13, 2022 - September 5, 2023	\$ 177,027
Municipal Competitive Trust - intermediate	3.30	569,185
Municipal Competitive Trust - intermediate extended maturity	4.25	5,563,417
Municipal Competitive Trust - short term portfolio	0.44	99,813
Georgia Fund 1	40 days	10,796
Total		\$ 6,420,238

## NOTES TO FINANCIAL STATEMENTS

### NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

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

As reported in the Statement of Net Position	
Primary government	
Cash and cash equivalents	\$ 40,069,124
Restricted cash and cash equivalents	5,270,910
Custodial fund cash	887,551
Investments	6,339,793
Investments with fiscal agent (restricted assets)	69,649
	<u>\$ 52,637,027</u>
Cash deposited with financial institutions	\$ 46,216,789
Certificates of deposit	177,027
Cash deposited with Georgia Fund 1	10,796
Municipal Competitive Trust - intermediate	569,185
Municipal Competitive Trust - intermediate extended maturity	5,563,417
Municipal Competitive Trust - short term portfolio	99,813
	<u>\$ 52,637,027</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, 2021, the City's investments in the Municipal Competitive Trust were rated between AA+ - AAA.

**Custodial credit risk – deposits.** Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes, and City policy, require all deposits and investments (other than Federal or State government instruments) to be collateralized at 110% by depository insurance, obligations of the U.S. Government, or bonds of public authorities, counties, or municipalities. As of September 30, 2021, the City had no bank balances that were exposed to custodial credit risk.



## NOTES TO FINANCIAL STATEMENTS

### NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

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

The City has the following recurring fair value measurements as of September 30, 2021:

<u>Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Municipal Competitive Trust - intermediate extended maturity	\$ -	\$ 5,563,417	\$ -	\$ 5,563,417
Municipal Competitive Trust - intermediate	-	569,185	-	569,185
Municipal Competitive Trust - short term portfolio	-	99,813	-	99,813
 Total investments measured at fair value	 <u>\$ -</u>	 <u>\$ 6,232,415</u>	 <u>\$ -</u>	 <u>\$ 6,232,415</u>
 Investments recorded at cost:				
Certificates of Deposit				<u>177,027</u>
 Total investments				 <u>\$ 6,409,442</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, 2021, for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	<u>General Fund</u>	<u>General Obligation Bond Capital Projects Fund</u>	<u>TSPLOST Fund</u>	<u>Grants Fund</u>	<u>Nonmajor Governmental Funds</u>
Receivables:					
Taxes	\$ 818,387	\$ 63,581	\$ -	\$ -	\$ 23,144
Accounts	-	-	-	-	-
Other	301,749	-	-	-	-
Intergovernmental	76,432	-	1,001,616	1,213,769	-
Less allowance for uncollectible receivables	(330,009)	(46,786)	-	-	-
Net total receivable	<u>\$ 866,559</u>	<u>\$ 16,795</u>	<u>\$ 1,001,616</u>	<u>\$ 1,213,769</u>	<u>\$ 23,144</u>
	<u>Electric Fund</u>	<u>Water &amp; Sewer Fund</u>	<u>Educational Complex Fund</u>	<u>Stormwater Fund</u>	<u>Nonmajor Enterprise Funds</u>
Receivables:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts	1,474,398	1,429,700	-	152,579	165,540
Other	358,000	-	2,000	-	-
Intergovernmental	-	-	-	-	-
Less allowance for uncollectible receivables	(124,677)	(233,976)	-	(8,317)	(20,182)
Net total receivable	<u>\$ 1,707,721</u>	<u>\$ 1,195,724</u>	<u>\$ 2,000</u>	<u>\$ 144,262</u>	<u>\$ 145,358</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. CAPITAL ASSETS

#### Primary Government

Capital asset activity for the fiscal year ended September 30, 2021, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 5,337,956	\$ -	\$ -	\$ -	\$ 5,337,956
Construction in process	<u>6,885,903</u>	<u>8,882,611</u>	<u>-</u>	<u>(3,313,924)</u>	<u>12,454,590</u>
Total	<u>12,223,859</u>	<u>8,882,611</u>	<u>-</u>	<u>(3,313,924)</u>	<u>17,792,546</u>
Capital assets, being depreciated:					
Buildings and improvements	10,787,404	-	-	591,574	11,378,978
Infrastructure	30,753,457	-	-	2,722,350	33,475,807
Machinery and equipment	2,144,171	282,032	-	-	2,426,203
Vehicles	<u>4,901,253</u>	<u>710,697</u>	<u>-</u>	<u>-</u>	<u>5,611,950</u>
Total	<u>48,586,285</u>	<u>992,729</u>	<u>-</u>	<u>3,313,924</u>	<u>52,892,938</u>
Less accumulated depreciation for:					
Buildings and improvements	(4,395,640)	(445,471)	-	-	(4,841,111)
Infrastructure	(13,753,829)	(830,451)	-	-	(14,584,280)
Machinery and equipment	(1,324,710)	(192,265)	-	-	(1,516,975)
Vehicles	<u>(3,696,417)</u>	<u>(279,084)</u>	<u>-</u>	<u>-</u>	<u>(3,975,501)</u>
Total	<u>(23,170,596)</u>	<u>(1,747,271)</u>	<u>-</u>	<u>-</u>	<u>(24,917,867)</u>
Total capital assets, being depreciated, net	<u>25,415,689</u>	<u>(754,542)</u>	<u>-</u>	<u>3,313,924</u>	<u>27,975,071</u>
Governmental activities capital assets, net	<u>\$ 37,639,548</u>	<u>\$ 8,128,069</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,767,617</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. CAPITAL ASSETS (CONTINUED)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 3,924,899	\$ -	\$ -	\$ -	\$ 3,924,899
Construction in process	7,905	-	-	(7,905)	-
Total	<u>3,932,804</u>	<u>-</u>	<u>-</u>	<u>(7,905)</u>	<u>3,924,899</u>
Capital assets, being depreciated:					
Distribution system	18,657,039	589,019	-	7,905	19,253,963
Infrastructure	13,332,276	-	-	-	13,332,276
Building and improvements	25,626,576	-	-	-	25,626,576
Machinery and equipment	1,331,159	29,079	-	-	1,360,238
Vehicles	4,016,184	-	-	-	4,016,184
Total	<u>62,963,234</u>	<u>618,098</u>	<u>-</u>	<u>7,905</u>	<u>63,589,237</u>
Less accumulated depreciation for:					
Distribution system	(9,891,455)	(449,405)	-	-	(10,340,860)
Infrastructure	(8,172,624)	(211,780)	-	-	(8,384,404)
Building and improvements	(9,003,228)	(644,657)	-	-	(9,647,885)
Machinery and equipment	(1,059,308)	(36,537)	-	-	(1,095,845)
Vehicles	(1,150,285)	(275,926)	-	-	(1,426,211)
Total	<u>(29,276,900)</u>	<u>(1,618,305)</u>	<u>-</u>	<u>-</u>	<u>(30,895,205)</u>
Total capital assets, being depreciated, net	<u>33,686,334</u>	<u>(1,000,207)</u>	<u>-</u>	<u>7,905</u>	<u>32,694,032</u>
Business-type activities capital assets, net	<u>\$ 37,619,138</u>	<u>\$ (1,000,207)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,618,931</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. CAPITAL ASSETS (CONTINUED)

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

Governmental activities:	
General government	\$ 42,944
Public safety	385,250
Public works	921,973
Culture and recreation	355,634
Planning and development	<u>41,470</u>
Total depreciation expense - governmental activities	<u>\$ 1,747,271</u>
Business-type activities:	
Water and sewer	\$ 674,393
Electric	377,307
Education complex	349,833
Stormwater	<u>216,772</u>
Total depreciation expense - business-type activities	<u>\$ 1,618,305</u>

### NOTE 7. OPERATING LEASES

The City is the lessor of space at the Educational Complex. The majority of the lease agreements have terms extending beyond the end of the next fiscal year. For the fiscal year ended September 30, 2021, the City received \$487,798 in lease revenue derived from current lease agreements with third parties.

Lease revenues from these tenants in future fiscal years are as follows:

<u>Fiscal Year Ending September 30,</u>	<u>Total Revenues</u>
2022	\$ 426,555
2023	303,888
2024	303,888
2025	303,888
2026	303,888
2027-2028	<u>607,776</u>
Total Future Lease Revenues	<u>\$ 2,249,883</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. LONG-TERM DEBT

#### Primary Government

Long-term liability and obligation activity for the fiscal year ended September 30, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Fiscal Year</u>
<b>Governmental activities:</b>					
Series 2011 General Obligation Bonds	\$ 960,000	\$ -	\$ (470,000)	\$ 490,000	\$ 490,000
Unamortized bond premium	2,094	-	(1,047)	1,047	-
Series 2017 Refunding Bonds	7,020,000	-	(125,000)	6,895,000	130,000
Financed purchases from direct borrowings	77,262	-	(24,498)	52,764	25,733
Net pension liability	793,616	1,903,983	(1,688,699)	1,008,900	-
Compensated absences	334,672	260,602	(264,091)	331,183	243,709
<b>Governmental activities</b>					
<b>Long-term liabilities and obligations</b>	<u>\$ 9,187,644</u>	<u>\$ 2,164,585</u>	<u>\$ (2,573,335)</u>	<u>\$ 8,778,894</u>	<u>\$ 889,442</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Fiscal Year</u>
<b>Business-type activities:</b>					
Series 2014 Revenue Bonds	\$ 3,710,000	\$ -	\$ (190,000)	\$ 3,520,000	\$ 195,000
Series 2013 Revenue Refunding Bonds	5,075,000	-	(930,000)	4,145,000	970,000
Series 2011 Educational Complex					
Revenue Bonds	585,000	-	(585,000)	-	-
Plus unamortized bond premium	110,268	-	(13,215)	97,053	-
Less unamortized original discount	(8,744)	-	8,744	-	-
Series 2017 Educational Complex					
Revenue Refunding Bonds	12,790,000	-	(145,000)	12,645,000	775,000
Financed purchases					
from direct borrowings	28,958	-	(28,958)	-	-
	<u>22,290,482</u>	<u>-</u>	<u>(1,883,429)</u>	<u>20,407,053</u>	<u>1,940,000</u>
Net pension liability	110,878	323,390	(262,908)	171,360	-
Compensated absences	54,301	34,486	(43,814)	44,973	34,487
<b>Business-type activities</b>					
<b>Long-term liabilities and obligations</b>	<u>\$ 22,455,661</u>	<u>\$ 357,876</u>	<u>\$ (2,190,151)</u>	<u>\$ 20,623,386</u>	<u>\$ 1,974,487</u>

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

For governmental funds, compensated absences and the net pension liability are liquidated by the General Fund and financed purchases from direct borrowings are liquidated by the General Fund. For business-type activities, compensated absences and the net pension liability are liquidated by the Water and Sewer Fund and the Electric Fund while financed purchases from direct borrowings are liquidated by the Electric 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 \$52,764 and outstanding general obligation and refunding bonds related to government activities of \$7,385,000. With respect to business-type activities, the City has outstanding direct placement revenue bonds of \$20,310,000. 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 remaining series 2011 general obligation bonds currently outstanding mature as follows:

	Principal	Interest	Total
Fiscal Year Ending September 30, 2022	\$ 490,000	\$ 10,413	\$ 500,413

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. LONG-TERM DEBT (CONTINUED)

#### General Obligation Bonds – Governmental activities (Continued)

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

Fiscal Year Ending September 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 130,000	\$ 170,750	\$ 300,750
2023	640,000	161,125	801,125
2024	650,000	145,000	795,000
2025	655,000	128,688	783,688
2026	665,000	112,188	777,188
2027-2031	3,440,000	306,500	3,746,500
2032	715,000	8,938	723,938
Total	<u>\$ 6,895,000</u>	<u>\$ 1,033,189</u>	<u>\$ 7,928,189</u>

**Financed Purchases from Direct Borrowings – Governmental Activities** - The City has entered into lease agreements as lessee for financing the acquisition of various public safety and public works vehicles. The lease agreements qualify as financed purchases from direct borrowings for accounting purposes and, therefore, have been recorded at the present values of the future minimum lease payments as of the date of their inception. As of September 30, 2021, the City had vehicles and machinery and equipment with a total cost of \$100,934, accumulated depreciation of \$28,838 and a net book value of \$72,096 under financed purchases from direct borrowings as reported in its governmental activities.

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

Fiscal Year Ending September 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 25,733	\$ 2,660	\$ 28,393
2023	27,031	1,363	28,394
Total	<u>\$ 52,764</u>	<u>\$ 4,023</u>	<u>\$ 56,787</u>



## NOTES TO FINANCIAL STATEMENTS

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### 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 Series 2011 Educational Complex revenue bonds issued by the Downtown Development Authority.

Revenue bonds (Series 2011, 2013, 2014, and 2017) currently outstanding mature as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal Year Ending September 30,			
2022	\$ 1,940,000	\$ 634,092	\$ 2,574,092
2023	2,030,000	564,839	2,594,839
2024	2,140,000	489,892	2,629,892
2025	2,250,000	408,753	2,658,753
2026	1,195,000	349,483	1,544,483
2027-2031	6,895,000	1,189,418	8,084,418
2032-2035	3,860,000	205,733	4,065,733
Total	<u>\$ 20,310,000</u>	<u>\$ 3,842,210</u>	<u>\$ 24,152,210</u>
Plus unamortized bond premium	<u>97,053</u>		
	<u>\$ 20,407,053</u>		

**Financed Purchases from Direct Borrowings – Business-type activities** – The City has entered into lease agreements as lessee for financing the acquisition of electrical equipment. The lease agreements qualify as financed purchases from direct borrowings for accounting purposes and, therefore, have been recorded at the present values of the future minimum lease payments as of the date of their inceptions. The City's total financed purchases were paid in full as of September 30, 2021.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 9. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of September 30, 2021 is as follows:

Due to/from other funds:

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

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

Interfund transfers:

Transfers In	Transfers Out	Amount
Grants Fund	General Fund	\$ 553,297
Educational Complex Fund	General Fund	700,000
General Fund	Nonmajor Governmental Funds	356,543
	<b>Total</b>	\$ 1,609,840

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, and (4) to transfer unrestricted hotel/motel revenues to the General Fund.

### 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.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10. PENSION PLAN (CONTINUED)

**Plan Description (Continued).** 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](http://www.gacities.com).

**Plan Membership.** At January 1, 2021, the date of the most recent actuarial valuation, there were 330 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	70
Terminated vested participants not yet receiving benefits	108
Active employees - vested	145
Active employees - nonvested	7
Total	330

**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, 2021, the City's contribution rate was 7.33% of annual payroll. City contributions to the Plan were \$483,851 for the fiscal year ended September 30, 2021.

**Net Pension Liability of the City.** The City's net pension liability was measured as of September 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as January 1, 2020 with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2020.

**Actuarial Assumptions.** The total pension liability in the January 1, 2020 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

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10. PENSION PLAN (CONTINUED)

Mortality rates for the January 1, 2020 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, 2020 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%	7.05
Domestic fixed income	20%	1.15
Real estate	10%	4.50
Global fixed income	5%	1.25
Cash	—%	
Total	100%	

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

**Discount Rate.** The discount rate used to measure the total pension liability 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.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10. PENSION PLAN (CONTINUED)

**Changes in the Net Pension Liability of the City.** The changes in the components of the net pension liability (asset) of the City for the fiscal year ended September 30, 2021, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>Balances at 9/30/20</b>	\$ 16,103,967	\$ 15,199,472	\$ 904,495
<b>Changes for the fiscal year:</b>			
Service cost	413,025	-	413,025
Interest	1,193,945	-	1,193,945
Differences between expected and actual experience	588,833	-	588,833
Contributions—employer	-	492,118	(492,118)
Net investment income	-	1,459,490	(1,459,490)
Benefit payments, including refunds of employee contributions	(655,825)	(655,825)	-
Administrative expense	-	(31,570)	31,570
<b>Net changes</b>	1,539,978	1,264,213	275,765
<b>Balances at 9/30/21</b>	\$ 17,643,945	\$ 16,463,685	\$ 1,180,260

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 percent, as well as what the City's net pension asset or liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.375 percent) or 1-percentage-point higher (8.375 percent) than the current rate:

	1% Decrease (6.375%)	Discount Rate (7.375%)	1% Increase (8.375%)
City's net pension liability (asset)	\$ 3,857,528	\$ 1,180,260	\$ (988,264)

**Changes in the Net Pension Liability 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, 2020 and the current sharing pattern of costs between employer and employee.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10. PENSION PLAN (CONTINUED)

***Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions.*** For the fiscal year ended September 30, 2021, the City recognized pension expense of \$452,340. At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 536,992	\$ 94,798
Changes in assumptions	218,404	-
Net difference between projected and actual earnings on pension plan investments	-	182,290
City contributions subsequent to the measurement date	483,851	-
Total	<u>\$ 1,239,247</u>	<u>\$ 277,088</u>

City contributions subsequent to the measurement date of \$483,851 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:

<b>Fiscal year ending September 30:</b>	
2022	\$ 33,019
2023	302,440
2024	211,995
2025	(69,146)
Total	<u>\$ 478,308</u>

### 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, 2021, there were 27 Plan members in the respective plans.

Employees are not required to contribute to the Plan. Employees may contribute a portion of their gross salary, not to exceed the IRS guidelines, into the Plan. Effective October 1, 2012, the City no longer matches employee contributions. The Plan allows employees to increase, decrease, stop, and restart deferrals as often as they wish without penalties or fees. Total employee contributions for the fiscal year ended September 30, 2021 were \$71,275.

## NOTES TO FINANCIAL STATEMENTS

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### **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.

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.



## NOTES TO FINANCIAL STATEMENTS

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### 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, 2021, the City had active construction contracts related to various construction projects. At fiscal year end, the City's commitments with contractors totaled approximately \$4,847,411.

#### **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.

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 \$7,586,922 during fiscal year ended September 30, 2021.

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 15. COMMITMENTS AND CONTINGENCIES (CONTINUED)**

#### **Agreements with the Municipal Electric Authority of Georgia (continued):**

At September 30, 2021, the outstanding debt of MEAG was approximately \$7.58 billion. The City's guarantee varies by individual projects undertaken by MEAG and totals approximately \$79 million at September 30, 2021.

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, 2021 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 has not set a precedent resulting in a restriction of the City's hotel/motel tax funds. Therefore, none of the revenue collected by the City under this authorization is restricted. For the fiscal year ended September 30, 2021, the City collected \$220,709 in unrestricted hotel/motel revenues which were recorded in the Hotel/Motel Tax Fund, and subsequently transferred to the General Fund.

### **NOTE 17. JOINTLY GOVERNED ORGANIZATION**

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

## NOTES TO FINANCIAL STATEMENTS

### NOTE 17. JOINTLY GOVERNED ORGANIZATION (CONTINUED)

The City does not provide financial support to the Water and Sewer Authority, but has contractually obligated itself to use its full taxing power to guarantee the repayment of approximately 34.72% of the principal and interest on the Water and Sewer Authority's Series 2007 Variable Rate Revenue Bonds if the Water and Sewer Authority's resources cannot cover the debt service. During the fiscal year ended September 30, 2021, the City agreed to pay the Water and Sewer Authority \$101,312 (reported as interest expense) for the City's proportionate share of the principal and interest on the Water and Sewer Authority's bonds from revenues of the City's Water and Sewer Fund.

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

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

	Principal	Interest	Total
Fiscal Year Ending December 31,			
2022	\$ 1,575,000	\$ 1,205,525	\$ 2,780,525
2023	1,675,000	1,144,226	2,819,226
2024	1,780,000	1,070,850	2,850,850
2025	1,900,000	984,475	2,884,475
2026	2,025,000	892,475	2,917,475
2027-2031	11,905,000	3,121,110	15,026,110
2032-2033	5,770,000	530,650	6,300,650
Total	\$ 26,630,000	\$ 8,949,311	\$ 35,579,311

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 18. TAX ABATEMENTS

For the year ended September 30, 2021, City property tax revenues were reduced by \$361,207 under agreements entered into by Fulton County. Under the agreements, taxes on both real property and personal property are reduced based on investments made by the corporation to whom the incentives were offered as long as the corporation meets certain investment targets.

### NOTE 19. CONDUIT DEBT

On September 24, 2019, the Development Authority issued \$5,000,000 in taxable revenue bonds for the purpose of funding the Landmark Christian School Project. Neither the City, nor the Development Authority, is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as a liability in the accompanying financial statements. The amount outstanding at September 30, 2021 could not be determined.

### NOTE 20. CHANGE IN ACCOUNTING PRINCIPLE

In conjunction with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, the City is required to reevaluate the accounting treatment of fiduciary activities. Therefore, in conjunction with the implementation of GASB Statement No. 84, the following restatement was required to the beginning net position of the Fiduciary Activities to properly report the fiduciary activity performed by the City in its facilitation of the Municipal Court's activities, which had previously been recorded in the General Fund:

	<b>Fiduciary Activities</b>
Net Position, custodial activities, as previously reported	\$ -
Recognition of the beginning net position of the Municipal Court activity formerly recorded in the General Fund	<u>67,739</u>
Net Position, custodial activities, as restated	<u><u>\$ 67,739</u></u>

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 21. CHANGE IN REPORTING ENTITY

The State of Georgia Code Title 36, subsection 36-81-3 requires local governmental units to utilize the provided Uniform Chart of Accounts developed by the Georgia Department of Community Affairs, which includes a requirement that accounting for hotel/motel taxes be executed within a separate special revenue fund, rather than within the General Fund. In order to bring the City into compliance with the State Code, the following restatement was required to the beginning fund balance of the General Fund and Hotel/Motel Tax Fund to properly report the activity performed by the City in its collection and use of hotel/motel taxes levied within the City, which had previously been reported in the General Fund:

	<b>Hotel/Motel Tax Fund</b>
Fund balance, as previously reported	\$ -
Recognition of the beginning fund balance of the Hotel/Motel Tax fund formerly reported in the General Fund	135,834
Fund balance, as restated	\$ 135,834
	<b>General Fund</b>
Fund balance, as previously reported	\$ 15,504,340
Recognition of the beginning fund balance of the Hotel/Motel Tax fund formerly reported in the General Fund	(135,834)
Fund balance, as restated	\$ 15,368,506

### NOTE 22. SUBSEQUENT EVENT

In April 2022, the City Council, voted to approve the purchase of a ladder truck to be financed with a lease purchase agreement of ten years and not to exceed a cost of \$1,577,000, and of two pumper trucks, to be financed with a lease purchase agreement of seven years and not to exceed \$1,430,000. As these vehicles typically take over 18 months to build and customize, the City does not expect to take possession of the vehicles, or begin payments on these lease purchase agreements until fiscal year 2023.

## **REQUIRED SUPPLEMENTARY INFORMATION**

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

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

**Notes to the Schedule**

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

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

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

**Notes to the Schedule:**

(1) Actuarial Assumptions:

Valuation Date

January 1, 2020

Cost Method

Projected Unit Credit

Actuarial Asset Valuation Method

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

Assumed Rate of Return on Investments

7.375%

Projected Salary Increases

2.25% plus service based merit increases

Cost-of-living Adjustment

2.25%

Amortization Method

Closed level dollar for remaining unfunded liability.

Remaining Amortization Period

N/A

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



**COMBINING AND INDIVIDUAL  
FUND STATEMENTS  
AND SCHEDULES**

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# CITY OF FAIRBURN, GEORGIA

## NONMAJOR GOVERNMENTAL FUNDS

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### SPECIAL REVENUE FUNDS

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

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

**Hotel/Motel Tax Fund** – To account for the lodging tax levied in the City. The City Council as of September 30, 2021 has not specified any restrictions for the use of this tax, therefore the proceeds of the levies are subsequently transferred to the General Fund.

**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, 2021**

ASSETS	Special Revenue Funds			Capital Project Fund	Permanent Fund	Total Nonmajor Governmental Funds
	Confiscated Assets Fund	Hotel/Motel Tax Fund	Development Authority Fund	Capital Improvement Fund	Cemetery Fund	
Cash and cash equivalents	\$ 71,256	\$ -	\$ -	\$ 173,830	\$ 1,210	\$ 246,296
Investments	-	-	975	-	85,000	85,975
Taxes receivable	-	23,144	-	-	-	23,144
Total assets	<u>\$ 71,256</u>	<u>\$ 23,144</u>	<u>\$ 975</u>	<u>\$ 173,830</u>	<u>\$ 86,210</u>	<u>\$ 355,415</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Due to other funds	\$ -	\$ 23,144	\$ -	\$ -	\$ -	\$ 23,144
Total liabilities	<u>-</u>	<u>23,144</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,144</u>
<b>FUND BALANCES</b>						
Nonspendable for:						
Corpus of perpetual care cemetery funds	-	-	-	-	10,000	10,000
Restricted for:						
Law enforcement activities	71,256	-	-	-	-	71,256
Cemetery operating capital	-	-	-	-	76,210	76,210
Assigned for:						
Capital construction	-	-	-	173,830	-	173,830
Planning and development	-	-	975	-	-	975
Total fund balances	<u>71,256</u>	<u>-</u>	<u>975</u>	<u>173,830</u>	<u>86,210</u>	<u>332,271</u>
Total liabilities and fund balances	<u>\$ 71,256</u>	<u>\$ 23,144</u>	<u>\$ 975</u>	<u>\$ 173,830</u>	<u>\$ 86,210</u>	<u>\$ 355,415</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, 2021**

	Special Revenue Funds			Capital Project Fund	Permanent Fund	Total Nonmajor Governmental Funds
	Confiscated Assets Fund	Hotel/Motel Tax Fund	Development Authority Fund	Capital Improvement Fund	Cemetery Fund	
<b>REVENUES</b>						
Taxes	\$ -	\$ 220,709	\$ -	\$ -	\$ -	\$ 220,709
Fines and forfeitures	29,573	-	-	-	-	29,573
Interest	72	-	5	-	172	249
Total revenues	29,645	220,709	5	-	172	250,531
<b>EXPENDITURES</b>						
Current						
Public safety	1,312	-	-	-	-	1,312
Total expenditures	1,312	-	-	-	-	1,312
Excess of revenues over expenditures	28,333	220,709	5	-	172	249,219
<b>Other financing sources:</b>						
Transfers out	-	(356,543)	-	-	-	(356,543)
Total other financing sources	-	(356,543)	-	-	-	(356,543)
Net change in fund balances	28,333	(135,834)	5	-	172	(107,324)
<b>FUND BALANCES, beginning of fiscal year, restated</b>	42,923	135,834	970	173,830	86,038	439,595
<b>FUND BALANCES, end of fiscal year</b>	\$ 71,256	\$ -	\$ 975	\$ 173,830	\$ 86,210	\$ 332,271

**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, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues</b>				
Tax revenue	\$ 982,666	\$ 982,666	\$ 1,318,891	\$ 336,225
Interest	2,966	2,966	1,049	(1,917)
Total revenues	<u>985,632</u>	<u>985,632</u>	<u>1,319,940</u>	<u>334,308</u>
<b>Expenditures</b>				
Capital outlays	184,506	184,506	225,265	(40,759)
Debt service - principal payments	595,000	595,000	595,000	-
Debt service - interest and fiscal charges	206,126	206,126	206,025	101
Total expenditures	<u>985,632</u>	<u>985,632</u>	<u>1,026,290</u>	<u>(40,658)</u>
Net change in fund balances	-	-	293,650	293,650
<b>Fund balance, beginning of fiscal year</b>	<u>2,195,841</u>	<u>2,195,841</u>	<u>2,195,841</u>	<u>-</u>
<b>Fund balance, end of fiscal year</b>	<u>\$ 2,195,841</u>	<u>\$ 2,195,841</u>	<u>\$ 2,489,491</u>	<u>\$ 293,650</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, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 6,060,068	\$ 6,060,068	\$ 5,227,528	\$ (832,540)
Interest	-	-	8,828	8,828
Total revenues	<u>6,060,068</u>	<u>6,060,068</u>	<u>5,236,356</u>	<u>(823,712)</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>7,752,461</u>	<u>7,752,461</u>	<u>4,686,506</u>	<u>3,065,955</u>
Total expenditures	<u>7,752,461</u>	<u>7,752,461</u>	<u>4,686,506</u>	<u>3,065,955</u>
Net change in fund balances	(1,692,393)	(1,692,393)	549,850	2,242,243
<b>FUND BALANCES, beginning of fiscal year</b>	<u>1,627,993</u>	<u>1,627,993</u>	<u>1,627,993</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS), end of fiscal year</b>	<u>\$ (64,400)</u>	<u>\$ (64,400)</u>	<u>\$ 2,177,843</u>	<u>\$ 2,242,243</u>

**CITY OF FAIRBURN, GEORGIA**  
**CONFISCATED ASSETS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Fines and forfeitures	\$ -	\$ -	\$ 29,573	\$ 29,573
Interest	-	-	72	72
Total revenues	-	-	29,645	29,645
<b>EXPENDITURES</b>				
Public safety	-	-	1,312	(1,312)
Net change in fund balances	-	-	28,333	28,333
<b>FUND BALANCES, beginning of fiscal year</b>	42,923	42,923	42,923	-
<b>FUND BALANCES, end of fiscal year</b>	<u>\$ 42,923</u>	<u>\$ 42,923</u>	<u>\$ 71,256</u>	<u>\$ 28,333</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, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 130,000	\$ 130,000	\$ 220,709	\$ 90,709
Total revenues	130,000	130,000	220,709	90,709
<b>Other financing uses:</b>				
Transfers out	(130,000)	(130,000)	(356,543)	(226,543)
Total other financing uses:	(130,000)	(130,000)	(356,543)	(226,543)
Net change in fund balances	-	-	(135,834)	(135,834)
<b>FUND BALANCES, beginning of fiscal year, as restated</b>	135,834	135,834	135,834	-
<b>FUND BALANCES, end of fiscal year</b>	\$ 135,834	\$ 135,834	\$ -	\$ (135,834)



**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, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>EXPENDITURES</b>				
Public works	\$ 2,400,000	\$ 2,400,000	\$ -	\$ 2,400,000
Total expenditures	<u>2,400,000</u>	<u>2,400,000</u>	<u>-</u>	<u>2,400,000</u>
<b>Other financing sources:</b>				
Issuance of bonds	1,012,816	1,012,816	-	(1,012,816)
Transfers in	<u>1,387,184</u>	<u>1,387,184</u>	<u>-</u>	<u>(1,387,184)</u>
Total other financing sources	<u>2,400,000</u>	<u>2,400,000</u>	<u>-</u>	<u>(2,400,000)</u>
Net change in fund balances	-	-	-	-
<b>FUND BALANCES, beginning of fiscal year</b>	<u>173,830</u>	<u>173,830</u>	<u>173,830</u>	<u>-</u>
<b>FUND BALANCES, end of fiscal year</b>	<u>\$ 173,830</u>	<u>\$ 173,830</u>	<u>\$ 173,830</u>	<u>\$ -</u>

**CITY OF FAIRBURN, GEORGIA**  
**SCHEDULE OF PROJECTS CONSTRUCTED WITH**  
**TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS**  
**SERIES 2016**  
**FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2021**

Project Description	Priority	Project #	Original Estimated Cost	Expenditures			Estimated Percentage of Completion
				Prior Fiscal Years	Current Fiscal Year	Total	
Road Resurfacing Phase I	Tier 1	1	\$ 7,737,167	\$ 5,011,751	\$ 1,792,752	\$ 6,804,503	87.95%
Pedestrian/Bicycle Improvements Phase I	Tier 1	2	136,891	136,891	-	136,891	100.00%
Road Projects (Howell Avenue Extension, Rivertown Connector, Park Road Extension, Oakley Industrial Boulevard Full Depth Reclamation)	Tier 1	3	3,295,836	1,437,060	391,334	1,828,394	55.48%
Quick Response Projects	Tier 1	4	233,775	64,453	-	64,453	27.57%
Project Management/Construction Management	Tier 1	5	285,092	1,802	-	1,802	0.63%
Road Resurfacing Phase II	Tier 2	6	552,987	-	-	-	0.00%
Quiet Zone Railroad Crossings	Tier 2	7	750,000	-	-	-	0.00%
Pedestrian/Bicycle Improvements Phase II	Tier 2	8	353,171	114,749	34,715	149,464	42.32%
Oakley Industrial Boulevard Extension Design	Tier 2	9	315,000	-	-	-	0.00%
Quick Response Projects	Tier 2	10	41,254	-	-	-	0.00%
Project Management/Construction Management	Tier 2	11	50,310	-	-	-	0.00%
Congestion Relief	Tier 3	12	450,000	-	-	-	0.00%
Operation and Safety Improvements	Tier 3	13	541,902	-	-	-	0.00%
Pedestrian/Bicycle Improvements Phase III	Tier 3	14	184,316	-	-	-	0.00%
Road Projects (Dodd Street Roundabout)	Tier 3	15	802,717	-	-	-	0.00%
Quick Response Projects	Tier 3	16	41,417	-	-	-	0.00%
Project Management/Construction Management	Tier 3	17	50,509	-	-	-	0.00%
Totals			<u>\$ 15,822,344</u>	<u>\$ 6,766,706</u>	<u>\$ 2,218,801</u>	<u>\$ 8,985,507</u>	56.79%
				Plus expenditures using local funds	2,467,705		
				Total TSPLOST Expenditures	<u>\$ 4,686,506</u>		

# STATISTICAL SECTION

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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.

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<b>Financial Trends</b> .....	<b>73</b>
<b>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</b>	
<b>Revenue Capacity</b> .....	<b>78</b>
<b>These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.</b>	
<b>Debt Capacity</b> .....	<b>83</b>
<b>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.</b>	
<b>Demographic and Economic Information</b> .....	<b>88</b>
<b>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</b>	
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<b>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.</b>	

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)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Governmental activities										
Net investment in capital assets	\$ 39,187,800	\$ 31,192,270	\$ 27,918,745	\$ 25,016,287	\$ 22,594,407	\$ 22,115,350	\$ 17,754,866	\$ 14,409,108	\$ 14,079,774	\$ 13,762,645
Restricted	3,905,013	4,102,009	3,673,598	2,367,845	2,495,233	1,718,140	4,597,718	3,730,051	1,719,514	1,346,852
Unrestricted (deficit)	19,748,798	15,215,161	11,148,331	6,475,679	4,102,801	3,403,719	2,085,985	1,321,770	985,380	632,874
Total governmental activities net position	<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>	<u>\$ 16,784,668</u>	<u>\$ 15,742,371</u>
Business-type activities										
Net investment in capital assets	\$ 19,449,454	\$ 18,711,776	\$ 17,983,218	\$ 17,683,581	\$ 17,963,925	\$ 18,084,503	\$ 17,474,092	\$ 14,547,120	\$ 16,801,838	\$ 17,194,519
Restricted	2,145,601	1,189,571	1,154,510	1,119,371	69,371	514,098	1,763,687	3,178,531	471,521	607,292
Unrestricted	20,545,077	20,173,669	17,768,299	14,896,831	13,102,664	10,642,505	6,866,052	6,864,370	7,001,733	5,984,465
Total business-type activities net position	<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>	<u>\$ 24,275,092</u>	<u>\$ 23,786,276</u>
Primary government										
Net investment in capital assets	\$ 58,637,254	\$ 49,904,046	\$ 45,901,963	\$ 42,699,868	\$ 40,558,332	\$ 40,199,853	\$ 35,228,958	\$ 28,956,228	\$ 30,881,612	\$ 30,957,164
Restricted	6,050,614	5,291,580	4,828,108	3,487,216	2,564,604	2,232,238	6,361,405	6,908,582	2,191,035	1,954,144
Unrestricted	40,293,875	35,388,830	28,916,630	21,372,510	17,205,465	14,046,224	8,952,037	8,186,140	7,987,113	6,617,339
Total primary government net position	<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>	<u>\$ 41,059,760</u>	<u>\$ 39,528,647</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)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Expenses</b>										
Governmental activities:										
General government	\$ 2,873,534	\$ 2,455,156	\$ 3,483,825	\$ 3,354,065	\$ 3,419,943	\$ 2,930,921	\$ 2,394,281	\$ 2,296,568	\$ 2,104,230	\$ 1,823,964
Judicial	647,656	483,820	528,341	432,718	374,430	343,417	406,912	415,245	479,159	333,136
Public safety	7,775,503	8,233,961	7,084,748	6,637,237	6,304,295	6,600,498	6,322,171	6,110,784	6,057,633	5,851,586
Public works	2,943,118	3,874,327	1,874,254	2,007,720	3,042,932	2,981,768	2,540,254	2,243,308	1,757,055	1,857,152
Planning and development	1,116,042	688,040	727,888	609,865	556,660	565,895	455,175	464,196	366,955	367,715
Culture and recreation	439,241	744,769	811,373	874,273	848,402	488,046	512,178	371,838	298,124	252,863
Interest on long-term debt	310,153	339,498	363,333	478,766	442,138	470,423	458,373	493,266	499,027	508,703
Total governmental activities expenses	<u>16,105,247</u>	<u>16,819,571</u>	<u>14,873,762</u>	<u>14,394,644</u>	<u>14,988,800</u>	<u>14,380,968</u>	<u>13,089,344</u>	<u>12,395,205</u>	<u>11,562,183</u>	<u>10,995,119</u>
Business-type activities:										
Electric	9,643,206	8,479,982	8,032,839	7,683,352	7,731,021	7,320,222	7,141,969	6,888,429	6,420,188	6,383,795
Water and Sewer	6,870,050	6,600,957	6,311,072	5,954,189	5,725,971	5,720,744	5,321,360	5,641,267	5,022,941	4,797,117
Educational Complex	938,836	979,161	966,323	1,179,563	1,089,108	1,093,164	1,146,332	1,014,781	999,890	1,237,275
Stormwater	332,443	309,145	274,249	712,463	724,917	723,063	724,079	673,145	597,486	613,722
Sanitation	733,743	741,752	663,210	733,866	648,129	617,473	635,480	675,849	580,521	561,649
Total business-type activities expenses	<u>18,518,278</u>	<u>17,110,997</u>	<u>16,247,693</u>	<u>16,263,433</u>	<u>15,919,146</u>	<u>15,474,666</u>	<u>14,969,220</u>	<u>14,893,471</u>	<u>13,621,026</u>	<u>13,593,558</u>
Total primary government expenses	<u>\$ 34,623,525</u>	<u>\$ 33,930,568</u>	<u>\$ 31,121,455</u>	<u>\$ 30,658,077</u>	<u>\$ 30,907,946</u>	<u>\$ 29,855,634</u>	<u>\$ 28,058,564</u>	<u>\$ 27,288,676</u>	<u>\$ 25,183,209</u>	<u>\$ 24,588,677</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services	\$ 2,653,975	\$ 3,545,194	\$ 4,207,409	\$ 2,936,355	\$ 2,967,781	\$ 3,066,529	\$ 2,714,155	\$ 2,132,445	\$ 1,854,075	\$ 1,539,479
Operating grants and contributions	90,737	699,575 (3)	-	-	-	-	19,076	69,451	42,793	15,270
Capital grants and contributions	9,044,549 (4)	5,081,194	4,254,341	3,208,554 (2)	1,793,672	1,621,498	3,221,515	1,401,684	558,236	1,318,074
Total governmental activities program revenues	<u>11,789,261</u>	<u>9,325,963</u>	<u>8,461,750</u>	<u>6,144,909</u>	<u>4,761,453</u>	<u>4,688,027</u>	<u>5,954,746</u>	<u>3,603,580</u>	<u>2,455,104</u>	<u>2,872,823</u>
Business-type activities:										
Charges for services	18,657,053	19,257,249	19,039,757	18,412,160	17,451,224	17,794,173	16,656,800	16,631,066	15,485,677	15,298,333
Capital grants and contributions	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>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>17,204,890</u>	<u>16,931,066</u>	<u>15,485,677</u>	<u>15,298,333</u>
Total primary government program revenues	<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>\$ 23,159,636</u>	<u>\$ 20,534,646</u>	<u>\$ 17,940,781</u>	<u>\$ 18,171,156</u>

**CITY OF FAIRBURN, GEORGIA**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(accrual basis of accounting)**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Net (expense)/revenue</b>										
Governmental activities	\$ (4,315,986)	\$ (7,493,608)	\$ (6,412,012)	\$ (8,249,735)	\$ (10,227,347)	\$ (9,692,941)	\$ (7,134,598)	\$ (8,791,625)	\$ (9,107,079)	\$ (8,122,296)
Business-type activities	1,357,865	3,041,642	3,882,704	3,311,027	2,618,048	3,872,507	2,235,670	2,037,595	1,864,651	1,704,775
Total primary government net (expense) revenue	\$ (2,958,121)	\$ (4,451,966)	\$ (2,529,308)	\$ (4,938,708)	\$ (7,609,299)	\$ (5,820,434)	\$ (4,898,928)	\$ (6,754,030)	\$ (7,242,428)	\$ (6,417,521)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes	\$ 8,680,841	\$ 7,571,527	\$ 6,554,283	\$ 5,179,553	\$ 4,564,177	\$ 4,746,634	\$ 4,647,950	\$ 4,755,788	\$ 4,798,827	\$ 4,567,666
Sales and use taxes	4,550,878	3,976,456	4,343,841	4,063,620	3,862,730	3,819,892	3,762,572	3,415,848 (1)	1,416,172	1,414,814
Other taxes	3,938,263	3,508,510	3,209,463	2,825,596	2,787,403	2,686,024	2,764,043	2,633,485	2,367,550	2,260,687
Miscellaneous revenue	108,417	13,732	101,787	59,186	167,441	402,696	83,601	53,704	113,268	87,798
Unrestricted investment earnings	69,634	273,681	324,509	27,150	23,298	51,911	51,157	55,044	62,924	69,897
Gain on disposal of capital assets	124	15,101	-	-	15,530	22,424	52,915	416,474	-	-
Transfers	(700,000)	(96,633)	758,992	762,000	762,000	762,000	750,000	1,543,985	1,390,635	1,191,000
Total governmental activities	16,648,157	15,262,374	15,292,875	12,917,105	12,182,579	12,491,581	12,112,238	12,874,328	10,149,376	9,591,862
Business-type activities:										
Unrestricted investment earnings	7,251	30,714	51,258	14,796	25,536	26,768	28,140	6,044	11,100	34,490
Gain on Sale of Assets	-	-	31,274	-	13,270	-	-	-	3,700	-
Transfers	700,000	96,633	(758,992)	(762,000)	(762,000)	(762,000)	(750,000)	(1,543,985)	(1,390,635)	(1,191,000)
Total business-type activities	707,251	127,347	(676,460)	(747,204)	(723,194)	(735,232)	(721,860)	(1,537,941)	(1,375,835)	(1,156,510)
Total primary government	\$ 17,355,408	\$ 15,389,721	\$ 14,616,415	\$ 12,169,901	\$ 11,459,385	\$ 11,756,349	\$ 11,390,378	\$ 11,336,387	\$ 8,773,541	\$ 8,435,352
<b>Change in Net Position</b>										
Governmental activities	\$ 12,332,171	\$ 7,768,766	\$ 8,880,863	\$ 4,667,370	\$ 1,955,232	\$ 2,798,640	\$ 4,977,640	\$ 4,082,703	\$ 1,042,297	\$ 1,469,566
Business-type activities	2,065,116	3,168,989	3,206,244	2,563,823	1,894,854	3,137,275	1,513,810	499,654	488,816	548,265
Total primary government	\$ 14,397,287	\$ 10,937,755	\$ 12,087,107	\$ 7,231,193	\$ 3,850,086	\$ 5,935,915	\$ 6,491,450	\$ 4,582,357	\$ 1,531,113	\$ 2,017,831

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

**Notes:**

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

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund										
Nonspendable	\$ 205,192	\$ 123,589	\$ 116,944	\$ 122,541	\$ 99,203	\$ 186,813	\$ 246,026	\$ 149,285	\$ 164,419	\$ 134,922
Committed	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	18,568,666	14,827,802	11,058,246	6,970,469	5,179,060	4,035,786	3,029,593	3,646,266	1,184,518	879,151
Total General Fund	<u>\$ 18,781,858</u>	<u>\$ 15,504,340</u>	<u>\$ 11,733,431</u>	<u>\$ 7,619,669</u>	<u>\$ 5,802,805</u>	<u>\$ 4,649,908</u>	<u>\$ 3,425,359</u>	<u>\$ 3,795,551</u>	<u>\$ 1,348,937</u>	<u>\$ 1,014,073</u>
All other governmental funds										
Nonspendable	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Restricted	4,814,800	4,946,380	4,491,661	3,218,369	3,348,161	1,994,448	5,531,677	4,616,280	6,464,093	8,113,648
Assigned	648,475	174,800	246,161	970	970	409,860	1,112	967	967	965
Unassigned (deficit)	-	-	-	-	-	(18,564)	-	-	(3,214)	-
Total all other governmental funds	<u>\$ 5,473,275</u>	<u>\$ 5,131,180</u>	<u>\$ 4,747,822</u>	<u>\$ 3,229,339</u>	<u>\$ 3,359,131</u>	<u>\$ 2,395,744</u>	<u>\$ 5,542,789</u>	<u>\$ 4,627,247</u>	<u>\$ 6,471,846</u>	<u>\$ 8,124,613</u>

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

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Revenues</b>										
Taxes	\$ 17,215,701	\$ 15,038,820	\$ 14,045,390 (3)	\$ 12,051,338	\$ 11,364,385	\$ 11,245,655	\$ 11,188,620	\$ 10,878,900 (1)	\$ 8,514,927	\$ 8,276,648
Licenses and permits	1,668,523	1,607,386	2,125,009	1,261,777	1,638,444	1,737,024	1,405,815	816,122	726,342	624,518
Intergovernmental	9,047,628 (4)	5,714,255	4,195,701	3,206,502 (2)	1,793,672	1,406,484	3,221,516	1,400,884	198,686	1,166,174
Fines and forfeitures	303,095	908,996	997,103	701,117	515,187	501,886	686,571	741,656	752,705	506,094
Charges for services	617,588	913,497	859,513	837,886	677,868	721,191	573,258	549,581	371,152	395,307
Interest income	78,462	312,195	352,619	29,202	23,298	51,911	51,157	55,044	62,924	69,897
Miscellaneous	173,186	129,047	330,101	194,761	303,723	584,279	151,187	149,041	519,487	116,628
Total revenues	<u>29,104,183</u>	<u>24,624,196</u>	<u>22,905,436</u>	<u>18,282,583</u>	<u>16,316,577</u>	<u>16,248,430</u>	<u>17,278,124</u>	<u>14,591,228</u>	<u>11,146,223</u>	<u>11,155,266</u>
<b>Expenditures</b>										
General government	2,999,655	2,992,573	3,539,095	3,406,195	3,416,997	2,878,496	2,410,195	2,261,908	2,050,041	1,790,985
Judicial	648,158	485,978	534,186	437,400	376,353	342,331	411,394	415,172	472,604	332,565
Public safety	8,288,811	7,988,409	7,125,945	6,538,231	6,207,250	6,181,773	6,143,312	6,022,743	5,834,889	5,757,817
Public works	5,944,896	3,352,766	2,867,417	1,989,357	2,814,324	2,782,641	2,363,652	1,915,233	1,503,387	2,645,111
Planning and development	763,503	398,005	713,382	552,164	523,412	527,173	486,107	461,352	365,540	368,225
Culture and recreation	398,482	659,665	501,501	619,309	531,522	586,329	351,519	299,003	225,307	192,905
Capital outlay	4,911,771	3,613,471	1,983,051	2,944,718	19,472	4,490,740	4,605,059	3,903,395	2,513,359	2,794,532
Debt service										
Principal	619,498	660,945	615,099	821,473	653,535	715,814	619,425	622,796	651,801	130,540
Interest	209,920	236,585	253,441	214,044	451,808	472,155	473,437	490,547	505,602	511,360
Bond issuance costs	-	-	-	134,684	-	-	-	-	-	-
Total expenditures	<u>24,784,694</u>	<u>20,388,397</u>	<u>18,133,117</u>	<u>17,657,575</u>	<u>14,994,673</u>	<u>18,977,452</u>	<u>17,864,100</u>	<u>16,392,149</u>	<u>14,122,530</u>	<u>14,524,040</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,319,489</u>	<u>4,235,799</u>	<u>4,772,319</u>	<u>625,008</u>	<u>1,321,904</u>	<u>(2,729,022)</u>	<u>(585,976)</u>	<u>(1,800,921)</u>	<u>(2,976,307)</u>	<u>(3,368,774)</u>
<b>Other financing sources (uses)</b>										
Bonds issued	-	-	-	7,365,000	-	-	-	-	-	-
Payments to refund debt escrow agent	-	-	-	(7,230,316)	-	-	-	-	-	-
Financed purchases	-	-	100,934	165,380	-	-	328,421	371,613	228,424	367,888
Proceeds from sale of capital assets	124	15,101	-	-	32,380	44,526	52,915	487,338	39,345	-
Transfers in	909,840	850,000	1,579,203	1,687,817	1,690,339	1,929,410	3,987,018	3,216,141	1,617,260	1,350,000
Transfers out	(1,609,840)	(946,633)	(820,211)	(925,817)	(928,339)	(1,167,410)	(3,237,018)	(1,672,156)	(226,625)	(159,000)
Total other financing sources (uses)	<u>(699,876)</u>	<u>(81,532)</u>	<u>859,926</u>	<u>1,062,064</u>	<u>794,380</u>	<u>806,526</u>	<u>1,131,336</u>	<u>2,402,936</u>	<u>1,658,404</u>	<u>1,558,888</u>
Net change in fund balances	<u>\$ 3,619,613</u>	<u>\$ 4,154,267</u>	<u>\$ 5,632,245</u>	<u>\$ 1,687,072</u>	<u>\$ 2,116,284</u>	<u>\$ (1,922,496)</u>	<u>\$ 545,360</u>	<u>\$ 602,015</u>	<u>\$ (1,317,903)</u>	<u>\$ (1,809,886)</u>
Debt service as a percentage of noncapital expenditures	5.89%	5.63%	6.10%	7.39%	7.76%	8.68%	8.53%	9.22%	9.97%	5.47%

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

**Notes:**

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



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

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Motor Vehicle Tax</b>	<b>Franchise Tax</b>	<b>Insurance Premium Tax</b>	<b>Beer, Wine and Liquor Tax</b>	<b>Hotel/Motel Tax</b>	<b>Other Taxes</b>	<b>Total</b>
2012	\$ 4,567,666	\$ 1,414,814	\$ 271,463	\$ 997,510	\$ 607,409	\$ 225,028	\$ 123,964	\$ 35,313	\$ 8,243,167
2013	4,798,827	1,416,172	310,474	954,200	645,170	215,282	190,252	52,172	8,582,549
2014	4,755,788	3,415,848 (1)	458,803	1,015,129	668,012	218,456	178,468	94,617	10,805,121
2015	4,647,950	3,762,572	449,619	1,088,695	702,662	232,352	207,009	83,706	11,174,565
2016	4,766,434	3,819,892	307,241	1,047,515	750,679	244,803	241,576	94,210	11,272,350
2017	4,564,177	3,862,730	326,482	1,021,148	813,131	249,041	220,251	157,350	11,214,310
2018	5,179,553	4,063,620	331,566	951,504	867,515	264,586	285,075	125,350	12,068,769
2019	6,554,283	4,343,841	402,236	1,215,781	935,573	250,078	257,125	148,670	14,107,587
2020	7,571,527	3,976,456	579,231	1,269,600	997,441	265,113	190,904	206,221	15,056,493
<b>2021</b>	<b>8,680,841</b>	<b>4,550,878</b>	<b>862,927</b>	<b>1,262,038</b>	<b>1,052,080</b>	<b>295,599</b>	<b>220,709</b>	<b>244,910</b>	<b>17,169,982</b>

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

**Note:**

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

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

Tax Digest Year	Real Property		Personal Property		Public Utility		Total Property		Total Direct Tax Rate	Ratio of Total Assessed to Total Estimated Actual Value	Percent Increase in Estimated Actual Value Over Prior Year
	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value			
2011	\$ 372,887,190	\$ 966,816,750	\$ 209,712,150	\$ 473,225,775	\$ 11,866,310	\$ 34,330,125	\$ 594,465,650	\$ 1,474,372,650	9.93 (1)	40%	0.80%
2012	373,027,370	932,217,975	216,286,170	524,280,375	11,866,310	29,665,775	601,179,850	1,486,164,125	9.98 (2)	40%	1.13%
2013	346,405,540	932,568,425	248,934,510	540,715,425	13,301,506	29,665,775	608,641,556	1,502,949,625	9.70 (3)	40%	1.01%
2014	342,544,370	866,013,850	326,561,200	622,336,275	14,072,114	33,253,765	683,177,684	1,521,603,890	9.82	40%	12.25%
2015	367,717,060	999,477,550	339,414,250	848,535,625	14,501,454	36,253,635	721,632,764	1,884,266,810	9.73	40%	5.63%
2016	399,791,020	1,145,007,325	324,570,010	811,425,025	14,734,532	36,836,330	739,095,562	1,993,268,680	9.56	40%	2.42%
2017	458,002,930	1,281,870,150	425,312,310	1,063,280,775	14,679,795	36,699,488	897,995,035	2,381,850,413	9.56	40%	21.50%
2018	512,748,060	1,460,299,150	746,741,225	1,866,853,063	13,580,161	33,950,403	1,273,069,446	3,361,102,615	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%
<b>2020</b>	<b>632,592,280</b>	<b>1,581,480,700</b>	<b>951,615,080</b>	<b>2,379,037,700</b>	<b>17,764,075</b>	<b>44,410,188</b>	<b>1,601,971,435</b>	<b>4,004,928,588</b>	<b>9.56</b>	<b>40%</b>	<b>-3.25%</b> (4)

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

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

<u>Tax Digest Year</u>	<u>Direct Rates</u>			<u>Overlapping Rates</u>			<u>Total Direct and Overlapping Millage Rate</u>
	<u>City of Fairburn</u>			<u>State of Georgia</u>	<u>Fulton County</u>	<u>County School System</u>	
	<u>Operating Millage</u>	<u>Debt Service</u>	<u>Total</u>				
2011	8.100	1.830	9.930	0.250	10.550	18.500	39.230
2012	8.100	1.880	9.980	0.200	10.550	18.500	39.230
2013	8.100	1.600	9.700	0.150	10.480	18.500	38.830
2014	8.100	1.720	9.820	0.100	12.050	18.500	40.470
2015	8.100	1.630	9.730	0.050	10.750	18.500	39.030
2016	8.100	1.460	9.560	0.000	10.700	18.480	38.740
2017	8.100	1.460	9.560	0.000	10.630	18.546	38.736
2018	8.100	1.460	9.560	0.000	10.430	17.796	37.786
2019	8.100	1.460	9.560	0.000	10.119	17.796	37.475
<b>2020</b>	<b>8.100</b>	<b>1.460</b>	<b>9.560</b>	<b>0.000</b>	<b>10.119</b>	<b>17.796</b>	<b>37.475</b>

Source: City of Fairburn Finance Department

**CITY OF FAIRBURN, GEORGIA**  
**PRINCIPAL PROPERTY TAX PAYERS**  
**CURRENT AND NINE FISCAL YEARS AGO**

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value
Google	\$ 478,861,400	1	29.89%	\$ -		
Development Authority of Fulton County	69,755,310	2	4.35%	18,100,528	2	3.04%
Duracell Distributing Inc	63,292,440	3	3.95%	-		
Helicopter Support, Inc	46,117,440	4	2.88%	-		
Nestle Purina Petcare Company	41,914,960	5	2.62%	27,809,936	1	4.68%
Owen Corning Unsulating System	33,618,320	6	2.10%	10,849,092	6	1.83%
Toto, USA	20,489,880	7	1.28%	12,501,040	5	2.10%
Navistar, Inc	19,898,680	8	1.24%	13,192,952	3	2.22%
Smucker Sales and Distributing	17,293,480	9	1.08%	-		
J L G Industries, Inc	15,806,640	10	0.99%	-		
CSX Transportation	-		-	12,833,340	4	2.16%
Playtex Manufacturing	-		-	10,714,984	7	1.80%
M.D. Hodges Enterprises	-		-	9,319,480	8	1.57%
DCT Southcreek Eagles Landing	-		-	9,319,440	9	1.57%
U.S. Foods, Inc	-		-	9,054,864	10	1.52%
All Others	794,922,885		49.62%	460,769,994		77.51%
Totals	\$ 1,601,971,435		100.00%	\$ 594,465,650		100.00%

**Source:** City of Fairburn Finance Department

Note: The 2020 tax digest was billed during fiscal year ending September 30, 2021. The 2011 column related taxes are based on the 2010 tax digest that were billed during fiscal year ended September 30, 2011.

**CITY OF FAIRBURN, GEORGIA**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

<b>Tax Digest Year</b>	<b>Total Tax Levy</b>	<b>Collections of Current Years Taxes During Year</b>	<b>Percentage of Levy Collected During Year</b>	<b>Collection of Prior Years Taxes During Year</b>	<b>Total Collections</b>	<b>Accumulated Uncollected Taxes by Digest Year</b>	<b>Ratio of Accumulated Uncollected Taxes to Current Year's Levy</b>	<b>Millage Rates</b>	<b>Local Option Sales Tax Collected</b>
2011	\$ 4,491,344	\$ 4,406,360	98.11%	\$ 78,371	\$ 4,484,731	\$ 6,613	0.15%	9.93	\$ 1,414,814
2012	4,616,738	4,492,199	97.30%	116,798	4,608,998	7,740	0.17%	9.98	1,416,172
2013	4,762,586	4,187,985	87.94%	562,100	4,750,085	12,501	0.26%	9.70	3,415,848 (1)
2014	4,569,262	4,520,945	98.94%	36,327	4,557,273	11,989	0.26%	9.82	3,762,572
2015	4,579,384	4,554,466	99.46%	12,510	4,566,976	12,408	0.27%	9.73	3,819,892
2016	4,668,151	4,650,813	99.63%	5,443	4,656,256	11,895	0.25%	9.56	3,862,730
2017	5,133,569	5,056,723	98.50%	61,905	5,118,628	14,941	0.29%	9.56	4,063,620
2018	6,561,997	6,439,602	98.13%	108,204	6,547,806	14,191	0.22%	9.56	4,343,841
2019	7,652,281	7,262,911	94.91%	364,532	7,627,443	24,838	0.32%	9.56	3,976,456
<b>2020</b>	<b>8,809,358</b>	<b>8,682,747</b>	<b>98.56%</b>	<b>196,537</b>	<b>8,879,284</b>	<b>126,611</b>	<b>1.44%</b>	<b>9.56</b>	<b>4,550,878</b>

**Source:** City of Fairburn Finance Department

**Notes:**

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

**CITY OF FAIRBURN, GEORGIA**  
**RATIO OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities					Business-type Activities						
	General Obligation Bonds	Financed Purchases	Bonded Debt to Actual Value of Taxable Property	Per Capita	Water & Sewer	Educational Complex	Notes Payable	Financed Purchases	Total Primary Government	Percent of Personal Income	Per Capita	
2012	\$ 10,447,972	\$ 543,378	0.71%	823	\$ 10,035,000	\$ 14,990,032	\$ -	\$ -	\$ 36,016,382	12.13%	\$ 2,695	
2013	10,050,347	515,001	0.68%	770	9,310,000	15,009,635	-	-	34,884,983	11.92%	2,543	
2014	9,647,786	663,818	0.64%	753	14,117,463	14,674,263	-	-	39,103,330	14.17%	2,856	
2015	9,240,289	777,814	0.61%	731	14,101,806	14,318,621	-	-	38,438,530	13.93%	2,807	
2016	8,827,858	472,000	0.47%	666	13,106,714	13,937,775	-	-	36,344,347	13.00%	2,602	
2017	8,405,496	238,465	0.42%	556	12,091,993	13,526,653	-	109,705	34,372,312	10.80%	2,211	
2018	9,124,188	112,372	0.38%	582	11,058,695	14,678,770	-	83,774	35,057,799	11.01%	2,209	
2019	8,563,141	158,207	0.25%	520	9,993,714	14,042,513	-	57,705	32,815,280	10.08%	1,957	
2020	7,982,094	77,262	0.19%	456	8,895,267	13,366,257	-	28,958	30,349,838	8.56%	1,718	
<b>2021</b>	<b>7,386,047</b>	<b>52,764</b>	<b>0.18%</b>	<b>382</b>	<b>7,762,053</b>	<b>12,645,000</b>	<b>-</b>	<b>-</b>	<b>27,845,864</b>	<b>6.99%</b>	<b>1,431</b>	

Source: City of Fairburn Finance Department

**CITY OF FAIRBURN, GEORGIA**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
SEPTEMBER 30, 2021**

<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>
<b>Fulton County Board of Commissioners, Georgia</b>			
Library General Obligation Bonds	\$ 234,408,000	1.971%	\$ 4,620,740
Economic Recovery Zone Bonds	91,984,000	1.971%	1,813,224
<b>Fulton County Board of Education</b>			
General Obligation Bonds	11,495,000	1.971%	226,594
	<u>337,887,000</u>		<u>6,660,557</u>
<b>City of Fairburn, Georgia</b>			
2011 General Obligation Bonds	7,386,047	100.00%	7,386,047
Financed Purchases	52,764	100.00%	52,764
<b>Total Direct Debt</b>	<u>7,438,811</u>		<u>7,438,811</u>
Total direct and overlapping debt	<u>\$ 345,325,811</u>		<u>\$ 14,099,368</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

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Fiscal Year	Assessed Value	Percent	Debt Limit	Amount Applicable	Restricted to Debt Service	Legal Debt Margin
2012	\$ 594,465,650	10%	\$ 59,446,565	\$ 10,450,629	\$ 583,860	\$ 48,412,076
2013	601,179,850	10%	60,117,985	10,447,972	533,489	49,136,524
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
<b>2021</b>	<b>1,601,971,435</b>	<b>10%</b>	<b>160,197,144</b>	<b>7,386,047</b>	<b>12,389</b>	<b>152,798,708</b>

**Source:** City of Fairburn Finance Department



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

<u>Fiscal Year</u>	<u>Operating Revenue</u>	<u>Direct Operating Expenses (2)</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest (1)</u>	<u>Total</u>	
2012	\$ 13,532,137	\$ 8,980,824	\$ 4,551,313	\$ 720,000	\$ 412,084	\$ 1,132,084	4.02
2013	13,621,290	10,600,700	3,020,590	725,000	374,385	1,099,385	2.75
2014	14,669,539	9,982,534	4,687,005	-	334,901	334,901	14.00
2015	14,635,792	9,822,190	4,813,602	-	489,612	489,612	9.83
2016	15,453,582	10,333,956	5,119,626	980,000	473,808	1,453,808	3.52
2017	15,351,316	10,694,171	4,657,145	1,000,000	454,575	1,454,575	3.20
2018	16,375,792	10,981,640	5,394,152	1,050,000	416,109	1,466,109	3.68
2019	16,945,442	11,605,021	5,340,421	1,050,000	397,856	1,447,856	3.69
2020	17,088,887	12,469,988	4,618,899	1,085,000	361,120	1,446,120	3.19
<b>2021</b>	<b>16,418,610</b>	<b>13,910,121</b>	<b>2,508,489</b>	<b>1,120,000</b>	<b>320,806</b>	<b>1,440,806</b>	<b>1.74</b>

**Source:** City of Fairburn Finance Department

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

- (1) Interest expense does not include interest payments to the Middle Chattahoochee Regional Water and Sewer Authority - Joint Governed Organization.
- (2) Direct operating expenses includes cost of sales and services and general operating expenses and excludes depreciation and amortization expenses.

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

Fiscal Year	Operating Revenue	Direct Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2012	\$ 497,474	\$ 278,580	\$ 218,894	\$ - (2)	\$ 642,098	\$ 642,098	0.34
2013	503,377	86,976	416,401	- (2)	639,975	639,975	0.65
2014	516,649	103,815	412,834	355,000	638,200	993,200	0.42
2015	537,314	134,427	402,887	375,000	632,875	1,007,875	0.40
2016	537,010	90,732	446,278	400,000	623,125	1,023,125	0.44
2017	498,543	96,326	402,217	430,000	603,475	1,033,475	0.39
2018	446,154	37,010	409,144	520,000	487,625	1,007,625	0.41
2019	488,148	40,575	447,573	645,000	403,640	1,048,640	0.43
2020	487,888	77,075	410,813	685,000	377,718	1,062,718	0.39
<b>2021</b>	<b>505,118</b>	<b>62,699</b>	<b>442,419</b>	<b>730,000</b>	<b>354,605</b>	<b>1,084,605</b>	<b>0.41</b>

**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.

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

# CITY OF FAIRBURN, GEORGIA

## DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

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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)
2012	13,363	\$ 296,939,223	\$ 22,221	32.0	12	4,982	9.40
2013	13,720	292,579,000	21,325	32.0	12	4,897	9.50
2014	13,693	275,941,336	20,152	32.0	12	4,908	7.90
2015	13,696	276,001,792	20,152	32.0	12	4,822	7.40
2016	13,967	279,549,505	20,015	32.0	12	5,270	5.50
2017	15,543	318,382,812	20,484	32.0	12	5,390	4.20
2018	15,872	318,535,168	20,069	32.0	12	5,354	3.20
2019	16,768	325,550,720	19,415	32.3	12	5,148	3.90
2020	17,664	354,498,816	20,069	28.8	12	5,438	7.00
<b>2021</b>	<b>19,456</b>	<b>398,536,704</b>	<b>20,484</b>	<b>28.8</b>	<b>12</b>	<b>5,664</b>	<b>5.20</b>

**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>2021</u>		<u>2012</u>	
	<u>Number of Employees</u>	<u>Rank</u>	<u>Number of Employees</u>	<u>Rank</u>
Exel Logistics	669	1	249	6
U.S Food Services	668	2	793	1
Strack, Inc.	450	3	300	5
Porex Corporation	444	4	450	2
Nestle Purina Petcare Co.	392	5	310	4
GXO Logistics	392	6	-	-
Material in Motion	243	7	-	-
Freshpoint	195	8	-	-
CJ Logistics	182	9	-	-
LTI Flexible Products	161	10	-	-
Owens Corning	-	-	388	3
Adesa Atlanta LLC	-	-	200	7
Reynolds, Inc.	-	-	200	8
Prism Pointe Technology	-	-	159	9
Fairburn Healthcare	-	-	108	10
	<u>3,796</u>		<u>3,157</u>	

Source: City of Fairburn Finance Department

## CITY OF FAIRBURN, GEORGIA

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

<u>Function</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Administrative	23	27	27	29	30	30	29	28	28	31
Police	45	37	37	43	39	39	39	45	50	43
Fire	44	44	44	45	42	40	40	40	40	35
Streets, Parks, and Recreation	14	13	12	17	18	18	18	19	18	12
Electric	8	10	9	10	9	9	9	9	9	5
Water and Sewer	6	6	8	8	8	9	9	9	9	8
	<u>140</u>	<u>137</u>	<u>137</u>	<u>152</u>	<u>146</u>	<u>145</u>	<u>144</u>	<u>150</u>	<u>154</u>	<u>134</u>

**Source:** City of Fairburn Finance Department

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

<u>Function</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Police										
Physical Arrests	1,485	967	1,268	633	549	729	775	803	169	335
Traffic Violations	2,428	5,455	4,640	3,982	3,252	5,638	5,681	11,321	8,594	6,685
Fire										
Number of Calls Answered	2,020	2,078	2,168	2,414	2,879	2,955	3,031	3,281	2,880	3,211
Inspections	496	673	723	990	886	518	401	456	210	169
Highways and Streets										
Streets Resurfaced (miles)	-	2.12	4.50	1.94	-	1.81	13.00	10.34	10.34	8.54
Potholes Repaired	88	99	90	100	120	115	25	122	122	177
Sanitation										
Refuse Collected (tons/year)	6,030	3,599	3,661	3,661	4,015	3,916	3,770	3,580	3,977	4,978
Recyclables Collected (tons/year)	598	622	637	650	730	667	661	520	578	451
Water										
Water Mains (miles)	91.9	92.2	93.1	70.9	71.1	71.1	71.1	71.1	71.1	74.3
Fire Hydrants	903	903	903	826	824	824	824	947	947	971
Water Main Breaks	15	10	6	6	8	6	6	4	4	7
Average Daily Consumption (thousands of gallons)	811	817	845	807	886	212	1,061	691	768	755
Wastewater and Sewer										
Stormwater system (miles)	38.21	38.45	38.45	36.76	36.76	36.76	36.76	36.76	36.76	37.04
Sanitary system (miles)	69.00	69.00	69.00	62.00	61.62	61.62	61.62	61.62	61.62	64.89
Public Safety										
Fire Stations	2	2	2	2	2	2	2	2	2	2
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Patrol Units	45	33	62	50	47	49	49	49	49	54
Highways and Streets										
Miles Paved	96.8	96.8	96.8	96.8	96.8	96.8	96.8	96.8	96.8	96.0
Miles Unpaved	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Street Lights	702	709	712	712	712	712	712	760	760	76
Caution Lights	1	1	1	1	2	2	2	1	1	1
Electric										
Lines (miles)	79	79	79	81	81	81	81	81	81	79
Plant Capacity (KVA)	12,400	12,400	12,400	12,400	12,400	12,470	12,470	12,470	12,470	21,373

Source: City of Fairburn Finance Department

# CITY OF FAIRBURN, GEORGIA

## CAPITAL ASSETS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Water										
Water Mains (miles)	91.9	91.9	91.9	70.9*	71.1	71.1	71.1	71.1	71.1	74.27
Fire Hydrants	903	903	903	826**	824	824	824	947	947	971
Water Main Breaks	15	15	6	6	8	6	6	4	4	7
Wastewater and Sewer										
Stormwater system (miles)	38.21	38.21	38.21	36.76	36.76	36.76	36.76	36.76	36.76	37.04
Sanitary system (miles)	69	69	69	62	61.62	61.62	61.62	61.62	61.62	64.89
Public Safety										
Fire Stations	2	2	2	2	2	2	2	2	2	2
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Patrol Units	45	33	62	50	47	49	49	49	49	54
Highways and Streets										
Miles Paved	96.5	96.5	96.8	96.8	96.8	96.8	96.8	96.8	96.8	96.04
Miles Unpaved	3	3	3	3	3	3	3	3	3	3
Street Lights	702	712	712	712	712	712	712	760	760	76.1
Caution Lights	1	1	1	1	2	2	2	1	1	1
Electric										
Lines (miles)	79	79	79	81	81	81	81	81	81	81
Number of substations	2	2	2	2	2	2	2	2	2	2
Number of service connections	2,902	2,955	3,183	3,153	3,187	3,470	3,470	3,574	3,574	4,061
Culture and recreation										
Parks acreage	142	144	144	144	144	146	146	146	146	146
Parks	1	2	2	2	2	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