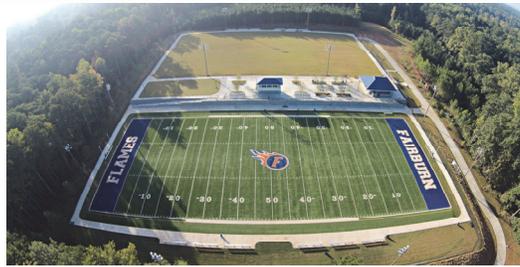


City of Fairburn, Georgia

Comprehensive Annual Financial Report

For the Fiscal Year Ended

September 30, 2017



Prepared by
Department of Finance
56 Malone Street
Fairburn, Georgia 30213

**CITY OF FAIRBURN, GEORGIA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED
 SEPTEMBER 30, 2017**

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**CITY OF FAIRBURN, GEORGIA
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INTRODUCTORY SECTION
(Unaudited)



City of Fairburn
56 Malone Street
Fairburn, GA30213

770-964-2244 FAX - 770-969-3484

March 23, 2018

Honorable Elizabeth Carr-Hurst, Mayor
and Members of the City Council
City of Fairburn
Fairburn, Georgia

Ladies and Gentlemen:

The comprehensive annual financial report of the City of Fairburn, Georgia (the "City"), for the fiscal year ended September 30, 2017, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The comprehensive annual financial report consists of management's representations concerning the finances of the City of Fairburn. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Fairburn has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Fairburn's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City of Fairburn's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The comprehensive annual financial report is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the City's organization chart, and a list of principal officials. The transmittal letter includes general information about the City, services provided by the City, the organization of the City, economic condition and outlook

for the City, the major events of the fiscal year, and other information including the audit and acknowledgements.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

The financial section includes the independent auditor's report on the financial statements, management's discussion and analysis, and the basic audited financial statements with combining and individual fund statements and schedules. This section also includes required supplementary information.

The statistical section contains selected historical financial data, debt statistics, and the miscellaneous social and economic data generally presented on a multi-year basis.

General Information – City of Fairburn

The territory on which the City of Fairburn was originally located was ceded to the State of Georgia by the Cherokee 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 started with the construction of the Atlanta and West Point Railroad in 1854. The City of Fairburn was incorporated 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, starting in 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 dead.

Services Provided

Services provided by the City under general governmental functions include police and fire protection, planning and engineering, code enforcement, street maintenance, traffic control, and parks operations and maintenance.

In addition, electric, water, sewer, and storm water services, educational complex rentals, and solid waste collection and disposal services are provided (the latter by contract) under an enterprise fund concept. User charges are set by the City Council to ensure adequate coverage of operating expenses and payments on outstanding debt.

As a member of the Municipal Electric Authority of Georgia (MEAG), Fairburn provides very competitive and dependable electric service. The City is also a member of the South Fulton Municipal Regional Water & Sewer Authority (the "Authority"), along with neighboring cities Union City and Palmetto. The Authority continues to pursue a water withdrawal permit to allow construction of a water reservoir and water treatment plant west of the City limits in Chattahoochee Hills.

The City's primary sources of General Fund revenue continue to be ad valorem taxes, sales taxes, and franchise fees.

The Organization of the Government

The City has a Mayor and Council – City Administrator form of government with a Mayor and six council members in the governing body. The Mayor, while a part-time position, is the City's Chief Executive Officer. The City Administrator is a full-time position appointed by and serving at the pleasure of the City Council.

The City Council annually adopts a balanced budget and establishes an ad valorem tax rate for the support of City programs. The City Administrator has the responsibility of administering these programs in accordance with policies and the annual budget adopted by the City Council.

The City's management team includes a Police Chief, Fire Chief, City Engineer, Finance Director, Human Resources Director, City Clerk, Properties Manager, Utilities Director, and Recreation Director.

Strategic Direction

With our tagline, "Situated to Succeed" the City continues to encourage businesses and individuals to move here to benefit from all of the amenities offered. Mayor, Council and staff continue to make vital decisions that responsibly utilize City resources based on the needs and desires of the City's residents. Our strategic vision of a community with an array of live, work and play opportunities continues to be the focal point of Fairburn's growth.

Since 2017, the City continues to improve and upgrade its public infrastructure projects including the Frankie Mae Arnold Stage & Courtyard in the downtown area; road improvements to support development in its highly successful industrial warehouse district; a proposed new fire station; upgrades and improvements to Clarence E. Duncan Park; various water and sewer improvements and upgrades; and the development of a two-story classroom building that is part of the Betty Hannah Education Campus.

These investments highlight the City's commitment to promoting community development and infrastructure investment which are major goals of its recently adopted Economic Development Strategic Plan (EDSP). The EDSP also articulates the attraction and recruitment of new businesses and development opportunities; promoting the growth and expansion of existing businesses; and developing a talented and qualified workforce as primary goals of the City's economic development platform.

Other efforts initiated and/or supported by members of City Council to expand economic and community development opportunities include, approval of a park & ride facility along S.R. 74; involvement in the Georgia Initiative for Community Housing (GICH) to improve housing conditions and expand housing opportunities in the Lightning and Summerwood neighborhoods; support for the establishment of the Main Street Program for the downtown area; and creation of a farmers market to support Georgia-grown produce and promote healthy lifestyles.

The City has experienced a recent increase in housing construction and purchase. This upsurge provides a favorable forecast for the City's expanding housing market.

Economic Condition and Outlook

As a part of the metropolitan Atlanta 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 Turner Field and the State Capital.

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

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

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. And to ensure City residents and others in South Fulton have access to the employment opportunities these companies provide, the City's strategic investment in the Betty Hannah Education Campus aims to create a qualified workforce to meet the employment needs of its business sector.

New home construction has returned to pre-recession levels. Starter homes in the low-\$100s and larger homes in the \$300s are both selling well. Most of the renewed interest in residential construction is focused on the 900+ fully-developed residential lots that have sat vacant throughout the City for the last seven to nine years. And just this year, Fairburn welcomed the opening of *Solstice*, a 308-unit, upscale apartment development on Oakley Industrial Blvd. This project along with new single-family units in subdivisions such as Durham Lakes, Brookhaven, Fieldstone Manor, Asbury Park and others reflect the City's continued population growth and the demand for housing choices for every income level. Continuing the City's focus on quality, affordable housing for all residents the Manor at Broad fills this niche. Active seniors benefit from this affordable housing option.

The City's proximity to the Pinewood Atlanta Studio in adjoining Fayette County and Atlanta Metro Studios in Union City bodes well for future economic development. Fairburn's Highway 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.

Overall, the City's economic development, both residential and commercial/industrial, is on the upswing. Employment seems to be growing and our population is steadily increasing.

Major Events in Fiscal Year 2017

The City's financial portfolio remains in the positive. During the last five fiscal years the General Fund's fund balance has climbed from negative \$90,000 to a positive \$5.8 million. The City's bond rating has simultaneously climbed from bbb+ to AA- and still is holding at that rate. The City's fiscal responsibility with the ever-changing financial climate allows the City to remain out of crippling debt.

In July of last year, the City begin receiving some of the TSPLOST funds of Tier 1 for various TSPLOST Projects: City-wide Road resurfacing; Pedestrian/Bike improvements; and various Roadway projects.

As Fairburn moves forward from the recession, it has developed an overall vision and a focus on improving and expanding economic opportunities. The City's first Economic Development Strategic Plan (EDSP) adopted in 2016, is still in place for the City's strategic direction. The plan sets forth the goals objectives and strategies that guide the City's economic development agenda.

Financial Information

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of the financial statements in conformity with generally accepted accounting principles. In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal controls. Internal controls are designed to provide reasonable, but not absolute assurance regarding: (1) the safeguarding of assets from unauthorized user disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets.

Independent Audit. State statues require an annual audit by independent certified public accountants. The accounting firm of Mauldin & Jenkins, LLC was selected. The independent auditor's report on the financial statements of governmental activities, business-type activities, each major fund, and the aggregate remaining fund information and schedules is included in the financial section of this report.

Awards. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended September 30, 2016. This was the twenty-ninth consecutive year and the thirty second time that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual

financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments. I would like to take this opportunity to express my appreciation to you, the Mayor and Council, for your guidance and support in the preparation of this report. I would also like to express my sincere appreciation to the City staff for their assistance and cooperation during the year to effect a better accounting and reporting system for the City of Fairburn, for without this assistance and cooperation this report would not have been possible.

Respectfully submitted,



Donna M. Gayden
City Administrator

March 23, 2018



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Fairburn
Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2016

Christopher P. Morvill

Executive Director/CEO

**CITY OF FAIRBURN, GEORGIA
CITY OFFICIALS
SEPTEMBER 30, 2017**

CITY COUNCIL

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

CITY ADMINISTRATOR

Donna Gayden

CITY CLERK

Jennifer Elkins

HUMAN RESOURCE DIRECTOR

Vacant

FINANCE DIRECTOR

Vacant

CHIEF OF POLICE

Anthony Bazydlo

FIRE CHIEF

Stephen Hood

CITY ENGINEER

Brendetta Walker

UTILITY DIRECTOR

Tom Ridgway

BUILDING INSPECTOR

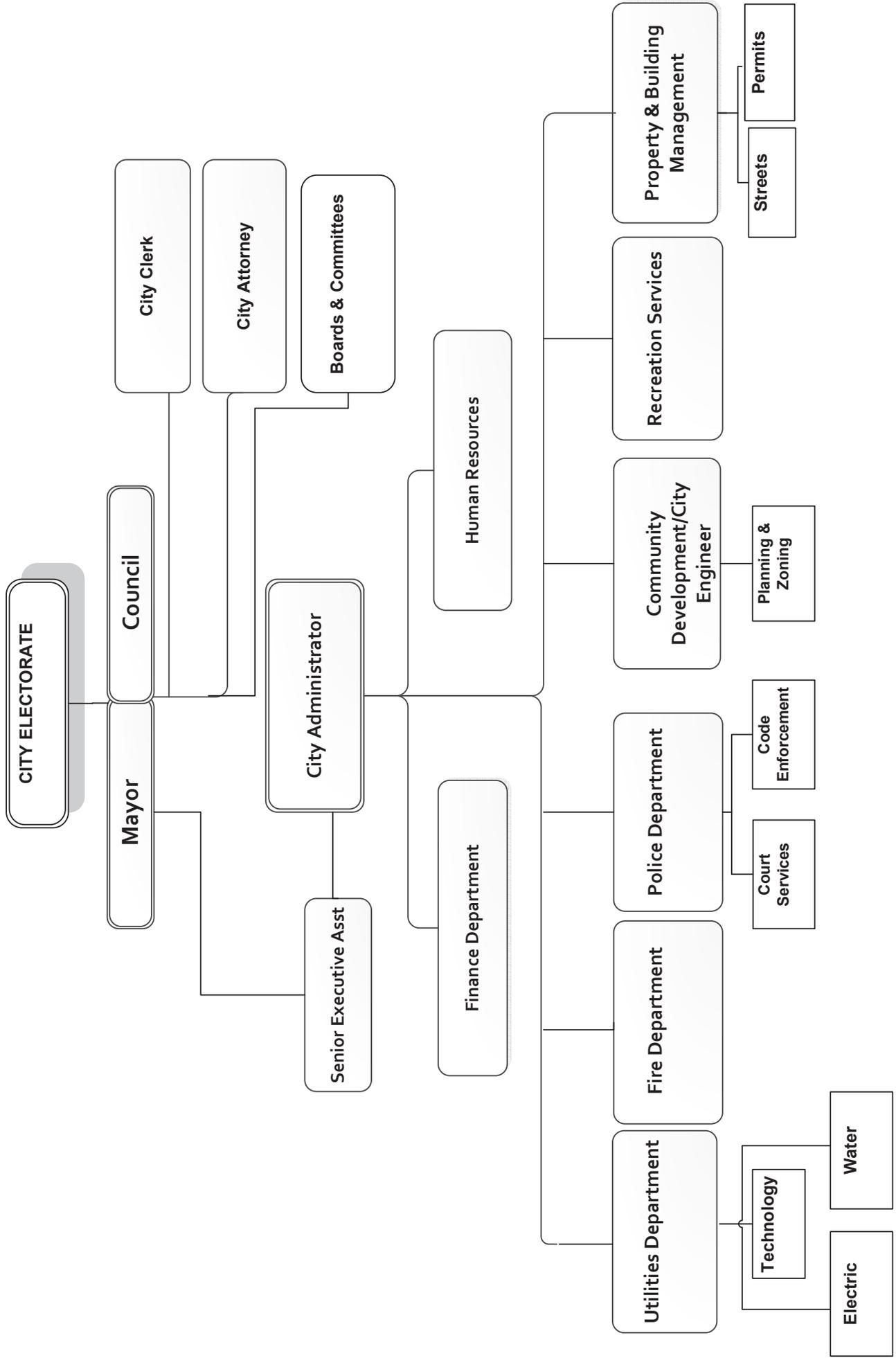
Harvey Stokes

CITY ATTORNEYS

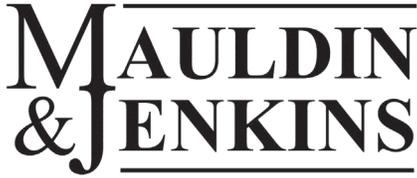
Turner & Ross, LLC

City of Fairburn, Georgia

ORGANIZATIONAL CHART



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

**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, 2017, 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.

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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

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 through 15 and pages 57 and 58, 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 and the introductory and the statistical sections, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules 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 combining and individual nonmajor fund financial statements and schedules are 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 March 23, 2018 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 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
March 23, 2018

City of Fairburn, Georgia
Management's Discussion and Analysis
September 30, 2017

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, 2017. 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 2017 are as follows:

- The assets and deferred outflows of resources of the City of Fairburn exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$60,328,401 (net position). Of this amount, \$40,558,332 is invested in capital assets, net of related debt; \$2,564,604 is restricted; and \$17,205,465 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 \$3,850,086 as compared to an increase of \$5,935,915 in the prior fiscal year.
- At the end of the current fiscal year, total fund balance for the General Fund was \$5,802,805, an increase of \$1,152,897 over the prior fiscal year.
- Transfers from Enterprise Funds for General Fund operations were \$1,250,000 in fiscal 2017 and 2016, 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).

City of Fairburn, Georgia
Management's Discussion and Analysis
September 30, 2017

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

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.

City of Fairburn, Georgia
Management's Discussion and Analysis
September 30, 2017

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 22 - 24.

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	
	2017	2016	2017	2016	2017	2016
Assets:						
Current and other assets	\$ 10,517,405	\$ 8,965,384	\$ 18,541,874	\$ 16,728,886	\$ 29,059,279	\$ 25,694,270
Capital assets, net	30,237,919	31,034,723	40,294,570	41,526,785	70,532,489	72,561,508
Total assets	40,755,324	40,000,107	58,836,444	58,255,671	99,591,768	98,255,778
Deferred outflows of resources	820,167	723,193	760,145	887,140	1,580,312	1,610,333
Liabilities:						
Other liabilities	2,353,051	2,793,264	3,974,639	4,015,546	6,327,690	6,808,810
Long-term liabilities	9,242,579	10,327,703	24,383,997	25,837,429	33,626,576	36,165,132
Total liabilities	11,595,630	13,120,967	28,358,636	29,852,975	39,954,266	42,973,942
Deferred inflows of resources	787,420	365,124	101,993	48,730	889,413	413,854
Net position:						
Net investment in capital assets	22,594,407	22,115,350	17,963,925	18,084,503	40,558,332	40,199,853
Restricted	2,495,233	1,718,140	69,371	514,098	2,564,604	2,232,238
Unrestricted	4,102,801	3,403,719	13,102,664	10,642,505	17,205,465	14,046,224
Total net position	\$ 29,192,441	\$ 27,237,209	\$ 31,135,960	\$ 29,241,106	\$ 60,328,401	\$ 56,478,315

City of Fairburn, Georgia
Management's Discussion and Analysis
September 30, 2017

Financial Position

The total net position of the City increased \$3,850,086 or 6.82%, from \$56,478,315 to \$60,328,401 as noted in the following table.

City of Fairburn Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues						
Charges for services	\$ 2,967,781	\$ 3,066,529	\$ 17,451,224	\$ 17,794,173	\$ 20,419,005	\$ 20,860,702
Operating grants and contributions	-	-	-	-	-	-
Capital grants and contributions	1,793,672	1,621,498	1,085,970	1,553,000	2,879,642	3,174,498
General revenues:						
Property taxes	4,564,177	4,746,634	-	-	4,564,177	4,746,634
Sales taxes	3,862,730	3,819,892	-	-	3,862,730	3,819,892
Franchise taxes	1,021,148	1,047,515	-	-	1,021,148	1,047,515
Other taxes	1,766,255	1,638,509	-	-	1,766,255	1,638,509
Miscellaneous	167,441	402,696	13,270	-	180,711	402,696
Gain on sale of capital assets	15,530	22,424	-	-	15,530	22,424
Unrestricted investment earnings	23,298	51,911	25,536	26,768	48,834	78,679
Total revenues	16,182,032	16,417,608	18,576,000	19,373,941	34,758,032	35,791,549
Expenses:						
General government	3,419,943	2,930,921	-	-	3,419,943	2,930,921
Judicial	374,430	343,417	-	-	374,430	343,417
Public safety	6,304,295	6,600,498	-	-	6,304,295	6,600,498
Public works	3,042,932	2,981,768	-	-	3,042,932	2,981,768
Culture and recreation	848,402	488,046	-	-	848,402	488,046
Planning and development	556,660	565,895	-	-	556,660	565,895
Interest on long-term debt	442,138	470,423	-	-	442,138	470,423
Electric			7,731,021	7,320,222	7,731,021	7,320,222
Water & sewer			5,725,971	5,720,744	5,725,971	5,720,744
Education complex			1,089,108	1,093,164	1,089,108	1,093,164
Stormwater			724,917	723,063	724,917	723,063
Sanitation			648,129	617,473	648,129	617,473
Total expenses	14,988,800	14,380,968	15,919,146	15,474,666	30,907,946	29,855,634
Increase (decrease) in net position before contributions and transfers	1,193,232	2,036,640	2,656,854	3,899,275	3,850,086	5,935,915
Transfers	762,000	762,000	(762,000)	(762,000)	-	-
Changes in net position	1,955,232	2,798,640	1,894,854	3,137,275	3,850,086	5,935,915
Net position, beginning of fiscal year	27,237,209	24,438,569	29,241,106	26,103,831	56,478,315	50,542,400
Net position, end of fiscal year	\$ 29,192,441	\$ 27,237,209	\$ 31,135,960	\$ 29,241,106	\$ 60,328,401	\$ 56,478,315

City of Fairburn, Georgia
Management's Discussion and Analysis
September 30, 2017

Governmental Activities

Net position for governmental activities increased \$1,955,232 or 7.18%. Total governmental revenues decreased \$235,576 or 1.43%. Capital grants and contributions increased \$172,174 or 10.62%. Prior year revenues for this line item were primarily for transportation grants which decreased significantly in the current year but were more than offset by collection of T-splost revenues of \$1,128,271 which began in April 2017. Miscellaneous income decreased \$235,255 because of decreases in tree bank contributions. All other revenue categories were consistent with the prior year.

Expenses for governmental activities increased \$607,832 or 4.23%. General government expenses increased \$489,022 or 16.68% because of increases in outside professional expenses and severance expenses related to the City administrator position. Public safety expenses decreased \$296,203 or 4.49% because of adjustments to pension liabilities. Culture and recreation expenses increased \$360,356 or 73.84% because of increased allocation of fixed asset costs (depreciation expense) to this category. All other expense categories were consistent with the prior year.

Business-Type Activities

Net position for business type activities increased \$1,894,854 or 6.5% from the prior fiscal year. The activities of each enterprise fund are discussed below.

Electric Fund. Operating income for the Electric Fund decreased \$602,903 or 36.71% from \$1,642,378 to \$1,039,475. Operating revenues decreased \$192,104 or 2.14%. Operating expenses increased \$410,799 or 5.6% as a result increased wholesale electric purchases. Transfers to meet General Fund obligations for fiscal year 2017 were \$750,000 as compared to \$1,000,000 in the prior year.

Electric Fund, Summary of Changes in Net Position

	<u>2017</u>	<u>2016</u>	<u>\$ Change</u>	<u>% Change</u>
OPERATING REVENUES				
Charges for sales and services	\$ 8,366,593	\$ 8,962,600	\$ (596,007)	(6.65) %
Miscellaneous income	403,903	-	403,903	100.00
Total operating revenues	<u>8,770,496</u>	<u>8,962,600</u>	<u>(192,104)</u>	<u>(2.14)</u>
OPERATING EXPENSES				
Cost of sales and services	6,454,868	6,015,930	438,938	7.30
General operating expenses	925,151	955,241	(30,090)	(3.15)
Depreciation and amortization	351,002	349,051	1,951	0.56
Total operating expenses	<u>7,731,021</u>	<u>7,320,222</u>	<u>410,799</u>	<u>5.61</u>
Operating income	<u>1,039,475</u>	<u>1,642,378</u>	<u>(602,903)</u>	<u>(36.71)</u>
NON OPERATING REVENUES				
Interest income	69	69	-	-
Gain on sale of assets	13,270	-	13,270	100.00
Transfers in (out)	(750,000)	(1,000,000)	250,000	(25.00)
Change in net position	<u>\$ 302,814</u>	<u>\$ 642,447</u>	<u>\$ (339,633)</u>	<u>(52.87) %</u>

City of Fairburn, Georgia
Management's Discussion and Analysis
September 30, 2017

Water and Sewer Fund. Operating income for the Water and Sewer fund was \$2,545,640 for fiscal year 2017 compared to \$2,401,984 in the prior fiscal year, an increase of \$143,656 or 5.9%. Revenues and operating expenses were consistent with the prior year. Transfers to meet General Fund obligations were \$450,000 and \$200,000 for fiscal years 2017 and 2016 respectively.

Water and Sewer, Summary of Changes in Net Position

	<u>2017</u>	<u>2016</u>	<u>\$ Change</u>	<u>% Change</u>
OPERATING REVENUES				
Charges for sales and services	\$ 6,580,820	\$ 6,490,982	\$ 89,838	1.38 %
OPERATING EXPENSES				
Cost of sales and services	2,352,687	2,384,228	(31,541)	(1.32)
General operating expenses	961,465	978,557	(17,092)	(1.75)
Depreciation and amortization	721,028	726,213	(5,185)	(0.71)
Total operating expenses	<u>4,035,180</u>	<u>4,088,998</u>	<u>(53,818)</u>	<u>(1.32)</u>
Operating income	<u>2,545,640</u>	<u>2,401,984</u>	<u>143,656</u>	<u>5.98</u>
NON OPERATING REVENUES (EXPENSE)				
Interest income	23,931	23,074	857	3.71
Interest expense	(1,690,791)	(1,631,746)	(59,045)	3.62
Total non-operating revenue (expenses)	<u>(1,666,860)</u>	<u>(1,608,672)</u>	<u>(58,188)</u>	<u>3.62</u>
Capital contributions - tap fees	1,085,970	1,553,000	(467,030)	(30.07)
Transfers in (out)	(450,000)	(200,000)	(250,000)	125.00
Change in net position	<u>\$ 1,514,750</u>	<u>\$ 2,146,312</u>	<u>\$ (631,562)</u>	<u>(29.43) %</u>

Educational Complex Fund. Change in net position for this fund was a deficit of (\$101,029) compared to a deficit of (\$64,529) in the prior fiscal year. Revenues decreased \$38,467 or 7.16%. Transfers from the General Fund were \$488,000 in 2017 and 2016.

Educational Complex Fund, Summary of Changes in Net Position

	<u>2017</u>	<u>2016</u>	<u>\$ Change</u>	<u>% Change</u>
OPERATING REVENUES				
Charges for sales and services	\$ 491,543	\$ 537,010	\$ (45,467)	(8.47) %
Miscellaneous income	7,000	-	7,000	100.00
Total operating revenues	<u>498,543</u>	<u>537,010</u>	<u>(38,467)</u>	<u>(7.16)</u>
OPERATING EXPENSES				
General operating expenses	96,326	90,732	5,594	6.17
Depreciation and amortization	379,632	379,307	325	0.09
Total operating expenses	<u>475,958</u>	<u>470,039</u>	<u>5,919</u>	<u>1.26</u>
Operating income (loss)	<u>22,585</u>	<u>66,971</u>	<u>(44,386)</u>	<u>(66.28)</u>
NON OPERATING REVENUES (EXPENSE)				
Interest income	1,536	3,625	(2,089)	(57.63)
Interest expense	(613,150)	(623,125)	9,975	(1.60)
Total non-operating revenue (expenses)	<u>(611,614)</u>	<u>(619,500)</u>	<u>7,886</u>	<u>(1.27)</u>
Transfers in (out)	488,000	488,000	-	-
Change in net position	<u>\$ (101,029)</u>	<u>\$ (64,529)</u>	<u>\$ (36,500)</u>	<u>56.56 %</u>

City of Fairburn, Georgia
Management's Discussion and Analysis
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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. Operating income was \$109,481 in fiscal year 2017 as compared to \$349,029 in the prior fiscal year. Charges for services decreased \$237,694 or 22.17% because the prior year operating revenues included \$204,000 of grant revenue for bridge construction related to stormwater mitigation.

Stormwater Fund, Summary of Changes in Net Position

	<u>2017</u>	<u>2016</u>	<u>\$ Change</u>	<u>% Change</u>
OPERATING REVENUES				
Charges for sales and services	\$ 834,398	\$ 1,072,092	\$ (237,694)	(22.17) %
OPERATING EXPENSES				
Cost of sales and services	373,000	405,352	(32,352)	(7.98)
General operating expenses	46,827	17,262	29,565	171.27
Depreciation and amortization	305,090	300,449	4,641	2
Total operating expenses	<u>724,917</u>	<u>723,063</u>	<u>1,854</u>	<u>0.26</u>
Operating income (loss)	<u>109,481</u>	<u>349,029</u>	<u>(239,548)</u>	<u>(68.63)</u>
Change in net position	<u>\$ 109,481</u>	<u>\$ 349,029</u>	<u>\$ (239,548)</u>	<u>(68.63) %</u>

Sanitation Fund. Revenues and expenses for this fund were consistent with prior year. Transfers to the General Fund were \$50,000 in both fiscal 2017 and 2016.

Sanitation Fund, Summary of Changes in Net Position

	<u>2017</u>	<u>2016</u>	<u>\$ Change</u>	<u>% Change</u>
OPERATING REVENUES				
Charges for sales and services	\$ 766,967	\$ 731,489	\$ 35,478	4.85 %
OPERATING EXPENSES				
General operating expenses	648,129	617,473	30,656	4.96
Operating income	118,838	114,016	4,822	4.23
Transfers in (out)	(50,000)	(50,000)	-	-
Change in net position	<u>\$ 68,838</u>	<u>\$ 64,016</u>	<u>\$ 4,822</u>	<u>7.53 %</u>

**City of Fairburn, Georgia
Management's Discussion and Analysis
September 30, 2017**

Financial Analysis of the City's Funds

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

Governmental Fund Balance

The City's combined fund balances as of the end of the current fiscal year for governmental funds, presented on page 18, were \$9,161,936 compared to \$7,045,652 in the prior fiscal year.

City of Fairburn Summary of Governmental Fund Balances

	2017	2016	\$ Change
General Fund	\$ 5,802,805	\$ 4,649,908	\$ 1,152,897
General Obligation Bond Capital Projects Fund	1,609,431	1,765,910	(156,479)
Other Governmental Funds	1,749,700	629,834	1,119,866
Total Governmental Fund Balances	<u>\$ 9,161,936</u>	<u>\$ 7,045,652</u>	<u>\$ 2,116,284</u>

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City of Fairburn, Georgia
Management's Discussion and Analysis
September 30, 2017

City of Fairburn Summary Changes in Governmental Fund Balance

	<u>2017</u>	<u>2016</u>	<u>\$ Change</u>	<u>% Change</u>
Revenues				
Property taxes	\$ 4,714,252	\$ 4,739,739	(25,487)	(0.54) %
Sales taxes	3,862,730	3,819,892	42,838	1.12
Franchise taxes	1,021,148	1,047,515	(26,367)	(2.52)
Other taxes	1,766,255	1,638,509	127,746	7.80
Licenses and permits	1,638,444	1,737,024	(98,580)	(5.68)
Intergovernmental	1,793,672	1,406,484	387,188	27.53
Fines and forfeitures	515,187	501,886	13,301	2.65
Charges for services	677,868	721,191	(43,323)	(6.01)
Interest revenue	23,298	51,911	(28,613)	(55.12)
Other revenues	<u>303,723</u>	<u>584,279</u>	<u>(280,556)</u>	<u>(48.02)</u>
Total revenues	\$ 16,316,577	\$ 16,248,430	\$ 68,147	0.42
Expenditures				
Current:				
General government	\$ 3,416,997	\$ 2,878,496	\$ 538,501	18.71
Judicial	376,353	342,331	34,022	9.94
Public safety	6,207,250	6,181,773	25,477	0.41
Public works	2,814,324	2,782,641	31,683	1.14
Parks and recreation	531,522	586,329	(54,807)	(9.35)
Planning and development	523,412	527,173	(3,761)	(0.71)
Capital outlays	19,472	4,490,740	(4,471,268)	(99.57)
Debt service:				
Principal	653,535	715,814	(62,279)	(8.70)
Interest	<u>451,808</u>	<u>472,155</u>	<u>(20,347)</u>	<u>(4.31)</u>
Total expenditures	<u>14,994,673</u>	<u>18,977,452</u>	<u>(3,982,779)</u>	<u>(20.99)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,321,904</u>	<u>(2,729,022)</u>	<u>4,050,926</u>	<u>(148.44)</u>
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	32,380	44,526	(12,146)	(27.28)
Transfers in	1,690,339	1,929,410	(239,071)	(12.39)
Transfers out	<u>(928,339)</u>	<u>(1,167,410)</u>	<u>239,071</u>	<u>(20.48)</u>
Total other financing sources (uses)	<u>794,380</u>	<u>806,526</u>	<u>(12,146)</u>	<u>(1.51)</u>
Net change in fund balances	\$ <u>2,116,284</u>	\$ <u>(1,922,496)</u>	\$ <u>4,038,780</u>	<u>(210.08) %</u>

Excess of revenues over expenditures prior to other financing sources (uses) in the Governmental Funds for the current fiscal year was \$1,321,904 as compared to a deficiency of \$2,729,022 in the prior fiscal year. The General Fund had an excess of \$798,856; the General Obligation Bond Capital Projects Fund had a deficiency of (\$156,479); and non-major governmental funds had an excess of \$679,527.

Total governmental revenues were consistent with the prior year. Intergovernmental revenues increased \$387,188 or approximately 28% because the City began receiving T-splost revenues in 2017 which more than offset decreases in transportation related grants. Other revenues decreased \$280,556 or 48% because the prior year included significant tree bank revenues. All other revenue categories were consistent with the prior year.

City of Fairburn, Georgia
Management's Discussion and Analysis
September 30, 2017

Total governmental expenditures decreased \$3,982,779 or approximately 21%. General government expenditures increased \$538,501 or 18.71% due to increased professional services and severance expenditures in the city administrator department. Capital outlay decreased \$4,471,268 as available funds from general obligation bonds and various transportation grants were expended in the prior year. All other expenditure categories were consistent with the prior year.

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 \$2,180,402 better than budgeted.

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

- General Fund revenues in total were \$192,673 better than budgeted. Actual property tax revenues were \$138,583 less than budgeted as anticipated growth in property values begin to level off. Licenses and permits were \$88,031 less than budgeted as construction activity in the City begins to level off. Franchise taxes were \$72,852 less than budgeted as projected increases in this category did not materialize. The City experienced better than budgeted results in most other areas as the City remains very conservative in its budgeting
- The actual expenditures of \$12,998,736 were \$2,006,278 less than budgeted as management continues control measures implemented in prior years as well as very conservative budget estimates.

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City of Fairburn, Georgia
Management's Discussion and Analysis
September 30, 2017

Capital Asset and Debt Administration

Capital Assets

The City has invested \$70,532,489 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	
	2017	2016	2017	2016	2017	2016
Land	\$ 5,337,956	\$ 5,337,956	\$ 3,924,899	\$ 3,924,899	\$ 9,262,855	\$ 9,262,855
Construction in Progress	1,820,466	3,179,478	7,350	285,205	1,827,816	3,464,683
Buildings, grounds and improvements	7,635,012	8,078,965	18,840,638	19,485,296	26,475,650	27,564,261
Machinery and equipment	674,727	595,250	258,893	207,402	933,620	802,652
Infrastructure	13,228,289	12,002,566	14,737,464	15,158,001	27,965,753	27,160,567
Vehicles	1,541,469	1,840,508	2,525,326	2,465,982	4,066,795	4,306,490
	<u>\$ 30,237,919</u>	<u>\$ 31,034,723</u>	<u>\$ 40,294,570</u>	<u>\$ 41,526,785</u>	<u>\$ 70,532,489</u>	<u>\$ 72,561,508</u>

Net capital assets decreased this year as depreciation exceeds new additions. Additional capital outlay has decreased significantly as the bulk of general obligation bond proceeds were spent in prior years. 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 \$25,919,545 and \$9,787,792 for governmental activities. Bonds, notes, and capital leases outstanding as of the fiscal year ended September 30, 2017 are fully secured by the full faith and credit of the City. Business-type activities debt is secured by electric, water and sewer, and educational complex revenues while governmental debt is secured by general revenues.

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

**City of Fairburn, Georgia
Management's Discussion and Analysis
September 30, 2017**

City of Fairburn Outstanding Long-Term Liabilities

	2017	2016
Governmental Activities		
2011 General Obligation Bonds	\$ 8,385,000	\$ 8,805,000
Net Pension Liability	1,164,327	1,665,244
Capital Leases	238,465	472,000
	\$ 9,787,792	\$ 10,942,244
 Business-type Activities		
Series 2011 Education Campus Bonds	\$ 13,720,000	\$ 14,150,000
Series 2013 Revenue Refunding Bonds	7,675,000	8,500,000
Series 2014 Utility Bonds	4,265,000	4,440,000
Capital Leases	109,705	-
Net Pension Liability	149,840	213,019
	\$ 25,919,545	\$ 27,303,019

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. The City underspent its fiscal year 2017 budget as numerous vacant positions were allowed to remain unfilled. Property taxes for general operations remained at 8.1 mills for the October 2017 billing. In addition, the City's levy of additional property tax to cover the debt payments related to the 2011 general obligation bonds decreased from 1.63 mills to 1.46 mills for the October 2017 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 since late 2012.

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, 2017**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 7,924,137	\$ 8,159,504	\$ 16,083,641
Restricted cash and cash equivalents	1,222,226	2,888,829	4,111,055
Investments	107,293	5,039,445	5,146,738
Investments with fiscal agent (restricted assets)	-	69,371	69,371
Accounts receivable, net of allowances	-	2,181,767	2,181,767
Taxes receivable, net of allowances	329,606	-	329,606
Intergovernmental receivables	384,968	-	384,968
Inventory	14,966	-	14,966
Other receivables	362,455	202,708	565,163
Prepaid items	84,237	250	84,487
Prepaid bond insurance (unamortized balance)	87,517	-	87,517
Capital assets:			
Non-depreciable	7,158,422	3,932,249	11,090,671
Depreciable, net of accumulated depreciation	23,079,497	36,362,321	59,441,818
Total assets	40,755,324	58,836,444	99,591,768
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding of debt	-	654,218	654,218
Pension related items	820,167	105,927	926,094
Total deferred outflows of resources	820,167	760,145	1,580,312
LIABILITIES			
Accounts payable	500,602	1,279,184	1,779,786
Retainage payable	6,000	-	6,000
Funds held in escrow (due to others)	533,253	-	533,253
Accrued liabilities	219,488	25,835	245,323
Accrued interest payable	147,800	378,156	525,956
Due to others	3,715	-	3,715
Unearned revenue	826	-	826
Customer deposits payable	1,100	751,370	752,470
Compensated absences due within one fiscal year	271,802	34,163	305,965
Compensated absences due in more than one fiscal year	102,756	11,737	114,493
Capital leases due within one fiscal year	238,465	25,931	264,396
Capital leases due in more than one fiscal year	-	83,774	83,774
Net pension liability due in more than one fiscal year	1,164,327	149,840	1,314,167
Bonds payable due within one fiscal year	430,000	1,480,000	1,910,000
Bonds payable due in more than one fiscal year	7,975,496	24,138,646	32,114,142
Total liabilities	11,595,630	28,358,636	39,954,266
DEFERRED INFLOWS OF RESOURCES			
Pension related items	787,420	101,993	889,413
Total deferred inflows of resources	787,420	101,993	889,413
NET POSITION			
Net investment in capital assets	22,594,407	17,963,925	40,558,332
Restricted for debt service	215,777	-	215,777
Restricted for capital construction	389,160	-	389,160
Restricted for transportation projects	1,128,381	-	1,128,381
Restricted for law enforcement activities	84,108	-	84,108
Restricted for corpus of perpetual care cemetery funds (nonspendable)	10,000	-	10,000
Restricted for cemetery operating capital	75,507	-	75,507
Restricted by third party as letter of credit	-	69,371	69,371
Restricted for federal and state programs	450,734	-	450,734
Restricted for tourism	141,566	-	141,566
Unrestricted	4,102,801	13,102,664	17,205,465
Total net position	\$ 29,192,441	\$ 31,135,960	\$ 60,328,401

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, 2017

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating		Governmental Activities	Business-type Activities	Total
			Grants and Contributions	Capital Grants and Contributions			
Primary government:							
Governmental activities:							
General government	\$ 3,419,943	\$ 1,638,444	\$ -	\$ -	\$ (1,781,499)	\$ -	\$ (1,781,499)
Judicial	374,430	515,187	-	-	140,757	-	140,757
Public safety	6,304,295	-	-	-	(6,304,295)	-	(6,304,295)
Public works	3,042,932	677,868	-	1,793,672	(571,392)	-	(571,392)
Culture and recreation	848,402	136,282	-	-	(712,120)	-	(712,120)
Planning and development	556,660	-	-	-	(556,660)	-	(556,660)
Interest on long-term debt	442,138	-	-	-	(442,138)	-	(442,138)
Total governmental activities	14,988,800	2,967,781	-	1,793,672	(10,227,347)	-	(10,227,347)
Business-type activities:							
Electric	7,731,021	8,770,496	-	-	-	1,039,475	1,039,475
Water and sewer	5,725,971	6,580,820	-	1,085,970	-	1,940,819	1,940,819
Educational complex	1,089,108	498,543	-	-	-	(590,565)	(590,565)
Stormwater	724,917	834,398	-	-	-	109,481	109,481
Sanitation	648,129	766,967	-	-	-	118,838	118,838
Total business-type activities	15,919,146	17,451,224	-	1,085,970	-	2,618,048	2,618,048
Total primary government	\$ 30,907,946	\$ 20,419,005	\$ -	\$ 2,879,642	\$ (10,227,347)	\$ 2,618,048	\$ (7,609,299)
General revenues:							
Property taxes					\$ 4,564,177	\$ -	\$ 4,564,177
Franchise taxes					1,021,148	-	1,021,148
Insurance premium taxes					813,131	-	813,131
Sales and use taxes					3,862,730	-	3,862,730
Motor vehicle taxes					326,482	-	326,482
Beer, wine, and liquor taxes					249,041	-	249,041
Hotel/Motel taxes					220,251	-	220,251
Other taxes					157,350	-	157,350
Unrestricted investment earnings					23,298	25,536	48,834
Gain on disposal of capital assets					15,530	-	15,530
Miscellaneous					167,441	13,270	180,711
Transfers					762,000	(762,000)	-
Total general revenues and transfers					12,182,579	(723,194)	11,459,385
Change in net position					1,955,232	1,894,854	3,850,086
Net position, beginning of fiscal year					27,237,209	29,241,106	56,478,315
Net position, end of fiscal year					\$ 29,192,441	\$ 31,135,960	\$ 60,328,401

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

CITY OF FAIRBURN, GEORGIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017**

ASSETS	General	General	Nonmajor	Total
	Fund	Obligation Bond Capital Projects Fund	Governmental Funds	Governmental Funds
Cash and cash equivalents	\$ 6,131,157	\$ 387,094	\$ 1,405,886	\$ 7,924,137
Restricted cash and cash equivalents	-	1,222,226	-	1,222,226
Investments	21,323	-	85,970	107,293
Taxes receivable, net of allowances	327,316	2,290	-	329,606
Other receivables	362,455	-	-	362,455
Intergovernmental receivables	-	-	384,968	384,968
Due from other funds	200	-	6,000	6,200
Prepaid items	84,237	-	-	84,237
Inventory	14,966	-	-	14,966
Total assets	\$ 6,941,654	\$ 1,611,610	\$ 1,882,824	\$ 10,436,088
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 377,169	\$ 224	\$ 123,209	\$ 500,602
Retainage payable	-	-	6,000	6,000
Funds held in escrow	533,253	-	-	533,253
Accrued liabilities	202,970	-	-	202,970
Due to others	-	-	3,715	3,715
Due to other funds	6,000	-	200	6,200
Unearned revenue	826	-	-	826
Customer deposits	1,100	-	-	1,100
Other liabilities	16,518	-	-	16,518
Total liabilities	1,137,836	224	133,124	1,271,184
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	1,013	1,955	-	2,968
Total deferred inflows of resources	1,013	1,955	-	2,968
FUND BALANCES				
Fund balances:				
Nonspendable for:				
Prepaid items	84,237	-	-	84,237
Inventory	14,966	-	-	14,966
Corpus of perpetual care cemetery funds	-	-	10,000	10,000
Restricted for:				
Capital construction	-	1,393,654	-	1,393,654
Federal and state programs	-	-	450,734	450,734
Debt service	-	215,777	-	215,777
Law enforcement activities	-	-	84,108	84,108
Cemetery operating capital	-	-	75,507	75,507
Transportation projects	-	-	1,128,381	1,128,381
Tourism	141,566	-	-	141,566
Committed for:				
Tree bank	382,976	-	-	382,976
Assigned for:				
Planning and development	-	-	970	970
Unassigned	5,179,060	-	-	5,179,060
Total fund balances	5,802,805	1,609,431	1,749,700	9,161,936
Total liabilities, deferred inflows of resources, and fund balances	\$ 6,941,654	\$ 1,611,610	\$ 1,882,824	
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.				30,237,919
Some receivables are not available to pay for current-period expenditures and, therefore, are deferred inflows of resources in the governmental funds.				2,968
The deferred outflows of resources, deferred inflows of resources, and the net pension liability related to the City's pension plan are not expected to be liquidated with expendable available current financial resources and, therefore, are not reported in the governmental funds.				(1,131,580)
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.				(9,078,802)
Net position of governmental activities				\$ 29,192,441

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, 2017**

	<u>General Fund</u>	<u>General Obligation Bond Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues				
Taxes	\$ 10,642,550	\$ 721,835	\$ -	\$ 11,364,385
Licenses and permits	1,638,444	-	-	1,638,444
Intergovernmental	-	-	1,793,672	1,793,672
Fines and forfeitures	515,187	-	-	515,187
Charges for services	677,868	-	-	677,868
Interest income	19,820	2,996	482	23,298
Miscellaneous revenue	303,723	-	-	303,723
Total revenues	<u>13,797,592</u>	<u>724,831</u>	<u>1,794,154</u>	<u>16,316,577</u>
Expenditures				
Current:				
General government	3,416,997	-	-	3,416,997
Judicial	376,353	-	-	376,353
Public safety	6,156,066	-	51,184	6,207,250
Public works	1,750,881	-	1,063,443	2,814,324
Culture and recreation	531,522	-	-	531,522
Planning and development	523,412	-	-	523,412
Capital outlay	-	19,472	-	19,472
Debt service:				
Principal retirements	233,535	420,000	-	653,535
Interest and fiscal charges	9,970	441,838	-	451,808
Total expenditures	<u>12,998,736</u>	<u>881,310</u>	<u>1,114,627</u>	<u>14,994,673</u>
Excess (deficiency) of revenues over (under) expenditures	<u>798,856</u>	<u>(156,479)</u>	<u>679,527</u>	<u>1,321,904</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	32,380	-	-	32,380
Transfers in	1,250,000	-	440,339	1,690,339
Transfers out	(928,339)	-	-	(928,339)
Total other financing sources	<u>354,041</u>	<u>-</u>	<u>440,339</u>	<u>794,380</u>
Net change in fund balances	1,152,897	(156,479)	1,119,866	2,116,284
Fund balances, beginning of fiscal year	<u>4,649,908</u>	<u>1,765,910</u>	<u>629,834</u>	<u>7,045,652</u>
Fund balances, end of fiscal year	<u>\$ 5,802,805</u>	<u>\$ 1,609,431</u>	<u>\$ 1,749,700</u>	<u>\$ 9,161,936</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, 2017**

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

Net change in fund balances - total governmental funds		\$ 2,116,284
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.		(779,954)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(150,075)
The disposals of capital assets are not reflected on the governmental funds but the net effect of the disposal is reflected on the statement of activities.		(16,850)
Repayment of long-term debt principal is an expenditure in the government funds but the repayment reduces long-term liabilities in the statement of 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	420,000	
Principal payment on capital lease	233,535	
Amortization of deferred charges, prepaid bond insurance costs	(10,086)	
Amortization of bond premium	<u>2,362</u>	645,811
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		7,308
Change in deferred inflows and outflows- pension related items and net pension liability		175,595
Change in compensated absences		<u>(42,887)</u>
Change in net position - governmental activities		<u>\$ 1,955,232</u>

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, 2017**

	Budget		Actual	Variance With
	Original	Final		Final Budget
Revenues				
Property taxes	\$ 4,131,000	\$ 4,131,000	\$ 3,992,417	\$ (138,583)
Sales taxes	3,800,000	3,800,000	3,862,730	62,730
Franchise taxes	1,094,000	1,094,000	1,021,148	(72,852)
Insurance premium taxes	750,000	750,000	813,131	63,131
Beer, liquor, and wine taxes	210,000	210,000	249,041	39,041
Motor vehicle taxes	325,000	325,000	326,482	1,482
Hotel motel taxes	225,000	225,000	220,251	(4,749)
Other taxes	80,560	80,560	157,350	76,790
Licenses and permits	1,726,475	1,726,475	1,638,444	(88,031)
Fines and forfeitures	460,000	460,000	515,187	55,187
Interest income	50,636	50,636	19,820	(30,816)
Charges for services	506,488	506,488	677,868	171,380
Miscellaneous	245,760	245,760	303,723	57,963
Total revenues	<u>13,604,919</u>	<u>13,604,919</u>	<u>13,797,592</u>	<u>192,673</u>
Expenditures				
Current:				
General government:				
Mayor and council	597,497	597,497	486,107	111,390
Administration	542,523	542,523	337,281	205,242
City Administrator	1,816,984	1,816,984	1,813,395	3,589
Finance	322,902	322,902	342,718	(19,816)
Technology	94,697	94,697	89,889	4,808
Property management	471,783	471,783	347,607	124,176
Total general government	<u>3,846,386</u>	<u>3,846,386</u>	<u>3,416,997</u>	<u>429,389</u>
Judicial:				
Municipal court	325,987	325,987	376,353	(50,366)
Total judicial	<u>325,987</u>	<u>325,987</u>	<u>376,353</u>	<u>(50,366)</u>
Public safety:				
Police	3,389,059	3,389,059	3,037,967	351,092
Fire	3,357,921	3,357,921	3,118,099	239,822
Total public safety	<u>6,746,980</u>	<u>6,746,980</u>	<u>6,156,066</u>	<u>590,914</u>
Public works:				
Public works administration	356,443	356,443	312,936	43,507
Highways and streets	1,569,550	1,569,550	1,242,324	327,226
Maintenance and shop	261,515	261,515	195,621	65,894
Total public works	<u>2,187,508</u>	<u>2,187,508</u>	<u>1,750,881</u>	<u>436,627</u>
Culture and recreation:				
Recreation	817,569	817,569	531,522	286,047
Total culture and recreation	<u>817,569</u>	<u>817,569</u>	<u>531,522</u>	<u>286,047</u>
Planning and development:				
Protective inspection and enforcement	524,319	524,319	359,495	164,824
Planning and zoning	254,598	254,598	163,917	90,681
Total planning and development	<u>778,917</u>	<u>778,917</u>	<u>523,412</u>	<u>255,505</u>
Debt service:				
Principal retirements	170,703	170,703	233,535	(62,832)
Interest and fiscal charges	130,964	130,964	9,970	120,994
Total debt service	<u>301,667</u>	<u>301,667</u>	<u>243,505</u>	<u>58,162</u>
Total expenditures	<u>15,005,014</u>	<u>15,005,014</u>	<u>12,998,736</u>	<u>2,006,278</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,400,095)</u>	<u>(1,400,095)</u>	<u>798,856</u>	<u>2,198,951</u>
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	32,380	32,380
Transfers in	1,250,000	1,250,000	1,250,000	-
Transfers out	(877,410)	(877,410)	(928,339)	(50,929)
Total other financing sources	<u>372,590</u>	<u>372,590</u>	<u>354,041</u>	<u>(18,549)</u>
Net change in fund balances	(1,027,505)	(1,027,505)	1,152,897	2,180,402
Fund balance, beginning of fiscal year	<u>4,649,908</u>	<u>4,649,908</u>	<u>4,649,908</u>	<u>-</u>
Fund balance, end of fiscal year	<u>\$ 3,622,403</u>	<u>\$ 3,622,403</u>	<u>\$ 5,802,805</u>	<u>\$ 2,180,402</u>

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

CITY OF FAIRBURN, GEORGIA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2017**

ASSETS	Business-type Activities - Enterprise Funds					Total
	Electric Fund	Water and Sewer Fund	Educational Complex Fund	Stormwater Fund	Nonmajor Sanitation Enterprise Fund	
CURRENT ASSETS						
Cash and cash equivalents	\$ 889,270	\$ 5,707,523	\$ 463,083	\$ 553,617	\$ 546,011	\$ 8,159,504
Restricted cash and cash equivalents	-	1,976,216	912,613	-	-	2,888,829
Investments	5,039,445	-	-	-	-	5,039,445
Investments with fiscal agent (restricted assets)	69,371	-	-	-	-	69,371
Accounts receivable, net of allowances	1,061,802	902,013	-	114,996	102,956	2,181,767
Other receivable	196,000	4,708	2,000	-	-	202,708
Prepaid items	250	-	-	-	-	250
Total current assets	<u>7,256,138</u>	<u>8,590,460</u>	<u>1,377,696</u>	<u>668,613</u>	<u>648,967</u>	<u>18,541,874</u>
CAPITAL ASSETS						
Non-depreciable	14,874	2,278,346	1,639,029	-	-	3,932,249
Depreciable, net of accumulated depreciation	5,072,555	14,030,455	11,428,702	5,830,609	-	36,362,321
Total capital assets	<u>5,087,429</u>	<u>16,308,801</u>	<u>13,067,731</u>	<u>5,830,609</u>	<u>-</u>	<u>40,294,570</u>
Total assets	<u>12,343,567</u>	<u>24,899,261</u>	<u>14,445,427</u>	<u>6,499,222</u>	<u>648,967</u>	<u>58,836,444</u>
DEFERRED OUTFLOWS OF RESOURCES						
Pension related items	66,043	39,884	-	-	-	105,927
Deferred loss on refunding of debt	-	542,377	111,841	-	-	654,218
Total deferred outflows of resources	<u>66,043</u>	<u>582,261</u>	<u>111,841</u>	<u>-</u>	<u>-</u>	<u>760,145</u>
LIABILITIES						
CURRENT LIABILITIES						
Accounts payable	590,167	630,621	5,012	-	53,384	1,279,184
Accrued liabilities	16,892	8,943	-	-	-	25,835
Accrued interest payable	-	227,287	150,869	-	-	378,156
Customer deposits	508,666	225,058	9,585	-	8,061	751,370
Compensated absences payable	21,610	12,553	-	-	-	34,163
Capital lease payable	25,931	-	-	-	-	25,931
Revenue bonds payable	-	1,020,000	460,000	-	-	1,480,000
Total current liabilities	<u>1,163,266</u>	<u>2,124,462</u>	<u>625,466</u>	<u>-</u>	<u>61,445</u>	<u>3,974,639</u>
NONCURRENT LIABILITIES						
Compensated absences payable	11,737	-	-	-	-	11,737
Net pension liability	92,517	57,323	-	-	-	149,840
Capital lease payable	83,774	-	-	-	-	83,774
Revenue bonds payable	-	11,071,994	13,066,652	-	-	24,138,646
Total noncurrent liabilities	<u>188,028</u>	<u>11,129,317</u>	<u>13,066,652</u>	<u>-</u>	<u>-</u>	<u>24,383,997</u>
Total liabilities	<u>1,351,294</u>	<u>13,253,779</u>	<u>13,692,118</u>	<u>-</u>	<u>61,445</u>	<u>28,358,636</u>
DEFERRED INFLOWS OF RESOURCES						
Pension related items	63,735	38,258	-	-	-	101,993
Total deferred outflows of resources	<u>63,735</u>	<u>38,258</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>101,993</u>
NET POSITION						
Net investment in capital assets	4,977,724	6,735,338	420,254	5,830,609	-	17,963,925
Restricted by third party as letter of credit	69,371	-	-	-	-	69,371
Unrestricted	5,947,486	5,454,147	444,896	668,613	587,522	13,102,664
Total net position	<u>\$ 10,994,581</u>	<u>\$ 12,189,485</u>	<u>\$ 865,150</u>	<u>\$ 6,499,222</u>	<u>\$ 587,522</u>	<u>\$ 31,135,960</u>

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, 2017

	Business-type Activities - Enterprise Funds					Total
	Electric Fund	Water and Sewer Fund	Educational Complex Fund	Stormwater Fund	Nonmajor Sanitation Enterprise Fund	
OPERATING REVENUES						
Charges for sales and services	\$ 8,366,593	\$ 6,580,820	\$ 491,543	\$ 834,398	\$ 766,967	\$ 17,040,321
Miscellaneous income	403,903	-	7,000	-	-	410,903
Total operating revenues	8,770,496	6,580,820	498,543	834,398	766,967	17,451,224
OPERATING EXPENSES						
Cost of sales and services	6,454,868	2,352,687	-	373,000	-	9,180,555
General operating expenses	925,151	961,465	96,326	46,827	648,129	2,677,898
Depreciation and amortization	351,002	721,028	379,632	305,090	-	1,756,752
Total operating expenses	7,731,021	4,035,180	475,958	724,917	648,129	13,615,205
Operating income	1,039,475	2,545,640	22,585	109,481	118,838	3,836,019
NON-OPERATING REVENUES (EXPENSES)						
Interest income	69	23,931	1,536	-	-	25,536
Interest expense	-	(1,690,791)	(613,150)	-	-	(2,303,941)
Gain on sale of assets	13,270	-	-	-	-	13,270
Total non-operating revenue (expenses)	13,339	(1,666,860)	(611,614)	-	-	(2,265,135)
Income (loss) before contributions and transfers	1,052,814	878,780	(589,029)	109,481	118,838	1,570,884
Capital contributions - tap fees	-	1,085,970	-	-	-	1,085,970
Transfers in	-	-	488,000	-	-	488,000
Transfers out	(750,000)	(450,000)	-	-	(50,000)	(1,250,000)
	(750,000)	635,970	488,000	-	(50,000)	323,970
Change in net position	302,814	1,514,750	(101,029)	109,481	68,838	1,894,854
Net position, beginning of fiscal year	10,691,767	10,674,735	966,179	6,389,741	518,684	29,241,106
Net position, end of fiscal year	<u>\$ 10,994,581</u>	<u>\$ 12,189,485</u>	<u>\$ 865,150</u>	<u>\$ 6,499,222</u>	<u>\$ 587,522</u>	<u>\$ 31,135,960</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, 2017**

	Electric Fund	Water and Sewer Fund	Educational Complex Fund	Stormwater Fund	Nonmajor Sanitation Enterprise Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 9,001,965	\$ 7,914,930	\$ 498,543	\$ 1,011,415	\$ 765,139	\$ 19,191,992
Payments to suppliers	(6,764,162)	(3,081,059)	(93,148)	(504,140)	(645,168)	(11,087,677)
Payments to employees	(683,472)	(248,406)	-	-	-	(931,878)
Net cash provided by operating activities	<u>1,554,331</u>	<u>4,585,465</u>	<u>405,395</u>	<u>507,275</u>	<u>119,971</u>	<u>7,172,437</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES						
Transfers out to other funds	(750,000)	(450,000)	-	-	(50,000)	(1,250,000)
Transfers in from other funds	-	-	488,000	-	-	488,000
Net cash provided by (used in) non-capital financing activities	<u>(750,000)</u>	<u>(450,000)</u>	<u>488,000</u>	<u>-</u>	<u>(50,000)</u>	<u>(762,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchase of capital assets	(285,125)	(74,146)	-	(18,608)	-	(377,879)
Capital contributions - tap fees	-	1,085,970	-	-	-	1,085,970
Proceeds from sale of asset	13,270	-	-	-	-	13,270
Proceeds from capital lease	139,750	-	-	-	-	139,750
Principal payment on capital lease	(30,045)	-	-	-	-	(30,045)
Principal payment on bonds	-	(1,000,000)	(430,000)	-	-	(1,430,000)
Interest payments	-	(1,700,408)	(616,375)	-	-	(2,316,783)
Net cash used in capital and related financing activities	<u>(162,150)</u>	<u>(1,688,584)</u>	<u>(1,046,375)</u>	<u>(18,608)</u>	<u>-</u>	<u>(2,915,717)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on investments	69	23,931	1,536	-	-	25,536
Purchases of investments	(741,732)	-	-	-	-	(741,732)
Net cash provided by (used in) investing activities	<u>(741,663)</u>	<u>23,931</u>	<u>1,536</u>	<u>-</u>	<u>-</u>	<u>(716,196)</u>
Net increase (decrease) in cash and cash equivalents	(99,482)	2,470,812	(151,444)	488,667	69,971	2,778,524
Cash and cash equivalents, beginning of fiscal year	988,752	5,212,927	1,527,140	64,950	476,040	8,269,809
Cash and cash equivalents, end of fiscal year	<u>\$ 889,270</u>	<u>\$ 7,683,739</u>	<u>\$ 1,375,696</u>	<u>\$ 553,617</u>	<u>\$ 546,011</u>	<u>\$ 11,048,333</u>

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES						
Operating income	\$ 1,039,475	\$ 2,545,640	\$ 22,585	\$ 109,481	\$ 118,838	\$ 3,836,019
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation and amortization	351,002	721,028	379,632	305,090	-	1,756,752
Change in assets and liabilities:						
(Increase) decrease in:						
Accounts receivable	210,545	1,361,700	-	130,248	(3,121)	1,699,372
Due from other funds	-	-	-	46,769	-	46,769
Deferred outflows for pension items	(11,251)	(4,255)	-	-	-	(15,506)
Prepaid items	-	7,896	-	-	-	7,896
Increase (decrease) in:						
Accounts payable	(48,466)	32,841	3,178	(1,411)	2,961	(10,897)
Due to other funds	-	(46,769)	-	-	-	(46,769)
Accrued liabilities and retainage payables	(2,091)	(1,211)	-	(82,902)	-	(86,204)
Deferred inflows for pension items	32,748	20,515	-	-	-	53,263
Net pension liability	(38,845)	(24,334)	-	-	-	(63,179)
Customer deposits	20,924	(27,590)	-	-	1,293	(5,373)
Compensated absences payable	290	4	-	-	-	294
Net cash provided by operating activities	<u>\$ 1,554,331</u>	<u>\$ 4,585,465</u>	<u>\$ 405,395</u>	<u>\$ 507,275</u>	<u>\$ 119,971</u>	<u>\$ 7,172,437</u>

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

NOTES TO FINANCIAL STATEMENTS

**CITY OF FAIRBURN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

The City reports the following major governmental funds:

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

The City reports the following nonmajor proprietary fund:

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets and Budgetary Accounting

Annual appropriated budgets are adopted for all funds, except for the Cemetery Permanent Fund, which 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 the City Council's 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.

E. Cash and Cash Equivalents

Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only investments with original maturities of three months or less meet this definition.

For purposes of the statement of cash flows, all highly liquid investments with an original maturity of less than 90 days are considered to be cash equivalents. Investments are reported at fair value as determined by quoted market prices.

F. Deposits and Investments

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Deposits and Investments (Continued)

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

G. Property Taxes Receivable

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

H. Interfund Receivables and Payables

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

Advances between funds, 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 (if any) 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, 2017, 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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Restricted Assets

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

K. Grants from Other Governments

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

L. Capital Assets

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Compensated Absences

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

N. Unearned Revenue

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

O. Long-Term Obligations

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Equity and Net Position

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

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

Fund balances are classified as follows:

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Equity and Net Position (Continued)

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

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

Q. Management Estimates

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

R. Interfund Transactions

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 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 liability, 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 \$9,078,802 difference are as follows:

Bonds payable	\$ (8,385,000)
Capital leases payable	(238,465)
Compensated absences	(374,558)
Accrued interest payable	(147,800)
Unamortized premium on bonds	(20,496)
Prepaid bond insurance cost	<u>87,517</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position -</i>	<u>\$ (9,078,802)</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 depreciation exceeded capital outlay in the current period”. The details of this \$779,954 difference are as follows:

Capital outlay	\$ 751,418
Depreciation expense	<u>(1,531,372)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ (779,954)</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, 2017, the following item and fund, had excesses of actual expenditures over appropriations:

General Fund - Finance	\$	19,816
General Fund - Municipal Court		50,366
General Fund - Debt Service Principal		62,832
General Fund - Transfers Out		50,929
Confiscated Assets Fund- Public Safety		18,169
General Obligation Bond Fund - Capital Outlay		19,472
Capital Improvement Fund - Capital Outlay		32,365

NOTE 4. DEPOSITS AND INVESTMENTS

As of September 30, 2017, the City had the following investments:

Investment	Maturities/Weighted Average Maturity	Fair Value
Certificates of deposit	June 8, 2018 - September 9, 2022	\$ 176,664
Municipal Competitive Trust - intermediate	0.82	479,987
Municipal Competitive Trust - intermediate extended maturity	5.06	4,559,458
Georgia Fund 1	13 days	10,137
Total		\$ 5,226,246

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	\$ 16,083,641
Restricted cash and cash equivalents	4,111,055
Investments	5,146,738
Investments with fiscal agent (restricted assets)	69,371
	\$ 25,410,805

Cash deposited with financial institutions	\$ 20,184,558
Certificates of deposit	176,664
Cash deposited with Georgia Fund 1	10,137
Municipal Competitive Trust - intermediate	479,987
Municipal Competitive Trust - intermediate extended maturity	4,559,458
	\$ 25,410,804

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, 2017, 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, 2017, the City had no bank balances that were exposed to custodial credit risk.

Fair Value Measurements. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Measurements (continued). The City has the following recurring fair value measurements as of September 30, 2017.

Investment	Level 1	Level 2	Level 3	Fair Value
Municipal Competitive Trust (Short)	\$ -	\$ 4,559,458	\$ -	\$ 4,559,458
Municipal Competitive Trust (Intermediate)	-	479,987	-	479,987
Total investments measured at fair value	<u>\$ -</u>	<u>\$ 5,039,445</u>	<u>\$ -</u>	<u>5,039,445</u>
Investments not subject to level disclosure:				
Georgia Fund 1				10,137
Investments recorded at cost:				
Certificates of Deposit				<u>176,664</u>
Total investments				<u>\$ 5,226,246</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.

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, 2017, for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	General Fund	General Obligation Bond Capital Projects Fund	Electric Fund	Water & Sewer Fund	Educational Complex Fund	Stormwater Fund	Other Nonmajor Funds
Receivables:							
Taxes	\$ 425,411	\$ 13,251	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts	-	-	1,114,802	1,016,013	-	114,996	130,956
Other	362,455	-	196,000	4,708	2,000	-	-
Intergovernmental	-	-	-	-	-	-	384,968
Less allowance for uncollectible receivables	(98,095)	(10,961)	(53,000)	(114,000)	-	-	(28,000)
Net total receivable	<u>\$ 689,771</u>	<u>\$ 2,290</u>	<u>\$ 1,257,802</u>	<u>\$ 906,721</u>	<u>\$ 2,000</u>	<u>\$ 114,996</u>	<u>\$ 487,924</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

Primary Government

Capital asset activity for the fiscal year ended September 30, 2017, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 5,337,956	\$ -	\$ -	\$ -	\$ 5,337,956
Construction in process	3,179,478	491,764	-	(1,850,776)	1,820,466
Total	<u>8,517,434</u>	<u>491,764</u>	<u>-</u>	<u>(1,850,776)</u>	<u>7,158,422</u>
Capital assets, being depreciated:					
Buildings and improvements	10,711,881	-	-	-	10,711,881
Infrastructure	23,072,793	-	-	1,850,776	24,923,569
Machinery and equipment	1,396,217	192,759	-	-	1,588,976
Vehicles	4,665,437	66,895	(33,699)	-	4,698,633
Total	<u>39,846,328</u>	<u>259,654</u>	<u>(33,699)</u>	<u>1,850,776</u>	<u>41,923,059</u>
Less accumulated depreciation for:					
Buildings and improvements	(2,632,916)	(443,953)	-	-	(3,076,869)
Infrastructure	(11,070,227)	(625,053)	-	-	(11,695,280)
Machinery and equipment	(800,967)	(113,282)	-	-	(914,249)
Vehicles	(2,824,929)	(349,084)	16,849	-	(3,157,164)
Total	<u>(17,329,039)</u>	<u>(1,531,372)</u>	<u>16,849</u>	<u>-</u>	<u>(18,843,562)</u>
Total capital assets, being depreciated, net	<u>22,517,289</u>	<u>(1,271,718)</u>	<u>(16,850)</u>	<u>1,850,776</u>	<u>23,079,497</u>
Governmental activities capital assets, net	<u>\$ 31,034,723</u>	<u>\$ (779,954)</u>	<u>\$ (16,850)</u>	<u>\$ -</u>	<u>\$ 30,237,919</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>
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 3,924,899	\$ -	\$ -	\$ -	\$ 3,924,899
Construction in process	285,205	18,608	-	(296,463)	7,350
Total	<u>4,210,104</u>	<u>18,608</u>	<u>-</u>	<u>-</u>	<u>3,932,249</u>
Capital assets, being depreciated:					
Distribution system	17,247,850	145,376	-	-	17,393,226
Infrastructure	12,911,881	-	-	296,463	13,208,344
Building and improvements	25,626,576	-	-	-	25,626,576
Machinery and equipment	1,156,088	74,146	-	-	1,230,234
Vehicles	3,190,666	139,750	-	-	3,330,416
Total	<u>60,133,061</u>	<u>359,272</u>	<u>-</u>	<u>296,463</u>	<u>60,788,796</u>
Less accumulated depreciation for:					
Distribution system	(7,897,196)	(562,276)	-	-	(8,459,472)
Infrastructure	(7,104,534)	(300,100)	-	-	(7,404,634)
Building and improvements	(6,141,280)	(644,658)	-	-	(6,785,938)
Machinery and equipment	(948,686)	(22,655)	-	-	(971,341)
Vehicles	(724,684)	(80,406)	-	-	(805,090)
Total	<u>(22,816,380)</u>	<u>(1,610,095)</u>	<u>-</u>	<u>-</u>	<u>(24,426,475)</u>
Total capital assets, being depreciated, net	<u>37,316,681</u>	<u>(1,250,823)</u>	<u>-</u>	<u>296,463</u>	<u>36,362,321</u>
Business-type activities capital assets, net	<u>\$ 41,526,785</u>	<u>\$ (1,232,215)</u>	<u>\$ -</u>	<u>\$ 296,463</u>	<u>\$ 40,294,570</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	\$ 31,134
Public safety	382,817
Public works	743,014
Culture and recreation	335,661
Planning and development	38,746
	<u>1,531,372</u>
Total depreciation expense - governmental activities	\$ 1,531,372
Business-type activities:	
Water and sewer	\$ 604,170
Electric	351,002
Education complex	349,833
Stormwater	305,090
	<u>1,610,095</u>
Total depreciation expense - business-type activities	\$ 1,610,095

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, 2017, the City received \$491,543 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>
2018	\$ 261,298
2019	24,000
2020	24,000
2021	24,000
2022	24,000
Total Future Lease Revenues	<u>\$ 357,298</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, 2017, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Fiscal Year</u>
Governmental activities:					
Series 2011 General Obligation Bonds	\$ 8,805,000	\$ -	\$ (420,000)	\$ 8,385,000	\$ 430,000
Unamortized bond premium	22,858	-	(2,362)	20,496	-
Capital leases	472,000	-	(233,535)	238,465	238,465
Net pension liability	1,665,244	1,255,555	(1,756,472)	1,164,327	-
Compensated absences	331,671	291,355	(248,468)	374,558	271,802
Governmental activities					
Long-term liabilities and obligations	<u>\$ 11,296,773</u>	<u>\$ 1,546,910</u>	<u>\$ (2,660,837)</u>	<u>\$ 10,182,846</u>	<u>\$ 940,267</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Fiscal Year</u>
Business-type activities:					
Series 2014 Revenue Bonds	\$ 4,440,000	\$ -	\$ (175,000)	\$ 4,265,000	\$ 180,000
Series 2013 Revenue Refunding Bonds	8,500,000	-	(825,000)	7,675,000	840,000
Series 2011 Educational Complex Revenue Bonds	14,150,000	-	(430,000)	13,720,000	460,000
Plus unamortized bond premium	166,714	-	(14,721)	151,993	-
Less unamortized original discount	(212,225)	-	18,878	(193,347)	-
Capital lease	-	139,750	(30,045)	109,705	25,931
	<u>27,044,489</u>	<u>139,750</u>	<u>(1,455,888)</u>	<u>25,728,351</u>	<u>1,505,931</u>
Net pension liability	213,019	153,913	(217,092)	149,840	-
Compensated absences	45,606	36,495	(36,201)	45,900	34,163
Business-type activities					
Long-term liabilities and obligations	<u>\$ 27,303,114</u>	<u>\$ 330,158</u>	<u>\$ (1,709,181)</u>	<u>\$ 25,924,091</u>	<u>\$ 1,540,094</u>

For governmental funds, compensated absences and the net pension liability are liquidated by the General Fund and capital leases 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 capital leases are liquidated by the Electric Fund.

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 mature on December 1, 2031.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

The general obligation bonds currently outstanding mature as follows:

Fiscal Year Ending September 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 430,000	\$ 427,463	\$ 857,463
2019	440,000	411,687	851,687
2020	455,000	394,338	849,338
2021	470,000	375,250	845,250
2022	490,000	354,850	844,850
2023-2027	2,735,000	1,369,800	4,104,800
2028-2032	3,365,000	500,681	3,865,681
Total	<u>\$ 8,385,000</u>	<u>\$ 3,834,069</u>	<u>\$ 12,219,069</u>

Capital Leases – 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 capital leases 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, 2017, the City had vehicles and machinery and equipment with a total cost of \$928,365 under capital leases as reported in its governmental activities. Current fiscal year depreciation expense was \$127,499 and ending accumulated depreciation on these leased capital assets was \$434,210.

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

Fiscal Year Ending September 30,	<u>Governmental Activities</u>
2018	\$ 243,502
Total minimum lease payments	243,502
Less amount representing interest	5,037
Present Value of future minimum lease payments	<u>\$ 238,465</u>

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

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 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, and 2014) currently outstanding mature as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal Year Ending September 30,			
2018	\$ 1,480,000	\$ 1,044,944	\$ 2,524,944
2019	1,560,000	1,002,784	2,562,784
2020	1,630,000	960,875	2,590,875
2021	1,705,000	904,526	2,609,526
2022	1,790,000	841,523	2,631,523
2023-2027	8,225,000	3,081,479	11,306,479
2028-2032	6,970,000	1,616,519	8,586,519
2033-2035	2,300,000	185,106	2,485,106
Total	<u>\$ 25,660,000</u>	<u>\$ 9,637,756</u>	<u>\$ 35,297,756</u>
Plus unamortized bond premium	151,993		
Less unamortized original discount	(193,347)		
	<u>\$ 25,618,646</u>		

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

Capital Leases – Business-type activities - The City has entered into lease agreements as lessee for financing the acquisition of electrical equipment. The lease agreements qualify as capital leases 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, 2017, the City had equipment with a total cost of \$139,750 under capital leases as reported in its business-type activities. Current fiscal year depreciation expense was \$6,988 and ending accumulated depreciation on these leased capital assets was \$6,988.

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

	Business-type Activities
Fiscal Year Ending September 30,	
2018	\$ 30,045
2019	30,045
2020	30,045
2021	30,045
Total minimum lease payments	120,180
Less amount representing interest	10,475
Present Value of future minimum lease payments	\$ 109,705

NOTE 9. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of September 30, 2017 is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General fund	Nonmajor governmental funds	\$ 200
Nonmajor governmental funds	General fund	6,000
		\$ 6,200

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 was an initial transfer of funds to set up the TSPLOST bank account.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

Interfund transfers:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Water & Sewer Fund	\$ 450,000
General Fund	Electric Fund	750,000
General Fund	Nonmajor enterprise fund	50,000
Educational Complex Fund	General Fund	488,000
Nonmajor governmental Funds	General Fund	440,339
	Total	\$ 2,178,339

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, and (3) to move unrestricted service revenues to the General Fund to supplant property taxes.

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.

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.gmanet.com.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. PENSION PLAN (CONTINUED)

Plan Membership. At January 1, 2017, the date of the most recent actuarial valuation, there were 273 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	58
Terminated vested participants not yet receiving benefits	77
Active employees - vested	133
Active employees - nonvested	5
Total	273

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, 2017, the City's contribution rate was 9.30% of annual payroll. City contributions to the Plan were \$501,693 for the fiscal year ended September 30, 2017.

Net Pension Liability of the City. The City's net pension liability was measured as of September 30, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as January 1, 2016 with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2016.

Actuarial Assumptions. The total pension liability in the January 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation	3.25%
- Salary increases	3.75% - 8.75%, including inflation
- Investment rate of return	7.75%, net of pension plan investment expense, including inflation

Mortality rates for the January 1, 2016 valuation were based on the RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females. The actuarial assumptions used in the January 1, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010–June 30, 2014. Cost of living adjustments were assumed to be 3.25% 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%.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. PENSION PLAN (CONTINUED)

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, 2016 are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
Domestic equity	45%	6.75%
International equity	20%	7.45
Real estate	10%	4.55
Global fixed income	5%	3.30
Domestic fixed income	20%	1.75
Cash	—%	
Total	100%	

* Rates shown are net of the 3.25% assumed rate of inflation

Discount Rate. The discount rate used to measure the total pension liability was 7.75%. 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 of the City for the fiscal year ended September 30, 2017, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 9/30/16	\$ 12,655,503	\$ 10,777,240	\$ 1,878,263
Changes for the fiscal year:			
Service cost	430,351	-	430,351
Interest	961,894	-	961,894
Differences between expected and actual experience	(316,723)	-	(316,723)
Contributions—employer	-	455,271	(455,271)
Net investment income	-	1,201,570	(1,201,570)
Benefit payments, including refunds of employee contributions	(487,933)	(487,933)	-
Administrative expense	-	(17,223)	17,223
Net changes	587,589	1,151,685	(564,096)
Balances at 9/30/17	\$ 13,243,092	\$ 11,928,925	\$ 1,314,167

The required schedule of changes in the City's net pension liability 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.

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 7.75 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
City's net pension liability	\$ 3,306,474	\$ 1,314,167	\$ (303,030)

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, 2016 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, 2017, the City recognized pension expense of \$300,667. At September 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 373,523
Changes in assumptions	-	82,928
Net difference between projected and actual earnings on pension plan investments	424,401	432,962
City contributions subsequent to the measurement date	501,693	-
Total	\$ 926,094	\$ 889,413

City contributions subsequent to the measurement date of \$501,693 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal year ending September 30:

2018	\$	(275,487)
2019		(104,505)
2020		(11,367)
2021		(73,653)
Thereafter		-
Total	\$	(465,012)

NOTES TO FINANCIAL STATEMENTS

NOTE 11. DEFERRED COMPENSATION PLAN

The City of Fairburn, Georgia offers its employees an Internal Revenue Code Section 457 Plan (the "Plan") which is a deferred compensation plan that qualifies as a defined contribution pension plan. The Plan is administered by a third party administrator, ICMA. The City has no fiduciary relationship with the trust. Accordingly, the Plan assets are not reported in the City's financial statements. Plan provisions and contribution requirements are established and may be amended by the City's Mayor and Council. At September 30, 2017, there were 36 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, 2017 were \$77,909.

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, 40 Courtland Street, NE, Atlanta, Georgia 30303.

NOTE 13. RELATED ORGANIZATIONS

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

NOTE 14. RISK MANAGEMENT

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

NOTES TO FINANCIAL STATEMENTS

NOTE 14. RISK MANAGEMENT (CONTINUED)

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

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

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

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

NOTE 15. COMMITMENTS AND CONTINGENCIES

Litigation:

The City is a defendant in certain legal actions in the nature of claims for alleged damages to persons and property and other similar types of actions arising 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, 2017, the City had active construction contracts related to various construction projects. At fiscal year end, the City's commitments with contractors totaled approximately \$1,240,063.

NOTES TO FINANCIAL STATEMENTS

NOTE 15. COMMITMENTS AND CONTINGENCIES (CONTINUED)

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 \$5,976,806 during fiscal year ended September 30, 2017.

At September 30, 2017, the outstanding debt of MEAG was approximately \$6.076 billion. The City's guarantee varies by individual projects undertaken by MEAG and totals approximately \$59.3 million at September 30, 2017.

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 three (3) years as of September 30, 2017 are \$183,026.

NOTES TO FINANCIAL STATEMENTS

NOTE 16. HOTEL/MOTEL LODGING TAX

The City established a 3% tax under O.C.G.A. 48-13-51(a)(1) on gross hotel occupancy revenues for the purpose of promoting tourism, conventions, and trade shows. Local governments imposing a tax under this code section are required to expend in each fiscal year at least the same percentage of hotel/motel tax revenues they expended in the previous fiscal year for the promotion of tourism, conventions, and trade shows. The City 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, 2017, the City collected \$220,251 in hotel/motel revenues which are recorded in the City's 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"). 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.

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 can not cover the debt service. During the fiscal year ended September 30, 2017, the City agreed to pay the Water and Sewer Authority \$1,236,216 (reported as interest expense) for the City's proportionate share of the principal and interest on the Water and Sewer Authority's bonds from revenues of the City's Water and Sewer Fund.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 17. JOINTLY GOVERNED ORGANIZATION (CONTINUED)

As of December 31, 2016 (from the most recent available audited 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%:

Fiscal Year Ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 1,210,000	\$ 1,387,625	2,597,625
2018	1,270,000	1,350,425	2,620,425
2019	1,335,000	1,311,350	2,646,350
2020	1,400,000	1,263,325	2,663,325
2021	1,490,000	1,205,525	2,695,525
2022-2026	8,955,000	4,906,625	13,861,625
2027-2031	11,905,000	2,603,563	14,508,563
2032-2033	5,770,000	233,600	6,003,600
Total	<u>\$ 33,335,000</u>	<u>\$ 14,262,038</u>	<u>\$ 47,597,038</u>

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

NOTE 18. SUBSEQUENT EVENT

On October 6, 2017, the City issued Series 2017 General Obligation Refunding Bonds. The \$7,365,000 Series 2017 bonds were issued to partially refund \$6,100,000 of the total outstanding Series 2011 General Obligation bonds. The bonds carry an interest rate of 2.66% and mature on July 1, 2033.

On October 6, 2017, the City issued Series 2017 Education Refunding Bonds. The \$13,125,000 Series 2017 bonds were issued to partially refund \$11,620,000 of the total outstanding Series 2011 Education bonds. The bonds carry an interest rate of 2.5% and mature on December 1, 2031.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FAIRBURN, GEORGIA
Required Supplementary Information – Retirement Plan

**SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY
AND RELATED RATIOS**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability			
Service cost	\$ 430,351	\$ 358,809	\$ 426,065
Interest on total pension liability	961,894	894,973	880,377
Other Changes	-	174,676	(352,216)
Differences between expected and actual experience	(316,723)	(95,851)	(331,710)
Benefit payments, including refunds of employee contributions	(487,933)	(450,275)	(418,094)
Net change in total pension liability	587,589	882,332	204,422
Total pension liability - beginning	12,655,503	11,773,171	11,568,749
Total pension liability - ending (a)	\$ 13,243,092	\$ 12,655,503	\$ 11,773,171
Plan fiduciary net position			
Contributions - employer	455,271	504,853	519,993
Net investment income	1,201,570	117,480	1,082,171
Benefit payments, including refunds of employee contributions	(487,933)	(450,275)	(418,094)
Administrative expenses	(17,223)	(20,547)	(15,930)
Net change in plan fiduciary net position	1,151,685	151,511	1,168,140
Plan fiduciary net position - beginning	10,777,240	10,625,729	9,457,589
Plan fiduciary net position - ending (b)	\$ 11,928,925	\$ 10,777,240	\$ 10,625,729
City's net pension liability - ending (a) - (b)	\$ 1,314,167	\$ 1,878,263	\$ 1,147,442
Plan fiduciary net position as a percentage of the total pension liability	90.1%	85.2%	90.3%
Covered-employee payroll	\$ 5,434,761	\$ 5,264,479	\$ 4,444,802
City's net pension liability as a percentage of covered - employee payroll	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>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-employee payroll	5,394,548	5,002,978	4,681,832	4,601,481
Contributions as a percentage of Covered-employee payroll	9.30%	9.10%	10.78%	11.30%

Notes to the Schedule:

(1) Actuarial Assumptions:

Valuation Date

Cost Method

Actuarial Asset Valuation Method

Projected Unit Credit

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

7.75%

Projected Salary Increases

3.25% plus service based merit increases

Cost-of-living Adjustment

3.25%

Amortization Method

Closed level dollar for unfunded liability

Remaining Amortization Period

None remaining

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

**COMBINING AND INDIVIDUAL
FUND STATEMENTS
AND SCHEDULES**

CITY OF FAIRBURN, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

Grants Fund – This fund accounts for activities carried out by the City under the terms of various intergovernmental grants. Included in this fund is the Livable Centers Initiative (“LCI”) grant which provides funds to be used for the enhancement of existing centers and corridors consistent with regional development policies, and also provides transportation infrastructure funding for projects identified in the LCI plans. Also included in this fund is a Local Maintenance & Improvement Grant (“LMIG”) which provides improvements to the City's roadway network. These grant funds are restricted by the various grantor agencies.

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 FUNDS

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

TSPLOST Fund – To account for the proceeds of the transportation special purpose local option sales tax for the various improvement projects as approved by voter referendum.

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, 2017**

ASSETS	Special Revenue Funds			Capital Projects Fund		Permanent Fund	Total
	Confiscated	Grants	Development	Capital	TSPLOST	Cemetery	Nonmajor
	Assets Fund	Fund	Authority Fund	Improvement Fund	Fund	Fund	Governmental Funds
Cash and cash equivalents	\$ 117,736	\$ 345,604	\$ -	\$ -	\$ 942,039	\$ 507	\$ 1,405,886
Investments	-	-	970	-	-	85,000	85,970
Intergovernmental receivable	-	198,426	-	-	186,542	-	384,968
Due from other funds	-	-	-	6,000	-	-	6,000
Total assets	\$ 117,736	\$ 544,030	\$ 970	\$ 6,000	\$ 1,128,581	\$ 85,507	\$ 1,882,824
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Due to others	\$ 3,715	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,715
Due to other funds	-	-	-	-	200	-	200
Accounts payable	29,913	93,296	-	-	-	-	123,209
Retainage payable	-	-	-	6,000	-	-	6,000
Total liabilities	33,628	93,296	-	6,000	200	-	133,124
FUND BALANCES							
Nonspendable for:							
Corpus of perpetual care cemetery funds	-	-	-	-	-	10,000	10,000
Restricted for:							
Federal and state programs	-	450,734	-	-	-	-	450,734
Law enforcement activities	84,108	-	-	-	-	-	84,108
Cemetery operating capital	-	-	-	-	-	75,507	75,507
Transportation projects	-	-	-	-	1,128,381	-	1,128,381
Assigned for:							
Planning and development	-	-	970	-	-	-	970
Total fund balances	84,108	450,734	970	-	1,128,381	85,507	1,749,700
Total liabilities and fund balances	\$ 117,736	\$ 544,030	\$ 970	\$ 6,000	\$ 1,128,581	\$ 85,507	\$ 1,882,824

CITY OF FAIRBURN, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Special Revenue Funds			Capital Projects Funds		Permanent Fund	Total
	Confiscated Assets Fund	Grants Fund	Development Authority Fund	Capital Improvement Fund	TSPLOST Fund	Cemetery Fund	Nonmajor Governmental Funds
REVENUES							
Intergovernmental	\$ -	\$ 665,401	\$ -	\$ -	\$ 1,128,271	\$ -	\$ 1,793,672
Interest	172	-	-	-	110	200	482
Total revenues	172	665,401	-	-	1,128,381	200	1,794,154
EXPENDITURES							
Current							
Public safety	18,819	-	-	32,365	-	-	51,184
Public works	-	1,063,443	-	-	-	-	1,063,443
Total expenditures	18,819	1,063,443	-	32,365	-	-	1,114,627
Excess (deficiency) of revenues over (under) expenditures	(18,647)	(398,042)	-	(32,365)	1,128,381	200	679,527
Other financing sources:							
Transfers in	-	389,410	-	50,929	-	-	440,339
Total other financing sources	-	389,410	-	50,929	-	-	440,339
Net change in fund balances	(18,647)	(8,632)	-	18,564	1,128,381	200	1,119,866
FUND BALANCES (DEFICIT), beginning of fiscal year	102,755	459,366	970	(18,564)	-	85,307	629,834
FUND BALANCES, end of fiscal year	\$ 84,108	\$ 450,734	\$ 970	\$ -	\$ 1,128,381	\$ 85,507	\$ 1,749,700

**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, 2017**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
Interest	300	300	172	(128)
Total revenues	<u>5,300</u>	<u>5,300</u>	<u>172</u>	<u>(5,128)</u>
EXPENDITURES				
Public safety	<u>650</u>	<u>650</u>	<u>18,819</u>	<u>(18,169)</u>
Net change in fund balances	4,650	4,650	(18,647)	(23,297)
FUND BALANCES, beginning of fiscal year	<u>102,755</u>	<u>102,755</u>	<u>102,755</u>	<u>-</u>
FUND BALANCES, end of fiscal year	<u>\$ 107,405</u>	<u>\$ 107,405</u>	<u>\$ 84,108</u>	<u>\$ (23,297)</u>

**CITY OF FAIRBURN, GEORGIA
GRANTS FUND**

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,150,034	\$ 1,150,034	\$ 665,401	\$ (484,633)
Total revenues	<u>1,150,034</u>	<u>1,150,034</u>	<u>665,401</u>	<u>(484,633)</u>
EXPENDITURES				
Public works	<u>1,684,490</u>	<u>1,684,490</u>	<u>1,063,443</u>	<u>621,047</u>
Total expenditures	<u>1,684,490</u>	<u>1,684,490</u>	<u>1,063,443</u>	<u>621,047</u>
Deficiency of revenues over expenditures	<u>(534,456)</u>	<u>(534,456)</u>	<u>(398,042)</u>	<u>136,414</u>
Other financing sources:				
Transfers in	<u>389,410</u>	<u>389,410</u>	<u>389,410</u>	<u>-</u>
Total other financing sources	<u>389,410</u>	<u>389,410</u>	<u>389,410</u>	<u>-</u>
Net change in fund balances	(145,046)	(145,046)	(8,632)	136,414
FUND BALANCES, beginning of fiscal year	<u>459,366</u>	<u>459,366</u>	<u>459,366</u>	<u>-</u>
FUND BALANCES, end of fiscal year	<u>\$ 314,320</u>	<u>\$ 314,320</u>	<u>\$ 450,734</u>	<u>\$ 136,414</u>

**CITY OF FAIRBURN, GEORGIA
CAPITAL IMPROVEMENT FUND**

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

	Budget		Actual	Variance With Final Budget
	Original	Final		
EXPENDITURES				
Capital outlay	-	-	32,365	(32,365)
Total expenditures	-	-	32,365	(32,365)
Deficiency of revenues over expenditures	-	-	(32,365)	(32,365)
Other financing sources:				
Transfers in	-	-	50,929	50,929
Total other financing sources	-	-	50,929	50,929
Net change in fund balances	-	-	18,564	18,564
FUND BALANCES (DEFICIT), beginning of fiscal year	(18,564)	(18,564)	(18,564)	-
FUND BALANCES (DEFICIT), end of fiscal year	<u>\$ (18,564)</u>	<u>\$ (18,564)</u>	<u>\$ -</u>	<u>\$ 18,564</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, 2017**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 1,128,271	\$ 1,128,271
Interest	-	-	110	
Total revenues	-	-	1,128,381	1,128,381
Net change in fund balances	-	-	1,128,381	1,128,381
FUND BALANCES, beginning of fiscal year	-	-	-	-
FUND BALANCES, end of fiscal year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,128,381</u>	<u>\$ 1,128,381</u>

CITY OF FAIRBURN, GEORGIA

**GENERAL OBLIGATION BOND CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Tax revenue	\$ 861,863	\$ 861,863	\$ 721,835	\$ (140,028)
Interest	-	-	2,996	2,996
Total revenues	<u>861,863</u>	<u>861,863</u>	<u>724,831</u>	<u>(137,032)</u>
Expenditures				
Capital outlays	-	-	19,472	(19,472)
Debt service - principal payments	217,494	420,000	420,000	-
Debt service - interest and fiscal charges	644,369	441,863	441,838	25
Total expenditures	<u>861,863</u>	<u>861,863</u>	<u>881,310</u>	<u>(19,447)</u>
Net change in fund balances	-	-	(156,479)	(156,479)
Fund balance, beginning of fiscal year	<u>1,765,910</u>	<u>1,765,910</u>	<u>1,765,910</u>	<u>-</u>
Fund balance, end of fiscal year	<u>\$ 1,765,910</u>	<u>\$ 1,765,910</u>	<u>\$ 1,609,431</u>	<u>\$ (156,479)</u>

STATISTICAL SECTION

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

	<u>Page</u>
Financial Trends	66
These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	
Revenue Capacity	71
These schedules contain information to help the reader assess the City’s most significant local revenue source, property tax.	
Debt Capacity	76
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	
Demographic and Economic Information	81
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	
Operating Information	83
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	

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

CITY OF FAIRBURN, GEORGIA

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental activities										
Net investment in capital assets	\$ 22,594,407	\$ 22,115,350	\$ 17,754,866	\$ 14,409,108	\$ 14,079,774	\$ 13,762,645	\$ 13,449,772	\$ 14,043,159	\$ 20,438,499	\$ 19,629,347
Restricted	2,495,233	1,718,140	4,597,718	3,730,051	1,719,514	1,346,852	639,394	613,627	80,003	136,223
Unrestricted (deficit)	4,102,801	3,403,719	2,085,985	1,321,770	985,380	632,874	415,456	(169,035)	(209,590)	(176,511)
Total governmental activities net position	\$ 29,192,441	\$ 27,237,209	\$ 24,438,569	\$ 19,460,929	\$ 16,784,668	\$ 15,742,371	\$ 14,504,622	\$ 14,487,751	\$ 20,308,912	\$ 19,589,059
Business-type activities										
Net investment in capital assets	\$ 17,963,925	\$ 18,084,503	\$ 17,474,092	\$ 14,547,120	\$ 16,801,838	\$ 17,194,519	\$ 17,330,455	\$ 18,041,508	\$ 9,311,194	\$ 8,271,525
Restricted	69,371	514,098	1,763,687	3,178,531	471,521	607,292	1,344,040	65,200	480,215	3,169,261
Unrestricted	13,102,654	10,642,505	6,866,052	6,864,370	7,001,733	5,984,465	5,334,811	5,096,658	7,472,476	8,926,965
Total business-type activities net position	\$ 31,135,960	\$ 29,241,106	\$ 26,103,831	\$ 24,590,021	\$ 24,275,092	\$ 23,786,276	\$ 24,009,306	\$ 23,203,366	\$ 17,263,885	\$ 20,367,751
Primary government										
Net investment in capital assets	\$ 40,558,332	\$ 40,199,853	\$ 35,228,958	\$ 28,956,228	\$ 30,881,612	\$ 30,957,164	\$ 30,780,227	\$ 32,084,667	\$ 29,749,693	\$ 27,900,872
Restricted	2,564,604	2,232,238	6,361,405	6,908,582	2,191,035	1,954,144	1,983,434	678,827	560,218	3,305,484
Unrestricted	17,205,465	14,046,224	8,952,037	8,186,140	7,987,113	6,617,339	5,750,267	4,927,623	7,262,886	8,750,454
Total primary government net position	\$ 60,328,401	\$ 56,478,315	\$ 50,542,400	\$ 44,050,950	\$ 41,059,760	\$ 39,528,647	\$ 38,513,928	\$ 37,691,117	\$ 37,572,797	\$ 39,956,810

Source: Comprehensive Annual 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)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008 (1) (2)
Expenses										
Governmental activities:										
General government	\$ 3,419,943	\$ 2,930,921	\$ 2,394,281	\$ 2,296,568	\$ 2,104,230	\$ 1,823,964	\$ 1,763,115	\$ 2,022,054	\$ 1,917,381	\$ 2,391,830
Judicial	374,430	343,417	406,912	415,245	479,169	333,136	235,644	282,792	279,684	285,188
Public safety	6,304,295	6,600,498	6,322,171	6,110,784	6,057,633	5,851,586	6,127,643	6,758,087	6,622,873	6,432,050
Public works	3,042,932	2,981,768	2,540,254	2,243,308	1,757,055	1,857,152	1,726,760	1,747,445	2,175,196	1,670,873
Planning and development	556,660	585,895	455,175	464,196	366,955	367,715	327,158	433,145	584,404	405,233
Culture and recreation	648,402	488,046	512,178	371,838	298,124	252,863	228,225	270,198	80,226	24,180
Other	-	-	-	-	-	-	-	-	59,925	24,066
Interest on long-term debt	442,138	470,423	458,373	483,266	499,027	508,703	299,264	25,411	37,401	26,490
Total governmental activities expenses	<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>	<u>10,707,709</u>	<u>11,519,132</u>	<u>11,757,090</u>	<u>11,263,910</u>
Business-type activities:										
Electric	7,731,021	7,320,222	7,141,969	6,888,429	6,420,188	6,383,795	5,381,210	6,080,267	5,989,466	5,945,283
Water and Sewer	5,725,971	5,720,744	5,321,360	5,641,267	5,022,941	4,797,117	4,576,383	4,371,584	3,679,022	3,434,169
Educational Complex	1,088,108	1,093,164	1,146,332	1,014,781	999,880	1,237,275	593,658	685,977	666,067	110
Stormwater	724,917	723,063	724,079	673,145	597,486	613,722	571,291	549,079 (3)	-	-
Sanitation	648,129	617,473	635,480	675,849	580,521	561,649	559,011	580,516	618,527	766,875
Telecom	-	-	-	-	-	-	-	-	-	157,989 (2)
Total business-type activities expenses	<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>13,583,558</u>	<u>11,681,553</u>	<u>12,267,423</u>	<u>11,152,082</u>	<u>10,304,436</u>
Total primary government expenses	<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>	<u>\$ 22,389,262</u>	<u>\$ 23,786,555</u>	<u>\$ 22,909,172</u>	<u>\$ 21,568,346</u>
Program Revenues										
Governmental activities:										
Charges for services	\$ 2,967,781	\$ 3,086,529	\$ 2,714,155	\$ 2,132,445	\$ 1,854,075	\$ 1,539,479	\$ 1,129,351	\$ 1,481,525	\$ 1,804,707	\$ 1,827,188
Operating grants and contributions	-	-	19,076	69,451	42,793	15,270	-	19,265	424,049	154,562
Capital grants and contributions	1,793,672	1,621,498	3,221,515	1,401,684	558,236	1,318,074	280,000	-	-	-
Total governmental activities program revenues	<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>	<u>1,409,351</u>	<u>1,500,790</u>	<u>2,028,756</u>	<u>1,981,750</u>
Business-type activities:										
Charges for services	17,451,224	17,794,173	16,865,395	16,631,066	15,485,677	15,288,333	14,241,961	13,751,183	12,559,295	12,552,333
Capital grants and contributions	1,085,970	1,553,000	549,090	300,000	-	-	-	121,040	-	-
Total business-type activities program revenues	<u>18,537,194</u>	<u>19,347,173</u>	<u>17,414,485</u>	<u>16,931,066</u>	<u>15,485,677</u>	<u>15,298,333</u>	<u>14,241,961</u>	<u>13,872,223</u>	<u>12,559,295</u>	<u>12,552,333</u>
Total primary government program revenues	<u>\$ 23,298,647</u>	<u>\$ 24,035,200</u>	<u>\$ 23,369,231</u>	<u>\$ 20,534,646</u>	<u>\$ 17,940,781</u>	<u>\$ 18,171,156</u>	<u>\$ 15,651,312</u>	<u>\$ 15,373,013</u>	<u>\$ 14,588,051</u>	<u>\$ 14,534,083</u>

CITY OF FAIRBURN, GEORGIA

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

	2017	2016	2015	2014	2013	2012	2011	2010 (3)	2009	2008 (1) (2)
Net (expense)/revenue										
Governmental activities	\$ (10,227,347)	\$ (9,692,941)	\$ (7,134,598)	\$ (8,791,625)	\$ (9,107,079)	\$ (8,122,296)	\$ (9,298,358)	\$ (10,018,342)	\$ (9,728,334)	\$ (9,282,160)
Business-type activities	2,618,048	3,872,507	2,235,670	2,037,695	1,864,651	1,704,775	2,560,408	1,604,800	1,407,213	2,247,897
Total primary government net (expense)/revenue	\$ (7,609,299)	\$ (5,820,434)	\$ (4,898,928)	\$ (6,754,030)	\$ (7,242,428)	\$ (6,417,521)	\$ (6,737,950)	\$ (8,413,542)	\$ (8,321,121)	\$ (7,034,263)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 4,564,177	\$ 4,746,634	\$ 4,647,950	\$ 4,755,788	\$ 4,798,827	\$ 4,567,666	\$ 4,060,431	\$ 2,853,789	\$ 2,831,173	\$ 2,266,758
Sales and use taxes	3,862,730	3,819,892	3,762,572	3,415,848 (4)	1,416,172	1,414,814	1,315,932	1,324,124	1,287,611	1,440,218
Other taxes	2,787,403	2,686,024	2,764,043	2,633,485	2,367,550	2,260,687	1,791,316	1,741,655	1,951,473	1,517,717
Miscellaneous revenue	167,441	402,696	83,601	53,704	113,268	87,798	287,908	139,915	65,260	34,703
Unrestricted investment earnings	23,298	51,911	51,157	55,044	62,924	69,897	94,642	34,694	49,027	49,227
Gain on disposal of capital assets	15,530	22,424	52,915	416,474	-	-	-	-	-	-
Transfers	762,000	762,000	750,000	1,543,985	1,390,635	1,191,000	1,765,000	3,689,629	4,598,580	2,933,113
Total governmental activities	12,182,579	12,491,581	12,112,238	12,874,328	10,149,376	9,591,862	9,315,229	9,783,806	10,783,324	8,243,736
Business-type activities:										
Unrestricted investment earnings	25,536	26,768	26,140	6,044	11,100	34,490	9,838	27,686	87,501	416,809
Gain on Sale of Assets	13,270	-	-	-	3,700	-	694	264,841	-	-
Transfers	(762,000)	(762,000)	(750,000)	(1,543,985)	(1,390,635)	(1,191,000)	(1,765,000)	(3,689,629)	(4,598,580)	(2,933,113)
Total business-type activities	(723,194)	(735,232)	(721,860)	(1,537,941)	(1,375,835)	(1,156,510)	(1,754,468)	(3,387,102)	(4,511,079)	(2,516,304)
Total primary government	\$ 11,459,385	\$ 11,756,349	\$ 11,390,378	\$ 11,336,387	\$ 8,773,541	\$ 8,435,352	\$ 7,560,761	\$ 6,396,704	\$ 6,272,245	\$ 5,727,432
Change in Net Position										
Governmental activities	\$ 1,955,232	\$ 2,798,640	\$ 4,977,640	\$ 4,082,703	\$ 1,042,287	\$ 1,469,566	\$ 16,871	\$ (234,536)	\$ 1,054,990	\$ (1,038,424)
Business-type activities	1,894,854	3,137,275	1,513,810	499,654	488,816	548,265	805,940	(1,792,302)	(3,103,866)	(268,407)
Total primary government	\$ 3,850,086	\$ 5,935,915	\$ 6,491,450	\$ 4,582,357	\$ 1,531,113	\$ 2,017,831	\$ 822,811	\$ (2,026,838)	\$ (2,048,876)	\$ (1,306,831)

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

Notes:

- (1) The allocation of charges for services to the various functions was changed in 2006 and again in 2008 to more accurately reflect the nature of the City's activities.
- (2) During 2007 and 2008, the City eliminated the Cable TV and telecom services, respectively.
- (3) During 2010, the City has created the Stormwater Enterprise Fund which was previously recorded in the Water & Sewer Fund.
- (4) Sales taxes increased as a result of increased allocations from Fulton County based on population increases.

CITY OF FAIRBURN, GEORGIA

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,610	\$ 86,290	\$ 157,421
Unreserved	-	-	-	-	-	-	-	72,001	(406,291)	(411,217)
Nonspendable	99,203	186,813	246,026	149,285	164,419	134,922	134,338	-	-	-
Committed	382,976	280,994	-	-	-	-	-	-	-	-
Restricted	141,566	146,315	149,740	-	-	-	-	-	-	-
Unassigned	5,179,060	4,035,786	3,029,593	3,646,266	1,184,518	879,151	412,283	-	-	-
Total General Fund	\$ 5,802,805	\$ 4,649,908	\$ 3,425,359	\$ 3,795,551	\$ 1,348,937	\$ 1,014,073	\$ 546,621	\$ 91,611	\$ (320,001)	\$ (253,796)
All other governmental funds										
Reserved, Cemetery Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,762	\$ 8,003	\$ 199,089
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-	538,818	39,161	136,223
Nonspendable	10,000	10,000	10,000	10,000	10,000	10,000	10,000	-	-	-
Restricted	3,348,161	1,994,448	5,531,677	4,616,280	6,464,093	8,113,648	10,390,989	-	-	-
Assigned	970	409,860	1,112	967	967	965	962	-	-	-
Unassigned (deficit)	-	(18,564)	-	-	(3,214)	-	-	-	-	-
Total all other governmental funds	\$ 3,359,131	\$ 2,395,744	\$ 5,542,789	\$ 4,627,247	\$ 6,471,846	\$ 8,124,613	\$ 10,401,951	\$ 614,580	\$ 47,164	\$ 335,312

Note: For 2011, the City implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. This new standard changed the overall definitions and classifications of governmental fund balances. For 2014, the balances have been restated as a result of the change in reporting entity to move the activity of the Hotel/Motel Tax Fund into the General Fund.

Source: Comprehensive Annual 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)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues										
Taxes	\$ 11,364,385	\$ 11,245,655	\$ 11,188,620	\$ 10,878,900	(1) \$ 8,514,927	\$ 8,276,648	\$ 7,241,198	\$ 6,023,874	\$ 6,098,692	\$ 5,224,467
Licenses and permits	1,638,444	1,737,024	1,405,815	816,122	726,342	624,518	542,189	480,241	542,957	741,349
Intergovernmental	1,793,672	1,406,484	3,221,516	1,400,884	198,686	1,166,174	-	19,265	424,049	191,784
Fines and forfeitures	515,187	501,886	686,571	741,656	752,705	506,084	223,780	398,212	350,884	383,499
Charges for services	677,868	721,191	573,258	549,581	371,152	395,307	360,802	600,492	710,866	704,273
Interest income	23,298	51,911	51,157	55,044	62,924	69,897	94,642	34,694	49,027	49,227
Miscellaneous	303,723	584,279	151,187	149,041	519,487	116,628	287,854	142,495	-	-
Total revenues	16,316,577	16,248,430	17,278,124	14,591,228	11,146,223	11,155,286	8,750,465	7,699,273	8,176,475	7,294,599
Expenditures										
General government	3,416,997	2,878,496	2,410,195	2,261,908	2,050,041	1,790,985	1,724,112	1,993,378	3,166,567	2,749,487
Judicial	376,353	342,331	411,394	415,172	472,604	332,565	235,544	262,792	279,684	289,188
Public safety	6,207,250	6,181,773	6,143,312	6,022,743	5,834,889	5,757,817	5,993,068	6,578,133	7,066,933	6,359,138
Public works	2,814,324	2,782,641	2,363,652	1,915,233	1,503,387	2,645,111	1,358,955	1,269,111	1,505,312	1,109,432
Planning and development	523,412	527,173	486,107	461,352	365,540	368,225	327,158	433,145	584,404	405,233
Culture and recreation	531,522	586,329	351,519	298,003	225,307	192,905	165,690	209,493	79,287	24,180
Other	-	-	-	-	-	-	-	-	59,925	24,066
Capital outlay	19,472	4,490,740	4,605,059	3,903,395	2,513,359	2,794,532	219,133	-	-	-
Debt service										
Principal	653,535	715,814	619,425	622,796	651,801	130,540	160,690	223,196	296,729	306,564
Interest	451,808	472,155	473,437	490,547	505,602	511,360	134,223	25,411	37,401	26,490
Bond issuance costs	-	-	-	-	-	-	409,485	-	-	-
Total expenditures	14,994,673	18,977,452	17,864,100	16,392,149	14,122,530	14,524,040	10,728,058	10,994,659	13,076,242	11,293,778
Excess (deficiency) of revenues over (under) expenditures	1,321,904	(2,729,022)	(685,976)	(1,800,921)	(2,976,307)	(3,368,774)	(1,977,593)	(3,295,386)	(4,899,767)	(3,999,179)
Other financing sources (uses)										
Bonds issued	-	-	-	-	-	-	10,415,000	-	510,000	241,958
Original bond premium	-	-	-	-	-	-	36,234	-	-	-
Capital leases	-	-	328,421	371,613	228,424	367,888	-	123,000	-	-
Proceeds from sale of capital assets	32,380	44,526	52,915	487,338	39,345	-	3,740	-	-	-
Transfers in	1,690,339	1,929,410	3,987,018	3,216,141	1,617,260	1,350,000	3,232,866	3,743,142	4,713,867	3,776,243
Transfers out	(928,339)	(1,167,410)	(3,237,018)	(1,672,156)	(226,625)	(159,000)	(1,467,866)	(63,513)	(115,287)	(473,305)
Total other financing sources (uses)	794,380	805,526	1,131,336	2,402,936	1,658,404	1,558,888	12,219,974	3,812,629	5,108,560	3,546,896
Net change in fund balances	2,116,284	(1,922,496)	545,360	602,015	(1,317,903)	(1,809,886)	10,242,381	517,243	208,813	(452,263)
Debt service as a percentage of noncapital expenditures	7.76%	8.68%	8.53%	9.22%	9.97%	5.47%	2.35%	2.35%	3.12%	3.26%

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

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

CITY OF FAIRBURN, GEORGIA

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
 LAST TEN FISCAL YEARS
 (accrual basis of accounting)

Fiscal Year	Property Tax	Sales Tax	Motor Vehicle Tax	Franchise Tax	Insurance Premium Tax	Beer, Wine and Liquor Tax	Hotel Motel Tax	Other Taxes	Total
2008	\$ 2,266,758	\$ 1,440,218	\$ 160,970	\$ 596,064	\$ 298,656	\$ 254,959	\$ 97,371	\$ 109,697	\$ 5,224,693
2009	2,831,173	1,287,811	168,930	1,053,234	305,810	259,878	115,287	113,594	6,135,717
2010	2,853,789	1,324,124	180,995	903,161	302,941	240,762	86,369	27,427	5,919,568
2011	4,060,431	1,315,932	221,656	888,278	294,137	234,805	118,499	33,941	7,167,679
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

Source: Comprehensive Annual 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			
2007	\$ 480,625,730	\$ 998,615,500	\$ 178,761,030	\$ 448,902,575	\$ 8,338,020	\$ 20,845,050	\$ 667,724,780	(1) \$ 1,466,363,125	5.00	40%	106.55%
2008	469,416,680	1,181,614,400	203,254,900	508,137,250	9,888,331	24,720,828	682,559,911	1,714,472,478	5.00	40%	16.92%
2009	410,862,770	1,048,830,675	186,820,120	467,050,300	13,732,050	34,330,125	611,414,940	(2) 1,550,211,100	5.00	40%	-9.58%
2010	386,726,700	966,816,750	189,290,310	473,225,775	13,732,050	34,330,125	589,749,060	(2) 1,474,372,650	7.50	40%	-4.89%
2011	372,887,190	932,217,975	209,712,150	524,280,375	11,866,310	29,665,775	594,465,650	1,488,164,125	9.93	40%	0.80%
2012	373,027,370	932,568,425	216,286,170	540,715,425	11,866,310	29,665,775	601,179,850	1,502,949,625	9.98	40%	1.13%
2013	346,405,540	866,013,850	248,934,510	622,336,275	13,301,506	33,253,765	608,641,556	1,521,603,890	9.70	40%	1.01%
2014	342,544,370	856,360,925	326,561,200	816,403,000	14,072,114	35,180,285	683,177,884	1,707,944,210	9.82	40%	12.25%
2015	367,717,060	919,292,650	339,414,250	848,535,625	14,501,454	36,253,635	721,632,764	1,804,081,910	9.73	40%	5.63%
2016	399,791,020	999,477,550	324,570,010	811,425,025	14,734,532	36,836,330	739,095,562	1,847,738,905	9.73	40%	2.42%

Source: City of Fairburn Finance Department

Notes:

- (1) Personal property values increased from 2007 to 2008 due to annexation activities which included several large industrial companies.
- (2) Assessed values have dropped from 2009 to 2010 due to the decline in the value of residential real properties.
- (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 1.83 mills.
- (4) 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.
- (5) 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.

CITY OF FAIRBURN, GEORGIA

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

Tax Digest Year	Direct Rates			Overlapping Rates				Total Direct and Overlapping Millage Rate
	City of Fairburn			State of Georgia	Fulton County		County School System	
	Operating Millage	Debt Service	Total		County	School System		
2007	5.00	-	5.00	0.25	20.55	18.09	43.89	
2008	5.00	-	5.00	0.25	10.28	17.50	33.03	
2009	5.00	-	5.00	0.25	10.28	17.50	33.03	
2010	7.50	-	7.50	0.25	10.28	18.50	36.53	
2011	8.10	1.83	9.93	0.25	10.55	18.50	39.23	
2012	8.10	1.88	9.98	0.20	10.55	18.50	39.23	
2013	8.10	1.60	9.70	0.15	10.48	18.50	38.83	
2014	8.10	1.72	9.82	0.10	12.05	18.50	40.47	
2015	8.10	1.63	9.73	0.05	10.75	18.50	39.03	
2016	8.10	1.46	9.56	0.05	10.75	18.50	38.86	

Source: City of Fairburn Finance Department

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

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value
Helicopter Support, Inc	\$ 90,148,547	1	18.59%	\$ -	-	-
Ralston/Nestle Purina Petcare Company	38,440,916	2	7.93%	-	-	-
Toto USA, Inc.	22,799,101	3	4.70%	-	-	-
Development Authority of Fulton County	21,365,380	4	4.41%	30,220,360	2	14.70%
Owens Corning	20,597,414	5	4.25%	10,564,200	9	5.14%
Electrolux Home Products, Inc.	18,156,550	6	3.74%	-	-	-
U.S. Foods, Inc	15,523,554	7	3.20%	-	-	-
Navistar, Inc	14,694,697	8	3.03%	-	-	-
Clorox Manufacturing Company	11,348,516	9	2.34%	-	-	-
Excel Logistics	9,886,941	10	2.04%	20,791,700	5	10.11%
MD Hodges Enterprises	-	-	-	42,390,129	1	20.62%
DCT Southcreek Eagles	-	-	-	27,518,700	3	13.38%
AJT Acquisitions	-	-	-	21,753,700	4	10.58%
South Atlanta Portfolio	-	-	-	14,934,400	6	7.26%
AEW/UTC Southpark	-	-	-	14,122,200	7	6.87%
Southcreek VI Atlanta LLC	-	-	-	13,976,500	8	6.80%
Eagles Landing	-	-	-	9,338,000	10	4.54%
All Others	458,671,148	-	-	-	-	0.00%
Totals	\$ 721,632,764	-	54.23%	\$ 205,609,889	-	100.00%

Source: City of Fairburn Finance Department

Note: The 2016 tax digest was billed during fiscal year September 30, 2017. The 2016 column related taxes are based on the 2016 tax digest that were billed during fiscal year ended September 30, 2017. The 2007 column related taxes are based on the 2007 tax digest that were billed during fiscal year ended September 30, 2008.

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

Tax Digest Year	Total Tax Levy		Collections of Current Years Taxes		Percentage of Levy Collected		Collection of Prior Years Taxes		Total Collections		Accumulated Uncollected Taxes by Digest Year		Ratio of Accumulated Uncollected Taxes to Current Year's Levy		Millage Rates		Local Option Sales Tax Collected	
	\$		\$		During Year		During Year		\$		\$		%				\$	
2006	1,141,681		1,097,286		96.14%		41,734		1,139,020		2,661		0.23%		5.00		1,443,222	
2007	1,309,390		1,257,805		96.11%		46,396		1,304,201		5,189		0.40%		5.00		1,442,080	
2008	2,266,532		2,202,345		96.06%		58,639		2,260,984		5,548		0.24%		5.00		1,449,755	
2009	2,966,005		2,814,985		97.17%		144,534		2,959,519		6,486		0.22%		5.00		1,287,811	
2010	4,074,329		3,933,168		94.91%		133,439		4,066,607		7,722		0.19%		7.50 (1)		1,315,932	
2011	4,491,344		4,406,360		96.54%		72,164		4,478,524		12,820		0.29%		9.93 (2)		1,414,814	
2012	4,616,738		4,492,199		96.54%		111,988		4,604,188		12,550		0.27%		9.98 (3)		1,416,172	
2013	4,762,586		4,187,985		87.94%		560,259		4,748,244		14,342		0.30%		9.70		3,415,848 (4)	
2014	4,569,262		4,520,945		98.94%		33,974		4,554,920		14,342		0.31%		9.82		3,762,572	
2015	4,579,384		4,554,466		99.46%		-		4,554,466		13,029		0.28%		9.73		3,819,892	
2016	4,668,151		4,650,813		99.63%		-		4,650,813		17,338		0.37%		9.73		3,862,729	

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) 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	Fund Balance Restricted to Debt Service	Net Amount of General Bonded debt	Capital Leases	Net Bonded Debt to Actual Value of Taxable Property	Water & Sewer	Educational Complex	Net Position Restricted to Debt Service	Notes Payable	Capital Leases	Net Total Primary Government	Percent of Personal Income	Per Capita
2008	\$ -	\$ -	\$ -	\$ 353,645	-	\$ 12,685,000	\$ 9,750,202	\$ -	\$ 80,340	\$ 197,709	\$ 23,066,896	11.14%	2,104
2009	-	-	-	566,916	-	12,135,000	9,236,166	-	60,442	173,899	22,172,423	9.34%	2,023
2010	-	-	-	466,270	-	11,500,000	8,702,250	-	39,538	71,199	20,779,257	8.09%	1,833
2011	10,450,629	-	10,450,629	306,030	0.71%	10,755,000	14,974,732	1,344,040	17,361	6,212	35,165,924	12.85%	3,102
2012	10,447,972	583,860	9,864,112	543,378	0.66%	10,035,000	14,990,032	607,292	-	-	34,825,230	11.73%	3,017
2013	10,050,347	533,489	9,516,858	515,001	0.63%	9,310,000	15,009,635	471,521	-	-	33,879,973	11.58%	2,535
2014	9,647,786	590,223	9,057,563	663,818	0.60%	14,117,463	14,674,263	675,752	-	-	37,837,355	13.71%	2,758
2015	9,240,289	738,226	8,502,063	777,814	0.50%	14,101,806	14,318,621	800,832	-	-	36,899,472	13.37%	2,695
2016	8,827,858	718,136	8,109,722	472,000	0.45%	13,106,714	13,937,775	514,098	-	-	35,112,113	12.56%	2,564
2017	8,405,496	215,777	8,189,719	238,465	0.44%	12,091,993	13,526,653	69,371	-	109,705	34,087,164	11.73%	2,441

Source: City of Fairburn Finance Department

CITY OF FAIRBURN, GEORGIA

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
SEPTEMBER 30, 2017**

<u>Governmental Unit</u>	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to City of Fairburn (1)</u>	<u>Amount Applicable to City of Fairburn</u>
Fulton County Board of Commissioners, Georgia			
Certificates of Participation	\$ 55,275,000	1.248%	\$ 689,832
Library General Obligation Bonds	143,880,673	1.248%	1,795,631
Economic Recovery Zone Bonds	21,291,000	1.248%	265,712
Fulton County Board of Education			
General Obligation Bonds	55,870,000	1.248%	697,258
	<u>276,316,673</u>		<u>3,448,432</u>
City of Fairburn, Georgia			
2011 General Obligation Bonds	8,405,496	100.00%	8,405,496
Capital Leases	238,465	100.00%	238,465
Total Direct Debt	<u>8,643,961</u>		<u>8,643,961</u>
Total direct and overlapping debt	<u>\$ 284,960,634</u>		<u>\$ 12,092,393</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

Fiscal Year	Assessed Value	Percent	Debt Limit	Amount Applicable (1)	Legal Debt Margin
2008	\$ 667,724,780	10%	\$ 66,772,478	-	\$ 66,772,478
2009	682,559,911	10%	68,255,991	-	68,255,991
2010	611,414,940	10%	61,141,494	-	61,141,494
2011	589,749,060	10%	58,974,906	10,450,629	48,524,277
2012	594,465,650	10%	59,446,565	10,447,972	48,998,593
2013	601,179,850	10%	60,117,985	10,050,347	50,067,638
2014	608,641,556	10%	60,864,156	9,647,786	51,216,370
2015	683,177,684	10%	68,317,768	9,240,289	59,077,479
2016	721,632,764	10%	72,163,276	8,827,858	63,335,418
2016	739,095,562	10%	73,909,556	8,405,496	65,504,060

Source: City of Fairburn Finance Department

Note: (1) The City of Fairburn had no general obligation bonds outstanding during fiscal years 2007 - 2010.

CITY OF FAIRBURN, GEORGIA

PLEGGED REVENUE BOND COVERAGE - WATER & SEWER FUND & ELECTRIC FUND COMBINED UTILITY REVENUE BONDS (Series 2000; Series 2006; Series 2013; Series 2014) LAST TEN FISCAL YEARS

Fiscal Year	Operating Revenue	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest (1)	Total	
2008	\$ 11,677,764	\$ 7,408,224	\$ 4,269,540	\$ 460,000	\$ 529,644	\$ 989,644	4.31
2009	11,616,283	8,051,886	3,564,397	550,000	508,934	1,058,934	3.37
2010	12,170,305	8,163,511	4,006,794	635,000	471,615	1,106,615	3.62
2011	12,580,304	8,884,652	3,695,652	745,000	441,062	1,186,062	3.12
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

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 South Fulton Municipal 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

**PLEGGED REVENUE BOND COVERAGE - EDUCATIONAL COMPLEX FUND
EDUCATIONAL COMPLEX REVENUE BONDS - SERIES 2011 AND 2008
LAST EIGHT FISCAL YEARS**

Fiscal Year	Operating Revenue	Direct Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2009	\$ 255,948	\$ 291,419	\$ (35,471)	\$ 514,038	\$ 368,558	\$ 882,596	(0.04)
2010	435,173	79,324	355,849	533,916	345,274	879,190	0.40
2011	493,319	55,095	438,224	863,920	329,176	1,193,096	0.37
2012	497,474	278,580	218,894	-	(2)	642,098	0.34
2013	503,377	86,976	416,401	-	(2)	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

Source: City of Fairburn Finance Department

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

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

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

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

Fiscal Year	Population	Personal Income (1)	Per Capita Income (1)	Median Age (1)	Median Education Level in Years of Formal Schooling (1)		School Enrollment (3)	Unemployment Rate (2)
					Schooling (1)	Enrollment (3)		
2008	10,961	\$ 207,140,978	\$ 18,898	33.3	12	-	9.30	
2009	11,335	237,490,920	20,952	36.1	12	-	10.01	
2010	11,335	256,873,770	22,662	32.1	12	4,971	10.30	
2011	11,542	273,660,820	23,710	32.7	12	5,042	9.30	
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	14,182	290,504,088	20,484	32.0	12	5,390	4.20	

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. Information prior to Fiscal Year 2010 is not readily available.

CITY OF FAIRBURN, GEORGIA

PRINCIPAL EMPLOYERS

CURRENT FISCAL YEAR AND NINE FISCAL YEARS PRIOR (Earliest Available)

Employer	2017		2008	
	Number of Employees	Rank	Number of Employees	Rank
U.S. Food Services	664	1	756	1
Porex Corporation	555	2	132	6
Nestle Purina Petcare Co.	355	3	272	4
Exel Logistics	338	4		
Owen's Corning	290	5		
XPO Logistics Supply Chain	260	6		
DSC Logistics, Inc.	167	7		
Adesa Atlanta, LLC	145	8		
LTI Flexible Products	144	9	180	5
Strack, Inc.	137	10	320	3
Reynolds, Inc			750	2
Estex Manufacturing Co., Inc.			100	7
Fairburn Healthcare			99	8
Kingswere Furniture LLC			75	9
Georgia Renaissance Vendors			64	10

Source: City of Fairburn Finance Department

CITY OF FAIRBURN, GEORGIA
FULL TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Administrative	28	35	26	26	23	27	27	29	30	30
Police	35	31	33	36	45	37	37	43	39	39
Fire	28	47	44	43	44	44	44	45	42	40
Streets, Parks, and Recreation	11	13	15	13	14	13	12	17	18	18
E-911 (1)	9	10	8	2	-	-	-	-	-	-
Electric	5	9	8	9	8	10	9	10	9	9
Water and Sewer	4	5	4	6	6	6	8	8	8	9
Cable (2)	2	-	-	-	-	-	-	-	-	-
	<u>122</u>	<u>150</u>	<u>138</u>	<u>135</u>	<u>140</u>	<u>137</u>	<u>137</u>	<u>152</u>	<u>146</u>	<u>145</u>

Source: City of Fairburn Finance Department

Notes:

(1) Note that the City outsourced its E911 operations in fiscal year 2012; therefore, there are no employees beginning in fiscal year 2012.

(2) Note that the City eliminated cable tv and telecom in 2008.

CITY OF FAIRBURN, GEORGIA

OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police										
Physical Arrests	779	614	514	605	1,485	967	1,268	633	549	729
Traffic Violations	2,519	1,136	1,725	2,081	2,428	5,455	4,640	3,982	3,252	5,638
Fire										
Number of Calls Answered	1,707	1,786	1,655	1,855	2,020	2,078	2,168	2,414	2,879	2,955
Inspections	510	420	258	573	496	673	723	990	886	518
Highways and Streets										
Streets Resurfaced (miles)	1.00	0.45	0.44	1.00	-	2.12	4.50	1.94	-	1.81
Potholes Repaired	44	48	79	66	88	99	90	100	120	115
Sanitation										
Refuse Collected (tons/day)	3,094	5,806	4,310	3,567	6,030	3,599	3,661	3,661	4,015	3,916
Recyclables Collected (tons/day)	135	243	145	119	598	622	637	650	730	667
Water										
Water Mains (miles)	90.5	91.5	91.6	91.6	91.9	92.2	93.1	70.9	71.1	71.1
Fire Hydrants	900	900	900	900	903	903	903	826	824	824
Water Main Breaks	10	6	8	20	15	10	6	6	8	6
Average Daily Consumption (thousands of gallons)	776	791	835	778	811	817	845	807	886	212
Wastewater and Sewer										
Stormwater system (miles)	37.25	37.25	37.25	37.98	38.21	38.45	38.45	36.76	36.76	36.76
Sanitary system (miles)	69.00	69.00	69.00	69.00	69.00	69.00	69.00	62.00	61.62	61.62
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	35	40	40	41	45	33	62	50	47	49
Highways and Streets										
Miles Paved	96.5	96.5	96.5	96.5	96.8	96.8	96.8	96.8	96.8	96.8
Miles Unpaved	2.6	2.6	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Street Lights	694	695	695	695	702	709	712	712	712	712
Caution Lights	2	2	1	1	1	1	1	1	2	2
Electric										
Lines (miles)	79	79	79	79	79	79	79	81	81	81
Plant Capacity (KVA)	12,400	12,400	12,400	12,400	12,400	12,400	12,400	12,400	12,400	12,470

Source: City of Fairburn Finance Department

Notes:

n/a - Information is not readily available.

* The Fire Department was created on April 1, 2006.

CITY OF FAIRBURN, GEORGIA
CAPITAL ASSETS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Water										
Water Mains (miles)	90.5	91.5	91.6	91.6	91.9	91.9	91.9	70.9*	71.1	71.1
Fire Hydrants	900	900	900	900	903	903	903	826**	824	824
Water Main Breaks	10	6	8	20	15	15	6	6	8	6
Wastewater and Sewer										
Stormwater system (miles)	37.25	37.25	37.25	37.98	38.21	38.21	38.21	36.76	36.76	36.76
Sanitary system (miles)	69	69	69	69	69	69	69	62	61.62	61.62
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	35	40	40	41	45	33	62	50	47	49
Highways and Streets										
Miles Paved	96.5	96.5	96.5	96.5	96.5	96.5	96.8	96.8	96.8	96.8
Miles Unpaved	2.6	2.6	3	3	3	3	3	3	3	3
Street Lights	694	695	695	695	702	712	712	712	712	712
Caution Lights	2	2	1	1	1	1	1	1	2	2
Electric										
Lines (miles)	79	79	79	79	79	79	79	81	81	81
Number of substations	1	2	2	2	2	2	2	2	2	2
Number of service connections	2,969	2,966	2,928	2,865	2,902	2,955	3,183	3,153	3,187	3,470
Culture and recreation										
Parks acreage	2	2	2	2	142	144	144	144	144	146
Parks	1	1	1	1	1	2	2	2	2	3
Community centers	1	1	1	1	1	1	1	1	1	1

Source: City of Fairburn Finance Department

n/a - Information not available.

* Previous reports included City of Atlanta and private lines

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