City of Fairburn, Georgia

Comprehensive Annual Financial Report

For the Fiscal Year Ended
September 30, 2013



Prepared by

Department of Finance
56 Malone Street
Fairburn, Georgia 30213

CITY OF FAIRBURN, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2013

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INTRODUCTORY SECTION
(Unaudited)

City of Fairburn
56 Malone Street
Fairburn, GA 30213
770-964-2244 FAX - 770-969-3484

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

Ladies and Gentlemen:

The comprehensive annual financial report of the City of Fairburn, Georgia (the "City"), for the fiscal year ended September 30, 2013, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

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

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

The financial section includes the independent auditor's report on the financial statements, management's discussion and analysis, and the basic audited financial statements with

combining and individual fund statements and schedules. This section also includes required supplementary information.

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

General Information – City of Fairburn

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

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

Services Provided

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

In addition, electric, water, sewer, and storm water services, educational complex rentals, and solid waste collection and disposal services are provided (the latter by contract) under an enterprise fund concept. User charges are set by the City Council to ensure adequate coverage of operating expenses and payments on outstanding debt. The City's primary sources of General Fund revenue continue to come from ad valorem taxes, sales taxes, and franchise fees.

The Organization of the Government

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

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

Economic Condition and Outlook

As a part of the metropolitan Atlanta area, Fairburn is positioned for significant economic growth with easy access to markets in the Northeast, South 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 is also in close proximity to the intersection of I-75, I-85, and I-20 in downtown Atlanta.

Fairburn works in partnership with a wide range of organizations to market the area to potential developers. The South Fulton Chamber of Commerce works to promote the area and encourage development, hosting an annual Developer's Day to showcase development opportunities in and around Fairburn. The Economic & Community Development Group of the Electric Cities of Georgia is also an important partner in marketing the City to developers and in helping to provide extensive support to existing utility customers.

Annual investments in infrastructure improvements have been made over the years to maintain a functional level of service capacity and reliability. As a member of the Municipal Electric Authority of Georgia (MEAG), Fairburn provides very competitive and dependable electric service. The City is also a member of the South Fulton Municipal Regional Water & Sewer Authority (the "Authority"), along with Union City and Palmetto. The Authority continues to pursue a water withdrawal permit to allow construction of a water reservoir and water treatment plant west of the City limits in Chattahoochee Hills.

Rebounding from the impact of the recession, the City experienced renewed interest in commercial and industrial development beginning in late 2010. New home construction began to pick up in 2013 after several years of inactivity. Fairburn contains around 1,000 vacant, fully developed residential lots, placing the City in a great position to benefit from a rebound in housing activity.

The City's proximity to the new Pinewood Atlanta Studio (the "Studio") in adjoining Fayette County also bodes well for future economic development. Fairburn's Highway 74 interchange on Interstate 85 provides the primary route to Pinewood from the Atlanta Airport, creating an opportunity for commercial and residential growth that caters to the Studio's users and suppliers.

Fairburn is also home to the Georgia Renaissance Festival, a re-creation of a 16th-Century European Country Faire. Located on 120 acres just minutes from downtown, the Festival attracts more than 150,000 weekend visitors from mid-April to early June each year.

Major Events in Fiscal Year 2013

Fairburn is home to manufacturing and warehousing facilities for a host of household names. Nestle-Purina's Fairburn plant lays claim to being the largest dry pet food manufacturing facility in the world. Owens-Corning and Porex recently celebrated their 40th and 50th anniversaries in Fairburn, respectively. Porex, the best company you've never heard of, boasts of having never laid off an employee.

US Foods, Toto, Smuckers, Clorox, Electrolux, S.C. Johnson, Pittsburgh Paint & Glass, and Aaron Rents operate large distribution centers that take advantage of Fairburn's proximity to downtown Atlanta, the Atlanta Airport, the CSX facilities, and the interstate system.

While the recession has caused a reduction in some local fees and tax revenues, the City continues to operate without personnel layoffs or cuts in service levels. The City plans to make further strides to improve the quality of life in the community by maintaining strict spending controls, especially with regard to personnel costs.

Recent efforts to improve the City's financial stability are starting to pay off. During the last three fiscal years, the General Fund's fund balance has climbed from under $100,000 to more

than $1.3 million and the City's bond rating has jumped from BBB+ to A+. Additional fiscal improvement is expected as a result of the significant increase in sales tax receipts negotiated in 2013 as part of the decennial reallocation of collections among Fulton County and its fourteen cities.

A general obligation bond for $10.415 million was overwhelmingly approved during the November, 2010 general election. Funds were designated for a new fire station, the purchase and enhancement of a 140-acre park, two major road upgrades, and the revitalization of the City's unique crescent-shaped downtown. The bonds were issued in March of 2011 and Duncan Park was purchased from Fulton County in late 2011.

Already home to a dazzling Astroturf football field provided by Fairburn's favorite son, Eric Berry, the park now features a new playground, concession/restroom building, expanded parking, and a second, albeit natural turf, football field. Conceptual design of a new aquatics center is in the works.

In early 2010, downtown Fairburn suffered the loss of three commercial buildings and experienced severe damage to a fourth. After demolition, the vacant land and adjoining parking were donated to the City. The damaged building was renovated, allowing downtown landmark Oz Pizza to reopen in January 2012. Design of a courtyard and stage on the site of the burned-out buildings is complete, with construction scheduled for completion in the fall of 2014.

The City also refinanced their Educational Campus bonds in the fall of 2011, providing additional funds for campus expansion. Construction of larger, upgraded student parking lot and a new 25,000 square-foot classroom building began in 2013. Operations remain healthy for the two tenants, with Georgia Military College's (GMC) enrollment topping 800 and Brenau University's long-awaited nursing program scheduled to get underway in January, 2015.

Financial Information

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

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

Awards. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended September 30, 2012. This was the twenty-fifth consecutive year and the twenty-eighth time that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized

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

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

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

Respectfully submitted,

Tom G. Barber

Tom Barber, CPA, MBA
City Administrator

March 21, 2014

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Fairburn

Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2012

Executive Director/CEO

City of Fairburn, Georgia
CITY OFFICIALS
SEPTEMBER 30, 2013

CITY COUNCIL
Mario Avery, Mayor
Marian Johnson Mayor Pro Tem
Ron Alderman
Alex Heath
Elizabeth "Liz" Hurst
Jean Barkley Russell
Scott Vaughn

CITY ADMINISTRATOR
Tom Barber

CITY CLERK
Brenda James

HUMAN RESOURCE DIRECTOR
David Johnson

FINANCE DIRECTOR
David Smith

CHIEF OF POLICE
Chip McCarthy

FIRE CHIEF
Jody Weller

CITY ENGINEER
Troy Besseche

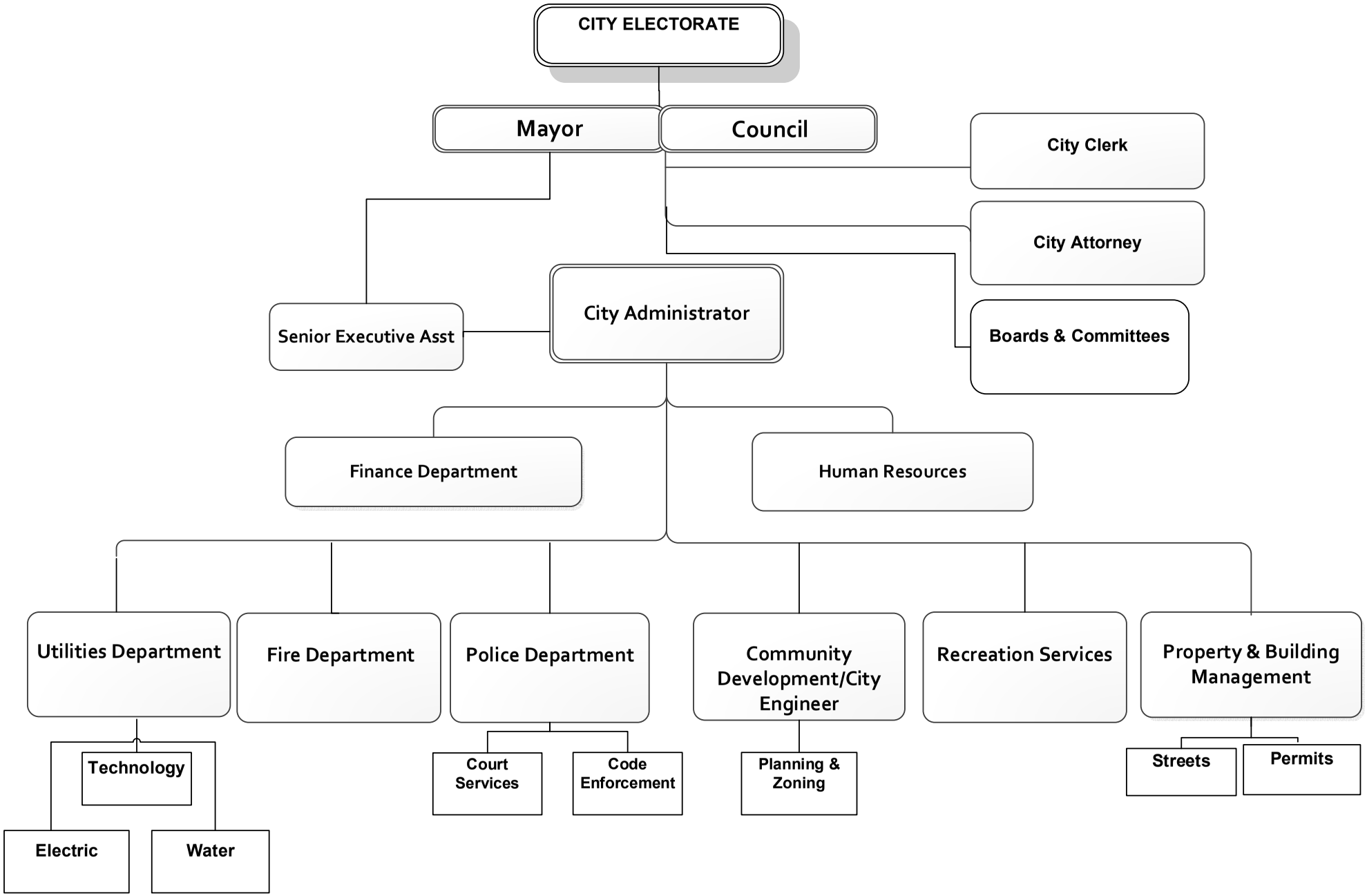
UTILITY DIRECTOR
Gene Fritz

BUILDING INSPECTOR
Harvey Stokes

CITY ATTORNEYS
Turner & Ross, LLC

City of Fairburn, Georgia

ORGANIZATIONAL CHART



FINANCIAL SECTION

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Fairburn, Georgia (the "City")** as of and for the fiscal year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City of Fairburn, Georgia's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fairburn, Georgia, as of September 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 and Note 18, the City of Fairburn, Georgia implemented Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, as well as Statement No. 65, *Items Previously Reported as Assets and Liabilities*, as of October 1, 2012. These standards modified terminology and presentation of certain accounts and changed the accounting for bond issuance costs. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedule of Funding Progress (on pages 4 through 14 and page 53, respectively) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Fairburn, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the introductory and the statistical sections, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2014 on our consideration of the City of Fairburn, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Fairburn, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
March 21, 2014

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, 2013. 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 2013 are as follows:

- The assets and deferred outflows of resources of the City of Fairburn exceeded its liabilities at the close of the fiscal year by $41,059,760 (net position). Of this amount, $30,881,612 is invested in capital assets, net of related debt; $2,191,035 is restricted; and $7,987,113 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 $1,531,113 as compared to an increase of $2,017,831 in the prior fiscal year.
- At the end of the current fiscal year, total fund balance for the General Fund was $1,348,937, an increase of $334,864 over the prior fiscal year.
- The City issued $10,415,000 of general obligation bonds in fiscal year 2011 for the purpose of acquiring and upgrading park facilities, construction of a fire station, road improvements, and downtown enhancements. The City spent $2,284,935 and $2,794,532 of these funds in fiscal years 2013 and 2012, respectively, for these purposes.
- Transfers from Enterprise Funds for General Fund operations increased from $1,350,000 in fiscal year 2012 to $1,600,000 in fiscal year 2013.

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, and liabilities, with the difference between the three 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 15 and 16.

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

The City presents in separate columns funds that are most significant to the City (major funds) and all other governmental funds are aggregated and reported in a single column (non-major funds). The City's governmental fund financial statements are presented on pages 17 and 18.

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 21 - 23.

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 15 and 16):

City of Fairburn Summary of Net Position

	Governmental Activities		Business-type Activities		Total	
Assets:	**2013**	**2012 (restated)**	**2013**	**2012 (restated)**	**2013**	**2012 (restated)**
Current and other assets	$ 10,105,572	$ 10,131,421	$ 12,607,916	$ 13,866,912	$ 22,713,488	$ 23,998,333
Capital assets, net	19,890,543	17,995,816	36,840,747	36,163,610	56,731,290	54,159,426
Total assets	29,996,115	28,127,237	49,448,663	50,030,522	79,444,778	78,157,759
Deferred outflows of resources	-	-	1,255,901	650,249	1,255,901	650,249
Liabilities:						
Other liabilities	3,145,458	991,085	2,455,644	1,820,041	5,601,102	2,811,126
Long-term liabilities	10,065,989	11,393,781	23,973,828	25,074,454	34,039,817	36,468,235
Total liabilities	13,211,447	12,384,866	26,429,472	26,894,495	39,640,919	39,279,361
Net position:						
Net investment in capital assets	14,079,774	13,762,645	16,801,838	16,544,270	30,881,612	30,306,915
Restricted	1,719,514	1,346,852	471,521	607,292	2,191,035	1,954,144
Unrestricted	985,380	632,874	7,001,733	6,634,714	7,987,113	7,267,588
Total net position	$ 16,784,668	$ 15,742,371	$ 24,275,092	$ 23,786,276	$ 41,059,760	$ 39,528,647

Financial Position

The total net position of the City increased $1,531,113 or 3.9%, from $39,528,647 to $41,059,760 as noted in the following table.

City of Fairburn Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2013	2012 (restated)	2013	2012 (restated)	2013	2012 (restated)
Revenues:						
Program revenues						
Charges for services	$ 1,854,075	$ 1,539,479	$ 15,485,677	$ 15,298,333	$ 17,339,752	$ 16,837,812
Operating grants and contributions	42,793	15,270	-	-	42,793	15,270
Capital grants and contributions	558,236	1,318,074	-	-	558,236	1,318,074
General revenues:						
Property taxes	4,798,827	4,567,666	-	-	4,798,827	4,567,666
Sales taxes	1,606,424	1,538,778	-	-	1,606,424	1,538,778
Franchise taxes	954,200	997,510	-	-	954,200	997,510
Other taxes	1,223,098	1,139,213	-	-	1,223,098	1,139,213
Miscellaneous	113,268	87,798			113,268	87,798
Gain on sale of capital assets	-	-	3,700	-	3,700	-
Unrestricted investment earnings	62,924	69,897	11,100	34,490	74,024	104,387
	-	-	-	-	-	-
Total revenues	11,213,845	11,273,685	15,500,477	15,332,823	26,714,322	26,606,508
Expenses:						
General government	2,104,230	1,823,964	-	-	2,104,230	1,823,964
Judicial	479,159	333,136	-	-	479,159	333,136
Public safety	6,057,633	5,851,586	-	-	6,057,633	5,851,586
Public works	1,757,055	1,857,152	-	-	1,757,055	1,857,152
Parks and recreation	298,124	252,863	-	-	298,124	252,863
Planning and development	366,955	367,715	-	-	366,955	367,715
Interest on long-term debt	499,027	508,703	-	-	499,027	508,703
Electric	-	-	6,420,188	6,383,795	6,420,188	6,383,795
Water & sewer	-	-	5,022,941	4,797,117	5,022,941	4,797,117
Education	-	-	999,890	1,237,275	999,890	1,237,275
Stormwater	-	-	597,486	613,722	597,486	613,722
Sanitation	-	-	580,521	561,649	580,521	561,649
Total expenses	11,562,183	10,995,119	13,621,026	13,593,558	25,183,209	24,588,677
Increase (decrease) in net position before transfers	(348,338)	278,566	1,879,451	1,739,265	1,531,113	2,017,831
Transfers	1,390,635	1,191,000	(1,390,635)	(1,191,000)	-	-
Changes in net position	1,042,297	1,469,566	488,816	548,265	1,531,113	2,017,831
Net position, beginning of fiscal year, as restated	15,742,371	14,272,805	23,786,276	23,238,011	39,528,647	37,510,816
Net position, end of fiscal year	$ 16,784,668	$ 15,742,371	$ 24,275,092	$ 23,786,276	$ 41,059,760	$ 39,528,647

Governmental Activities

Net position for governmental activities increased $1,042,297. Total governmental revenues decreased slightly ($59,840) or less than 1%. There were significant changes in capital grants and contributions which decreased ($759,838) or 58% less than the prior fiscal year because 2012 included purchases of right of way along Oakley Industrial Boulevard which were not required in 2013. Charges for services increased $314,596 or 20%. Included in this category are police fines and forfeitures and licenses and permits. Police fines and forfeitures increased $246,611 or 33% because of increases in officers issuing citations. Licenses and permits increased $101,824 or 14% as building and construction activity increased along with the State and local economy. Property taxes increased $231,161 or 5% because of additional levies for general obligation bond debt service. Other revenue categories did not materially change from the prior fiscal year.

Expenses for governmental activities increased $567,064 or 5%. General government expenses increased $280,266 or 15% because of general increases in expenses and all positions being fully staffed. Judicial expenses increased $146,023 or 44% along with increases in police fine and forfeiture revenue as previously discussed. Public safety expenses increased $206,047 or 4%, primarily due to the addition of four new police officer positions. Transfers from business-type activities to governmental activities increases $199,635 or 17% as operating income increased in the enterprise funds.

Business-Type Activities

Net position for business type activities increased $488,816 or 2% from the prior fiscal year. The activities of each enterprise fund are discussed below.

Electric Fund. Operating income for the Electric Fund increased $174,195 or 14%. Operating revenues increased $210,675 or 3% as a result of normal fluctuations in demand. Operating expenses increased slightly from the prior fiscal year. Transfers to meet General Fund obligations for fiscal year 2013 were $1,000,000 compared to $1,200,000 in the prior fiscal year, a decrease of $200,000, or 17%.

Electric Fund, Summary of Changes in Net Position

	2013	2012	$ Change	% Change	
OPERATING REVENUES					
Charges for sales and services	$ 7,842,528	$ 7,631,853	$ 210,675	2.76	%
OPERATING EXPENSES					
Cost of sales and services	5,336,780	5,310,045	26,735	0.50	
General operating expenses	771,419	766,120	5,299	0.69	
Depreciation and amortization	311,989	307,543	4,446	1.45	
Total operating expenses	6,420,188	6,383,708	36,480	0.57	
Operating income	1,422,340	1,248,145	174,195	13.96	
NON OPERATING REVENUES (EXPENSE)					
Interest income	1,628	5,563	(3,935)	(70.74)	
Interest expense	-	(87)	87	(100.00)	
Total non-operating revenue (expenses)	1,628	5,476	(3,848)	(170.74)	
Transfers in (out)	(1,000,000)	(1,200,000)	200,000	(16.67)	
Change in net position	$ 423,968	$ 53,621	$ 370,347	690.68	%

Water and Sewer Fund. Operating income for the Water and Sewer fund was $2,082,097 for fiscal year 2013 compared to $2,432,252 in the prior fiscal year, a decrease of ($350,155) or 14%. Operating revenues decreased ($121,522), or 2% as a result of wetter than normal weather conditions. General operating expenses increased $219,549 or 37% because these expenses included debt issuance costs of $251,055 as a result of the refinancing of the 2006 revenue bonds. Transfers to meet General Fund obligations were $400,000 in 2013 compared to $50,000 in fiscal year 2012, an increase of $350,000 or 700%.

Water and Sewer, Summary of Changes in Net Position

	2013	2012	$ Change	% Change
OPERATING REVENUES				
Charges for sales and services	$ 5,778,762	$ 5,900,284	$ (121,522)	(2.06) %
OPERATING EXPENSES				
Cost of sales and services	2,349,639	2,315,769	33,870	1.46
General operating expenses	808,439	588,890	219,549	37.28
Depreciation and amortization	538,587	563,373	(24,786)	(4.40)
Total operating expenses	3,696,665	3,468,032	228,633	6.59
Operating income	2,082,097	2,432,252	(350,155)	(14.40)
NON OPERATING REVENUES (EXPENSE)				
Gain on sale of capital assets	3,700	-	3,700	100.00
Interest income	797	821	(24)	(2.92)
Interest expense	(1,326,276)	(1,329,085)	2,809	(0.21)
Total non-operating revenue (expenses)	(1,321,779)	(1,328,264)	6,485	(0.49)
Transfers in (out)	(400,000)	(50,000)	(350,000)	700.00
Change in net position	$ 360,318	$ 1,053,988	$ (693,670)	(65.81) %

Educational Complex Fund Operating income for the Educational Complex was $143,462 in fiscal year 2013 compared to losses of $97,703 in fiscal year 2012. General operating expenses decreased ($191,604) or 69% because the prior fiscal year expenses included planning and real estate services related to expansion of the campus.

Educational Complex Fund, Summary of Changes in Net Position

	2013	2012	$ Change	% Change
OPERATING REVENUES				
Charges for sales and services	$ 503,377	$ 497,474	$ 5,903	1.19 %
OPERATING EXPENSES				
General operating expenses	86,976	278,580	(191,604)	(68.78)
Depreciation and amortization	272,939	316,597	(43,658)	(13.79)
Total operating expenses	359,915	595,177	(235,262)	(39.53)
Operating income (loss)	143,462	(97,703)	241,165	(246.83)
NON OPERATING REVENUES (EXPENSE)				
Interest income	8,675	28,106	(19,431)	(69.13)
Interest expense	(639,975)	(642,098)	2,123	(0.33)
Total non-operating revenue (expenses)	(631,300)	(613,992)	(17,308)	2.82
Transfers in (out)	209,365	159,000	50,365	31.68
Change in net position	$ (278,473)	$ (552,695)	$ 274,222	(49.62) %

Stormwater Fund This Fund was created during fiscal year 2010 to properly segregate infrastructure utility charges in accordance with State statutes. Operating income was $49,691 in fiscal year 2013 as compared to a loss of ($33,033) in the prior fiscal year. Charges for services increased from $580,689 to $647,177 as more properties become subject to stormwater fees. Operating expenses decreased slightly from the prior fiscal year.

Stormwater Fund, Summary of Changes in Net Position

	2013	2012	$ Change	% Change	
OPERATING REVENUES					
Charges for sales and services	$ 647,177	$ 580,689	$ 66,488	11.45	%
OPERATING EXPENSES					
Cost of sales and services	261,927	260,276	1,651	0.63	
General operating expenses	73,159	94,024	(20,865)	(22.19)	
Depreciation and amortization	262,400	259,422	2,978	1.15	
Total operating expenses	597,486	613,722	(16,236)	(2.65)	
Operating income (loss)	$ 49,691	$ (33,033)	$ 82,724	(250.43)	%

Sanitation Fund. Operations for the Sanitation fund did not change significantly from the prior fiscal year. Transfers to the General Fund in fiscal year 2013 were $200,000 compared to $100,000 in fiscal year 2012. Net position for this fund decreased ($66,688) compared to an increase of $26,384 in the prior fiscal year primarily as a result of the transfers discussed above.

Sanitation Fund, Summary of Changes in Net Position

	2013	2012	$ Change	% Change	
OPERATING REVENUES					
Charges for sales and services	$ 713,833	$ 688,033	$ 25,800	3.75	%
OPERATING EXPENSES					
General operating expenses	580,521	561,649	18,872	3.36	
Operating income	133,312	126,384	6,928	5.48	
Transfers in (out)	(200,000)	(100,000)	(100,000)	100.00	
Change in net position	$ (66,688)	$ 26,384	$ (93,072)	(352.76)	%

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 17, were $7,820,783 compared to $9,138,686 in the prior fiscal year.

City of Fairburn Governmental Fund Balances

	2013	2012	$ Change
General Fund	$ 1,348,937	$ 1,014,073	$ 334,864
General Obligation Bond Capital Projects Fund	5,521,898	7,360,656	(1,838,758)
Other Governmental Funds	949,948	763,957	185,991
Total Governmental Fund Balances	$ 7,820,783	$ 9,138,686	$ (1,317,903)

Other changes in governmental fund balances are reflected in the table below.

City of Fairburn Summary of Changes in Governmental Fund Balances

	2013	2012	$ Change	% Change
Revenues				
Property taxes	$ 4,731,205	$ 4,601,147	130,058	2.83 %
Sales taxes	1,606,424	1,538,778	67,646	4.40
Franchise taxes	954,200	997,510	(43,310)	(4.34)
Other taxes	1,223,098	1,139,213	83,886	7.36
Licenses and permits	726,342	624,518	101,824	16.30
Intergovernmental	198,686	1,166,174	(967,488)	(82.96)
Fines and forfeitures	752,705	506,094	246,611	48.73
Charges for services	371,152	395,307	(24,155)	(6.11)
Interest revenue	62,924	69,897	(6,973)	(9.98)
Other revenues	519,487	116,628	402,859	345.42
Total revenues	$ 11,146,223	$ 11,155,266	$ (9,043)	(0.08)
Expenditures				
Current:				
General government	$ 2,050,041	$ 1,790,985	259,056	14.46
Judicial	472,604	332,565	140,039	42.11
Public safety	5,834,889	5,757,817	77,072	1.34
Public works	1,503,387	2,645,111	(1,141,724)	(43.16)
Parks and recreation	225,307	192,905	32,402	16.80
Planning and development	365,540	368,225	(2,685)	(0.73)
Capital outlays	2,513,359	2,794,532	(281,173)	(10.06)
Debt service:				
Principal (net of refunding)	651,801	130,540	521,261	399.31
Interest	505,602	511,360	(5,758)	(1.13)
Total expenditures	14,122,530	14,524,040	(401,510)	(2.76)
Excess (deficiency) of revenues over (under) expenditures	(2,976,307)	(3,368,774)	392,467	(11.65) %
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	39,345	-	39,345	
Capital leases	228,424	367,888	(139,464)	
Transfers in	1,617,260	1,350,000	267,260	
Transfers out	(226,625)	(159,000)	(67,625)	
Total other financing sources (uses)	1,658,404	1,558,888	99,516	
Net change in fund balances	$ (1,317,903)	$ (1,809,886)	$ 491,983	

Deficiency of revenues under expenditures prior to other financing sources (uses) in the Governmental Funds for the current fiscal year was ($2,976,307) as compared to ($3,368,774) in the prior fiscal year, an improvement of $392,467. The General Fund had a deficiency of ($1,077,856); the General Obligation Bond Capital Projects Fund had a deficiency of ($1,868,758); and nonmajor governmental funds had a deficiency of ($59,693).

Overall, governmental revenues decreased slightly by ($9,043) or less than 1/10th of one percent. Intergovernmental revenues decreased ($967,488) or 83% because the prior fiscal year included arrangements with other municipalities and the State for funding of right of way purchases along Oakley Industrial Boulevard. Property taxes increased $130,058 or 2.83% as a result of additional levies for general obligation bonds. Fines and forfeitures increased $246,611 or 48.7% due to an increase in officers issuing citations. Other revenues increased $402,859 or 345%. These revenues include road improvement fees of $359,550 related to the Oakley Industrial improvement project.

Overall governmental expenditures decreased ($401,510) or 3% and is comprised of significant increases and decreases in various expenditure categories. Principal payments increased $521,261 or 399% based on the scheduled amortization of the 2011 General Obligation Bonds. Public works expenditures decreased ($1,141,724) or 43% because prior fiscal year expenditures included $1,134,843 of right of way purchases related to Oakley Industrial improvement project. Capital outlays decreased ($281,173) or 10% reflecting a slight slowdown in spending of the 2011 General Obligation bonds.

General Fund Budgetary Highlights

The final amended budgets passed by the City Council anticipated revenues and transfers from the Enterprise Funds being sufficient to meet operations of the General Fund. Actual results were $334,169 better than budgeted.

A comparison of the final budgetary figures and the actual budgetary figures for revenues are located on page 20

- General Fund revenues in total were $4,653 better than budgeted. Property taxes were ($60,759) less than budgeted as certain property tax payers made payments after the availability period after fiscal year end. Fines and forfeitures were $74,334 better than budgeted because of increase in officers issuing citations. The deficiency in property tax revenues were more than offset by surplus budget conditions in other categories.
- The actual expenditures of $10,501,674 were $273,042 less than budgeted as management continues austerity measures implemented in 2011.

Capital Asset and Debt Administration

Capital Assets

The City has invested $56,731,290 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	
	2013	2012	2013	2012	2013	2012
Land	$ 5,092,254	$ 5,092,254	$ 3,924,899	$ 3,924,899	$ 9,017,153	$ 9,017,153
Construction in Progress	2,062,217	483,448	1,256,902	58,233	3,319,119	541,681
Buildings, grounds and improvements	1,584,895	1,710,315	17,217,358	17,756,462	18,802,253	19,466,777
Machinery and equipment	336,634	261,568	80,560	54,305	417,194	315,873
Infrastructure	8,737,520	8,221,162	14,045,992	14,184,339	22,783,512	22,405,501
Vehicles	2,077,023	2,227,069	315,036	182,372	2,392,059	2,409,441
	$ 19,890,543	$ 17,995,816	$ 36,840,747	$ 36,160,610	$ 56,731,290	$ 54,156,426

Capital assets have increased primarily due to additional construction in progress funded by the G.O. Bonds. The detailed capital assets schedule is reported in Note 6 of the footnotes to the financial statements.

Long-term Debt

At the end of the current fiscal year, the City had long-term debt related to business-type activities of $24,590,000 and $10,535,001 for governmental activities. Bonds, notes, and capital leases outstanding as of the fiscal year ended September 30, 2013 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.

During fiscal year 2011, the City issued General Obligation Bonds of $10,415,000 to be used for park acquisition and upgrades, construction of a fire station, road improvements, and downtown revitalization. In addition in 2011, the City, through its Downtown Development Authority, refinanced $7,958,409 of the 2008 series Education complex bonds and acquired $5,875,910 of additional financing to enlarge the facility. In 2013, the City refinanced the 2006 series utility bonds to take advantage of lower interest rates.

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

	2013	2012
Governmental Activities		
2011 General Obligation Bonds	$ 10,020,000	$ 10,415,000
Capital Leases	515,001	543,378
	$ 10,535,001	$ 10,958,378
Business-type Activities		
Series 2011 Education Campus Bonds	$ 15,280,000	$ 15,280,000
Series 2006 Utility Bonds	-	10,035,000
Series 2013 Utility Bonds	9,310,000	-
	$ 24,590,000	$ 25,315,000

Economic Factors and Next Fiscal Year's Budgets and Rates

The City of Fairburn, along with most other municipalities in South Fulton County, continues to experience limited revenue growth with a still-declining tax digest. Housing values continue to slide and only thirteen new housing permits were issued during fiscal 2013. In spite of the stagnant metro-Atlanta economy, the City continues to attract new commercial development, especially distribution centers along Oakley Industrial Boulevard and retail along the Highway 74 corridor to Tyrone and Peachtree City at the Interstate 85 interchange.

As a result, service levels and revenue projections are monitored closely. The City underspent its fiscal year 2013 budget as vacant positions were allowed to remain unfilled. Property taxes for general operations remained at 8.1 mills for the October 2013 billing. In addition, the City's levy of additional property tax to cover the debt payments related to the 2011 general obligation bonds was increased from 1.83 mills to 1.88 mills for the October 2013 billing.

Electric rate add-ons for the power cost adjustment (PCA) and the environmental compliance cost recovery fee (ECCR) were increased in early 2013. Water and sewer rates have not been changed since late 2012.

Contacting the City's Financial Management

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

CITY OF FAIRBURN, GEORGIA

STATEMENT OF NET POSITION
SEPTEMBER 30, 2013

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 7,233,534	$ 6,620,675	$ 13,854,209
Restricted cash and cash equivalents	1,714,538	402,428	2,116,966
Investments	107,206	-	107,206
Investments (restricted assets)	-	3,209,518	3,209,518
Investments with fiscal agent (restricted assets)	-	69,093	69,093
Accounts receivable, net of allowances	-	2,104,860	2,104,860
Taxes receivable, net of allowances	248,298	-	248,298
Intergovernmental receivables	236,422	-	236,422
Inventory	10,927	-	10,927
Other receivables	271,570	180,000	451,570
Prepaid items	153,492	-	153,492
Deferred charges, prepaid bond insurance (unamortized balance)	129,585	21,342	150,927
Capital assets:			
Non-depreciable	7,154,471	5,181,801	12,336,272
Depreciable, net of accumulated depreciation	12,736,072	31,658,946	44,395,018
Total assets	29,996,115	49,448,663	79,444,778
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding of debt	-	1,255,901	1,255,901
Total deferred outflows of resources	-	1,255,901	1,255,901
LIABILITIES			
Accounts payable	696,942	1,209,271	1,906,213
Retainage payable	105,969	96,040	202,009
Funds held in escrow (due to others)	1,092,883	-	1,092,883
Accrued liabilities	95,004	11,789	106,793
Accrued interest payable	161,696	159,994	321,690
Due to others	43,523	-	43,523
Unearned revenue	21,350	-	21,350
Customer deposits payable	1,100	585,219	586,319
Other liabilities	4,310	-	4,310
Compensated absences due within one fiscal year	299,885	38,331	338,216
Compensated absences due in more than one fiscal year	123,437	9,193	132,630
Capital leases due within one fiscal year	222,796	-	222,796
Capital leases due in more than one fiscal year	292,205	-	292,205
Bonds and notes payable due within one fiscal year	400,000	355,000	755,000
Bonds and notes payable due in more than one fiscal year	9,650,347	23,964,635	33,614,982
Total liabilities	13,211,447	26,429,472	39,640,919
NET POSITION			
Net investment in capital assets	14,079,774	16,801,838	30,881,612
Restricted for debt service	533,489	402,428	935,917
Restricted for capital construction	233,830	-	233,830
Restricted for law enforcement activities	202,718	-	202,718
Restricted for corpus of perpetual care cemetery funds	10,000	-	10,000
Restricted for cemetery operating capital	75,214	-	75,214
Restricted by third party as letter of credit	-	69,093	69,093
Restricted for tourism	664,263	-	664,263
Unrestricted	985,380	7,001,733	7,987,113
Total net position	$ 16,784,668	$ 24,275,092	$ 41,059,760

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, 2013

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Governmental Activities	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Business-type Activities	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Total
Primary government:							
Governmental activities:							
General government	$ 2,104,230	$ 726,342	$ -	$ 413,300	$ (964,588)	$ -	$ (964,588)
Judicial	479,159	752,705	-	-	273,546	-	273,546
Public safety	6,057,633	-	35,640	26,753	(5,995,240)	-	(5,995,240)
Public works	1,757,055	371,152	-	118,183	(1,267,720)	-	(1,267,720)
Culture and recreation	298,124	3,876	7,153	-	(287,095)	-	(287,095)
Planning and development	366,955	-	-	-	(366,955)	-	(366,955)
Interest on long-term debt	499,027	-	-	-	(499,027)	-	(499,027)
Total governmental activities	11,562,183	1,854,075	42,793	558,236	(9,107,079)	-	(9,107,079)
Business-type activities:							
Electric	6,420,188	7,842,528	-	-	-	1,422,340	1,422,340
Water and sewer	5,022,941	5,778,762	-	-	-	755,821	755,821
Educational complex	999,890	503,377	-	-	-	(496,513)	(496,513)
Stormwater	597,486	647,177	-	-	-	49,691	49,691
Sanitation	580,521	713,833	-	-	-	133,312	133,312
Total business-type activities	13,621,026	15,485,677	-	-	-	1,864,651	1,864,651
Total primary government	$ 25,183,209	$ 17,339,752	$ 42,793	$ 558,236	$ (9,107,079)	$ 1,864,651	$ (7,242,428)
General revenues:							
Property taxes					$ 4,798,827	$ -	$ 4,798,827
Franchise taxes					954,200	-	954,200
Insurance premium taxes					645,170	-	645,170
Sales and use taxes					1,416,172	-	1,416,172
Motor vehicle taxes					310,474	-	310,474
Beer, wine, and liquor taxes					215,282	-	215,282
Hotel/Motel taxes					190,252	-	190,252
Other taxes					52,172	-	52,172
Unrestricted investment earnings					62,924	11,100	74,024
Gain on disposal of capital assets					-	3,700	3,700
Miscellaneous					113,268	-	113,268
Transfers					1,390,635	(1,390,635)	-
Total general revenues and transfers					10,149,376	(1,375,835)	8,773,541
Change in net position					1,042,297	488,816	1,531,113
Net position, beginning of fiscal year, restated					15,742,371	23,786,276	39,528,647
Net position, end of fiscal year					$ 16,784,668	$ 24,275,092	$ 41,059,760

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

CITY OF FAIRBURN, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013

ASSETS	General Fund	General Obligation Bond Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 696,797	$ 5,660,581	$ 876,156	$ 7,233,534
Restricted cash and cash equivalents	1,181,049	533,489	-	1,714,538
Investments	21,239	-	85,967	107,206
Taxes receivable, net of allowances	194,894	18,842	34,562	248,298
Other receivables	261,273	-	10,297	271,570
Intergovernmental receivables	-	-	236,422	236,422
Due from other funds	249,933	-	-	249,933
Prepaid items	153,492	-	-	153,492
Inventory	10,927	-	-	10,927
Total assets	$ 2,769,604	$ 6,212,912	$ 1,243,404	$ 10,225,920
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 130,357	$ 566,585	$ -	$ 696,942
Retainage payable	-	105,969	-	105,969
Funds held in escrow	1,092,883	-	-	1,092,883
Accrued liabilities	95,004	-	-	95,004
Due to other funds	-	-	249,933	249,933
Due to others	-	-	43,523	43,523
Unearned revenue	21,350	-	-	21,350
Customer deposits	1,100	-	-	1,100
Other liabilities	4,310	-	-	4,310
Total liabilities	1,345,004	672,554	293,456	2,311,014
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	75,663	18,460	-	94,123
Total deferred inflows of resources	75,663	18,460	-	94,123
FUND BALANCES				
Fund balances:				
Nonspendable for:				
Prepaid items	153,492	-	-	153,492
Inventory	10,927	-	-	10,927
Corpus of perpetual care cemetery funds	-	-	10,000	10,000
Restricted for:				
Capital construction	-	4,988,409	-	4,988,409
Debt service	-	533,489	-	533,489
Law enforcement activities	-	-	202,718	202,718
Cemetery operating capital	-	-	75,214	75,214
Tourism	-	-	664,263	664,263
Assigned for:				
Planning and development	-	-	967	967
Unassigned (deficit)	1,184,518	-	(3,214)	1,181,304
Total fund balances	1,348,937	5,521,898	949,948	7,820,783
Total liabilities, deferred inflows of resources, and fund balances	$ 2,769,604	$ 6,212,912	$ 1,243,404	
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				19,890,543
Some receivables are not available to pay for current-period expenditures and, therefore, are deferred inflows of resources in the funds.				94,123
Long-term liabilities , including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.				(11,020,781)
Net position of governmental activities				$ 16,784,668

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, 2013

	General Fund	General Obligation Bond Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Taxes	$ 7,373,609	$ 951,066	$ 190,252	$ 8,514,927
Licenses and permits	726,342	-	-	726,342
Intergovernmental	-	-	198,686	198,686
Fines and forfeitures	752,705	-	-	752,705
Charges for services	371,152	-	-	371,152
Interest income	40,073	21,654	1,197	62,924
Miscellaneous revenue	159,937	359,550	-	519,487
Total revenues	9,423,818	1,332,270	390,135	11,146,223
Expenditures				
Current:				
General government	1,975,650	-	74,391	2,050,041
Judicial	472,604	-	-	472,604
Public safety	5,807,709	-	27,180	5,834,889
Public works	1,385,204	-	118,183	1,503,387
Culture and recreation	223,657	-	1,650	225,307
Planning and development	365,540	-	-	365,540
Capital outlay	-	2,284,935	228,424	2,513,359
Debt service:				
Principal retirements	256,801	395,000	-	651,801
Interest and fiscal charges	14,509	491,093	-	505,602
Total expenditures	10,501,674	3,171,028	449,828	14,122,530
Deficiency of revenues under expenditures	(1,077,856)	(1,838,758)	(59,693)	(2,976,307)
Other financing sources (uses):				
Capital leases	-	-	228,424	228,424
Proceeds from sale of capital assets	39,345	-	-	39,345
Transfers in	1,600,000	-	17,260	1,617,260
Transfers out	(226,625)	-	-	(226,625)
Total other financing sources (uses)	1,412,720	-	245,684	1,658,404
Net change in fund balances	334,864	(1,838,758)	185,991	(1,317,903)
Fund balances, beginning of fiscal year	1,014,073	7,360,656	763,957	9,138,686
Fund balances, end of fiscal year	$ 1,348,937	$ 5,521,898	$ 949,948	$ 7,820,783

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, 2013

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

Net change in fund balances - total governmental funds		$ (1,317,903)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period - see footnote 2 for detail of amount.		1,971,611
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		(76,884)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		67,622
The 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:		
Initiation of capital leases	(228,424)	
Principal payment on bonds payable	395,000	
Principal payment on capital lease	256,801	
Amortization of deferred charges, prepaid bond insurance costs	(11,210)	
Amortization of bond premium	2,625	414,792
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		3,950
Change in compensated absences		(20,891)
Change in net position - governmental activities		$ 1,042,297

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, 2013

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Property taxes	$ 3,920,470	$ 3,840,898	$ 3,780,139	$ (60,759)
Sales taxes	1,465,659	1,466,178	1,416,172	(50,006)
Franchise taxes	1,105,834	956,407	954,200	(2,207)
Insurance premium taxes	631,706	645,170	645,170	-
Beer, liquor, and wine taxes	222,508	221,183	215,282	(5,901)
Motor vehicle taxes	261,811	281,215	310,474	29,259
Other taxes	28,474	42,551	52,172	9,621
Licenses and permits	644,929	690,859	726,342	35,483
Intergovernmental	3,868,280	-	-	-
Fines and forfeitures	409,257	678,371	752,705	74,334
Interest income	33,172	40,120	40,073	(47)
Charges for services	438,753	371,364	371,152	(212)
Miscellaneous	393,550	184,849	159,937	(24,912)
Total revenues	13,424,403	9,419,165	9,423,818	4,653
Expenditures				
Current:				
General government:				
Mayor and council	368,837	388,340	373,206	15,134
Administration	178,866	196,540	181,158	15,382
City Administrator	695,476	729,601	751,139	(21,538)
Finance	406,581	412,585	376,576	36,009
Technology	110,995	111,058	97,782	13,276
Property management	236,851	235,336	195,789	39,547
Total general government	1,997,606	2,073,460	1,975,650	97,810
Judicial:				
Municipal court	307,952	392,758	472,604	(79,846)
Total judicial	307,952	392,758	472,604	(79,846)
Public safety:				
Police	3,055,885	2,884,549	2,866,098	18,451
Fire	2,905,355	2,902,022	2,941,611	(39,589)
Total public safety	5,961,240	5,786,571	5,807,709	(21,138)
Public works:				
Public works administration	4,715,310	355,116	283,750	71,366
Highways and streets	1,325,064	1,238,192	1,101,454	136,738
Total public works	6,040,374	1,593,308	1,385,204	208,104
Culture and recreation:				
Recreation	196,895	233,207	223,657	9,550
Total culture and recreation	196,895	233,207	223,657	9,550
Planning and development:				
Protective inspection and enforcement	430,109	354,859	293,554	61,305
Planning and zoning	153,850	69,176	71,986	(2,810)
Total planning and development	583,959	424,035	365,540	58,495
Debt service:				
Principal retirements	256,801	256,801	256,801	-
Interest and fiscal charges	14,576	14,576	14,509	67
Total debt service	271,377	271,377	271,310	67
Total expenditures	15,359,403	10,774,716	10,501,674	273,042
Deficiency of revenues under expenditures	(1,935,000)	(1,355,551)	(1,077,856)	277,695
Other financing sources (uses)				
Capital leases	325,000	-	-	-
Proceeds from sale of capital assets	10,000	50,000	39,345	(10,655)
Transfers in	1,600,000	1,600,000	1,600,000	-
Transfers out	-	(293,754)	(226,625)	67,129
Total other financing sources (uses)	1,935,000	1,356,246	1,412,720	56,474
Net change in fund balances	-	695	334,864	334,169
Fund balance, beginning of fiscal year	1,014,073	1,014,073	1,014,073	-
Fund balance, end of fiscal year	$ 1,014,073	$ 1,014,768	$ 1,348,937	$ 334,169

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

CITY OF FAIRBURN, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2013

	Business-type Activities - Enterprise Funds					
ASSETS	Electric Fund	Water and Sewer Fund	Educational Complex Fund	Stormwater Fund	Nonmajor Sanitation Enterprise Fund	Total
CURRENT ASSETS						
Cash and cash equivalents	$ 878,798	$ 290,387	$ 4,592,368	$ 424,194	$ 434,928	$ 6,620,675
Restricted cash and cash equivalents	-	-	402,428	-	-	402,428
Investments (restricted assets)	3,209,518	-	-	-	-	3,209,518
Investments with fiscal agent (restricted assets)	69,093	-	-	-	-	69,093
Accounts receivable, net of allowances	983,348	972,385	-	33,985	115,142	2,104,860
Other receivable	180,000	-	-	-	-	180,000
Total current assets	5,320,757	1,262,772	4,994,796	458,179	550,070	12,586,574
CAPITAL ASSETS						
Non-depreciable	14,874	2,278,346	2,809,680	78,901	-	5,181,801
Depreciable, net of accumulated depreciation	4,732,575	13,367,342	8,467,942	5,091,087	-	31,658,946
Total capital assets	4,747,449	15,645,688	11,277,622	5,169,988	-	36,840,747
OTHER NONCURRENT ASSETS						
Deferred charges, prepaid bond insurance (unamortized balance)	-	21,342	-	-	-	21,342
Total noncurrent assets	4,747,449	15,667,030	11,277,622	5,169,988	-	36,862,089
Total assets	10,068,206	16,929,802	16,272,418	5,628,167	550,070	49,448,663
DEFERRED OUTFLOWS OF RESOURCES						
Deferred loss on refunding of debt	-	1,099,509	156,392	-	-	1,255,901
Total deferred outflows of resources	-	1,099,509	156,392	-	-	1,255,901
LIABILITIES						
CURRENT LIABILITIES						
Accounts payable	523,801	559,614	78,870	-	46,986	1,209,271
Accrued liabilities	8,084	3,705	-	-	-	11,789
Retainage payable	-	-	96,040	-	-	96,040
Accrued interest payable	-	-	159,994	-	-	159,994
Customer deposits	406,137	163,609	9,583	-	5,890	585,219
Compensated absences payable	25,367	12,964	-	-	-	38,331
Revenue bonds payable	-	-	355,000	-	-	355,000
Total current liabilities	963,389	739,892	699,487	-	52,876	2,455,644
NONCURRENT LIABILITIES						
Compensated absences payable	7,762	1,431	-	-	-	9,193
Revenue bonds payable	-	9,310,000	14,654,635	-	-	23,964,635
Total noncurrent liabilities	7,762	9,311,431	14,654,635	-	-	23,973,828
Total liabilities	971,151	10,051,323	15,354,122	-	52,876	26,429,472
NET POSITION						
Net investment in capital assets	4,747,449	6,335,688	548,713	5,169,988	-	16,801,838
Restricted for debt service	-	-	402,428	-	-	402,428
Restricted by third party as letter of credit	69,093	-	-	-	-	69,093
Unrestricted	4,280,513	1,642,300	123,547	458,179	497,194	7,001,733
Total net position	$ 9,097,055	$ 7,977,988	$ 1,074,688	$ 5,628,167	$ 497,194	$ 24,275,092

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, 2013

	Business-type Activities - Enterprise Funds					
	Electric Fund	Water and Sewer Fund	Educational Complex Fund	Stormwater Fund	Nonmajor Sanitation Enterprise Fund	Total
OPERATING REVENUES						
Charges for sales and services	$ 7,842,528	$ 5,778,762	$ 503,377	$ 647,177	$ 713,833	$ 15,485,677
Total operating revenues	7,842,528	5,778,762	503,377	647,177	713,833	15,485,677
OPERATING EXPENSES						
Cost of sales and services	5,336,780	2,349,639	-	261,927	-	7,948,346
General operating expenses	771,419	808,439	86,976	73,159	580,521	2,320,514
Depreciation and amortization	311,989	538,587	272,939	262,400	-	1,385,915
Total operating expenses	6,420,188	3,696,665	359,915	597,486	580,521	11,654,775
Operating income	1,422,340	2,082,097	143,462	49,691	133,312	3,830,902
NON-OPERATING REVENUES (EXPENSES)						
Gain on disposal of capital assets	-	3,700	-	-	-	3,700
Interest income	1,628	797	8,675	-	-	11,100
Interest expense	-	(1,326,276)	(639,975)	-	-	(1,966,251)
Total non-operating revenue (expenses)	1,628	(1,321,779)	(631,300)	-	-	(1,951,451)
Income (loss) before transfers	1,423,968	760,318	(487,838)	49,691	133,312	1,879,451
Transfers in	-	-	209,365	-	-	209,365
Transfers out	(1,000,000)	(400,000)	-	-	(200,000)	(1,600,000)
	(1,000,000)	(400,000)	209,365	-	(200,000)	(1,390,635)
Change in net position	423,968	360,318	(278,473)	49,691	(66,688)	488,816
Net position, beginning of fiscal year, restated	8,673,087	7,617,670	1,353,161	5,578,476	563,882	23,786,276
Net position, end of fiscal year	$ 9,097,055	$ 7,977,988	$ 1,074,688	$ 5,628,167	$ 497,194	$ 24,275,092

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, 2013

	Electric Fund	Water and Sewer Fund	Educational Complex Fund	Stormwater Fund	Nonmajor Sanitation Enterprise Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	$ 7,934,158	$ 5,828,540	$ 503,377	$ 641,876	$ 711,392	$ 15,619,343
Payments to suppliers	(5,532,855)	(2,093,436)	(9,523)	(337,400)	(579,442)	(8,552,656)
Payments to employees	(544,457)	(243,207)	-	-	-	(787,664)
Net cash provided by operating activities	1,856,846	3,491,897	493,854	304,476	131,950	6,279,023
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES						
Transfers out to other funds	(1,000,000)	(400,000)	-	-	(200,000)	(1,600,000)
Transfers in from other funds	-	-	209,365	-	-	209,365
Net cash provided by (used in) non-capital financing activities	(1,000,000)	(400,000)	209,365	-	(200,000)	(1,390,635)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchase of capital assets	(489,434)	(42,711)	(1,169,664)	(232,244)	-	(1,934,053)
Bond issuance and insurance cost payments	-	(272,397)	-	-	-	(272,397)
Payment to fiscal agent on refunded debt	-	(1,250,651)	-	-	-	(1,250,651)
Proceeds from sale of capital assets	-	3,700	-	-	-	3,700
Proceeds from capital debt	-	9,310,000	-	-	-	9,310,000
Refunded debt payments on bonds	-	(9,230,000)	-	-	-	(9,230,000)
Interest payments	-	(1,326,276)	(639,975)	-	-	(1,966,251)
Net cash (used in) capital and related financing activities	(489,434)	(2,808,335)	(1,809,639)	(232,244)	-	(5,339,652)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on investments	1,628	797	8,675	-	-	11,100
Purchases of investments	(762,867)	-	-	-	-	(762,867)
Net cash provided by (used in) investing activities	(761,239)	797	8,675	-	-	(751,767)
Net increase (decrease) in cash and cash equivalents	(393,827)	284,359	(1,097,745)	72,232	(68,050)	(1,203,031)
Cash and cash equivalents, beginning of fiscal year	1,272,625	6,028	6,092,541	351,962	502,978	8,226,134
Cash and cash equivalents, end of fiscal year	$ 878,798	$ 290,387	$ 4,994,796	$ 424,194	$ 434,928	$ 7,023,103
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES						
Operating income	$ 1,422,340	$ 2,082,097	$ 143,462	$ 49,691	$ 133,312	$ 3,830,902
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation and amortization	311,989	538,587	272,939	262,400	-	1,385,915
Change in assets and liabilities:						
(Increase) decrease in:						
Prepaid items	-	783,658	-	-	-	783,658
Increase (decrease) in:						
Accounts payable	27,992	39,672	(18,587)	(2,314)	1,079	47,842
Accrued liabilities	1,922	976	96,040	-	-	98,938
Customer deposits	58,859	35,132	-	-	1,501	95,492
Compensated absences payable	973	(2,871)	-	-	-	(1,898)
Net cash provided by operating activities	$ 1,856,846	$ 3,491,897	$ 493,854	$ 304,476	$ 131,950	$ 6,279,023

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

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, capital leases, and general obligation bonds are recorded only when payment is due.

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

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

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

The City reports the following major governmental funds:

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

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

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

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

The **capital projects funds** account for the acquisition and construction of major capital assets and facilities other than those financed by proprietary funds.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

The City reports the following nonmajor proprietary funds:

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

In accounting and reporting for its proprietary operations, the City applies all GASB pronouncements. For the fiscal year ended June 30, 2013, the City implemented GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA* Pronouncements. This statement incorporated into the GASB's authoritative literature certain accounting and financial reporting guidance issued on or before November 30, 1989.

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.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets and Budgetary Accounting

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

E. Cash and Cash Equivalents

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

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

F. Deposits and Investments

Georgia statutes authorize the City to invest in the following: (1) obligations of Georgia or any other State; (2) obligations of the United States; (3) obligations fully insured or guaranteed by the United States government or one of its agencies; (4) obligations of any corporation of the United States government; (5) prime bankers' acceptances; (6) the Local Government Investment Pool of the State of Georgia ("Georgia Fund 1"); (7) repurchase agreements; and (8) obligations of any other political subdivisions of the State of Georgia. Any investment or deposit in excess of the Federal depository insured amounts must be collateralized at 110%. The Georgia Fund 1 and Georgia Extended Asset Statement Investment Pool (GEAP) are not registered with the Securities and Exchange Commission (SEC) but operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. As of September 30, 2013, the City did not have any investments in GEAP.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Deposits and Investments (Continued)

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair values.

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 31st. The City may place liens for any and all debts after the due date. Ad valorem property tax revenue is recorded when it becomes available. Available means when due, or past due and receivable within the current period, expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Such time thereafter shall not exceed 60 days. Delinquent property taxes for which the City has a property lien are shown as taxes receivable. Receivables are shown net of an allowance for uncollectible amounts when necessary.

H. Interfund Receivables and Payables

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

Advances between funds, as reported in the fund financial statements, are offset by a fund balance nonspendable account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

I. Inventory and Prepaid Items

Inventory (if any) is valued at cost, using the first-in, first-out method. The cost of governmental fund type inventory is recorded as an expenditure when consumed rather than when purchased. Prepaid items are accounted for using the consumption method. Payments made to vendors for services that will benefit periods beyond September 30, 2013, are recorded as prepaid items in both government-wide and fund financial statements. Additionally, the government-wide financial statements report bond insurance costs as a prepaid item and it is amortized over the term of the related debt using the effective interest method.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Restricted Assets

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

K. Grants from Other Governments

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

L. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two (2) years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market 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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The City permits an accumulation of a maximum of one hundred and twenty (120) days of sick leave. Sick leave is payable to those employees who have resigned from the City with a minimum of five (5) years service up to 25% of their accumulated sick leave. Vacation time is allowed to be carried over from the current calendar year up to a maximum of 240 hours without special approval from the City Administrator. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

N. Unearned Revenue

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

O. Long-Term Obligations

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Equity and Net Position

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

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

Fund balances are classified as follows:

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

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

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

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

Unassigned – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the General Fund. It is the City's intent 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. 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, (3) Unassigned.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Equity and Net Position (Continued)

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

Q. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets 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

The City implemented GASB Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*, as of October 1, 2012. These new standards establish accounting and financial reporting for deferred outflows / inflows of resources and the concept of net position as the residual of all other elements presented in a statement of financial position.

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The City has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position and the proprietary funds statement of net position. A deferred charge 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one type of deferred inflow, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

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 $11,020,781 difference are as follows:

Bonds payable	$	(10,020,000)
Capital leases payable		(515,001)
Compensated absences		(423,322)
Accrued interest payable		(161,696)
Unamortized premium on bonds		(30,347)
Prepaid bond issurance cost		129,585
Net adjustment to reduce *fund balance - total governmental funds to arrive at net position - governmental activities*	$	(11,020,781)

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 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 $1,971,611 difference are as follows:

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

Capital outlay	$	2,892,449
Depreciation expense		(920,838)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$	1,971,611

NOTE 3. LEGAL COMPLIANCE - BUDGETS

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.

Expenditures may not legally exceed budgeted appropriations at the department level (e.g. administration). For the fiscal year ended September 30, 2013, the following departments, and funds, had excesses of actual expenditures over appropriations:

General Obligation Bond Capital Projects Fund		
Debt service - interest and fiscal charges	$	30
General Fund departments:		
General government (city administrator)		21,538
Judicial (municipal court)		79,846
Public safety (fire)		39,589
Planning and development (planning and zoning)		2,810

NOTE 4. DEPOSITS AND INVESTMENTS

As of September 30, 2013, the City had the following investments:

Investment	Maturities/Weighted Average Maturity	Fair Value
Certificates of deposit	March 24, 2014 - June 17, 2017	$ 176,299
Municipal Competitive Trust - intermediate	1.70	808,065
Municipal Competitive Trust - intermediate extended maturity	6.97	2,401,453
Total		$ 3,385,817

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

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

As reported in the Statement of Net Position		
Primary government		
Cash and cash equivalents	$	13,854,209
Restricted cash and cash equivalents		2,116,966
Investments		107,206
Investments (restricted assets)		3,209,518
Investments with fiscal agent (restricted assets)		69,093
	$	19,356,992
Cash deposited with financial institutions	$	15,961,034
Certificates of deposit		176,299
Cash deposited with Georgia Fund 1		10,141
Municipal Competitive Trust - intermediate		808,065
Municipal Competitive Trust - intermediate extended maturity		2,401,453
	$	19,356,992

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.

The local government investment pool, "Georgia Fund 1," created by OCGA 36-83-8, is a stable net asset value investment pool, which follows Standard and Poor's criteria for AAAm rated money market funds and is regulated by the Office of the State Treasurer. The Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. 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 principal ($1 per share value). Net asset value is calculated weekly to ensure stability.

The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on $1 per share. The regulatory oversight agency for Georgia Fund 1 is the Office of the State Treasurer. As of September 30, 2013, the City's investment in Georgia Fund 1 was rated AAAf by Standard & Poor's and has a weighted average to maturity of 56 days. Funds included in this Pool are not required to be collateralized. The City has reported Georgia Fund 1 as a cash equivalent as noted in the previous table.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

The credit rating for the Municipal Competitive Trust ("MCT") funds for the intermediate investment securities ranges between AA+ - AAA and the intermediate extended maturity investment securities is A1A.

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, 2013, the City had no bank balances that were exposed to custodial credit risk.

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 31. After this date, the bill becomes delinquent and penalties and interest may be assessed by the City. Property taxes are recorded as receivables and deferred revenues when levied. Revenues are recognized when available (received within 60 days of fiscal year-end).

Receivables at September 30, 2013, 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 Fund	Electric Enterprise Fund	Water & Sewer Enterprise Fund	Stormwater Enterprise Fund	Other Nonmajor Funds
Receivables:						
Taxes	$ 334,593	$ 31,371	$ -	$ -	$ -	$ 34,562
Accounts	-	-	1,008,348	999,385	33,985	118,642
Other	261,273	-	180,000	-	-	10,297
Intergovernmental	-	-	-	-	-	236,422
Less allowance for uncollectible receivables	(139,699)	(12,529)	(25,000)	(27,000)	-	(3,500)
Net total receivable	$ 456,167	$ 18,842	$ 1,163,348	$ 972,385	$ 33,985	$ 396,423

NOTE 6. CAPITAL ASSETS

Primary Government

Capital asset activity for the fiscal year ended September 30, 2013, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 5,092,254	$ -	$ -	$ 5,092,254
Construction in process	483,448	1,578,769	-	2,062,217
Total	5,575,702	1,578,769	-	7,154,471
Capital assets, being depreciated:				
Buildings and improvements	3,487,592	-	-	3,487,592
Infrastructure	17,401,077	964,518	-	18,365,595
Machinery and equipment	814,035	120,738	-	934,773
Vehicles	4,653,197	228,424	(568,720)	4,312,901
Total	26,355,901	1,313,680	(568,720)	27,100,861
Less accumulated depreciation for:				
Buildings and improvements	(1,777,277)	(125,420)	-	(1,902,697)
Infrastructure	(9,179,915)	(448,160)	-	(9,628,075)
Machinery and equipment	(552,467)	(45,672)	-	(598,139)
Vehicles	(2,426,128)	(301,586)	491,836	(2,235,878)
Total	(13,935,787)	(920,838)	491,836	(14,364,789)
Total capital assets, being depreciated, net	12,420,114	392,842	(76,884)	12,736,072
Governmental activities capital assets, net	$ 17,995,816	$ 1,971,611	$ (76,884)	$ 19,890,543

NOTE 6. 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	58,233	1,359,356	-	(160,687)	1,256,902
Total	3,983,132	1,359,356	-	(160,687)	5,181,801
Capital assets, being depreciated:					
Distribution system	15,217,901	339,442	-	-	15,557,343
Infrastructure	11,166,379	-	-	160,687	11,327,066
Building and improvements	21,374,774	-	-	-	21,374,774
Machinery and equipment	920,828	49,904	-	-	970,732
Vehicles	678,751	185,352	(18,875)	-	845,228
Total	49,358,633	574,698	(18,875)	160,687	50,075,143
Less accumulated depreciation for:					
Distribution system	(6,177,006)	(378,571)	-	-	(6,555,577)
Infrastructure	(6,022,935)	(259,905)	-	-	(6,282,840)
Building and improvements	(3,618,312)	(539,104)	-	-	(4,157,416)
Machinery and equipment	(866,523)	(23,649)	-	-	(890,172)
Vehicles	(496,379)	(52,688)	18,875	-	(530,192)
Total	(17,181,155)	(1,253,917)	18,875	-	(18,416,197)
Total capital assets, being depreciated, net	32,177,478	(679,219)	-	160,687	31,658,946
Business-type activities capital assets, net	$ 36,160,610	$ 680,137	$ -	$ -	$ 36,840,747

NOTE 6. CAPITAL ASSETS (CONTINUED)

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

Governmental activities:		
General government	$	26,554
Public safety		324,206
Public works		497,261
Culture and recreation		72,817
Total depreciation expense - governmental activities	$	920,838
Business-type activities:		
Water and sewer	$	437,528
Electric		311,989
Education complex		242,000
Stormwater		262,400
Total depreciation expense - business-type activities	$	1,253,917

NOTE 7. OPERATING LEASES

The City is the lessor of space at the Educational Complex. Each of the lease agreements have terms extending beyond the end of the next fiscal year. For the fiscal year ended September 30, 2013, the City received $503,377 in lease revenue derived from current lease agreements with third parties.

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

Fiscal Year Ending September 30,	Total Revenues
2014	$ 502,325
2015	491,325
2016	460,073
2017	237,298
2018	237,298
Total Future Lease Revenues	$ 1,928,319

NOTE 8. LONG-TERM DEBT

Primary Government

Long-term liability activity for the fiscal year ended September 30, 2013, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Fiscal Year
Governmental activities:					
Series 2011 General Obligation Bonds	$ 10,415,000	$ -	$ (395,000)	$ 10,020,000	$ 400,000
Unamortized bond premium	32,972	-	(2,625)	30,347	-
Capital leases	543,378	228,424	(256,801)	515,001	222,796
Compensated absences	402,431	313,364	(292,473)	423,322	299,885
Governmental activities Long-term liabilities	$ 11,393,781	$ 541,788	$ (946,899)	$ 10,988,670	$ 922,681

	Restated Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Fiscal Year
Business-type activities:					
Series 2006 Revenue Refunding Bonds	$ 10,035,000	$ -	$ (10,035,000)	$ -	$ -
Series 2013 Revenue Refunding Bonds	-	9,310,000	-	9,310,000	-
Series 2011 Educational Complex Revenue Bonds	15,280,000	-	-	15,280,000	355,000
Less unamortized original discount	(289,968)	-	19,603	(270,365)	-
	25,025,032	9,310,000	(10,015,397)	24,319,635	355,000
Compensated absences	49,422	38,598	(40,496)	47,524	38,331
Business-type activities Long-term liabilities	$ 25,074,454	$ 9,348,598	$ (10,055,893)	$ 24,367,159	$ 393,331

Due to the implementation of GASB 65, the deferred losses (charges) on refunded bonds are no longer reported in the above long-term debt schedule. The deferred loss on refunded bonds is reported as a deferred outflow of resources in the government-wide and proprietary fund statements of net position.

For governmental funds, compensated absences and capital leases are liquidated by the General Fund. For business-type activities, compensated absences are liquidated by the Water and Sewer Fund and the Electric Fund while capital leases are liquidated by the Electric Fund.

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

NOTE 8. LONG-TERM DEBT (CONTINUED)

The general obligation bonds currently outstanding mature as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2014	$ 400,000	$ 479,087	$ 879,087
2015	405,000	467,012	872,012
2016	410,000	454,788	864,788
2017	420,000	441,813	861,813
2018	430,000	427,463	857,463
2019-2023	2,360,000	1,869,200	4,229,200
2024-2028	2,845,000	1,212,531	4,057,531
2029-2032	2,750,000	324,875	3,074,875
Total	$ 10,020,000	$ 5,676,769	$ 15,696,769

Capital Leases. The City has entered into lease agreements as lessee for financing the acquisition of various public safety and public works vehicles. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present values of the future minimum lease payments as of the date of their inceptions. As of September 30, 2013, the City had vehicles and machinery and equipment with a cost of $1,163,039 and $62,141, respectively, under capital leases as reported in its governmental activities. Current fiscal year depreciation expense was $99,435 and ending accumulated depreciation on these leased capital assets was $176,555.

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

Fiscal Year Ending September 30,	Governmental Activities
2014	$ 234,277
2015	220,828
2016	79,625
Total minimum lease payments	534,730
Less amount representing interest	19,729
Present value of future minimum lease payments	$ 515,001

Revenue Refunding Bonds – Business-type activities. The City issued $13,145,000 of Series 2006 bonds bearing an interest rate of 4.101% payable each April 1 and October 1 beginning 2007 through until 2020 in which the proceeds from the bonds were used to refund the Series 2000 Combined Utility Refunding Revenue Bonds.

NOTE 8. LONG-TERM DEBT (CONTINUED)

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

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

The Downtown Development Authority is responsible for promoting industrial and commercial development within the City of Fairburn. However, the City of Fairburn does provide financial support each year and has contractually obligated itself to use its taxing powers to guarantee the repayment of principal and interest on the Series 2011 Educational Complex revenue bonds issued by the Downtown Development Authority.

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

	Principal	Interest	Total
Fiscal Year Ending September 30,			
2014	$ 355,000	$ 809,719	$ 1,164,719
2015	375,000	963,188	1,338,188
2016	1,210,000	950,792	2,160,792
2017	1,255,000	929,029	2,184,029
2018	1,300,000	896,956	2,196,956
2019-2023	7,605,000	3,767,223	11,372,223
2024-2028	6,425,000	2,155,532	8,580,532
2029-2033	6,065,000	901,788	6,966,788
Total	$ 24,590,000	$ 11,374,227	$ 35,964,227

NOTE 9. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of September 30, 2013, is as follows:

Due to / from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor governmental	$ 249,933

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.

Interfund transfers:

Transfers In	Transfers Out	Amount
General Fund	Water & Sewer Fund	$ 400,000
General Fund	Electric Fund	1,000,000
General Fund	Nonmajor enterprise fund	200,000
Educational Complex Fund	General Fund	209,365
Nonmajor governmental funds	General Fund	17,260
		$ 1,826,625

Transfers are used to (1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them, (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (3) pay the General Fund a franchise fee amounting to 5% of each Enterprise Funds' annual operating revenue.

NOTE 10. PENSION PLANS

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'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. The City does not own any securities on its own. Investment income from the securities is allocated on a pro rata basis. 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.

As provided by State law, benefit provisions for participants in GMEBS are established, and may be amended by the respective employers. As authorized by the City Council, the Plan provides pension benefits and death and disability benefits for plan members and beneficiaries. All full-time employees and City officials are eligible to participate in the Plan. Benefits vest after five years of service. City employees may retire on reaching the age of 60 or 65, (55 for police or firefighters). Early retirement is possible on reaching the age of 50 or 55, depending on the classification of the employee. Benefits are calculated at 1.25% to 2.0% of the average monthly earnings for the period of the five highest years prior to retirement, payable monthly for life. City officials receive a lifetime benefit at age 65 of $25 per month for each year of service to the City.

At January 1, 2013, the date of the most recent actuarial valuation, there were 215 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	41
Terminated vested participants not yet receiving benefits	54
Active employees - vested	113
Active employees - nonvested	7
Total	215

Funding Policy

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 is to contribute an amount equal to the recommended contribution described below. The actuarially determined contribution rates based on actuarial valuations done on January 1, 2013 and January 1, 2012 were respectively, 11.01% and 9.81% of covered payroll. The actuarial valuation performed as of January 1, 2013 was prepared for the City's fiscal year beginning October 1, 2013 (fiscal year 2014).

NOTE 10. PENSION PLANS (CONTINUED)

Funding Policy (Continued)

For fiscal year ended September 30, 2013, the City's recommended contribution was $480,452. Actual contributions totaled $480,452. The recommended contribution was determined as part of the January 1, 2012 actuarial valuation using the projected unit credit actuarial cost method. Actuarial assumptions include a 7.75% rate of return on investments and projected salary increases of 3.5% based on age and years of service. Both rates included an inflation component of 3.5%. The amortization method used is the closed level dollar for the remaining unfunded liability. The remaining amortization period varies for the bases, with a net effective amortization period of 11 years. The asset valuation method is the 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 amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 50% of market value for 2009, 44% of market value for 2010, 38% of market value for 2011, 32% of market value for 2012, 26% of market value for 2013, and 20% of market value for 2014 and later years.

The following is the most recent schedule of funding progress:

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	[(b-a)/c] UAAL as a Percentage of Covered Payroll
1/1/2013	$ 9,285,719	$ 9,714,965	$ 429,246	95.58 %	$ 4,601,481	9.33 %

The required schedule of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of Plan net assets is increasing or decreasing over time relative to the actuarial accrued liability.

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 for fiscal year 2013 are based on the substantive plan in effect as of January 1, 2012.

NOTE 10. PENSION PLANS (CONTINUED)

Funding Policy (Continued)

Fiscal Year Ended September 30,	Annual Pension Cost (APC)	Actual Pension Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
2013	$ 480,452	$ 480,452	100.0 %	$ -
2012	566,611	566,611	100.0	-
2011	604,270	604,270	100.0	-

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, 2013, there were 47 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, 2013 were $169,232.

NOTE 12. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the Atlanta, Georgia area, is a member of the Atlanta Regional Commission (ARC). Dues to the ARC are assessed at the County level and are, accordingly, paid on the City's behalf by Fulton County. Membership in the ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the ARC in Georgia. The ARC Board membership includes the chief elected official of each county and various municipalities of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the ARC. Separate financial statements may be obtained from ARC, 40 Courtland Street, NE, Atlanta, Georgia 30303.

NOTE 13. RELATED ORGANIZATIONS

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

NOTE 14. RISK MANAGEMENT

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

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

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

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

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

NOTE 15. COMMITMENTS AND CONTINGENCIES

Litigation:

The City is a defendant in certain legal actions in the nature of claims for alleged damages to persons and property and other similar types of actions 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.

NOTE 15. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Contractual Commitments

For the fiscal year ended September 30, 2013, the City had active construction contracts related to various construction projects. At fiscal year end, the City's commitments with contractors totaled approximately $4,562,664.

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.

As of September 30, 2013, the City is an electric utility participant in MEAG and obligated to purchase, all of its bulk power supply requirements from MEAG for a period not to exceed 50 years. The City has agreed to purchase all of its future power and energy requirements in excess of that received by the City through the Southeastern Power Administration at prices intended to cover the operating costs of the systems and to retire any debt incurred by the MEAG. In the event that revenues are insufficient to cover all costs and retire the outstanding debt, each participating City has guaranteed a portion of the unpaid debt based on their individual entitlement shares of the output and services of generating units acquired or constructed by MEAG. In addition, in the event of discontinued service to a participant in default, the City would be obligated to purchase additional power subject to contractual limitations. Payments to MEAG are made monthly based on KWH usage. The total payments under these contracts amounted to $5,441,707 during fiscal year 2013.

At September 30, 2013, the outstanding debt of MEAG was approximately $5.56 billion. The City's guarantee varies by individual projects undertaken by MEAG and totals approximately $50 million at September 30, 2013.

NOTE 15. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Agreements with the Municipal Electric Authority of Georgia (Continued)

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 five (5) years as of September 30, 2013 are $1,749,964.

NOTE 16. HOTEL/MOTEL LODGING TAX

The City imposed a 3% tax on gross hotel occupancy revenues for the purpose of promoting tourism, conventions, and trade shows. For the fiscal year ended September 30, 2013, $190,252 of hotel/motel tax was collected and $-0- was expended during the current fiscal year-end.

NOTE 17. JOINTLY GOVERNED ORGANIZATION

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

NOTE 17. JOINTLY GOVERNED ORGANIZATION (CONTINUED)

The City does not provide financial support to the Water and Sewer Authority, but has contractually obligated itself to use its full taxing power to guarantee the repayment of approximately 34.72% of the principal and interest on the Water and Sewer Authority's Series 2007 Variable Rate Revenue Bonds if the Water and Sewer Authority's resources can not cover the debt service. During the fiscal year ended September 30, 2013, the City agreed to pay the Water and Sewer Authority $951,891 (reported as interest expense) for the City's proportionate share of the principal and interest on the Water and Sewer Authority's bonds from revenues of the City's Water and Sewer Fund. As of December 31, 2012 (from the most recent available audited financial statements), the Water and Sewer Authority's debt service requirements on the Series 2007 Variable Rate Revenue Bonds were as follows using the current variable interest rate of 3.670%:

	Principal	Interest	Total
Fiscal Year Ending December 31,			
2014	$ 615,000	$ 1,433,686	$ 2,048,686
2015	840,000	1,394,600	2,234,600
2016	890,000	1,372,030	2,262,030
2017	1,090,000	1,341,202	2,431,202
2018	1,240,000	1,308,539	2,548,539
2019-2023	8,075,000	5,838,053	13,913,053
2024-2028	10,920,000	4,251,328	15,171,328
2029-2033	15,395,000	2,098,873	17,493,873
Total	$ 39,065,000	$ 19,038,311	$ 58,103,311

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

NOTE 18. CHANGES IN ACCOUNTING PRINCIPLE

In conjunction with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the City is required to change its accounting treatment of debt issuance costs. The new standard requires that debt issuance costs be recognized as an expense in the period incurred rather than deferred and recognized as an expense (amortized) in a systematic and rational manner over the duration of the related debt as was the required treatment in prior reporting periods.

NOTE 18. CHANGES IN ACCOUNTING PRINCIPLE (CONTINUED)

Therefore, in conjunction with the implementation of Statement No. 65, the following restatement was required to the beginning net position of the Water and Sewer Fund, Educational Complex Fund, Business-type Activities, and Governmental Activities to properly recognize debt issuance costs as an expense in the periods in which they were incurred:

	Water and Sewer Fund	Educational Complex Fund	Business-type Activities	Governmental Activities
Net Position, as previously reported	$ 7,757,882	$ 1,984,244	$ 24,557,571	$ 15,974,188
Recognition of bond issuance costs incurred in prior periods	(140,212)	(631,083)	(771,295)	(231,817)
Beginning Net Position, as restated	$ 7,617,670	$ 1,353,161	$ 23,786,276	$ 15,742,371

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FAIRBURN, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN
SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded Actuarial Accrued Liability (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	[(b-a)/c] UAAL as a Percentage of Covered Payroll
1/1/13	$ 9,285,719	$ 9,714,965	$ 429,246	95.6%	$ 4,601,481	9.3%
1/1/12	8,500,037	8,790,240	290,203	96.7%	4,772,077	6.1%
1/1/11	7,830,403	8,300,993	470,590	94.3%	5,661,124	8.3%
1/1/10	6,828,413	7,636,085	807,672	89.4%	5,833,192	13.8%
1/1/09	5,088,515	8,071,665	2,983,150	63.0%	5,223,804	57.1%
1/1/08	6,259,245	5,546,221	(713,024)	112.9%	4,725,634	-15.1%

Note: See assumptions used for the Schedule of Funding Progress in Note 10 to the financial statements.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF FAIRBURN, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

Hotel/Motel Tax Fund – To account for the 3% lodging tax levied in the City. Funds are restricted by State law.

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 PROJECTS FUND

The Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major assets and capital facilities.

Capital Improvement Fund – To account for the acquisition and construction of major capital assets and facilities other than those financed by proprietary funds.

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, 2013

	Special Revenue Funds				Capital Projects Fund	Permanent Fund	Total
ASSETS	Confiscated Assets Fund	Grants Fund	Hotel/Motel Tax Fund	Development Authority Fund	Capital Improvement Fund	Cemetery Fund	Nonmajor Governmental Funds
Cash and cash equivalents	$ 246,241	$ -	629,701	$ -	$ -	$ 214	$ 876,156
Investments	-	-	-	967	-	85,000	85,967
Intergovernmental receivable	-	7,998	-	-	228,424	-	236,422
Taxes receivable	-	-	34,562	-	-	-	34,562
Other receivable	-	-	-	-	10,297	-	10,297
Total assets	$ 246,241	$ 7,998	664,263	$ 967	$ 238,721	$ 85,214	$ 1,243,404
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Due to others	$ 43,523	$ -	$ -	$ -	$ -	$ -	$ 43,523
Due to other funds	-	7,998	-	-	241,935	-	249,933
Total liabilities	43,523	7,998	-	-	241,935	-	293,456
FUND BALANCES (DEFICITS)							
Nonspendable for:							
Corpus of perpetual care cemetery funds	-	-	-	-	-	10,000	10,000
Restricted for:							
Capital construction	-	-	-	-	-	-	
Law enforcement activities	202,718	-	-	-	-	-	202,718
Cemetery operating capital	-	-	-	-	-	75,214	75,214
Tourism	-	-	664,263	-	-	-	664,263
Assigned for:							
Planning and development	-	-	-	967	-	-	967
Unassigned (deficit)	-	-	-	-	(3,214)	-	(3,214)
Total fund balances (deficits)	202,718	-	664,263	967	(3,214)	85,214	949,948
Total liabilities and fund balances	$ 246,241	$ 7,998	664,263	$ 967	$ 238,721	$ 85,214	$ 1,243,404

CITY OF FAIRBURN, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Special Revenue Funds				Capital Projects 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	$ -	$ -	$ 190,252	$ -	$ -	$ -	$ 190,252
Intergovernmental	-	198,686	-	-	-	-	198,686
Interest	330	-	-	2	167	698	1,197
Total revenues	330	198,686	190,252	2	167	698	390,135
EXPENDITURES							
Current							
General government	-	71,010	-	-	3,381	-	74,391
Public safety	427	26,753	-		-	-	27,180
Public works	-	118,183	-	-	-	-	118,183
Culture and recreation	-	-	-	-	-	1,650	1,650
Capital outlay	-	-	-	-	228,424	-	228,424
Total expenditures	427	215,946	-	-	231,805	1,650	449,828
Excess (deficiency) of revenues over (under) expenditures	(97)	(17,260)	190,252	2	(231,638)	(952)	(59,693)
Other financing sources:							
Capital leases	-	-	-	-	228,424	-	228,424
Transfers in	-	17,260	-	-	-	-	17,260
Total other financing sources	-	17,260	-	-	228,424	-	245,684
Net change in fund balances	(97)	-	190,252	2	(3,214)	(952)	185,991
FUND BALANCES, beginning of fiscal year	202,815	-	474,011	965	-	86,166	763,957
FUND BALANCES (DEFICITS), end of fiscal year	$ 202,718	$ -	$ 664,263	$ 967	$ (3,214)	$ 85,214	$ 949,948

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, 2013

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Fines and forfeitures	$ -	$ 24,000	$ -	$ (24,000)
Interest	300	300	330	30
Total revenues	300	24,300	330	(23,970)
EXPENDITURES				
Public safety	40,000	40,150	427	39,723
Net change in fund balances	(39,700)	(15,850)	(97)	15,753
FUND BALANCES, beginning of fiscal year	202,815	202,815	202,815	-
FUND BALANCES, end of fiscal year	$ 163,115	$ 186,965	$ 202,718	$ 15,753

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, 2013

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ -	$ 579,918	$ 198,686	$ (381,232)
Total revenues	-	579,918	198,686	(381,232)
EXPENDITURES				
General government	-	74,780	71,010	3,770
Public safety	-	68,755	26,753	42,002
Public works	-	527,183	118,183	409,000
Total expenditures	-	670,718	215,946	454,772
Deficiency of revenues under expenditures	-	(90,800)	(17,260)	73,540
Other financing sources:				
Transfers in	-	90,800	17,260	(73,540)
Total other financing sources	-	90,800	17,260	(73,540)
Net change in fund balances	-	-	-	-
FUND BALANCES, beginning of fiscal year	-	-	-	-
FUND BALANCES, end of fiscal year	$ -	$ -	$ -	$ -

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, 2013

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 131,245	$ 131,245	$ 190,252	$ 59,007
Net change in fund balances	131,245	131,245	190,252	59,007
FUND BALANCES, beginning of fiscal year	474,011	474,011	474,011	-
FUND BALANCES, end of fiscal year	$ 605,256	$ 605,256	$ 664,263	$ 59,007

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, 2013

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ -	$ 3,800,000	$ -	$ (3,800,000)
Interest	-	-	167	167
Total revenues	-	3,800,000	167	(3,799,833)
EXPENDITURES				
Current				
General government	-	3,800,000	3,381	3,796,619
Public works	-	68,000	-	68,000
Capital outlay				
Public safety	-	252,000	228,424	23,576
Total expenditures	-	4,120,000	231,805	3,888,195
Deficiency of revenues under expenditures	-	(320,000)	(231,638)	88,362
Other financing sources:				
Capital lease	-	320,000	228,424	(91,576)
Total other financing sources	-	320,000	228,424	(91,576)
Net change in fund balances	-	-	(3,214)	(3,214)
FUND BALANCES, beginning of fiscal year	-	-	-	-
FUND BALANCES (DEFICITS), end of fiscal year	$ -	$ -	$ (3,214)	$ (3,214)

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, 2013

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Tax revenue	$ 962,442	$ 970,081	$ 951,066	$ (19,015)
Design and renovation fees	580,000	580,000	359,550	(220,450)
Interest	20,400	18,000	21,654	3,654
Total revenues	1,562,842	1,568,081	1,332,270	(235,811)
Expenditures				
Capital outlays	4,925,000	4,926,250	2,284,935	2,641,315
Debt service - principal payments	395,000	395,000	395,000	-
Debt service - interest and fiscal charges	491,013	491,063	491,093	(30)
Total expenditures	5,811,013	5,812,313	3,171,028	2,641,285
Net change in fund balances	(4,248,171)	(4,244,232)	(1,838,758)	2,405,474
Fund balance, beginning of fiscal year	7,360,656	7,360,656	7,360,656	-
Fund balance, end of fiscal year	$ 3,112,485	$ 3,116,424	$ 5,521,898	$ 2,405,474

STATISTICAL SECTION

This part of the City of Fairburn's comprehensive annual 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.

Page

Financial Trends **61**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity **66**

These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.

Debt Capacity **70**

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information **75**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information **78**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant fiscal year. The City implemented GASB Statement 34 in 2004; schedules presenting government-wide information include information beginning in that fiscal year.

CITY OF FAIRBURN, GEORGIA

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

	2013	2012 (restated)	2011	2010	2009	2008	2007	2006	2005	2004
Governmental activities										
Net investment in capital assets	**$ 14,079,774**	$ 13,762,645	$ 13,449,772	$ 14,043,159	$ 20,438,499	$ 19,629,347	$ 20,213,262	$ 17,532,641	$ 17,305,906	$ 17,940,787
Restricted	**1,719,514**	1,346,852	639,394	613,627	80,003	136,223	127,299	127,299	-	-
Unrestricted (deficit)	**985,380**	632,874	415,456	(169,035)	(209,590)	(176,511)	286,922	137,417	1,187,909	1,242,927
Total governmental activities net position	**$ 16,784,668**	$ 15,742,371	$ 14,504,622	$ 14,487,751	$ 20,308,912	$ 19,589,059	$ 20,627,483	$ 17,797,357	$ 18,493,815	$ 19,183,714
Business-type activities										
Net investment in capital assets	**$ 16,801,838**	$ 17,194,519	$ 17,330,455	$ 18,041,508	$ 9,311,194	$ 8,271,525	$ 8,102,036	$ 8,429,576	$ 7,383,343	$ 2,903,275
Restricted	**471,521**	607,292	1,344,040	65,200	480,215	3,169,261	521,835	3,175,590	3,047,898	5,059,990
Unrestricted	**7,001,733**	5,984,465	5,334,811	5,096,658	7,472,476	8,926,965	10,791,732	9,680,088	7,123,433	3,988,854
Total business-type activities net position	**$ 24,275,092**	$ 23,786,276	$ 24,009,306	$ 23,203,366	$ 17,263,885	$ 20,367,751	$ 19,415,603	$ 21,285,254	$ 17,554,674	$ 11,952,119
Primary government										
Net investment in capital assets	**$ 30,881,612**	$ 30,957,164	$ 30,780,227	$ 32,084,667	$ 29,749,693	$ 27,900,872	$ 28,315,298	$ 25,962,217	$ 24,689,249	$ 20,844,062
Restricted	**2,191,035**	1,954,144	1,983,434	678,827	560,218	3,305,484	649,134	3,302,889	3,047,898	5,059,990
Unrestricted	**7,987,113**	6,617,339	5,750,267	4,927,623	7,262,886	8,750,454	11,078,654	9,817,505	8,311,342	5,231,781
Total primary government net position	**$ 41,059,760**	$ 39,528,647	$ 38,513,928	$ 37,691,117	$ 37,572,797	$ 39,956,810	$ 40,043,086	$ 39,082,611	$ 36,048,489	$ 31,135,833

Note: The 2012 column has been restated for a change in accounting principle and is discussed in Note 18 of the financial statements.

CITY OF FAIRBURN, GEORGIA

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

	2013	2012 (restated)	2011	2010	2009	2008 (1) (2)	2007 (2)	2006 (1)	2005	2004
Expenses										
Governmental activities:										
General government	**$ 2,104,230**	$ 1,823,964	$ 1,763,115	$ 2,022,054	$ 1,917,381	$ 2,391,830	$ 2,332,672	$ 2,158,655	$ 1,269,561	$ 1,552,885
Judicial	**479,159**	333,136	235,544	262,792	279,684	289,188	255,194	196,435	-	-
Public safety	**6,057,633**	5,851,586	6,127,643	6,758,087	6,622,873	6,432,050	5,511,614	4,099,542	2,830,741	2,238,557
Public works	**1,757,055**	1,857,152	1,726,760	1,747,445	2,175,196	1,670,873	1,433,380	1,263,662	1,757,463	1,300,695
Planning and development	**366,955**	367,715	327,158	433,145	584,404	405,233	525,973	717,057	616,633	-
Culture and recreation	**298,124**	252,863	228,225	270,198	80,226	24,180	-	-	64,545	
Other	**-**	-	-	-	59,925	24,066	-	-	-	24,886
Interest on long-term debt	**499,027**	508,703	299,264	25,411	37,401	26,490	28,876	16,718	3,814	-
Total governmental activities expenses	**11,562,183**	10,995,119	10,707,709	11,519,132	11,757,090	11,263,910	10,087,709	8,452,069	6,542,757	5,117,023
Business-type activities:										
Electric	**6,420,188**	6,383,795	5,381,210	6,080,267	5,988,466	5,945,283	5,305,917	5,169,600	3,683,462	3,949,239
Water and Sewer	**5,022,941**	4,797,117	4,576,383	4,371,584	3,879,022	3,434,169	3,139,049	2,609,979	1,414,945	1,515,607
Educational Complex	**999,890**	1,237,275	593,658	685,977	666,067	110	-	-	-	-
Stormwater	**597,486**	613,722	571,291	549,079 (3)	-	-	-	-	-	-
Sanitation	**580,521**	561,649	559,011	580,516	618,527	766,875	689,203	737,006	448,268	824,577
Cable TV	**-**	-	-	-	-	-	654,148 (2)	1,958,708	1,806,071	1,780,601
Telecom	**-**	-	-	-	-	157,999 (2)	185,887	188,531	159,027	-
Total business-type activities expenses	**13,621,026**	13,593,558	11,681,553	12,267,423	11,152,082	10,304,436	9,974,204	10,663,824	7,511,773	8,070,024
Total primary government expenses	**$ 25,183,209**	$ 24,588,677	$ 22,389,262	$ 23,786,555	$ 22,909,172	$ 21,568,346	$ 20,061,913	$ 19,115,893	$ 14,054,530	$ 13,187,047
Program Revenues										
Governmental activities:										
Charges for services	**$ 1,854,075**	$ 1,539,479	$ 1,129,351	$ 1,481,525	$ 1,604,707	$ 1,827,188	$ 2,276,983	$ 2,071,853	$ 1,956,301	$ 1,867,349
Operating grants and contributions	**42,793**	15,270	-	19,265	424,049	154,562	95,897	223,606	123,386	111,840
Capital grants and contributions	**558,236**	1,318,074	280,000	-	-	-	-	-	-	-
Total governmental activities program revenues	**2,455,104**	2,872,823	1,409,351	1,500,790	2,028,756	1,981,750	2,372,880	2,295,459	2,079,687	1,979,189
Business-type activities:										
Charges for services	**15,485,677**	15,298,333	14,241,961	13,751,183	12,559,295	12,552,333	13,840,371	15,844,099	13,080,048	10,309,484
Capital grants and contributions	**-**	-	-	121,040	-	-	-	-	485,613	-
Total business-type activities program revenues	**15,485,677**	15,298,333	14,241,961	13,872,223	12,559,295	12,552,333	13,840,371	15,844,099	13,565,661	10,309,484
Total primary government program revenues	**$ 17,940,781**	$ 18,171,156	$ 15,651,312	$ 15,373,013	$ 14,588,051	$ 14,534,083	$ 16,213,251	$ 18,139,558	$ 15,645,348	$ 12,288,673

(Continued)

CITY OF FAIRBURN, GEORGIA

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

	2013	2012 (restated)	2011	2010	2009	2008 (1) (2)	2007 (2)	2006 (1)	2005	2004
Net (expense)/revenue										
Governmental activities	**$ (9,107,079)**	$ (8,122,296)	$ (9,298,358)	$ (10,018,342)	$ (9,728,334)	$ (9,282,160)	$ (7,714,829)	$ (6,156,610)	$ (4,463,070)	$ (3,137,834)
Business-type activities	**1,864,651**	1,704,775	2,560,408	1,604,800	1,407,213	2,247,897	3,866,167	5,180,275	6,053,888	2,239,460
Total primary government net (expense) revenue	**$ (7,242,428)**	$ (6,417,521)	$ (6,737,950)	$ (8,413,542)	$ (8,321,121)	$ (7,034,263)	$ (3,848,662)	$ (976,335)	$ 1,590,818	$ (898,374)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	**$ 4,798,827**	$ 4,567,666	$ 4,060,431	$ 2,853,789	$ 2,831,173	$ 2,268,758	$ 1,344,682	$ 1,149,246	$ 976,226	$ 891,886
Sales and use taxes	**1,416,172**	1,414,814	1,315,932	1,324,124	1,287,811	1,440,218	1,442,080	1,443,222	1,251,042	1,178,336
Other taxes	**2,367,550**	2,260,687	1,791,316	1,741,655	1,951,473	1,517,717	1,075,173	908,676	841,303	740,048
Miscellaneous revenue	**113,268**	87,798	287,908	139,915	65,260	34,703	-	-	-	45,983
Unrestricted investment earnings	**62,924**	69,897	94,642	34,694	49,027	49,227	79,327	87,406	62,030	30,480
Transfers	**1,390,635**	1,191,000	1,765,000	3,689,629	4,598,580	2,933,113	6,603,693	1,871,602	642,570	588,479
Total governmental activities	**10,149,376**	9,591,862	9,315,229	9,783,806	10,783,324	8,243,736	10,544,955	5,460,152	3,773,171	3,475,212
Business-type activities:										
Unrestricted investment earnings	**11,100**	34,490	9,838	27,686	87,501	416,809	575,362	421,907	191,237	171,331
Rental Income	**-**	-	-	-	-	-	326,613	-	-	-
Loss of Refinancing Revenue Bonds	**-**	-	-	-	-	-	(1,288,562)	-	-	-
Sale of Sewer Contractual Rights	**-**	-	-	-	-	-	492,436	-	-	-
Gain on Sale of Assets	**3,700**	-	694	264,841	-	-	762,026	-	-	-
Transfers	**(1,390,635)**	(1,191,000)	(1,765,000)	(3,689,629)	(4,598,580)	(2,933,113)	(6,603,693)	(1,871,602)	(642,570)	(588,479)
Total business-type activities	**(1,375,835)**	(1,156,510)	(1,754,468)	(3,397,102)	(4,511,079)	(2,516,304)	(5,735,818)	(1,449,695)	(451,333)	(417,148)
Total primary government	**$ 8,773,541**	$ 8,435,352	$ 7,560,761	$ 6,386,704	$ 6,272,245	$ 5,727,432	$ 4,809,137	$ 4,010,457	$ 3,321,838	$ 3,058,064
Change in Net Position										
Governmental activities	**$ 1,042,297**	$ 1,469,566	$ 16,871	$ (234,536)	$ 1,054,990	$ (1,038,424)	$ 2,830,126	$ (696,458)	$ (689,899)	$ 337,378
Business-type activities	**488,816**	548,265	805,940	(1,792,302)	(3,103,866)	(268,407)	(1,869,651)	3,730,580	5,602,555	1,822,312
Total primary government	**$ 1,531,113**	$ 2,017,831	$ 822,811	$ (2,026,838)	$ (2,048,876)	$ (1,306,831)	$ 960,475	$ 3,034,122	$ 4,912,656	$ 2,159,690

Note: The 2012 column has been restated for a change in accounting principle and is discussed in Note 18 of the financial statements.

(1) The allocation of charges for services to the various functions was changed in 2006 and again in 2008 to more accurately reflect the nature of the City's activities.

(2) During 2007 and 2008, the City eliminated the Cable TV and telecom services, respectively.

(2) During 2010, the City has created the Stormwater Enterprise Fund which was previously recorded in the Water & Sewer Fund

CITY OF FAIRBURN, GEORGIA

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Fund										
Reserved	**$ -**	$ -	$ -	$ 19,610	$ 86,290	$ 157,421	$ 41,364	$ 90,016	$ 95,945	$ 100,972
Unreserved	**-**	-	-	72,001	(406,291)	(411,217)	168,052	16,127	876,408	959,091
Nonspendable	**164,419**	134,922	134,338	-	-	-	-	-	-	-
Unassigned	**1,184,518**	879,151	412,283	-	-	-	-	-	-	-
Total General Fund	**$ 1,348,937**	$ 1,014,073	$ 546,621	$ 91,611	$ (320,001)	$ (253,796)	$ 209,416	$ 106,143	$ 972,353	$ 1,060,063
All other governmental funds										
Reserved, Cemetery Fund	**$ -**	$ -	$ -	$ 75,762	$ 8,003	$ 199,089	$ 131,590	$ 127,299	$ 123,137	$ 119,160
Unreserved, reported in:										
Special revenue funds	**-**	-	-	538,818	39,161	136,223	36,764	(613)	72,448	61,636
Nonspendable	**10,000**	10,000	10,000	-	-	-	-	-	-	-
Restricted	**6,464,093**	8,113,648	10,390,989	-	-	-	-	-	-	-
Assigned	**967**	965	962	-	-	-	-	-	-	-
Unassigned (deficit)	**(3,214)**	-	-	-	-	-	-	-	-	-
Total all other governmental funds	**$ 6,471,846**	$ 8,124,613	$ 10,401,951	$ 614,580	$ 47,164	$ 335,312	$ 168,354	$ 126,686	$ 195,585	$ 180,796

Note: For 2011, the City implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. This new standard changed the overall definitions and classifications of governmental fund balances.

CITY OF FAIBURN, GEORGIA

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Revenues										
Taxes	**$ 8,514,927**	$ 8,276,648	$ 7,241,198	$ 6,023,874	$ 6,098,692	$ 5,224,467	$ 3,857,279	$ 3,730,537	$ 3,222,685	$ 2,789,995
Licenses and permits	**726,342**	624,518	542,189	480,241	542,957	741,349	1,119,998	988,998	1,026,028	1,466,992
Intergovernmental	**198,686**	1,166,174	-	19,265	424,049	191,784	95,897	223,606	123,386	111,840
Fines and forfeitures	**752,705**	506,094	223,780	398,212	350,884	383,499	430,046	344,302	245,822	225,634
Charges for services	**371,152**	395,307	360,802	600,492	710,866	704,273	726,939	509,773	510,366	192,930
Interest income	**62,924**	69,897	94,642	34,694	49,027	49,227	79,417	87,406	62,030	30,480
Miscellaneous	**519,487**	116,628	287,854	142,495	-	-	-	-	-	45,983
Total revenues	**11,146,223**	11,155,266	8,750,465	7,699,273	8,176,475	7,294,599	6,309,576	5,884,622	5,190,317	4,863,854
Expenditures										
General government	**2,050,041**	1,790,985	1,724,112	1,993,378	3,166,567	2,749,487	4,059,794	2,248,378	1,370,300	1,663,634
Judicial	**472,604**	332,565	235,544	262,792	279,684	289,188	255,194	196,435	-	-
Public safety	**5,834,889**	5,757,817	5,993,068	6,578,133	7,066,933	6,359,138	6,483,466	5,004,641	2,999,239	2,136,655
Public works	**1,503,387**	2,645,111	1,358,955	1,269,111	1,505,312	1,109,432	1,332,026	634,783	1,163,942	875,964
Planning and development	**365,540**	368,225	327,158	433,145	584,404	405,233	525,973	717,057	616,633	-
Culture and recreation	**225,307**	192,905	165,690	209,493	79,287	24,180	-	64,117	64,545	-
Other	-	-	-	-	59,925	24,066	-	-	-	24,886
Capital outlay	**2,513,359**	2,794,532	219,133	-	-	-	-	-	-	-
Debt service										
Principal	**651,801**	130,540	160,690	223,196	296,729	306,564	267,780	195,168	66,984	-
Interest	**505,602**	511,360	134,223	25,411	37,401	26,490	28,876	16,718	3,814	-
Bond issuance costs	**-**	-	409,485	-	-	-	-	-	-	-
Total expenditures	**14,122,530**	14,524,040	10,728,058	10,994,659	13,076,242	11,293,778	12,953,109	9,077,297	6,285,457	4,701,139
Excess (deficiency) of revenues over (under) expenditures	**(2,976,307)**	(3,368,774)	(1,977,593)	(3,295,386)	(4,899,767)	(3,999,179)	(6,643,533)	(3,192,675)	(1,095,140)	162,715
Other financing sources (uses)										
Bonds issued	**-**	**-**	10,415,000	**-**	510,000	241,958	184,781	385,964	379,649	-
Original bond premium	**-**	**-**	36,234							
Capital leases	**228,424**	367,888	-	123,000	-	-	-	-	-	-
Sale of capital assets	**39,345**	-	3,740							
Transfers in	**1,617,260**	1,350,000	3,232,866	3,743,142	4,713,867	3,778,243	6,603,693	1,871,602	642,570	588,479
Transfers out	**(226,625)**	(159,000)	(1,467,866)	(53,513)	(115,287)	(473,305)	-	-	-	-
Total other financing sources (uses)	**1,658,404**	1,558,888	12,219,974	3,812,629	5,108,580	3,546,896	6,788,474	2,257,566	1,022,219	588,479
Net change in fund balances	**$ (1,317,903)**	$ (1,809,886)	$ 10,242,381	$ 517,243	$ 208,813	$ (452,283)	$ 144,941	$ (935,109)	$ (72,921)	$ 751,194
Debt service as a percentage of noncapital expenditures	**9.97%**	5.47%	2.35%	2.35%	3.12%	3.26%	3.25%	2.79%	1.25%	0.00%

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
2004	$ 891,886	$ 1,178,336	$ 113,662	$ 130,891	$ 234,707	$ 192,501	$ 853	$ 67,434	$ 2,810,270
2005	976,226	1,251,042	136,708	134,912	255,048	210,422	848	103,365	3,068,571
2006	1,149,246	1,443,222	137,854	154,693	273,706	238,092	524	103,807	3,501,144
2007	1,344,682	1,442,080	137,477	225,448	286,313	246,653	46,587	132,695	3,861,935
2008	2,266,758	1,440,218	160,970	596,064	298,656	254,959	97,371	109,697	5,224,693
2009	2,831,173	1,287,811	168,930	1,053,234	305,810	259,878	115,287	113,594	6,135,717
2010	2,853,789	1,324,124	180,995	903,161	302,941	240,762	86,369	27,427	5,919,568
2011	4,060,431	1,315,932	221,656	888,278	294,137	234,805	118,499	33,941	7,167,679
2012	4,567,666	1,414,814	271,463	997,510	607,409	225,028	123,964	35,313	8,243,167
2013	**4,798,827**	**1,416,172**	**310,474**	**954,200**	**645,170**	**215,282**	**190,252**	**52,172**	**8,582,549**

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					
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	Ratio of Total Assessed to Total Estimated Actual Value	Percent Increase in Estimated Actual Value Over Prior Year
2003	121,622,495	304,056,238	22,897,725	57,244,313	4,241,171	10,602,928	148,761,391		371,903,479	6.00	40%	20.35%
2004	133,913,043	334,782,608	27,073,913	67,684,783	5,318,261	13,295,653	166,305,217		415,763,044	5.75	40%	11.79%
2005	177,425,275	443,563,188	34,421,130	86,052,825	4,561,998	11,404,995	216,408,403		541,021,008	5.45	40%	30.13%
2006	424,182,960	565,101,955	52,602,070	131,505,175	5,328,691	13,321,728	482,113,721	(1)	709,928,858	5.00	40%	31.22%
2007	480,625,730	998,615,500	178,761,030	446,902,575	8,338,020	20,845,050	667,724,780	(2)	1,466,363,125	5.00	40%	106.55%
2008	469,416,680	1,181,614,400	203,254,900	508,137,250	9,888,331	24,720,828	682,559,911		1,714,472,478	5.00	40%	16.92%
2009	410,862,770	1,048,830,675	186,820,120	467,050,300	13,732,050	34,330,125	611,414,940	(3)	1,550,211,100	5.00	40%	-9.58%
2010	386,726,700	966,816,750	189,290,310	473,225,775	13,732,050	34,330,125	589,749,060	(3)	1,474,372,650	7.50	40%	-4.89%
2011	372,887,190	932,217,975	209,712,150	524,280,375	11,866,310	29,665,775	594,465,650		1,486,164,125	**9.93** (4)	40%	0.80%
2012	**373,027,370**	**932,568,425**	**216,286,170**	**540,715,425**	**11,866,310**	**29,665,775**	**601,179,850**		**1,502,949,625**	**9.98** (5)	**40%**	**1.13%**

Source: City of Fairburn Finance Department

(1) Property values increased from 2006 to 2007 due to annexation activities and reassessment of property values by Fulton County

(2) Personal property values increased from 2007 to 2008 due to annexation activities which included several large industrial companies.

(3) Assessed values have dropped from 2009 to 2010 due to the decline in the value of residential real properties.

(4) Includes Property taxes for general operations at 8.1 mills and additional property tax to cover the debt payments related to the 2011 general obligation bonds at 1.83 mills.

(5) Includes Property taxes for general operations at 8.1 mills and additional property tax to cover the debt payments related to the 2011 general obligation bonds at 1.88 mills.

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			
	City of Fairburn						Total Direct and
Tax Digest Year	Operating Millage	Debt Service	Total	State of Georgia	Fulton County	County School System	Overlapping Millage Rate
2003	6.00		6.00	0.25	16.63	18.06	40.94
2004	5.75		5.75	0.25	16.38	17.61	39.99
2005	5.45		5.45	0.25	16.38	18.11	40.19
2006	5.00		5.00	0.25	21.81	18.11	45.17
2007	5.00		5.00	0.25	20.55	18.09	43.89
2008	5.00		5.00	0.25	10.28	17.50	33.03
2009	5.00		5.00	0.25	10.28	17.50	33.03
2010	7.50		7.50	0.25	10.28	18.50	36.53
2011	8.10	1.83	9.93	0.25	10.55	18.50	39.23
2012	8.10	1.88	9.98	0.25	10.55	18.50	39.28

Source: City of Fairburn Finance Department

CITY OF FAIRBURN, GEORGIA

PRINCIPAL PROPERTY TAX PAYERS
CURRENT AND TEN FISCAL YEARS AGO

	2013			2004		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value
Development Authority of Fulton Co	$ 28,840,764	1	14.32%	$ -		-
M.D. Hodges Enterprises	20,636,880	2	10.25%	-		-
Nestle Purina Petcare Company	15,281,848	3	7.59%	-		-
DCT Southcreek Eagles Landing	13,376,800	4	6.64%	-		-
Owens Corning	9,389,320	5	4.66%	-		-
Toto, USA	9,198,396	6	4.57%	-		-
USF Propco II LPC	8,590,480	7	4.27%	-		-
Exel Logistics	6,542,960	8	3.25%	-		-
Navistar, Inc.	6,042,232	9	3.00%	-		-
Ralston Purina	5,666,000	10	2.81%	-		-
Porex Inc	-		-	6,085,331	1	3.12%
Ambercreek LLC	-		-	2,062,040	2	1.06%
Fairburn Town / Country Club	-		-	1,666,120	3	0.85%
B & K Marketing	-		-	946,200	4	0.48%
Newnan Trading Corp.	-		-	886,990	5	0.45%
Fairburn Health Care	-		-	781,970	6	0.40%
Carolina Builders Company	-		-	673,000	7	0.34%
Estex Manufacturing	-		-	539,060	8	0.28%
Fairburn Banking	-		-	491,700	9	0.25%
Strack Family LLC	-		-	437,360	10	0.22%
All Others	77,828,956		38.64%	180,622,349		92.54%
Totals	$ 201,394,636		100.00%	$ 195,192,120		100.00%

Source: City of Fairburn Finance Department

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
2003	725,054	696,028	96.00%	25,813	721,841	3,213	0.44%	6.00		1,082,707
2004	855,378	836,682	97.81%	14,204	850,886	4,492	0.53%	5.75		1,178,336
2005	956,255	919,386	96.14%	33,842	953,228	3,027	0.32%	5.45		1,251,042
2006	1,141,681	1,097,286	96.11%	41,095	1,138,381	3,300	0.29%	5.00		1,443,222
2007	1,309,390	1,257,805	96.06%	47,302	1,305,107	4,283	0.33%	5.00		1,442,080
2008	2,266,532	2,202,345	97.17%	56,517	2,258,862	7,670	0.34%	5.00		1,449,755
2009	2,966,005	2,814,985	94.91%	129,903	2,944,888	21,117	0.71%	5.00		1,287,811
2010	4,074,329	3,933,168	96.54%	112,697	4,045,865	28,464	0.70%	7.50		1,315,932
2011	4,491,344	4,406,360	96.54%	51,925	4,458,285	33,059	0.74%	9.93	(1)	1,414,814
2012	**4,616,738**	**4,492,199**	**97.30%**	**-**	**4,492,199**	**124,539**	**2.70%**	**9.98**	**(2)**	**1,416,172**

Source: City of Fairburn Finance Department

(1) Includes Property taxes for general operations at 8.1 mills and additional property tax to cover the debt payments related to the 2011 general obligation bonds at 1.83 mills.

CITY OF FAIRBURN, GEORGIA

RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

	Governmental Activities				Business-type Activities					
Fiscal Year	General Obligation Bonds	Capital Leases	Percentage of Estimated Actual Value of Taxable Property	Per Capita	Water & Sewer	Cable TV	Educational Complex	Notes Payable	Capital Leases	Total Primary Government
2004	$ -	$ -	0.00%	-	$ 14,385,000	$ 3,040,000	$ -	$ 196,693	$ -	17,621,693
2005	-	-	0.00%	-	14,295,000	2,940,000	-	171,587	-	17,406,587
2006	-	501,250	0.09%	49	14,065,000	2,840,000	-	131,212	128,024	17,665,535
2007	-	418,251	0.06%	39	13,145,000	-	-	99,217	100,002	13,762,509
2008	-	353,645	0.02%	32	12,685,000	-	9,750,202	80,340	197,709	23,066,928
2009	-	566,916	0.03%	50	12,135,000	-	9,236,166	60,442	173,899	22,172,473
2010	-	466,720	0.03%	41	11,500,000	-	8,702,250	39,538	71,199	20,779,748
2011	10,415,000	306,030	0.73%	929	10,755,000	-	15,280,000	17,361	6,212	36,780,532

CITY OF FAIRBURN, GEORGIA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
SEPTEMBER 30, 2013

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			
Building Authority of Fulton County	$ 14,725,000	1.156%	$ 170,221
Certificates of Participation	96,120,000	1.156%	1,111,147
Economic Recovery Zone Bonds	28,736,000	1.156%	332,188
Library General Obligation Bonds	159,380,000	1.156%	1,842,433
Fulton County Board of Education			
General Obligation Bonds	102,740,000	1.156%	1,187,674
	401,701,000		4,643,664
City of Fairburn, Georgia			
2011 General Obligation Bonds	10,020,000	100.00%	10,415,000
Capital leases	515,001	100.00%	515,001
Total Direct Debt	10,535,001		10,930,001
Total direct and overlapping debt	$ 412,236,001		$ 15,573,665

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

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

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

CITY OF FAIRBURN, GEORGIA

LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS

Fiscal Year	Assessed Value	Percent	Debt Limit	Amount Applicable (1)	Legal Debt Margin
2004	148,761,391	10%	14,876,139	-	14,876,139
2005	166,305,217	10%	16,630,522	-	16,630,522
2006	216,408,403	10%	21,640,840	-	21,640,840
2007	482,113,721	10%	48,211,372	-	48,211,372
2008	667,724,780	10%	66,772,478	-	66,772,478
2009	682,559,911	10%	68,255,991	-	68,255,991
2010	611,414,940	10%	61,141,494	-	61,141,494
2011	589,749,060	10%	58,974,906	10,415,000	48,559,906
2012	594,465,650	10%	59,446,565	10,415,000	49,031,565
2013	601,179,850	10%	60,117,985	10,020,000	50,097,985

(1) The City of Fairburn had no general obligation bonds outstanding during fiscal years 2004 - 2010.

CITY OF FAIRBURN, GEORGIA

PLEDGED REVENUE BOND COVERAGE - WATER & SEWER FUND & ELECTRIC FUND
COMBINED UTILITY REVENUE BONDS (Series 2000; Series 2006; Series 2013)
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
2004	$ 7,744,358	$ 5,168,885	$ 2,575,473	$ -	$ 789,146	$ 789,146	3.26
2005	10,416,948	4,640,293	5,776,655	90,000	789,146	879,146	6.57
2006	13,099,091	6,386,294	6,712,797	230,000	777,934	1,007,934	6.66
2007	12,079,266	6,963,278	5,115,988	355,000	777,934	1,132,934	4.52
2008	11,677,764	7,408,224	4,269,540	460,000	529,644	989,644	4.31
2009	11,616,283	8,051,886	3,564,397	550,000	508,934	1,058,934	3.37
2010	12,170,305	8,163,511	4,006,794	635,000	471,615	1,106,615	3.62
2011	12,580,304	8,884,652	3,695,652	745,000	441,062	1,186,062	3.12
2012	13,532,137	8,980,824	4,551,313	720,000	412,084	1,132,084	4.02
2013	13,621,290	10,600,700	3,020,590	725,000	374,385	1,099,385	2.75

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

(1) Interest expense does not include interest payments to the South Fulton Municipal Regional Water and Sewer Authority - Joint Governed Organization

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

CITY OF FAIRBURN, GEORGIA

PLEDGED REVENUE BOND COVERAGE - EDUCATIONAL COMPLEX FUND
EDUCATIONAL COMPLEX REVENUE BONDS - SERIES 2011 AND 2008
LAST FIVE FISCAL YEARS

Fiscal Year	Operating Revenue	Direct Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage
2009	$ 255,948	$ 291,419	$ (35,471)	$ 514,038	$ 368,558	$ 882,596	(0.04)
2010	435,173	79,324	355,849	533,916	345,274	879,190	0.40
2011	493,319	55,095	438,224	863,920	329,176	1,193,096	0.37
2012	497,474	278,580	218,894	- **(2)**	642,098	642,098	0.34
2013	503,377	86,976	416,401	- **(2)**	639,975	639,975	0.65

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

(1) Direct operating expenses excludes depreciation and amortization expenses

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

CITY OF FAIRBURN, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population	Personal Income (1)	Per Capita Income (1)	Median Age (1)	Median Education Level in Years of Formal Schooling (1)	School Enrollment (3)	Unemployment Rate (2)
2004	9,069	171,385,962	18,898	33.3	12	-	4.60
2005	9,318	176,091,564	18,898	33.3	12	-	4.50
2006	10,167	192,135,966	18,898	33.3	12	-	4.40
2007	10,693	202,076,314	18,898	33.3	12	-	4.20
2008	10,961	207,140,978	18,898	33.3	12	-	9.30
2009	11,335	237,490,920	20,952	36.1	12	-	10.01
2010	11,335	256,873,770	22,662	32.1	12	4,971	10.30
2011	11,542	273,660,820	23,710	32.7	12	5,042	9.30
2012	13,363	296,939,223	22,221	32.0	12	4,982	9.40
2013	13,720	292,579,000	21,325	32.0	12	4,897	9.50

(1) Source: U.S. Census

(2) Source: Georgia Department of Labor

(3) Includes: Creekside High School; Bear Creek Middle School; Campbell Elementary School; Evelyn C. West Elementary School and Landmark Christian School. Information prior to Fiscal Year 2010 is not readily available.

CITY OF FAIRBURN, GEORGIA

PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND EIGHT FISCAL YEARS PRIOR (Earliest Available)

	2013		2005	
Employer	Number of Employees	Rank	Number of Employees	Rank
U.S. Food Services	695	1	756	1
Porex Corporation	420	2	272	4
Nestle Purina Petcare Co.	315	3		
Strack, Inc.	300	4		
Owens Corning	288	5	300	3
Exel Logistics	262	6	750	2
Adesa Atlanta LLC	200	7	180	5
Layne Heavy Civil/ Reynolds, Inc.	200	8		
Prism Pointe Technologies	150	9		
LTI Flexible Products	150	10		
Fairburn Healthcare			98	8
Newnan Trading Company, Inc.			100	6
Estex Manufacturing			100	7
Kingswere Furniture LLC			75	9
Georgia Renaissance Vendors			64	10

CITY OF FAIRBURN, GEORGIA

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

Function	2006	2007	2008	2009	2010	2011	2012	2013
Administrative	28	27	28	35	26	26	23	27
Police	35	41	35	31	33	36	45	37
Fire	28	41	28	47	44	43	44	44
Streets, Parks, and Recreatio	11	11	11	13	15	13	14	13
E-911 (1)	9	10	9	10	8	2	-	-
Electric	5	7	5	9	8	9	8	10
Water and Sewer	4	4	4	5	4	6	6	6
Cable (2)	2	2	2	-	-	-	-	-
	122	143	122	150	138	135	140	137

(1) - Note that the City outsourced its E911 operations in fiscal year 2012; therefore, there are no employees beginning in fiscal year 2012
(2) - Note that the City eliminated cable tv and telecom in 2008.

CITY OF FAIRBURN, GEORGIA

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police										
Physical Arrests	n/a	n/a	699	700	779	614	514	605	1,485	967
Traffic Violations	1,866	2,429	3,169	2,810	2,519	1,136	1,725	2,081	2,428	5,455
Fire										
Number of Calls Answered	n/a	n/a	922	1,739	1,707	1,786	1,655	1,855	2,020	2,078
Inspections	n/a	n/a	-	36	510	420	258	573	496	673
Highways and Streets										
Streets Resurfaced (miles)	0.44	0.36	1.00	-	1.00	0.45	0.44	1.00	-	2.12
Potholes Repaired	n/a	30	32	38	44	48	79	66	88	99
Sanitation										
Refuse Collected (tons/day)	n/a	n/a	2,772	3,416	3,094	5,806	4,310	3,567	6,030	3,599
Recyclables Collected (tons/day)	n/a	n/a	192	181	135	243	145	119	598	622
Water										
Water Mains (miles)	50.0	56.0	56.0	90.5	90.5	91.5	91.6	91.6	91.9	92.2
Fire Hydrants	350	717	717	767	900	900	900	900	903	903
Water Main Breaks	n/a	n/a	12	8	10	6	8	20	15	10
Average Daily Consumption (thousands of gallons)	649	675	851	875	776	791	835	778	811	817
Wastewater and Sewer										
Stormwater system (miles)	24.00	24.30	24.60	36.00	37.25	37.25	37.25	37.98	38.21	38.45
Sanitary system (miles)	51.50	61.00	65.00	68.00	69.00	69.00	69.00	69.00	69.00	69.00
Average Daily Sewage Treatment (thousands of gallons)	**	**	**	**	**	**	**	**	**	**
Public Safety										
Fire Stations	1	1	1	2	2	2	2	2	2	2
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Patrol Units	n/a	n/a	27	35	35	40	40	41	45	33
Highways and Streets										
Miles Paved	56.4	72.1	72.1	95.2	96.5	96.5	96.5	96.5	96.8	96.8
Miles Unpaved	6.0	1.0	2.0	2.6	2.6	2.6	3.0	3.0	3.0	3.0
Street Lights	644	660	660	694	694	695	695	695	702	709
Caution Lights	1	1	1	4	2	2	1	1	1	1
Electric										
Lines (miles)	59	61	61	79	79	79	79	79	79	79
Plant Capacity (KVA)	12,400	12,400	12,400	12,400	12,400	12,400	12,400	12,400	12,400	12,400

n/a - Information is not readily available.
* The Fire Department was created on April 1, 2006
** Sewage is treated by Fulton County.

CITY OF FAIRBURN, GEORGIA

CAPITAL ASSETS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Water										
Water Mains (miles)	50	56	56	90.5	90.5	91.5	91.6	91.6	91.9	91.9
Fire Hydrants	350	717	717	767	900	900	900	900	903	903
Water Main Breaks	n/a	n/a	12	8	10	6	8	20	15	15
Wastewater and Sewer										
Stormwater system (miles)	24	24.3	24.6	36	37.25	37.25	37.25	37.98	38.21	38.21
Sanitary system (miles)	51.5	61	65	68	69	69	69	69	69	69
Public Safety										
Fire Stations	1	1	1	2	2	2	2	2	2	2
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Patrol Units	n/a	n/a	27	35	35	40	40	41	45	33
Highways and Streets										
Miles Paved	56.4	72.1	72.1	95.2	96.5	96.5	96.5	96.5	96.5	96.5
Miles Unpaved	6	1	2	2.6	2.6	2.6	3	3	3	3
Street Lights	644	660	660	694	694	695	695	695	702	712
Caution Lights	1	1	1	4	2	2	1	1	1	1
Electric										
Lines (miles)	59	61	61	79	79	79	79	79	79	79
Number of substations	1	1	1	1	1	2	2	2	2	2
Number of service connections	2,506	2,718	2,961	2,980	2,969	2,966	2,928	2,865	2,902	2,955
Culture and recreation										
Parks acreage	2	2	2	2	2	2	2	2	142	144
Parks	1	1	1	1	1	1	1	1	1	2
Community centers	0	0	0	1	1	1	1	1	1	1

n/a - Information not available.