

SUPPLEMENT
Dated December 12, 2024
to
OFFICIAL STATEMENT
Dated December 9, 2024

RELATING TO

\$23,045,000
GEORGIA MUNICIPAL ASSOCIATION, INC.
LEASING PROGRAM CERTIFICATES OF PARTICIPATION
(CITY OF FAIRBURN PROJECT), SERIES 2024

This Supplement dated December 12, 2024 (the “Supplement”) supplements and amends the Official Statement for the above-captioned bonds dated December 9, 2024 (the “Official Statement”). Each word or term used as a defined term but not otherwise defined expressly in this Supplement has the meaning assigned to it in the Official Statement. This Supplement is an integral part of the Official Statement, and the information contained in this Supplement should be considered in the context of the more comprehensive information contained in the Official Statement. Except as set forth in this Supplement, the information contained in the Official Statement has not been amended, modified, supplemented or updated since December 9, 2024. The Official Statement may not be delivered to any person unless accompanied by this Supplement and should be read in conjunction herewith.

The City has determined that the inside cover page incorrectly referenced the base CUSIP for the Certificates. As such, the base CUSIP is replaced in its entirety with the following base CUSIP: 373293.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS

<u>Maturity (January 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP⁽¹⁾ No. 373293</u>
2026	\$315,000	5.00%	2.90%	CQ0
2027	375,000	5.00	2.80	CR8
2028	390,000	5.00	2.82	CS6
2029	410,000	5.00	2.87	CT4
2030	430,000	5.00	2.90	CU1
2031	455,000	5.00	2.95	CV9
2032	475,000	5.00	3.00	CW7
2033	500,000	5.00	3.07	CX5
2034	525,000	5.00	3.11	CY3
2035	550,000	5.00	3.19	CZ0
2036	580,000	5.00	3.24*	DA4
2037	610,000	5.00	3.29*	DB2
2038	640,000	5.00	3.37*	DC0
2039	670,000	5.00	3.42*	DD8
2040	705,000	5.00	3.50*	DE6
2041	740,000	5.00	3.58*	DF3
2042	775,000	5.00	3.66*	DG1
2043	815,000	5.00	3.71*	DH9
2044	855,000	5.00	3.78*	DJ5
2045	900,000	5.00	3.85*	DK2

\$5,110,000 4.00% Term Certificate due January 1, 2050, Priced to Yield 4.11%, CUSIP No. 373293DL0⁽¹⁾
 \$6,220,000 4.00% Term Certificate due January 1, 2055, Priced to Yield 4.16%, CUSIP No. 373293DM8⁽¹⁾

⁽¹⁾ CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein have been provided by CUSIP Global Services (CGS). CGS is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2024 CUSIP Global Services. All rights reserved. CUSIP numbers are set forth herein for the convenience of reference only and neither the City nor the Underwriter nor their respective agents take responsibility for the accuracy of such data.

* Priced to the January 1, 2035 par call.

This Supplement is dated December 12, 2024, and the information contained herein speaks only as of that date.

CITY OF FAIRBURN, GEORGIA

In the opinion of Squire Patton Boggs (US) LLP, as Bond Counsel, under existing law, (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, the Interest Component (defined below) of the Base Rentals (defined below) on the Certificates is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, and (ii) the Interest Component of the Base Rentals on the Certificates is exempt from income taxation of the State of Georgia. The Interest Component of the Base Rentals on the Certificates may be subject to certain federal taxes imposed only on certain corporations. For a more complete discussion of the tax aspects, see “TAX EXEMPTION” herein.

\$23,045,000

**GEORGIA MUNICIPAL ASSOCIATION, INC.
LEASING PROGRAM CERTIFICATES OF PARTICIPATION
(CITY OF FAIRBURN PROJECT),
SERIES 2024**

Dated: Date of Issue**Due:** January 1, as on the Inside Cover

The Georgia Municipal Association, Inc. Leasing Program Certificates of Participation (City of Fairburn Project), Series 2024 (the “Certificates”) are being issued pursuant to an Indenture of Trust and Assignment of Lease Agreement, dated as of December 1, 2024 (the “Indenture”), between Georgia Municipal Association, Inc. (“GMA”) and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). The Certificates are being issued for the purpose of (a) acquiring, constructing, equipping and installing a public safety complex for police and fire services (the “Public Safety Building Project”); and (b) paying the costs of issuing the Certificates. See “ESTIMATED SOURCES AND USES OF FUNDS” and “PLAN OF FINANCE” herein.

The Certificates evidence undivided ownership interests in certain rentals (the “Base Rentals”) to be paid under an annually-renewable Lease Agreement, dated as of December 1, 2024 (the “Lease”), between GMA, as lessor, and Fairburn, Georgia (the “City”), as lessee, pursuant to which GMA will lease the Public Safety Building Project to the City. The Base Rentals are comprised of an interest component (the “Interest Component”) and a principal component (the “Principal Component”). The Certificates will be delivered in fully registered form in authorized denominations of \$5,000 and any integral multiple thereof. Distributions on the Certificates (the “Distributions”) representing the Interest Component will be payable on each January 1 and July 1, commencing on July 1, 2025. Distributions representing the Principal Component will be payable on January 1 in the years and amounts set forth below. See “THE CERTIFICATES” herein.

The Certificates will be issued in book-entry form registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”). Distributions will be made by the Trustee directly to Cede & Co., as nominee of DTC, as registered owner of the Certificates, and will subsequently be disbursed by DTC to DTC Participants and thereafter to Beneficial Owners (as such terms are defined herein) of the Certificates, all as described herein. Beneficial Owners of the Certificates will not receive physical delivery of the Certificates. See “THE CERTIFICATES – Book-Entry System” herein.

The Certificates are subject to optional prepayment prior to maturity. The Certificates are subject to mandatory prepayment prior to maturity as described under the caption “THE CERTIFICATES – Prepayment” herein.

The obligation of the City to pay any Base Rentals and Additional Rentals (collectively, the “Rentals”) is subject to annual appropriation of funds by its City Council and the Rentals will be a current expense of the City payable solely from funds lawfully available for such use. The obligation of the City to pay Rentals is not a debt or general obligation of the City or a liability of or a lien or charge upon any funds or property of the City beyond any fiscal year for which its City Council has appropriated moneys to pay Rentals. Neither the faith, credit nor taxing power of the City is or will be pledged to the payment of the Rentals. In addition, GMA is not liable for payment of Rentals under the Lease, and the Owners will have no right to look to GMA for payment of the Rentals or the Distributions. See “SECURITY FOR THE CERTIFICATES” and “CERTIFICATE OWNERS’ RISKS” herein.

Following the termination of the Lease, no transfer of the Certificates may be made without an opinion of counsel regarding compliance with the registration provisions of state and federal securities laws. See “CERTIFICATE OWNERS’ RISKS” herein.

This cover page contains certain information for guide reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

The Certificates are offered when, as and if received and accepted by the Underwriter, subject to the approval of legality by Squire Patton Boggs (US) LLP, as the City’s Bond Counsel and Disclosure Counsel, and certain other conditions. Certain legal matters will be passed upon for GMA by GMA’s general counsel, Rusi Patel. Certain legal matters will be passed on for the City by its counsel, The Starkey Law Group, and for the Underwriter by its counsel, Murray Barnes Finister LLP. It is expected that the Certificates will be available for delivery through DTC, on or about December 16, 2024.

Stephens Inc.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS

<u>Maturity (January 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP⁽¹⁾ No. 373283</u>
2026	\$315,000	5.00%	2.90%	CQ0
2027	375,000	5.00	2.80	CR8
2028	390,000	5.00	2.82	CS6
2029	410,000	5.00	2.87	CT4
2030	430,000	5.00	2.90	CU1
2031	455,000	5.00	2.95	CV9
2032	475,000	5.00	3.00	CW7
2033	500,000	5.00	3.07	CX5
2034	525,000	5.00	3.11	CY3
2035	550,000	5.00	3.19	CZ0
2036	580,000	5.00	3.24*	DA4
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2039	670,000	5.00	3.42*	DD8
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2045	900,000	5.00	3.85*	DK2

\$5,110,000 4.00% Term Certificate due January 1, 2050, Priced to Yield 4.11%, CUSIP No. 373283DL0⁽¹⁾
 \$6,220,000 4.00% Term Certificate due January 1, 2055, Priced to Yield 4.16%, CUSIP No. 373283DM8⁽¹⁾

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* Priced to the January 1, 2035 par call.

FAIRBURN, GEORGIA

Mayor and City Council

Mario B. Avery, *Mayor*
James Whitmore, *Mayor Pro Tem*
Linda J. Davis, *Council Member*
Hiram Alex Heath, *Council Member*
Samantha Hudson, *Council Member*
Hattie Portis-Jones, *Council Member*
Ulysses J. Smallwood, *Council Member*

City Officials

Tony M. Phillips, *City Administrator*
Tomeka Billingsley, *Finance Director*
Rory K. Starkey, Esq., *City Attorney*
Brenda James, *City Clerk*

CITY COUNSEL

The Starkey Law Group
Lithia Springs, Georgia

GEORGIA MUNICIPAL ASSOCIATION, INC.

Larry Hanson, *Chief Executive Officer and Executive Director*
Cindy Eidson, *Director of Economic & Community Development*
Rusi Patel, *General Counsel*
Philip Potter, *Financial Services Manager*

BOND AND DISCLOSURE COUNSEL

Squire Patton Boggs (US) LLP
Atlanta, Georgia

UNDERWRITER

Stephens, Inc.
Atlanta, Georgia

UNDERWRITER COUNSEL

Murray Barnes Finister LLP
Atlanta, Georgia

No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement and the Appendices hereto and, if given or made, such other information or representations must not be relied upon as having been authorized by the City or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Certificates by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the City and other sources which are deemed to be reliable. The Underwriter has reviewed the information in the Official Statement, in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and expression of opinions herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the City since the date hereof.

THE PRICES AT WHICH THE CERTIFICATES ARE OFFERED TO THE PUBLIC MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICES APPEARING ON THE COVER PAGE HEREOF. IN ADDITION, THE UNDERWRITER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM SUCH INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS, AND THE UNDERWRITER MAY ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICES OF THE CERTIFICATES AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE CERTIFICATES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON CERTAIN EXEMPTIONS SET FORTH IN SUCH ACTS. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF ANY CERTIFICATES IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS WHEREIN THESE SECURITIES HAVE BEEN REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE CITY AND THE TERM OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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\$23,045,000
GEORGIA MUNICIPAL ASSOCIATION, INC.
LEASING PROGRAM CERTIFICATES OF PARTICIPATION
(CITY OF FAIRBURN PROJECT),
SERIES 2024

SUMMARY STATEMENT

The following information is furnished solely to provide limited introductory information regarding the terms of the Certificates (hereinafter defined) and does not purport to be comprehensive. Such information is qualified in its entirety by reference to the more detailed descriptions appearing in the Official Statement. No person is authorized to detach this Summary Statement from the Official Statement or to otherwise use it without the entire Official Statement. Capitalized terms used and not defined herein have the same meaning ascribed to them in the Lease and the Indenture (each as hereinafter defined). Certain defined terms are set forth in Appendix C “SUMMARIES OF THE PRINCIPAL DOCUMENTS – CERTAIN DEFINITIONS” hereto.

The City

The City of Fairburn, Georgia (the “City”) is a municipal corporation created and existing under the laws of the State of Georgia. The City was incorporated in 1854 and adopted its charter on August 3, 1925. The City is located in Fulton County, Georgia (the “County”) in the north central portion of the State of Georgia, approximately 17 miles southwest of the City of Atlanta. The City presently has a land area of approximately 17 square miles. The City’s elevation is approximately 1,000 feet above sea level, and the City’s terrain is rolling. The City had a population of 16,956 in 2023. See Appendix A “GENERAL INFORMATION REGARDING THE CITY” hereto.

The City is situated to succeed located in the 9th largest MSA in the country, near the world’s business airport, having access to major interstate and state highway. The City has a low crime rate, residential neighborhoods with historic homes and new developments. The proximity of the City has attracted many of the top industries and Fortune 500 companies such as Google, Clorox, Duracell, DHL, Porex and more companies within the City enjoy a competitive advantage when it comes to shipping and transportation cost. The City’s railroad terminal serves as CSX Domestic intermodal as a key connection. Home to a CSX intermodal terminal linking the City to the Georgia ports of Savannah and Brunswick. By truck, companies within the City are two days or less from 80% of the U.S markets. The City has direct access to I-85 and is close to interstate highways I-75 and I-20.

The City offers a vibrant downtown historic commercial district, due to its proximity to many of the places to live, work and play making the City an emerging destination. The City is investing in pedestrian-oriented projects, widening sidewalks, adding new crosswalks and turning an overpass into a walkway for pedestrians to cross the railroad tracks. The City provides an exceptional business climate for current and new businesses. The City understands the importance of being open for business, by offering expedited permitting, attractive leasing opportunities, business friendly government, offering a 100% freeport inventory tax exemption and offering a program called Quickstart which offers free customized job training.

The City’s mission is to promote physical activity, positive social interaction, and outdoor exploration through leisure activities and recreation programs. With approximately 28 miles of streams and waterways, and 368 acres of green space, Fairburn provides 4 recreational facilities and communal spaces to strengthen ties, offering a broad range community events for individuals of all ages. Ongoing beautification efforts, arts, and public art installations promote growth and development through our accredited Main Street Program. Illuminated Spaces, Art in the Alley, Georgia Renaissance Festival, Farmers Markets and Third Friday Concert Series are programs that have helped the City to thrive.

In the City educational opportunities include an educational campus which houses both Brenau University and Georgia Military College and will soon be expanded to include a state of the art Science, Technology, Engineering and Math (STEM) academy, operated by Fulton County Schools. The City is home to a top 20 rated private school, Landmark Christian School which offers K4-12 education. Global Impact Academy, a \$58 million investment by Fulton County Schools is a world class STEM magnet high school that provides students the opportunity to study high tech, high demand courses that are college and career focused.

The Certificates

Georgia Municipal Association, Inc. (“GMA”) will cause the Georgia Municipal Association, Inc. Leasing Program Certificates of Participation (City of Fairburn Project), Series 2024 (the “Certificates”) to be issued pursuant to an Indenture of Trust and Assignment of Lease Agreement, dated as of December 1, 2024 (the “Indenture”), between GMA and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). The Certificates are being issued for the purpose of (a) acquiring, constructing, equipping and installing a public safety complex for police and fire services (the “Public Safety Building Project”); and (b) paying the costs of issuing the Certificates. See “ESTIMATED SOURCES AND USES OF FUNDS” and “PLAN OF FINANCE” herein.

The Certificates evidence undivided ownership interests in certain rentals (the “Base Rentals”) to be paid under an annually-renewable Lease Agreement, dated as of December 1, 2024 (the “Lease”), between GMA, as lessor, and the City, as lessee, pursuant to which GMA will lease the Public Safety Building Project to the City. The Base Rentals are comprised of an interest component (the “Interest Component”) and a principal component (the “Principal Component”). The Certificates will be delivered in fully registered form in authorized denominations of \$5,000 and any integral multiple thereof. Distributions on the Certificates (the “Distributions”) representing the Interest Component will be payable on each January 1 and July 1, commencing on July 1, 2025 (each such date, a “Certificate Payment Date”). Distributions representing the Principal Component will be payable on January 1 in the years and amounts set forth on the inside cover page of this Official Statement. See “THE CERTIFICATES” herein.

Security for and Sources of Payment of Certificates

GMA has absolutely, unconditionally and irrevocably assigned its interests in the Base Rentals to the Trustee. In addition, the Certificates are secured by a pledge of (a) all right, title and interest of GMA as lessor in, to and under the Lease (except for its right to receive the Base Rentals which have been absolutely assigned and for its right to receive notices, certain fees and indemnification) and (b) any moneys and obligations deposited or required to be deposited with or held or required to be held by or on behalf of the Trustee under the Indenture.

As additional security for the Certificates, GMA has granted a lien on and security interest in the Public Safety Building Project to the Trustee pursuant to a Deed to Secure Debt and Security Agreement, dated as of December 1, 2024 (the “Security Agreement”), from GMA in favor of the Trustee. See “SECURITY FOR THE CERTIFICATES” herein.

The City may obtain the release of unimproved land from the lien of the Security Agreement without the consent of the Owners by exercising its option to purchase such land subject to the requirements set forth in the Lease. See Appendix C “SUMMARIES OF THE PRINCIPAL DOCUMENTS – THE LEASE – Option to Purchase Unimproved Land” hereto.

Prepayment of the Certificates

The Certificates are subject to optional prepayment prior to maturity. The Certificates are subject to mandatory prepayment under certain circumstances described herein including the damage, destruction or condemnation of the Public Safety Building Project or upon an Event of Nonappropriation or an Event of Default. See “THE CERTIFICATES – Prepayment” herein.

The Lease

The Certificates evidence undivided ownership interests in the Base Rentals to be paid by the City under the Lease. The obligation of the City to make payments under the Lease is subject to annual appropriation by the City Council of the City. See Appendix C “SUMMARIES OF THE PRINCIPAL DOCUMENTS – THE LEASE” hereto.

Lease Term

The initial term of the Lease will commence on the day the Certificates are issued and will expire at midnight on September 30, 2025 (the “Initial Term”). The term of the Lease will automatically renew for additional and

consecutive one-year renewal terms beginning on the first day of each Fiscal Year and ending on the last day of each Fiscal Year except for the last renewal term which will end on January 1, 2055 (herein referred to individually as the “Renewal Term” and collectively as the “Renewal Terms”). The term of the Lease will expire or terminate upon the first to occur of any of the following events: (a) the expiration of the Initial Term or any Renewal Term during which there occurs an Event of Nonappropriation (which is not thereafter waived by the Trustee as herein provided); (b) an Event of Default and a termination of the term of the Lease by the Trustee as herein provided; or (c) discharge of the Indenture as therein provided. See “SECURITY FOR THE CERTIFICATES – Lease Term” and Appendix C “SUMMARIES OF THE PRINCIPAL DOCUMENTS – THE LEASE” hereto.

Limited Obligations

The obligation of the City to pay any Base Rentals and Additional Rentals (collectively, the “Rentals”) is subject to annual appropriation of funds by the City Council of the City, and the Rentals will be a current expense of the City payable solely from funds lawfully available for such use. The obligation of the City to pay Rentals is not a debt or general obligation of the City or a liability of or a lien or charge upon any funds or property of the City beyond any calendar year for which its City Council has appropriated moneys to pay Rentals. Neither the faith, credit nor taxing power of the City is or will be pledged to the payment of the Rentals. In addition, GMA is not liable for payment of Rentals under the Lease, and the Owners will have no right to look to GMA for payment of the Rentals or the Distributions. See “SECURITY FOR THE CERTIFICATES” and “CERTIFICATE OWNERS’ RISKS” herein.

Tax Exemption

In the opinion of Squire Patton Boggs (US) LLP, as Bond Counsel, under existing law, (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, the Interest Component (defined below) of the Base Rentals (defined below) on the Certificates is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, and (ii) the Interest Component of the Base Rentals on the Certificates is exempt from income taxation of the State of Georgia. The Interest Component of the Base Rentals on the Certificates may be subject to certain federal taxes imposed only on certain corporations.

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Certificates under federal or state law, or otherwise prevent Holders of the Certificates from realizing the full current benefits of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Certificates. Each Certificate purchaser should consult its own tax advisor.

Continuing Disclosure

The City has covenanted for the benefit of the owners of the Certificates in a Continuing Disclosure Undertaking to provide (a) certain financial information and operating data relating to the City (the “Operating and Financial Data”) annually to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System (“EMMA”) and (b) notices of the occurrence of certain events within 10 business days of their occurrence (the “Events Notices”) to EMMA. The City’s undertaking to provide Operating and Financial Data and Events Notices is described in the Continuing Disclosure Undertaking. For a form of the Continuing Disclosure Undertaking, see Appendix E “FORM OF CONTINUING DISCLOSURE UNDERTAKING” hereto. The covenants have been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12 (the “Rule”).

The City has entered into previous disclosure undertakings and during the past five years, there have been certain instances of noncompliance. Including that the City was 70 days late filing their 2020 audited statements and 88 days late in filing the 2020 combined public utility system operating data. The preceding description of instances of noncompliance by the City with certain continuing disclosure undertakings should not be construed as an acknowledgment that any such instances were material.

Certificate Owners' Risks

An investment in the Certificates involves the assumption of certain risks that primarily relate, directly or indirectly, to the likelihood that the City will continue to exercise its option to extend the term of the Lease for each Renewal Term and to appropriate funds to pay Rentals during each Renewal Term of the Lease and to the ability of the City to generate revenues sufficient to enable it to pay Rentals when due. See "CERTIFICATE OWNERS' RISKS" herein.

Trustee

The Bank of New York Mellon Trust Company, N.A. will act as Trustee. The principal corporate trust office of the Trustee in Jacksonville, Florida is 4655 Salisbury Road, Suite 300, Jacksonville, Florida 32256.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

This Official Statement and the Appendices hereto contain brief descriptions of, among other matters, GMA, the City, the Certificates and the security and sources of payment for the Certificates. Such descriptions and information do not purport to be comprehensive or definitive. The summaries of various constitutional provisions, statutes, the Indenture, the Lease, the Security Agreement and other documents are intended as summaries only and are qualified in their entirety by reference to such documents, and references herein to the Certificates are qualified in their entirety by reference to the form thereof included in the Indenture. Copies of the Indenture, the Lease, the Security Agreement and other documents and information are available, upon request and upon payment to the City of a charge for copying, mailing and handling, from the City Administrator, 314 NW Broad Street Fairburn, Georgia 30213, telephone (770) 964-2244. During the period of the offering of the Certificates copies of the documents are available, upon request and payment to the Underwriter of a charge for copying, mailing and handling from Stephens Inc., 3344 Peachtree Road, Suite 1650, Atlanta, GA 30326, telephone (404) 461-5155.

THE CERTIFICATES

General

The Certificates will be delivered in fully registered form in the denomination of \$5,000 or any integral multiple thereof. The Certificates will be executed and delivered in the aggregate principal amount specified on the inside cover page of this Official Statement and will be dated their date of issuance. Distributions representing the Interest Component will be payable on each Certificate Payment Date, commencing July 1, 2025. Distributions representing the Principal Component will be payable on January 1 in the years and amounts set forth on the inside cover page of this Official Statement. Distributions representing the Interest Component will be based upon the rates per annum (based upon a 360-day year comprised of twelve 30-day months) as set forth on the inside cover page of this Official Statement.

So long as DTC or its nominee is the registered owner of the Certificates, disbursements of payments of Distributions on the Certificates to DTC is the responsibility of the Trustee; disbursements of such payments to DTC Participants is the responsibility of DTC; and disbursements of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants as more fully described below.

Book-Entry System

DTC will act as securities depository for the Certificates. The Certificates will be issued as fully-registered securities in book-entry only form registered in the name of Cede & Co., DTC's partnership nominee. One fully-registered certificate will be issued for each maturity of the Certificates as set forth on the inside cover page of this Official Statement, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of Certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Certificates on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Certificates, except in the event that use of the book-entry system for the Certificates is discontinued.

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

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

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Certificates unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy and Security Position Report to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to

whose accounts the Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy). The Security Position Report includes each Participant's closing balance in any Bond along with their name, address, telephone number and proxy contact person.

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

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

GMA (with the concurrence of the City) may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered.

The information concerning DTC and DTC's book-entry system set forth above has been obtained from sources GMA and the City believe to be reliable, but neither GMA or the City makes any representation or warranty regarding the accuracy or completeness thereof.

SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE SOLE REGISTERED OWNER OF THE CERTIFICATES, GMA AND THE PAYING AGENT WILL TREAT CEDE & CO. AS THE ONLY OWNER OF THE CERTIFICATES FOR ALL PURPOSES UNDER THE INDENTURE, INCLUDING RECEIPT OF ALL DISTRIBUTIONS ON THE CERTIFICATES, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING GMA OR THE PAYING AGENT TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THE INDENTURE. NEITHER GMA, THE CITY, NOR THE PAYING AGENT SHALL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT WITH RESPECT TO ANY BENEFICIAL OWNERSHIP INTEREST IN ANY CERTIFICATES; (B) THE PAYMENT BY ANY PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE DISTRIBUTIONS ON THE CERTIFICATES; (C) THE DELIVERY OR TIMELINESS OF DELIVERY BY ANY PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO OWNERS OF THE CERTIFICATES INCLUDING, WITHOUT LIMITATION, ANY NOTICE OF REDEMPTION; OR (D) OTHER ACTION TAKEN BY DTC OR CEDE & CO., AS REGISTERED OWNER.

Prepayment

Optional Prepayment. The Certificates maturing on and after January 1, 2036 are subject to prepayment prior to their respective stated payment dates in whole or in part at any time on or after January 1, 2035 at a prepayment price equal to the principal amount to be prepaid, plus accrued interest to the prepayment date.

Mandatory Sinking Fund Prepayment. The Certificates maturing on January 1, 2050 are subject to mandatory sinking fund prepayment on January 1, 2046 and on each January 1 thereafter at a prepayment price equal to the principal amount to be prepaid, plus accrued interest to the prepayment date, in the following principal amounts and on the dates set forth below (the January 1, 2050 amount to be paid rather than prepaid):

<u>Year</u>	<u>Amount</u>
2046	\$ 945,000
2047	980,000
2048	1,020,000
2049	1,060,000
2050*	1,105,000

*Final maturity

The Certificates maturing on January 1, 2055 are subject to mandatory sinking fund prepayment on January 1, 2051 and on each January 1 thereafter at a prepayment price equal to the principal amount to be prepaid, plus accrued interest to the prepayment date, in the following principal amounts and on the dates set forth below (the January 1, 2055 amount to be paid rather than prepaid):

<u>Year</u>	<u>Amount</u>
2051	\$1,150,000
2052	1,195,000
2053	1,240,000
2054	1,290,000
2055*	1,345,000

*Final maturity

At its option, to be exercised on or before the 45th day next preceding any mandatory sinking fund prepayment date, the City may (a) deliver to the Trustee for cancellation Certificates of the appropriate maturity in any aggregate principal amount desired or (b) receive a credit in respect of its sinking fund redemption obligation for any Certificates of the appropriate maturity which prior to said date have been redeemed (other than through the operation of this Section) and cancelled by the Trustee and not theretofore applied as a credit against any prior mandatory sinking fund redemption obligation. Each Certificate so delivered or previously redeemed shall be credited by the Trustee at 100% of the principal amount thereof on the obligation of the City on such mandatory sinking fund prepayment date and any excess shall be credited on future mandatory prepayment obligations in such order as may be specified by the City, and the principal amount of such Certificates to be redeemed by operation of the mandatory sinking fund prepayment shall be accordingly reduced.

Mandatory Prepayment in the Event of Damage, Destruction, Condemnation. The Certificates are subject to mandatory prepayment prior to their respective stated payment dates in whole or in part from time to time, on such date as the Trustee shall determine as hereinafter provided, by payment of the principal amount to be prepaid, plus accrued interest to the prepayment date, if (a) (i) the Public Safety Building Project shall be destroyed, in whole or in part, or damaged by fire or other casualty or event; or (ii) title to, or the temporary or permanent use of, the Public Safety Building Project or any portion thereof or the estate of the City, GMA, or the Trustee in the Public Safety Building Project or any portion thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority; or (iii) a material defect in construction of the Public Safety Building Project shall become apparent; or (iv) title to or the use of all or any portion of the Public Safety Building Project shall be lost by reason of a defect in title, (b) the Net Proceeds received as a consequence of such event shall be insufficient to pay in full the cost of rebuilding or repairing the Public Safety Building Project and (c) the City elects to apply such Net Proceeds to the prepayment of the then outstanding Certificates in accordance with the Lease. If called for prepayment pursuant to this provision, the Certificates shall be subject to prepayment on the next date for which timely notice of prepayment may be given by the Trustee. See Appendix C “SUMMARIES OF THE PRINCIPAL DOCUMENTS – THE LEASE – Damage, Destruction and Condemnation” hereto for a description of the options of the City with respect to the application of such Net Proceeds.

Mandatory Prepayment After an Event of Nonappropriation or an Event of Default. The Certificates are subject to prepayment prior to their respective stated payment dates in whole or in part from time to time, on any date as the Trustee shall determine as hereinafter provided, by payment of the principal amount to be prepaid, plus accrued interest to the prepayment date, from the Net Proceeds of a sale or reletting of the Public Safety Building Project or any portion thereof and from moneys on deposit in the Acquisition Fund upon the occurrence of any Event of Nonappropriation or an Event of Default. Upon the occurrence of an Event of Nonappropriation or such an Event of Default, the Trustee shall commence proceedings to relet or sell the Public Safety Building Project or any portion

thereof as provided in the Lease and described herein. If called for prepayment pursuant to this provision, the Certificates shall be subject to prepayment on the next date for which timely notice of prepayment may be given by the Trustee.

Partial Prepayment of Certificates. If less than all the Certificates of a particular maturity are being prepaid, the actual certificates to be prepaid shall be selected (a) in accordance with the rules of DTC while the Certificates are held in book-entry form and (b) by lot by the Trustee if the Certificates are no longer held in book-entry form.

Notice of Prepayment. Notice of the call for any prepayment identifying the Certificates to be prepaid and specifying the terms of such prepayment will be given by the Trustee at least thirty (30) days and not more than sixty (60) days prior to the date fixed for prepayment (a) in accordance with the rules of DTC while the Certificates are held in book-entry form and (b) by first-class mail to the registered owner of each Certificate to be prepaid at the address shown on the Register if the Certificates are no longer held in book-entry form. If notice is sent as provided in this Section, neither failure of any Owner of a Certificate to receive such notice nor any defect therein, will affect the validity of the proceedings to redeem any Certificate as to which notice was sent. Any notice sent as provided in this Section shall be conclusively presumed to have been duly given, whether or not the registered owner receives the notice.

If at the time of mailing of notice of prepayment there shall not have been deposited with the Trustee moneys sufficient to prepay all the Certificates called for prepayment, which moneys are or will be available for prepayment of Certificates, such notice shall state that it is conditional upon the deposit of the prepayment moneys with the Trustee not later than the opening of business on the prepayment date, and such notice shall be of no effect unless such moneys are so deposited.

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ESTIMATED SOURCES AND USES OF FUNDS

Set forth below are the estimated sources and uses of Certificate proceeds.

Sources:

Certificate Proceeds:

Par Amount of Certificates	\$23,045,000.00
Plus: Net Original Issue Premium	<u>1,083,301.10</u>
Total	<u>\$24,128,301.10</u>

Uses:

Public Safety Building Project	\$23,500,000.00
Costs of Issuance ⁽¹⁾	<u>628,301.10</u>
Total	<u>\$24,128,301.10</u>

⁽¹⁾ Includes underwriter's discount, legal fees, expenses, printing fees and other miscellaneous transaction costs.

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DEBT SERVICE SCHEDULE

Set forth below is the debt service schedule for the Certificates in each calendar year.

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$315,000	\$1,082,239.58	\$1,397,239.58
2027	375,000	1,023,200.00	1,398,200.00
2028	390,000	1,004,450.00	1,394,450.00
2029	410,000	984,950.00	1,394,950.00
2030	430,000	964,450.00	1,394,450.00
2031	455,000	942,950.00	1,397,950.00
2032	475,000	920,200.00	1,395,200.00
2033	500,000	896,450.00	1,396,450.00
2034	525,000	871,450.00	1,396,450.00
2035	550,000	845,200.00	1,395,200.00
2036	580,000	817,700.00	1,397,700.00
2037	610,000	788,700.00	1,398,700.00
2038	640,000	758,200.00	1,398,200.00
2039	670,000	726,200.00	1,396,200.00
2040	705,000	692,700.00	1,397,700.00
2041	740,000	657,450.00	1,397,450.00
2042	775,000	620,450.00	1,395,450.00
2043	815,000	581,700.00	1,396,700.00
2044	855,000	540,950.00	1,395,950.00
2045	900,000	498,200.00	1,398,200.00
2046	945,000	453,200.00	1,398,200.00
2047	980,000	415,400.00	1,395,400.00
2048	1,020,000	376,200.00	1,396,200.00
2049	1,060,000	335,400.00	1,395,400.00
2050	1,105,000	293,000.00	1,398,000.00
2051	1,150,000	248,800.00	1,398,800.00
2052	1,195,000	202,800.00	1,397,800.00
2053	1,240,000	155,000.00	1,395,000.00
2054	1,290,000	105,400.00	1,395,400.00
2055	1,345,000	53,800.00	1,398,800.00
	<u>\$23,045,000</u>	<u>\$18,856,789.58</u>	<u>\$41,901,789.58</u>

See Appendix A “GENERAL INFORMATION REGARDING THE CITY – CITY DEBT STRUCTURE – Summary of City Direct and Overlapping Debt by Category” hereto for a discussion of other long-term debt of the City that is paid from its General Fund.

PLAN OF FINANCE

General

The Certificates are being issued for the purpose of (a) financing the Public Safety Building Project and (b) paying the costs of issuing the Certificates.

Public Safety Building Project

Generally. The Public Safety Building Project consists of the construction of a public safety complex. The Public Safety Building Project site is approximately 7.58+/- acres on Georgia State Highway 29. The Public Safety Building Project is a two-story building estimated to be 38,500 square feet and will be developed and designed to incorporate a state-of-the-art Police Department headquarters, new Fire Department headquarters, construction of a

new Fire Station. The Public Safety Building Project is estimated to cost \$23,500,000. The property is located at the corner of West Broad Street and Virlyn B. Smith Road within the City limits. The City has owned the property site for a significant period of time.

Construction Manager. The Public Safety Building Project construction manager is Reeves Young, LLC, headquartered in Sugar Hill, Georgia. Reeves Young has been serving clients throughout the Southeast for over 72 years. Reeves Young has effectively delivered over 120 publicly funded projects for government clients, including over 30 public safety and fire station projects.

Architect. The Public Safety Building Project architect is Goodwyn Mills Cawood, LLC, headquartered in Atlanta, Georgia. Goodwyn Mills Cawood is one of the largest architecture and engineering firms in the Southeast. Notable projects include Huntsville City Hall, Auburn University Woltosz Football performance Center, and Columbia County Emergency Vehicle Operations Center.

Completion. The timely completion of the construction of the facilities is dependent upon, among other factors, the absence of delays due to strikes, shortages of materials, and adverse weather conditions. Despite the fact that the City will enter into a guaranteed maximum price contract, there can be no assurance that there will be sufficient funds to complete the facilities.

Public Safety Building Project Site. A Phase I environmental report for the Public Safety Building Project, dated October 29, 2024, report revealed that the project site had predominantly been used as agricultural land from 1938 through 1993 and from 1999 to present, commercial and industrial development is evident on the south and southeast portion of the property. The Phase I environmental report revealed no evidence of Recognized Environmental Conditions, and no further investigation was recommended. See “CERTIFICATE OWNERS’ RISKS – Limited Value of Public Safety Building Project Upon Reletting or Sale” hereto.

Investment of Funds / Disbursement. Pending the disbursement of funds to pay the costs of the Public Safety Building Project, the moneys will be held by the Trustee and invested in Permitted Investments. As funds are needed to pay the cost of the Public Safety Building Project, the City will submit a requisition to the Trustee. See Appendix C “SUMMARIES OF THE PRINCIPAL DOCUMENTS – THE LEASE – Acquisition and Construction Contract of the Public Safety Building Project” hereto.

SECURITY FOR THE CERTIFICATES

General

The Certificates evidence undivided ownership interests in the Base Rentals to be paid under the Lease. The Base Rentals are comprised of an Interest Component and Principal Component. The Certificates will be delivered in fully registered form in authorized denominations of \$5,000 and any integral multiple thereof. Distributions representing the Interest Component will be payable on each Certificate Payment Date. Distributions representing the Principal Component will be payable on January 1 in the years and amounts set forth on the inside cover page of this Official Statement.

As additional security for the Certificates, GMA has granted a lien on and security interest in the Public Safety Building Project to the Trustee pursuant to the Security Agreement. The City may obtain a release of unimproved land from the lien of the Security Agreement without the consent of the Owners of the Certificates by exercising its option to purchase such land subject to the requirements set forth in the Lease, as described herein in Appendix C “SUMMARIES OF THE PRINCIPAL DOCUMENTS – THE LEASE – Option to Purchase Unimproved Land” hereto.

Lease Term

The Initial Term will commence on the date that the Certificates are issued and will expire at midnight on September 30, 2025. The term of the Lease will automatically renew for additional and consecutive one-year Renewal Terms. The term of the Lease will expire or terminate upon the first to occur of any of the following events: (a) the

expiration of the Initial Term or any Renewal Term during which there occurs an Event of Nonappropriation (which is not thereafter waived by the Trustee as herein provided); (b) an Event of Default and a termination of the term of the Lease by the Trustee as herein provided; or (c) discharge of the Indenture as therein provided. See Appendix C “SUMMARIES OF THE PRINCIPAL DOCUMENTS – THE LEASE” hereto. For circumstances under which the Lease will be terminated, see Appendix C “SUMMARIES OF THE PRINCIPAL DOCUMENTS – THE LEASE – Termination of the Lease” hereto.

Base Rentals

The City has agreed, subject to the availability of appropriations of funds by it, to pay to the Trustee, for the account of GMA, Base Rentals in the respective semiannual installments and on the Base Rental Payment Dates of each year as indicated in the Schedule of Base Rental Payments attached to the Lease, commencing on the Base Rental Payment Commencement Date. Each Base Rental payment made on December 15 will comprise both a Principal Component and an Interest Component, and each Base Rental payment made on June 15 will comprise only an Interest Component. The City has covenanted to cause its budget officer to include in the budget for adoption by the City Council a request or requests for the amount necessary to pay the Base Rentals and the reasonably estimated Additional Rentals for the Public Safety Building Project during the next Fiscal Year. See Appendix C “SUMMARIES OF THE PRINCIPAL DOCUMENTS – THE LEASE – Rentals – Covenant to Request Appropriations” hereto.

Limitations on Liability

Nothing in the Lease may be construed to require the City Council to appropriate any money to pay any Rentals. The Rentals constitute current expenses of the City, and the City’s obligations under the Lease are from year to year only and do not constitute a mandatory payment obligation of the City in any ensuing Fiscal Year beyond the current Fiscal Year. No provision of the Lease may be construed or interpreted as creating a general obligation or other indebtedness of the City, within the meaning of any constitutional or statutory debt limitation. Neither the execution, delivery, and performance of the Lease nor the issuance of the Certificates directly or indirectly obligates the City to make any payments hereunder beyond those appropriated for the City’s then current Fiscal Year.

Nonappropriation

In the event that (a) sufficient funds are not appropriated by the City Council prior to the beginning of any Fiscal Year (or a notice to that effect has been given to the Trustee pursuant to the Lease) for the payment of the Base Rentals and reasonably estimated Additional Rentals payable during such Fiscal Year, or are otherwise not available for such purpose or (b) prior to the end of any Fiscal Year, the City notifies GMA and the Trustee that the City is terminating the Lease at the end of such Fiscal Year, then an Event of Nonappropriation shall be deemed to have occurred. The Trustee is required to waive any Event of Nonappropriation which is cured by the City within 30 days after the beginning of the Fiscal Year. If an Event of Nonappropriation shall occur, the City will not be obligated to make payment of the Base Rentals or Additional Rentals beyond the last day of the Renewal Term during which such Event of Nonappropriation occurs. The Trustee will, upon the occurrence of an Event of Nonappropriation, be entitled to take possession of the Public Safety Building Project as trustee for the benefit of the holders of the Certificates and to sell or relet all or any portion of the Public Safety Building Project and will be further entitled to all moneys then on hand in all funds and accounts created under the Indenture less any moneys then due and owing to the Trustee for services performed as trustee. All property, funds and rights acquired by the Trustee upon the termination of the Lease by reason of an Event of Nonappropriation will be held by the Trustee under the Indenture for the benefit of the holders of the Certificates as set forth in the Indenture until the Distributions on the Certificates are paid in full and, after payment of all amounts due the Trustee, any excess will thereafter be paid to the City. See “THE CERTIFICATES – Prepayment – *Mandatory Prepayment After an Event of Nonappropriation or an Event of Default*” herein. See also the caption “CERTIFICATE OWNERS’ RISKS” herein.

No Reserve Fund

The Indenture will not provide for a reserve fund for the payment of the Certificates.

Insurance on the Public Safety Building Project

The City has agreed in the Lease to keep the Public Safety Building Project insured against theft, fire, damage and such other risks as may be customary for the Public Safety Building Project. See Appendix C “SUMMARIES OF THE PRINCIPAL DOCUMENTS – THE LEASE – Insurance” hereto.

CERTIFICATE OWNERS’ RISKS

General

The purchase of the Certificates involves certain investment risks which are discussed throughout this Official Statement. Certain of these risks are described below. The risk factors set forth below and discussed throughout this Official Statement affect each purchaser’s investment decision. Accordingly, each prospective Certificate purchaser should make an independent evaluation of all of the information presented in this Official Statement, including the risk factors described below, in order to make an informed investment decision.

Limited Obligations

The Certificates represent proportionate and undivided ownership interests in GMA’s right to receive the Base Rentals paid by the City under the Lease (which right is assigned to the Trustee pursuant to the Indenture). Neither the Certificates nor the City’s obligation under the Lease constitute either (i) a general obligation or other indebtedness of GMA or (ii) a general obligation or other indebtedness of the City or the State or any political subdivision thereof within the meaning of any constitutional or statutory debt limitation.

Factors Affecting Appropriations

The obligation of the City to pay the Rentals will be satisfied solely from the funds of the City which are appropriated annually from its operating budget for such use or other funds which are legally available for such use. Neither the Lease nor the Indenture restricts or limits the ability of the City to incur additional charges against its revenues. To the extent additional obligations are incurred by the City, the funds available to pay the Rentals will be decreased. There is no assurance that the City will, in its sole discretion, exercise its option to extend the term of the Lease for each of the Renewal Terms of the Lease. Accordingly, the likelihood that the City will continue to appropriate funds to pay the Rentals during each Renewal Term of the Lease and that sufficient funds will be available to pay the Base Rentals under the Lease (representing the Distributions with respect to the Certificates) depends upon a number of factors which are beyond the control of the Owners of the Certificates, including, but not limited to, (a) the City’s continuing need for the Public Safety Building Project and the financial results of the Public Safety Building Project, (b) economic and demographic conditions in the City and the ability of the City to generate sufficient funds from property taxes and other sources to pay the Rentals coming due under the Lease and other obligations of the City, (c) the incurrence by the City of other obligations payable from its operating budget which, together with the amounts necessary to pay the Base Rentals under the Lease, would exceed the amount available from authorized tax levies for such purposes and thereby require the City to choose which of its obligations to pay within the authorized tax levies for its operating budget and (d) the value of the Public Safety Building Project.

Risks Relating to No Title Insurance

No mortgagee title insurance will be obtained in connection with the Public Safety Building Project. Accordingly, there is no direct source of payment to cover defects in title or intervening liens, including any mechanics liens that may arise during construction, nor is there any third party obligated to defend the respective liens, if any. In addition, if recording of the Security Agreement is delayed, there is no protection against liens, judgments or other encumbrances that might arise prior to the recording.

Taxpayer Concentration Risk

As of September 30, 2024, the largest taxpayer accounted for 51.15% of the assessed taxable value and the top 5 taxpayers accounted for 61.64%. No assurances can be given with regard to these taxpayers’ future business

plans or commitment to stay in the City. If, for whatever reason, a large taxpayer relocates or downsizes, they may not be replaced by others, which could result in decreased tax revenues for the City.

Construction Risks

Construction of the Public Safety Building Project is subject to the usual risks associated with construction projects including, but not limited to, delays in issuance of required building permits or other necessary approvals or permits, strikes, labor disputes, shortages of materials and/or labor, transportation delays, restrictions related to endangered species, adverse weather conditions, fire, casualties, acts of God, war, acts of public enemies, terrorism, orders of any kind of federal, state, county, city or local government, insurrections, riots, adverse conditions not reasonably anticipated or other causes beyond the control of the City or its contractors. Such events could result in delayed marketing, substantial completion, and/or occupancy of the Public Safety Building Project and thus the revenue flow therefrom.

Limited Value of Public Safety Building Project Upon Reletting or Sale

Upon the termination of the Lease as a result of an Event of Nonappropriation or an Event of Default by the City, the Trustee's sole remedy will be to repossess the Public Safety Building Project as provided in the Lease and the Security Agreement. In the event that the Trustee is entitled to repossess the Public Safety Building Project for the reasons described in the preceding sentence, the obligation of the City to pay the Rentals under the Lease and its right to use and operate the Public Safety Building Project will continue through the Renewal Term then in effect, but not thereafter. In the event that the term of the Lease is terminated as described above, the Trustee will be entitled to repossess the Public Safety Public Safety Building Project and relet or sell the Public Safety Building Project as provided in the Lease and the Indenture. However, the Public Safety Building Project constitutes a special purpose facility to be used in connection with the provision of essential City services, and the facilities included in the Public Safety Building Project may depreciate rapidly during normal use and may not be suitable for any other purpose. Additionally, if the site is listed as a hazardous site by Georgia EPD, the resale value of the land may be negatively affected. See Appendix A "GENERAL INFORMATION REGARDING THE CITY" hereto. No assurance can be given that the Trustee could relet or sell the Public Safety Building Project for the amount necessary to pay the Distributions due with respect to the Certificates. Furthermore, no assurance can be given that any amount realized upon any liquidation of the Public Safety Building Project will be available to provide for the payment of the Certificates on a timely basis.

Limitation on Remedies

A termination of the City's right of possession of the Public Safety Building Project under the Lease as a result of an Event of Default under the Lease or expiration of the term of the Lease at the end of any Renewal Term will give the Trustee the right to repossess, and the right to relet or foreclose upon and sell, the Public Safety Building Project in accordance with the provisions of the Lease and the Indenture. However, the enforceability of the Lease, the Indenture and the Security Agreement is subject to applicable bankruptcy laws, equitable principles affecting the enforcement of creditor's rights generally and liens securing such rights, the police powers of the State, the exercise of judicial authority by state or federal courts and the exercise by the United States of America of the powers delegated to it by the federal Constitution. See "ENFORCEABILITY OF REMEDIES" herein. Because of the essential governmental use of the Public Safety Building Project and the delays inherent in obtaining foreclosure upon real property and other judicial remedies, no assurance can be given that any moneys realized by the Trustee upon an exercise of any remedies would be sufficient to pay the principal and interest due with respect to the Certificates. Any delays in the ability of the Trustee to obtain possession of the Public Safety Building Project, of necessity, will result in delays in any payment of principal or interest with respect to the Certificates.

Depreciation and Lack of Residual Value

Certain items of the Public Safety Building Project which have relatively short useful lives may depreciate in value during the time that the Certificates are Outstanding. In addition, various components of the Public Safety Building Project may be difficult to remove from their points of service or use. Consequently, following an Event of Default under the Lease or Indenture or termination of the Lease for any reason, it is possible that (a) there would not be sufficient revenues from any sale of the Public Safety Building Project to pay in full the Distributions payable with

respect to all Outstanding Certificates and (b) if the Trustee were to lease the Public Safety Building Project, the rentals available from such leasing may not be sufficient to pay in full the Distributions payable with respect to all Outstanding Certificates.

Destruction of Public Safety Building Project

The Lease requires the components of the Public Safety Building Project to be insured by policies of insurance (including casualty and property damage insurance). See “SECURITY FOR THE CERTIFICATES – Insurance on the Public Safety Building Project” herein and Appendix C “SUMMARIES OF THE PRINCIPAL DOCUMENTS – THE LEASE – Insurance” hereto. In the event of damage to or destruction of any of the components of the Public Safety Building Project, the City is nevertheless required to continue to pay Rentals under the Lease during the Renewal Term for which the City had appropriated moneys. In such event, the City will determine whether the proceeds from available insurance (and any other legally available source) are sufficient to repair or replace such portion of the Public Safety Building Project or whether to apply the available proceeds to prepayment of the Certificates. If the Net Proceeds from insurance or certain other sources are insufficient to repair or replace such portions of the Public Safety Building Project, the City may cause such proceeds to be deposited into the Certificate Fund and applied to the mandatory prepayment of the Certificates. If such Net Proceeds are sufficient to prepay all Outstanding Certificates, the Lease will terminate. See “THE CERTIFICATES – Prepayment – *Mandatory Prepayment in the Event of Damage, Destruction or Condemnation*” herein. There can be no assurance either as to the adequacy of or timely payment under property damage insurance if effected at that time.

Release of Unimproved Land

Under the Lease, the City may obtain the release from the lien of the Security Agreement, without the consent of the Owners of the Certificates, of unimproved land subject to requirements set forth in the Lease, as described in Appendix C “SUMMARIES OF THE PRINCIPAL DOCUMENTS – THE LEASE – Option to Purchase Unimproved Land” hereto. Although the City is required, as a condition precedent to such release, to furnish GMA with an appraisal stating that the value of the remaining Public Safety Building Project is at least equal to the amount of Outstanding Certificates, there is no assurance that the remaining Public Safety Building Project subject to the lien of the Security Agreement after such a release will have a value equal to the principal amount of the Certificates Outstanding. Furthermore, the release of a portion of the unimproved land from the lien of the Security Agreement may have an adverse effect on the willingness of the City to appropriate funds to pay Rentals due under the Lease and may have an adverse effect on the ability of the Trustee to realize sufficient proceeds from the sale or reletting of the remaining Public Safety Building Project to pay the principal and interest distributable with respect to the Certificates.

Collateral Consequences of Termination of Lease; Continuing Compliance with Certain Covenants

Bond Counsel is not rendering an opinion with respect to the tax-exempt status of the Interest Component of the Base Rentals subsequent to the termination of the Lease for any reason (including an Event of Default or an Event of Nonappropriation under the Lease). No assurance can be given that, after termination of the Lease, the Interest Component will be excludable from gross income for federal income tax purposes.

Failure by the City to comply with certain covenants in the Lease on a continuous basis, so long as any of the Certificates are Outstanding under the Indenture and thereafter as required by such document provisions and applicable law, could result in the Interest Component becoming includable in gross income for federal income tax purposes, retroactive to the date of the original execution and delivery of the Certificates. See “TAX EXEMPTION” herein.

Cybersecurity

Despite the implementation of network security measures by the City, its information technology systems may be vulnerable to breaches, hacker and ransomware attacks, computer viruses, physical or electronic break-ins and other similar events or issues. State and local governments have recently been subject to such attacks.

The foregoing events or issues could lead to the inadvertent disclosure of confidential information, ransomware attacks holding critical information and operations hostage or could have an adverse effect on the City's ability to provide services and collect revenues. Any breach or cyberattack that compromises data could result in negative press. Despite efforts of the City, no assurances can be given that the City's measures will prevent cybersecurity attacks, and no assurances can be given that any cybersecurity attacks, if successful, will not have a material adverse effect on the operations or financial condition of the City.

GEORGIA MUNICIPAL ASSOCIATION, INC.

GMA is a non-profit corporation, organized and existing under the laws of the State, particularly the Georgia Nonprofit Corporation Code, O.C.G.A. § 14-3-101, et seq. GMA was organized for the purpose of promoting and assisting municipalities in the State. GMA may exercise all power not prohibited to non-profit corporations by the laws of the State and may engage in any activity related to or necessary and convenient to the carrying out of its purposes, including the acquisition and construction of buildings, facilities and equipment for use by municipalities in the State. GMA is governed by a Board of Directors of variable size. The actual number of directors fluctuates each year depending on how many former GMA Presidents hold municipal elected office and how many members hold overlapping offices within GMA. Typically, the Board of Directors is comprised of 62-65 directors in any given year.

GMA will enter into the Lease, the Security Agreement and the Indenture solely for the purpose of facilitating the financing of the Public Safety Building Project. GMA will not be liable for payment of the Rentals under the Lease, and the Certificate Owners will have no right to look to GMA for payment of the Rentals or the Distributions. The obligations of GMA with respect to the Certificates and the Public Safety Building Project will be limited to those specifically provided for in the Lease, the Indenture and the Security Agreement, as described herein. See Appendix C "SUMMARY OF THE PRINCIPAL DOCUMENTS – THE INDENTURE – Limited Obligations" hereto. GMA will have no responsibility as to the use of the proceeds from the sale of the Certificates or the sufficiency of funds for repayment of the Certificates.

THE TRUSTEE

The Bank of New York Mellon Trust Company, N.A. (the "Trustee"), with a corporate trust office located in Jacksonville, Florida, will serve as Trustee under the Indenture. The Trustee may consult with counsel, and the advice or opinion of such counsel will be full and complete authorization and protection with respect to any action taken or suffered by the Trustee in good faith in accordance with such advice or opinion.

ENFORCEABILITY OF REMEDIES

The remedies available to the Trustee, GMA or the Owners of the Certificates upon an Event of Default under the Indenture or the Lease are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code (the federal bankruptcy code), the remedies provided in the Indenture and the Lease may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Certificates, the Indenture and the Lease will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

RATING

S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("S&P") has assigned a rating of "AA-." The rating reflects only the views of the rating agency, and an explanation of the significance of such rating may be obtained from the rating agency furnishing such rating. A rating is not a recommendation to buy, sell or hold securities, and may be subject to revision or withdrawal at any time. There is no assurance that such rating will remain unchanged for any given period of time or that it will not be revised downward or withdrawn entirely by the rating agency furnishing the same, if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the liquidity and market price of the Certificates. Neither the Underwriter, GMA, nor the City has undertaken any responsibility to oppose any such revision, suspension or withdrawal.

TAX EXEMPTION

In the opinion of Squire Patton Boggs (US) LLP, as Bond Counsel, under existing law: (i) the Interest Component of the Base Rentals on the Certificates is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; and (ii) the Interest Component of the Base Rentals on the Certificates is exempt from income taxation of the State of Georgia. Bond Counsel expresses no opinion as to any other tax consequences regarding the Certificates.

The opinion on federal tax matters will be based on and will assume the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of GMA and the City contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Certificates are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of GMA’s or the City’s representations and certifications or the continuing compliance with GMA’s or the City’s covenants.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel’s legal judgment as to exclusion of interest on the Certificates from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service (the “IRS”) or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations. Noncompliance with these requirements by GMA or the City may cause loss of such status and result in the interest on the Certificates being included in gross income for federal income tax purposes retroactively to the date of issuance of the Certificates. The City and, subject to certain limitations, GMA have each covenanted to take the actions required of it for the interest on the Certificates to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the Certificates, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel’s attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Certificates or the market value of the Certificates.

Interest on the Certificates may be subject: (1) to a federal branch profits tax imposed on certain foreign corporations doing business in the United States; (2) to a federal tax imposed on excess net passive income of certain S corporations; and (3) to the alternative minimum tax imposed under Section 55(b) of the Code on “applicable corporations” (within the meaning of Section 59(k) of the Code). Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Certificates. Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the Certificates, are generally subject to IRS Form 1099-INT information reporting requirements. If a Certificate owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Bond Counsel’s engagement with respect to the Certificates ends with the issuance of the Certificates, and, unless separately engaged, Bond Counsel is not obligated to defend GMA, the City or the owners of the Certificates regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Certificates, under current IRS procedures, the IRS will treat GMA or the City

as the taxpayer and the beneficial owners of the Certificates will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Certificates for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Certificates.

Prospective purchasers of the Certificates upon their original issuance at prices other than the respective prices indicated on the inside cover of this Offering Memorandum, and prospective purchasers of the Certificates at other than their original issuance, should consult their own tax advisors regarding other tax considerations such as the consequences of market discount, as to all of which Bond Counsel expresses no opinion.

Risk of Future Legislative Changes and/or Court Decisions

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Certificates. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Certificates will not have an adverse effect on the tax status of interest on the Certificates or the market value or marketability of the Certificates. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Certificates from gross income for federal or state income tax purposes for all or certain taxpayers.

For example, federal tax legislation that was enacted on December 22, 2017 reduced corporate tax rates, modified individual tax rates, eliminated many deductions, repealed the corporate alternative minimum tax that was in effect at that time, and eliminated the tax-exempt advance refunding of tax-exempt bonds and tax-advantaged bonds, among other things. Additionally, investors in the Certificates should be aware that future legislative actions might increase, reduce or otherwise change (including retroactively) the financial benefits and the treatment of all or a portion of the interest on the Certificates for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Certificates may be affected and the ability of holders to sell their Certificates in the secondary market may be reduced.

Investors should consult their own financial and tax advisors to analyze the importance of these risks.

Original Issue Discount and Original Issue Premium

Certain of the Certificates (“Discount Certificates”) may be offered and sold to the public at an original issue discount (“OID”). OID is the excess of the stated redemption price at maturity (the principal amount) over the “issue price” of a Discount Certificate. The issue price of a Discount Certificate is the initial offering price to the public (other than to Certificate houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Discount Certificates of the same maturity is sold pursuant to that offering. For federal income tax purposes, OID accrues to the owner of a Discount Certificate over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Certificate (i) is interest excluded from the owner’s gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Certificates, and (ii) is added to the owner’s tax basis for purposes of determining gain or loss on the maturity, redemption, sale or other disposition of that Discount Certificate. A purchaser of a Discount Certificate in the initial public offering at the issue price (described above) for that Discount Certificate who holds that Discount Certificate to maturity will realize no gain or loss upon the retirement of that Discount Certificate.

Certain of the Certificates (“Premium Certificates”) may be offered and sold to the public at a price in excess of their stated redemption price at maturity (the principal amount). That excess constitutes Certificate premium. For federal income tax purposes, Certificate premium is amortized over the period to maturity of a Premium Certificate, based on the yield to maturity of that Premium Certificate (or, in the case of a Premium Certificate callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Certificate), compounded semiannually. No portion of that Certificate premium is deductible by the owner of a Premium Certificate. For purposes of determining the owner’s gain or loss

on the sale, redemption (including redemption at maturity) or other disposition of a Premium Certificate, the owner's tax basis in the Premium Certificate is reduced by the amount of Certificate premium that is amortized during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Certificate for an amount equal to or less than the amount paid by the owner for that Premium Certificate. A purchaser of a Premium Certificate in the initial public offering who holds that Premium Certificate to maturity (or, in the case of a callable Premium Certificate, to its earlier call date that results in the lowest yield on that Premium Certificate) will realize no gain or loss upon the retirement of that Premium Certificate.

Owners of Discount and Premium Certificates should consult their own tax advisors as to the determination for federal income tax purposes of the existence of OID or Certificate premium, the determination for federal income tax purposes of the amount of OID or Certificate premium properly accruable or amortizable in any period with respect to the Discount or Premium Certificates, other federal tax consequences in respect of OID and Certificate premium, and the treatment of OID and Certificate premium for purposes of state and local taxes on, or based on, income.

APPROVAL OF LEGAL PROCEEDINGS

Legal matters incident to the authorization, validity and enforceability of the Certificates are subject to the unqualified approving opinion of Squire Patton Boggs (US) LLP, as the City's Bond and Disclosure Counsel. The form of opinion of Bond Counsel to the City is attached to this Official Statement as Appendix D. Copies of such opinion will be available at the time of the initial delivery of the Certificates. Certain legal matters will be passed upon for GMA by its in-house counsel, Gray Pannell & Woodward LLP, for the City by its counsel, The Starkey Law Group and for the Underwriter by its counsel, Murray Barnes Finister LLP.

LITIGATION

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

There is no litigation now pending or, to the knowledge of the City, threatened against which restrains or enjoins the issuance or delivery of the Certificates, the levy of an ad valorem tax for the payment of the Certificates, or the use of the proceeds of the Certificates or which questions or contests the validity of the Certificates or the proceedings and authority under which they are to be issued and an ad valorem tax is to be levied to pay the Certificates. Neither the creation, organization, or existence of the City, nor the title of the present City Council or other officials of the City to their respective offices, is being contested or questioned.

FINANCIAL STATEMENTS

The financial statements of the City included in Appendix B to this Official Statement have been audited by Mauldin & Jenkins, Atlanta, Georgia, independent certified public accountants, for the periods indicated. The City has not asked the auditors to consent to the inclusion of their report in this Official Statement. Therefore, the auditor will not perform any subsequent procedures relating to the audit.

UNDERWRITING

Stephens Inc. (the "Underwriter") has agreed to purchase the Certificates at a purchase price of \$23,920,896.10 (par, plus net original issue premium of \$1,083,301.10, less Underwriter's discount of \$207,405.00). The Underwriter is committed to purchase all of the Certificates, if any Certificates are purchased. The obligation of the Underwriter to purchase the Certificates is subject to a number of terms and conditions set forth in a Certificate Purchase Agreement among the City, GMA and the Underwriter. The Underwriter has advised the City that it intends to make a public offering of the Certificates at the prices set forth on the inside cover page hereof. Such prices may

be changed from time to time by the Underwriter. The Underwriter may offer and sell the Certificates to certain dealers (including dealers depositing the Certificates into investment trusts) and others at prices lower than the offering prices stated on the inside cover page hereof. Although the Underwriter expects to maintain a secondary market in the Certificates after the initial offering, no guarantee or assurance can be made that such a market will develop or be maintained by the Underwriter or others.

MISCELLANEOUS

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Underwriter and the purchasers or Owners of any of the Certificates.

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APPROVAL OF OFFICIAL STATEMENT

The execution and delivery of this Official Statement have been duly authorized by the City and GMA.

GEORGIA MUNICIPAL ASSOCIATION, INC.

By: /s/ Larry Hanson
Chief Executive Officer and Executive Director

Approved:

CITY OF FAIRBURN, GEORGIA

By: /s/ Mario B. Avery
Mayor

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APPENDIX A
GENERAL INFORMATION REGARDING THE CITY

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APPENDIX A

CERTAIN INFORMATION CONCERNING THE CITY OF FAIRBURN, GEORGIA

THE CITY

Introduction

Fairburn, Georgia (the “City”) is a municipal corporation created and existing under the laws of the State of Georgia. The City was incorporated in 1854 and adopted its charter on August 3, 1925 (the “City Charter”). The City is located in Fulton County, Georgia (the “County”) in the north central portion of the State of Georgia, approximately 17 miles southwest of the City of Atlanta. The City presently has a land area of approximately 17 square miles. The City’s elevation is approximately 1,000 feet above sea level, and the City’s terrain is rolling. The City had a population of 16,956 in 2023.

The City is situated to succeed, located in the ninth largest MSA in the country, near the world’s busiest airport and offering access to major interstates and state highways. The City has a low crime rate and residential neighborhoods with historic homes and new developments. The City’s proximity to Atlanta has attracted many top industries and Fortune 500 companies including Google, Clorox, Duracell, DHL, Porex and more. The City’s companies enjoy a competitive advantage when it comes to shipping and transportation costs. The City’s railroad terminal serves as a CSX Domestic intermodal key connection linking the City to the Georgia ports of Savannah and Brunswick. By truck, City-based companies are two days or less from 80% of U.S markets. The City has direct access to I-85 and is close to interstate highways I-75 and I-20.

The City offers a vibrant downtown historic commercial district, due to its proximity to many of the places to live, work and play making the City an emerging destination. The City is investing in pedestrian-oriented projects, widening sidewalks, adding new crosswalks and turning an overpass into a walkway for pedestrians to cross the railroad tracks. The City provides an exceptional business climate for current and new businesses. The City understands the importance of being open for business, by offering expedited permitting, attractive leasing opportunities, business friendly government, offering a 100% freeport inventory tax exemption and offering a program called Quickstart which offers free customized job training.

The City’s mission is to promote physical activity, positive social interaction, and outdoor exploration through leisure activities and recreation programs. With approximately 28 miles of streams and waterways, and 368 acres of green space, Fairburn provides 4 recreational facilities and communal spaces to strengthen ties, offering a broad range community events for individuals of all ages. Ongoing beautification efforts, arts, and public art installations promote growth and development through our accredited Main Street Program. Illuminated Spaces, Art in the Alley, Georgia Renaissance Festival, Farmers Markets and Third Friday Concert Series are programs that have helped the City to thrive.

In the City educational opportunities include an educational campus which houses both Brenau University and Georgia Military College and will soon be expanded to include a state of the art Science, Technology, Engineering and Math (STEM) academy, operated by Fulton County Schools. The City is home to a top 20 rated private school, Landmark Christian School which offers K4-12 education. Global Impact Academy, a \$58 million investment by Fulton County Schools is a world class STEM magnet high school that provides students the opportunity to study high tech, high demand courses that are college and career focused.

The City has experienced tremendous growth over the last several years. The City Council has approved development of 1,277 new roof tops of single-family homes, townhouses and apartments with commercial space. Construction has already started and will continue for the next couple of years. It is expected that the City will review and vote on an additional 532 new rooftops and two data centers.

City Administration and Officials

The affairs of the City are conducted by a City Council consisting of a Mayor and six members of the City Council. Under the City’s Charter, all powers of government of the City are vested in the City Council. The Mayor is elected from the City at large and holds office for four years. No person is eligible to serve as Mayor unless he or she has been a resident of the City for a period of one year immediately prior to the date of the election for Mayor. The person elected to serve as Mayor must continue to reside in the City during his term of office and must be registered and qualified to vote in municipal elections of the City. The members of the City Council serve for staggered terms of four years and until their respective successors are elected and qualified. City Council members are elected on a city-wide basis and do not represent specific districts. The Mayor is a member of the City Council and presides at all meetings of the City Council. The Mayor does not vote except in the case of a tie.

Information concerning the current Mayor and the other City Council members is set forth below:

Name and Office Held	Expiration of Term	Number of Years in Office	Principal Occupation
Mario B. Avery, Mayor	2025	14	Contract Compliance Administrator
James Whitmore, <i>Mayor Pro Tem</i>	2027	8	Entrepreneur
Linda J. Davis, <i>Council Member</i>	2027	6	Retired
Hiram Alex Heath, <i>Council Member</i>	2025	15	Retired
Samantha Hudson, <i>Council Member</i>	2027	1	CEO, Non-Profit
Hattie Portis-Jones, <i>Council Member</i>	2025	11	Retired
Ulysses J. Smallwood, <i>Council Member</i>	2025	12	Title I School Improvement Special

The day-to-day affairs of the City are administered by a City Administrator.

Tony M. Phillips has served as City Administrator for the City since January 2021. He is responsible for all operating and administrative functions of the City. His professional experience includes community development, planning, community services, as well as serving as Director of Parks and Recreation for the County. In addition, he served as the Director of Parks, Recreation and Cultural Affairs for the City of South Fulton. Mr. Phillips holds a Bachelor of Arts from Saint Leo University.

Rory K. Starkey, Esq has served the City for 12 years. First as the City Solicitor and now as the City Attorney. He has practiced law for over 30 years with a focus on the representation of local governments and the representation of coin-operated amusement machines licensees as regulated by the Georgia Lottery Corporation. During his career, he has worked closely with company CEOs, general managers, police chiefs, mayors, city and county managers, council members, commissioners, department heads, and other top officials in Georgia. Mr. Starkey holds a Bachelor of Arts from Howard University and received his Juris Doctor from Mercer University.

Brenda James served as City Clerk from February 15, 2010 through 2016 and returned to the City as Clerk in 2022. Prior to coming to the City, she worked for the City of East Point for over 23 years, serving as Customer Service Manager, Acting City Manager and City Clerk. She has an Associate of Science from Georgia Military College, Management Development Certifications I, II and III from the Atlanta Regional Commission and is a Certified Municipal Clerk.

Tomeka Billingsley has served as the City’s Finance Director since September 2024. She is responsible for all fiscal activities of the City. Prior to coming to the City, she worked in the public school system in various finance and accounting roles including Director, Executive Director and Interim Chief Financial Officer for over 24 years. She also worked in private and state government for an additional 8 years. Ms. Billingsley holds a Bachelor of Science in Business Economics from Florida Agriculture and Mechanical University.

City Services

The City provides a wide range of municipal services. The City provides water and sewer services to approximately 95% of the City’s residents. The costs of water and sewer services are financed by charges to the City’s water and sewer customers. The City provides police and fire protection services to residents of the City, the costs of which are funded by general fund revenues. The City provides recreational and cultural services, traffic control and municipal court services to its residents and acquires, constructs and maintains roads and infrastructure, the cost of which is funded by general fund revenues. The City also provides building inspection, codes enforcement and community development services to its residents, the cost of which is funded by general fund revenues.

The City owns and operates a retail electric distribution system that serves a service area that includes the corporate limits of the City and certain designated areas outside the City’s corporate limits. The City’s electric system serves approximately 3,438 customer accounts. The average consumption of power from the City’s electric system for fiscal year 2024 was approximately 273 megawatt hours per day. The City’s primary source of power is the Municipal Electric Authority of Georgia (“MEAG”), of which the City is a member. The City, together with 48 other cities and one county in Georgia, has entered into power sales contracts with MEAG pursuant to which the City purchases certain power and energy for resale to its electric customers. See “**CITY DEBT STRUCTURE Summary of City Debt by Category**” herein for information regarding the City’s power sales contracts with MEAG.

City Facilities

The City maintains approximately 97 miles of public and private streets. The City’s police department has one police station, 52 sworn police officers, six civilian employees and 64 patrol vehicles and maintains a 24-hour uniformed patrol. The City’s fire department has three fire stations, eight firefighting vehicles, 57 firefighters and 15 officers. The National Board of Fire Underwriters’ fire insurance rating for the City is Class 1. The City owns and maintains three park and recreational facilities and one community center.

Demographic Information

The City is located in the southeastern portion of Fulton County. Set forth below is selected demographic data for the City and Fulton County.

<u>Year</u>	<u>City Population</u> ¹	<u>Fulton County Population</u> ²	<u>City Per Capita Income</u> ¹	<u>City Median Age</u> ¹
2019	16,768	1,063,937	19,415	32.3
2020	17,664	1,069,394	20,069	28.8
2021	17,500	1,062,451	20,484	28.8
2022	17,136	1,073,698	24,224	32.3
2023	16,956	1,079,105	24,224	29.9
2024 ³	16,986	1,084,512	29,859	34.6

Sources:

¹ City of Fairburn Annual Comprehensive Financial Report for Fiscal Year 2022-2023, page 90.

² Fulton County Annual Comprehensive Financial Report for Fiscal Year 2022-2023, page 137.

³ City of Fairburn Finance Department.

Category of Land Use

The following table reflects the categories of land use in the City for the calendar year 2024.

<u>Land Type</u>	<u>Percentage by Acreage</u> ¹
Residential	66.38
Commercial	13.23
Industrial	7.26
Agricultural	9.29
Other	3.84

Source: City of Fairburn Consolidated Tax Digest

¹ Percentages are based on the number of acres of real property set aside for each purpose.

The following table shows the industry mix for Fulton County for 2024. The table is intended to provide information regarding the types of industries employing residents of all of Fulton County and the compensation paid to those employees. The City represents approximately 1.57% of the population of Fulton County. The table does not provide information with respect to all industries and firms. It is based upon and includes only those industries and firms that participate in the State Unemployment Insurance Program.

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<u>INDUSTRY</u>	<u>Average Number of Firms</u>	<u>Average Monthly Employment</u>	<u>Average Weekly Wages</u>
Goods-Producing	4,337	51,572	2,121
Agriculture, Forestry, Fishing & Hunting	67	159	1,618
Mining	26	517	2,815
Construction	2,678	22,974	2,113
Manufacturing	1,566	27,922	2,118
Food	189	4,253	1,749
Beverage and Tobacco Product	71	2,614	1,210
Textile Mills	14	201	4,557
Textile Product Mills	20	439	882
Apparel	22	*	*
Leather and Allied Product	6	*	*
Wood Product	46	1,478	2,711
Paper	32	1,296	6,059
Printing and Related Support Activities	126	1,375	1,442
Petroleum and Coal Products	7	367	2,401
Chemical	149	1,840	2,041
Plastics and Rubber Products	81	2,372	1,422
Nonmetallic Mineral Product	62	1,189	1,747
Primary Metal	15	184	1,192
Fabricated Metal Product	132	2,285	1,661
Machinery	76	1,246	1,465
Computer and Electric Product	117	1,228	2,383
Electrical Equipment, Appliance and Component	57	559	1,921
Transportation Equipment	55	1,269	4,807
Furniture and Related Product	65	1,202	1,529
Miscellaneous	224	2,367	2,216
Service-Providing	54,317	775,487	2,297
Utilities	82	3,172	4,913
Wholesale Trade	2,925	37,052	2,754
Retail Trade	4,001	57,217	1,021
Transportation and Warehousing	1,550	53,405	1,165
Information	2,224	58,015	3,862
Finance and Insurance	3,951	62,934	4,669
Real Estate and Rental and Leasing	3,909	25,703	2,241
Professional, Scientific & Technical Svc	14,433	115,554	2,723
Management of Companies and Enterprises	485	47,418	5,268
Admin., Support, Waste Mgmt, Remediation	4,017	64,373	1,629
Education Services	1,048	20,225	1,185
Health Care and Social Assistance	6,082	108,111	1,565
Arts, Entertainment and Recreation	1,220	17,183	1,028
Accommodation and Food Services	4,189	80,622	711
Other Services (except Public Admin.)	4,221	24,503	1,215
Unclassified – Industry Not Assigned	11,491	5,553	1,731
Total – Private Sector	70,145	832,612	2,282
Total Government	559	105,938	1,591
Federal Government	147	27,792	2,192
State Government	186	33,749	1,461
Local Government	226	44,397	1,313
ALL INDUSTRIES	70,704	938,550	2,204

This data uses the North American Industrial Classification System (NAICS) categories. Average weekly wage is derived by dividing gross payroll dollars paid to all employees – both hourly and salaried – by the average number of employees who had earnings; average earnings are then divided by the number of weeks in a reporting period to obtain weekly figures. Figures in other columns may not sum accurately due to rounding.

Source: Georgia Department of Labor. Data represent jobs that are covered by unemployment insurance laws.

Set forth below are the ten largest private employers based on number of employees located in the City as of September 30, 2023, their products/services, and their approximate number of employees. There can be no assurance that any employer listed below will continue to be located in the City or will continue employment at the level stated. No independent investigation has been made of, and no representation can be made as to, the stability or financial condition of the companies listed below.

	Product/Service	Number of Employees
U.S Food Services	Food Distribution	668
Exel Logistics	Logistics Provider	555
Porex Corporation	Porous Plastic	355
Nestle Purina Petcare Co.	Pet Food	338
XPO Logistics Supply Chain, Inc.	Logistics Provider	290
Landmark Christian	Education	262
Owens Corning	Thermal and	260
DSC Logistics	Logistics Provider	167
Miller Electrical Contracting	Electrical	145
Adesa Atlanta LLC	Automotive Sales	144

Source: City of Fairburn Annual Comprehensive Financial Report for Fiscal Year 2022-2023, page 91.

Set forth below are labor statistics for the City for the five-year period 2019-2023 and as of September 2024, with comparative data for Fulton County and the State of Georgia.

	2019	2020	2021	2022	2023	2024
Fulton County Unemployment Rate	3.9%	11.1%	4.9%	2.8%	3.1%	3.7% ¹
City Unemployment Rate	3.9%	3.9%	5.2%	4.9%	4.9%	5.2% ²
State Unemployment Rate	3.5%	8.4%	4.5%	3.4%	3.4%	3.6% ¹

Source: U.S. Census; State of Georgia Department of Labor.

¹ Georgia Department of Labor, Workforce Statistics Division as of September 2024.

² Bureau of Labor Statistics, August 2024 Unemployment Rate.

**Total Deposits in Fairburn Financial
Institutions as of June 30 (in millions)**

<u>Year</u>	<u>Total Deposits</u>
2020	227,037
2021	263,001
2022	303,714
2023	331,636
2024	289,955

Source: Federal Deposit Insurance Corporation

Employees, Employee Relations and Labor Organizations

As of September 30, 2024, the City employed 196 full-time and 2 part-time persons in all departments of government and seven elected officials. No employees of the City are represented by labor organizations or are covered by collective bargaining agreements, and the City is not aware of any union organizing efforts at the present time. The City Administrator believes that employee relations are good.

CITY DEBT STRUCTURE

Summary of City Debt By Category

Set forth below are the City's current outstanding long-term liabilities including the proposed issuance of the Certificates. The information set forth below should be read in conjunction with the City's financial statements included as Appendix B hereto.

City of Fairburn Outstanding Long-Term Liabilities

<u>General Obligation and Intergovernmental Contract Debt</u>	
Series 2017 General Obligation Refunding Bonds	\$ 5,475,000
Series 2017 Educational Revenue Refunding Bonds	10,180,000
	<u>\$15,655,000</u>
<u>Lease Purchase Agreements</u>	
Financed Purchases (personal property)	\$ 2,765,857
Lease Liabilities (personal property)	1,384,112
The Certificates	\$23,045,000
	<u>\$27,194,969</u>

Source: City of Fairburn Finance Department.

Reference is made to Note 8 in the notes to the basic financial statements of the City included as Appendix B for a discussion of the long-term liabilities of the City.

There has never been a default in payment of the principal of or interest on any general obligation bonds issued by the City.

Electric System Contracts. The City has entered into certain Power Sales Contracts (the "Power Sales Contracts") together with 48 other cities and one county in the State of Georgia, with MEAG. Under the terms of these contracts, the City purchases power and energy from MEAG for resale to the customers of its electric system (the "Electric System"). The obligation to pay MEAG certain amounts whether or not power and energy are received is a general obligation of the City to which its full faith and credit are pledged. If payments under the Power Sales Contracts are not made from the revenues of the Electric System, the City is required, under the terms of the Power Sales Contracts, to include in its general revenue or appropriation measures sums sufficient, together with other available revenues, to make such payments. The City purchases all its power and energy requirements from MEAG over and above its allotment from federally owned projects administered by the Southeastern Power Administration ("SEPA"). As a municipal utility system, the City is entitled to a portion of the output of certain federally owned projects administered by SEPA. The Commission contracts directly with SEPA and is billed directly by SEPA. SEPA power is transmitted to the Electric System by MEAG.

MEAG was created by the State of Georgia for the purpose of owning and operating electric generation and transmission facilities to supply bulk electric power to political subdivisions of the State of Georgia which owned and operated electric distribution systems as of March 18, 1975 and which elected to contract with MEAG for the purchase

of wholesale power. MEAG currently provides bulk electric power to 48 cities and one county in the State of Georgia (the “Participants”) pursuant to separate power sales contracts with each Participant. MEAG’s assets include ownership interests in ten electric generating units, all of which have been placed in service. In addition, MEAG may purchase from, sell to or exchange with other bulk electric suppliers additional capacity and energy in order to enhance the Participants’ bulk power supply. MEAG’s ownership interests in those ten generating units represent 2,069 megawatts (“MW”) of nominally rated generating capacity. MEAG also has an ownership interest in two additional nuclear generating units under development, Units 3 and 4, to be located at Plant Vogtle, which represents approximately 500 MW of nominally rated generating capacity. Additionally, MEAG owns transmission facilities that, together with those of other utilities, form a statewide, integrated transmission system. As of December 31, 2023, the outstanding debt of MEAG was approximately \$9.12 billion.

Proposed Debt

The City plans to issue Combined Public Utility Revenue Bonds concurrently with the issuance of the Certificates in an amount not to exceed \$17,000,000 for the purposes of acquiring, constructing, equipping and improving certain improvements of extension to the water and sewer elements of the public utility system and to acquire certain wastewater treatment rights. These Combined Public Utility Revenue Bonds are secured by the pledged revenues of the public utility system.

The City has also in the past periodically entered into capital leases to finance equipment and vehicles, and the City expects to continue to do so in the future. Other than as described above, the City has no other present plans to incur additional debt in the next five years.

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Debt Service Requirements

Set forth below are the principal and interest debt service requirements of the City for all categories of debt payable from the general fund, including the Certificates.

Fiscal Year Ending September 30	Series 2017 General Obligation		Series 2017 Educational Revenue		Total Debt Service Requirements
	Refunding Bonds	The Certificates	Refunding Bonds	Capital Leases	
2025	\$783,687.50	\$ 562,764.58	\$2,950,000	\$798,532	\$5,094,984.08
2026	777,187.50	1,346,075.00	1,905,000	783,717	4,811,979.50
2027	765,500.00	1,388,825.00	1,965,000	688,954	4,808,279.00
2028	758,625.00	1,384,700.00	2,055,000	356,277	4,554,602.00
2029	751,500.00	1,384,700.00	2,125,000	292,331	4,553,531.00
2030	739,187.50	1,383,700.00	2,195,000	303,809	4,621,696.50
2031	731,687.50	1,386,575.00	2,275,000	562,636	4,955,898.50
2032	723,937.50	1,383,325.00	2,355,000	1,454,729	5,916,991.50
2033		1,383,950.00	295,000	1,555,594	3,234,544.00
2034		1,383,325.00	310,000		1,693,325.00
2035		1,381,450.00	320,000		1,701,450.00
2036		1,383,200.00			1,383,200.00
2037		1,383,450.00			1,383,450.00
2038		1,382,200.00			1,382,200.00
2039		1,379,450.00			1,379,450.00
2040		1,380,075.00			1,380,075.00
2041		1,378,950.00			1,378,950.00
2042		1,376,075.00			1,376,075.00
2043		1,376,325.00			1,376,325.00
2044		1,374,575.00			1,374,575.00
2045		1,375,700.00			1,375,700.00
2046		1,379,300.00			1,379,300.00
2047		1,375,800.00			1,375,800.00
2048		1,375,800.00			1,375,800.00
2049		1,374,200.00			1,374,200.00
2050		1,375,900.00			1,375,900.00
2051		1,375,800.00			1,375,800.00
2052		1,373,900.00			1,373,900.00
2053		1,370,200.00			1,370,200.00
2054		1,369,600.00			1,369,600.00
2055		1,371,900.00			1,371,900.00
Total	\$6,031,312.50	\$41,901,789.58	\$18,750,000	\$6,796,579	\$73,479,681.08

Direct and Overlapping Debt

In addition to the City's direct debt obligations, property owners in the City are responsible for any debt obligations of other taxing entities in the proportion to which the jurisdiction of the City overlaps such entities. Set forth below is the estimated direct and overlapping general obligation debt and estimated overlapping property tax supported or guaranteed revenue debt of the City. Although the City has attempted to obtain accurate information as to the outstanding overlapping debt, it does not warrant its completeness or accuracy, as there is no central reporting entity that has this information available, and the amounts are based on information supplied by others. The below table does not include issuance of the Certificates.

Name of Entity	Amount of Outstanding Debt (Less Sinking Fund)	Percent of Outstanding Debt Chargeable to Property in the City ¹	Amount of Outstanding Debt Chargeable to Property in the City
Fulton County Board of Commissioners, Georgia			
Library General Obligation Bonds	\$ 216,173,662	2.606%	\$ 5,633,486
Fulton County Urban Redevelopment Agency	115,137,362	2.606%	3,000,480
Fulton County capital lease obligations	38,713,915	2.606%	1,008,885
South Fulton Regional Jail Authority	9,385,000	2.606%	244,573
Leases and other subscription arrangements	149,446,504	2.606%	3,894,576
Fulton County Board of Education			
General Obligation Bonds	11,495,000	4.811%	553,024
City of Union City, Georgia Revenue Bonds	9,502,663	-	-
Total Overlapping Debt	\$549,854,106		\$14,335,023
City of Fairburn, Georgia			
Series 2017 General Obligation Refunding Bonds	\$ 5,475,000	100.00%	\$ 5,475,000
Series 2017 Educational Revenue Refunding Bonds	10,180,000		10,180,000
Financed Purchases	2,765,857	100.00%	2,765,857
Lease Liabilities	1,384,112		1,384,112
Total Direct Debt	19,804,969		19,804,969
Total Direct and Overlapping Debt	\$ 569,659,075		\$ 34,139,992

Debt Ratios

Set forth below are ratios reflecting the property tax supported debt of the City and its overlapping entities. The below table does not include issuance of the Certificates.

	Direct Tax Supported Debt	Overlapping Tax Supported Debt	Overall Tax Supported Debt
As a Percentage of Assessed Value of Taxable Property	.65%	.47%	1.13%
As a Percentage of Estimated Market Value of Taxable Property	.26%	.19%	.45%
As a Percentage of Net M&O Digest	1.40%	1.02%	2.42%

Limitations on City Debt

The Constitution of the State of Georgia provides that the City may not incur long-term obligations payable out of general property taxes without the approval of a majority of the qualified voters of the City voting at an election called to approve the obligations. In addition, under the Constitution of the State of Georgia, the City may not incur general obligations bonds/debt in excess of 10% of the assessed value of all taxable property within the City.

¹ The percentage of each overlapping entity's outstanding debt chargeable to property in the City is calculated by dividing the gross assessed valuation of property in the City by the gross assessed valuation of property in the overlapping entity.

Short-term obligations (those payable within the same calendar year in which they are incurred), revenue bonds, lease and installment purchase obligations subject to annual appropriation (such as the capital leases described in “CITY DEBT STRUCTURE - Summary of City Debt by Category” herein and the Certificates) and intergovernmental obligations are not subject to the legal limitations described above. Georgia law provides, however, that no lease or installment purchase contract subject to annual appropriation may be delivered if the principal portion of such contract, when added to the amount of debt subject to the debt limitation described above, exceeds 10% of the assessed value of all taxable property within the City. Georgia law also provides that no lease or installment purchase contract subject to annual appropriation (excluding intergovernmental contracts such as the Project Lease Agreement) with respect to real property may be developed and executed or renewed, refinanced or restructured if the lesser of either of the following is exceeded:

- (1) the average annual payments on the aggregate of all such outstanding contracts exceed 7.5% of the governmental fund revenues of the City for the calendar year preceding the delivery of such contract plus any available special county 1% sales and use tax proceeds collected; or
- (2) the outstanding principal balance on the aggregate of all such outstanding contracts exceeds \$25 million.

The City has satisfied the above tests with respect to the issuance of the Certificates.

As computed in the table below, based upon the 2024 assessed value of taxable property within the City, the City could incur (upon necessary voter approval) approximately \$137,432,986 of general obligation bonds.

Computation of Legal Debt Margin

Net Bond Digest	\$1,429,079,860
Debt Limit (10% of Assessed Value)	\$142,907,986
Amount of Debt Applicable to Debt Limit (Series 2017 General Obligation Refunding Bonds)	\$5,475,000
Legal Debt Margin	\$137,432,986

Source: City of Fairburn Finance Department.

CITY AD VALOREM TAXATION

Introduction

An important source of revenue to fund the operations of the City is ad valorem property taxes. Ad valorem property taxes accounted for approximately 42% of City General Fund revenues for the years ended September 30, 2024. Property taxes are budgeted to account for approximately 42% of General Fund revenues for the year ending September 30, 2024. Ad valorem property taxes are levied annually in mills (one tenth of one percent) upon each dollar of assessed property value.

Property Subject to Taxation

Ad valorem property taxes are levied, based upon value, against real and personal property within the City. There are, however, certain classes of property which are exempt from taxation, including public property, religious property, charitable property, property of nonprofit hospitals, nonprofit homes for the aged and nonprofit homes for the mentally handicapped, college and certain educational property, public library property, certain farm products, certain air and water pollution control property and personal effects.

In addition, the City allows exemptions from ad valorem taxation for (1) homesteads, or owner-occupied residences, of disabled veterans and certain un-remarried surviving spouses of members of the armed forces of the United States, not to exceed the greater of \$50,000 of assessed value or an amount determined under federal law, (2) homesteads, or owner-occupied residences, of un-remarried surviving spouses of peace officers or firefighters who were killed in the line of duty, for the full value of the homestead, (3) owner-occupied residences, 62 years of age or

older, are exempt for the full value of the homestead, (4) the inventory of companies that manufacture, process, or warehouse goods in the City, known as the “freeport” exemption, and (5) citizens 65 years of age or older receive a homestead exemption of \$25,000 and the value of a homestead is capped for taxing purposes at the assessed value of the home when the eligible homeowner reaches 70 years old. The City has a higher amount of freeport exemptions than other cities due to the presence of manufacturing companies within the City.

Assessed valuation, which represents the value upon which ad valorem property taxes are levied, is calculated as a percentage of fair market value. Georgia law requires all municipalities to use the fair market value finally determined for county ad valorem tax purposes in determining the fair market value of property within their respective tax jurisdictions for purposes of municipal ad valorem property taxation. Georgia law requires Fulton County to furnish without charge to the City Council the final determinations of the fair market value of property within the City as soon as such information is available.

Georgia law requires taxable tangible property to be assessed, with certain exceptions, at 40% of its fair market value and to be taxed on a levy made by each tax jurisdiction according to 40% of the property’s fair market value. Georgia law requires certain agricultural real property to be assessed for ad valorem property tax purposes at 75% of the value of which other real property is assessed, requires certain historical property to be valued at a lower fair market value for ad valorem property tax purposes, and requires certain agricultural, timber and environmentally sensitive real property and certain single-family real property located in transitional developing areas to be valued at their “current uses” (as opposed to fair market value).

The chief appraiser of Fulton County is required to submit a certified list of assessments for all taxable property, except motor vehicles and property owned by public utilities, within Fulton County to the Fulton County Board of Tax Assessors. The Tax Commissioner of Fulton County is required to present the tax returns of Fulton County to the Fulton County Board of Tax Assessors by April 11 of each year. The Fulton County Board of Tax Assessors is required to complete its revision and assessment of returns by June 1 of each year and to forward a copy of the completed digest to the State of Georgia Revenue Commissioner for examination and approval. The State of Georgia Revenue Commissioner has the authority to examine the digest for the purpose of determining if the valuations of property are reasonably uniform and equalized between and within counties. Assessments may also be subject to review at various stages by the Fulton County Board of Equalization and by state courts.

House Bill 386 (2012) eliminated the ad valorem taxation of new vehicles and replaced it with a one-time title tax (the “Title Tax”) that is levied whenever the title to a vehicle is registered to a new owner (except if a transfer is made between immediate family members) or when a new resident registers the vehicle in the State for the first time. The Title Tax is based upon the fair market value of the vehicle and is currently levied at a rate of 7.0%, except for new residents who pay a Title Tax rate of 3%. The rate may be adjusted in future years; provided, however, the rate may not exceed 9%. The revenues are shared among the State and local governments by formula. As a result of this change in law, the assessed value of motor vehicles subject to ad valorem tax in the City has decreased, and the City expects the assessed value of motor vehicles to continue to decrease in future years as motor vehicles subject to ad valorem tax come out of service. Fulton County provides the City with its motor vehicle assessed values and bills and collects these taxes on behalf of the City. The State of Georgia Property Tax Unit assesses the value of the property of public utilities and divides the assessment into two parts, assessed value of property and assessed value of franchise, and provides these amounts to the City, which bills these taxes to the utilities.

In the 2024 legislative session, the Georgia General Assembly enacted legislation, known as House Bill 581, which creates a statewide floating homestead exemption that would restrict assessment increases on homesteaded property to three percent annually beginning on January 1, 2025.

HB 581 applies to all ad valorem taxes levied on behalf of the State, any county, consolidated government, municipality, or local school district, except for ad valorem taxes levied to pay interest on and to retire bonded indebtedness, unless a local government was to opt out of the homestead exemption. A local government may opt out of the homestead exemption by adopting a resolution by March 1, 2025, after conducting three public hearings and placing an advertisement in the local newspaper and on the local government's website.”

Annual Tax Levy and Limitations on Annual Tax Levy

The City determines a rate of levy for each fiscal year by computing a rate that, when levied upon the assessed value of taxable property within its corporate limits, will produce the necessary amount of property tax revenues. The City then levies its ad valorem property taxes by ordinance. See “**CITY FINANCIAL INFORMATION – General Fund Budget**” herein. The City Charter was amended with HB 321 on April 24, 2013 to remove the millage caps of ten (10) mill on the levy of taxes for the purpose of the general maintenance and operation of the City Government.

Procedural Requirements. The General Assembly of the State of Georgia enacted a law known as The Property Taxpayer’s Bill of Rights (the “Taxpayer’s Act”). The purpose of the Taxpayer’s Act was to prevent indirect tax increases resulting from increases to existing property values due purely to inflation. The Taxpayer’s Act requires that each taxing jurisdiction located within the State (including local governments and political subdivisions of the State, such as the County), roll back (or reduce) the millage rate in each year to offset any inflationary increases in the tax digest of such taxing jurisdiction that have occurred since the last tax year. Any local government or taxing jurisdiction that elects to set the millage rate higher than the rollback rate must follow certain requirements to notify the public of such increase, including three public hearings, the publication of a notice of the increase in the local newspaper and the publication of a press release to explain the intent of the increase in taxes. The Taxpayer’s Act also requires that an annual notice of assessment be sent to taxpayers. Such notice includes a simple, non-technical description of the basis for any increase in assessed value and permits taxpayers to access records used in preparing any increased assessment and to record any meetings or hearings held in conjunction with an appeal of their property tax assessment. The Taxpayer’s Act entitles any taxpayer who wins an appeal by demonstrating a property value that is 85% or less than the proposed assessed value (80% for commercial property) to recover litigation costs and reasonable attorney’s fees, if applicable.

Impact of Foreclosures on Assessment Procedures. In 2009, the Georgia legislature enacted Senate Bill 55, codified as Section 48-5-2 of the Official Code of Georgia Annotated, which requires county tax assessors to consider foreclosure sales, bank sales, sales by other financial institutions, distressed sales and the decreased value of property subject to conservation easements in determining the fair market value of real property.

Property Tax Collections

The City bills and collects its own property taxes, with the exception of taxes on motor vehicles, which are billed and collected by Fulton County on behalf of the City. Real and personal property taxes, except motor vehicle taxes, are levied during August of each year on the assessed value listed as of January 1. Taxes levied by the City are normally billed during October of each year and are normally payable on the following December 20. Motor vehicle taxes are levied, due and collected on a staggered basis throughout the entire calendar year. Interest accrues after the due date at an annual rate equal to the federal Reserve prime rate plus 3 percent.

All taxes levied on real and personal property, together with interest thereon and penalties for late payment, constitute a perpetual lien on and against the property taxed arising after January 1 in the year in which taxed. The lien becomes enforceable 60 days after the due date of the taxes. Georgia law provides that taxes must be paid before any other debt, lien or claim of any kind, except for certain claims against the estate of a decedent and except that the title and operation of a security deed is superior to the taxes assessed against the owner of property when the tax represents an assessment upon property of the owner other than the property specifically subject to the title and operation of the security deed.

Collection of delinquent real property taxes is enforceable by tax sale of such realty. Delinquent personal property taxes are similarly enforceable by seizure and sale of the taxpayer’s personal property. There can be no assurance, however, that the value of property sold, in the event of a tax sale, will be sufficient to produce the amount required to pay in full the delinquent taxes, including any interest or penalties thereon. The City has not conducted foreclosures or tax liens in the past twelve years and expects to review whether to do so in the future.

At any time after the last day for the payment of taxes has arrived, the tax collector may notify the taxpayer in writing of the fact that the taxes have not been paid and that, unless paid, an execution will be issued. At any time after 30 days from giving the notice described in the preceding sentence, the City Clerk may issue an execution for nonpayment of taxes to the Chief of Police. The Chief of Police may then publish a notice of the sale in a local

newspaper weekly for four weeks and give the taxpayer ten days' written notice by registered or certified mail. A public sale of the property may then be made by the Chief of Police at City Hall on the first Tuesday of the month after the required notices are given.

Historical Property Tax Data

Set forth below is information concerning the assessed (40% of fair market value) and estimated actual value of taxable property within the City for calendar/tax years 2020 through 2024.

Tax Year ¹	Real Property		Personal Property		Public Utility		Total Property		Total Direct Tax Rate	Net M&O	M&O Exemptions	Ratio of Total Assessed to Total Estimated True Value	Percent Increase in Estimated True Value Over Prior Year
	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value					
2020	\$584,119,660	\$1,460,299,150	\$1,054,826,631	\$2,637,066,578	\$16,756,639	\$41,891,598	\$1,655,702,930	\$4,139,257,325	9.56	\$836,250,780	\$819,452,150	40%	(3.25)%
2021	632,592,280	1,581,480,700	951,615,080	2,379,097,700	17,764,075	44,410,188	1,601,971,435	4,004,928,588	9.56	707,285,600	894,685,835	40	29.97
2022	781,175,080	1,952,937,700	1,283,204,540	3,208,011,350	17,722,991	44,307,478	2,082,102,611	5,205,256,528	9.56	1,095,117,791	991,188,080	40	14.19
2023	858,886,650	2,147,216,625	1,493,887,860	3,734,719,650	24,799,074	61,997,685	2,377,573,584	5,934,933,960	9.56	1,310,751,700	1,071,079,520	40	25
2024	1,114,295,250	2,785,738,125	2,103,085,480	4,706,662,700	34,984,969	89,489,800	3,032,756,250	7,581,890,625	9.56	1,411,960,880	1,624,100,620	40	(6.04)

Source: City of Fairburn Finance Department.

¹ The fiscal year levies relate to preceding calendar year tax digest and millage rates. For example, the 2024 digest and millage rates are used for the fiscal year 2025 levy.

Set forth below is information concerning the rate of levy of property taxes per \$1,000 of assessed value, or millage rates, of the City and all overlapping governments for calendar/tax years 2020 through 2024.

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

Tax Year ¹	Direct Rates			Overlapping Rates				Total Direct and Overlapping Millage Rate
	City of Fairburn			State of Georgia	Fulton County	County School System	South Fulton Community Improvement District	
	Operating Millage	Debt Service	Total					
2020	8.100	1.460	9.560	0.000	9.996	17.796	3.000	40.352
2021	8.100	1.460	9.560	0.000	9.540	17.240	3.000	39.796
2022	8.100	1.460	9.560	0.000	9.070	17.240	3.000	39.796
2023	8.100	1.460	9.560	0.000	9.050	17.140	3.000	39.696
2024	8.100	1.460	9.560	0.000	9.040	17.130	-	35.730

Source: City of Fairburn Finance Department.

¹ The fiscal year levies relate to preceding calendar year tax digest and millage rates. For example, the 2024 digest and millage rates are used for the fiscal year 2025 levy.

Set forth below is information (stated in thousands) concerning property tax levies and collections (excluding motor vehicles and mobile homes) of the City for the past three fiscal years and the levy for the current fiscal year.

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST FOUR FISCAL YEARS**

Fiscal Year	Total Tax Levy	Collections of Current Years Taxes During Year		Collection of Prior Years Taxes During Year	Total Collections	Accumulated Uncollected Taxes by Digest Year	Ratio of Accumulated Uncollected Taxes to Current Year's Levy	Millage Rates	Local Option Sales Tax Collected
2021	\$ 8,809,358	\$ 8,682,747	98.56%	\$ 75,346	\$ 8,758,093	\$ 51,265	0.58%	9.56	\$4,550,878
2022	9,914,155	9,713,704	97.98	129,635	9,843,339	70,816	0.71	9.56	5,365,772
2023	12,403,929	12,136,797	97.85	-	12,136,797	267,132	2.15	9.56	5,439,696
2024	12,857,421	12,611,357	98.09	-	12,611,357	245,195	1.91	9.56	5,553,492

Source: City of Fairburn Finance Department.

The levy for fiscal year 2025 is \$13,101,391. This difference is due to the homestead, freeport, veteran senior, and Homeowner Tax Relief Grant exemptions and adjustments which total \$243,970.

The City has not conducted foreclosures or tax liens in the past twelve years and expects to review whether to do so in the future.

Largest Taxpayers

Set forth below are the ten largest taxpayers of the City for tax year 2024/fiscal year 2025. Determination of the largest taxpayers within the City can be made only by manually reviewing individual tax records. Therefore, it is possible that owners of several small parcels may have an aggregate assessment in excess of those set forth in the table below. Furthermore, the taxpayers shown in the table below may own additional parcels within the City. No independent investigation has been made of, and consequently no representation can be made as to, the financial condition of any of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers in the City.

Taxpayer	2024		
	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value
Google LLC	\$1,363,137,920	1	51.15%
Development Authority of Fulton County ¹	90,248,710	2	3.39
Solar Turbines Incorporated	71,531,760	3	2.68
Duracell Manufacturing Inc.	66,185,360	4	2.48
Nestle Purina Petcare Company	51,786,440	5	1.94
Toto USA Inc.	39,567,120	6	1.48
Owens Corning	30,590,960	7	1.15
Strack Inc.	22,216,360	8	0.83
U S Foods Inc.	20,458,160	9	0.77
Clorox Manufacturing Company	19,216,360	10	0.72
Total	\$1,774,939,150		

Source: City of Fairburn Finance Department.

¹ Consists of approximately 11 parcels owned by the Development Authority of Fulton County and leased to companies for purposes of tax abatement.

CITY FINANCIAL INFORMATION

Accounting System and Policies

The accounting practices and policies of the City conform to generally accepted accounting principles as applied to governments. The City accounts for its general fund using the modified accrual basis of accounting.

The City reports the following governmental funds:

(1) General Fund—The General Fund is the principal operating fund of the City and is used to account for all financial resources except those required to be accounted for in another fund. The primary revenue sources are real property taxes, Local Options Sales Taxes and various other license and permits.

(2) Special Revenue Fund—The Emergency 911 fund is used to account for revenues generated by a telephone usage surcharge used to operate and maintain an emergency 911 telephone communication and dispatch center.

(3) Hotel-Motel Fund—The Hotel-Motel Fund is used to account for the accumulation of the hotel-motel tax revenues collected by the government and payment for expenses related to tourism and the promotion of the City.

(4) Permanent—The cemetery fund is used to account for principal trust amounts received and related interest income. The interest portion of the trust can be used to maintain the City cemetery.

The City also reports the following proprietary funds:

(1) Electric Fund—The Electric Fund accounts for the City's electric distribution operations.

(2) Water and Sewer Fund—The Water and Sewer Fund accounts for the activities of the City's water and sewer operations.

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

(4) Sanitation Fund—The Sanitation Fund accounts for the City's sanitation operations.

Note 2 of the basic financial statements of the City included as Appendix B to this Official Statement contains a detailed discussion of the City's significant accounting policies.

The City's fiscal year begins on October 1 and ends on September 30 of each year. The City Council adopts the final operating budget for the ensuing fiscal year not later than 15 days prior to the start of each year. If the City Council fails to adopt a timely budget, the amounts appropriated for operation for the then-current fiscal year are adopted for the ensuing fiscal year on a month-to-month basis, with all items prorated accordingly, until the City Council adopts a budget. Once adopted, the City Council levies taxes sufficient, together with other anticipated revenues, fund balances, and applicable reserves, to equal the total amount appropriated for each of the several funds set forth in the annual operating budget.

The city administrator also submits to the City Council, at the same time as the annual operating budget is submitted, a proposed capital improvements budget along with recommendations for financing such improvements. The City Council will not authorize an expenditure for the construction of any building, structure, work, or improvement, unless the appropriations for such project are included in the capital improvements budget or amended budget. The final capital improvements budget for the ensuing fiscal year is adopted not later than September 30 of each year.

There is an annual independent audit of all City accounts, funds, and financial transactions by a certified public accountant in accordance with generally accepted accounting principles. Any audit of any funds by the state or federal government may be accepted as satisfying the requirements of this article. Copies of all audit reports shall be available at printing costs to the public.

The City has a purchasing policy (available on the City’s website) as well as policy restrictions and accountability measures regarding the use of credit cards by City officials.

Five Year General Fund History

Set forth below is an historical, comparative summary of the revenues, expenditures and changes in fund balance of the City’s General Fund for fiscal years 2019-2023. Information in the following table has been extracted from audited financial statements of the City for the years ended September 30, 2019 to 2023. Although taken from audited financial statements, no representation is made that the information is comparable from year to year, or that the information as shown taken by itself presents fairly the financial condition of the City for the fiscal years shown.

City General Fund

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST FIVE FISCAL YEARS (modified accrual basis of accounting)

Revenues	2023	2022	2021	2020	2019
Taxes	\$ 22,582,138	\$ 19,379,890	\$ 17,215,701	\$ 15,038,820	\$ 14,045,390
Licenses and permits	1,489,613	1,511,366	1,668,523	1,607,386	2,125,009
Intergovernmental	6,647,268	5,598,047	9,047,628	5,714,255	4,195,701
Fines and forfeitures	876,907	910,597	303,095	908,996	997,103
Charges for services	377,623	449,274	617,588	913,497	859,513
Interest income	1,130,816	84,787	78,462	312,195	352,619
Miscellaneous	2,107,877	231,001	173,186	129,047	330,101
Total revenues	35,212,242	28,164,962	29,104,183	24,624,196	22,905,436
Expenditures					
General government	5,887,469	3,977,320	2,999,655	2,992,573	3,539,095
Judicial	638,087	610,290	648,158	485,978	534,186
Public safety	9,314,911	8,988,679	8,288,811	7,988,409	7,125,945
Public works	5,819,692	5,993,285	5,944,896	3,352,766	2,867,417
Planning and development	965,756	763,646	763,503	398,005	713,382
Culture and recreation	1,409,102	682,527	398,482	659,665	501,501
Capital outlay	5,779,854	3,494,190	4,911,771	3,613,471	1,983,051
Debt service					
Principal	870,684	657,120	619,498	660,945	615,099
Interest	358,128	186,648	209,920	236,585	253,441
Bond issuance costs	-	-	-	-	-
Total expenditures	31,043,683	25,353,705	24,784,694	20,388,397	18,133,117
Excess (deficiency) of revenues over (under) expenditures	4,168,559	2,811,257	4,319,489	4,235,799	4,772,319
Other financing sources (uses)					
Bonds issued	-	-	-	-	-
Payments to refund debt escrow agent	-	-	-	-	-
Issuance of lease liabilities	1,509,130	-	-	-	-
Financed purchases	1,430,000	1,987,232	-	-	100,934
Proceeds from sale of capital assets	48,621	6,907	124	15,101	-
Transfers in	2,734,397	2,310,156	909,840	850,000	1,579,203
Transfers out	(3,225,791)	(2,447,463)	(1,609,840)	(946,633)	(820,211)
Total other financing sources (uses)	2,496,357	1,856,832	(699,876)	(81,532)	859,926
Net change in fund balances	\$ 6,664,916	\$ 4,668,089	\$ 3,619,613	\$ 4,154,267	\$ 5,632,245

Source: City of Fairburn Finance Department.

Interim Financial Statements

Set forth below in the following table is a summary of the revenues, expenditures, and changes in fund balance of the City General Fund for 11-month periods ending August 31, 2023 and 2024. The information in the following table has not been audited and was prepared by the City staff on a modified accrual basis. Therefore, such information should not be compared with the financial information in the table above. The financial results for the 11-month period ending August 31, 2024 are not necessarily indicative of the actual financial results for the fiscal year ending September 30, 2024.

Revenues	Aug-24	Aug-23
Taxes	\$ 21,589,800	\$ 20,978,655
Licenses and permits	320,237	355,649
Intergovernmental	-	-
Fines and forfeitures	230,249	663,117
Charges for services	537,360	373,196
Interest income	980,090	972,347
Miscellaneous	1,141,257	235,951
Total revenues	24,798,993	23,578,915
Expenditures		
General government	5,495,610	4,538,630
Judicial	562,464	536,558
Public safety	9,419,936	7,923,244
Public works	3,117,019	2,250,579
Planning and development	984,373	746,569
Culture and recreation	1,353,585	1,093,874
Capital outlay	303,548	105,829
Debt service		
Principal	-	28,393
Interest	-	-
Bond issuance costs	-	-
Total expenditures	21,236,535	17,223,676
Excess (deficiency) of revenues over (under) expenditures	3,562,458	6,355,240
Other financing sources (uses)		
Bonds issued	-	-
Payments to refund debt escrow agent	-	-
Issuance of lease liabilities	-	-
Financed purchases	-	-
Proceeds from sale of capital assets	-	-
Transfers in	-	-
Transfers out	-	-
Total other financing sources (uses)	-	-
Net change in fund balances	\$ 3,562,458	\$ 6,355,240

Source: City of Fairburn Finance Department.

Management Comments Concerning Material Trends in Revenues and Expenditures

For a narrative overview and analysis of the financial activities of the City for fiscal year 2023, see “**Management’s Discussion and Analysis**” included in Appendix B to this Official Statement. The Management’s Discussion and Analysis is not a required part of the basic financial statements of the City but is supplementary information required by the Governmental Accounting Standards Board that has not been audited by the City’s auditor

General Fund Performance. At the end of fiscal year 2023, the City’s General Fund balance was \$24,992,720, an increase from a General Fund balance of \$21,262,692 in fiscal year 2022. The General Fund balance experienced significant increases over the last three years due to an increase in the assessed property values of the City and growth. The City has seen several signs that the local economy is stable. The collection of City revenues has increased by 38% over the last five years and tax collections have remained positive. Additionally, the City continues to focus on plans for residential and economic growth. Retail sales area steadily increasing as evidenced by the Local Option Sales Tax (“LOST”). During fiscal year 2023, LOST distributions were renegotiated for all cities in Fulton County, resulting in the City receiving larger distributions. Finally, new home permits have continued to increase over the last 5 years.

Since fiscal year 2022, the net position for governmental activities increased \$7,823,597 (10.96%) and governmental revenues increased \$6,551,590 (22.98%). Capital grants and contributions increased \$788,138 primarily from increased spending of American Recovery Plan funds. Property taxes increased \$2,308,932 (23.31%) as assessed values for real property continue to rise in Fulton County. Sales tax were consistent with fiscal year 2022. Franchise taxes and insurance premium taxes increased \$467,773 (37.91%) and \$272,372 (25.01%), respectively, as the state and local economies continue to improve. Unrestricted investment earnings have increased \$1,001,854 (1,250%), in part because interest rates have risen dramatically. Miscellaneous revenue increased \$1,889,817, primarily from recognition of court revenues and tree bank fund collections. Other revenue sources have remained consistent with fiscal year 2022.

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

For fiscal year 2025, the City expects to amend its fund balance policy under which the City will maintain a minimum unassigned fund balance of 28.4% and thereafter an unassigned fund balance no less than 35%.

The City is self-insured for general liability, automobile and property insurance.

Budgetary Process

Georgia law requires each municipality to operate under an annual balanced budget adopted by ordinance or resolution. A budget ordinance or resolution is balanced when the sum of estimated net revenues and appropriated fund balances is equal to appropriations.

The City adopts annual appropriated budgets for all of its funds. The City uses the modified accrual basis of accounting in its adopted General Fund budget, which is consistent with the basis of accounting used in the City’s General Fund financial statements.

In February of each year, information is transmitted to the various departments to enable them to prepare their operating budget requests for the next fiscal year. During March and April, the budgetary requests are returned and are reviewed by the Finance Director. The Finance Director then prepares a line item operating budget and submits it to the City Administrator for approval. The City Administrator submits the operating budget to the City Council by

August. The operating budget includes proposed expenditures and the means for financing them. Public hearings are then conducted in the City to obtain taxpayer comments on the proposed budget. The budget is legally adopted by the first meeting in September through passage of an ordinance by the City Council. Budget amendments must be authorized by the City Council through a budget revision.

Budgetary control is maintained at the department appropriation level. Departments, with the approval of the City Administrator and the Finance Director, are authorized, with certain exceptions, to transfer amounts within departmental budgets. Expenditures that would increase total departmental appropriations require the approval of the City Council. The City also prepares monthly financial statements comparing budgeted and actual amounts.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of moneys are recorded in order to reserve that portion of the applicable appropriation, is utilized by the City for budget purposes only. Thus, appropriations outstanding at year-end lapse under generally accepted accounting principles because they do not constitute expenditures or liabilities.

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General Fund Budget

Set forth below is a summary of the City’s adopted budget for its General Fund through the 2025 budget. This budget is based upon certain assumptions and estimates of the City regarding future events, transactions and circumstances. Realization of the results projected in this budget will depend upon implementation by management of the City of policies and procedures consistent with the assumptions. There can be no assurance that actual events will correspond with such assumptions, that uncontrollable factors will not affect such assumptions, or that the projected results will be achieved. Accordingly, the actual results achieved could materially vary from those projected in the budget set forth below.

	Budget 2024-2025
Revenues	
Taxes	\$ 23,021,114
Licenses and permits	527,000
Intergovernmental	-
Charges for services	200,500
Fines and forfeitures	650,000
Interest income	925,000
Miscellaneous	115,500
Other financing sources (uses)	3,640,005
Total revenues	29,079,119
Expenditures	
Mayor and Council	422,026
City Clerk	485,118
City Administrator	2,367,358
Finance	1,256,216
Technology	1,016,918
Human Resources	687,733
Building Operations	1,759,576
Risk Management	716,850
Communications	239,075
Court Services	674,719
Police	6,895,549
Fire	6,469,558
Public Administration	692,980
General Services	2,008,674
Maintenance and Shop	317,400
Recreation Programs	1,443,169
Inspection and Enforcement	900,040
Planning and Zoning	703,865
Economic Development	545,206
Main Street	217,336
Non-Departmental	6,706,122
	<u>36,525,488</u>
Net change in fund balances	(7,446,369)¹
Beginning of Fund Balance	<u>\$ 25,052,657</u>
Ending Fund balance or Estimate	<u><u>\$ 17,606,288</u></u>

Source: City of Fairburn Financial Department.

¹ The fund balance was used for capital projects for road extensions and to offset property tax increases and to adhere to the fund balance policy of maintain an unassigned fund balance of not to exceed 28.4%.

Capital Assets

The following table summarizes the City’s capital assets at the end of the fiscal years 2022 and 2023, summarized as follows:

Summary of Capital Assets, Net of Accumulated Depreciation

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

Source: City of Fairburn Annual Comprehensive Financial Report for Fiscal Year 2022-2023, page 15.

The City has examined its capital improvement and expansion needs of the System over the next six years. The City does not anticipate issuing additional debt to fund further capital improvements over the next six years. The City’s requests for capital improvement funds over the next six years are displayed in the table below.

<u>Department</u>	<u>Requested</u>
Economic Development	\$ 415,000
Streets	1,651,905
Parks & Recreation	477,000
Police	736,440
Fire	830,000
Community Development/Public Works	9,500,000
Utilities	700,000
Information Technology	1,516,500
Building Operations	64,678,784
Total	\$ 80,505,629

Sources of Tax Revenues

Set forth below are the City’s governmental tax revenues by source for each of its past five fiscal years.

Tax Revenues By Source

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
2020	\$7,571,527	\$3,976,456	\$579,231	\$1,269,600	\$997,441	\$265,113	\$190,904	\$206,221	\$15,056,493
2021	8,680,841	4,550,878	862,927	1,262,038	1,052,080	295,599	220,709	244,910	17,169,982
2022	9,906,626	5,365,772	852,503	1,234,016	1,089,132	290,605	299,763	411,251	19,449,668
2023	12,215,558	5,439,696	834,477	1,701,789	1,361,504	292,888	300,770	220,624	22,367,306
2024	12,611,356	5,553,492	857,172	1,441,510	1,462,342	308,791	335,513	1,939,875	22,772,179

Source: City of Fairburn Annual Comprehensive Financial Report for Fiscal Year 2022-2023, page 80; City of Fairburn Finance Department.

Employee Benefits¹

The City, as authorized by the City Council, has established a defined benefit pension plan (the “Plan”) that covers employees working 32 hours or more per week and elected officials. The Plan provides retirement, disability and death benefits to the Plan’s participants and beneficiaries. City Council, in its role as the Plan’s sponsor, has the sole authority to amend the Plan’s provisions, including the current specific benefits provisions and contribution requirements provided by the Plan. Effective January 1, 2015, the Plan was amended to provide for immediate participation for employees and there is no waiting period. Benefits vest after five years of service for eligible employees. Eligible military service counts toward vesting and eligibility. Normal retirement is for members upon reaching the age of 65 with at least five years of service. Alternative normal retirement is possible upon reaching age 55 with at least 25 years of service. Early retirement is possible upon reaching the age of 55 with ten years of service. Disability retirement has no service requirement and is calculated at 20% of the employee’s last 12 months of earnings. Benefits are calculated at 2% of the final average earnings for the period of three highest years prior to retirement, payable monthly for life. City officials receive a lifetime benefit at age 65 of \$48 per month for each year of service to the City.

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. 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. As of January 1, 2023, there were 359 participants in the program.

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. As of January 1, 2024, the City’s contribution rate was 10.05% of annual payroll.² As of January 1, 2024, the unfunded actuarial accrued liability of the Plan is \$1,174,130 with a funded ratio on an actuarial value basis of 94.13%.² The net pension liability is \$3,619,401.²

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¹ The City receives, from time to time, actuarial evaluations from Georgia Municipal Association, Inc., the most recent one dated as of January 1, 2024. Except as footnoted herein, information in this section is dated as of the Annual Comprehensive Financial Report for Fiscal Year 2022-2023.

² City of Fairburn Retirement Plan, A Participating Member of the Georgia Municipal Employees Benefit System, Actuarial Valuation and Review as of January 1, 2024.

FEPP is non-contributory and the City's policy is to contribute 100% of an actuarially determined rate. The current rate is 8.0% of covered payroll.

	<u>Analysis of Funding Progress</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially determined contribution	\$ 525,986	\$574,304	\$483,851	492,118	518,325
Contributions in relation to the actuarially determined contribution	573,845	614,625	483,851	492,118	518,325
Contribution deficiency (excess)	(47,859)	(40,321)	--	--	--
Covered payroll	\$11,905,109	\$7,629,343	\$6,599,782	\$5,568,852	5,459,369
Contributions as a percentage of Covered payroll	4.82%	8.06%	7.33%	8.84%	9.49%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$504,950	\$501,693	\$455,271	\$504,853	\$519,993
Contributions in relation to the actuarially determined contribution	504,950	501,693	455,271	504,853	519,993
Contribution deficiency (excess)	--	--	--	--	--
Covered payroll	\$5,421,039	\$5,794,145	\$5,434,761	\$5,264,479	\$4,444,802
Contributions as a percentage of Covered payroll	9.31%	8.66%	8.38%	9.59%	11.70%

Source: City of Fairburn Annual Comprehensive Financial Report for Fiscal Year 2022-2023, page 64.

Notes to the Schedule:

(1) Actuarial Assumptions:

Valuation Date	January 1, 2023
Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amounts that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Assumed Rate of Return on Investments	7.375%
Projected Salary Increases	2.25% plus service based merit increases
Cost-of-living Adjustment	2.25%
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization Period	N/A

The City is required by Georgia law to have an actuarial valuation of its defined-benefit pension plan done once every three years. The City met the minimum funding levels prescribed by state law through January 1, 2009. Note 11 of the basic financial statements of the City included as Appendix B to this Official Statement contains a detailed description of the City's defined-benefit pension 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.

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.

The City provides vacation and sick leave benefits to all eligible employees and permits an accumulation of a maximum of one hundred and twenty (120) days of sick leave. Sick leave is payable to those employees who have resigned from the City with a minimum of five years of service up to 25% of their accumulated sick leave. Vacation time is allowed to be carried over from the current calendar year up to a maximum of 240 hours without special approval by the City Administrator. Compensated absences are reported in government funds only if they have matured. The cost of vacation and sick pay benefits exercised during the current year are included in the expenditures/expenses of the statements. The City has historically used its business-type funds (rather than government funds) to liquidate the liability for compensated absences. Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and fund liability of the governmental fund that will pay it. Vested or accumulated vacation and sick leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

Insurance Coverage and Governmental Immunity

The General Assembly of the State of Georgia has declared, in Section 36-33-1 of the Official Code of Georgia Annotated, that it is the public policy of the State of Georgia that there is no waiver of the sovereign immunity of municipal corporations and that municipal corporations shall be immune from liability for damages. This policy is applicable to actions based upon tort but is not applicable to actions based upon contract. The City, however, may be unable to rely upon the defense of sovereign immunity and may be subject to liability in the event of suits alleging causes of action founded upon various federal laws, such as suits filed pursuant to 42 U.S.C. §1983 alleging the deprivation of federal constitutional or statutory rights of an individual and suits alleging anti-competitive practices and violations of the federal antitrust laws by the City in the exercise of its delegated powers. Section 36-33-1 of the Official Code of Georgia Annotated also provides that a municipal corporation shall not waive its immunity by the purchase of liability insurance, except for vehicular liability insurance or unless the insurance policy covers an occurrence for which the defense of sovereign immunity is available, but the waiver is limited to the extent of the limits of the insurance policy. Section 36-33-1 of the Official Code of Georgia Annotated also provides that municipal corporations are not liable for failure to perform or for errors in performing their legislative or judicial powers, but are liable for neglect to perform or improper or unskillful performance of their ministerial duties.

The City carries liability insurance for the types of claims and in amounts that are customary for similar entities for those categories of claims that are not subject to the defense of sovereign immunity. The City also carries property and casualty damage insurance on buildings and other physical assets.

The City requires payment and performance surety bonds and builders' risk insurance of all contractors and subcontractors involved in its public works projects. Reference is made to Note 14 of the City's financial statements included as Appendix B for a discussion of the City's risk management program. The City requires the surety bonds to be issued by surety firms listed on the U.S. Treasury-approved list and the builders' risk insurance to be in the amount of the contract sums.

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APPENDIX B
AUDITED FINANCIAL STATEMENTS OF THE CITY

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Welcome to
City of Fairburn
Situated to Succeed

**ANNUAL
COMPREHENSIVE
FINANCIAL
REPORT**

FISCAL YEAR ENDED
SEPTEMBER 30, 2023

Prepared by
City of Fairburn, Georgia Finance Department

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

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

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INTRODUCTORY SECTION
(Unaudited)

April 12, 2024

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

Dear Mayor, Council Members and Citizens:

The Annual Comprehensive Financial Report (ACFR) of the City of Fairburn, GA for the fiscal year ended September 30, 2023, is submitted herewith. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City. To the best of our knowledge, the enclosed data are accurate in all material aspects and fairly present the financial position and results of operations of the City. All disclosures necessary to enable interested citizens to gain a reasonable understanding of the City's financial affairs are included.

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

In compliance with state laws requiring an annual audit by independent certified public accountants, the financial statements for the fiscal year ended September 30, 2023, were audited by Mauldin & Jenkins, LLC, a firm of licensed certified public accountants. The goal of an independent audit is to provide reasonable assurance that the financial statements are free of material misstatements. The audit involved performing procedures to obtain audit evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and evaluating the risks of material misstatement whether due to fraud or error. Mauldin & Jenkins expressed an unmodified opinion, and it is included in this report. Their audit was conducted in accordance with auditing standards generally accepted in the United States of America and with *Government Auditing Standards* issued by the Comptroller of the United States of America. An unmodified opinion indicates that the audit did not disclose any conditions that would cause the basic financial statements not to be fairly presented in all material aspects. The independent auditor's report can be found at the beginning of the financial section.

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

Profile of the City of Fairburn

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

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

City Administration and Officials

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

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

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

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

The Code for the State of Georgia requires the City to adopt by local resolution an annual balanced budget. The annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund, function and department and is closely monitored throughout the year. All activities of the City including: the General Fund, the special revenue funds, the debt service fund, the capital project funds, and enterprise funds are included in the annual budget. The City's legal level of control is at the department level. Administrative budgetary control, however, is maintained at the line-item level. As conditions change, the budget process allows for transfers and amendments. Increases in departmental or fund appropriations (amendments) are approved by the Council.

City Services

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

Local Economy

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

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

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

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

The City has seen several signs that the local economy is stable. The collection of City revenues has increased by 38% over the last five years. Tax collections have remained positive. In addition, the City continues to focus on plans for residential and economic growth. Retail sales are also steadily increasing as evidenced by the Local Option Sales Taxes (LOST); During fiscal year 2023, LOST distributions were renegotiated by for all cities in Fulton County. Overall increased revenues resulted in the City receiving larger distributions. New home permits have continued to increase over the last 5 years.

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

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

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

Long-Term Financial Planning

The City's transportation improvements were funded with the 2016 Transportation Special Purpose Local Option Sales Tax (TSPLOST). On November 8, 2016, voters approved the TSPLOST. This seventy-five cents sales tax program can only be spent on transportation improvements, such as roads, bridges, sidewalks, bicycle paths and signal lights. The TSPLOST I initiative was collected from April 1, 2017, to March 30, 2022. The City collected \$12,659,514 over the 5-year life of the program. The total collected on TSPLOST II from April 1, 2022, through September 30, 2023 is \$4,748,429.

The Government Finance Officers Association recommends an unassigned General Fund balance of at least two months of expenditures for governments. Two months of expenditure for the City of Fairburn is 17% of total expenditures. Currently the City of Fairburn has 119% of expenditures in unassigned General Fund balance. The City of Fairburn is placing an emphasis on financial stability which includes increasing revenues, reducing expenditures, and minimizing debt. The City has devoted attention to the redevelopment of various areas of the City. The City is also focused on developing the SR 74 corridor. Attracting more restaurants and businesses for both the downtown area and the SR 74 corridor are top priorities.

Relevant Financial Policies

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

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

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

Major Initiatives

The TSPLOST and Capital Improvements Projects completed in Fiscal Year 2023 included: 1) resurfacing and reconstructing (reclamation) of city roads, and the 2) installation of sidewalks, and other pedestrian improvements to include handicap ramps.

Completed the Golightly Street Pedestrian Improvements Project.

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

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

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

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

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

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

Completed the Virlyn B. Smith Road Pedestrian Improvements Project.

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

Completed the Southeast Broad Street Pedestrian Improvements Project.

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

Awards and Acknowledgements

The City of Fairburn received the Certificate of Achievement for Excellence in Financial Reporting to the Government Finance Officers Association of the United States and Canada (GFOA) for the fiscal year ended September 30, 2022. This was the thirty-fourth consecutive year the City has achieved this prestigious award. To be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Respectfully Submitted,

Bryan Stephens

Bryan Stephens, Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Fairburn
Georgia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morrill

Executive Director/CEO

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

CITY CLERK
Brenda James

ECONOMIC DEVELOPMENT DIRECTOR
Sylvia Abernathy

HUMAN RESOURCES
TaLisha Champagne

UTILITY DIRECTOR
John Martin

FINANCE DIRECTOR
Bryan Stephens

BUILDING OPERATIONS DIRECTOR
Dana Smith

CHIEF OF POLICE
Anthony Bazydlo

STREETS AND GARAGE DIRECTOR
Gale Higgs

FIRE CHIEF
Cornelius Robinson

PARKS AND RECREATION DIRECTOR
Chapin Scott

COMMUNITY DEVELOPMENT DIRECTOR
Lester Thompson

CITY ATTORNEYS
Hilliard Starkey Law

PLANNING AND ZONING DIRECTOR
Denise Brookins



City of Fairburn, Georgia
Mayor and Council



MAYOR MARIO AVERY



COUNCIL MEMBER PRO TEM ALEX HEATH



COUNCIL MEMBER LINDA J. DAVIS MAYOR PRO-TEM



COUNCIL MEMBER PAT PALLEND



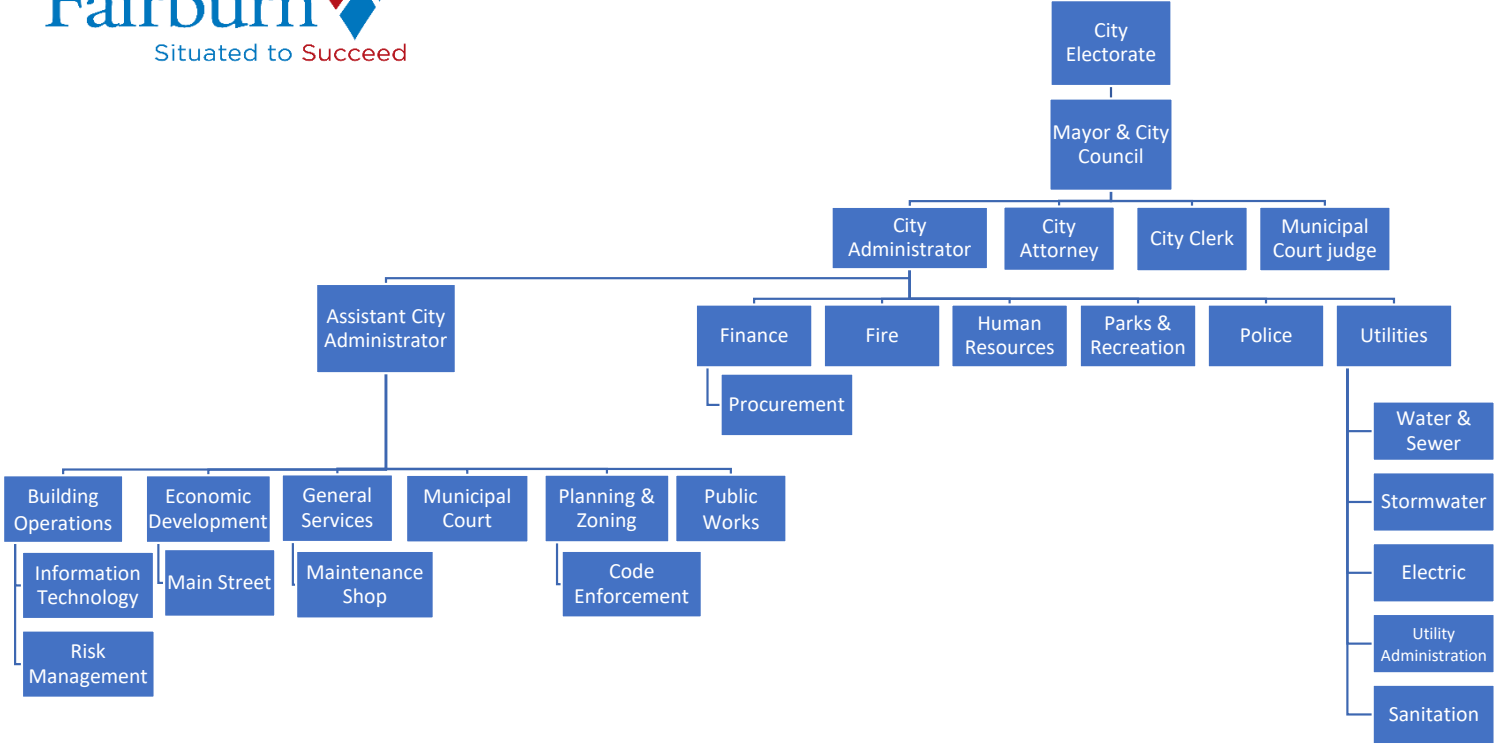
COUNCIL MEMBER HATTIE PORTIS-JONES



COUNCIL MEMBER ULYSSES SMALLWOOD



COUNCIL MEMBER JAMES WHITMORE



Revised 1/31/2024

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Fairburn, Georgia** (the "City"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Fairburn, Georgia's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fairburn, Georgia, as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparisons for the General Fund and American Rescue Plan Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibility of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 12, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Atlanta, Georgia
April 12, 2024

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

As management of the City of Fairburn (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements and the notes to the financial statements.

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2023 are as follows:

- The assets and deferred outflows of resources for the City of Fairburn exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$121,260,462 (net position). Of this amount, \$67,565,432 is invested in capital assets, net of related debt; \$8,395,068 is restricted; and \$45,299,962 is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$7,817,761 as compared to an increase of \$8,460,958 in the prior fiscal year.
- At the end of the current fiscal year, total fund balance for the General Fund was \$24,992,720, an increase of \$3,730,028 over the prior fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

The statement of net position presents information on all of the City's assets, deferred outflows of resources, deferred inflows of resources, and liabilities, with the difference between these reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. It is important to note that this statement consolidates the governmental fund's current financial resources (short-term) with capital assets and long-term liabilities.

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

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

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

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

Reporting the City's Most Significant Funds

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

Governmental Funds

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

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

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

The City presents in separate columns funds that are most significant to the City (major funds) and all other governmental funds are aggregated and reported in a single column (nonmajor funds). The City's governmental fund financial statements are presented on pages 19 - 21.

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

Proprietary Funds

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

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

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

The City's proprietary fund financial statements are presented on pages 24 - 26.

Overview of the City's Financial Position and Operations

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

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

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

Financial Position

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

City of Fairburn Summary of Changes in Net Position

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

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

Governmental Activities

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

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

Business-Type Activities

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

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

Electric Fund, Summary of Changes in Net Position

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

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

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

Water and Sewer, Summary of Changes in Net Position

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

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

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

Educational Complex Fund, Summary of Changes in Net Position

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

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

Stormwater Fund, Summary of Changes in Net Position

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

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

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

Sanitation Fund, Summary of Changes in Net Position

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

Financial Analysis of the City's Funds

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

Governmental Fund Balance

The City's combined fund balances as of the end of the current fiscal year for governmental funds, presented on page 19, were \$35,588,138 compared to \$28,923,222 in the prior fiscal year, an increase of \$6,664,916 or 23%.

City of Fairburn Summary of Governmental Fund Balances

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

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

City of Fairburn Summary Changes in Governmental Fund Balance

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

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

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

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

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

Analysis of Major Funds

General Fund

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

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

American Rescue Plan Fund

The American Rescue Plan Fund is a special revenue fund and accounts for the amounts awarded to the City under the Coronavirus State and Local Fiscal Recovery Funds program, provided for under the American Rescue Plan Act of 2021. The City received a total of \$6,261,782 under this program and expended \$1,940,299 and \$184,665 in fiscal years 2023 and 2022, respectively. At September 30, 2023, the City had \$4,210,480 of available funds to spend under this program.

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

General Obligation Capital Projects Fund

The General Obligation Bond Capital Projects Fund accounts for the City's general obligation bond proceeds to be used for the acquisition and construction of major capital facilities. These bonds are repaid by a separate millage applied to property taxes. Property taxes for this fund were \$1,888,089 and \$1,478,073 for fiscal 2023 and 2022, respectively. Property taxes increased \$410,016 or 27.74%, as assessed values continue to increase in Fulton County. This fund had capital outlays of \$229,245 for design of a new fire station. Debt service expenditures were \$801,047 and \$801,090 for fiscal years 2023 and 2022, respectively.

TSPLOST Fund

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

General Fund Budgetary Highlights

The final amended budget passed by the City Council anticipated revenues and transfers from the Enterprise Funds being sufficient to meet operations of the General Fund. Actual results were \$7,126,521 better than budgeted.

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

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

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

Capital Asset and Debt Administration

Capital Assets

The City has invested \$89,207,955 in capital assets (net of accumulated depreciation). Capital assets held by the City at the end of the current and previous fiscal years are summarized as follows:

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

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

Net capital assets for governmental activities increased \$4,251,360 and is primarily related to infrastructure projects funded by TSPLOST funds as well as significant replacement of city-wide vehicles. Net capital assets for business-type activities decreased \$908,845 as depreciation expenses offset asset purchases. The detailed capital assets schedule is reported in Note 7 of the footnotes to the financial statements.

Long-term Debt

At the end of the current fiscal year, the City had long-term debt related to business-type activities of \$16,725,960 and \$10,836,321 for governmental activities. Bonds, notes, lease liabilities, and financed purchases outstanding as of the fiscal year ended September 30, 2023, are fully secured by the full faith and credit of the City. Business-type activities debt is secured by electric, water and sewer, and educational complex revenues while governmental debt is secured by general revenues.

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

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

City of Fairburn Outstanding Long-Term Liabilities

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

Economic Factors and Next Fiscal Year's Budgets and Rates

The City continues to enjoy the benefits of its location along I-85 and its proximity to the Atlanta Airport. Commercial and industrial development has rebounded, especially large regional distribution centers along Oakley Industrial Boulevard and national retailers along the Highway 74 corridor to Tyrone and Peachtree City south of the Interstate 85 interchange. The City is experiencing a vast amount of development interest and is projecting significant growth in the commercial tax base over the next five years.

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

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

Contacting the City's Financial Management

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

CITY OF FAIRBURN, GEORGIA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

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

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

CITY OF FAIRBURN, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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

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

CITY OF FAIRBURN, GEORGIA

BALANCE SHEET GOVERNMENTAL FUNDS SEPTEMBER 30, 2023

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

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

CITY OF FAIRBURN, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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

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

**CITY OF FAIRBURN, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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

Net change in fund balances - total governmental funds \$ 6,664,916

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period. 4,251,360

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. (193,662)

Issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of bond insurance costs, premiums, discounts, and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The effect of these differences in the treatment of long-term debt and related items is as follows:

Principal payment on bonds payable	\$ 640,000	
Principal payment on lease liabilities	203,654	
Principal payment on financed purchases	27,031	
Issuance of lease liabilities	(1,509,130)	
Issuance of financed purchases	(1,430,000)	
Amortization of deferred charges, prepaid bond insurance costs	<u>(101,785)</u>	(2,170,230)

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	39,617
Change in deferred inflows and outflows - pension related items and net pension asset	(422,812)
Change in compensated absences	<u>(345,592)</u>

Change in net position - governmental activities \$ 7,823,597

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

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

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

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

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

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

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

CITY OF FAIRBURN, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2023

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

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

CITY OF FAIRBURN, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Business-type Activities - Enterprise Funds					Total
	Electric Fund	Water and Sewer Fund	Educational Complex Fund	Stormwater Fund	Nonmajor Sanitation Fund	
OPERATING REVENUES						
Charges for sales and services	\$ 10,274,478	\$ 8,225,703	\$ 338,479	\$ 947,433	\$ 934,911	\$ 20,721,004
Miscellaneous income	332,807	-	-	-	34,029	366,836
Total operating revenues	<u>10,607,285</u>	<u>8,225,703</u>	<u>338,479</u>	<u>947,433</u>	<u>968,940</u>	<u>21,087,840</u>
OPERATING EXPENSES						
Cost of sales and services	9,858,339	4,703,228	-	-	-	14,561,567
General operating expenses	2,106,722	1,379,843	154,235	205,375	879,433	4,725,608
Depreciation and amortization	390,533	783,779	496,099	221,794	-	1,892,205
Total operating expenses	<u>12,355,594</u>	<u>6,866,850</u>	<u>650,334</u>	<u>427,169</u>	<u>879,433</u>	<u>21,179,380</u>
Operating income (loss)	<u>(1,748,309)</u>	<u>1,358,853</u>	<u>(311,855)</u>	<u>520,264</u>	<u>89,507</u>	<u>(91,540)</u>
NON-OPERATING REVENUES (EXPENSES)						
Investment income	151,083	61,509	85,091	-	-	297,683
Interest expense	(3,092)	(1,386,851)	(310,318)	-	-	(1,700,261)
Total non-operating revenues (expenses)	<u>147,991</u>	<u>(1,325,342)</u>	<u>(225,227)</u>	<u>-</u>	<u>-</u>	<u>(1,402,578)</u>
Income (loss) before contributions and transfers	<u>(1,600,318)</u>	<u>33,511</u>	<u>(537,082)</u>	<u>520,264</u>	<u>89,507</u>	<u>(1,494,118)</u>
Capital contributions	-	996,888	-	-	-	996,888
Transfers in	-	-	1,206,099	-	-	1,206,099
Transfers out	-	(634,705)	-	-	(80,000)	(714,705)
	<u>-</u>	<u>362,183</u>	<u>1,206,099</u>	<u>-</u>	<u>(80,000)</u>	<u>1,488,282</u>
Change in net position	(1,600,318)	395,694	669,017	520,264	9,507	(5,836)
Net position, beginning of fiscal year	<u>12,828,947</u>	<u>17,785,468</u>	<u>1,869,152</u>	<u>8,708,477</u>	<u>853,788</u>	<u>42,045,832</u>
Net position, end of fiscal year	<u>\$ 11,228,629</u>	<u>\$ 18,181,162</u>	<u>\$ 2,538,169</u>	<u>\$ 9,228,741</u>	<u>\$ 863,295</u>	<u>\$ 42,039,996</u>

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

CITY OF FAIRBURN, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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

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

NOTES TO FINANCIAL STATEMENTS

CITY OF FAIRBURN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements

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

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

The City reports the following major governmental funds:

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

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

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

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

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

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

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The City reports the following nonmajor proprietary fund:

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

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

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

D. Budgets and Budgetary Accounting

Annual appropriated budgets are adopted for all funds except for the Cemetery Permanent Fund. The Cemetery Permanent Fund has its expenditures controlled by legal use restrictions imposed by a trust agreement. The budgets for the proprietary funds are for management control purposes and are not required to be reported. Budgets are prepared by the City Administrator prior to September 1 for the fiscal year to commence October 1. The City Administrator is authorized to transfer between line items within the budget without the City Council's approval and expenditures may not exceed the legally adopted budget without City Council approval. The level of control does not allow expenditures to legally exceed budgeted appropriations at the department level. Budgets are adopted on a modified accrual basis, which is consistent with generally accepted accounting principles for governmental funds. All appropriations lapse at fiscal year end. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is not employed by the City.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash and Cash Equivalents

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

F. Deposits and Investments

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

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

G. Property Taxes Receivable

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Interfund Receivables and Payables

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

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

I. Inventory and Prepaid Items

Inventory is valued at cost, using the first-in, first-out method. The cost of governmental fund type inventory is recorded as an expenditure when consumed rather than when purchased. Prepaid items are accounted for using the consumption method. Payments made to vendors for services that will benefit periods beyond September 30, 2023, are recorded as prepaid items in both government-wide and fund financial statements.

J. Restricted Assets

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

K. Grants from Other Governments

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Capital Assets

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

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

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

<u>Assets</u>	<u>Years</u>
Distribution system	50
Infrastructure	30
Buildings and improvements	15-40
Vehicles	10-20
Machinery and equipment	3-10
Computer equipment	3-5
Right-to-use assets	4-5

M. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation benefits. Eligible employees accrue time based on their employment classification. Vacation time is allowed to be carried over from the current calendar year up to a maximum of between 104 and 416 hours, based on employment classification, without special approval from the City Administrator. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

N. Unearned Revenue

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Long-Term Obligations

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

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

P. Fund Equity and Net Position

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

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

Fund balances are classified as follows:

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Equity and Net Position (Continued)

Fund Balance (Continued)

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Management Estimates

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

R. Interfund Transactions

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

S. Deferred Outflows/Inflows of Resources

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Deferred Outflows/Inflows of Resources (Continued)

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

T. Pensions

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

U. Leases

Lessor

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U. Leases (Continued)

Lessor (Continued)

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

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

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

Lessee

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U. Leases (Continued)

Lessee (Continued)

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

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

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

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$11,113,581 difference are as follows:

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

NOTES TO FINANCIAL STATEMENTS

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

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period”. The details of this \$4,251,360 difference are as follows:

Capital outlay	\$ 6,607,590
Depreciation expense	<u>(2,356,230)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 4,251,360</u>

NOTE 3. LEGAL COMPLIANCE - BUDGETS

A. Budgets and Budgetary Accounting

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

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

B. Excess Expenditures Over Appropriations

Expenditures may not legally exceed budgeted appropriations at the department level (e.g. administration). For the fiscal year ended September 30, 2023, the following functions and funds had excesses of actual expenditures over appropriations:

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS

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

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

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

As reported in the Statement of Net Position

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

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

Credit risk. State statutes authorize the City to invest in obligations of the State of Georgia or other States; obligations issued by the U.S. Government; obligations fully insured or guaranteed by the U.S. Government or by a government agency of the United States; obligations of any corporation of the U.S. Government; prime bankers' acceptances; the local government investment pool established by State law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. As of September 30, 2023, the City's investments in the Municipal Competitive Trust were rated between AA+ - AAA.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial credit risk – deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes, and City policy, require all deposits and investments (other than Federal or State government instruments) to be collateralized at 110% by depository insurance, obligations of the U.S. Government, or bonds of public authorities, counties, or municipalities. As of September 30, 2023, the City had no bank balances that were exposed to custodial credit risk.

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

The City has the following recurring fair value measurements as of September 30, 2023:

Investment	Level 1	Level 2	Level 3	Fair Value
Municipal Competitive Trust - intermediate extended maturity	\$ -	\$ 5,629,562	\$ -	\$ 5,629,562
Municipal Competitive Trust - intermediate	-	764,763	-	764,763
Municipal Competitive Trust - short term portfolio	-	139,756	-	139,756
Total investments measured at fair value	<u>\$ -</u>	<u>\$ 6,534,081</u>	<u>\$ -</u>	<u>6,534,081</u>
Investments recorded at cost:				
Certificates of Deposit				177,195
Total investments				<u>\$ 6,711,276</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RECEIVABLES

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

Receivables at September 30, 2023, for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	<u>General Fund</u>	<u>General Obligation Bond Capital Projects Fund</u>	<u>TSPLOST Fund</u>	<u>Nonmajor Governmental Funds</u>
Receivables:				
Taxes	\$ 1,072,757	\$ 102,111	\$ -	\$ 25,227
Other	349,065	-	-	-
Intergovernmental	-	-	298,976	236,782
Less allowance for uncollectible receivables	(379,679)	(68,770)	-	-
Net total receivable	<u>\$ 1,042,143</u>	<u>\$ 33,341</u>	<u>\$ 298,976</u>	<u>\$ 262,009</u>
	<u>Electric Fund</u>	<u>Water and Sewer Fund</u>	<u>Stormwater Fund</u>	<u>Nonmajor Enterprise Fund</u>
Receivables:				
Accounts	\$ 2,034,213	\$ 1,915,226	\$ 223,254	\$ 238,358
Other	238,000	-	-	-
Less allowance for uncollectible receivables	(323,515)	(468,104)	(43,800)	(60,358)
Net total receivable	<u>\$ 1,948,698</u>	<u>\$ 1,447,122</u>	<u>\$ 179,454</u>	<u>\$ 178,000</u>

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NOTES TO FINANCIAL STATEMENTS

NOTE 6. LEASE RECEIVABLE

The City has leased the educational facility and downtown buildings to third parties. The City receives variable monthly payments ranging from \$1,578 to \$25,324, which include the principal and interest components of the payments. As the leases do not contain a specific interest rate, the City has used its incremental borrowing rate of 1.32% for the educational facility and a downtown building and 1.05% for the second downtown lease as the discount rate for the leases. In the fiscal year ended September 30, 2023, the City modified the educational facility lease to extend through 2043, the resulting modification increased the lease receivable by \$4,272,689, and the deferred inflows by \$4,228,729. For the current year, the City recognized \$320,483 in lease revenue and \$81,116 in interest revenue related to the leases. Also, the City has a deferred inflow of resources associated with the leases that will be recognized over the lease terms which end on September 30, 2029, September 30, 2031, and September 30, 2043. The combined deferred inflows of resources have a balance of \$5,908,538 as of September 30, 2022. As of September 30, 2023, the City's receivable for lease payments was \$6,025,364.

	<u>Beginning Balance</u>	<u>Modifications</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Lease receivable	\$ 269,432	\$ -	\$ (34,028)	\$ 235,404	\$ 35,907
Business-type activities:					
Lease receivable	\$ 1,741,952	\$ 4,272,689	\$ (224,681)	\$ 5,789,960	\$ 227,666
Total	<u>\$ 2,011,384</u>	<u>\$ 4,272,689</u>	<u>\$ (258,709)</u>	<u>\$ 6,025,364</u>	<u>\$ 263,573</u>

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NOTES TO FINANCIAL STATEMENTS

NOTE 7. CAPITAL ASSETS

Primary Government

Capital asset activity for the fiscal year ended September 30, 2023, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 5,337,956	\$ 410,000	\$ -	\$ -	\$ 5,747,956
Construction in process	10,747,295	3,859,355	-	-	14,606,650
Total	<u>16,085,251</u>	<u>4,269,355</u>	<u>-</u>	<u>-</u>	<u>20,354,606</u>
Capital assets, being depreciated:					
Buildings and improvements	11,773,975	-	-	-	11,773,975
Infrastructure	40,108,738	403,200	-	-	40,511,938
Machinery and equipment	2,411,463	171,207	-	-	2,582,670
Vehicles	5,456,000	245,000	(112,903)	-	5,588,097
Right-to-use assets	410,232	1,518,828	-	-	1,929,060
Total	<u>60,160,408</u>	<u>2,338,235</u>	<u>(112,903)</u>	<u>-</u>	<u>62,385,740</u>
Less accumulated depreciation/amortization for:					
Buildings and improvements	(5,294,807)	(480,996)	-	-	(5,775,803)
Infrastructure	(15,556,370)	(1,061,705)	-	-	(16,618,075)
Machinery and equipment	(1,625,845)	(207,925)	-	-	(1,833,770)
Vehicles	(3,388,499)	(377,603)	112,903	-	(3,653,199)
Right-to-use assets	(29,302)	(228,001)	-	-	(257,303)
Total	<u>(25,894,823)</u>	<u>(2,356,230)</u>	<u>112,903</u>	<u>-</u>	<u>(28,138,150)</u>
Total capital assets, being depreciated, net	<u>34,265,585</u>	<u>(17,995)</u>	<u>-</u>	<u>-</u>	<u>34,247,590</u>
Governmental activities capital assets, net	<u>\$ 50,350,836</u>	<u>\$ 4,251,360</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,602,196</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 3,924,899	\$ -	\$ -	\$ -	\$ 3,924,899
Construction in process	43,715	-	-	-	43,715
Total	<u>3,968,614</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,968,614</u>
Capital assets, being depreciated:					
Distribution system	19,344,653	438,155	-	-	19,782,808
Infrastructure	13,520,213	-	-	-	13,520,213
Building and improvements	25,626,576	-	-	-	25,626,576
Machinery and equipment	1,475,706	-	-	-	1,475,706
Vehicles	4,004,627	-	-	-	4,004,627
Right-to-use assets	116,178	365,830	-	-	482,008
Total	<u>64,087,953</u>	<u>803,985</u>	<u>-</u>	<u>-</u>	<u>64,891,938</u>
Less accumulated depreciation/ amortization for:					
Distribution system	(10,792,569)	(459,245)	-	-	(11,251,814)
Infrastructure	(8,603,673)	(219,299)	-	-	(8,822,972)
Building and improvements	(10,292,542)	(644,658)	-	-	(10,937,200)
Machinery and equipment	(1,146,726)	(48,385)	-	-	(1,195,111)
Vehicles	(1,698,980)	(261,033)	-	-	(1,960,013)
Right-to-use assets	(7,473)	(80,210)	-	-	(87,683)
Total	<u>(32,541,963)</u>	<u>(1,712,830)</u>	<u>-</u>	<u>-</u>	<u>(34,254,793)</u>
Total capital assets, being depreciated, net	<u>31,545,990</u>	<u>(908,845)</u>	<u>-</u>	<u>-</u>	<u>30,637,145</u>
Business-type activities capital assets, net	<u>\$ 35,514,604</u>	<u>\$ (908,845)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,605,759</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. CAPITAL ASSETS (CONTINUED)

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

Governmental activities:	
General government	\$ 111,228
Public safety	661,645
Public works	1,161,863
Culture and recreation	365,054
Planning and development	56,440
	<hr/>
Total depreciation expense - governmental activities	<u>\$ 2,356,230</u>
Business-type activities:	
Water and sewer	\$ 750,670
Electric	390,533
Education complex	349,833
Stormwater	221,794
	<hr/>
Total depreciation expense - business-type activities	<u>\$ 1,712,830</u>

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NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT

Primary Government

Long-term liability and obligation activity for the fiscal year ended September 30, 2023, was as follows:

	<u>Beginning Balance (1)</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Fiscal Year</u>
Governmental activities:					
General obligation refunding bonds	\$ 6,765,000	\$ -	\$ (640,000)	\$ 6,125,000	\$ 650,000
Financed purchases from direct borrowings	1,604,031	1,430,000	(27,031)	3,007,000	241,143
Lease liabilities	398,845	1,509,130	(203,654)	1,704,321	372,997
Net pension liability (asset)	(1,328,543)	4,558,389	(528,332)	2,701,514	-
Compensated absences	326,695	841,005	(495,413)	672,287	396,026
Governmental activities					
Long-term liabilities and obligations	<u>\$ 7,766,028</u>	<u>\$ 8,338,524</u>	<u>\$ (1,894,430)</u>	<u>\$ 14,210,122</u>	<u>\$ 1,660,166</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Fiscal Year</u>
Business-type activities:					
Series 2014 Revenue Bonds	\$ 3,325,000	\$ -	\$ (205,000)	\$ 3,120,000	\$ 210,000
Series 2013 Revenue Refunding Bonds	3,175,000	-	(1,010,000)	2,165,000	1,055,000
Plus unamortized bond premium	84,336	-	(11,348)	72,988	-
Series 2017 Educational Complex Revenue Refunding Bonds	<u>11,870,000</u>	<u>-</u>	<u>(815,000)</u>	<u>11,055,000</u>	<u>875,000</u>
	18,454,336	-	(2,041,348)	16,412,988	2,140,000
Lease liabilities	98,316	354,272	(66,628)	385,960	101,727
Net pension liability (asset)	(182,523)	621,598	(86,293)	352,782	-
Compensated absences	57,982	98,779	(94,271)	62,490	47,680
Business-type activities					
Long-term liabilities and obligations	<u>\$ 18,428,111</u>	<u>\$ 1,074,649</u>	<u>\$ (2,288,540)</u>	<u>\$ 17,214,220</u>	<u>\$ 2,289,407</u>

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

The City has outstanding financed purchases from direct borrowings related to government activities totaling \$3,007,000, lease liabilities totaling \$1,704,321, and outstanding refunding bonds related to government activities of \$6,125,000. With respect to business-type activities, the City has outstanding lease liabilities of \$385,960 and direct placement revenue bonds of \$16,340,000. The City has pledged equipment as collateral for the financed purchases from direct borrowings related to government activities and business-type activities. There is no pledged collateral on any of the bonds for governmental activities or business-type activities. The full faith and credit of the City and net revenues from business-type activities are pledged as security on the bonds. All financed purchases from direct borrowings contain an event of default that allows the lender to demand full payment in the case of a missed payment.

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

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

The 2011 Series of Bonds have been fully paid as of September 30, 2022. The Series 2017 General Obligation Refunding Bonds currently outstanding mature as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal Year Ending September 30,			
2024	\$ 650,000	\$ 145,000	\$ 795,000
2025	655,000	128,688	783,688
2026	665,000	112,188	777,188
2027	670,000	95,500	765,500
2028	680,000	78,625	758,625
2029--2032	2,805,000	141,313	2,946,313
Total	<u>\$ 6,125,000</u>	<u>\$ 701,314</u>	<u>\$ 6,826,314</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

Financed Purchases from Direct Borrowings – Governmental Activities. The City has entered into lease agreements as lessee for financing the acquisition of two fire engines. The lease agreements qualify as financed purchases from direct borrowings for accounting purposes and, therefore, have been recorded at the present values of the future minimum payments as of the date of their inception. As of September 30, 2023, the City has not yet received the fire trucks related to the finance purchases payable. The fire trucks are still being constructed by the vendor and City has recorded the \$3,007,000 as a prepaid asset.

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

Fiscal Year Ending September 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 241,143	\$ 118,785	\$ 359,928
2025	250,606	109,322	359,928
2026	260,441	99,487	359,928
2027	270,664	89,264	359,928
2028	281,289	78,639	359,928
2029--2033	1,702,857	193,276	1,896,133
Total	<u>\$ 3,007,000</u>	<u>\$ 688,773</u>	<u>\$ 3,695,773</u>

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

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

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 9. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	TSPLOST Fund	\$ 200
General Fund	Nonmajor Governmental Funds	87,676
	Total	\$ 87,876

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

Interfund transfers:

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 10. PENSION PLAN

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

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

Plan Membership. At January 1, 2023, the date of the most recent actuarial valuation, there were 326 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	79
Terminated vested participants not yet receiving benefits	151
Active employees - vested	55
Active employees - nonvested	74
Total	<u>359</u>

Contributions. The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the Plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the Plan. The funding policy for the Plan, as adopted by the City Council, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by Plan members during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of Plan members, as determined by the City Council. At this time, Plan members are not required to make contributions to the Plan. For the fiscal year ended September 30, 2023, the City's contribution rate was 4.82% of annual payroll. City contributions to the Plan were \$573,845 for the fiscal year ended September 30, 2023.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. PENSION PLAN (CONTINUED)

Net Pension Liability (asset) of the City. The City's net pension liability (asset) was measured as of September 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as January 1, 2022 with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2022.

Actuarial Assumptions. The total pension liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates for the January 1, 2022 valuation were based on the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25. The assumptions and methods used to value the Plan were approved in December 2019 by the Board based on an experience study for the period January 1, 2015 through June 30, 2019 conducted in November and December of 2019. Cost of living adjustments were assumed to be 2.25% although the Plan allowance for annual cost of living adjustment is variable, as established by the City Council, in an amount not to exceed 4%.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2022 are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
Domestic equity	45%	6.40%
International equity	20%	6.80
Domestic fixed income	20%	0.40
Real estate	10%	3.90
Global fixed income	5%	0.46
Cash	—%	
Total	100%	

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

NOTES TO FINANCIAL STATEMENTS

NOTE 10. PENSION PLAN (CONTINUED)

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

Changes in the Net Pension Liability (asset) of the City. The changes in the components of the net pension liability (asset) of the City for the fiscal year ended September 30, 2023, were as follows:

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 10. PENSION PLAN (CONTINUED)

Changes in the Net Pension Liability (asset) of the City. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2022 and the current sharing pattern of costs between employer and employee.

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. For the fiscal year ended September 30, 2023, the City recognized pension expense of \$1,059,661. At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 179,980	\$ 50,040
Net difference between projected and actual earnings on pension plan investments	2,121,843	-
City contributions subsequent to the measurement date	573,845	-
Total	\$ 2,875,668	\$ 50,040

City contributions subsequent to the measurement date of \$573,845 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal year ending September 30:		
2024	\$	571,532
2025		340,431
2026		393,191
2027		946,629
Total	\$	2,251,783

NOTES TO FINANCIAL STATEMENTS

NOTE 11. DEFERRED COMPENSATION PLAN

The City of Fairburn, Georgia offers its employees an Internal Revenue Code Section 457 Plan (the "Plan") which is a deferred compensation plan that qualifies as a defined contribution pension plan. The Plan is administered by a third party administrator, ICMA. The City has no fiduciary relationship with the trust. Accordingly, the Plan assets are not reported in the City's financial statements. Plan provisions and contribution requirements are established and may be amended by the City's Mayor and Council. At September 30, 2023, there were 31 Plan members in the respective plans.

Employees are not required to contribute to the Plan. Employees may contribute a portion of their gross salary, not to exceed the IRS guidelines, into the Plan. Effective October 1, 2012, the City no longer matches employee contributions. The Plan allows employees to increase, decrease, stop, and restart deferrals as often as they wish without penalties or fees. Total employee contributions for the fiscal year ended September 30, 2023 were \$73,177.

NOTE 12. JOINT VENTURE

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

NOTE 13. RELATED ORGANIZATIONS

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

NOTE 14. RISK MANAGEMENT

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 14. RISK MANAGEMENT (CONTINUED)

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

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

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

NOTE 15. COMMITMENTS AND CONTINGENCIES

Litigation:

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

Contractual Commitments:

For the fiscal year ended September 30, 2023, the City had active construction contracts related to various construction projects. At fiscal year end, the City's commitments with contractors totaled approximately \$1,966,595.

Grant Contingencies:

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

Agreements with the Municipal Electric Authority of Georgia:

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

NOTES TO FINANCIAL STATEMENTS

NOTE 15. COMMITMENTS AND CONTINGENCIES (CONTINUED)

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

The City of Fairburn is a participant in the Municipal Electric Authority of Georgia (MEAG Power) and has a contractual agreement to purchase a portion of its power requirements from Southeastern Power Administration (SEPA). All power requirements that are in excess of that provided by SEPA are purchased from MEAG Power at prices intended to cover the operating costs of the system and to retire any debt service incurred by MEAG on the City's behalf. In the event that revenues are insufficient to cover all costs and retire the outstanding debt, each participating City has guaranteed a portion of the unpaid debt based on their individual entitlement shares of the output and services of generating units acquired or constructed by MEAG. In addition, in the event of discontinued service to a participant in default, the City would be obligated to purchase additional power subject to contractual limitations. Payments to MEAG are made monthly based on KWH usage. The total payments under these contracts amounted to \$9,289,262 during fiscal year ended September 30, 2023.

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

During fiscal year 2009, MEAG and MEAG's bond holders authorized the usage of Municipal Competitive Trust ("MCT") funds. The original intended use of the MCT funds were to reduce MEAG's costs and thus charge individual participants, such as the City of Fairburn, less in power on a monthly basis. The MCT funds were only to be used in response to remedy potential deregulation in the State of Georgia. Since deregulation has not occurred in the State of Georgia, MEAG and MEAG's bond holders authorized the usage of the MCT funds as if deregulation had actually occurred. As a result, the City will receive a credit reduction in its monthly purchased power invoice; effectively reducing the City's cost. The projected benefits of this reduction over the next year as of September 30, 2023 is \$0.00.

NOTE 16. HOTEL/MOTEL LODGING TAX

The City established a 3% tax under O.C.G.A. 48-13-51(a)(1) on gross hotel occupancy revenues for the purpose of promoting tourism, conventions, and trade shows. Local governments imposing a tax under this code section are required to expend in each fiscal year at least the same percentage of hotel/motel tax revenues they expended in the previous fiscal year for the promotion of tourism, conventions, and trade shows. The City established a precedent in fiscal year 2022 restricting 15% of the City's hotel/motel tax funds. For the fiscal year ended September 30, 2023, the City collected \$300,770 in hotel/motel revenues of which \$127,333 was expended for the promotion of tourism and \$50,000 was transferred to the General Fund.

NOTES TO FINANCIAL STATEMENTS

NOTE 17. JOINTLY GOVERNED ORGANIZATION

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

The City does not provide financial support to the Authority, but has contractually obligated itself to use its full taxing power to guarantee the repayment of approximately 34.72% of the principal and interest on the Authority's Series 2007 Variable Rate Revenue Bonds if the Authority's resources cannot cover the debt service. During the fiscal year ended September 30, 2023, the City agreed to pay the Authority \$1,159,488 (reported as interest expense) for the City's proportionate share of the principal and interest on the Authority's bonds from revenues of the City's Water and Sewer Fund.

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

As of December 31, 2022 (from the most recent available financial statements) the Middle Chattahoochee Regional Water and Sewer Authority's debt service requirements on the Series 2014 Revenue Bonds were as follows using the current interest rate of 3.670%:

	Principal	Interest	Total
Fiscal Year Ending December 31,			
2023	\$ 1,675,000	\$ 1,070,850	\$ 2,745,850
2024	1,780,000	984,475	2,764,475
2025	1,900,000	892,475	2,792,475
2026	2,025,000	814,600	2,839,600
2027	2,115,000	731,348	2,846,348
2028-2032	12,605,000	2,046,712	14,651,712
2033	2,955,000	59,100	3,014,100
Total	\$ 25,055,000	\$ 6,599,560	\$ 31,654,560

NOTES TO FINANCIAL STATEMENTS

NOTE 17. JOINTLY GOVERNED ORGANIZATION (CONTINUED)

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

NOTE 18. TAX ABATEMENTS

For the year ended September 30, 2023, City property tax revenues were reduced by \$334,955 under agreements entered into by Fulton County. Under the agreements, taxes on both real property and personal property are reduced based on investments made by the corporation to whom the incentives were offered as long as the corporation meets certain investment targets.

NOTE 19. CONDUIT DEBT

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

REQUIRED SUPPLEMENTARY INFORMATION

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

	2023	2022	2021	2020	2019
Total pension liability					
Service cost	\$ 462,407	\$ 522,418	\$ 413,025	\$ 423,119	\$ 436,627
Interest on total pension liability	1,373,087	1,312,348	1,193,945	1,102,502	1,065,229
Other changes	-	-	-	-	-
Differences between expected and actual experience	49,159	(150,120)	588,833	190,735	(379,192)
Changes of assumptions	-	-	-	436,807	-
Benefit payments, including refunds of employee contributions	(858,493)	(743,625)	(655,825)	(652,205)	(572,166)
Net change in total pension liability	1,026,160	941,021	1,539,978	1,500,958	550,498
Total pension liability - beginning	18,584,966	17,643,945	16,103,967	14,603,009	14,052,511
Total pension liability - ending (a)	\$ 19,611,126	\$ 18,584,966	\$ 17,643,945	\$ 16,103,967	\$ 14,603,009
Plan fiduciary net position					
Contributions - employer	\$ 614,625	\$ 443,530	\$ 492,118	\$ 518,325	\$ 504,950
Net investment income	(3,261,309)	3,968,972	1,459,490	443,205	1,353,412
Benefit payments, including refunds of employee contributions	(858,493)	(743,625)	(655,825)	(652,205)	(572,166)
Administrative expenses	(34,025)	(36,530)	(31,570)	(30,123)	(31,216)
Net change in plan fiduciary net position	(3,539,202)	3,632,347	1,264,213	279,202	1,254,980
Plan fiduciary net position - beginning	20,096,032	16,463,685	15,199,472	14,920,270	13,665,290
Plan fiduciary net position - ending (b)	\$ 16,556,830	\$ 20,096,032	\$ 16,463,685	\$ 15,199,472	\$ 14,920,270
City's net pension liability (asset) - ending (a) - (b)	\$ 3,054,296	\$ (1,511,066)	\$ 1,180,260	\$ 904,495	\$ (317,261)
Plan fiduciary net position as a percentage of the total pension liability (asset)	84.4%	108.1%	93.3%	94.4%	102.2%
Covered payroll	\$ 7,629,343	\$ 6,599,782	\$ 5,568,852	\$ 5,459,369	\$ 5,421,039
City's net pension liability (asset) as a percentage of covered payroll	40.0%	-22.9%	21.2%	16.6%	-5.9%
	2018	2017	2016	2015	
Total pension liability					
Service cost	\$ 459,081	\$ 430,351	\$ 358,809	\$ 426,065	
Interest on total pension liability	1,005,868	961,894	894,973	880,377	
Other changes	(286,177)	-	174,676	(352,216)	
Differences between expected and actual experience	158,946	(316,723)	(95,851)	(331,710)	
Changes of assumptions	-	-	-	-	
Benefit payments, including refunds of employee contributions	(528,299)	(487,933)	(450,275)	(418,094)	
Net change in total pension liability	809,419	587,589	882,332	204,422	
Total pension liability - beginning	13,243,092	12,655,503	11,773,171	11,568,749	
Total pension liability - ending (a)	\$ 14,052,511	\$ 13,243,092	\$ 12,655,503	\$ 11,773,171	
Plan fiduciary net position					
Contributions - employer	\$ 501,693	\$ 455,271	\$ 504,853	\$ 519,993	
Net investment income	1,795,324	1,201,570	117,480	1,082,171	
Benefit payments, including refunds of employee contributions	(528,299)	(487,933)	(450,275)	(418,094)	
Administrative expenses	(32,353)	(17,223)	(20,547)	(15,930)	
Net change in plan fiduciary net position	1,736,365	1,151,685	151,511	1,168,140	
Plan fiduciary net position - beginning	11,928,925	10,777,240	10,625,729	9,457,589	
Plan fiduciary net position - ending (b)	\$ 13,665,290	\$ 11,928,925	\$ 10,777,240	\$ 10,625,729	
City's net pension liability (asset) - ending (a) - (b)	\$ 387,221	\$ 1,314,167	\$ 1,878,263	\$ 1,147,442	
Plan fiduciary net position as a percentage of the total pension liability (asset)	97.2%	90.1%	85.2%	90.3%	
Covered payroll	\$ 5,794,145	\$ 5,434,761	\$ 5,264,479	\$ 4,444,802	
City's net pension liability (asset) as a percentage of covered payroll	6.7%	24.2%	35.7%	25.8%	

Notes to the Schedule

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

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially determined contribution	\$ 525,986	\$ 574,304	\$ 483,851	\$ 492,118	\$ 518,325
Contributions in relation to the actuarially determined contribution	<u>573,845</u>	<u>614,625</u>	<u>483,851</u>	<u>492,118</u>	<u>518,325</u>
Contribution deficiency (excess)	<u>\$ (47,859)</u>	<u>\$ (40,321)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 11,905,109	\$ 7,629,343	\$ 6,599,782	\$ 5,568,852	\$ 5,459,369
Contributions as a percentage of Covered payroll	4.82%	8.06%	7.33%	8.84%	9.49%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 504,950	\$ 501,693	\$ 455,271	\$ 504,853	\$ 519,993
Contributions in relation to the actuarially determined contribution	<u>504,950</u>	<u>501,693</u>	<u>455,271</u>	<u>504,853</u>	<u>519,993</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 5,421,039	\$ 5,794,145	\$ 5,434,761	\$ 5,264,479	\$ 4,444,802
Contributions as a percentage of Covered payroll	9.31%	8.66%	8.38%	9.59%	11.70%

Notes to the Schedule:

(1) Actuarial Assumptions:

Valuation Date

January 1, 2023

Cost Method

Projected Unit Credit

Actuarial Asset Valuation Method

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

Assumed Rate of Return on Investments

7.375%

Projected Salary Increases

2.25% plus service based merit increases

Cost-of-living Adjustment

2.25%

Amortization Method

Closed level dollar for remaining unfunded liability.

Remaining Amortization Period

N/A

**COMBINING AND INDIVIDUAL
FUND STATEMENTS
AND SCHEDULES**

CITY OF FAIRBURN, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

Grants Fund – To account for federal and state funded grants awarded to the City for completing specific projects and purchases, and the corresponding expenditures which are restricted to specific purposes.

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

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

CAPITAL PROJECT FUND

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

PERMANENT FUND

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

**CITY OF FAIRBURN, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

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

CITY OF FAIRBURN, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Project Description	Priority	Project #	Original Estimated Cost	Expenditures			Estimated Percentage of Completion
				Prior Fiscal Years	Current Fiscal Year	Total	
SERIES 2016							
Road Resurfacing Phase I	Tier 1	1	\$ 7,737,167	\$ 7,737,167	\$ -	\$ 7,737,167	100.00%
Pedestrian/Bicycle Improvements Phase I	Tier 1	2	136,891	136,891	-	136,891	100.00%
Road Projects (Howell Avenue Extension, Rivertown Connector, Park Road Extension, Oakley Industrial Boulevard Full Depth Reclamation)	Tier 1	3	3,295,836	3,295,836	-	3,295,836	100.00%
Quick Response Projects	Tier 1	4	233,775	64,453	-	64,453	27.57%
Project Management/Construction Management	Tier 1	5	285,092	134,648	-	134,648	47.23%
Road Resurfacing Phase II	Tier 2	6	552,987	552,987	-	552,987	100.00%
Quiet Zone Railroad Crossings	Tier 2	7	750,000	-	-	-	0.00%
Pedestrian/Bicycle Improvements Phase II	Tier 2	8	353,171	170,969	-	170,969	48.41%
Oakley Industrial Boulevard Extension Design	Tier 2	9	315,000	224,302	-	224,302	71.21%
Quick Response Projects	Tier 2	10	41,254	-	-	-	0.00%
Project Management/Construction Management	Tier 2	11	50,310	-	-	-	0.00%
Congestion Relief	Tier 3	12	450,000	-	342,260	342,260	76.06%
Operation and Safety Improvements	Tier 3	13	541,902	-	-	-	0.00%
Pedestrian/Bicycle Improvements Phase III	Tier 3	14	184,316	-	-	-	0.00%
Road Projects (Dodd Street Roundabout)	Tier 3	15	802,717	-	-	-	0.00%
Quick Response Projects	Tier 3	16	41,417	-	-	-	0.00%
Project Management/Construction Management	Tier 3	17	50,509	-	-	-	0.00%
Total SERIES 2016 Project Expenditures			<u>\$ 15,822,344</u>	<u>\$ 12,317,253</u>	<u>\$ 342,260</u>	<u>\$ 12,659,513</u>	80.01%
SERIES 2022							
Maintenance and Safety Enhancements-City Wide Road Resurfacing	Tier 1	1	\$ 4,083,332	\$ -	\$ 1,865,123	\$ 1,865,123	45.68%
Pedestrian/Bicycle Improvements Phase I	Tier 1	2	1,900,000	-	1,051,236	1,051,236	55.33%
Roadway Projects	Tier 1	3	6,100,000	-	355,394	355,394	5.83%
Quick Response Projects	Tier 1	4	300,000	-	2,220	2,220	0.74%
Project Management	Tier 1	5	602,500	-	95,811	95,811	15.90%
Operation and Safety Improvements-Quiet Zone R/R Crossings	Tier 2	6	750,000	-	-	-	0.00%
Pedestrian/Bicycle Improvements Phase II	Tier 2	7	1,136,617	-	-	-	0.00%
Roadway Projects - Oakley Industrial Boulevard Extension Design	Tier 2	8	350,000	-	-	-	0.00%
Project Management	Tier 2	9	55,000	-	1,200	1,200	2.18%
Congestion Relief	Tier 3	10	500,000	-	44,390	44,390	8.88%
Operation and Safety Improvements	Tier 3	11	600,000	-	-	-	0.00%
Pedestrian/Bicycle Improvements Phase III	Tier 3	12	300,000	-	-	-	0.00%
Road Projects (Dodd Street Roundabout)	Tier 3	13	802,717	-	-	-	0.00%
Quick Response Projects	Tier 3	14	38,900	-	-	-	0.00%
Project Management	Tier 3	15	50,000	-	-	-	0.00%
Total SERIES 2022 Project Expenditures			<u>\$ 17,569,066</u>	<u>\$ -</u>	<u>\$ 3,415,374</u>	<u>\$ 3,415,374</u>	19.44%
Totals			<u>\$ 33,391,410</u>	<u>\$ 12,317,253</u>	<u>\$ 3,757,634</u>	<u>\$ 16,074,887</u>	

STATISTICAL SECTION

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

	<u>Page</u>
Financial Trends	75
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	80
These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.	
Debt Capacity	85
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	90
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	92
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

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

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities										
Net investment in capital assets	\$ 46,964,676	\$ 44,553,676	\$ 39,187,800	\$ 31,192,270	\$ 27,918,745	\$ 25,016,287	\$ 22,594,407	\$ 22,115,350	\$ 17,754,866	\$ 14,409,108
Restricted	6,983,439	4,860,232	3,905,013	4,102,009	3,673,598	2,367,845	2,495,233	1,718,140	4,597,718	3,730,051
Unrestricted (deficit)	25,272,351	21,982,961	19,748,798	15,215,161	11,148,331	6,475,679	4,102,801	3,403,719	2,085,985	1,321,770
Total governmental activities net position	\$ 79,220,466	\$ 71,396,869	\$ 62,841,611	\$ 50,509,440	\$ 42,740,674	\$ 33,859,811	\$ 29,192,441	\$ 27,237,209	\$ 24,438,569	\$ 19,460,929
Business-type activities										
Net investment in capital assets	\$ 20,600,756	\$ 19,912,632	\$ 19,449,454	\$ 18,711,776	\$ 17,983,218	\$ 17,683,581	\$ 17,963,925	\$ 18,084,503	\$ 17,474,092	\$ 14,547,120
Restricted	1,411,629	1,639,060	2,145,601	1,189,571	1,154,510	1,119,371	69,371	514,098	1,763,687	3,178,531
Unrestricted	20,027,611	20,494,140	20,545,077	20,173,669	17,768,299	14,896,831	13,102,664	10,642,505	6,866,052	6,864,370
Total business-type activities net position	\$ 42,039,996	\$ 42,045,832	\$ 42,140,132	\$ 40,075,016	\$ 36,906,027	\$ 33,699,783	\$ 31,135,960	\$ 29,241,106	\$ 26,103,831	\$ 24,590,021
Primary government										
Net investment in capital assets	\$ 67,565,432	\$ 64,466,308	\$ 58,637,254	\$ 49,904,046	\$ 45,901,963	\$ 42,699,868	\$ 40,558,332	\$ 40,199,853	\$ 35,228,958	\$ 28,956,228
Restricted	8,395,068	6,499,292	6,050,614	5,291,580	4,828,108	3,487,216	2,564,604	2,232,238	6,361,405	6,908,582
Unrestricted	45,299,962	42,477,101	40,293,875	35,388,830	28,916,630	21,372,510	17,205,465	14,046,224	8,952,037	8,186,140
Total primary government net position	\$ 121,260,462	\$ 113,442,701	\$ 104,981,743	\$ 90,584,456	\$ 79,646,701	\$ 67,559,594	\$ 60,328,401	\$ 56,478,315	\$ 50,542,400	\$ 44,050,950

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

CITY OF FAIRBURN, GEORGIA

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses										
Governmental activities:										
General government	\$ 6,078,224	\$ 3,788,018	\$ 2,873,534	\$ 2,455,156	\$ 3,483,825	\$ 3,354,065	\$ 3,419,943	\$ 2,930,921	\$ 2,394,281	\$ 2,296,568
Judicial	650,750	602,511	647,656	483,820	528,341	432,718	374,430	343,417	406,912	415,245
Public safety	10,339,379	8,869,155	7,775,503	8,233,961	7,084,748	6,637,237	6,304,295	6,600,498	6,322,171	6,110,784
Public works	6,443,124	4,470,541	2,943,118	3,874,327	1,874,254	2,007,720	3,042,932	2,981,768	2,540,254	2,243,308
Planning and development	1,482,456	1,101,660	1,116,042	688,040	727,888	609,865	556,660	565,895	455,175	464,196
Culture and recreation	1,337,982	682,881	439,241	744,769	811,373	874,273	848,402	488,046	512,178	371,838
Interest on long-term debt	420,295	308,280	310,153	339,498	363,333	478,766	442,138	470,423	458,373	493,266
Total governmental activities expenses	26,752,210	19,823,046	16,105,247	16,819,571	14,873,762	14,394,644	14,988,800	14,380,968	13,089,344	12,395,205
Business-type activities:										
Electric	12,358,686	12,366,384 (4)	9,643,206	8,479,982	8,032,839	7,683,352	7,731,021	7,320,222	7,141,969	6,888,429
Water and Sewer	8,253,701	7,811,365	6,870,050	6,600,957	6,311,072	5,954,189	5,725,971	5,720,744	5,321,360	5,641,267
Educational Complex	960,652	890,506	938,836	979,161	966,323	1,179,563	1,089,108	1,093,164	1,146,332	1,014,781
Stormwater	427,169	355,805	332,443	309,145	274,249	712,463	724,917	723,063	724,079	673,145
Sanitation	879,433	811,475	733,743	741,752	663,210	733,866	648,129	617,473	635,480	675,849
Total business-type activities expenses	22,879,641	22,235,535	18,518,278	17,110,997	16,247,693	16,263,433	15,919,146	15,474,666	14,969,220	14,893,471
Total primary government expenses	\$ 49,631,851	\$ 42,058,581	\$ 34,623,525	\$ 33,930,568	\$ 31,121,455	\$ 30,658,077	\$ 30,907,946	\$ 29,855,634	\$ 28,058,564	\$ 27,288,676
Program Revenues										
Governmental activities:										
Charges for services	\$ 2,858,208	\$ 2,998,243	\$ 2,653,975	\$ 3,545,194	\$ 4,207,409	\$ 2,936,355	\$ 2,967,781	\$ 3,066,529	\$ 2,714,155	\$ 2,132,445
Operating grants and contributions	59,984	8,500	90,737	699,575 (2)	-	-	-	-	19,076	69,451
Capital grants and contributions	6,657,283	5,869,145	9,044,549 (3)	5,081,194	4,254,341	3,208,554 (1)	1,793,672	1,621,498	3,221,515	1,401,684
Total governmental activities program revenues	9,575,475	8,875,888	11,789,261	9,325,963	8,461,750	6,144,909	4,761,453	4,688,027	5,954,746	3,603,580
Business-type activities:										
Charges for services	21,087,840	21,298,071	18,657,053	19,257,249	19,039,757	18,412,160	17,451,224	17,794,173	16,865,395	16,631,066
Capital grants and contributions	996,888	671,483	1,219,090	895,390	1,090,640	1,162,300	1,085,970	1,553,000	548,090	300,000
Total business-type activities program revenues	22,084,728	21,969,554	19,876,143	20,152,639	20,130,397	19,574,460	18,537,194	19,347,173	17,413,485	16,931,066
Total primary government program revenues	\$ 31,660,203	\$ 30,845,442	\$ 31,665,404	\$ 29,478,602	\$ 28,592,147	\$ 25,719,369	\$ 23,298,647	\$ 24,035,200	\$ 23,368,231	\$ 20,534,646

CITY OF FAIRBURN, GEORGIA

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Net (expense)/revenue										
Governmental activities	\$ (17,176,735)	\$ (10,947,158)	\$ (4,315,986)	\$ (7,493,608)	\$ (6,412,012)	\$ (8,249,735)	\$ (10,227,347)	\$ (9,692,941)	\$ (7,134,598)	\$ (8,791,625)
Business-type activities	(794,913)	(265,981)	1,357,865	3,041,642	3,882,704	3,311,027	2,618,048	3,872,507	2,444,265	2,037,595
Total primary government net (expense) revenue	<u>\$ (17,971,648)</u>	<u>\$ (11,213,139)</u>	<u>\$ (2,958,121)</u>	<u>\$ (4,451,966)</u>	<u>\$ (2,529,308)</u>	<u>\$ (4,938,708)</u>	<u>\$ (7,609,299)</u>	<u>\$ (5,820,434)</u>	<u>\$ (4,690,333)</u>	<u>\$ (6,754,030)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 12,215,558	\$ 9,906,626	\$ 8,680,841	\$ 7,571,527	\$ 6,554,283	\$ 5,179,553	\$ 4,564,177	\$ 4,746,634	\$ 4,647,950	\$ 4,755,788
Sales and use taxes	5,439,696	5,365,772	4,550,878	3,976,456	4,343,841	4,063,620	3,862,730	3,819,892	3,762,572	3,415,848
Other taxes	4,712,052	4,177,270	3,938,263	3,508,510	3,209,463	2,825,596	2,787,403	2,686,024	2,764,043	2,633,485
Miscellaneous revenue	1,993,812	103,995	108,417	13,732	101,787	59,186	167,441	402,696	83,601	53,704
Unrestricted investment earnings	1,081,987	80,133	69,634	273,681	324,509	27,150	23,298	51,911	51,157	55,044
Gain on disposal of capital assets	48,621	5,927	124	15,101	-	-	15,530	22,424	52,915	416,474
Transfers	(491,394)	(137,307)	(700,000)	(96,633)	758,992	762,000	762,000	762,000	750,000	1,543,985
Total governmental activities	<u>25,000,332</u>	<u>19,502,416</u>	<u>16,648,157</u>	<u>15,262,374</u>	<u>15,292,875</u>	<u>12,917,105</u>	<u>12,182,579</u>	<u>12,491,581</u>	<u>12,112,238</u>	<u>12,874,328</u>
Business-type activities:										
Unrestricted investment earnings	297,683	34,374	7,251	30,714	51,258	14,796	25,536	26,768	28,140	6,044
Gain on Sale of Assets	-	-	-	-	31,274	-	13,270	-	-	-
Transfers	491,394	137,307	700,000	96,633	(758,992)	(762,000)	(762,000)	(762,000)	(750,000)	(1,543,985)
Total business-type activities	<u>789,077</u>	<u>171,681</u>	<u>707,251</u>	<u>127,347</u>	<u>(676,460)</u>	<u>(747,204)</u>	<u>(723,194)</u>	<u>(735,232)</u>	<u>(721,860)</u>	<u>(1,537,941)</u>
Total primary government	<u>\$ 25,789,409</u>	<u>\$ 19,674,097</u>	<u>\$ 17,355,408</u>	<u>\$ 15,389,721</u>	<u>\$ 14,616,415</u>	<u>\$ 12,169,901</u>	<u>\$ 11,459,385</u>	<u>\$ 11,756,349</u>	<u>\$ 11,390,378</u>	<u>\$ 11,336,387</u>
Change in Net Position										
Governmental activities	\$ 7,823,597	\$ 8,555,258	\$ 12,332,171	\$ 7,768,766	\$ 8,880,863	\$ 4,667,370	\$ 1,955,232	\$ 2,798,640	\$ 4,977,640	\$ 4,082,703
Business-type activities	(5,836)	(94,300)	2,065,116	3,168,989	3,206,244	2,563,823	1,894,854	3,137,275	1,722,405	499,654
Total primary government	<u>\$ 7,817,761</u>	<u>\$ 8,460,958</u>	<u>\$ 14,397,287</u>	<u>\$ 10,937,755</u>	<u>\$ 12,087,107</u>	<u>\$ 7,231,193</u>	<u>\$ 3,850,086</u>	<u>\$ 5,935,915</u>	<u>\$ 6,700,045</u>	<u>\$ 4,582,357</u>

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

Notes:

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

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund										
Nondspendable	\$ 151,939	\$ 276,489	\$ 205,192	\$ 123,589	\$ 116,944	\$ 122,541	\$ 99,203	\$ 186,813	\$ 246,026	\$ 149,285
Committed	776,490	8,000	8,000	417,115	417,115	385,533	382,976	280,994	-	-
Restricted	-	-	-	-	141,126	141,126	141,566	146,315	149,740	-
Assigned	-	-	-	135,834	-	-	-	-	-	-
Unassigned	24,064,291	20,978,203	18,568,666	14,827,802	11,058,246	6,970,469	5,179,060	4,035,786	3,029,593	3,646,266
Total General Fund	<u>\$ 24,992,720</u>	<u>\$ 21,262,692</u>	<u>\$ 18,781,858</u>	<u>\$ 15,504,340</u>	<u>\$ 11,733,431</u>	<u>\$ 7,619,669</u>	<u>\$ 5,802,805</u>	<u>\$ 4,649,908</u>	<u>\$ 3,425,359</u>	<u>\$ 3,795,551</u>
All other governmental funds										
Nondspendable	\$ 3,017,000	\$ 1,587,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Restricted	6,670,708	5,692,584	4,814,800	4,946,380	4,491,661	3,218,369	3,348,161	1,994,448	5,531,677	4,616,280
Assigned	907,710	380,946	648,475	174,800	246,161	970	970	409,860	1,112	967
Unassigned (deficit)	-	-	-	-	-	-	-	(18,564)	-	-
Total all other governmental funds	<u>\$ 10,595,418</u>	<u>\$ 7,660,530</u>	<u>\$ 5,473,275</u>	<u>\$ 5,131,180</u>	<u>\$ 4,747,822</u>	<u>\$ 3,229,339</u>	<u>\$ 3,359,131</u>	<u>\$ 2,395,744</u>	<u>\$ 5,542,789</u>	<u>\$ 4,627,247</u>

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

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Taxes	\$ 22,582,138 (2)	\$ 19,379,890	\$ 17,215,701	\$ 15,038,820	\$ 14,045,390 (2)	\$ 12,051,338	\$ 11,364,385	\$ 11,245,655	\$ 11,188,620	\$ 10,878,900
Licenses and permits	1,489,613	1,511,366	1,668,523	1,607,386	2,125,009	1,261,777	1,638,444	1,737,024	1,405,815	816,122
Intergovernmental	6,647,268	5,598,047	9,047,628 (3)	5,714,255	4,195,701	3,206,502 (1)	1,793,672	1,406,484	3,221,516	1,400,884
Fines and forfeitures	876,907	910,597	303,095	908,996	997,103	701,117	515,187	501,886	686,571	741,656
Charges for services	377,623	449,274	617,588	913,497	859,513	837,886	677,868	721,191	573,258	549,581
Interest income	1,130,816 (4)	84,787	78,462	312,195	352,619	29,202	23,298	51,911	51,157	55,044
Miscellaneous	2,107,877 (5)	231,001	173,186	129,047	330,101	194,761	303,723	584,279	151,187	149,041
Total revenues	<u>35,212,242</u>	<u>28,164,962</u>	<u>29,104,183</u>	<u>24,624,196</u>	<u>22,905,436</u>	<u>18,282,583</u>	<u>16,316,577</u>	<u>16,248,430</u>	<u>17,278,124</u>	<u>14,591,228</u>
Expenditures										
General government	5,887,469	3,977,320	2,999,655	2,992,573	3,539,095	3,406,195	3,416,997	2,878,496	2,410,195	2,261,908
Judicial	638,087	610,290	648,158	485,978	534,186	437,400	376,353	342,331	411,394	415,172
Public safety	9,314,911	8,988,679	8,288,811	7,988,409	7,125,945	6,538,231	6,207,250	6,181,773	6,143,312	6,022,743
Public works	5,819,692	5,993,285	5,944,896	3,352,766	2,867,417	1,989,357	2,814,324	2,782,641	2,363,652	1,915,233
Planning and development	965,756	763,646	763,503	398,005	713,382	552,164	523,412	527,173	486,107	461,352
Culture and recreation	1,409,102	682,527	398,482	659,665	501,501	619,309	531,522	586,329	351,519	299,003
Capital outlay	5,779,854	3,494,190	4,911,771	3,613,471	1,983,051	2,944,718	19,472	4,490,740	4,605,059	3,903,395
Debt service										
Principal	870,684	657,120	619,498	660,945	615,099	821,473	653,535	715,814	619,425	622,796
Interest	358,128	186,648	209,920	236,585	253,441	214,044	451,808	472,155	473,437	490,547
Bond issuance costs	-	-	-	-	-	134,684	-	-	-	-
Total expenditures	<u>31,043,683</u>	<u>25,353,705</u>	<u>24,784,694</u>	<u>20,388,397</u>	<u>18,133,117</u>	<u>17,657,575</u>	<u>14,994,673</u>	<u>18,977,452</u>	<u>17,864,100</u>	<u>16,392,149</u>
Excess (deficiency) of revenues over (under) expenditures	4,168,559	2,811,257	4,319,489	4,235,799	4,772,319	625,008	1,321,904	(2,729,022)	(585,976)	(1,800,921)
Other financing sources (uses)										
Bonds issued	-	-	-	-	-	7,365,000	-	-	-	-
Payments to refund debt escrow agent	-	-	-	-	-	(7,230,316)	-	-	-	-
Issuance of lease liabilities	1,509,130	-	-	-	-	-	-	-	-	-
Financed purchases	1,430,000	1,987,232	-	-	100,934	165,380	-	-	328,421	371,613
Proceeds from sale of capital assets	48,621	6,907	124	15,101	-	-	32,380	44,526	52,915	487,338
Transfers in	2,734,397	2,310,156	909,840	850,000	1,579,203	1,687,817	1,690,339	1,929,410	3,987,018	3,216,141
Transfers out	(3,225,791)	(2,447,463)	(1,609,840)	(946,633)	(820,211)	(925,817)	(928,339)	(1,167,410)	(3,237,018)	(1,672,156)
Total other financing sources (uses)	<u>2,496,357</u>	<u>1,856,832</u>	<u>(699,876)</u>	<u>(81,532)</u>	<u>859,926</u>	<u>1,062,064</u>	<u>794,380</u>	<u>806,526</u>	<u>1,131,336</u>	<u>2,402,936</u>
Net change in fund balances	<u>\$ 6,664,916</u>	<u>\$ 4,668,089</u>	<u>\$ 3,619,613</u>	<u>\$ 4,154,267</u>	<u>\$ 5,632,245</u>	<u>\$ 1,687,072</u>	<u>\$ 2,116,284</u>	<u>\$ (1,922,496)</u>	<u>\$ 545,360</u>	<u>\$ 602,015</u>
Debt service as a percentage of noncapital expenditures	5.03%	4.70%	5.89%	5.65%	6.10%	7.39%	7.76%	8.68%	8.53%	9.22%

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

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

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

Fiscal Year	Property Tax	Sales Tax	Motor Vehicle Tax	Franchise Tax	Insurance Premium Tax	Beer, Wine and Liquor Tax	Hotel/Motel Tax	Other Taxes	Total
2014	\$ 4,755,788	\$ 3,415,848	\$ 458,803	\$ 1,015,129	\$ 668,012	\$ 218,456	\$ 178,468	\$ 94,617	\$ 10,805,121
2015	4,647,950	3,762,572	449,619	1,088,695	702,662	232,352	207,009	83,706	11,174,565
2016	4,766,434	3,819,892	307,241	1,047,515	750,679	244,803	241,576	94,210	11,272,350
2017	4,564,177	3,862,730	326,482	1,021,148	813,131	249,041	220,251	157,350	11,214,310
2018	5,179,553	4,063,620	331,566	951,504	867,515	264,586	285,075	125,350	12,068,769
2019	6,554,283	4,343,841	402,236	1,215,781	935,573	250,078	257,125	148,670	14,107,587
2020	7,571,527	3,976,456	579,231	1,269,600	997,441	265,113	190,904	206,221	15,056,493
2021	8,680,841	4,550,878	862,927	1,262,038	1,052,080	295,599	220,709	244,910	17,169,982
2022	9,906,626	5,365,772	852,503	1,234,016	1,089,132	290,605	299,763	411,251	19,449,668
2023	12,215,558 (1)	5,439,696	834,477	1,701,789	1,361,504	292,888	300,770	220,624	22,367,306

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

Note:

(1) Increase in assessed values

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

Tax Digest Year	Real Property		Personal Property		Public Utility		Total Property		Total Direct Tax Rate	Ratio of Total Assessed to Total Estimated Actual Value	Percent Increase in Estimated Actual Value Over Prior Year
	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value			
2013	\$ 346,405,540	\$ 866,013,850	\$ 248,934,510	\$ 622,336,275	\$ 13,301,506	\$ 33,253,765	\$ 608,641,556	\$ 1,521,603,890	9.70 (1)	40%	1.13%
2014	342,544,370	856,360,925	326,561,200	816,403,000	14,072,114	35,180,285	683,177,684	1,707,944,210	9.82	40%	1.01%
2015	367,717,060	919,292,650	339,414,250	848,535,625	14,501,454	36,253,635	721,632,764	1,804,081,910	9.73	40%	12.25%
2016	399,791,020	999,477,550	324,570,010	811,425,025	14,734,532	36,836,330	739,095,562	1,847,738,905	9.56	40%	5.63%
2017	458,002,930	1,145,007,325	425,312,310	1,063,280,775	14,679,795	36,699,488	897,995,035	2,244,987,588	9.56	40%	2.42%
2018	512,748,060	1,281,870,150	746,741,225	1,866,853,063	13,580,161	33,950,403	1,273,069,446	3,182,673,615	9.56	40%	41.77%
2019	584,119,660	1,460,299,150	1,054,826,631	2,637,066,578	16,756,639	41,891,598	1,655,702,930	4,139,257,325	9.56	40%	30.06%
2020	632,592,280	1,581,480,700	951,615,080	2,379,037,700	17,764,075	44,410,188	1,601,971,435	4,004,928,588	9.56	40%	-3.25% (2)
2021	781,175,080	1,952,937,700	1,283,204,540	3,208,011,350	17,722,991	44,307,478	2,082,102,611	5,205,256,528	9.56	40%	29.97% (2)
2022	858,886,650	2,147,216,625	1,493,887,860	3,734,719,650	24,799,074	61,997,685	2,377,573,584	5,943,933,960	9.56	40%	14.19%

Source: City of Fairburn Finance Department

Notes:

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

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

Tax Digest Year	Direct Rates			Overlapping Rates			Total Direct and Overlapping Millage Rate
	City of Fairburn			State of Georgia	Fulton County	County School System	
	Operating Millage	Debt Service	Total				
2013	8.100	1.600	9.700	0.150	10.480	18.500	38.830
2014	8.100	1.720	9.820	0.100	12.050	18.500	40.470
2015	8.100	1.630	9.730	0.050	10.750	18.500	39.030
2016	8.100	1.460	9.560	0.000	10.700	18.480	38.740
2017	8.100	1.460	9.560	0.000	10.630	18.546	38.736
2018	8.100	1.460	9.560	0.000	10.430	17.796	37.786
2019	8.100	1.460	9.560	0.000	10.119	17.796	37.475
2020	8.100	1.460	9.560	0.000	9.996	17.796	37.352
2021	8.100	1.460	9.560	0.000	9.996	17.240	36.796
2022	8.100	1.460	9.560	0.000	9.996	17.240	36.796

Source: City of Fairburn Finance Department

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

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

Source: City of Fairburn Finance Department

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

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

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

Source: City of Fairburn Finance Department

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

Fiscal Year	Governmental Activities					Business-type Activities						
	General Obligation Bonds	Lease Liabilities	Financed Purchases	Net Bonded Debt to Actual Value of Taxable Property	Per Capita	Revenue Bonds		Lease Liabilities	Financed Purchases	Net Total Primary Government	Percent of Personal Income	Per Capita
						Water and Sewer	Educational Complex					
2014	\$ 9,647,786	\$ -	\$ 663,818	0.63%	\$ 48	\$ 14,117,463	\$ 14,674,263	\$ -	\$ -	\$ 39,103,330	14.17%	\$ 2,856
2015	9,240,289	-	777,814	0.54%	57	14,101,806	14,318,621	-	-	38,438,530	13.93%	2,807
2016	8,827,858	-	472,000	0.49%	34	13,106,714	13,937,775	-	-	36,344,347	13.00%	2,602
2017	8,405,496	-	238,465	0.45%	15	12,091,993	13,526,653	-	109,705	34,372,312	10.80%	2,211
2018	9,124,188	-	112,372	0.41%	7	11,058,695	14,678,770	-	83,774	35,057,799	11.01%	2,209
2019	8,563,141	-	158,207	0.27%	9	9,993,714	14,042,513	-	57,705	32,815,280	10.08%	1,957
2020	7,982,094	-	77,262	0.19%	4	8,895,268	13,366,256	-	28,958	30,349,838	8.56%	1,718
2021	7,386,047	-	52,764	0.18%	3	7,762,053	12,645,000	-	-	27,845,864	7.77%	1,591
2022	6,765,000	-	2,002,876	0.13%	117	6,584,336	11,870,000	-	98,316	27,320,528	6.58%	1,594
2023	6,125,000	1,704,321	3,007,000	0.10%	177	5,357,988	11,055,000	385,960	-	27,635,269	6.73%	1,630

Source: City of Fairburn Finance Department

CITY OF FAIRBURN, GEORGIA

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
SEPTEMBER 30, 2023**

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

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

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

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

CITY OF FAIRBURN, GEORGIA

**LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS**

Fiscal Year	Assessed Value	Percent	Debt Limit	Amount Applicable	Restricted to Debt Service	Legal Debt Margin
2014	\$ 608,641,556	10%	\$ 60,864,156	\$ 10,050,347	\$ 590,223	\$ 50,223,586
2015	683,177,684	10%	68,317,768	9,647,786	738,226	57,931,756
2016	721,632,764	10%	72,163,276	9,240,289	718,136	62,204,851
2017	739,095,562	10%	73,909,556	8,405,496	215,777	65,288,283
2018	897,995,035	10%	89,799,504	9,124,188	12,361	80,662,955
2019	1,273,069,446	10%	127,306,945	8,563,141	12,373	118,731,431
2020	1,655,702,930	10%	165,570,293	7,982,094	12,382	157,575,817
2021	1,601,971,435	10%	160,197,144	7,386,047	12,389	152,798,708
2022	2,082,102,611	10%	208,210,261	6,765,000	12,369	201,432,892
2023	2,377,573,584	10%	237,757,358	6,125,000	12,476	231,619,882

Source: City of Fairburn Finance Department

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

Fiscal Year	Operating Revenue	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest (1)	Total	
2014	\$ 14,669,539	\$ 9,982,534	\$ 4,687,005	\$ -	\$ 334,901	\$ 334,901	14.00
2015	14,635,792	9,822,190	4,813,602	-	489,612	489,612	9.83
2016	15,453,582	10,333,956	5,119,626	980,000	473,808	1,453,808	3.52
2017	15,351,316	10,694,171	4,657,145	1,000,000	454,575	1,454,575	3.20
2018	16,375,792	10,981,640	5,394,152	1,050,000	416,109	1,466,109	3.68
2019	16,945,442	11,605,021	5,340,421	1,050,000	397,856	1,447,856	3.69
2020	17,088,887	12,469,988	4,618,899	1,085,000	361,120	1,446,120	3.19
2021	16,418,610	13,910,121	2,508,489	1,120,000	320,806	1,440,806	1.74
2022	17,594,017	17,579,591	14,426	1,165,000	274,665	1,439,665	0.01
2023	18,832,988	18,048,132	784,856	1,215,000	223,529	1,438,529	0.55

Source: City of Fairburn Finance Department

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

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

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

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

Fiscal Year	Operating Revenue	Direct Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2014	\$ 516,649	\$ 103,815	\$ 412,834	\$ 355,000	\$ 638,200	\$ 993,200	0.42
2015	537,314	134,427	402,887	375,000	632,875	1,007,875	0.40
2016	537,010	90,732	446,278	400,000	623,125	1,023,125	0.44
2017	498,543	96,326	402,217	430,000	603,475	1,033,475	0.39
2018	446,154	37,010	409,144	520,000	487,625	1,007,625	0.41
2019	488,148	40,575	447,573	645,000	403,640	1,048,640	0.43
2020	487,888	77,075	410,813	685,000	377,718	1,062,718	0.39
2021	505,118	62,699	442,419	730,000	354,605	1,084,605	0.41
2022	426,454	54,493	371,961	775,000	331,177	1,106,177	0.34
2023	338,479	154,235	184,244	815,000	315,742	1,130,742	0.16

Source: City of Fairburn Finance Department

Notes: The Series 2008 Series Revenue Bonds were refunded during fiscal year 2011. The Series 2011 Bonds were refunded in 2017.

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

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

Fiscal Year	Population	Personal Income (1)	Per Capita Income (1)	Median Age (1)	Median Education Level in Years of Formal Schooling (1)	School Enrollment (3)	Unemployment Rate (2)
2014	13,693	\$ 275,941,336	\$ 20,152	32.0	12	4,908	7.90
2015	13,696	276,001,792	20,152	32.0	12	4,822	7.40
2016	13,967	279,549,505	20,015	32.0	12	5,270	5.50
2017	15,543	318,382,812	20,484	32.0	12	5,390	4.20
2018	15,872	318,535,168	20,069	32.0	12	5,354	3.20
2019	16,768	325,550,720	19,415	32.3	12	5,293	3.90
2020	17,664	354,498,816	20,069	28.8	12	5,293	3.90
2021	17,500	358,470,000	20,484	28.8	12	5,664	5.20
2022	17,136	415,102,464	24,224	32.3	12	5,190	4.90
2023	16,956	410,742,144	24,224	29.9	12	5,208	4.90

Notes:

(1) Source: U.S. Census.

(2) Source: Georgia Department of Labor.

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

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

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

Source: City of Fairburn Finance Department

CITY OF FAIRBURN, GEORGIA

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

<u>Function</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022 (1)</u>	<u>2023</u>
Administrative	27	29	30	30	29	28	28	31	66	67
Police	37	43	39	39	39	45	50	43	40	48
Fire	44	45	42	40	40	40	40	35	42	40
Streets, Parks, and Recreation	12	17	18	18	18	19	18	12	14	24
Electric	9	10	9	9	9	9	9	5	5	6
Water and Sewer	8	8	8	9	9	9	9	8	8	8
	<u>137</u>	<u>152</u>	<u>146</u>	<u>145</u>	<u>144</u>	<u>150</u>	<u>154</u>	<u>134</u>	<u>175</u>	<u>193</u>

Source: City of Fairburn Finance Department

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

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

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Physical Arrests	1,268	633	549	729	775	803	169	335	544	669
Traffic Violations	4,640	3,982	3,252	5,638	5,681	11,321	8,594	6,685	6,199	16,449
Fire										
Number of Calls Answered	2,168	2,414	2,879	2,955	3,031	3,281	2,880	3,211	3,718	3,652
Inspections	723	990	886	518	401	456	210	169	574	489
Highways and Streets										
Streets Resurfaced (miles)	4.50	1.94	-	1.81	13.00	10.34	10.34	8.54	16.00	9.93
Potholes Repaired	90	100	120	115	25	122	122	177	87	60
Sanitation										
Refuse Collected (tons/day)	3,661	3,661	4,015	3,916	3,770	3,580	3,977	4,906	4,768	3,510
Recyclables Collected (tons/day)	637	650	730	667	661	520	578	451	532	1,495
Water										
Water Mains (miles)	93.1	70.9	71.1	71.1	71.1	71.1	71.1	74.3	86.0	86.0
Fire Hydrants	903	826	824	824	824	947	947	971	902	902
Water Main Breaks	6	6	8	6	6	4	4	7	8	6
Average Daily Consumption (thousands of gallons)	845	807	886	212	1,061	691	768	755	1,431	1,412
Wastewater and Sewer										
Stormwater system (miles)	38.45	36.76	36.76	36.76	36.76	36.76	36.76	37.04	37.04	37.44
Sanitary system (miles)	69.00	62.00	61.62	61.62	61.62	61.62	61.62	64.89	72.02	77.96
Public Safety										
Fire Stations	2	2	2	2	2	2	2	2	2	2
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Patrol Units	62	50	47	49	49	49	49	54	59	62
Highways and Streets										
Miles Paved	96.8	96.8	96.8	96.8	96.8	96.8	96.8	96.0	96.4	96.4
Miles Unpaved	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.6	3.0
Street Lights	712	712	712	712	712	760	760	760	760	760
Caution Lights	1	1	2	2	2	1	1	1	1	1
Electric										
Lines (miles)	79	81	81	81	81	81	81	79	81	85
Plant Capacity (KVA)	12,400	12,400	12,400	12,470	12,470	12,470	12,470	21,373	25,406	25,621

Source: City of Fairburn Finance Department

CITY OF FAIRBURN, GEORGIA

CAPITAL ASSETS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

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

Source: City of Fairburn Finance Department

* Previous reports included City of Atlanta and private lines

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

APPENDIX C
SUMMARIES OF THE PRINCIPAL DOCUMENTS

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SUMMARIES OF THE PRINCIPAL DOCUMENTS

The following is a summary of certain provisions of the Lease, the Indenture and the Security Agreement and does not purport to be definitive or a complete statement of the terms thereof. References are made to the documents for complete recitals of the terms and provisions thereof.

CERTAIN DEFINITIONS

“Acquisition Contract” means any acquisition contract or contracts between the City (acting in its capacity as GMA’s agent pursuant to the Agency Agreement) and any vendor regarding acquisition of the Equipment, a copy of which is or will be on file with the City and the Trustee.

“Acquisition Fund” means the fund created by Section 4.7 of the Indenture.

“Act” means Section 36-60-13 of the Official Code of Georgia Annotated.

“Additional Rentals” means the amount or amount payable by the City pursuant to Section 4.01(b) of the Lease, as described under the heading “Rentals Payable.”

“Agency Agreement” means that certain Agency Agreement, dated as of December 1, 2024, between GMA and the City, and any amendments and supplements thereto.

“Authorized City Representative” means the person or persons at the time designated, by written certificate furnished to GMA and the Trustee, as the person or persons authorized to act on behalf of the City. Such certificate will contain the specimen signature of such person or persons and will be signed on behalf of the City by the Mayor of the City. An Authorized City Representative may, but need not be, an employee of the City.

“Authorized GMA Representative” means the person or persons at the time designated, by written certificate furnished to the City and the Trustee, as the person or persons authorized to act on behalf of GMA. Such certificate will contain the specimen signature of such person or persons, will be signed on behalf of GMA by its Chief Executive Officer and Executive Director. The Authorized GMA Representative may, but need not be, an employee of GMA.

“Base Rental Payment Dates” means December 15 and June 15 of each year or the next succeeding Business Day if such December 15 or June 15 is not a Business Day.

“Base Rentals” means the total of the amounts payable by the City as Base Rentals pursuant to Section 4.01(a) of the Lease.

“Business Day” means a day of the year on which banks located in the city in which the principal corporate trust office of the Trustee is located are not required or authorized to remain closed.

“Certificate” means any of, and *“Certificates”* means all of, the then outstanding certificates of participation authenticated and delivered under the Indenture. The term “outstanding” when used with reference to Certificates means, as of any particular time, all Certificates delivered by the Trustee and secured by the Indenture, except:

- (a) Certificates theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;
- (b) Certificates which are deemed to have been paid in accordance with Section 7 of the Indenture;
- (c) Certificates for the payment or prepayment of which moneys in the necessary amount will have been deposited in trust with the Trustee; provided, that if such Certificates are to be prepaid prior to the scheduled payment date thereof, notice of such prepayment will have been given as provided in Section 6 of the Indenture, or provision satisfactory to the Trustee will have been made for giving such notice; and

(d) Certificates in lieu of or in substitution for which other Certificates will have been delivered pursuant to the terms of Section 2 of the Indenture.

“*Certificate Payment Date*” means January 1 and July 1 of each year, commencing July 1, 2025, so long as any Certificates are outstanding under the Indenture, on which any Distribution is payable pursuant to the Certificates.

“*Certificate Payment Fund*” means the fund created by Section 4.2 of the Indenture.

“*Certificate holder*” or “*holder*” or “*owner*” means a Person in whose name a Certificate is registered in the Register.

“*City*” means the City of Fairburn, Georgia, and its successors and assigns.

“*City Council*” means the City of Fairburn City Council, the body charged with managing the affairs of the City.

“*Construction Contract*” means any fixed price or guaranteed maximum price construction contract or contracts between the City (acting in its capacity as GMA’s agent pursuant to the Agency Agreement) and any contractor and between any contractor or subcontractor and his immediate subcontractor regarding construction of the Facilities, a copy of each of which is or will be on file with the City.

“*Continuing Disclosure Certificate*” means that certain Continuing Disclosure Certificate executed by the City, and any amendments and supplements thereto.

“*Costs of Construction*” means all costs which the City, in its capacity as agent to GMA pursuant to the Agency Agreement, or GMA will be required to pay under the terms of any contract or contracts for the acquisition, construction, and equipping of the Public Safety Building Project, including but not limited to the following:

(a) obligations of the City or GMA incurred for labor and materials in connection with the acquisition, construction, and equipping of the Public Safety Building Project;

(b) the cost of performance or other bonds and any and all types of insurance that may be necessary or appropriate to have in effect during the course of construction of the Public Safety Building Project;

(c) all costs of engineering and architectural services, including the costs incurred by the City or GMA for test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, and for supervising construction, as well as for the performance of all other duties required by or consequent to the proper construction of the Public Safety Building Project, including costs of preparing and securing all Project Documents and site preparation;

(d) payment of expenses incurred in seeking to enforce any remedy against any contractor or subcontractor in respect of any default under a Construction Contract;

(e) all costs which will be required to be paid under the terms of any Construction Contract or Acquisition Contract;

(f) the cost of the acquisition of the Site and the cost of title insurance therefor;

(g) the cost of the acquisition, construction and installation of the Facilities and the acquisition of the Equipment;

(h) payment of all other costs which are considered to be a part of the costs of the Public Safety Building Project in accordance with generally accepted accounting principles; and

(i) any sums required to reimburse GMA or the City for advances by either of them for any of the above items or for any other costs incurred and for work done by either of them which are properly chargeable to the Public Safety Building Project.

“Delivery Costs” means all items of expense directly or indirectly payable by or reimbursable to GMA or the City relating to the issuance of the Certificates, including, but not limited to, initial or acceptance fees and expenses of the Trustee, legal, accounting, financial and rating agency fees and expenses, recording and filing fees, fees and expenses of GMA and printing and copying expenses.

“Distributions” means those amounts payable pursuant to the Certificates on each Certificate Payment Date representing the principal and interest components of the Base Rentals to be made by the City pursuant to the Lease on each corresponding Base Rental Payment Date.

“Equipment” means the equipment to be acquired by GMA and leased to the City, as more particularly described on Exhibit C to the Lease.

“Event of Default” means one or more of the events described in Section 16.01 of the Lease or Section 8.1 of the Indenture.

“Event of Nonappropriation” means one or more of the events described in Section 4.09(a) of the Lease.

“Facilities” mean the facilities generally described on Exhibit A attached to the Lease, and any restoration, addition, or replacement thereof.

“Fiscal Year” means the twelve-month period adopted by the City as its fiscal year. Currently, the Fiscal Year starts on October 1 and ends on September 30 of the following calendar year.

“GMA” means Georgia Municipal Association, Inc., and its successors or assigns.

“Indebtedness” means the Certificates the Security Agreement secures and all other obligations owing under the Indenture and the Lease.

“Indenture” means that certain Indenture of Trust and Assignment of Lease Agreement, dated as of December 1, 2024, between GMA and the Trustee, and any amendments and supplements thereto.

“Initial Term” means the period specified in section 3.01 of the Lease.

“Lease” means that certain Lease Agreement, dated as of December 1, 2024, between the City and GMA, and any amendments and supplements as permitted by the Lease and in the Indenture.

“Net Proceeds” when used with respect to any performance or payment bond proceeds, or proceeds from policies of insurance required by the Lease, or any condemnation award, or any proceeds resulting from default under a Construction Contract or an Acquisition Contract, or proceeds from any title insurance, or proceeds from any reletting or sale of the Public Safety Building Project, means the amount remaining after deducting all reasonable expenses (including fees and expenses of the Trustee and attorneys’ fees) incurred in the collection of such proceeds or award from the gross proceeds thereof.

“Permitted Investments” has the meaning specified in the Indenture and described under the heading “Permitted Investments” below.

“Permitted Encumbrances” means, as of any particular time, (a) liens for taxes and assessments not then delinquent or which the City may, pursuant to the provisions of Section 8.01 of the Lease, permit to remain unpaid; (b) the Lease, the Indenture and the Security Agreement and any financing statements naming GMA or the City as debtor and naming GMA or the Trustee as secured party now or hereafter filed to perfect the security interests granted by the Indenture or the Security Agreement; and (c) utility, access, and other easements and rights-of-way, restrictions,

and exceptions that that (i) appear on the title insurance policy delivered in connection with the issuance of the Certificates or (ii) an Authorized City Representative certifies to the Trustee will not interfere with or impair the operation of the Public Safety Building Project.

“*Person*” means an individual, estate, partnership, corporation, trust or unincorporated organization, and a government or agency or political subdivision thereof.

“*Plans and Specifications*” means the plans and specifications prepared for and showing the construction of the new Facilities, a copy of which is or will be on file with the City.

“*Project Documents*” means (a) the Plans and Specifications, including changes (if any) as permitted by Section 5.04 of the Lease; (b) a survey of the Site, prepared by a registered land surveyor in accordance with standard requirements for land title surveys, showing the location of all improvements, easements, encroachments and other encumbrances on the Site; (c) any necessary permits for construction of the Facilities, including any building permits and certificates of occupancy; (d) the Construction Contracts; (e) the Acquisition Contracts; (f) policies of title, casualty, public liability and workers’ compensation insurance, or certificates thereof, as required by this Lease with respect to the Public Safety Building Project; (g) performance and payment bonds with respect to the Facilities and the Equipment; (h) the executed contract with the architect hired by the City in connection with the preparation of the Plans and Specifications; and (i) any and all other documents executed by or furnished to the City in connection with the acquisition, construction and equipping of the Public Safety Building Project.

“*Public Safety Building Project*” means the Facilities, the Site, and the Equipment, collectively.

“*Reasonably Prudent Operator*” means a municipal corporation or political subdivision of the State of Georgia operating a public safety facility.

“*Record Date*” shall mean, with respect to any Certificate Payment Date, the fifteenth day of the month preceding the Certificate Payment Date.

“*Register*” means Register as defined in Section 2.4 of the Indenture.

“*Renewal Term*” means each one-year renewal term as described in Section 3.01 of the Lease.

“*Rentals*” means the total amount of the Base Rentals and the Additional Rentals payable during the Initial Term and each Renewal Term under the Lease.

“*Security Agreement*” means that certain Deed to Secure Debt and Security Agreement, dated as of December 1, 2024, between GMA and the Trustee, and any amendments thereto.

“*Site*” means that certain parcel of land situated in the City, as more particularly described on Exhibit B attached to the Lease on which the Facilities will be constructed.

“*Trust Estate*” has the meaning specified in the Indenture.

“*Trustee*” means The Bank of New York Mellon Trust Company, N.A., a national banking association, and its successors and any corporation resulting from or surviving any consolidation or merger which it or its successors and any successor trustee at the time serving as successor trustee under the Indenture.

THE LEASE

Termination of Lease

The expiration or termination of the term of the Lease as to the City will terminate all obligations of the City under the Lease (except to the extent that the City has incurred any obligation to pay Rentals from moneys theretofore appropriated and available for such purpose through the last day of the portion of the Renewal Term during which the

City continues or continued to occupy the Public Safety Building Project) and will terminate the City's rights of use and occupancy of the Public Safety Building Project; provided, however, that all other terms of the Lease and the Indenture, including all obligations of the Trustee with respect to the holders of the Certificates and the receipt and disbursement of funds, will continue until the lien of the Indenture is discharged, as provided in the Indenture. The termination or expiration of the term of the Lease as to the City, of itself, will not discharge the lien of the Indenture.

Rentals

Base Rentals. The City agrees, subject to the appropriation of funds by it, to pay to the Trustee, for the account of GMA, Base Rentals.

Additional Rentals. In addition to the Base Rentals described above, and as part of the total Rentals payable during the Initial Term and each Renewal Term of the Lease, the City has agreed to pay, from legally available funds appropriated for such purposes, Additional Rentals for each such term. Additional rentals include:

- (a) the annual fee of the Trustee for the ordinary services of the Trustee rendered and its ordinary expenses incurred under the Indenture;
- (b) the reasonable fees and charges of the Trustee for extraordinary services rendered by it and extraordinary expenses incurred by it as Trustee under the Indenture;
- (c) the reasonable fees, including but not limited to any annual administrative fee of GMA, and out-of-pocket expenses of GMA relating to the Public Safety Building Project not otherwise required to be paid by the City under the terms of the Lease;
- (d) the costs of maintenance and operation of the Public Safety Building Project as required under the Lease;
- (e) the costs of insurance as required under the Lease;
- (f) the costs of taxes and governmental charges and assessments as required under the Lease;
- (g) an amount equal to any franchise, succession, capital levy or transfer tax, or any income, excess profits or revenue tax, or any other tax, assessment, charge, or levy (however denominated) levied, assessed, or imposed by the State of Georgia or any political subdivision thereof upon the Base Rentals payable under the Lease or upon the Public Safety Building Project;
- (h) any amount of interest required to be paid for failing to pay any amounts owed under the Lease;
- (i) the costs associated with the cleanup or removal of hazardous substances; and
- (j) any other fees, costs, levies, charges, taxes, assessments or expenses that GMA is required to pay in connection with the Lease, the Certificates or the Public Safety Building Project, including any sums incurred under the Lease.

Covenant to Request Appropriations. During the term of the Lease, the City has agreed to cause its budget officer (a) to include in the budget for adoption by the City Council a request or requests for the amount necessary to pay the Base Rentals and the reasonably estimated Additional Rentals for the Public Safety Building Project during the next Fiscal Year, and (b) to take such further action (or cause the same to be taken) as may be necessary or desirable to assure the availability of moneys appropriated to pay such Base Rentals and Additional Rentals for each such Fiscal Year.

The City has also agreed that it will notify the Trustee in writing prior to the beginning of any Fiscal Year if sufficient funds are not appropriated by the City Council for the payment of the Base Rentals and reasonably estimated Additional Rentals payable during such Fiscal Year.

Credit on Base Rentals. There will be credited against Base Rentals any amount held in the Certificate Payment Fund on the tenth Business Day prior to the next Certificate Payment Date, including earnings derived from the investment of funds held in the Certificate Payment Fund available for such purpose.

Acquisition and Construction of the Public Safety Building Project

GMA has entered into the Agency Agreement with the City authorizing the City to construct the Facilities on the Site and to acquire the Equipment on the Site. A Construction Contract for the construction of the Facilities will be awarded to a contractor licensed under the laws of the State of Georgia. To the extent possible, all Construction Contracts will be awarded after following the procedures required by the applicable laws of the State of Georgia relating to the awarding of contracts of a similar nature by the City. The City will require the contractor or contractors who are awarded the Construction Contract to provide a faithful performance bond and a separate labor and material payment bond, as appropriate. Such bonds will be executed by a corporate surety licensed to transact business in the State of Georgia and acceptable to the City and the Trustee, and will be in an amount equal to the contract price for such contractor's Construction Contract. The amounts paid by a provider of any performance bond as a result of a claim made under such performance bond will be paid to the Trustee. If, at any time during the construction of the Facilities, the surety on such bond will be disqualified from doing business within the State of Georgia, or will otherwise become incapable of performing its obligations under such bond, an alternate surety acceptable to the City and the Trustee will be selected. In the event of any change order in accordance with the Lease, the amounts of such bonds pertaining thereto will be increased to include the cost of any additional work or materials or fixtures to be incorporated in the Facilities. Such performance and payment bonds will be provided by a surety rated "A-" or better.

Maintenance and Care of Project

The City will, at its own expense, maintain, manage and operate the Public Safety Building Project and all improvements thereon in good order, condition and repair, ordinary wear and tear excepted. The City will provide or cause to be provided all security service, custodial service, janitor service, power, gas, telephone, light, heating and water, and all other public utility services. The City will take good care of the Public Safety Building Project, and suffer no waste or injury thereto, ordinary wear and tear excepted. The City will pay for all damage to the Public Safety Building Project, due to any waste, misuse, or neglect by the City, its agents, servants, employees, independent contractors, licensees or invitees. In addition, the City will comply with all applicable federal and state statutes, rules and regulations and city and county ordinances relating to the operation of the Public Safety Building Project.

Insurance

The City will purchase or cause to be purchased the following types of insurance with respect to the Public Safety Building Project:

- (a) Commercial General Liability insurance with policy limits of \$1,000,000 combined Single Limit for Bodily Injury and Property Damage and \$2,000,000 aggregate, and Umbrella/Excess Liability Insurance in excess of primary Commercial General Liability insurance in the minimum amount of \$5,000,000 per occurrence and \$5,000,000 in the aggregate.
- (b) Builder's risk insurance on the Facilities to be constructed in an amount equal to the replacement cost of such Facilities.
- (c) Property insurance on the Facilities and Equipment in an amount equal to the replacement cost of such Facilities.
- (d) Flood insurance for any Facilities or Equipment in a flood plain.

- (e) All insurance required to be maintained by law.
- (f) Any other types of insurance that a Reasonably Prudent Operator would maintain.

Notwithstanding the foregoing, the City shall be deemed to satisfy its obligations under Article VII of the Lease in the event that it is a participant in the Georgia Interlocal Risk Management Agency (“GIRMA”). In the event that the City is a participant in GIRMA, the parties acknowledge that the Lessor will not be named as an additional insured under the terms of GIRMA.

Each of the insurance policies must be issued by a company licensed to transact the business of insurance in the State of Georgia for the applicable line of insurance and must be provided by a company with a rating of “A-“ or better. Each of the policies will contain the following provisions:

- (a) The policy will not be canceled, changed, allowed to lapse, or allowed to expire until forty-five (45) days after the Trustee and GMA have received written notice thereof.
- (b) Self-insured retention limits will not exceed \$50,000 or such higher limits as a Reasonably Prudent Operator would maintain as evidenced by a report of an insurance consultant. The contractor will be responsible for any self-insurance retention limits related to builder’s risk insurance or general liability insurance provided by the contractor.
- (c) The Trustee and GMA will be named as additional insureds on all general liability insurance policies and environmental liability insurance policies (if any).
- (d) The Trustee will be named as the loss payee on all property insurance and builder’s risk insurance.
- (e) All general liability insurance policies will be on an “occurrence basis.”
- (f) All policies maintained by the City pursuant to the Lease will be the primary insurance for any and all claims.

Beginning with the 2025 Fiscal Year and each year thereafter, the City will provide the Trustee and GMA with a certificate of insurance evidencing its compliance with requirements set forth below, however the Trustee shall have no duty to independently review or verify the sufficiency of such certificate. Beginning with the first Fiscal Year after the Public Safety Building Project has been completed and every three years thereafter, the City will retain an insurance consultant to review the requirements of and compliance with Article VII of the Lease.

Liens

The City will pay or cause to be paid, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies or equipment alleged to have been furnished in, upon or about the Public Safety Building Project and which may be secured by any mechanics’, materialmen’s or other lien against the Public Safety Building Project, or GMA’s interest therein, and will cause each such lien to be fully discharged and released; provided, however, the City may contest such lien until a final non-appealable order is entered by a court of competent jurisdiction.

Taxes

GMA and the City understand and agree that the Public Safety Building Project constitutes property that is free and exempt from all taxation. In the event that the Public Safety Building Project or any portion thereof is deemed subject to taxation, assessments or charges lawfully made by any governmental body which may be secured by a lien against the Public Safety Building Project, an Additional Rental will be paid by the City equal to the amount of all such taxes, assessments and governmental charges then due. With respect to special assessments or other

governmental charges which may be lawfully paid in installments over a period of years, the City will be obligated to provide for Additional Rentals only for such installments as are required to be paid during any Renewal Term.

Alterations, Additions and Improvements

The City has the right during the term of the Lease to make any alterations, additions or improvements of any kind, structural or otherwise, as it will deem necessary or desirable, on or to the Public Safety Building Project; provided, however, that no such alteration, addition, or improvement will materially reduce or otherwise adversely affect the value of the Public Safety Building Project or the fair rental value thereof or materially alter or change the character or use of the Public Safety Building Project or impair the exemption of the interest component of the Distributions from federal income taxation. The City has covenanted that it will not expend, nor incur any contractual or other obligation for the expenditure of its own funds for any alterations, modifications, additions or improvements to the Facilities that could cause it to violate the terms of the Act without the prior written approval of nationally recognized bond counsel.

City's Equipment

All of the City's equipment and other personal property installed or placed by the City in or on the Site or the Facilities which is not a fixture under applicable law and which is not paid for with the proceeds of the sale of the Certificates will remain the sole property of the City in which neither GMA nor the Trustee will have any interest, and may be modified or removed at any time by the City and will not be subject to the lien of the Security Agreement or the Indenture. If after the occurrence of an Event of Nonappropriation or an Event of Default, the City moves out or is dispossessed and fails to remove any of its property at the time of such moving out or dispossession, then and in that event, the Trustee will have the option either to regard such property as abandoned by the City, in which case such property will become the property of GMA subject to the Indenture, or will have the right to demand that the City remove such property from the Site or the Facilities, and in the event of failure of the City to comply with said demand, the Trustee will have the right to remove, sell or destroy such property at City's expense.

Damage, Destruction and Condemnation

If, during the term of the Lease, (a) the Public Safety Building Project is destroyed, in whole or in part, or damaged by fire or other casualty or event; or (b) title to, or the temporary or permanent use of, the Public Safety Building Project or any portion thereof or the estate of the City, GMA or the Trustee in the Public Safety Building Project or any portion thereof is taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority; or (c) a material defect in construction of the Public Safety Building Project becomes apparent; or (d) title to or the use of all or any portion of the Public Safety Building Project is lost by reason of a defect in title; then, subject to the provisions of the Lease regarding an Event of Nonappropriation and prepayment of Certificates upon such damage or destruction described below, the City is obligated to continue to pay Base Rentals and Additional Rentals and to take such action as it deems necessary or appropriate to repair and replace the Public Safety Building Project, regardless of whether the acquisition, construction and equipping of the Public Safety Building Project has been completed by the City in accordance with the Lease.

In the event of damage, destruction or condemnation, the Trustee will cause the Net Proceeds to be deposited into the Acquisition Fund to be applied as provided in the Lease and in the Indenture, and, so long as no Event of Default or Event of Nonappropriation exists, all Net Proceeds so deposited will be applied to the prompt repair, restoration, modification, improvement or replacement of the Public Safety Building Project by the City, except as described below. The balance of any Net Proceeds remaining after the repair, restoration, modification, improvement or replacement has been completed are to be deposited into the Certificate Payment Fund.

If such Net Proceeds are insufficient to pay in full the cost of any such repair, restoration, modification, improvement or replacement, the City will, within ninety (90) days after the occurrence of the event giving rise to such Net Proceeds, either:

- (a) commence and thereafter complete the work and pay any cost in excess of the Net Proceeds, in which case the City agrees that it will not be entitled to any reimbursement therefor from the

Trustee or the holders of the Certificates, nor will it be entitled to any diminution of the Base Rentals or Additional Rentals; or

(b) discharge its obligation to repair or replace the Public Safety Building Project by causing such Net Proceeds to be deposited into the Certificate Payment Fund for the purpose of causing the mandatory prepayment of the Certificates in accordance with the Indenture.

The City has agreed that any repair, restoration, modification, improvement, or replacement paid for in whole or in part out of such Net Proceeds will be the property of GMA subject to the Indenture and the Security Agreement. The City further agrees that any repair, restoration, modification or replacement will be undertaken by the City, as GMA's agent, and will constitute a part of the Public Safety Building Project subject to the Lease.

The City has covenanted and agreed, to the extent it may lawfully do so, that so long as any of the Certificates remain outstanding and unpaid, the City will not exercise the power of condemnation with respect to the Public Safety Building Project. The City further covenants and agrees, to the extent it may lawfully do so, that if the foregoing covenant is determined to be unenforceable for any reason or if the City should fail or refuse to abide thereby and the City condemns the Public Safety Building Project, the appraised value of the Public Safety Building Project will not be less than the greater of (a) the principal and interest components of the Certificates outstanding at the time if such Certificates are then subject to redemption, or (b) if such Certificates are not then subject to redemption, the amount necessary to defease such Certificates to the first available redemption date in accordance with the provisions of the Indenture.

Assignments and Subleases by the City

Neither the Lease nor any interest of the City will, at any time after the date of the Lease, be mortgaged, pledged, assigned, or transferred by the City by voluntary act, except as otherwise specifically provided herein. The City has the right, without notice to or consent of GMA, the Trustee or any holder of Certificates, to further sublease or permit the use of all or any part of the Public Safety Building Project, but nothing in the Lease can be construed to relieve the City from its obligation to pay Rentals as provided in the Lease or relieve the City from any other obligations contained in the Lease; provided, however, that no such use or sublease may be made if the use or sublease of the Public Safety Building Project will affect the validity of the Lease, change the character or use of the Public Safety Building Project, or affect the exclusion of the interest component of the Distributions from federal income taxation. The City will remain liable for the performance of the covenants and conditions contained in the Lease, including, but not limited to the payment of Rentals, notwithstanding any such use or sublease.

Assignments by GMA

Except as provided below, GMA may not assign its obligations to perform under the Lease in whole or in part without (i) the prior written consent of the City and the Trustee and (ii) first obtaining an opinion of nationally recognized bond counsel to the effect that such assignment will not affect the exclusion of the interest component of the Distributions from the gross income for federal income tax purposes. GMA has assigned all of its duties and obligations hereunder with respect to the construction of the Facilities and the acquisition of the Equipment to the City pursuant to the Agency Agreement. The Trustee and the City consent to such assignment by GMA pursuant to the Agency Agreement.

Except as provided below, GMA may not assign its rights, title and interest in the Lease or sell the Public Safety Building Project without (i) the prior written consent of the City and the Trustee and (ii) first obtaining an opinion of nationally recognized bond counsel to the effect that such assignment or sale will not affect the exclusion of the interest component of the Distributions from the gross income for federal income tax purposes. GMA has assigned rights, title and interest in the Lease (except any reimbursement and indemnification provisions hereof relating to GMA) and irrevocably, absolutely and unconditionally assigned the Base Rentals to the Trustee under the Indenture so that the Trustee, together with GMA, may issue the Certificates. The City and the Trustee hereby consent to such assignment by GMA.

Option to Purchase Unimproved Land

The City has an option to purchase any unimproved portion of the Site (on which the Facilities are not located) at any time and from time to time for the fair market value of such land. In order to exercise its option under the Lease, the City will furnish GMA with the following:

- (a) a written notice containing (i) an adequate legal description of that portion of, or interest in, the Site with respect to which such option is to be exercised, (ii) a statement that the City intends to exercise its option to purchase such portion of, or interest in, the Site on a date stated, which will not be less than 45 days nor more than 90 days from the date of such notice, and (iii) a statement that the use to which it is intended that such portion of, or interest in, the Site is to be devoted will promote the public purposes of the City;
- (b) a certificate of an independent engineer who is acceptable to the Trustee, dated not more than 90 days prior to the date of the purchase and stating that, in the opinion of the person signing such certificate, (i) the portion of, or interest in, the Site with respect to which the option is exercised is not needed for the operation of the Public Safety Building Project for the purpose stated in the Lease or that sufficient right and title is reserved to GMA to fulfill said needs, and (ii) the purchase will not impair the utility of the Public Safety Building Project for the purposes for which they were designed to be used or most recently modified and will not destroy the means of ingress thereto and egress therefrom;
- (c) an amount of money equal to the purchase price;
- (d) an MAI fair market value appraisal by a licensed appraiser stating that the value of the remaining Public Safety Building Project is greater than or equal to the amount of Outstanding Certificates; and
- (e) an opinion of Squire Patton Boggs (US) LLP or other nationally recognized law firm stating that (i) the validity of the Lease will not be impaired, (ii) the release does not affect the obligation of the City to pay rentals, (iii) the release will not result in a diminution of payments under the Lease and (iv) the release will not affect the exclusion from gross income of the interest component of the Distributions for federal income tax purposes.

Upon receipt of the items required in (a) through (e) above, GMA will promptly furnish to the Trustee a copy of such items and GMA will promptly deliver such money to the Trustee for deposit in the Certificate Payment Fund and secure from the Trustee a release from the liens and/or security interests afforded by the Indenture and the Security Agreement of such portion of, or interest in, the Site with respect to which the City will have exercised the option granted to it the Lease subject to any right and title reserved in and to GMA and that thereafter such portion or interest will not be deemed to be a part of the Site or the Public Safety Building Project.

Event of Default

Any of the following will be an “Event of Default” under the Lease:

- (a) Failure by the City to pay any Base Rentals required to be paid under the Lease on the respective due dates therefor; or
- (b) Failure by the City to pay any Additional Rentals during the term of the Lease for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied will be received by the City from the Trustee; or
- (c) Failure by the City to vacate the Public Safety Building Project by the expiration of the Initial Term or Renewal Term during which an Event of Nonappropriation occurs; or

(d) Failure by the City to observe and perform any covenant, condition, or agreement in the Lease on its part to be observed or performed, other than as referred to (a) – (c) above, for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, will have been given to the City by the Trustee, unless the Trustee will agree in writing to an extension of such time prior to its expiration; provided, however, that if the failure stated in the notice cannot be corrected within the applicable period, the Trustee will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the City within the applicable period and diligently pursued until the default is corrected. Notwithstanding the foregoing, a breach of covenant to comply with its obligations under the Continuing Disclosure Certificate will not constitute an Event of Default; or

(e) The City will file a petition in bankruptcy or be adjudicated a bankrupt or insolvent, or will make an assignment for the benefit of its creditors, or will consent to the appointment of a receiver of itself or of its property, or will institute proceedings for its reorganization or proceedings instituted by others for its reorganization will not be dismissed within thirty (30) days after the institution thereof; or

(f) A receiver or liquidator of the City or of any substantial portion of its property will be appointed and the order appointing such receiver or liquidator will not be vacated within thirty (30) days after the entry thereof.

The foregoing provisions of the Lease are subject to the following limitations: (a) the obligations of the City to make payments of the Base Rentals and the Additional Rentals will be subject to an Event of Nonappropriation; and (b) if, by reason of Force Majeure (as such term is defined below), the City will be unable in whole or in part to carry out any agreement on its part contained in the Lease, other than the obligations of the City contained in Article IV of the Lease, the City will not be deemed in default during the continuance of such inability. The City will remedy with all reasonable dispatch the cause or causes preventing the City from carrying out its agreement. As used in the Lease, the term “Force Majeure” will mean, without limitation, the following: acts of God; strikes; lockouts or other industrial disturbances; acts of public enemies; orders of any kind of the government of the United States of America or the State of Georgia or any of their departments, agencies or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; fire; storms; floods; washouts; droughts; arrests; restraints of government and people; civil disturbances; explosions; partial or entire failure or unavailability of utilities; or any other cause or event not reasonably within the control of the City.

Remedies Upon Event of Default and Event of Nonappropriation

Upon the occurrence and continuance of any Event of Default or Event of Nonappropriation, the Trustee is required to give immediate notice to the City to vacate the Public Safety Building Project in accordance with the Lease and will without any further demand or notice, (a) terminate the Lease and/or the City’s possessory rights thereunder (with or without terminating the Lease except as to the City), re-enter the Public Safety Building Project and eject all parties in possession thereto therefrom, and use its best efforts to relet or sell the Public Safety Building Project or any portion thereof subject to the Trustee’s giving preference to those Counties or buyers whose use or ownership would preserve the exemption from federal income taxation of the interest component of the Base Rentals, so long as such preferred reletting or sale is under the best terms and conditions for Certificate holders, or (b) take any action at law or in equity deemed necessary or desirable to enforce its rights with respect to the Public Safety Building Project.

Upon the termination of the term of the Lease by reason of an Event of Nonappropriation or an Event of Default, all moneys then held in any fund or account under the Indenture will be held by the Trustee for the benefit of the holders of the Certificates. The Net Proceeds received on such reletting or sale and such other moneys will be applied from time to time as in accordance with Section 8.3 of the Indenture. In the event that such Net Proceeds and other moneys exceed the amount required to prepay the Certificates then outstanding at 100% of the principal amount thereof plus accrued interest to the prepayment date, the excess moneys, if any, following payment of all amounts due the Trustee are to be paid to the City as provided in Section 8.3 of the Indenture. Notwithstanding anything to the contrary in the Lease, the Trustee will be entitled to relet the Public Safety Building Project for such period as is necessary for the Trustee to obtain sufficient moneys to pay the Distributions on the Certificates in full, and the obligations of the Trustee with respect to the holders of the Certificates and the receipt and disbursement of funds will be continuing until the lien of the Indenture is discharged as provided in the Indenture.

The Trustee will be entitled to relet or sell the Public Safety Building Project or any portion thereof as provided in the Lease and the Security Agreement after the occurrence of an Event of Nonappropriation or an Event of Default.

Notwithstanding any other provisions herein, title to the Public Safety Building Project shall not be transferred to the Trustee or the Lessor and neither the Trustee nor the Lessor shall be required to exercise any remedy under the Indenture, the Security Agreement or this Agreement which would result in title to the Public Safety Building Project vesting in the Trustee or the Lessor unless the Trustee and the Lessor are first furnished with (i) an environmental assessment of the Public Safety Building Project in a form and from an entity satisfactory to the Trustee and the Lessor and, (ii) in the event such assessment discloses the potential for liability against the Trustee or the Lessor, title to the Public Safety Building Project, indemnification satisfactory to both the Trustee and the Lessor against such liabilities from an entity satisfactory to the Trustee and the Lessor. Receipt of such environmental assessment and indemnification shall in the discretion of the Trustee and the Lessor in all events be conditions precedent to any requirement that the Trustee or the Lessor take title to the Public Safety Building Project or exercise any remedy which could result in the Trustee or the Lessor taking title to the Public Safety Building Project.

Amendments, Changes and Modifications

Except as otherwise expressly provided in the Indenture, the Lease may not be amended, changed or modified. See the caption "THE INDENTURE – Amendments to Lease."

THE INDENTURE

Pledge of Indenture

GMA has absolutely, unconditionally and irrevocably assigned the Base Rentals to the Trustee. As security for the Certificates, GMA has pledged the Trust Estate under the Indenture.

Limited Obligations

The Distributions payable with respect to the Certificates are limited obligations and are payable solely from the Trust Estate, including the Base Rentals. Neither the full faith and credit nor the taxing powers of the State, nor any political subdivision of the State, including the City, is pledged to the payment of the Distributions. The Certificates do not constitute an indebtedness of the State, the City or GMA. GMA's liability with respect to the Certificates is limited to its interest in the Lease and the Public Safety Building Project.

The obligation of the City to make payment under the Lease is annually renewable as provided in the Lease. The issuance of the Certificates does not directly or contingently obligate the City to make any payments beyond those appropriated for the City's then-current Fiscal Year.

Funds

General. The Indenture provides for the establishment of the following funds and accounts to be held by the Trustee in trust:

- (a) Certificate Payment Fund; and
- (b) Acquisition Fund.

Disposition of Proceeds of Sale of Certificates; Acquisition Fund. The net proceeds of the issuance and delivery of the Certificates will be deposited into the Acquisition Fund.

Certificate Payment Fund. There will be deposited into the Certificate Payment Fund, as and when received, the (a) any amount in the Acquisition Fund to be paid into the Certificate Payment Fund in the event that there are insufficient moneys in the Certificate Payment Fund to pay the Base Rentals; (b) all Base Rentals specified in the

Lease, except to the extent that Base Rentals are used to reimburse amounts drawn from the Acquisition Fund as described in (a); (c) the proceeds of the sale or re-letting of the Public Safety Building Project or any portion thereof; (d) any other amount to be deposited therein pursuant to any other provisions of the Indenture; and (e) all other moneys received by the Trustee under and pursuant to any of the provisions of the Lease which are required or which are accompanied by directions that such moneys are to be paid into such Certificate Payment Fund. Moneys in the Certificate Payment Fund will be used for the payment of Distributions on the Certificates.

Acquisition Fund. Except as provided in the Indenture, and so long as no Event of Default or Event of Nonappropriation has occurred and is continuing and the City's right to control the acquisition, construction and equipping of the Public Safety Building Project has not otherwise been terminated pursuant to the Lease or the Agency Agreement, the Trustee is authorized to make payments as requested by the City from the Acquisition Fund to pay Costs of Construction and the Delivery Costs and to issue its checks or make wire transfers therefor upon receipt of requisition substantially in the form attached to the Indenture and executed by the Authorized City Representative.

The Trustee is authorized to withdraw any moneys held in the Acquisition Fund to pay Base Rentals due but for which the City has not made full payment. The Trustee will deposit such moneys into the Certificate Payment Fund. Upon receipt by the Trustee of any late Base Rentals for which moneys had theretofore been withdrawn from the Acquisition Fund and deposited into the Certificate Payment Fund, the Trustee will deposit a portion or all of such Base Rentals into the Acquisition Fund in an amount equal to the amount so withdrawn therefrom.

Permitted Investments

Moneys on deposit in the funds and accounts created in the Indenture may be invested in the following:

(a) the local government investment pool created in Chapter 83 of Title 36 of the Official Code of Georgia Annotated so long as it is rated in the second highest rating category of a Rating Agency;

(b) bonds or obligations of the State or other states or of other counties, municipal corporations, and political subdivisions of the State which are rated in the highest or second highest rating category of a Rating Agency.

(c) bonds or other obligations of the United States or of subsidiary corporations of the United States government which are fully guaranteed by such government;

(d) obligations of and obligations guaranteed by agencies or instrumentalities of the United States government issued by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Bank for Cooperatives, and any other such agency or instrumentality now or hereafter in existence, provided however, that all such obligations will have a current credit rating from a nationally recognized rating service of at least one of the three highest rating categories available and have a nationally recognized market;

(e) bonds or other obligations issued by any public housing agency or municipal corporation in the United States, which such bonds or obligations are fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States government, or project notes issued by any public housing agency, urban renewal agency, or municipal corporation in the United States which are fully secured as to payment of both principal and interest by a requisition, loan, or payment agreement with the United States government;

(f) certificates of deposit of national or state banks located within the State which have deposits insured by the Federal Deposit Insurance Corporation and certificates of deposit of federal savings and loan associations and state building and loan or savings and loan associations located within the State which have deposits insured by the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation, including the certificates of deposit of any bank, savings and loan association, or building and loan association acting as depository, custodian, or the Trustee for any such bond proceeds, provided the portion of the certificates of deposit in excess of the amount insured by the Federal Deposit Insurance

Corporation, the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation, if any, must be secured by deposit, with the Federal Reserve Bank of Atlanta, Georgia, or with any national or state bank or federal savings and loan association or state building and loan or savings and loan association located within the State, or with the trust office within the State, of one or more of the following securities in an aggregate principal amount equal at least to the amount of such excess and having a rating in the highest rating category of a Rating Agency: direct and general obligations of the State or of any county or municipal corporation in the State, obligations of the United States or subsidiary corporations described in (c) above, obligations of the agencies or instrumentalities of the United States government described in (d) above, or bonds, obligations, or project notes of public housing agencies, urban renewal agencies, or municipalities described in (e) above;

(g) securities of or other interests in any no-load, open-end management type investment company or investment trust registered under the Investment Company Act of 1940, as from time to time amended, or any common trust fund maintained by any bank or trust company which holds such proceeds as the Trustee or by an affiliate thereof so long as:

(i) the portfolio of such investment company or investment trust or common trust fund is limited to the obligations described in paragraphs (c) and (d) above and repurchase agreements fully collateralized by any such obligations,

(ii) such investment company or investment trust or common trust fund takes delivery of such collateral either directly or through an authorized custodian,

(iii) such investment company or investment trust or common trust fund is managed so as to maintain its shares at a constant net asset value, and

(iv) securities of or other interests in such investment company or investment trust or common trust fund are purchased and redeemed only through the use of national or state banks having corporate trust powers and located within the State; and

(h) interest-bearing time deposits, repurchase agreements, reverse repurchase agreements, rate guarantee agreements, or other similar banking arrangements with a bank or trust company having capital and surplus aggregating at least \$50 million or with any government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York having capital aggregating at least \$50 million or with any corporation which is subject to registration with the Board of Governors of the Federal Reserve System pursuant to the requirements of the Bank Holding Company Act of 1956, provided that each such interest-bearing time deposit, repurchase agreement, reverse repurchase agreement, rate guarantee agreement, or other similar banking arrangement will permit the moneys so placed to be available for use at the time provided with respect to the investment or reinvestment of such moneys.

Discharge of Lien

If GMA pays or causes to be paid, or there otherwise is paid or provision for payment is made from any source, to or for the Certificate holders the Distributions at the times and in the manner stipulated in the Certificates and in the Indenture, and if GMA is not then in default in any of the other covenants and promises in the Certificates and in the Indenture and if the City is not then in default in any of its covenants and promises in the Lease, and if GMA pays or causes to be paid to the Trustee all sums of money due or to become due according to the provisions of the Indenture, the Lease and the Security Agreement (including all amounts owing to the Trustee under the Indenture), then all rights and obligations of GMA, the City and the Trustee (except the Trustee's obligation to make Distributions on the Certificates) under the Indenture and the Lease will terminate and be of no further force and effect and the Trustee will cancel and discharge the Indenture and the Lease and execute and deliver to GMA and the City such instruments in writing as will be requisites to cancel and discharge the lien of the Indenture, and reconvey, release, assign and deliver unto GMA any and all of the estate, right, title and interest in and to any property conveyed, assigned or pledged to the Trustee or otherwise subject to the lien of the Indenture, except amounts in the Certificate Payment Fund required to be paid to the City pursuant to the Indenture and moneys or securities held by the Trustee for the payment of the Distributions.

Any Certificate will be deemed to be paid, or any portion thereof will be deemed to be paid, within the meaning of the Indenture, when payment of the Distributions either (a) will have been made or caused to be made in accordance with the terms thereof, or (b) will have been provided for by irrevocably depositing with the Trustee, in trust and irrevocably setting aside exclusively for such payment when due and payable, (i) moneys sufficient to make such payment or (ii) Governmental Obligations which are not callable prior to their maturity and which mature and bear interest in such amounts and at such times as will provide such amounts and at such times as will insure the availability of sufficient (such sufficiency to be verified by a certified public accountant or firm thereof) moneys to make such payments when due and payable, and all necessary and proper fees, compensation and expenses of the Trustee pertaining to the Certificates and all other liabilities of the City under the Lease will have been paid or the payment thereof provided for to the satisfaction of the Trustee. At such time as a Certificate will be deemed to be paid hereunder, as aforesaid, it will no longer be secured by or entitled to the benefits of the Indenture, except for the purposes of any such payment from such moneys or Governmental Obligations.

Notwithstanding any other provision of the Indenture, all moneys or Governmental Obligations set aside and held in trust pursuant to the provisions of the Indenture for the payment of Distributions on the Certificates will be applied to and used solely for the payment of the particular Certificates with respect to which such moneys and Governmental Obligations were so set aside in trust.

Events of Default and Remedies

Events of Default. The occurrence of any of the following events constitute an “Event of Default” under the Indenture:

- (a) Default by GMA in the payment of the principal with respect to any Certificate when the same becomes due and payable, whether at the stated maturity thereof or upon proceedings for prepayment; or
- (b) Default by GMA in the payment of any installment of interest with respect to any Certificate when the same becomes due and payable; or
- (c) The occurrence of any Event of Default or Event of Nonappropriation as such terms are defined in the Lease; or
- (d) The failure by GMA or the City to observe and perform any covenant, condition, or agreement in the Indenture on its part to be observed or performed other than as referred to in (a), (b) or (c) above for a period of 30 days after written notice, specifying such failure and requesting that it be remedied, has been given to the City or GMA by the Trustee, unless the Trustee will agree in writing to an extension of such time; provided, however, that if the failure stated in the notice cannot be corrected within the applicable period, the Trustee will not reasonably withhold its consent to an extension of such time if corrective action is instituted by the City or GMA within the applicable period and diligently pursued until the default is corrected.

Remedies. When any Event of Default under the Indenture has occurred and is continuing, the Trustee will have all the rights and remedies with respect to the Trust Estate, including the Base Rentals, as GMA, as lessor, has under the pertinent provisions of the Lease. The Trustee will also have all the rights and remedies with respect to the Public Safety Building Project under the pertinent provisions of the Security Agreement.

Rights of Certificate holders to Direct Proceedings. The holders of a majority in aggregate principal amount of the Certificates then outstanding will have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture; provided that such direction will not be otherwise than in accordance with the provisions of law and of the Indenture.

Application of Net Proceeds. The Trustee will apply the (a) Net Proceeds resulting from a sale of the Public Safety Building Project on a proportionate basis and (b) Net Proceeds resulting from the reletting of the Public Safety

Building Project first to past due interest and then principal (in the inverse order of maturity and proportionally within a maturity), next to interest and then principal interest currently due, and then to interest and principal to come due. The Trustee may prepay the Certificates in connection with an Event of Default or an Event of Nonappropriation as described in the Indenture.

Waiver of Event of Default. The Trustee may, in its discretion, waive any Event of Default under the Indenture and its consequences, and must do so upon the written request of the holders of a majority in aggregate principal amount of Certificates then outstanding; provided, however, that there will not be waived without the consent of the owner of each Certificate so affected (a) any Event of Default in the payment of the principal of any outstanding Certificates at the maturity date specified therein or (b) any default in the payment when due of the interest on any such Certificates unless, prior to such waiver or rescission, all arrears of interest, as provided in the Indenture on overdue interest or all arrears of payments of principal when due, as the case may be, and all expenses of the Trustee have been paid or provided for; and in case of any such waiver or rescission, then and in every such case GMA, the Trustee, the City, and the Certificate holders will be restored to their former positions and rights under the Indenture, respectively.

Resignation and Removal of the Trustee

The Trustee may resign and be discharged from the trusts created by the Indenture by delivering 60 days' prior written notice thereof to GMA, the City and all holders of the Certificates at the time outstanding as provided in the Indenture. Such resignation will take effect only upon the appointment of a successor Trustee.

The Trustee may be removed at any time, for or without cause prior to an event of default and with cause after an event of default, by an instrument or instruments in writing executed by (a) GMA, (b) the City or (c) the holders of not less than a majority in aggregate principal amount of the Certificates at the time outstanding delivered to the Trustee specifying the removal. Such removal will take effect only upon the appointment of a successor Trustee and the acceptance of such appointment by such successor Trustee.

Supplemental Indentures

Without Certificate holder Consent. GMA and the Trustee from time to time and at any time with the consent of the City, but without the consent of or notice to any Certificate holders and subject to the restrictions in the Indenture, may enter into an indenture or indentures supplemental to the Indenture and which thereafter will form a part of the Indenture for any one or more or all of the following purposes:

- (a) to add to the covenants and agreements to be observed by, and to surrender any right or power reserved to or conferred upon, GMA;
- (b) to subject to the lien of the Indenture additional Property acquired by GMA and intended to be subjected to the lien of the Indenture and to correct and amplify the description of any Property subject to the lien of the Indenture;
- (c) to permit the qualification of the Indenture under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect;
- (d) to make any change that will not materially adversely affect the interest of any Certificate holder;

and GMA covenants to perform all requirements of any such supplemental indenture. No restriction or obligation imposed upon GMA may, except as otherwise provided in the Indenture, be waived or modified by such supplemental indentures, or otherwise.

Amendments to Lease

Certificate holder Consent Required. Upon the waiver or consent of the holders of at least a majority in aggregate principal amount of the Certificates then outstanding (a) GMA and the Trustee may take any action prohibited, or omit the taking of any action required, by any of the provisions of the Indenture or any indenture supplemental thereto or (b) GMA and the Trustee may enter into an indenture or indenture supplemental to the Indenture for the purpose of adding, changing or eliminating any provisions of the Indenture or of any indenture supplemental thereto or modifying in any manner the rights and obligations of the holders of the Certificates and GMA; provided, that no such waiver or supplemental indenture will (i) impair or affect the right of any holder to receive payments or prepayments of the Distributions with respect to its Certificate, as therein and provided in the Indenture, without the consent of such holder; (ii) permit the creation of any Lien with respect to any of the Trust Estate, without the consent of the holders of all of the Certificates at the time outstanding, (iii) effect the deprivation of the holder of any Certificate of the benefit of the lien of the Indenture upon all or any part of the Trust Estate without the consent of such holder, (iv) reduce the aforesaid percentage of the aggregate principal amount of Certificates, the holders of which are required to consent to any such waiver or supplemental indenture pursuant to the Indenture, without the consent of the holders of all of the Certificates at the time outstanding, (v) modify the rights, duties or immunities of the Trustee without the consent of the Trustee and the holders of all of the Certificates at the time outstanding, or (vi) cause the interest on the Certificates to be included in the holders' gross income for federal income tax purposes.

Without Certificate holder Consent. GMA and the City may, with the written consent of the Trustee, but without the consent of or notice to the Certificate holders, amend the Lease (a) whenever, in the opinion of counsel satisfactory to the Trustee and the City, the contemplated amendment is necessary to cause the Lease to comply with Georgia law or to cause the interest component of the Base Rentals to be or remain exempt from federal income taxation; (b) whenever the effect of such amendment is solely to add further, additional or improved security to the rights of the Trustee and the holders of the Certificates; (c) for the purpose of curing any ambiguity or formal defect or omission in the Lease; (d) in order to more precisely identify the Public Safety Building Project or to add additional improvements or properties acquired in accordance with the Lease or the Indenture; or (e) for any other purpose that will not materially adversely affect the Certificate holders. Notice of any amendments to the Lease will be given to the rating agencies then rating the Certificates.

THE SECURITY AGREEMENT

Grant of Lien and Security Interest

Under the Security Agreement, GMA, as grantor, has granted the Trustee a lien on and security interest in certain of the real and personal property comprising the Public Safety Building Project and the other property subject thereto as security for the payment of all amounts due under the Certificates and the Indenture, subject to Permitted Encumbrances.

Default and Remedies

Upon the occurrence of any Event of Default under the Indenture, then and upon the happening of such event, the Trustee, its successors and assigns, may do any one of the following:

(a) The Trustee may, as provided in and subject to the terms of the Indenture, declare that the Certificates are immediately subject to prepayment, notice of which is expressly waived by GMA.

(b) The Trustee may enter upon the Public Safety Building Project and take possession thereof, excluding therefrom GMA and all agents, lessees and employees of GMA; employ a manager of the Public Safety Building Project; hold, store, use, operate, manage, control, maintain, lease and rent the Public Safety Building Project; conduct business on the Public Safety Building Project; make all necessary and appropriate repairs, renewals and replacements to the Public Safety Building Project; insure or keep the Public Safety Building Project insured; or carry out or enter into agreements with respect to the Public Safety Building Project.

(c) The Trustee may collect and receive all rents, issues, income, revenues, profits, accounts and contract rights from the Public Safety Building Project and apply the same to the payment of the Certificates in accordance with the Indenture and the Lease, after deducting therefrom all reasonable fees and expenses of the Trustee, all costs, charges and expenses of entering, taking possession, holding, storing, using, operating, managing, controlling, maintaining, leasing, renting, repairing, renewing, replacing and insuring the Public Safety Building Project, including without limitation the reasonable fees and expenses of the Trustee's attorneys and agents.

(d) The Trustee may pay any sum or sums deemed necessary or appropriate by the Trustee to protect or preserve the Public Safety Building Project or the Trustee's interest therein.

(e) The Trustee may exercise any or all rights and remedies contained in any other instrument, document, agreement or other writing heretofore, concurrently herewith or in the future executed in favor of the Trustee by GMA (whether executed by GMA alone or by GMA and any other person or persons, jointly or severally or both) in connection with any transaction relating to the issuance of the Certificates.

(f) The Trustee may make application to any court for, and be entitled to the appointment of, a receiver to take charge of the Public Safety Building Project, without alleging or proving or having any consideration given to the insolvency of GMA, the value of the Public Safety Building Project as security for the payment of the Certificates, or any other matter which might usually be incident to the appointment of a receiver.

(g) With respect to the personal property and fixtures in which a security interest is granted in the Security Agreement, the Trustee may exercise any or all of the rights accruing to a secured party under the Security Agreement, the U.C.C. and any other applicable law. GMA will, if the Trustee requests, assemble all tangible items of such personal property and make them available to the Trustee at a place or places to be designated by the Trustee, which will be reasonably convenient to GMA and the Trustee. Any notice required to be given by the Trustee of a public or private sale, lease or other disposition of the personal property or any other intended action by the Trustee may be personally delivered to GMA or may be deposited in the United States mail with postage prepaid duly addressed to GMA at the address of GMA last known to the Trustee at least five (5) business days prior to such proposed action and will constitute reasonable and fair notice to GMA of any such action.

(h) The Trustee may sell the Secured Property, or any part thereof or any interest therein separately, with or without taking possession thereof, at public sale before the courthouse door of the county in which the Secured Property, or a part thereof, is located, to the highest bidder for cash, after first giving notice of the time, place and terms of such sale by advertisement published once a week for four consecutive weeks (without regard to the number of days) in a newspaper in which advertisements of sheriff's sales are published in such county. The advertisement so published will be notice to GMA, and GMA waives all other notices. The Trustee may bid and purchase at any such sale and may in such purchase offset all or any portion of the Indebtedness then outstanding against the purchase price of the Public Safety Building Project. The Trustee may execute and deliver to the purchaser or purchasers at any such sale a sufficient conveyance of the Public Safety Building Project or the part thereof or interest therein sold. The Trustee's conveyance may contain recitals as to the occurrence of an event of default under the Security Agreement, which recitals will be presumptive evidence that all preliminary acts prerequisite to such sale and conveyance were duly complied with in all respects. The recitals made by the Trustee will be binding and conclusive upon GMA, and the sale and conveyance made by the Trustee will divest GMA of all right, title, interest or equity that GMA may have had in, to and under the Public Safety Building Project, or the part thereof or interest therein sold, and will vest the same in the purchaser or purchasers at such sale. The Trustee may hold one or more sales hereunder until the Indebtedness secured by the Security Agreement has been satisfied in full. GMA constitutes and appoints the Trustee as GMA's agent and attorney-in-fact to make such sale, to execute and deliver such conveyance and to make such recitals, and GMA ratifies and confirms all of the acts and doings of the Trustee as GMA's agent and attorney-in-fact hereunder. The Trustee's agency and power as attorney-in-fact hereunder are coupled with an interest, cannot be revoked by reorganization, insolvency, or otherwise, and will not be exhausted until the Indebtedness secured by the Security Agreement has been satisfied in full. The proceeds of each sale by the Trustee hereunder will be applied first to the costs and

expenses of the sale and of all proceedings in connection therewith (including, but not limited to, the reasonable fees and expenses of the Trustee's attorneys in connection therewith), and then to payment of all other reasonable fees and amounts owed to the Trustee and then to payment of the Certificates in such order of application as the Indenture may provide, and any surplus remaining after making all of such payments will be paid to the City, all as provided by law. In the event of any sale pursuant to the agency and power granted in the Security Agreement, GMA will be and become a tenant holding over and will deliver possession of the Public Safety Building Project, or the part thereof or interest therein sold, to the purchaser or purchasers at the sale or be summarily dispossessed in accordance with the provisions of law applicable to tenants holding over.

All rights and remedies set forth above are cumulative and in addition to any right or remedy provided for by statute, or now or hereafter existing at law or in equity, including without limitation the right of the Trustee to take legal action to enforce the payment of the Certificates without taking action with respect to the Public Safety Building Project. The Trustee may, at the Trustee's election and at the Trustee's discretion, exercise each and every such right and remedy concurrently or separately or in any combination.

Without affecting the lien or charge of the Security Agreement upon any portion of the Public Safety Building Project not released as security for the Indebtedness, from time to time and without notice, the Lease and the Indenture may be modified or supplemented as provided therein and the Trustee may, but expressly subject to the terms and conditions of the Indenture, take or release other or additional security for any Indebtedness or grant indulgences or forbearances or other arrangements with debtors relating thereto. Furthermore, the Trustee is required to release certain portions of the Site upon the conditions set forth in the Lease. Such releases will not affect the lien or charge of the Security Agreement.

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APPENDIX D

FORM OF OPINION OF BOND COUNSEL

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December 16, 2024

To: City of Fairburn, Georgia
Fairburn, Georgia

We have served as bond counsel to our client the City of Fairburn (the “City”) in connection with the execution and delivery of \$23,045,000 Georgia Municipal Association, Inc. Lease Program Certificates of Participation (City of Fairburn Project), Series 2024 (the “Certificates”), dated the date of this letter, representing undivided and proportionate interests in payments (“Base Rentals”) to be made by the City under a Lease Agreement, dated as of December 1, 2024 (the “Lease”), between Georgia Municipal Association, Inc. (“GMA”), as lessor, and the City, as lessee. The Base Rentals are comprised of an interest component (the “Interest Component”) and a principal component. The Certificates are executed by the City and authenticated by The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), pursuant to an Indenture of Trust and Assignment of Lease Agreement, dated as of December 1, 2024 (the “Trust Indenture”), between GMA and the Trustee.

In our capacity as bond counsel, we have examined the transcript of proceedings relating to the execution and delivery of the Certificates, including the Lease, the Agency Agreement, the Trust Indenture, a copy of the signed and authenticated Certificate of the first maturity, and such other documents, matters and law as we deem necessary to render the opinions set forth in this letter. Capitalized terms not otherwise defined in this letter are used as defined in the Trust Indenture.

Reference is made to the opinions of the City Attorney and GMA’s General Counsel, each dated this date, as to certain matters concerning the City and GMA, respectively. We have not examined the title to any part of the real estate constituting a portion of the Public Safety Building Project, and no opinion as to such matters is expressed herein.

Without undertaking to verify the same by independent investigation, we have relied on certifications by representatives of the City, GMA and other parties as to certain facts relevant to both our opinion and requirements of the Internal Revenue Code of 1986, as amended (the “Code”). The City and GMA have covenanted to comply with the provisions of the Code regarding, among other matters, the use, expenditure, and investment of the proceeds of the Certificates and the timely payment to the United States of any arbitrage rebate amounts with respect to the Certificates, all as set forth in the proceedings and documents relating to the issuance of the Certificates.

Based on that examination and subject to the limitations stated below, we are of the opinion that under existing law:

1. The City is a municipal corporation of the State of Georgia validly organized and existing under the laws of the State of Georgia and has full power and authority to

execute, deliver and perform its obligations under the Lease and the Agency Agreement.

2. The Lease and the Agency Agreement have been duly authorized, executed and delivered by the City and constitute valid and binding agreements of the City, enforceable against the City in accordance with their terms.
3. GMA is a non-profit corporation validly existing under the laws of the State of Georgia and has full power and authority to execute, deliver and perform its obligations under the Lease, the Trust Indenture, the Security Agreement and the Certificates.
4. The Lease, the Trust Indenture, the Agency Agreement and the Security Agreement have been duly authorized, executed and delivered by GMA and constitute valid and binding agreements of GMA, enforceable against GMA in accordance with their respective terms. The Certificates have been duly authorized and issued in accordance with the Constitution and laws of the State of Georgia and constitute valid and binding limited obligations of GMA enforceable against GMA in accordance with their terms. The Certificates, the premium, if any, and the interest thereon do not constitute a pledge of the faith and credit of the State of Georgia or any political subdivision thereof, including, without limitation, the City.
5. The Trust Indenture creates a lien on the Trust Estate as security for the Certificates.
6. Payments of principal of and interest and any premium on the Certificates are payable solely from Trust Estate as provided in the Trust Indenture, including Base Rentals to be made by the City pursuant to the Lease. The City's obligation to make Base Rentals is subject to and dependent on annual appropriations by the City, is not secured by an obligation or pledge of any money raised by taxation, and does not constitute a debt or pledge of the faith and credit of the City within the meaning of any constitutional or statutory limitation. If the City fails to appropriate money for Base Rentals, the Lease terminates at the end of the current term and the City is relieved of any subsequent payment obligation under the Lease.
7. The Interest Component received by the owners of the Certificates is excluded from gross income for federal income tax purposes under Section 103 of the Code and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. The Interest Component is exempt from State of Georgia income tax. We express no opinion as to the treatment for federal income tax purposes or Georgia state income tax purposes of amounts paid to owners of the Certificates in the event of termination of the Lease as the result of

money not being appropriated for Base Rentals. We express no opinion as to any other tax consequences regarding the Certificates.

The opinions stated above are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. In rendering all such opinions, we assume, without independent verification, and rely upon the accuracy of the factual matters represented, warranted or certified in the proceedings and documents we have examined.

We express no opinion herein regarding the priority of the lien on Trust Estate or other funds created by the Trust Indenture. We express no opinion herein with respect to the status or quality of title to, or any interest in, any of the property described in the Lease, or the accuracy or sufficiency of the description contained therein of any of that property, or the priority of, or the remedies available to enforce, any claim on or interest in any of that property. We express no opinion regarding the enforceability of any indemnification provision in any document.

In rendering those opinions with respect to treatment of the interest payments on the Certificates under the federal tax laws, we further assume and rely upon compliance with the covenants in the proceedings and documents we have examined, including those of the City and GMA. Failure to comply with certain of those covenants subsequent to the execution and delivery of the Certificates may cause the interest payments to be included in gross income for federal income tax purposes retroactively to the date of execution and delivery of the Certificates.

The rights of the owners of the Certificates and the enforceability of the Certificates, the Lease, the Agency Agreement and the Trust Indenture are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer, and other laws relating to or affecting the rights and remedies of creditors generally; to the application of equitable principles, whether considered in a proceeding at law or in equity; to the exercise of judicial discretion; and to limitations on legal remedies against public entities.

No opinions other than those expressly stated herein are implied or shall be inferred as a result of anything contained in or omitted from this letter. The opinions expressed in this letter are stated only as of the time of its delivery, and we disclaim any obligation to revise or supplement this letter thereafter. Our engagement as bond counsel in connection with the original issuance and delivery of the Certificates is concluded upon delivery of this letter.

Respectfully submitted,

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APPENDIX E

FORM OF CONTINUING DISCLOSURE UNDERTAKING

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\$23,045,000
GEORGIA MUNICIPAL ASSOCIATION, INC.
LEASING PROGRAM CERTIFICATES OF PARTICIPATION
(CITY OF FAIRBURN PROJECT),
SERIES 2024

CONTINUING DISCLOSURE UNDERTAKING

FOR THE PURPOSE OF PROVIDING
CONTINUING DISCLOSURE INFORMATION
UNDER SECTION (B)(5) OF RULE 15C2-12

This Continuing Disclosure Undertaking (the “Undertaking”) is executed and delivered by the City of Fairburn, Georgia (the “City”), in connection with the issuance by Georgia Municipal Association, Inc. of its \$23,045,000 principal amount of Georgia Municipal Association, Inc. Lease Program Certificates of Participation (City of Fairburn Project), Series 2024 (the “Certificates”), for the benefit of the owners of the Certificates, being the registered owners thereof or any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Certificates (including persons holding Certificates through nominees, depositories or other intermediaries) or is treated as the owner of any Certificate for federal income tax purposes. .

In connection with the Certificates, the City covenants and agrees as follows:

1. Purpose of this Undertaking. This Undertaking is executed and delivered by the City as of the date set forth below, for the benefit of the beneficial owners of the Certificates and in order to assist the Underwriter (as defined below) in complying with the requirements of the Rule (as defined below).

2. Definitions. The terms set forth below shall have the following meanings in this Undertaking, unless the context clearly otherwise requires.

“Annual Information” means the financial information and operating data set forth in Exhibit I.

“Annual Information Disclosure” means the dissemination of disclosure concerning Annual Information and the dissemination of the Audited Financial Statements as set forth in Section 5.

“Audited Financial Statements” means the general purpose audited financial statements of the City prepared pursuant to the standards and as described in Exhibit I.

“Commission” means the Securities and Exchange Commission.

“Dissemination Agent” means any agent designated as such in writing by the City and which has filed with the City a written acceptance of such designation, and such agent’s successors and assigns.

“EMMA” means the Electronic Municipal Market Access system of the MSRB. Information regarding submissions to EMMA is available at <http://emma.msrb.org>.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Financial Obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Fiscal Year” shall mean any period of twelve consecutive months adopted by the City as its fiscal year for financial reporting purposes and shall initially mean the period beginning on October 1 of each calendar year and ending September 30 of the next calendar year.

“Indenture” means the Indenture of Trust, dated as of December 1, 2024, between the Issuer and the Trustee, pursuant to which the Certificates were issued.

“Issuer” means Georgia Municipal Association, Inc.

“Listed Event” means the occurrence of any of the events with respect to the Certificates set forth in Exhibit II.

“Lease Agreement” means the Lease Agreement, dated as of December 1, 2024, between the Issuer and the City, relating to the Certificates.

“MSRB” means the Municipal Securities Rulemaking Board.

“Notice of Listed Event” means any notice of Listed Events provided by the City pursuant to, and as described in, Section 3 of this Undertaking.

“Rule” means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

“State” means the State of Georgia.

“Tax-exempt” means that interest on the Certificates is excluded from gross income for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating any other tax liability, including any alternative minimum tax.

“Trustee” means The Bank of New York Mellon Trust Company, N.A., as trustee under the Indenture.

“Underwriter” includes each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Certificates.

3. CUSIP Number. The base CUSIP Number of the Certificates is 373283.

4. Official Statement. The Final Official Statement relating to the Certificates is dated December 9, 2024.

5. Annual Information Disclosure. Subject to Section 9 of this Undertaking, the City shall disseminate its Annual Information and its Audited Financial Statements, if any (in the form and by the dates set forth in Exhibit I) to the MSRB through EMMA, in a format prescribed by the MSRB. The City is required to deliver such information in such manner and by such time so that such entities receive the information on the date specified.

If any part of the Annual Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the City will disseminate a statement to such effect as part of its Annual Information for the year in which such event first occurs.

If any amendment is made to this Undertaking, the Annual Information for the year in which such amendment is made shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

For the preceding Fiscal Year, financial information and operating data of the City of the type described in Appendix A of the Official Statement under the headings “Historical Property Tax Data,” “Direct and Overlapping Property Tax Rates,” “Property Tax Levies and Collections,” and “Largest Taxpayers.”

6. Listed Events Disclosure. Subject to Section 9 of this Undertaking, the City hereby covenants that it will disseminate notice of occurrence of a Listed Event to the MSRB through EMMA not later than ten business days after the occurrence of the Listed Event, in a format prescribed by the MSRB, except that for the events 2, 7, 8 (as applicable), 10, 13, 14 and 15, listed in Exhibit II, the City will provide such notice if it determines that such event would be material under applicable federal securities laws.

7. Consequences of Failure of the City to Provide Information. The City shall give notice in a timely manner to the MSRB through EMMA, in a format prescribed by the MSRB, of any failure to provide Annual Information Disclosure when the same is due hereunder.

In the event of a failure of the City to comply with any provision of this Undertaking, the beneficial owner of any Certificate may seek mandamus or specific performance by court order, to cause the City to comply with its obligations under this Undertaking. A default under this Undertaking shall not be an event of default on the Certificates. The sole remedy under this Undertaking in the event of any failure of the City to comply with this Undertaking shall be an action to compel performance.

8. Amendments; Waiver. Notwithstanding any provision of this Undertaking, the City by certified resolutions authorizing each amendment or waiver, may amend this Undertaking, and any provision of this Undertaking may be waived, if:

The amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the City, or type of business conducted;

This Undertaking, as amended, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

The amendment does not materially impair the interests of the beneficial owners of the Certificates, as determined by an independent counsel or other entity unaffiliated with the City.

9. Default. In the event of a failure of the City to comply with any provision of this Undertaking, any owner of a Certificate for the benefit of which this Undertaking is being provided may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City to comply with its obligations under this Undertaking. A default under this Undertaking will not be deemed an event of default for other purposes of the Indenture or the Lease Agreement, and the sole remedy under this Undertaking in the event of any failure of the City to comply with this Undertaking will be an action to compel performance.

10. Non-Appropriation. The performance by the City of its obligations in this Undertaking shall be subject to the annual appropriation of any funds that may be necessary to permit such performance. In the event of a failure by the City to comply with its covenants under this Undertaking due to a failure to appropriate the necessary funds, the City covenants to provide prompt notice of such fact to the MSRB through EMMA.

11. Termination of Undertaking. The Undertaking of the City shall be terminated hereunder when the City no longer has liability for any obligation relating to repayment of the Certificates or the Rule no longer applies to the Certificates. The City shall give notice in a timely manner if this Section is applicable to the MSRB through EMMA.

12. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

13. Additional Information. Nothing in this Undertaking shall be deemed to prevent the City from disseminating any other information using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Annual Information Disclosure or notice of occurrence of a Listed Event, in addition to that which is required by this Undertaking. If the City chooses to include any information from any document or notice of occurrence of Listed Event in addition to that which is specifically required by this Undertaking, the City shall have no obligation under this Undertaking to update such information or include it in any future disclosure or notice of occurrence of a Listed Event.

14. Beneficiaries. This Undertaking has been executed in order to assist the Underwriter in complying with the Rule; however, this Undertaking shall inure solely to the benefit of the City, the Dissemination Agent, if any, and the beneficial owners of the Certificates, and shall create no rights in any other person or entity.

15. Recordkeeping. The City shall maintain records of all Annual Information Disclosure and notices of occurrence of Listed Events including the content of such disclosure or

notices, the names of the entities with whom such disclosure or notices were filed and the date of filing such disclosure or notices.

16. Assignment. The City shall not transfer its obligations under the Lease Agreement unless the transferee agrees to assume all obligation of the City under this Undertaking or to execute an Undertaking under the Rule.

17. Governing Law. This Undertaking shall be governed by the laws of the State.

CITY OF FAIRBURN, GEORGIA

By: _____
Mario B. Avery
Mayor

Date: December 9, 2024

EXHIBIT I
ANNUAL FINANCIAL INFORMATION AND AUDITED
FINANCIAL STATEMENTS

“Annual Financial Information” means quantitative financial information and operating data concerning the operations of the City of the type set forth in the Official Statement in Appendix B in the tables entitled “AUDITED FINANCIAL STATEMENTS OF THE CITY.”

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to the MSRB through EMMA. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available from the MSRB; and the Final Official Statement need not be available from the Commission. The City shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be provided to the MSRB through EMMA, no later than the first business day in April of each year, commencing April 1, 2025. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included, to be followed up by Audited Financial Statements when available.

Audited Financial Statements will be prepared according to generally accepted accounting principles (“GAAP”), as applied to governmental units as modified by State law (“GAAP”), Audited Financial Statements will be provided to the MSRB through EMMA, at the same time as Annual Financial Information is filed, or if not available when such Annual Financial Information is filed, within 30 days after availability to the City.

If any change is made to the Annual Financial Information as permitted by Section 4 of this Undertaking, the City will disseminate a notice of such change as required by Section 4, including changes in Fiscal Year or GAAP.

EXHIBIT II
EVENTS FOR WHICH NOTICE OF OCCURRENCE OF
LISTED EVENTS IS REQUIRED

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
7. Modifications to rights of security holders, if material;
8. Certificate calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of securities, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the City;

Note: for the purposes of the event identified in paragraph 12, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

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

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

15. The incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and

16. A default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

