NEW ISSUE – BOOK-ENTRY ONLY **RATINGS:**
See "RATINGS" herein

In the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, under existing law, (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Series 2024 Bonds 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) interest on the Series 2024 Bonds is exempt from income taxation of the State of Georgia. Interest on the Series 2024 Bonds may be subject to certain federal taxes imposed only on certain corporations. For a more complete discussion of the tax aspects, see "TAX MATTERS" herein.

$16,565,000
CITY OF FAIRBURN, GEORGIA
Combined Public Utility Revenue Bonds,
Series 2024

Dated: Date of Issue **Due:** October 1, as shown on inside cover

The Series 2024 Bonds are being issued by the City of Fairburn, Georgia (the "City") for the purposes of (a) acquiring, constructing, equipping and improving certain improvements or extensions to the water and sewer elements of the System and to acquire certain wastewater treatment rights (and as more particularly described in plans and specifications on file, from time to time, with the City) (collectively, the "Series 2024 Projects"), (b) paying the premium for a financial guaranty insurance policy and the premium for a debt service reserve surety, and (c) paying the costs of issuing the Series 2024 Bonds. See "APPLICATION OF FUNDS – Estimated Sources and Uses of Funds and – The Project."

The Series 2024 Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2024 Bonds. Purchases will be made only in book-entry form through the Participants (as herein defined) in DTC, and no physical delivery of the Series 2024 Bonds will be made to Beneficial Owners (as herein defined). Payment of principal of and interest on the Series 2024 Bonds will be made to Beneficial Owners by DTC through its Participants. As long as Cede & Co. is the registered owner of the Series 2024 Bonds, as nominee of DTC, references herein to the holders of the Series 2024 Bonds or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Series 2024 Bonds. See "THE SERIES 2024 BONDS – Book Entry Only System."

Interest on the Series 2024 Bonds is payable semiannually on April 1 and October 1 of each year, commencing on April 1, 2025. All Series 2024 Bonds bear interest from their date of issuance. See "INTRODUCTION – Description of the Series 2024 Bonds."

The Series 2024 Bonds are special limited obligations of the City secured by and payable solely from a first and prior lien on and a pledge of the Pledged Revenues of the System (both as defined herein). The Series 2024 Bonds are issued on a parity basis with the City's $4,610,000 Combined Public Utility Revenue Bonds, Series 2014 (the "Series 2014 Bonds"), currently outstanding in the principal amount of $2,695,000. The Series 2024 Bonds do not constitute a debt or general obligation of the City or a pledge of the faith and credit or taxing power of the City. Neither the State of Georgia nor any political subdivision or municipal corporation thereof, including the City, is obligated to levy any tax for the payment of the Series 2024 Bonds. No recourse may be had against the general fund of the City for the payment of the Series 2024 Bonds. The Series 2024 Bonds do not constitute a charge, lien or encumbrance, legal or equitable, on any other property of the City. See "THE SERIES 2024 BONDS" and "SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2024 BONDS" herein.

The Series 2024 Bonds are subject to redemption prior to maturity, as more fully described herein. See "THE SERIES 2024 BONDS."

The scheduled payment of the principal of and interest on the Series 2024 Bonds when due will be guaranteed under a municipal bond insurance policy to be issued by Build America Mutual Assurance Company (the "Bond Insurer") simultaneously with the delivery of the Series 2024 Bonds (see "MUNICIPAL BOND INSURANCE" herein and APPENDIX E herein).

The Series 2024 Bonds are offered when, as and if issued and received by the Underwriter, subject to prior sale, to withdrawal or modification of the offer without notice, and subject to approval of legality by Squire Patton Boggs (US) LLP, Bond and Disclosure Counsel. Certain legal matters are subject to the approval of The Starkey Law Group, Counsel to the City, and Murray Barnes Finister LLP, Counsel to the Underwriter. The Series 2024 Bonds are expected to be delivered through The Depository Trust Company in New York, New York, on or about January 23, 2025.

Stephens Inc.

January 13, 2025.

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

Maturity (October 1)	Principal Amount	Interest Rate	Yield	CUSIP No.*
2025	$ 360,000	5.000%	3.100%	303643AY6
2026	395,000	5.000	3.120	303643AZ3
2027	420,000	5.000	3.200	303643BA7
2028	440,000	5.000	3.300	303643BB5
2029	460,000	5.000	3.350	303643BC3
2030	480,000	5.000	3.400	303643BD1
2031	505,000	5.000	3.450	303643BE9
2032	530,000	5.000	3.510	303643BF6
2033	555,000	5.000	3.560	303643BG4
2034	585,000	5.000	3.630	303643BH2
2035	945,000	5.000	3.720†	303643BJ8
2036	995,000	5.000	3.770†	303643BK5
2037	1,045,000	5.000	3.820†	303643BL3
2038	1,095,000	5.000	3.870†	303643BM1

$2,360,000 5.000% Term Bond due October 1, 2040, Priced to Yield 4.050%†, CUSIP No. 303643BN9

$5,395,000 4.125% Term Bond due October 1, 2044, Priced to Yield 4.370%, CUSIP No. 303643BP4

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* CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2024 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. The data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the City, the Underwriter nor their agents or counsel, assume responsibility for the accuracy of such numbers and no representation is made as to their correctness on the applicable Series 2024 Bonds or the Cover or as indicated herein. The CUSIP number for a specific maturity or interest rate within a maturity is subject to being changed after the issuance of the Series 2024 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part as a result of the procurement of secondary market portfolio insurance and other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2024 Bonds.

† Yield to first optional call on October 1, 2034.

CITY OF FAIRBURN, GEORGIA

<u>Mayor and City Council</u>

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*

<u>City Officials</u>

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

CITY COUNSEL

The Starkey Law Group, LLC
Lithia Springs, Georgia

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 herein 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 Series 2024 Bonds 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, 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 Underwriter intends to offer the Series 2024 Bonds to the public initially at the offering prices set forth on the inside cover of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other underwriters in offering the Series 2024 Bonds to the public. The Underwriter may offer and sell the Series 2024 Bonds to certain dealers (including dealers depositing the Series 2024 Bonds into investment trusts) at prices lower than the public offering price.

In connection with this offering, the Underwriter may over-allot or effect transactions which stabilize or maintain the market price of the Series 2024 Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

No registration statement relating to the Series 2024 Bonds has been filed with the Securities and Exchange Commission or any state securities agency. The Series 2024 Bonds have not been approved or disapproved by the Securities and Exchange Commission or any state securities agency, nor has the Securities and Exchange Commission or any state securities agency passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

Any projections or forecasts contained herein are based on current expectations but are not intended as representations of fact or guarantees of results. The projections or forecasts are intended to be forward-looking statements as defined in the Securities Act of 1933, as amended (the "1933 Act"), and such projections and forecasts inherently are subject to a variety of risks and uncertainties, which could cause actual results to differ materially from those contemplated in such projections. These projections and forecasts speak only as of the date of this Official Statement. The City disclaims any obligation or undertaking to release publicly any updates or revisions to any projections or forecasts contained herein to reflect any change in their expectations with regard thereto or any change in events, conditions or circumstances on which any such projections or forecasts are based.

Build America Mutual Insurance Company (the "Bond Insurer" or "BAM") makes no representation regarding the Series 2024 Bonds or the advisability of investing in the Series 2024

Bonds. In addition, the Bond Insurer has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding the Bond Insurer supplied by the Bond Insurer and presented under the heading "MUNICIPAL BOND INSURANCE" and "APPENDIX E – SPECIMEN MUNICIPAL BOND INSURANCE POLICY AND DEBT SERVICE RESERVE SURETY POLICY."

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APPENDIX B	–	Form of Bond Counsel Opinion
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APPENDIX D	–	Form of Continuing Disclosure Certificate
APPENDIX E	–	Specimen Municipal Bond Insurance Policy and Debt Service Reserve Surety Policy

* The Series 2024 Bonds are secured solely by the Pledged Revenues and not by any other moneys of the City, including but not limited to General Fund moneys. The audited financial statements of the City are included in their entirety only because the financial statements for the System's operations are not prepared separately.

$16,565,000
CITY OF FAIRBURN, GEORGIA
COMBINED PUBLIC UTILITY REVENUE BONDS,
SERIES 2024

INTRODUCTION

General

This Official Statement sets forth certain information concerning the City of Fairburn, Georgia (the "City"), the existing combined electric and water and sewerage system owned and operated by the City (as now existent and as hereafter added to, improved and equipped, the "System") and the City of Fairburn, Georgia Combined Public Utility Revenue Bonds, Series 2024 (the "Series 2024 Bonds") in the aggregate principal amount of $16,565,000. Certain capitalized terms used herein are defined in APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE BOND ORDINANCE – Definitions" herein.

This Introduction is not a summary of this Official Statement and is intended only for quick reference. It is only a brief description of and guide to, and is qualified in its entirety by reference to, more complete and detailed information contained in the entire Official Statement, including the cover pages and the Appendices, and the documents summarized or described herein. Investors should fully review the entire Official Statement. The offering of the Series 2024 Bonds to potential investors is made only by means of the entire Official Statement, including the Appendices herein. No person is authorized to detach this Introduction from the Official Statement or otherwise to use it without the entire Official Statement.

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 ("Fulton County") in the north central portion of the State of Georgia, approximately 17 miles south 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. For more complete information, *see* "THE CITY."

Purpose of the Series 2024 Bonds

The proceeds derived from the sale of the Series 2024 Bonds will be used by the City to acquiring, constructing, equipping and improving certain improvements or extensions to the water and sewer elements of the System and to acquire certain wastewater treatment rights (and as more particularly described in plans and specifications on file, from time to time, with the City) (collectively, the "Series 2024 Projects"), (b) paying the premium for a financial guaranty insurance policy and a premium for a debt service reserve surety, and (c) paying the costs of issuing the Series 2024 Bonds. See "APPLICATION OF FUNDS – Estimated Sources and Uses of Funds and – The Project."

Security and Sources of Payment

The Series 2024 Bonds are special limited obligations of the City payable solely from a pledge of the Pledged Revenues (as hereinafter defined) derived by the City from the ownership and operation of the System. The Series 2024 Bonds will have a first priority lien on the Pledged Revenues of the System. The Series 2024 Bonds are issued on a parity basis with the City's $4,610,000 Combined Public Utility Revenue Bonds, Series 2014 (the "Series 2014 Bonds"), currently outstanding in the principal amount of $2,695,000. The City may under certain circumstances issue additional parity bonds (the "Parity Bonds" and together with the Series 2014 and the Series 2024 Bonds, the "Bonds") and, if issued, such Parity Bonds will rank on parity with the lien of the Pledged Revenues of the System with the lien securing the Series 2014 Bonds and the Series 2024 Bonds. See "SECURITY AND SOURCES OF PAYMENT OF THE SERIES 2024 BONDS" herein and APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE BOND ORDINANCE" herein.

The Series 2024 Bonds do not and will not constitute a debt or general obligation of the City or a pledge of the faith and credit or taxing power of the City. No governmental entity, including the City, is obligated to levy any tax for the payment of the Series 2024 Bonds. No recourse may be had against the General Fund of the City for the payment of the Series 2024 Bonds. The pledge of and lien on the Pledged Revenues securing the Series 2024 Bonds does not create a legal or equitable pledge, charge, lien or encumbrance upon any of the City's property or income, receipts or revenues, except the Pledged Revenues and the amounts on deposit in the funds held under the hereinafter described Bond Ordinance.

Municipal Bond Insurance Policy

The scheduled payment of principal of and interest on the Series 2024 Bonds when due will be guaranteed under an insurance policy to be issued by Build America Mutual Insurance Company (the "Bond Insurer" or "BAM"). Such policy will be issued concurrently with the issuance of the Series 2024 Bonds. See "MUNICIPAL BOND INSURANCE" herein and "APPENDIX E – SPECIMEN MUNICIPAL BOND INSURANCE POLICY AND DEBT SERVICE RESERVE SURETY POLICY" herein.

Debt Service Reserve Surety

The City will purchase a Debt Service Reserve Surety from the Bond Insurer to satisfy the Debt Service Reserve Requirement for the Series 2024 Bonds. See "MUNICIPAL BOND INSURANCE" herein and "APPENDIX E – SPECIMEN MUNICIPAL BOND INSURANCE POLICY AND DEBT SERVICE RESERVE SURETY POLICY" herein. In addition, for information about the Debt Service Reserve Requirement and amendments thereto, see APPENDIX C "SUMMARY OF CERTAIN PROVISIONS OF THE BOND ORDINANCE" herein.

Description of the Series 2024 Bonds

Redemption. The Series 2024 Bonds are subject to optional and mandatory redemption prior to their stated maturity. See "THE SERIES 2024 BONDS – Optional Redemption and – Redemption Procedures and Redemption Notice."

Denominations. The Series 2024 Bonds are issuable in denominations of $5,000 or any integral multiple thereof.

Book-Entry Bonds. The Series 2024 Bonds will be issued as fully registered bonds in the denomination of one certificate per aggregate principal amount of the stated maturity thereof, and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York, an automated depository for securities and clearing house for securities transactions, which will act as securities depository for the Bonds. Purchasers will not receive certificates representing their ownership interest in the Series 2024 Bonds purchased. Purchases of beneficial interests in the Series 2024 Bonds will be made in book-entry only form (without certificates), in authorized denominations, and, under certain circumstances as more fully described in this Official Statement, such beneficial interests are exchangeable for one or more fully registered certificates of like principal amount and maturity in authorized denominations. For more complete information, *see* "THE BONDS – Book-Entry Only System" herein.

Payments. Interest on the Series 2024 Bonds will be payable initially on April 1, 2025, and semiannually thereafter on April 1 and October 1 of each year until maturity or prior redemption (each an "Interest Payment Date"). Interest on the Series 2024 Bonds is payable to the registered owners thereof at the addresses which appear on the bond registration books of the Bond Registrar as of the close of business on the fifteenth day of the month preceding each Interest Payment Date (the "Record Date"). As long as the Series 2024 Bonds are held in Book-Entry form, payment of the principal of and interest on the Series 2024 Bonds will be made by the Paying Agent directly to the Securities Depository and will subsequently be disbursed to Participants and thereafter to Beneficial Owners. If the Series 2024 Bonds are no longer held in Book-Entry Form, the principal of and interest on the Series 2024 Bonds will be paid in accordance with the terms of the Bond Ordinance. See "THE SERIES 2024 BONDS – Denomination and Place of Payment" and "– Book-Entry Only System."

Amendments to the Bond Ordinance

By their ownership interests in the Series 2024 Bonds, the holders thereof will be deemed to have consented to certain amendments of the Bond Ordinance that will (i) allow the City to secure Reserve Fund Bonds either on common debt service reserve fund or a series specific debt service reserve fund basis (the Series 2024 Bonds will be secured solely by the Series 2024 Debt Service Reserve Account which is a subaccount of the Series Debt Service Reserve Account), (ii) allow the City, at its sole option, to deposit Asset Sale Proceeds into the Revenue Fund to satisfy its rate covenant debt service coverage test, (iii) clarify that one time fees to connect new customers to the System ("Tap Fees") are Pledged Revenues under the Bond Ordinance and (iv) modify the existing additional bonds test to allow a certified public accountant to calculate coverage ratios using audited financial statements of the City for the fiscal year immediately preceding the year in which any proposed additional Parity Bonds would be issued as an alternative to the existing calculation methodology. See APPENDIX C - SUMMARY OF CERTAIN PROVISIONS OF THE BOND ORDINANCE" herein.

For a more complete description of the Series 2024 Bonds, and the basic documentation pursuant to which they are issued, and the amendments to the Bond Ordinance as described above, see "THE SERIES 2024 BONDS" and APPENDIX C - SUMMARY OF CERTAIN PROVISIONS OF THE BOND ORDINANCE" herein.

Professionals Involved in the Offering

The Series 2024 Bonds are offered when, as and if issued and received by the Underwriter, subject to the approval of legality by Squire Patton Boggs (US) LLP, Atlanta, Georgia, Bond and Disclosure Counsel. Certain legal matters will be passed upon for the City by its counsel, The Starkey Law Group, and for the Underwriter by its counsel, Murray Barnes Finister LLP.

The basic financial statements of the City, dated as of September 30, 2023, have been audited by Mauldin & Jenkins, LLC, Atlanta, Georgia, independent certified public accountants, to the extent and for the period indicated in its report thereon which appears in APPENDIX A. No procedures have been performed by Mauldin & Jenkins, LLC with respect to the inclusion of such basic financial statements of the City herein and Mauldin & Jenkins, LLC has not consented to the inclusion of such basic financial statements herein. See "MISCELLANEOUS – Independent Professionals."

Bond Registrar, Paying Agent, Custodian and Depository

The Bank of New York Mellon Trust Company, N.A., Jacksonville, Florida, will act as Bond Registrar and as Paying Agent for the Series 2024 Bonds. The Bank of New York Mellon Trust Company, N.A., Jacksonville, Florida, will act as depository of the Sinking Fund.

Legal Authority

The Series 2024 Bonds are to be issued pursuant to the Constitution of the State of Georgia and the laws of the State of Georgia including particularly the Revenue Bond Law, as amended (O.C.G.A. § 36-82-60 *et seq*.). The Series 2024 Bonds will be issued under and secured pursuant to the terms and conditions of an original Bond Ordinance enacted by the City Council on August 26, 2013, as supplemented on September 12, 2013, July 28, 2014, September 16, 2014, November 4, 2024 and January 13, 2025 (collectively, the "Bond Ordinance").

Offering and Delivery of the Series 2024 Bonds

The Series 2024 Bonds are offered when, as and if issued and received by the Underwriter, subject to prior sale and subject to withdrawal or modification of the offer without notice. The Series 2024 Bonds in definitive form are expected to be delivered through The Depository Trust Company in New York, New York, on or about January 23, 2025.

Continuing Disclosure

The City has covenanted for the benefit of the owners of the Series 2024 Bonds in a Continuing Disclosure Certificate (the "Disclosure Certificate") to provide (a) certain financial information and operating data relating to the System (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 the Events Notices pursuant to the Disclosure Certificate is described in APPENDIX D – “FORM OF CONTINUING DISCLOSURE CERTIFICATE.” The covenants have been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12 (the “Rule”).

In addition to the Disclosure Certificate, the City has additional continuing disclosure obligations under the Rule relating to its $15,280,000 Downtown Development Authority of Fairburn Revenue Bonds (Educational Campus Project) Series 2011, $10,415,000 City of Fairburn, Georgia General Obligation Bonds, Series 2011 and the Series 2014 Bonds. During the past five years, there have been certain instances of noncompliance, including that the City was 70 days late filing its 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.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change without notice.

The information contained in this Official Statement does not purport to be comprehensive or definitive. All references herein to, or summaries of, the Bond Ordinance, the Series 2024 Bonds or any other document are qualified in their entirety by reference to the definitive forms thereof and the provisions with respect thereto included in the Bond Ordinance, the Series 2024 Bonds or such other document. Copies of the Bond Ordinance and Disclosure Certificate and other documents and information are available, upon request and upon payment to the City of a charge for copying, mailing and handling, from Brenda James, City Clerk, City of Fairburn, Georgia, 56 Malone St. SW, Fairburn, Georgia 30213, telephone (770) 964-2244. During the period of the offering of the Series 2024 Bonds, copies of such documents are available, upon request and upon 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 SERIES 2024 BONDS

Denomination and Place of Payment

The Series 2024 Bonds are issuable in fully registered form without coupons in the denomination of $5,000 and any integral multiple thereof, shall be transferable to subsequent owners as provided in the Bond Ordinance, and shall be numbered R-1 upward. Both the principal of and interest on the Series 2024 Bonds shall be payable in lawful money of the United States of America.

Book-Entry Only System

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 2024 Bonds. The Series 2024 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Bond will be issued for each maturity and series of the Series 2024 Bonds, each in the aggregate principal amount of such maturity and series, and will be deposited with DTC.

DTC, the world's largest 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, 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 securities 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 Standard & Poor's rating of AA+. The DTC Rules applicable to its Direct and Indirect Participants (collectively, the "Participants") are on file with the Securities and Exchange Commission. More information about DTC can be found at http://www.dtcc.com/ and http://www.dtc.org/.

Purchases of the Series 2024 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2024 Bonds on DTC's records. The ownership interest of actual purchasers of the Series 2024 Bonds ("Beneficial Owners") is in turn 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 Series 2024 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2024 Bonds, except in the event that use of the book-entry system for the Series 2024 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2024 Bonds 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 the Series 2024 Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2024 Bonds; DTC's records reflect only the identity of the

Direct Participants to whose accounts the Series 2024 Bonds are credited, which may or may not be the Beneficial Owners. The 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 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 the Series 2024 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2024 Bonds, such as redemptions, defaults and proposed amendments to the security documents. For example, Beneficial Owners of the Series 2024 Bonds may wish to ascertain that the nominee holding the Series 2024 Bonds 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 the notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all the Series 2024 Bonds within an issue 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 Series 2024 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an omnibus proxy to the City 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 Series 2024 Bonds are credited on the record date (identified in a listing attached to the omnibus proxy).

Principal, premium (if any) and interest payments on the Series 2024 Bonds 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 Paying Agent, on the 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 Paying Agent or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium (if any) and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Paying Agent 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 the Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2024 Bonds at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, certificates are required to be printed and delivered.

The City may, at any time, decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates are required to be printed and delivered.

For so long as Series 2024 Bonds are issued in book-entry form through the facilities of DTC, any Beneficial Owner desiring to cause the City or the Paying Agent to comply with any of its obligations with respect to Series 2024 Bonds must make arrangements with the Direct Participant or Indirect Participant through whom such Beneficial Owner's ownership interest in Bonds is recorded in order for the Direct Participant in whose DTC account such ownership interest is recorded to make the instructions to DTC described above.

NONE OF THE CITY, THE PAYING AGENT NOR THE UNDERWRITER (OTHER THAN IN ITS CAPACITY, IF ANY, AS A DIRECT PARTICIPANT OR AN INDIRECT PARTICIPANT) WILL HAVE ANY OBLIGATION TO THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO DTC'S PROCEDURES OR ANY PROCEDURES OR ARRANGEMENTS BETWEEN DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS AND THE PERSONS FOR WHOM THEY ACT RELATING TO THE MAKING OF ANY DEMAND BY CEDE & CO. AS THE REGISTERED OWNER OF THE SERIES 2024 BONDS, THE ADHERENCE TO SUCH PROCEDURES OR ARRANGEMENTS, OR THE EFFECTIVENESS OF ANY ACTION TAKEN PURSUANT TO SUCH PROCEDURES OR ARRANGEMENTS.

THE ABOVE INFORMATION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE CITY AND THE UNDERWRITER BELIEVE TO BE RELIABLE, BUT NEITHER THE CITY NOR THE UNDERWRITIER TAKE RESPONSIBILITY FOR THE ACCURACY THEREOF. NEITHER THE CITY NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, BENEFICIAL OWNERS OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS FOR (1) SENDING TRANSACTION STATEMENTS; (2) MAINTAINING, SUPERVISING OR REVIEWING, OR THE ACCURACY OF, ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS; (3) PAYMENT OR THE TIMELINESS OF PAYMENT BY DTC TO ANY PARTICIPANT, OR BY ANY PARTICIPANT OR OTHER NOMINEES OF BENEFICIAL OWNERS TO ANY BENEFICIAL OWNER, OF ANY AMOUNT DUE IN RESPECT OF THE PRINCIPAL OF OR REDEMPTION PREMIUM, IF ANY, INTEREST OR PURCHASE PRICE ON SERIES 2024 BONDS; (4) DELIVERY OR TIMELY DELIVERY BY DTC TO ANY PARTICIPANT, OR BY ANY PARTICIPANT OR OTHER NOMINEES OF BENEFICIAL OWNERS TO ANY BENEFICIAL OWNERS, OF ANY NOTICE (INCLUDING NOTICE OF REDEMPTION) OR OTHER COMMUNICATION WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO HOLDERS OR OWNERS OF THE SERIES 2024 BONDS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2024 BONDS; OR (6) ANY ACTION TAKEN BY DTC OR ITS NOMINEE AS THE REGISTERED OWNER OF THE SERIES 2024 BONDS.

So long as Cede & Co. is the registered owner of the Series 2024 Bonds, as nominee for DTC, references in this Official Statement to the Bondholders, holders or registered owners of the Series 2024 Bonds (other than under the caption "TAX EXEMPTION" herein) shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Series 2024 Bonds.

When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference shall only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they shall be sent by the City or the Paying Agent to DTC only.

As long as the book-entry system is used for Series 2024 Bonds, the Paying Agent and the City will give any notices required to be given to owners of the Series 2024 Bonds only to DTC. 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 may desire to make arrangements with a Direct Participant or Indirect Participant so that all notices of redemption or other communications to DTC which affect such Beneficial Owners will be forwarded in writing by such Direct Participant or Indirect Participant.

NONE OF THE CITY, THE PAYING AGENT NOR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DIRECT PARTICIPANTS, OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES, WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE SERIES 2024 BONDS.

Redemption

Optional Redemption. The Series 2024 Bonds maturing on or after October 1, 2035 are subject to redemption in whole or in part prior to maturity at the option of the City at any time on or after October 1, 2034 at the redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date. The City may exercise its optional redemption of the Series 2024 Bonds in any order of the currently outstanding Series 2024 Bond maturities.

Mandatory Sinking Fund Redemption. The Series 2024 Bonds maturing on October 1, 2040 are subject to scheduled mandatory redemption prior to maturity in part at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date, in the following principal amount and on the dates set forth below:

October 1 of the Year	Principal Amount
2039	$1,150,000.00
2040*	1,210,000.00

*Final Maturity

The Series 2024 Bonds maturing on October 1, 2044 are subject to scheduled mandatory redemption prior to maturity in part at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date, in the following principal amount and on the dates set forth below:

October 1 of the Year	Principal Amount
2041	$1,270,000.00
2042	1,320,000.00
2043	1,375,000.00
2044*	1,430,000.00

*Final Maturity

Redemption Procedures and Redemption Notice

If less than all of the Series 2024 Bonds of a maturity are going to be called for redemption, then the actual Series 2024 Bonds so called for redemption shall be determined by (a) the procedures of the Securities Depository as long as the Series 2024 Bonds are held in Book-Entry Form and (b) lot or in such other manner designated by the Bond Registrar if the Series 2024 Bonds are no longer held in Book-Entry Form.

Notices of any redemption of the Series 2024 Bonds, identifying the Series 2024 Bonds (or any portion of the respective principal sums thereof) to be redeemed, shall be given not less than 30 nor more than 60 days prior to the redemption date (a) in accordance with the rules of the Securities Depository as long as the Series 2024 Bonds are held in Book-Entry Form and (b) by first-class mail, postage prepaid, to all registered owners of the Series 2024 Bonds to be redeemed (in whole or in part). Failure to give appropriate notice of any redemption by mail or any defect in the notice shall not affect the validity of the proceedings for the redemption of any Series 2024 Bond.

If at the time of giving of such notice of redemption there has not been deposited with the Paying Agent money sufficient to redeem all Series 2024 Bonds called for redemption, such notice is required to state that it is conditional, that is, subject to the deposit of money sufficient for the redemption with the Paying Agent not later than the redemption date, and such notice will be of no effect unless such money is so deposited.

The Series 2024 Bonds designated for redemption as described above shall be payable at the redemption price specified above and interest will cease to accrue on the principal amount of such Series 2024 Bonds from and after the date of redemption unless there is a default in the payment of such Series 2024 Bonds.

Parity Bonds; Modification to Bond Ordinance

The City has previously issued the Series 2014 Bonds pursuant to the Bond Ordinance. The Series 2024 Bonds rank on a parity basis with the Series 2014 Bonds. The City may issue Parity Bonds, from time to time, ranking as to lien on the Pledged Revenues on a parity with or subordinate to the Series 2014 Bonds and the Series 2024 Bonds upon the terms and subject to the conditions set forth in the Bond Ordinance.

By their ownership interests in the Series 2024 Bonds, the holders thereof will be deemed to have consented to certain amendments of the Bond Ordinance including amendments that would modify the existing additional bonds test to allow a certified public accountant to calculate coverage ratios using audited financial statements of the City for the fiscal year immediately preceding the year in which any proposed additional Parity Bonds would be issued as an alternative to the existing calculation methodology. See "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE BOND ORDINANCE."

SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2024 BONDS

General

The Series 2024 Bonds are limited obligations of the City and are payable from and secured by a first lien on and pledge of the Net Operating Revenues, Investment Earnings and other monies paid or required to be paid into the funds and accounts specified in the Bond Ordinance, but excluding any amounts to be set aside pending, or used for, rebate to the United States government pursuant to Section 148(f) of the Code (the "Pledged Revenues"). See "APPENDIX C - SUMMARY OF CERTAIN PROVISIONS OF THE BOND ORDINANCE."

NEITHER THE GENERAL CREDIT NOR THE TAXING POWER OF THE STATE OF GEORGIA NOR ANY POLITICAL SUBDIVISION OR MUNICIPAL CORPORATION THEREOF, INCLUDING THE CITY, IS PLEDGED FOR THE PAYMENT OF THE SERIES 2024 BONDS. THE SERIES 2024 BONDS SHALL NOT CONSTITUTE A DEBT OF THE STATE OF GEORGIA OR ANY POLITICAL SUBDIVISION OR MUNICIPAL CORPORATION THEREOF, INCLUDING THE CITY, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION.

Flow of Funds

Funds and Accounts. The following funds and accounts have been created in the Bond Ordinance:

(a) City of Fairburn Combined Public Utility Revenue Fund.

(b) City of Fairburn Combined Public Utility Sinking Fund.

(c) City of Fairburn Combined Public Utility Sinking Fund Interest Account.

(d) City of Fairburn Combined Public Utility Sinking Fund Principal Account.

(e) City of Fairburn Combined Public Utility Sinking Fund Debt Service Reserve Account, and within such account, the Series 2024 Debt Service Reserve Account.

(f) City of Fairburn Combined Public Utility Renewal and Extension Fund.

(g) City of Fairburn Combined Public Utility Rebate Fund

(h) City of Fairburn Combined Public Utility Construction Account, and within such Construction Account, the Series 2024 Project Account and within such Series 2024 Project Account, a Series 2024 Tax-Exempt Sub Account and a Series 2024 Taxable Sub Account.

(i) City of Fairburn Combined Public Utility Revenue Bonds, Series 2024 Costs of Issuance Account and within such 2024 Costs of Issuance Account, a Series 2024 Tax-Exempt Sub Account and a Series 2024 Taxable Sub Account.

Flow of Funds. The City will deposit all Operating Revenues of the System in the Revenue Fund from time to time as received. Monies in the Revenue Fund shall be applied as follows:

(a) The City shall make monthly withdrawals from the Revenue Fund in amounts necessary to pay Expenses of Operation and Maintenance.

(b) After making the payments required or permitted to be made pursuant to Subsection (a), sufficient Net Operating Revenues shall be paid in equal monthly installments from the Revenue Fund into the Sinking Fund on or before the 20th day of each month for the purpose of paying the principal of and interest on the Bonds as the same mature. There shall be paid into the Interest Account monthly the interest falling due on Amortizing Bonds on the next Interest Payment Date and an installment equal to 1/6 of the amount of interest falling due and payable on all other Outstanding Bonds on the next succeeding Interest Payment Date, adjusted to give credit for any other available monies then in the Interest Account, and further adjusted if necessary to assure the timely accumulation of the required amount in approximately equal installments. To the extent that any of the Bonds bear interest at a Variable Rate, this requirement shall be deemed satisfied if the installment paid into the Interest Account in each month shall be sufficient to accumulate for such Bonds an amount equal to 1/6 of the projected interest payment multiplied by the number of months and fractions of months expired since delivery of such Bonds or the most recent Interest Payment Date; the "projected interest payment" is that sum, redetermined monthly, which would have to be accumulated in the Interest Account by the next succeeding Interest Payment Date if such Variable Rate should continue to equal the higher of (i) the actual rate borne by such Bonds on the first day of that month, or (ii) the rate borne by such Bonds on the date of calculation. Notwithstanding the foregoing, any Series Ordinance which authorizes the issuance of Parity Bonds which pay interest other than semiannually may establish a different method of accumulating money in the Interest Account to pay interest on such Parity Bonds, so long as such method provides for the accumulation, in equal installments of no greater frequency than monthly, of sufficient funds to pay interest due on such Parity Bonds on each Interest Payment Date established for such Parity Bonds.

(c) There shall be paid monthly into the Principal Account an amount equal to the principal falling due on Amortizing Bonds on the next Interest Payment Date plus an amount equal to 1/12 of the Principal Requirement falling due on all other Outstanding Parity Bonds plus whatever additional amounts may be necessary in equal monthly installments to accumulate in the Principal Account the full Principal Requirement falling due in such Bond Year. Notwithstanding the foregoing, any Series Ordinance which authorizes the issuance of Parity Bonds which pay principal other than annually may establish a different method of accumulating money in the Principal Account to pay principal on such Parity Bonds, so long as such method provides for the accumulation, in equal installments of no greater frequency than monthly, of sufficient funds to pay principal on such Parity Bonds when due.

(d) If there are Outstanding Reserve Fund Bonds, there shall next be paid monthly into the Debt Service Reserve Account, the remaining amounts in the Revenue Fund until the balance in the Debt Service Reserve Account equals the Debt Service Reserve Requirement. After the issuance of any Parity Bonds which are Reserve Fund Bonds the increase in the amount of the Debt Service Reserve Requirement resulting from such issuance may be accumulated, to the extent not covered by deposits from Bond proceeds or funds on hand, over a period to be established by Series Ordinance. *By their ownership interests in the Series 2024 Bonds, the holders thereof will be deemed to have consented to certain amendments of the Bond Ordinance related to the Debt Service Reserve Account that will allow the City to secure Reserve Fund Bonds either on a common debt service reserve fund or a series specific debt service reserve fund basis. The Series 2024 Bonds will be secured solely by the Series 2024 Debt Service Reserve Account.*

(e) There shall next be paid monthly any amounts required, if any, to be paid into the Rebate Fund for purposes of complying with the requirement for rebate to the United States government under Section 148(f) of the Code or any regulations promulgated with respect to any such rebate requirement.

(f) There shall next be paid or accumulated monthly on such basis as the City shall designate in writing amounts required to be paid to any Qualified Hedge Agreement Counterparty pursuant to a Hedge Agreement for which Bond are the Hedged Obligations.

(g) There shall next be paid monthly to any Credit Facility Provider all amounts required to be paid to the Credit Facility Provider as compensation for services performed by the Credit Facility Provider and as reimbursement of funds reasonably expended by the Credit Facility Provider on behalf of the City or for the City's account.

No further payments will be made into the Interest Account or the Principal Account with respect to any Bonds whenever the amount available therein is sufficient to retire all Bonds then Outstanding and to pay all unpaid interest accrued and to accrue prior to such retirement. No further payments will be made into the Interest Account or the Principal Account with respect to any Reserve Fund Bonds whenever the amount available therein, if added to the amount then in the Debt Service Reserve Account, is sufficient to retire all Reserve Fund Bonds then Outstanding and to pay all unpaid interest accrued and to accrue prior to such retirement. Except for Term Bonds, if any, purchased and cancelled on or prior to the next succeeding mandatory redemption date which falls due within 12 months, no monies in the Interest Account or the Principal Account shall be used or applied to the optional purchase or redemption of Bonds prior to maturity unless provision shall have been made for the payment of all of the Bonds.

(a) Whenever for any reason the amount in the Interest Account or the Principal Account is insufficient to pay all interest or principal falling due on the Bonds within the next 7 days, the City will make up any deficiency by transfers from the Renewal and Extension Fund. For any Reserve Fund Bonds, whenever, on the date that such interest or principal is due, there are insufficient monies available to make such payment, the City will, without further instructions, apply so much as may be needed of the monies in the Debt Service Reserve Account to prevent default in the payment of such interest or principal, with priority to interest payments. Whenever by reason of any such application or otherwise the amount remaining to the credit of the Debt Service Reserve Account is less than the amount then required to be in the Debt Service Reserve Account, such deficiency will be remedied by monthly payments from the Revenue Fund, to the extent funds are available for such purpose.

(b) There shall next be paid monthly into the Renewal and Extension Fund, the remaining Net Operating Revenues, if any, except that such amount as the City in the exercise of its discretion shall deem reasonable and prudent to retain in the Revenue Fund to pay Expenses of Operation and Maintenance. All sums thus accumulated and retained in the Renewal and Extension Fund shall be used first to prevent default in the payment of interest on or principal of the Bonds when due and then shall be applied by the City from time to time, as and when the City shall determine, to the following purposes and in the following order of priority:

(A) To the restoration of the Interest Account, the Principal Account and the Debt Service Reserve Account to the respective amounts required at that time to be therein;

(B) To the payment of any and all governmental charges and assessments against the System or any part thereof which may then be due and owing; and

(C) To the making of acquisitions, betterments, extensions, repairs or replacements or other capital improvements (including the purchase of equipment) to the System deemed necessary by the City.

Any monies in the Renewal and Extension Fund in excess of the Minimum Renewal and Extension Fund Requirement of $25,000 may be withdrawn from the Renewal and Extension Fund and used for any lawful purpose.

Notwithstanding the foregoing, should the City issue bonds having a lien subordinate to the Bonds on the Pledged Revenues, payments provided for above may be suspended to the extent necessary to pay principal, premium (if any) and interest on such subordinate bonds and to maintain a reasonable debt service reserve therefor.

See "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE BOND ORDINANCE" for more information on the funds and accounts created in the Bond Ordinance.

Debt Service Reserve Account

By their ownership interests in the Series 2024 Bonds, the holders thereof will be deemed to have consented to certain amendments of the Bond Ordinance, including amendments related to the Debt Service Reserve Account that will allow the City to secure Reserve Fund Bonds either on common debt service reserve fund or a series specific debt service reserve fund basis. The Series 2024 Bonds will be secured solely by the Series 2024 Debt Service Reserve Account.

The Debt Service Reserve Account for the Series 2014 Bonds was funded upon the delivery of the Series 2014 Bonds in an amount equal to $3,687.20 with a debt service reserve surety issued by the Bond Insurer (the "Series 2014 Surety"). The Series 2024 Debt Service Reserve Account for the Series 2024 Bonds shall be funded upon the delivery of the Series 2024 Bonds in an amount equal to the Debt Service Reserve Requirement for the Series 2024 Bonds with a debt service reserve surety expected to be issued by the Bond Insurer. The Series 2014 Surety only secures the Series 2014 Bonds, and the Series 2024 Surety only secures the Series 2024 Bonds.

The City may at any time fulfill its obligation to fund the Debt Service Reserve Account or a Series Debt Service Reserve Account for Parity Bonds that are Reserve Fund Bonds by depositing in the Debt Service Reserve Account or Series Debt Service Reserve Account cash or an unconditional and irrevocable surety bond from an insurance company that has a rating from Standard & Poor's Corporation or Moody's Investors Service, Inc. of investment grade or better, payable on any interest or principal payment date in an amount equal to any portion of the cash balance then required to be maintained within the Debt Service Reserve Account or Series Debt Service Reserve Account. Each such surety bond will be unconditional and irrevocable and shall provide liquidity for the term of the Reserve Fund Bonds with respect to which the surety bond is purchased. So long as the Debt Service Reserve Account or Series Debt Service Reserve Account is properly funded, any reimbursement agreement entered into between the City and the provider of any such surety bond must provide that the City will be obligated to repay such issuer an amount equal to any draw down on the surety bond from any monies available to repay the surety bond. Repayment of any interest or fees due the City of such surety bond under such surety bond shall be secured by a lien on the Pledged Revenues subordinate only to payments of Expenses of Operation and Maintenance, and payments into the Interest Account, the Principal Account, the Debt Service Reserve Account Series Debt Service Reserve Account, if applicable.

The City may at any time fulfill its obligation to fund the Debt Service Reserve Account or Series Debt Service Reserve Account by depositing in the Debt Service Reserve Account or Series Debt Service Reserve Account a letter of credit; provided, however, that no such letter of credit may be so deposited without the written consent of the insurer, if any, of the Reserve Fund Bonds, as to the provider of such letter of credit and to the structure of such letter of credit.

Rate Covenant

Pursuant to the Bond Ordinance, the City has covenanted to place into effect a schedule of rates, fees and charges for the services, facilities and commodities furnished by the System, and shall adjust, as necessary, such schedule of rates, fees and charges in order to provide for 100% of the Expenses of Operation and Maintenance and to produce Pledged Revenues in each Bond Year which will (i) equal at least 110% of the Debt Service coming due in the then current Bond Year, computed on a basis which includes all Outstanding Bonds, (ii) enable the City to make all required payments into the Debt Service Reserve Account or Series Debt Service Reserve Account, the Rebate Fund and the Renewal and Extension Fund, (iii) enable the City to make all required payments on any Government Loans, and (iv) remedy all deficiencies in payments into any of the funds and accounts mentioned below from prior Bond Years and meet all requirements for principal of and interest on any subordinated obligations payable from the Revenues. See “APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE BOND ORDINANCE”.

Parity Bonds

The City has reserved the right to issue Parity Bonds. If such Parity Bonds are issued, they will be secured by a lien on the Pledged Revenues on a parity with the lien thereon securing the Series 2014 Bond and the Series 2024 Bonds. By their ownership interests in the Series 2024 Bonds, the holders thereof will be deemed to have consented to certain amendments of the Bond Ordinance including amendments that would modify the existing additional bonds test to allow a certified public accountant to calculate coverage ratios using audited financial statements of the City for the fiscal year immediately preceding the year in which any proposed additional Parity Bonds would be issued as an alternative to the existing calculation methodology. See “APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE BOND ORDINANCE.”

Subordinate Debt

The City has also reserved the right to issue Subordinate Debt. If such Subordinate Debt is issued, it will be secured by a subordinate lien on the Pledged Revenues. See “APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE BOND ORDINANCE.”

Bond Insurance and Debt Service Reserve Surety

Concurrently with the issuance of the Series 2024 Bonds, the Bond Insurer will issue a municipal bond insurance policy (the “Bond Insurance Policy”) for the Series 2024 Bonds. The

Bond Insurance Policy guarantees the scheduled payment of principal of and interest on the Series 2024 Bonds when due as set forth in the form of the Bond Insurance Policy included as APPENDIX E herein.

The City will purchase a Debt Service Reserve Surety from the Bond Insurer to satisfy the Debt Service Reserve Requirement for the Series 2024 Bonds. See APPENDIX E herein.

Remedies; Enforceability of Remedies

The Revenue Bond Law and the Bond Ordinance provide for certain remedies for the owners of the Series 2024 Bonds upon an event of default. See APPENDIX C for a description of the remedies available to owners of Series 2024 Bonds under the terms of the Bond Ordinance.

The Revenue Bond Law provides that the duties of the City and the members and officers of the City under the Revenue Bond Law and the Bond Ordinance are enforceable by any owner of Series 2024 Bonds by mandamus or other appropriate action or proceeding at law or in equity. The Revenue Bond Law also provides that in the event the City defaults in the payment of the principal or interest on any of Series 2024 Bonds after the same becomes due, whether at maturity or upon call for redemption, and such default continues for a period of 30 days, or in the event the City or the officers, agents, or employees of the City fail or refuse to comply with the essential provisions of the Revenue Bond Law or default in any material respect in any agreement made with the holders of Series 2024 Bonds, any holders of Series 2024 Bonds shall have the right to apply in an appropriate judicial proceeding to the Superior Court of Fulton County or to any court of competent jurisdiction for the appointment of a receiver of the System, whether or not all Bonds have been declared due and payable and whether or not such holder is seeking or has sought to enforce any other right or to exercise any remedy in connection with Series 2024 Bonds. Upon such application, the Superior Court, if it deems such action necessary for the protection of the bondholders, may appoint and, if the application is made by the holders of 25 percent in principal amount of Series 2024 Bonds then outstanding, shall appoint a receiver of the System.

The receiver so appointed under the Revenue Bond Law has the power to hold, use, operate, manage and control the System. The receiver does not have the power to sell, assign, mortgage or otherwise dispose of the System.

The realization of the value from the pledge of the Pledged Revenues of the System upon any default in the payment of the principal of or interest on the Series 2024 Bonds will depend upon the exercise of various remedies specified under the laws of the State of Georgia. The various legal opinions to be delivered concurrently with the delivery of the Series 2024 Bonds will be qualified as to the enforceability of rights or remedies with respect to the Series 2024 Bonds by bankruptcy, insolvency, laws affecting creditors' rights generally and the application of equitable principles.

Section 36-80-5 of the Official Code of Georgia Annotated provides that no county, municipality, authority, division, instrumentality, political subdivision, or public body corporate created under the Constitution or the laws of the State shall be authorized to file a petition for relief from payment of its debts as they mature or a petition for consolidation of its debts under any federal statute providing for such relief or consolidation or otherwise to take advantage of any federal statute providing for the adjustment of debts of political subdivisions and public agencies and instrumentalities. Section 36-80-5 of the Official Code of Georgia Annotated also provides that no chief executive, mayor, board of commissioners, city council, board of trustees, or other governmental officer, governing body, or organization shall be empowered to cause or authorize the filing by or on behalf of any county, municipality, authority, division, instrumentality, political subdivision, or public body corporate created under the Constitution or laws of the State of any petition for federal relief from payment of its debts as they mature or a petition for consolidation of its debts under any federal statute providing for such relief or consolidation or otherwise to take advantage of any federal statute providing for the adjustment of debts of political subdivisions and public agencies and instrumentalities.

APPLICATION OF FUNDS

Estimated Sources and Uses of Funds

The estimated sources and uses of funds of the Series 2024 Bonds are summarized below:

Sources:		
	Principal Amount of Series 2024 Bonds	$16,565,000.00
	Plus: Original Issue Premium	755,797.95
	TOTAL	$17,320,797.95
Uses:		
	Deposit to Construction Fund	$16,614,241.00
	Costs of Issuance[1]	706,556.95
	TOTAL	$17,320,797.95

(1) Includes underwriting discount, validation court costs, printing costs, legal fees, rating fees, accounting fees, premiums for the Bond Insurance Policy and the Debt Service Reserve Surety and other miscellaneous costs of issuance.

The Series 2024 Projects

The Bond Ordinance authorizes the Series 2024 Bonds to pay costs of the Series 2024 Project and the costs of issuing the Series 2024 Bonds. The Series 2024 Project consists of the acquisition, construction, equipping and installation of certain improvements or extensions to the water and sewer elements of the System (the "System Improvements") and the acquisition of certain wastewater treatment rights (the "Capacity Improvements").

Wastewater. The City and Fulton County have previously entered into a Sewer Cooperation Agreement dated as of June 7, 2000, as amended in 2001 (the "Initial Fulton Sewer Contract") pursuant to which Fulton County granted the City, and other south Fulton County Cities, on a pro rata basis, access to the Camp Creek Water Pollution Control Plant and Fulton

County's sewer treatment system for use in connection with treatment of the City's wastewater. The Initial Fulton Sewer Contract with the City was superseded in 2004 and amended in 2006, 2009, 2014 and 2019 (the "Existing Fulton Sewer Contract) In 2019, the Existing Fulton Sewer Contract was extended until 2023 (the "2019 Extension"). The City is currently operating under the 2019 Extension, but has not entered into a written agreement with Fulton County extending the terms of the Existing Fulton Sewer Contract beyond the 2019 Extension. Under the Existing Fulton Sewer Contract, the City pays $1.66 per 1,000 gallons for flow usage and $4.03 per 1,000 gallons for flow usage exceeding certain capacity amounts. The Series 2024 Project, subject to an amendment to the Existing Fulton Sewer Contract (the "Proposed 2024 Amendment") (which, if executed, will replace the Existing Fulton Sewer Contract, as amended), will set new flow usage rates and allow the City to purchase an additional 0.6 MGD of wastewater capacity from Fulton County for approximately $6 million. The City expects to enter into the Proposed 2024 Amendment in early 2025.

Water. The City's water supply is primarily provided by the City of Atlanta. To enhance the City's water capacity and system water pressure, the City, subject to an agreement (the "Proposed Fayette County Agreement") with Fayette County, Georgia ("Fayette County"), will connect to Fayette County's system and purchase water from Fayette County. This connection will include a 1,750 MGB booster pumping station, a 1 MGD elevated water tank and 10,000 linear feet of interconnecting 16-inch water mains from the Fayette County water source to the nearest connection point in the City. The system expansion will also extend into the industrial park in the City. The City expects to enter into the Proposed Fayette County Agreement in early 2025. The Capacity Improvements have an estimated total cost of $10,500,000, of which approximately $9,300,000 is expected to be paid from the proceeds of the Series 2024 Bonds. The remaining approximately $1,200,000 will be used for various water projects of the System.

The Bond Ordinance establishes a construction fund (the "Construction Fund") with The Bank of New York Mellon Trust Company, N.A., Jacksonville, Florida, as construction fund custodian. A portion of the proceeds of the Series 2024 Bonds will be deposited into the Construction Fund and the City is authorized to request disbursements from the Construction Fund to pay costs of the Series 2024 Project. Amounts on deposit in the Construction Fund will be invested at the direction of the City.

THE SYSTEM

General

The System is comprised of an electric distribution system, a water treatment and distribution system, and a sewage collection and disposal system. The day-to-day operations of the water and sewer system are under the direction of Marvin Hines, the Water Superintendent. The day-to-day operations of the electrical system are under the direction of Derek Hampton, who has served as Utility Director since May 2024.

Electric System

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 electric system has eight full-time employees. The City owns two substations and an 85-mile distribution system that delivers power from two substations to the City's customers. 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.

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. 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 City contracts directly with SEPA and is billed directly by SEPA. SEPA power is transmitted to the Electric System by MEAG.

Under the terms of the Power Sales contracts, the City purchases power and energy from MEAG for resale to the customers of its electric system (the "Electric System"). Such payments are required to be made by the City whether or not MEAG's facilities or any part thereof are operating or operable or the output therefrom is interrupted, interfered with, curtailed or terminated in whole or in part. 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. The price paid by the City to MEAG under its power sales contracts is intended to cover the City's share (approximately 8%, subject to adjustment in the case of certain contracts) of all the costs of MEAG, including scheduled debt service of MEAG. 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. To the extent the required payments are not made from revenues of the City's electric utility system or other funds, the City is required to include in its general revenue or appropriation measure or annual tax levy amounts sufficient to make such payments. In addition, the City may be obligated to purchase additional power, subject to contractual limitations, in the event other MEAG participants default.

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. In addition, MEAG owns transmission facilities that, together with those of other utilities, form a statewide, integrated transmission system. As of September 30, 2024, the outstanding debt of MEAG was approximately $9.12 billion.

Electricity Rates and Connection Fees

Set forth below are the residential and commercial electricity rates as of September 30, 2024.

ELECTRICITY RATES

		Summer Rate	Winter Rate
Residential Rates:			
Base Service Charge:	$11.00		
First 650 KWHs		0.114	0.123
Next 350 KWHs		0.128	0.137
Over 1,000 KWHs		0.138	0.148
Commercial Rates:			
Service Charge:	$16.50		
First 3,000 KWHs		0.163	0.143
Next 7,000 KWHs		0.143	0.143
Next 190,000 KWHs		0.143	0.143
Over 200,000 KWHs		0.143	0.143

Source: City of Fairburn.

Recent Electricity Rate History

In 2023, the City retained an independent consulting engineer to conduct a review of its electricity rates. At the time, the electricity rates had not changed since March 2012. In the consultant report to the City, the consultant noted that, with respect to the approved fiscal year 2024 budget, the General Fund has been subsidizing the Electric Fund. The consultant made certain recommendations and forecasts to the City regarding the impacts of future rates. On December 11, 2023, the City adopted electricity rate increases in the amounts of 8% in 2024; 6% in 2025 and 2026; 5% in 2027; and 3% in 2028, 2029, 2030, 2031 and 2032. There can be no assurances that the City will adopt future electricity rate increases.

Number of Electricity Customers

Set forth below are the number of residential and commercial/industrial electricity customers for the last five years.

NUMBER OF ELECTRICITY CUSTOMERS

Year	Residential	Commercial/ Industrial	Total Customers
2020	2,992	423	3,415
2021	3,052	430	3,482
2022	3,012	450	3,462
2023	3,044	471	3,715
2024	3,048	470	3,518

Source: City of Fairburn.

Largest Electricity Customers

Listed below are the ten largest electricity users of the electric system for fiscal year ending September 30, 2024.

LARGEST ELECTRICITY CUSTOMERS

	Customer	Total Annual Billing
1.	US Food Service	$ 704,427
2.	Google	517,168
3.	Nefab Packaging, LLC	501,424
4.	Evergreen Park Owner GA LLC	306,360
5.	Adesa Corp	208,781
6.	Park At Oakly	206,078
7.	Electrolux	196,836
8.	Food Depot	194,480
9.	Crown Linen, LLC	191,839
10.	DSC Logistics, Inc	191,057
	Total	$ 3,218,450

Source: City of Fairburn.

Water and Sewerage System

The City of Fairburn has 15 full-time employees for the Water and Sewerage System and currently serves approximately 3,962 water customers and 3,721 sewerage customers.

Water Treatment and Distribution System

The City owns and maintains a water distribution system consisting of approximately 91.1 miles of six-inch and larger mains that provides water and sewer services to approximately 95% of the City's residents. The primary water mains consist of one twelve-inch line on the east side of I-85 and six- and eight-inch mains throughout the remaining portion of the water distribution system. The City experiences low water pressure due to the location of the City of Atlanta's main water pumps. The low pressure affecting the water traveling from the City of Atlanta main water pumps to the City can disrupt the business operations of the City's larger corporations, as well as its schools and residents.

The System contains over 902 fire hydrants. The City has twenty-one master meters that tap City of Atlanta water mains. The City does not have any water storage facilities.

The City does not own and operate a water treatment facility. The City purchases water from the City of Atlanta. In the fiscal year ending September 30, 2024, the City purchased approximately 471,159,216 million gallons per month, amounting to an average daily consumption of approximately 1,290,847 gallons. This contract has expired, and the City is operating under a temporary arrangement with the City of Atlanta.

The City and Fayette County are in negotiations to enter into a new Intergovernmental Agreement (the "2024 Water Agreement") whereby the City will continue to purchase water from Fayette County. The 2024 Water Agreement anticipates Fayette County supplying the City with infrastructure to support 1.5 MGD of water annually at a minimum pressure rate of 50 PSI. The City will contribute up to $2,500,000 in infrastructure costs and will pay Fayette County $2.68 per 1,000 gallons of water received on a monthly basis. If executed, the 2024 Water Agreement will have a term of five years and will renew automatically each year for a total maximum duration of 50 years.

Wastewater Collection and Treatment System

Service Area. The City owns, operates and maintains a wastewater collection system (the "Collection System"). The customers of the Collection System are within the corporate limits of the City.

Wastewater and Sanitary Sewer Collection System. Wastewater collected north of the ridgeline between the Chattahoochee River Basin and Flint River Basin (the "Ridgeline") flows into the Chattahoochee River Basin. Wastewater collected south of the Ridgeline flows into the Flint River Basin. The Chattahoochee River Basin contains three (3) sub-basins, including Bear Creek, Line Creek and Deep Creek. The Line Creek–Trickum Creek and Whitewater Creek sub-basins are located in the Flint River Basin.

All wastewater in the Collection System is discharged to the sewerage system operated by Fulton County and transported to Fulton County's Camp Creek Wastewater Treatment Plant ("Camp Creek WWTP") for treatment and disposal.

The Collection System's current capacity is 1.5 MGD. Projections for the Collection System suggest a future capacity requirement of 3.35 MGD. The City is considering using a portion of the Series 2024 bond proceeds to slightly increase the Collection System's capacity as part of the 2024 Projects.

The City will have to purchase this increased capacity from the Camp Creek WWTP for a one-time capacity fee as well as a recurring monthly usage-based fee. The City expects the one-time capacity fee to be about $13 per additional gallon of capacity, but Fulton County has not provided an exact figure. The City expects Fulton County to provide a purchase price upon execution of the Proposed 2024 Amendment.

Currently, the City pays Fulton County Collection System usage fees of $2.46 per 1,000 gallons for all flow under 1.5 MGD and $5.94 per 1,000 gallons for any flow exceeding 1.5 MGD.

The Collection System consists of three (3) sewage pump stations within the Chattahoochee River Basin that primarily serve residential customers and a network of gravity sewers with approximately 69 miles of sanitary system pipelines and 38 miles of stormwater pipelines. The Collection System is in good condition and is well maintained.

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Set forth below are the current water and sewer rates and Tap Fees:

Water Billing Rates

Class	**Rates**
Single Family Inside	
Base Charge	$8.74
Supply Charge	$5.36
Delivery Charge	
First 4,000 Gallons	$3.10
4,001 – 8,000 Gallons	$4.65
Over 8,000 Gallons	$6.20
Single Family Outside	
Base Charge	$13.10
Supply Charge	$5.36
Delivery Charge	
First 4,000 Gallons	$4.65
4,001 – 8,000 Gallons	$6.98
Over 8,000 Gallons	$9.29
Multi-Family Inside	
Base Charge	$4.16
Supply Charge	$5.10
Delivery Charge	
First 4,000 Gallons	$2.95
4,001 – 8,000 Gallons	$4.43
Over 8,000 Gallons	$5.90
Multi-Family Outside	
Base Charge	$6.24
Supply Charge	$5.10
Delivery Charge	
First 4,000 Gallons	$4.43
4,001 – 8,000 Gallons	$6.65
Over 8,000 Gallons	$8.85
Commercial Inside	
Base Charge	$17.47
Supply Charge	$5.36
Delivery Charge	
Summer (May – October)	$6.20
Winter (November – April)	$6.20
Commercial Outside	
Base Charge	$26.21
Supply Charge	$5.36
Delivery Charge	
Summer (May – October)	$9.29
Winter (November – April)	$9.29
Residential Irrigation	
Base Charge	$8.74
Supply Charge	$5.36
Delivery Charge	
All Gallons	$6.20
Commercial Irrigation	
Base Charge	$17.47
Supply Charge	$5.36
Delivery Charge	
All Gallons	$9.29

Sewer Billing Rates

Class	**Rates**
Single Family Inside	
Base Charge	$13.94
Volume Charge	$1.74
Collection Charge	
First 4,000 Gallons	$6.38
4,001 – 8,000 Gallons	$9.58
Over 8,000 Gallons	$12.76
Single Family Outside	
Base Charge	$13.94
Volume Charge	$1.74
Collection Charge	
First 4,000 Gallons	$6.38
4,001 – 8,000 Gallons	$9.58
Over 8,000 Gallons	$12.76
Multi-Family Inside	
Base Charge	$4.43
Volume Charge	$1.66
Collection Charge	
First 4,000 Gallons	$4.05
4,001 – 8,000 Gallons	$6.08
Over 8,000 Gallons	$8.10
Multi-Family Outside	
Base Charge	$6.65
Volume Charge	$1.66
Collection Charge	
First 4,000 Gallons	$6.08
4,001 – 8,000 Gallons	$9.12
Over 8,000 Gallons	$12.15
Commercial Inside	
Base Charge	$18.59
Supply Charge	$1.74
Delivery Charge	
Summer (May – October)	N/A
Winter (November – April)	N/A

WATER AND SEWER TAP FEES FOR RESIDENTIAL AND COMMERCIAL

	Water	Sewer
1”	$ 2,700[1]	$ 3,500
2”	5,400	9,600
3”	8,100	18,100
4”	10,800	30,200
6”	16,200	60,300
8”	21,600	96,600

[1] Rate is $3,150 in NW quadrant of the City

Source: City of Fairburn

Historical Water System Demands

	FISCAL YEAR ENDED SEPTEMBER 30				
	2020	2021	2022	2023	2024
Average Daily Demand (GPD)	1,154,232	1,338,084	1,431,399	1,426,940	1,290,847
Maximum Daily Demand (GPD)	1,230,744	2,408,551	2,576,518	2,568,492	1,807,185
(Based on Peak Month)	June	August	August	February	October

Source: System Records

Number of Water and Sewerage Customers

Set forth below are the number of metered water and sewer customers for the last five years.

NUMBER OF WATER AND SEWER CUSTOMERS

	Water			Sewer
Year	Residential	Commercial/ Industrial	Total	Total
2020	4,946	438	5,384	4,731
2021	4,866	274	5,140	5,122
2022	5,186	536	5,722	5,190
2023	5,336	490	5,826	5,234
2024	5,350	443	5,793	5,300

Source: City of Fairburn

Largest Water and Sewer Customers

Listed below are the ten largest customers of the water and sewer system for the fiscal year ended September 30, 2024.

LARGEST WATER CUSTOMERS

	Customers	Total Annual Billing
1.	Google	$ 517,168
2.	Nefab Packaging, LLC	501,424
3.	Evergreen Park Owner GA LLC	306,360
4.	Park At Oakley	206,078
5.	Food Depot	194,480
6.	Crown Linen	191,839
7.	DSC Logistics, Inc	191,057
8.	Impreglon	176,449
9.	US Food Service	165,620
10.	Clean Earth Environment	160,946
	Total	$ 2,611,422

Source: City of Fairburn.

LARGEST SEWER CUSTOMERS

	Customers	Total Annual Billing
1.	Google, Inc	$ 517,168
2.	Nefab Packaging, LLC	501,424
3.	Evergreen Park Owner GA LLC	306,360
4.	Park At Oakley	206,078
5.	Food Depot	194,480
6.	Crown Linen LLC	191,839
7.	DSC Logistics, Inc	191,057
8.	Impreglon	176,449
9.	US Food Service	165,621
10.	Cambridge Faire Apts	147,292
	Total	$ 2,597,768

Source: City of Fairburn

Billing Policies

The City bills monthly for water, sewer and electrical service. Customers are billed on the first day of the month and payment is due by the 16th day of the month with no penalty added. After the 16th day of the month, a 10% service charge is added. If a bill remains unpaid by the 1st day of the following month, service is terminated, unless prior arrangements have been made for extenuating circumstances. 81.3% of bills are paid in full prior to the 16th day of the month. On June 5, 2024, the Georgia Department of Natural Resources Environmental Protection Division issued the City a National Pollutant Discharge Elimination System Permit for the sewer system.

Recent Water and Sewerage Rate History

In 2023, the City retained an independent consulting engineer to conduct a review of its water and wastewater rates. At that time, the water and wastewater billing rates had not changed since 2011. In the consultant report to the City, the consultant proposed, with respect to both water and wastewater billing rates, a restructuring of the customer classes (to reduce the number of classes of ratepayers) as well as an increased rate schedule. On December 11, 2023, the City adopted the water and wastewater rate increases proposed by the consultant in the amounts of 5% in 2024, 2025 and 2026 and 3% in 2027 and 2028. There can be no assurances that the City will adopt future water and wastewater rate increases.

SYSTEM FINANCIAL INFORMATION

Accounting System and Policies

The City maintains all of its funds and accounts relating to the System separate from other City funds. The accounting practices and policies of the City relating to the System conform to generally accepted accounting principles as applied to governments. The System is accounted for as two separate enterprise funds of the City, one for the water and sewer distribution system and one for the electric distribution operations. Enterprise Funds are used to account for operations (i) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (ii) where the governing body has decided that periodic determination of revenues earned, expenses incurred and net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The System is accounted for using the accrual basis of accounting. Its revenues are recognized when earned, and its expenses are recognized when incurred.

Note 1 of the audited financial statements of the City included as part of APPENDIX A contains a detailed discussion of the City's significant accounting policies relating to the System. Below is a description of the City's financial 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 expenditures 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 performed 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.

The City's code includes a section of financial ordinances that have been approved by the council to govern the fiscal responsibilities of the City. These ordinances detail budgets and audits, budget amendments, annual budget processes, levying of taxes, changes in appropriations, annual capital budgets, contracting and purchasing. The City continues to monitor the ordinances and makes changes as new laws, regulations and processes change.

Additional Debt Relating to the System

The City of Atlanta currently provides water to the City. In 2001, the City, the City of Union and the City of Palmetto (collectively, the "Cities") created by joint resolutions the South Fulton Municipal Regional Water and Sewer Authority (now known as the Middle Chattahoochee Regional Water and Sewer Authority) (the "Water and Sewer Authority") to provide alternative water and sewer resources for the Cities (the "Water and Sewer Project"). The affairs of the Water and Sewer Authority are conducted by its seven members, consisting of (i) the chief elected officials of each of the Cities, (ii) three members appointed by the governing authority of the Cities (one member appointed by each City) and (iii) one member selected by a majority vote of the members of the Georgia General Assembly, whose legislative districts include all or any part of any of the Cities.

In 2003, the Water and Sewer Authority issued its $41,630,000 Water Revenue Bonds, Series 2003 (the "Series 2003 Bonds"), for the purpose of (i) financing the acquisition, construction, equipping and installation of a water reservoir system to provide water to the Cities, (ii) acquiring certain water and wastewater treatment facilities from the City of Palmetto, (iii) paying capitalized interest on the Series 2003 Bonds during construction, (iv) funding a debt service reserve requirement with respect to the Series 2003 Bonds and (v) paying the costs of issuing the Series 2003 Bonds.

In 2007, the Water and Sewer Authority issued its Variable Rate Demand Water Revenue Bonds, Series 2007 (the "Series 2007 Bonds"), for the purpose of (i) advance refunding the outstanding Series 2003 Bonds, (ii) paying the premium for a debt service reserve surety bond and the premium for a municipal bond insurance policy and (iii) paying the costs of issuing the Series 2007 Bonds.

In 2014, the Water and Sewer Authority issued its $34,585,000 Revenue Refunding Bonds, Series 2014 (the "Series 2014 Bonds") for the purpose of (i) refunding the outstanding Series 2007 Bonds and (ii) to pay the costs of issuing the Series 2014 Bonds.

The City has contractually obligated itself pursuant to an intergovernmental agreement between the Cities and the Water and Sewer Authority to use its full taxing powers to pay its percentage share of the amounts which are required to enable the Water and Sewer Authority to pay the principal of and premium, if any, and interest on the Series 2014 Bonds (the "Series 2014 Contract Payments"). The City's percentage share is a several, not joint, obligation and is calculated based on proportionate water usage of the Cities' respective water distribution systems.

The water reservoir system did not receive the necessary permits to begin construction, and all bond proceeds from the Series 2014 Bonds have been spent on engineering and legal costs as well as all necessary land acquisitions needed for the water reservoir system. The City is no longer pursuing a reservoir system. However, at this time, the City is still pursuing alternate water resources and in 2020 the Water and Sewer Authority received a surface water withdrawal permit from Georgia EPD to withdraw water directly from the Chattahoochee River. The Water and Sewer Authority has hired a professional engineering design firm to provide preliminary engineering services for a conceptual design of a phased water withdrawal, treatment and distribution system to connect with existing infrastructure of its three member Cities. A Section 404(b) permit would not be required as the City would not be impounding water. Should this project proceed, it would require additional funding, but no assurances can be given as to the exact amount or the sources of the funding. Alternatively, the City could enter into a long-term water supply contracts with the City of Atlanta. At this time, the City remains severally liable for its percentage shares of the Series 2014 Contract Payments. Historically, the City's percentage share has been around 50% of the Series 2014 Contract Payments; however, there can be no assurances as to the percentage share remaining the same going forward. See Note 17 of the City's audited financial statements in APPENDIX A herein for further information regarding the Series 2014 Bonds.

Five Year Operating History

General

Set forth on the following pages is an historical, comparative summary of the revenues and expenditures of the enterprise funds related to the System for fiscal years 2019 through 2023 and for the eleven-month period ending August 31, 2023 and 2024. For more detailed information regarding the financial results and condition of the System, see the audited financial statements of the City for the fiscal year ended September 30, 2023 included in APPENDIX A herein. The information in the summary of revenues and expenses has been extracted from the audited financial statements of the City for the fiscal years ended September 30, 2019 through 2023. Although the year-end information for fiscal years 2019 through 2023 was 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 results of operations of the System for the periods shown. Information for the eleven-month period ending August 31, 2023 and 2024 is extracted from unaudited financial records of the City and 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 results of operations of the System for the period shown. The unaudited information from the eleven-month period ending August 31, 2024 is not necessarily indicative of the actual financial results of the System for the fiscal year ending September 30, 2024.

Combined Public Utility System

The City's Combined Public Utility System ("CPU") consists of the Electric, Water and Wastewater Funds. The Series 2024 Bonds are secured by Pledged Revenues of the CPU System.

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The following table sets forth the City's CPU changes in net position for the past five fiscal years:

City of Fairburn, Georgia
Combined Public Utility System
Summary of System Operating Results
(Audited)

	Fiscal Years Ended September 30				
	2019	2020	2021	2022	2023
Operating Revenues					
Charges for Sales and Services	$16,686,466	$16,981,140	$16,124,518	$17,292,603	$18,500,181
Miscellaneous Income	258,976	107,747	294,092	301,414	332,807
Total Operating Revenues	16,945,442	17,088,887	16,418,610	17,594,017	18,832,988
Operating Expenses					
Cost of Sales and Services	9,408,508	10,172,897	11,515,781	14,690,642	14,561,567
General Operating Expenses	2,196,513	2,297,091	2,394,340	2,888,949	3,486,565
Depreciation and Amortization Expense	1,104,150	1,118,704	1,119,969	1,123,826	1,174,312
Total Operating Expenses	12,709,171	13,588,692	15,030,090	18,703,417	19,222,444
Net Operating Income (Loss)	4,236,271	3,500,195	1,388,520	(1,109,400)	(389,456)
Nonoperating Revenues (Expenses)					
Investment Income	42,579	24,737	5,499	6,035	212,592
Gain on Sale of Assets	31,274	--	--		--
Sale of Wireless Assets*				1,447,116	
Interest Expense	(1,634,740)	(1,492,247)	(1,483,166)	(1,474,332)	(1,389,943)
Total Non-op. Revenues (Expenses)	(1,560,887)	(1,467,510)	(1,477,667)	(21,181)	(1,177,351)
Income Loss Before Transfers (Capital Contributions)	2,675,384	2,032,685	(89,147)	(1,130,581)	(1,566,807)
Capital Contributions – Tap Fees	1,090,640	895,390	1,219,090	671,483	996,888
Transfers In	--	24,695	--	134,405	--
Transfer Out†	(1,457,898)	(550,000)	--	(800,000)	(634,705)
Total Transfers and Tap Fees	(367,258)	370,085	1,219,090	5,888	362,183
Change in Net Position	2,308,126	2,402,770	1,129,943	(1,124,693)	(1,204,624)
Net Position, Beginning of Year	25,898,269	28,206,395	30,609,165	31,739,108	30,614,415
Net Position, End of Year	$28,206,395	$30,609,165	$31,739,108	$30,614,415	$29,409,791

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* 2022 MEAG Sale Proceeds described in "SYSTEM FINANCIAL INFORMATION - Historical Debt Service Coverage Ratios" herein.

† Pursuant to the Bond Ordinance waterfall, amounts in excess of the required Minimum Renewal and Extension Fund Requirement may be withdrawn and used for any lawful purpose. The transfers out of the System depicted on this row were transferred to the General Fund with the exception of $307,898 in 2019 that was transferred for use in connection with the educational complex.

Set forth below in the following table is a summary of the revenues, expenditures, and changes in net position of the System for eleven-month periods ending August 31, 2023 and 2024. The information in the following table has not been audited and was prepared by the System's 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 eleven-month period ending August 31, 2024 are not necessarily indicative of the actual financial results for the fiscal year ending September 30, 2024.

City of Fairburn, Georgia
Summary of System Operating Results
(unaudited)

	11 mos. ending August 31, 2023	11 mos. ending August 31, 2024
Operating Revenues		
Charges for Sales and Services	$17,382,089	$18,607,313
Miscellaneous Income	3,718	2,396
Total Operating Revenues	17,385,807	18,609,709
Expenses		
Cost of Sales and Services	13,827,862	12,006,797
General Operating Expenses	1,140,659	2,839,006
Deprecation and Amortization Expense	--	--
Total Operating Expenses	14,968,521	14,845,803
Net Operating Income (Loss)	2,417,286	3,763,906
Nonoperating Revenues (Expenses)		
Investment Income	9,868	11,897
Interest Expense	(1,118,331)	(1,054,651)
Total Non-op. Revenues (Expenses)	(1,108.463)	(1,042,754)
Income Loss Before Operating Transfers	1,308,823	2,721,152
Capital Contributions	--	--
Transfers In	--	26,700
Transfers Out (Unspecified)	--	--
Total Transfers	--	26,700
Change in net position	1,308,823	2,747,852
Net Position, Beginning of Year	29,409,791	30,718,613
Net Position, End of Year	$30,718,614	$33,466,465

Historical Debt Service Coverage Ratios

In prior years, the City had calculated its historical debt service coverage ratios without the inclusion of Tap Fees (one-time fees to connect new customers to the System) and, with respect to fiscal year 2022, a cash distribution from MEAG (the “2022 MEAG Sale Proceeds”) for the sale of a MEAG asset for which Fairburn had an ownership share. Tap fees were not previously included in the calculation presumably because Tap Fees were characterized as contributed capital in the City’s audited financial statements. Likewise, the 2022 MEAG Sale Proceeds were not previously included in historical debt service coverage ratios presumably because it is a one-time revenue source that is not treated as operating revenues for accounting purposes. See the City’s Audited Financial Statements of the City of Fairburn, Georgia for the Fiscal Year Ended September 30, 2023 (See page 88, the table entitled “CITY OF FAIRBURN, GEORGIA PLEDGED REVENUE BOND COVERAGE – WATER AND SEWER FUND AND ELECTRIC FUND COMBINED UTILITY REVENUE BONDS (Series 2000, Series 2006, Series 2013, Series 2014) LAST TEN FISCAL YEARS (the “ACFR Table”).

Without the inclusion of Tap Fees and the MEAG 2022 Sale Proceeds, the debt service coverage ratios fell below the 1.10x Bond Ordinance rate covenant requirement in fiscal years 2022 and 2023 as set forth below:

Fiscal Year	Debt Service Coverage Ratio (without Tap Fees and the 2022 MEAG Sale Proceeds)
2022	0.01
2023	0.55

Prior to the issuance of the Series 2024 Bonds, the City expects to adopt a Bond Ordinance (i) clarifying that Tap Fees are Pledged Revenues under the Bond Ordinance and (ii) allowing the City, at its sole option, to deposit Asset Sale Proceeds into the Revenue Fund to satisfy its rate covenant debt service coverage test. See APPENDIX C - SUMMARY OF CERTAIN PROVISIONS OF THE BOND ORDINANCE” herein.

For illustrative purposes, the following table sets forth the City’s System historical debt service coverage ratios (for rate covenant purposes) recalculated assuming the inclusion of Tap Fees and the 2022 MEAG Sale Proceeds.

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Historical Debt Service Coverage Ratios
(including Tap Fees and the 2022 MEAG Sale Proceeds)
Fiscal Years Ended September 30

	2019	2020	2021	2022	2023
Net Operating Income	$ 4,236,271	$ 3,500,195	$ 1,388,520	$(1,109,400)	$ (389,456)
Depreciation/amortization	1,104,150	1,118,704	1,119,969	1,123,826	1,174,312
Investment Income	42,579	24,737	5,499	6,035	212,592
Miscellaneous Sale Assets	31,274				
Gain on the Sale of Assets (2022 MEAG Sale Proceeds)		-	-	1,447,116	-
Capital Contribution (Tap Fees)	1,090,640	895,390	1,219,090	671,483	996,888
Total Additions (Subtractions)	2,268,643	2,038,831	2,344,558	3,248,460	2,383,792
Revenue Available for Debt Service	$ 6,504,914	$ 5,539,026	$ 3,733,078	$ 2,139,060	$ 1,994,336
Debt Service[1]	$ 1,447,856	$ 1,446,120	$ 1,440,806	$ 1,439,665	$ 1,438,529
Historical Debt Service Coverage	4.49	3.83	2.59	1.49	1.39

[1] See also "CITY OF FAIRBURN, GEORGIA PLEDGED REVENUE BOND COVERAGE – WATER AND SEWER FUND AND ELECTRIC FUND COMBINED UTILITY REVENUE BONDS (Series 2000, Series 2006, Series 2013, Series 2014) LAST TEN FISCAL" in APPENDIX A attached herein.

Historical Debt Service Coverage Pro Forma Ratios

The following table depicts historical debt service coverage ratios assuming the issuance of the Series 2024 Bonds payable each year at a combined (Series 2014 Bonds and Series 2024 Bonds) maximum annual debt service of $1,492,500.

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Historical Debt Service Coverage Ratios
(including Tap Fees and the 2022 MEAG Sale Proceeds)
Fiscal Years Ended September 30

	2019	2020	2021	2022	2023
Net Operating Income	$ 4,236,271	$ 3,500,195	$ 1,388,520	$ (1,109,400)	$ (389,456)
Depreciation/amortization	1,104,150	1,118,704	1,119,969	1,123,826	1,174,312
Investment Income	42,579	24,737	5,499	6,035	212,592
Gain on the Sale of Assets (2022 MEAG Sale Proceeds)	31,274	-	-	1,447,116	-
Capital Contribution (Tap Fees)	1,090,640	895,390	1,219,090	671,483	996,888
Total Additions (Subtractions)	2,268,643	2,038,831	2,344,558	3,248,460	2,383,792
Revenue Available for Debt Service	$ 6,504,914	$ 5,539,026	$ 3,733,078	$ 2,139,060	$ 1,994,336
Debt Service*	$ 1,492,500	$ 1,492,500	$ 1,492,500	$ 1,492,500	$ 1,492,500
Historical Debt Service Coverage	4.35	3.71	2.50	1.43	1.34

* Calculated based on an assumed maximum annual debt service; however, the actual maximum annual debt service for the combined (Series 2014 Bonds and Series 2024 Bonds) Bonds is $1,493,043.76.

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Debt Service Schedule

The following table sets forth the annual debt service requirements on the Series 2024 Bonds and outstanding City debt during each sinking fund year pertaining to the Series 2024 Bonds:

Year	Debt Service on outstanding Series 2014 Bonds	Debt Service on Series 2024 Bonds	Total
2025	$ 332,800	$ 898,052.37	$ 1,230,852.37
2026	333,800	1,158,043.76	1,491,843.76
2027	329,400	1,163,293.76	1,492,693.76
2028	329,800	1,162,293.76	1,492,093.76
2029	329,800	1,160,293.76	1,490,093.76
2030	334,400	1,157,293.76	1,491,693.76
2031	333,400	1,158,293.76	1,491,693.76
2032	332,000	1,158,043.76	1,490,043.76
2033	335,200	1,156,543.76	1,491,743.76
2034	332,800	1,158,793.76	1,491,593.76
2035		1,489,543.76	1,489,543.76
2036		1,492,293.76	1,492,293.76
2037		1,492,543.76	1,492,543.76
2038		1,490,293.76	1,490,293.76
2039		1,490,543.76	1,490,543.76
2040		1,493,043.76	1,493,043.76
2041		1,492,543.76	1,492,543.76
2042		1,490,156.26	1,490,156.26
2043		1,490,706.26	1,490,706.26
2044		1,488,987.50	1,488,987.50
Total	$ 3,323,400	$ 26,241,602.55	$ 29,565,002.55

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Capital Improvement Plan and Additional Debt

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.

Department	Requested
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**

Operating and Capital Budgets

The City is not legally required to adopt a budget for the System; however, the staff of the System prepares an annual operating budget and capital budget for the System for management control purposes. The staff of the System uses a blended accrual and cash basis of accounting in its annual operating budget and capital budget for the System, which is not consistent with the basis of accounting used in the System's financial statements.

Set forth below is a summary of the System's budget for the year ending September 30, 2025. These budgets are based upon certain assumptions and estimates of the staff of the System regarding future events, transactions, and circumstances. Realization of the results projected in these budgets will depend upon implementation by management of the System 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 budgets set forth below.

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The projected operating budget for the System for the fiscal year ending September 30, 2025 is as follows:

Revenues:		
Water and Sewer	$	11,696,274
Electrical		14,068,935
TOTAL REVENUES:	$	25,765,209
Expenditures:		
Water & Sewer Department	$	11,696,274
Electrical Department		1,341,607
Electricity Purchases		12,727,328
TOTAL EXPENDITURES:	$	25,765,209

Projected Debt Service Coverage Ratios[1]

Projected Debt Service Coverage Ratios
Years Ended September 30

	2024	2025	2026	2027	2028
	Combined	Combined	Combined	Combined	Combined
Net Operating Income (Loss)	$1,337,260	$ 838,611	$1,033,132	$1,187,202	$1,598,817
Add (Subtract):					
Depreciation	1,174,312	1,174,312	1,174,312	1,174,312	1,174,312
Interest Expense	168,129	821,000	788,750	754,850	719,750
Capital Contribution	-	-	-	-	-
Total Additions (Subtractions)	**1,342,441**	**1,995,312**	**1,963,062**	**1,929,162**	**1,894,062**
Revenue Available for Debt Service	2,679,701	2,833,923	2,996,194	3,116,364	3,492,879
Debt Service (MADS)*	1,492,500	1,492,500	1,492,500	1,492,500	1,492,500
Debt Service Coverage	1.79	1.90	2.01	2.09	2.34

[1] The City engaged independent consulting firms to assist with increasing CPU system rates. Electric Cities of Georgia assisted with the electric system component and Lindsay Engineering & Consulting assisted with the water and wastewater component. The City enacted electric system rate increases in the upcoming years as follows: 2024 - 8%; 2025 and 2026 - 6%; 2027 - 5%; 2028 – 3%. In addition, the City will utilize available Municipal Competitive Trust ("MCT") funds held by MEAG on behalf of the City of $1.889 million in 2024, $1.061 million in 2025 and $.0368 million in 2026 to stabilize system revenues. The MCT funds will be replaced from electric system revenues in the years 2029 to 2032. Power Cost Adjustments by MEAG will be billed to the electric system in the amount of $.230 million in 2024, 2025 and 2026. Electric system expenses are assumed to increase as follows: 2024 – 7.1%; 2026 - 2.5%; 2027 – 3.3%; 2028 – 3.9%. The City enacted water and wastewater system annual rate increases of 5% for 2024, 2025 and 2026. Water/wastewater system expenses are assumed to increase as follows: 2024 – 3.07%; 2025 – 2.3%; 2026, 2027 and 2028 – 3%. The City has based its CPU debt service coverage on rate increases rather that reliance of Tap Fees for the years 2024 through 2028.

* Calculated based on an assumed maximum annual debt service; however, the actual maximum annual debt service for the combined (Series 2014 Bonds and Series 2024 Bonds) Bonds is $1,493,043.76.

Insurance Coverage

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.

Present insurance coverage is summarized below:

Type	Amount in Force
Property	$11,746,664

Type	Limits of Liability Each Occurrence	Aggregate
General Liability	$1,000,000	$2,000,000
Personal and Advertising Injury Liability	$1,000,000	
Automobile Liability	$1,000,000	Combined Single
Employee Benefits Liability	$1,000,000	$3,000,000
Workers' Compensation	Statutory	

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 A 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.

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 business 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. Across approximately 28 miles of streams and waterways and 368 acres of green space, the City provides 4 recreational facilities and communal spaces to strengthen ties, offering a broad range community events for individuals of all ages. Ongoing beautification efforts and public art installations promote growth and development through the City's accredited Main Street Program. Programs driving the City's success include Illuminated Spaces, Art in the Alley, Georgia Renaissance Festival, Farmers Markets and Third Friday Concert Series.

The City's educational opportunities include a campus that houses both Brenau University and Georgia Military College that 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, *Mayor Pro Tem*	2027	8	Entrepreneur
Linda J. Davis	2027	6	Retired
Hiram Alex Heath	2025	15	Retired
Samantha Hudson	2027	1	CEO, Non-Profit
Hattie Portis-Jones	2025	11	Retired
Ulysses J. Smallwood	2025	12	Title I School Improvement Specialist

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 Fulton 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.

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. As of July 1, 2023, the U.S. Census Bureau determined that the City population was 16,661 and the population for Fulton County was 1,079,105.

Year	City Population[1]	Fulton County Population[2]	City Per Capita Income[1]	City Median Age[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.

Economic Information

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

Land Type	Percentage by Acreage[1]
Residential	66.38%
Commercial	13.23
Industrial	7.26
Agricultural	9.29
Other	3.84

Sources: 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 the first quarter of 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 2% 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.

Industry	Average Number of Firms	Average Monthly Employment	Average Weekly Wages
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

Industry	Average Number of Firms	Average Monthly Employment	Average Weekly Wages
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**

Set forth below are the ten largest private employers 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.

Employer	Product/Service	Employees
US Food Services Inc.	Food Distribution	668
Exel Logistics	Logistics Provider	555
Porex Corporation	Porous Plastic Components	355
Nestle Purina Petcare Co.	Pet Food	338
XPO Logistics Supply Chain, Inc.	Logistics Provider	290
Landmark Christian	Education	262
Owens Corning	Thermal and Acoustical Insulation Manufacturing	260
DSC Logistics	Logistics Provider	167
Miller Electrical Contracting	Electrical Construction Services	145
Adesa Atlanta LLC	Automative Sales	144

Source: 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 2020-2024, with comparative data for Fulton County and the State of Georgia. As of September 2024, the unemployment rate for Fulton County was 4.3% and the unemployment rate for the State was

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

3.6%.

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)

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

Source: Federal Deposit Insurance Corporation.

According to the Federal Deposit Insurance Corporation, as of June 30, 2023, the City housed two financial institutions with a total of three branch offices located within the City.

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.

The City, as authorized by 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 2024, the City's contribution rate was 10.05% of annual payroll.

MUNICIPAL BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Series 2024 Bonds, BAM will issue its Municipal Bond Insurance Policy for the Series 2024 Bonds. The Bond Insurance Policy guarantees the scheduled payment of principal of and interest on the Series 2024 Bonds when due as set forth in the form of the Bond Insurance Policy included as an exhibit to this Official Statement.

The Bond Insurance Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products to issuers in the U.S. public finance markets. BAM will only insure municipal bonds, as defined in Section 6901 of the New York Insurance Law, which are most often issued by states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.bambonds.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at https://www.spglobal.com/en/. The rating of BAM should be evaluated independently. The rating reflects S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Bond Insurance Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of September 30, 2024 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $502.6 million, $246.3 million and $256.3 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.bambonds.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "MUNICIPAL BOND INSURANCE".

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at https://bambonds.com/insights/#video. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at https://bambonds.com/credit-profiles. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

LEGAL MATTERS

Pending Litigation

General. The City, like other municipal corporations, is subject to a variety of suits and proceedings arising in the ordinary conduct of its affairs. While the outcome of litigation cannot be predicted, the City, along with its attorneys, The Starkey Law Group, after reviewing the current status of all pending and threatened litigation, believes that the final disposition of all lawsuits which have been filed and of actions or claims pending or threatened against the City or its officials are either adequately covered by insurance or will not otherwise have a material adverse effect upon the financial position of the City or its ongoing operations, including, without being limited to, the operation of the System.

No Litigation Over the Series 2024 Bonds. There is no controversy or litigation of any nature now pending against the City restraining or enjoining the issuance or delivery of the Series 2024 Bonds, the pledge of the Pledged Revenues to secure the Series 2024 Bonds or the use of proceeds of the Series 2024 Bonds, or which questions or contests the validity of the Series 2024 Bonds or the proceedings and authority under which they are issued and secured. There is no litigation pending which in any manner questions the power of the City to issue the Series 2024 Bonds and to secure the Series 2024 Bonds in accordance with the provisions of the Bond Ordinance by the pledge of the Pledged Revenues derived by the City from the operation of the System, nor is there now pending any litigation which in any manner questions or contests the creation, organization or existence of the City.

Enforceability of Remedies

The remedies available to the owners of the Series 2024 Bonds upon an event of default under the Bond Ordinance are in many respects dependent upon judicial actions which are often subject to discretion and delay. Remedies provided for under the Bond Ordinance may not be readily available or may be limited.

Validation and Approving Opinions

In accordance with the procedures set forth in the Revenue Bond Law, the Series 2024 Bonds will be validated prior to delivery by order of the Superior Court of Fulton County.

Legal matters incidental to authorization and issuance of the Series 2024 Bonds by the City are subject to the approval of Squire Patton Boggs (US) LLP, Atlanta, Georgia ("Bond Counsel"). It is anticipated that the approving opinion will be in substantially the form attached herein as APPENDIX B. Certain legal matters will be passed upon for the City by its counsel, The Starkey Law Group, Lithia Springs, Georgia.

TAX MATTERS

In the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, under existing law: (i) interest on the Bonds 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) interest on the Bonds is exempt from income taxation of the State of Georgia. Bond Counsel expresses no opinion as to any other tax consequences regarding the Bonds.

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 the City contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Bonds 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 the representations and certifications of the City or the continuing compliance with the covenants of the City.

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 Bonds 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 the City may cause loss of such status and result in the interest on the Bonds being included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. The City has covenanted to take the actions required of it for the interest on the Bonds 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 Bonds, 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 Bonds or the market value of the Bonds.

Interest on the Bonds 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 Bonds. Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If a Bond 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 Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the City or the owners of the Bonds 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 Bonds, under current IRS procedures, the IRS will treat the City as the taxpayer and the beneficial owners of the Bonds 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 Bonds 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 Bonds.

Prospective purchasers of the Bonds upon their original issuance at prices other than the respective prices indicated on the inside cover of this Official Statement, and prospective purchasers of the Bonds 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 Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Bonds will not have an adverse effect on the tax status of interest on the Bonds or the market value or marketability of the Bonds. 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 Bonds 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 Bonds 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 Bonds for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Bonds may be affected and the ability of holders to sell their Bonds 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 Bonds ("Discount Bonds") 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 Bond. The issue price of a Discount Bond is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the

Discount Bonds of the same maturity is sold pursuant to that offering. For federal income tax purposes, OID accrues to the owner of a Discount Bond 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 Bond (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 Bonds, 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 Bond. A purchaser of a Discount Bond in the initial public offering at the issue price (described above) for that Discount Bond who holds that Discount Bond to maturity will realize no gain or loss upon the retirement of that Discount Bond.

Certain of the Bonds ("Premium Bonds") 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 bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond 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 Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond 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 Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond. A purchaser of a Premium Bond in the initial public offering who holds that Premium Bond to maturity (or, in the case of a callable Premium Bond, to its earlier call date that results in the lowest yield on that Premium Bond) will realize no gain or loss upon the retirement of that Premium Bond.

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

MISCELLANEOUS

Ratings

S&P has assigned, without giving effect to the Bond Insurance Policy, an underlying rating of "A-" with a negative outlook to the Series 2024 Bonds. S&P has assigned an enhanced rating of "AA," with the understanding that, upon delivery of the Series 2024 Bonds, the Bond Insurance Policy will be issued by the Bond Insurer. Any desired explanation of the significance of such ratings should be obtained from the rating agency. Generally, rating agencies base their ratings on the information and materials furnished to the agencies and on investigations, studies and assumptions by such agencies. There is no assurance that a particular rating will be maintained for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the rating agency originally establishing the rating, circumstances so warrant. The City and the Underwriter have not undertaken any responsibility to oppose any such proposed revision, suspension or withdrawal. Any such change in or withdrawal of such rating could have an adverse effect on the market price of the Series 2024 Bonds.

Underwriting

The Series 2024 Bonds have been purchased by Stephens Inc., Atlanta, Georgia (the "Underwriter"). The Underwriter has agreed, subject to certain conditions, to purchase the Series 2024 Bonds at a price of $17,171,712.95 (representing a par amount of $16,565,000.00, plus original issue premium of $755,797.95, and less underwriter's discount of $149,085.00). The initial public offering prices may be changed from time to time by the Underwriter. The Underwriter may also allow a concession from the public offering prices to certain dealers and others.

Independent Professionals

The basic financial statements of the City, dated as of September 30, 2023, attached as APPENDIX A herein, have been audited by Mauldin & Jenkins, independent certified public accountants. No procedures have been performed by Mauldin & Jenkins with respect to the inclusion of such basic financial statements of the City herein and Mauldin & Jenkins has not consented to the inclusion of such basic financial statements herein.

The form of legal opinion attached herein as APPENDIX B has been prepared by Squire Patton Boggs (US) LLP, Bond Counsel, Atlanta, Georgia, and is substantially in the form expected to be delivered in connection with delivery of the Series 2024 Bonds.

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AUTHORIZATION OF OFFICIAL STATEMENT

The City has duly authorized the execution and delivery of this Official Statement as of the date shown on the cover page.

CITY OF FAIRBURN, GEORGIA

By: /s/ Mario B. Avery
Mayor

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APPENDIX A

Audited Financial Statements of the City of Fairburn, Georgia
for the Fiscal Year Ended September 30, 2023

The basic financial statements of the City as of September 30, 2023, included as this APPENDIX A, have been audited by Mauldin & Jenkins, independent certified public accountants, to the extent and for the period indicated in its report thereon which appears in this APPENDIX A. No procedures have been performed by Mauldin & Jenkins with respect to the inclusion of such basic financial statements of the City herein and Mauldin & Jenkins has not consented to the inclusion of such basic financial statements herein.

The Series 2024 Bonds are secured solely by the Pledged Revenues and not by any other moneys of the City, including but not limited to General Fund moneys. The audited financial statements of the City are included in their entirety only because the financial statements for the System's operations are not prepared separately.

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Fairburn
Situated to Succeed

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED
SEPTEMBER 30, 2023

Prepared by
City of Fairburn, Georgia Finance Department

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

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INTRODUCTORY SECTION
(Unaudited)

Mayor Mario B. Avery | Mayor Pro Tem James Whitmore | Alex Heath |
Samantha Hudson | Hattie Portis-Jones | Ulysses Smallwood | Liinda Davis

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 Studies 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 cub 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

HUMAN RESOURCES
TaLisha Champagne

FINANCE DIRECTOR
Bryan Stephens

CHIEF OF POLICE
Anthony Bazydlo

FIRE CHIEF
Cornelius Robinson

COMMUNITY DEVELOPMENT DIRECTOR
Lester Thompson

PLANNING AND ZONING DIRECTOR
Denise Brookins

ECONOMIC DEVELOPMENT DIRECTOR
Sylvia Abernathy

UTILITY DIRECTOR
John Martin

BUILDING OPERATIONS DIRECTOR
Dana Smith

STREETS AND GARAGE DIRECTOR
Gale Higgs

PARKS AND RECREATION DIRECTOR
Chapin Scott

CITY ATTORNEYS
Hilliard Starkey Law

City of Fairburn, Georgia
Mayor and Council

MAYOR MARIO AVERY

COUNCIL MEMBER PRO TEM ALEX HEATH

COUNCIL MEMBER LINDA J. DAVIS MAYOR PRO-TEM

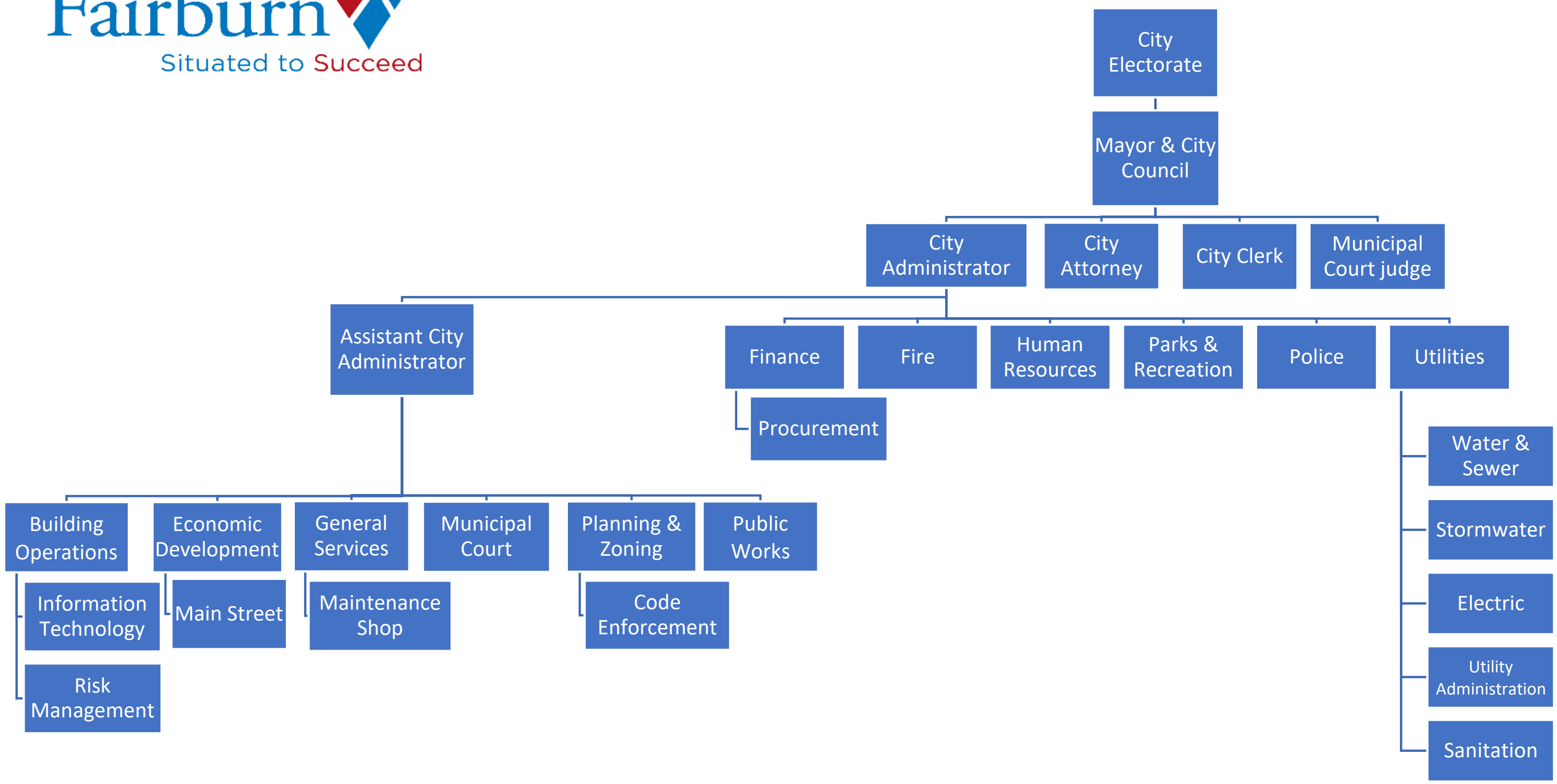
COUNCIL MEMBER PAT PALLEND

COUNCIL MEMBER HATTIE PORTIS-JONES

COUNCIL MEMBER ULYSSES SMALLWOOD

COUNCIL MEMBER JAMES WHITMORE

Fairburn
Situated to Succeed



Revised 1/31/2024

FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

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.

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risk. Such procedures include examining, on a test basis, evidence regarding the amount and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of financial statements.

- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
April 12, 2024

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

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

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2023 are as follows:

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

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

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

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.

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	
Assets:	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
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

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

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	12,355,594	12,366,138	(10,544)	(0.09)
Operating income	(1,748,309)	(2,060,030)	311,721	(15.13)
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	$ (1,600,318)	$ (863,125)	$ 712,769	(82.58) %

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

	2023	2022	$ Change	% Change	
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	6,866,850	6,337,279	529,571	8.36	
Operating income	1,358,853	950,630	408,223	42.94	
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)	(1,325,342)	(1,468,086)	142,744	(9.72)	
Capital contributions - tap fees	996,888	671,483	325,405	48.46	
Transfers in (out)	(634,705)	(415,595)	(219,110)	52.72	
Change in net position	$ 395,694	$ (261,568)	$ 657,262	(251.28)	%

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.

Educational Complex Fund, Summary of Changes in Net Position

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

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

Stormwater Fund, Summary of Changes in Net Position

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

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

Sanitation Fund, Summary of Changes in Net Position

	2023	2022	$ Change	% Change
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

	2023	2022	$ Change
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 Summary Changes in Governmental Fund Balance

	2023	2022	$ Change	% Change
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	$ 35,212,242	$ 28,164,962	$ 7,047,280	25.02
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	31,043,683	25,353,705	5,689,978	22.44
Excess (deficiency) of revenues over (under) expenditures	4,168,559	2,811,257	1,357,302	48.28
Other Financing Sources (Uses)				
Issuance of financed purchases	1,430,000	1,987,232	(557,232)	(28.04)
Proceeds from sale of capital assets	48,621	6,907	41,714	603.94
Issuance of leased liabilities	1,509,130	-	1,509,130	100.00
Transfers in	2,734,397	2,310,156	424,241	18.36
Transfers out	(3,225,791)	(2,447,463)	(778,328)	31.80
Total other financing sources (uses)	2,496,357	1,856,832	639,525	34.44
Net change in fund balances	$ 6,664,916	$ 4,668,089	$ 1,996,827	42.78 %

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.

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.

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.

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 Captial 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

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 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 Liabilites	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

		Program Revenues			Net (Expenses) Revenues and Changes in Net Position Primary Government		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	$ 6,078,224	$ 1,504,775	$ -	$ -	$ (4,573,449)	$ -	$ (4,573,449)
Judicial	650,750	852,905	-	-	202,155	-	202,155
Public safety	10,339,379	24,002	-	99,344	(10,216,033)	-	(10,216,033)
Public works	6,443,124	362,461	-	6,557,939	477,276	-	477,276
Culture and recreation	1,337,982	114,065	59,984	-	(1,163,933)	-	(1,163,933)
Planning and development	1,482,456	-	-	-	(1,482,456)	-	(1,482,456)
Interest and fiscal charges	420,295	-	-	-	(420,295)	-	(420,295)
Total governmental activities	26,752,210	2,858,208	59,984	6,657,283	(17,176,735)	-	(17,176,735)
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	22,879,641	21,087,840	-	996,888	-	(794,913)	(794,913)
Total primary government	$ 49,631,851	$ 23,946,048	$ 59,984	$ 7,654,171	$ (17,176,735)	$ (794,913)	$ (17,971,648)
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					25,000,332	789,077	25,789,409
Change in net position					7,823,597	(5,836)	7,817,761
Net position, beginning of fiscal year					71,396,869	42,045,832	113,442,701
Net position, end of fiscal year					$ 79,220,466	$ 42,039,996	$ 121,260,462

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

CITY OF FAIRBURN, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

ASSETS	General Fund	American Rescue Plan Fund	General Obligation Bond Capital Projects Fund	TSPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 25,584,725	$ 4,236,401	$ 3,058,426	$ 2,771,692	$ 1,600,900	$ 37,252,144
Restricted cash and cash equivalents	-	-	1,046,761	-	-	1,046,761
Investments	21,467	-	-	-	85,975	107,442
Taxes receivable, net of allowances	693,078	-	33,341	-	25,227	751,646
Lease receivable	235,404	-	-	-	-	235,404
Other receivables	349,065	-	-	-	-	349,065
Intergovernmental receivables	-	-	-	298,976	236,782	535,758
Due from other funds	87,876	-	-	-	-	87,876
Prepaid items	130,978	-	-	-	3,007,000	3,137,978
Inventory	18,424	-	-	-	-	18,424
Total assets	$ 27,121,017	$ 4,236,401	$ 4,138,528	$ 3,070,668	$ 4,955,884	$ 43,522,498
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 772,743	$ 25,921	$ 65,027	$ 713,411	$ 317,206	$ 1,894,308
Retainage payable	-	-	-	187,346	69,443	256,789
Funds held in escrow	783,738	-	-	-	-	783,738
Accrued liabilities	122,245	-	-	-	-	122,245
Due to other funds	-	-	-	200	87,676	87,876
Unearned revenue	-	4,210,480	-	-	-	4,210,480
Customer deposits	1,100	-	-	-	-	1,100
Other liabilities	4,517	-	-	-	-	4,517
Total liabilities	1,684,343	4,236,401	65,027	900,957	474,325	7,361,053
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	211,087	-	29,353	-	-	240,440
Unavailable revenue - intergovernmental grants	-	-	-	-	100,000	100,000
Deferred lease revenue	232,867	-	-	-	-	232,867
Total deferred inflows of resources	443,954	-	29,353	-	100,000	573,307
FUND BALANCES						
Fund balances:						
Nonspendable for:						
Prepaid items	130,978	-	-	-	3,007,000	3,137,978
Inventory	18,424	-	-	-	-	18,424
Corpus of perpetual care cemetery funds	-	-	-	-	10,000	10,000
Lease receivable	2,537	-	-	-	-	2,537
Restricted for:						
Capital construction	-	-	4,031,672	-	-	4,031,672
Federal and state programs	-	-	-	-	8,155	8,155
Debt service	-	-	12,476	-	-	12,476
Law enforcement activities	-	-	-	-	42,673	42,673
Cemetery operating capital	-	-	-	-	76,563	76,563
Transportation projects	-	-	-	2,169,711	-	2,169,711
Tourism	-	-	-	-	329,458	329,458
Committed for:						
Tree bank	776,490	-	-	-	-	776,490
Assigned for:						
Capital construction	-	-	-	-	502,888	502,888
Federal and state programs	-	-	-	-	389,297	389,297
Planning and development	-	-	-	-	15,525	15,525
Unassigned	24,064,291	-	-	-	-	24,064,291
Total fund balances	24,992,720	-	4,044,148	2,169,711	4,381,559	35,588,138
Total liabilities, deferred inflows of resources, and fund balances	$ 27,121,017	$ 4,236,401	$ 4,138,528	$ 3,070,668	$ 4,955,884	

Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	54,602,196
Some receivables are not available to pay for current-period expenditures and, therefore, are deferred inflows of resources in the governmental funds.	340,440
The net pension liability, deferred outflows of resources and deferred inflows of resources, related to pensions are not current financial resources are 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	26,269,868	1,866,637	1,906,238	3,723,188	1,446,311	35,212,242
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	20,251,037	1,792,975	1,030,292	3,757,634	4,211,745	31,043,683
Excess (deficiency) of revenues over (under) expenditures	6,018,831	73,662	875,946	(34,446)	(2,765,434)	4,168,559
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)	(2,288,803)	(73,662)	-	-	4,858,822	2,496,357
Net change in fund balances	3,730,028	-	875,946	(34,446)	2,093,388	6,664,916
Fund balances, beginning of fiscal year	21,262,692	-	3,168,202	2,204,157	2,288,171	28,923,222
Fund balances, end of fiscal year	$ 24,992,720	$ -	$ 4,044,148	$ 2,169,711	$ 4,381,559	$ 35,588,138

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	(101,785)	(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		(345,592)
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			Variance With
	Original	Final	Actual	Final Budget
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	5,153,523	6,445,221	5,760,136	685,085
Judicial:				
Municipal court	883,617	733,617	638,087	95,530
Total judicial	883,617	733,617	638,087	95,530
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	9,178,710	9,535,059	9,142,502	392,557
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	2,692,652	2,364,453	2,029,935	334,518
Culture and recreation:				
Recreation	1,091,288	1,892,789	962,296	930,493
Total culture and recreation	1,091,288	1,892,789	962,296	930,493
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	1,544,054	1,533,354	1,409,102	124,252
Debt service:				
Principal retirements	348,393	28,393	230,685	(202,292)
Interest and fiscal charges	-	-	78,294	(78,294)
Total debt service	348,393	28,393	308,979	(280,586)
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			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 6,191,600	$ 6,038,222	$ 1,866,637	$ (4,171,585)
Total revenues	6,191,600	6,038,222	1,866,637	(4,171,585)
EXPENDITURES				
Capital outlay	6,191,600	5,964,560	1,792,975	4,171,585
Total expenditures	6,191,600	5,964,560	1,792,975	4,171,585
Excess of revenues over expenditures	-	73,662	73,662	-
Other financing uses:				
Transfers out	-	(73,662)	(73,662)	-
Total other financing uses	-	(73,662)	(73,662)	-
Net change in fund balances	-	-	-	-
FUND BALANCES, beginning of fiscal year	-	-	-	-
FUND BALANCES, end of fiscal year	$ -	$ -	$ -	$ -

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

CITY OF FAIRBURN, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2023

	Business-type Activities - Enterprise Funds					
ASSETS	**Electric Fund**	**Water and Sewer Fund**	**Educational Complex Fund**	**Stormwater Fund**	**Nonmajor Sanitation Fund**	**Total**
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					
	Electric Fund	Water and Sewer Fund	Educational Complex Fund	Stormwater Fund	Nonmajor Sanitation Fund	Total
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	10,607,285	8,225,703	338,479	947,433	968,940	21,087,840
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	12,355,594	6,866,850	650,334	427,169	879,433	21,179,380
Operating income (loss)	(1,748,309)	1,358,853	(311,855)	520,264	89,507	(91,540)
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)	147,991	(1,325,342)	(225,227)	-	-	(1,402,578)
Income (loss) before contributions and transfers	(1,600,318)	33,511	(537,082)	520,264	89,507	(1,494,118)
Capital contributions	-	996,888	-	-	-	996,888
Transfers in	-	-	1,206,099	-	-	1,206,099
Transfers out	-	(634,705)	-	-	(80,000)	(714,705)
	-	362,183	1,206,099	-	(80,000)	1,488,282
Change in net position	(1,600,318)	395,694	669,017	520,264	9,507	(5,836)
Net position, beginning of fiscal year	12,828,947	17,785,468	1,869,152	8,708,477	853,788	42,045,832
Net position, end of fiscal year	$ 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 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

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.

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.

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.

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.

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.

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.

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:

Assets	Years
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.

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.

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.

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.

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.

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.

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 *fund balance - total governmental funds to arrive at net position governmental activities*	$ (11,113,581)

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	(2,356,230)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$ 4,251,360

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.

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		$ 6,722,654

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
	$ 61,210,581
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
	$ 61,210,581

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.

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 statues, 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	$ -	$ 6,534,081	$ -	6,534,081
Investments recorded at cost:				
Certificates of Deposit				177,195
Total investments				$ 6,711,276

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.

NOTE 5. RECEIVABLES

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

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

	General Fund	General Obligation Bond Capital Projects Fund	TSPLOST Fund	Nonmajor Governmental Funds
Receivables:				
Taxes	$ 1,072,757	$ 102,111	$ -	$ 25,227
Other	349,065	-	-	-
Intergovernmental	-	-	298,976	236,782
Less allowance for uncollectible receivables	(379,679)	(68,770)	-	-
Net total receivable	$ 1,042,143	$ 33,341	$ 298,976	$ 262,009

	Electric Fund	Water and Sewer Fund	Stormwater Fund	Nonmajor Enterprise Fund
Receivables:				
Accounts	$ 2,034,213	$ 1,915,226	$ 223,254	$ 238,358
Other	238,000	-	-	-
Less allowance for uncollectible receivables	(323,515)	(468,104)	(43,800)	(60,358)
Net total receivable	$ 1,948,698	$ 1,447,122	$ 179,454	$ 178,000

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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.

	Beginning Balance	Modifications	Reductions	Ending Balance	Due Within One Year
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	$ 2,011,384	$ 4,272,689	$ (258,709)	$ 6,025,364	$ 263,573

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NOTE 7. CAPITAL ASSETS

Primary Government

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
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	16,085,251	4,269,355	-	-	20,354,606
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	60,160,408	2,338,235	(112,903)	-	62,385,740
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	(25,894,823)	(2,356,230)	112,903	-	(28,138,150)
Total capital assets, being depreciated, net	34,265,585	(17,995)	-	-	34,247,590
Governmental activities capital assets, net	$ 50,350,836	$ 4,251,360	$ -	$ -	$ 54,602,196

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	3,968,614	-	-	-	3,968,614
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	64,087,953	803,985	-	-	64,891,938
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	(32,541,963)	(1,712,830)	-	-	(34,254,793)
Total capital assets, being depreciated, net	31,545,990	(908,845)	-	-	30,637,145
Business-type activities capital assets, net	$ 35,514,604	$ (908,845)	$ -	$ -	$ 34,605,759

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
Total depreciation expense - governmental activities	$	2,356,230
Business-type activities:		
Water and sewer	$	750,670
Electric		390,533
Education complex		349,833
Stormwater		221,794
Total depreciation expense - business-type activities	$	1,712,830

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NOTE 8. LONG-TERM DEBT

Primary Government

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

	Beginning Balance (1)	Additions	Reductions	Ending Balance	Due Within One Fiscal Year
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	$ 7,766,028	$ 8,338,524	$ (1,894,430)	$ 14,210,122	$ 1,660,166

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Fiscal Year
Business-type activities:					
Series 2014 Revenue Bonds	$ 3,325,000	$ -	$ (205,000)	$ 3,120,000	$ 210,000
Series 2013 Revenue Refunding Bonds	3,175,000	-	(1,010,000)	2,165,000	1,055,000
Plus unamortized bond premium	84,336	-	(11,348)	72,988	-
Series 2017 Educational Complex Revenue Refunding Bonds	11,870,000	-	(815,000)	11,055,000	875,000
	18,454,336	-	(2,041,348)	16,412,988	2,140,000
Lease liabilities	98,316	354,272	(66,628)	385,960	101,727
Net pension liability (asset)	(182,523)	621,598	(86,293)	352,782	-
Compensated absences	57,982	98,779	(94,271)	62,490	47,680
Business-type activities Long-term liabilities and obligations	$ 18,428,111	$ 1,074,649	$ (2,288,540)	$ 17,214,220	$ 2,289,407

(1) - Amounts were reclassed 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.

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:

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

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 inceptions. 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:

	Principal	Interest	Total
Fiscal Year Ending September 30,			
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	$ 3,007,000	$ 688,773	$ 3,695,773

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:

	Principal	Interest	Total
Fiscal Year Ending September 30,			
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	$ 1,704,321	$ 297,283	$ 2,001,604

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.

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:

	Principal	Interest	Total
Fiscal Year Ending September 30,			
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	16,340,000	$ 2,531,514	$ 18,871,514
Plus unamortized bond premium	72,988		
	$ 16,412,988		

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:

	Principal	Interest	Total
Fiscal Year Ending September 30,			
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	$ 385,960	$ 3,002,385	$ 3,388,345

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.

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	359

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.

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

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

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

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.

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.

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.

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

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

	2023	2022	2021	2020	2019
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%

	2018	2017	2016	2015	2014
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%

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

	Special Revenue Funds				Capital Project Fund	Permanent Fund	
ASSETS	**Confiscated Assets Fund**	**Grants Fund**	**Hotel/Motel Tax Fund**	**Development Authority Fund**	**Capital Improvement Fund**	**Cemetery Fund**	**Total Nonmajor Governmental Funds**
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	$ 42,673	$ 868,690	$ 363,102	$ 15,525	$ 3,579,331	$ 86,563	$ 4,955,884
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	-	371,238	33,644	-	69,443	-	474,325
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - intergovernmental grants	-	100,000	-	-	-	-	100,000
Total deferred inflows of resources	-	100,000	-	-	-	-	100,000
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	42,673	397,452	329,458	15,525	3,509,888	86,563	4,381,559
Total liabilities and fund balances	$ 42,673	$ 868,690	$ 363,102	$ 15,525	$ 3,579,331	$ 86,563	$ 4,955,884

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

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

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

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			
	Original	Final	Actual	Variance With Final Budget
REVENUES				
Intergovernmental	$ 1,141,461	$ 1,288,658	$ 1,106,272	$ (182,386)
Total revenues	1,141,461	1,288,658	1,106,272	(182,386)
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	1,530,133	1,677,330	1,098,117	579,213
Excess/(deficiency) of revenues over expenditures	(388,672)	(388,672)	8,155	396,827
Other financing sources:				
Transfers in	388,672	388,672	388,672	-
Total other financing sources	388,672	388,672	388,672	-
Net change in fund balances	-	-	396,827	396,827
FUND BALANCES, beginning of fiscal year	625	625	625	-
FUND BALANCES, end of fiscal year	$ 625	$ 625	$ 397,452	$ 396,827

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

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

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			Variance With
	Original	Final	Actual	Final Budget
EXPENDITURES				
Capital outlay	$ 1,381,020	$ 1,581,020	$ 2,847,822	$ (1,266,802)
Debt service - interest	-	-	118,786	(118,786)
Total expenditures	1,381,020	1,581,020	2,966,608	(1,385,588)
Deficiency of revenues under expenditures	(1,381,020)	(1,581,020)	(2,966,608)	(1,385,588)
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	1,381,020	1,581,020	4,520,150	2,939,130
Net change in fund balances	-	-	1,553,542	1,553,542
FUND BALANCES, beginning of fiscal year	1,956,346	1,956,346	1,956,346	-
FUND BALANCES, end of fiscal year	$ 1,956,346	$ 1,956,346	$ 3,509,888	$ 1,553,542

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			
	Original	Final	Actual	Variance With Final Budget
Revenues				
Tax revenue	$ 2,713,626	$ 2,713,626	$ 1,888,089	$ (825,537)
Interest	500	500	18,149	17,649
Total revenues	2,714,126	2,714,126	1,906,238	(807,888)
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	2,714,126	2,714,126	1,030,292	1,683,834
Net change in fund balances	-	-	875,946	875,946
Fund balance, beginning of fiscal year	3,168,202	3,168,202	3,168,202	-
Fund balance, end of fiscal year	$ 3,168,202	$ 3,168,202	$ 4,044,148	$ 875,946

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

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

STATISTICAL SECTION

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

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	**$ (17,971,648)**	$ (11,213,139)	$ (2,958,121)	$ (4,451,966)	$ (2,529,308)	$ (4,938,708)	$ (7,609,299)	$ (5,820,434)	$ (4,690,333)	$ (6,754,030)
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	**25,000,332**	19,502,416	16,648,157	15,262,374	15,292,875	12,917,105	12,182,579	12,491,581	12,112,238	12,874,328
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	**789,077**	171,681	707,251	127,347	(676,460)	(747,204)	(723,194)	(735,232)	(721,860)	(1,537,941)
Total primary government	**$ 25,789,409**	$ 19,674,097	$ 17,355,408	$ 15,389,721	$ 14,616,415	$ 12,169,901	$ 11,459,385	$ 11,756,349	$ 11,390,378	$ 11,336,387
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	**$ 7,817,761**	$ 8,460,958	$ 14,397,287	$ 10,937,755	$ 12,087,107	$ 7,231,193	$ 3,850,086	$ 5,935,915	$ 6,700,045	$ 4,582,357

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

Notes:

(1) Capital grants and contributions increased due to the TSPLOST beginning in April 2017.

(2) Operating grants and contributions increased due to CARES Act funding as a result of the COVID-19 pandemic.

(3) Capital grants and contributions increased due to increased South Fulton CID activity as well as increased construction activity under large federal transportation projects.

(4) Electric expenses increased primarily from increased wholesale electric rates.

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

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

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

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

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

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

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

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

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

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

Note:

(1) Increase in assessed values

CITY OF FAIRBURN, GEORGIA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE
ALL TAXABLE PROPERTY
LAST TEN YEARS
(accrual basis of accounting)

	Real Property		Personal Property		Public Utility		Total Property			Ratio of Total Assessed to	Percent Increase in Estimated
Tax Digest Year	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value	Total Direct Tax Rate	Total Estimated Actual Value	Actual Value Over Prior Year
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)

	Direct Rates			Overlapping Rates			Total
	City of Fairburn						Direct and
Tax Digest Year	Operating Millage	Debt Service	Total	State of Georgia	Fulton County	County School System	Overlapping Millage Rate
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 Taxable Assessed Value	2022 Rank	2022 Percentage of Taxable Assessed Value	2013 Taxable Assessed Value	2013 Rank	2013 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	$ 2,377,573,584		100.00%	$ 608,641,556		100.00%

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

	Governmental Activities					Business-type Activities						
						Revenue Bonds						
Fiscal Year	General Obligation Bonds	Lease Liabilities	Financed Purchases	Net Bonded Debt to Actual Value of Taxable Property	Per Capita	Water and Sewer	Educational Complex	Lease Liabilities	Financed Purchases	Net Total Primary Government	Percent of Personal Income	Per Capita
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

Governmental Unit	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to City of Fairburn (1)	Amount Applicable to City of Fairburn
Fulton County Board of Commissioners, Georgia			
Library General Obligation Bonds	$ 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
	337,887,000		6,660,558
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	10,836,321		10,836,321
Total direct and overlapping debt	$ 348,723,321		$ 17,496,879

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

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

Fiscal Year	Operating Revenue	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest (1)	Total	Coverage
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 Principal	Interest	Total	Coverage
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

	2023		2014	
Employer	Number of Employees	Rank	Number of Employees	Rank
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
	3,184		3,198	

Source: City of Fairburn Finance Department

CITY OF FAIRBURN, GEORGIA

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

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

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 B

Form of Bond Counsel Opinion

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January 23, 2025

To: City of Fairburn, Georgia
Fairburn, Georgia

We have served as bond counsel to our client the City of Fairburn, Georgia (the "City") in connection with the issuance by the City of its $16,565,000 Combined Public Utility Revenue Bonds, Series 2024 (the "Bonds"), dated the date of this letter.

The Bonds are issued pursuant to the Constitution of the State of Georgia and the laws of the State of Georgia including particularly the Revenue Bond Law, as amended (O.C.G.A. § 36-82-60 *et seq*.) and an original Bond Ordinance enacted by the Council of the City ("City Council") on August 26, 2013, as supplemented on September 12, 2013, July 28, 2014, September 16, 2024, November 4, 2024 and January 13, 2025 (collectively, the "Bond Ordinance"). Capitalized terms not otherwise defined in this letter are used as defined in the Bond Ordinance.

In our capacity as bond counsel, we have examined the transcript of proceedings relating to the issuance of the Bonds, a certified copy of the validation proceedings relating to the Bonds conducted in the Superior Court of Fulton County, Georgia, a copy of the signed and authenticated Bond of the first maturity, the Bond Ordinance and such other documents, matters and law as we deem necessary to render the opinions set forth in this letter.

Based on that examination and subject to the limitations stated below, we are of the opinion that under existing law:

1. The Bonds and the Bond Ordinance are valid and binding obligations of the City, enforceable in accordance with their respective terms.

2. The Bonds constitute limited obligations of the City, and the principal of and interest and any premium on (collectively, "debt service") the Bonds, together with debt service on any other obligations issued and outstanding on a parity with the Bonds as provided in the Bond Ordinance, are payable from and secured solely from a pledge of the Pledged Revenues of the System (both as defined in the Bond Ordinance). The payment of debt service on the Bonds is not secured by an obligation or pledge of any money raised by taxation other than the Pledged Revenues pledged pursuant to the Bond Ordinance, and the Bonds do not represent or constitute a general obligation or a pledge of the faith and credit of the City, the State of Georgia or any of its political subdivisions.

3. Interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Interest on the Bonds is exempt from State

of Georgia income tax. We express no opinion as to any other tax consequences regarding the Bonds.

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 (i) the accuracy of the factual matters represented, warranted or certified in the proceedings and documents we have examined and (ii) the due and legal authorization, execution and delivery of those documents by, and the valid, binding and enforceable nature of those documents upon, any parties other than the City.

We express no opinion herein regarding the priority of the lien on Pledged Revenues or other funds created by the Bond Ordinance.

In rendering those opinions with respect to treatment of the interest on the Bonds 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. Failure to comply with certain of those covenants subsequent to issuance of the Bonds may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to their date of issuance.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Bond Ordinance 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 Bonds is concluded upon delivery of this letter.

Respectfully submitted,

APPENDIX C

Summary of Certain Provisions of the Bond Ordinance

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SUMMARY OF CERTAIN PROVISIONS OF THE BOND ORDINANCE

"Accreted Value" means, with respect to each Compound Interest Bond, the principal amount of such Compound Interest Bond, plus on the date of calculation the interest accrued thereon to such date compounded at the interest rate thereof on each Interest Payment Date and, with respect to any calculation on a date other than an Interest Payment Date, the Accreted Value means the Accreted Value as of the preceding Interest Payment Date plus interest on such amount from such Interest Payment Date to such date at a rate equal to the interest rate on such Compound Interest Bonds.

"Amortizing Bond" means a Bond paying installments of principal on a regular basis to the Registered Owner, without the requirement of surrender of the Bond (prior to final maturity) or sinking fund redemption. For the purposes of the Bond Ordinance, the portion of an Amortizing Bond to be paid in any Bond Year shall be treated as maturing in such Bond Year.

"Asset Sale Proceeds" means monies deposited into the Revenue Fund and are derived from any asset sale proceeds received by the City from the Municipal Electric Authority of Georgia (or any comparable entity in which the City has an ownership interest in) from time to time.

"Attesting Officer" means the individual presently holding the office of City Clerk of the Issuer (or any individual presently holding the office of Assistant City Clerk of the Issuer) and any successor who might hereafter hold such office, and any individual, body or authority to whom or which may hereafter be delegated by law the duties, powers, authority, obligations or liabilities of such office.

"Beneficial Owner" shall mean the owner of a beneficial interest in any Bonds issued in Book-Entry Form. "Bondholder" means the registered owner of one or more Bonds.

"Bond Counsel" means Squire Patton Boggs (US) LLP, or another firm of nationally recognized standing in the field of municipal bonds.

"Bond Insurer" means, with respect to the Series 2024 Bonds, Build America Mutual Assurance Company, a New York domiciled mutual insurance corporation, or any successor thereto or assignee thereof.

"Bond Ordinance" means the Original Bond Ordinance, the Series 2014 Bond Ordinance, the Series 2024 Bond Ordinance, the Series 2024 Supplemental Bond Ordinance, and all supplements and amendments thereto.

"Bond Register" means the registration books maintained and to be maintained by the Bond Registrar.

"Bond Registrar" means any bank or trust company designated as such by the Issuer in the Bond Ordinance or any supplemental ordinance enacted with respect to any of the Bonds. Such Bond Registrar shall perform the duties required of the Bond Registrar in the Bond Ordinance.

"Bond Year" means the 12-month period beginning on the day after the Principal Maturity Date and ending on the next succeeding Principal Maturity Date.

"Bonds" means the Series 2024 Bonds, the Series 2014 Bonds, and any Parity Bonds.

"Book-Entry Bonds" means Bonds issued under the Bond Ordinance and maintained in Book-Entry Form.

"Book-Entry Form" or "Book-Entry System" shall mean a form or system, as applicable, under which (i) the ownership of beneficial interests in such bonds and bond service charges may be transferred only through book-entry; and (ii) physical bonds in fully registered, certificated form are registered only in the name of a Securities Depository or its nominee as holder, with physical bonds immobilized in the custody of a Securities Depository.

"Chief Officer" means the individual presently holding the office of Mayor of the Issuer and any successor who might hereafter hold such office, and any individual, body or authority to whom or which may hereafter be delegated by law the duties, powers, authority, obligations or liabilities of such office.

"Code" means the Internal Revenue Code of 1986, as amended, and any regulations promulgated or applicable thereunder.

"Compound Interest Bonds" means Bonds which bear interest which is calculated based on semiannual compounding, payable only at maturity or earlier redemption.

"Construction Fund" means the City of Fairburn Combined Public Utility Construction Fund established under the Bond Ordinance.

"Costs," with respect to any Project, means the total cost, paid or incurred, to study, plan, design, finance, acquire, construct, reconstruct or otherwise develop the Project and shall include, but shall not be limited to, the following costs and expenses relating to such Project and the reimbursement to the Issuer for any such items previously paid by the Issuer:

(i) the cost of all lands, properties, rights, easements and franchises acquired;

(ii) the cost of all machinery and equipment, financing charges, interest prior to and during construction and for one year after completion of construction;

(iii) the cost of the acquisition or construction of any Project;

(iv) the cost of engineering, architectural, fiscal agents' and legal expenses, and of plans and specifications, and other expenses necessary or incident to determining the feasibility or practicability of any Projects, administrative expenses, and such other expenses as may be necessary or incident to any financing by Bonds;

(v) the cost of placing any Project in operation;

(vi) the cost of condemnation of property necessary for such construction and operation; and

(vii) any other costs which may be incident to the Project.

"Credit Facility" means any letter of credit, insurance policy, guaranty, surety bond, or similar obligation, arrangement or instrument issued by a Credit Facility Provider that is used by the Issuer to enhance the Issuer's credit by assuring owners of any of the Bonds that principal of and interest on such Bonds will be paid promptly when due.

"Credit Facility Provider" means a bank or trust company which is employed by the Issuer to perform one or more of the following tasks: (i) the enhancement of the Issuer's credit by assuring holders of any of the Bonds that principal of and interest on such Bonds will be paid promptly when due; (ii) providing liquidity for the holders of Bonds through undertaking to cause Bonds to be bought from the holders thereof when submitted pursuant to an arrangement prescribed by Series Ordinance; or (iii) remarketing any Bonds so submitted to a Credit Facility Provider (whether or not the same Credit Facility Provider that is remarketing the Bonds).

"Current Interest Bonds" means the Bonds which are not Compound Interest Bonds.

"Debt Service Account" means the Debt Service Account within the Sinking Fund established in the Bond Ordinance.

"Debt Service Reserve Account" means the Debt Service Reserve Account within the Sinking Fund established in the Bond Ordinance.

"Debt Service Reserve Requirement" such additional requirement as may be established for Reserve Fund Bonds by Series Ordinance prior to the issuance of Reserve Fund Bonds. Notwithstanding the foregoing, the Debt Service Reserve Requirement shall not exceed the amount prescribed by Treasury Regulation § 1.148.2(f)(2)(ii), or successor provisions, to the extent applicable.

"Depository" means the depository designated by the Issuer from time to time for the funds mentioned in the Bond Ordinance.

"Deputy Officer" means the individual presently holding the office of Mayor Pro Term of the Issuer and any successor who might hereafter hold such office, and any individual, body or authority to whom or which may hereafter be delegated by law the duties, powers, authority, obligations or liabilities of such office.

"Event of Default" means one of those events defined as such under the heading "Events of Default".

"Expenses of Operation and Maintenance" means all expenses reasonably incurred in connection with the operation and maintenance of the System, including salaries, wages, the cost of materials and supplies, rentals of leased property, if any, payments to others for the purchase of water, if any, and for the treatment and disposal of sewage, the cost of audits, Paying Agent's and Bond Registrar's fees, payment of premiums for insurance required by the Bond Ordinance and other insurance which the Issuer deems prudent to carry on the System and its operations and personnel, and generally, all expenses, exclusive of interest on the Bonds and depreciation or amortization, which under accounting principles generally accepted for municipal utility purposes are properly allocable to operation and maintenance; however, only such expenses as are reasonably and properly necessary or desirable to the proper operation and maintenance of the System shall be included. "Expenses of Operation and Maintenance" also includes the Issuer's obligations under any contract with any other political subdivision or public agency or authority of one or more political subdivisions pursuant to which the Issuer undertakes to make payments measured by the expenses of operating and maintaining any facility which constitutes part of the System and which is owned or operated in part by the Issuer and in part by others.

"Fiscal Year" means the 12-month period used by the Issuer for its general accounting purposes as the same may be changed from time to time.

"Governing Body" means the Mayor and Council of the Issuer and any predecessor or successor in office to such present body, and any Person to whom or which may be delegated by law the duties, powers, authority, obligations or liabilities of the present body, either in whole or in relation to the System.

"Government Loans" means loans to the Issuer by the government of the United States or State, or by any department or agency of either, for the purpose of acquiring, constructing, improving, bettering or extending any part of the System.

"Hedge Agreement" means, without limitation, (i) any contract known as or referred to or which performs the function of an interest rate swap agreement, currency swap agreement, forward payment conversion agreement or futures contract; (ii) any contract providing for payments based on levels of, or changes or differences in, interest rates, currency exchange rates, or stock or other indices; (iii) any contract to exchange cash flows or payments or series of payments; (iv) any type of contract called, or designed to perform the function of, interest rate floors, collars or caps, options, puts or calls, to hedge or minimize any type of financial risk, including, without limitation, payment, currency, rate or other financial risk; and (v) any other type of contract or arrangement that the Issuer determines is to be used, or is intended to be used, to manage or reduce the cost of any Bonds or other indebtedness, to convert any element of any Bonds or other indebtedness from one form to another, to maximize or increase investment return, to minimize investment return risk or to protect against any type of financial risk or uncertainty.

"Hedged Obligations" means any Bonds or other indebtedness for which the Obligated Group shall have entered into a Hedge Agreement.

"Hedge Payments" means amounts payable by the Issuer pursuant to any Hedge Agreement, other than Termination Payments, fees, expenses and indemnity payments.

"Hedge Period" means the period during which a Hedge Agreement is in effect.

"Hedge Receipts" means amounts payable by any provider of a Hedge Agreement pursuant to such Hedge Agreement, other than Termination Payments, fees, expenses and indemnity payments.

"Independent Certified Public Accountant" means a firm of certified public accountants which is not in the regular employ of the Issuer on a salary basis.

"Interest Account" means the Interest Account within the Sinking Fund established in the Bond Ordinance.

"Interest Payment Date" means April 1 and October 1 of each year, except that with respect to any series of Parity Bonds that constitute Amortizing Bonds or which bear interest at a Variable Rate, the Issuer may provide in the Series Ordinance for such Parity Bonds for any other interest payment dates as it deems appropriate.

"Investment Earnings" means all interest received on and profits derived from investments made with Pledged Revenues or any monies in the funds and accounts held under the Bond Ordinance, excluding any amounts required in the Bond Ordinance or by any Series Ordinance or supplemental ordinance to be set aside pending, or used for, rebate to the United States government pursuant to Section 148(f) of the Code.

"Issuer" or "City" means the City of Fairburn, Georgia.

"Maximum Debt Service" means an amount of money equal to the highest aggregate Principal Requirement and interest requirements of all Outstanding Bonds (including Parity Bonds) to fall due and payable in the current or any future Bond Year. In case any Bonds Outstanding or proposed to be issued shall bear interest at a Variable Rate, the interest requirement in each Bond Year during which such Variable Rate applies shall be the rate which is equal to the greatest of: (A) the maximum interest rate in effect on the Outstanding Variable Rate Bonds (or which would have been in effect had such Bonds been

Outstanding) during the immediately preceding 12-month period; (B) the average of all the interest rates in effect (or which would have been in effect had such Bonds been Outstanding) for the immediately preceding 30-day period; or (C) the rate equal to the 30-year Revenue Bond Index most recently published by The Bond Buyer, or if such index is no longer published, any reasonably equivalent index selected by the Issuer. With respect to any Hedged Obligations, the interest on such Hedged Obligations during any Hedge Period and for so long as the provider of the related Hedge Agreement is a Qualified Hedge Agreement Counterparty and has not defaulted on its payment obligations thereunder shall be calculated by adding (x) amount of interest payable by the Issuer on such Hedged Obligations pursuant to their terms and (y) the amount of Hedge Payments payable by the Issuer under the related Hedge Agreement and subtracting (z) the amount of Hedge Receipts payable by the provider of the related Hedge Agreement at the rate specified in the related Hedge Agreement; if the provider of any Hedge Agreement is not a Qualified Hedge Agreement Counterparty, or is in default thereunder, the amount of interest payable by the Issuer on the related Hedged Obligations shall be the interest calculated as if such Hedge Agreement had not been executed.

"Minimum Renewal and Extension Fund Requirement" means $25,000 or such greater amount as may be established by or a supplemental ordinance or Series Ordinance.

"Net Operating Revenues" means Operating Revenues, after provision for payment of all Expenses of Operation and Maintenance.

"Operating Revenues" means all income and revenue of any nature derived from the operation of the System including Hedge Receipts, monthly water billings, service charges, other charges for water service and the availability thereof (other than any special assessment proceeds), connection or Tap Fees (whether accounted for as revenues or capital contributions) and hydrant rentals, but excluding local, state or federal grants, loans, capital improvement contract payments or other monies received for capital improvements to the System and excluding Investment Earnings.

"Original Bond Ordinance" means the Bond Ordinance enacted by the City Council of Issuer on August 26, 2013, as supplemented on September 12, 2013.

"Outstanding" refers to all obligations of the class concerned which shall have been issued and delivered with the exception of (i) obligations in lieu of which other obligations have been issued under agreement to replace mutilated, lost, stolen or destroyed obligations; (ii) obligations surrendered by the holders in exchange for other obligations; and (iii) obligations for the payment of which provision has been made.

"Parity Bonds" means obligations which are to rank on a parity with the Series 2024 Bonds and the Series 2014 Bonds and share in the Pledged Revenues.

"Paying Agent" means the Issuer or any bank or trust company authorized by the Issuer in the Bond Ordinance or any supplemental resolution or ordinance to pay the principal of, premium (if any) or interest on any Bonds on behalf of the Issuer. Such Paying Agent shall perform the duties required of the Paying Agent in the Bond Ordinance.

"Permitted Investments" means, to the extent from time to time permitted by law as investments for Issuer monies, (i) the local government investment pool created in Chapter 83 of Title 36 of the Official Code of Georgia Annotated; (ii) bonds or obligations of such county, municipal corporation, school district, political subdivision, authority or body or bonds or obligations of the State or other states or of other counties, municipal corporations and political subdivisions of the State; (iii) bonds or other obligations of the United States or of subsidiary corporations of the United States government which are fully guaranteed by such government; (iv) obligations of and obligations guaranteed by agencies or instrumentalities of the

United States government, including those issued by the Federal Land Bank, Federal Home Loan Bank, Federal Intermediate Credit Bank, Bank for Cooperatives and any other such agency or instrumentality now or hereafter in existence; provided, however, that all such obligations shall 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; (v) 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; (vi) 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 or the Georgia Credit Union 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 trustee for any such bond proceeds. The portion of such 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 or the Georgia Credit Union Deposit Insurance Corporation, if any, shall 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 a 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: direct and general obligations of the State or other states or of any county or municipal corporation in the State, obligations of the United States or subsidiary corporations included in paragraph (ii) of above, obligations of the agencies and instrumentalities of the United States government included in paragraph (iii) above, or bonds, obligations or project notes of public housing agencies, urban renewal agencies, or municipalities included in paragraph (iv) above; (vii) 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 trustee or by an affiliate thereof so long as: (a) the portfolio of such investment company or investment trust or common trust fund is limited to the obligations referenced in paragraphs (ii) and (iii) above and repurchase agreements fully collateralized by any such obligations; (b) such investment company or investment trust or common trust fund takes delivery of such collateral either directly or through an authorized custodian; (c) 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 (d) 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 (viii) 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 shall permit the moneys so placed to be available for use at the time provided with respect to the investment or reinvestment of such moneys.

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization, body, authority or government or agency or political subdivision thereof.

"Pledged Revenues" means Net Operating Revenues, Investment Earnings and other monies paid or required to be paid into the funds and accounts specified in Section 4.4 or Section 12.1 of the Original Bond Ordinance, but excluding any amounts required in the Bond Ordinance or by any Series Ordinance or supplemental ordinance to be set aside pending, or used for, rebate to the United States government pursuant to Section 148(f) of the Code; provided, notwithstanding anything to the contrary contained in the Bond Ordinance, that Bonds that are not Reserve Fund Bonds shall enjoy no lien on the Debt Service Reserve Account or Series Debt Service Reserve Account, as applicable.

"Principal Account" means the Principal Account within the Sinking Fund established in the Bond Ordinance.

"Principal Maturity Date" means the Principal Maturity Date established for Bonds in a Series Ordinance.

"Principal Requirement" means, as of any date of calculation, the sum of (A) the principal amount of Bonds (including the Accreted Value of any Compound Interest Bonds) falling due during the then current Bond Year plus (B) the principal amount of Bonds (including the Accreted Value of any Compound Interest Bonds) required to be redeemed pursuant to a mandatory redemption feature during the then current Bond Year. In computing the Principal Requirement, an amount of Bonds required to be redeemed pursuant to mandatory redemption in each year shall be deemed to fall due in that year and (except in case of default in observing a mandatory redemption requirement) shall be deducted from the amount of Bonds maturing on the scheduled maturity date.

"Project" means the acquisition, construction, improvement, betterment, extension or equipping of the System, in whole or in part, with the proceeds of any Bonds.

"Qualified Hedge Agreement Counterparty" means the provider of any Hedge Agreement whose senior unsecured long-term obligations, financial program rating, counterparty rating, or claims paying ability, or whose payment obligations under the Hedge Agreement are absolutely and unconditionally guaranteed by an entity whose senior unsecured long term obligations, financial program rating, counterparty rating, or claims paying ability, are, as of the date of execution of the Hedge Agreement, rated at least as high as the middle range of the third highest rating category of Moody's Investors Service and Standard & Poor's Corporation, but in no event lower than any credit rating assigned to the Hedged Obligations at the time of execution of the Hedge Agreement.

"Qualified Permitted Investments" means direct obligations of the United States of America and obligations unconditionally guaranteed by the United States of America, including U.S. Treasury Trust Receipts, in any case not callable except at the option of the holder of such obligation.

"Qualified Engineer" means a firm of engineers experienced in the planning and management of water and sewerage or electric distribution systems, as the case may be, and having a recognized reputation for such work.

"Rebate Fund" means the City of Fairburn Combined Public Utility Rebate Fund established in the Bond Ordinance.

"Record Date" means, with respect to any Interest Payment Date, the 15th day of the calendar month next preceding such Interest Payment Date; provided, with respect to any Parity Bonds bearing interest at a Variable Rate, the Issuer may designate any other or additional record dates as it may deem appropriate.

"Renewal and Extension Fund" means the City of Fairburn Combined Public Utility Renewal and Extension Fund established in the Bond Ordinance.

"Reserve Fund Bonds" means all Bonds which are secured by the Debt Service Reserve Account or Series Debt Service Reserve Account, under the Bond Ordinance.

"Revenue Fund" means the City of Fairburn Combined Public Utility Revenue Fund established in the Bond Ordinance.

"Revenues" means Operating Revenues and Investment Earnings.

"Securities Depository" means any securities depository that is a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to provisions of Section 17A of the Securities Exchange Act of 1934, operating and maintaining, with its participants or otherwise, a Book-Entry System to record ownership of beneficial interest in bonds and bond service charges, and to effect transfers of bonds in Book-Entry Form, and means, initially, The Depository Trust Company (a limited purpose trust company), New York, New York.

"Securities Depository Nominee" means any nominee of a Securities Depository and shall initially mean Cede and Co., New York, New York, as nominee of The Depository Trust Company.

"Series Debt Service Reserve Account" means any subaccount within the Debt Service Reserve Account established to secure a series of Reserve Fund Bonds.

"Series 2014 Bond Ordinance" means the Bond Ordinance enacted by the City Council on July 28, 2014, as supplemented on September 16, 2014.

"Series 2014 Bonds" means the $4,610,000 City of Fairburn Combined Public Utility Revenue Bonds, Series 2014.

"Series 2024 Bond Ordinance" means the Bond Ordinance enacted by the City Council of the Issuer on November 4, 2024, as the same may from time to time be amended.

"Series 2024 Bonds" means the $16,565,000 City of Fairburn Combined Public Utility Revenue Bonds, Series 2024.

"Series 2024 Project" means the acquisition, construction, equipping and improving of certain improvements or extensions to the water and sewer elements of the System and the acquisition of certain wastewater treatment rights from Fulton County.

"Series 2024 Supplemental Bond Ordinance" means the Bond Ordinance the City Council of the Issuer enacted on January 13, 2025 which amends the Original Bond Ordinance and supplements the Series 2024 Bond Ordinance.

"Series Ordinance" means a Bond Ordinance or Bond Ordinances (which may be supplemented by one or more Bond Ordinance) to be enacted prior to the delivery of any series of Parity Bonds. Such a Bond Ordinance as supplemented shall establish the date or dates of the pertinent series of Parity Bonds, the schedule of maturities thereof, whether any will be Compound Interest Bonds, the name of the purchaser of each series of Parity Bonds, the purchase price thereof, the rate or rates of interest to be borne thereby, whether fixed or variable, and the terms and conditions, if any, under which such Bonds may be made subject to redemption (mandatory or optional) prior to maturity and such other details as the Issuer may determine.

"Sinking Fund" means the City of Fairburn Combined Public Utility Sinking Fund established in the Bond Ordinance.

“State” means the State of Georgia.

“System” means the electric system and the water and sewerage system of the Issuer, which are combined for financial purposes, as such systems may be added to, extended, improved and equipped.

“Tap Fees” means one-time fees to connect new customers to the System.

“Tax-Exempt Bonds” means Bonds issued under the Bond Ordinance on which the interest is not includable in the gross income of the Holders thereof for the purposes of federal income taxation under the Code.

“Term Bonds” means Bonds which mature on one date yet a significant portion of which are required to be redeemed prior to maturity under a schedule of mandatory redemptions to be established by the Series Ordinance authorizing and selling such Bonds.

“Termination Payment” shall mean any payment required by the terms of a Hedge Agreement to compensate the provider of the Hedge Agreement for the early termination of the Hedge Agreement by the Issuer.

“U.S. Treasury Trust Receipts” means evidence of ownership of rights to payment of portions of the principal of or interest on direct obligations of or obligations unconditionally guaranteed by the United States of America held by a bank or trust company organized under the laws of the United States acting as custodian of such obligations.

“Variable Rate” means a rate of interest applicable to the Bonds other than a fixed rate of interest that applies to a particular maturity of Bonds so long as such Bonds remain Outstanding.

Destruction of Bonds

All Bonds paid by the Paying Agent at maturity or upon redemption prior to maturity shall be cancelled and delivered to the Bond Registrar for destruction. All Bonds cancelled on account of payment, transfer or exchange shall be destroyed by the Bond Registrar and shall not be reissued, and a certificate thereof shall be furnished by the Bond Registrar to the Issuer on an annual basis.

Mutilated, Lost, Stolen or Destroyed Bonds

If any Bond is mutilated, lost, stolen or destroyed, the Issuer may execute and deliver a new Bond of the same maturity, interest rate, aggregate principal amount and tenor in lieu of and in substitution for the Bond mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Bond Registrar, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Bond Registrar evidence satisfactory to it of the ownership of such Bond and of such loss, theft or destruction, together with indemnity to the Issuer and the Bond Registrar, satisfactory to each of them. If any such Bond shall have matured or a redemption date pertaining thereto shall have passed, instead of issuing a new Bond, the Issuer may pay or cause the Paying Agent to pay the same. The Issuer, the Bond Registrar and the Paying Agent may charge the holder of such Bond with their reasonable fees and expenses in this connection.

In executing a new Bond and in furnishing the Bond Registrar with the written authorization to deliver a new Bond, the Issuer may rely conclusively on a representation of the Bond Registrar that the Bond Registrar is satisfied with the adequacy of the evidence presented concerning the mutilation, loss, theft or destruction of any Bond.

Issuer or Bond Registrar May Give Notice of Redemption

Notice of redemption of Bonds to be redeemed shall be given by the Issuer or by the Bond Registrar for and on behalf of the Issuer whenever either (a) such redemption is required to be made under the proceedings authorizing the issuance and sale of such Bonds or (b) whenever such redemption is permitted to be made under the terms of such Bonds and the Issuer requests that such redemption be made.

Effect of Notice of Redemption

Official notice having been given in the manner and under the conditions provided in the Bond Ordinance, and monies for payment of the redemption price being held by the Bond Registrar as provided in the Bond Ordinance, the Bonds or portions of Bonds so called for redemption shall, on the redemption date designated in such notice, become and be due and payable at the redemption price provided for redemption of such Bonds on such date, and interest on the Bonds or portions of Bonds so called for redemption shall cease to accrue, such Bonds or portions of Bonds shall cease to be entitled to any lien, benefit or security under the Bond Ordinance, and the holders of such Bonds or portions of Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof. Upon surrender for partial redemption of any Bond, there shall be prepared for and delivered to the registered owner a new Bond or Bonds of the same maturity and interest rate in the amount of the unpaid principal.

Redemption Among Series

Subject to the redemption provisions of any Series Ordinance authorizing Parity Bonds, the Issuer in its discretion may redeem the Bonds of any series, or a portion of the Bonds of any such series, before it redeems the Bonds of any other series. Within any particular series, any redemption of Bonds shall be in the manner provided in the Bond Ordinance and in any Series Ordinance.

Selection of Bonds to be Redeemed

If less than all of the Bonds of like maturity of any series shall be called for redemption, the particular Bonds, or portions of Bonds, to be redeemed shall be selected by lot by the Issuer or in such other manner as the Issuer in its discretion may deem proper. The portion of any Bond of a denomination of more than $5,000 to be redeemed shall be in the principal amount of $5,000 or an integral multiple thereof, and, in selecting portions of such Bonds for redemption, the Issuer shall treat each such Bond as representing that number of Bonds which is obtained by dividing the principal amount of such Bond to be redeemed in part by $5,000.

Purchase of Bonds

Nothing contained in the Bond Ordinance shall be construed to limit the right of the Issuer to purchase Bonds in the open market (at a price not exceeding the redemption price then applicable, if the Bonds are then redeemable) with funds legally available for such purpose. Any Bonds so purchased cannot be reissued and shall be cancelled. Bonds so purchased of a series and maturity subject to mandatory sinking fund redemption may be credited by the Issuer to its obligation to redeem Bonds of such series and maturity by sinking fund redemption.

Rate Covenant

The Issuer shall continuously own, control, operate and maintain the System in an efficient and economical manner and on a revenue producing basis and shall at all times prescribe, fix, maintain and collect rates, fees and other charges for the sale and distribution of electricity, water and the collection and disposal of sewage fully sufficient at all times to:

(a) provide for 100% of the Expenses of Operation and Maintenance; and

(b) produce Pledged Revenues and Asset Sale Proceeds, if any, in each Bond Year which:

(i) will equal at least 110% of the Debt Service coming due in the then current Bond Year, computed on a basis which includes all Outstanding Bonds.

(ii) will enable the Issuer to make all required payments into the Debt Service Reserve Account and any Series Debt Service Reserve Account (if applicable), the Rebate Fund and the Renewal and Extension Fund.

(iii) will enable the Issuer to make all required payments on any Government Loans.

(iv) will remedy all deficiencies in payments into any of the funds and accounts mentioned below from prior Bond Years and meet all requirements for principal of and interest on any subordinated obligations payable from the Revenues.

If the Issuer fails to prescribe, fix, maintain and collect rates, fees and other charges, or to revise such rates, fees and other charges, in accordance with the provisions of the Bond Ordinance, the holders of not less than 25% in principal amount of the Bonds then Outstanding, without regard to whether any Event of Default shall have occurred, may institute and prosecute in any court of competent jurisdiction an appropriate action to compel the Issuer to prescribe, fix, maintain or collect such rates, fees and other charges, or to revise such rates, fees and other charges, in accordance with the requirements of the Bond Ordinance.

The rates, tolls, fees and charges shall be classified in a reasonable manner to cover users of the services and facilities furnished by the System so that, as nearly as practicable, such rates, tolls, fees and charges shall be uniform in application to all users falling within any reasonable class. No free services shall at any time be furnished from the System. All service shall be on a metered basis except public parks, fire hydrants and fire sprinklers. All service shall be furnished in accordance with rates now or hereafter established.

Pledge of Revenues

All Pledged Revenues are pledged to the prompt payment of the principal of, premium (if any) and interest on the Bonds. Such monies and securities shall immediately be subject to the lien of this pledge for the benefit of the Bondholders without any physical delivery thereof or further act and the lien of this pledge shall be valid and binding against the Issuer and against all other persons having claims against the Issuer, whether such claims shall have arisen in tort, contract or otherwise and irrespective of whether such parties have notice thereof. This pledge shall rank superior to all other pledges which may hereafter be made of any of the funds and accounts pledged in the Bond Ordinance except only for Parity Bonds.

Notwithstanding anything contained in the Bond Ordinance to the contrary, Bonds that are not Reserve Fund Bonds shall not have a lien on or benefit of the Debt Service Reserve Account or Series Debt Service Reserve Account, as applicable. Reserve Fund Bonds alone shall have the lien on and benefit of the Debt Service Reserve Account, or Series Debt Service Reserve Account, as applicable, on a pari passu basis.

THE BONDS SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OF THE ISSUER NOR A PLEDGE OF THE FAITH AND CREDIT OF THE ISSUER. THE BONDS SHALL NOT BE PAYABLE FROM OR CHARGED UPON ANY FUNDS OTHER THAN THE REVENUE PLEDGED TO THE PAYMENT THEREOF, NOR SHALL THE ISSUER BE SUBJECT TO ANY PECUNIARY LIABILITY THEREON. NO HOLDER OR HOLDERS OF THE BONDS SHALL EVER HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER, IF ANY, OF THE ISSUER TO PAY THE BONDS OR THE INTEREST THEREON, NOR TO ENFORCE PAYMENT THEREOF AGAINST ANY PROPERTY OF THE ISSUER; NOR SHALL THE BONDS CONSTITUTE A CHARGE, LIEN, OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE ISSUER, EXCEPT FOR THE PLEDGED REVENUES AND ANY OTHER FUNDS PLEDGED TO SECURE A SERIES OF BONDS.

Deposits and Security of Funds and Accounts

All monies in the funds and accounts established under the Bond Ordinance shall be held by the Issuer in one or more Depositories qualified for use by the Issuer. Uninvested monies shall, at least to the extent not guaranteed by the Federal Deposit Insurance Corporation, be secured to the fullest extent required by the laws of the State of Georgia for the security of public funds.

Investment of Funds and Accounts

Monies in the funds and accounts established under the Bond Ordinance shall be invested and reinvested at the highest rates reasonably available (except to the extent that a restricted yield is required or advisable under Section 148 of the Code). Monies in the Revenue Fund may be invested by the Issuer in Permitted Investments maturing within 90 days from the date of purchase. Monies in the Interest Account and the Principal Account may be invested by the Issuer in Permitted Investments maturing or redeemable at the option of the holder prior to the next succeeding Interest Payment Date, but whenever prior to any Interest Payment Date the aggregate of the monies in such accounts exceeds the amount necessary to pay interest and principal falling due on such Interest Payment Date; such excess may be invested in Permitted Investments maturing or redeemable at the option of the holder prior to the next following Interest Payment Date. Monies in the Debt Service Reserve Account and Series Debt Service Reserve Accounts shall be invested at the written direction of the Issuer in Permitted Investments which mature or are redeemable at the option of the holder within 5 years from date of purchase. Monies in the Renewal and Extension Fund may be invested by the Issuer in Permitted Investments maturing or redeemable at the option of the holder not later than 5 years from date of purchase. Whenever any monies in the Debt Service Reserve Account and Series Debt Service Reserve Accounts invested as above provided are needed for the payment of currently maturing principal of or interest on the Reserve Fund Bonds, the Issuer shall cause such investments to be liquidated at current market prices, to produce the amount required, without further instructions and shall cause the proceeds of such liquidation to be applied to the payment of such principal and interest. Investment Earnings in each fund and account may remain in such fund or account and (except for the Revenue Fund) serve as a credit against amounts otherwise required to be paid into such fund or account or may be transferred to the Revenue Fund at the Issuer's option.

Monies in each of such funds shall be accounted for as a separate and special fund apart from all other Issuer funds, provided that investments of monies therein may be made in a pool of investments together with other monies of the Issuer so long as sufficient Permitted Investments in such pool, not allocated to other investments of contractually or legally limited duration, are available to meet the requirements of the foregoing provisions.

Valuation of Investments

All investments made under the Bond Ordinance shall, for purposes of the Bond Ordinance, be carried at cost plus amortized discount.

Application of Excess in Sinking Fund

Whenever at the end of each Bond Year the amount of monies in the Interest Account, the Principal Account or the Debt Service Reserve Account exceeds the amount then currently required to be therein, the excess may be transferred to the Renewal and Extension Fund.

Disposition of Monies After Payment of Bonds

Any amounts remaining in any fund or account established under the Bond Ordinance or under any Series Ordinance after payment in full of the principal of, redemption premium, if any and interest on the Bonds (or after provision for payment thereof has been made), the fees, charges and expenses of the Paying Agent and Bond Registrar and all other amounts required to be paid under the Bond Ordinance (including amounts required to be paid into the Rebate Fund), shall be promptly paid to the Issuer.

Hedge Agreements

In connection with the issuance of any Bonds or at any time thereafter as long as such Bonds remain outstanding, the Issuer may enter into Hedge Agreements with a Qualified Hedge Agreement Counterparty with respect to such Bonds as the Hedged Obligations. Any such Hedge Agreement shall be authorized by the Issuer in an appropriate ordinance of its governing body and shall be designated as such pursuant to a supplemental Bond Ordinance. Notwithstanding anything in the Bond Ordinance to the contrary, Hedge Payments with respect to any Hedge Agreement entered into with a Qualified Hedge Agreement Counterparty in conformity with this paragraph and so designated in a supplemental Bond Ordinance, and only such Hedge Agreements, shall rank on a parity as to lien on the Net Operating Revenues with the Bonds and shall otherwise be entitled to the benefits of the Bond Ordinance.

No Prior Lien Bonds nor Parity Bonds Except as Permitted in the Bond Ordinance

The Bonds will enjoy complete parity of lien on the Pledged Revenues despite the fact that any of the Bonds may be delivered at an earlier date than any other of the Bonds. The Issuer will issue no other obligations of any kind or nature payable from or enjoying a lien on the Pledged Revenues or any part thereof having priority over or (except as permitted in the Bond Ordinance) parity with the Series 2024 Bonds and the Series 2014 Bonds.

Refunding Bonds

Any or all of the Bonds may be refunded at maturity, upon redemption in accordance with their terms or with the consent of the holders thereof, and the refunding Bonds so issued shall constitute Parity Bonds, if:

(a) The Issuer shall have received a certificate of an Independent Certified Public Accountant: (i) setting forth the aggregate amount of interest and principal of the Bonds falling due during the then current Bond Year and for each subsequent Bond Year to and including the Bond Year of the last maturity of any Bonds then Outstanding (A) with respect to the Bonds of all series Outstanding immediately prior to the date of authentication and delivery of such refunding Bonds and (B) with respect to the Bonds of all series to be Outstanding immediately thereafter; and (ii) demonstrating that the amount set forth for each Bond Year pursuant to (i)(B) above is no greater than the amount set forth for such Bond Year pursuant to (i)(A) above; or

(b) The refunded Bonds are being refunded under arrangements which immediately result in making provision for the payment of the refunded Bonds.

Parity Bonds Generally

Bonds may also be issued on a parity with the Series 2024 Bonds and the Series 2014 Bonds pursuant to a Series Ordinance, and the Bonds so issued shall constitute Parity Bonds, if no Event of Default has occurred and is continuing and all of the following conditions are satisfied:

(a) Except in the case of Parity Bonds issued for refunding purposes pursuant to the Bond Ordinance, there shall have been procured and filed with the Issuer a statement by an Independent Certified Public Accountant reciting the opinion based upon necessary investigation that either (i) the Pledged Revenues (excluding Investment Earnings, if any, on the Construction Fund) based on the audited financial statements of the Issuer for the fiscal year immediately preceding the year in which the additional Parity Bonds are issued were equal to at least 120% of the Maximum Debt Service computed on a basis which includes all Bonds then Outstanding and the proposed additional Parity Bonds or (ii) the Pledged Revenues (excluding Investment Earnings, if any, on the Construction Fund) of the System for a period of 12 consecutive months of the most recent 18 consecutive months prior to the issuance of the additional Parity Bonds were equal to at least 120% of the Maximum Debt Service computed on a basis which includes all Bonds then Outstanding and the proposed additional Parity Bonds. This statement may contain the following adjustments to Pledged Revenues:

(i) An adjustment equal to 100% of the increased annual amount attributable to any revision in the schedule of rates and charges imposed not less than 3 months prior to the date of delivery of such additional Parity Bonds and not fully reflected in the audited Net Operating Revenues actually received during such 12-month period. Such adjustment shall be based upon certification by a Qualified Engineer as to the amount of Net Operating Revenues which would have been received during such 12-month period had the new rates been in effect throughout such 12-month period.

(ii) An adjustment equal to 100% of additional new Net Operating Revenues estimated to be received in the first Fiscal Year after delivery of the additional Parity Bonds from connections to the System certified in writing by a Qualified Engineer to have been made during and after such 12-month period to the extent that such new Net Operating Revenues are not taken into account under paragraph (a) above under this heading.

(b) If the additional Parity Bonds are issued for the purpose of paying the cost of acquiring other existing water or water utilities, this statement may also contain an adjustment of Pledged Revenues to reflect 90% of the additional estimated Pledged Revenues which in the written opinion of a Qualified Engineer will be derived from the acquired utility during the first complete Fiscal Year after the issuance of such additional Parity Bonds. Such Qualified Engineer's opinion shall be signed and filed with the Issuer and with the Bond Registrar. The Qualified Engineer's report shall be based on the actual operating revenues of the acquired utility for a recent 12-month period adjusted to reflect the Issuer's ownership and the Issuer's rate structure in effect with respect to the System at the time of the issuance of the additional Parity Bonds.

(c) If the additional Parity Bonds are issued for the purpose of paying the cost of construction of additions, extensions or improvements to the System, and if monies to pay interest on the additional Parity Bonds have been deposited in the Interest Account from Bond proceeds or funds on hand in an amount sufficient to pay interest falling due on such Bonds for the period from the date of issuance thereof until the anticipated completion of the construction of such additions, extensions or improvements, such statement may also contain an adjustment of the Net Operating Revenues to reflect 90% of the additional estimated annual Net Operating Revenues which in the written opinion of a Qualified Engineer will be derived during the first complete Fiscal Year after the completion of such construction from connections to the proposed additions, extensions or improvements. Such Qualified Engineer's opinion shall be signed and filed with the Issuer and with the Bond Registrar.

(d) The Independent Certified Public Accountant's statement shall also express the opinion that the payments required to be made into the various funds and accounts established in the Bond Ordinance are current.

(e) The Series Ordinance authorizing the additional Parity Bonds issued as Reserve Fund Bonds must require (i) that the amount to be accumulated and maintained in the Debt Service Reserve Account be increased to not less than 100% of the Debt Service Reserve Requirement computed on a basis which includes all Reserve Fund Bonds then Outstanding and the additional Parity Bonds issued as Reserve Fund Bonds and (ii) that the amount of such increase be deposited in equal monthly installments in such account over a 24-month period, to the extent not covered by deposits from Bond proceeds or funds on hand and if so provided by Series Ordinance.

(f) The Series Ordinance authorizing the additional Parity Bonds must require the proceeds of such additional Parity Bonds to be used solely for the making of capital improvements to the System or for the acquisition of existing or proposed water utilities, including refunding other obligations issued for such purpose (whether or not such refunding Bonds satisfy the requirements under the heading "Refunding Bonds" herein), and the payment of expenses incidental thereto and to the issuance of the additional Parity Bonds.

(g) In the event that such Parity Bonds bear interest a Variable Rate, the proceedings under which such Parity Bonds are issued shall provide a "cap" or a maximum rate of interest per annum which such Parity Bonds may bear, and in the event that the Issuer enters into a contract with a Credit Facility Provider to provide liquidity for such Parity Bonds (i) the interest rate payable to the Credit Facility Provider must be specified at the time of issuance of such Parity Bonds, (ii) any acceleration of principal payments due to the Credit Facility Provider or any interest due in excess of the interest payable on such Parity Bonds must be subordinate to the payment of debt service of the Bonds Outstanding under the Bond Ordinance, and (iii) the Credit Facility Provider must be rated in the highest short-term rating category by Standard & Poor's Corporation, Moody's Investors Service, Inc. or A. M. Best & Company.

(h) The Chief Officer must certify that the Issuer is in compliance with all requirements under the heading "Parity Bonds Generally."

(i) The Issuer must receive an opinion of counsel to the Issuer to the effect that the proceedings authorizing the issuance of Parity Bonds have been duly adopted by the Issuer.

Accession of Junior Lien Obligations to Parity Status

By proceedings authorizing obligations junior in lien on the Pledged Revenues to the Bonds, the Issuer may provide for the accession of such junior lien obligations to the status of complete parity with the Bonds when there shall have been filed with the Issuer and the Bond Registrar a certificate of an Independent

Certified Public Accountant meeting the requirements of paragraph (a) under the heading "Parity Bonds Generally" herein, and further reciting the opinion:

(a) that the Debt Service Reserve Account contains an amount equal to the Debt Service Reserve Requirement computed on a basis which includes all Outstanding Reserve Fund Bonds and such junior lien obligations if such junior lien obligations are secured by the Debt Service Reserve Account;

(b) that all payments into the various funds and accounts required in the Bond Ordinance to be held are current as of the date of accession; and

(c) that the Interest Account and the Principal Account contain the respective amounts which would have been required to be accumulated therein on the date of accession if the junior lien obligations had originally been issued as Parity Bonds (such amounts shall be shown in such certificate).

Adoption of Proceedings and Validation

The Issuer shall pass proper proceedings authorizing the issuance of any Parity Bonds and shall set forth in such proceedings, among other things, the date or dates such Parity Bonds shall bear and the rate or rates of interest, maturity date or dates and redemption provisions with respect thereto and any other matters applicable thereto as the Issuer may deem advisable. The interest on any Parity Bonds shall be due and payable on each Interest Payment Date and such Parity Bonds shall mature (or be subject to mandatory redemption) as provided in the Series Ordinance.

Any such proceeding or proceedings shall restate and reaffirm, by reference, all of the applicable terms, conditions and provisions of the Bond Ordinance not modified in such proceedings.

All Parity Bonds and all proceedings relative thereto and the security therefor shall be validated as and if then prescribed by law.

Proceedings Authorizing Parity Bonds

Any subsequent proceeding or proceedings authorizing the issuance of Parity Bonds shall in no respect conflict with the terms and conditions of the Bond Ordinance.

Applicability to Parity Bonds

The provisions of the Bond Ordinance shall be construed as including and being applicable to any future issue or issues of Parity Bonds and any such Parity Bonds shall be treated for all intents and purposes, unless otherwise specifically stated, just as if they had been issued together with the Series 2024 Bonds and the Series 2014 Bonds and pursuant to the terms of the Bond Ordinance.

Maintenance of the System in Good Condition

The Issuer has covenanted to enforce reasonable rules and regulations governing the System and the operation thereof, that all compensation, salaries, fees and wages paid by it in connection with the operation, maintenance and repair of the System will be reasonable, and that no more persons will be employed by it than are necessary, that it will operate the System in an efficient and economical manner and will at all times maintain the System in good repair and in sound operating condition, that it will make all necessary repairs, renewals and replacements to the System, and that it will comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to the System and the Issuer's operation thereof.

Insurance

With respect to the System, the Issuer will carry adequate public liability, fidelity and property insurance including but not limited to the following:

(a) comprehensive general liability insurance on an occurrence or claims made basis with respect to the operation of the System; and

(b) the following properties will at all times be insured to the full insurable value thereof with a responsible insurance company or companies, authorized and qualified under the laws of the State to assume the risks thereof against loss or damage from the following causes: (i) all buildings and all machinery and equipment therein against loss or damage by fire, lightning, tornado, winds and explosions; (ii) all other property against loss or damage by fire or lightning if the same is not fireproof, and against loss or damage from other causes customarily insured against by entities engaged in similar enterprises of like size; and

(c) fidelity bonds or policies covering all agents, employees and officials of the Issuer whose duties involve the receipt, custody, investment or disbursement of Revenues of the System, including proceeds from the sale of Bonds, in an amount not less than the greatest amount reasonably anticipated to be within the custody or control of such officer, agent or employee at one time.

All such policies shall be for the benefit of and made payable to the Issuer and shall be on deposit with the Issuer; provided, however, the Issuer may elect to be a self-insurer with respect to property damage to any mobile equipment used in connection with the operation and maintenance of the System. The cost of such insurance may be paid as an Expense of Operation and Maintenance.

All monies received for losses under any such insurance policies, except public liability policies, are hereby pledged by the Issuer as security for the Bonds until and unless such proceeds are paid out in making good the loss or damage in respect of which such proceeds are received, either by repairing the property damaged or replacing the property destroyed or by depositing the same in the Renewal and Extension Fund. Adequate provision for making good such loss and damage shall be made within 120 days from the date of the loss. Insurance proceeds not used in making such provision shall be deposited in the Renewal and Extension Fund on the expiration of such 120-day period. Such insurance proceeds shall be payable to the Issuer by appropriate clause to be attached to or inserted in the policies.

No Sale, Lease or Encumbrance; Exceptions

Except as expressly permitted in the Bond Ordinance, the Issuer has irrevocably covenanted not to sell, lease, encumber or in any manner dispose of the System as a whole until all of the Bonds and all interest thereon shall have been paid in full or provision for payment has been made in accordance with the provisions under the heading "Defeasance; Provision for Payment".

The Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System in the following manner, if any one of the following conditions exists: (a) such property is not necessary for the operation of the System; (b) such property is not useful in the operation of the System; (c) such property is not profitable in the operation of the System; or (d) the disposition of such property will be advantageous to the System and will not adversely affect the security for the Bondholders. All proceeds of any such sale shall be deposited in the Renewal and Extension Fund.

The Issuer reserves the right to transfer the System as a whole to any political subdivision or agency of one or more political subdivisions of the State of Georgia to which may be delegated the legal authority to own and operate the System, or portion thereof, on behalf of the public, and which undertakes in writing, filed with the Issuer, the Issuer's obligations under the Bond Ordinance; provided that there shall be first filed with the Issuer: (a) an opinion of nationally recognized bond counsel to the effect that such sale will not adversely affect the extent to which interest on any Tax-Exempt Bonds is excluded from gross income for federal income tax purposes; and (b) an opinion of a Qualified Engineer expressing the view that such transfer will not result in any diminution of Pledged Revenues to the extent that in any future Bond Year the Pledged Revenues will be less than 120% of Maximum Debt Service. In reaching this conclusion, the Qualified Engineer shall take into consideration such factors as the Qualified Engineer may deem significant, including any rate schedule to be imposed by the transferee political subdivision or agency.

Books, Records and Accounts

The Issuer shall, after the close of each Fiscal Year, cause the books, records and accounts of the System to be properly audited by an Independent Certified Public Accountant and shall require such auditors to complete their report within 180 days after the close of the Fiscal Year. The audit shall contain, but shall not be limited to, a balance sheet, an income statement, a statement of changes in financial position, a statement of changes in System equity and any other statement required by law or accounting convention, and an opinion by such auditor disclosing any material financial default on the part of the Issuer in the performance of any covenant in the Bond Ordinance. A copy of such annual audit shall be made available to any Bondholder on request.

Rights of Inspection

The holder or holders of $500,000 in aggregate principal amount of the Bonds or the insurer of any of the Bonds shall have the right at all reasonable times to inspect the System and all records, accounts and data of the Issuer relating thereto. Upon request the Issuer will furnish to such holder or holders or insurer such financial statements and other available information relating to the Issuer and the System as such holder or holders or insurer may from time to time reasonably require.

Employees' Salaries

No part of the salary of any Issuer employee shall be charged against the Revenues unless, and only to the extent that, the duties and performance of such employee appertain to the operation of the System.

No Impairment of Rights

The Issuer shall not enter into any contract or contracts, nor take any action, the results of which might impair the rights of the Bondholders.

Satisfaction of Liens

The Issuer will from time to time duly pay and discharge or cause to be paid and discharged all taxes, assessments and other governmental charges, if any, lawfully imposed upon the System or any part thereof or upon the Pledged Revenues, as well as any lawful claims for labor, materials or supplies which if unpaid might by law become a lien or charge upon the System or the Pledged Revenues or any part thereof or which might impair the security of the Bonds, except when the Issuer in good faith contests its liability to pay the same.

Compulsory Connections

In consideration of the purchase of the Bonds and in order better to secure the prompt payment of principal and interest thereon, as well as for the purpose of protecting the health and welfare of the inhabitants of the Issuer, and acting under authority of the general laws of Georgia, the Issuer will, to the extent permitted by law and to the extent not prevented by physical impediments, require every owner of each lot and parcel of land in the jurisdiction which is served by the Issuer and which abuts upon any street or public way containing a water or sewage line forming a part of the System and upon which lot a building shall subsequently be constructed for residential, commercial or industrial use, to connect such building to such water or sewage line and to refrain from using any other method for obtaining water or the disposal of sewage.

Enforcement of Charges and Connections

The Issuer has covenanted compel the prompt payment of rates, fees and charges imposed for service rendered on every lot or parcel connected with the System, and to vigorously enforce all of the provisions of any ordinance of the Issuer having to do with water and sewage connections and with water charges, and all of the rights and remedies permitted the Issuer under law. The Issuer has expressly covenanted that such charges will be enforced and promptly collected to the full extent permitted by law, including the requirement for the making of reasonable deposits by customers of the System to the extent required by the Issuer.

Disconnection of Water for Non-Payment

The Issuer has agreed to diligently enforce payment of all bills for services supplied by the System. If a bill becomes delinquent and remains so for a period to be determined in accordance with Issuer policy from time to time, the Issuer will discontinue water service in accordance with Georgia law to any premises the owner or occupant of which shall be so delinquent, and will not recommence such service to such premises until all delinquent charges with penalties shall have been paid in full or provisions for such payment satisfactory to the Issuer shall have been made. The Issuer will do all things and exercise all remedies reasonably available to assure the prompt payment of charges for all services supplied by the System.

Payments to Bondholders

All payments falling due on the Bonds for principal and interest shall be made by the Issuer from the Pledged Revenues or, at the Issuer's option, other legally available revenues to the holders thereof when due in full and all reasonable and authorized charges made by the Bond Registrar and any Paying Agent shall be paid by the Issuer.

No Loss of Lien on Revenues

The Issuer shall not do, or omit to do, or suffer to be done or to be omitted any matter or thing whatsoever whereby the lien of the Bonds on the Pledged Revenues or any part thereof might or could be lost or impaired.

Annual Budget

The Issuer has agreed to adopt the budget for the System for each Fiscal Year in compliance with the rate covenants and in accordance with Georgia law.

Tax Provisions; Arbitrage; Rebate Fund

The Issuer recognizes that the purchasers and holders of Tax-Exempt Bonds will have accepted the Tax-Exempt Bonds on, and paid therefor a price which reflects, the understanding that interest thereon is not included in the gross income of the holders for purposes of federal income taxation under laws in force at the time such Tax-Exempt Bonds shall have been delivered. The Issuer has agreed that it shall take no action which may cause the interest on any of the Tax-Exempt Bonds to be included in the gross income of the holders for purposes of federal income taxation. Prior to or contemporaneously with delivery of each series of Tax-Exempt Bonds, the Chief Officer and Attesting Officer shall execute a tax and non-arbitrage certificate on behalf of the Issuer respecting the investment of the proceeds of such series of Tax-Exempt Bonds. Such certificate shall be a representation and certification of the Issuer, and an executed copy thereof shall be filed with the Bond Registrar. The Issuer shall not knowingly invest or participate in the investment of any monies held under the Bond Ordinance which investment would cause interest on any Tax-Exempt Bonds to be included in gross income for purposes of federal income taxation.

The Chief Officer or Attesting Officer may execute and deliver, on behalf of the Issuer, such agreements, filings and other writings as may be necessary or desirable to cause or bind the Issuer to comply with any requirements for rebating under Section 148(f) of the Code and any regulations promulgated with respect to any such rebate requirements or such certificate or other writing as may be necessary or desirable to qualify for exemption from such rebate requirements.

Should any Tax-Exempt Bonds or “gross proceeds” thereof be subject to the rebate requirement of Section 148(f) of the Code, the Issuer hereby agrees that it shall calculate, from time to time not less frequently than as required in the opinion of Bond Counsel in order to comply with the provisions of Section 148(f) of the Code and any applicable temporary, proposed or final Treasury Regulations, the amounts required to be rebated to the United States, and that it shall deposit or cause to be deposited into the Rebate Fund any and all of such amounts promptly following a determination of any such amount.

To the extent and at the times required in order to comply with Section 148(f) of the Code and any applicable temporary, proposed or final Treasury Regulations, the Issuer may withdraw funds from the Rebate Fund for the purpose of making rebate payments to the United States as required by Section 148(f) of the Code.

All earnings on investments held in the Rebate Fund shall be retained in the Rebate Fund and shall become part thereof. Monies held in the Rebate Fund, including the investment earnings thereon, if any, shall not be subject to a pledge in favor of the owners of the Bonds under the Bond Ordinance.

The custodian of the Rebate Fund shall not be responsible for determining whether any funds invested are invested in compliance with the Code. In the event the Issuer shall direct the custodian of the Rebate Fund to make any disbursement therefrom, the Issuer may designate which obligations in the Rebate Fund shall be converted or sold in order to generate monies to make such disbursement, and in the absence of any such designation by the Issuer, the custodian of the Rebate Fund may select the obligations to be sold or converted. The custodian of the Rebate Fund shall have no liability for any loss incurred in connection with any investment or the sale or liquidation or disposition thereof pursuant hereto or for determining the amount to be deposited into or withdrawn from the Rebate Fund or the timing thereof. The custodian of the Rebate Fund shall maintain records of the timing and amount of all deposits into, withdrawals from, or investment of monies held in, the Rebate Fund. At such times as the Issuer shall direct in writing, the custodian of the Rebate Fund shall file a report with the Issuer showing all deposits into or withdrawals from the Rebate Fund, and the income (or loss) or other earnings of any investments therein and the current investments held in the Rebate Fund.

The Issuer shall have the right to create special accounts, from time to time, in the Rebate Fund as it may deem desirable.

If the Issuer shall deliver to the custodian of the Rebate Fund a certificate, signed by an officer of the Issuer, certifying that the Issuer has filed all reports required to be filed with the United States pursuant to Section 148(f) of the Code and has made all payments required to be made to the United States pursuant to Section 148(f) of the Code, then the custodian of the Rebate Fund shall transfer to, or upon the order of, the Issuer all monies or investments remaining in the Rebate Fund which monies may be applied by the Issuer for any lawful purpose.

The Issuer hereby covenants and agrees that it will not make or permit any use of the proceeds of the sale of any Tax-Exempt Bonds, or any other monies arising out of the System or otherwise, or use or permit the use of any of the facilities being financed or refinanced thereby or any other portion of the System which would cause any Tax-Exempt Bonds or any portion thereof to be "private activity bonds" within the meaning of Section 141 of the Code. The Issuer further covenants to take any and all action which may be required from time to time in order to insure that interest on the Tax-Exempt Bonds shall remain excludable from the gross income of the owners of the Tax-Exempt Bonds for federal income tax purposes and to refrain from taking any action which would adversely affect such status.

The covenants, certifications, representations and warranties contained in the heading "Tax Provisions; Arbitrage; Rebate Fund" shall survive payment in full or provision for payment in full of the Tax-Exempt Bonds.

Payments to Issuer Must be in Monies

The Issuer shall require all payments to be made to the Issuer as water service charges to be made in lawful monies of the United States of America and will not accept as payment any of the Bonds or any other obligation or security.

Events of Default

An "Event of Default" means the occurrence of any one or more of the following:

(a) default shall be made in the payment of the principal or redemption price of any Bond when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise; or

(b) default shall be made in the payment of any installment of interest on any Bond when and as such installment of interest shall become due and payable; or

(c) default shall be made by the Issuer in the performance of any obligation in respect of the Debt Service Reserve Account and such default shall continue for 30 days thereafter; or

(d) the Issuer shall (i) admit in writing its inability to pay its debts generally as they become due, (ii) file a petition in bankruptcy or take advantage of any insolvency act, (iii) make an assignment for the benefit of its creditors, or (iv) consent to the appointment of a receiver of itself or of the whole or any substantial part of its property; or

(e) a court of competent jurisdiction shall enter an order, judgment or decree appointing a receiver of the System or any of the funds or accounts required by the Bond Ordinance, or of the whole or any substantial part of the Issuer's property, or approving a petition seeking reorganization of the Issuer under the federal bankruptcy laws or any other applicable law or statute of the United States of America or the State, and such order, judgment or decree shall not be vacated or set aside or stayed within 60 days from the date of the entry thereof; or

(f) under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of any of the funds or accounts required by the Bond Ordinance, or of the Issuer or of the whole or any substantial part of the Issuer's property, and such custody or control shall not be terminated or stayed within 60 days from the date of assumption of such custody or control; or

(g) the Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in the Bond Ordinance on the part of the Issuer to be performed, and such default shall continue for 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer by the owners or an insurer of not less than 25% of the Bonds; provided, however, if the failure stated in such notice can be corrected, but not within such 30-day period, the Issuer shall have 90 days after such written notice to cure such default if corrective action is instituted by the Issuer within such 30-day period and diligently pursued until the default is corrected; or

(h) an Event of Default under any Series Ordinance shall occur;

then in each and every such case any owner of the Bonds affected by the Event of Default and then Outstanding or an agent or trustee therefor may proceed to protect and enforce its rights and the rights of the owners of the Bonds by a suit, action or special proceeding in equity or at law, by mandamus or otherwise, either for the specific performance of any covenant or agreement contained in the Bond Ordinance or in aid or execution of any power granted in the Bond Ordinance or for any enforcement of any proper legal or equitable remedy (including the appointment of a receiver) as the Bondholder or Bondholders shall deem most effective to protect and enforce the rights aforesaid.

Remedies

(a) Upon the happening and continuance of any Event of Default, then and in every such case, upon the written declaration of the owners of more than 50% in aggregate principal amount of all Bonds then Outstanding or upon the written demand of a Credit Facility Provider securing more than 50% in aggregate principal amount of the Bonds then Outstanding, the principal of all Bonds then Outstanding shall become due and payable immediately, together with the interest and premium (if any) accrued thereon to the date of such acceleration, at the place of payment provided therein, and interest on the Bonds shall cease to accrue after the date of such acceleration, anything in the Bond Ordinance or in the Bonds to the contrary notwithstanding.

Upon any declaration of acceleration under the Bond Ordinance, the Issuer shall immediately draw under the applicable Credit Facility to the extent permitted by the terms thereof that amount which, together with other amounts on deposit under the Bond Ordinance, shall be sufficient to pay the principal of and accrued interest and premium (if any) on the related Bonds so accelerated.

(b) The above provisions, however, are subject to the condition that if, after the principal of the Bonds shall have been so accelerated, all arrears of interest upon such Bonds, and interest on overdue installments of interest at the rate on such Bonds, shall have been paid by the Issuer, the principal of such Bonds that has matured (except the principal of any Bonds not then due by their terms except as provided above) has been paid, and the Issuer shall also have performed all other things in respect to which it may have been in default under the Bond Ordinance, and the Credit Facility Provider shall have reinstated the Credit Facility in the full amount available to be drawn thereunder by written notice to the Issuer, then, in every such case, the owners of more than

50% in aggregate principal amount of all Bonds then Outstanding by written notice to the Issuer, may waive such default and its consequences and such waiver shall be binding upon the Issuer and upon all owners of the Bonds; but no such waiver shall extend to or affect any subsequent default or impair any right or remedy consequent thereon. Notwithstanding the foregoing, as long as the applicable Credit Facility Provider shall not then continue to dishonor draws under the Credit Facility, no Event of Default with respect to the related Bonds may be waived without the express written consent of such Credit Facility Provider.

(c) Upon the happening and continuance of any Event of Default, any owner of Bonds then Outstanding affected by the Event of Default or a duly authorized agent for such owner may proceed to protect and enforce its rights and the rights of the owners of Bonds by such of the following remedies as it shall deem most effectual to protect and enforce such rights:

(i) by mandamus or other suit, action or proceeding at law or in equity, enforce all rights of the owners of Bonds, including the right to require the appointment of a receiver for the System or to exercise any other right or remedy provided by the Revenue Bond Law (O.C.G.A. § 36-82-60 et seq.) (the "Revenue Bond Law") and to require the Issuer to perform any other covenant or agreement contained in the Bond Ordinance and to perform its duties under the Revenue Bond Law;

(ii) by bringing suit upon the Bonds;

(iii) by action or suit in equity, require the Issuer to account as if it were the trustee of an express trust for the owners of the Bonds;

(iv) by action or suit in equity, enjoin any acts or things that may be unlawful or in violation of the rights of the owners of the Bonds; or

(v) by pursuing any other available remedy at law or in equity or by statute.

(d) In the enforcement of any remedy under the Bond Ordinance, owners of Bonds shall be entitled to sue for, enforce payment on, and receive any and all amounts then or during any default becoming, and at any time remaining, due from the Issuer for principal, redemption premium, interest or otherwise, under any provision of the Bond Ordinance or of the Bonds, and unpaid, with interest on overdue payments at the rate or rates of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings under the Bond Ordinance and under such Bonds, without prejudice to any other right or remedy of the owners of Bonds, and to recover and enforce a judgment or decree against the Issuer for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect from any moneys available for such purpose, in any manner provided by law, the moneys adjudged or decreed to be payable.

Remedies Cumulative

No remedy conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Bond Ordinance or now or hereafter existing at law or in equity or by statute.

Waiver of Default

No delay or omission of any Bondholder to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of

Default, or an acquiescence therein; and every power and remedy given to the Bondholders may be exercised from time to time, and as often as may be deemed expedient.

Application of Monies After Default

If an Event of Default shall happen and shall not have been remedied, the Issuer or a receiver appointed for the purpose shall apply all Pledged Revenues as follows and in the following order:

(a) Expenses of Receiver and Bond Registrar - to the payment of the reasonable and proper charges, expenses and liabilities of the receiver and Bond Registrar under the Bond Ordinance;

(b) Expenses of Operation and Maintenance and Renewals and Replacements - to the payment of all reasonable and necessary Expenses of Operation and Maintenance and major renewals and replacements;

(c) Principal or Redemption Price and Interest - to the payment of the interest and principal or redemption price then due on the Bonds, as follows:

(i) Unless the principal of all the Bonds shall have become due and payable, all such monies shall be applied as follows:

first: to the payment to the persons entitled thereto of all installments of interest then due, in the order of the maturity of such installments (with interest on defaulted installments of interest at the rate or rates borne by the Bonds with respect to which such interest is due to the extent permitted by law), and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference. If some of the Reserve Fund Bonds bear interest payable at different intervals or upon different dates than the semiannual Interest Payment Dates specified for the Series 2024 Bonds, and if at any time monies from the Debt Service Reserve Account must be used to pay any such interest on such Reserve Fund Bonds, the monies in the Debt Service Reserve Account shall be applied (to the extent necessary) to the payment of all interest on such Reserve Fund Bonds falling due on the dates upon which such interest is payable to and including the next succeeding semiannual Interest Payment Date specified for the Series 2024 Bonds. After such date, monies in the Debt Service Reserve Account plus any other monies available in the Interest Account shall be set aside for the payment of interest on Reserve Fund Bonds of each class (a class consisting of all Reserve Fund Bonds payable as to interest on the same dates) pro rata among Reserve Fund Bonds of the various classes on a daily basis so that there shall accrue to each holder of such Reserve Fund Bonds throughout each Bond Year the same proportion of the total interest payable to such holder of Reserve Fund Bonds as shall so accrue to every other holder of Reserve Fund Bonds during said year. As to any Compound Interest Bond, such interest shall accrue on the Accreted Value of such Bond and be set aside on a daily basis until the next semiannual compounding date for such Bonds, whereupon it shall be paid to the owner of such Bond as interest on a defaulted obligation and only the unpaid portion of such interest (if any) shall be treated as principal of said Bond.

second: to the payment to the persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due at maturity or upon mandatory redemption prior to maturity (other than Bonds called for redemption for the payment of which monies are held pursuant to the provisions under the heading "Defeasance; Provision for Payment"), in the order of their due dates, with interest upon such Bonds from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment first of such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal, ratably according to the amount of such principal due on such date, to the persons entitled thereto without any discrimination or preference. If some of the Reserve Fund Bonds mature (including mandatory redemption prior to maturity as a maturity) upon a different date or dates than the semiannual Interest Payment Dates specified for the Series 2024 Bonds, and if at any time monies from the Debt Service Reserve Account must be used to pay any such principal falling due on such Reserve Fund Bonds, the monies in the Debt Service Reserve Account not required to pay interest under paragraph first above shall be applied to the extent necessary to the payment of all principal falling due on such Reserve Fund Bonds on the dates upon which such principal is payable to and including the semiannual Interest Payment Date specified for the Series 2024 Bonds. After such date, monies in the Debt Service Reserve Account not required to pay interest plus any other monies available in the Principal Account shall be set aside for the payment of principal of Reserve Fund Bonds of each class (a class consisting of all Reserve Fund Bonds payable as to principal on the same date) pro rata among Reserve Fund Bonds of the various classes which mature or must be redeemed pursuant to mandatory redemption prior to maturity throughout each Bond Year in such proportion of the total principal payable on each such Reserve Fund Bond as shall be equal among all classes of Reserve Fund Bonds maturing or subject to mandatory redemption within such Bond Year. All accreted interest on a Compound Interest Bond (except for interest which shall have been paid under paragraph first) shall be treated as principal for purposes of this paragraph second.

third: to the payment of the redemption premium on and the principal of any Bonds called for optional redemption pursuant to their terms.

(ii) If the principal of all the Bonds shall have become due and payable, all such monies shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, with interest thereon as aforesaid, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bonds, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference.

Manner of Evidencing Ownership of Bonds

Any request, direction or other instrument required by the Bond Ordinance to be signed or executed by Bondholders may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such request, direction or other instrument, or of the writing appointing such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any purpose of the Bond Ordinance.

The fact and date of the execution by any person of any such writing may be provided by the certificate of any officer in any jurisdiction, who, by the laws thereof, has power to take acknowledgments within such jurisdiction, to the effect that the person signing such writing acknowledged before him the execution thereof, or by an affidavit of a witness to such execution; provided that the execution of the form of assignment on the back of each Bond may be guaranteed only by a member of the New York Stock Exchange or a commercial bank or trust company. The fact of the owning of the Bonds by any Bondholder and the amount and issue numbers of such Bonds and the date of his owning the same shall be proved by the Bond Register.

Call of Meetings of Bondholders

The Issuer or the owners of not less than 25% in principal amount of the Bonds may at any time call a meeting of the Bondholders for any one or more of the following purposes:

(a) to consent to, approve, request or direct any action required to be consented to or approved by the Bondholders under the Bond Ordinance or which they may request or direct under the Bond Ordinance to be taken;

(b) to give any notices to the Issuer;

(c) to take any other action which the Bondholders may take under the Bond Ordinance; and

(d) for any other purpose concerning the payment, security or enforcement of the Bonds.

Any such meeting shall be held at such place in Atlanta, Georgia, or in New York, New York as may be specified in the notice calling such meeting. Written notice of such meeting, stating the place and time of the meeting and in general terms the business to be submitted, shall be mailed by the Issuer or the Bondholders calling such meeting to the Bondholders at their addresses then appearing upon the Bond Register not less than 30 days nor more than sixty 60 days before such meeting; provided, however, that the mailing of such notice shall in no case be a condition precedent to the validity of any action taken at any such meeting. Any meeting of Bondholders shall, however, be valid without notice if the Bondholders are present in person or by proxy or if notice is waived before or within 30 days after the meeting by the Bondholders not so present.

Proxies and Proof of Ownership of Bonds

Attendance and voting by Bondholders at such meetings may be in person or by proxy. The Bondholders may, by an instrument in writing, appoint any person or persons, with full power of substitution, as their proxy to vote at any meeting for them. The right of a proxy for a Bondholder to attend a meeting and act and vote may be proved (subject to the right of the Issuer to require additional proof) by a written instrument executed by such Bondholder.

Any registered owner of Bonds shall be entitled in person or by proxy to attend and vote at such meeting without producing the Bonds registered in such Bondholder’s name; provided, however, that such persons and their proxies shall, if required, produce such proof of personal identity as shall be satisfactory to the Secretary of the meeting. All other persons seeking to attend or vote at such meeting must produce the Bonds claimed to be owned or represented at such meeting.

The vote of any Bondholder shall be binding upon such Bondholder and upon every subsequent holder of such Bond (whether or not such subsequent Bondholder has notice thereof).

Appointment of Officers at Meeting of Bondholders

A Chairman and a Secretary of any meeting of the Bondholders shall be elected by the Bondholders of a majority in principal amount of the Bonds represented at such meeting in person or by proxy. The Chief Officer shall appoint two (2) Inspectors of Votes who shall count all votes cast at such meeting, except votes on the election of Chairman and a Secretary, and who shall make and file with the Secretary and with the Issuer their verified report of all such votes cast at the meeting.

Quorum at Meetings of Bondholders

The owners of not less than the principal amount of the Bonds required for any action to be taken at such meeting must be present at such meeting in person or by proxy in order to

Defeasance; Provision for Payment

Bonds for the payment or redemption of which sufficient monies or sufficient Qualified Permitted Investments shall have been deposited with the Bond Registrar (whether upon or prior to the maturity or the redemption date of such Bonds) shall be deemed to be paid and no longer Outstanding under the Bond Ordinance; provided, however, that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given or firm and irrevocable arrangements shall have been made for the giving thereof. Qualified Permitted Investments shall be considered sufficient for purposes described under this heading only (a) if such Qualified Permitted Investments are not callable by the issuer of the Qualified Permitted Investments prior to their stated maturity; and (b) if such Qualified Permitted Investments fall due and bear interest in such amounts and at such times as will assure sufficient cash (whether or not such Qualified Permitted Investments are redeemed by the Issuer pursuant to any right of redemption) without reinvestment to pay currently maturing interest and to pay principal and redemption premiums (if any) when due on the Bonds, and if any such Bonds are Tax-Exempt Bonds, without rendering the interest on such Tax-Exempt Bonds includable in gross income for purposes of federal income taxation under the Code. Any provision for payment of the Bonds made through deposit of Qualified Permitted Investments in accordance with this paragraph shall be accompanied by (x) a verification report as to the sufficiency of such Qualified Permitted Investments given by an Independent Certified Public Accountant and (y) if such Bonds are Tax-Exempt Bonds, an opinion of Bond Counsel to the effect that such defeasance will not adversely affect the tax-exempt status of interest on such Tax-Exempt Bonds.

The Issuer may at any time surrender to the Bond Registrar for cancellation by it any Bonds previously authenticated and delivered under the Bond Ordinance which the Issuer may have acquired in any manner whatsoever. All such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

Supplemental Ordinances and Ordinances Not Requiring Consent of Bondholders

The Issuer, from time to time and at any time, subject to the conditions and restrictions in the Bond Ordinance, may enact one or more ordinances which thereafter shall form a part of the Bond Ordinance, for any one or more or all of the following purposes:

(a) To add to the covenants and agreements of the Issuer in the Bond Ordinance, other covenants and agreements thereafter to be observed or to surrender, restrict or limit any right or power reserved in the Bond Ordinance to or conferred upon the Issuer (including but not limited to the right to issue Parity Bonds);

(b) To make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the Bond Ordinance, or in regard to matters or questions arising under the Bond Ordinance, as the Issuer may deem necessary or desirable and not inconsistent with the Bond Ordinance and which shall not have a material, adverse effect on the interests of the owners of the Bonds;

(c) To grant to or confer any additional rights, remedies, powers or authorities that may be lawfully granted to or conferred upon the owners of the Bonds;

(d) To subject to the lien and pledge of the Bond Ordinance additional rents, revenues, receipts, properties or other collateral;

(e) To evidence the appointment of successors to any Depositories, custodians, Paying Agent(s) or Bond Registrar(s);

(f) To modify, amend or supplement the Bond Ordinance or any proceedings supplemental to the Bond Ordinance in such manner as to permit the qualification of the Bond Ordinance under the Trust Indenture Act of 1939 or any federal statute hereinafter in effect, and similarly to add to the Bond Ordinance, or to any proceedings supplemental to the Bond Ordinance, such other terms, conditions and provisions as may be permitted or required by such Trust Indenture Act of 1939 or any similar federal statute;

(g) To make any modification or amendment of the Bond Ordinance, not adverse to the interest of the owners of the Bonds, required in order to make the Bonds eligible for acceptance by The Depository Trust Company or any similar holding institution or to permit the issuance of the Bonds or interests therein in Book-Entry Form;

(h) To modify any of the provisions of the Bond Ordinance in any respect provided that such modification shall not be effective until after the Bonds Outstanding immediately prior to the effective date of such supplemental proceedings shall cease to be Outstanding and further provided that any Bonds issued contemporaneously with or after the effective date of such supplemental proceedings shall contain a specific reference to the modifications contained in such subsequent proceedings;

(i) Subject to the provisions of the Bond Ordinance relating to the Construction Fund, to modify or amend the provisions of the Bond Ordinance with respect to the disposition of any monies remaining in the Construction Fund upon the completion of any Project;

(j) To increase the size or scope of the System;

(k) To make amendments of the type authorized under Subsection 4.4(h) in the Bond Ordinance with respect to the use of a surety bond in the Debt Service Reserve Account; and

(l) To make such modifications in the provisions of the Bond Ordinance as may be deemed necessary by the Issuer to accommodate the issuance of Parity Bonds which (i) are Compound Interest Bonds or (ii) bear interest at a Variable Rate.

Any supplemental ordinance authorized by the provisions of this Section may be enacted by the Issuer without the consent of or notice to the owners of any of the Bonds at the time Outstanding notwithstanding the provisions described under the heading "Supplemental Ordinance Requiring Consent of Bondholders" below.

Supplemental Ordinance Requiring Consent of Bondholders

With the consent of the owners of not less than 51% in principal amount of the Bonds, the Issuer may from time to time and at any time enact a Bond Ordinance or ordinances supplemental to the Bond Ordinance for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Bond Ordinance or of any supplemental ordinance; provided, however, that no such supplemental ordinance shall: (a) extend the maturity date or due date of any mandatory sinking fund redemption with respect to any Bond Outstanding under the Bond Ordinance; (b) reduce or extend the time of payment of the principal of, redemption premium or interest on any Bond Outstanding under the Bond Ordinance; (c) reduce any premium payable upon the redemption of any Bond under the Bond Ordinance or advance the date upon which any Bond may first be called for redemption prior to its stated maturity date; (d) give to any Bond or Bonds a preference over any other Bond or Bonds; (e) except as expressly permitted in the Bond Ordinance, permit the creation of any mortgage, lien or any other encumbrance on the System having a lien equal to or prior to the lien created under the Bond Ordinance for the Bonds; (f) reduce the percentage of owners of the Bonds required to approve any such supplemental ordinance; or (g) deprive the owners of the Bonds (except as aforesaid) of the right to payment of the Bonds or from the Pledged Revenues without the consent of the owners of all the Bonds then Outstanding. No amendment may be made under which affects the rights or duties of the insurer of any of the Bonds without its consent.

In the event that the Issuer intends to enter into or adopt any modification, alteration or amendment of the Bond Ordinance as described under this under this “Supplemental Ordinance Requiring Consent of Bondholders” heading, the Issuer shall mail, by registered or certified mail, to the registered owners of the Bonds at their addresses as shown on the Bond Register, a notice of such intention along with a description of such amendment or modification not less than 30 days prior to the proposed effective date of such amendment or modification. The consents of the registered owners of the Bonds need not approve the particular form of wording of the proposed amendment, modification or supplement, but it shall be sufficient if such consents approve the substance thereof. Failure of the owner of any Bond to receive the notice required in the Bond Ordinance shall not affect the validity of any proceedings supplemental to the Bond Ordinance if the required number of owners of the Bonds shall provide their written consent to such amendment or modification.

Promptly after the enactment by the Issuer of any supplemental ordinance pursuant to the provisions under this “Supplemental Ordinance Requiring Consent of Bondholders” heading, the Issuer shall cause the Bond Registrar to mail a notice by registered or certified mail to the registered owners of all Bonds Outstanding at their addresses shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar setting forth in general terms the substance of such supplemental ordinance.

Amendment with Consent of Insurer Only

If all of the Bonds Outstanding shall have, when issued, been insured as to payment of principal and interest when due by an insurer in the business of insuring such risks, if such insurance is still in effect at the time of the proposed supplemental ordinance amending the Bond Ordinance, and if the credit of the insurer is then such that obligations insured by it are then rated, because of such insurance, in one of the two most secure grades of municipal securities by one of the two most widely nationally recognized rating agencies which regularly rate the credit of municipal bonds, the Issuer may amend all or any part of Articles IV through IX of the Original Bond Ordinance with the written consent of the insurer and the acknowledgment by the insurer that the insurance will remain in full force and effect. Such consent and acknowledgment shall be filed with the Bond Registrar and the consent of the holders of any Bonds shall not be necessary. The foregoing right of amendment, however, does not apply to any amendment to Article VI of the Original Bond Ordinance with respect to the exemption of interest on any Tax-Exempt Bonds from federal income taxation nor may any such amendment deprive the owner of any Bond of right to payment of such owner's Bonds from the Pledged Revenues altogether. After approval of the proposed supplemental ordinance amending the Bond Ordinance by the Issuer and the consent of the insurer, notice thereof shall be mailed in the same manner as notice of an amendment under the heading "Supplemental Ordinance Requiring Consent of Bondholders".

Construction Fund

Upon the enactment of a Series Ordinance calling for the construction of a Project, the Issuer shall establish within the Construction Fund a separate account for each Project. The Bond Ordinance establishes the Construction Fund and within the Construction Fund, a separate account for Series 2024 Project. Monies in the Construction Fund shall be held by such bank as may from time to time be designated by the Issuer, as Depository, and applied to the payment of the Costs of the Project, or for the repayment of advances made for that purpose in accordance with and subject to the provisions and restrictions set forth under this heading. The Issuer has covenanted that it will not cause or permit to be paid from the Construction Fund any sums except in accordance with such provisions and restrictions; provided, however, that any monies in the Construction Fund not presently needed for the payment of current obligations during the course of construction may be invested in Permitted Investments maturing not later than (i) the date upon which such monies will be needed according to a schedule of anticipated payments from the Construction Fund filed with the Issuer by the engineer in charge of the project or, (ii) in the absence of such schedule, 36 months from the date of purchase, in either case upon written direction of the Issuer. Any such investments shall be held by the Depository, in trust, for the account of the Construction Fund until maturity or until sold, and at maturity or upon such sale the proceeds received therefrom including accrued interest and premium (if any) shall be immediately deposited by the Depository in the Construction Fund and shall be disposed of in the manner and for the purposes provided in the Bond Ordinance.

Purposes of Payments

Monies in each separate account in the Construction Fund shall be used for the payment or reimbursement of the Costs of the Project for which such account was established.

Documentation of Payments

All payments from the Construction Fund shall be made upon draft except as provided in the Bond Ordinance, signed by the officers of the Issuer properly authorized to sign on the Issuer's behalf, but before they shall sign any such draft, there shall be filed with the Depository:

(a) A requisition for such payment (the above mentioned draft may be deemed a requisition for the purpose of this Section), stating each amount to be paid and the name of the person, firm or corporation to whom payment thereof is due;

(b) Except with respect to a requisition for the cost of the purchase of wastewater treatment rights or other non-construction work, a certificate executed by such officers attached to or included in the requisition and certifying:

(i) That an obligation in the stated amount has been incurred by the Issuer and that the same is a proper charge against the Construction Fund and has not been paid and stating that the bill or statement of account for such obligation, or a copy thereof is on file in the office of the Issuer;

(ii) That the signers have no notice of any vendor's, mechanic's or other liens or rights to liens, chattel mortgages, or conditional sales contracts which should be satisfied or discharged before such payment is made; and

(iii) That such requisition contains no item representing payment on account or any retained percentages which the Issuer is, at the date of any such certificate, entitled to retain.

(c) No requisition for payment shall be made until the Issuer has been furnished with a proper certificate of the supervising engineer that insofar as such obligation was incurred for work, material, supplies or equipment in connection with the undertaking, such work was actually performed, or such material, supplies or equipment was actually installed in or about the construction or delivered at the site of the work for that purpose.

In the event the United States government or government of the State, or any department of either, agrees to allocate monies to be used to defray any part of the cost of any Project upon the condition that the Issuer appropriate a designated amount of monies for such purpose, and it is required of the Issuer that its share of such cost be deposited in a special account, the Issuer shall have the right to withdraw any sum so required from the Construction Fund by appropriate transfer and deposit the same in a special account for that particular Project; provided, however, that all payments thereafter made from such special account shall be made only in accordance with the requirements set forth in this Section.

Withdrawals for investment purposes only may be made by the Depository to comply with written directions from the Issuer without any requisition other than such direction.

Retention of Payment Documents

All requisitions and certificates required must be retained for at least 5 years by the Depository subject at all times to inspection by any officer of the Issuer and the Bondholders.

Funds Remaining on Completion of a Project

The Issuer shall, when a Project has been completed, and may, when a Project has been substantially completed, file with the Depository a certificate signed by the Chief Officer estimating what portion of the funds remaining in the separate account relating to such Project will be required by the Issuer for the payment or reimbursement of the Costs of such Project. The Chief Officer shall attach to his certificate a certificate of the supervising engineer certifying that such Project has been completed or substantially completed, as the case may be, in accordance with the plans and specifications therefor and approving the estimates of the Chief Officer with respect to the portion of funds in the account required for Costs of the Project. Such funds that will not be used shall be transferred to the Sinking Fund and used to redeem Bonds on the earliest possible redemption date. When all monies have been withdrawn or transferred from any separate account within the Construction Fund in accordance with the provisions of the Bond Ordinance, such separate account shall terminate and cease to exist.

Payments Due on Saturdays, Sundays, etc.

Whenever a date upon which a payment is to be made under the Bond Ordinance falls on a Saturday, Sunday, a legal holiday or any other day on which banking institutions are authorized to be closed in the state in which the payment is to be made, such payment may be made on the next succeeding secular day without interest for the intervening period.

No Individual Responsibility of Members and Officers of Issuer

No stipulations, obligations or agreements of any member or of any officer of the Issuer shall be deemed to be stipulations, obligations or agreements of any such member or officer in his or her individual capacity.

Provisions Regarding Bond Insurer

(1) Notice and Other Information to be given to the Bond Insurer. The Issuer will provide the Bond Insurer with all notices and other information it is obligated to provide (i) under its continuing disclosure certificate, and (ii) to the holders of the Series 2024 Bonds or the Paying Agent under the Security Documents.

The notice address of the Bond Insurer is: Build America Mutual Assurance Company, 200 Liberty Street, 27th Floor, New York, NY 10281, Attention: Surveillance, Re: Policy No. ____________, Telephone: (212) 235-2500, Telecopier: (212) 962-1710, Email: notices@buildamerica.com. In each case in which notice or other communication refers to an event of default or a claim on the Policy, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel at the same address and at claims@buildamerica.com or at Telecopier: (212) 962-1524 and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

(2) Defeasance. The investments in the defeasance escrow relating to Series 2024 Bonds shall be limited to non-callable, direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, or as otherwise maybe authorized under State law and approved by the Bond Insurer.

At least three (3) Business Days prior to any defeasance with respect to the Series 2024 Bonds, the Issuer shall deliver to the Bond Insurer draft copies of an escrow agreement, an opinion of bond counsel regarding the validity and enforceability of the escrow agreement and the defeasance of the Series 2024 Bonds, a verification report (a "Verification Report") prepared by a nationally recognized independent financial analyst or firm of certified public accountants regarding the sufficiency of the escrow fund. Such opinion and Verification Report shall be addressed to the Bond Insurer and shall be in form and substance satisfactory to the Bond Insurer. In addition, the escrow agreement shall provide that:

(a) Any substitution of securities following the execution and delivery of the escrow agreement shall require the delivery of a Verification Report, an opinion of bond counsel that such substitution will not adversely affect the exclusion from gross income of the holders of the Series 2024 Bonds of the interest on the Series 2024 Bonds for federal income tax purposes and the prior written consent of the Bond Insurer, which consent will not be unreasonably withheld.

(b) The Issuer will not exercise any prior optional redemption of the Series 2024 Bonds secured by the escrow agreement or any other redemption other than mandatory sinking fund redemptions unless (i) the right to make any such redemption has been expressly reserved in the escrow agreement and such reservation has been disclosed in detail in the official statement for the refunding bonds, and (ii) as a condition to any such redemption there shall be provided to the Bond Insurer a Verification Report as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements remaining following any such redemption.

(c) The Issuer shall not amend the escrow agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without the prior written consent of the Bond Insurer.

(3) Paying Agent.

(a) The Bond Insurer shall receive prior written notice of any name change of the Paying Agent for the Series 2024 Bonds or the resignation or removal of the Paying Agent. Any Paying Agent must be (A) a national banking association that is supervised by the Office of the Comptroller of the Currency and has at least $250 million of assets, (B) a state-chartered commercial bank that is a member of the Federal Reserve System and has at least $1 billion of assets, or (C) otherwise approved by the Bond Insurer in writing.

(b) No removal, resignation or termination of the Paying Agent shall take effect until a successor, acceptable to the Bond Insurer, shall be qualified and appointed.

(4) Amendments, Supplements and Consents. The Bond Insurer's prior written consent is required for all amendments and supplements to the Security Documents, with the exceptions noted below. The Issuer shall send copies of any such amendments or supplements to the Bond Insurer and the rating agencies which have assigned a rating to the Series 2024 Bonds.

(a) Consent of the Bond Insurer. Any amendments or supplements to the Security Documents shall require the prior written consent of the Bond Insurer with the exception of amendments or supplements:

(i) To cure any ambiguity or formal defect or omissions or to correct any inconsistent provisions in the transaction documents or in any supplement thereto, or

(ii) To grant or confer upon the holders of the Series 2024 Bonds any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the holders of the Series 2024 Bonds, or

(iii) To add to the conditions, limitations and restrictions on the issuance of bonds or other obligations under the provisions of the Security Documents other conditions, limitations and restrictions thereafter to be observed, or

(iv) To add to the covenants and agreements of the Issuer in the Security Documents other covenants and agreements thereafter to be observed by the Issuer or to surrender any right or power therein reserved to or conferred upon the Issuer.

(b) Consent of the Bond Insurer in Addition to Bondholder Consent. Any amendment, supplement, modification to, or waiver of, any of the Security Documents that requires the consent of holders of the Series 2024 Bonds or adversely affects the rights or interests of the Bond Insurer shall be subject to the prior written consent of the Bond Insurer.

(c) Consent of the Bond Insurer in the Event of Insolvency. Any reorganization or liquidation plan with respect to the Issuer must be acceptable to the Bond Insurer. In the event of any reorganization or liquidation of the Issuer, the Bond Insurer shall have the right to vote on behalf of all holders of the Series 2024 Bonds absent a continuing failure by the Bond Insurer to make a payment under the Policy.

(d) Consent of the Bond Insurer Upon Default. Anything in the Security Documents to the contrary notwithstanding, upon the occurrence and continuance of a default or an event of default, the Bond Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the holders of the Series 2024 Bonds or the Paying Agent for the benefit of the holders of the Series 2024 Bonds under any Security Document. No default or event of default may be waived without the Bond Insurer's written consent.

(e) The Bond Insurer as Owner. Upon the occurrence and continuance of a default or an event of default, the Bond Insurer shall be deemed to be the sole owner of the Series 2024 Bonds for all purposes under the Security Documents, including, without limitations, for purposes of exercising remedies and approving amendments.

(f) Consent of the Bond Insurer for acceleration. The Bond Insurer's prior written consent is required as a condition precedent to and in all instances of acceleration.

(g) Grace Period for Payment Defaults. No grace period shall be permitted for payment defaults on the Series 2024 Bonds. No grace period for a covenant default shall exceed 30 days without the prior written consent of the Bond Insurer.

(h) Special Provisions for Insurer Default. If an Insurer Default shall occur and be continuing, then, notwithstanding anything in paragraphs 4(a)-(e) above to the contrary, (1) if at any time prior to or following an Insurer Default, the Bond Insurer has made payment under the Policy, to the extent of such payment the Bond Insurer shall be treated like any other holder of the Series 2024 Bonds for all purposes, including giving of consents, and (2) if the Bond Insurer has not made any payment under the Policy, the Bond Insurer shall have no further consent rights until the particular Insurer Default is no longer continuing or the Bond Insurer makes a payment under the Policy, in which event, the foregoing clause (1) shall control. For purposes of this paragraph, "Insurer Default" means: (A) the Bond Insurer has failed to make any payment under the Policy when due and owing in accordance with its terms; or (B) the Bond Insurer shall (i) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (ii) consent to the institution of or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, or (vi) take action for the purpose of effecting any of the foregoing; or (C) any state or federal agency or instrumentality shall order the suspension of payments on the Policy or shall obtain an order or grant approval for the rehabilitation, liquidation, conservation or dissolution of the Bond Insurer (including without limitation under the New York Insurance Law).

(5) The Bond Insurer As Third-Party Beneficiary. The Bond Insurer is recognized as and shall be deemed to be a third-party beneficiary of the Security Documents and may enforce the provisions of the Security Documents as if it were a party thereto.

(6) Payment Procedure Under the Policy. In the event that principal and/or interest due on the Series 2024 Bonds shall be paid by the Bond Insurer pursuant to the Policy, the Series 2024 Bonds shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Issuer, the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the Issuer to the registered owners shall continue to exist and shall run to the benefit of the Bond Insurer, and the Bond Insurer shall be subrogated to the rights of such registered owners including, without limitation, any rights that such owners may have in respect of securities law violations arising from the offer and sale of the Series 2024 Bonds.

In the event that on the second (2nd) business day prior to any payment date on the Series 2024 Bonds, the Paying Agent has not received sufficient moneys to pay all principal of and interest on the Series 2024 Bonds due on such payment date, the Paying Agent shall immediately notify the Bond Insurer or its designee on the same business day by telephone or electronic mail, of the amount of the deficiency. If any deficiency is made up in whole or in part prior to or on the payment date, the Paying Agent shall so notify the Bond Insurer or its designee.

In addition, if the Paying Agent has notice that any holder of the Series 2024 Bonds has been required to disgorge payments of principal of or interest on the Series 2024 Bonds pursuant to a final, non-appealable order by a court of competent jurisdiction that such payment constitutes an avoidable preference to such holder within the meaning of any applicable bankruptcy law, then the Paying Agent shall notify the Bond Insurer or its designee of such fact by telephone or electronic mail, or by overnight or other delivery service as to which a delivery receipt is signed by a person authorized to accept delivery on behalf of the Bond Insurer.

The Paying Agent shall irrevocably be designated, appointed, directed and authorized to act as attorney-in-fact for holders of the Series 2024 Bonds as follows:

> (a) If there is a deficiency in amounts required to pay interest and/or principal on the Series 2024 Bonds, the Paying Agent shall (i) execute and deliver to the Bond Insurer, in form satisfactory to the Bond Insurer, an instrument appointing the Bond Insurer as agent and attorney-in-fact for such holders of the Series 2024 Bonds in any legal proceeding related to the payment and assignment to the Bond Insurer of the claims for interest on the Series 2024 Bonds, (ii) receive as designee of the respective holders (and not as Paying Agent) in accordance with the tenor of the Policy payment from the Bond Insurer with respect to the claims for interest so assigned, and (iii) disburse the same to such respective holders; and
>
> (b) If there is a deficiency in amounts required to pay principal of the Series 2024 Bonds, the Paying Agent shall (i) execute and deliver to the Bond Insurer, in form satisfactory to the Bond Insurer, an instrument appointing the Bond Insurer as agent and attorney-in-fact for such holder of the Series 2024 Bonds in any legal proceeding related to the payment of such principal and an assignment to the Bond Insurer of the Series 2024 Bonds surrendered to the Bond Insurer, (ii) receive as designee of the respective holders (and not as Paying Agent) in accordance with the tenor of the Policy payment therefore from the Bond Insurer, and (iii) disburse the same to such holders.

The Paying Agent shall designate any portion of payment of principal on the Series 2024 Bonds paid by the Bond Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of the Series 2024 Bonds registered to the then current holder, whether The Depository Trust Company or its nominee or otherwise, and shall issue a replacement Series 2024 Bond to the Bond Insurer, registered in the name directed by the Bond Insurer, in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Paying Agent's failure to so designate any payment or issue any replacement Series 2024 Bond shall have no effect on the amount of principal or interest payable by the Issuer on any Series 2024 Bond or the subrogation or assignment rights of the Bond Insurer.

Payments with respect to claims for interest on and principal of the Series 2024 Bonds disbursed by the Paying Agent from proceeds of the Policy shall not be considered to discharge the obligation of the Issuer with respect to the Series 2024 Bonds, and the Bond Insurer shall become the owner of such unpaid Series 2024 Bonds and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of the preceding paragraphs or otherwise.

Irrespective of whether any such assignment is executed and delivered, the Issuer and the Paying Agent agree for the benefit of the Bond Insurer that:

> (a) They recognize that to the extent the Bond Insurer makes payments directly or indirectly (e.g., by paying through the Paying Agent), on account of principal of or interest on the Series 2024 Bonds, the Bond Insurer will be subrogated to the rights of such holders to receive the amount of such principal and interest from the Issuer, with interest thereon, as provided and solely from the sources stated in the Security Documents and the Series 2024 Bonds; and

(b) They will accordingly pay to the Bond Insurer the amount of such principal and interest, with interest thereon as provided in the transaction documents and the Series 2024 Bonds, but only from the sources and in the manner provided therein for the payment of principal of and interest on the Series 2024 Bonds to holders, and will otherwise treat the Bond Insurer as the owner of such rights to the amount of such principal and interest.

(7) Additional Payments. The Issuer agrees unconditionally that it will pay or reimburse the Bond Insurer on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that the Bond Insurer may pay or incur, including, but not limited to, fees and expenses of the Bond Insurer's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of the Security Documents ("Administrative Costs"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of the Bond Insurer spent in connection with the actions described in the preceding sentence. The Issuer agrees that failure to pay any Administrative Costs on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to the Bond Insurer until the date the Bond Insurer is paid in full.

Notwithstanding anything herein to the contrary, the Issuer agrees to pay to the Bond Insurer (i) a sum equal to the total of all amounts paid by the Bond Insurer under the Policy (the "Bond Insurer Policy Payment"); and (ii) interest on the Bond Insurer Policy Payments from the date paid by the Bond Insurer until payment thereof in full by the Issuer, payable to the Bond Insurer at the Late Payment Rate per annum (collectively, the "Bond Insurer Reimbursement Amounts") compounded semi-annually. The Issuer hereby covenants and agrees that the Bond Insurer Reimbursement Amounts are payable from and secured by a lien on and pledge of the same revenues and other collateral pledged to the Series 2024 Bonds on a parity with debt service due on the Series 2024 Bonds.

(8) Debt Service Reserve Account and Construction Fund.

(a) The prior written consent of the Bond Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Debt Service Reserve Account, if any. Amounts on deposit in the Debt Service Reserve Account shall be applied solely to the payment of debt service due on the Series 2024 Bonds.

(b) Unless the Bond Insurer otherwise directs, upon the occurrence and continuance of an Event of Default or an event which with notice or lapse of time would constitute an Event of Default, amounts on deposit in the Construction Fund shall not be disbursed, but shall instead be applied to the payment of debt service or redemption price of the Series 2024 Bonds.

(9) Exercise of Rights by the Bond Insurer. The rights granted to the Bond Insurer under the Security Documents to request, consent to or direct any action are rights granted to the Bond Insurer in consideration of its issuance of the Policy. Any exercise by the Bond Insurer of such rights is merely an exercise of the Bond Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the holders of the Series 2024 Bonds and such action does not evidence any position of the Bond Insurer, affirmative or negative, as to whether the consent of the holders of the Series 2024 Bonds or any other person is required in addition to the consent of the Bond Insurer.

(10) Payment Without Claim. The Bond Insurer shall be entitled to pay principal or interest on the Series 2024 Bonds that shall become "Due for Payment" but shall be unpaid by reason of "Nonpayment" by the Issuer (as such terms are defined in the Policy) and any amounts due on the Series 2024 Bonds as a

result of acceleration of the maturity thereof in accordance with the Security Documents, whether or not the Bond Insurer has received a claim upon the Policy.

(11) Definitions.

The following additional definitions apply to foregoing provisions (1) through (11):

"Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank, N.A., at its principal office in the City of New York, New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank, N.A.) plus 3%, and (ii) the then applicable highest rate of interest on the Series 2024 Bonds, and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. In the event JPMorgan Chase Bank, N.A., ceases to announce its Prime Rate, the Prime Rate shall be the prime or base lending rate of such other bank, banking association or trust company as the Bond Insurer, in its sole and absolute discretion, shall designate. Interest at the Late Payment Rate on any amount owing to the Bond Insurer shall be computed on the basis of the actual number of days elapsed in a year of 360 days.

"Policy" shall mean the Municipal Bond Insurance Policy issued by the Bond Insurer that guarantees the scheduled payment of principal of and interest on the Series 2024 Bonds when due.

"Security Documents" shall mean the Bond Ordinance, any bond and/or any additional or supplemental document executed in connection with the Series 2024 Bonds.

Provisions Regarding Debt Service Reserve Insurance Policy

With respect to the Municipal Bond Debt Service Reserve Insurance Policy issued by Build America Mutual Assurance Corporation to satisfy the Debt Service Reserve Requirement for the Series 2024 Bonds (the "Reserve Policy"), notwithstanding anything to the contrary set forth in the Bond Ordinance, the Issuer and the Paying Agent must comply with the following provisions:

(a) The Issuer shall repay any draws under the Reserve Policy and pay all related reasonable expenses incurred by the Bond Insurer. Interest shall accrue and be payable on such draws and expenses from the date of payment by the Bond Insurer at the Late Payment Rate. "Late Payment Rate" means the lesser of (A) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such changes are announced by JPMorgan Chase Bank, N.A.) plus 3%, and (ii) the then applicable highest rate of interest on the Bonds, and (B) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such bank, banking association or trust company bank as the Bond Insurer in its sole and absolute discretion shall specify.

Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, the "Policy Costs") shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the Bond Insurer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to the Bond Insurer on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy.

All cash and investments in the Debt Service Reserve Account established for the Bonds shall be transferred to the Debt Service Account for payment of the debt service on the Bonds before any drawing may be made on the Reserve Policy or any other similar reserve fund credit instrument in lieu of cash.

Payment of any Policy Cost shall be made prior to replenishment of any cash amounts. Draws on all reserve fund credit instruments (including the Reserve Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Debt Service Reserve Account. Payment of Policy Costs and reimbursement of amounts with respect to other reserve fund credit instruments shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Debt Service Reserve Account. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

(b) Draws under the Reserve Policy may only be used to make payments on the Series 2024 Bonds insured by the Bond Insurer.

(c) If the Issuer shall fail to pay any Policy Costs in accordance with the requirements of paragraph (a) above, the Bond Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Bond Ordinance other than (i) acceleration of the maturity of the Series 2024 Bonds, or (ii) remedies which would adversely affect owners of the Series 2024 Bonds.

(d) The Bond Ordinance shall not be discharged until all Policy Costs owing to the Bond Insurer shall have been paid in full. The Issuer's obligation to pay such amount shall expressly survive payment in full of the Series 2024 Bonds.

(e) The Paying Agent shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of paragraph (a) hereof and provide notice to the Bond Insurer at least three business days prior to each date upon which interest or principal is due on the Series 2024 Bonds.

(f) The Reserve Policy shall expire on the earlier of the date the Series 2024 Bonds are no longer outstanding and the final maturity date of the Series 2024 Bonds.

Amendments to the Original Bond Ordinance

In connection with the issuance of the Series 2024 Bonds, the City has adopted certain amendments to the Bond Ordinance. The amendments (i) allow the City to secure Reserve Fund Bonds either on common debt service reserve fund or a series specific debt service reserve fund basis (the Series 2024 Bonds will be secured solely by the Series 2024 Debt Service Reserve Account which is a subaccount of the Series Debt Service Reserve Account), (ii) allow the City, at its sole option, to deposit Asset Sale Proceeds into the Revenue Fund to satisfy its rate covenant debt service coverage test, (iii) clarify that Tap Fees are Pledged Revenues under the Bond Ordinance and (iv) modify the existing additional bonds test to allow a certified public accountant to calculate coverage ratios using audited financial statements of the City for the fiscal year immediately preceding the year in which any proposed additional Parity Bonds would be issued as an alternative to the existing calculation methodology. Each of these will be further described, in turn, below.

With respect to allowing the City to secure Reserve Fund Bonds either on common debt service reserve fund or a series specific debt service reserve fund basis, the Series 2024 Bond Ordinance supplemented and amended the Original Bond Ordinance, including by amending and restating the definitions of Pledged Revenues and Reserve Fund Bonds contained in Section 1.1 of the Original Bond Ordinance (as restated above) and by amending and restating Sections 4.1, 4.2, 4.3, 4.4(d), 4.4(g), 4.4(h), 4.4(i), 4.6, 4.8, 5.3(e), 5.4(a), 7.1(c), 7.5(c)(i) and 10.1(h) of the Original Bond Ordinance.

With respect to allowing the City, at its sole option, to deposit Asset Sale Proceeds into the Revenue Fund to satisfy its rate covenant debt service coverage test, a new definition was added to the Bond Ordinance as follows:

> “Asset Sale Proceeds” means monies deposited into the Revenue Fund and are derived from any asset sale proceeds received by the City from the Municipal Electric Authority of Georgia (or any comparable entity in which the City has an ownership interest in) from time to time.

In addition, Section 4.1(b) of the Original Bond Ordinance was amended and restated as follows:

(b) produce Pledged Revenues and Asset Sale Proceeds, if any, in each Bond Year which:

(i) will equal at least 110% of the Debt Service coming due in the then current Bond Year, computed on a basis which includes all Outstanding Bonds.

(ii) will enable the Issuer to make all required payments into the Debt Service Reserve Account, the Rebate Fund and the Renewal and Extension Fund.

(iii) will enable the Issuer to make all required payments on any Government Loans.

(iv) will remedy all deficiencies in payments into any of the funds and accounts mentioned below from prior Bond Years and meet all requirements for principal of and interest on any subordinated obligations payable from the Revenues.

With respect to clarifying that Tap Fees are Pledged Revenues under the Bond Ordinance, the definition of Operating Revenue was modified as follows:

> “Operating Revenues” means all income and revenue of any nature derived from the operation of the System including Hedge Receipts, monthly water billings, service charges, other charges for water service and the availability thereof (other than any special assessment proceeds), connection or Tap Fees (whether accounted for as revenues or capital contributions) and hydrant rentals, but excluding local, state or federal grants, loans, capital improvement contract payments or other monies received for capital improvements to the System and excluding Investment Earnings.

With respect to modifying the existing additional bonds test to allow a certified public accountant to calculate coverage ratios using audited financial statements of the City for the fiscal year immediately preceding the year in which any proposed additional Parity Bonds would be issued as an alternative to the existing calculation methodology, Section 5.3(a) of the Original Bond Ordinance was amended and restated as follows:

> Except in the case of Parity Bonds issued for refunding purposes pursuant to Section 5.2, there shall have been procured and filed with the Issuer a statement by an Independent Certified Public Accountant reciting the opinion based upon necessary investigation that ~~the audited~~ either (i) the Pledged Revenues (excluding Investment Earnings, if any, on the Construction Fund) based on the audited financial statements of the Issuer for the fiscal year immediately preceding the year in which the additional Parity Bonds are issued were equal to at least 120% of the Maximum Debt Service computed on a basis which includes all Bonds then Outstanding and the proposed additional Parity Bonds or (ii) the Pledged Revenues (excluding Investment Earnings, if any, on the Construction Fund) of the System for a period of 12 consecutive months of the most recent 18 consecutive months prior to the issuance of the additional Parity Bonds were equal to at least 120% of the Maximum Debt Service computed on a basis which includes all Bonds then Outstanding and the proposed additional Parity Bonds. This statement may contain the following adjustments to Pledged Revenues:

The Bond Insurer, in its capacity as bond insurer for the Series 2014 Bonds (and on behalf of itself and not any bondholders), has consented to certain of these amendments and is expected to consent to the remainder of these amendments prior to the issuance of the Series 2024 Bonds. By their ownership interests in the Series 2024 Bonds, the holders thereof will be deemed to have consented to the above-referenced amendments.

APPENDIX D

Form of Continuing Disclosure Certificate

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$16,565,000
CITY OF FAIRBURN, GEORGIA
COMBINED PUBLIC UTILITY REVENUE BONDS,
SERIES 2024

CONTINUING DISCLOSURE CERTIFICATE

FOR THE PURPOSE OF PROVIDING
CONTINUING DISCLOSURE INFORMATION
UNDER SECTION (B)(5) OF RULE 15C2-12

This Continuing Disclosure Certificate (the "Certificate") is executed and delivered by the City of Fairburn, Georgia (the "City") in connection with the issuance by the City of its Combined Public Utility Revenue Bonds, Series 2024 in the aggregate principal amount of $16,565,000 (the "Bonds"), for the benefit of the owners of the Bonds, 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 Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or is treated as the owner of any Bond for federal income tax purposes.

The Bonds are to be issued and delivered pursuant to an ordinance of the City Council enacted on August 26, 2013, as supplemented by ordinances enacted on September 12, 2013, July 28, 2014, September 16, 2014, November 4, 2024 and January 13, 2025 (collectively, the "Bond Ordinance"). In connection with the Bonds, the City covenants and agrees as follows:

1. Purpose of this Certificate. This Certificate is executed and delivered by the City as of the date set forth below, for the benefit of the beneficial owners of the Bonds 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 Certificate, 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.

"Issuer" means the City.

"Listed Event" means the occurrence of any of the events with respect to the Bonds set forth in Exhibit II.

"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 Certificate.

"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 Bonds 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.

"Underwriter" includes each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

3. CUSIP Number. The base CUSIP Number of the Bonds is 303643.

4. Official Statement. The Final Official Statement relating to the Bonds is dated January 13, 2025.

5. Annual Information Disclosure. Subject to Section 9 of this Certificate, 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 Certificate, 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 the Final Official Statement under the headings relating to the City or the City's combined water, sewerage, and electrical system under the captions (A) THE SYSTEM (excluding (i) the information under "—General", "—Electric System" (except for those tables under "—Electric System" labeled "—Number of Electricity Customers" and "—Largest Electricity Customers", which shall be included), "—Water and Sewerage System" (except for those tables under "—Water and Sewerage System" labeled "—Historical Water System Demands", "—Number of Water and Sewerage Customers" and "—Largest Water and Sewer Customers", which shall be included), and (ii) any other information in the nature of a budget or forecast), and (B) SYSTEM FINANCIAL INFORMATION—"Five Year Operating History", and "Historical Debt Service Coverage Ratios (including Tap Fees and the 2022 MEAG Sale Proceeds)", but only to the extent that such information is not included in the audited financial statements described in this section above.

6. Listed Events Disclosure. Subject to Section 9 of this Certificate, 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 Certificate, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the City to comply with its obligations under this Certificate. A default under this Certificate shall not be an event of default on the Bond. The sole remedy under this Certificate in the event of any failure of the City to comply with this Certificate shall be an action to compel performance.

8. Amendments; Waiver. Notwithstanding any provision of this Certificate, the City by certified resolutions authorizing each amendment or waiver, may amend this Certificate, and any provision of this Certificate 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 Certificate, 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 Bonds, 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 Certificate, any owner of a Bond for the benefit of which this Certificate 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 Certificate. A default under this Certificate will not be deemed an event of default for other purposes of the Bond Ordinance, and the sole remedy under this Certificate in the event of any failure of the City to comply with this Certificate will be an action to compel performance.

10. Termination of Certificate. The Certificate of the City shall be terminated hereunder when the City no longer has liability for any obligation relating to repayment of the Bonds or the Rule no longer applies to the Bonds. The City shall give notice in a timely manner if this Section is applicable to the MSRB through EMMA.

11. 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 Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

12. Additional Information. Nothing in this Certificate shall be deemed to prevent the City from disseminating any other information using the means of dissemination set forth in this Certificate 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 Certificate. 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 Certificate, the City shall have no obligation under this Certificate to update such information or include it in any future disclosure or notice of occurrence of a Listed Event.

13. Beneficiaries. This Certificate has been executed in order to assist the Underwriter in complying with the Rule; however, this Certificate shall inure solely to the benefit of the City, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

14. 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.

15. Assignment. The City shall not transfer its obligations under the Bond Ordinance unless the transferee agrees to assume all obligation of the City under this Certificate or to execute a Certificate under the Rule.

16. Governing Law. This Certificate shall be governed by the laws of the State.

CITY OF FAIRBURN, GEORGIA

By:____

Mario B. Avery
Mayor

Date: ____________________, 2025

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 Final Official Statement in Appendix A 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 Certificate, 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. Bond 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.

APPENDIX E

Specimen Municipal Bond Insurance Policy and Debt Service Reserve Surety Policy

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MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: $__________ in aggregate principal amount of [NAME OF TRANSACTION] [and maturing on]

Effective Date: _________

Risk Premium: $__________
Member Surplus Contribution: $ _________
Total Insurance Payment: $_________

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: ______________________________________
Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
200 Liberty Street, 27th floor
New York, New York 10281
Telecopy:
212-962-1524 (attention: Claims)

MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY

ISSUER: ISSUER_NAME, STATE_NAME

Policy No:

MEMBER: MEMBER_COMPANY, STATE_NAME

Effective Date:

BONDS: $_______________ in aggregate principal amount of
,

Risk Premium: $________
Member Surplus Contribution: $________
Total Insurance Payment: $________

Maximum Policy Limit: $

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above under the Security Documents, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

BAM will make payment as provided in this Policy to the Trustee or Paying Agent on the later of (i) the Business Day on which such principal and interest becomes Due for Payment and (ii) the first Business Day following the Business Day on which BAM shall have received a completed Notice of Nonpayment in a form reasonably satisfactory to it. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of this paragraph, and BAM shall promptly so advise the Trustee or Paying Agent who may submit an amended Notice of Nonpayment.

Payment by BAM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of BAM under this Policy. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, (a) BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond and (b) BAM shall become entitled to reimbursement of the amount so paid (together with interest and expenses) pursuant to the Security Documents and Debt Service Reserve Agreement.

The amount available under this Policy for payment shall not exceed the Policy Limit. The amount available at any particular time to be paid to the Trustee or Paying Agent under the terms of this Policy shall automatically be reduced by and to the extent of any payment under this Policy. However, after such payment, the amount available under this Policy shall be reinstated in full or in part, but only up to the Policy Limit, to the extent of the reimbursement of such payment (after taking into account the payment of interest and expenses) to BAM by or on behalf of the Issuer. Within three (3) Business Days of such reimbursement, BAM shall provide the Trustee or the Paying Agent with Notice of Reinstatement, in the form of Exhibit A attached hereto, and such reinstatement shall be effective as of the date BAM gives such notice.

Payment under this Policy shall not be available with respect to (a) any Nonpayment that occurs prior to the Effective Date or after the end of the Term of this Policy or (b) Bonds that are not outstanding under the Security Documents. If the amount payable under this Policy is also payable under another BAM issued policy insuring the Bonds, payment first shall be made under this Policy to the extent of the amount available under this Policy up to the Policy Limit. In no event shall BAM incur duplicate liability for the same amounts owing with respect to the Bonds that are covered under this Policy and any other BAM issued insurance policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "**Business Day**" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as hereinafter defined) are authorized or required by law or executive order to remain closed. "**Debt Service Reserve Agreement**" means the Debt Service Reserve Agreement, if any, dated as of the effective date hereof, in respect of this Policy, as the same may be amended or supplemented from time to time. "**Due for Payment**" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "**Nonpayment**" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. **"Notice"** means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "**Owner**" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds. **"Policy Limit"** means the dollar amount of the debt service reserve fund required to be maintained for the

Bonds by the Security Documents from time to time (the "Reserve Account Requirement"), or the portion of the Reserve Account Requirement for the Bonds provided by this Policy as specified in the Security Documents or Debt Service Reserve Agreement, if any, but in no event shall the Policy Limit exceed the Maximum Policy Limit set forth above. The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of or, if this Policy is only providing a portion of the Reserve Account Requirement, in the same proportion as, each reduction in the Reserve Account Requirement, as provided in the Security Documents or Debt Service Reserve Agreement. **"Security Documents"** means any resolution, ordinance, trust agreement, trust indenture, loan agreement and/or lease agreement and any additional or supplemental document executed in connection with the Bonds. "**Term**" means the period from and including the Effective Date until the earlier of (i) the maturity date for the Bonds and (ii) the date on which the Bonds are no longer outstanding under the Security Documents.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy is being issued under and pursuant to and shall be construed under and governed by the laws of the State of New York, without regard to conflict of law provisions.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: ____
Authorized Officer

Schedule

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
200 Liberty Street, 27th floor
New York, New York 10281
Telecopy:
212-962-1524 (attention: Claims)

EXHIBIT A

NOTICE OF REINSTATEMENT

[DATE]

[TRUSTEE][PAYING AGENT]
[INSERT ADDRESS]

Reference is made to the Municipal Bond Debt Service Reserve Insurance Policy, Policy No. ________ (the "Policy"), issued by Build America Mutual Assurance Company ("BAM"). The terms which are capitalized herein and not otherwise defined shall have the meanings specified in the Policy.

BAM hereby delivers notice that it is in receipt of payment from the [Issuer], or on its behalf, pursuant to the Security Documents or Debt Service Reserve Agreement, if any, and, as of the date hereof, the Policy Limit is $_________, subject to reduction as the Reserve Account Requirement for the Bonds is reduced in accordance with the terms set forth in the Security Documents.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: ________________________________

____

Name:
Title:

CITY OF FAIRBURN, GEORGIA • COMBINED PUBLIC UTILITY REVENUE BONDS, SERIES 2024

Fairburn

Situated to Succeed

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